



Metro

ITEM #54

June 17, 2008

TO: BOARD OF DIRECTORS

**THROUGH: ROGER SNOBLE
CHIEF EXECUTIVE OFFICER**

**FROM: MATT RAYMOND
CHIEF COMMUNICATIONS OFFICER**

SUBJECT: SALES TAX MATERIALS

ISSUE

Information is required for consideration of possible ½ cent sales tax

DISCUSSION

In preparation for the possible introduction of a sales tax ordinance several documents have been prepared:

- A. Presentation on the Polling that was conducted
- B. Top line on the polling that was conducted
- C. Project rankings based on polling that was conducted
- D. Economic impact of construction
- E. Personal impact of a sales tax
- F. A draft ordinance for a sales tax measure
- G. Cost for consolidation of ballot question in November, 2008 election
- H. AB 2321

These elements are components of the full report. Other elements (such as specific ballot language) are still in development or require direction from the board (such as specific projects to be included). Additionally, AB 2321 is currently moving through the legislative process and modifications may be introduced as the Bill progresses.

An oral presentation updating the status of the possible sales tax initiative will be made at EMAC, Item #54. The ordinance however must be introduced at the full board.

NEXT STEPS

Elements (or revision of elements) will be presented to the full board as they are developed, revised or made available.

ATTACHMENTS

- A. Presentation on the Polling that was conducted
- B. Top line on the polling that was conducted
- C. Project rankings based on polling that was conducted
- D. Economic impact of construction
- E. Personal impact of a sales tax
- F. A draft ordinance for a sales tax measure
- G. Cost for consolidation of ballot question in November, 2008 election
- H. AB 2321



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Los Angeles County Transportation Survey

June 5-15, 2008

220-2515

Fairbank, Maslin, Maullin & Associates
Opinion Research & Public Policy Analysis

Santa Monica, CA – Oakland, CA – Madison, WI – Mexico City



Methodology

Survey conducted June 5th-June 15th, 2008

- **Interviews with 1,400 likely November 08 voters in Los Angeles County.**
- **Margin of error for the full sample is of +/- 2.7%**
- **Margin of error for half the sample is +/-3.7%**
- **Margin of error for each Planning Area is +/-6.9%**



Ballot Language Tested

Slide 3

LOS ANGELES COUNTY TRAFFIC RELIEF, LIGHT RAIL EXTENSION AND ROAD SAFETY MEASURE

To relieve traffic congestion by

- Immediately synchronizing traffic signals, repairing thousands of potholes, and adding left turn lanes;
- Extending light rail and connecting it to airports;
- Improving traffic flow on the 5, 10, 60, 101, 110, 210, 405, 605 and 710 freeways;
- Earthquake retrofitting bridges;
- Expanding subway, Metrolink and express bus service;

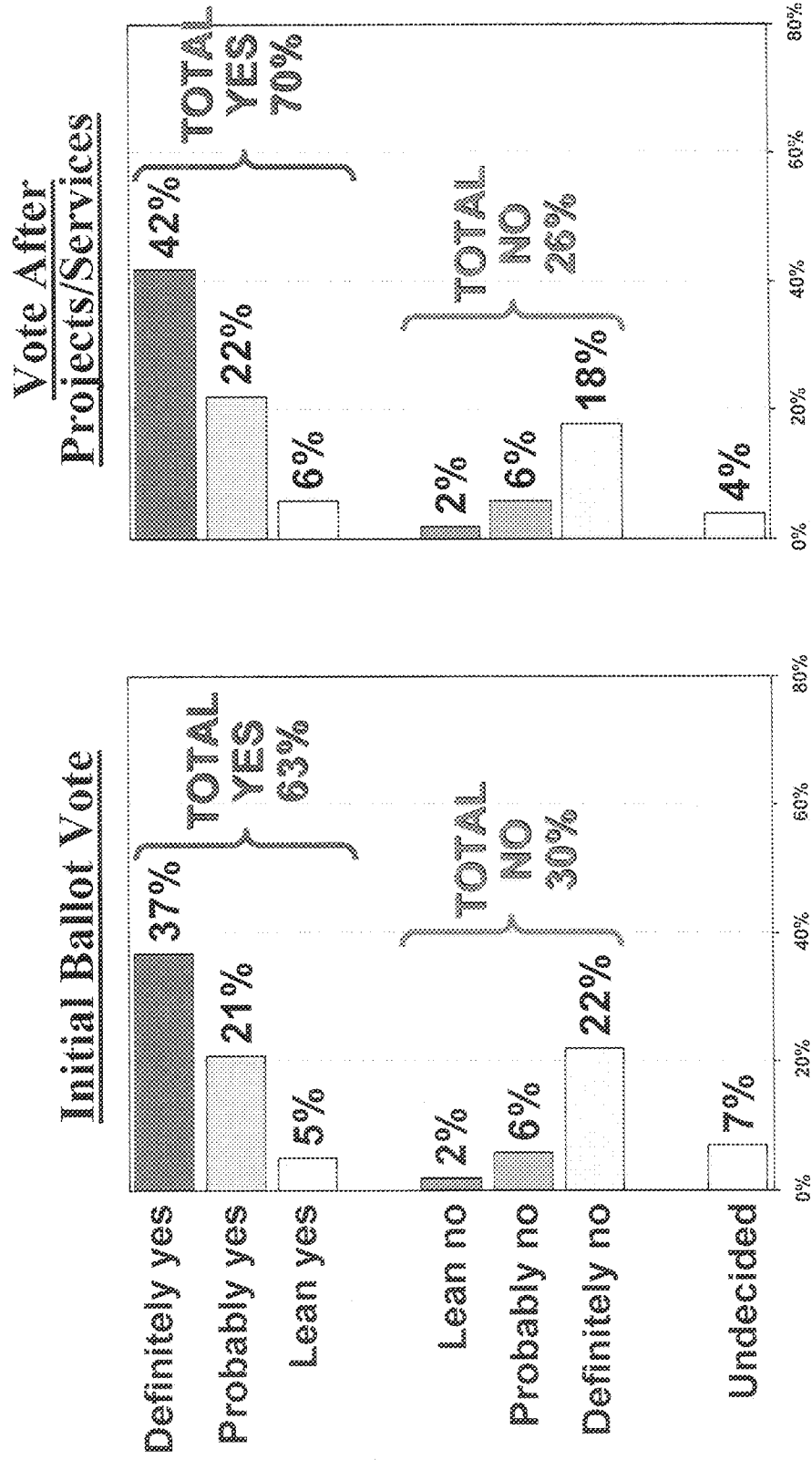
shall the Los Angeles County sales tax be increased by one-half cent for 30 years, with local control, independent audits and public review of expenditures?

Los Angeles County Transportation Survey 2008



Initial Ballot Vote and Vote After General and Specific Area Projects/Services

(Traffic Relief, Light Rail, Road Safety Measure)



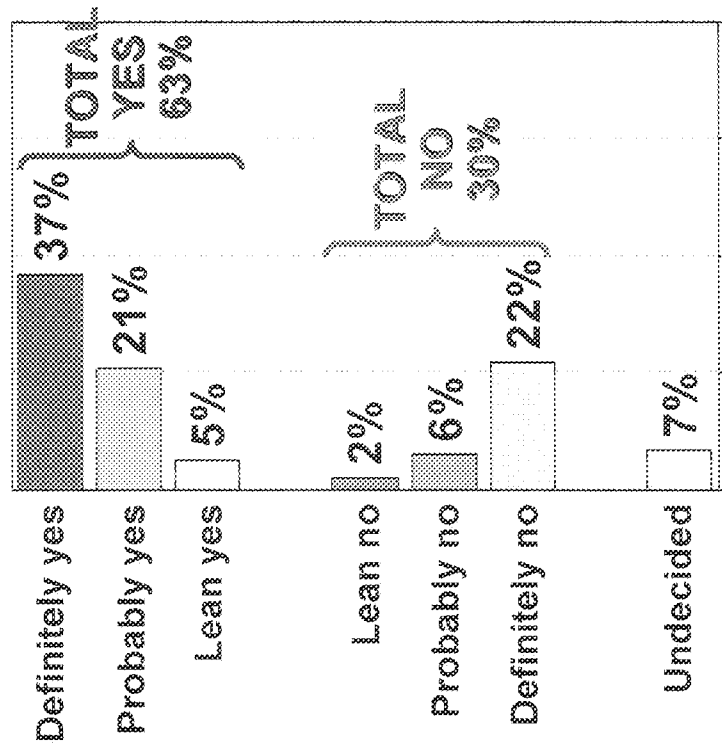
Los Angeles County Transportation Survey 2008



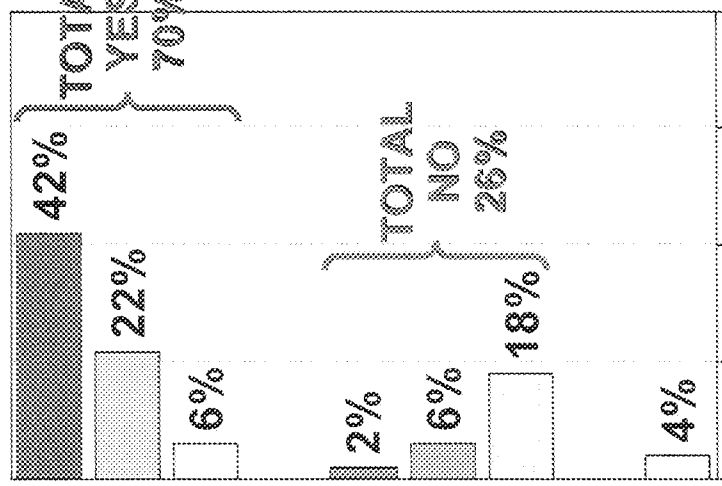
Initial Ballot Vote and Vote After General and Specific Area Projects/Services and Vote after Supportive Statements

(Traffic Relief, Light Rail, Road Safety Measure)

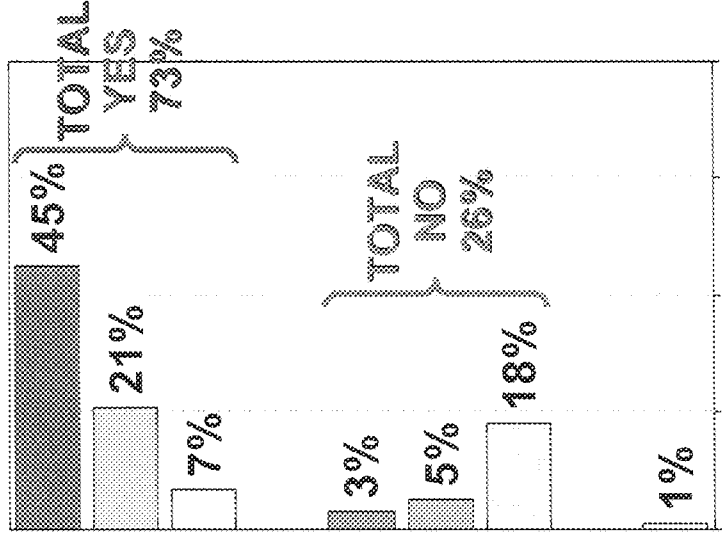
Initial Ballot Vote



Vote After
Projects/Services



Vote After
Supportive Statements



0% 20% 40% 60% 80% 100%

5/9 (Split Sample C)/11 (Split Sample C). If the election were held today on this measure, do you think you would vote yes in favor or no to oppose it?

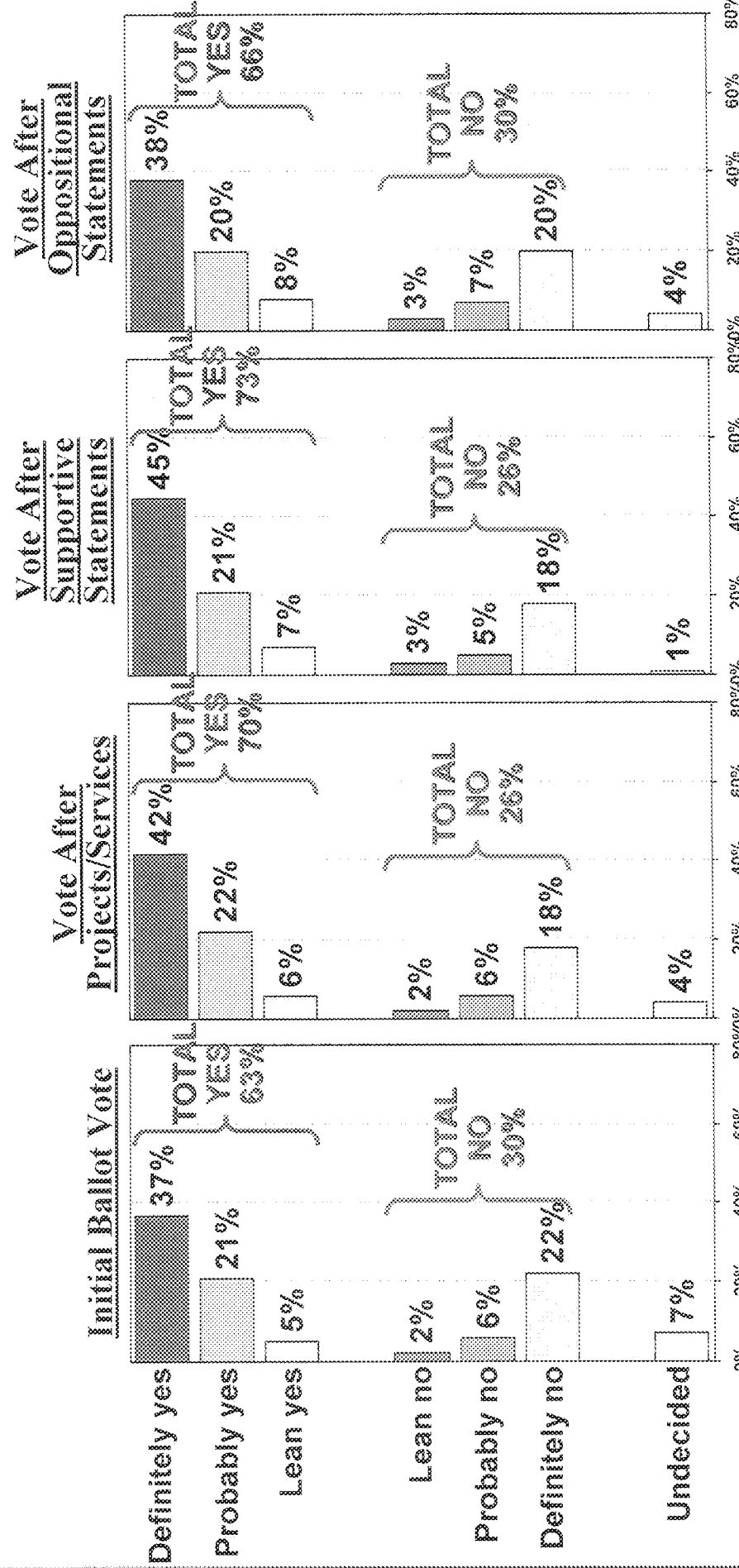
Oppositional Statement

Those people who oppose the measure say that this regressive tax comes at a bad time because hard working families and individuals are getting squeezed in their pocket books from higher food costs, rising gas prices and increased home foreclosures. Opponents also say that the plan calls for only 30 percent of the funds raised to be used for mass transit projects, while 25 percent will go to pay the salaries of already highly paid bus drivers and mechanics, who have gone on strike nine times in the last 35 years. Finally, opponents say Los Angeles County residents have been paying a one-cent sales tax dedicated for local street, freeway and mass transit improvements for the last 20 years, and we still have traffic gridlock. Why should we trust the government now to follow through on their promises.



Initial Ballot Vote, Vote After Projects/ Services and Vote After Supportive and Oppositional Statements

(Traffic Relief, Light Rail, Road Safety Measure)

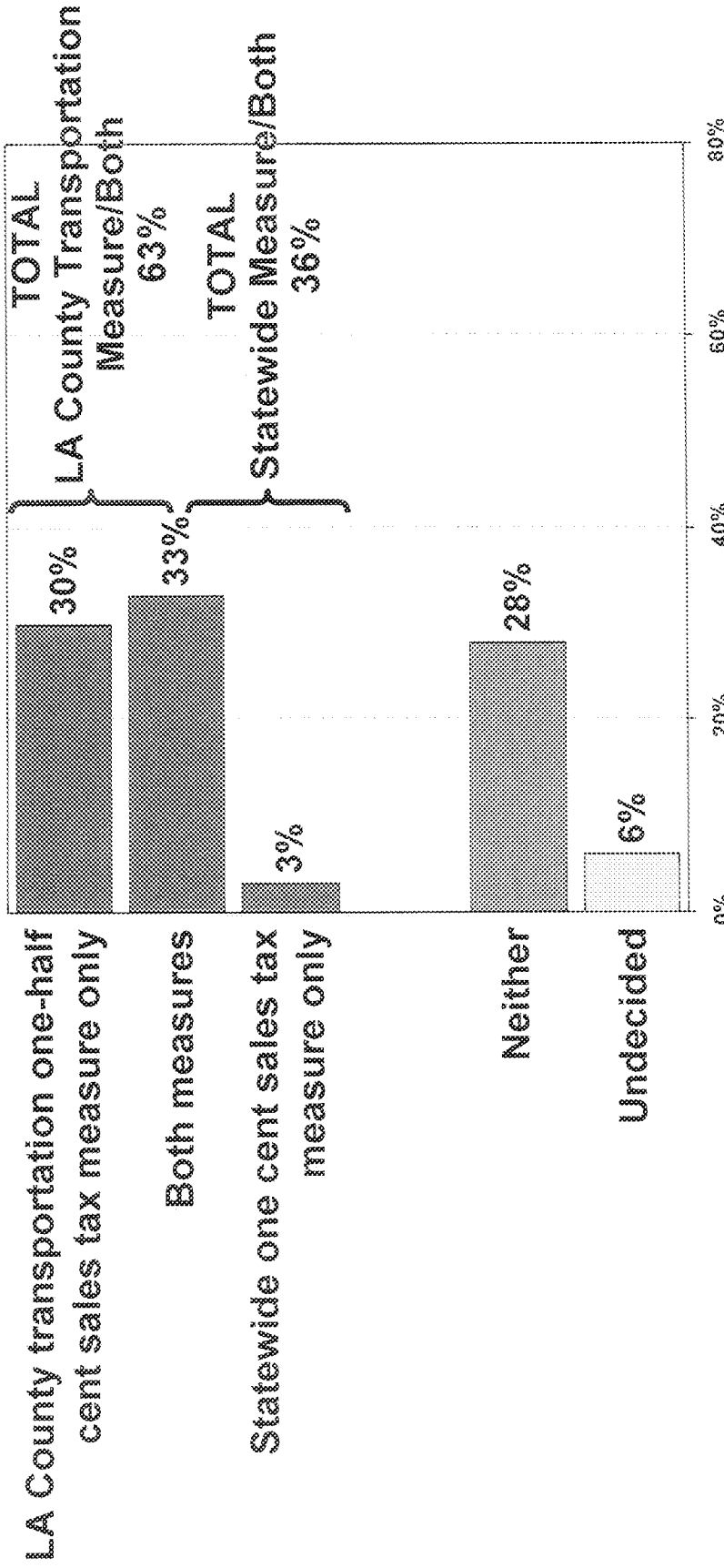


5/9 (Split Sample C) /11 (Split Sample C)/12 (Split Sample C). If the election were held today on this measure, do you think you would vote yes in favor or no to oppose it?

Los Angeles County Transportation Survey 2008



Support for LA County's Transportation Measure if a Statewide One Cent Sales Tax Increase is on the Same Ballot



13. As you may know, California is experiencing a 17 point two billion dollar budget deficit. The Governor is considering placing a proposition on this November's ballot asking voters to approve a one-cent sales tax increase statewide to help balance the budget. If this statewide one-cent sales tax measure was on the same ballot as the one-half cent sales tax we have been discussing, do you think you would vote Yes on both of these ballot measures, vote No on both, or would you vote Yes on the L-A County transportation one-half cent sales tax measure but No on the statewide one cent sales tax measure, or would you vote No on the L-A County transportation measure but Yes on the statewide measure?



Metro

Los Angeles County Transportation Survey

Alternate Language

June 5-15, 2008

220-2515

Fairbank, Maslin, Maullin & Associates
Opinion Research & Public Policy Analysis
Santa Monica, CA – Oakland, CA – Madison, WI – Mexico City

Ballot Language Tested

LOS ANGELES COUNTY TRAFFIC RELIEF, MASS TRANSIT EXTENSION, AIR POLLUTION PREVENTION AND REDUCTION OF FOREIGN OIL DEPENDENCE MEASURE

To relieve traffic congestion in every community by

- Synchronizing traffic signals, repairing potholes, and adding left turn lanes;
- Extending mass transit and connecting it to airports;
- Improving freeway traffic flow;
- Replacing current diesel buses with cleaner burning buses;
- Adding carpool lanes;
- Expanding the number and use of hybrid vehicles to reduce carbon emissions;

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

Los Angeles County Transportation Survey 2008

Fairbank,
Maslin,
Mautlin &
Associates

Commuter Benefits &
Public Policy Analysis



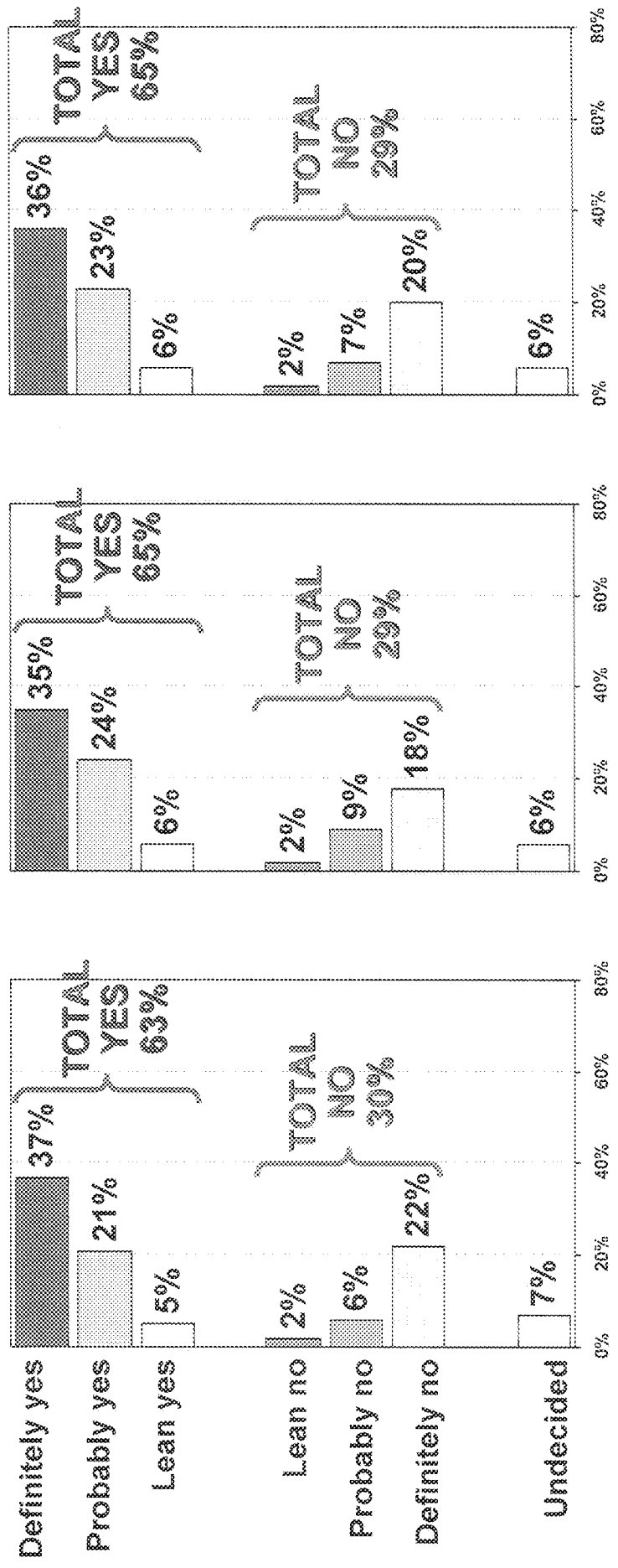
Slide 11

Support for Traffic Relief/Light Rail and Road Safety Versus Traffic Relief/Mass Transit/Air Pollution Prevention/Foreign Oil Dependence Reduction

Traffic Relief/Mass Transit/Air
Pollution Prevention/Foreign
Oil Dependence Reduction

Traffic Relief/Light Rail/
Road Safety Measure

Combined



5/6. If the election were held today on this measure, do you think you would vote yes in favor or no to oppose it?

Los Angeles County Transportation Survey 2008

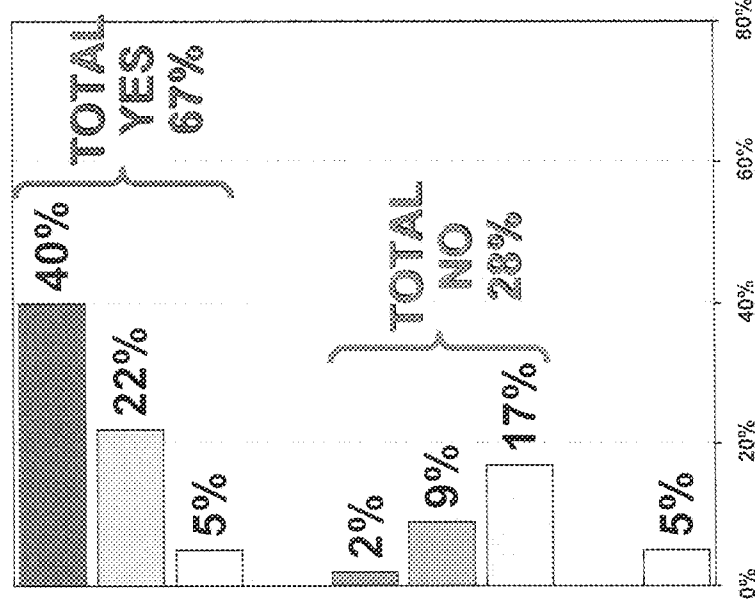


Slide 12

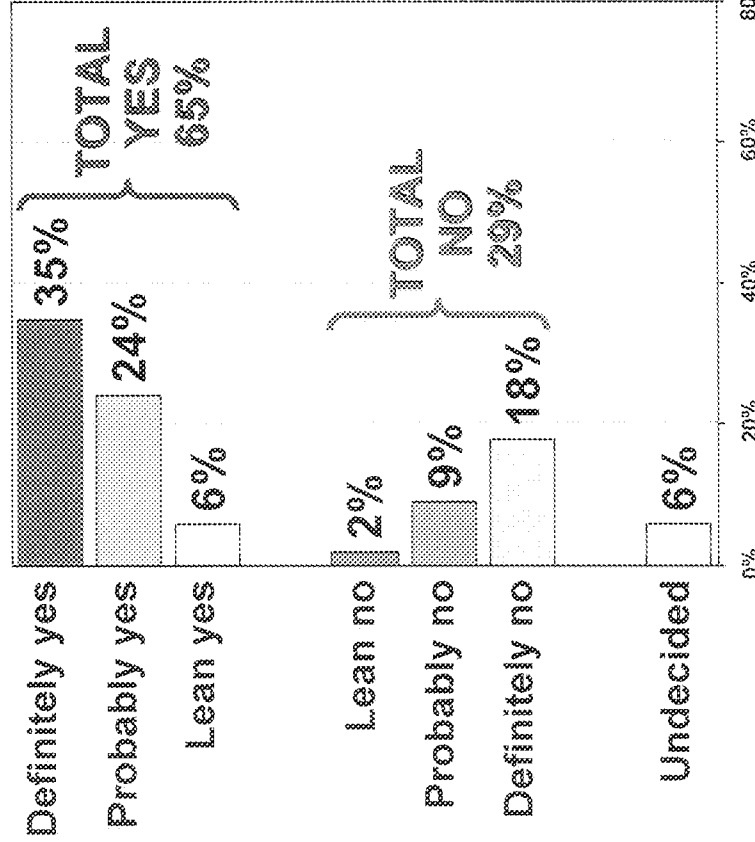
Initial Ballot Vote and Vote After General and Specific Area Projects/Services

(Traffic Relief, Mass Transit, Pollution, Reduction of Foreign Oil)

Vote After
Projects/Services



Initial Ballot Vote



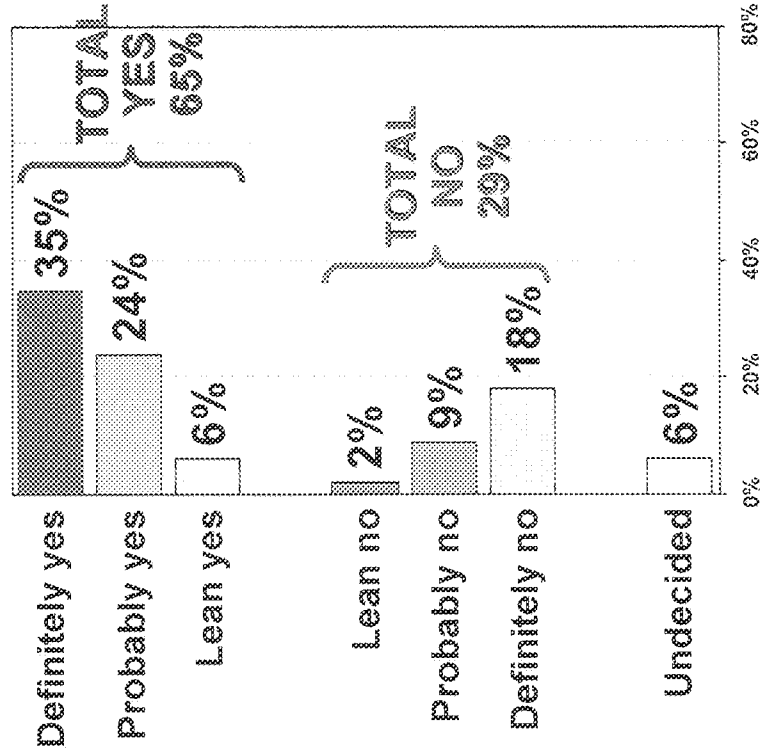
Los Angeles County Transportation Survey 2008



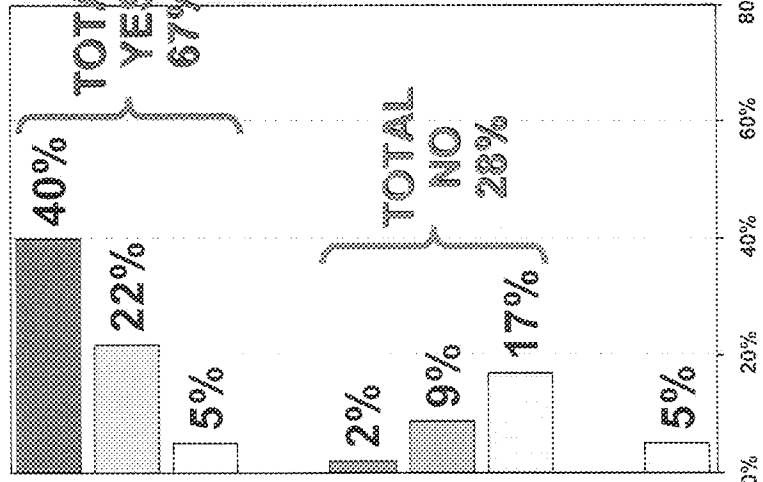
Initial Ballot Vote and Vote After General and Specific Area Projects/Services and Vote after Supportive Statements

(Traffic Relief, Mass Transit, Pollution, Reduction of Foreign Oil Dependence)

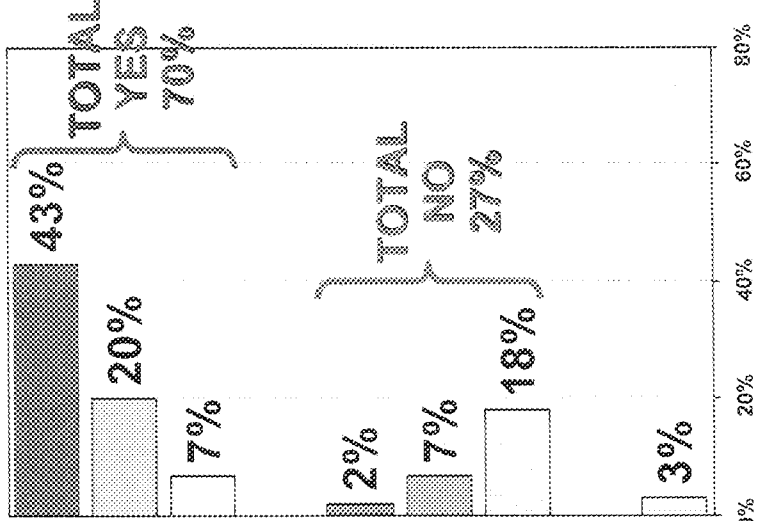
Initial Ballot Vote



Vote After
Projects/Services



Vote After
Supportive Statements

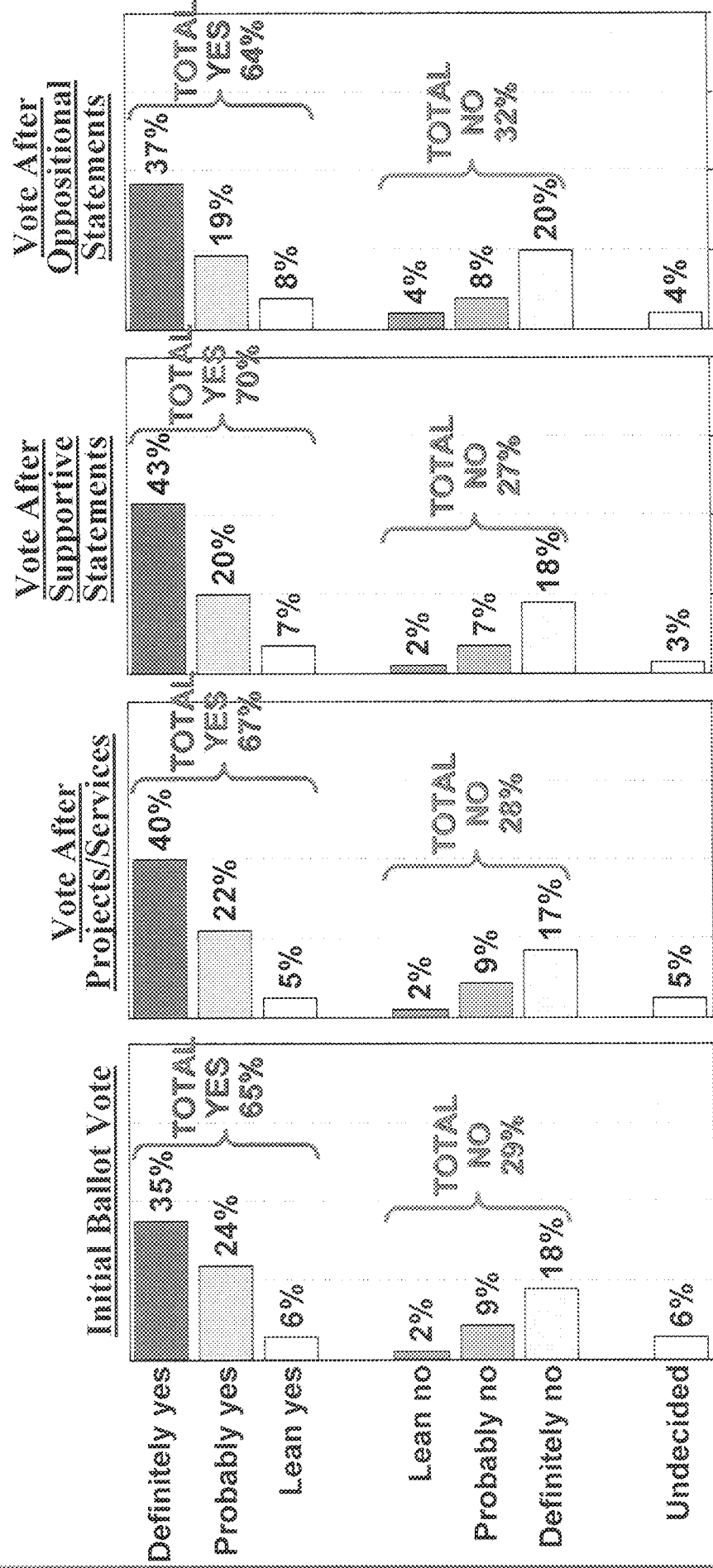


Los Angeles County Transportation Survey 2008

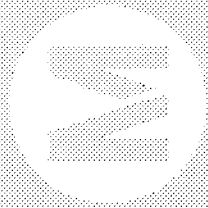


Initial Ballot Vote, Vote After Projects/ Services and Vote after Supportive and Oppositional Statements

(Traffic Relief, Mass Transit, Pollution, Reduction of Foreign Oil Dependence)



0% 20% 40% 60% 80%
6/9 (Split Sample D) /11 (Split Sample D)/12 (Split Sample D). If the election were held today on this measure, do you think you would vote yes in favor or no to oppose it?



Metro

Los Angeles County Transportation Survey

Combined

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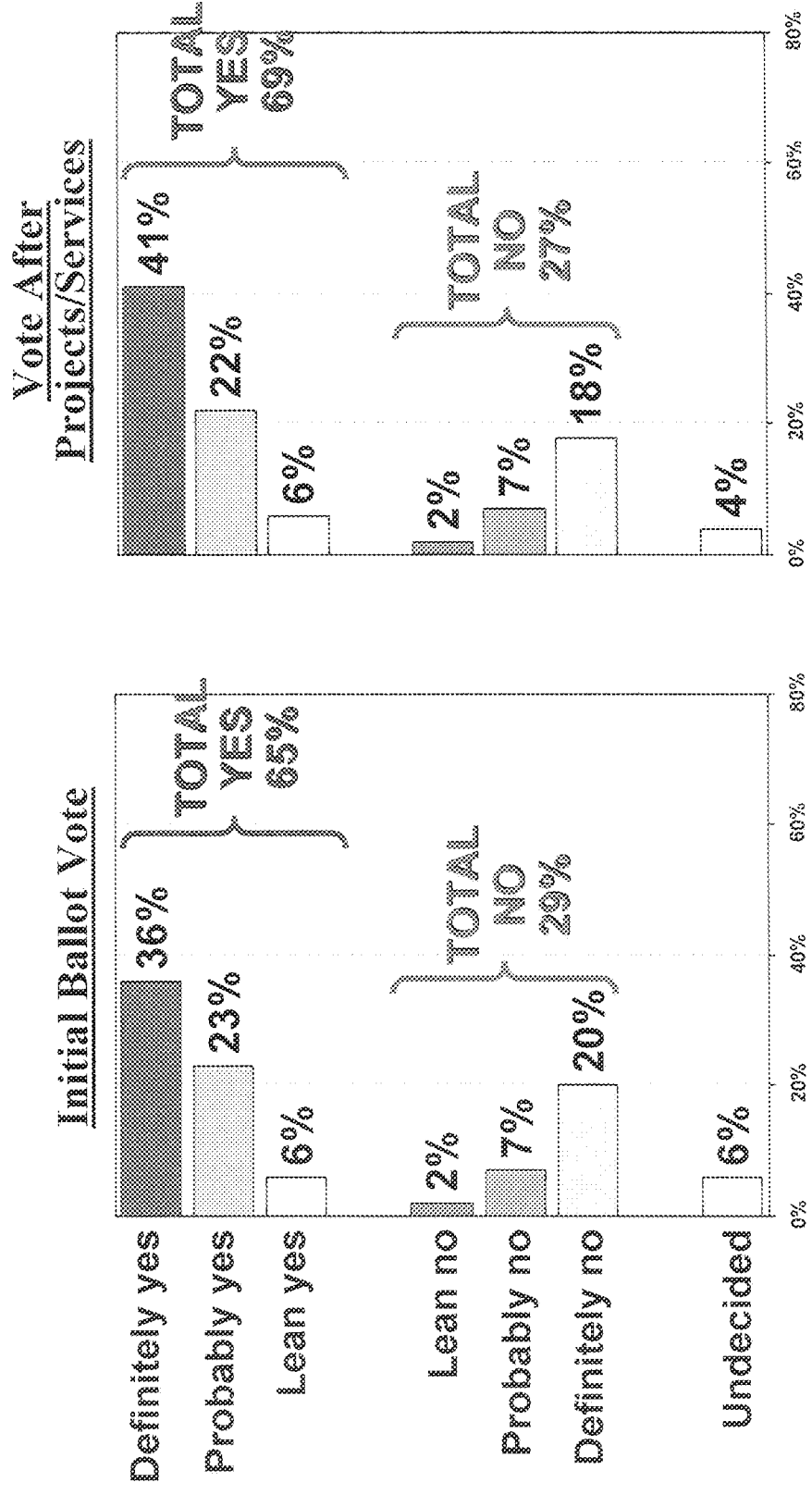
Santa Monica, CA — Oakland, CA — Madison, WI — Mexico City

Los Angeles County Transportation Survey 2008



Initial Ballot Vote and Vote After General and Specific Area Projects/ Services by Planning Area

(Combined)



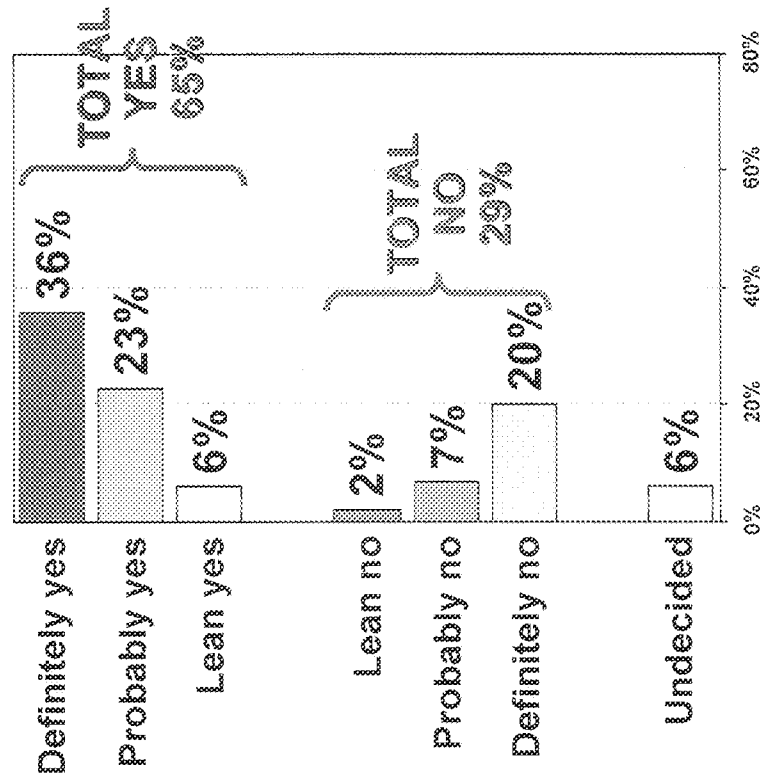
5/6 combined/9. If the election were held today on this measure, do you think you would vote yes in favor or no to oppose it?

Los Angeles County Transportation Survey 2008

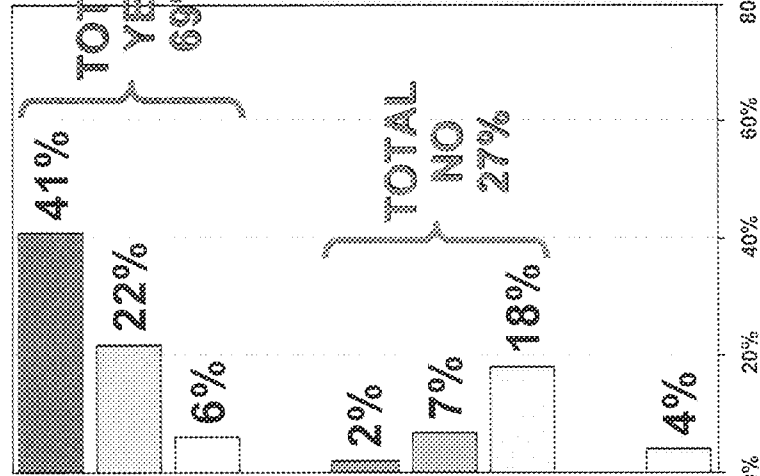


Initial Ballot Vote and Vote After General and Specific Area Projects/Services and Supportive Statements by Planning Area (Combined)

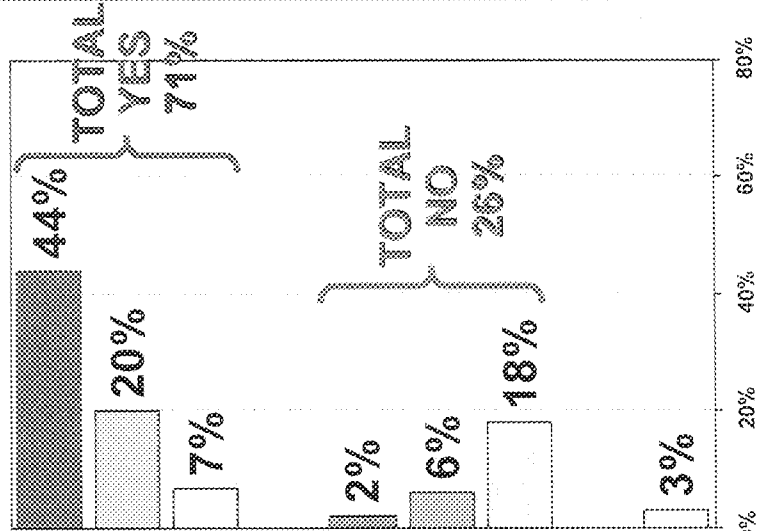
Initial Ballot Vote



Vote After
Projects/Services



Vote After
Supportive Statements



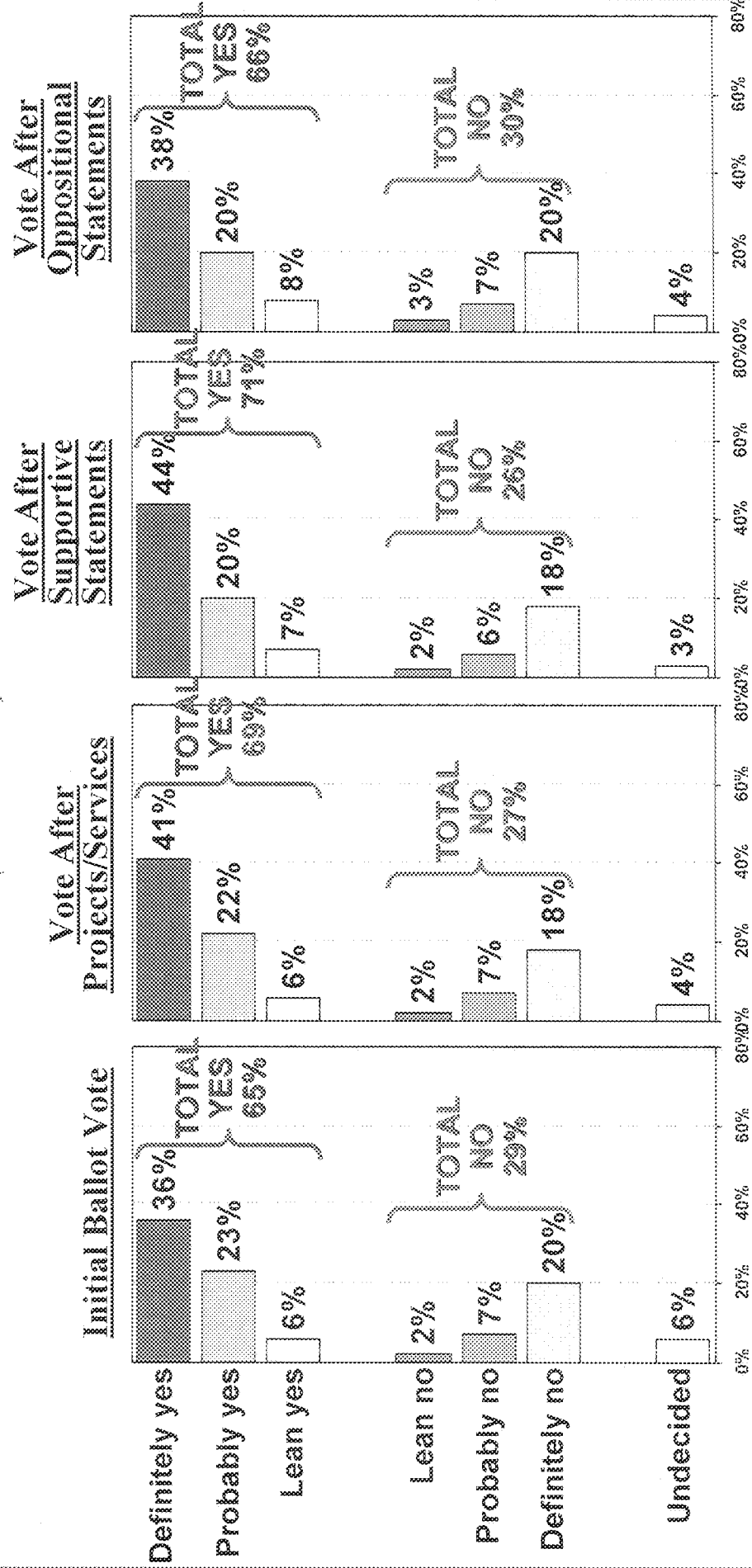
5/6 combined/9/11. If the election were held today on this measure, do you think you would vote yes in favor or no to oppose it?

Los Angeles County Transportation Survey 2008



Initial Ballot Vote, Vote After Projects/Services, Vote After Supportive Statements, Vote After Oppositional Statements

(Combined)



5/6 combined/9 /11/12. If the election were held today on this measure, do you think you would vote yes in favor or no to oppose it?

LOS ANGELES COUNTY TRANSPORTATION BALLOT MEASURE SURVEY 2008
JOB #220-2515 WFT
N=1402

Time Began _____
 Time Ended _____
 Minutes _____

Hello, I'm _____ from FMA, a public opinion research company. We are not telemarketers trying to sell anything, or ask for a donation of any type. We're conducting a public opinion survey about issues that concern people in Los Angeles County. May I speak to _____? **(MUST SPEAK TO PERSON LISTED. VERIFY THAT THE VOTER LIVES AT THE ADDRESS LISTED, OTHERWISE TERMINATE.) (IF NOT AVAILABLE, ASK WHEN IT WOULD BE CONVENIENT TO CALL AGAIN.) (NOTE TO INTERVIEWERS: IF RESPONDENT ANSWERS PHONE IN SPANISH – “BUENO,” “HOLA, ETC., ” IMMEDIATELY RESPOND WITH SPANISH LANGUAGE INTRODUCTION OR HAND OFF TO SPANISH-CAPABLE INTERVIEWER)**

0. Sometimes people are busy and are not able to vote. As you may know there will be a statewide general election next November 2008 for President, Congress, and local elections in Los Angeles County where candidates for county and city government and local propositions are on the ballot. Looking ahead, how likely are you to vote in that election – will you definitely vote, probably vote, are the chances 50-50 that you will vote, or will you probably not vote?

(DON'T READ) First time voter----- 2%
 Definitely vote-----92%
 Probably vote ----- 5%
 50-50----- 1%
 Probably not vote ----- 0%
(DEFINITELY NOT VOTE) ----- TERMINATE
(DON'T KNOW / NOT SURE) ----- 0%

0. Next, thinking about _____ in general, would you say things are going in the right direction or would you say they are off on the wrong track?

	<u>RIGHT DIRECTION</u>	<u>WRONG TRACK</u>	<u>(DON'T READ) MIXED</u>	<u>(DON'T READ) DK/NA</u>
(DO NOT ROTATE)				
. (T) The state of California -----	17%	63%	17%	3%
. (T) Los Angeles County-----	19%	59%	16%	5%
. (T) Your area -----	43%	39%	15%	3%

NOW LET ME ASK YOU ABOUT A MEASURE THAT MAY APPEAR ON THE BALLOT IN AN UPCOMING LOS ANGELES COUNTY ELECTION.

(ASK SPLIT SAMPLE A ONLY)

0. One measure that may be on an upcoming county ballot would ask voters to approve a Los Angeles County transportation improvement measure which will fund traffic relief and safety improvements on local streets, highways and freeways as well as expand bus, light rail and subway services, throughout the county by increasing the county sales tax by five-tenths of one percent. If the election were held today on this measure, do you think you would vote yes in favor or no to oppose it? **(IF YES/NO ASK:)** "Is that definitely [YES/NO] or just probably?" **(IF UNDECIDED, NEED MORE INFORMATION, OR DK/NA ASK:)** "What are you leaning towards, voting YES, or voting NO?" (58)

Definitely yes-----31%
 Probably yes -----21%
 Undecided, lean yes----- 6%
 Undecided, lean no----- 2%
 Probably no-----10%
 Definitely no -----18%
(DON'T READ) Need more information -----12%
(DON'T READ) DK/NA ----- 1%

(ASK SPLIT SAMPLE B ONLY)

0. One measure that may be on an upcoming county ballot would ask voters to approve a Los Angeles County transportation improvement measure which will fund traffic relief and safety improvements on local streets, highways and freeways as well as expand bus, light rail and subway services, throughout the county by increasing the county sales tax by one-half cent. If the election were held today on this measure, do you think you would vote yes in favor or no to oppose it? **(IF YES/NO ASK:)** "Is that definitely [YES/NO] or just probably?" **(IF UNDECIDED, NEED MORE INFORMATION, OR DK/NA ASK:)** "What are you leaning towards, voting YES, or voting NO?" (57)

Definitely yes-----33%
 Probably yes -----18%
 Undecided, lean yes----- 6%
 Undecided, lean no----- 3%
 Probably no----- 9%
 Definitely no -----21%
(DON'T READ) Need more information -----10%
(DON'T READ) DK/NA ----- 1%

(ASK SPLIT SAMPLE C ONLY)

0. I would now like to read to you the proposed measure entitled **LOS ANGELES COUNTY TRAFFIC RELIEF, LIGHT RAIL EXTENSION AND ROAD SAFETY MEASURE**, may read as follows:

To relieve traffic congestion by

- Immediately synchronizing traffic signals, repairing thousands of potholes, and adding left turn lanes;
- Extending light rail and connecting it to airports;
- Improving traffic flow on the 5, 10, 60, 101, 110, 210, 405, 605 and 710 freeways ;
- Earthquake retrofitting bridges;
- Expanding subway, Metrolink and express bus service;

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

If the election were held today on this measure, do you think you would vote yes in favor or no to oppose it? **(IF YES/NO ASK:)** "Is that definitely **[YES/NO]** or just probably?" **(IF UNDECIDED, NEED MORE INFORMATION, OR DK/NA ASK:)** "What are you leaning towards, voting YES, or voting NO?" (63)

Definitely yes-----37%
 Probably yes -----21%
 Undecided, lean yes----- 5%
 Undecided, lean no----- 2%
 Probably no----- 6%
 Definitely no -----22%
(DON'T READ) Need more information ----- 5%
(DON'T READ) DK/NA ----- 1%

(ASK SPLIT SAMPLE D ONLY)

0. I would now like to read to you the proposed measure entitled **LOS ANGELES COUNTY TRAFFIC RELIEF, MASS TRANSIT EXTENSION, AIR POLLUTION PREVENTION AND REDUCTION OF FOREIGN OIL DEPENDENCE MEASURE**, may read as follows:

To relieve traffic congestion in every community by

- Synchronizing traffic signals, repairing potholes, and adding left turn lanes;
- Extending mass transit and connecting it to airports;
- Improving freeway traffic flow;
- Replacing current diesel buses with cleaner burning buses;
- Adding carpool lanes;
- Expanding the number and use of hybrid vehicles to reduce carbon emissions;

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

If the election were held today on this measure, do you think you would vote yes in favor or no to oppose it? **(IF YES/NO ASK:)** "Is that definitely [YES/NO] or just probably?" **(IF UNDECIDED, NEED MORE INFORMATION, OR DK/NA ASK:)** "What are you leaning towards, voting YES, or voting NO?" (65)

Definitely yes-----35%
 Probably yes -----24%
 Undecided, lean yes----- 6%
 Undecided, lean no----- 2%
 Probably no----- 9%
 Definitely no -----18%
(DON'T READ) Need more information ----- 6%
(DON'T READ) DK/NA ----- 0%

Q5/Q6. Combined (65)

Definitely yes-----36%
 Probably yes -----23%
 Undecided, lean yes----- 6%
 Undecided, lean no----- 2%
 Probably no----- 7%
 Definitely no -----20%
(DON'T READ) Need more information ----- 5%
(DON'T READ) DK/NA ----- 0%

(RESUME ASKING ALL RESPONDENTS)

0. Next, I am now going to read you a list of ways money from the transportation ballot measure could be used throughout Los Angeles County. Regardless of your opinion of the measure, after I mention each one, please tell me how willing you would be personally to pay for that proposed item through a sales tax increase. We will use a scale of one to seven, where one means **NOT AT ALL WILLING** to pay through a sales tax increase for that item and seven means you are **VERY WILLING** to pay through a sales tax increase for that item. If you have no opinion or don't know enough about that item I mention, you can tell me that too. Here is the first one... **(ROTATE)**

							(DON'T READ) DK	
	Not At					Very		
	All					Willing		
	Willing							
	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>	<u>6</u>	<u>7</u>	<u>8</u>
								<u>MEAN</u>

(ASK ALL RESPONDENTS)

[] .	Extending the subway from downtown Los Angeles to the beach-----	18%--	6% --	6% --	7% -	13%--	9%	39% --	2%	4.8
[] .	<u>Using a portion of the funds to pay for transit workers' salaries</u> -----	23%--	7% --	7% --	11% -	14% -	11%	22% --	4%	4.1
[] .	Funding transportation projects that reduce global warming-----	17%--	4% --	4% --	6% -	14% -	11%	40% --	3%	4.9
[] .	Funding transportation projects that reduce air pollution-----	12%--	3% --	4% --	7% -	13% -	15%	44% --	2%	5.3
[]bb.	Reducing foreign oil dependence -----	10%--	2% --	3% --	4% -	12% -	11%	55% --	3%	5.7

(ASK SPLIT SAMPLE A ONLY)

[] .	Repairing 4 hundred thousand potholes annually-----	11%--	3% --	4% --	7% -	12% -	15%	46% --	1%	5.4
[] .	Synchronizing 3 thousand traffic signals annually-----	14%--	4% --	4% --	6% -	14% -	14%	41% --	2%	5.1
[] .	Constructing 115 miles of freeway sound walls -----	21%--	8% --	9% --	8% -	15% -	13%	22% --	4%	4.2
[] .	Keeping transit fares low for seniors, the disabled and students-----	9%--	3% --	2% --	6% -	9% -	12%	58% --	1%	5.8
[] .	Adding 200 miles of car-pool lanes on local freeways and highways -----	16%--	4% --	5% --	9% -	16% -	12%	36% --	3%	4.9
[] .	Adding thousands of left turn lanes and dedicated turn signals-----	13%--	5% --	5% --	9% -	15% -	15%	35% --	2%	5.0
[] .	Expanding park and ride access at transit stations -----	15%--	4% --	7% --	7% -	17% -	13%	34% --	3%	4.9
[] .	Improving traffic safety on every county freeway and highway-----	14%--	4% --	5% --	5% -	14% -	15%	41% --	3%	5.2
[] .	Extending Metrolink-----	13%--	4% --	5% --	5% -	13% -	15%	43% --	3%	5.2

	Not At All Willing							Very Willing		(DON'T READ) DK	
	1	2	3	4	5	6	7	8		MEAN	
(ASK SPLIT SAMPLE B ONLY)											
[]	Repairing tens of thousands of potholes-----									12%-- 2% --5% --6%-13%-14% 48% -- 1%	5.4
[]	Synchronizing thousands of traffic signals annually-----									13%-- 3% --4% --6%-16%-15% 40% -- 3%	5.2
[]	Connecting all four light rail lines in downtown Los Angeles enabling easier access to businesses, offices, restaurants, entertainment, sporting events and other places in the county -----									13%-- 4% --4% --6%-18%-12% 40% -- 3%	5.1
[]	Keeping bus fares low for seniors, the disabled and students-----									10%-- 2% --3% --4% --8%-14% 60% -- 0%	5.8
[]	Improving transportation services for seniors and the disabled-----									9%-- 3% --4% --6%-12%-13% 52% -- 2%	5.6
[]	Adding carpool lanes -----									17%-- 4% --5% --6%-17%-17% 31% -- 2%	4.8
[]	Improving traffic safety at hundreds of local intersections -----									13%-- 4% --5% --5%-16%-14% 42% -- 2%	5.2
[]	Providing incentives to increase ride sharing and van pool opportunities-----									14%-- 5% --8% --7%-15%-18% 30% -- 3%	4.8
[]	Preventing toxic polluted roadway runoff from entering stormdrains and flowing into local coastal waters and onto county beaches -----									12%-- 3% --4% --7%-13%-15% 45% -- 1%	5.3
(ASK SPLIT C ONLY)											
[]	Increasing the number of charging stations for cars with plug-ins in all communities across the county -----									20%-- 5% --6% --7%-18%-12% 28% -- 4%	4.5
[]	Reducing consumption of petroleum based fuels-----									13%-- 2% --3% --8%-15%-12% 43% -- 4%	5.3
[]	Expanding express bus service -----									16%-- 3% --4% --7%-16%-15% 36% -- 2%	5.0
[]	Using recycled materials in the building of all new mass transit projects and highways-----									15%-- 3% --4% --5%-14%-16% 42% -- 2%	5.2

	Not At All Willing		Very Willing					(DON'T READ) DK	MEAN
	1	2	3	4	5	6	7	8	
(ASK SPLIT C CON'T)									
[] . Expanding the number and use of hybrid vehicles -----	16%	4%	4%	8%	14%	13%	38%	2%	5.0
[]bb. Improving traffic flow on the 5, 10, 60, 101, 110, 210, 405, 605 and 710 freeways-----	15%	2%	4%	6%	13%	12%	47%	2%	5.3
(ASK SPLIT D ONLY)									
[]bb. Converting Los Angeles County bus fleet to hydrogen power -----	14%	4%	7%	7%	13%	13%	36%	5%	4.9
[]bb. Expanding the number and use of hybrid vehicles to reduce carbon emissions-----	14%	4%	7%	7%	15%	13%	35%	4%	4.9
[]bb. Replacing diesel buses with cleaner burning buses-----	11%	3%	5%	6%	12%	14%	46%	2%	5.4
[]bb. Reducing freeway truck traffic-----	14%	4%	7%	8%	15%	12%	36%	4%	4.9
[]bb. Extending the light rail and subway system over 110 miles -----	14%	3%	6%	7%	13%	14%	38%	5%	5.1
[]ii. Improving freeway traffic flow -----	11%	2%	4%	5%	13%	16%	46%	3%	5.5

(RESUME ASKING ALL RESPONDENTS)

0. While the last list I read you directly benefits all areas of Los Angeles County, I would now like to mention to you a detailed list of projects or services that will specifically benefit your area. After each one, please tell me if knowing that this project or service will be funded by the measure makes you very likely, somewhat likely, not too likely, or not at all likely to vote for this measure. If the project or service makes no difference on how you would vote for this measure one way or another, you can tell me that too. Here is the first one... **(ROTATE)**

MUCH MORE LIKELY	SW MORE LIKELY	NOT TOO LIKELY	NOT AT ALL LIKELY	NO DIFF	(DON'T READ) DK/NA
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(ASK ONLY VOTERS IN WEST LOS ANGELES; THE SOUTH BAY AND CENTRAL)

[] . Extending light rail along Crenshaw Boulevard from Exposition Boulevard through Inglewood; connecting up to the Los Angeles International Airport and the Green light rail line and ending up in Redondo Beach -----	44%	25%	7%	7%	14%	2%
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<u>MUCH MORE LIKELY</u>	<u>SW MORE LIKELY</u>	<u>NOT TOO LIKELY</u>	<u>NOT AT ALL LIKELY</u>	<u>NO DIFF</u>	<u>(DON'T READ) DK/NA</u>
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(ASK ONLY VOTERS IN WEST LOS ANGELES AND CENTRAL)

- [] . Adding over 16 miles of
carpools lanes in each
direction on the 10 freeway
between the City of Santa
Monica and downtown Los
Angeles-----46%-----25%-----6%-----10%-----12%-----1%
- [] . Extending light rail from
downtown Los Angeles along
Exposition Boulevard through
Cheviot Hills to the Beach-----44%-----23%-----5%-----12%-----13%-----3%

(ASK ONLY VOTERS IN THE SOUTH BAY AND SOUTHEAST)

- [] . Creating both a 12 mile
carpool lane and a 7 mile
additional lane in both
directions on the 5 freeway
between the 710 Freeway and
the Orange County line to end
severe back-ups at the county
line-----41%-----24%-----5%-----11%-----18%-----1%
- [] . Repairing the Vincent Thomas
Bridge along the 47 in San
Pedro, which is on the
national watch list of bridges
and overpasses in need of
repair-----42%-----27%-----6%-----9%-----14%-----2%

(ASK ONLY VOTERS IN CENTRAL; SAN GABRIEL VALLEY AND SOUTHEAST)

- [] . Extending the Metro Gold light
rail line nearly 10 miles from
East Los Angeles to the City of
Whittier-----38%-----24%-----10%-----8%-----16%-----4%

(ASK ONLY VOTERS IN- SAN GABRIEL VALLEY AND SOUTHEAST)

- [] . Constructing 19 bridges or
underpasses and improving
the operation of 36 other rail
intersections along a 35-mile
stretch of the San Gabriel
Valley to reduce traffic
congestion and improve traffic
safety-----41%-----27%-----9%-----7%-----14%-----1%

	<u>MUCH MORE LIKELY</u>	<u>SW MORE LIKELY</u>	<u>NOT TOO LIKELY</u>	<u>NOT AT ALL LIKELY</u>	<u>NO DIFF</u>	<u>(DON'T READ) DK/NA</u>
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(ASK ONLY VOTERS IN WEST LOS ANGELES)

- [] . Expanding five regional and neighborhood bus services, such as Santa Monica's Big Blue Bus, Culver City Bus and local Dash buses ----- 46% -----27%-----5%-----10%-----12% ----- 1%
- [] . Dedicating millions of dollars to every community on the westside of Los Angeles to fund such local traffic relief projects as synchronizing traffic signals, adding left turn lanes, repairing potholes, and improving safety at hundreds of intersections. ----- 52% -----24%-----3%----- 8% -----12% ----- 2%

(ASK ONLY VOTERS IN THE SOUTH BAY)

- [] . Extending the Metro Green light rail line through Los Angeles International Airport to Wilmington----- 41% -----29%-----6%-----10%-----11% ----- 2%
- [] . Expanding eleven regional and neighborhood bus services, such as Torrance Transit, Beach Cities Transit and local Dash buses----- 38% -----30%-----8%----- 7% -----17% ----- 0%
- [] . Dedicating millions of dollars to every community in the South Bay and southern parts of the City of Los Angeles to fund such local traffic relief projects as synchronizing traffic signals, adding left turn lanes, repairing potholes, and improving safety at hundreds of intersections. ----- 41% -----35%-----6%----- 8% -----10% ----- 1%

(ASK ONLY VOTERS IN CENTRAL)

- [] . Expanding 13 regional and neighborhood bus services, such as Foothill Transit, Compton Transit Line, Commerce Transit and local Dash buses ----- 41% -----30%-----9%----- 7% -----13% ----- 1%

<u>MUCH MORE LIKELY</u>	<u>SW MORE LIKELY</u>	<u>NOT TOO LIKELY</u>	<u>NOT AT ALL LIKELY</u>	<u>NO DIFF</u>	<u>(DON'T READ) DK/NA</u>
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(ASK ONLY VOTERS IN CENTRAL CON'T)

[] . Dedicating millions of dollars to every community in central Los Angeles to fund such local traffic relief projects as synchronizing traffic signals, adding left turn lanes, repairing potholes, and improving safety at hundreds of intersections.----- 52% -----26%-----8%----- 7% ----- 6% ----- 1%

(ASK ONLY VOTERS IN SAN GABRIEL VALLEY)

[] . Improving the 57 and the 60 interchange to help ease traffic flow and improve traffic safety----- 50% -----23%-----6%----- 6% ----- 14% ----- 1%

[] . Adding an 11 mile carpool lane in both directions on the 10 freeway between the 605 and 57 freeways ----- 46% -----24%-----5%----- 9% ----- 13% ----- 2%

[] . Extending the 710 through a five-mile tunnel under South Pasadena to link up the 10 and 210 freeways ----- 41% -----25%-----8%----- 7% ----- 15% ----- 4%

(ASK ONLY VOTERS IN SAN GABRIEL VALLEY CONTINUED)

[] . Extending the Metro Gold light rail 27 miles from Pasadena to Montclair ----- 50% -----22%-----4%----- 6% ----- 17% ----- 2%

[] . Expanding 14 regional and neighborhood bus services, such as Foothill Transit, Montebello Bus Lines, and Pasadena Area Rapid Transit System ----- 47% -----26%-----7%----- 6% ----- 12% ----- 2%

[] . Dedicating millions of dollars to every community in the San Gabriel Valley to fund such local traffic relief projects as synchronizing traffic signals, adding left turn lanes, repairing potholes, and improving safety at hundreds of intersections.----- 49% -----26%-----5%----- 7% ----- 11% ----- 2%

<u>MUCH MORE LIKELY</u>	<u>SW MORE LIKELY</u>	<u>NOT TOO LIKELY</u>	<u>NOT AT ALL LIKELY</u>	<u>NO DIFF</u>	<u>(DON'T READ) DK/NA</u>
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(ASK ONLY VOTERS IN SAN FERNANDO VALLEY – NON- NORTH)

[] .	Extending the Metro Orange Line busway along Canoga Avenue, adding stations at Sherman Way, Roscoe, Nordoff and connecting up to the Chatsworth Metrolink Station-----	41%	-----23%	-----9%	-----11%	-----14%	-----1%
[] .	Adding a 10 mile northbound carpool lane on the 4-0-5- from the 10 through the Sepulveda pass to the 101 freeway -----	38%	-----28%	-----11%	-----10%	-----12%	-----2%
[] .	Improving the 101 and 405 interchange to help ease traffic flow and improve traffic safety-----	48%	-----22%	-----10%	-----9%	-----7%	-----2%
[] .	Adding 22 miles of carpool lanes on the 101 freeway in each direction from the Ventura County line to downtown Los Angeles -----	39%	-----29%	-----9%	-----13%	-----9%	-----1%
[] .	Adding 13 miles of additional lanes on the 101 in each direction from Topanga Canyon Boulevard in Woodland Hills to the Ventura County line -----	33%	-----29%	-----9%	-----14%	-----13%	-----1%
[] .	Expanding five regional and neighborhood bus services, such as Burbank local Transit, Glendale Beeline, and local Dash buses-----	36%	-----29%	-----13%	-----10%	-----12%	-----0%

<u>MUCH MORE LIKELY</u>	<u>SW MORE LIKELY</u>	<u>NOT TOO LIKELY</u>	<u>NOT AT ALL LIKELY</u>	<u>NO DIFF</u>	<u>(DON'T READ) DK/NA</u>
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(ASK ONLY VOTERS IN SAN FERNANDO VALLEY – NON- NORTH CONTINUED)

- [] . Dedicating millions of dollars to every community in the southern part of the San Fernando Valley to fund such local traffic relief projects as synchronizing traffic signals, adding left turn lanes, repairing potholes, and improving safety at hundreds of intersections. ----- 43% -----27%----- 12%----- 7% -----10% ----- 1%
- [] . Creating an interchange from the 1-70 to the 101 going East bound into the Valley----- 38% -----27%----- 9%-----10%-----15% ----- 1%

(ASK ONLY VOTERS IN SAN FERNANDO VALLEY - NORTH)

- [] . Creating an additional 27 mile lane in each direction on Highway 1-38 between Pearblossom highway and the San Bernardino County line to improve traffic safety and circulation----- 34% -----22%----- 13%-----18%-----12% ----- 1%
- [] . Adding a carpool lane and a dedicated truck lane in both directions on the I-5 between highway 14 and the 1-26 freeway----- 37% -----24%----- 9%-----18%-----11% ----- 1%
- [] . Creating a 37 mile carpool lane and an additional lane in both directions on the 14 from I-5 to Avenue P8 to ensure a continuous three lanes in each direction ----- 34% -----24%----- 10%-----17%-----14% ----- 1%
- [] . Constructing a new 28 mile High Desert highway linking the Antelope Valley to Apple Valley reducing the travel time by half from 40 to 20 minutes ----- 32% -----20%----- 13%-----20%-----15% ----- 0%
- [] . Expanding two regional and neighborhood bus services, such as Santa Clarita Transit and Antelope Valley Transit----- 34% -----24%----- 9%-----17%-----14% ----- 2%

<u>MUCH MORE LIKELY</u>	<u>SW MORE LIKELY</u>	<u>NOT TOO LIKELY</u>	<u>NOT AT ALL LIKELY</u>	<u>NO DIFF</u>	<u>(DON'T READ) DK/NA</u>
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(ASK ONLY VOTERS IN SAN FERNANDO VALLEY - NORTH)

[] . Dedicating millions of dollars to every community in the northern part of the San Fernando Valley to fund such local traffic relief projects as synchronizing traffic signals, adding left turn lanes, repairing potholes, and improving safety at hundreds of intersections. ----- 30% ----- 25% ----- 10% ----- 18% ----- 16% ----- 0%

(ASK ONLY VOTERS IN SOUTHEAST)

[] . Reducing truck traffic on the 710 in both directions between the ports of Los Angeles and Long Beach and the 60 freeway ----- 39% ----- 27% ----- 9% ----- 9% ----- 14% ----- 3%

[] . Expanding 18 regional and neighborhood bus services, such as Long Beach Transit, Norwalk Transit, Cerritos on Wheels, and local Dash buses ----- 42% ----- 27% ----- 6% ----- 5% ----- 15% ----- 4%

[] . Dedicating millions of dollars to every community in the southeastern part of Los Angeles County to fund such local traffic relief projects as synchronizing traffic signals, adding left turn lanes, repairing potholes, and improving safety at hundreds of intersections. ----- 39% ----- 29% ----- 10% ----- 7% ----- 13% ----- 1%

(RESUME ASKING ALL RESPONDENTS)

0. Now that you have heard about various local transportation improvement projects and services, I would like to ask you again about the **(ASK SPLIT SAMPLE C ONLY: LOS ANGELES COUNTY TRAFFIC RELIEF, LIGHT RAIL EXTENSION AND ROAD SAFETY MEASURE) (ASK SPLIT SAMPLE D ONLY: LOS ANGELES COUNTY TRAFFIC RELIEF, MASS TRANSIT EXTENSION, AIR POLLUTION PREVENTION AND REDUCTION OF FOREIGN OIL DEPENDENCE MEASURE)**, which would fund local street and freeway improvements and expand mass transit by increasing the county sales tax one-half cent for 30 years, with independent audits, local control of funds, and public review of expenditures: If the election were held today, would you vote yes in favor or no to oppose it? **(IF YES/NO ASK:)** "Is that definitely [YES/NO] or just probably?" **(IF UNDECIDED, NEED MORE INFORMATION, OR DK/NA ASK:)** "What are you leaning towards, voting YES, or voting NO?"

TOTAL (69)

Definitely Yes -----41%
 Probably Yes-----22%
 Undecided, lean yes----- 6%
 Undecided, lean no----- 2%
 Probably No ----- 7%
 Definitely No-----18%
(DON'T READ) Need more information ----- 4%
(DON'T READ) DK/NA ----- 0%

SPLIT C (Traffic Relief, Light Rail, Road Safety) (70)

Definitely Yes -----42%
 Probably Yes-----22%
 Undecided, lean yes----- 6%
 Undecided, lean no----- 2%
 Probably No ----- 6%
 Definitely No-----18%
(DON'T READ) Need more information ----- 3%
(DON'T READ) DK/NA ----- 0%

SPLIT D (Traffic Relief, Mass Transit, Pollution Prevention, Reduction Foreign Oil) (67)

Definitely Yes -----40%
 Probably Yes-----22%
 Undecided, lean yes----- 5%
 Undecided, lean no----- 2%
 Probably No ----- 9%
 Definitely No-----17%
(DON'T READ) Need more information ----- 4%
(DON'T READ) DK/NA ----- 0%

10. Now I am going to mention to you some statements made by supporters of the transportation ballot measure we have been discussing. After hearing each statement, please tell me if it makes you more inclined to vote for this ballot measure. If the statement has no effect on your thinking, one way or the other, please tell me that too. **(IF MORE INCLINED, ASK: "Is that much more or just somewhat?") (ROTATE)**

MUCH MORE INCL. SW MORE INCL. (LESS INCL) (DON'T BEL.) NO EFF. DK/NA

(ASK ALL RESPONDENTS)

- []a. (T) Most of Los Angeles County's highway system is over 50 years old and the number of cars today far exceeds what the system was built to handle. This measure will immediately improve traffic flow and prepare for tens of thousands of additional cars expected on our local streets and freeways in the next few years. ----- 42% ---- 25% ----- 7%----- 5% --- 20% ---- 2%
- []b. The funds from this measure will lead to the annual synchronization of 3 thousand traffic lights and the repair of 400 thousand potholes. It will also add 190 miles of freeway lanes, 200 miles of carpool lanes, and expand light rail by 100 miles. These specific projects are part of a comprehensive transportation plan that will immediately relieve traffic gridlock on local streets and freeways. ----- 45% ---- 25% ----- 7%----- 5%----- 17% ---- 1%
- []c. If we don't invest in a complete regional and local solution to traffic gridlock now, the costs will triple to do it in the future. ----- 42% ---- 26% ----- 6%----- 5%----- 19% ---- 2%
- []d. Fifty-eight percent of the oil we use comes from foreign sources and foreign oil use is expected to grow to 68 percent by 2025. But, this measure will help us reduce our foreign oil dependency by providing commuters with a more expansive light rail, subway, Metrolink and rapid express bus system that offers commuters a realistic and practical alternative to gas guzzling cars. ----- 45% ---- 23% ----- 7%----- 6%----- 17% ---- 1%

MUCH MORE INCL. SW MORE INCL. (LESS INCL) (DON'T BEL.) NO EFF. DK/NA

(ASK SPLIT SAMPLE A ONLY)

[]e. The Los Angeles area is dramatically behind every major

North American urban area in the development of a comprehensive mass transit system, costing our economy jobs. Without effective mass transit, gridlock will only get worse; resulting in businesses leaving and even more wasted time sitting in our cars.

-----43% -----24% -----6% -----4% -----20% -----3%

(ASK SPLIT SAMPLE B ONLY)

[]. Mass transit projects funded by this measure will create about 10 thousand jobs and hundreds of job training opportunities a year for the next 30 years. With the economy in serious decline, passing this measure is an immediate and long-term economic stimulus that our local area and county needs.

-----45% -----24% -----7% -----5% -----18% -----1%

(ASK SPLIT SAMPLE A ONLY)

[]. Dramatically rising gas prices and the cost of wear and tear on cars from the thousands of potholes on local streets is squeezing Los Angeles residents' pocket books. This one-half cent sales tax increase, resulting in about 28 dollars a year per residents, will provide real mass transit options, immediate road repair and significant cost savings.

-----45% -----25% -----6% -----6% -----17% -----1%

(ASK SPLIT SAMPLE B ONLY)

[]. Experts say this one-half cent sales tax increase measure will cost the average person about 28 dollars a year. That's about a half a tank of gas, which is a small price to pay to relieve a completely overwhelmed transportation system.

-----45% -----25% -----7% -----7% -----15% -----1%

MUCH **SW**
MORE **MORE**
INCL. INCL. **(LESS** **(DON'T** **NO**
 INCL) **BEL.)** **EFF.** **DK/NA**

(ASK SPLIT SAMPLE A ONLY)

[] . Right now Los Angeles County's transit system is limited in where it goes. This measure will dramatically expand the system county-wide, providing residents with practical, affordable and convenient transportation alternatives to depending on a gas guzzling car.-----44%-----25%-----6%-----4%-----19%-----1%

(ASK SPLIT SAMPLE B ONLY)

[] . With a gallon of gas surging to 5 dollars and more, tens of thousands of Los Angeles County residents have begun to use mass transit for the first time. This measure will help encourage more transit commuters by expanding the system, and making it a more practical and realistic alternative to costly commuting by car.-----47%-----26%-----7%-----4%-----16%-----0%

(ASK SPLIT SAMPLE A ONLY)

[] . (T) This measure requires strict oversight, including annual mandatory independent financial and performance audits, local control of all funds and public review of all project expenditures. These requirements ensure that funds are spent efficiently, effectively and as promised.-----42%-----24%-----5%-----7%-----20%-----1%

(ASK SPLIT SAMPLE B ONLY)

[] . This measure requires that transportation improvements begin immediately and establishes financial incentives and penalties for contractors to ensure the completion of longer term projects on time and on budget.-----42%-----25%-----6%-----6%-----20%-----1%

<u>MUCH MORE INCL.</u>	<u>SW MORE INCL.</u>	<u>(LESS INCL)</u>	<u>(DON'T BEL.)</u>	<u>NO EFF.</u>	<u>DK/NA</u>
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(ASK SPLIT SAMPLE A ONLY)

[] . Cuts in federal and state funding to local transportation projects and services have cost Los Angeles County over 100 million dollars this year alone. With no change in sight, we need to pass this measure to ensure that Los Angeles County has a reliable source of funding to complete needed transportation improvements. ----- 39% ----- 25% ----- 7% ----- 4% ----- 22% ----- 2%

(ASK SPLIT SAMPLE B ONLY)

[] . Approving this measure will unlock 11 point 4 billion dollars in state and federal government matching transportation funds for Los Angeles County, which would otherwise go to another county. ----- 45% ----- 24% ----- 7% ----- 7% ----- 16% ----- 1%

(ASK SPLIT SAMPLE A ONLY)

[] . By speeding up the development of mass transit and the conversion of diesel buses to cleaner fuels this measure will decrease greenhouse gas emissions and reduce Los Angeles County's contribution to global warming. ----- 44% ----- 24% ----- 7% ----- 5% ----- 19% ----- 1%

(ASK SPLIT SAMPLE B ONLY)

[] . Our county's air quality and children's asthma rates are the worst in the nation. By speeding up the development of mass transit and the conversion of diesel buses to cleaner fuels this measure will greatly reduce the amount of toxic pollutants we and our children breathe and will greatly reduce greenhouse gas emissions ----- 45% ----- 27% ----- 6% ----- 5% ----- 15% ----- 1%

<u>MUCH MORE INCL.</u>	<u>SW MORE INCL.</u>	<u>(LESS INCL)</u>	<u>(DON'T BEL.)</u>	<u>NO EFF.</u>	<u>DK/NA</u>
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(ASK SPLIT SAMPLE A ONLY)

[]. A coalition of local firefighters, police officers, Cal Tech earthquake experts, traffic engineers, Mothers Against Drunk Drivers, local chambers of commerce and labor unions, the Southern California Automobile Association, and conservation groups along with leading Los Angeles County Democrats and Republicans support this measure and its practical solutions to our transportation needs. ----- 41% ----- 22% ----- 5% ----- 4% ----- 27% ----- 1%

(ASK SPLIT SAMPLE B ONLY)

[]. Environmentalists, including the Sierra Club, Heal the Bay, the National Audubon Society, and the Nature Conservancy strongly support this measure because it expands mass transit, reduces global warming and prevents toxic road runoff from flowing into our rivers, bays and onto our local beaches. ----- 40% ----- 27% ----- 7% ----- 4% ----- 21% ----- 1%

(RESUME ASKING ALL RESPONDENTS)

0. Now that you have heard more about it, I would like to ask you again about the **(ASK SPLIT SAMPLE C ONLY: LOS ANGELES COUNTY TRAFFIC RELIEF, LIGHT RAIL EXTENSION AND ROAD SAFETY MEASURE) (ASK SPLIT SAMPLE D ONLY: LOS ANGELES COUNTY TRAFFIC RELIEF, MASS TRANSIT EXTENSION, AIR POLLUTION PREVENTION AND REDUCTION OF FOREIGN OIL DEPENDENCE MEASURE)** which would fund local street and freeway improvements and expand mass transit by increasing the county sales tax one-half cent for 30 years, with independent audits, local control of funds, and public review of expenditures: If the election were held today, would you vote yes in favor or no to oppose it? **(IF YES/NO ASK:)** "Is that definitely [YES/NO] or just probably?" **(IF UNDECIDED, NEED MORE INFORMATION, OR DK/NA ASK:)** "What are you leaning towards, voting YES, or voting NO?"

TOTAL (71)

Definitely Yes -----	44%
Probably Yes-----	20%
Undecided, lean yes-----	7%
Undecided, lean no-----	2%
Probably No -----	6%
Definitely No-----	18%
(DON'T READ) Need more information -----	3%
(DON'T READ) DK/NA -----	0%

SPLIT C (Traffic Relief, Light Rail, Road Safety) (73)

Definitely Yes -----	45%
Probably Yes-----	21%
Undecided, lean yes-----	7%
Undecided, lean no-----	3%
Probably No -----	5%
Definitely No-----	18%
(DON'T READ) Need more information -----	2%
(DON'T READ) DK/NA -----	0%

SPLIT D (Traffic Relief, Mass Transit, Pollution Prevention, Reduction Foreign Oil) (70)

Definitely Yes -----	43%
Probably Yes-----	20%
Undecided, lean yes-----	7%
Undecided, lean no-----	2%
Probably No -----	7%
Definitely No-----	18%
(DON'T READ) Need more information -----	3%
(DON'T READ) DK/NA -----	0%

12. **(READ SLOWLY)** Next, those people who oppose the measure say that this regressive tax comes at a bad time because hard working families and individuals are getting squeezed in their pocket books from higher food costs, rising gas prices and increased home foreclosures. Opponents also say that the plan calls for only 30 percent of the funds raised to be used for mass transit projects, while 25 percent will go to pay the salaries of already highly paid bus drivers and mechanics, who have gone on strike nine times in the last 35 years. Finally, opponents say Los Angeles County residents have been paying a one-cent sales tax dedicated for local street, freeway and mass transit improvements for the last 20 years, and we still have traffic gridlock. Why should we trust the government now to follow through on their promises. Now that you have heard more about it, I would like to ask you again about the **(ASK SPLIT SAMPLE C ONLY: LOS ANGELES COUNTY TRAFFIC RELIEF, LIGHT RAIL EXTENSION AND ROAD SAFETY MEASURE) (ASK SPLIT SAMPLE D ONLY: LOS ANGELES COUNTY TRAFFIC RELIEF, MASS TRANSIT EXTENSION, AIR POLLUTION PREVENTION AND REDUCTION OF FOREIGN OIL DEPENDENCE MEASURE)** which would fund local street and freeway improvements and expand mass transit by increasing the county sales tax one-half cent for 30 years, with independent audits, local control of funds, and public review of expenditures: If the election were held today, would you vote yes in favor or no to oppose it? **(IF YES/NO ASK:)** "Is that definitely [YES/NO] or just probably?" **(IF UNDECIDED, NEED MORE INFORMATION, OR DK/NA ASK:)** "What are you leaning towards, voting YES, or voting NO?"

TOTAL (66)

Definitely Yes	-----38%
Probably Yes	-----20%
Undecided, lean yes	----- 8%
Undecided, lean no	----- 3%
Probably No	----- 7%
Definitely No	-----20%
(DON'T READ) Need more information	----- 3%
(DON'T READ) DK/NA	----- 0%

SPLIT C (Traffic Relief, Light Rail, Road Safety) (66)

Definitely Yes	-----38%
Probably Yes	-----20%
Undecided, lean yes	----- 8%
Undecided, lean no	----- 3%
Probably No	----- 7%
Definitely No	-----20%
(DON'T READ) Need more information	----- 2%
(DON'T READ) DK/NA	----- 1%

SPLIT D (Traffic Relief, Mass Transit, Pollution Prevention, Reduction Foreign Oil) (64)

Definitely Yes	-----37%
Probably Yes	-----19%
Undecided, lean yes	----- 8%
Undecided, lean no	----- 4%
Probably No	----- 8%
Definitely No	-----20%
(DON'T READ) Need more information	----- 4%
(DON'T READ) DK/NA	----- 0%

13. Next, as you may know, California is experiencing a 17 point two billion dollar budget deficit. The Governor is considering placing a proposition on this November's ballot asking voters to approve a one-cent sales tax increase statewide to help balance the budget. If this statewide one-cent sales tax measure was on the same ballot as the one-half cent sales tax **(ASK SPLIT SAMPLE C ONLY: LOS**

ANGELES COUNTY TRAFFIC RELIEF, LIGHT RAIL EXTENSION AND ROAD SAFETY MEASURE) (ASK SPLIT SAMPLE D ONLY: LOS ANGELES COUNTY TRAFFIC RELIEF, MASS TRANSIT EXTENSION, AIR POLLUTION PREVENTION AND REDUCTION OF FOREIGN OIL DEPENDENCE MEASURE), we have been discussing; do you think you would vote Yes on both of these ballot measures, vote No on both, or (ROTATE) [] would you vote Yes on the L-A County transportation one-half cent sales tax measure but No on the statewide one cent sales tax measure, or [] would you vote No on the L-A County transportation measure but Yes on the statewide measure?

TOTAL (63)

Table with 2 columns: Response and Percentage. Rows include: Both measures (33%), No on both (28%), [] LA County transportation one-half cent sales tax measure only (30%), [] Statewide one cent sales tax measure only (3%), (DK/NA) (6%).

SPLIT C (Traffic Relief, Light Rail, Road Safety) (65)

Table with 2 columns: Response and Percentage. Rows include: Both measures (34%), No on both (27%), [] LA County transportation one-half cent sales tax measure only (31%), [] Statewide one cent sales tax measure only (3%), (DK/NA) (5%).

SPLIT D (Traffic Relief, Mass Transit, Pollution Prevention, Reduction Foreign Oil) (62)

Table with 2 columns: Response and Percentage. Rows include: Both measures (32%), No on both (30%), [] LA County transportation one-half cent sales tax measure only (30%), [] Statewide one cent sales tax measure only (2%), (DK/NA) (6%).

(RESUME ASKING ALL RESPONDENTS)

HERE ARE MY FINAL QUESTIONS. THESE QUESTIONS ARE FOR CLASSIFICATION PURPOSES ONLY.

0. Do you regularly ride public transportation? (IF YES ASK:) Did you start riding public transportation for the first time in the last year?

Table with 2 columns: Response and Percentage. Rows include: Yes ride it, started in the last year (7%), Yes ride it, no started before the last year (9%), Yes ride it, Don't know when started (4%), Yes ride it, No answer when started (3%), No don't ride it (76%), (DON'T READ) No answer on whether ride it (1%).

0. (T) Do you own your own home or are you a renter?

Own-----	68%
Rent -----	30%
(DON'T READ) Refused-----	1%

0. (T) With which racial or ethnic group do you identify yourself: Hispanic or Latino, African-American or Black, White or European, Asian, or some other ethnic or racial background?

Latino/Hispanic -----	25%
African American/Black -----	10%
White -----	54%
Asian -----	6%
Other -----	3%
(DON'T READ) DK/NA-----	2%

0. (T) In what year were you born?

1990-1984 (18-24) -----	6%
1983-1979 (25-29) -----	6%
1978-1974 (30-34) -----	7%
1973-1969 (35-39) -----	9%
1968-1964 (40-44) -----	10%
1963-1959 (45-49) -----	10%
1958-1954 (50-54) -----	10%
1953-1949 (55-59) -----	10%
1948-1944 (60-64) -----	8%
1943-1934 (65-74) -----	11%
1933 or earlier (75 & over) -----	9%
(DON'T READ) DK/NA/Refused-----	4%

0. (T) I don't need to know the exact amount, but please stop me when I read the category that includes the total income for your household before taxes in 2007. Was it:

\$30,000 and under-----	13%
\$30,001 - \$50,000-----	17%
\$50,001 - \$75,000-----	17%
\$75,001 - \$100,000 -----	15%
\$100,001 - \$150,000 -----	10%
\$150,001 or more -----	5%
(DON'T READ) Refused/NA-----	23%

THANK AND TERMINATE

ASSEMBLY DISTRICT

36	-----	3%
37	-----	1%
38	-----	5%
39	-----	3%
40	-----	4%
41	-----	5%
42	-----	6%
43	-----	4%
44	-----	6%
45	-----	4%
46	-----	2%
47	-----	5%
48	-----	3%
49	-----	3%
50	-----	2%
51	-----	4%
52	-----	4%
53	-----	6%
54	-----	6%
55	-----	4%
56	-----	3%
57	-----	4%
58	-----	5%
59	-----	3%
60	-----	2%
61	-----	1%

CONGRESSIONAL DISTRICT

22	-----	1%
25	-----	6%
26	-----	5%
27	-----	7%
28	-----	6%
29	-----	8%
30	-----	11%
31	-----	5%
32	-----	5%
33	-----	7%
34	-----	3%
35	-----	6%
36	-----	8%
37	-----	7%
38	-----	6%
39	-----	6%
42	-----	1%
46	-----	3%

SENATE DISTRICT

17	-----	7%
19	-----	1%
20	-----	6%
21	-----	11%
22	-----	5%
23	-----	11%
24	-----	7%
25	-----	9%
26	-----	8%
27	-----	9%
28	-----	11%
29	-----	6%
30	-----	8%
32	-----	1%

SUPERVISORIAL DISTRICTS

1 (Molina)	-----	14%
2 (Burke)	-----	19%
3 (Yaroslavsky)	-----	22%
4 (Knabe)	-----	21%
5 (Antonovich)	-----	24%

CITY

Los Angeles	-----	36%
Long Beach	-----	5%
Torrance	-----	2%
Glendale	-----	2%
Others	-----	56%

LA CITY:

SF VALLEY/NON VALLEY

Yes	-----	39%
No	-----	61%
Not Applicable	-----	0%

LA CITY ZONE

1 (West Valley, CCDs 3,12)	-----	18%
2 (East Valley, CCS 2,6,7)	-----	18%
3 (Westside/Hills CCDs 5,11)	-----	21%
4 (East LA CCDs 1,14)	-----	9%
5 (South CCDs 8,9,10)	-----	17%
6 (Downtown CCDs 4,13)	-----	12%
7 (Harbor, CCD15)	-----	5%
8 N/A	-----	0%

CITY COUNCIL DISTRICT

1 (Reyes)-----	3%
2 (Greuel)-----	10%
3 (Zine)-----	10%
4 (LaBonge)-----	7%
5 (Weiss)-----	10%
6 (Cardenas)-----	3%
7 (Alarcon)-----	5%
8 (Parks)-----	6%
9 (Perry)-----	3%
10 (Wesson)-----	7%
11 (Rosendahl)-----	11%
12 (Smith)-----	8%
13 (Garcetti)-----	4%
14 (Huizar)-----	6%
15 (Hahn)-----	5%

LA COUNTY PLANNING AREAS

Westside-----	15%
Southbay-----	16%
Central-----	7%
San Gabriel Valley-----	19%
San Fernando Valley non-North-----	19%
San Fernando Valley North-----	7%
Southeast-----	17%

LA COUNTY SERVICE SECTOR

Gateway Cities-----	17%
San Fernando-----	19%
San Gabriel Valley-----	21%
Southbay-----	15%
Westside Central-----	22%
No Service Sector-----	6%

LA COUNTY SUBREGION

Arroyo Verdugo-----	4%
Gateway-----	18%
Las Virgenes-----	2%
Los Angeles City-----	14%
North LA-----	7%
San Fernando Valley-----	14%
San Gabriel Valley-----	19%
South Bay Cities-----	13%
Westside Cities-----	9%

SPLIT SAMPLE

A-----	50%
B-----	50%
C-----	50%
D-----	50%

FLAGS - VOTE HISTORY

G00-----	62%
P02-----	34%
G02-----	53%
R03-----	66%
P04-----	50%
G04-----	87%
S05-----	65%
P06-----	44%
G06-----	80%
F08-----	76%
Blank-----	0%

VOTE BY MAIL

1-----	12%
2-----	6%
3+-----	19%
BLANK-----	62%

PERMANENT ABSENTEE

Yes-----	16%
No-----	84%

LIKELY NOV 2008 VOTER (tighter scenario)

Yes-----	68%
No-----	32%

NEW REGISTERED VOTER SINCE NOV 2006

Yes-----	9%
No-----	91%

NEW REGISTERED VOTER SINCE NOV 2007

Yes-----	5%
No-----	95%

HOUSEHOLD PARTY

1 DEM-----	23%
2+ DEMS-----	19%
1 REP-----	9%
2+ REPS-----	10%
1 INDEPENDENT-----	11%
MIXED-----	27%

Table: Mean Score of Willingness to Pay for Projects and Service in 2008 and 2005 and Mean Effectiveness in that Project/Service Reducing Traffic in 2007

Year	Project/Service	Mean Willingness to Pay Score 2005/2008 Mean Effective in Reducing Traffic Congestion 2007
2008	Keeping bus fares low for seniors, the disabled and students	5.8
2008	Keeping transit fares low for seniors, the disabled and students	5.8
2008	Reducing foreign oil dependence	5.7
2007	Synchronizing traffic signals	5.7
2008	Improving transportation services for seniors and the disabled	5.6
2007	Extending the light rail transit system to local airports, including those in Los Angeles, Burbank and Ontario	5.6
2007	Provide rail service to local airports, including those in Los Angeles, Burbank and Ontario	5.6
2007	Repairing the 5 and 60 interchange in downtown LA, which is on the national watch list of bridges and overpasses in need of repair (Central Only)	5.6
2008	Improving freeway traffic flow	5.5
2007	Repairing the Schuyler Heim Lift Bridge over the port channel in Long Beach and the overpass over Hobart Rail Yard in Commerce, which are on the national watch list of bridges and overpasses in need of repair (Southbay Only)	5.5
2008	Repairing tens of thousands of potholes	5.4
2008	Repairing 4 hundred thousand potholes annually	5.4
2008	Replacing diesel buses with cleaner burning buses	5.4
2007	Expanding the light rail and improving public transit	5.4
2007	Repairing the main street overpass on the 10 in Santa Monica, which is on the national watch list of bridges and overpasses in need of repair (Westside Only)	5.4
2005	Synchronizing traffic signals to improve traffic flow on local roads	5.4
2008	Improving traffic flow on the 5, 10, 60, 101, 110, 210, 405, 605 and 710 freeways	5.3
2008	Preventing toxic polluted roadway runoff from entering stormdrains and flowing into local coastal waters and onto county beaches	5.3
2008	Funding transportation projects that reduce air pollution	5.3
2008	Reducing consumption of petroleum based fuels	5.3
2007	Repairing potholes	5.3
2007	Extending the subway system	5.3
2007	Extending the light rail transit system west to the Ocean	5.3
2007	Extending the light rail transit	5.3
2005	Repairing potholes	5.3
2008	Extending Metrolink	5.2
2008	Using recycled materials in the building of all new mass transit projects and highways	5.2
2008	Improving traffic safety at hundreds of local intersections	5.2
2008	Improving traffic safety on every county freeway and highway	5.2
2008	Synchronizing thousands of traffic signals annually	5.2

Year	Project/Service	Mean Willingness to Pay Score 2005/2008 Mean Effective in Reducing Traffic Congestion 2007
2007	Adding left and right turn lanes at intersections	5.2
2007	Relieving traffic congestion by adding lanes on the 5, 10, 60, 101, 110, 210, 405 and 605 freeways	5.2
2007	Extending express bus service	5.2
2007	Extending the subway system to the westside of Los Angeles	5.2
2007	Funding enough freeway tow trucks to clear non-injury car accidents, fender benders and flat tires within six minutes	5.2
2007	Improving traffic flow around local schools by expanding and creating additional designated drop-off and pick-up spots	5.2
2007	Repairing the Vincent Thomas Bridge along the 47 in San Pedro, which is on the national watch list of bridges and overpasses in need of repair (Southeast Only)	5.2
2008	Synchronizing 3 thousand traffic signals annually	5.1
2008	Connecting all four light rail lines in downtown Los Angeles enabling easier access to businesses, offices, restaurants, entertainment, sporting events and other places in the county	5.1
2008	Extending the light rail and subway system over 110 miles	5.1
2007	Earthquake retrofitting bridges, tunnels and overpasses	5.1
2007	Repairing the 10 freeway overpass over Cleveland Street in Pomona and the overpass on the 10 at the City of Montclair, which are on the national watch list of bridges and overpasses in need of repair (San Gabriel Valley Only)	5.1
2008	Expanding the number and use of hybrid vehicles	5.0
2008	Expanding express bus service	5.0
2008	Adding thousands of left turn lanes and dedicated turn signals	5.0
2007	Repairing the bridge over the Santa Clara River in Santa Clarita and the overpass along the 101 over Kanan Dume in Agoura Hills, which are on the national watch list of bridges and overpasses in need of repair (San Fernando Valley Only)	5.0
2005	Expand access to paratransit services for seniors and disabled persons	5.0
2005	Replacing old diesel buses with clean burning natural gas buses	5.0
2008	Funding transportation projects that reduce global warming	4.9
2008	Converting Los Angeles County bus fleet to hydrogen power	4.9
2008	Adding 200 miles of car-pool lanes on local freeways and highways	4.9
2008	Reducing freeway truck traffic	4.9
2008	Expanding the number and use of hybrid vehicles to reduce carbon emissions	4.9
2008	Expanding park and ride access at transit stations	4.9
2007	Converting some streets lanes into reversible lanes during rush hour	4.9
2008	Extending the subway from downtown Los Angeles to the beach	4.8
2008	Adding carpool lanes	4.8
2008	Providing incentives to increase ride sharing and van pool opportunities	4.8
2007	Creating a disaster fund to pay for unexpected sink holes, damages to roads, bridges and tunnels	4.8
2005	Adding lanes to freeways	4.8

Year	Project/Service	Mean Willingness to Pay Score 2005/2008 Mean Effective in Reducing Traffic Congestion 2007
2007	Improving and widening freeway on and off ramps	4.7
2005	Expanding Metrolink	4.7
2005	Improving safety and anti-terrorism measures on public transit	4.7
2005	Expanding Metro Rail light rail transit system	4.7
2005	Improving and widening lanes on freeways	4.7
2005	Improving safety at Metrolink crossings	4.7
2007	Re-grading local streets to reduce flooding	4.6
2005	Improving drainage and runoff on highways and roads	4.6
2005	Expanding Metro Rapid express bus service	4.6
2005	Reducing truck traffic by increasing cargo shipped by freight trains	4.6
2005	Decreasing intersection congestion by adding more turn lanes	4.6
2005	Improving safety at freeway interchanges by reconfiguring ramps	4.6
2008	Increasing the number of charging stations for cars with plug-ins in all communities across the county	4.5
2007	Converting two-way streets into one-way streets during rush hour	4.5
2005	Improving, widening and adding lanes to local roads	4.5
2005	Building and expanding carpool lanes	4.5
2005	Expanding parking facilities for Metro Rail stations	4.4
2008	Constructing 115 miles of freeway sound walls	4.2
2005	Expanding the existing subway system	4.2
2008	Using a portion of the funds to pay for transit workers' salaries	4.1
2005	Building dedicated bus only lanes on highways and roads	4.1
2005	Expanding bike paths and bike lanes	3.8

Construction Impact of LA Metro's Proposed Transportation Projects, 2009-2038



Los Angeles County Economic Development Corporation

DRAFT

Gregory Freeman
Myasnik Poghosyan

June 2008



*Economic Vitality,
Trade & Jobs*

Executive Summary

The Los Angeles County Metropolitan Transportation Authority (Metro) has proposed an increase in the Los Angeles County sales tax rate of 0.5%, to 8.75%, in order to fund transportation improvement projects in the county.

The Los Angeles County Economic Development Corporation (LAEDC) has estimated the economic impact related to the construction of \$16.5 billion in projects that will be funded by the proposed use or sales tax increase. The total economic impact consists of the one-time increases in total (direct plus indirect) output, jobs, and wages associated with the proposed construction activities in the next 30 years. (Right-of-way acquisition spending and vehicle purchases are not included in the direct spending category because they do not add to economic output or job creation in Los Angeles County.) The findings are presented in the table below.

Economic Impact of LA Metro Projects- Construction		
Construction Spending	\$15,000,000,000	
	Total Impact	Average Annual Impact
Economic Output	\$32,100,000,000	\$1,070,000,000
Jobs	210,800	7,030
Earnings	\$8,700,000,000	\$290,000,000

Source: LAEDC

The \$15.0 billion in construction spending on transportation projects in Los Angeles County will generate a total economic impact of \$32.1 billion over the 30-year period. On average, annual output will be an estimated \$1.07 billion. In total, Metro's transportation programs will generate more than 210,000 annual full-time equivalent (FTE) jobs with \$8.7 billion in total earnings, an average of 7,030 jobs and \$290 million salaries per year.

Introduction

The Los Angeles County Metropolitan Transportation Authority (Metro) has proposed an increase in Los Angeles County's sales tax rate of 0.5%, to 8.75%, in order to fund transportation improvement projects over the next 30 years. The projects are divided into three main categories—rail & bus corridor construction; major highway and freeway projects; and rail grade separations plus freeway sound wall construction.

Building new rail lines and rapid bus corridors will cost \$10.6 billion, including \$600 million for right-of-way acquisition (ROW) and \$960 million for vehicle purchases. The net cost of construction will be \$9.1 billion. Direct spending for the major highway and freeway improvement projects will be \$5.1 billion. Rail grade separations and sound wall construction will cost \$820 million, bringing the total construction spending to \$15 million. *All dollar amounts in the report are given in current (2008) dollars.*

The Los Angeles County Economic Development Corporation (LAEDC) has estimated the one-time economic impact of the construction projects that will be funded by the proposed tax increase. The impact consists of the one-time increases in total (direct plus indirect) output, jobs, and wages associated with construction activities over the next 30 years.

The impact estimates were prepared using an in-house model based upon multipliers from the Regional Input-Output Modeling System (RIMS II), developed by the U.S. Department of Commerce, Bureau of Economic Analysis.

Summary Findings: Economic Impact

The total cost of Metro transportation projects is \$16.5 billion allocated over a 30-year period, including \$1.5 billion for right-of-way acquisition (ROW) and vehicle purchases for rail lines and rapid bus corridors. Therefore, direct construction-related spending for all construction projects will be \$15 billion, as shown in Table 1.

Table 1
Metro Transportation Projects
Construction-Related Spending in LA County

Type of Project	Total Spending (\$billions)	ROW & Vehicles (\$billions)	Direct Spending (\$billions)
Rail & Bus Corridor Construction	10.6	1.5	9.1
Major Highway & Freeway Projects	5.1	n/a	5.1
Grade Separation & Sound Walls	0.8	n/a	0.8
Total	16.5	1.5	15

Sources: LA Metro, LAEDC

The projects will be financed by the proposed 0.5% sales tax increase. The LAEDC estimated the economic impact of all three types of proposed construction programs in Los Angeles County. Table 2 summarizes the economic impact due to construction activity, including the one-time increases in total (direct and indirect) output, employment, and earnings associated with transportation projects.

Table 2
Metro Transportation Projects
Construction-Related Economic Impact in LA County

Type of Project	Total Output (\$billions)	Employment (# of jobs)	Earnings (\$ billions)
Rail & Bus Corridor Construction	19.5	127,800	5.2
Major Highway & Freeway Projects	10.9	71,500	3.0
Grade Separation & Sound Walls	1.7	11,500	0.5
Total	32.1	210,800	8.7
Annual Average	1.07	7,030	0.29

Sources: LA Metro, LAEDC

Direct workers are those people who will work for the firms actually involved in the Metro's construction or improvement projects (construction firms, design, engineering & architecture firms, etc). Indirect jobs are generated when the firms directly involved in the projects make purchases from their suppliers and vendors. Still more indirect jobs are created when direct and indirect workers spend their wages on consumer goods and services. The total job creation (direct & indirect) associated with construction will hinge on one single factor: the amount actually spent for the transportation projects in LA County.

During the 30-year construction period, the estimated total economic output in Los Angeles County related to the completion of Metro's proposed transportation projects will be \$32.1 billion (expressed in 2008 dollars). The projects will create 210,800 annual direct and indirect full-time equivalent (FTE) jobs countywide with \$8.7 billion in total wages. Dividing the number of jobs by 30 years, we get an average of 7,030 annual FTE jobs and \$290 million in earnings per year.

Measuring jobs in annual full-time equivalents is especially useful with construction projects, where job creation has an interim nature. Annual FTEs measure the amount of work involved, not the actual number of workers involved. For instance, one annual FTE could be two people each working half-time (20 hours a week) for a year, or twelve people each working full-time for one month.

Building rail lines (including the construction of light and heavy rail lines) and the construction of bus rapid transit lines will generate \$19.5 billion in total (direct and indirect) output for the Los Angeles County economy over the course of 30 years. Also, work on these projects will create nearly 128,000 annual FTE total jobs with over \$5 billion in total earnings. So, on average, the project will create 4,270 annual FTE jobs and \$170 million annually.

The total economic output associated with the major highway and freeway construction projects will be \$10.9 billion, as shown in Table 2. These projects may include building new freeways or highways in the LA County region as well as improving the existing ones. Over the 30-year period, the total number of annual FTE jobs related to these projects will be 71,500 with \$3.0 billion in total salaries, or 2,380 annual FTE jobs with \$100 million in earnings per year.

Rail grade separation and sound wall construction along the freeways and highways located in Los Angeles County will create \$1.7 billion in total (direct & indirect) economic output. The total jobs and wages associated with these projects will be 11,500 annual FTE jobs and \$0.5 billion respectively, which translates into 380 annual FTE jobs and \$16 million in wages annually.

Summary Findings: Fiscal Impact

Metro's multi-billion dollar transportation projects will generate significant state and local taxes over the 30-year period. The projected tax revenue impact of the proposed Metro construction projects is presented in Table 3.

Table 3
Metro Transportation Projects
Construction-Related Fiscal Impact

Type of Taxes	Total Fiscal Impact
State Taxes	\$800,000,000
Local Taxes	\$200,000,000
Total	\$1,000,000,000

Source: LAEDC

The contractors working on the project will purchase several million dollars worth of necessary materials, and large portion of this spending (on estimated 35% of the total) is sales- or use-taxable. In addition, the direct and indirect workers will pay state income taxes on their earnings, and their sales-taxable purchases will generate additional tax revenues.

Combined, the Metro projects will generate \$1 billion in state and local taxes over a 30-year period. The vast majority of taxes (\$800 million) will go to the state of California, and the rest (\$200 million) will be captured by local municipalities (LA County and cities within LA County).

To make these calculations, the relevant sales or use tax rate for Los Angeles County is assumed to be 8.75% (the current 8.25% plus the expected increase of 0.5%). The LA Metro's share of sales taxes will be 1.5% of the total 8.75%, which suggests that Metro will capture an estimated \$110 million in sales or use taxes over the 30-year period. On average, Metro will capture nearly \$3.7 million annually due to the construction related projects taking place in Los Angeles County.

Overall, the LAEDC's estimates of total tax revenues generated by construction-related activities are low, because the LAEDC has considered only state income and local taxes. Local permits and fees for construction, which would be substantial for projects of this size, are not included in the calculation. Nor did we include the state unemployment insurance or California disability insurance paid by the direct and indirect workers in construction-related jobs. Finally, various state taxes, such as state fuel taxes or state corporate taxes, were not estimated because of data limitations.

Sources of Sales Tax Revenue Collected in LA County



DRAFT

Gregory Freeman
Nancy D. Sidhu, PhD
Myasnik Poghosyan

June 2008



*Economic Vitality,
Trade & Jobs*

EXECUTIVE SUMMARY

Sales Tax by Source

The LAEDC estimated the sources of sales tax revenue in Los Angeles County based on the type of party paying the sales tax. Specifically, we divided total taxable sales and corresponding sales tax payments in Los Angeles County into three categories—purchases by residents, tourists, and businesses.

Estimated Sales Tax by Source in LA County, 2006		
Source	Sales Tax (\$billions)	% of Total
LA Residents' Purchases (est.)	\$4.70	41.8%
Tourist Purchases (est.)	\$0.40	3.6%
Business Purchases (est.)	\$6.14	54.6%
Total Sales Taxable Purchases	\$11.24	100%

Sources: State Board of Equalization, BLS, LA Inc, LAEDC

The LAEDC estimates that LA county residents' purchases of sales-taxable goods generated \$4.70 billion in sales tax revenues in 2006, 41.8% of the county total—based on average consumer spending patterns (see Table 2 and Table 3). Tourist purchases generated an estimated \$400 million in sales taxes—3.6% of the county total—based on visitor counts and estimated tourist spending (see Table 4). Subtracting the taxes paid by residents and tourists from the county total, taxable business purchases generated and estimated \$6.14 billion in sales tax, 54.6% of the total sales tax revenue.

Impact on Residents of a 0.5% Sales Tax Increase

LA County residents spent an estimated \$62.0 billion on taxable purchases, an average of \$19,000 per household and \$6,100 per person, based on 3.26 million households and 10.16 million residents in LA County in 2006. Using an 8.25% rate, households in the county paid an average of \$1,440 in sales taxes, and individuals paid \$462. The effect of a 0.5% sales tax increase is shown in the table below.

The Cost of 0.5% Sales Tax Increase per LA Resident, 2006			
Tax Rate	Total Spending for Taxable Products	Purchases* (Net of Tax)	Sales Tax Paid
@ 8.25%	\$6,108	\$5,645	\$462
@ 8.75%	\$6,108	\$5,620	\$487
0.5% Increase	No Change	-\$25	\$25

*Excludes tax payment

Sources: BLS, CA Dep. of Finance, LAEDC

Raising the tax rate and assuming no change in income or spending patterns will require a reallocation of money from net purchases to sales tax paid. In this case, taxes paid annually by residents will increase by an average of \$25 per person (about \$80 per household).

LA COUNTY TAXABLE SALES

The total value of taxable sales transactions in Los Angeles County during 2006 was \$136.16 billion, which produced \$11.23 billion in sales tax revenue. Table 1 provides further details, breaking out the sales-taxable transactions by general type of business.

Table 1
Taxable Sales in LA County by Type of Business, 2006

Type of Business	Taxable Transactions (billions)	Sales Tax (billions)	% of Total
Retail Stores	\$95.55	\$7.88	70%
Business and Personal Services	\$5.39	\$0.44	4%
All Other Outlets	\$35.22	\$2.90	26%
Total	\$136.16	\$11.23	100%

Source: State Board of Equalization, 2006

The largest amount of sales-taxable transactions took place at retail stores, accounting for \$95.55 billion in 2006 and yielding \$7.88 billion in sales taxes, or 70% of the total sales tax revenue. Taxable transactions at business and personal services firms were \$5.39 billion, generating about \$440 million in sales taxes (4% of the total). Sales-taxable purchases and the associated sales taxes for all other outlets were \$35.22 billion and \$2.90 billion respectively, 26% of the total.

The LAEDC estimated the sales-taxable portion of average annual expenditures per household¹ in Los Angeles County based on the Bureau of Labor Statistics Consumer Expenditure Survey. The findings are presented in Table 2.

Table 2
Average Annual Expenditures in LA County , 2006
(Per Household)

Category	Total Expenditure*	Taxable Portion	Estimated Taxable Sales*
Food	\$7,222		
Food at home	\$3,873	0%	\$0
Food away from home	\$3,349	100%	\$3,349
Housing	\$21,190		
Shelter	\$14,312	0%	\$0
Utilities, fuels, and public services	\$2,996	0%	\$0
Household operations	\$1,235	0%	\$0
Housekeeping supplies	\$643	100%	\$643
Household furnishings and equipment	\$2,004	100%	\$2,004
Transportation	\$10,716		
Vehicle purchases (net outlay)	\$4,443	100%	\$4,443
Gasoline and motor oil	\$2,566	100%	\$2,566
Other vehicle expenses	\$2,980	25%	\$745
Public transportation	\$727	0%	\$0
Alcoholic beverages	\$475	100%	\$475
Apparel and services	\$2,396	90%	\$2,156
Healthcare	\$2,316	0%	\$0
Entertainment	\$2,743	50%	\$1,372
Personal care products and services	\$815	75%	\$611
Reading	\$141	100%	\$141
Education	\$1,127	7%	\$79
Tobacco products and smoking supplies	\$199	100%	\$199
Miscellaneous Services	\$1,014	25%	\$254
Cash contributions	\$1,710	0%	\$0
Average Annual Expenditure	\$58,404	35%	\$19,000**

*Figures include the sales taxes paid

**May not sum due to rounding

Source: BLS, Consumer Expenditure Survey 2005-2006; LAEDC

¹ The BLS data reflect spending averages per “consumer unit”. The concept is similar to the more commonly used “household”.

In the food section, we considered 100% of the food purchased away from home to be sales-taxable, which was over \$3,300 per consumer unit, according to the Consumer Expenditure Survey, 2005-2006.

Out of five housing expenditure categories only housekeeping supplies and household furnishings & equipments are sales-taxable (we assume 100%), accounting for over \$2,600 per household living in Los Angeles County.

Many transportation related expenditures are sales-taxable, including vehicles, gasoline & motor oil purchases (100% sales taxable). We assume only 25% of other vehicle expenses are taxable (mostly replacement parts).

Most other expenditure categories shown in the lower section of Table 2 are at least partially sales-taxable with the exception of healthcare and cash contributions. Alcoholic beverages, reading materials, and tobacco related products are 100% sales taxable. In addition, the taxable portions of entertainment, apparel & services, and personal care products & services are 90%, 50%, and 75% respectively. Also, we assume that 25% of miscellaneous services are sales taxable in Los Angeles County, depending on the type of service they provide. Finally, purchases of textbooks and supplies are about 7% of total educational expenses.

Overall, out of \$58,404 in average annual spending per consumer unit, the LAEDC estimated that \$19,000 is sales-taxable, which is roughly one third of the total.

Next, we multiplied the estimated taxable spending per household by the total number of households in Los Angeles County to produce an estimate of sales taxes paid by LA residents, as shown in Table 3.

Table 3	
Estimated Sales Taxes Paid by LA County Residents, 2006	
Number of households in LA County*	3,260,000
Average annual sales-taxable spending per household	\$19,000
Total sales-taxable spending (includes sales taxes paid)	\$62,000,000,000
Sales Tax Paid by LA County Residents	\$4,700,000,000
*Average of January 1, 2006 and January 1, 2007 household numbers	
Source: California Department of Finance, BLS, LAEDC	

There are 3.26 million households in Los Angeles County. Multiplying the average sales-taxable spending per household by the number of households in Los Angeles County suggests annual sales-taxable spending of \$62 billion, and \$4.70 billion in paid sales taxes.

The LAEDC also estimated the value of sales taxes paid by visitors to Los Angeles County in 2006. We started with the total number of overnight visitors (from LA Inc). Then we used an estimated breakdown of visitors' spending, also from LA Inc, to identify the sales taxable categories. In practice, this meant excluding spending for hotels and most of transportation (90% tax exempt).

In 2006, there were 25.4 million total visitors in Los Angeles County—20.7 million domestic visitors from elsewhere in the US and 4.7 million international visitors, as shown in the upper section of Table 4.

Table 4
Estimated Sales Taxes Paid by Tourists Visiting LA County in 2006

Tourists			
Domestic Visitors			20.7 million
International Visitors			4.7 million
Total			25.4 million
Tourist Spending			
	Total Spending (\$billions)	Taxable Spending (\$billions)	Sales Tax (\$billions)
Domestic Visitors	\$9.5	\$3.4	\$0.26
International Visitors	\$4.0	\$1.9	\$0.14
Total	\$13.5	\$5.3	\$0.40

Source: LA Inc, LAEDC

Together, domestic and international visitors spent \$13.5 billion (\$5.3 billion for taxable purchases) and paid \$400 million in sales taxes within Los Angeles County in 2006. The lower section of Table 4 shows total spending and estimated sales taxes paid by domestic and international tourists visiting LA County in 2006.

Domestic tourists spent an estimated \$9.5 billion, of which \$3.4 billion was sales taxable, suggesting those visitors paid \$260 million in sales tax in 2006.

International tourists visiting Los Angeles County during 2006 spent an estimated \$4.0 billion, \$1.9 billion of which was taxable, suggesting they paid an estimated \$140 million in sales tax.

NOTE: The figures for visitors are conservative. In particular, they exclude spending by day trip visitors to Los Angeles County from elsewhere in California, Arizona, and Nevada.

Ordinance #__

[Name of Ordinance]

SECTION 1. TITLE

This Ordinance shall be known and may be cited as [TITLE]. 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, the authority to issue bonds secured by such taxes, and an expenditure plan.

Deleted:

SECTION 3. DEFINITIONS

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

"Gross Sales Tax" means the amount of sales taxes collected by the Board of Equalization pursuant to this Ordinance.

"Interest" means interest and other earnings on cash balances. Interest may be allocated to any stated purpose of this ordinance at the discretion of Metro.

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

"Net Revenues" means Sales Tax Revenues minus any amount expended on administrative costs pursuant to Section 11.

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

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

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

SECTION 4. STATUTORY AUTHORITY

This ordinance is enacted, in part, pursuant to:

1 A. Part 1.6 (commencing with Section 7251) of Division 2 of the California
2 Revenue and Taxation Code;

3 B. Division 12 (commencing with Section 130000) of the California Public
4 Utilities Code;

5 C. Proposed amendments to Section 130350.5 of the California Public
6 Utilities Code substantially similar to those contained in Assembly Bill 2321 of the
7 2007-2008 legislative session as of the date of the adoption of this Ordinance by the
8 Board of Directors of Metro.

9
10 SECTION 5. IMPOSITION OF RETAIL TRANSACTIONS AND USE TAX

11 A. Subject to approval of the same by the electors, Metro hereby imposes,
12 in the incorporated and unincorporated territories of Los Angeles County, the Sales
13 Tax at the rate of one-half of one percent (.5%) for a period of thirty (30) years
14 beginning on the first day of the first calendar quarter commencing not less than 180
15 days after the adoption of the ordinance by the voters.

16 B. This tax shall be in addition to any other taxes authorized by law,
17 including any existing or future state or local sales tax or transactions and use tax.
18 The imposition, administration and collection of the tax shall be in accordance with all
19 applicable statutes, laws, and rules and regulations prescribed and adopted by the
20 State Board of Equalization.

21 C. Pursuant to proposed amended Section 130350.5(d) of the Public
22 Utilities Code, the tax rate authorized by this section shall not be considered for
23 purposes of the combined rate limit established by Section 7251.1 of the Revenue
24 and Taxation Code.

25 D. Pursuant to the provisions of Section 7262.2 of the Revenue and
26 Taxation Code, the required provisions of Sections 7261 and 7262 of that Code as
27 now in effect or as later amended are adopted by reference in this Ordinance.

28
29 SECTION 6. AGREEMENT WITH STATE BOARD OF EQUALIZATION

30 Prior to the imposition of the sales tax pursuant to Section 4 of this Ordinance,
31 the Authority shall contract with the State Board of Equalization to perform functions
32 incident to the administration and operation of this Ordinance.

SECTION 7. PURPOSES

All of the Net Revenues generated from the Sales Tax plus any interest or other earnings thereon, minus any funds necessary for satisfaction of debt service requirements of all bonds issued pursuant to the Ordinance that are not satisfied out of separate allocations, shall be allocated solely for the transportation purposes described in the Ordinance.

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SECTION 8. SAFEGUARDS OF USE OF REVENUES

The following safeguards are hereby established to ensure strict adherence to the limitations on the use of Sales Tax Revenues:

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A. Metro shall establish and administer a Capital Project Development Fund with appropriate subfunds to account for the allocation categories described in Attachment A, including administrative costs and Interest. All Sales Tax Revenues shall be credited to the appropriate subfunds.

B. The moneys in the fund shall be available to Metro to meet expenditure and cashflow needs of the capital projects and capital programs described in Attachment A and for any other purposes set forth in this Ordinance. In the event that there are Sales Tax Revenues in excess of the necessary amounts as set forth in Attachment A to complete the projects and programs listed therein, the excess revenues may simultaneously be used to complete other projects and programs in Attachment A, including the replacement of federal or state funds if the amount of those federal or state funds received by Metro is less than anticipated in Attachment A. If other funds become available and are allocated to complete capital projects or capital programs described in Attachment A, Metro may expend the surplus tax revenue on other projects or programs described in Attachment A.

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

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D. No Net Revenues shall be used by a jurisdiction for other than transportation purposes. Any jurisdiction which violates this provision must fully

1 reimburse Metro, including Interest thereon, for the Net Revenues misspent and shall
2 be deemed ineligible to receive Net Revenues for a period of ____ (___) years.

3 E. Commencing with the 2009-2010 fiscal year, and in accordance with
4 Section 8(E)(i) of this Ordinance, Metro shall contract for an annual audit, to be
5 completed within six months after the end of the fiscal year being audited, for the
6 purpose of determining compliance by Metro with the provisions of this Ordinance
7 relating to the receipt and expenditure of Sales Tax Revenues during such fiscal year.
8 Such audits shall be conducted in conjunction with those audits performed pursuant to
9 Section 3-15-050(B) of the Los Angeles County Metropolitan Transportation Authority
10 Administrative Code ("Administrative Code").

11 i. The independent auditing firm selected pursuant to Section 3-
12 15-050(C) of the Administrative Code shall also perform any audit required under
13 Section 8(E) of this Ordinance. Any solicitation for bids conducted pursuant to Section
14 3-15-050(C) of the Administrative Code shall include any audit required under Section
15 8(E) of this ordinance. Notwithstanding any other provision of law, the cost of
16 performing and publishing any audit required under Section 8(E) of this ordinance shall
17 be paid from Sales Tax Revenues.

18 F. Metro shall propose the projects and programs in Attachment A for
19 inclusion in a new Long Range Transportation Plan, subject to the provisions of
20 Section 12 below.

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22 SECTION 9. INDEPENDENT CITIZENS' ADVISORY AND OVERSIGHT
23 COMMITTEE

24 A. The Independent Citizens' Advisory and Oversight Committee of the
25 MTA, as established in Section 3-15-060(A) of the Administrative Code (the
26 "Committee"), shall provide advice and oversight to Metro regarding this Ordinance.
27 The Committee shall meet at least twice each year to carry out the its duties under this
28 Ordinance. The Committee shall function in accordance with Section 3-15-060 of the
29 Administrative Code.

30
31 B. The independent auditing firm referenced in Section 8(E) shall present
32 the results of each audit to the Committee which shall cause a summary of the audit to
33 be published in local newspapers and the entire audit to be made available to every
34 library located within Los Angeles County for public review. The Committee shall hold

1 a public hearing on each audit and report the comments of the public to Metro. Within
2 60 days of receipt of the report from the Committee, Metro shall prepare a report
3 containing its response to the audit and to the public comments thereon. The
4 Committee and Metro shall perform their duties under this Section in conjunction with
5 those duties required under Section 3-15-060(E) of the Administrative Code.

7 SECTION 10. MAINTENANCE OF EFFORT REQUIREMENTS

8 A. It is the intent of the Legislature, as stated in Public Utilities Code
9 proposed amended Section 130350.5(e), and Metro, that revenues provided from
10 this measure to local jurisdictions in Los Angeles County under the "Local Return
11 Program" described in Attachment A be used to augment, not supplant, existing local
12 revenues being used for transportation purposes.

13 B. Metro shall develop guidelines which, at a minimum, specify
14 maintenance of effort requirements for the local return program, matching funds, and
15 administrative requirements for the recipients of revenue derived from the Sales Tax.

16 SECTION 11. ADMINISTRATION

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

21 SECTION 12. AMENDMENTS

22 Metro may amend the Ordinance, the Expenditure Plan including the list of
23 projects and programs incorporated therein, and the Long Range Transportation
24 Plan, in order to provide for the use of additional federal, state, and local funds, to
25 account for unexpected revenues, or to take into consideration unforeseen
26 circumstances (including but not limited to revenue shortfall) and the results of any
27 environmental review required under the California Environmental Quality Act of the
28 individual specific projects listed in the Expenditure Plan, Metro shall hold a public
29 hearing on proposed amendments prior to adoption, which shall require approval by
30 a vote of not less than [a majority OR two thirds] of Metro Board of Directors. Metro
31 shall provide notice to the Los Angeles County Board of Supervisors and the city
32 council of each city in Los Angeles County of the public hearing and proposed
33
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1 amendments, and provide them with a copy of the proposed amendments, at least
2 14 days prior to the public hearing. Amendments shall become effective forty five
3 days after adoption.
4
5

6 SECTION 13. REQUEST FOR AN ELECTION

7 Pursuant to California Public Utilities Code Section 130351, Metro hereby
8 requests that the County of Los Angeles Board of Supervisors call a special election
9 to be conducted by the County of Los Angeles on November 4, 2008, to place the
10 Ordinance before the electors. The ballot language shall read as follows:
11

12 [BALLOT LANGUAGE]
13
14
15
16

17 SECTION 14. STATUTORY REFERENCES

18 References in this Ordinance to proposed amendments to Section 130350.5 of
19 the Public Utilities Code are to Section 130350.5 as amended or added by Assembly
20 Bill 2321 of the 2007-2008 legislative session.
21

22 SECTION 15. EFFECTIVE AND OPERATIVE DATES

23 A. This Ordinance shall be effective on January 2, 2009, if two-thirds of the
24 electors in Los Angeles County voting in the statewide general election scheduled for
25 November 4, 2008 vote to approve the ballot measure authorizing the imposition of
26 the Sales Tax; and

27 B. A statute that is essentially the same as Assembly Bill 2321 of the 2007-
28 2008 legislative session as of the date of the adoption of this Ordinance by the Board
29 of Directors of Metro becomes effective prior to January 2, 2009.
30

31 SECTION 16. SEVERABILITY

32 If any section, subsection, part, clause, or phrase of the Ordinance is for any
33 reason held invalid, unenforceable or unconstitutional by a court of competent
34 jurisdiction, that holding shall not affect the validity or enforceability of the remaining

1 funds or provisions of the Ordinance, and Metro declares that it would have passed
2 each part of the Ordinance irrespective of the validity of any other part.
3



COUNTY OF LOS ANGELES

REGISTRAR-RECORDER/COUNTY CLERK

12400 Imperial Highway – P.O. Box 1024, Norwalk, California 90651-1024 – www.lavote.net

DEAN C. LOGAN

Acting Registrar-Recorder/County Clerk

May 22, 2008

George Roqueni, Assistant Board Secretary
Metro Board Administration
1 Gateway Plaza
Los Angeles, CA 90012

ESTIMATED COST FOR NOVEMBER 4, 2008 GENERAL ELECTION

Dear Mr. Roqueni:

The estimated cost for your agency to consolidate with the November 4, 2008 General Election, with one measure is \$7,200,000.

This estimate is based on the estimated voter registration, voting precincts, and the number of proposed jurisdictions sharing prorated costs with your agency. **A change in any of these factors will have an impact on final costs.**

If you have any questions or need additional information, please call Manuel Campos at (562) 462-2690.

Sincerely,

Dean C. Logan
Acting Registrar-Recorder/County Clerk

Manuel Campos, Accounting Manager
Financial Services Section

BILL NUMBER: AB 2321 AMENDED
BILL TEXT

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AMENDED IN ASSEMBLY MAY 28, 2008
AMENDED IN ASSEMBLY MAY 23, 2008
AMENDED IN ASSEMBLY APRIL 21, 2008

INTRODUCED BY Assembly Members Feuer, Levine, and Davis

FEBRUARY 21, 2008

An act to amend Section 130350.5 of the Public Utilities Code, relating to transportation ~~and declaring the urgency thereof, to take effect immediately~~.

LEGISLATIVE COUNSEL'S DIGEST

AB 2321, as amended, 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 6-1/2 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, listing 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.

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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 projects and programs to be funded by the tax in its Long Range Transportation Plan. This bill would also authorize the MTA to incur bonded indebtedness, as specified, and would make other related changes.

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~~This bill would declare that it is to take effect immediately as an urgency statute.~~

Vote: ~~2/3~~ majority . Appropriation:
no. Fiscal committee: yes. State-mandated local program: no.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. 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 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 that the revenues derived from the tax, net of refunds and costs of administration, are to be administered by the MTA as provided in this section. The MTA shall, during the period the ordinance is operative, allocate 20 percent of all revenues derived from the tax for bus operations, and shall allocate 5 percent of all revenues derived from the tax for rail operations. The MTA shall include the capital projects and programs listed in subparagraphs (A) and (B) (subject to the provisions of subdivisions (f) and (i) below) (Priority Projects) in its Long Range Transportation Plan (LRTP). The funding amounts specified in subparagraphs (A) and (B) are minimum amounts that shall be allocated by the MTA from the revenues derived from a tax imposed pursuant to this section. Nothing in this section prohibits the MTA from allocating additional revenues derived from the tax to the Priority Projects. The Priority Projects shall be given the highest priority in the LRTP for funding from the revenues derived from a tax imposed pursuant to this section.

(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 Duarte) Light Rail Transit Extension. The sum of three hundred twenty-eight million dollars (\$328,000,000).

(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).

Comment [A1]: Should this say county of Los Angeles?

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(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).

(vii) Capital Program administration. The sum of ten million dollars (10,000,000). The MTA shall use these funds for the administration of the Capital Program.

(c) The MTA may incur bonded indebtedness payable from the proceeds of the tax provided by this section for the funding of the Priority Projects. The MTA shall not loan money from the proceeds to other projects or programs in advance of completing the Priority Projects. The MTA shall maintain the current amount of any funding for the projects and programs specified in the expenditure plan received from sources other than the proceeds of the tax, and may not reallocate money that is already allocated 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 may 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 which, 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 revenues derived from the tax. The expenditure plan shall identify the specified projects and programs listed in paragraph (3) of subdivision (b) (subject to the provisions of subdivision (i) below), 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

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program. The MTA shall also identify in its expenditure plan the expected completion dates for each project listed 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.

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(g) The MTA shall establish and administer a Capital Project Development Fund. The revenue derived from the tax shall be deposited into this fund. The moneys in the fund shall be available to the MTA to meet expenditure and cashflow needs of the capital projects and capital programs listed in the expenditure plan. In the event that there are tax revenues in excess of the necessary amounts as set forth in the expenditure plan to complete the projects and programs, listed in the expenditure plan, the excess revenues may simultaneously be used to complete other projects and programs in the LRTP, including the replacement of federal or state funds if the amount of those federal or state funds received by the MTA is less than anticipated in the expenditure plan.

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(h) If other funds become available and are allocated to complete the Priority Projects, the MTA may expend the surplus tax revenue on its next highest priority projects in the LRTP.

Deleted: capital projects or capital programs, as described in subparagraphs (A) and (B) of paragraph (3) of subdivision (b)

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(i) The MTA may review and amend the ordinance, expenditure plan, and LRTP adopted pursuant to this Section 130350.5, including without limitation the list of Priority Projects. Amendments may be made to provide for the use of additional federal, state, and local funds; to account for unexpected revenues; or to take into consideration unforeseen circumstances (including but not limited to revenue shortfall) and the results of any environmental review of individual specific projects required under the California Environmental Quality Act.

(1) The MTA shall hold a public hearing on proposed amendments prior to adoption, which shall require approval by a vote of not less than [a majority OR two thirds] of the MTA Board of Directors.

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(2) The MTA shall provide notice to the board of supervisors and the city council of each city in the county of the public hearing and proposed amendments, and provide them with a copy of the proposed amendments, at least 14 days prior to the public hearing.

(3) The amendments shall become effective 45 days after adoption.

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(j) The adoption of a transactions and use tax ordinance and associated expenditure plan and LRTP pursuant to this act shall be deemed fully qualified for the exemptions provided in Public Resources Code section 21080(b)(13) for regional transportation improvement programs, and in California Code of Regulations, title 14, section 15378(b)(4), for government funding mechanisms. The county board of supervisors' approval to hold a special or consolidated statewide election for the transactions and use ordinance shall be deemed to be a ministerial action qualifying for the exemption provided under Public Resources Code Section 21080(b)(1).

Deleted: SEC. 2. 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 complete the capital projects and capital programs described in that section, and that the expenditure plan required by that section is intended to be structured to provide appropriate funding guarantees for the completion of each described project or program.

~~SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:~~

~~In order to timely address the urgent transportation infrastructure needs facing Los Angeles County, it is necessary that this act go into immediate effect.~~

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SEC. 2. This act shall be applied retroactively and deemed effective
as of July 1, 2008.

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