



City of NORWALK

CITY COUNCIL AGENDA REPORT

Date: July 5, 2016

TO: Honorable City Council

FROM: Michael J. Egan, City Manager

BY: Adriana Figueroa, Administrative Services Manager

SUBJECT: RESOLUTION NO. 16-46 – OPPOSING THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY (METRO) EXPENDITURE PLAN FOR THE 2016 PROPOSED BALLOT MEASURE

Background:

The Los Angeles County Metropolitan Transportation Authority (Metro) released a draft Expenditure Plan, part of the Los Angeles County Traffic Improvement Plan Ordinance, on March 24, 2016. This initial Expenditure Plan listed the I-5 Freeway Expansion Project (north of the I-605 to I-710) for funding and starting construction in the year 2041, over twenty (20) years following the completion of the southern segment.

The I-5 Joint Powers Authority, along with the Gateway Cities Council of Governments (Gateway Cities COG), challenged this plan, as it provides some funding to southeast Los Angeles County decades after fully funding projects in other subregions, most particularly the City of Los Angeles, which receives 50% of the funds within the first 15 years. After several discussions with Metro, highlighting the significant importance of the I-5 Freeway Expansion Project, the project was moved up to the year 2036 in their adopted Expenditure Plan (Plan).

Metro's Plan is based on modeling done using Metro Board adopted performance metrics that allowed projects with little or no definition to be modeled in an idealized state against projects with known attributes and benefits. In addition, the performance modeling was stacked heavily in favor of commuter transit while penalizing highway projects.

On June 23, 2016, the Metro Board approved the revised Plan and voted 11 to 2 to place a measure on the November ballot that would raise sales taxes in the County by half a percent in exchange for \$120 billion in transportation projects over the next 40

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years. Directors Knabe and Dubois, representing the Gateway Cities and South Bay Cities, opposed the Plan. This ballot measure is similar to the 2008 Measure R version, however it does not have a sunset provision. Therefore, it is a transportation tax that would be placed on a permanent basis Countywide, but will provide little relief to the transportation issues in southeast Los Angeles County and other County areas for the next 40 years. Furthermore, there is one big ticket item in the City of Los Angeles, a \$9.8 billion project in 2015 dollars, that is not defined and has a high risk of cost increase as the project develops. This new project is the second highest ranked project, having jumped ahead of projects far greater defined.

The I-5 Freeway Improvement Project (I-605 to I-710) was categorized by Metro as a "subregional project" regardless of its regional, statewide and national significance. This project runs through the City of Commerce, which is home to some of the most important intermodal facilities for goods movement in the country. In the City of Commerce, the BNSF Hobart facility and the Union Pacific East Los Angeles Intermodal Yard together form the fourth-largest intermodal port in the United States, after the ports of Los Angeles, Long Beach, and New York-New Jersey. Goods that move through these facilities come from all over the world, and are distributed to cities throughout the country. By 2035, the U.S. Department of Transportation projects that demand for rail freight transportation will increase by 88%. However the I-5 freeway does not have the capacity to continue to support this level of trade. Designed to carry 175,000 vehicles a day, this portion of the I-5 freeway, which links Downtown Los Angeles to Orange County and connects to the Ports of Los Angeles and Long Beach, now carries 275,000 vehicles, of which 25,000 are trucks.

Metro's adopted Plan and Ordinance fail to take into account the vital economic role this section of the I-5 freeway play for the region, the state, and the nation. Additionally, Metro's refusal to honor the commitment made to the voters in 2008 with Measure R by utilizing subjective performance matrixes and skewed criteria in order to place undefined projects located in the City of Los Angeles ahead of Measure R projects in this region, make it difficult to support.

Another area of significant concern with this ballot measure is that of the 3% local contribution requirement. This requires cities to pay 3% of the cost of major transit projects within their jurisdiction or implement mutually agreed upon active transportation or first/last mile improvements as whole or part of the 3% contribution. If a city fails to pay the 3% contribution or does not implement acceptable improvements, Metro would be allowed to withhold up to 15 years of local return funds from this new transportation measure, which could heavily impact cities in the Gateway Cities region. Norwalk's anticipated contribution based on Metro's Plan is over \$22 Million. The Gateway Cities

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COG requested that Metro remove this 3% local contribution provision as it places a significant burden on smaller cities, however the final Plan includes this requirement.

Fiscal Impact: N/A

Citizens Advised: N/A

Strategic Action Plan Implementation: N/A

Recommended Action:

Staff recommends City Council adopt Resolution No. 16-46 opposing the Los Angeles County Metropolitan Transportation Authority Expenditure Plan for the 2016 Proposed Ballot Measure.

Attachments:

Resolution No. 16-46

RESOLUTION NO. 16-46

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NORWALK OPPOSING THE LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY EXPENDITURE PLAN FOR THE 2016 PROPOSED BALLOT MEASURE

WHEREAS, the Gateway Cities Council of Governments (COG), along with other COGs in the region participated in the development of a countywide process to accumulate a listing of all subregional transportation projects. This process resulted in the identification of \$275 billion of transportation projects countywide; and

WHEREAS, the Los Angeles County Metropolitan Transportation Authority (Metro) in response to the identified need developed an expenditure plan to address the project capital and operational needs for the County. This expenditure plan will be Metro's template for mobility for the next 40 years. The tax itself will remove the sunset provision from Measure R and continue in perpetuity or until repealed by the electorate; and

WHEREAS, instead of giving the Measure R project initiatives first priority for new tax revenues, assuring that second and third decade Measure R projects are completed, the MTA initiated a modeling process utilizing performance metrics that places well-defined projects with analysis in competition with new projects with assigned attributes. This modeling exercise has resulted in a reordering or resequencing of projects that benefited new projects from the City of Los Angeles and placed projects from the Gateway Cities COG and other regions behind them; and

WHEREAS, the I-5 Freeway Improvement Project (I-605 to I-710) was categorized by Metro as a "subregional" project regardless of its regional, statewide, and national significance; and

WHEREAS, this project runs through the City of Commerce, which is home to some of the most important intermodal facilities for goods movement in the country. Commerce is home to both BNSF Hobart facility and the Union Pacific East Los Angeles Intermodal Yard, which together form the fourth largest intermodal port in the United States; and

WHEREAS, Metro's adopted Expenditure Plan and Ordinance fail to take into account the vital economic role this section of the I-5 freeway plays for the region, the state, and the nation.

WHEREAS, multi-modal projects that would benefit cities in the Gateway Cities are being leapfrogged by higher profile projects in more affluent areas, which are also being given priority access to federal funding. That is simply not geographically equitable, nor is it fair to our residents who will be funding these projects for decades before they truly benefit; and

WHEREAS, Metro’s potential ballot measure includes a 3% local contribution requirement mandates cities to pay 3% of the cost of major transit projects within their jurisdiction or implement mutually agreed upon active transportation or first/last mile improvements as whole or part of the 3% requirement; and

WHEREAS, if a city fails to pay the 3% contribution or does not implement acceptable improvements, Metro would be allowed to withhold up to 15 years of local return funds from this new transportation measure; and

WHEREAS, this 3% local contribution requirement, which represents an estimated \$22M for the City of Norwalk, would heavily impact not only Norwalk, but the entire Gateway Cities region.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF NORWALK HEREBY DETERMINES, FINDS, AND RESOLVES AS FOLLOWS:

Section 1. Oppose the Los Angeles County Metropolitan Transportation Authority Expenditure Plan for the 2016 Proposed Ballot Measure.

Section 2. The Mayor, or presiding officer, is hereby authorized to affix his signature to this Resolution signifying its adoption by the City Council of the City of Norwalk and the City Clerk, or her duly appointed assistant, is directed to attest thereto.

APPROVED AND ADOPTED on this 5th day of July 2016.

**MICHAEL MENDEZ
MAYOR**

ATTEST:

**THERESA DEVOY, CMC
CITY CLERK**