

**Metro**Los Angeles County
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metro.net**EXECUTIVE MANAGEMENT COMMITTEE
MARCH 21, 2013****SUBJECT: STATE LEGISLATION****ACTION: ADOPT STAFF RECOMMENDED POSITIONS****RECOMMENDATION**

- A) SB 33 (Wolk)** – Would allow local agencies to use Infrastructure Financing Districts to pay for public works projects. **SUPPORT WORK WITH AUTHOR**
- B) AB 405 (Gatto)** – Would create six-month demonstration project to evaluate part-time usage of HOV lanes on State Route 134. **SUPPORT WORK WITH AUTHOR**
- C) SB 11 (Pavley) and AB 8 (Perea)** -Would extend existing funding for alternative fuels and air quality programs. **SUPPORT**
- D) AB 1002 (Bloom)** – Impose vehicle registration surcharges to support sustainable communities strategies. **WORK WITH AUTHOR**

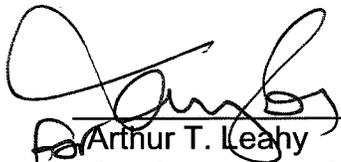
ATTACHMENTS

- A. SB 33 (Wolk) Legislative Analysis
- B. SB 11 (Pavley) and AB 8 (Perea) Legislative Analysis
- C. AB 405 (Gatto) Legislative Analysis
- D. AB 1002 (Bloom) Legislative Analysis

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BILL: SB 33

AUTHOR: SENATOR LOIS WOLK (D-Vacaville)

SUBJECT: INFRASTRUCTURE FINANCING DISTRICTS

STATUS: SENATE GOVERNMENT AND FINANCE COMMITTEE

POSITION: SUPPORT WORK WITH AUTHOR

RECOMMENDATION

Staff recommends that the Board adopt a SUPPORT WORK WITH AUTHOR position on SB 33 which would allow local agencies to use Infrastructure Financing Districts (IFDs) to pay for public works projects, without impacting school district's share of property tax or the state's general fund.

ISSUE

Since 1990, counties and cities have been allowed to create IFDs to pay for regional scale public works projects. However, forming an IFD is a cumbersome option and only two IFDs have been created since 1990. The bill currently does not include transportation related special districts as an agency eligible to create an IFD. Staff recommends that we work with the author to encourage inclusion of transportation related special districts.

DISCUSSION

SB 33 would:

- Revise's the provisions governing infrastructure financing districts;
- Eliminates the requirement of voter approval for creation of the district and for bond issuance;
- Authorizes the legislative body to create the IFD subject to specified procedures;
- Authorizes a newly created public financing authority with 5 board members (3 elected and 2 public members) to adopt the infrastructure financing plan and issue bonds by a majority vote of the authority by resolution;
- Authorizes authority to enter into a joint powers agreements with affected taxing entities with regard to nontaxing authority or powers only;
- Authorizes the authority to finance specified actions and projects;
- Creates a public accountability committee to review the actions of the public financing authority;

- Changes the date on which the IFD would cease to exist from 30 years to not more than 40 years from the date on which the authority adopts the resolution to approve the infrastructure financing plan; and,
- Imposes additional reporting requirements after the adoption of an infrastructure financing plan.

Metro has long contemplated the use of IFD's to further the development of our transportation system. The reforms in SB 33 would make it easier for local governments to use these tools while ensuring appropriate taxpayer protections. The bill currently does not specifically authorize transportation related special districts to form IFD's. We recommend that the bill be amended to allow agencies like Metro to implement IFD's.

Metro in fact proposed legislation in 2008 to reform IFD's and we have supported their use, however reforms such as those in SB 33 are needed to ensure IFD's are a truly effective mechanism. SB 33 maintains an important principle in IFD's namely that all taxing jurisdictions must consent to their formation. It does not raise taxes, rather it merely allows local governments to allocate existing revenues preserving local decision regarding community developments.

SB 33 provides local decision-makers a necessary, flexible fiscal tool and we believe it does so in a responsible way by maintaining appropriate public oversight.

Organizations who are in support of SB 33 include: California Building Industry Association; California Professional Firefighters; California State Association of Counties; California Special Districts Association; Cities of Benicia, Emeryville, West Sacramento, and Whittier; County of Yolo; East Bay Economic Development Agency; Economic Vitality Corporation of San Luis Obispo County; Emeryville Chamber of Commerce; Inland Empire Economic Partnership; League of California Cities; Los Angeles Area Chamber of Commerce; Los Angeles County Division, League of California Cities; Los Angeles County Economic Development Corporation; Long Beach Area Chamber of Commerce; Marin County Council of Mayors and Councilmembers; North Bay Leadership Council; Orange County Business Council; Palm Desert Area Chamber of Commerce; Sacramento Metro Chamber of Commerce; San Francisco Chamber of Commerce; San Diego Regional Economic Development Corporation; San Gabriel Valley Economic Partnership; and, Tuolumne County Business Council.

Organization who are opposed to SB 33: California Taxpayers Association.

Staff recommends that the Board adopt a support work with author position on SB 33.

DETERMINATION OF SAFETY IMPACT

Staff has reviewed this proposal and has determined that the legislation will not have an impact on safety.

FINANCIAL IMPACT

SB 33, if amended, would provide a new source of funding for Metro's projects and programs.

ALTERNATIVES CONSIDERED

Staff has considered adopting either a neutral or oppose position on the bill. An oppose or neutral position would be inconsistent with past Board position and would not allow us to explore a potential funding source.

NEXT STEPS

Should the Board decide to support SB 33 if amended, staff will work with the Senator to amend the legislation and pursue passage of the legislation. We will continue to keep the Board informed as this issue is addressed throughout the legislative session.

BILL: AB 405

AUTHOR: ASSEMBLYMEMBER MIKE GATTO
(D-BURBANK)

SUBJECT: STATE ROUTE 134 HOV PART-TIME DEMONSTRATION
PROJECT

STATUS: ASSEMBLY TRANSPORTATION COMMITTEE

ACTION: SUPPORT WORK WITH AUTHOR

RECOMMENDATION

Staff recommends that the Board approve a SUPPORT WORK WITH AUTHOR position on AB 405.

ISSUE

In California, there are different High Occupancy Vehicle lane restrictions policies. In Northern California, High Occupancy Vehicle (HOV) lane restrictions are in place Monday through Friday during the posted peak hours, permitting other vehicles to access the lanes during off-peak hours. However, in Southern California, HOV lane restrictions are in place 24-hours a day, 7-days a week. Existing law authorizes the Department of Transportation and local authorities, with respect to highways under their jurisdictions, to designate certain lanes for the exclusive or preferential use of high-occupancy vehicles. Existing law also prohibits any person from driving vehicles over the double lines to enter or exit these lanes.

DISCUSSION

AB 405 would:

- Prohibit, until June 1, 2014, any high occupancy vehicle lane from being established on State Route 134 between State Route 170 and Interstate 5 unless that lane is established as a high-occupancy vehicle lane on during the hours of heavy commuter traffic;
- Requires any existing high-occupancy vehicle lane established at the specified location to be modified to conform with those requirements;
- Requires the Legislative Analyst to report to the legislature on the impact on traffic by limiting the use of high-occupancy lanes as provided by the bill.

According to the author, "Motorists who do not qualify for the carpool lane are frequently caught in bumper-to-bumper traffic at odd hours at night while carpool lanes may be under-utilized."

AB 405 would create a six-month pilot demonstration project, administered by Department of Transportation (Caltrans), to allow single passenger vehicles access to the HOV lanes on a five mile stretch of State Route 134 during non-peak hours (determined by Caltrans). AB 405 would also require the Legislative Analyst to report to the Legislature the impact that the pilot project has on traffic congestion.

There is already an existing HOV lane on route 134 between Route 170 and Route 5 that is a full time HOV lane. AB 405 would require this existing HOV lane to be converted to a part-time lane for 6 months.

Orange County has modified the carpool lane on state route 23 to allow continuous access. One of the other differences between the HOV lanes in northern and Southern California is that the lanes in Southern California only allows ingress and egress at certain points. Northern California's system allows continuous access by carpools. Staff recommends that the board authorize staff to work with the author to include a provision that would authorize continuous access to be tested in the demonstration project.

Staff recommends that the Board adopt a support work with author position on AB 405.

DETERMINATION OF SAFETY IMPACT

Staff has reviewed the legislation and has found that its implementation would have no impact on safety at the agency.

FINANCIAL IMPACT

Caltrans will be responsible for manufacturing and installing these signs which does involve a financial impact that is not known at this time.

ALTERNATIVES CONSIDERED

Staff has considered adopting either a neutral or oppose position on the bill. An oppose position would be inconsistent with past Board positions and a neutral position would foreclose our ability to speak to an issue which could benefit our agency.

NEXT STEPS

Should the Board decide to adopt the support work with author position on AB 405, staff will work with the Author on our concerns and upon resolution of our concerns pursue passage of this legislation. Metro staff would continue to keep the Board informed as this issue is addressed throughout the legislative session.

BILL: SB 11 and AB 8

AUTHOR: SENATOR FRAN PAVLEY (D-Agoura Hills)

ASSEMBLYMEMBER HENRY T. PEREA (D-FRESNO)

SUBJECT: EXTENSION OF ALTERNATIVE FUELS AND AIR QUALITY FUNDING PROGRAMS

**STATUS: SB 11 - SENATE TRANSPORTATION AND HOUSING COMMITTEE,
HEARING DATE: APRIL 2, 2013**

AB 8 - ASSEMBLY TRANSPORTATION COMMITTEE

ACTION: SUPPORT WORK WITH AUTHOR

RECOMMENDATION

Staff recommends that the Board approve a SUPPORT WORK WITH AUTHOR position on SB 11 and AB 8.

ISSUE

Currently, the state air quality and alternative fuel and vehicle technologies programs are set to expire in 2015. Existing law authorizes the funding provisions for the Carl Moyer program (AB 923), and the Alternative & Renewable Fuel & Vehicle Technology Programs (AB 118) are set to expire on January 1, 2015 and January 1, 2016.

DISCUSSION

SB 11 and AB 8 would:

- Extends the Carl Moyer and Lower Emission School Bus program, as enhanced by AB 923, for nine years until January 1, 2024;
- Extends the AB 118 program for eight years until January 1, 2024;
- Bars the Air Resources Board (ARB) from enforcing the Clean Fuel Outlet requirements that would have called for gasoline refiners and importers to provide hydrogen refueling infrastructure;
- Dedicates up to \$20 million from the AB 118 program annually to achieve at least 100 hydrogen fueling stations statewide; and,
- Requires ARB and the Commission to jointly review and report on progress towards the state's alternative fuel use.

SB 11 and AB 8 are bills that reintroduce a previous bill SB 1455 (Kehoe) which failed to secure a 2/3rds vote in the 2011-12 legislative session. These bills address the expiration of various policies and fees related to alternative fuel technologies and air quality programs.

SB 11 and AB 8 also extends the programs an additional year and adds urgency clauses to the measure since a 2/3 vote is required under Prop 29.

Our State continues to suffer from the worst air quality in the nations, with more than 70% of our air pollution coming from cars, trucks, trains and other mobile sources. Los Angeles County has one of the highest numbers nationally of commuters who live outside the county. According to the U.S. Census report, 471, 345 commuters drive into Los Angeles County from elsewhere and 335, 676 people who live in Los Angeles County drive to work in other counties.

To meet the federal and state clean air mandates, we must reduce this pollution through support from these programs.

Metro is set to continue benefiting from the Carl Moyer Program if re-authorized. To comply with our Green Construction Policy, a number of our contractors have previously applied for this grant to voluntarily purchase cleaner-than-required engines, equipment, and emission reduction technologies. This has caused the acceleration of the turnover of old highly polluting engines, speeds up the commercialization of advanced emission controls, and reduces air pollution impacts at Metro construction sites. Metro will also be able to apply for funding to use in the replacement of current Metro construction non-revenue vehicles and equipment. This program also funds the Dodger Stadium shuttle and clean fuel locomotives for Metrolink.

Funding mechanisms available through the other incentive programs that are re-authorized by this bill will allow Metro to seriously consider the deployment of zero emissions vehicles for its revenue and non-revenue fleet. By working with our local air quality management district, the funds can also potentially provide support in goods movement programs that Metro supports.

These measures are supported by the Southern California Air Quality Management District, Alliance of Automobile Manufacturers, American Lung Association, Bay Area Air Quality Management Association, California Air Pollution Control Officer's Association, California Association of Winegrape Growers, California Citrus Mutual, California Cotton Ginners and Growers Association, California Citrus Mutual, California Dairies, Inc., California Electric Transportation Coalition, California Farm Bureau Federation, California Grape & Tree Fruit League, California Rice Industry Association, CALSTART, CIOMA, Coalition for Clean Air, Environmental Defense Fund, California Natural Gas Vehicle Coalition, Nisei Farmers League, San Joaquin Valley Air Pollution Control District, Waste Management, Western Agricultural Processors Association, Western State Petroleum Association.

Staff recommends that the Board adopt a Support Work With Author position on SB 11 and AB 8. The bill contains a number of provisions unrelated to the funding of clean fuel programs. Staff recommends that the board specifically support the extension of the Carl Moyer and Alternative Fuel vehicle Programs.

DETERMINATION OF SAFETY IMPACT

Staff has reviewed the legislation and has found that its implementation would have no impact on safety at the agency.

FINANCIAL IMPACT

Should this legislation not be approved, Metro would not be able to receive funds post 2015 from the Carl Moyer Memorial Air Quality Standards Attainment Program which currently provides Metro up to \$14 million in funding for purchase and repowering of our transit bus fleet. Metrolink's funding goes toward their clean fuel locomotives purchases.

ALTERNATIVES CONSIDERED

Staff has considered adopting either a neutral or oppose position on the bill. An oppose position would be inconsistent with past Board positions and a neutral position would foreclose our ability to speak to an issue which could benefit our agency.

NEXT STEPS

Should the Board decide to adopt the support work with author position on SB 11 and AB 8, staff will work with the Author on our concerns and upon resolution pursue passage of this legislation. Metro staff would continue to keep the Board informed as this issue is addressed throughout the legislative session.

BILL: AB 1002

AUTHOR: ASSEMBLYMEMBER BLOOM (D-Santa Monica)

SUBJECT: IMPOSE VEHICLE REGISTRATION SURCHARGE FOR SUSTAINABLE COMMUNITIES STRATEGIES

STATUS: ASSEMBLY TRANSPORTATION COMMITTEE

ACTION: WORK WITH AUTHOR

RECOMMENDATION

Staff recommends that the Board approve a WORK WITH AUTHOR position on AB 1002.

ISSUE

AB 1002 is a “spot” bill that seeks to add a \$6 vehicle registration surcharge to support sustainable communities strategies that are currently mandated with no funding.

DISCUSSION

Existing law imposes a registration fee to be paid to the Department of Motor Vehicles for registration of every vehicle and trailer coach.

Until January 1, 2016, existing law imposes a \$3 increase on that fee, with \$2 to be deposited into the Alternative and Renewable Fuel and Vehicle Technology Fund and \$1 of which is to be deposited into the Enhanced Fleet Modernization Subaccount. It also requires transportation planning organizations, including metropolitan planning organizations, to prepare and adopt regional transportation plans that includes sustainable communities strategy and achieves a coordinated and regional balanced multimodal transportation system.

AB 1002 would:

- Impose a \$6 surcharge (in addition to fees specified in the Vehicle Code and the Revenue and Taxation Code) to be paid at the time of registration of every vehicle under the Vehicle Code;
- Requires Department of Motor Vehicles to remit, after deducting all incurred costs, all money’s realized for deposit in a Sustainable Communities Strategy Subaccount established in the Motor Vehicle Account and upon appropriation by

legislature used for implementation of sustainable communities strategies.

- Declares that it take effect immediately as an urgency statute.

According to the Author, this bill is a “spot” bill.

Amendments are being considered which would allocate the funds in the following manner:

- Fifty percent to cities and counties on a per capita basis for planning and implementation of projects consistent with the purposes of sustainable communities strategies;
- Forty percent to transportation commissions and transit operators to support transit operations and maintain and expand reduced fare programs; and,
- Ten percent to Metropolitan Transportation Organizations (MPOs) and Regional Transportation Planning Agencies (RTPAs) for implementation of sustainable communities strategies.

AB 1002 could provide funding for so called first mile last mile projects that would facilitate use of our transit system. At the same time the use of a revenue source that appears similar to a vehicle license fee could be challenging to accomplish. At the same time the state is attempting to identify long term stable funding for transportation and this type of surcharge may be one option.

As previously mentioned the bill is currently in spot form. Staff recommends that the Board adopt a Work With Author position on AB 1002.

DETERMINATION OF SAFETY IMPACT

Staff has reviewed the legislation and has found that its implementation would have no impact on safety at the agency.

FINANCIAL IMPACT

AB 1002 would provide needed funds to support the implementation for sustainable communities strategies.

ALTERNATIVES CONSIDERED

Staff has considered adopting either a neutral or oppose position on the bill. An oppose position would prevent us from support potential on-going source of new revenue and a neutral position would foreclose our ability to speak to an issue which could benefit our agency.

NEXT STEPS

Should the Board decide to adopt the work with author position on AB 1002, staff will work with the Author on our concerns and upon resolution of our concerns pursue passage of this legislation. Metro staff would continue to keep the Board informed as this issue is addressed throughout the legislative session.