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Los Angeles County
Metropolitan Transportation Authority

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**PLANNING AND PROGRAMMING COMMITTEE
NOVEMBER 20, 2013**

SUBJECT: POTENTIAL BALLOT MEASURE

ACTION: RECEIVE AND FILE

RECOMMENDATION

Receive and file this report regarding the process and schedule required to develop a ballot Initiative for the November 2014 or November 2016 election in response to the June 2013 Board directive (Motion 10).

ISSUE

On June 27, 2013, the Board approved Motion 10 (E) which directed staff as follows:

“Directing the CEO to report back within six months with a recommended ballot initiative for the November 2014 or November 2016 election that, if approved by the voters of Los Angeles County, would enable acceleration of all Measure R highway and transit projects.”

DISCUSSION

A collaborative, consensus-based process will assist in the development of a balanced ballot initiative which will help to address the regionally significant unfunded subregional transportation needs throughout Los Angeles County and the acceleration of the Measure R Highway and Transit Projects. On June 20, 2013, former Metro Chair Antonovich sent letters (Attachment A) to Los Angeles County’s Councils of Government (COGs), requesting that they provide information on their unfunded transportation priorities by September 4, 2013. On August 21, 2013, Board Chair DuBois followed up with a letter (Attachment B) to Los Angeles County’s mayors requesting that they forward information about unfunded local jurisdiction transportation priorities to the COGs for inclusion in the COGs’ local needs analysis. Chair DuBois extended the COGs’ deadline to October 4, 2013 to facilitate the local jurisdiction input. The information still being collected and compiled will allow Metro to use a bottoms-up approach in planning for a new transportation sales tax measure that reflects the unique needs of each area of the county.

We are proposing a process for bringing together information about countywide unfunded transportation priorities and the likely potential for sales tax measures of various sizes and time horizons to be approved by voters. Using this process, we would continue to shape the lists of projects into fundable packages through close collaboration with the COGs and subregional coalitions. As outlined in Attachment C, given the work that needs to be completed as well as the time frame necessary to work with the COGs/subregions, a ballot measure in November 2016 is suggested. This schedule would provide time to pursue necessary legislation and conduct a total of five rounds of outreach to the COGs. We are counting the letters from Supervisor Antonovich and Metro Board Chair DuBois and the subregional and local responses received in response to these requests as the first round. As discussed below, however, we have also outlined a schedule for a ballot measure in November 2014.

November 2014 or November 2016?

A ballot measure for the November 2014 election could be feasible, but without comprehensive input from stakeholders. As shown in Attachment D, to allow the measure to be on the November 2014 ballot, Metro would be required to submit the Ordinance and resolution to the County Registrar-Recorder in early August 2014. State Legislation and County Board of Supervisors' action is needed prior to that step, thus the Board would have to adopt a final package of improvements by April, 2014. To do this, staff would need to compile information about COGs' priorities and further analyze and prioritize it along with the unfunded Measure R scope elements to develop a proposed set of improvements totaling a dollar amount that could reasonably be obtained from a local sales tax measure. To do this by April, we could not afford to conduct any further outreach and consensus-building activities with the COGs beyond the letters from Supervisor Antonovich and Metro Board Chair DuBois. Additionally, at the time of this writing, one COG requested additional time to conduct a study to develop its priorities and three COGs/subregional agencies have not responded.

A more bottoms-up and consensus-based approach would allow for Metro staff to conduct research and evaluation activities, develop alternative package options, and share the results with the COGs/subregions at each step. To achieve a higher level of subregional consensus, we would need to pursue placing a measure on the November 2016 ballot. The 2016 schedule in Attachment A assumes continuing with the following rounds of outreach to the COGs/subregions in addition to the initial round of outreach consisting of the information request letters:

- Round 2:
 - Share the countywide needs information we received
 - Share preliminary research indications about the likelihood of success and potential magnitude of a sales tax measure
 - Receive input on the priorities for realistic level of funding attainable through a Bond initiative.

- Round 3:
 - Present alternative packages of projects and solicit feedback on the relative merits of the various packages from the COGs/subregions.
- Round 4:
 - Present the recommended package of projects
 - Present preliminary strategy to fund the selected package
- Round 5:
 - Present the results of final research to ascertain any changes in public receptiveness to projects or funding strategies

Sales Tax Extension or New Sales Tax?

One important consideration in pursuing a sales tax ballot measure is choosing the type of sales tax to pursue. If a new sales tax is pursued, it would provide funding for new projects to be planned and constructed in the near term, with some projects potentially deliverable within ten years. If an extension of Measure R is pursued instead, it would make funding available only after 2039, in two ways. First, it would free up the debt burden post-2039 which is currently assumed to be paid using Proposition A and Proposition C funds. More Proposition A and Proposition C funds would thus be available for new projects. Second, it would extend Measure R revenues post 2039. However, this funding would become available starting in 2039 and thus the new projects would be deliverable after 2039. One advantage of pursuing an extension to Measure R is that legislation would not be required. With a potential new tax measure, legislation would be required to lift the limit in state law on the amount of sales tax that can be collected within the County of Los Angeles.

DETERMINATION OF SAFETY IMPACT

This report will have no direct impact on the safety of our customers and employees.

FINANCIAL IMPACT

There is no immediate financial impact to receiving and filing this report and the alternative schedules and processes laid out in Attachments C and D. If the Board directs staff to move forward with a ballot measure there will be expenses over the next three years for ballot costs, staff augmentation, and outside consultant services for analyzing needs and working with the COGs/subregions to determine project priorities; producing and distributing printed and electronic information materials and graphics; and conducting research on public receptivity to various transportation project packages.

If we ultimately proceed with developing a ballot measure, the total cost of this effort is expected to be approximately \$14 million over a three-year period if for a 2016 election. The costs would be almost the same if a 2014 ballot measure is pursued, as the tasks

that add to the costs would be largely the same regardless of the year of election. As this is a multi-year effort, it will be the cost center manager and Executive Director Countywide Planning's responsibility to budget in future years.

Impact to Budget

The budget impact of the first six months of work is expected to be approximately \$225,000. Staff will return to the Board in January with a detailed plan and budget request for these steps.

ALTERNATIVES CONSIDERED

We do not believe that there is enough time to conduct a thorough, consensus-based process, with COG/subregion input at every step to meet the 2014 election. As shown in Attachment D, we would need to complete the Expenditure Plan by April, 2014, be in progress of drafting the Ordinance from May to June, 2014, develop the measure information program from May, 2014 to June, 2014, and develop and pursue legislation in March through June 2014. Attachment C shows the steps that would have to be eliminated to place a measure on the 2014 ballot. Additionally, there could be benefits associated with placing a measure on the ballot during the 2016 presidential election, just as Measure R was, such as higher voter turn-out. According to a report entitled "Post-Election Report: 2008 General Election" prepared by the Los Angeles County Registrar-Recorder/County Clerk, voter turnout in Los Angeles County was higher in the November 4, 2008 election than it had been in many years.

NEXT STEPS

Assuming we proceed with working toward a 2016 ballot initiative, we would take the following initial steps:

- 1) Conduct research regarding the attractiveness of a potential sales tax, initial direction about the types of projects which voters are interested in, the feasibility of a fourth sales tax rather than an extension of Measure R, and the viability of a measure to increase the sales tax threshold if applicable;
- 2) Return to the Board with a detailed cost estimate of all expenses and a request for budget authority for the portion of the work to be undertaken within FY 2014;
- 3) Update the cost estimates for Measure R unfunded scope of work elements; and
- 4) Return to the Board in February 2014 with information about preliminary project packages and feedback from the outreach conducted to date with the COG/subregion Executive Directors.

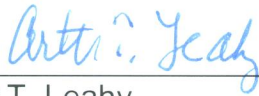
ATTACHMENTS

- A. Letter dated June 20, 2013 sent by former Metro Chair Antonovich
- B. Follow-up letter dated August 21, 2013 sent by Chair DuBois
- C. November 2016 Ballot Initiative – Process and Schedule
- D. November 2014 Ballot Initiative – Process and Schedule

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Martha Welborne, FAIA
Chief Planning Officer



Arthur T. Leahy
Chief Executive Officer



Board of Supervisors County of Los Angeles

MICHAEL D. ANTONOVICH
SUPERVISOR
CHAIRMAN, MTA BOARD OF DIRECTORS

June 20, 2013

The Honorable Gene Daniels
President
Gate Way Cities Council of Governments
16401 Paramount Boulevard
Paramount, CA 90723

Dear Honorable Daniels:

To create a representative transportation plan it is vital to have local jurisdictions develop a transportation priority list through their COGs to guide a 2014 local sales tax measure that would meet the concerns of all of the county's cities and unincorporated communities. This action will correct the failure of Measure J.

Please agendize a discussion of your region's transportation priority list at an upcoming COG meeting and send that list detailing your region's needs to the MTA Board before Wednesday, September 4, 2013. Following your submission of your COG's priorities we will be able to begin a new discussion with this critical input in hand.

Sincerely,

A handwritten signature in black ink that reads "Mike Antonovich".

MICHAEL D. ANTONOVICH
Chairman

cc: Board of Directors Gate Way Cities Council of Governments Richard Powers, Gate Way Cities Council of Governments MTA Board Members



Metro

Los Angeles County
Metropolitan Transportation Authority

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Diane DuBois
Chair

Dear Mayor:

The attached letter from my predecessor, former MTA Chair Supervisor Michael Antonovich, dated June 2013, requests that LA County Councils of Government revisit the MTA Long Range Transportation Plan and other subregional documents to create a transportation priority list of local and regional projects that are unfunded.

The stated purpose of this exercise is to develop a transportation priority list through the COGs to guide a potential 2014 local sales tax measure that would meet the concerns for all of LA County's cities and unincorporated communities. The deadline for the COGs to submit these projects was September 4, 2013.

Los Angeles Mayor/MTA First Vice-Chair Eric Garcetti hosted an LA County summit for the Mayors of all 87 cities at the Getty House on August 3, 2013. Over 60 Mayors and representatives attended this summit. There, during a breakout session on transportation priorities, I learned from the Mayors of LA County that the cities and their elected representatives need to be consulted on the development of unmet and unfunded transportation needs for LA County. Many LA County Mayors are not the representative on their COG boards, which is why we are contacting each city individually and asking you to work with and submit to your COG your own Transportation Priority List, including transit capital and transit operations needs.

To achieve this, each city should take time and review city, subregional, and regional transportation initiatives that are currently needed or unfunded. This exercise should include projects that are outside of the commitments made in Measure R as MTA Staff is currently assembling complete funding plans for Measure R commitments. The resulting transportation priority lists will assist in creating a representative transportation plan that would guide in a bottom-up approach to a possible new local sales tax measure.

In order to fully understand the extent and parameters of projects to which this new measure would apply, a comprehensive list of current and potential future projects must be completed. Attachment "A" summarizes the eligible uses of Local Return Funds under the existing tax measures. Many local needs and requirements fit into the Local Return funding category; an accurate inventory of these needs should be included in any initiative. Project needs and funding should be quantified by project type and not by specific detailed individual projects (for example, please do not submit every individual intersection that is in need of improvements; instead group all intersections together into one category). It is important to look into what cities can do individually, without county, state, or federal funding.

The finalized city list should then be forwarded to your COG or Transportation Coalition for incorporation into the local needs analysis. The COGs will then forward the lists on to the MTA for accrual and analysis for composing a potential "Measure X".

In order to give cities adequate time to respond to this request, the date for responses to be submitted by has been moved to October 4th, 2013.

Sincerely, _

A handwritten signature in cursive script that reads "Diane Dubois".

Diane Dubois
Chair, MTA

Attachments: Attachment "A"
Letter from Supervisor Antonovich

cc: MTA Board of Directors;
COG/CEOs; Art Leahy
Martha Welborne

Attachment "A"

Eligible Uses of Proposition A and Proposition C Funding:

- Public Transit Services: Operating
 - Fixed route service
 - Paratransit service
 - Non-exclusive school service
 - Specialized public transit
 - Recreational transit service
- Bus stop improvements and maintenance
- Public transit: capital
- Transportation systems management (TSM)
- Transit security
- Fare subsidy
- Transportation planning
- Transit marketing
- Park-and-ride lots
- Transit facilities/transportation enhancement (TE)
- Metro rail capital
- Right-of-way improvements
- Commuter rail
- Capital reserve
- Direct administration

Exclusive Uses of Proposition A LR Funding

- Signal synchronization
- Fund exchange
- Transportation demand management (TDM)

Exclusive Uses of Proposition C LR Funding

- Signal synchronization and traffic management
- Transportation demand management (TDM)
- Congestion management program (CMP)
- Bikeways and bike lanes
- Street improvement and maintenance
- Pavement management systems

Uses for Measure R LR Funding

- Streets and roads
- Traffic Control Measures
- Bikeways and pedestrian improvements
- Public transit services
- Public transit capital
- Transportation marketing
- Planning, engineering and/or study, Congestion Management Program (CMP)
- Transportation administration
- Local funding contributions

Draft Ballot Measure for November 2016 Election Development Process and Schedule

| Step # | Task | Timelines |
|--------|---|---------------------------------------|
| | DEVELOPMENT OF PROJECT PACKAGES | |
| 1 | Compile input from COGs and Mayors | October 4, 2013 – Ongoing |
| 2 | Develop two to four potential packages of projects with varying levels of funding required | October 21, 2013 – November 22, 2013 |
| 3 | Update cost estimates | August 6, 2013 – January 10, 2014 |
| 4 | Board approval to amend FY 2014 Budget to include costs for Steps 4 through 6 | November 29, 2013 January 23, 2014 |
| 5 | Prepare Information and graphic materials | January 6, 2014 – February 14, 2014 |
| 6 | Report to Board with information on packages | January 6, 2014 to February 27, 2014 |
| 7 | Conduct research to determine effectiveness/attractiveness of projects/packages and viability of funding strategy | February, 2014 – June 27, 2014 |
| 8 | Board Box and Board staff briefing on research results | July, 2014 |
| 9 | Outreach to COGs and summit with Metro CEO and COGs'/subregions' Executive Directors | July, 2014 – September, 2014 |
| 10 | Incorporate research results and COG input into materials; narrow to single package | September, 2014 – October, 2014 |
| 11 | Board Box and Board staff briefing on single package | October, 2014 |
| 12 | Outreach to COGs and local jurisdictions, present package options, build consensus on achievable subregional and local priorities | November, 2014 |
| 13 | Update cost estimates | October, 2014 – December, 2014 |
| | DEVELOPMENT OF FUNDING STRATEGIES | |
| 14 | Develop preliminary funding strategy based on selected package and current cost estimates | December 8 2014 – January 16, 2015 |
| 15 | Board Box and Board staff briefings on funding strategy | February, 2015 |
| 16 | Outreach to COGs and local jurisdictions, present selected package and preliminary funding strategy | March – May, 2015 |
| | BOARD ADOPTION | |
| 17 | Briefing for Board staff/Directors on final package and funding strategy | July 2015 |

These steps not possible by 2014 election

Draft Ballot Measure for November 2016 Election Development Process and Schedule

| Step # | Task | Timelines |
|--------|---|----------------------------------|
| 18 | Draft Expenditure Plan | August 2015 |
| 19 | Draft Ordinance | August 2015 - October 2015 |
| 20 | Develop measure information program | November 2015 - February 2016 |
| 21 | Follow-up research to ascertain any trends or changes in attractiveness of projects/packages/tax initiative | November 2015 – March 2016 |
| 22 | Outreach and summit with Metro CEO and COGs'/subregions' Executive Directors | March 2016 - May 2016 |
| 23 | Develop and advance legislation | March 2016 – June 2016 |
| 24 | Present final Ordinance and resolution to Board for Approval | May 2016 – June 2016 |
| | COUNTY ELECTION PROCESS | |
| 25 | Submit Ordinance and resolution to County Board of Supervisors | July 2016 |
| 26 | Submit Ordinance and resolution to Registrar-Recorder/County Clerk | Early August 2016 |
| 27 | General Election | November 2016 |

Draft Ballot Measure for November 2014 Election Development Process and Schedule

| Step # | Task | Timelines |
|--------|--|--------------------------------|
| | DEVELOPMENT OF PROJECT PACKAGES | |
| 1 | Develop limited funding strategy option; conduct outreach to COGs/subregions to compile their project priorities and input on strategies | September 2013 – December 2013 |
| 2 | Conduct research on program of projects and funding strategies | December 2013 – January 2014 |
| 3 | Develop options on programs of projects and funding strategy based on Long Range Transportation Plan, research and COG/subregion input | March 2014 |
| 4 | Present options and secure Board direction to develop ballot measure; develop and finalize Expenditure Plan | April 2014 |
| | BOARD ADOPTION | |
| 5 | Develop and advance Legislation | March 2014 – June 2014 |
| 6 | Develop measure and Draft Ordinance | May 2014 |
| 7 | Begin Measure Information Program development | May 2014 |
| 8 | Present Final Ordinance and Resolution for Board Approval | June 2014 |
| 9 | Implement Measure Information Program | June 2014 |
| | COUNTY ELECTION PROCESS | |
| 10 | Submit Ordinance and resolution to County Board of Supervisors | July 2014 |
| 11 | Submit Ordinance and resolution to Registrar-Recorder/County Clerk | Early August 2014 |
| 12 | General Election | November 2014 |

