Agenda
Los Angeles County Metropolitan Transportation Authority

TECHNICAL ADVISORY COMMITTEE
UNION STATION ROOM

1. Call to Order/Roll Call

2. Agenda Reports by Standing Committees
   Bus Operations
   Local Transit Systems
   Streets and Freeways
   TDM/Air Quality
   Attachment 1: Subcommittee Agendas
   Attachment 2: Subcommittee Actions
   10 min

3. Consent Calendar
   • Approval of Minutes
   Attachment 3: Minutes of April 6, 2005

4. Chairperson’s Report
   5 min
   • Metro Budget

5. Legislative Update
   Federal
   State
   Attachment 4: Legislative Matrix
   10 min

6. Southern California Regional Rail Authority
   FY 06 Annual Work Program
   10 min

Action (Renee Berlin, Randy Lamm)
Information
Robert Hildebrand
Joyce Rooney
Ed Norris
Mark Yamarone

Action
Information
(Renee Berlin)
Update
(Michelle Caldwell)

Information
(Raffi Hamparian)
(Michael Turner)

Action
(Patricia Chen)
7. Local Return Guidelines Update  Information  (Patricia Chen)
   5 min

8. Congestion Management Plan Nexus Study  Action  (Doug Kim/Chris Wornum)
   20 min

9. CTC Meeting Recap  Information  (Tim Papandreou)
   10 min

10. Long Range Transportation Plan  Information  (Heather Hills)
    5 min

11. New Business

12. Adjournment

TAC Minutes and Agendas can be accessed at:
    http://www.metro.net/about_us/committees/tac.htm

Please call Randy Lamm at (213) 922-2470 or e-mail to “lammr@metro.net”, if you have questions
regarding the agenda or the meeting. The next meeting will be on June 1, 2005 at 9:30 am in the Union
Station Room.
Attachment 1

Subcommittee April 2005 Agendas

Bus Operations Subcommittee

Local Transit Systems Subcommittee

Streets and Freeways Subcommittee

TDM/Air Quality Subcommittee
Agenda

Los Angeles County
Metropolitan Transportation Authority

BUS OPERATIONS SUBCOMMITTEE

Gateway Plaza Conference Room — 3rd Floor

1. Call to Order
   1 minute
   Action
   Bob Hildebrand

2. Approval of Minutes –
   Attachment 1: March 22, 2005 Minutes
   Attachment 2: April 12, 2005 Minutes & 15%/1%
   Appropriations
   1 minute
   Action
   BOS

3. Chair’s Report
   5 minutes
   Information
   Bob Hildebrand

4. STA Efficiency Test
   Attachment 3: STA ‘05
   10 minutes
   Action
   Susan Richan

5. FAP – Funding Marks
   Handout
   10 minutes
   Review & Comment
   Nalini Ahuja/Susan Richan

6. NTD Reporting Update
   Attachment 4: Voluntary NTD Estimates
   10 minutes
   Information
   Jay Fuhrman

7. Congestion Management Plan Nexus Study
   Update
   10 minutes
   Information
   Doug Kim

8. Long Range Transportation Plan
   5 minutes
   Information
   Heather Hills

Metropolitan Transportation Authority
9. State Legislative and Federal Update
   Information
   10 minutes
   Michael Turner/Marisa Yeager

10. New Business
    Discussion
    BOS

11. Adjournment

Information Items:
   90-day Rolling Agenda
   5307 85% Fund Balances
   5307 15% Discretionary Fund Balances
   CMAQ Fund Balances
   TE 1% Fund Balances
   Summary of Invoices — FY05
   2005 Subsidy Tracking Matrix
   2004 Document Requirement Status
   Summary of EZ Pass Invoices — FY04
   TDA/STA Claim Summary for FY05
   Regional Pass Sales

BOS Agenda Packages can be accessed online at:
http://www.metro.net/about_us/committees/bos.htm

Please call Desirée Portillo-Rabinov at 213-922-3039 if you have questions regarding the agenda or
meeting. The next BOS meeting will be held Tuesday, May 17, 2005 at 9:30 am in the Gateway Plaza
Conference Room 3rd Floor, Gateway Building.
Agenda

Los Angeles County
Metropolitan Transportation Authority

LOCAL TRANSIT SYSTEMS SUBCOMMITTEE

Los Angeles Room—11th Floor

1. Call to Order

2. Approval of Minutes—March 24, 2005
   (Attachment 1)

3. Reconsideration of Countywide Transit Needs
   (Attachment 2)

4. Technical Advisory Committee (TAC) Motion
   Regarding Countywide Transit Needs

5. Approve Sub-regional Paratransit Fundmarks
   for FY '06
   (to be handed out at meeting)

6. Nowalk/Santa Fe Springs Service Coordination

7. Congestion Management Plan/Nexus Study
   (Attachment 3)

8. Long Range Transportation Plan Update

9. UFS Funding Plan

10. NTD Workshop—June 7, 2005
    (Attachment 4)

11. Legislative Update

12. New Business

13. Adjournment

Metropolitan Transportation Authority

Metro
Thursday, April 21, 2005 9:30 A.M.

Agenda

Los Angeles County
Metropolitan Transportation Authority

Streets and Freeways Subcommittee

Windsor Conference Room, 15th Floor

1. Call to Order
   Action (Ed Norris)
   1 min

2. Approval of the March 17, 2005 Minutes
   Attachment 1: Draft Minutes
   Action (Subcommittee)
   1 min

3. Chairperson Report
   Information (Ed Norris)
   5 min

4. MTA Report
   Information (Jon Grace)
   5 min

5. Caltrans Report
   Information (Kirk Cessna)
   5 min

6. Caltrans Highway Project Cost Increases
   And Mitigation Measures
   Attachment 2
   Information (Sam Ekrami)
   10 min

7. Port of Los Angeles Near Dock Facility
   Information
   (LaDonna DiCamilla)
   15 min
8. Enhanced Public Outreach Grant - Recommendation for the Metro Bicycle Transportation Strategic Plan
   10 min
   Discussion/Possible Action (Lynne Goldsmith)

9. Draft TDA Articles 3, 4, and 8 Funding Marks
   5 min
   Discussion (Sue Richan)

10. Nexus Study
    5 min
    Update (Heather Hills)

11. Regional Integration of Intelligent Transportation Systems (RIITS) Technology System
    10 min
    Update (Peter Liu)

12. Revision to Propositions A and C Local Return Guidelines
    10 min
    Discussion (Patricia Chen)

13. New Business
    5 min
    Discussion (Subcommittee)

14. Adjournment
    1 min
    Action (Subcommittee)

The next meeting of the Streets and Freeways Subcommittee will be held on May 19, 2005 at 9:30 AM in the Windsor Conference Room. Please contact Jon Grace at (213) 922-4848 or Ryan Ross at (213) 922-1079 should you have any questions or comments regarding this or future agendas.
TDM/AQ
NO MEETING IN APRIL
Attachment 2

Subcommittee Actions
Disposition of April Subcommittee Actions

BOS:
April 19th Meeting

- The appropriations of FTA Sec. 5307 15% Discretionary Capital Funds and 1% Transit Enhancement Funds were approved with one abstention (Culver City).

- The STA 05 Efficiency Test results were unanimously approved.

LTSS:
April 21st Meeting

- The FY 06 Sub-regional Paratransit Fund Marks were approved;

- Approved a motion to change the scope of work on the Norwalk Subregional Paratransit Grant from Local Dial-a-Ride service to two year bridge (operating funding until Norwalk is included in the FAP after the 2nd year) funding for Norwalk fixed route service.

- Approved a motion to replace the previous LTSS motion on Programming Available Local Transit Funds for Countywide Transit Needs. The LTSS voted to recommend that the entire balance in the Incentive Grant Reserve be available for the Incentive Program eligible participants and that Metro staff work with LTSS members to develop and implement guidelines and a process for the Incentive Program eligible participants to access the Reserve.

Streets and Freeways:
April 21st Meeting
No actions taken

TDM/AQ:
No Meeting in April

- Approved a motion that the TDM/AQ Subcommittee would like to see additional Park and Ride lots and the completion of the HOV Lane system included in the MTA’s Long Range Transportation Plan.
Attachment 3

Draft April 6, 2005 TAC Minutes
Sign-In Sheet
Handouts
Meeting Minutes

Los Angeles County
Metropolitan Transportation Authority

TECHNICAL ADVISORY COMMITTEE

1. Call to Order/Roll Call
Renee Berlin (Chair) called the meeting to order at 9:40 a.m. Randy Lamm (Metro) took roll and declared a quorum was present.

2. Agenda Reports By Standing Committees

BOS (Robert Hildebrand)
- Met on Tuesday, March 22nd;
- Received updates on:
  - The Long Range Transportation Plan (LRTP);
  - Funding Marks;
  - Los Angeles County Transit Operators' Association (LACTOA)
    Card (regionally accepted identification card, qualifying its holder as eligible to receive the transit operator's, reduced fare available for persons with disabilities, issued by all transit operators countywide. The transit operators now issued, Task Force;
- Received a presentation on -- Programming Available Local Transit Funds For Countywide Transit Needs. The Board Report was distributed just prior to the meeting. Since there was not enough time to review the item, BOS deferred taking any action and forwarded it to the General Managers' meeting on March 31st to take a position for BOS/GMs. Mr. Hildebrand reported that the GM's took an action to change Recommendation A to follow the existing Proposition A Incentive Guidelines and give the
opportunity for all cities that are eligible for that program to apply for the entire $18 million. If any money remains, then it would be distributed to the Eligible transit operators through the process outlined in Recommendation B. The GMs and BOS supported Recommendations B and C as written in the current version of the Board Report.

- The next meeting is a special BOS meeting to make recommendations on the 15% Discretionary Capital FTA Sec. 5307 funds and the Transit Enhancement TE 1% funds. It will be held on April 12, 2005 at 1:30 p.m. in the Gateway Plaza Conference Room, 3rd Floor, Metro Headquarters Building.

LTSS (Joyce Rooney)
- Met on March 24th;
- Received updates on:
  - Metro Connections;
  - UFS Funding Plan;
  - Draft Fund marks for Sub-regional Paratransit for FY 06;
  - Local Return Guidelines;
- Approved the FTA Section 5310 Funding Recommendations;
- Discussed appointing an LTSS alternate to TAC;
- The Programming of Available Local Transit Funds For Countywide Transit Needs was the subject of a heated discussion. Recommendation A was primarily discussed and most members were not agreeable to the recommended split in funding. Various alternate motions were considered to allocate all the resources to LTSS, to change the split to $10 million to the locals and $8 million to the MTA, or $8 million to Metro and $8 million to the Locals and leaving $2 million in reserve. Some members were not comfortable with depleting the reserve funding. Ms. Rooney reported that during the discussion, it was made clear to the Subcommittee members that if they could not agree to the staff recommendation, they would not receive the $8 million. Therefore, the Subcommittee reluctantly approved the item 11-3.

Streets and Freeways (Ed Norris)
- Met March 17th;
- Received updates on:
  - Normalization of Pavement Condition Indices;
  - Caltrans deadline is April 15, 2005 for agencies to submit applications for the Hazardous Elimination Survey Program;
  - Arterial ITS Architecture Final Report;
  - Project Red Tape – Mr. Norris explained that this report was commissioned by the Self Help Counties Coalition to examine difficulties the locals are having working with Caltrans;
  - LRTP. April 4, 2005 was the deadline for subregions to submit priority projects to Metro for consideration for inclusion into the LRTP;
• Deadline for submitting updates to the CMP is April 15, 2005;
• An estimated $109 million in CMAQ funding is expected to be received by Los Angeles County. The total expected to be available for programming is $149 million. The funding will be used for the Metro Gold Line Eastside extension and for purchase of CNG buses;
• The next meeting is April 21, 2005 at 9:30 a.m.

TDM/AQ (Mark Yamarone)
• Met March 16th;
• Caltrans Statewide HOV Parking Study in which Metro and the City and County of Los Angeles participated. The study determined that many Caltrans Park-and-Ride lot users are participating in informal van and carpooling and that there is a need for additional Park-and-Ride facilities in the County. The Subcommittee passed a motion to recommend that the LRTP include the completion of the HOV system and the addition of more Park-and-Ride facilities;
• Received an update on the Orange Line – Articulated buses were too long to have bike racks on the front under the old vehicle code. The vehicle code has been changed and the buses will now be outfitted with bike racks;
• Next meeting Wednesday, May 11th at 9:30 a.m. (meetings have been changed from Tuesdays to Wednesdays).

3. Consent Calendar (Renee Berlin)
Ms. Berlin requested a motion to approve the March 2005 minutes. Mr. Hildebrand noted that there are two typos in his BOS report. The FTA Sec. 5307 allocations -- the “p.m.” in the fourth sentence should be eliminated and the reference to LTSS in the next to last sentence should be replaced with BOS. The Consent Calendar was approved as corrected on a motion by Greg Herrmann (Arroyo Verdugo Cities) and seconded by Mark Yamarone (TDM/AQ). Andre Colaiace and Andrea Burnside abstained;

4. Chairperson's Report (Renee Berlin)
• There will be two meetings in May: the regular monthly meeting and a second tentatively scheduled for May 11th from 1:00 to 2:30 p.m. in the Union Station Room. The latter will be a special budget workshop for TAC and Subcommittee members. The date is tentative based on the release of the budget book and the schedule for the Metro Board budget workshop.

• The June 1st TAC may be an extended meeting due to hearing appeals on Call for Projects Deobligations. Approximately two weeks before the meeting, sponsors will be notified of Metro staff recommendation to deobligate their project funding. If they so desire, they will be provided an opportunity to appeal this decision to TAC.
• In anticipation of the Governor's FY 06 budget, which may significantly impact transportation funding, Metro is urging sponsors to review their projects in the RTIP/FTIP. Any new projects or changes are due to Metro by April 15th. Pat DeChellis (County of Los Angeles) commented that when the State adopts the FY 06 budget without Proposition 42 funding, the feds will shut down any TIP amendments until SCAG can prove that the TIP is financially constrained. Ms. Berlin reminded TAC members that when making changes to projects please mark-up the existing TIP sheet. If a new sheet is submitted, it may be entered as a new project. If there are projects that are not going to move forward, remove them from the TIP. Ms. Berlin referred to Attachment 4 on page 47 for additional information. Mr. DeChellis reiterated the importance of submitting projects on time and making sure that projects are in the right year. Gina Mancha (City of Los Angeles) clarified that new projects would have to be non-capacity adding projects;

• The annual STP-L/RTIP workshops will be held on April 21st, 28th and May 4th. The invitation is contained in Attachment 4 of the agenda. Metro is also working with the sub-regions to schedule sub-regional workshops;

• James Ghielmetti and Joseph Tavaglione have been reappointed by the Governor to the CTC. Tavaglione is from Riverside and Ghielmetti is from Pleasanton;

• Bea Proo lost her re-election to the Pico Rivera City Council creating a vacancy on the Metro Board. The Southeast cities will be electing a new representative on April 15th. It will require confirmation by the League of Cities as Ms. Proo was one of 4 League Corridor representatives;

• Doug Failing has been appointed as the Ex-officio member representing the Governor on the Metro Board. He replaces Ron Wong;

• Artwork for the Metro Orange line will be on exhibit March 28th through April 21st at the Pierce College Art Gallery. The Gallery hours are from noon to 5p.m. Monday through Thursday. Admission is free;

• Metro, the Automobile Club of Southern California, and Metrolink held a news conference on March 16th aimed at offering strategies to beat escalating gas prices. The three agencies recommend taking transit, ridesharing, splitting trips between bicycling or park and ride, and to have employers offer benefits such as transit passes or vanpool;

• The 90-Day Rolling Agenda is included in the agenda packet. If there are item(s) that TAC members would like additional information on or presented at TAC, please notify Randy or Renee;
Board Meeting Recap

Appointed the following:
- To the San Fernando Sector Governance Council:
  - Coby King (re-appointment);
  - Jesus Ochoa (re-appointment);
  - Dr. Richard Arvizu (re-appointment);
- To the Gateway Cities Sector Governance Council
  - Larry Nelson (re-appointment);
  - Jacqueline Rynerson (re-appointment);
  - Wally Shindler (re-appointment);
- Former Sierra Madre Mayor Bart Doyle to replace Councilman David Spence on the San Gabriel Sector Governance Council;

Approved on consent:
- Received and filed a proposal to approve programming of $60 million that Congress has provided and staff identified and conceptually approved programming of federal, state, and/or local funds to regional projects;

Approved:
- By 2/3 vote a design/build approach for constructing a soundwall on the SR 134 between Louise Street and Harvey Drive in Glendale and authorizing the CEO to solicit a design build contract. Approved life of project budget of $11.423 million;
- A funding plan for the Douglas Street Gap Closure Project funded through the 1999 Call for Projects. Elements of the plan include: an additional $500,000 in federal, state and/or local funds; line of credit for up to $3 million utilizing up to 15 years of the City of El Segundo’s Proposition A and C Local Return funds for repayment, and authorizing the CEO to enter into a cooperative agreement for the line of credit;

Adopted positions on the following bills:
- Support ACA 4 (Plescia and Harmon) would remove suspension clause from Proposition 42;
- SCA 7 (Torlakson) would require loans from Motor Vehicle Fuel revenues to be repaid with interest, if repayment not within next budget year;

Support Work with Author:
- ACA 10 (Nunez) would protect Proposition 42 funds;
- AB 1010 (Oropeza) would transfer Grade Crossing approvals from the PUC to Caltrans;
- AB 1067 (Frommer) would expand amount of Grade Separation violations that can be imposed;
Authorized CEO to program up to:
- $2.14 million in supplemental Proposition C 25% funding to Caltrans for the SR-1 Loyola Marymount University Drive to Fiji Way Widening Project;
- $4.9 million in supplemental federal, state and/or local funds for the I-405 SB HOV from Waterfords to I-10;
- $1.8 million in supplemental Proposition C 25% funds for the I-405 NB Gap Closure Project between the Greenleaf off ramp and Ventura Boulevard.

Usually Caltrans projects are approved up to $5 million in the aggregate on an administrative basis. Doug Failing (Caltrans District 7 Director) presented these due to concerns about increasing construction costs.

5. **Legislative Update (Marisa Yeager and Michael Turner, Metro)**

Handout

**Federal Update**
Ms. Yeager reported that the Senate Banking and Environmental Public Works Committee has moved their review of the Transportation Reauthorization bill, however, the Commerce and Finance Committees have not. Once moved by Committee, the Bill will go to the Senate floor for action. The House of Representatives Transportation and Infrastructure Committee has submitted their bill -- HR 3 and it has passed. They are now awaiting passage of a Senate version. Once approved by the Senate, both versions will go to the Senate/House Conference Committee.

Due to changes in Senate committee chairmanships, Senator Kit Bond (R-MO) is now the Senate Appropriations’ chairman. He has been a champion of transportation in his own district. Senator Feinstein had her deadline for Appropriations requests a few weeks ago. Senator Boxer’s deadline is this Friday. The California senators have different formats and are asking different questions.

There is no hearing date set for the Senate Appropriations. The House is going through the regulatory hearings of having the senior staff of FHWA/FTA come before them before they make any decisions.

**State Update**
Yesterday the Assembly Democrats announced a Transportation proposal that will be introduced by three pieces of legislation. Mr. Turner distributed a Legislative Brief describing the proposal that has three basic elements:

1. Revenue Neutral Tax Exchange – swap the tax on gasoline sales for a ¼ cent statewide general sales tax increase. This would lower the price of gasoline by about 11 cents. The general sales tax increase would replace the sales tax on gasoline that currently funds Proposition 42. This would essentially be a revenue neutral
swap of funding sources. The gas tax would also be indexed to inflation resulting in a 3% increase every 5 years in the excise tax (not the sales tax).

2. Constitutional Amendment – that guarantees the new sales tax designation for transportation. The exact language of the amendment has not yet been determined. However, it is likely that the guarantee would be similar to those made for Proposition 42, but stronger.

3. $10 Billion Bond for Transportation – this Bond measure is backed by a 4 cent increase in the Gas tax beginning in 2006. The increase would be incremental, rising by one cent in 2006, two cents in 2010/11, and one cent in 2015/16.

There has been some initial reaction by Republicans. The intent of the proposal is to create discussion and stimulate new revenue. The ramifications are still to be examined. Metro's first reaction is concern that the Bond is allocated equally; first to repay outstanding Transportation loans of approximately $2 billion and second for Goods Movement projects. The money should be divided along the North-South split with Northern California receiving 40% of the money and Southern California receiving 60%. Another concern is the repeal of the Gas tax as it would be scheduled to take affect before the summer driving season. This could affect the State's ability to fund Proposition 42 this year. There are contingencies based on the expiration and offsets of Federal Estate taxes that need to be further examined for possible ramifications.

Andre Colaiace (BOS) asked if the repeal of the Gas tax would also repeal the State Transit Assistance (STA). Mr. Turner explained that while not intending to hurt the STA, this proposal would repeal the STA and that concern has been raised. Mr. Colaiace commented that if the new sales tax did not fund the STA and Proposition 42 is eliminated, than we are effectively back to where we started prior to the passage of Proposition 42.

Steve Lantz (SCRRRA) asked what percentage approval would be required for passage. Mr. Turner explained that the tax swap, because it is revenue neutral, would be a majority vote in the Legislature. The Bond measure and Constitutional amendment would require a 2/3 vote in both houses and then a majority popular vote on the June 2006 ballot.

Steve Finnegan (Automobile Club of California) asked for clarification on the tax increase—3 cents or 3%. Mr. Turner stated that it is 3% (the 18 cents would increase by 3%).

Mr. DeChellis asked how much does the State ¼ cent sales tax generate? Mr. Turner explained that the sales tax would generate what the gas tax currently does, approximately $1.3 billion. Mr. DeChellis explained that while they know what the gas tax generates, he wants to clarify the amount of the sales tax revenue.
Mr. Colaiacce asked if the swap would be trading one fairly stable revenue source for another or would this be risky should the economy falter. Mr. Finnegan explained that fuel prices are more volatile than the State’s economic forecast.

Mike Uyeno (City of Los Angeles) asked why, if this is revenue neutral, not just protect Proposition 42. Mr. Turner explained that the Speaker’s office have made it very clear that it is simply a proposal and Republicans have expressed a similar critique. This proposal is the most comprehensive plan to be introduced lately and may prove simply to stimulate conversation. The details of the proposal are elements that people have been asking for, such as indexing the Gas tax, using bonds to fund infrastructure, and increasing the Gas tax.

Mr. Finnegan noted out that a decrease of 11 cents in the price of fuel is a selling point. Mr. DeChellis sees that as 11 cents/gallon profit to the Oil companies. Mr. Uyeno asked if there is a specified distribution formula like the one associated with Proposition 42. Mr. Turner explained that the new sales tax would use the same formula for allocation (40% STIP, 40% Streets and Roads, 20% Public Transportation Account - PTA).

Mr. Lantz asked how guaranteed or isolated is the revenue source. Earlier the TAC discussed a desire for a designated source for Transportation funding rather than a sales tax source. Mr. Turner explained that the sales tax would provide a constitutional protection to the funding source similar to what is currently being proposed for Proposition 42. Mr. Lantz asked whether the funding for Proposition 42 is as likely to grow as sales tax revenues or would it only guarantee the current level. Mr. Turner stated that he did not know. Mr. Lantz pointed out that the potential for growth is a potential advantage of the proposal over Proposition 42.

Mr. Turner also reported on the State budget. Currently, the subcommittees are meeting and taking testimony, and hearing from interest groups. There will be recommendations from the budget subcommittees, however they will not be released until after the May Revise in mid-May. There have been a series of indications that there are efforts to allocate Proposition 42 funds at some level.

The Director of Finance recently commented that the condition of the General Fund is improving which may enable them to address Proposition 42 in FY 05/06. There have also been indications by both budget subcommittees that they want to do something for Proposition 42. In general, there is a lot being said regarding Proposition 42 especially related to allocations in the May Revise or budget committee recommendations. Mr. Turner concluded that the “ship is moving in the right direction” in terms of Proposition 42, but votes and specific actions are necessary in the May Revise and in budget subcommittees.

Mr. DeChellis asked when the May Revise is due for release. Mr. Turner said that he believes it is around May 10th. The Department of Finance web page should be accessed for additional information.
Mr. DeChellis asked about Metro’s position on AB 1277, a measure to remove the distribution of the State Gas Tax revenues to cities and counties from the budget. This would allow cities and counties to receive their allocations, if a budget deadlock occurs. Mr. Turner is unfamiliar with AB 1277 (Evans), but referenced a bill sponsored by Assembly member Oropeza that would insure that all the funds in the Highway Users’ Tax account would be allocated irrespective of whether the State has adopted a budget. Mr. DeChellis recently returned from a conference where he heard speculation that the budget would not be adopted until after the November Special elections. Without the State budget, the Gas Tax revenues would not be distributed until the budget is passed. Mr. Turner remarked that the two bills are very similar. He reported that the Oropeza bill recently left the Assembly Transportation committee. Mr. Turner has been and will continue to work with the Oropeza bill and will likely be taking it to the Metro Board for adoption of a position next month. He will email to Renee Berlin more information about the two bills.

6. Programming Available Local Transit Funds for Countywide Transit Needs. (Patricia Chen) (Handout)

Ms. Chen referenced the draft board report in Attachment 7 of the TAC agenda and described the current funding environment, which includes increasing fuel and insurance costs, revenue shortfalls, and deferral of the Call for Projects. In order to address funding gaps, staff is proposing to make the following allocations. Specifically, $8 million to sub-regional paratransit and locally funded, fixed-route transit operators, and $10 million to Metro from Proposition A Incentive Program Reserves. Additionally, $13.71 million to Municipal Transit operators, Eligible transit operators and Metro from un-programmed FY 2003-04 Proposition A 40% Discretionary Growth-Over-Inflation (GOI) funds.

Ms. Chen explained that this is a recent proposal. It was distributed to BOS one day before their meeting, so they deferred action to the General Managers’ meeting on March 31st. At the LTSS meeting, a motion was made to support the staff recommendation with the caveat that the Sub-regional operators capital needs are actually greater than $8 million. The motion also directed that if after analysis of the Reserves additional balances such as from old encumbrances are identified, then these funds should be set-aside.

The General Managers discussed the proposal. A motion was approved regarding Recommendation A to offer the full $18 million to the Sub-regional paratransit and Locally funded fixed route operators first for their needs. If there is any funding remaining after fulfilling those needs, then the excess could be programmed to Municipal operators including Metro on a fair-share basis. There were no General Managers’ motions affecting Recommendations B and C of the item.

Mr. Lantz asked if this was a one-time action. Ms. Chen responded yes.

Ms. Rooney asked how Metro intended to respond to the alternate proposals for distribution offered by BOS and the General Managers. Ms. Chen explained that the
final determination has not yet been made. Staff is waiting to hear TAC’s comments. She explained that at this point the staff recommendation remains the same and is requesting TAC’s approval. Ms. Rooney asked if TAC and the Subcommittees would be seeing a revised version of the report with any changes to the recommendations. Frank Flores (Metro) indicated that the staff report would not change, but that Subcommittee comments would be reflected in staff presentations to the Board and its Committees.

Mr. Uyeno asked how the split was determined. Ms. Chen explained that a needs assessment was conducted through an email distributed to agencies that currently receive funding under the Proposition A Incentive Program. The results of that survey indicated that the needs could be satisfied with less than $8 million. However, she indicated that not everyone that was sent the email questionnaire responded. Internally, it was determined that Metro had a need of $10 million.

Mr. Hildebrand made a motion reflecting the GMs/BOS position, to make the entire $18 million in Recommendation A available for application by all cities and agencies eligible for the Proposition A Incentive program according to the guidelines. David Feinberg (Westside Cities) seconded the motion.

Mr. Hildebrand asked about Recommendation B in the Draft Board report distributed at the General Managers’ meeting stating that the funds were from FY 02/03 but in today’s distribution it says FY 03/04. Ms. Chen explained that 02/03 was a typo, that the correct fiscal year is 03/04. Ms. Chen further responded that her understanding is that the FY 03 funds have already been used.

Ms. Berlin asked for clarification whether the objections to this proposal were about how the money is being used or the amount of money being allocated. Mr. Hildebrand explained that at the General Managers’ meeting, it was revealed that it was not determined that all of the needs would be satisfied by the $8 million described in Recommendation A. Given that the Incentive guidelines state that this money is for cities eligible under the Incentive program, it seems that they should have access to it before it is distributed elsewhere. If there are no further needs from the cities with Sub-regional paratransit and Locally funded fixed-route transit operators, then the money could be available to Eligible Transit operators and distributed according to Recommendation B. Therefore, it is not the split that raises objections, but that Metro using the funds for transit is a violation of the Proposition A Incentive guidelines as they were originally written. Mr. Uyeno asked for clarification on the recommendation that the money be divided as the guidelines direct and if there is any money left over, then it can be given to all Eligible operators and distributed by Metro.

Ms. Chen responded that a problem with that proposal from Metro’s perspective is the critical short-term funding need and lack of time available for an appropriate application process.
Mark Bozigian (North Los Angeles County) asked that if the needs assessment had determined that there was $18 million in needs for the operators, would the staff recommendation be to give it all to the operators. Ms. Chen explained that is a hypothetical question, but the staff recommendation is based on the information received from the needs assessment. Nalini Ahuja (Metro) explained that the needs the cities identified were not just for one year, the survey asked about needs for the next three years, which came to $8 to $10 million. Some of the projects identified did not qualify according to the Proposition A Incentive criteria. Mr. Bozigian made the point that perhaps the needs assessment was not as comprehensive as it could have been. It is not a justification for Metro taking funding from one group and distributing it to another. Ms. Ahuja indicated that this process will be fine-tuned by inviting sponsors to submit more qualifying projects. There may be some more funds left over in reserve that may be captured in a reconciliation process. These funds could also be allocated through a “Call for Projects”.

Ms. Rooney added that the needs survey consisted of an email with a 2-3 day response time. Only 11 of the over 70 cities that provide paratransit in the county responded to the survey. It is likely that $8 million is not an adequate representation of the needs of the county’s paratransit providers. Ms. Chen responded that some late replies were included and agencies were sent a subsequent follow-up email and she clarified that only 44 cities operate transit, not 70. Ms. Ahuja commented that a working group was formed to explore the best way to draw down the reserves. They were presented with the inventory of projects and felt comfortable with the $8 and $10 million split. The working group consisted of Martin Gomert, George Sparks, Joyce Rooney and staff. The working group discussed the item at the LTSS meeting and felt they could live with it and LTSS voted 11-3 in favor of the recommendation, with Ms. Rooney abstaining. Staff moved forward under the impression that the LTSS group was in favor of the proposal. It comes as a surprise that there is still discussion.

Mr. Uyeno asked for clarification regarding the statement that some projects would not qualify under the guidelines for funding and whether the guidelines have been developed yet. Ms. Ahuja responded that the process is not finalized, and staff in coordination with the working group would develop reasonable criteria to apply and select projects. However, she explained that in early discussions with the working group, the first priority seemed to be needs for bus replacement because the Incentive Program participants have no capital funding source. Some projects received through the needs assessment were for CNG facilities expansion, and services that were not traditionally funded through the Incentive program. For example – a formula funded service would not qualify. Mr. Uyeno asked how does the Incentive program work currently – are all capital projects eligible. Ms. Ahuja responded there are three categories for uses of the funds: 1) for subregional paratransit providers, the Incentive program pays for 25% of their net operating costs. 2) There are specific services that are funded like the Hollywood Bowl summer service. 3) About $3 million per year is used to reimburse Local Return funded operators who are participating in the NTD program. Currently, the program does
not provide money specifically for capital projects. However, the money that goes to cities for NTD reporting could be used for capital.

Mr. DeChellis clarified that the County of Los Angeles also participates in the program and asked why there is an $18.5 million balance. Ms. Chen explained that in past years the participants were not using all the available funds each year. A “Call for Programs” was held, more programs were added and some existing programs were allowed to expand so that the programs are now using just about all the funding coming in, but the old balances that had been accruing are still on reserve. Ms. Berlin commented that this is now an attempt to establish some process and guidelines for distributing the balance.

Mr. DeChellis said it was his understanding that the working group had put together guidelines for a Call for Projects, but Metro refused to meet to define the guidelines to have a Call for Projects. Ms. Rooney added that since last year there were attempts to arrange meetings with Metro to establish the guidelines for accessing the funds. The working group moved ahead without Metro staff to try and establish some guidelines to define what kinds of projects would be eligible. However, most of the proposals were conceptual, with nothing formal prepared for LTSS review and approval. In February, this item was presented to LTSS right before the date of the meeting. Ms. Ahuja responded that the recommendation now is to set aside the $8 million in a reserve and work with LTSS to develop some guidelines for programming the funds through a Mini Call as described in Attachment A of the Board Report. Ms. Berlin clarified that at this point staff is requesting concurrence on the amount of funding ($8 million) and the guidelines will come later.

Jano Baghdanian (LTSS) called for a vote on the motion, and also commented that his agency – Glendale is a member of LTSS, that the timing was too short and if they had known about this funding earlier they would have responded with additional project proposals. There is probably more demand and the 44 cities would likely come up with more projects. He felt that at least the funding split should be reversed - $10 million for paratransit/$8 million for Metro. The question is whether Metro should get any of this money.

Mr. Hildebrand’s original motion was presented:

For Recommendation A – The entire $18 million should be available to the eligible applicants based on the existing Incentive Guidelines for capital needs so that they can compete in some sort of “Mini-call”. If there is any money left over, it should be programmed to the Included (muni-transit) operators in accordance with recommendation B (Formula Allocation Procedure).

Seconded by David Feinberg.

Mr. Uyeno asked if the Included muni-operators were eligible for this pot of money. Mr. Hildebrand responded only if they operate paratransit services.
Mr. Hildebrand did not support the following substitute motion made by Mr. DeChellis:

The entire balance ($18 million) should be made available through a Mini-call for projects for which Proposition A Incentive Program Eligible Participants can participate and any balance be reserved for the Incentive Program Eligible Participants.

Mark Bozigian Seconded.

12 in favor
8 opposed
6 abstained

Substitute motion carried

TAC concurred with staff recommendations on B and C

Mr. Baghdanian made a motion to include the TAC motion and Subcommittees’ recommendations in the MTA staff report. The motion carried.

7. FTA FY 2006 Section 5310 Funding Recommendations (Rex Gephart, Metro)

Mr. Gephart directed TAC members to Attachment 8 of the agenda. He stated that the action is to approve project scores for the 2006 FTA Section 5310 funds and to authorize staff to include the applications recommended for funding in the FY 2006 Regional Transportation Improvement Program (RTIP) pending Caltrans’ approval of the funding. The recommendation authorizes the CEO to execute the Resolution in Attachment 1 and transmit the Resolution and scoring recommendations to Caltrans. Ms. Rooney made a motion to approve the staff recommendation and Andre Colaiacce seconded the motion. The motion passed.

8. Regional Programming of Supplemental Federal FY 2004 CMAQ Funds/FTIP Amendment (Kalieh Honish/Herman Cheng, Metro) Handouts

Ms. Berlin reported that Attachment 9 contains the Board report on Regional Programming of Available Funds. She stated that this item was approved at the March Board meeting. Ms. Berlin asked if TAC members had any questions. There were no questions.

Kalieh Honish and Herman Cheng reviewed upcoming TIP submittal deadlines and workshop dates. An informal email notice was sent on March 16th regarding a potential financial constraint issue related to the FY 06 State budget. (As noted in Ms. Berlin’s Chairperson’s report) there was an official notice sent on March 24th with TIP sheets requesting updates and changes. On April 1st, there was an official
notice from Caltrans regarding possible “financial lockdown” of the TIP related to the announcement of the State Budget by the Governor. The deadline for submitting TIP projects and changes to MTA is April 15th. The due date for the Obligation plan is April 22nd for any projects that sponsors plan on obligating between May 1 and September 30, 2005. This is a requirement to obtain Obligation Authority from Caltrans. Due to the complicated nature of the TIP, it is best that questions be directed to Ms. Honish. Her telephone number is 213-922-3066 and additional contact information is on the flyer for the workshop.

Mr. DeChellis asked when TIP Amendment #7 would be approved. Ms. Honish replied it is expected to be approved in July. He also asked when the next TIP amendment – the one with a deadline of April 15th is expected to be approved. Mr. Cheng said it will probably be approved in August. Mr. DeChellis emphasized the importance of completing this process prior to the approval of the State budget. Ms. Honish concurred that having it completed before that time is an objective.

Mr. Cheng announced that Caltrans’ Headquarters is going to release a revised HBRR program listing. Consequently, all agencies need to be aware of its release and update their TIP projects accordingly.

9. Congestion Management Plan Nexus Study Update (Doug Kim, Metro/Chris Wornum, Cambridge Systematics) (Hand outs)
Mr. Kim explained that preparations are underway for a presentation to the June Metro Board meeting that explains how a Developer Impact fee could work. He distributed copies of a PowerPoint presentation that has been made to cities and the subregions regarding the rationale and initial steps of the CMP Nexus Feasibility Study.

Mr. Kim informed TAC that today’s presentation will 1) show highlights of presentations being made to cities explaining the fee; 2) Robert Calix will demonstrate a planning tool which provides an estimate of the potential funding that could be generated if cities approve the fee; and 3) Chris Wornum will provide an update on the list of issues raised by stakeholders. The intent is to demonstrate the value of the Developer fee to the 89 jurisdictions in the county. Under State law as the Congestion Management Agency, Metro has the authority to develop the program. However, cities and the County of Los Angeles would be asked to adopt and implement the fee as a local ordinance.

The intent of the program is to fund a series of projects, ideally grouped by sub-region, that currently do not have funding, yet are considered important by the sub-regions. The fee would be sized by land use type, and like many other impact fees a per square foot fee for non-residential development and a per unit impact fee would be assessed to residential development. It would be administered either sub-regionally through the COG or through individual cities, whichever is preferred locally. Metro prefers that localities administer the Fee as they see fit.

Advantages of the program include:
• A new source of money for the regions, that will persist even if the Budget reforms being discussed in Sacramento are unsuccessful;
• Money that can be leveraged for the Call for Projects and to access other state and regional dollars;
• Replacement of the CMP Debit/Credit program with a more streamlined administrative process;
• Streamlining of the CEQA review process because under the CMP the impacts of a project on the regional transportation system must be considered. With the impact fee, regions can indicate that they have adopted a regional ordinance that helps fund regional projects;
• Creates a level playing field for attracting new development and mitigating the impacts these developments will have on the transportation system.

Advantages for the building industry include:
• Streamlined entitlements;
• Meets CEQA regional mitigation requirements;
• Provides more certainty as to entitlement costs;
• Leverages additional regional, state, and federal funds;
• Includes all new development in regional mitigation;
• Counters no-growth and slow-growth advocacy by helping new development pay its own way in terms of regional traffic improvements.

At last month’s meeting, the details of Phase 1 were discussed. These will be presented to the Board at the June meeting. These items include:
• How a fee framework and policies could function at both the Metro and sub-regional/city levels;
• Growth forecast;
• Potential revenue scenarios;
• Initial assessment of sub-regional and local project priorities;
• Report on local reaction.

Phase 2 of the project is scheduled for completion in June 2006. Chris Wornum (Cambridge Systematics) and its subconsultants will complete this phase. The components of Phase 2 include:
• Complete technical modeling;
• Outreach with cities to garner support;
• Working with interested cities to demonstrate the program;
• Develop project priorities and fee structure;
• Develop implementation guidance for cities;
• Establish administrative procedures;
• Final Nexus Study.

Mr. Kim explained that it is hoped that the information contained in the presentation will persuade cities to consider participating in it. There are a number of cities and
counties statewide that have a similar impact fee. The challenge lies in building a consensus for a program that other counties have already implemented.

Chris Wornum explained the technical basis for the fee, specifically where and how the fee would be established and applied to cities. First, existing traffic levels were compared with population and employment in the county. The growth forecast to 2030 was included. The next step was analyzing the incremental growth trends for trip generation and the impacts on the regional transportation system for projects to be funded through 2030. Finally, they will measure the effect on levels of service on the regional system and eventually do a technical analysis to determine what would need to be done to mitigate the impact of future growth. This technical calculation will not have bearing on the number of projects funded because the number calculated will be too large for any of the jurisdictions to support. The key is that the mitigation costs and priorities will be converted to trip tables for analysis. Full credit is given dollar for dollar for any jurisdiction that is currently funding regional facilities.

Robert Calix (Metro) discussed the potential revenue that could be generated from the impact fee. He began by distributing copies of a CD containing a sketch-planning tool (excel spreadsheet) for calculating potential revenues. He explained that at this point the actual amount of the fee is not yet ready to be determined. The tool uses the growth and land use forecasts Mr. Wornum developed at the sub-regional, individual jurisdiction, and county-wide level. It is stamped draft at this time because they want to continue to work with the communities to reflect what the communities are forecasting for their growth. This is simply a starting point.

The spreadsheet tool utilizes the forecasts of different land uses (residential, multi-family residential, industrial, commercial, retail and hotel), employment and population growth. The spreadsheet can calculate the percentage of shared growth countywide among different cities or sub-regions. Instructions on how to use the tool are on the CD and a description of the methodology. Mr. Calix also explained that when using the tool, macros should be set to a security level of low. His phone number, email and other contact information are on the back of the fact sheet. Mr. Kim emphasized the importance of reading the instructions, that it is a very simple tool to use if the directions are followed.

The fee calculation formula analyzes the types of fees currently being assessed by neighboring counties with fees. Various fee levels per dwelling unit ranging from high (up to $15,000), medium ($6,500), and low ($2,000) fee are identified and linked to trip ends (trip rate). Different land uses and forecasts are also identified. If done by sub-region, for example, the North County would yield $982 million. All cities and unincorporated areas can also be compared using the same tool.

Mr. Yamarone asked whether with this system, like the existing CMP system, would fees be credited towards transit supporting developments. Mr. Wornum replied that this is an implementation issue that has yet to be determined. However, Metro seems open to doing something like that and, it really is at the local level discretion.
The only technical concern is meeting the technical requirements of a Nexus, giving credit to Transit Oriented development is fine, as long as the mix of projects does not include transit improvements. Nonetheless, it is possible to look at a project and assess what are the true impacts of the project on roads and traffic and make those adjustments. Mr. Yamarone followed-up by emphasizing that one of the core policies of the CMP has been to encourage appropriate land use. Mr. Wornum saw the option of giving discounts and funding transit improvements as antithetical, but transit improvements have been funded by fees in the past in other locations such as Contra Costa County. Mr. Yamarone asked when in the process the decision will be made as to whether Transit improvements will be included. Mr. Wornum explained that it is up to each jurisdiction to decide what they would like to include.

Mr. Lantz asked how these figures compare with the existing local fees. Mr. Wornum explained that Mr. Calix has inventoried them, however, comparing the two fees is not ideal because one is for local streets and roads and the other is regional. Mr. Lantz pointed out that the local amount should be subtracted from the regional improvements if the funding is for regional improvements. Mr. Bozigian added that local programs primarily go for local improvements, although some does go toward regional improvements. Mr. Wornum responded that several local fees are going for regional improvements in San Bernardino County. In Los Angeles County, Santa Clarita, in conjunction with the County, has a program that is paying for regional improvements.

Mr. Hildebrand explained that upon reading this he was confused about the jurisdictional control of local projects. If, for example, a project in the Gateway Cities area is administered by the Gateway Cities COG, does the fee stay in the area or is it available for projects throughout the county. Mr. Kim responded that some cities have said that they want to have their own fees and complete control outside of the COG. That is fine, administration can be completely local and Metro is flexible on this issue. Fees are collected up front at the local building department. Beyond that, the local administration is up to the cities and their respective COG. How this links to the Call for Projects is still being formulated and developed. A proposal is that money from Local Impact fees can be used as a local match.

Mr. Bozigian suggested it would be very effective in garnering support if a match was provide by Metro. For example, on a dollar per dollar basis, similar to a school district receiving State matching funds when a school generates funding from issuing a bond. It might be easier to sell the idea if there was such a match. This seems more ideal than a promise that the fee will help local jurisdictions potentially compete for a grant in the Call for Projects. Mr. Bozigian confirmed that it would restructure the Call and should guarantee the match because it is a model that works in other areas. Mr. DeChellis agreed with Mr. Bozigian's proposal.

Mr. Kim asked for clarification as to whether Mr. Bozigian was suggesting that Metro take money off the top of funds that will be competitively applied for through the Call for Projects and earmark them for this program. Mr. Bozigian responded that Metro still has a regional responsibility regardless of the restructuring of the Call, with
Proposition C 25% and other fund sources to make regional improvements. He believes that giving areas a certainty that their funds are going to be leveraged will encourage them to participate. This, he added, also prevents Metro from relinquishing its responsibility to do regional improvements.

Mr. DeChellis commented that this program can only pay for mitigating future developments. In the majority of cases, there is an existing share that must come from an existing source such as Metro or a local fund source. Therefore, the matching works as an incentive to the locals in that the more money you charge in an Impact fee, the more money they will get from Metro.

Ms. Berlin stated that in areas where there is a lot of development, such as in the North County, it has different potential than in an area with lower-growth with several Caltrans freeway issues. Mr. DeChellis explained that the Impact fees couldn't pay for those issues in either scenario. If there were expansion, it would require infill and therefore, be subject to the same Impact fees.

Mr. Bozigian expressed concern that if there is an area with high levels of development which is generating a lot of revenue locally, then will there be a concentration of regional funds elsewhere where there is less development.

Mr. Wurnum explained that the next step in the process will be to test the liability to Metro of guaranteeing certain match ratios. The scenarios can be used to estimate potential revenues.

Mr. Kim said that he appreciates Mr. Bozigian's concerns and that one of the challenges for this proposal is to provide developers and cities with adequate certainty. How to build that into the Call for Projects is something that is being discussed internally. Conversely, on the city side, there are no guarantees about the rate of growth.

Mr. Colaiace asked who keeps the fees. Mr. Wurnum explained that the cities can or funds can be pooled. Mr. Colaiace asked if this would replace the system where developers negotiate on a project-by-project basis. Mr. Wurnum replied no, rather this would establish a floor, or minimum amount of mitigation. Cities can negotiate higher amounts or set a citywide fee. Mr. Colaiace asked if for those that currently have substantial amounts of credits through the existing CMP Debit/Credit system, would there be any type of carryover into the new system. Mr. Kim responded that is a programmatic issue that will need to be investigated further, especially regarding the monetary value of these credits. Mr. Colaiace suggested that there be some consideration of past success.

Mr. Kim noted that the concerns from the last TAC meeting are being compiled and will be addressed at the May meeting. Mr. Wurnum encouraged the discussion of concerns and assured that they will continue to address them. A draft copy of the document addressing concerns will be distributed to TAC members prior to the Board's review. The intention is to continue to bring all issues forward.
Mr. Kim stated that next month he will present a substantial package outlining the executive summary and the numerous issues and how they plan to address them. This will be distributed in advance of next month's meeting so that responses and suggestions can be incorporated into the final document.

Ms. Berlin reminded Mr. Kim that the TAC has asked that before being brought to the Board, this item should be brought to the TAC as an action item.

Mr. Wornum reiterated that it is important for TAC members to look at the growth forecasts that are in the spreadsheet tool. These should be reviewed as well as land uses projected in comparison to accepted General Plans.

Mr. Feinberg asked when Metro would be going to the sub-regions. Mr. Calix, Mr. Kim, and Mr. Wornum responded that outreach to the subregions has begun and will continue over the next several weeks.

10. Long Range Transportation Plan (Doug Kim, Metro)
Mr. Kim thanked the sub-regions for prioritizing their unfunded needs. The schedule for the LRTP remains the same. A report will be going to the Board in June including the draft recommended funded plan with a list of projects recommended for funding over the next 25 years. Mr. Kim will be coming back in the Fall with more analysis on the modeling and transportation benefits. A draft document is tentatively scheduled to be available for public review in late 2005 or early 2006.

Mr. Lantz asked for clarification, he understood that this was a constrained list only, but now it sounds as if an unconstrained list is also being considered. Mr. Kim explained that they are trying to identify what the unfunded, unmet needs are for the sub-regions beyond the constrained plan. Mr. Lantz asked what will happen at the regional level. Mr. Kim responded that they would identify those regional projects that do not have dollars in the constrained plan and lay them out in the Strategic plan. The majority of new proposals in the LRTP will not have dollars identified for them. Mr. Lantz explained that he understood that SCRRA was limited to submitting a constrained plan, but he would like to submit projects for an unconstrained list. Mr. Kim said he would set up a meeting with Mr. Lantz to discuss this.

11. Call for Projects Recertification/Deobligation (Renee Berlin/Mona Jones, Metro)
Ms. Berlin noted that during last year's Call for Projects Recertification/Deobligation, TAC expressed an interest in only seeing project sponsors appeals once. Additionally, TAC requested that more information be provided regarding how many times sponsors had received extensions, administrative extensions, and appealed to TAC. To meet this request, a new format and spreadsheet is being created.
She stated that because TAC is a regional, technical advisory group, which advises Metro staff, sponsors ought to have the opportunity to make appeals this body. Staff will try to minimize the number of repetitive appeals.

Mr. Lantz asked if that was what took place last year. Ms. Berlin explained that last time there were many repeat appeals and that some of the same sponsors/projects might come again this year. Sitting on TAC has both the advantage of being at the table when the money is doled out, and the disadvantage of telling sponsors that their appeals are denied.

Mr. DeChellis asked if the packet that will be distributed would contain Metro staff recommendations. Ms. Berlin answered that Metro will be recommending a list of projects to deobligate. Those that will be recommended for deobligation will be notified in mid-May and will have an opportunity to appeal at the June TAC meeting. Staff response to TAC recommendations as well as those projects being recertified will be brought to TAC and the Board in July.

Ms. Berlin asked for TAC to concur with the staff recommendation to allow repeat appeals by sponsors at the June TAC meeting. Ms. Rooney made a motion to concur. Mr. DeChellis seconded. The motion carried.

12. New Business
There was no new business.

13. Adjournment
The next meeting will be May 4th in the Union Station Room, 3rd Floor at 9:30 a.m.
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HAND OUTS
TO: BOARD OF DIRECTORS
FROM: ROGER SNOBLE, CHIEF EXECUTIVE OFFICER

Assembly Speaker Fabian Nunez’ Transportation Funding Proposal

Assembly Speaker Fabian Nunez and members of the Assembly leadership team today announced an Assembly transportation funding proposal. This proposal is at a very early stage and will soon be introduced into at least three pieces of legislation.

The Speaker’s transportation proposal consists of the following three elements.

1. **Revenue neutral tax exchange.**
The first element of this proposal is a revenue neutral tax bill which would repeal the sales tax on gasoline sales and replace this with a ¼ cent sales tax on all retail sales that would then fund Proposition 42. Proposition 42 is currently funded by the 5% sales tax on gasoline sales and this proposal would essentially replace the fund source for Proposition 42 with a new general sales tax. The Proposition 42 allocation formula would not be changed.

The increased statewide sales would be implemented in the 2007/08 Fiscal year and would be permanently dedicated through a constitutional protection discussed below.

This bill would also increase the regular gas tax by 3% every 5 years beginning in 2010/11.

2. **Constitutional Amendment**
A Constitutional Amendment would be introduced similar to many of the measures introduced this year on Proposition 42 to dedicate the new sales tax to transportation and exempt gasoline sales from the sales tax. The exact language of this proposal has not been developed but the Speaker has indicated his intent to protect transportation funds beyond what is currently provided by Proposition 42. This measure, if approved by the Legislature, would be placed on the June 2006 ballot.

3. **$10 Billion Bond for Transportation**
The last element of this proposal would be a $10 billion bond measure that would be funded by a $0.04 increase in the gas tax beginning in 2006. The increase would be phased in according to the following schedule: $0.01 in 2006, $0.02 in 2010/11, $0.01 in 2015/16.
State Legislative Brief Continued

Bond proceeds will be used to repay transportation loans, goods movement projects and other transportation projects around the state. The state is currently obligated to pay over $2 billion in transportation loans. The balance of the bond funds would then be available for transportation projects. There is no specific breakdown for the allocation of the bond proceeds. Although some of the proceeds could be used for the San Francisco-Oakland Bay Bridge, the bond proposal is not a funding plan for the bridge.

These proposals are in a very conceptual phase and will soon be introduced as legislation.

This proposal represents a significant opportunity to comprehensively address transportation funding. As discussed, these proposals are in a very conceptual stage. Staff have however identified the following issues that should be incorporated in future discussions on this program.

First, the North/South split could be an appropriate initial basis of allocation of the bond proceeds. The North/South split is a mechanism in law that requires that certain transportation funds be allocated 60% to counties in Southern California and 40% to counties in Northern California.

Second, the repeal of the sales tax on gas could be implemented in the very near future and since this impacts funds that would otherwise be allocated through Proposition 42 there could be an immediate impact to Proposition 42. However, leadership in both the Senate and Assembly have indicated that recent improvements in the General Fund may provide the state with the ability to allocate some if not all of the Proposition 42 funds this year.

The Speaker's proposal may have elements which are contingent upon changes in the Federal estate tax. These elements may have ramifications beyond transportation.

*If you have questions concerning the State Brief, please contact Government Relations Manager for State Affairs Michael Turner at (213) 922-2122 or Kimberly Yu, Government Relations Officer at (213) 922-4245.*
SUBJECT: PROGRAMMING AVAILABLE LOCAL TRANSIT FUNDS FOR COUNTYWIDE TRANSIT NEEDS

ACTION: AUTHORIZE CEO TO PROGRAM AVAILABLE FUNDS

RECOMMENDATION

Authorize the Chief Executive Officer (CEO) to:

A. Program $8 million to sub-regional paratransit and locally funded, fixed-route transit operators, and $10 million to Metro from Proposition A Incentive Program reserves, as described in Attachment A;

B. Suspend Section 3.3 of the Proposition A 40% Discretionary Fund Guidelines for one year, and program up to $13.71 million to included municipal transit operators, eligible transit operators and Metro from un-programmed Fiscal Year (FY) 2003-04 Proposition A 40% Discretionary Growth-Over-Inflation (GOI), as described in Attachment B; and

C. Allocate and administer funds programmed, as well as develop and execute necessary funding agreements, according to criteria described in Attachments A, B and C.

ISSUE

The transit industry nationwide is operating in a financially challenging environment of increasing fuel, insurance and other operating costs. Here in Los Angeles County, Metro, sub-regional paratransit operators and locally funded, fixed-route transit operators need additional revenues to cover these cost increases as well as budget shortfalls, so that services may be maintained. Metro itself has the additional need of addressing the legal demands of providing additional transit service under the Federal Bus Consent Decree. Funds are available from the Proposition A Incentive Program and Proposition A 40% Discretionary sources to address these countywide transit needs.
POLICY IMPLICATIONS

Proposition A Incentive Program and Proposition A 40% Discretionary GOI funds may be used to assist sub-regional paratransit and locally funded, fixed-route transit operators countywide, so that they can maintain service levels and fleets in the current economic environment. Furthermore, both Incentive and Discretionary funds could become important financing sources for implementing the Metro Connections program.

We need approval from the Board of Directors to program available Proposition A Incentive funds for the transit needs of sub-regional paratransit operators, local jurisdictions and Metro. We also need Board approval to program available Proposition A 40% Discretionary GOI funds for included municipal transit operators, eligible transit operators and Metro.

OPTIONS

The Board may choose not to approve one or both of the recommended actions. The Board instead could choose to program all or part of the recommended Incentive and Discretionary GOI amounts to:

1. Metro, for its operating and capital needs alone;
2. Los Angeles County transit operators other than Metro, for their capital needs alone;
3. Los Angeles County cities and the County of Los Angeles for capital transit projects through a 2007 Countywide Call for Projects process; or
4. Other regionally significant projects identified in the Short and Long Range Transportation Plans for Los Angeles County.

We do not recommend that the Board consider these other options. Programming all or part of the recommended funding under Option 1 or Option 2 would not fairly address the needs of all Los Angeles County transit operators in these challenging economic times. Also, programming all or part of the recommended funding Option 3 or Option 4 would tie up funds for more than one year, instead of using available funding as soon as possible. Therefore, we ask that the Board approve both of the recommended actions, so that Metro and its transit and paratransit partners countywide may continue their services at sufficient levels to meet passenger demand in these difficult times.

FINANCIAL IMPACT

Board approval of our recommendation will provide: 1) Proposition A Incentive Program funds in the amount of $10 million to Metro in FY 2004-05, and $8 million to sub-regional paratransit and other transit operators over three years (FY 2005-06, 2006-07 and 2007-08); and 2) Proposition A 40% Discretionary GOI funds in the amount of $9.38 million to Metro and $4.33 million to the municipal operators, as shown in Attachment B. Individual operators may use their allocated Proposition A 40% Discretionary GOI funds for FY 2004-05 and/or FY 2005-06.
With Board approval of our recommendation, $18 million in un-programmed Incentive funds will be transferred from the Incentive Program carryover reserve. This will have no impact on other projects or programs in the Metro Budget. Also with Board approval, $13.71 million in un-programmed Proposition A 40% Discretionary GOI amount determined through the Formula Allocation Procedure (FAP) for FY 2003-04. These funds are also currently un-programmed and would not impact other projects or programs in the Metro Budget.

DISCUSSION

Due to the current operating environment, Los Angeles County transit and paratransit providers are struggling with budget shortfalls, and are faced with difficult decisions such as raising fares and/or reducing service levels to maintain their ongoing service operations and fleets. We propose to allocate Proposition A Incentive Program and Proposition A 40% Discretionary GOI funds to maintain countywide transit and paratransit service levels in the current environment of growing financial challenges. A portion of the allocation from each of these funds will go to Metro to support regional bus and rail services. We also will allocate these funds our transit and paratransit partners countywide.

Proposition A Incentive Program Funding

The Proposition A Incentive Program was established in the mid-1980s as a replacement for Transportation Development Act (TDA) Article 4.5, which sets aside funds for dial-a-ride, intra-community and other specialized services for the disabled. The key priority is to provide funding for coordinated, multi-jurisdictional dial-a-ride services that increase regional mobility for seniors and persons with disabilities. Incentive Program funding consists of approximately $11 million per year in revenues, secured from 5% of Proposition A 40% Discretionary revenues. The Proposition A 40% Discretionary funding tier was created when Los Angeles County voters approved the Proposition A local sales tax initiative in 1980. An Incentive Program carryover reserve of approximately $18 million has accumulated and is currently available for programming.

In addition to the challenges of the current operating environment, the cancellation of the 2003 and 2005 Countywide Call for Projects has left many of the sub-regional paratransit and locally funded, fixed-route transit operators to face serious capital funding demands. Metro is facing serious funding demands from operating and capital needs going into FY 2005-06, as well. We propose to allocate up to $10 million of the Incentive Program funds to Metro for operating or capital needs. We also propose to allocate up to $8 million to sub-regional paratransit and locally funded, fixed-route transit operators for their capital needs. Both proposed allocations are described further in Attachment A.

Proposition A 40% Discretionary Growth-Over-Inflation Funding

The recommended programming action will utilize a Proposition A 40% Discretionary GOI amount of $13.71 million that was derived from the FY 2003-04 FAP. We are proposing that this $13.71 million be allocated according to the FY 2004-05 FAP, as described in Attachments B and C. To implement this, we propose that the Board first authorize a one-

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PROGRAMMING AVAILABLE LOCAL TRANSIT FUNDS FOR COUNTYWIDE TRANSIT NEEDS
year suspension of Section 3.3 of the Proposition A 40% Discretionary Fund Guidelines. Section 3.3 of the Guidelines indicates that additional Discretionary funds derived from higher than committed Discretionary grant subsidies will be transferred to the Proposition C 40% Discretionary Fund.

The recommended programming action is proposed as a one-year, one-time only allocation of funds to be used in FY 2004-05 or FY 2005-06. We will administer the funds according to the proposed Countywide Transit Needs Guidelines shown in Attachment C. The funds are to be used to maintain and improve service to transit users countywide. The guidelines are meant to be flexible enough, so as to allow operators to determine how best to address their individual needs. Proposed allocations to Metro and the municipal operators, as well as programming objectives, are identified in more detail in Attachments B and C.

NEXT STEPS

With Board approval of our recommendation, we will program, allocate and administer the recommended $18 million and $13.71 million funding amounts as indicated in Attachments A, B and C. We will finalize the proposed Countywide Transit Needs Guidelines (Attachment C) after consulting with the Bus Operators Subcommittee and bring the Guidelines back to the Board for approval, should there be significant changes to them affecting scope, purpose or objectives. Finally, we will develop and execute the necessary agreements to allocate and administer funds from both funding sources.

ATTACHMENTS

A. Allocation of Proposition A Incentive Funds to Metro, Sub-regional Faratransit Operators, and Locally Funded Fixed-Route Operators

B. Allocation of FY 2003-04 Proposition A 40% Discretionary Growth-Over-Inflation Funds to Metro and Municipal Operators

C. Countywide Transit Needs Guidelines

Prepared by: Patricia Chen, Transportation Planning Manager, Local Programming
Nalini Ahuja, Director of Local Programming
Frank Flores, Deputy Executive Officer, Programming and Policy Analysis
James L. de la Loza
Chief Planning Officer

Roger Snoble
Chief Executive Officer
Allocation of Proposition A Incentive Funds to Metro, Sub-Regional Paratransit Operators and Locally Funded, Fixed-Route Operators

Funds allocated to Metro will be for operating and/or capital needs. Funds allocated to sub-regional operators/local jurisdictions will be for capital needs only. Staff has made a preliminary estimate of the capital needs of the sub-regional operators/local jurisdictions to be $8 million, and will return to the Board of Directors in Fall 2005 with specific funding recommendations up to that amount. Staff will assess the individual capital needs of the sub-regional operators/local jurisdictions and allocate funding to assist in meeting those needs.

Eligible capital project needs would include, but would not necessarily be limited to:

- Replacement of vehicles for sub-regional paratransit or locally funded, fixed-route services.
- Vehicle purchases for implementation of Metro Connections recommendations.

A 20% local match will be required from the sub-regional operators/local jurisdictions.

Because funds are available to sub-regional operators/local jurisdictions for capital projects only, funds will be programmed for Fiscal Years 2005-06, 2006-07, and 2007-08. This will allow operators/jurisdictions to tailor funds to fit vehicle retirement and replacement schedules, or to plan and implement Metro Connections recommendations.

Funds will come from Proposition A Incentive Program reserves. Funding will be allocated between Metro, sub-regional operators and local jurisdictions as follows:

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<tr>
<th>Agency</th>
<th>Amount (up to)</th>
<th>Year/Years of Allocation</th>
<th>Allocation Process</th>
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<tr>
<td>Metro</td>
<td>$10 million</td>
<td>FY 2005/2006</td>
<td>Metro Budget/Capital Plan</td>
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<tr>
<td>Sub-Regional Paratransit Operators/Loc</td>
<td>$8 million</td>
<td>FY 2006/2007/2008</td>
<td>Projects to be approved by Board in Fall 2005</td>
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<tr>
<td>TOTAL:</td>
<td>$18 million</td>
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</table>
Allocation of FY 2003-04 Proposition A 40% Discretionary Growth-Over-Inflation Funds to Metro and Municipal Operators

The Proposition A 40% Discretionary funds proposed for this allocation derive from unprogrammed FY 2003-04 Proposition A 40% Discretionary Growth-Over-Inflation. Section 3.3 of the Proposition C 40% Discretionary Fund Guidelines is suspended for one year, so that these funds may be allocated according to the FY 2004-05 Formula Allocation Procedure (FAP), as shown below:

Proposition A 40% Discretionary Growth-Over-Inflation

Allocated according to the FY 2005 Funding Allocation Procedure

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<tr>
<th>Operator</th>
<th>% Shares</th>
<th>Percentage Share</th>
<th>Prop A Amount</th>
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<td>0.1132400%</td>
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<td>Claremont</td>
<td>0.0405462%</td>
<td>0.0383274%</td>
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<td>Commerce</td>
<td>0.0849049%</td>
<td>0.0802585%</td>
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<td>Culver City</td>
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<td>1.3373193%</td>
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<td>Foothill</td>
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<td>0.9799329%</td>
<td>$ 134,388</td>
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</table>

Total Funds Allocated 105.79% 100.00% 13,714,000.00

The funds will be administered according to the Proposed Countywide Transit Needs Guidelines described in Attachment C.
INTRODUCTION

These guidelines summarize the funding policies and administrative procedures for the programming of funds to maintain and improve transit services countywide.

PROGRAMMING OBJECTIVES

Funds programmed are to be used for maintaining services to transit users countywide in a financially challenging environment of increasing fuel, insurance and other operating costs and budget shortfalls. The program is flexible to allow operators to determine how best to accomplish their individual needs. The objectives of the program are:

a) To maintain service to transit users countywide;
b) To assist Metro in reducing its operating and capital costs through collaboration between the municipal operators and Metro;
c) To identify overlapping services and develop strategies to operate those services at a reduced cost;
d) To work with Metro on new countywide service expansion plans to reduce overcrowding and expand new services to the transit dependent;
e) To provide input into Metro's vehicle purchase plan to reduce costs; and
f) To continue work with Metro on countywide fare media options and the Universal Fare System to achieve a seamless ride for Los Angeles County transit patrons.

PROGRAMMED AMOUNT AND ALLOCATION PERIOD

This programming of funds is a one-year, one-time allocation of funds to be used in FY 2004-05 or 2005-06, depending on the needs of the individual operator. The funding allocation shares of the operators are shown in Attachment B.

RESERVE/CARRY-OVER REQUIREMENTS

An operator may reserve or carry over its allocation to the next fiscal year; however the funds will retain their original year of allocation for the purpose of applying the lapsing requirement.

An operator may assign its funds for a given fiscal year to another operator that is able to use them according to the scope, purpose, and objectives and within the lapsing requirement timeframe.

LAPSING REQUIREMENT

Given the objective of the program to maintain transit service, operators are encouraged to spend these funds in a timely manner.
Operators have four years, that is the year of allocation plus three years, to spend the funds allocated through this programming. Lapsed funds will revert back to a joint municipal operator fund, which will be allocated proportionally to all other municipal operators.

AUDIT/REPORTING REQUIREMENTS

Use of these funds will be audited as part of the annual audit of each municipal operator. Operators will retain all documents and records related to this program and the use of funds for a period of three years after the year in which the funds are expended. Municipal operator and Metro records of the use of these funds for operating transit services will be kept and reported separately on Transit Performance Measurement (TPM) forms, and not included in Formula Allocation Procedure (FAP)-funded uses. If funds are used for capital purposes, they should be reported separately on the capital project tables in the Short Range Transit Plan (SRTP).

Semi-annual Report: Operators will provide a semi-annual report to Metro describing how services are meeting the programming objectives. For capital projects, the semi-annual report should describe the project progress and estimated completion date.
April 1, 2005

Metropolitan Planning Organizations

Dear Executive Directors:

The purpose of this letter is to alert you of a potential impact for your 2004 Federal Transportation Improvement Program (FTIP) and California’s 2004/05-2006/07 Federal Statewide Transportation Improvement Program (FSTIP) due to the proposed suspension of Proposition 42 for the State Fiscal Year (FY) 2005/06. The current FTIP and FSTIP programming levels are partially based on estimation of resources from the 2004 Fund Estimate (FE). The FE assumes that Proposition 42 resources will be available for transportation for the FY 2005/06 and beyond.

If Proposition 42 is again suspended, the FTIP/FSTIP will be considered by Federal regulations to not be financially constrained. As was the case in FY 2003/04, the Federal Highway Administration (FHWA) along with the Federal Transit Administration (FTA) have indicated there would be a financial constraint lockdown on the FSTIP and FTIPs. This will mean that no FTIP amendments would be processed until the Metropolitan Planning Organization is able to demonstrate financial constraint of its FTIP. In anticipation of the possible lockdown, I encourage you to move forward with any amendments for your 2004 FTIP that are needed at this time. In addition, I encourage you to move forward with the formal submittal of you Expedited Project Selection Procedures, so that moving projects between fiscal years can be accomplished without an amendment.

The California Department of Transportation is actively seeking relief from the FHWA/FTA until the California Transportation Commission (CTC) adopts the 2006 FE. The CTC is scheduled to approve the 2006 FE in August 2005. At the time of FE approval, the impact of the potential loss of State funding can be accessed. It is possible that the loss of State resources in FY 2005/06 will be offset by an increase in Federal funding levels or other resources categories. We will continue to provide information on the progress of discussions with the FHWA/FTA to avert a financial constraint lockdown.
If you have any questions please call Rachel Falsetti of my staff at 916-654-2983.

Sincerely,

ROSS A. CHITTENDEN
Chief
Division of Transportation Programming

c: TAbbott
CMcKim
NOrtega
RFalsetti
GFong - FHWA
SKiser - FHWA
LRogers - FTA
RSukys - FTA
DDD's PM and Planning

"Caltrans improves mobility across California"
Topics to be discussed:

**RTIP**
- 2004 RTIP/FTIP schedule (FY 2004/05 – FY 2009/2010) - This workshop will provide instructions on the basic concepts, components, and the process of the RTIP, including how to review and request amendments to the current 2004 RTIP for new or existing projects. Updating prior funds not obligated in the RTIP to current year FY04/05 or future federal fiscal year FY05/06.

- When and how to include projects that are capacity enhancing/regionally significant in the RTIP/FTIP

- Transportation Control Measures (TCM) and the RTIP - The workshop will emphasize the importance of projects in the RTIP that are designated as TCMS, which focus on reducing motor vehicle use and congestion levels, and of their timely implementation in complying with federal conformity requirements to avoid a conformity lapse.

**STPL Program**
- Potential for agencies to “spend ahead” in the upcoming Congressional authorization - Cities that have “ready-to-go” projects may be able to request authority to “spend ahead” a year or more of their STP-L funds. Approval for “spend ahead” will be given on a first-come-first-serve basis, subject to available Obligation Authority (OA).

- STPL Lump Sum Projects and requirements - Cities must provide MTA a TIP sheet form for every new project before they will be able to process an E76 form with Caltrans. When we receive the TIP sheet form we will determine if it can be placed in the Lump Sum. We will discuss which projects are eligible for Lump Sum, what the benefits are, and how it works.

**Federal Obligation Plan**
- Caltrans’ Federal Obligation Plan requirement – Agencies with projects that contain federal funds, such as STP-L, CMAQ, RSTP, TEA, HES, STIP, and H6RR, must submit an Obligation Project Listing to MTA by April 22, 2005, if they plan on obligating funds between May 1, 2005 through September 30, 2005.

**TO RSVP CONTACT:** Kalieh Honish (213) 922-3066 HonishK@metro.net, Nancy Marroquin (213) 922-7237 MarroquinN@metro.net, or complete the portion below and FAX it back to us.

**Dates Available (Please circle one, and FAX this sheet to us)**

1. Thursday, April 21st at the Union Station Room on the 3rd floor from 1:30 – 3:00 p.m. ***Fuu!
2. Thursday, April 28th at the Gateway Plaza Room on the 3rd floor from 1:30 – 3:00 p.m.
3. Wednesday, May 4th at the Gateway Plaza Room on the 3rd floor from 1:30 – 3:00 p.m.

To confirm your attendance call individuals above or FAX this sheet with your information to: (213) 922-2476 ***Space is limited. Please RSVP as soon as possible to ensure your seat.

**NAME:** ___________________________ **TELEPHONE #:** ___________________________

**EMAIL:** ___________________________ **FAX #:** ___________________________ **000049**

**AGENCY & DEPARTMENT:** _____________________________________________________
March 24, 2005

TO: CITY MANAGERS AND PUBLIC WORKS DIRECTORS

FROM: FRANK FLORES, DEPUTY EXECUTIVE OFFICER-
PROGRAMMING AND POLICY ANALYSIS

SUBJECT: AMENDING THE 2004 LOS ANGELES COUNTY 
TRANSPORTATION IMPROVEMENT PROGRAM

The Federal Highway Administration (FHWA) is requiring that the Southern 
California Association of Governments (SCAG) amend the Los Angeles County 
Transportation Improvement Program (TIP) before the FY 2006 State Budget is 
passed. According to the FHWA, any amendments needed after passage of the 
FY 2006 State Budget will be suspended indefinitely until new financial and air 
quality evaluations are completed. Furthermore, Caltrans requires that projects to be 
obligated in the latter part of the federal fiscal year (May 1st through September 30th) 
must be included in the annual “Obligation Plan,” before any federal funds are 
released.

The suspension of TIP amendments and/or omission from the Obligation Plan could 
prevent any project in the TIP from obtaining any state or federal permit or funding 
approvals. Therefore, the Los Angeles County Metropolitan Transportation Authority 
(MTA) urges all transportation project sponsors to review their TIP data to avoid the 
need for an additional TIP or Obligation Plan amendment.

Please note that the next, and probably final, TIP amendment for this year is due to 
the MTA by Friday, April 15, 2005 (recently extended from original April 8th date). 
This deadline will allow us to obtain SCAG’s approval of this “Federal TIP 
Amendment #9,” before passage of the FY 2006 State Budget is passed. Also, 
Obligation Plan data is due to the MTA by Friday, April 22, 2005.

BACKGROUND

The Local Program element of the Los Angeles County TIP lists locally sponsored, 
transportation projects funded with federal, state or local revenues. SCAG, Caltrans, 
and the U.S. Department of Transportation must find that the Los Angeles County 
TIP and all subsequent TIP amendments are in conformity with federal and state law 
and regulations, before federal funds can be released to listed project sponsors. 
Federal funding permits and environmental approvals will be withheld, if a sponsor 
fails to include a transportation capacity-enhancing project in the 2004 TIP.
Financial Constraint of the Transportation Improvement Program

Federal law requires that the TIP must be financially constrained to the amount of funds that have been projected to be available, by year, over the initial three-year period shown. For determining financial constraint of the TIP, FHWA advises that financial assumptions from all sources of revenue (federal, state and local) must be considered and incorporated. The FHWA has indicated that based on the State's current financial situation, as well as the Governor's proposed FY 2006 Budget, funding levels used to develop the 2004 TIP may not be fully realized. This situation may force the FHWA to act unfavorably towards our TIP. Our concern over a possible unfavorable FHWA action is why we are requiring an immediate update to the TIP by April 15, 2005.

Amending the Transportation Improvement Program

Sponsors may update projects previously listed in the TIP by editing the TIP sheets for their jurisdictions. We are now forwarding copies of these TIP sheets to each jurisdiction's City Manager. Attached is a blank "TIP Form" (Attachment 1) for any sponsors who wish to have a new project included in the TIP. It is important to note that a new "TIP Form" must be used for all new projects.

Please also note that if a sponsor intends on obligating federal funds in federal fiscal year 2006 (October 1, 2005 – September 30, 2006), those funds must be programmed in the TIP in federal fiscal year 2006. Sponsors will need to review their TIP sheets to ensure that projects are properly programmed in the appropriate federal fiscal year.

Submitting Obligation Plans

Streets and Highways Code, Section 182.6(f) and 192.7(e) requires that the MTA, as the Regional Transportation Planning Agency for Los Angeles County, notify Caltrans of the projected amount of Obligation Authority (OA) that Los Angeles County intends to use for the remainder of the federal fiscal year. This information is used to determine if jurisdictions can participate in the August redistribution of OA. Projects using Surface Transportation Program – Local (STP-L), State Transportation Improvement Program (STIP), Congestion Management Air Quality (CMAQ), Regional Surface Transportation Program (RSTP), Regional Transportation Equity Act (RTEA), and Highway Bridge Replacement and Rehabilitation (HBRR), and/or Safety funds must be included in the obligation plan to qualify for OA redistribution. This requirement is unrelated to the TIP process information provided above, but is also time-sensitive.

To be eligible for OA redistribution, jurisdictions must submit obligation plans, using the attached form (Attachment 2) and listing all projects that will be obligating funds during the period of May 1st to September 30th of the current federal fiscal year. Jurisdictions must submit these plans to the MTA no later than April 22, 2005. It is important for jurisdictions to submit this information on schedule to ensure that their project needs are delivered on time.
If you have any questions or need additional information about the Los Angeles County TIP process, please contact Nancy Marroquin at (213) 922-2453 or Herman Cheng at (213) 922-2453. For more information about obligation plans, please contact Kalieh Honish at (213) 922-3066.

cc: Kirk Cessna, Caltrans District 7
    Dale Benson, Caltrans District 7
    Jim Kaufman, Caltrans District 7
    David W. Wang, Caltrans District 7

Attachments (2)
**Transportation Improvement Program (TIP)**

**NEW project form**

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<td></td>
<td>FAX #</td>
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**Total**

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For an Electronic Version of this sheet contact Nancy Marroquin at Marroquinn@metro.net
*If there are more than 3 funds use this extra section. If not just print one page.

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Total: - - - - -
## FY 2005 Federal Obligation Plan

**Prepared by:**

**Title:**

**Phone #:**

**FAX #:**

**Email Address:**

Please complete this form and return no later than April 22, 2005 to Kalieh Honish (213) 922-3066, FAX (213) 922-2476 HonishK@metro.net

<table>
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<th>Local #1 Agency</th>
<th>FTIP Number #2 (TIP Project ID)</th>
<th>Project Description #3</th>
<th>Amount &amp; Federal Fund Type</th>
<th>To be Obligated between May 1, 2005 and Sept. 30, 2005 ($000)</th>
<th>Total Federal $ (this obligation)</th>
<th>Completion Date #4 (mm/dd/yy)</th>
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**Note:** All projects indicated above should be in the approved 2004 RTIP/FTIP and programmed in the 2004/05 fiscal year.

**OBLIGATION PLAN INSTRUCTIONS**

1. **Local Agency** – Name of the agency responsible for the project.
2. **FTIP Number (TIP Project ID)** – Enter the number assigned to the project that has been included in the approved three year FTIP list.
3. **Project Description** – Enter the following information for each project:
   a. Project Title including a brief non-technical description of the project and phrase describing the type and scope of the project.
   b. The route number and post-mile (or post-kilometer) limits for projects on the State highway system, any appropriate funding restriction or designation.
   c. The source and amounts of local or other non-federal funds, if any, committed to the project.
4. **Project Completion Date** – Project Scheduled for completion.
5. **Comments/Misc.** – Any additional information on the project.

3/26/2005
STUDY OVERVIEW.

The Los Angeles County Metropolitan Transportation Authority (Metro) is conducting a study to determine the feasibility of implementing a countywide Congestion Mitigation Fee to address the regional impacts of new development. This study is currently underway and will be completed by June 2006.

HOW WOULD IT WORK?

- Metro could authorize a fee as a component of the state-mandated Congestion Management Program. The fee would replace the existing Congestion Management Program requirement for cities to mitigate based on "debit-credit" analysis, and would apply to all new development in all cities and the County.

- Projects will be selected based on the regional transportation priorities of sub-regions and cities.

- The feasibility study will identify projects within each sub-region to ensure that there is a "nexus" between where funds are collected and where they are spent.

- No mitigation fee dollars will be administered by Metro. The program will be administered sub-regionally or locally, in a manner agreed to by the cities that are collecting the funds.

- Once the fee program is established, cities would implement the fee program locally by adopting a local ordinance.

- Fees would be collected based on all types of development. It is anticipated that all new development will be allocated between six or seven land use groups, and fees will be derived based on the trip generation characteristics of these different land uses.

- Cities that have existing local mitigation fees will receive credit for projects that are also part of the regional mitigation program. This will ensure no double counting. Funds collected by local fee programs will not be impacted.

- Metro will work with cities to provide opportunities to leverage regional mitigation fees with regional dollars. Cities that implement regional mitigation fees will receive priority in competing for regional dollars, such as through the Call for Projects process.
WHY IS A FEE NEEDED?

- Population Growth Will Outpace Existing Transportation Infrastructure Capacity
- Need for New Transportation Infrastructure to Accommodate Growth
- Current Revenue is Insufficient to meet Future Needs

WHAT ARE THE BENEFITS?

- Pay As You Grow: New development pays for the projects needed to mitigate its impact.
- Controlling Financial Destiny Locally: Each city or subregion will control this new funding source and may use it to match additional federal and state funds, which now more than ever must be leveraged from local sources.
- Level Playing Field: Since all cities will be asked to participate, nobody gains advantage in attracting new development and most of the adjacent counties have adopted or are intending to adopt a similar regional fee program.
- Provides Predictability and Certainty to Developers and Cities Alike: Addresses regional mitigation through a consistent countywide approach rather than on an ad hoc basis.

WHAT IS THE STUDY SCHEDULE?

The study will be conducted in two phases:

Phase I: Feasibility Study. This phase will provide a framework for how a fee could be structured, as well as address growth and mobility issues. This phase will be presented to the Metro Board in June 2005.

Phase II: Nexus Study. This phase will address the technical nexus requirements of State law, and address technical implementation and administration procedures. It will also report on the feasibility of implementing the fee with jurisdictions that participate in a pilot study. This phase will be presented to the Metro Board in June 2006.

HOW TO STAY INFORMED?

For information on the Congestion Mitigation Fee Nexus Feasibility Study, please contact Robert Cálix at 213-922-5644, or e-mail: calixr@mta.net.
Nexus Feasibility Study
Rationale and Initial Steps

Objectives

- Establish a regional mitigation program
  - Replace CMP debit-credit system
  - Meet regional CEQA responsibilities
- Generate new revenue for unmet county transportation needs
- Leverage regional and local dollars
- Provides a level playing field countywide
- Window of opportunity
  - Other counties evaluating or implementing similar fees (Riverside, San Bernardino, San Diego, and Kern)

Metro
How Would it Work?

- Countywide program
- Fee Authority
  - MTA under Congestion Management Program
  - Cities and County – adopt local ordinance
- Projects grouped by sub-region
- Projects selected from sub-regional and local priorities
- Fee sized by land use type and trip generation
- Program to be administered sub-regionally or locally

Advantages for Cities

- New source of money
- Leverages regional, state and federal funds
- Conformance with the CMP
  - Prop 111 (Section 2105) gas tax ($94 million annually)
  - Conformity prerequisite to be included in Call for Projects
- Streamlines CEQA regional mitigation process
- Create more level playing field for attracting development
Advantages for Building Industry

- Streamlines entitlements
- Meet CEQA regional mitigation requirements
- Provides more certainty in entitlement costs
- Leverages regional, state and federal funds
- Includes all new development in regional mitigation
- Counters no-growth or slow-growth advocacy

Nexus Feasibility Study – 2 Phases

- Phase 1 – Technical Analysis (June ’05)
  - Establish fee framework & policies
  - Growth forecast
  - Potential revenue scenarios
  - Initial assessment of subregional & local priorities
  - Report on local reaction
Nexus Feasibility Study (cont.)

- Phase 2 – Complete Nexus Study (June '06)
  - Complete technical modeling
  - Outreach with cities to garner support
  - Work with interested cities to demonstrate program
  - Develop project priorities & fee structure
  - Develop implementation guidance for cities
  - Establish administrative procedures
  - Final Nexus Study

Transportation Impact Fees
Regional or Countywide Developer Mitigation Programs

- Placer
- Yolo
- El Dorado
- Solano
- Contra Costa
- Alameda
- Stanislaus
- Santa Clara
- Merced
- San Luis Obispo
- Kern
- Ventura
- Los Angeles
- San Bernardino
- Riverside
- Orange
- San Diego

Feas Attempted
Feas Adopted
Feas Under Study
How Development Impact Fees are Calculated

Five Basic Steps

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How Development Impact Fees are Calculated

Continued

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<tr>
<td>Industrial (1,000 sq. ft.)</td>
<td>6.6</td>
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Next Steps

- We need the participation of the sub-regions and other stakeholders

- Working with cities:
  - Revise land use growth forecasts
  - Identify and rank regional transportation improvements
  - Refine fee schedules and total revenue generated
  - Seek stakeholder support for the approach
Attachment 4

Legislative Matrix
<table>
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<tr>
<th>STATUS</th>
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<tr>
<td>2005</td>
<td>Appropriation Requests are due Friday, March 18.</td>
<td>380 million in Section 3509 New Start Funding for the East Los Angeles Light Rail Project.</td>
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Support the Municipal Operators Bus Appropriations requests.

- $5 million in Intelligent Transportation System Funding. These resources would be utilized to implement the MTA's Regional Transit Improvement Program using a card embedded with a computer chip to board MTA buses and trains and transfer services offered by municipal operators. These resources would be utilized to implement the MTA's Regional Transit Improvement Program using a card embedded with a computer chip to board MTA buses and trains and transfer services offered by municipal operators.

The MTA currently operates the world's largest fleet of state-of-the-art clean diesel buses and改革创新 will accelerate the pace of this fleet. The MTA currently operates the world's largest fleet of state-of-the-art clean diesel buses and改革创新 will accelerate the pace of this fleet. 2010 Budget: $350 million in Section 3509 New Start Funding for the East Los Angeles Light Rail Project.
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<td>May 14, 2003 U.S. Senate</td>
<td>Approve the Reauthorized Surface Transportation Act.</td>
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<tr>
<td>November 2003</td>
<td>The House Transportation and Infrastructure Committee introduced the Reauthorization Bill.</td>
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<tr>
<td>March 17, 2004</td>
<td>The Senate Banking, Housing, and Urban Affairs Committee approved the Reauthorization Bill.</td>
</tr>
<tr>
<td>March 16, 2005</td>
<td>The Senate Environment and Public Works Committee adopted the Reauthorization Bill.</td>
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<tr>
<td>June 27, 2002</td>
<td>The MTA Board approved the Reauthorization Bill.</td>
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<tr>
<td>September 30, 2003</td>
<td>The House Appropriations Committee approved the Reauthorization Bill.</td>
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<tr>
<td>June 24, 2004</td>
<td>The House voted by 418-0 to pass HR 4635, the Reauthorization Bill.</td>
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<tr>
<td>July 30, 2004</td>
<td>Congress signed the Reauthorization Bill into law.</td>
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<tr>
<td>September 18, 2003 \ September 30</td>
<td>The Reauthorization Bill was signed into law.</td>
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<tr>
<td>December 30, 2003</td>
<td>The Reauthorization Bill was signed into law.</td>
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<td>S.197 (Boxer)</td>
<td>A bill authorizing the U.S. Secretary of Transportation to conduct a study of highway/railroad grade crossings and to provide grants for grade separations that would enhance safety and for grade crossings on rail lines that have a high volume of goods movement.</td>
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**MTA POSITION**

Support work with Senate Commerce, Science and Transportation Committee

**STATUS**

March 2005