



Metro

Los Angeles County
Metropolitan Transportation Authority

One Gateway Plaza
Los Angeles, CA 90012-2952

213.922.2000 Tel
metro.net

Item 4

**MEASURE R INDEPENDENT TAXPAYERS
OVERSIGHT COMMITTEE
JULY 23, 2012**

SUBJECT: MEASURE R ORDINANCE

**ACTION: RECEIVE AND FILE REPORT ON PROPOSED AMENDMENT TO THE
MEASURE R ORDINANCE**

RECOMMENDATION

Receive and file report on proposed amendment to the Measure R Ordinance (Attachment A).

ISSUE

At the June 2012 Board meeting, the Board approved a motion by Director Fasana (Fasana Motion) to begin the process of amending the Measure R Ordinance (Attachment A). The proposed amendment would eliminate the present restrictions on fund transfers between the Transit Capital and Highway Capital Subfunds. Presently, the Board may only transfer funds between the Transit Capital Subfund and Highway Capital Subfund once every 10 years and not until after 2019. The proposed amendment would allow transfers between these two subfunds at any time by a two-thirds vote of the Board as long as the funds are used in the same subregion. This report provides a discussion of the benefits and impacts of the proposed amendment to Measure R.

DISCUSSION

Impacts of the Proposed Measure R Ordinance Amendment

The proposed amendment to the ordinance would modify Section 11, "Amendments" of the Measure R Ordinance. First, it would eliminate the restriction that fund transfers between the Transit Capital and Highway Capital Subfunds could only be made after 2019. If approved by the Board and the electorate, this amendment would allow Transit and Highway Capital projects that are not scheduled to be funded prior to 2019 to have funding reallocated to them at an earlier date. Further, the proposed amendment eliminates the restriction of allowing such transfers to occur only once every ten years. It is important to note that if enacted, the transfer of funds would need to be approved

by the Board through a two-thirds vote and transfers could occur only within the same subregion.

Overall the impact of the proposed amendment would allow flexibility to accelerate project completion by adding additional funds to a project. The requirements that the transferred funds be used for project(s) in the same subregion as the original project and that a two-thirds vote of the Board is required to authorize the funds transfer helps ensure that a level of regional consensus and equity exists in support of the transfer. The increased flexibility resulting from inter-fund transfers provides Metro the ability to adjust priorities that may change over time within a subregion.

Ordinance Amendment Requirements

The Measure R Ordinance requires that the Measure R Oversight Committee be notified of any proposed ordinance amendments 30 days prior to Board adoption. Staff notified the Committee of the proposed amendment on June 29, 2012. The Committee must make a finding as to whether the proposed amendment furthers the purpose of the Ordinance. The Committee's finding will be presented to the Board for its consideration at its July 26 meeting. Metro must also hold a public meeting to discuss this item. A public meeting is scheduled for August 6, 2012. If the amendment is approved by a two-thirds vote of the Board after the public meeting, it may be subsequently included in the Measure R Extension Ordinance on the November 2012 ballot.

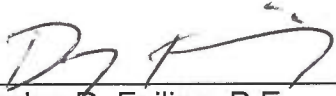
NEXT STEPS

Staff will transmit the findings of the Oversight Committee regarding the proposed amendment by the July 26 Board meeting. If the proposed amendment is approved, an amendment to the Measure R Extension Ordinance will be submitted to the Registrar/Recorder by August 15, 2012.

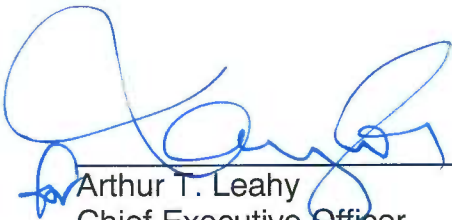
ATTACHMENTS

A. Motion to Amend Measure R Ordinance

Prepared by: Cosette Stark, Director, Research and Development
David Yale, Executive Officer, Countywide Planning & Development



Douglas R. Failing, P.E.
Executive Director, Highway Program



Arthur T. Leahy
Chief Executive Officer

FASANA MOTION

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. ~~Not 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.