



**Metro**

**November 21, 2007**

**TO: BOARD OF DIRECTORS**

**FROM: ROGER SNOBLE  
CHIEF EXECUTIVE OFFICER**

**SUBJECT: SOUTHERN CALIFORNIA TRADE CORRIDOR  
CONSENSUS WORKING GROUP**

**ISSUE**

The Southern California Trade Corridor Consensus Working Group met with top transportation officials in Sacramento over two days in an attempt to achieve minimum programming levels for each of the three regional Trade Corridors in the State. The minimums would be used by the California Transportation Commission (CTC) to program the \$2.0 billion Trade Corridor Improvement Fund (TCIF) in a manner that meets the State's most urgent needs while balancing geographic distribution of the funds across all regions of the State.

**DISCUSSION**

The Southern California Trade Corridor Consensus Working Group agreed to a \$1.5 billion minimum amount from an expanded pot of \$2.425 billion jointly proposed by the Secretary of Business Transportation and Housing (BT&H) Dale Bonner, Caltrans Director Will Kempton, and California Transportation Commission Executive Director John Barna, provided that three key conditions be met, as follows:

- P.U.C. 190 grade separation funds would be a permissible local match to TCIF funds;
- Non-State Funding expended for Grade Separations since passage of Prop 1B will also be eligible as State match; and,
- New user fees (i.e. container fees) can be shown in any project funding plans without prejudice for the programming of the TCIF funds, with the understanding that such fees must be adopted prior to the actual allocation vote for TCIF funding later in the process.

The above State officials also pursued a support position from the Southern California Trade Corridor Working Group representatives on a higher, under-funded \$2.995 billion program of recommended programming targets for each region. The Southern California Trade Corridor Working Group did not agree to the larger targets due to concerns about the relatively low 55% level of programming recommended by the State Officials for the expanded program. Southern California Trade Corridor Working Group representatives will now be returning to their boards to review the proposal and determine a path forward

for the consensus position on the TCIF program. Attached are tables and notes from the two day meeting which depict the final outcomes.

At the end of the recently concluded legislative session, the Southern California consensus group aggressively pursued legislation which would have guaranteed a percentage share of the funds for Southern California. Despite support from many Los Angeles members and indications from Senate leadership that they were open to negotiating shares of funding, no legislation was approved in either the Assembly or Senate.

We had hoped that the delegation could have negotiated an arrangement in the session over the last two days or gained the votes at the California Transportation Commission. Alternatively, we could have attempted to move this issue through the legislative process next year. This would entail either moving a bill in January or the issue would have become a part of next year's budget negotiations.

The Southern California delegation pushed hard very hard for funding for this program and we feel this was the most we could get in an agreement. The group obtained approval for other issues that will have value as we move forward. Additionally the State agreed that this action does not set a precedent on percentages going forward, rather its orientation is toward securing funds for projects that need to be constructed without further delay.

#### **NEXT STEPS**

The CTC will again consider this issue on November 27, 2007 in Sacramento. Metro staff will continue to work with state officials on the implementation of this program.

Attachment A

**Regional Corridor Minimums and Targets for the TCIF**

<b>Corridor</b>	<b>Minimum (Funds Identified)</b>	<b>Target</b>	<b>Recommended (Under-Funded)</b>
Finance and Administration	0.040	0.040	0.040
San Diego	0.250	0.400	0.400
LA/Long Beach/Inland Empire	1.500	1.700	1.650
MTC/Central Valley	0.640	0.840	0.825
Other Areas (To include Imperial County)	0.060	0.080	0.080
<b>Totals</b>	<b>2.490</b>	<b>3.060</b>	<b>2.995</b>

**Fund Sources**

Prop I B TCIF	2.000	2.000	2.995
Prop I B Intercity Rail/Grade Separation	0.175	0.175	0.175
GARVEE Bonds	0.250	0.250	0.250
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	2.425	2.425	2.425
<b>Shortfall “Over- Programming”</b>	<b>(0.065)</b>	<b>(0.635)</b>	<b>(0.570)</b>