

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

Minutes of Special Meeting of
the Board of Directors of the District

March 26, 1976

Upon notice duly given, the Board of Directors of the Southern California Rapid Transit District met at a special meeting in the District Board Room, 1060 South Broadway, Los Angeles, California, at 9:20 a.m. on March 26, 1976, at which time President Byron E. Cook called the meeting to order.

Directors present:

Byron E. Cook	Jay B. Price
Donald Gibbs (entered at 9:52 a.m.)	Ruth E. Richter
Adelina Gregory	George Takei
Marvin L. Holen	Baxter Ward
Thomas G. Neusom	(entered at 10:25 a.m.)

Directors absent:

George W. Brewster
Pete Schabarum

Staff present:

Jack R. Gilstrap, General Manager
Richard T. Powers, General Counsel
Ralph de la Cruz, Principal Analyst
Helen M. Bolen, Assistant Secretary

Also present were the District's consultants on the Sunset Coast Line proposal, Mr. Don Hodgman of O'Melveny & Myers, Mr. Jerry Crump of the County Counsel's office, Jonathan Beatty of Baxter Ward's office, members of the public and the news media.

General Manager Gilstrap called on Mr. de la Cruz and Mr. Powers to go over the proposed ordinances step-by-step.

Mr. Powers stated he would go through the Article 2 ordinance section by section in order to appraise the Board of the modifications that had been made as a result of their direction at the Special Meeting on March 24.

Section 1 has amendatory language to indicate that it is the policy of the District, rather than the intent, and also that he had been requested to add additional language at the very end of the Section following the words 'private transportation' reading "with a minimum operating and maintenance subsidy."

There was considerable discussion between President Cook and Mr. Jonathan Beatty of Director Ward's staff concerning the sequencing illustration that had been prepared by Ward's office.

Section 3, sub-section 7 has been restructured to read as follows:

"The system shall be on or above the surface of the ground except when necessary for topographical or geological conditions related to the operational technology and capacity of the system. Should a city prefer a subway, the excess cost of subway engineering and construction over the reasonable cost of surface engineering and construction will be borne by the city provided, however, that if detailed engineering and environmental studies show that a subway configuration for those portions of the line in the central business district area and along the Wilshire-LaBrea corridors are the most acceptable configurations because of both technical and community impact considerations, the Board shall allocate funds for underground construction in those areas."

There was discussion concerning the proposed exemption of the central business district and the Wilshire-LaBrea areas from the general rule of having to pay extra for subways. Mr. de la Cruz commented that this section was clarified by language in sub-section 10 which indicates that subway configuration construction in those areas shall not substantially delay the rest of the system.

Sub-section 9 describes a possible relationship between the District and the County subject to negotiation. After discussion, it was suggested that the third sentence be amended to read:

"Subject to the negotiations between the County and the District, the County's cost of administration -----"

The point of "good faith" negotiations was highlighted in the addition that the possible relationship and resulting activities were subject to negotiation.

Sub-section 10, has been completely re-written and it is proposed to read:

"Construction shall commence and proceed simultaneously on various segments of the system with the intention of implementing the system in the most expeditious way. Specific programming and phasing of construction will be as fair and equitable as possible throughout the District subject to the completion of detailed operational studies, based on the 'pay-as-you-go' financing approach. Should the District determine under the provision of paragraph 7 that the Wilshire-LaBrea line should be a subway configuration, it will be the District's policy that the annual dollar expenditures for that work will not be of such a magnitude that work throughout the rest of the system will be substantially delayed."

After considerable discussion regarding sub-sections 7 and 10, further amendatory language was proposed to add a paragraph at the beginning of sub-section 10 to read:

"It is the policy of the Board to implement the system according to a sequencing program which as equal first priorities will drive main lines into each primary regional corridor as follows:

Airporter Line
Long Beach
San Fernando Valley
San Gabriel - Pomona Valley
Santa Monica - Union Station
South Bay"

"Second priorities will be given to augmenting, interconnecting and closely paralleling lines to complete and balance the system."

Sub-section 12 is proposed to be amended by adding a second paragraph reading as follows:

"Should Federal or State funds become available which would permit the expansion or development of additional transportation systems, the District may allocate funds from the proceeds of the sales tax hereunder as necessary local matching funds."

Director Price made a motion that amendatory language as proposed in the memorandum dated March 26, 1976, a copy of which is filed with the Secretary, with the exception of the deletion of Section 3, sub-section 15, be approved together with the amendatory changes proposed by Board members to sub-sections 9 and 10, which motion was seconded and carried on a Roll Call vote as follows:

Ayes: Cook, Gregory, Holen, Neusom, Price,
Richter, Takei, Ward
Noes: Gibbs
Absent: Brewster, Schabarum

Director Holen moved that the ordinances No. 0-76-1 and 0-76-2 be introduced as amended by previous motion, which motion was seconded by Director Price and carried on a Roll Call vote as follows:

Ayes: Cook, Gregory, Holen, Neusom, Price,
Richter, Takei, Ward

Noes: None

Abstain: Gibbs

Absent: Brewster, Schabarum

On motion of Director Price, seconded and carried as noted below, a resolution requesting the Board of Supervisors of the County of Los Angeles to consolidate the special tax elections of the District as ballot propositions on June 8 was adopted:

Ayes: Cook, Gregory, Holen, Neusom, Price,
Richter, Takei, Ward

Noes: None

Absent: Brewster, Schabarum, Gibbs

RESOLUTION NO. R-76-141

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT, CALIFORNIA, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF LOS ANGELES TO CONSOLIDATE TWO SPECIAL TAX ELECTIONS OF SAID DISTRICT TO BE HELD JUNE 8, 1976 WITH STATEWIDE GENERAL ELECTION TO BE HELD ON SAME DATE.

WHEREAS, this Board has commenced proceedings for the calling of two special tax elections in the district to be held on June 8, 1976; and

Resolution
No. R-76-141
(continued)

WHEREAS, it is desirable that said special tax elections be consolidated with the statewide general election to be held on the same date and that within the district the precincts, polling places and election officers for the two elections be the same, and that the Board of Supervisors canvass the returns of the district special tax elections and that said general election and said district special tax elections be held in all respects as if there were only one election;

NOW, THEREFORE, the Board of the Southern California Rapid Transit District, California, DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. That the Board of Supervisors of the County of Los Angeles be and it is hereby requested to consolidate the two special tax elections to be held in said district on June 8, 1976, with the statewide general election to be held on said date.

Section 2. That the exact form of the propositions to be voted upon at said bond election as the same shall appear on the sample ballot is as follows:

PROPOSITION

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

RAPID TRANSIT - - Shall the DISTRICT approve an ordinance authorizing a companion 1/2 percent sales tax for funding of and setting the following policies in building a rail mass rapid transit system?

- - that a districtwide system be built, approximately 232 miles long, servicing the following cities substantially in conformity with map below:

Resolution
No. R-76-141
(continued)

Alhambra	El Monte	Pasadena
Arcadia	Glendale	Pico Rivera
Baldwin Park	Hawthorne	Pomona
Bell	Industry	Redondo Beach
Bell Gardens	Inglewood	Rosemead
Bellflower	Irwindale	San Dimas
Beverly Hills	Lakewood	San Gabriel
Burbank	Lawndale	Santa Fe Springs
Carson	Long Beach	Santa Monica
Cerritos	Los Angeles	South El Monte
Commerce	Lynwood	South Gate
Covina	Monrovia	Torrance
Culver City	Monterey Park	Vernon
Downey	Norwalk	West Covina
Duarte	Paramount	

- - that the system use primarily existing surface rights-of-way, such as freeways;
- - that the District may contract with the County of Los Angeles to serve as project manager for design and construction;

(The foregoing policies are further defined in and subject to the ordinance.)

This proposition is a companion to Proposition _____ and the system may only be built if both propositions pass.

(Include Map set forth in Exhibit A as part of proposition.)

PROPOSITION

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

RAPID TRANSIT - - Shall the DISTRICT approve an ordinance authorizing a companion 1/2 percent sales tax with different limitations on purpose and expenditure than the other tax under Proposition _____ for funding of and setting the same policies in building a rail mass rapid transit system as are set forth in Proposition _____?

(The referenced policies are further defined in and subject to the ordinance.)

Section 3. That the exact form of the ballot propositions on any short form of ballot card, label or other device, regardless of the system of voting used shall be as follows:

PROPOSITION

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

RAPID TRANSIT - - Shall the DISTRICT approve an ordinance authorizing a companion 1/2 percent sales tax for funding of and setting the following policies in building a rail mass rapid transit system?

- - that a districtwide system be built, approximately 232 miles long, servicing the following cities substantially in conformity with the map below:

Alhambra	El Monte	Pasadena
Arcadia	Glendale	Pico Rivera
Baldwin Park	Hawthorne	Pomona
Bell	Industry	Redondo Beach
Bell Gardens	Inglewood	Rosemead
Bellflower	Irwindale	San Dimas
Beverly Hills	Lakewood	San Gabriel
Burbank	Lawndale	Santa Fe Springs
Carson	Long Beach	Santa Monica
Cerritos	Los Angeles	South El Monte
Commerce	Lynwood	South Gate
Covina	Monrovia	Torrance
Culver City	Monterey Park	Vernon
Downey	Norwalk	West Covina
Duarte	Paramount	

- - that the system use primarily existing surface rights-of-way, such as freeways;

Resolution
No. R-76-141
(continued)

- - that the District may contract with the County of Los Angeles to serve as project manager for design and construction;

(The foregoing policies are further defined in and subject to the ordinance.)

This proposition is a companion to Proposition _____ and the system may only be built if both propositions pass.

(Include Map set forth in Exhibit A as part of proposition.)

PROPOSITION

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

RAPID TRANSIT	YES
	NO

Section 4. That said Board of Supervisors is hereby authorized to canvass the returns of said district special tax election, and that said special tax election and said statewide election shall be held in all respects as if there were only one election, and only one form of ballot shall be used.

Section 5. That said Board of Supervisors is hereby requested to issue to all officers of said county charged with duties pertaining to said statewide election instructions to take any and all steps necessary for the holding of said consolidated election.

Resolution
No. R-76-141
(continued)

Section 6. That the Secretary of said district is hereby directed to file a certified copy of this resolution with the Board of Supervisors of said county and with the Registrar of Voters of said county.

PASSED AND ADOPTED this 26th day of
March, 1976.

President of the Southern
California Rapid Transit
District, California

ATTEST:

Secretary of the Southern
California Rapid Transit
District, California

After discussion, on motion of Director Neusom, seconded and carried, as noted below, a resolution authorizing and designating persons to file written arguments for and against District measures was adopted, with President Cook being authorized to sign and solicit the signatures of the Chairman of the Board of Supervisors, the Mayor of the City of Los Angeles, the Mayor of the City of Long Beach, the Chairman of the League of Women Voters to join him as signatories on the argument 'for', with the Chairman of the Grand Jury designated as an alternate. The Board further recommended that Supervisor Schabarum have the opportunity of writing the argument 'against' the measures.

Ayes: Cook, Gregory, Holen, Neusom, Price, Richter, Takei, Ward

Noes: None

Absent: Brewster, Schabarum, Gibbs

RESOLUTION NO. R-76-142

RESOLUTION OF THE BOARD OF DIRECTORS OF THE SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT, CALIFORNIA, AUTHORIZING CERTAIN OF ITS MEMBERS TO FILE WRITTEN ARGUMENTS FOR AND AGAINST DISTRICT MEASURES.

WHEREAS, an election is to be held in the Southern California Rapid Transit District on June 8, 1976, at which there will be submitted to the qualified electors of said district the following measures:

PROPOSITION

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

Resolution
No. R-76-142
(continued)

RAPID TRANSIT - - Shall the DISTRICT approve an ordinance authorizing a companion 1/2 percent sales tax for funding of and setting the following policies in building a rail mass rapid transit system?

- - that a districtwide system be built, approximately 232 miles long, servicing the following cities substantially in conformity with the map below:

Alhambra	El Monte	Pasadena
Arcadia	Glendale	Pico Rivera
Baldwin Park	Hawthorne	Pomona
Bell	Industry	Redondo Beach
Bell Gardens	Inglewood	Rosemead
Bellflower	Irwindale	San Dimas
Beverly Hills	Lakewood	San Gabriel
Burbank	Lawndale	Santa Fe Springs
Carson	Long Beach	Santa Monica
Cerritos	Los Angeles	South El Monte
Commerce	Lynwood	South Gate
Covina	Monrovia	Torrance
Culver City	Monterey Park	Vernon
Downey	Norwalk	West Covina
Duarte	Paramount	

- - that the system use primarily existing surface rights-of-way, such as freeways;
- - that the District contract with the County of Los Angeles to serve as project manager for design and construction;

(The foregoing policies are further defined in and subject to the ordinance.)

This proposition is a companion to Proposition _____ and the system may only be built if both propositions pass.

(Include Map set forth in Exhibit A as part of proposition.)

Resolution
No. R-76-142
(continued)

PROPOSITION

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

RAPID TRANSIT - - Shall the DISTRICT approve an ordinance authorizing a companion 1/2 percent sales tax with different limitations on purpose and expenditure than the other tax under Proposition _____ for funding of and setting the same policies in building a rail mass rapid transit system as are set forth in Proposition _____?

(The referenced policies are further defined in and subject to the ordinance.)

NOW, THEREFORE, the Board of Directors of Southern California Rapid Transit District, California, DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. That this Board of Directors, being the legislative body of said district, hereby authorizes Byron E. Cook, the Chairman, to file and to solicit other appropriate public officials and representative voters organizations to file in combination a written argument for and authorizes Pete Schabarum, member(s) to file a written argument against the measure(s) set forth in the recitals hereof in accordance with Section 30740.5 of the District Law and Article 3, Chapter 2, Division 4 of the Elections Code of the State of California and to change said argument until and including the date fixed by the Registrar of Voters of said district after which no arguments for or against said measure may be submitted to said Registrar. Said argument shall be verified in compliance with Elections Code Section 5350.

Resolution
No. R-76-142
(continued)

ADOPTED, SIGNED AND APPROVED this 26th day
of March, 1976.

President of the Southern
California Rapid Transit
District, California

ATTEST:

Secretary of the Southern
California Rapid Transit
District, California

(SEAL)

President Cook announced at 11:50 a.m. that the meeting was recessed until 1:00 p.m.

The meeting reconvened at 1:25 p.m. with Directors Cook, Neusom, Gibbs, Gregory, Holen, Price, Richter, Takei and Ward responding to Roll Call. Directors Brewster and Schabarum were absent.

President Cook admonished the Board that these ordinances would come before the Board at the meeting on April 7 and urged every member to be present on that date if possible.

Copies of revised Ordinances No. 0-76-1 and 0-76-2 were distributed and various typographical errors were called to the attention of the staff, with the understanding that these corrections would be made in the final typing.

President Cook asked if the Board members had questions or objections to the ordinances as presented:

On motion of Director Holen, seconded and unanimously carried, Section 3, sub-section 10 was clarified by adding the words "generally described" between the word 'corridor' and 'as follows'.

On motion of Director Gibbs, seconded and unanimously carried, Section 3, sub-section 10 was amended by the addition of the phrase "in accordance with this section." immediately following the word 'delayed' in paragraph 2.

On motion of Director Gibbs, seconded and unanimously carried, Section 3, sub-section 14 in Ordinance No. 0-76-1

and sub-section 15 in Ordinance No. 0-76-2 relating to a central business district distribution system were deleted.

Director Neusom moved that Section 1 end with the word 'transportation', eliminating the phrase "with a minimum operating and maintenance subsidy", which motion was seconded and unanimously carried.

On motion of Director Neusom, seconded and carried, the first sentence of Section 3, sub-section 9 was amended to read "The Board and County of Los Angeles shall in good faith attempt to negotiate a contract to administer the design and construction of the system."

A companion action to this phrase insertion in Section 3(9) was that the proposition wording reflect this intent by inserting the word "may" in the appropriate place.

Ordinance No. 0-76-1, as amended, is attached to these Minutes as Exhibit 1 and Ordinance No. 0-76-2, as amended, is attached to these Minutes as Exhibit 2.

General Manager Gilstrap stated that he preferred the language as it was prior to amendment in Section 3 because experience in every transit project built in the last couple of decades found it necessary to adjust to changing conditions and new information throughout the preliminary engineering and final design stages of the project. He further stated that the ordinances should express strong intent to follow the detailed policies, but the Board should be able to deviate from those where it is necessary to carry the

project forward. Mr. Gilstrap expressed concern over possible taxpayer suits that could stymie the entire project such as is happening in the freeway system right now. He asked counsel if a city could halt the entire project under the strong language contained in the ordinance if they chose not to have any part of the transit project within their boundaries. General Counsel Powers responded that the ordinance and the District Law provides for arbitration on matters of this nature, and Mr. Crump of the County Counsel's Office replied that in his opinion, the worst it could do is to delay a segment of the system pending the outcome of the arbitration process.

Director Holen complimented the legal staff on a job well done under the horrendous pressures and time constraints in this complicated issue.

A transcript of this meeting is filed with the District Secretary.

There being no further business, the meeting adjourned at 2:17 p.m.


Assistant Secretary

ORDINANCE NO. O-76-1

AN ORDINANCE OF THE SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT, CALIFORNIA, DECLARING AND CALLING AND GIVING NOTICE OF AN ELECTION TO BE HELD IN SAID DISTRICT ON JUNE 8, 1976, FOR THE PURPOSE OF SUBMITTING TO THE QUALIFIED VOTERS OF SAID DISTRICT A PROPOSITION AUTHORIZING THE LEVY OF A SPECIAL TAX BY SAID DISTRICT FOR CAPITAL FINANCING AND CONSOLIDATING SAID ELECTION WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON SAID DATE.

(Article 2 Special Tax)

BE IT ORDAINED by the Board of Directors of the Southern California Rapid Transit District:

Section 1. It is the policy of the District in adopting this ordinance to provide Southern California with a modern rapid transit system by creation of the SUNSET COAST LINE, an approximate 232-mile rail mass rapid transit system ("system") serving, as nearly as possible, all parts of the District. The system will be constructed as quickly as possible primarily on or above the ground on existing rights-of-way and be funded through a one percent special ("sales") tax (one-half percent to be levied pursuant to this ordinance and one-half percent to be levied pursuant to the companion Article 3 ordinance). The goal is a frequent high-speed service at fares which will provide a desirable alternative to private transportation.

Section 2. This ordinance is a companion ordinance to Ordinance No. O-76-2 (Article 3 Special Tax). This ordinance and companion Ordinance No. O-76-2 will each provide for the levy of a special ("sales") tax, hereinafter defined, not to exceed one-half percent, making the total of the two companion taxes not to exceed one percent.

It is the intent of the Board that the rapid transit system described in Section 1 of this ordinance be considered a single project ("project") and that unless the voters approve both this ordinance and companion Ordinance No. O-76-2, no special tax will be levied under either ordinance.

Section 3. In building any transit system which operates on a fixed guideway system, constituting the project herein, the Board of Directors shall follow the policies established herein:

(1) The system shall be known as the Sunset Coast Line and shall consist of approximately 232 miles of rail mass rapid transit system.

(2) The system shall be built substantially in accordance with, and any segment authorized by the Board shall be in substantial conformity with the map attached hereto as Exhibit A.

(3) The system shall provide direct service to the following cities:

Alhambra
Arcadia
Baldwin Park
Bell
Bell Gardens
Bellflower
Beverly Hills
Burbank
Carson
Cerritos
Commerce
Covina
Culver City
Downey
Duarte

El Monte
Glendale
Hawthorne
Industry
Inglewood
Irwindale
Lakewood
Lawndale
Long Beach
Los Angeles
Lynwood
Monrovia
Monterey Park
Norwalk
Paramount

Pasadena
Pico Rivera
Pomona
Redondo Beach
Rosemead
San Dimas
San Gabriel
Santa Fe Springs
Santa Monica
South El Monte
South Gate
Torrance
Vernon
West Covina

(4) The Board will cooperate with the cities in determining the locations of stations within the cities' jurisdictions. Individual cities will determine the locations of their station stops on the main lines, subject to those considerations required to preserve the operational integrity of the total system and subject to final approval by the Board. It is intended that the number of stations will be generally determined on the basis of one station every 2-1/2 miles. The Board may increase the number of stations within a city beyond the average spacing if it finds that the additional stations are compatible with the operational design of the system and justified by estimated patronage and are in the best interests of the public. In the event of dispute between individual cities and the Board over the location of stations, the decision will be subject to binding arbitration as provided for under Section 30836.1 of the Public Utilities Code.

(5) The Board shall reserve the right to determine the reasonable cost of station facilities. Within the financial restraints of such determination, each city shall participate in the determination of architectural and aesthetic criteria. As provided herein, the city may in its own discretion, make a determination that the station shall be of an architectural or aesthetic nature which may exceed the amount allocated by the Board, but in such event, the difference in cost shall be borne by the city.

(6) The system shall use primarily freeways, flood control channels and railroad rights-of-way. The system may also use streets or other existing private or public

transportation rights-of-way, rights-of-way used in the past for transportation, or public nontransportation rights-of-way; provided, however, that other private property may be acquired to provide necessary rights-of-way to provide for such facilities as line segments, interchanges, connections between lines, stations, embarkation and debarkation facilities, parking lots, buildings, and storage or maintenance shops and yards for transit system vehicles. Freeways are the preferred alignments to the extent available and feasible.

(7) The system shall be on or above the surface of the ground, except when necessary for topographical or geological conditions related to the operational technology and capacity of the system. Should a city prefer a subway, the excess cost of subway engineering and construction over the reasonable cost of surface engineering and construction will be borne by the city. Provided, however, that if detailed engineering and environmental studies show that a subway configuration for those portions of the lines in the Los Angeles central business district area and along the Wilshire-La Brea corridors are the most acceptable configurations because of both technical and community impact considerations, the Board shall allocate funds for underground construction in those areas.

(8) In developing the system, the Board shall provide for a reasonable junction to be utilized as a connection with a possible rail transit line built by the Orange County Transit District. In carrying out this function, the Board shall confer with representatives from that district to arrive at

mutually acceptable location or locations. In the event, however, that agreement cannot be reached, the Board shall retain discretion to provide a reasonable junction.

(9) The Board and County of Los Angeles shall in good faith attempt to negotiate a contract to administer the design and construction of the system. Subject to the terms of the contract to be negotiated by the County and the District, the County shall prepare for the Board such materials, alternatives, studies, documentation, and other information as shall be necessary for the Board to make policy determinations concerning design, technology, engineering, construction, and disbursements, and contract administrator for the development of the system. Subject to the authority of the Board and District Law, the County shall act on the Board's behalf and with the Board's approval in letting contracts for preconstruction and construction of facilities and works and purchase of supplies, equipment and materials, and in acquisition of rights-of-way for the system. Subject to the negotiations between the County and the District, County's costs of administration and expenses arising out of the contract shall be reimbursed to County from the proceeds of the sales tax hereunder. If the District and County cannot in good faith reach agreement or should the County determine not to serve in the capacity as project manager and contract administrator for the system or segments of the system, the Board is authorized to seek alternate services from either the public or private sector.

(10) It is the policy of the Board to implement the system according to a sequencing program which as equal first prior-

ities will drive main lines into each primary regional corridor generally described as follows:

Airporter Line

Long Beach

San Fernando Valley

San Gabriel - Pomona Valley

Santa Monica - Union Station

South Bay

Second priorities will be given to augmenting, inter-connecting and closely paralleling lines to complete and balance the system.

Construction shall commence and proceed simultaneously on various segments of the system with the intention of implementing the system in the most expeditious way. Specific programming and phasing of construction will be as fair and equitable as possible throughout the District subject to the completion of detailed operational studies, detailed design, and subject to availability of funds based on the "pay-as-you-go" financing approach. Should the District determine, under provisions of paragraph (7) that the Wilshire-La Brea lines should be a subway configuration, it will be the District's policy that the annual dollar expenditures for that work will not be of such a magnitude that work throughout the rest of the system will be substantially delayed in accordance with this section.

The Board will devise a financial and construction program to implement this policy, should the decision be made to construct a subway.

(11) The Board shall allocate moneys to support an application to the Federal and/or State Government that will permit the financing of the Starter Line.

(12) The District shall seek to obtain the maximum amount of Federal and State funds for financing the project and may provide for the financing of any portion of the system by means of funds obtained from Federal grants, State grants, a tax on motor vehicle fuel, or moneys received from any other public agency or source, and may, in compliance with Section 30841 of the District Law, or pursuant to such other method as it may prescribe, substitute said funds for moneys received pursuant to the special tax; provided that this section shall not be interpreted to require a substitution of such revenues, as contemplated by Section 30841 as with respect to a tax on motor vehicle fuel, unless required by law.

Should Federal or State funds become available which would permit the expansion or development of additional transportation systems, the District may allocate funds from the proceeds of the sales tax hereunder as necessary local matching funds.

(13) The District may separate and proceed independently with respect to any arrangements or procedures for the design, construction, operation or financing or any element of the system from the remainder of the system, to the extent that, in the Board's discretion, it is advisable to do so to complete the system in connection with the obtaining of any such Federal grant, State grant, tax on motor vehicle fuel, or money received from any other public agency or source.

Section 4. As set forth in Section 2, by companion ordinance a special tax is proposed to be levied for capital financing, which may consist of either pay-as-you-go financing or limited tax bonds for capital facilities, and as may be permitted by law for maintenance and operation of the District's public mass transit guideway system and its related fixed facilities pursuant to Article 3 of Chapter 6 of the District law, all as contemplated by companion Ordinance No. O-76-2 adopted by the District Board on _____. Said tax shall be separate from and in addition to the tax proposed to be levied pursuant to Section 5 hereof.

Section 5.

(1) a special tax is proposed to be levied for capital financing purposes pursuant to said Article 2, Chapter 6 of the District Law in accordance with this Ordinance and the policies as set out in the proposition set forth in Section 6(2) hereof.

Such purposes shall include all costs and estimated costs incidental to or connected with the accomplishment of such purposes.

(2) (a) The tax to be imposed for capital financing shall be a special tax, being a use and transactions tax authorized by Article 2, Part 17 of Division 2 of the Revenue and Taxation Code (commencing at Section 37021);

(b) the maximum tax rate to be imposed pursuant to this authorization shall not exceed one-half percent, or lesser percentage thereof.

(3) The special tax mentioned in Article 2 (commencing with Section 30820) of Chapter 6 of the District Law and in Article 2 of Part 17 of the Revenue and Taxation Code (com-

mencing at Section 37001), a transactions and use tax, shall be levied for capital financing purposes. Such transactions and use tax shall continue until the system is completed.

(4) If the proposition of the levy of the special tax pursuant to Article 2 so submitted receives the requisite number of approving votes, to wit: a majority of the votes cast by the qualified electors of the district voting on the proposition, such special tax at the maximum rate of not to exceed one-half percent, or any lesser percentage thereof permitted by law may be levied pursuant to Article 2 of Chapter 6 of the District Law (commencing at Section 30320 thereof) for the objects and purposes set forth in said proposition.

Section 3.

(1) An election shall be held and the same is hereby called to be held in said district on June 8, 1976, for the purpose of submitting to the qualified electors of said district the proposition hereinafter set forth.

(2) The proposition shall read as follows:

PROPOSITION _____

SOUTHERN CALIFORNIA RAPID TRANSIT DISTRICT

RAPID TRANSIT -- Shall the DISTRICT approve an ordinance authorizing a companion 1/2 percent sales tax for funding of and setting the following policies in building a rail mass rapid transit system?

-- that a districtwide system be built, approximately 232 miles long, servicing the following cities substantially in conformity with the map below:

