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Metropolitan Transportation Authority

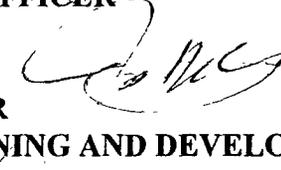
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January 16, 2004

TO: BOARD OF DIRECTORS

THROUGH: ROGER SNOBLE 
CHIEF EXECUTIVE OFFICER

FROM: JAMES L. de la LOZA 
EXECUTIVE OFFICER
COUNTYWIDE PLANNING AND DEVELOPMENT

SUBJECT: 2003 CALL FOR PROJECTS

ISSUE

One year ago, the MTA Board took action to proceed with the 2003 Call for Projects. That decision was made after careful deliberation in an environment when MTA was just beginning to understand the potential negative impacts of the State's budget crisis on transportation funding. This board box serves to advise the MTA Board that funding is not available for the 2003 Call for Projects. As a result, MTA has no choice but to terminate the 2003 Call for Projects process.

DISCUSSION

Much has happened in California since the MTA Board action in December 2002 to proceed with the 2003 Call for Projects. Indeed, what was first optimistically perceived as an uncertain State funding situation, is now a sobering multi-billion dollar budget shortfall and limited transportation dollars. On November 26, 2003, Governor Schwarzenegger announced to a Special Session of the State Legislature his budget reduction proposal, which calls for the transfer of millions of transportation dollars to the State General Fund. The Governor is scheduled to elaborate on the budget crisis when he releases the FY 2004-05 budget on January 9, 2004.

Until the State can get its financial books in order, it is clear that funding is not available for the 2003 Call for Projects. As a result, MTA is forced to terminate the 2003 Call for Projects. We are fully aware of the time, effort, and expense that project sponsors undertook in preparing their applications. As a result, MTA will retain the submitted 2003 Call for Projects applications in the event funding should become available in the near future. It would, however, be unfair to

raise project applicants' hopes of funding new projects when funding is being taken away from existing transportation projects. It is also Board policy to fund existing commitments prior to approving new projects.

NEXT STEPS

All project sponsors who submitted an application in the 2003 Call for Projects will be provided a copy of this Board Box. MTA is actively working with representatives of the State Legislature and the Governor's Administration in advocating for Los Angeles County's mobility needs during these difficult financial times. Furthermore, MTA staff is diligently working with project sponsors with prior approved MTA Board projects to keep their projects moving forward. MTA staff will update the Board as more information emerges from Sacramento.