

SOUTH BAY CITIES
COUNCIL OF GOVERNMENTS

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July 1, 2016

Honorable John Fasana, Chairman
And Board of Directors
Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, CA. 90012

SUBJECT: SBCCOG Opposition to Metro's Proposed November 8, 2016 Ballot Measure

Dear Chairman Fasana and Members of the Board of Directors:

At its meeting on June 30, 2016, the South Bay Cities Council of Governments Board of Directors voted to oppose Metro's proposed countywide transportation sales tax measure planned for the November 8, 2016 ballot. Although there was a recognition by many of the members present of the need for additional transportation funding, and some support was expressed for a future sales tax measure, nine Board members voted to oppose Metro's proposed measure, six members abstained because they wanted to consult with their other council colleagues, and not one vote was cast to support the measure as adopted by the Metro Board.

During the considerable discussion that preceded the vote, the following major concerns were expressed:

1. The 3% local contribution requirement for Metro's regional rail projects imposes an unfair burden on our cities when compounded with loss of tax revenue caused by removal of the property needed by Metro for stations from the public property tax rolls.
2. The Plan under-invests in the streets that carry nearly all trips, whether cars, trucks, buses, or bicycles. Local jurisdictions cannot wait until 2040 for Local Return to rise from 17% to 20% of Measure X revenue. Local streets are crumbling and new mandates like stormwater treatment improvements have increased the need to prioritize these investments at a time when federal and state gas tax allocations have dramatically declined.
3. Cities throughout the county have been requesting a new allocation formula for Measure X local return funds to make up for the solely population-based funding allocation formulas in the local return program of Proposition A, C and Measure R. With Measure X, it is time to address the needs of those cities that are bedroom communities at night but need a robust daytime infrastructure. For example, El Segundo is a city of approximately 13,000 people that has a daytime population of about 100,000. Also, cities such as Torrance generate much more sales tax than the average. Cities were asking for Metro to negotiate a new funding allocation formula for Measure X local return and that didn't happen.
4. Based on population, the South Bay share of regional projects in the Expenditure Plan should be more than 10.5%. However, the Expenditure Plan allocates less than 7% of its regional revenues for South Bay priorities.

LOCAL GOVERNMENTS IN ACTION

Carson El Segundo Gardena Hawthorne Hermosa Beach Inglewood Lawndale Lomita
Manhattan Beach Palos Verdes Estates Rancho Palos Verdes Redondo Beach Rolling Hills
Rolling Hills Estates Torrance Los Angeles District #15 Los Angeles County

5. The Metro Board rejected a motion by Directors representing the South Bay and Gateway Cities to complete Measure R projects before initiating new projects.

6. The fact that Metro needs a cash infusion in order to meet its current commitments means that it is ill-advised to take on massive new commitments. Metro needs to get its house in order and then determine what they actually can commit to in the future. The SBCCOG Board cannot trust that the projects promised by this measure will be implemented – especially since we are not seeing the Measure R commitments fulfilled as promised.

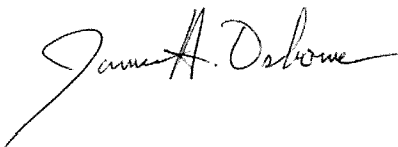
7. The Expenditure Plan unfairly allocates more than 50% of the available regional major project funding to projects in the City of Los Angeles, including the yet-to-be-evaluated Sepulveda Pass Tunnel which has risen in cost from \$1 billion in the previous plan to \$9+ billion. The Metro Board compounded the sub-regional inequity at its June 23, 2016 meeting by approving an amendment that added yet another project in the City of Los Angeles - \$189 million for a new and undefined rail line with an unknown cost that will link the West San Fernando Valley to Cal State Northridge.

8. All South Bay highway projects are delayed until after 2040 setting up a Hobson's choice for our South Bay children and grandchildren who will need to decide whether they will increase Local Return to fix what remains of their crumbling streets or construct highway projects that are needed in the South Bay today that South Bay taxpayers will be paying for, but not able to use, for the next 30 years.

9. One of the most troubling elements of the Ordinance is the fact that the Metro Board can unilaterally change the Expenditure Plan every 10 years after merely consulting with an advisory committee that the Board appoints. There is no provision in the ordinance that requires approval by Metro's local partners to these decennial changes in priority.

The SBCCOG Board expressed their concern about the need for funding but this proposed ballot measure is not fair and equitable for all areas of the county. It mortgages the future without addressing our needs today. For these reasons, the SBCCOG will be opposing the proposed measure

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Osborne". The signature is fluid and cursive, with a long, sweeping underline that extends to the left.

Jim Osborne, SBCCOG Chair
Councilman, City of Lawndale

cc: Metro Board of Directors
Phillip Washington, Metro CEO
SBCCOG Board of Directors
Jerry Brown, California Governor
South Bay Members of the California Assembly
South Bay Members of the California Senate
South Bay Members of the U. S. Senate
South Bay Members of the U. S. House of Representatives