



Metro

Los Angeles County
Metropolitan Transportation Authority

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**REGULAR BOARD MEETING
JUNE 26, 2008**

SUBJECT: SALES TAX MEASURE

ACTION: RECEIVE AND FILE

RECOMMENDATION

Introduce:

- A. Draft ordinance to implement a transportation sales tax measure contained in Attachment A; and
- B. Draft expenditure plan contained in Attachment B.

ISSUE

At the April 2008 Board meeting, two motions were approved regarding the development of a countywide sales tax measure for the November ballot. Specifically, the Board directed staff to: research the requirements of putting a half percent sales tax measure on the November 2008 ballot; develop an expenditure plan; develop draft ballot measure language; initiate efforts to help inform the Board on such a measure; return in June 2008 to consider requesting that the County Board of Supervisors place a measure on the November ballot; and to secure input from local interests such as Council of Governments (COG) and the cities. In order to place a measure on the November ballot, the Board must first introduce and then approve an ordinance upon which the ballot language is based. This report outlines the process to place a measure on the ballot, introduces draft ordinance language and an expenditure plan and provides a summary of poll results from a survey conducted in early June, 2008 regarding this issue.

DISCUSSION

Funding Challenges

The traffic relief and transportation needs of Los Angeles County greatly exceed available resources. Deficit projections range as high as \$60 billion in terms of what is needed to address traffic congestion and what funds are available. The greatest barrier to bridging this gap is finding a viable ongoing funding source. State and federal funding is in decline or limited at best. Other financial options such as public-private partnerships, congestion pricing and carbon and use fees are being explored, however, are not without challenges in

terms of support, applicability and potential revenue generation. What is needed is a reliable new funding source that meets the demands of Los Angeles County.

The public has demonstrated its strong desire for increased transportation funding through the overwhelming approvals of Prop 1A (a Prop 42 or state transportation funding fix) and Prop 1B (a transportation bond measure) last November.

Public Support

Staff has continually monitored the public's demand for more transportation solutions and their willingness to pay for these improvements through various taxing mechanisms. In 2005 and 2007, studies were conducted to gauge demand and evaluate taxing alternatives. Support for a sales tax to fund transportation improvements exceeded 60% on both surveys, highs of 61% and 69% respectively. Given that a tax of this nature requires a 2/3 (67%) vote it was determined to maintain status quo and continue to monitor public demand. A key difference between the 2005 and 2007 study was that support grew. In June 2008, a third poll was conducted. Early results show support above the two-thirds vote necessary to pass a sales tax ballot measure with a high of 73%. A summary of these poll results are contained in Attachment C. Top line results of the poll were transmitted to the Board via Board Box on June 17, 2008 along with other background information on the proposed sale tax measure.

Record voter turnout is projected for the November 2008 election. This presents an opportunity to capitalize on strong public demand for improved transportation and gauge whether two-thirds of Los Angeles County voters support taxing themselves to improve local transportation.

Sales Tax Authority

Authority exists to place sales tax measures on the ballot assuming certain requirements are met. Existing authority is limited to either public transit purposes under Public Utilities Code (P.U.C.) section 130350 or to a particular list of projects under P.U.C. section 130350.5 (Murray bill). A sales tax under 130350 is subject to a 2% cap on local taxes. With our ½ percent Prop A and Prop C sales taxes plus the recently approved 1% sales tax in South Gate, the 2% cap has been reached for purposes of any new countywide sales tax. Therefore, the only viable method for placing a measure on the November ballot is to utilize a bill currently advancing through the legislative process, AB 2321 (Feuer). This legislation proposes to amend P.U.C. section 130350.5 which exempts a proposed sales tax from the 2% cap on combined tax rate allowed under the Transactions and Use Tax Law; has a sunset of 6 1/2 years; and only funds a specific list of projects. If AB 2321 is approved, P.U.C. 130350.5 would be amended to extend the term of a sales tax to 30 years and update the draft project expenditure plan based on the Draft 2008 LRTP. The legislation requires an expenditure plan.

The key challenge to AB 2321 is timing. If the bill advances under the regular legislative schedule, the active date of the legislation would follow a November election. Therefore the ordinance includes a retroactive clause that would allow a November ballot initiative to contain the provisions of AB 2321.

Although projects and programs are identified in AB 2321 and the accompanying ordinance and expenditure plan, the projects and programs may be modified under certain circumstances. AB 2321 allows for changes: (a) to provide for the use of additional federal, state, and local funds, (b) to account for unexpected revenues, or (c) 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. To make such changes, AB 2321 requires a public hearing, notice to the Los Angeles County Board of Supervisors and the city council of each city in the county, and a vote of approval by the Metro Board of Directors.

AB 2321 also clarifies that adoption of the sales tax measure ordinance by the Board of Directors, and placement of the measure on the ballot by the Los Angeles County Board of Supervisors, are exempt from environmental review under CEQA under existing exemptions. The existing exemptions deemed applicable include exemptions for regional transportation improvement programs, government funding mechanisms and, with respect to the County Board of Supervisors' action, ministerial acts.

AB 2321 does not exempt individual proposed specific projects to be developed with the tax revenues from later environmental review under the California Environmental Quality Act, prior to approval of any contract award for construction. A draft of AB 2321 was transmitted to the Board in the June 17th Board Box item.

Sales Tax Measure Ordinance

To place a measure on the ballot, there are several local processes that will need to be followed on a very tight timeframe. First the Board of Directors must introduce and then approve an ordinance to allow the agency to levy a sales tax by July 2008. At the time of ordinance approval, the Board must also request that the Board of Supervisors place a measure on the November 2008 ballot. The Board of Supervisors must approve the placement of the measure on the ballot by August 8, 2008.

County Counsel retained the law firm of Reed and Davidson to provide specialized legal advice regarding the proposed sales tax measure and assisting in drafting a sale tax ordinance (Attachment A). Because it will not be known at the time the ordinance would be adopted by the Board whether AB 2321 will become law, the ordinance is drafted to take effect on January 2, 2009, one day after the effective date of AB 2321. The draft ordinance allocates certain portions of the revenue to specific rail and transit projects and will create general categories of highway improvements that the sales tax can be used toward funding as match to other fund sources. The ballot language, which is limited to 75 words in length, as contained in the ordinance.

Expenditure Plan

The most critical component of this effort is the expenditure plan (Attachment B which will be provided under separate cover) for the sales tax measure. A 1/2-cent sales tax is projected to raise approximately \$40 billion over 30 years. The Plan, which is an extension of the Draft 2008 LRTP, would accelerate schedules of some of the currently funded projects, and advance Strategic Plan Tier 1 LRTP projects and Tier II Trade Corridor Improvement Fund projects.

Economic Impacts

The Los Angeles Economic Development Corporation (LAEDC) was commissioned to assess the impacts of the revenue that would be collected as a result of a new sales tax. The LAEDC estimates that each resident would pay an additional \$25 per year (or \$80/household) if the proposed measure is implemented. The LAEDC also estimated the economic impacts of the construction projects in terms of output, jobs and wages that would be funded by the new sales tax. They determined that the \$15 billion in construction projects over the 30-year period will generate an additional \$32 billion in economic output. They also estimated that 211,000 jobs would be generated and \$8.7 billion in total earnings would be realized as a result of the new projects. These two reports were transmitted to the Board in the June 17th Board Box item.

Outreach to Stakeholders

Per the direction of the Board, the County of Los Angeles, City of Los Angeles and the Council of Governments (COGs) were asked to provide input on the list of projects that should be funded by the proposed sales tax. To date we have received nine responses which were transmitted to the Board in a June 18th Board Box item. The general theme of the comments supported inclusion of a Local Return element to fund projects such as shuttles, road maintenance, left-turn lanes and signal synchronization projects. Interest was also expressed in the Local Return element being flexible and allowing fund trades between jurisdictions. The comments also noted support for projects particular to their respective areas, many of which are on the Tier I and Tier II strategic lists of the Draft 2008 LRTP. This general sentiment was also expressed when staff made presentations at the Bus Operations Subcommittee and the Technical Advisory Committee.

Costs of placing an Ordinance on the November 2008 ballot

According to County Register Recorder's Office, the cost of placing the ordinance on the November 4, 2008 ballot is \$7.3 million (\$1.75 per registered voter x 4.2 million registered voters). Staff believes this estimate to be high and is researching costs. Additionally the cost to provide required information to each household is estimated to run approximately \$4.1 million (\$1.25 per household x 3.3 million households). This is the cost of printing information and mailing that information to each household in Los Angeles County. If this initiative were to move forward \$11.4 million would be required to be added to the FY09 budget.

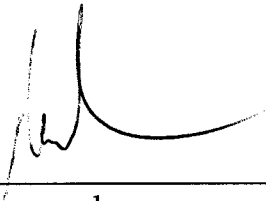
NEXT STEPS

Staff will present final ordinance language and expenditure plan for approval at the July 2008 Board meeting. We will also continue to work with legislative staff, monitor the progress of AB 2321 and provide a status at the July meeting.

ATTACHMENTS

- A. Draft Ordinance Language
- B. Expenditure Plan
- C. June 2008 Poll Results

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



Matt Raymond
Chief Communications Officer



Roger Snoble
Chief Executive Officer

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.

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:

- A. Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code;
- B. Division 12 (commencing with Section 130000) of the California Public Utilities Code;
- C. Proposed amendments to Section 130350.5 of the California Public Utilities Code substantially similar to those contained in Assembly Bill 2321 of the 2007-2008 legislative session as of the date of the adoption of this Ordinance by the Board of Directors of Metro.

SECTION 5. IMPOSITION OF RETAIL TRANSACTIONS AND USE TAX

- A. Subject to approval of the same by the electors, Metro hereby imposes, in the incorporated and unincorporated territories of Los Angeles County, the Sales Tax at the rate of one-half of one percent (.5%) for a period of thirty (30) years beginning on the first day of the first calendar quarter commencing not less than 180 days after the adoption of the ordinance by the voters.
- B. This tax shall be in addition to any other taxes authorized by law, including any existing or future state or local sales tax or transactions and use tax. The imposition, administration and collection of the tax shall be in accordance with all applicable statutes, laws, and rules and regulations prescribed and adopted by the State Board of Equalization.
- C. Pursuant to proposed amended Section 130350.5(d) of the Public Utilities Code, the tax rate authorized by this section shall not be considered for purposes of the combined rate limit established by Section 7251.1 of the Revenue and Taxation Code.
- D. Pursuant to the provisions of Section 7262.2 of the Revenue and Taxation Code, the required provisions of Sections 7261 and 7262 of that Code as now in effect or as later amended are adopted by reference in this Ordinance.

SECTION 6. AGREEMENT WITH STATE BOARD OF EQUALIZATION

Prior to the imposition of the sales tax pursuant to Section 4 of this Ordinance, the Authority shall contract with the State Board of Equalization to perform functions 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.

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:

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.

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.

D. No Net Revenues shall be used by a jurisdiction for other than transportation purposes. Any jurisdiction which violates this provision must fully reimburse Metro, including Interest thereon, for the Net Revenues misspent and shall be deemed ineligible to receive Net Revenues for a period of ____ () years.

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

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

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

SECTION 9. INDEPENDENT CITIZENS' ADVISORY AND OVERSIGHT COMMITTEE

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

B. The independent auditing firm referenced in Section 8(E) shall present the results of each audit to the Committee which shall cause a summary of the audit to be published in local newspapers and the entire audit to be made available to every library located within Los Angeles County for public review. The Committee shall hold a public hearing on each audit and report the comments of the public to Metro. Within 60 days of receipt of the report from the Committee, Metro shall prepare a report containing its response to the audit and to the public comments thereon. The Committee and Metro shall perform their duties under this Section in conjunction with those duties required under Section 3-15-060(E) of the Administrative Code.

SECTION 10. MAINTENANCE OF EFFORT REQUIREMENTS

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

B. Metro shall 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 Sales Tax.

SECTION 11. ADMINISTRATION

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

SECTION 12. AMENDMENTS

Metro may amend the Ordinance, the Expenditure Plan including the list of projects and programs incorporated therein, and the Long Range Transportation Plan, in order 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 required under the California Environmental Quality Act of the individual specific projects listed in the Expenditure Plan. Metro 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 Metro Board of Directors. Metro shall provide notice to the Los Angeles County Board of Supervisors and the city council of each city in Los Angeles 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. Amendments shall become effective forty five days after adoption.

SECTION 13. REQUEST FOR AN ELECTION

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

[BALLOT LANGUAGE TO BE SUBMITTED UNDER SEPARATE COVER]

SECTION 14. STATUTORY REFERENCES

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

SECTION 15. EFFECTIVE AND OPERATIVE DATES


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

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

SECTION 16. SEVERABILITY

If any section, subsection, part, clause, or phrase of the Ordinance is for any reason held invalid, unenforceable or unconstitutional by a court of competent jurisdiction, that holding shall not affect the validity or enforceability of the remaining funds or provisions of the Ordinance, and Metro declares that it would have passed each part of the Ordinance irrespective of the validity of any other part.

ATTACHMENT B – EXPENDITURE PLAN
(to be provided under separate cover)



Los Angeles County Transportation Survey 2008


June 5-15, 2008

220-2515

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

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

Los Angeles County Transportation Survey 2008



Slide 2

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%

Los Angeles County Transportation Survey 2008



METRO Planning Areas

Planning Area	Largest Cities included in the Planning Area
Westside	City of Los Angeles, Santa Monica, West Hollywood, Culver City and Beverly Hills
Southbay	City of Los Angeles, Torrance, Carson, Inglewood, Redondo Beach and unincorporated sections of Los Angeles County
Central	City of Los Angeles
San Gabriel Valley	Pasadena, Pomona, West Covina, Alhambra, Arcadia, Diamond Bar, El Monte, Glendora and unincorporated sections of Los Angeles County
San Fernando Valley (Non-North County Sub-Region)	Burbank, Calabasas, Glendale, La Canada/Flintridge, City of Los Angeles, San Fernando, Unincorporated
San Fernando Valley (North County Sub-Region)	Lancaster, City of Los Angeles, Palmdale, Valencia, Unincorporated
Southeast	Long Beach, Downey, Lakewood, Norwalk, Compton, Cerritos, Bellflower, Pico Rivera, South Gate, Whittier and unincorporated sections of Los Angeles County

Los Angeles County Transportation Survey 2008



Ballot Language Tested

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



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Ballot Language Tested

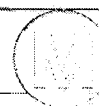
**LOS ANGELES COUNTY TRAFFIC RELIEF, MASS TRANSIT
EXTENSION, AIR POLLUTION PREVENTION AND REDUCTION
OF FOREIGN OIL DEPENDENCE MEASURE**

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;

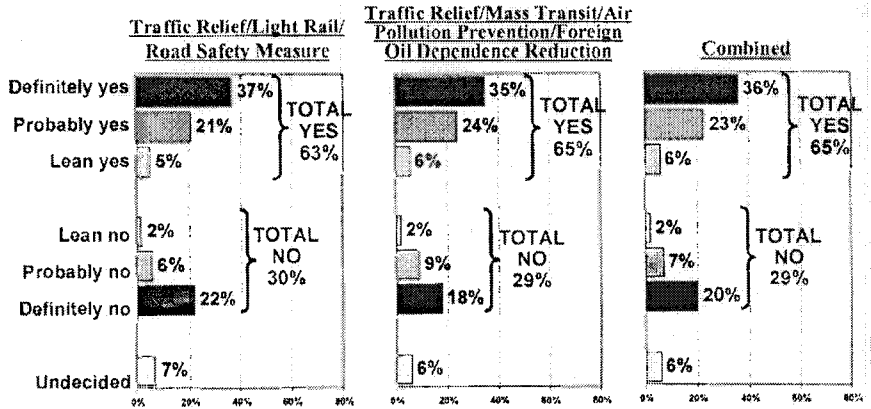
shall the Los Angeles County sales tax be increased by one-half cent for 30 years, with local control, independent audits and public review of expenditures?

Los Angeles County Transportation Survey 2008



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

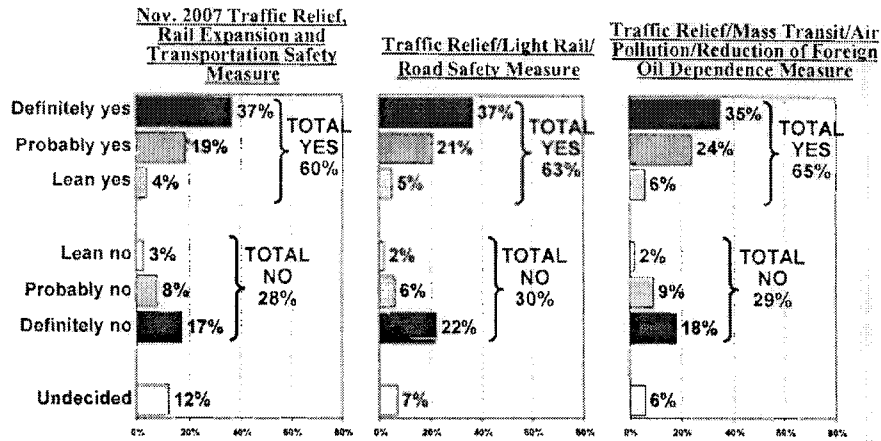


5/6. If this election were held today on this measure, do you think you would vote yes in favor or no to oppose it?

Los Angeles County Transportation Survey 2008

Slide 7

2007 Initial Support versus 2008 Initial Support on Transportation Measure



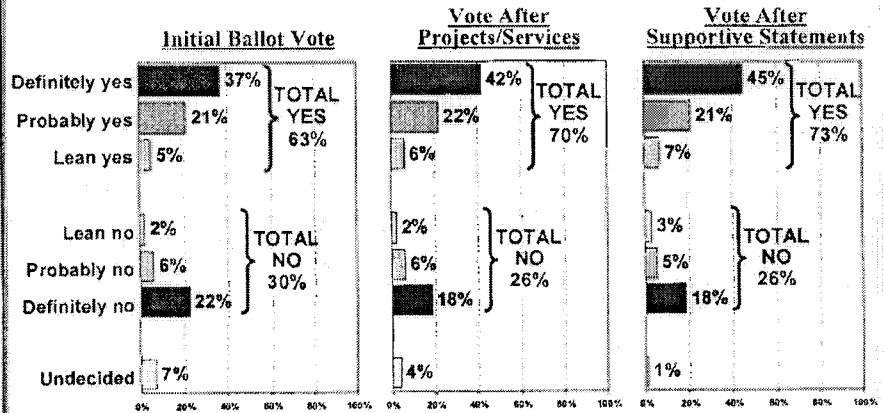
Q3. If the election were held today on this measure, do you think you would vote yes in favor or no to oppose it?

Los Angeles County Transportation Survey 2008

Slide 8

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

(Traffic Relief, Light Rail, Road Safety Measure)



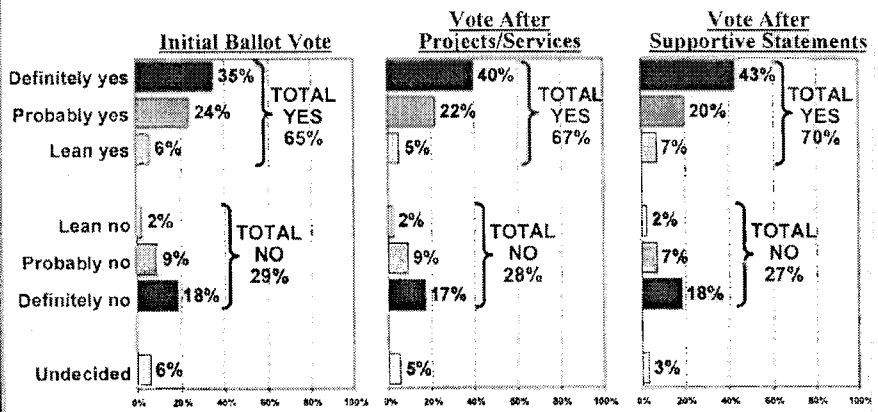
Q3. (Split Sample C)/11 (Split Sample C). If the election were held today on this measure, do you think you would vote yes in favor or no to oppose it?

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

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)



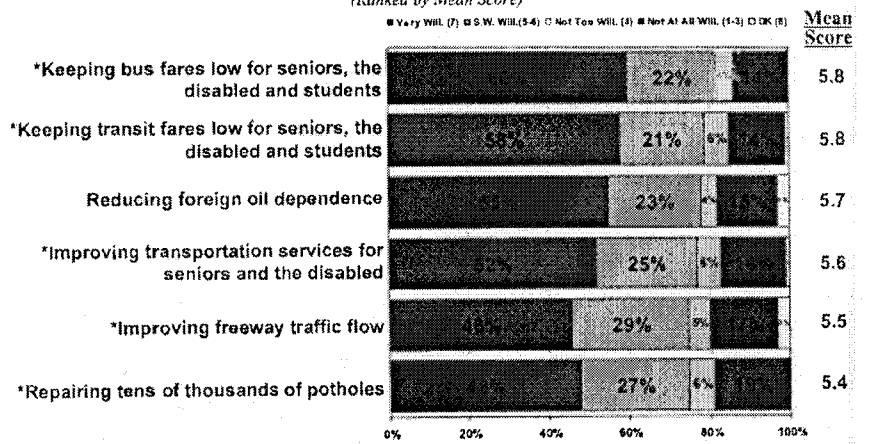
9? (Split Sample D)/11 (Split Sample D) If the election were held today on this measure, do you think you would vote yes in favor or no to oppose??

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

Los Angeles County Transportation Survey 2008

Willingness to Pay for Specific Transportation Improvements

(Ranked by Mean Score)

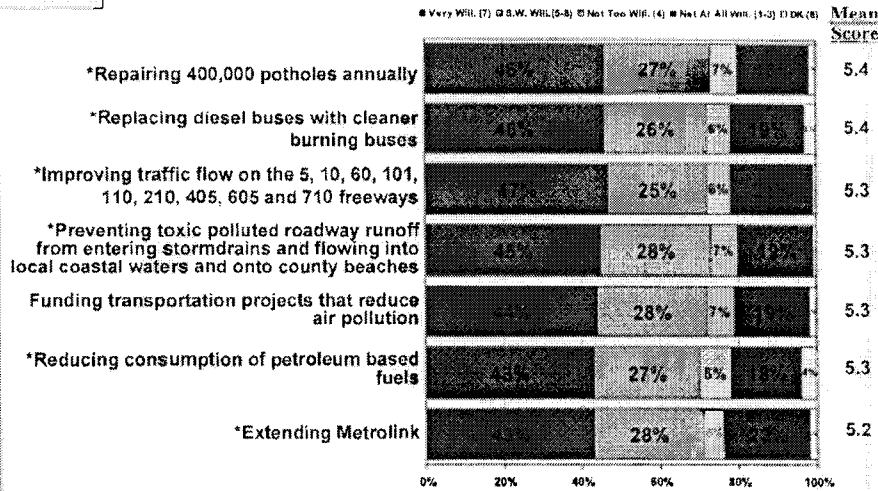


7. I am now going to need you a list of ways money from the transportation ballot measure could be used throughout Los Angeles County. Regardless of your opinion of the measure, after I mention each one, please let me how willing you would be personally to pay for that proposed item through a sales tax increase. We will use a score 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. *Split Sample

Los Angeles County Transportation Survey 2008

Continued

Slide 11

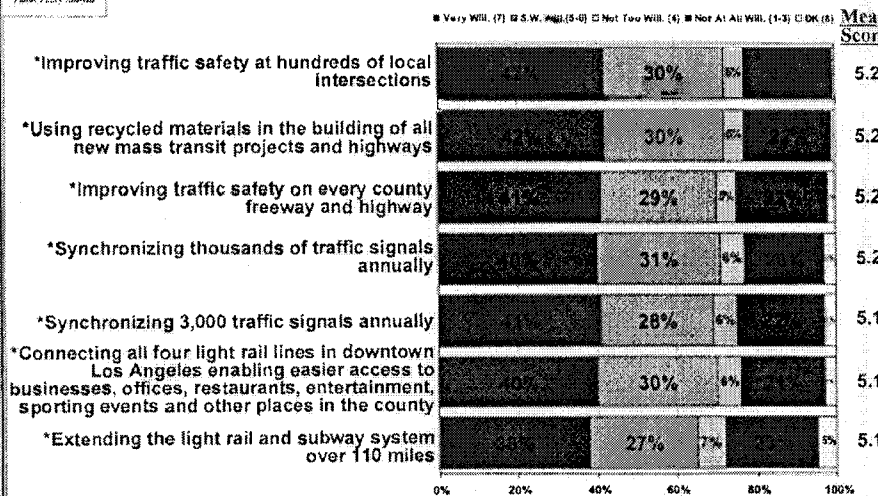


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Los Angeles County Transportation Survey 2008

Continued

Slide 12

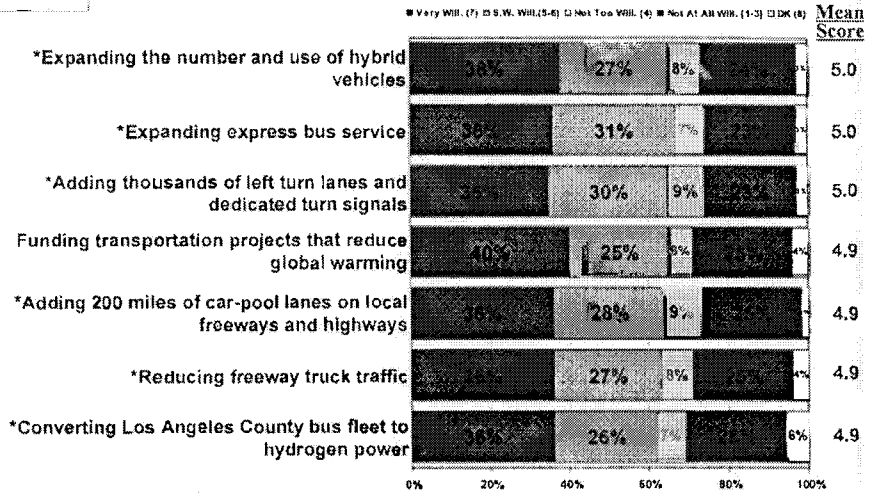


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Los Angeles County Transportation Survey 2008

Continued

Slide 13



7. 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. *Split Sample


Los Angeles County Transportation Survey 2008


Westside Planning Area Projects

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(Ranked by Much More Likely to Vote for the Measure)

Projects	Much More Likely	Somewhat More Likely	Not Too/Not at All Likely	No Difference/DK/NA
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%	11%	13%
Expanding five regional and neighborhood bus services, such as Santa Monica's Big Blue Bus, Culver City Bus and local Dash buses	46%	27%	15%	12%
Adding over 16 miles of carpools lanes in each direction on the 10 freeway between the City of Santa Monica and downtown Los Angeles	45%	25%	16%	13%
Extending light rail from downtown Los Angeles along Exposition Boulevard through Cheviot Hills to the Beach	44%	23%	16%	17%
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	41%	24%	15%	20%

Fairbank, Maslin, Mauldin & Associates <small>Opinion Research & Public Policy Analysis</small>	Los Angeles County Transportation Survey 2008				 <small>slide 15</small>
	South Bay Planning Area Projects <small>(Ranked by Much More Likely to Vote for the Measure)</small>				
	Projects	Much More Likely	Somewhat More Likely	Not Too/ Not at All Likely	No Difference/ DK/NA
	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	47%	23%	14%	%16
	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	44%	26%	17%	13%
	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	43%	23%	18%	16%

Fairbank, Maslin, Mauldin & Associates <small>Opinion Research & Public Policy Analysis</small>	Los Angeles County Transportation Survey 2008				 <small>slide 16</small>
	Continued				
	Projects	Much More Likely	Somewhat More Likely	Not Too/ Not at All Likely	No Difference/ DK/NA
	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%	14%	10%
	Extending the Metro Green light rail line through Los Angeles International Airport to Wilmington	41%	29%	16%	14%
	Expanding eleven regional and neighborhood bus services, such as Torrance Transit, Beach Cities Transit and local Dash buses	38%	30%	15%	17%

Los Angeles County Transportation Survey 2008



Central Planning Area Projects

Slide 17

(Ranked by Much More Likely to Vote for the Measure)

Project	Much More Likely	Somewhat More Likely	Not Too/ Not at All Likely	No Difference/ DK/NA
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%	15%	7%
Adding over 16 miles of carpools lanes in each direction on the 10 freeway between the City of Santa Monica and downtown Los Angeles	45%	25%	17%	13%
Extending light rail from downtown Los Angeles along Exposition Boulevard through Cheviot Hills to the Beach	44%	25%	20%	11%

Los Angeles County Transportation Survey 2008



Continued

Slide 18

Project	Much More Likely	Somewhat More Likely	Not Too/ Not at All Likely	No Difference/ DK/NA
Extending the Metro Gold light rail line nearly 10 miles from East Los Angeles to the City of Whittier	44%	21%	20%	15%
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	42%	32%	14%	12%
Expanding 13 regional and neighborhood bus services, such as Foothill Transit, Compton Transit Line, Commerce Transit and local Dash buses	41%	30%	16%	13%

Los Angeles County Transportation Survey 2008



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San Gabriel Valley Planning Area Projects

(Ranked by Much More Likely to Vote for the Measure)

Projects	Much More Likely	Somewhat More Likely	Not Too/ Not at All Likely	No Difference/ DK/NA
Improving the 57 and the 60 interchange to help ease traffic flow and improve traffic safety	50%	23%	12%	15%
Extending the Metro Gold light rail 27 miles from Pasadena to Montclair	50%	22%	10%	18%
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%	12%	13%


Los Angeles County Transportation Survey 2008




Slide 20

Continued

Projects	Much More Likely	Somewhat More Likely	Not Too/ Not at All Likely	No Difference/ DK/NA
Expanding 14 regional and neighborhood bus services, such as Foothill Transit, Montebello Bus Lines, and Pasadena Area Rapid Transit System	47%	26%	13%	14%
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	47%	24%	16%	13%
Adding an 11 mile carpool lane in both directions on the 10 freeway between the 605 and 57 freeways	46%	24%	14%	16%
Extending the Metro Gold light rail line nearly 10 miles from East Los Angeles to the City of Whittier	42%	23%	16%	19%
Extending the 710 through a five-mile tunnel under South Pasadena to link up the 10 and 210 freeways	41%	25%	15%	19%

Fairbank, Maslin, Maulin & Associates <small>Optima Research & Public Policy Analysis</small>	Los Angeles County Transportation Survey 2008				 <small>Slide 21</small>
	San Fernando Valley Non-North Planning Area Projects (Ranked by Much More Likely to Vote for the Measure)				
	Project	Much More Likely	Somewhat More Likely	Not Too/ Not at All Likely	No Difference/ DK/NA
	Improving the 101 and 405 interchange to help ease traffic flow and improve traffic safety	48%	22%	19%	11%
	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%	19%	13%
	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%	20%	16%

Fairbank, Maslin, Maulin & Associates <small>Optima Research & Public Policy Analysis</small>	Los Angeles County Transportation Survey 2008				 <small>Slide 22</small>
	Continued				
	Project	Much More Likely	Somewhat More Likely	Not Too/ Not at All Likely	No Difference/ DK/NA
	Adding 22 miles of carpool lanes on the 101 freeway in each direction from the Ventura County line to downtown Los Angeles	39%	29%	22%	10%
	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%	21%	13%
	Creating an interchange from the 1-70 to the 101 going East bound into the Valley	38%	27%	19%	16%
	Expanding five regional and neighborhood bus services, such as Burbank local Transit, Glendale Beeline, and local Dash buses	36%	29%	23%	12%
	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%	23%	15%

Los Angeles County Transportation Survey 2008



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San Fernando Valley North Planning Area Projects

(Ranked by Much More Likely to Vote for the Measure)

Project	Much More Likely	Somewhat More Likely	Not Too/ Not at All Likely	No Difference/ DK/NA
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%	27%	12%
Expanding two regional and neighborhood bus services, such as Santa Clarita Transit and Antelope Valley Transit	34%	24%	26%	16%
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%	27%	15%
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%	31%	13%

Los Angeles County Transportation Survey 2008



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Continued

Project	Much More Likely	Somewhat More Likely	Not Too/ Not at All Likely	No Difference/ DK/NA
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%	33%	15%
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%	28%	17%

Los Angeles County Transportation Survey 2008



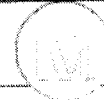
Southeast Planning Area Projects

Slide 25

(Ranked by Much More Likely to Vote for the Measure)

Projects	Much More Likely	Somewhat More Likely	Not Too/ Not at All Likely	No Difference/D K/NA
Expanding 18 regional and neighborhood bus services, such as Long Beach Transit, Norwalk Transit, Cerritos on Wheels, and local Dash buses	42%	27%	11%	20%
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	40%	29%	13%	18%
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	40%	24%	14%	22%

Los Angeles County Transportation Survey 2008



Continued

Slide 26

Projects	Much More Likely	Somewhat More Likely	Not Too/ Not at All Likely	No Difference/D K/NA
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%	17%	15%
Reducing truck traffic on the 710 in both directions between the ports of Los Angeles and Long Beach and the 60 freeway	39%	27%	18%	16%
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	35%	29%	18%	18%
Extending the Metro Gold light rail line nearly 10 miles from East Los Angeles to the City of Whittier	30%	26%	20%	24%

Los Angeles County Transportation Survey 2008

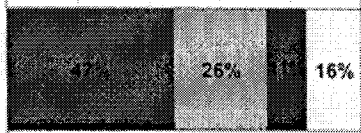
Supportive Messages

Slide 27

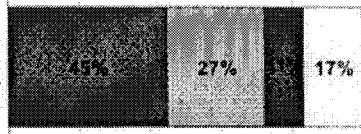
(Ranked by Much More Inclined)

■ Much More Inc. □ S.W. More Inc. ■ Less Inc./Don't Bel. □ NE/DK/NA

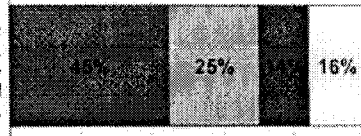
*With a gallon of gas surging to \$5 and more, tens of thousands of Los Angeles County residents have begun to use mass transit for the first time. This measure will help encourage more transit commuters by expanding the system, and making it a more practical and realistic alternative to costly commuting by car.



*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



*Experts say this one-half cent sales tax increase measure will cost the average person about \$28 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.



10. I am going to mention to you some statements made by supporters of the transportation ballot measure we have been discussing. Please tell me if it makes you more inclined to vote for this ballot measure. *Gov. Sample

Los Angeles County Transportation Survey 2008

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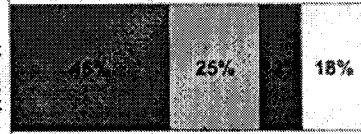
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■ Much More Inc. □ S.W. More Inc. ■ Less Inc./Don't Bel. □ NE/DK/NA

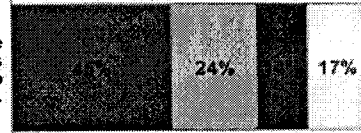
The funds from this measure will lead to the annual synchronization of 3,000 traffic lights and the repair of 400,000 potholes. It will also add 190 miles of freeway lanes, 200 miles of carpool lanes, and expand light rail by 100 miles. These specific projects are part of a comprehensive transportation plan that will immediately relieve traffic gridlock on local streets and freeways.



*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 a year per residents, will provide real mass transit options, immediate road repair and significant cost savings.



*Approving this measure will unlock \$11.4 billion in state and federal government matching transportation funds for Los Angeles County, which would otherwise go to another county.



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Los Angeles County Transportation Survey 2008

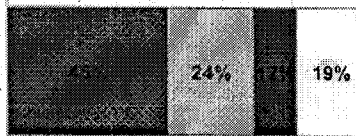


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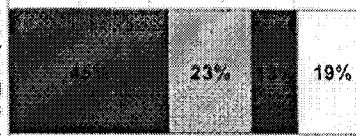
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■ Much More Inc. ■ S.W. More Inc. ■ Less Inc./Don't Bal. □ NEED/NOA

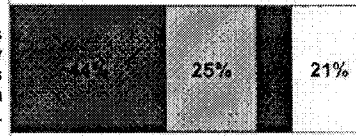
*Mass transit projects funded by this measure will create about 10,000 jobs and hundreds of job training opportunities a year for the next 30 years. With the economy in serious decline, passing this measure is an immediate and long-term economic stimulus that our local area and county needs.



Fifty-eight percent of the oil we use comes from foreign sources and foreign oil use is expected to grow to 68% 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.



*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.



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

10. I am going to mention to you some statements made by supporters of the transportation ballot measure we have been discussing. Please tell me if it makes you more inclined to vote for this ballot measure. *Split Sample

Los Angeles County Transportation Survey 2008

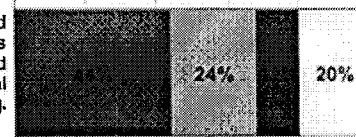


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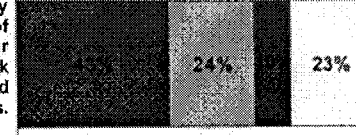
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■ Much More Inc. ■ S.W. More Inc. ■ Less Inc./Don't Bal. □ NEED/NOA

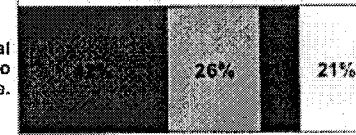
*By speeding up the development of mass transit and the conversion of diesel buses to cleaner fuels this measure will decrease greenhouse gas emissions and reduce Los Angeles County's contribution to global warming.



*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.



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.



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

10. I am going to mention to you some statements made by supporters of the transportation ballot measure we have been discussing. Please tell me if it makes you more inclined to vote for this ballot measure. *Split Sample

Los Angeles County Transportation Survey 2008

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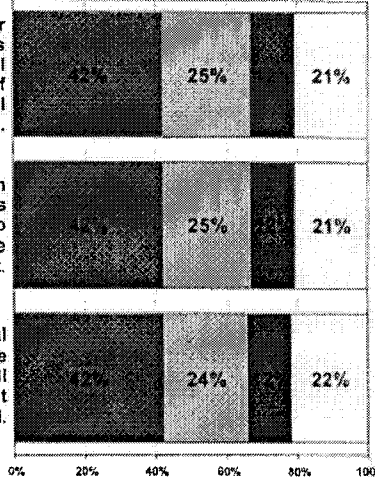
Slide 21

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.

*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.

*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.

■ Much More Inc. □ S.W. More Inc. ■ Less Inc./Don't Bat □ NEADKNA



10. I am going to mention to you some statements made by supporters of the transportation ballot measure we have been discussing. Please tell me if it makes you more inclined to vote for this ballot measure. *Split Sample

Los Angeles County Transportation Survey 2008

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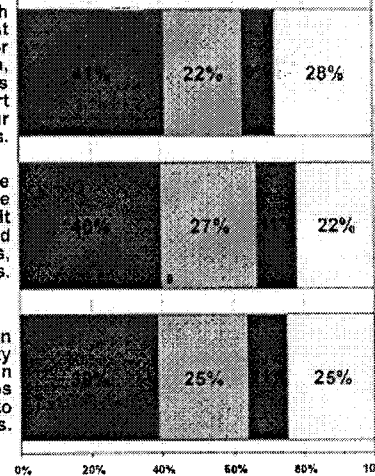
Slide 22

*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.

*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.

*Cuts in federal and state funding to local transportation projects and services have cost Los Angeles County over \$100 million 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.

■ Much More Inc. □ S.W. More Inc. ■ Less Inc./Don't Bat □ NEADKNA



10. I am going to mention to you some statements made by supporters of the transportation ballot measure we have been discussing. Please tell me if it makes you more inclined to vote for this ballot measure. *Split Sample

Los Angeles County Transportation Survey 2008



Initial Vote and Voter After Projects/ Services and Supportive Statements by Supervisorial Planning Area

Slide 33

(Combined)

Planning Area	Total Initial Yes %	Total Yes % After Projects and Supportive Statements	Difference	Percent of Sample
LA County	65%	71%	+6%	100%
Westside	72%	79%	+7%	15%
Southbay	60%	71%	+11%	16%
Central	72%	79%	+7%	7%
San Gabriel Valley	69%	74%	+5%	19%
SFV non-North	65%	66%	+1%	19%
SFV North	52%	59%	+7%	7%
Southeast	61%	68%	+7%	17%

S9 combined/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



Oppositional Statement

Slide 34

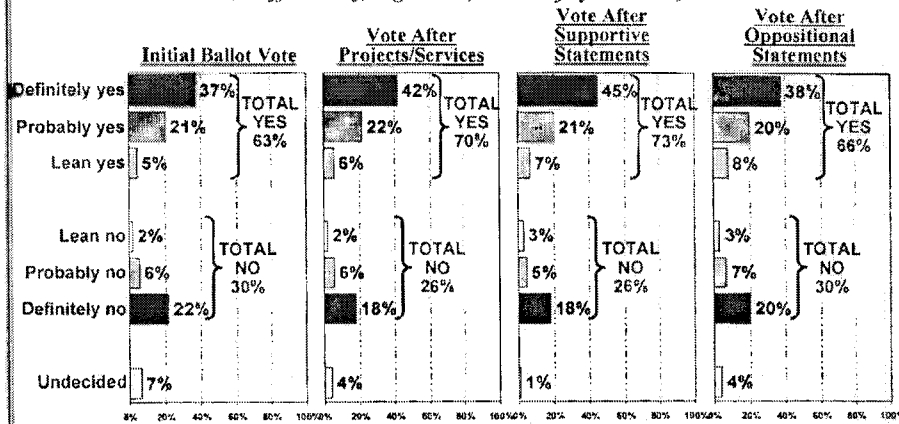
Those people who oppose the measure say that this regressive tax comes at a bad time because hard working families and individuals are getting squeezed in their pocket books from higher food costs, rising gas prices and increased home foreclosures. Opponents also say that the plan calls for only 30% of the funds raised to be used for mass transit projects, while 25% 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.

12. If the election were held today, would you vote yes in favor or no to oppose it?

Los Angeles County Transportation Survey 2008

Initial Ballot Vote, Vote After Projects/ Services and Vote After Supportive and Oppositional Statements *(Traffic Relief, Light Rail, Road Safety Measure)*

Slide 25

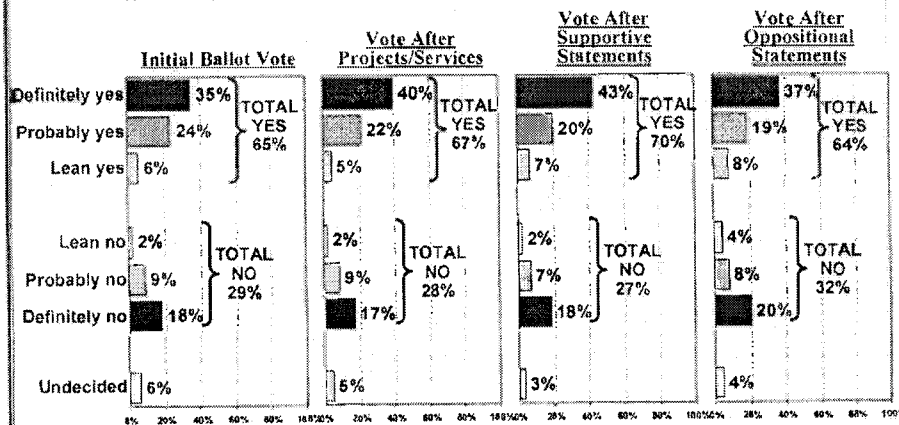


6/9 (Split Sample C)/11 (Split Sample C)/12 (Split Sample C) If the election were held today on this measure, do you think you would vote yes in favor or no to oppose? #7

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)*

Slide 26



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? #7



Los Angeles County Transportation Survey 2008

June 5-15, 2008

220-2515

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

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