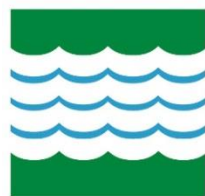


Measure M Resources In the South Bay: What We Know Today

SBCCOG Senior Services
Working Group Meeting
December 6, 2016



SOUTH BAY CITIES
COUNCIL OF GOVERNMENTS

Measure M augments Measure R Until 2039; Then Replaces It

- * “This Ordinance imposes a retail transactions and use tax at the rate of one-half of one percent (.5%) within Los Angeles County to be operative on the first day of the first calendar quarter commencing not less than 180 days after the adoption of this Ordinance by the voters. The rate of this tax shall increase to one percent (1.0%) on July 1, 2039 immediately upon the expiration of the .5% tax imposed by Ordinance No. 08-01 of the Los Angeles County.”
- * SO... until 2039 L. A. County will have four transportation sales taxes; in 2039 Measure R will expire and Measure M will continue indefinitely, rising from ½-cent to 1-cent with Measure M guidelines, leaving 3 permanent measures.

The Measure M Ordinance Provides the Policy Framework For Future Guidelines

- * Starting July 1, 2017, L. A. County will collect 2–cents on transportation sales and use taxes that will be continue to be collected until voters rescind any or all of the measures.
- * The Measure M Ordinance sets the policy framework for use of Measure M revenues, but policy and project approvals and changes will be determined by guidelines to implement the ordinance that will be adopted by the L. A. Metro Board.

Measure M Allocates \$846 million annually over four major programs

4 Major Sub-Fund Programs:

A. Transit Operating and Maintenance Programs

B. Transit, First/Last Mile Capital Programs

C. Highway Congestion, Active Transportation, Complete Streets
Capital Programs

D. Regional Rail (Metrolink) and Local Return Programs

Transit: 65%

Highway: 19%

Local Discretion: 17%

Measure M Key Allocation Program Subfunds

Administration off the top (0.5% / \$12 mil. per year)

A. Transit Operating and Maintenance Program (27% = \$228 mil./yr.)

- Metro and Municipal Bus Transit Operations – 20%
- Metro Rail Operations – 5%
- ADA Paratransit (Access Services, Inc.) and Metro discounts for seniors and students - 2%

B. Transit, First/Last Mile Capital Program (37% / \$313 mil. / yr.)

- Transit Construction – 35% (includes System Connectivity Projects - Airports, Union Station and Countywide Bus Rapid Transit)
- Metro State of Good Repair – 2%

Measure M Key Allocation Program Subfunds (continued)

C. Highway, Active Transportation, Complete Streets Capital Programs (19% / \$161 mil. / yr.)

- Highway Construction (includes System Connectivity Projects - Ports, Highway Congestion Programs, Goods Movement) – 17%
- Metro Active Transportation Program (Bicycle, Pedestrian, Complete Streets) – 2%

D. Regional Rail (Metrolink) and Local Return (18% / \$144 mil. / yr.)

- Local Return - 17% until 2039, 20% thereafter (by taking 3% from Measure M Post-2040 Highway or Transit Capital Sub-funds); “Green Street” projects and storm water projects are eligible
- Metrolink - 1% until 2039, then 2% if performance conditions met

South Bay Sub-region's Major Regional Projects in Measure M (2015\$)

South Bay Major Regional Projects

- * Green Line Ext. to Crenshaw Blvd. in Southeast Torrance
Begins 2026 / Opens 2030 - \$619,000,000 + \$272,000,000 in MR
- * I-105 Express Lane from I-405 to I-605 (South Bay portion)
Begins 2027 / Opens 2029 \$59,000,000
- * I-405 / I-110 Int. HOV Ramps & Interchange Improvements
Begins 2042 / Opens 2044 \$250,000,000
- * I-110 Express Lane Extension from SR91 to I-405
Begins 2044 / Opens 2046 \$280,000,000
- * I-405 South Bay Curve Improvements
Begins 2045 / Opens 2047 \$400,840,000

South Bay Sub-regional Programs in Measure M (2015\$, \$ through 2057)

- * **South Bay Highway Operational Improvements** - (New Measure M and other funding) - Begins 2018 / Continues at least through 2057 – \$500 million in Measure M + unknown source for \$600 million in “other” funding – may not have Measure R restrictions
- * **Transportation System and Mobility Improvement Program #1**- Begins 2018 / Concludes 2032 - \$293.5 million
- * **Transportation System and Mobility Improvement Program #2** - Begins 2018 / Continues at least through 2057 - \$350 million
- * **Sub-regional equity projects** - \$130 million allocated to the South Bay for equity when Metro Board approved new L. A. City projects on June 23rd – Begins 2018 or when West SFV project begins

Measure M Will Not Fully Fund the Promised Projects and Programs as Scheduled

To complete the major South Bay projects requires \$1.079 billion (in 2015\$) of other funds :

South Bay Regional Projects	Measure M	Other funds	Total
Green Line South to Torrance	\$619 mil.	\$272 mil.	\$891 mil.
I-110 ExpressLane Extension to I-405	\$52 mil.	\$228 mil.	\$280 mil.
I-105 ExpressLane I-405 to I-605	\$175 mil.	\$0	\$175 mil.
I-405 South Bay Curve Improvements	\$150 mil.	\$251 mil.	\$401 mil.
I-405/ I-110 Interchange Improvements	\$250 mil.	\$0	\$250 mil.
South Bay Subregional Programs			
SB Highway Oper. Improvements	\$500 mil.	\$600 mil.	\$1,100 mil.
SB Trans. Sys. & Mob. Improvements	\$644 mil.	\$0	\$644 mil.
South Bay Subregional Equity Projects	\$130 mil.	\$0	\$130 mil.
Draft Totals	\$2.520 bil.	\$1.351 bil.	\$3.871 bil.

Measure M Local Return Allocations

The Ordinance states that Measure M Local Return is 17% until July 1, 2039;

On July 1, 2039, Local Return is raised by 3% to 20% (the 3% will come from the Highway or Transit Capital Regional funds)

The allocation methodology is based on population only; Metro expressed willingness to consider different types of local population in the formula (resident, workforce) in the Measure M guidelines

Annual South Bay Measure M Local Return Allocations (based on resident population)

\$1,323,300	Carson
\$241,500	El Segundo
\$858,300	Gardena
\$1,245,300	Hawthorne
\$280,900	Hermosa Beach
\$1,595,900	Inglewood
\$474,500	Lawndale
\$294,500	Lomita
\$508,100	Manhattan Beach
\$195,100	Palos Verdes Estates
\$604,700	Rancho Palos Verdes
\$967,400	Redondo Beach
\$27,000	Rolling Hills
\$116,800	Rolling Hills Estates
<u>\$2,108,700</u>	<u>Torrance</u>
\$10,842,000	Total South Bay Cities

+ Some share of:

\$56,216,200	Los Angeles (citywide)
\$14,943,600	Unincorporated LA County (countywide)

Annual South Bay Measure M for South Bay Municipal Transit Agencies

\$2,216,400	Gardena Gtrans
\$1,795,700	LADOT Commuter Express (systemwide)
\$305,200	Redondo Beach (The WAVE & Beach Cities Transit)
<u>\$2,699,700</u>	<u>Torrance Transit</u>
\$7,017,000	Measure M in Allocation Formula for S. B. Municipal Operators

M Requires a 3% Local Contribution to Rail Projects

- * Local Jurisdictions with a rail line and at least one station within their boundaries must contribute 3% of the total project costs based on the percent of project total centerline track miles within that jurisdiction's borders.
- * Assuming the Green Line Southern Extension costs \$891 million, local jurisdictions along the rail line extension will have to contribute approximately \$27 million (3%) in eligible improvements. Improvements can be in-kind or cash provided on an agreed-upon schedule. Metro has promised matching sources are flexible and subject to negotiation between Metro and each local jurisdiction.
- * Under Metro Policies up to 100% of the local contribution can be used for city-selected /Metro-approved first/last mile station access improvements.

Measure M Requires a 3% Local Contribution to Rail Projects (Continued)

- * A negotiated agreement of the types of contributions, amount and schedule of commitments must be executed at the conclusion of 30% final design.
- * If no agreement is reached, or if the local jurisdiction defaults on the agreement, all Measure M funds contained in the jurisdiction's Local Return/Regional Rail Subfund may, at Metro's sole discretion, be withheld for not longer than 15 years and used to pay for the project until the 3% threshold is met.

Metro's Possible Near Term Steps To Better Define Measure M

- * Determine Measure M implementation guidelines for regional and sub-regional projects and programs
- * Address the need for non-local matching funds or creative local financing to resolve a transit capital \$19 billion+ funding Countywide shortfall
- * Determine the definition(s) of population in Local Return allocations
- * Address options to accelerate rail lines using innovative delivery and project financing strategies (e.g.: public/private partnerships and vendor financing)
- * Adopt a fiscally-constrained Long Range Transportation Plan Update including the integration of projected revenues from the four sales taxes

Measure M Issues for SBCCOG Advocacy to Metro During Guidelines Development

- * Advocate for Measure M sub-regional program autonomy, flexibility and collaboration with regional and local partners
- * Advocate South Bay perspectives as Metro develops implementation guidelines for new Measure M sub-regional programs
- * Advocate for the most flexible definition of population in the allocation of Measure M Local Return
- * Assist Lawndale, Redondo Beach and Torrance , if requested, to determine the most cost effective methodology to meet the 3% local contribution
- * Advocate to restructure the Metro Call for Projects if it remains

Measure M Issues for Future SBCCOG Board Discussion and Action

- * Ensure that the four sub-regional programs are integrated with each other and the existing Measure R SBHP program
- * Adopt a South Bay first/last mile strategy consistent with the South Bay neighborhood-oriented development program
- * Adopt a South Bay active transportation program
- * Adopt a coordinated goods movement program in the South Bay and Gateway sub-regions
- * Advocate on behalf of South Bay transit operators, if requested
- * Consider whether SBCCOG should evaluate accelerating the Green Line South Extension to Torrance and/or other South Bay projects earlier than in the current Measure M Expenditure Plan

Next Steps

Measure M Implementation Workshop
for Board members and city staff

“Moving Forward”

Thursday, January 26, 2017

4:00 pm to 5:30 pm

before the January Board meeting