



Metro

Los Angeles County
Metropolitan Transportation Authority

One Gateway Plaza
Los Angeles, CA 90012-2952

213.922.9200 Tel
213.922.9201 Fax
metro.net

July 14, 2008

TO: BOARD OF DIRECTORS

FROM: ROGER SNOBLE 
CHIEF EXECUTIVE OFFICER

SUBJECT: SALES TAX MEASURE UPDATE

Attached is a draft proposal for the highway portion of the new sales tax developed in response to the subregional equity concerns raised after the "discussion draft" Expenditure Plan was released on June 26, 2008. Overall, the new draft highway proposal assumes that 20% of the proposed new sales tax, as opposed to 15%, will be available for highway projects. The proposed highway program places a high priority on a geographic balance. As I indicated in my correspondence earlier today, we understand that you will ultimately require the transit capital projects to gain a complete picture of the geographic balance we are to recommend, but I cannot yet release that information due to the sensitivity of the negotiations now underway.

Subregional areas whose percentage share of the project specific portions of the sales tax that would be less than their population and employment burdens were granted a heavier highway investment to compensate for the potential geographic inequity. To develop the proposal, Metro staff relied upon comments made by Councils of Government in response to the draft 2008 Long Range Transportation Plan (LRTP), particularly those comments pertaining to projects included in the strategic or unfunded portion of the LRTP.

With a couple of exceptions for grade separation and interchange projects, the geographic focus of the proposal means that many highway projects will require substantial additional investment from other fund sources, such as public private partnerships, state, and/or federal funds. In many cases, the new sales tax funds would be used to develop the environmental and design portions of the projects

Per AB 2321 (Feuer), the proposed highway expenditure plan also reflects mandatory sales tax funds for projects that already have full funding from Metro's draft 2008 Long Range Transportation Plan. For this set of projects, subregional areas can expect to receive a like commitment of funds for alternative projects as required by AB 2321.

We understand that a consensus sales tax proposal is crucial to our ultimate success and we look forward to engaging in a full discussion of the proposed sales tax soon.

Attachment – Highway Projects