



SOUTH BAY CITIES
COUNCIL OF GOVERNMENTS

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GATEWAY CITIES

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October 4, 2016

The Honorable John Fasana, Chairman and
The Honorable Eric Garcetti
Los Angeles County Metropolitan Transportation Authority
One Gateway Plaza
Los Angeles, CA 90012

Dear Chairman Fasana and Los Angeles Mayor Eric Garcetti:

Thank you for returning to the Gateway Cities Council of Governments (GCCOG) on September 7th and to South Bay Cities Council of Governments (SBCCOG) again on September 22nd. While we respect your appeal to the SBCCOG to change our position on Measure M from oppose to neutral or support, we have not been convinced that LACMTA will be able to meet the commitments that have been promised in the Measure M expenditure plan. We have reviewed the numbers, looked at the anticipated revenues and the promised expenditures and we can only conclude that the numbers don't add up.

As the representatives of 43 cities in L. A. County, the GCCOG and SBCCOG are committed to supporting an equitable and responsible Countywide transportation funding plan. We have supported or been neutral on all four of the previous transportation sales tax measures in L. A. County. However, we continue to be concerned that the Measure M Expenditure Plan has been built on a foundation of political support rather than sound transportation planning and fiscal responsibility.

- Measure M ballot language begins with "to improve freeway traffic flow / safety..." After months of discussion, we remain concerned with LACMTA's emphasis on accelerating new projects over responsibly funding a balanced program of Countywide capital, operating and maintenance commitments including projects already in the pipeline of regional, state and national significance.
- The Measure M Expenditure Plan capital funding program is already more than \$19 billion short of revenue. The LACMTA continues to make new rail transit commitments that will increase its deficit to generate support for Measure M without a comparable discussion of the agency's need for more operating subsidies.

LOCAL GOVERNMENTS IN ACTION

Carson ~ El Segundo ~ Gardena ~ Hawthorne
Hermosa Beach ~ Inglewood ~ Lawndale ~ Lomita
Manhattan Beach ~ Palos Verdes Estates ~ Rancho Palos Verdes
Redondo Beach ~ Rolling Hills ~ Rolling Hills Estates ~ Torrance
Los Angeles District #15 ~ Los Angeles County

Artesia ~ Avalon ~ Bell ~ Bellflower ~ Bell Gardens ~
Cerritos ~ Commerce ~ Compton ~
Cudahy ~ Downey ~ Hawaiian Gardens ~ Huntington Park
~ Industry ~ La Mirada ~ Lakewood ~ Long Beach ~
Lynwood ~ Maywood ~ Montebello ~ Norwalk ~ Paramount
~ Pico Rivera ~ Santa Fe Springs ~ Signal Hill ~ South
Gate ~ Vernon ~ Whittier ~ Los Angeles County,
Supervisorial Districts 1, 2, & 4 ~ Port of Long Beach

EXHIBIT "B"

- While LACMTA plans to sell the maximum-possible Measure M bonds to deliver an accelerated capital program, LACMTA's plan does not explain how transit fares will be raised from the current 25% to a 33% fare-box recovery rate that was supposed to be achieved in 2015. Instead, the ballot measure simply promises to keep senior, disabled and student fares "affordable". What is the LACMTA's plan to get to 33% fare-box revenues? Is there a commitment to raise fares or adjust service? If not, which commitments will not be met to make up for this underfunding in the Measure M expenditure plan?
- The assumptions for the annual sales tax revenues of \$860 million are over \$50 million/year above the current estimated anticipated sales tax revenues. The Measure M Expenditure Plan relies on this speculative estimate of annual increase in sales tax revenues. Which commitments will not be met to make up for this over-projection in the assumptions of sales tax revenues in the Measure M expenditure plan? Additionally, is this same over estimating occurring in the Proposition A and C and Measure R revenues as well which would create a bigger revenue 'hole' for the entire existing LACMTA operations, maintenance and construction program. Our cities do not have the luxury to adopt overly optimistic revenue projections for our local capital improvement programs. On the contrary, we use prudent and conservative assumptions to ensure that we can deliver the projects that we commit to.
- We were concerned when the Sepulveda Tunnel was moved to the front of the line in March. We were stunned when a new West San Fernando Valley line was abruptly added to the plan on June 23rd and \$1.2 billion in additional projects were added with no evaluation or public dialogue at all. Where will the funds come from in the Measure M expenditure plan to meet these most recent and last minute commitments?

Other local jurisdictions have relied on LACMTA's CEO and the City of LA Mayor's personal commitments in making their decision whether to support, oppose or be neutral on Measure M. However, these commitments only would have mattered if they had been included in the Measure M Ordinance No. 16-01 since actual commitments can only be made by all of the LACMTA board members voting at the time of the future decisions. Additionally, any future amendments to Ordinance No. 16-01 require a two-thirds vote of the Board.

Our regions have been called parochial but please note that the concerns that have been mentioned thus far are not parochial but go to the heart of the viability and credibility of the Measure M expenditure plan. With Measure M bonded 100%, any of the reduced revenue projections that we have listed will mean that any later decade projects will need to 'slip' in schedule. The priority projects in both of our subregions are later decade projects.

We also believe that the Measure M highway program is inequitable. For example, the Measure M Expenditure Plan for the I-5 improvements, that are critical to maintaining Los Angeles economic sustainability in the global marketplace, will take more than 40 years to complete due to a **25-year gap** between current construction and Phase 2. The I-5 project does not start until 2036, sixteen years after the completion of the current segment.

The Honorable John Fasana, Chairman and
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October 4, 2016
Page 3

Under the Measure M plan, the South Bay Curve won't be significantly expanded until 2046. We find it a matter of great concern that the I-710 Corridor project, the main freight artery from the nation's largest ports complex to the largest intermodal rail yard and all points east won't receive funding until 2026, almost a decade after the completion of years' worth of environmental and community work.

With less than 40 days before the November 8, 2016 election, the LACMTA cannot legally amend the Measure M Ordinance No. 16-01 and LACMTA leaders cannot commit to secure any other funding sources or to adopt more flexible interpretations of ordinance language. The period of meaningful change or dialogue has passed. Unfortunately, at this time, we cannot see how we can change our opposition to be neutral or to support this inequitable and fundamentally flawed measure.

Sincerely,



Mike Mendez, Member, Board of Directors
Gateway Cities Council of Governments
Mayor, City of Norwalk



Jim Osborne, Chair
South Bay Cities Council of Governments
Councilman, City of Lawndale

c.c.: LACMTA Board of Directors
Gateway Cities Board of Directors
South Bay Cities Board of Directors