



ANTONIO R. VILLARAIGOSA
MAYOR

United States Senate Committee on Environment and Public Works

Testimony of Los Angeles Mayor Antonio R. Villaraigosa

March 11, 2010

Thank you Chairman Boxer, Ranking Member Inhofe, and members of the committee for the opportunity to address your committee at the “Federal, State and Local Partnerships to Accelerate Transportation Benefits” hearing. Your focus on leveraging federal investment and encouraging non-federal investment in transportation is important and timely for the nation and for Los Angeles in particular.

Introduction

Los Angeles is the car capital of the world, with the traffic congestion and air quality to prove it. Despite dramatic improvements in our air quality over the past four decades, Los Angeles continues to have some of the dirtiest air in the U.S. And, according to the Texas Transportation Institute, we continue to have the highest levels of traffic congestion in the U.S. Angelenos spend an average of 70 extra hours each year stuck in traffic. In total, we waste 367 million extra gallons of fuel and 485 million hours at an estimated cost of \$10.3 billion to our regional economy.

At the same time, we have invested heavily in our transportation infrastructure and made progress in stemming the growth of traffic congestion. While most other major U.S. cities have seen congestion grow since 1997 – even those with major transit systems – Los Angeles’ congestion levels have remained constant despite population increases.

We have done this by strategically expanding our car pool lane system, synchronizing our traffic lights, and expanding our mass transit system. Our first rail line of the modern era opened in 1990, connecting the City of Long Beach and downtown Los Angeles. Since then, we have invested heavily in expanding our light rail, heavy rail, and commuter rail systems. Concurrently, we have seen an explosion of rail ridership in Los Angeles. From 1996 to 2008, overall rail trips increased 150%, with light rail growing 90%, heavy rail growing 275% (after opening subway legs to Hollywood, Universal City, and North Hollywood), and commuter rail growing 126%.

According to the 2008 National Transit Database Los Angeles ranks third in the nation in total transit boardings (474 million), trailing only New York and Chicago. We also are ranked tenth in rail boardings. And our growing heavy rail system (subway) is top in the

United States Senate Committee on Environment and Public Works

March 11, 2010

U.S. in passengers per hour (“Unlinked Passenger Trips per Vehicle Revenue Hour”), beating out both New York and Chicago. These data suggest that there is a market for rail transit in Los Angeles. At the same time, we have continued to invest in our bus system, innovating new “Rapid Bus” service, building a 14-mile bus rapid transit project (Orange Line), operating the largest clean fuel bus system in the U.S., and winning the 2006 American Public Transportation Association’s best large transit operator award.

Transit is the Future in Los Angeles

Public transit plays a vital role in cities, relieving traffic congestion, improving air quality, and providing lifeline service to the transit dependent so that they have access to full range of opportunities they need to prosper, from jobs and shopping to medical services, education, and recreation. But in cities like Los Angeles, we are essentially built out. There is little undeveloped land beyond our parks and clearly there is no room to build new freeways to ease traffic without ripping out neighborhoods wholesale, which I strongly oppose.

When I ran for mayor of Los Angeles in 2001 and again in 2005 (when I was elected), a cornerstone of my platform was making our city and our region more sustainable. A key part of building sustainable communities is investing in clean rail transit. I argued then and continue to believe today that Los Angeles needs a greatly expanded rail system to remain competitive in the 21st century and if we are to grow into a truly sustainable metropolis made up of livable communities.

Therefore, we are investing heavily in transit, retrofitting our city and region with new systems that provide clean, reliable alternatives to driving. At the same time, we are working to create sustainable communities around our rail stations, neighborhoods where walking, cycling, and transit can connect people to the places they want to go and the people they want to see. We are supporting major anchor developments in transit oriented districts and between 2005 and 2009 over 40% of all new construction has occurred near rail stations.

As mayor and a member of the 13-member Los Angeles County Metropolitan Transportation Authority’s (MTA) Board of Directors, I have worked with my colleagues to start important planning and environmental studies for new rail lines that precede construction. We have done so because we know that major public works projects are not built overnight and that pre-construction work must continue even as we work to identify funding for our ambitious rail program.

United States Senate Committee on Environment and Public Works
March 11, 2010

The Measure R Story – Cities Investing in Transportation Infrastructure

In 2008, in the midst of a national economic recession, Los Angeles voters said “yes” to cleaner air, jobs, and livable communities and supported Measure R, a 30-year half-cent sales tax dedicated to transportation investments. Over two million voters and two-thirds (67.93%) of those casting votes on November 4, 2008 supported Measure R. While surprising to many, we were confident that our voters again would choose to invest in themselves and the transportation future of our city and our region.

Measure R will generate an estimated \$40 billion in revenue over the next 30 years. It is a multi-modal funding source, dedicating 20% of revenue for highway improvements. In addition, local cities in the County of Los Angeles receive 15% of the revenue by population formula that they can spend on local projects that improve mobility, transit, cycling, and pedestrian access. But the majority (65%) of funding is dedicated to transit capital projects and transit operations. And the construction of Measure R projects will create thousands of new, high quality jobs.

Measure R can serve as a model for local investment in transportation. This is the third time the Los Angeles electorate has voted to tax itself for a better tomorrow. Previously, our voters passed half-cent sales taxes in 1980 and 1990. As a result, Los Angeles has been able to make massive investments in public transit and our highway system. We have had matching funds to compete for and secure state and federal transportation funding, including federal New Starts to support our heavy rail and light rail expansion. And we have had additional operating funds that have allowed us to keep our fares low.

MTA 2009 Long Range Transportation Plan – Consensus Transit Projects

Last year, the MTA Board of Directors unanimously adopted a new Long Range Transportation Plan (LRTP), which serves as the blue print for our transportation investments over the next 30 years. Our plan represents an MTA Board consensus of support for the 12 transit projects approved by voters in Measure R. Thanks to Measure R, we will be able to expand our rail system dramatically, building 12 new rail and bus rapid transit (BRT) lines and adding an estimated 78 miles of new service. Our plan includes 65% of its transit construction funding from Measure R, 23% from federal New Starts, and 12% from other local, state, and federal funds.

During the first decade, Los Angeles’ consensus projects for federal New Starts funding are the Westside Subway and the Regional Connector and we are seeking to get both projects authorized in the upcoming surface transportation bill. The subway will extend heavy rail service from its current terminus in Koreatown westward to many important job, cultural, and medical centers, including the Los Angeles County Museum of Art, Beverly Hills, Century City, and Westwood, home of the University of California at Los Angeles (UCLA). The Regional Connector will link four light rail transit lines, improving

United States Senate Committee on Environment and Public Works

March 11, 2010

the efficiency and ridership of our system. Our plan includes \$1.6 billion in federal New Starts funding in MTA fiscal year 2010-2019 for these two projects.

The construction and operation of these lines will yield significant regional benefits. We will remove from the environment 570,000 pounds of emissions annually. We will use 10.3 million less gallons of gasoline. We will drive 208 million fewer miles each year. And we will increase annual transit use by 77 million trips.

But beyond these important environmental and transportation benefits, our plan will create jobs. Over our 30-year plan, we expect to create 166,000 construction jobs and at least 2,800 permanent jobs operating and maintaining our expanded transit system.

Los Angeles 30/10 Initiative

Unfortunately, 30 years is too long to wait if we can find a way to build these projects faster. Our “30/10 initiative” is a proposal to accelerate construction of 12 new mass transit lines and build these projects over the next decade.

30/10 will create jobs, secure our energy future, and make Los Angeles move sustainable and livable. By transforming our region, we will achieve the many benefits in the near-term, in time to see and appreciate them. Specifically, we would triple the number of construction jobs in Southern California (not just Los Angeles), with an average of over 16,000 jobs annually. These would be career jobs in the construction trades, not short-term employment. We would see 1.8 times less carbon monoxide (CO) and 2.4 times less nitrous oxides (NO_x) over the next 30 years. And we would see an expanded rail network connecting many of the most important employment and population centers in our region.

We believe that there is a compelling local and national interest in getting the jobs and environmental benefits of our transit program as quickly as possible. One of our 12 projects is already under construction and we expect to break ground on a second project later this year. Another seven projects are in some stage of formal pre-construction development (planning, environmental, or design).

By accelerating our transit program, we can reduce construction costs by 20% from avoided cost inflation alone, from \$18.3 billion over 30 years to \$14.7 billion over 10 years. In addition, the soft construction market provides an opportunity to put Americans back to work and save money building new rail lines. We have seen aggressive bidding on public works projects by companies hungry for work, with bids coming in ten, twenty, or more percent under the engineer’s estimate.

The challenge we face is that our Long Range Transportation Plan only has \$5.8 billion in transit capital funding in MTA fiscal year 2010-2019. This means a funding gap of up

United States Senate Committee on Environment and Public Works

March 11, 2010

to \$8.8 billion (though likely lower if we can go the construction market sooner). At the same time, we will have an estimated \$10.4 billion of Measure R transit construction money in the second and third decades of our plan that we want to tap now.

To achieve our goal, we have been working to develop a funding plan for the 30/10 initiative. Two current federal programs – the Build America Bonds (BABs) and The Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA) – could provide important assistance in our efforts to make 30/10 a reality. Likewise, a national infrastructure bank also could be helpful.

But the federal government can and should do more, especially for cities and regions that are coming to the table with money in hand to create a true federal-local partnership. We have begun conversations with leaders in the Senate and House, the White House, and key federal agencies to strategize about how we can partner together to leverage local voter-approved funding in a way that will create jobs and improve sustainability.

Because we plan to finance much of the 30/10 construction, we believe a combination of multi-year direct loans, loan guarantees, interest rate subsidies, and innovative repayment terms would enable us to fund construction of all 12 of our transit projects over the next decade. This could become the model for a new paradigm in federal transportation funding, or – at a minimum – an innovative partnership model.

Conclusion

As Congress continues its important focus on stimulating the U.S. economy and reauthorizing the surface transportation bill, we believe that serious consideration should be given to expanding the federal government's financing assistance for transportation projects. Doing so would encourage states and local government to invest in the transportation infrastructure that is essential to maintaining the competitiveness and sustainability of the U.S. in the 21st century and enable the federal government to leverage its resources strategically.

Attached are additional supplemental materials related to our 30/10 initiative, Measure R, and the job creation benefits of investing in public transit. Please do not hesitate to contact me directly or Deputy Mayor Jaime de la Vega at (213) 978-2360 or jaime.delavega@lacity.org before or after the hearing if you have any questions.

Finally, I want to thank you, Chairman Boxer, and Ranking Member Inhofe for providing me with the opportunity to submit this testimony. I look forward to working collaboratively with you and this committee in the future to forge a partnership that will help us create quality jobs and clean up the environment.



ANTONIO R. VILLARAIGOSA
MAYOR

United States Senate Committee on Environment and Public Works

Supplemental Material to the

Testimony of Los Angeles Mayor Antonio R. Villaraigosa

March 11, 2010

Attached are supplemental materials that may be helpful in preparing for the “Federal, State and Local Partnerships to Accelerate Transportation Benefits” hearing.

- Los Angeles 30/10 Initiative, February 12, 2010 (2 pp)
- “Villaraigosa's 30-10 vision”, *Los Angeles Times*, February 26, 2010 (2 pp)
- Measure R [Overview], February 16, 2010 (2 pp)
- “The Construction Impact Of Metro’s Measure R Transportation Projects 2009-2038”, Los Angeles Economic Development Corporation, February 10, 2010 (19 pp)
- Election results, November 8, 2008 (1 p)
- Measure R Vote Totals for the County of Los Angeles and City of Los Angeles, November 2008 (2 pp)
- Measure R “Ordinance # 08-01 Traffic Relief and Rail Expansion Ordinance”, July 28, 2008 (32 pp)

Please contact Deputy Mayor Jaime de la Vega at (213) 978-2360 or jaime.delavega@lacity.org at any time if you have any questions or if we can be of further assistance.

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Los Angeles 30/10 Initiative

Accelerating Delivery of Measure R Transit Projects

- Create jobs, secure our energy future & make Los Angeles more sustainable and livable
- Build & open 12 major transit projects in 10 years instead of 30
- Reduce project delivery costs by 20% (\$3.7 billion)



The Measure R Story

- Voters approved \$40 billion, 30-year half-cent transportation sales tax, with 65% of funding for public transit
- Supported by over 67% of the voters in Los Angeles Co. in 2008 in midst of economic recession
- Public transit funding for 12 major projects in new, consensus 30-year blueprint for an improved transportation network in Los Angeles County
- 9 of 12 projects in construction or pre-construction development

Benefits & Rationale

Creating & Sustaining High Quality Jobs

- 165,990 construction jobs (10 yrs.)
Updated figure for total jobs in Southern California (02/10/10)
- 2,800+ permanent operating & maintenance jobs
- Opportunity to purchase U.S.-made materials (steel, etc.)

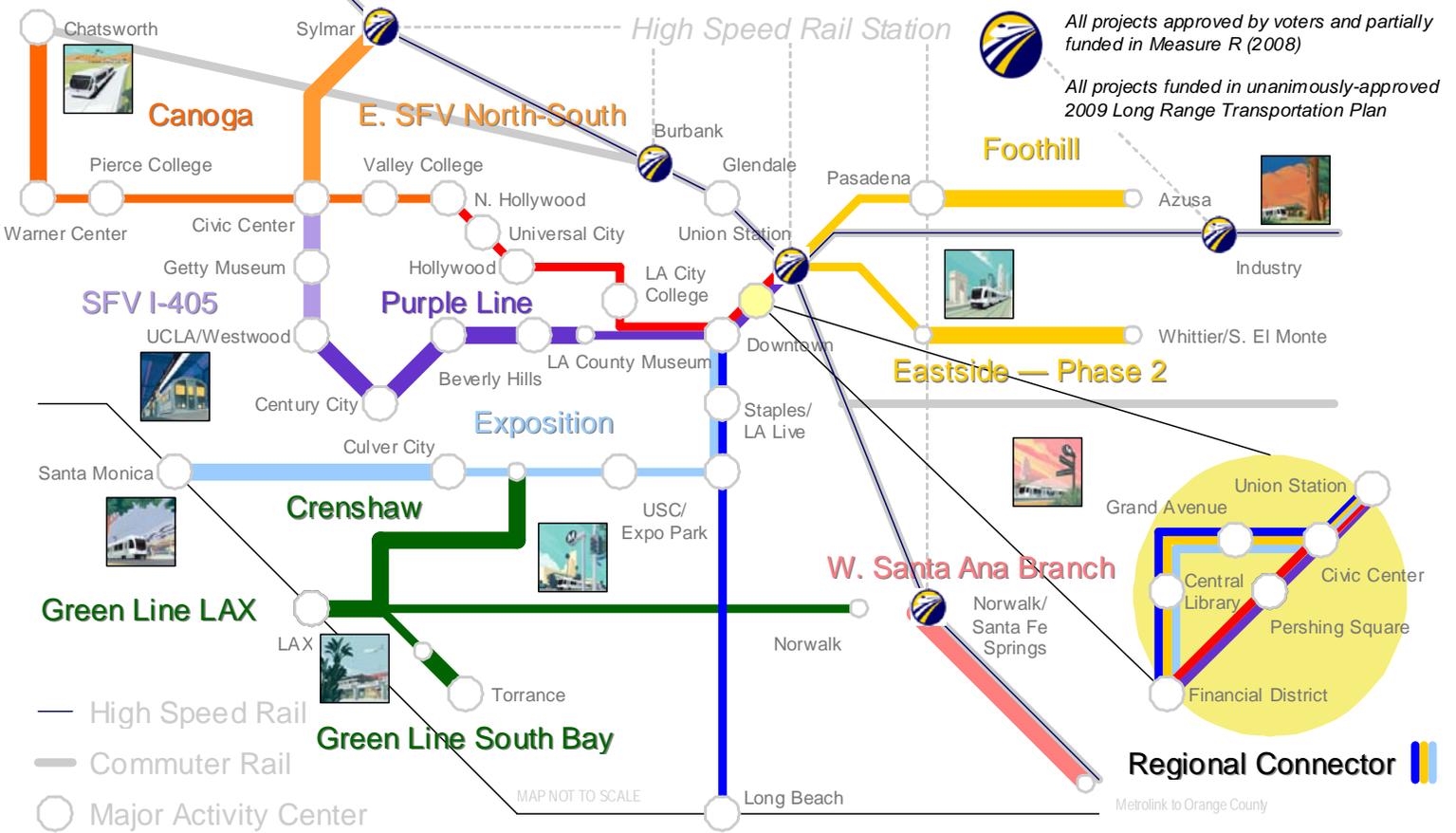
Sustainability & Livability

- 570,000 lbs. fewer emissions/yr.
- 1.8 x less CO (2020-2035)
- 2.4 x less NO_x (2020-2035)

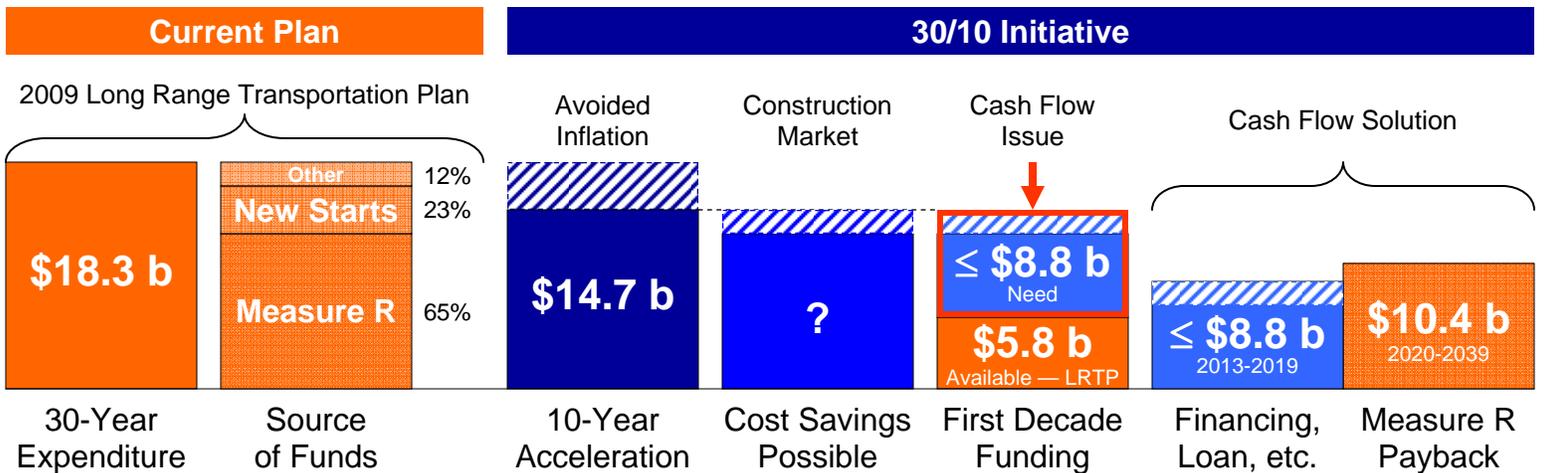
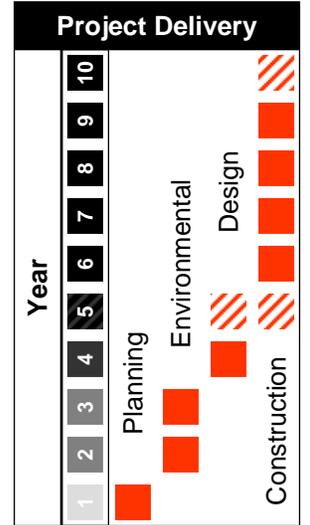
Securing our Energy Future

- Electric rail transit
- 10.3 million fewer gal. gas/yr.
- 77 million more transit trips/yr.
- 208 million miles less driving/yr.

30/10 Initiative



| Project | Status | Year Opens Current Plan | Year Opens "30/10" |
|-------------------------------|-----------------|-------------------------|--------------------|
| SFV North-South (Canoga) | Construction | 2013 | 2013 |
| Exposition - Phase 2 | Environmental | 2015 | 2015 |
| Gold Line Foothill (Azusa) | Start < 12 mos. | 2017 | 2014 |
| Crenshaw | Environmental | 2018 | 2016 |
| SFV East North-South | Planning | 2018 | 2018 |
| Regional Connector | Environmental | 2019 | 2017 |
| Westside Subway (Purple Line) | Environmental | 2019, 26, 36 | 2017 |
| West Santa Ana Branch | ---- | 2027 | 2018 |
| Green Line - LAX | ---- | 2028 | 2018 |
| Eastside - Phase 2 | Environmental | 2035 | 2017 |
| Green Line - South Bay | Environmental | 2035 | 2018 |
| SFV I-405 | ---- | 2039 | 2018 |



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Opinion

Villaraigosa's 30/10 vision

Washington should get behind the mayor's transit proposal for L.A.

Tim Rutten

4:26 PM PST, February 26, 2010

Mayor Antonio Villaraigosa has been in Washington this week, meeting with other cities' chief executives and, more important, asking key lawmakers and transportation officials to support an audacious public works plan that simultaneously addresses Los Angeles' unemployment and traffic crises.

Villaraigosa never has been short on ambitious ideas, but his so-called 30/10 proposal is one of the best he's ever put forward. It deserves the support not only of the Obama administration but also of both sides of the aisle in California's large but fractious congressional delegation.

Essentially, the mayor is taking the administration at its word when it says it wants to focus on jobs and to stimulate the economy by steering funds to "shovel-ready" projects. The 30/10 plan does both of those things, and does so in a shrewd and attractive way.

The mayor's proposal starts with last year's passage of Measure R, in which Los Angeles County voters agreed to increase the sales tax by half a cent for 30 years in order to raise \$40 billion to construct a specific roster of mass transit projects, including westward extension of the subway to Santa Monica and additions to the light-rail Gold Line in the San Gabriel Valley.

In essence, Villaraigosa wants Washington to give the Metropolitan Transportation Authority what amounts to a bridge loan so that rather than stretching the construction projects out over three decades, as Measure R anticipated, all the work can be completed in just 10 years. The loan would be secured by the tax revenue county voters already have pledged to the projects.

As such, it presents the administration with an opportunity to create badly needed jobs and invest in a region that desperately needs traffic relief -- at no long-term cost to the federal budget.

As Villaraigosa pointed out in Washington this week, "At a time when almost all states and most cities are going

to Washington with one hand open, we're going with money in one hand and an open hand for a partnership in the other." In early meetings with lawmakers, he urged them to give special consideration to the fact that "we're the one city in the country that -- in the middle of a recession -- passed this measure. . . . We could be a blueprint of what other cities should be doing."

That would be a pleasant change indeed.

By some estimates, speeding up the construction schedule for all of the county's pending transit projects -- which includes filling in gaps in the existing light-rail system as well as new lines along Crenshaw Boulevard and westward along the Exposition right of way -- would create as many as 116,000 construction jobs. That's no small thing because nearly 40% of the county's construction workers are jobless. Moreover, because the deep and lingering recession has pushed down the costs of labor and materials, MTA officials believe letting as many contracts as possible now will save taxpayers money in the long run.

On a recent visit to Los Angeles, Rep. Peter DeFazio (D-Ore.), an influential member of the House Transportation and Infrastructure Committee, agreed that "these sorts of things are what we really need to do. . . . Taking one of the most congested places in the country and taking a big-bang approach is visionary. The problem is that this hasn't been done before. The federal government hasn't worked with a region on a scale like this."

Transportation Secretary Ray LaHood reportedly is similarly impressed by the 30/10 proposal but cautions that the federal government never has provided this sort of bridge-loan financing.

This proposal's novelty shouldn't be allowed to become an obstacle. We're still passing through the worst financial and unemployment crisis since the Depression.

Villaraigosa's plan relies on taxes that voters already have approved, and it is one of the few on the table whose scope and practicality matches that of the New Deal's grand public works projects.

Those programs not only ameliorated suffering bordering on despair, but also created physical assets from which we all still benefit. In that sense, they were quintessential examples of what historian Arthur Schlesinger regarded as President Franklin D. Roosevelt's great contribution to the American system: a politics of remedy.

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Measure R is a historic voter-approved 30-year half-cent sales tax that will:

- Create jobs designing, building, and operating new transportation infrastructure
- Bolster the local, state, and national economies
- Increase the sustainability of Los Angeles

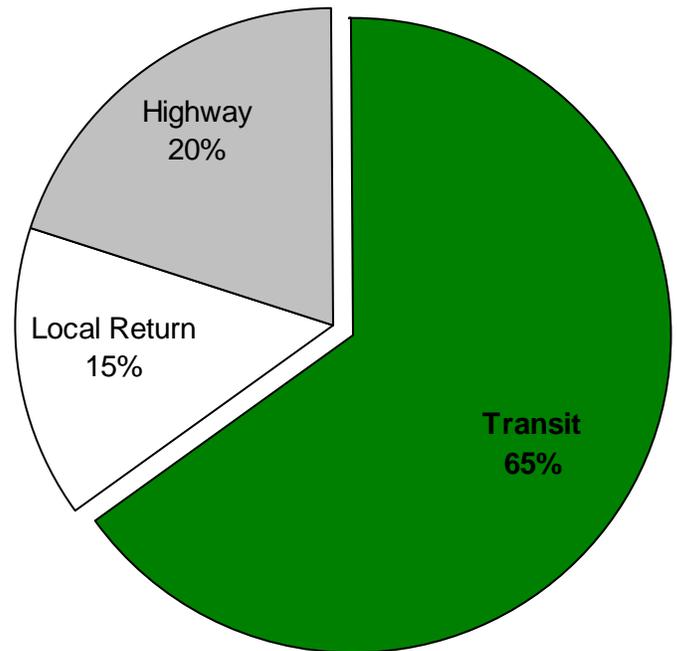
At least 65% of funding will be used to improve Los Angeles' transit system.

The largest category of funding (35%) will be used to build and expand Los Angeles' rail and busway transit system.

Federal revenue also will increase as a result of project construction.

Measure R - Allocation of Funds

| Category | Percent | \$ Billions |
|-----------------------------|-------------|-------------|
| Transit | | |
| Transit Construction | 35% | 13.2 |
| Bus Operations | 20% | 7.6 |
| Rail Operations | 5% | 1.9 |
| Commuter Rail | 3% | 1.1 |
| Rail System, Yards & Cars | 2% | 0.8 |
| Subtotal | 65% | 24.6 |
| Highway | 20% | 7.6 |
| Local Return | 15% | 5.7 |
| Total | 100% | 37.8 |



Measure R - Transit Expansion Environmental Benefits

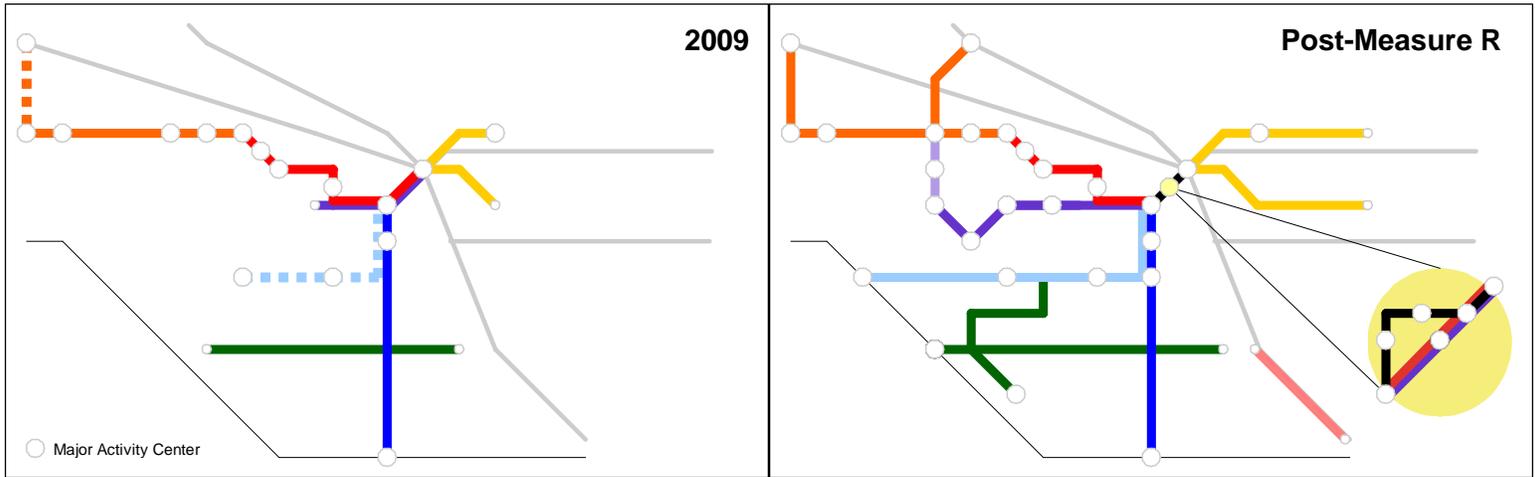
Annual Benefits

- 568,458 pounds fewer mobile source emissions
- 10.3 million fewer gallons of gasoline used
- 77 million more transit boardings
- 208 million fewer vehicle miles traveled

Measure R - Transit Construction Job Creation

UPDATED

| Metric | So. California |
|------------------------------|----------------|
| Investment | |
| Direct Spending | \$9.8 b |
| Total Output | \$22.5 b |
| Employment | |
| Earnings | \$7.3 b |
| Jobs | 166,000 |
| Annual average (baseline) | 5,533 |
| Annual average (accelerated) | 16,600 |
| Federal Revenue | |
| Federal Income Tax | \$1.0 b |
| Social Security | \$0.9 b |
| Medicare | \$0.2 b |
| Total | \$2.2 b |



Existing Rail & Busway Lines

| Line | Mode | Opened | Miles |
|-----------------------|------|-----------|--------------|
| Blue Line | LRT | 1990 | 22.0 |
| Red Line - Segment 1 | HRT | 1993 | 4.4 |
| Green Line | LRT | 1995 | 20.0 |
| Red Line - Segment 2A | HRT | 1996 | 2.1 |
| Red Line - Segment 2B | HRT | 1999 | 4.6 |
| Red Line - Segment 3 | HRT | 2000 | 6.3 |
| Gold Line - Pasadena | LRT | 2003 | 13.7 |
| Orange Line | BRT | 2005 | 14.0 |
| Gold Line - Eastside | LRT | 2009 | 5.9 |
| Expo Line | LRT | 2010-2011 | 9.6 |
| TOTAL | | | 102.6 |

Future Measure R Rail & Busway Lines

| Line | Mode | Baseline | Miles |
|------------------------------|------|-----------|-------------|
| Orange Line Canoga | BRT | 2013 | 4.0 |
| Expo Line - Phase II | LRT | 2015 | 6.6 |
| Gold Line - Foothill (Azusa) | LRT | 2017 | 11.3 |
| Crenshaw | LRT | 2018 | 8.5 |
| SFV North-South | BRT | 2018 | 7.5 |
| Regional Connector | LRT | 2019 | 1.7 |
| Wilshire Subway | HRT | 2019-2036 | 8.4 |
| West Santa Ana Branch | TBD | 2027 | 8.0 |
| Green Line - LAX | LRT | 2028 | 1.0 |
| Eastside - Phase II | LRT | 2035 | 9.3 |
| Green Line - South Bay | LRT | 2035 | 2.7 |
| SFV I-405 Corridor | TBD | 2039 | 8.5 |
| TOTAL | | | 77.5 |

LRT: Light Rail Transit HRT: Heavy Rail Transit BRT: Bus Rapid Transit



The Orange Line (bus rapid transit) opened in October 2005 and a 4-mile extension is under construction.



Los Angeles' heavy rail subway system has the most passenger trips per hour in the U.S. (2008 National Transit Database).



The Eastside extension of the Gold Line (light rail transit) opened in November 2009 with an amazing safety record with no lost time due to injuries during construction.

THE CONSTRUCTION IMPACT OF METRO'S MEASURE R TRANSPORTATION PROJECTS 2009-2038



Los Angeles County Economic Development Corporation

February 10, 2010

EXECUTIVE SUMMARY

The Los Angeles County Metropolitan Transportation Authority (Metro) has proposed a series of transportation improvement projects in Los Angeles County to be funded through tax revenues generated from the voter-approved Measure R increase in sales taxes.

The Consulting Practice of the Los Angeles Economic Development Corporation (LAEDC) has estimated the economic impact of \$34.7 billion of these construction projects. The total economic impacts consist of the one-time increases in total output (as measured by business revenues), employment and earnings in Southern California associated with the proposed construction activities over the next 30 years. All of the projects and most of the employment and economic activity will be in Los Angeles County; however, we have used the region defined by the counties of Los Angeles, Orange, Riverside, San Bernardino and Ventura to measure the impact of Metro's spending given the interconnectedness of this region's economic activity.

In addition to the economic impact of this construction, we have estimated the annual fiscal impacts at the county, state and national levels.

The exhibit below summarizes our findings.

| Economic and Fiscal Impact of Metro Construction Projects | | |
|--|----------------------|-----------------------|
| | Project Total | Annual Average |
| Project spending (\$ millions) | \$ 34,702 | \$ 1,157 |
| Total Economic Impact | | |
| Output (\$ millions) | \$ 68,775 | \$ 2,292 |
| Employment (jobs) | 507,500 | 16,900 |
| Earnings (\$ millions) | \$ 22,376 | \$ 746 |
| Total Fiscal Impact (\$ millions) | | |
| Federal | \$ 6,586.1 | \$ 219.5 |
| State | 2,304.8 | 76.8 |
| County | 271.4 | 9.0 |
| Local | 155.1 | 5.2 |

Sources: Metro; LAEDC
2008 dollars

Total spending, budgeted to exceed \$34.7 billion, will generate \$68.8 billion in economic output (measured by business revenues) in the five-county Southern California region, adding 507,500 jobs with earnings of \$22.4 billion over the thirty year period, or an annual average of 16,900 jobs with \$746 million in annual earnings.

Total tax revenues collected will exceed \$9.3 billion, or an annual average of \$310 million. Approximately 70 percent of the total, or \$6.6 billion, will be earned at the federal level. More than \$2.3 billion in state taxes will be paid over the thirty year period.

MEASURE R TRANSPORTATION PROJECTS

Budgeted Spending

The Los Angeles County Metropolitan Transportation Authority (Metro) has proposed a series of transportation improvement projects in Los Angeles County to be funded through tax revenues generated from the voter-approved Measure R increase in sales taxes. These projects are broadly categorized into two groups: highway and freeway projects, which also include grade separations and sound wall construction; and transit corridor construction. The overall budget for the projects included here is \$34.7 billion over thirty years.

The amounts by budget category are shown in the exhibit below.

| Exhibit 1 Metro Transportation Improvement Construction Projects Program Budget by Category | | |
|--|--------------------|-------------------|
| | \$ millions | % of total |
| Highway and freeway improvements, including grade separation and sound wall construction | \$ 22,906.2 | 66.0 |
| <i>Of which: Right-of-way acquisition</i> | <i>2,836.7</i> | |
| Transit corridor construction | 11,795.8 | 34.0 |
| <i>Of which: Right-of-way acquisition</i> | <i>1,56.3</i> | |
| <i>Vehicle purchases</i> | <i>985.8</i> | |
| Total Budget | \$ 34,702.0 | 100.0 |

Source: Metro
2008 dollars

Approximately 66 percent of the total budget consists of highway and freeway improvements, and 34 percent for transit corridor extensions and improvements.

Excluded Spending

Right-of-way acquisition is excluded from economic impact analysis since this is an exchange of assets and does not generate economic activity. Similarly, since the purchase of vehicles is expected to occur outside of the five-county Southern California region, this spending is also excluded. Our methodology is fully described in the Appendix. Dollar values are expressed in 2008 dollars throughout this report.

Economic Impact

The exhibit below summarizes the economic impact in the five-county Southern California region due to the construction activity.

| Exhibit 2 | | | | |
|---|------------------|----------------|-----------------|-----------------------|
| Metro Transportation Improvement Construction Projects | | | | |
| Economic Impact by Category | | | | |
| | Highway * | Transit | Total ** | Annual Average |
| Project Spending | | | | |
| Budgeted spending (\$ millions) | \$ 22,906.2 | \$ 11,795.8 | \$ 34,702.0 | \$ 1,156.7 |
| <i>Less: Excluded spending</i> | <i>2,836.7</i> | <i>2,042.1</i> | <i>4,878.8</i> | <i>162.6</i> |
| Net budgeted spending (\$ millions) | 20,069.4 | 9,753.7 | 29,823.2 | 994.1 |
| Economic Impact | | | | |
| Output (\$ millions) | \$ 46,282 | \$ 22,493 | \$ 68,775 | \$ 2,292 |
| Employment (jobs) | 341,500 | 166,000 | 507,500 | 16,900 |
| Earnings (\$ millions) | \$ 15,058 | \$ 7,318 | \$ 22,376 | \$ 746 |

* Includes grade separations and sound wall construction

** May not sum due to rounding

Sources: Metro; LAEDC

2008 dollars

During the 30-year construction period, the net budgeted spending related to the completion of Metro's proposed transportation projects, after deducting spending on right-of-way acquisition and vehicle purchases, is \$29.8 billion. Together, this spending will generate economic output (measured by business revenues) of \$68.8 billion in the five-county regions of Southern California (in 2008 dollars). The projects will create over half a million part-time and full-time jobs with total earnings of \$22.4 billion, or an annual average of 16,900 jobs with \$746 million in annual earnings.

The total economic output associated with highway and freeway projects is estimated to be \$46.3 billion. These projects include building new freeways or highways, expanding capacity on freeways and interchanges, and the construction of grade separations along major goods movement corridors and sound wall barriers. Over the 30-year period, the total number of jobs related to these projects will be 341,500 with \$15.1 billion in total salaries, or an annual average of 11,380 jobs with \$502 million in earnings.

Transit projects, including the construction of light and heavy rail lines, subway extensions, and the construction of bus rapid transit lines, will generate \$22.5 billion in total (direct, indirect and induced) output for the Southern California regional economy over the course of 30 years. Work on these projects will create 166,000 total jobs with over \$7.3 billion in total earnings. On average, these projects will create 5,530 jobs with earnings of \$244 million annually.

Industry Breakdown

Total output, employment and earnings impacts are disaggregated by industry sector in the exhibit below. This allows an estimation and industry identification of “follow-on” jobs and business revenues. The values in the exhibit should be interpreted as illustrative of the industry effects rather than precise given model and data limitations.

| Exhibit 3 | | | |
|---|---------------------------------|----------------|-----------------------------------|
| Metro Transportation Improvement Construction Projects | | | |
| Economic Impact by Industry | | | |
| Industry | Output (\$ millions) | Jobs | Earnings (\$ millions) |
| Agriculture | \$ 239.4 | 2,021 | \$ 47.5 |
| Mining | 237.3 | 470 | 51.9 |
| Utilities | 1,055.8 | 1,507 | 183.8 |
| Construction | 26,838.7 | 218,867 | 10,534.5 |
| Manufacturing | 9,761.1 | 33,314 | 1,727.6 |
| Wholesale trade | 2,613.8 | 12,887 | 836.0 |
| Retail trade | 3,929.5 | 52,728 | 1,285.9 |
| Transportation and warehousing | 1,748.6 | 11,674 | 563.7 |
| Information | 1,668.0 | 6,385 | 406.3 |
| Finance and insurance | 3,622.8 | 13,775 | 975.5 |
| Real estate | 4,752.5 | 10,292 | 319.9 |
| Professional, scientific and technical services | 3,488.3 | 27,875 | 1,589.8 |
| Management of companies | 985.3 | 5,348 | 511.6 |
| Administrative and waste management | 1,386.7 | 20,887 | 609.3 |
| Education services | 459.4 | 7,063 | 208.2 |
| Health care and social assistance | 2,577.1 | 26,981 | 1,249.5 |
| Arts, entertainment and recreation | 442.7 | 7,491 | 182.3 |
| Accommodations and food services | 1,410.7 | 28,703 | 543.0 |
| Other services | 1,557.0 | 15,760 | 512.7 |
| Households | n/a | 3,509 | 37.3 |
| Total * | \$ 68,775 | 507,500 | \$ 22,376 |

* May not sum due to rounding
 Source: LAEDC
 2008 dollars

Much of the impact will occur in the construction industry, with almost 40 percent of the total (direct, indirect and induced) output earned by firms in the industry and over 43 percent of the jobs generated. However, other industries are also significantly impacted, including: manufacturing; real estate; retail trade; accommodation and food services; professional and scientific services; finance and insurance; and health care. Each of these industries will see an increase in business revenues and in the number of jobs as the effects of the increase in construction activity due to the Metro's projects ripple through the regional economy.

To put the job creation into context, we can compare its potential contribution to current employment in the region in the construction industry. According to the California Employment Development Department, in 2007 (the most recent year for which the data is available) employment in the construction industry in Southern California was 391,464 persons, and there were 6.3 million people in the total workforce.

The total estimated job creation related to the projects is 507,500 jobs over a thirty-year period, or an average of approximately 16,900 jobs per year in Southern California. The annual average amounts to approximately 0.27 percent of the total workforce in Southern California, which seems small because of the vast size of the workforce. However, the magnitude of this job creation can be better appreciated when compared to some of the largest private sector employers in Los Angeles County; for example, Northrop Grumman, with 20,500 employees in 2009; Bank of America, with 17,442 employees; and the Boeing Company, with 15,250 employees.

In the construction industry alone, job creation is expected to be 218,867 over the project period, or 7,296 per year. This amounts to 1.9 percent of the construction workforce in Southern California annually.

Geographic Distribution of Job Creation

We estimated the employment that will be generated by spending on Measure R projects within the five-county Southern California region, which includes the counties of Los Angeles, Orange, Riverside, San Bernardino and Ventura. Although the projects are physically located in Los Angeles County, the interconnected nature of the regional economy – most visible in commute patterns that cross county borders – means that the projects will generate employment across the region.

We distributed the employment created by Measure R spending proportional to each county's share of regional employment within 20 industry sectors. The distribution of employment created by individual projects will depend on where the project spending and hiring takes place. In the absence of detailed spending data for each project – many of which are not scheduled to start for a decade or more – this approach is a reasonable approximation of the likely impacts at the county level.

The Exhibit 4, on the next page, shows the likely employment distribution by county based on all Measure R projects. The values in these Exhibits should be interpreted as illustrative of the industry effects by county rather than precise given model and data limitations.

Exhibit 4
Employment Generation by Measure R Highway Spending
Industry Breakdown by County

| Industry | Los Angeles | Orange | San Bernardino | Riverside | Ventura |
|--|----------------|---------------|----------------|---------------|---------------|
| Agriculture | 180 | 120 | 340 | 70 | 640 |
| Mining | 190 | 30 | 20 | 30 | 50 |
| Utilities | 560 | 170 | 70 | 170 | 40 |
| Construction | 62,430 | 38,880 | 23,490 | 15,420 | 7,070 |
| Manufacturing | 13,000 | 5,170 | 1,440 | 1,740 | 1,070 |
| Wholesale trade | 5,120 | 2,010 | 470 | 790 | 290 |
| Retail trade | 19,030 | 7,100 | 3,840 | 3,830 | 1,680 |
| Transportation and warehousing | 4,800 | 870 | 610 | 1,400 | 180 |
| Information | 3,470 | 490 | 130 | 120 | 90 |
| Finance and insurance | 5,270 | 2,550 | 420 | 530 | 510 |
| Real estate | 3,920 | 1,840 | 490 | 440 | 230 |
| Professional, scientific and technical | 11,440 | 4,930 | 870 | 840 | 680 |
| Management of companies | 2,110 | 960 | 130 | 240 | 160 |
| Administrative & waste | 7,420 | 3,620 | 980 | 1,520 | 510 |
| Education services | 3,360 | 780 | 190 | 280 | 150 |
| Health care and social assistance | 10,810 | 3,460 | 1,420 | 1,750 | 730 |
| Arts, entertainment and recreation | 2,780 | 1,420 | 400 | 230 | 200 |
| Accommodation and food services | 10,420 | 4,430 | 1,990 | 1,640 | 840 |
| Other services | 7,360 | 1,420 | 680 | 840 | 300 |
| Households | 1,380 | 510 | 210 | 160 | 110 |
| Total * | 197,120 | 73,380 | 26,750 | 29,340 | 14,960 |

* May not sum due to rounding

Source: LAEDC

2008 dollars

Fiscal Impact

The proposed transportation projects will generate significant state, local and federal tax revenues over the 30-year construction period. Income taxes will be collected on the earnings of workers, both direct and indirect, as are unemployment insurance and disability insurance taxes. Sales taxes will be generated on the purchases of materials by the construction contractors and of goods and services by all the workers whose earnings are sustained by the transportation projects. The estimated tax revenues by level of government are summarized in the Exhibit on the following page.

We estimate that direct, indirect and induced workers will pay \$3.2 billion in federal income taxes, \$2.8 billion in social security taxes and \$940 million in California state income taxes, together comprising almost three-quarters of all tax revenues. Sales taxes generated on all purchase will exceed \$1.5 billion, more than sixteen percent of the total fiscal impact.

All together, at least \$9.3 billion in tax revenues will be generated in relation to the transportation construction projects. Approximately 70 percent of this will be earned at the federal level, 25 percent at the state level, and the remainder shared between county and local governments. Our estimates of total tax revenues generated by construction-related activities are low, since due to data limitations we do not account for various federal and state taxes such as fuel taxes, business gross receipts taxes, and corporate income taxes; nor do we account for local permits and fees payable on the projects, which would be substantial for projects of this size.

| Exhibit 5 | | | |
|---|-------------------|-------------------|-------------------|
| Fiscal Impact of Transportation Improvement Projects | | | |
| | Highway | Transit | Total * |
| Tax Revenue by Type of Tax (\$ millions) | | | |
| Federal income tax | \$ 2,128.2 | \$ 1,034.3 | \$ 3,162.6 |
| Social security | 1,867.2 | 907.5 | 2,774.6 |
| Sales tax | 958.5 | 553.4 | 1,511.8 |
| State income tax | 632.4 | 307.4 | 939.8 |
| Medicare | 436.7 | 212.2 | 648.9 |
| CA SUI and SDI | 188.1 | 91.4 | 279.5 |
| Tax Revenue by Level of Government (\$ millions) | | | |
| Federal | \$ 4,432.1 | \$ 2,154.0 | \$ 6,586.1 |
| State | 1,508.7 | 796.1 | 2,304.8 |
| County | 172.0 | 99.3 | 271.4 |
| Local government (cities) | 98.3 | 56.8 | 155.1 |
| Total * | \$ 6,211.1 | \$ 3,106.2 | \$ 9,317.3 |
| Annual Average | 207.0 | 103.5 | 310.6 |

* May not sum due to rounding
Sources: Metro; LAEDC
2008 dollars

Results by Fiscal Year

Spending is projected to take place incrementally over the thirty-year period. The economic and fiscal impacts will be spread out over the period in relationship to each fiscal year's spending. Exhibit 6 on the following page shows the estimated economic impact by fiscal year, according to the budgeted spending.

Similarly, Exhibit 7 on page 9 shows the annual fiscal impact for each level of government.

Separate fiscal year Exhibits for the highway and freeway projects and for the transit projects can be found in the Appendix.

| Exhibit 6 Metro Transportation Improvement Construction Projects Economic Impact by Fiscal Year | | | | | |
|---|--------------------------------|------------------|----------------------|----------------|------------------------|
| Fiscal Year | Project Spending (\$ millions) | | Economic Impact | | |
| | Budgeted Spending | Net Spending* | Output (\$ millions) | Employment | Earnings (\$ millions) |
| 2009-2010 | \$ 391.6 | \$ 391.6 | \$ 903 | 6,700 | \$ 294 |
| 2010-2011 | 775.4 | 657.7 | 1,517 | 11,200 | 493 |
| 2011-2012 | 875.3 | 699.5 | 1,613 | 11,900 | 525 |
| 2012-2013 | 1,418.2 | 921.5 | 2,125 | 15,700 | 691 |
| 2013-2014 | 1,685.8 | 1,232.0 | 2,841 | 21,000 | 924 |
| 2014-2015 | 2,234.9 | 1,733.4 | 3,997 | 29,500 | 1,301 |
| 2015-2016 | 2,304.4 | 1,719.3 | 3,965 | 29,300 | 1,290 |
| 2016-2017 | 2,255.2 | 1,843.2 | 4,251 | 31,400 | 1,383 |
| 2017-2018 | 2,091.7 | 1,940.1 | 4,474 | 33,000 | 1,456 |
| 2018-2019 | 1,383.3 | 1,332.6 | 3,073 | 22,700 | 1,000 |
| 2019-2020 | 1,850.1 | 1,606.3 | 3,704 | 27,300 | 1,205 |
| 2020-2021 | 1,755.5 | 1,438.8 | 3,318 | 24,500 | 1,080 |
| 2021-2022 | 1,287.5 | 1,083.6 | 2,499 | 18,400 | 813 |
| 2022-2023 | 1,348.2 | 1,171.4 | 2,701 | 19,900 | 879 |
| 2023-2024 | 1,449.3 | 1,436.4 | 3,312 | 24,400 | 1,078 |
| 2024-2025 | 1,366.0 | 1,323.8 | 3,053 | 22,500 | 993 |
| 2025-2026 | 1,200.8 | 1,139.5 | 2,628 | 19,400 | 855 |
| 2026-2027 | 793.9 | 712.8 | 1,644 | 12,100 | 535 |
| 2027-2028 | 966.1 | 886.9 | 2,045 | 15,100 | 665 |
| 2028-2029 | 877.9 | 687.9 | 1,586 | 11,700 | 516 |
| 2029-2030 | 757.0 | 639.4 | 1,474 | 10,900 | 480 |
| 2030-2031 | 919.1 | 727.4 | 1,678 | 12,400 | 546 |
| 2031-2032 | 722.6 | 675.3 | 1,557 | 11,500 | 507 |
| 2032-2033 | 810.4 | 770.7 | 1,777 | 13,100 | 578 |
| 2033-2034 | 767.1 | 720.4 | 1,661 | 12,300 | 541 |
| 2034-2035 | 763.5 | 680.7 | 1,570 | 11,600 | 511 |
| 2035-2036 | 562.7 | 562.7 | 1,298 | 9,600 | 422 |
| 2036-2037 | 561.3 | 561.3 | 1,294 | 9,600 | 421 |
| 2037-2038 | 331.1 | 331.1 | 764 | 5,600 | 248 |
| 2038-2039 | 196.0 | 196.0 | 452 | 3,300 | 147 |
| Total ** | \$ 34,702 | \$ 29,823 | \$ 68,775 | 507,500 | \$ 22,376 |

* Excludes right-of-way acquisition and vehicle purchases

** May not sum due to rounding

Sources: Metro; LAEDC

2008 dollars

| Exhibit 7 | | | | | |
|---|------------------------------------|-----------------|---------------|---------------|-----------------|
| Metro Transportation Improvement Construction Projects | | | | | |
| Fiscal Impact by Fiscal Year | | | | | |
| Fiscal Year | Fiscal Impact (\$ millions) | | | | |
| | Federal | State | County | Cities | Total * |
| 2009-2010 | \$ 86.5 | \$ 29.4 | \$ 3.4 | \$ 1.9 | \$ 121.2 |
| 2010-2011 | 145.2 | 49.4 | 5.6 | 3.2 | 203.5 |
| 2011-2012 | 154.5 | 54.7 | 6.5 | 3.7 | 219.4 |
| 2012-2013 | 203.5 | 76.6 | 9.7 | 5.6 | 295.4 |
| 2013-2014 | 272.1 | 103.2 | 13.2 | 7.5 | 396.0 |
| 2014-2015 | 382.8 | 141.5 | 17.6 | 10.1 | 552.0 |
| 2015-2016 | 379.7 | 137.9 | 16.9 | 9.7 | 544.1 |
| 2016-2017 | 407.1 | 140.0 | 16.1 | 9.2 | 572.4 |
| 2017-2018 | 428.4 | 146.4 | 16.8 | 9.6 | 601.3 |
| 2018-2019 | 294.3 | 101.8 | 11.8 | 6.8 | 414.7 |
| 2019-2020 | 354.7 | 122.6 | 14.2 | 8.1 | 499.7 |
| 2020-2021 | 317.8 | 110.4 | 12.9 | 7.4 | 448.4 |
| 2021-2022 | 239.3 | 83.5 | 9.8 | 5.6 | 338.2 |
| 2022-2023 | 258.7 | 88.7 | 10.2 | 5.8 | 363.4 |
| 2023-2024 | 317.2 | 108.5 | 12.4 | 7.1 | 445.3 |
| 2024-2025 | 292.4 | 100.8 | 11.7 | 6.7 | 411.5 |
| 2025-2026 | 251.6 | 87.8 | 10.3 | 5.9 | 355.6 |
| 2026-2027 | 157.4 | 55.8 | 6.7 | 3.8 | 223.7 |
| 2027-2028 | 195.9 | 68.4 | 8.0 | 4.6 | 276.9 |
| 2028-2029 | 151.9 | 52.7 | 6.2 | 3.5 | 214.3 |
| 2029-2030 | 141.2 | 48.1 | 5.5 | 3.1 | 197.9 |
| 2030-2031 | 160.6 | 55.3 | 6.4 | 3.7 | 226.0 |
| 2031-2032 | 149.1 | 52.0 | 6.1 | 3.5 | 210.8 |
| 2032-2033 | 170.2 | 59.2 | 6.9 | 4.0 | 240.3 |
| 2033-2034 | 159.1 | 54.8 | 6.3 | 3.6 | 223.8 |
| 2034-2035 | 150.3 | 51.2 | 5.8 | 3.3 | 210.7 |
| 2035-2036 | 124.3 | 42.3 | 4.8 | 2.8 | 174.1 |
| 2036-2037 | 124.0 | 42.2 | 4.8 | 2.7 | 173.7 |
| 2037-2038 | 73.1 | 24.9 | 2.8 | 1.6 | 102.5 |
| 2038-2039 | 43.3 | 14.7 | 1.7 | 1.0 | 60.7 |
| Total * | \$ 6,586 | \$ 2,305 | \$ 271 | \$ 155 | \$ 9,317 |

* May not sum due to rounding
 Source: LAEDC
 2008 dollars

APPENDIX

Methodology

The total estimated economic impact includes direct, indirect and induced effects. **Direct activity** includes the materials purchased and the employees hired by Metro and its contractors during the project construction period. Here we account for construction workers which have been added due to the project and the materials purchased for the project. **Indirect effects** are those which stem from the employment and business revenues motivated by the purchases made by Metro and its contractors. For example, indirect jobs are sustained by the suppliers of the office supplies and insurance purchased by contractors hired for the construction. **Induced effects** are those generated by the spending of employees whose wages are sustained by both direct and indirect spending.

We used data supplied by Metro for initial spending, and estimated the direct, indirect and induced effects using multipliers from the Regional Input-Output Modeling System (RIMS II) developed by the Bureau of Economic Analysis at the U.S. Department of Commerce. In all cases, we have proceeded as if the spending will take place within a single year, as is customary when using RIMS II multipliers, although many of the proposed projects are anticipated to last several years. For long-term projects such as the multi-year Metro transportation improvement projects, the reader is cautioned to note that the modeling system does not account for changes in prices and wages over time. Thus our earnings and output estimates are not adjusted for future inflation, but are reported in constant (2008) dollars.

The estimated economic impacts are based on spending within the five-county Southern California region, which includes the counties of Los Angeles, Orange, Riverside, San Bernardino and Ventura. This region is chosen as most representative of the region most affected by Metro's projects. Although most of the employment and economic activity will be in Los Angeles County, we expect that the workforce, the materials purchased, and the business that will be impacted by Metro's spending are located throughout the five-county Southern California region.

Data limitations prevent us from estimating how much of the overall construction spending will take place outside of the region; for example, construction materials might be *purchased* locally but be manufactured elsewhere. In some instances, spending related to a project may occur in neighboring counties such as Santa Barbara or Imperial and thus generate *additional* economic impact that spills over from those neighboring counties. This spillover is not captured by our five-county analysis.

The budget category denoted as right-of-way acquisition is excluded from economic impact analysis since this is an exchange of assets. Similarly, since the purchase of vehicles is expected to occur outside of the five-county Southern California region, this spending is also excluded.

Job creation (or earnings) estimates are based on national average relationships between output and employment (or earnings). Where such relationships at the regional level differ from the national relationships, the impacts may be marginally understated or overstated. Job creation estimates are measured on a job-count basis for both wage-and-salary workers and proprietors regardless of the number of hours worked.

Supplemental Exhibits

| Exhibit A-1 Employment Generation by Measure R Spending Industry Breakdown by County | | | | | |
|---|--------------------|----------------|-----------------------|------------------|----------------|
| Industry | Los Angeles | Orange | San Bernardino | Riverside | Ventura |
| Agriculture | 260 | 180 | 510 | 110 | 960 |
| Mining | 280 | 40 | 30 | 40 | 70 |
| Utilities | 830 | 250 | 110 | 260 | 60 |
| Construction | 92,770 | 57,780 | 34,900 | 22,910 | 10,500 |
| Manufacturing | 19,320 | 7,680 | 2,130 | 2,590 | 1,590 |
| Wholesale trade | 7,610 | 2,980 | 690 | 1,180 | 430 |
| Retail trade | 28,280 | 10,540 | 5,710 | 5,690 | 2,500 |
| Transportation and warehousing | 7,140 | 1,290 | 910 | 2,080 | 270 |
| Information | 5,160 | 730 | 190 | 170 | 130 |
| Finance and insurance | 7,830 | 3,800 | 620 | 780 | 750 |
| Real estate | 5,830 | 2,730 | 730 | 650 | 350 |
| Professional, scientific and technical | 16,990 | 7,330 | 1,300 | 1,240 | 1,010 |
| Management of companies | 3,140 | 1,430 | 190 | 350 | 240 |
| Administrative & waste | 11,030 | 5,380 | 1,460 | 2,260 | 750 |
| Education services | 4,990 | 1,160 | 280 | 410 | 220 |
| Health care and social assistance | 16,060 | 5,140 | 2,110 | 2,600 | 1,080 |
| Arts, entertainment and recreation | 4,130 | 2,120 | 600 | 340 | 300 |
| Accommodation and food services | 15,480 | 6,580 | 2,950 | 2,440 | 1,250 |
| Other services | 10,930 | 2,110 | 1,010 | 1,250 | 450 |
| Households | 2,050 | 760 | 310 | 230 | 170 |
| Total * | 292,920 | 109,040 | 39,750 | 43,600 | 22,240 |

* May not sum due to rounding
 Source: LAEDC
 2008 dollars

Exhibit A-2
Employment Generation by Measure R Transit Spending
Industry Breakdown by County

| Industry | Los Angeles | Orange | San Bernardino | Riverside | Ventura |
|--|---------------|---------------|----------------|---------------|--------------|
| Agriculture | 90 | 60 | 170 | 40 | 310 |
| Mining | 90 | 10 | 10 | 10 | 20 |
| Utilities | 270 | 80 | 40 | 80 | 20 |
| Construction | 30,340 | 18,900 | 11,410 | 7,490 | 3,440 |
| Manufacturing | 6,320 | 2,510 | 700 | 850 | 520 |
| Wholesale trade | 2,490 | 980 | 230 | 380 | 140 |
| Retail trade | 9,250 | 3,450 | 1,870 | 1,860 | 820 |
| Transportation and warehousing | 2,330 | 420 | 300 | 680 | 90 |
| Information | 1,690 | 240 | 60 | 60 | 40 |
| Finance and insurance | 2,560 | 1,240 | 200 | 260 | 250 |
| Real estate | 1,910 | 890 | 240 | 210 | 110 |
| Professional, scientific and technical | 5,560 | 2,400 | 420 | 410 | 330 |
| Management of companies | 1,030 | 470 | 60 | 110 | 80 |
| Administrative & waste | 3,610 | 1,760 | 480 | 740 | 250 |
| Education services | 1,630 | 380 | 90 | 130 | 70 |
| Health care and social assistance | 5,250 | 1,680 | 690 | 850 | 350 |
| Arts, entertainment and recreation | 1,350 | 690 | 190 | 110 | 100 |
| Accommodation and food services | 5,060 | 2,150 | 970 | 800 | 410 |
| Other services | 3,580 | 690 | 330 | 410 | 150 |
| Households | 670 | 250 | 100 | 80 | 50 |
| Total * | 95,800 | 35,660 | 13,000 | 14,260 | 7,270 |

* May not sum due to rounding
 Source: LAEDC
 2008 dollars

| Exhibit A-3 Highway and Freeway Improvement Projects Economic Impact by Fiscal Year | | | | | |
|---|--------------------------------|------------------|----------------------|----------------|------------------------|
| Fiscal Year | Project Spending (\$ millions) | | Economic Impact | | |
| | Budgeted Spending | Net Spending* | Output (\$ millions) | Employment | Earnings (\$ millions) |
| 2009-2010 | 168.8 | 168.8 | 389 | 2,873 | 127 |
| 2010-2011 | 339.0 | 305.5 | 705 | 5,199 | 229 |
| 2011-2012 | 414.6 | 375.7 | 866 | 6,393 | 282 |
| 2012-2013 | 567.8 | 421.8 | 973 | 7,178 | 316 |
| 2013-2014 | 696.3 | 520.0 | 1,199 | 8,850 | 390 |
| 2014-2015 | 1,184.6 | 867.1 | 2,000 | 14,757 | 651 |
| 2015-2016 | 1,421.8 | 986.5 | 2,275 | 16,788 | 740 |
| 2016-2017 | 1,505.9 | 1,120.9 | 2,585 | 19,076 | 841 |
| 2017-2018 | 1,605.1 | 1,468.0 | 3,385 | 24,983 | 1,101 |
| 2018-2019 | 1,285.5 | 1,269.5 | 2,928 | 21,605 | 953 |
| 2019-2020 | 1,650.3 | 1,508.8 | 3,479 | 25,677 | 1,132 |
| 2020-2021 | 1,462.7 | 1,277.9 | 2,947 | 21,748 | 959 |
| 2021-2022 | 1,150.3 | 978.4 | 2,256 | 16,650 | 734 |
| 2022-2023 | 1,121.7 | 959.3 | 2,212 | 16,325 | 720 |
| 2023-2024 | 1,126.2 | 1,126.2 | 2,597 | 19,166 | 845 |
| 2024-2025 | 1,011.7 | 1,011.7 | 2,333 | 17,217 | 759 |
| 2025-2026 | 732.0 | 728.4 | 1,680 | 12,397 | 547 |
| 2026-2027 | 465.0 | 457.9 | 1,056 | 7,792 | 344 |
| 2027-2028 | 678.0 | 647.1 | 1,492 | 11,013 | 486 |
| 2028-2029 | 599.6 | 466.5 | 1,076 | 7,939 | 350 |
| 2029-2030 | 458.0 | 344.1 | 793 | 5,855 | 258 |
| 2030-2031 | 459.5 | 286.8 | 661 | 4,881 | 215 |
| 2031-2032 | 365.0 | 361.4 | 834 | 6,151 | 271 |
| 2032-2033 | 461.6 | 454.5 | 1,048 | 7,735 | 341 |
| 2033-2034 | 445.1 | 432.7 | 998 | 7,363 | 325 |
| 2034-2035 | 546.0 | 539.9 | 1,245 | 9,188 | 405 |
| 2035-2036 | 346.0 | 346.0 | 798 | 5,888 | 260 |
| 2036-2037 | 246.0 | 246.0 | 567 | 4,186 | 185 |
| 2037-2038 | 196.0 | 196.0 | 452 | 3,336 | 147 |
| 2038-2039 | 196.0 | 196.0 | 452 | 3,336 | 147 |
| Total ** | \$ 22,906 | \$ 20,069 | \$ 46,282 | 341,500 | \$ 15,058 |

* Excludes right-of-way acquisition and vehicle purchases

** May not sum due to rounding

Sources: Metro; LAEDC

2008 dollars

| Exhibit A-4 Highway and Freeway Improvement Projects Fiscal Impact by Fiscal Year | | | | | |
|---|-----------------------------|-----------------|---------------|--------------|-----------------|
| Fiscal Year | Fiscal Impact (\$ millions) | | | | |
| | Federal | State | County | Cities | Total * |
| 2009-2010 | \$ 37.3 | \$ 12.7 | \$ 1.4 | \$ 0.8 | \$ 52.2 |
| 2010-2011 | 67.5 | 23.0 | 2.6 | 1.5 | 94.5 |
| 2011-2012 | 83.0 | 28.2 | 3.2 | 1.8 | 116.3 |
| 2012-2013 | 93.1 | 31.7 | 3.6 | 2.1 | 130.5 |
| 2013-2014 | 114.8 | 39.1 | 4.5 | 2.5 | 160.9 |
| 2014-2015 | 191.5 | 65.2 | 7.4 | 4.2 | 268.4 |
| 2015-2016 | 217.9 | 74.2 | 8.5 | 4.8 | 305.3 |
| 2016-2017 | 247.5 | 84.3 | 9.6 | 5.5 | 346.9 |
| 2017-2018 | 324.2 | 110.4 | 12.6 | 7.2 | 454.3 |
| 2018-2019 | 280.4 | 95.4 | 10.9 | 6.2 | 392.9 |
| 2019-2020 | 333.2 | 113.4 | 12.9 | 7.4 | 467.0 |
| 2020-2021 | 282.2 | 96.1 | 11.0 | 6.3 | 395.5 |
| 2021-2022 | 216.1 | 73.5 | 8.4 | 4.8 | 302.8 |
| 2022-2023 | 211.8 | 72.1 | 8.2 | 4.7 | 296.9 |
| 2023-2024 | 248.7 | 84.7 | 9.7 | 5.5 | 348.5 |
| 2024-2025 | 223.4 | 76.1 | 8.7 | 5.0 | 313.1 |
| 2025-2026 | 160.9 | 54.8 | 6.2 | 3.6 | 225.4 |
| 2026-2027 | 101.1 | 34.4 | 3.9 | 2.2 | 141.7 |
| 2027-2028 | 142.9 | 48.6 | 5.5 | 3.2 | 200.3 |
| 2028-2029 | 103.0 | 35.1 | 4.0 | 2.3 | 144.4 |
| 2029-2030 | 76.0 | 25.9 | 2.9 | 1.7 | 106.5 |
| 2030-2031 | 63.3 | 21.6 | 2.5 | 1.4 | 88.8 |
| 2031-2032 | 79.8 | 27.2 | 3.1 | 1.8 | 111.9 |
| 2032-2033 | 100.4 | 34.2 | 3.9 | 2.2 | 140.7 |
| 2033-2034 | 95.5 | 32.5 | 3.7 | 2.1 | 133.9 |
| 2034-2035 | 119.2 | 40.6 | 4.6 | 2.6 | 167.1 |
| 2035-2036 | 76.4 | 26.0 | 3.0 | 1.7 | 107.1 |
| 2036-2037 | 54.3 | 18.5 | 2.1 | 1.2 | 76.1 |
| 2037-2038 | 43.3 | 14.7 | 1.7 | 1.0 | 60.7 |
| 2038-2039 | 43.3 | 14.7 | 1.7 | 1.0 | 60.7 |
| Total * | \$ 4,432 | \$ 1,509 | \$ 172 | \$ 98 | \$ 6,211 |

* May not sum due to rounding
 Source: LAEDC
 2008 dollars

| Exhibit A-5 Transit Corridor Construction Projects Economic Impact by Fiscal Year | | | | | |
|---|--------------------------------|-----------------|----------------------|----------------|------------------------|
| Fiscal Year | Project Spending (\$ millions) | | Economic Impact | | |
| | Budgeted Spending | Net Spending* | Output (\$ millions) | Employment | Earnings (\$ millions) |
| 2009-2010 | \$ 222.7 | \$ 222.7 | \$ 514 | 3,791 | \$ 167 |
| 2010-2011 | 436.4 | 352.2 | 812 | 5,993 | 264 |
| 2011-2012 | 460.7 | 323.9 | 747 | 5,511 | 243 |
| 2012-2013 | 850.4 | 499.8 | 1,153 | 8,505 | 375 |
| 2013-2014 | 989.5 | 712.0 | 1,642 | 12,116 | 534 |
| 2014-2015 | 1,050.3 | 866.3 | 1,998 | 14,743 | 650 |
| 2015-2016 | 882.6 | 732.8 | 1,690 | 12,470 | 550 |
| 2016-2017 | 749.3 | 722.3 | 1,666 | 12,293 | 542 |
| 2017-2018 | 486.6 | 472.0 | 1,089 | 8,033 | 354 |
| 2018-2019 | 97.8 | 63.0 | 145 | 1,073 | 47 |
| 2019-2020 | 199.8 | 97.4 | 225 | 1,658 | 73 |
| 2020-2021 | 292.8 | 160.9 | 371 | 2,739 | 121 |
| 2021-2022 | 137.2 | 105.2 | 243 | 1,790 | 79 |
| 2022-2023 | 226.5 | 212.1 | 489 | 3,610 | 159 |
| 2023-2024 | 323.1 | 310.2 | 715 | 5,279 | 233 |
| 2024-2025 | 354.3 | 312.1 | 720 | 5,312 | 234 |
| 2025-2026 | 468.8 | 411.0 | 948 | 6,995 | 308 |
| 2026-2027 | 328.9 | 254.9 | 588 | 4,339 | 191 |
| 2027-2028 | 288.1 | 239.8 | 553 | 4,080 | 180 |
| 2028-2029 | 278.3 | 221.4 | 511 | 3,768 | 166 |
| 2029-2030 | 299.0 | 295.3 | 681 | 5,026 | 222 |
| 2030-2031 | 459.6 | 440.6 | 1,016 | 7,499 | 331 |
| 2031-2032 | 357.6 | 313.9 | 724 | 5,341 | 235 |
| 2032-2033 | 348.8 | 316.2 | 729 | 5,382 | 237 |
| 2033-2034 | 322.0 | 287.7 | 664 | 4,897 | 216 |
| 2034-2035 | 217.5 | 140.8 | 325 | 2,396 | 106 |
| 2035-2036 | 216.7 | 216.7 | 500 | 3,687 | 163 |
| 2036-2037 | 315.3 | 315.3 | 727 | 5,365 | 237 |
| 2037-2038 | 135.1 | 135.1 | 312 | 2,299 | 101 |
| 2038-2039 | - | - | - | 0 | - |
| Total ** | \$ 11,796 | \$ 9,754 | \$ 22,493 | 166,000 | \$ 7,318 |

* Excludes right-of-way acquisition and vehicle purchases

** May not sum due to rounding

Sources: Metro; LAEDC

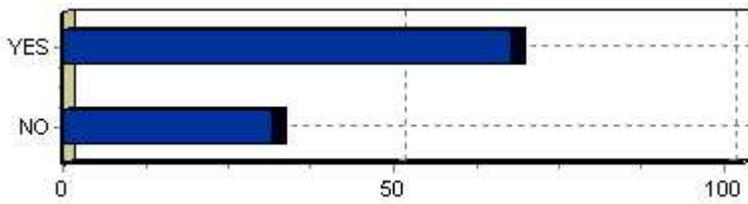
2008 dollars

| Exhibit A-6 Transit Corridor Construction Projects Fiscal Impact by Fiscal Year | | | | | |
|---|-----------------------------|---------------|--------------|--------------|-----------------|
| Fiscal Year | Fiscal Impact (\$ millions) | | | | |
| | Federal | State | County | Cities | Total * |
| 2009-2010 | \$ 49.2 | \$ 16.7 | \$ 1.9 | \$ 1.1 | \$ 68.9 |
| 2010-2011 | 77.8 | 26.5 | 3.0 | 1.7 | 109.0 |
| 2011-2012 | 71.5 | 26.4 | 3.3 | 1.9 | 103.1 |
| 2012-2013 | 110.4 | 44.9 | 6.1 | 3.5 | 164.9 |
| 2013-2014 | 157.2 | 64.1 | 8.8 | 5.0 | 235.1 |
| 2014-2015 | 191.3 | 76.3 | 10.2 | 5.8 | 283.6 |
| 2015-2016 | 161.8 | 63.7 | 8.4 | 4.8 | 238.8 |
| 2016-2017 | 159.5 | 55.7 | 6.5 | 3.7 | 225.5 |
| 2017-2018 | 104.2 | 36.1 | 4.2 | 2.4 | 146.9 |
| 2018-2019 | 13.9 | 6.4 | 0.9 | 0.5 | 21.8 |
| 2019-2020 | 21.5 | 9.2 | 1.3 | 0.7 | 32.8 |
| 2020-2021 | 35.5 | 14.3 | 1.9 | 1.1 | 52.9 |
| 2021-2022 | 23.2 | 10.0 | 1.4 | 0.8 | 35.4 |
| 2022-2023 | 46.9 | 16.5 | 2.0 | 1.1 | 66.5 |
| 2023-2024 | 68.5 | 23.8 | 2.8 | 1.6 | 96.7 |
| 2024-2025 | 68.9 | 24.8 | 3.0 | 1.7 | 98.4 |
| 2025-2026 | 90.8 | 33.0 | 4.0 | 2.3 | 130.1 |
| 2026-2027 | 56.3 | 21.4 | 2.7 | 1.6 | 82.0 |
| 2027-2028 | 52.9 | 19.8 | 2.5 | 1.4 | 76.6 |
| 2028-2029 | 48.9 | 17.7 | 2.2 | 1.2 | 69.9 |
| 2029-2030 | 65.2 | 22.2 | 2.5 | 1.5 | 91.5 |
| 2030-2031 | 97.3 | 33.8 | 3.9 | 2.2 | 137.3 |
| 2031-2032 | 69.3 | 24.9 | 3.0 | 1.7 | 98.9 |
| 2032-2033 | 69.8 | 25.0 | 3.0 | 1.7 | 99.7 |
| 2033-2034 | 63.5 | 22.3 | 2.6 | 1.5 | 89.9 |
| 2034-2035 | 31.1 | 10.6 | 1.2 | 0.7 | 43.6 |
| 2035-2036 | 47.9 | 16.3 | 1.9 | 1.1 | 67.1 |
| 2036-2037 | 69.6 | 23.7 | 2.7 | 1.5 | 97.6 |
| 2037-2038 | 29.8 | 10.2 | 1.2 | 0.7 | 41.8 |
| 2038-2039 | - | - | - | - | - |
| Total * | \$ 2,154 | \$ 796 | \$ 99 | \$ 57 | \$ 3,106 |

* May not sum due to rounding
Source: LAEDC
2008 dollars

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LA METRO TRANS AUTHORITY - MEASURE



2/3 OF VOTES CAST

| MEASURE | Votes | Percent |
|-------------------------|-----------|---------|
| R - MTA SALES TAX - YES | 2,039,214 | 67.93 |
| NO | 962,569 | 32.07 |

| | |
|-----------------------|-----------|
| Registration | 4,111,642 |
| Precincts Reporting | 4,883 |
| Total Precincts | 4,883 |
| % Precincts Reporting | 100 |

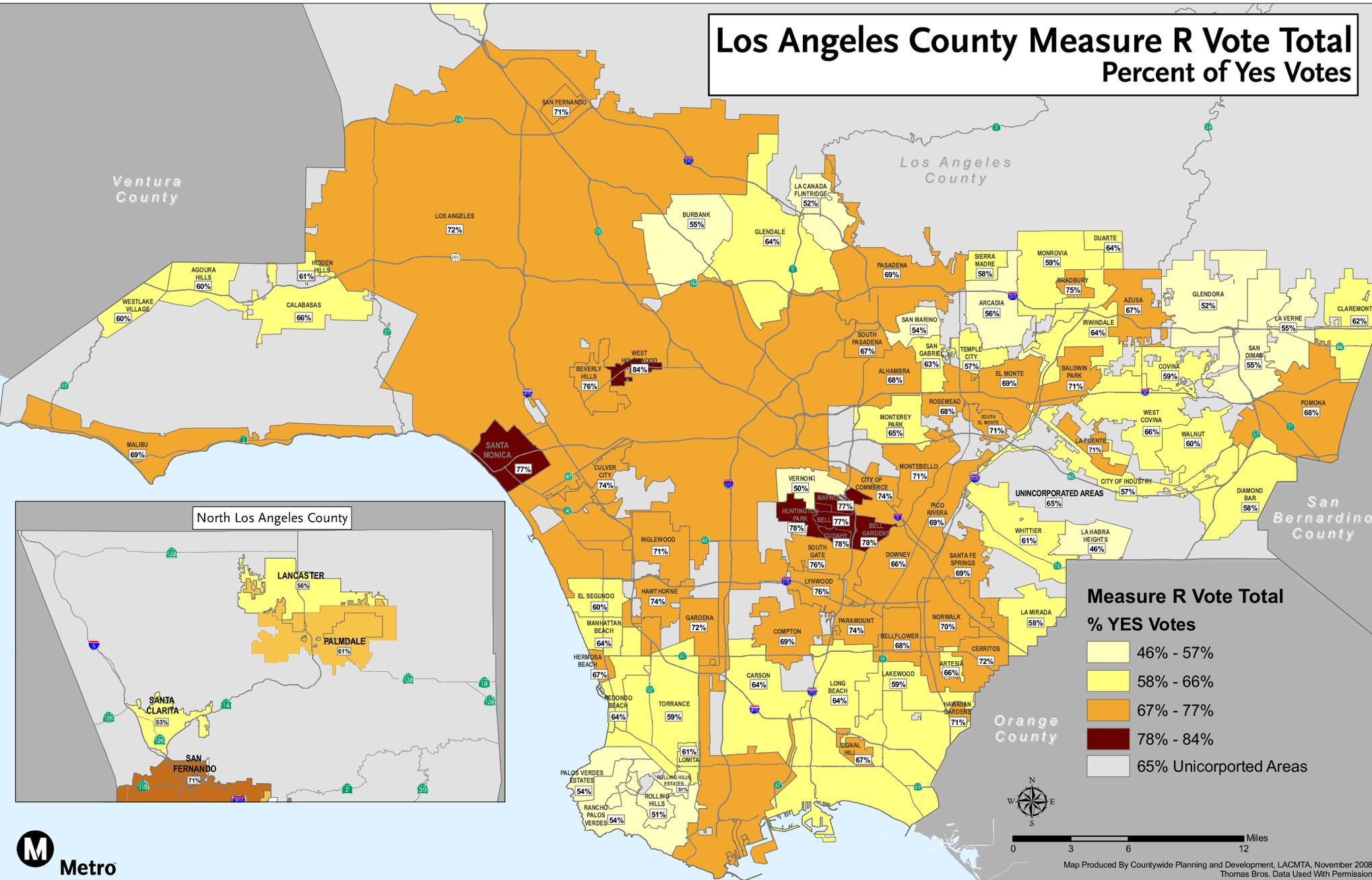
Remember, you need to refresh this page to ensure that you have the latest results.

Last Updated: 17:11 11/28/2008

November 4, 2008 - Los Angeles County Presidential General Election

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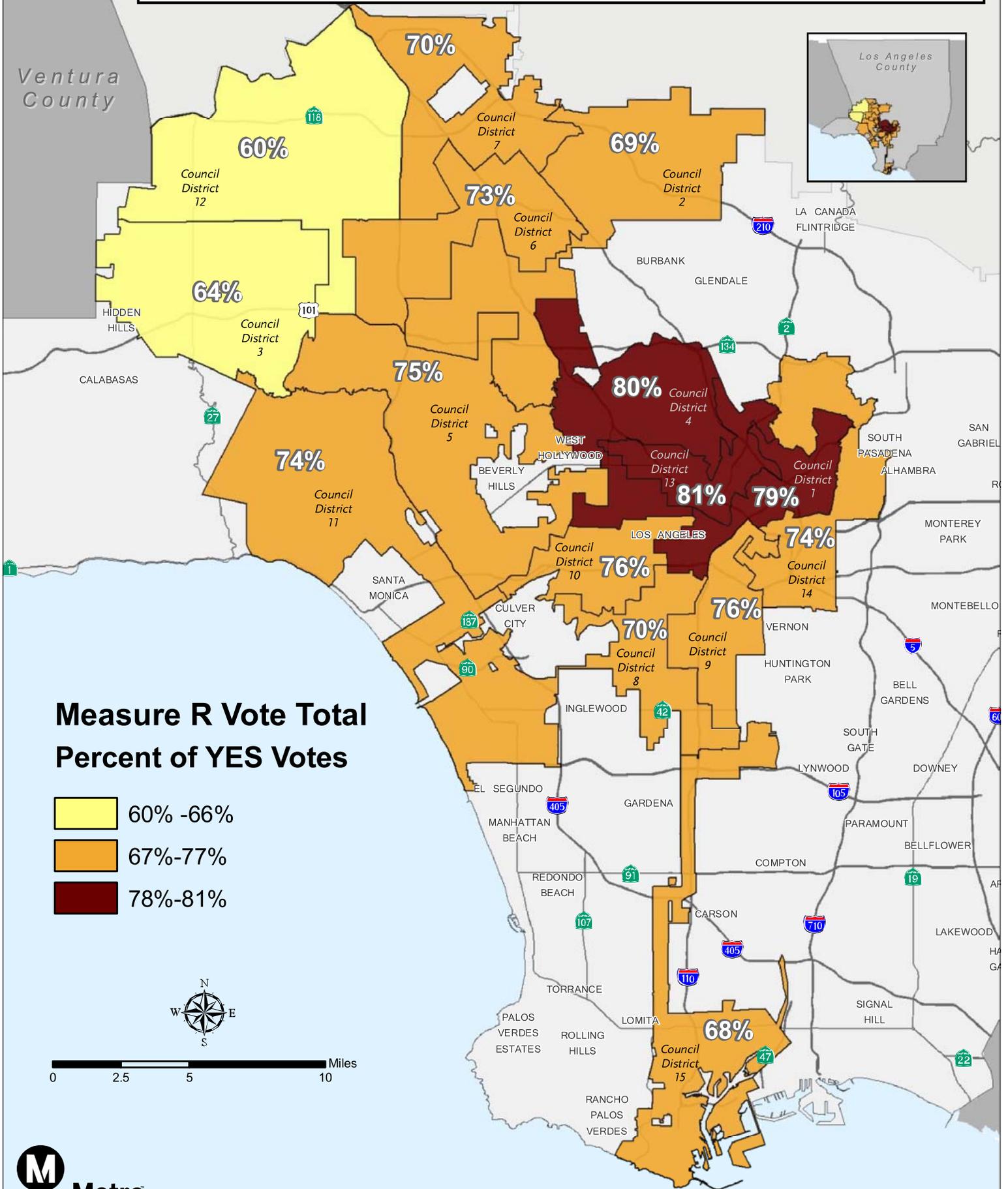
Los Angeles County Measure R Vote Total Percent of Yes Votes



Map Produced By Countywide Planning and Development, LACMTA, November 2008
Thomas Bros. Data Used With Permission

P:\Jobs\31Y08027_Measure_R\Measure_R_Votes_Cities_V5.mxd

Los Angeles City Council Districts Measure R Vote Total Percent of Yes Votes



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Ordinance # 08-01
Traffic Relief and Rail Expansion Ordinance

PREAMBLE

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

1. **RAIL EXPANSION:**
Expand the county's Metro rail system, including direct airport connection
2. **LOCAL STREET IMPROVEMENTS:**
Synchronize signals, fill potholes, repair streets, and make neighborhood streets and intersections safer for drivers, bicyclists, and pedestrians in each community
3. **TRAFFIC REDUCTION:**
Enhance safety and improve flow on L.A. County freeways and highways
4. **BETTER PUBLIC TRANSPORTATION:**
Make public transportation more convenient and affordable - especially for seniors, students, disabled and commuters
5. **QUALITY OF LIFE:**
Provide alternatives to high gas prices, stimulate the local economy, create jobs, reduce pollution and decrease dependency on foreign oil

SECTION 1. TITLE

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

SECTION 2. SUMMARY

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

SECTION 3. DEFINITIONS

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

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

4 "Capital Project" means a project or program described in Attachment A as a
5 "Capital Project."

6 "Expenditure Plan" means that expenditure plan for the revenues derived from
7 a Sales Tax imposed pursuant to this Ordinance, and any other identified state and
8 local funding, as required under proposed amended Section 130350.5(f) of the
9 Public Utilities Code.

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

12 "Interest" means interest and other earnings on cash balances.

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

15 "Net Revenues" means Sales Tax Revenues minus any amount expended on
16 administrative costs pursuant to Section 10.

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

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

21
22 SECTION 4. STATUTORY AUTHORITY

23 This Ordinance is enacted, in part, pursuant to:

24 a. Part 1.6 (commencing with Section 7251) of Division 2 of the California
25 Revenue and Taxation Code;

26 b. Division 12 (commencing with Section 130000) of the California Public
27 Utilities Code;

28 c. Proposed amendments to Section 130350.5 of the California Public
29 Utilities Code adopted during the 2007-2008 legislative session.

30
31 SECTION 5. IMPOSITION OF RETAIL TRANSACTIONS AND USE TAX

32 a. Subject to the limits imposed by this Ordinance, Metro hereby imposes,
33 in the incorporated and unincorporated territory of Los Angeles County, a Sales Tax
34 at the rate of one-half of one percent (.5%) for a period of thirty (30) years beginning

1 on the first day of the first calendar quarter commencing not less than 180 days after
2 the adoption of this Ordinance by the voters.

3 b. This Sales Tax shall be in addition to any other taxes authorized by law,
4 including any existing or future state or local Sales Tax. The imposition,
5 administration and collection of the tax shall be in accordance with all applicable
6 statutes, laws, and rules and regulations prescribed and adopted by the Board of
7 Equalization.

8 c. Pursuant to proposed amended Section 130350.5(d) of the Public
9 Utilities Code, the tax rate authorized by this section shall not be considered for
10 purposes of the combined rate limit established by Section 7251.1 of the Revenue
11 and Taxation Code.

12 d. Pursuant to the provisions of Section 7262.2 of the Revenue and
13 Taxation Code, the required provisions of Sections 7261 and 7262 of that Code as
14 now in effect or as later amended are adopted by reference in this Ordinance.

15 e. This Ordinance incorporates provisions identical to those of the Sales
16 and Use Tax Law of the State of California insofar as those provisions are not
17 inconsistent with the requirements and limitations contained in Part 1.6 of Division 2
18 of the Revenue and Taxation Code.

19 f. The Sales Tax shall be administered and collected by the Board of
20 Equalization in a manner that adapts itself as fully as practicable to, and requires the
21 least possible deviation from, the existing statutory and administrative procedures
22 followed by the Board of Equalization in administering and collecting the California
23 State Sales and Use Taxes.

24 g. This Sales Tax shall be administered in a manner that will be, to the
25 greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of
26 the Revenue and Taxation Code, minimize the cost of collecting the transactions and
27 use taxes, and at the same time, minimize the burden of record keeping upon
28 persons subject to taxation under the provisions of this Ordinance.

29
30 SECTION 6. ADMINISTRATION BY BOARD OF EQUALIZATION

31 a. CONTRACT WITH STATE. Prior to the operative date, Metro shall
32 contract with the Board of Equalization to perform all functions incident to the
33 administration and operation of this Ordinance; provided, that if Metro shall not have
34 contracted with the Board of Equalization prior to the operative date, it shall

1 nevertheless so contract and in such a case the operative date shall be the first day of
2 the first calendar quarter following the execution of such a contract.

3 b. TRANSACTIONS TAX RATE. For the privilege of selling tangible
4 personal property at retail, a tax is hereby imposed upon all retailers in the
5 incorporated and unincorporated territory of Los Angeles County at the rate of one half
6 of one percent (.5%) of the gross receipts of any retailer from the sale of all tangible
7 personal property sold at retail in said territory on and after the operative date of this
8 Ordinance.

9 c. PLACE OF SALE. For the purposes of this Ordinance, all retail sales are
10 consummated at the place of business of the retailer unless the tangible personal
11 property sold is delivered by the retailer or his agent to an out-of-state destination or to
12 a common carrier for delivery to an out-of-state destination. The gross receipts from
13 such sales shall include delivery charges, when such charges are subject to the state
14 sales and use tax, regardless of the place to which delivery is made. In the event a
15 retailer has no permanent place of business in the State or has more than one place of
16 business, the place or places at which the retail sales are consummated shall be
17 determined under rules and regulations to be prescribed and adopted by the Board of
18 Equalization.

19 d. USE TAX RATE. An excise tax is hereby imposed on the storage, use or
20 other consumption in Los Angeles County of tangible personal property purchased
21 from any retailer on and after the operative date of this Ordinance for storage, use or
22 other consumption in Los Angeles County at the rate of one half of one percent (.5%)
23 of the sales price of the property. The sales price shall include delivery charges when
24 such charges are subject to state sales or use tax regardless of the place to which
25 delivery is made.

26 e. ADOPTION OF PROVISIONS OF STATE LAW. Except as otherwise
27 provided in this Ordinance and except insofar as they are inconsistent with the
28 provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the
29 provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and
30 Taxation Code are hereby adopted and made a part of this Ordinance as though fully
31 set forth herein.

32 f. LIMITATIONS ON ADOPTION OF STATE LAW AND COLLECTION OF
33 USE TAXES. In adopting the provisions of Part 1 of Division 2 of the Revenue and
34 Taxation Code:

1 1. Wherever the State of California is named or referred to as the
2 taxing agency, the name of Metro shall be substituted therefor. However, the
3 substitution shall not be made when:

4 A. The word "State" is used as a part of the title of the State
5 Controller, State Treasurer, State Board of Control, State Board of Equalization, State
6 Treasury, or the Constitution of the State of California;

7 B. The result of that substitution would require action to be
8 taken by or against Metro or any agency, officer, or employee thereof rather than by or
9 against the Board of Equalization, in performing the functions incident to the
10 administration or operation of this Ordinance.

11 C. In those sections, including, but not necessarily limited to
12 sections referring to the exterior boundaries of the State of California, where the result
13 of the substitution would be to:

14 i. Provide an exemption from this Sales Tax with
15 respect to certain sales, storage, use or other consumption of tangible personal
16 property which would not otherwise be exempt from this Sales Tax while such sales,
17 storage, use or other consumption remain subject to tax by the State under the
18 provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;

19 ii. Impose this Sales Tax with respect to certain sales,
20 storage, use or other consumption of tangible personal property which would not be
21 subject to this Sales Tax by the state under the said provision of that code.

22 D. In Sections 6701, 6702 (except in the last sentence
23 thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

24 2. The phrase "Los Angeles County Metropolitan Transportation
25 Authority or any successor entity" shall be substituted for the word "State" in the
26 phrase "retailer engaged in business in this State" in Section 6203 and in the definition
27 of that phrase in Section 6203 of the Revenue and Taxation Code.

28 g. PERMIT NOT REQUIRED. If a seller's permit has been issued to a
29 retailer under Section 6067 of the Revenue and Taxation Code, an additional
30 transactor's permit shall not be required by this Ordinance.

31 h. EXEMPTIONS AND EXCLUSIONS.

32 1. There shall be excluded from the measure of the transactions tax
33 and the use tax the amount of any sales tax or use tax imposed by the State of
34 California or by any city, city and county, or county pursuant to the Bradley-Burns

1 Uniform Local Sales and Use Tax Law or the amount of any state-administered
2 transactions or use tax.

3 2. There are exempted from the computation of the amount of
4 transactions tax the gross receipts from:

5 A. Sales of tangible personal property, other than fuel or
6 petroleum products, to operators of aircraft to be used or consumed principally outside
7 the County in which the sale is made and directly and exclusively in the use of such
8 aircraft as common carriers of persons or property under the authority of the laws of
9 this State, the United States, or any foreign government.

10 B. Sales of property to be used outside Los Angeles County
11 which is shipped to a point outside Los Angeles County, pursuant to the contract of
12 sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer
13 to a carrier for shipment to a consignee at such point. For the purposes of this
14 paragraph, delivery to a point outside Los Angeles County shall be satisfied:

15 i. With respect to vehicles (other than commercial
16 vehicles) subject to registration pursuant to Chapter 1 (commencing with Section
17 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section
18 21411 of the Public Utilities Code, and undocumented vessels registered under
19 Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an
20 address outside Los Angeles County and by a declaration under penalty of perjury,
21 signed by the buyer, stating that such address is, in fact, his or her principal place of
22 residence; and

23 ii. With respect to commercial vehicles, by registration
24 to a place of business outside Los Angeles County and declaration under penalty of
25 perjury, signed by the buyer, that the vehicle will be operated from that address.

26 C. The sale of tangible personal property if the seller is
27 obligated to furnish the property for a fixed price pursuant to a contract entered into
28 prior to the operative date of this Ordinance.

29 D. A lease of tangible personal property which is a continuing
30 sale of such property, for any period of time for which the lessor is obligated to lease
31 the property for an amount fixed by the lease prior to the operative date of this
32 Ordinance.

33 E. For the purposes of subparagraphs (C) and (D) of this
34 section, the sale or lease of tangible personal property shall be deemed not to be

1 obligated pursuant to a contract or lease for any period of time for which any party to
2 the contract or lease has the unconditional right to terminate the contract or lease upon
3 notice, whether or not such right is exercised.

4 3. There are exempted from the use tax imposed by this Ordinance,
5 the storage, use or other consumption in Los Angeles County of tangible personal
6 property:

7 A. The gross receipts from the sale of which have been
8 subject to a transactions tax under any state-administered transactions and use tax
9 ordinance.

10 B. Other than fuel or petroleum products purchased by
11 operators of aircraft and used or consumed by such operators directly and exclusively
12 in the use of such aircraft as common carriers of persons or property for hire or
13 compensation under a certificate of public convenience and necessity issued pursuant
14 to the laws of this State, the United States, or any foreign government. This exemption
15 is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue
16 and Taxation Code of the State of California.

17 C. If the purchaser is obligated to purchase the property for a
18 fixed price pursuant to a contract entered into prior to the operative date of this
19 Ordinance.

20 D. If the possession of, or the exercise of any right or power
21 over, the tangible personal property arises under a lease which is a continuing
22 purchase of such property for any period of time for which the lessee is obligated to
23 lease the property for an amount fixed by a lease prior to the operative date of this
24 Ordinance.

25 E. For the purposes of subparagraphs (C) and (D) of this
26 section, storage, use, or other consumption, or possession of, or exercise of any right
27 or power over, tangible personal property shall be deemed not to be obligated
28 pursuant to a contract or lease for any period of time for which any party to the
29 contract or lease has the unconditional right to terminate the contract or lease upon
30 notice, whether or not such right is exercised.

31 F. Except as provided in subparagraph (G), a retailer
32 engaged in business in Los Angeles County shall not be required to collect use tax
33 from the purchaser of tangible personal property, unless the retailer ships or delivers
34 the property into the County or participates within the County in making the sale of the

1 property, including, but not limited to, soliciting or receiving the order, either directly or
2 indirectly, at a place of business of the retailer in County or through any representative,
3 agent, canvasser, solicitor, subsidiary, or person in the County under the authority of
4 the retailer.

5 G. "A retailer engaged in business in Los Angeles County"
6 shall also include any retailer of any of the following: vehicles subject to registration
7 pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle
8 Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code,
9 or undocumented vessels registered under Division 3.5 (commencing with Section
10 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any
11 purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in Los
12 Angeles County.

13 4. Any person subject to use tax under this Ordinance may credit
14 against that tax any transactions tax or reimbursement for transactions tax paid to a
15 district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division
16 2 of the Revenue and Taxation Code with respect to the sale to the person of the
17 property the storage, use or other consumption of which is subject to the use tax.

18 i. AMENDMENTS. All amendments subsequent to the effective date of this
19 Ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales
20 and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of
21 the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of
22 Division 2 of the Revenue and Taxation Code, shall automatically become a part of
23 this Ordinance, provided however, that no such amendment shall operate so as to
24 affect the rate of tax imposed by this Ordinance.

25 j. ENJOINING COLLECTION FORBIDDEN. No injunction or writ of
26 mandate or other legal or equitable process shall issue in any suit, action or
27 proceeding in any court against the State or Metro, or against any officer of the State
28 or Metro, to prevent or enjoin the collection under this Ordinance, or Part 1.6 of
29 Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax
30 required to be collected.

31 SECTION 7. USE OF REVENUES

32 a. All of the Net Revenues generated from the Sales Tax plus any Interest
33 or other earnings thereon, less any funds necessary for satisfaction of debt service
34

1 and related requirements of all bonds issued pursuant to this Ordinance that are not
2 satisfied out of separate allocations, shall be allocated solely for the transportation
3 purposes described in this Ordinance.

4 b. Metro shall establish and administer a sales tax revenue fund with
5 appropriate subfunds to account for the allocation categories defined in this
6 Ordinance. All Net Revenues and Interest on Sales Tax Revenues shall be credited
7 into the sales tax revenue fund and credited to the appropriate subfunds pursuant to
8 the allocation ratios described on page 1 of Attachment A. The moneys in the sales
9 tax revenue fund shall be available to Metro to meet expenditure and cashflow needs
10 of the projects and programs described in Attachment A. Metro may expend
11 additional funds from sources other than the Sales Tax imposed pursuant to this
12 Ordinance on the projects and programs described in Attachment A. Funds shall be
13 available for projects and programs described in Attachment A beginning in the fiscal
14 years identified in Attachment A as "Funds Available Beginning."

15 c. Metro shall establish the following subfunds of the sales tax revenue
16 fund:

- 17 1. Transit Capital Subfund
- 18 2. Highway Capital Subfund
- 19 3. Operations Subfund
- 20 4. Local Return Subfund

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

32 i. The Committee shall have the following responsibilities:

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

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

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

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

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

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

25 SECTION 9. MAINTENANCE OF EFFORT REQUIREMENTS

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

31 b. Metro shall develop guidelines which, at a minimum, specify
32 maintenance of effort requirements for the local return program, matching funds, and
33 administrative requirements for the recipients of revenue derived from the Sales Tax.
34

1 SECTION 10. COSTS OF ADMINISTRATION

2 Gross Sales Tax revenues may be appropriated by Metro for administrative
3 costs, including contractual services; however in no case shall the Gross Sales Tax
4 revenues appropriated for such costs exceed more than one and one-half percent
5 (1.5%) of the Gross Sales Tax revenues in any year.

6
7 SECTION 11. AMENDMENTS

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

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

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

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

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

4
5 SECTION 12. ESTABLISHMENT OF BONDING AUTHORITY

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

21
22 SECTION 13. APPROPRIATIONS LIMIT

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

28
29 SECTION 14. ELECTION

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

33
34 **Traffic Relief. Rail Extensions. Reduce Foreign Oil Dependence.**

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To:

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

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

SECTION 15. STATUTORY REFERENCES

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

SECTION 16. EFFECTIVE AND OPERATIVE DATES

a. This Ordinance shall be effective on January 2, 2009, if:

1. Two-thirds (2/3) of the electors voting on the measure

authorizing the imposition of the Sales Tax vote to authorize its enactment at the statewide general election scheduled for November 4, 2008; and

2. A California state statute that provides for all of the following is adopted by the California Legislature and becomes effective prior to January 2, 2009:

A. Requires Metro to include in Attachment A the following projects, programs, and funding levels;

i. Exposition Boulevard Light Rail Transit Project from downtown Los Angeles to Santa Monica. The sum of nine hundred twenty-five million dollars (\$925,000,000).

1 ii. Crenshaw Transit Corridor from Wilshire Boulevard
2 to Los Angeles International Airport along Crenshaw Boulevard. The sum of two
3 hundred thirty-five million five hundred thousand dollars (\$235,500,000).

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

6 iv. Metro Gold Line (Pasadena to Claremont) Light
7 Rail Transit Extension. The sum of seven hundred thirty-five million dollars
8 (\$735,000,000).

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

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

13 vii. State Highway Route 5 Carmenita Road
14 Interchange Improvement. The sum of one hundred thirty-eight million dollars
15 (\$138,000,000).

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

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

24 x. State Highway Route 5/State Highway Route 14
25 Capacity Enhancement. The sum of ninety million eight hundred thousand dollars
26 (\$90,800,000).

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

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

31 xiii. MTA and Municipal Regional Clean Fuel Bus
32 Capital (Facilities and Rolling Stock). The sum of one hundred fifty million dollars
33 (\$150,000,000).

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

ATTACHMENT A

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

| Subfund | Program | % of Sales Tax (net of administration) | First Year Amount | 10-Year Amount | 30-Year Amount |
|-------------------------|---|---|------------------------------|---------------------------|---------------------------|
| Transit Capital | New Rail and/or Bus Rapid Transit Capital Projects - project definition depends on final environmental review process | 35% | \$ 241 | \$ 2,930 | \$ 13,790 |
| Transit Capital | Metrolink Capital Improvement Projects within Los Angeles County (Operations, Maintenance, and Expansion) | 3% | \$ 21 | \$ 251 | \$ 1,182 |
| Transit Capital | Metro Rail Capital - System Improvements, Rail Yards, and Rail Cars | 2% | \$ 14 | \$ 167 | \$ 788 |
| Highway Capital | Carpool Lanes, Highways, Goods Movement, Grade Separations, and Soundwalls | 20% | \$ 138 | \$ 1,675 | \$ 7,880 |
| Operations | Rail Operations (New Transit Project Operations and Maintenance) | 5% | \$ 34 | \$ 419 | \$ 1,970 |
| Operations | Bus Operations (Countywide Bus Service Operations, Maintenance, and Expansion. Suspend a scheduled July 1, 2009 Metro fare increase for one year and freeze all Metro Student, Senior, Disabled, and Medicare fares through June 30, 2013 by instead using Metro's Formula Allocation Procedure share of this subfund.) | 20% | \$ 138 | \$ 1,675 | \$ 7,880 |
| Local Return | Major street resurfacing, rehabilitation and reconstruction; pothole repair; left turn signals; bikeways; pedestrian improvements; streetscapes; signal synchronization; and transit. (Local Return to the Incorporated Cities within Los Angeles County and to Los Angeles County for the Unincorporated Area of the County on a Per Capita Basis.) | 15% | \$ 103 | \$ 1,256 | \$ 5,910 |
| TOTAL PROGRAMS | | 100% | \$ 689 | \$ 8,373 | \$ 39,400 |
| 1.5% for Administration | | | \$ 11 | \$ 127 | \$ 600 |
| GRAND TOTAL | | | \$ 700 | \$ 8,500 | \$ 40,000 |

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

ATTACHMENT A

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

| for reference only - not priority order | Subfund | Potential Project in Alphabetical Order by Category (project definition depends on final environmental process) | Cost Estimate | New Sales Tax (Assembly Bill 2321) | | | Other Funds | | | Funds Available Beginning | Expected Completion |
|---|--------------------------------|---|-------------------------------|------------------------------------|--------------------|------------------|--------------------|------------------|--|---------------------------------|-------------------------|
| | | | | Minimum | Additional | Total | Federal Funding | State Funding | Local Funding (Rail is 3% except as noted) | | |
| 1 | | Transit Projects: New Rail and/or Bus Rapid Transit Capital Projects. Could include rail improvements or exclusive bus rapid transit improvements in designated corridors. | | | | | | | | | |
| 2 | | | Escalated \$ | | | | | | | | |
| 3 | | Eastside Light Rail Access (Gold Line) | \$ 30 | \$ 30 | \$ - | \$ 30 | \$ - | \$ - | \$ - | FY 2010 | FY 2013 |
| 4 | | Exposition Boulevard Light Rail Transit | \$ 1,632 ^a | \$ 925 | \$ - | \$ 925 | \$ - | \$ 353 | \$ 354 | FY 2010-12 | FY 2013-15 |
| 5 | | Metro and Municipal Regional Clean Fuel Bus Capital Facilities and Rolling Stock (Metro's share to be used for clean fuel buses) | \$ 150 | \$ 150 | \$ - | \$ 150 | \$ - | \$ - | \$ - | FY 2010 | FY 2039 |
| 6 | | Regional Connector (links local rail lines) | \$ 1,320 | \$ 160 | \$ - | \$ 160 | \$ 708 | \$ 186 | \$ 266 ^b | FY 2014-16 | FY 2023-25 |
| 7 | | | Current 2008 \$ | | | | | | | | |
| 8 | Transit Capital Projects | Crenshaw Transit Corridor - project acceleration | \$ 1,470 | \$ 235.5 | \$ 971.5 | \$ 1,207 | To be determined | | \$ 263 ^c | FY 2010-12 | FY 2016-18 |
| 9 | | Gold Line Eastside Extension | \$ 1,310 | \$ - | \$ 1,271 | \$ 1,271 | | | \$ 39 | FY 2022-24 | FY 2033-35 |
| 10 | | Gold Line Foothill Light Rail Transit Extension | \$ 758 | \$ 328 | \$ 407 | \$ 735 | | | \$ 23 | FY 2010-12 | FY 2015-17 |
| 11 | | Green Line Extension to Los Angeles International Airport | \$ 200 | \$ - | \$ 200 | \$ 200 | | | TBD ^d | FY 2010-12 | FY 2015-28 ^d |
| 12 | | Green Line Extension: Redondo Beach Station to South Bay Corridor | \$ 280 | \$ - | \$ 272 | \$ 272 | | | \$ 8 | FY 2028-30 | FY 2033-35 |
| 13 | | San Fernando Valley I-405 Corridor Connection (match to total project cost) | TBD | \$ - | \$ 1,000 | \$ 1,000 | | | \$ 31 | FY 2030-32 | FY 2038-39 |
| 14 | | San Fernando Valley North-South Rapidways (Canoga Corridor) - project acceleration | \$ 188 | \$ 32 ^e | \$ 150 | \$ 182 | | | \$ 6 | FY 2010-12 | FY 2014-16 |
| 15 | | San Fernando Valley East North-South Rapidways - project acceleration | \$ 70 | \$ 68.5 ^e | \$ - | \$ 68.5 | | | \$ 2 | FY 2013-15 | FY 2016-18 |
| 16 | | West Santa Ana Branch Corridor (match to total project cost) | TBD | \$ - | \$ 240 | \$ 240 | | | \$ 7 | FY 2015-17* | FY 2025-27* |
| 17 | | Westside Subway Extension - to be opened in segments | \$ 4,200 ^f | \$ 900 | \$ 3,174 | \$ 4,074 | | | \$ 126 | FY 2013-15 | FY 2034-36 |
| 18 | | Capital Project Contingency (Transit)-Escalation Allowance for lines 8-17 to be based on year of construction | \$ 7,331 | \$ 173 | \$ 3,103 | \$ 3,276 | \$ 2,200 | \$ 1,015 | \$ 840 ^g | FY 2010 | FY 2039 |
| 19 | | Total New Rail and/or Bus Rapid Transit Capital Projects | \$ 18,939 ^h | \$ 3,001.5 | \$ 10,788.5 | \$ 13,790 | \$ 2,908 | \$ 1,554 | \$ 1,965 | FY 2010 | FY 2039 |

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

ATTACHMENT A

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

| for reference only - not priority order | Subfund | Potential Project in Alphabetical Order by Category (project definition depends on final environmental process) | Cost Estimate | New Sales Tax (Assembly Bill 2321) | | | Other Funds | | | Funds Available Beginning | Expected Completion |
|---|--------------------------|--|------------------|------------------------------------|-------------------|-----------------|------------------|---------------|--|---------------------------|---------------------|
| | | | | Minimum | Additional | Total | Federal Funding | State Funding | Local Funding (Rail is 3% except as noted) | | |
| 20 | | Highway Projects: Capital Projects - Carpool Lanes, Highways, Goods Movement, Grade Separations, and Soundwalls | | | | | | | | | |
| 21 | | | Escalated \$ | | | | | | | | |
| 22 | | Alameda Corridor East Grade Separations Phase II | \$ 1,123 | \$ 200 | \$ 200 | \$ 400 | \$ 200 | \$ 336 | \$ 187 ⁱ | As funds become available | |
| 23 | | BNSF Grade Separations in Gateway Cities | \$ 35 | \$ - | \$ 35 | \$ 35 | \$ - | \$ - | \$ - | As funds become available | |
| 24 | | Countywide Soundwall Construction (Metro regional list and Monterey Park/SR-60) | \$ 250 | \$ 250 | \$ - | \$ 250 | \$ - | \$ - | \$ - | FY 2010 | FY 2039 |
| 25 | | High Desert Corridor (environmental) | \$ 33 | \$ - | \$ 33 | \$ 33 | \$ - | \$ - | \$ - | As funds become available | |
| 26 | | Interstate 5 / St. Route 14 Capacity Enhancement | \$ 161 | \$ 90.8 | \$ - | \$ 90.8 | \$ 15 | \$ 41 | \$ 14 ^j | FY 2010 | FY 2013-15 |
| 27 | | Interstate 5 Capacity Enhancement from I-605 to Orange County Line | \$ 1,240 | \$ 264.8 | \$ - | \$ 264.8 | \$ 78 | \$ 834 | \$ 63 ^j | FY 2010 | FY 2016-17 |
| 28 | | I-5 Capacity Enhancement from SR-134 to SR-170 | \$ 610 | \$ 271.5 | \$ - | \$ 271.5 | \$ 50 | \$ 264 | \$ 24 ^j | FY 2010 | FY 2013 |
| 29 | | I-5 Carmenita Road Interchange Improvement | \$ 389 | \$ 138 | \$ - | \$ 138 | \$ 97 | \$ 154 | \$ - ^j | FY 2010 | FY 2015 |
| 30 | | | Current 2008 \$ | | | | | | | | |
| 31 | Highway Capital Projects | Highway Operational Improvements in Arroyo Verdugo subregion | \$ 170 | \$ - | \$ 170 | \$ 170 | To be determined | | | As funds become available | |
| 32 | | Highway Operational Improvements in Las Virgenes/Malibu subregion | \$ 175 | \$ - | \$ 175 | \$ 175 | | | | | |
| 33 | | Interstate 405, I-110, I-105, and SR-91 Ramp and Interchange Improvements (South Bay) | \$ 906 | \$ - | \$ 906 | \$ 906 | | | | | |
| 34 | | Interstate 5 North Capacity Enhancements from SR-14 to Kern County Line (Truck Lanes) | \$ 2,800 | \$ - | \$ 410 | \$ 410 | | | | | |
| 35 | | Interstate 605 Corridor "Hot Spot" Interchanges | \$ 2,410 | \$ - | \$ 590 | \$ 590 | | | | | |
| 36 | | Interstate 710 North Gap Closure (tunnel) | \$ 3,730 | \$ - | \$ 780 | \$ 780 | | | | | |
| 37 | | Interstate 710 South and/or Early Action Projects | \$ 5,460 | \$ - | \$ 590 | \$ 590 | | | | | |
| 38 | | State Route 138 Capacity Enhancements | \$ 270 | \$ - | \$ 200 | \$ 200 | | | | | |
| 39 | | Capital Project Contingency (Highway)-Escalation Allowance for lines 31-38 to be based on year of construction | \$ 2,575 | \$ - | \$ 2,575.9 | \$ 2,576 | | | | | |
| 40 | | Total Capital Projects Highway: Carpool Lanes, Highways, Goods Movements, Grade Separations, and Soundwalls | \$ 22,337 | \$ 1,215.1 | \$ 6,664.9 | \$ 7,880 | TBD | TBD | \$ 288 | FY 2010 | FY 2039 |

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

ATTACHMENT A

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

| for reference only - not priority order | Subfund | Operating and Capital Programs | Percent of New Sales Tax Net Revenues | New Sales Tax (Assembly Bill 2321) | | | Other Funds | | | Funds Available Beginning | Expected Completion |
|---|--------------|---|---------------------------------------|------------------------------------|------------------|-----------------------|-----------------|-----------------|--|---------------------------|---------------------|
| | | | | Minimum | Additional | Total Escalated | Federal Funding | State Funding | Local Funding (Rail is 3% except as noted) | | |
| 41 | Ops | Bus Operations (Countywide Bus Service Operations, Maintenance, and Expansion. Suspend a scheduled July 1, 2009 Metro fare increase for one year and freeze all Metro Student, Senior, Disabled, and Medicare fares through June 30, 2013 by instead using Metro's Formula Allocation Procedure share of this subfund.) | 20% | \$ - | \$ 7,880 | \$ 7,880 ^k | Not Applicable | | | FY 2010 | FY 2039 |
| 42 | Ops | Rail Operations (New Transit Project Operations and Maintenance) | 5% | \$ - | \$ 1,970 | \$ 1,970 ^k | | | | FY 2010 | FY 2039 |
| 43 | Local Return | Major street resurfacing, rehabilitation and reconstruction; pothole repair; left turn signals; bikeways; pedestrian improvements; streetscapes; signal synchronization; and transit. | 15% ^l | \$ 250 | \$ 5,660 | \$ 5,910 ^k | | | | FY 2010 | FY 2039 |
| 44 | Tran. Cap. | Metro Rail Capital Projects - System Improvements, Rail Yards, and Rail Cars | 2% | \$ - | \$ 788 | \$ 788 ^k | | | | FY 2010 | FY 2039 |
| 45 | Tran. Cap. | Metrolink Capital Improvement Projects within Los Angeles County (Operations, Maintenance, and Expansion) | 3% | \$ 70 | \$ 1,112 | \$ 1,182 ^k | | | | FY 2010 | FY 2039 |
| 46 | | Subtotal Transit and Highway Capital Projects | \$ 41,276^m | \$ 4,216.6 | \$ 17,453 | \$ 21,670 | \$ 2,908 | \$ 1,554 | \$ 2,253 | FY 2010 | FY 2039 |
| 47 | | Subtotal page 4 | | \$ 320.0 | \$ 17,410 | \$ 17,730 | Not Applicable | | | | |
| 48 | | 1.5% for Administration | N/A | \$ 10 | \$ 590 | \$ 600 | Not Applicable | | | FY 2010 | FY 2039 |
| 49 | | Total | | \$ 4,546.6 | \$ 35,453 | \$ 40,000 | \$ 2,908 | \$ 1,554 | \$ 2,253 | FY 2010 | FY 2039 |

Notes:

- a. The Exposition Blvd Light Rail Transit project includes the following funds: Prop 1B Transit Modernization funds (\$250 M), State Transportation Improvement Program funds (\$103 M), Metro Propositions A and C funds (\$354 M).
- b. Systemwide ridership forecasts indicate need for a Regional Connector downtown. This expenditure plan assumes that Metro Long Range Transportation Plan funds freed-up from the Exposition Phase II project by passage of this sales tax will be redirected to the Regional Connector project by the Metro Board.
- c. Local funding for the Crenshaw Transit Corridor assumes a 3% local contribution (\$44 M) and a Metro Long Range Transportation Plan contribution (\$219 M).
- d. Local funding target and project schedule to be determined due to potential LAX contribution. First segment is included in the Crenshaw project.
- e. The San Fernando Valley North-South Rapidways minimum of \$100 M is divided between the East and Canoga segments.
- f. Unescalated cost estimate to Westwood.
- g. Assumes a 3% local contribution to the Escalation Allowance (\$225 M) and a Metro Long Range Transportation Plan contribution for project scheduling risk (\$615 M).
- h. Total new rail and/or bus rapid transit capital projects cost estimate subject to change when cost estimates are developed for the San Fernando Valley I-405 Corridor Connection (line 13) and the West Santa Ana Branch Corridor (line 16).
- i. The precise amounts of Federal and local funding for the Alameda Corridor East Grade Separations Phase II project are subject to change.
- j. For projects funded from other sources on or before December 31, 2008, the funds freed-up by passage of this sales tax shall remain in the subregion in which the project is located for projects or programs of regional significance (per AB 2321).
- k. Amounts are estimates. Actual amounts will be based on percentage of actual sales tax receipts net of administration.
- l. Local Return to the incorporated cities within Los Angeles County and to Los Angeles County for the unincorporated area of the County on a per capita basis per annual California Department of Finance population data.
- m. The total project cost estimate for the transit and highway capital projects of \$41.2 B includes \$12.9 B in as yet unidentified federal, state, local, and public-private partnership funds for highway projects.

Legend: Ops = Operations; Tran. Cap. = Transit Capital; SR = State Route; I = Interstate

* The West Santa Ana Branch matching funds would be accelerated by utilizing Long Range Transportation Plan resources freed-up by the use of new sales tax funds on the Interstate 5 Capacity Enhancement from I-605 to Orange County Line project (line 27).

1 **RESOLUTION CALLING SPECIAL ELECTION PROPOSING AN ADDITIONAL**
2 **RETAIL TRANSACTIONS AND USE TAX FOR TRANSPORTATION**
3 **PURPOSES TO BE SUBMITTED TO THE VOTERS OF THE COUNTY AT THE**
4 **SPECIAL ELECTION AND REQUESTING THE CONSOLIDATION OF THE**
5 **SPECIAL ELECTION WITH THE NOVEMBER GENERAL ELECTION**
6

7 BE IT RESOLVED by the Los Angeles County Metropolitan Transportation Authority
8 ("Metro"), that, pursuant to Section 130350 of the California Public Utilities Code, a special
9 election is hereby ordered and called to be held on Tuesday, November 4, 2008, and that
10 the following Proposition be submitted to the electors of the County of Los Angeles at the
11 special election.
12

13 BE IT FURTHER RESOLVED that Metro requests that the Board of Supervisors of the
14 County of Los Angeles, State of California, consolidate the special election with the
15 November General Election and place the Proposition upon the same ballot as shall be
16 provided for the General Election to be held on the 4th day of November 2008, and, that the
17 same precincts, polling places, and precinct board members as shall be used for the
18 General Election shall be used for the Special Election pursuant to California Elections Code
19 Sections 10400 et seq.
20

1 BALLOT PROPOSITION

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

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

3 EXHIBITS

4 The complete text of the proposed ordinance, including Attachment A, entitled
5 "Expenditure Plan," is attached as Exhibit 1, and the document entitled "Five Point Plan," is
6 attached as Exhibit 2. These documents are incorporated herein by reference.
7

8 PROCLAMATION

9 Pursuant to Section 12001 of the California Elections Code, Metro hereby
10 PROCLAIMS that a special County-wide election shall be held on November 4, 2008, to
11 vote upon the Proposition set forth in this resolution. Pursuant to Section 14212 of the
12 California Elections Code, the polls shall be open for said election from 7:00 a.m. to 8:00
13 p.m. The Los Angeles County Registrar-Recorder shall cause this proclamation to be
14 published in a daily newspaper of general circulation, printed, published, and circulated in
15 Los Angeles County, at least one (1) time before the 4th day of November, 2008, pursuant to
16

1 Section 130351 of the California Public Utilities Code and Section 9163 of the California
2 Elections Code.

3
4 FILING RESOLUTION

5 The Chief Executive Officer of Metro, or his designee, is ordered to file a copy of this
6 resolution with the Clerk of the Los Angeles County Board of Supervisors and the Los
7 Angeles County Registrar-Recorder/County Clerk at least eighty-eight (88) days prior to the
8 date of the election.

9
10 ANALYSIS OF ORDINANCE

11 The County Counsel of the County of Los Angeles is hereby requested to prepare an
12 analysis of said ordinance pursuant to Section 130351 of the California Public Utilities Code
13 and Section 9160 of the California Elections Code.

14
15 CEQA EXEMPTION

16 The California Environmental Quality Act does not apply to this tax proposal, according
17 to Section 21080(b)(8) and (10) through (13) of the California Public Resources Code, and
18 Sections 15273, 15275, 15276 and 15378(b) of Title 14 of the California Code of
19 Regulations.

20 This tax is proposed for the purpose of (1) meeting operating expenses; purchasing or
21 leasing supplies, equipment or materials; meeting financial reserve requirements; obtaining
22 funds for capital projects necessary to maintain service within existing service areas; (2)
23 increasing funds for the existing public transit service programs; (3) instituting or increasing
24 passenger or commuter services on rail or highway rights of way already in use and/or (4)
25 the continued development of a regional transportation improvement program.

26 Metro hereby finds that the purpose of this tax includes supplementing existing tax
27 revenues to meet a demonstrated shortfall due to decreasing federal funding and
28 increasing transportation costs needed to complete the Los Angeles County transportation
29 system as set forth in the Regional Transportation Improvement Program, which is
30 incorporated herein by reference, including funding to meet operating expenses, purchase
31 or lease of equipment or materials, meet financial reserve needs and requirements and to
32 obtain funds for capital projects necessary to maintain service within existing service areas
33 and to assist in meeting stricter air quality standards and accessibility requirements.

1 The Chief Executive Officer of Metro, or his designee, is directed to promptly file a
2 Notice of Exemption under the California Environmental Quality Act.

3
4 ELECTION/REGISTRAR-RECORDER

5 Metro staff is hereby instructed to cooperate with the Los Angeles County Registrar-
6 Recorder and to perform or cause to be performed such functions preliminary to the conduct
7 of the special election as may be agreed upon with the Registrar-Recorder.

8 Pursuant to Section 130351 of the California Public Utilities Code, the cost incurred by
9 Los Angeles County in conducting the special election shall be reimbursed by Metro.

10 The Los Angeles County Board of Supervisors is hereby authorized to canvass the
11 returns of the special election requested herein to be consolidated with the November 2008
12 general election.

13 Pursuant to Section 130350 of the California Public Utilities Code, the vote
14 requirement for the Proposition shall be an affirmative vote of two-thirds (2/3) of the votes
15 cast on the Proposition.

16
17 ARGUMENTS

18 Metro hereby authorizes the Chairman of the Board of Directors of Metro to file a
19 written argument in support of the Proposition and the rebuttal argument.

20
21 REQUEST FOR LETTER IDENTIFYING PROPOSITION

22 Metro hereby requests that the Registrar-Recorder identify the Proposition as
23 "Proposition R." In the event that the letter "R" is not available, Metro requests that the
24 Registrar-Recorder identify the Proposition as "Proposition M." In the event that neither the
25 letter "R" nor the letter "M" is available, Metro requests that the Registrar-Recorder identify
26 the Proposition as "Proposition A." In the event that none of the above letters are available,
27 Metro hereby authorizes the Chief Executive Officer, or his designee, to select a letter
28 identifying the Proposition.

29
30 BALLOT PAMPHLET EXHIBITS

31 Metro hereby authorizes the Chief Executive Officer, or his designee, to submit any
32 exhibits he deems necessary, including Exhibit 1 or Exhibit 2 of this resolution, or excerpts
33 thereof, to the Registrar-Recorder for inclusion in the ballot pamphlet.

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

ATTACHMENT A

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

(millions)

| Subfund | Program | % of Sales Tax (net of administration) | First Year Amount | 10-Year Amount | 30-Year Amount |
|-------------------------|---|---|------------------------------|---------------------------|---------------------------|
| Transit Capital | New Rail and/or Bus Rapid Transit Capital Projects - project definition depends on final environmental review process | 35% | \$ 241 | \$ 2,930 | \$ 13,790 |
| Transit Capital | Metrolink Capital Improvement Projects within Los Angeles County (Operations, Maintenance, and Expansion) | 3% | \$ 21 | \$ 251 | \$ 1,182 |
| Transit Capital | Metro Rail Capital - System Improvements, Rail Yards, and Rail Cars | 2% | \$ 14 | \$ 167 | \$ 788 |
| Highway Capital | Carpool Lanes, Highways, Goods Movement, Grade Separations, and Soundwalls | 20% | \$ 138 | \$ 1,675 | \$ 7,880 |
| Operations | Rail Operations (New Transit Project Operations and Maintenance) | 5% | \$ 34 | \$ 419 | \$ 1,970 |
| Operations | Bus Operations (Countywide Bus Service Operations, Maintenance, and Expansion. Suspend a scheduled July 1, 2009 Metro fare increase for one year and freeze all Metro Student, Senior, Disabled, and Medicare fares through June 30, 2013 by instead using Metro's Formula Allocation Procedure share of this subfund.) | 20% | \$ 138 | \$ 1,675 | \$ 7,880 |
| Local Return | Major street resurfacing, rehabilitation and reconstruction; pothole repair; left turn signals; bikeways; pedestrian improvements; streetscapes; signal synchronization; and transit. (Local Return to the Incorporated Cities within Los Angeles County and to Los Angeles County for the Unincorporated Area of the County on a Per Capita Basis.) | 15% | \$ 103 | \$ 1,256 | \$ 5,910 |
| TOTAL PROGRAMS | | 100% | \$ 689 | \$ 8,373 | \$ 39,400 |
| 1.5% for Administration | | | \$ 11 | \$ 127 | \$ 600 |
| GRAND TOTAL | | | \$ 700 | \$ 8,500 | \$ 40,000 |

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

ATTACHMENT A

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

| for reference only - not priority order | Subfund | Potential Project in Alphabetical Order by Category (project definition depends on final environmental process) | Cost Estimate | New Sales Tax (Assembly Bill 2321) | | | Other Funds | | | Funds Available Beginning | Expected Completion |
|---|--------------------------|---|-------------------------------|------------------------------------|--------------------|------------------|--------------------|---------------------|--|---------------------------------|-------------------------|
| | | | | Minimum | Additional | Total | Federal Funding | State Funding | Local Funding (Rail is 3% except as noted) | | |
| 1 | | Transit Projects: New Rail and/or Bus Rapid Transit Capital Projects. Could include rail improvements or exclusive bus rapid transit improvements in designated corridors. | | | | | | | | | |
| 2 | | | Escalated \$ | | | | | | | | |
| 3 | | Eastside Light Rail Access (Gold Line) | \$ 30 | \$ 30 | \$ - | \$ 30 | \$ - | \$ - | \$ - | FY 2010 | FY 2013 |
| 4 | | Exposition Boulevard Light Rail Transit | \$ 1,632 ^a | \$ 925 | \$ - | \$ 925 | \$ - | \$ 353 | \$ 354 | FY 2010-12 | FY 2013-15 |
| 5 | | Metro and Municipal Regional Clean Fuel Bus Capital Facilities and Rolling Stock (Metro's share to be used for clean fuel buses) | \$ 150 | \$ 150 | \$ - | \$ 150 | \$ - | \$ - | \$ - | FY 2010 | FY 2039 |
| 6 | | Regional Connector (links local rail lines) | \$ 1,320 | \$ 160 | \$ - | \$ 160 | \$ 708 | \$ 186 | \$ 266 ^b | FY 2014-16 | FY 2023-25 |
| 7 | | | Current 2008 \$ | | | | | | | | |
| 8 | Transit Capital Projects | Crenshaw Transit Corridor - project acceleration | \$ 1,470 | \$ 235.5 | \$ 971.5 | \$ 1,207 | To be determined | \$ 263 ^c | | FY 2010-12 | FY 2016-18 |
| 9 | | Gold Line Eastside Extension | \$ 1,310 | \$ - | \$ 1,271 | \$ 1,271 | | \$ 39 | | FY 2022-24 | FY 2033-35 |
| 10 | | Gold Line Foothill Light Rail Transit Extension | \$ 758 | \$ 328 | \$ 407 | \$ 735 | | \$ 23 | | FY 2010-12 | FY 2015-17 |
| 11 | | Green Line Extension to Los Angeles International Airport | \$ 200 | \$ - | \$ 200 | \$ 200 | | TBD ^d | | FY 2010-12 | FY 2015-28 ^d |
| 12 | | Green Line Extension: Redondo Beach Station to South Bay Corridor | \$ 280 | \$ - | \$ 272 | \$ 272 | | \$ 8 | | FY 2028-30 | FY 2033-35 |
| 13 | | San Fernando Valley I-405 Corridor Connection (match to total project cost) | TBD | \$ - | \$ 1,000 | \$ 1,000 | | \$ 31 | | FY 2030-32 | FY 2038-39 |
| 14 | | San Fernando Valley North-South Rapidways (Canoga Corridor) - project acceleration | \$ 188 | \$ 32 ^e | \$ 150 | \$ 182 | | \$ 6 | | FY 2010-12 | FY 2014-16 |
| 15 | | San Fernando Valley East North-South Rapidways - project acceleration | \$ 70 | \$ 68.5 ^e | \$ - | \$ 68.5 | | \$ 2 | | FY 2013-15 | FY 2016-18 |
| 16 | | West Santa Ana Branch Corridor (match to total project cost) | TBD | \$ - | \$ 240 | \$ 240 | | \$ 7 | | FY 2015-17* | FY 2025-27* |
| 17 | | Westside Subway Extension - to be opened in segments | \$ 4,200 ^f | \$ 900 | \$ 3,174 | \$ 4,074 | | \$ 126 | | FY 2013-15 | FY 2034-36 |
| 18 | | Capital Project Contingency (Transit)-Escalation Allowance for lines 8-17 to be based on year of construction | \$ 7,331 | \$ 173 | \$ 3,103 | \$ 3,276 | \$ 2,200 | \$ 1,015 | \$ 840 ^g | FY 2010 | FY 2039 |
| 19 | | Total New Rail and/or Bus Rapid Transit Capital Projects | \$ 18,939 ^h | \$ 3,001.5 | \$ 10,788.5 | \$ 13,790 | \$ 2,908 | \$ 1,554 | \$ 1,965 | FY 2010 | FY 2039 |

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

ATTACHMENT A

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

| for reference only - not priority order | Subfund | Potential Project in Alphabetical Order by Category (project definition depends on final environmental process) | Cost Estimate | New Sales Tax (Assembly Bill 2321) | | | Other Funds | | | Funds Available Beginning | Expected Completion |
|---|--------------------------|--|--------------------|------------------------------------|-------------------|-----------------|--------------------|------------------|--|---------------------------------|------------------------|
| | | | | Minimum | Additional | Total | Federal Funding | State Funding | Local Funding (Rail is 3% except as noted) | | |
| 20 | | Highway Projects: Capital Projects - Carpool Lanes, Highways, Goods Movement, Grade Separations, and Soundwalls | | | | | | | | | |
| 21 | | | Escalated \$ | | | | | | | | |
| 22 | | Alameda Corridor East Grade Separations Phase II | \$ 1,123 | \$ 200 | \$ 200 | \$ 400 | \$ 200 | \$ 336 | \$ 187 ⁱ | As funds become available | |
| 23 | | BNSF Grade Separations in Gateway Cities | \$ 35 | \$ - | \$ 35 | \$ 35 | \$ - | \$ - | \$ - | As funds become available | |
| 24 | | Countywide Soundwall Construction (Metro regional list and Monterey Park/SR-60) | \$ 250 | \$ 250 | \$ - | \$ 250 | \$ - | \$ - | \$ - | FY 2010 FY 2039 | |
| 25 | | High Desert Corridor (environmental) | \$ 33 | \$ - | \$ 33 | \$ 33 | \$ - | \$ - | \$ - | As funds become available | |
| 26 | | Interstate 5 / St. Route 14 Capacity Enhancement | \$ 161 | \$ 90.8 | \$ - | 90.8 | \$ 15 | \$ 41 | \$ 14 ^j | FY 2010 FY 2013-15 | |
| 27 | | Interstate 5 Capacity Enhancement from I-605 to Orange County Line | \$ 1,240 | \$ 264.8 | \$ - | \$ 264.8 | \$ 78 | \$ 834 | \$ 63 ^j | FY 2010 FY 2016-17 | |
| 28 | | I-5 Capacity Enhancement from SR-134 to SR-170 | \$ 610 | \$ 271.5 | \$ - | \$ 271.5 | \$ 50 | \$ 264 | \$ 24 ^j | FY 2010 FY 2013 | |
| 29 | | I-5 Carmenita Road Interchange Improvement | \$ 389 | \$ 138 | \$ - | \$ 138 | \$ 97 | \$ 154 | \$ - ^j | FY 2010 FY 2015 | |
| 30 | | | Current 2008 \$ | | | | | | | | |
| 31 | Highway Capital Projects | Highway Operational Improvements in Arroyo Verdugo subregion | \$ 170 | \$ - | \$ 170 | \$ 170 | To be determined | | | As funds become available | |
| 32 | | Highway Operational Improvements in Las Virgenes/Malibu subregion | \$ 175 | \$ - | \$ 175 | \$ 175 | | | | | |
| 33 | | Interstate 405, I-110, I-105, and SR-91 Ramp and Interchange Improvements (South Bay) | \$ 906 | \$ - | \$ 906 | \$ 906 | | | | | |
| 34 | | Interstate 5 North Capacity Enhancements from SR- 14 to Kern County Line (Truck Lanes) | \$ 2,800 | \$ - | \$ 410 | \$ 410 | | | | | |
| 35 | | Interstate 605 Corridor "Hot Spot" Interchanges | \$ 2,410 | \$ - | \$ 590 | \$ 590 | | | | | |
| 36 | | Interstate 710 North Gap Closure (tunnel) | \$ 3,730 | \$ - | \$ 780 | \$ 780 | | | | | |
| 37 | | Interstate 710 South and/or Early Action Projects | \$ 5,460 | \$ - | \$ 590 | \$ 590 | | | | | |
| 38 | | State Route 138 Capacity Enhancements | \$ 270 | \$ - | \$ 200 | \$ 200 | | | | | |
| 39 | | Capital Project Contingency (Highway)-Escalation Allowance for lines 31-38 to be based on year of construction | \$ 2,575 | \$ - | \$ 2,575.9 | \$ 2,576 | | | | | |
| 40 | | Total Capital Projects Highway: Carpool Lanes, Highways, Goods Movements, Grade Separations, and Soundwalls | \$ 22,337 | \$ 1,215.1 | \$ 6,664.9 | \$ 7,880 | TBD | TBD | \$ 288 | FY 2010 FY 2039 | |

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

ATTACHMENT A

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

| for reference only - not priority order | Subfund | Operating and Capital Programs | Percent of New Sales Tax Net Revenues | New Sales Tax (Assembly Bill 2321) | | | Other Funds | | | Funds Available Beginning | Expected Completion |
|---|-----------------|---|--|------------------------------------|------------------|-----------------------|--------------------|------------------|--|---------------------------------|------------------------|
| | | | | Minimum | Additional | Total Escalated | Federal Funding | State Funding | Local Funding (Rail is 3% except as noted) | | |
| 41 | Ops | Bus Operations (Countywide Bus Service Operations, Maintenance, and Expansion. Suspend a scheduled July 1, 2009 Metro fare increase for one year and freeze all Metro Student, Senior, Disabled, and Medicare fares through June 30, 2013 by instead using Metro's Formula Allocation Procedure share of this subfund.) | 20% | \$ - | \$ 7,880 | \$ 7,880 ^k | Not Applicable | | | FY 2010 | FY 2039 |
| 42 | Ops | Rail Operations (New Transit Project Operations and Maintenance) | 5% | \$ - | \$ 1,970 | \$ 1,970 ^k | | | | FY 2010 | FY 2039 |
| 43 | Local Return | Major street resurfacing, rehabilitation and reconstruction; pothole repair; left turn signals; bikeways; pedestrian improvements; streetscapes; signal synchronization; and transit. | 15% ^l | \$ 250 | \$ 5,660 | \$ 5,910 ^k | | | | FY 2010 | FY 2039 |
| 44 | Tran. Cap. | Metro Rail Capital Projects - System Improvements, Rail Yards, and Rail Cars | 2% | \$ - | \$ 788 | \$ 788 ^k | | | | FY 2010 | FY 2039 |
| 45 | Tran. Cap. | Metrolink Capital Improvement Projects within Los Angeles County (Operations, Maintenance, and Expansion) | 3% | \$ 70 | \$ 1,112 | \$ 1,182 ^k | | | | FY 2010 | FY 2039 |
| 46 | | Subtotal Transit and Highway Capital Projects | \$ 41,276^m | \$ 4,216.6 | \$ 17,453 | \$ 21,670 | \$ 2,908 | \$ 1,554 | \$ 2,253 | FY 2010 | FY 2039 |
| 47 | | Subtotal page 4 | | \$ 320.0 | \$ 17,410 | \$ 17,730 | Not Applicable | | | | |
| 48 | | 1.5% for Administration | N/A | \$ 10 | \$ 590 | \$ 600 | Not Applicable | | | FY 2010 | FY 2039 |
| 49 | | Total | | \$ 4,546.6 | \$ 35,453 | \$ 40,000 | \$ 2,908 | \$ 1,554 | \$ 2,253 | FY 2010 | FY 2039 |

Notes:

- The Exposition Blvd Light Rail Transit project includes the following funds: Prop 1B Transit Modernization funds (\$250 M), State Transportation Improvement Program funds (\$103 M), Metro Propositions A and C funds (\$354 M).
- Systemwide ridership forecasts indicate need for a Regional Connector downtown. This expenditure plan assumes that Metro Long Range Transportation Plan funds freed-up from the Exposition Phase II project by passage of this sales tax will be redirected to the Regional Connector project by the Metro Board.
- Local funding for the Crenshaw Transit Corridor assumes a 3% local contribution (\$44 M) and a Metro Long Range Transportation Plan contribution (\$219 M).
- Local funding target and project schedule to be determined due to potential LAX contribution. First segment is included in the Crenshaw project.
- The San Fernando Valley North-South Rapidways minimum of \$100 M is divided between the East and Canoga segments.
- Unescalated cost estimate to Westwood.
- Assumes a 3% local contribution to the Escalation Allowance (\$225 M) and a Metro Long Range Transportation Plan contribution for project scheduling risk (\$615 M).
- Total new rail and/or bus rapid transit capital projects cost estimate subject to change when cost estimates are developed for the San Fernando Valley I-405 Corridor Connection (line 13) and the West Santa Ana Branch Corridor (line 16).
- The precise amounts of Federal and local funding for the Alameda Corridor East Grade Separations Phase II project are subject to change.
- For projects funded from other sources on or before December 31, 2008, the funds freed-up by passage of this sales tax shall remain in the subregion in which the project is located for projects or programs of regional significance (per AB 2321).
- Amounts are estimates. Actual amounts will be based on percentage of actual sales tax receipts net of administration.
- Local Return to the incorporated cities within Los Angeles County and to Los Angeles County for the unincorporated area of the County on a per capita basis per annual California Department of Finance population data.
- The total project cost estimate for the transit and highway capital projects of \$41.2 B includes \$12.9 B in as yet unidentified federal, state, local, and public-private partnership funds for highway projects.

Legend: Ops = Operations; Tran. Cap. = Transit Capital; SR = State Route; I = Interstate

* The West Santa Ana Branch matching funds would be accelerated by utilizing Long Range Transportation Plan resources freed-up by the use of new sales tax funds on the Interstate 5 Capacity Enhancement from I-605 to Orange County Line project (line 27).