



MINUTES

LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY

SPECIAL BOARD MEETING BOARD OF DIRECTORS

MTA Headquarters
3rd Floor - Board Room
One Gateway Plaza
Los Angeles

January 14, 1998 - 1:30 p.m.

Call to order at 1:53 p.m.

Directors Present:

Richard Riordan, Chair
Yvonne Brathwaite Burke, First Vice Chair
James Cragin, Second Vice Chair
Richard Alatorre
Michael Antonovich
Hal Bernson
John Fasana
Don Knabe
Jose Legaspi
Gloria Molina
Jenny Oropeza
Zev Yaroslavsky
Larry Zarian
Tony V. Harris, Ex Officio

Interim Chief Executive Officer - Julian Burke
Board Secretary - Georgia Hamilton
Inspector General - Arthur Sinai
General Counsel - County Counsel

CEO Julian Burke announced the appointment of Ms. Sharon Landers, Deputy Chief Executive Officer. Ms. Landers comes to MTA from the New Jersey Department of Transportation where she served as Deputy Commissioner.

1.

CONSIDERED authorizing the CEO to **SUSPEND**:

- A) the **East Side Extension** of the Metro Red Line Project and Implement the Demobilization Plan.
- B) the **Pasadena Blue Line Project** and Implement the Demobilization Plan.
- C) the **Mid-City Extension** of the Metro Red Line Project and Implement the Demobilization Plan.

Deputy CEO Allan Lipsky presented to the Board a summary of the staff recommendation to suspend and demobilize the East Side Extension, Pasadena Blue Line and Mid-City Extension of the Metro Red Line. Mr. Lipsky stated the approval of the recommendation would accomplish two goals; namely, 1) shutting these projects down as quickly as possible with the lowest possible additional expenditure, 2) demobilizing these projects in an orderly manner. Mr. Lipsky concluded that the suspension of these rail projects could lead to the deprogramming/deobligation of existing federal and state funding. He noted, however, that the CEO has had encouraging conversations with the FTA, The U.S. DOT and the CTC and will direct his efforts at the local, state and federal levels toward maintaining the agency's options with respect to the amount and application of funding.

CEO Burke said that after much consideration of the comments and issues raised by the members of the Board and the staff, he is more convinced today than ever, that there is no way to proceed with the current schedule of these projects; although he is not advocating termination.

Director Antonovich presented a **motion** to direct the CEO to implement final termination of all subway extensions, terminate all subway contracts for the east side and mid-city projects immediately, and return to the Board at the February meeting with 20-year cash flow projections that reflect the elimination of all future subway extensions.

The **motion FAILED** on a Roll Call vote as follows:

Ayes: Antonovich, Yaroslavsky, Zarian
Noes: Alatorre, Burke, Cragin, Knabe, Fasana, Legaspi,
Molina, Oropeza, Riordan
Abstain: Bernson
Absent: None

Comments were received from Congresswoman Lucille Roybal-Allard, Congressman Xavier Becerra and staff member Chi Mui of State Senator Polanco's office expressing the opinion that a suspension will adversely affect federal funding.

Councilman Mike Hernandez, Pasadena Mayor Chris Holden and representatives from the offices of State Senators Tom Hayden and Adam Schiff, Assemblymen Antonio Villaraigosa, Jack Scott and Gill Cedillo, Congressman James Rogan, and Councilpersons Sid Taylor, Laura Blakely and Harry Baldwin spoke against any delay to the Pasadena Blue Line and suggested pursuing public/private funding partnerships.

Director Burke suggested that the staff recommendation be amended to specify a 6-month suspension.

A **substitute motion** was offered by Directors Alatorre and Molina to establish a peer review panel to recommend cost-saving proposals related to both the construction and financing of the East Side Extension project, including options to scale back the existing project's scope, and report their recommendations back to the Board within 60 days.

Directors Alatorre and Molina presented an amended **motion** to suspend the East Side Extension of the Red Line, the Pasadena Blue Line and the Mid-City Extension of the Red Line **for six months**. During this time the staff is directed to investigate a wide range of cost-saving measures in both operations and construction. This effort should include cost-benefit analyses of: public-private partnerships to construct and operate rail lines; partnerships with independent bus service providers; redesign of rail lines, rail types, and stations; operational savings measures; and financing alternatives.

The CEO is directed to proceed with the suspension activities outlined in his recommendation. He is directed to consult with the Board of Directors before taking any action regarding the outstanding systems contracts related to the East Side extension. The CEO is directed to provide monthly reports and recommendations to the Board on the results of staff analyses.

After considerable discussion and a 10-minute recess, the Board **ADOPTED**, on a Roll Call Vote the following **RESOLUTION**:

Whereas the Board underscores its continuing directive to complete the East Side and Mid-City Extensions of the Metro Red Line Project and the Pasadena Blue Line Project;

Whereas Los Angeles County has expended tremendous efforts to secure funding at the federal and state level for the rail program;

Whereas the Board strongly desires that every effort be made to preserve funding for the affected projects;

Now, therefore the Board hereby resolves that:

- A) The CEO suspend **for at least six months** the East Side Extension of the Metro Red Line Project and implement the Demobilization Plan.
- B) The CEO suspend **for at least six months** the Pasadena Blue Line Project and implement the Demobilization Plan.

- C) The CEO suspend **for at least six months** the Mid-City Extension of the Metro Red Line Project and implement the Demobilization Plan.
- D) The Board directs the CEO to report on a monthly basis regarding the unfolding ability to preserve the federal and state programmed fundings and on all developments bearing on the ability and timing of restarting one or more of these projects, including any third party proposals to support such efforts.
- E) Board members will, to an appropriate extent, support and engage in the ongoing effort to preserve the federal and state fundings programmed for these projects.
- F) **The CEO will return to the Board in six months or less with a report to the Board of any feasible funding options for the remobilization of any of the subject projects.**

Resolution **APPROVED** on the following Roll Call vote:

Ayes: Alatorre, Bernson, Burke, Cragin, Knabe, Fasana,
 Legaspi, Molina, Oropeza, Riordan
 Noes: Antonovich, Yaroslavsky, Zarian
 Abstain: None
 Absent: None

2. **CONSIDERED** adopting the 1998 **County Transportation Improvement Program** (SB 45) as follows:

- A) **Deobligate** \$12.0 million of previously approved Transportation Improvement Program (TIP) Call for Projects and 1996 State TIP commitments due to project savings, cancellations, and lapsing, and reprogram the funds to projects in the 1998 County TIP;
- B) **Reserve** \$3.7 million for MTA administrative expenses related to the 1998 County TIP projects;

- C) **Adopt** the Regional Transportation Improvement Program of Projects totaling \$746.5 million for the 1998 County Transportation Improvement Program (TIP) with the following stipulations:
- 1) Complete the Metro Rail Red Line North Hollywood Extension by committing \$207.1 million to the project;
 - 2) Reserve \$48.4 million for programming to Transportation Enhancements Activities (TEA) as required by the California Transportation Commission (CTC). Reserve half of these funds (\$24.2 million) for future programming;
 - 3) Eliminate the 1997 TIP Call for Projects Shortfall by committing \$474.4 million to projects. Of this amount, \$24.2 million will be TEA funds from the reserve required by the CTC;
 - 4) Resolve the 1997 Call for Projects Eligibility Issue by committing \$3.3 million to the projects;
 - 5) Commit to funding \$11.7 million in 1996 State TIP Underfunded projects; and
 - 6) Allocate the remaining \$25.8 million in available County TIP funds to Carpool Lane Soundwalls (\$8.1 million) and Regional Ridesharing (\$17.7 million).

APPROVED, by voice vote, **motion** presented by Director Zarian requesting the CEO to:

- A) Work cooperatively with Caltrans District #7 to develop a joint list of interregional road projects in Los Angeles County for a the CTC's consideration during the 1998 STIP process; and
- B) Work cooperatively with Caltrans to consider the project

eligibility of the Burbank-Glendale Mobility & Safety improvements and other MTA projects for incorporation into the proposed ITIP and report back to the Board as to the status of this cooperative process envisioned by CTC.

Director Yaroslavsky requested the list of projects.

Directors voting: Antonovich, Bernson, Burke, Cragin, Knabe, Fasana, Legaspi, Oropeza, Riordan, Yaroslavsky, Zarian

Director Antonovich commented that Senate Bill 45 was to provide funds for transportation in the region and that the City of Los Angeles ought to come back with additional funding for the Red Line within their jurisdiction instead of taking funds from communities in the Northern, Eastern and Southern parts of the County.

Director Antonovich presented a **substitute motion** to adopt the 1998 County Transportation Improvement Program (SB45) with the condition that the CEO be directed to identify funds, other than state money if possible, to complete the North Hollywood Metro Rail project and return to the Board in 60 days with his recommendations.

The **substitute motion** was subsequently amended and **APPROVED** as follows:

Adopt the 1998 County Transportation Improvement Program (SB45) and direct the CEO to identify funds, other than State money, to complete the North Hollywood Metro Rail Project, and return to the Board on January 29 with his recommendations; **with the proviso that the Board not be obligated with respect to the use of funds identified.**

Directors voting: Antonovich, Bernson, Burke, Cragin, Knabe, Fasana, Legaspi, Oropeza, Riordan, Yaroslavsky, Zarian

APPROVED motion presented by Director Zarian to direct CEO and staff to work with local agencies to analyze the concept of a local return or other funding component in future Transportation Improvement Program cycles and return to the Board within 90 days with a recommended policy for funding beginning with the 2000 CTIP

Directors voting: Antonovich, Bernson, Burke, Cragin, Knabe, Fasana, Legaspi, Oropeza, Riordan, Yaroslavsky, Zarian

CARRIED OVER to January 29 Board Meeting, motion introduced by Director Fasana that CEO fully fund the MTA Carpool Lane Soundwall list described in Attachment G of the staff report by reducing the funding for the North Hollywood Red Line shortfall by a like amount; and this action be contingent upon the state funding the 1989 Soundwall Retrofit Projects off the top of the State Highway Account. If the state refuses to do this, the Retrofit Soundwall Projects and the MTA Carpool Lane Soundwall Projects shall return to the Board for funding priority reconsideration.

APPROVED, on a voice vote, motion presented by Director Yaroslavsky, seconded by Director Antonovich, that if any highway projects on the 1996 or 1998 STIP list become deobligated, these funds be set aside any funds from deobligated highway projects on the 1996 or 1998 STIP list to help fund the Santa Monica Boulevard Transit project, subject to Board approval.

Directors voting: Antonovich, Bernson, Cragin, Knabe, Fasana, Legaspi, Oropeza, Riordan, Yaroslavsky, Zarian

3. **APPROVED**, on a voice vote, **FASANA/OROPEZA MOTION** - to direct the CEO to return to the Board within 90 days with an implementation plan to divest MTA bus service into subregionally-governed bus service providers, or zones. The CEO is directed to work with the City of Los Angeles, entities studying a San Fernando Valley zone, San Gabriel Valley Council of

Governments (COG), Foothill Transit Zone, Gateway COG, South Bay COG, Arroyo Verdugo cities and other subregional agencies to develop alternative bus service delivery structures based upon the Transit Zone concept; **AMENDED** to include consideration of the following issues in the development plan:

- Impact on existing municipal operators and their options to provide service in the sub-regions
- Impact on the MTA as the regional planning agency for Los Angeles County
- Equity/fairness to disadvantage communities such as Inner City areas
- Cost/savings of such actions
- Amount of funds/assets to be transferred with each line
- Fleet replacement issues
- Analysis of regional formula funding issues and mitigation, if necessary
- Divestiture of lines that cross multiple municipal operator service areas
- Impact on MTA labor agreements
- Consent Decree ramifications
- Interagency transfer and fare agreements
- Divestiture of MTA Operating assets

Directors voting: Antonovich, Bernson, Cragin, Knabe, Fasana, Legaspi, Oropeza, Riordan, Yaroslavsky, Zarian

Received Public comment.

Meeting adjourned at 5:22 p.m.

Prepared by: Christina Lumba-Gamboa
Recording Secretary

Michele Jackson

Assistant Board Secretary