SUBJECT: MEASURE R EXTENSION

ACTION: AMEND MEASURE R ORDINANCE (#08-01), AMEND MEASURE R EXTENSION ORDINANCE (#12-01) AND RESOLUTION, AND APPROVE INFORMATION PROGRAM

RECOMMENDATION

Consider the following actions related to Measure R and its extension:

A. Adopt the proposed amendment to the Measure R Ordinance (#08-01) (Attachment A);

   (Requires Two-Thirds Vote)

B. Adopt an amendment to the Traffic Relief and Rail Expansion Tax Extension Ordinance (#12-01) (also known as Measure R Extension) to incorporate the proposed amendment (Attachment B);

C. Adopt the Resolution requesting that Ordinance #12-01 be amended and placed on the November 6, 2012 ballot (Attachment C); and

D. Approve the Measure R Extension Information Program (Attachment D).

ISSUE

In June 2012, the Board approved a motion by Director Fasana to begin the process to amend the Measure R Ordinance (#08-01) to allow the transfer of funds between the Transit Capital and Highway Capital Subfunds, within a subregion, with a two-thirds vote of the Metro Board. The amendment would also eliminate the time restrictions, currently contained in the Ordinance, for such transfers. (Attachment A). If the Board approves this amendment, the Board must then amend the Measure R Extension Ordinance (#12-01) (Attachment B) and approve the accompanying Resolution (Attachment C) so that Ordinance #12-01 can be used as the vehicle to bring the amendment to the people for a vote. In addition, staff is presenting for approval the
Measure R Extension Information Program (Attachment D). This report provides an overview of the items that are being recommended for approval.

**DISCUSSION**

Proposed Amendment to Measure R Ordinance
The Measure R Ordinance sets forth a number of requirements that must be met before it may be amended. The Measure R Independent Taxpayers Oversight Committee must review the proposed amendment and thereafter submit to Metro a finding whether the proposed amendment furthers the purpose of the Ordinance. The Oversight Committee met on July 23, 2012 and made a finding, by a 2-1 vote, that the proposed amendment furthers the purpose of the Measure R Ordinance. Also, as required by the Ordinance, notices were sent on July 3, 2012 notifying the Los Angeles County Board of Supervisors, the city councils of each city in Los Angeles County and the public of the public meeting on the proposed ordinance amendment scheduled for August 6. If the amendment is thereafter approved by a 2/3 vote of the Board, it must then be submitted to a vote of the people for approval.

Amend Measure R Extension Ordinance
In order to place the amendment before the people for a vote, the Board may amend the Measure R Extension Ordinance, approved in June 2012, to incorporate therein the amendment. Because the Measure R Extension Ordinance has not yet been approved by the people, it may be amended by a majority vote of the Board. This will allow the Measure R Extension Ordinance to be the vehicle in which the amendment to Measure R is brought forward to the people for a vote.

Adopt Amended Measure R Extension Ordinance Resolution
The Measure R Extension Ordinance and accompanying Resolution were approved by the Board on June 28, 2012 and filed with the Registrar-Recorder/County Clerk on July 6, 2012 for placement on the November 2012 ballot. In order for the amended Measure R Extension Ordinance to be placed on the ballot, the Board must also adopt a Resolution to transmit the amended Measure R Extension Ordinance to the Registrar-Recorder/County Clerk’s office. This ensures that the amendment will be voted on by the electorate in the November 6, 2012 election. The deadline for submitting ballot measure amendments is August 15, 2012.

Approve Information Program
Attachment D contains the proposed basic information (Information Set) that will be used in all materials to inform the public about the proposed extension of Measure R. The Information Set will be used in part or in its entirety for the different Information Program elements including: web page and online information, fact sheet, standard presentation for meetings hosted by stakeholders, and an information piece to be sent to county residents. The Information Set has been fully vetted by County Counsel to ensure that the information provided is fair, accurate and impartial.
DETERMINATION OF SAFETY IMPACT

A ballot measure amendment has no negative impact on system safety, and might have a significant positive impact on regional transportation system safety overall. In fact, since transit corridor projects would be accelerated by up to 24 years, the substantial safety benefits of transit travel versus highway travel for the period of accelerated service availability could be substantial. For highway improvements, newer projects have modern safety features that may also have a net safety benefit for users.

FINANCIAL IMPACT

No additional funds are being requested for this action. The Board approved $10 million in the FY13 budget to cover County of Los Angeles election-related costs required to have a measure on the November ballot ($8 million) and Information Program costs ($2 million). The FY13 budgeted amount is under the direction of the CEO. Eight million dollars has been placed in the Board Office Cost Center 1010, under the Governmental and Oversight Activities Project #100002, Election Costs task, and $2 million in the Chief Executive Office Cost Center 2010, under the Governmental and Oversight Activities Project 100002, Election Cost task.

Impact to Bus and Rail Operating and Capital Budget
The source of funds for this activity is interest earnings on Metro's State Repayment of Capital Project Loans Fund balance account. These funds are available for use on bus and rail capital projects.

ALTERNATIVES CONSIDERED

The only alternative to approving the proposed amendment to the Measure R Ordinance is to reject the amendment. Such an action would maintain the current restrictions regarding fund transfers between the Highway Capital and Transit Capital Subfunds.

In addition, the alternatives considered in the development of the Information Program for the Measure R Extension Ordinance include: 1) following the process developed for the 2008 Measure, and 2) a more restrained approach. The Board expressed concern with certain elements of the 2008 Information Program, specifically the content and cost of public notices. As a result, the public notices were discontinued before all had been published. Staff recommends a more restrained approach for the new measure that addresses the concerns raised by Board members in 2008.
NEXT STEPS

Staff will continue to implement outreach to the COGs and other stakeholders through August. We will also continue to work with legislative staff to monitor the progress of AB 1446.

ATTACHMENTS
A. Proposed Amendment to Measure R Ordinance (#08-01)
B. Amended Measure R Extension Ordinance (#12-01)
C. Measure R Extension Resolution
D. Measure R Extension Information Piece

Prepared by: Doug Failing, Executive Director, Highway Programs
Cosette Stark, Director, Research and Development
Paula Carvajal, Transportation Planning Manager IV
Jeff Boberg, Transportation Planning Manager IV
Maya Emsden, Deputy Executive Officer, Creative Services
Lynda Bybee
Interim Chief Communications Officer

Arthur T. Leahy
Chief Executive Officer
I move to include in Ordinance #12-01: Traffic Relief and Rail Expansion Tax Extension Ordinance, the following amendment to Ordinance #08-01: Traffic Relief and Rail Expansion Ordinance:

Section 11. Amendments

b. Notwithstanding Section 11(a) of this Ordinance, Metro shall not adopt any amendment to this Ordinance, including Attachment A, that reduces total Net Revenues allocated to the sum of the Transit Capital Subfund and the Highway Capital Subfund. Net more than once in any ten (10) year period commencing after the year 2019, Metro may adopt an amendment by a two-thirds vote transferring Net Revenues between the Transit Capital Subfund and the Highway Capital Subfund within the same sub-region.
Ordinance # 12-01
Traffic Relief and Rail Expansion Tax Extension 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. By accelerating this plan, all the economic, job and mobility benefits will be accelerated as well.

1) Accelerate jobs created – Measure R will create 410,000 jobs over 30 years; this extension will accelerate approximately 260,000 of those jobs
2) Boost local economy – Measure R will invest $67 billion into local economy over 30 years; this extension will accelerate approximately $43 billion of that investment
3) Improve freeway traffic flow – accelerate freeway improvements
4) Accelerate completion of transportation system – build comprehensive transportation system in half the time
5) Invest in local community – fix pot holes, repair streets and synchronize local traffic signals
6) Extend existing sales tax – continue previously approved Measure R sales tax
7) Maintain spending controls – strong oversight and annual reports to taxpayers
8) Continue for 30 years or until voters decide to end it

SECTION 1. TITLE
This Ordinance shall be known and may be cited as the Traffic Relief and Rail Expansion Tax Extension 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 extends the retail transactions and use tax imposed by Section 5 of Ordinance No. 08-01 of the Los Angeles County Metropolitan Transportation Authority for 30 years.
SECTION 3. DEFINITIONS

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

“Board of Equalization” means the California State Board of Equalization.

“Capital Project” means a project or program described in the Expenditure Plan as a “Capital Project.”

“Expenditure Plan” means that expenditure plan which is attached hereto.

“Gross Sales Tax” means the amount of Sales Tax collected by the Board of Equalization pursuant to this Ordinance.

“Highway Capital Projects” means those projects in the Expenditure Plan that are identified as highway capital projects.

“Interest” means interest and other earnings on cash balances.

“Measure R Projects” means those projects and programs identified in the expenditure plan attached to Ordinance No. 08-01.

“Metro” or “MTA” means the Los Angeles County Metropolitan Transportation Authority or any successor entity.

“Net Revenues” means Sales Tax Revenues minus any amount expended on administrative costs pursuant to Section 10.

“Ordinance No. 08-01” means Ordinance No. 08-01, including the attached expenditure plan, of the Los Angeles County Metropolitan Transportation Authority, as adopted by the Metro Board of Directors on July 24, 2008.

“Sales Tax” means a retail transactions and use tax.

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

“Transit Capital Projects” means those projects in the Expenditure Plan that are identified as transit capital projects, except for “Metro Rail Capital Projects – System Improvements, Rail Yards, and Rail Cars” and “Metrolink Capital Improvement Projects within Los Angeles County (Operations, Maintenance, and Expansion).”

SECTION 4. STATUTORY AUTHORITY

This Ordinance is enacted, in part, pursuant to:
a. Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code;
b. Division 12 (commencing with Section 130000) of the California Public Utilities Code;

c. Proposed amendments to Section 130350.5 of the California Public Utilities Code and proposed new Section 130350.6 of the California Public Utilities Code adopted during the 2011-2012 legislative session.

SECTION 5. EXTENSION OF RETAIL TRANSACTIONS AND USE TAX

a. Subject to the limits imposed by this Ordinance, Metro hereby extends the Sales Tax imposed by Section 5 of Ordinance No. 08-01, in the incorporated and unincorporated territory of Los Angeles County, at the rate of one-half of one percent (.5%), until such time as the Sales Tax is terminated pursuant to Section 11 of this Ordinance.

b. The provisions of Section 5(b), (c), (d), (e), (f), and (g) of Ordinance No. 08-01 shall apply to the tax extension imposed by this Ordinance.

SECTION 6. ADMINISTRATION BY BOARD OF EQUALIZATION

a. The provisions of Section 6 of Ordinance No. 08-01 shall apply to the tax extension imposed by this Ordinance.

SECTION 7. USE OF REVENUES

a. All of the Net Revenues generated from the Sales Tax and Interest on Sales Tax Revenues shall be credited into the sales tax revenue fund established in Section 7 of Ordinance No. 08-01 and credited to the appropriate Subfund pursuant to the allocation ratios described on page 1 of the Expenditure Plan.

1. For Net Revenues derived from this Sales Tax Extension that are credited to the Transit Capital, Highway Capital, and Local Return Subfunds, until such time as the Transit Capital Projects and Highway Capital Projects are completed, Net Revenues derived from this Sales Tax Extension shall be used in the same manner and for the same purposes as Net Revenues credited to those Subfunds derived from the Sales Tax imposed by Ordinance No. 08-01 but shall be used only to accelerate the completion of Measure R Projects.

A. To the extent necessary to accelerate the completion of a project or program in the Expenditure Plan, the Metro Board of Directors may authorize the expenditure of funds derived from the Sales Tax imposed by Ordinance No. 08-01 to a
project or program in the Expenditure Plan in the fiscal year identified as “funds available beginning” for that project or program.

2. For Net Revenues derived from this Sales Tax Extension that are credited to the Transit Capital, Highway Capital, and Local Return Subfunds, upon such time as the Transit Capital Projects and Highway Capital Projects have been completed, these Net Revenues and Interest thereon shall be expended as follows:

A. Funds allocated to the Local Return Subfund shall be allocated to the projects and programs described in the Expenditure Plan as “Local Return” and spent in accordance with subparagraphs (g)(1) and (g)(2) of Section 7 of Ordinance No. 08-01.

B. Funds allocated to the Highway Capital Subfund shall be allocated to new highway capital projects, which shall be added to the Expenditure Plan by a majority vote of the Board of Directors.

C. Funds allocated to the Transit Capital Subfund shall be allocated pursuant to the ratios described on page 1 of the Expenditure Plan for the Transit Capital Subfund. These funds shall be allocated to new transit capital projects, which shall be added to the Expenditure Plan by a majority vote of the Board of Directors.

3. At all times, Net Revenues and the Interest thereon credited to the Operations Subfund shall be used in the same manner and for the same purposes as Net Revenues derived from the Sales Tax imposed by Ordinance No. 08-01 and credited to the Operations Subfund.

A. Net Revenues and the Interest thereon credited to the Operations Subfund shall be used to provide reduced fares to senior citizens, disabled individuals, and students and to expand Metro's reduced fare programs to operate throughout the day, in excess of federal requirements.

SECTION 8. OVERSIGHT

a. The provisions of Section 8 of Ordinance No. 08-01 relating to oversight of Sales Tax Revenues shall apply to all Sales Tax Revenues resulting from this Ordinance.

SECTION 9. MAINTENANCE OF EFFORT REQUIREMENTS

a. The provisions of Section 9 of Ordinance No. 08-01 relating to maintenance of effort requirements shall apply to revenues derived from the tax extension imposed by this Ordinance that are credited to the Local Return Subfund.
SECTION 10. COSTS OF ADMINISTRATION

a. The provisions of Section 10 of Ordinance No. 08-01 shall apply to all Gross Sales Tax revenues resulting from this Ordinance.

SECTION 11. AMENDMENTS AND TERMINATION

a. The provisions of Section 11 of Ordinance No. 08-01 shall apply to all amendments to this Ordinance.

b. The sales tax extension imposed by this Ordinance shall be for 30 years and may be terminated at any time by the people of the County of Los Angeles by adopting an initiative pursuant to Section 30741 of the Public Utilities Code.

c. Notwithstanding the above, the sales tax extension imposed by this Ordinance shall not be suspended or terminated in any manner that impedes the rights of debt holders.

SECTION 12. ESTABLISHMENT OF BONDING AUTHORITY

The provisions of Section 12 of Ordinance No. 08-01 shall apply to the tax extension imposed by this Ordinance.

SECTION 13. APPROPRIATIONS LIMIT

The provisions of Section 13 of Ordinance No. 08-01 shall apply to the tax extension imposed by this Ordinance.

SECTION 14. ELECTION

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

**Accelerating Traffic Relief, Job Creation.**

To advance Los Angeles County's traffic relief, economic growth/ job creation, by accelerating construction of light rail/ subway/ airport connections within five years not twenty; funding countywide freeway traffic flow/ safety /bridge improvements, pothole repair; keeping senior/ student/ disabled fares low; Shall Los Angeles County's voter-approved one-half cent traffic relief sales tax continue, without tax rate increase, for another 30 years or until voters decide to end it, with audits/ keeping funds local?
SECTION 15. STATUTORY REFERENCES

a. 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 1446 of the 2011-2012 legislative session.

b. References in this Ordinance to proposed Section 130350.6 of the Public Utilities Code are to Section 130350.6 as amended or added by Assembly Bill 1446 of the 2011-2012 legislative session.

SECTION 16. AMENDMENT TO ORDINANCE NO. 08-01

Section 11(b) of Ordinance No. 08-01 shall be amended to read:

b. Notwithstanding Section 11(a) of this Ordinance, Metro shall not adopt any amendment to this Ordinance, including Attachment A, that reduces total Net Revenues allocated to the sum of the Transit Capital Subfund and the Highway Capital Subfund. Metro may adopt an amendment by a two-thirds vote transferring Net Revenues between the Transit Capital Subfund and the Highway Capital Subfund within the same subregion.

SECTION 17. EFFECTIVE AND OPERATIVE DATES

a. This Ordinance shall be effective on January 2, 2013, 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 6, 2012; and

2. A California state statute is adopted by the California Legislature and becomes effective prior to January 2, 2013 that:

   A. Authorizes the extension of the retail transactions and use tax imposed by Ordinance No. 08-01; and

   B. Provides that any tax imposed by Metro pursuant to the authority granted in the statute shall not be considered for the purposes of the combined rate limit established by Section 7251.1 of the Revenue and Taxation Code; and

   C. Does not mandate the expenditure of revenues derived from the tax authorized by the statute in a manner than is different from or contrary to the Expenditure Plan; and

3. No California state statute that requires Metro to provide funding from revenues derived from the Sales Tax imposed pursuant to this Ordinance for any projects or
programs other than those in the Expenditure Plan or provide a level of funding greater than
described in the Expenditure Plan, or on a different schedule than described in the
Expenditure Plan, is adopted by the California Legislature in the 2011-2012 legislative session
and becomes law.

b. The Sales Tax imposed by this Ordinance shall be imposed immediately upon
the expiration of the Sales Tax imposed under Section 5 of Ordinance No. 08-01.

SECTION 18. SEVERABILITY
If any tax or provision of this Ordinance is for any reason held invalid or
unenforceable by a court of competent jurisdiction, that holding shall not affect the validity or
enforceability of the remaining taxes or provisions, and Metro declares that it would have
passed each part of this Ordinance irrespective of the validity of any other part.
RESOLUTION CALLING SPECIAL ELECTION ON AMENDED ORDINANCE
PROPOSING AN EXTENSION OF A RETAIL TRANSACTIONS AND USE TAX
FOR TRANSPORTATION PURPOSES TO BE SUBMITTED TO THE VOTERS
OF THE COUNTY AT THE SPECIAL ELECTION AND REQUESTING THE
CONSOLIDATION OF THE SPECIAL ELECTION WITH THE NOVEMBER
GENERAL ELECTION

WHEREAS, on June 28, 2012, the Los Angeles County Metropolitan Transportation
Authority ("Metro") ordered that a proposed ordinance to extend the Measure R sales tax for
an additional 30 years be submitted to the voters of Los Angeles County at a special
election on November 6, 2012; and

WHEREAS, on August 6, 2012, the Metro Board of Directors amended the proposed
ordinance to allow transfers between the Transit Capital and Highway Capital subfunds at
any time by a two-thirds vote of the Board as long as the funds are used in the same
subregion.

BE IT RESOLVED by Metro that, pursuant to Elections Code section 9605, the Board
resolution of June 28, 2012 calling a special election is hereby replaced and superseded by
this resolution of August 6, 2012.

BE IT FURTHER RESOLVED by Metro that, pursuant to Section 130350 of the
California Public Utilities Code, a special election for the amended ordinance is hereby
ordered and called to be held on Tuesday, November 6, 2012, and that the following
Proposition be submitted to the electors of the County of Los Angeles at the special election.

BE IT FURTHER RESOLVED that Metro requests that the Board of Supervisors of the
County of Los Angeles, State of California, consolidate the special election with the
November General Election and place the Proposition upon the same ballot as shall be
provided for the General Election to be held on the 6th day of November 2012, and, that the
same precincts, polling places, and precinct board members as shall be used for the
General Election shall be used for the Special Election pursuant to California Elections Code
Sections 10400 et seq.
BALLOT PROPOSITION

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

<table>
<thead>
<tr>
<th>Accelerating Traffic Relief, Job Creation.</th>
</tr>
</thead>
<tbody>
<tr>
<td>To advance Los Angeles County's traffic relief, economic growth/job creation, by accelerating construction of light rail/subway/airport connections within five years not twenty; funding countywide freeway traffic flow/safety/bridge improvements, pothole repair; keeping senior/student/disabled fares low; Shall Los Angeles County's voter-approved one-half cent traffic relief sales tax continue, without tax rate increase, for another 30 years or until voters decide to end it, with audits/keeping funds local?</td>
</tr>
<tr>
<td>YES</td>
</tr>
<tr>
<td>NO</td>
</tr>
</tbody>
</table>

EXHIBITS

The complete text of the proposed ordinance, as amended by Metro on August 6, 2012, including Attachment A, entitled "Expenditure Plan," is attached as Exhibit 1. These documents are incorporated herein by reference.

PROCLAMATION

Pursuant to Section 12001 of the California Elections Code, Metro hereby PROCLAIMS that a special County-wide election shall be held on November 6, 2012, to vote upon the Proposition set forth in this resolution. Pursuant to Section 14212 of the California Elections Code, the polls shall be open for said election from 7:00 a.m. to 8:00 p.m. The Los Angeles County Registrar-Recorder shall cause this proclamation to be published in a daily newspaper of general circulation, printed, published, and circulated in Los Angeles County, at least one (1) time before the 6th day of November, 2012, pursuant to Section 130351 of the California Public Utilities Code and Section 9163 of the California Elections Code.

FILING RESOLUTION

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

ANALYSIS OF AMENDED ORDINANCE

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

CEQA EXEMPTION

The California Environmental Quality Act does not apply to this tax proposal, according
to Section 21080(b)(8) and (10) through (13) of the California Public Resources Code, and
Sections 15273, 15275, 15276 and 15378(b)(4) of Title 14 of the California Code of
Regulations.

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

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

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

ELECTION/REGISTRAR-RECORDER

Metro staff is hereby instructed to cooperate with the Los Angeles County Registrar-
Recorder and to perform or cause to be performed such functions preliminary to the conduct
of the special election as may be agreed upon with the Registrar-Recorder.
Pursuant to Section 130351 of the California Public Utilities Code, the cost incurred by Los Angeles County in conducting the special election shall be reimbursed by Metro.

The Los Angeles County Board of Supervisors is hereby authorized to canvass the returns of the special election requested herein to be consolidated with the November 2012 general election.

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

ARGUMENTS

Metro hereby authorizes the Honorable Antonio R. Villaraigosa, Mayor of the City of Los Angeles, to file a written argument in support of the Proposition and the rebuttal argument.

REQUEST FOR LETTER IDENTIFYING PROPOSITION

Metro hereby requests that the Registrar-Recorder identify the Proposition as “Proposition R.” In the event that the letter “R” is not available, Metro requests that the Registrar-Recorder identify the Proposition as “Proposition J.” In the event that neither the letter “R” nor the letter “J” is available, Metro requests that the Registrar-Recorder identify the Proposition as “Proposition A.” In the event that none of the above letters are available, Metro hereby authorizes the Chief Executive Officer, or his designee, to select a letter identifying the Proposition.

BALLOT PAMPHLET EXHIBITS

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

NOTICE OF ELECTION

Upon receipt from the Registrar-Recorder of the published notice of election, the Chief Executive Officer, or his designee, shall post the notice of election in a publicly available location in the Metro Headquarters Building located at One Gateway Plaza in the City of Los Angeles, California.
WITHDRAWAL OF PROPOSITION

Metro hereby authorizes the Chief Executive Officer to instruct the Registrar-Recorder to withdraw the Proposition from the November 6, 2012 ballot in the event that the California Legislature adopts any statute that prevents the attached Ordinance from taking effect, or in the event that the California Legislature fails to adopt a statute that provides that the tax proposed by Metro in the Ordinance shall not be considered for the purposes of the combined rate limit established by Section 7251.1 of the Revenue and Taxation Code.

ENFORCEMENT AUTHORITY

Metro hereby authorizes the Chief Executive Officer to retain outside legal counsel to take any action necessary to effectuate the purposes of this resolution, including the attached Ordinance.

I certify that the foregoing resolution was adopted by a majority vote of all members of the Los Angeles County Metropolitan Transportation Authority, at its meeting held on August 6, 2012.

__________________________
Michele Jackson
Metro Board Secretary
In June 2012, the Metro Board authorized placing a measure on the November 2012 ballot to extend an existing voter approved half-cent transportation sales tax, until 2069, in order to accelerate the construction of regional traffic relieving highway and transit projects. The measure will also provide 30 additional years of funding for local city transportation improvements and operation of regional transit services.

What is Measure __?
Measure __ will extend for 30 additional years the existing one-half cent sales tax that was approved in 2008 and is currently set to expire in 2039. The additional funds will be used to sell bonds, which will allow Metro to accelerate construction of transportation improvements. According to a 2008 study by the private, non-profit Los Angeles Economic Development Corporation (LAEDC), the current tax costs residents an average of $25 per person per year. Because Measure __ will extend the existing sales tax, it is anticipated the costs will remain the same, adjusted for inflation. Businesses and tourists also contribute money through the sales tax. The measure also allows funding priorities to be shifted between projects within subregions of Los Angeles County, if approved by a two-thirds vote of the Metro Board.

Regional Impact
LAEDC reports that the projects funded through Measure __ will generate 250,000 new local jobs (direct, indirect and induced workers). By starting construction on seven rail and rapid transit and up to 8 highway projects within the next five years, instead of twenty years as currently planned, this job creation will be accelerated. The measure will also provide an additional thirty years of continued funding for local city transportation improvements and operations of countywide bus and rail service.

Taxpayer Oversight
Under the existing measure, there is an annual independent audit and report to taxpayers, and ongoing monitoring and review of spending by the independent taxpayer oversight committee. This oversight will continue with Measure __.
Transit and Highway Projects to be Accelerated by Measure __ Sales Tax

Accelerated by Measure __
Accelerated Study Area
Not Accelerated by Measure __
Not Accelerated Study Area
Metrolink – Not Accelerated
Existing Metro Rail and Rapid Transit System
Presently Unfunded

Metro
### Rail and Rapid Transit Expansion

<table>
<thead>
<tr>
<th>Project Name</th>
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<tbody>
<tr>
<td>R1 Exposition Boulevard Light Rail Transit</td>
</tr>
<tr>
<td>R2 Crenshaw Transit Corridor *</td>
</tr>
<tr>
<td>R3 Regional Connector: Links Local Rail Lines</td>
</tr>
<tr>
<td>R4 Westside Subway Extension (to be opened in segments)</td>
</tr>
<tr>
<td>R5 Gold Line Eastside Extension* (one of two routes TBD)</td>
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<tr>
<td>R6 Gold Line Foothill Light Rail Transit Extension*</td>
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<tr>
<td>R7 Green Line Extension: Redondo Beach Station to South Bay Corridor*</td>
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<tr>
<td>R8 Green Line Extension to Los Angeles International Airport*</td>
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<td>R9 San Fernando Valley North-South Rapidways: Canoga Corridor (</td>
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<td>Metro Orange Line Extension Completed 2012)</td>
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<tr>
<td>R10 San Fernando Valley East North-South Rapidways*</td>
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<td>R11 West Santa Ana Branch Corridor*</td>
</tr>
<tr>
<td>R12 San Fernando Valley I-405 Transit Corridor Connection*</td>
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<tr>
<td>R13 Metrolink Capital Improvement Projects (Los Angeles County)</td>
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</table>

### Highway Improvements

<table>
<thead>
<tr>
<th>Project Name</th>
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<tbody>
<tr>
<td>H1 I-5 Capacity Enhancement: SR-134 to SR-170</td>
</tr>
<tr>
<td>H2 I-5 Capacity Enhancement: I-605 to Orange County Line</td>
</tr>
<tr>
<td>H3 I-5/Carmenita Rd Interchange Improvement</td>
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<tr>
<td>H4 I-5/SR-14 Capacity Enhancement</td>
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<tr>
<td>H5 I-405, I-110, I-105 and SR-91 Ramp and Interchange Improvements: South</td>
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<tr>
<td>Bay*</td>
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<tr>
<td>H6 I-5 North Capacity Enhancements:</td>
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<tr>
<td>SR-14 to Kern County Line (Truck Lanes) (Phase 1)</td>
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<td>H7 I-5 North Capacity Enhancements:</td>
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<tr>
<td>SR-14 to Kern County Line (Truck Lanes) (Phase 2)*</td>
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<td>H8 SR-138 Capacity Enhancements*</td>
</tr>
<tr>
<td>H9 High Desert Corridor (environmental)*</td>
</tr>
<tr>
<td>H10 I-605 Corridor “Hot Spot” Interchanges*</td>
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<tr>
<td>H11 Highway Operational Improvements in Arroyo Verdugo Subregion*</td>
</tr>
<tr>
<td>H12 Highway Operational Improvements in Las Virgenes and Malibu Subregion*</td>
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<tr>
<td>H13 SR-710 North Gap Closure*</td>
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<td>H14 BNSF Grade Separations*</td>
</tr>
<tr>
<td>H15 Alameda Corridor East Grade Separations Phase II*</td>
</tr>
<tr>
<td>H16 County-wide Soundwall Construction</td>
</tr>
</tbody>
</table>

* Specific routing and funding to be determined through Metro’s Long Range Transportation Plan process
The thirty year extension of the half cent sales tax to 2069 would provide a projected $17.7 billion of funding to be used to accelerate construction of up to eight highway improvement projects.

### Accelerated
- I-405, I-110, I-105 and SR-91 Ramp and Interchange Improvements: South Bay
- I-5 North Capacity Enhancements: SR-14 to Kern County Line (Truck Lanes) (Phase 2)
- I-710 South and/or Early Action Projects
- I-605 Corridor "Hot Spot" Interchanges
- Highway Operational Improvements in Arroyo Verdugo Subregion
- Highway Operational Improvements in Las Virgenes and Malibu Subregion
- BNSF Grade Separations
- County-wide Soundwall Construction

### Not Accelerated
- I-5 Capacity Enhancement: SR-134 to SR-170
- I-5 Capacity Enhancement: I-605 to Orange County Line
- I-5/Carmenita Rd Interchange Improvement
- I-5/SR-14 Capacity Enhancement
- I-5 North Capacity Enhancements: SR-14 to Kern County Line (Truck Lanes) (Phase 1)
- SR-138 Capacity Enhancements
- High Desert Corridor (environmental)
- SR-710 North Gap Closure
- Alameda Corridor East Grade Separations Phase II
The current sales tax currently funds seven transportation categories through 2039. Measure ___ would continue funding the same categories for another 30 years.

**Expenditure Plan**

- Rail and Rapid Transit Expansion
- Highway Improvements
- Bus Operations
- Local Improvements
- Rail Operations
- Metrolink Capital
- Metro Rail Capital

The pie chart illustrates the distribution of funds among these categories.
The current sales tax is scheduled to end in 2039. Measure ___ will generate $22 billion for the operations of bus, rail and busway services over an additional 30 years, until 2069.

**60-Year Outlook**

$ in Millions

- **CURRENT**
- **+ MEASURE ___**

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**Metro**

Extending Measure R — PAGE 7
The current sales tax will generate $5.9 billion for the Local Return Program through 2039, allocating these revenues to cities and the unincorporated portions of LA County for local transportation improvements. Measure ___ would provide an additional $13.3 billion for these types of local improvements through 2069.

Projects that can be funded include:
> pothole repair
> roadway and bridge safety
> discounted transit fares for residents
> signal synchronization
> bikeway and pedestrian enhancements
> local transit services
> traffic demand management

**60-Year Outlook**

$ in Millions

![Graph showing the 60-Year Outlook](graph.png)

- **CURRENT**
- + **MEASURE ___**

2009 2039 2069
**Measure R – The Half-Cent Sales Tax Increase for Transportation**

Measure R is a half-cent sales tax increase that was passed by the voters of LA County in 2008 to provide local resources to finance new transportation projects and advance those already in the pipeline. The tax is in place for 30 years until 2039. Not all projects are fully funded and some won’t be completed until the end of that 30 year period. It also provides funding for Metro bus and rail operations, money for local jurisdictions to complete their own transportation projects, and for Metro’s administrative costs.

**Measure _ – The Measure R Extension**

Measure _ would extend the half-cent sales tax another 30 years, to 2069. Metro would bond against the amount of monies forecasted to be generated during these additional 30 years in order to accelerate construction of up to 7 transit and 8 roadway projects.

**Revenue Generated**

Measure _ is forecast to generate approximately $90 billion more local sales tax revenue over the 30 year period from 2039 to 2069.

**Estimated Cost of Measure _**

According to a 2008 study by the private nonprofit Los Angeles Economic Development Corporation (LAEDC), Measure R costs LA County residents an average of $25 per person per year. Because Measure _ will extend Measure R at the existing rate, it is anticipated that Measure _ costs will remain the same, adjusted for inflation. Businesses and tourists also contribute money through the sales tax.

**Acceleration of Projects via Measure _**

Congress recently expanded a federal loan program called the Transportation Infrastructure Finance and Innovation Act (TIFIA). This program allows Metro to sell more bonds (up to 35 years at 2.73% interest) and the proceeds from the sale of these bonds would accelerate the construction of transportation projects. The bonds will be repaid over time, with interest.

**Administrative Costs**

The existing Measure R Ordinance provides for Metro administrative costs of no more than 1.5% each year. Measure _ would continue this appropriation.

**Projects That Will Be Accelerated By Measure _**

All projects will be within Los Angeles County. The accelerated transit projects will be the second phase of the Gold Line Eastside Extension; the Crenshaw Transit Corridor; the Green Line Extension: Redondo Beach Station to South Bay Corridor; the West Santa Ana Branch Corridor transit project; the Regional Connector; the San Fernando Valley I-405 Transit Corridor; and the second and third phases of the Westside Subway Extension.

Metro anticipates that the following highway projects will be accelerated: county-wide Soundwall Construction; I-5 North Capacity Enhancements from SR-14 to Kern County; I-605 Corridor “Hot Spot” (especially congested) Interchanges; highway operational improvements in the Arroyo Verdugo, Las Virgenes and Malibu Subregions; I-710 South and/or Early Action Projects; and BNSF safety upgrades such as grade separations between tracks and streets.

**Other Uses for Measure _ Money**

Measure _ funds will be used in the same way as the current Measure R funds.

Fifteen percent of the revenues (after administrative costs) would continue to be allocated to local cities and Los Angeles County unincorporated areas on a per capita basis for local projects. Projects could include roadway safety improvements, bike lanes, pothole repair, signal synchronization and subsidizing fares for transit passengers. Measure _ would extend this funding to local jurisdictions for an additional 30 years, until 2069.

**Measure _ Money for Bus and Rail Service**

Under Measure R, 20% of the funds go to bus operations and 5% go to rail operations, after 1.5% for administrative expenses are collected. Measure _ will continue funding these services at the same rate for the extension period (30 years). Based upon the estimated $90 billion total, Measure _ would provide an additional $22 billion for bus and rail operations by 2069.
Projects Completed or Under Construction Using Original Measure R Funds
Two rail projects are currently under construction: the second phase of the Expo Line between Culver City and Santa Monica, and the Gold Line Foothill Extension between Pasadena and Azusa.

Environmental studies have been completed for three other rail projects — the Crenshaw/LAX Line, the Regional Connector and the Westside Subway Extension. It is anticipated that construction of these projects will begin within the next two years.

The first Measure R Project, the Orange Line Busway Extension to Chatsworth, opened on June 30th.

Measure R also funds highway projects. The measure has helped fund operational improvements (ramps and interchanges) along the 405, 110, 105 and 91 freeways. Also under construction: An HOV lane on the 5 freeway between the 134 and 170; the carpool lane connector between the 5 and 14 freeway; and the widening of the 5 freeway at the Carmenita Road interchange.

Funding for Operating New Projects
Metro anticipates that it will have sufficient funding to operate all new projects once they are completed.

The Federal Transit Administration reviews Metro’s financial plans on a regular basis and the FTA’s latest rating indicates that Metro can pursue future building plans.

Measure R will allow Metro to continue a dedicated source of funding for transit operations for another 30 years beyond the current period. Metro also has identified several sources of revenue in future years that may be used for operating new transit systems: lease revenue from new development at Union Station, new ad revenue from rail expansion, and more than $400 million in federal Congestion Management and Air Quality funds available between now and 2040. All these monies can be used to help pay for the first three years of operating all new bus rapid transit and rail lines.

Funding for Other Transit Projects Not on the Original Measure R List
Measure R requires funding for the original Measure R transit projects first. Once completed, funds could then be directed to projects without funding in the Long Range Transportation Plan (LRTP) which is a required report listing the highest priority projects in LA County. The funds for new projects would not be available until after 2050.

Amendment to Measure R
At the June Metro Board meeting, the Metro Board made a motion to amend the existing Measure R Ordinance. The amendment would allow Metro to transfer monies between transit and highway funding pots within the same geographic subregion. The transfer would require a two-thirds Board vote. Currently, after 2019, Metro is allowed to transfer funds once every 10 years between highway and transit funds.