



# City of Carson Report to Mayor and City Council

June 4, 2014  
New Business Consent

**SUBJECT: CONSIDER SUPPORT OF THE LOS ANGELES COUNTY METROPOLITAN  
TRANSPORTATION AUTHORITY 30/10 INITIATIVE**

Submitted by Massoud Ghiam, P.E.  
Acting Director of Public Works/City Engineer

Approved by Nelson Hernandez  
City Manager

## **I. SUMMARY**

This item is on the agenda at the request of Councilmember Robles.

The Los Angeles County Metropolitan Transportation Authority (Metro) is planning to accelerate the implementation of the Metro's 30-year plan to be completed in 10 years. The plan is called the "Metro's 30/10 Initiative" (Exhibit No. 1). The concept of the Metro's 30/10 Initiative is to use the long-term revenue from the Measure "R" sales tax as collateral for long-term bonds and a federal loan which will allow Metro to build 12 key mass transit projects in 10 years, rather than 30 years. Accelerating construction of these 12 key Metro projects will result in job creation and substantial cost savings.

## **II. RECOMMENDATION**

REQUEST the City Manager to authorize the City Manager's office staff to prepare a letter for City Council members' signatures, strongly supporting the Los Angeles County Metropolitan Transportation Authority 30/10 Initiative.

## **III. ALTERNATIVES**

TAKE another action the City Council deems appropriate.

## **IV. BACKGROUND**

The United State Congress (Congress) initiated a program called the America Fast Forward program, to expand federal funding, in order to speed up the construction of transportation projects in metropolitan areas.

The Congress adopted a part of the America Fast Forward program last year — an expanded federal loan program called the Transportation Infrastructure Finance and Innovation Act that backs loans by federal government support, and helps secure low interest rates.

The Metro is planning to utilize the Congress program to accelerate its long-term plan of improvement projects called the "Metro's 30/10 Initiative." The concept of the Metro's 30/10 Initiative is to use the long-term revenue from the Measure "R" sales tax as collateral for long-term bonds and a federal loan which

will allow Metro to build 12 key mass transit projects in 10 years, rather than 30 years.

Successful implementation of the Metro’s 30/10 Initiative will also deliver immediate benefits like hundreds of thousands of jobs to improve the local economy, reduce greenhouse emissions and ease traffic congestion. The Metro’s 30/10 Initiative is both an unprecedented step forward for Los Angeles county and a model of progress.

The City Council has made it clear that the implementation of improvement projects which result in job creation is a top priority in Carson. Although the projects are not within Carson’s jurisdiction, they affect Carson residents by creating jobs and easing traffic flow. Therefore, Councilmember Robles has suggested that documenting the City’s support of the Metro’s 30/10 Initiative in the form of a letter is not only important, it is valuable.

**V. FISCAL IMPACT**

None.

**VI. EXHIBITS**

- 1. Metro’s 30/10 Initiative. (pgs. 3-5)

Prepared by: Massoud Ghiam, P.E., Acting Director of Public Works / City Engineer

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TO:Rev05-13-2014

Reviewed by:

City Clerk	City Treasurer
Administrative Services	Public Works
Community Development	Community Services

<b>Action taken by City Council</b>	
Date _____	Action _____



# LA Metro 30/10 Initiative

## The Concept is Simple

The 30/10 Initiative is a funding proposal that would accelerate construction of 12 key Metro expansion projects originally scheduled to be built over three decades – and complete them by 2019.

The concept being explored is to use the funding for these projects, which will be collected over the next 30 years from the Measure R sales tax, as collateral for long-term bonds and a federal loan so the projects can be built much faster.

The benefits of this initiative include generating hundreds of thousands of construction and other jobs to improve the local economy, reduce greenhouse gas emissions and ease traffic congestion.

## How 30/10 Would Work

Measure R, a local tax approved by LA County voters in 2008, is funding new transportation projects and programs. Over 30 years, it is projected to generate \$40 billion for congestion relief projects throughout LA County.

The 30/10 Initiative is a concept that is being explored is to use the funding for these projects, as collateral for long-term bonds and a federal loan so the projects can be built much faster. In turn, the funds coming in from Measure R would be used to repay those loans.

\*Early completion dates will ultimately be evaluated based upon chosen delivery method for each project and presented to the Metro Board for approval.

## Here's the Plan:

### TRANSIT IMPROVEMENT BONDS (TIBs)

TIBs are tax-preferred bonding programs that will help finance the 30/10 Initiative.

Authorization will need to be secured of a new category of direct subsidy tax-preferred bonds for transit initiatives of national significance, as part of pending or future tax legislation. These TIBs could be enacted as part of a pilot program, through which the Secretary of Transportation would allocate bond issuance authority to state and local sponsors of nationally significant projects or programs of projects, such as 30/10. The federal interest subsidy would be set at 100 percent of the interest rate on the bonds and the bond principal repayment must be backed by non-federal revenue source(s), such as Measure R.

## Employment Benefits

> 160,000 new jobs created in construction, permanent operations and maintenance

## Annual Benefits with 30/10

> 521,000 fewer pounds of mobile source pollution emissions

> 10.3 million fewer gallons of gasoline used

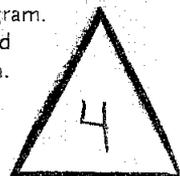
> 77 million more transit boardings

> 191 million fewer vehicle miles traveled

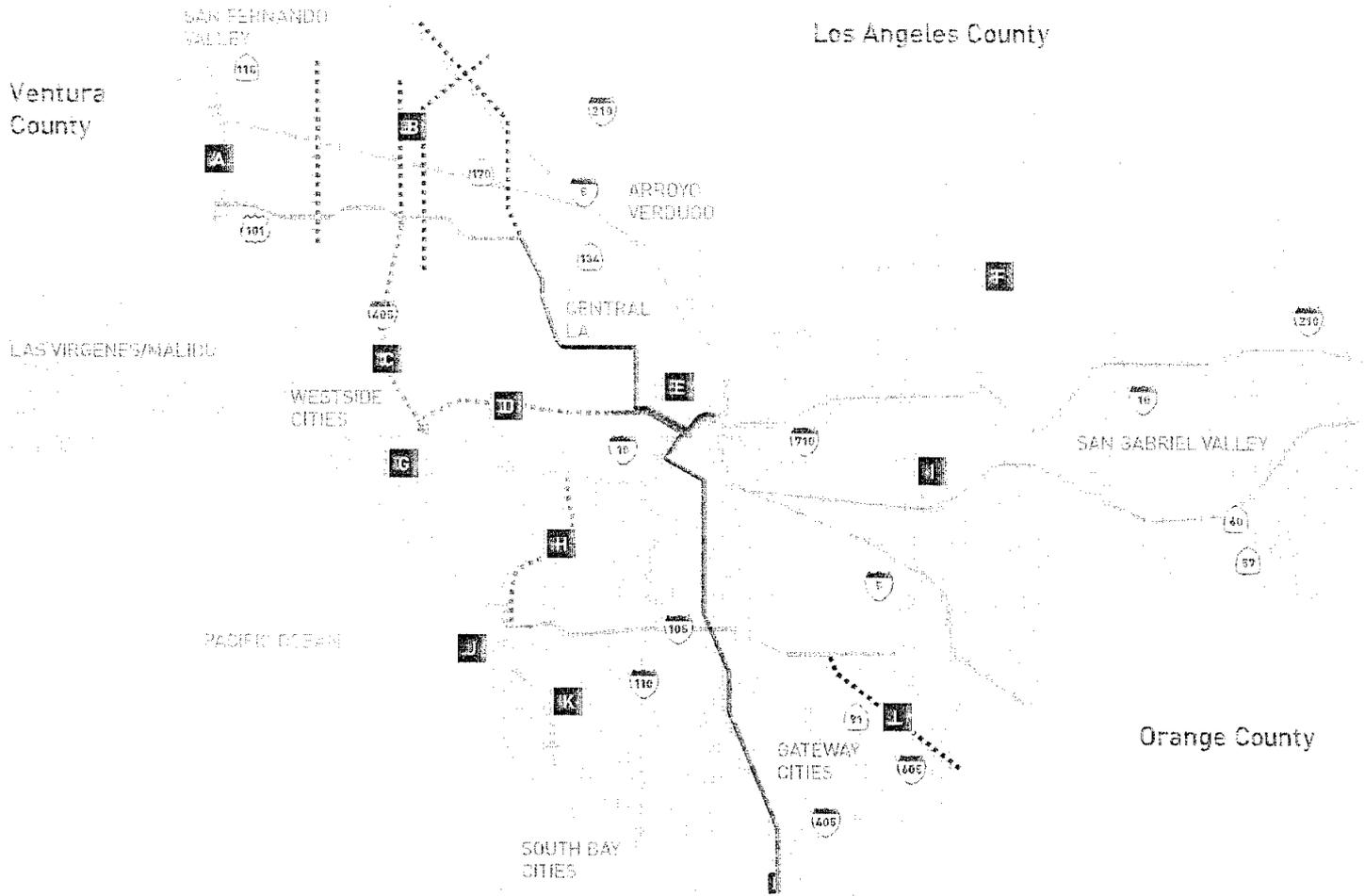
### TRANSPORTATION INFRASTRUCTURE FINANCE AND INNOVATION ACT (TIFIA)

TIFIA is Federal Credit Assistance (TIFIA Direct Loan) that will complete the 30/10 Initiative financing package.

Legislation will need to be secured to modify the TIFIA program structure to enable the U.S. Department of Transportation (USDOT) to make an upfront credit commitment for a mega program of related projects, like 30/10, that satisfies national infrastructure investment goals. The program must demonstrate that a majority of the non-federal funding is committed and sufficient to repay the federal credit assistance. In addition, Congress would need to appropriate additional subsidy funding for the TIFIA credit program. The 30/10 Initiative will likely require about \$200 million to fund the subsidy cost (capital reserve) of the \$2.3 billion federal loan.



# 30/10 Initiative Map



## EARLY SYSTEMS WORK AGREEMENT (ESWA)

Metro is seeking to enter into an ESWA with USDOT to build two exceptional transit projects in LA County - the Regional Connector and the Westside Subway Extension.

Language will need to be secured in the President's Federal Fiscal Year (FFY) 2012 Budget, and Congress' FFY 2012 appropriations, providing for an ESWA valued at no less than \$400 million for FY 2012 for the Regional Connector and the Westside Subway Extension projects. The total value of the Full Funding Grant Agreement would be no less than \$1.7 billion, with the anticipation of additional federal grants.

- A** Orange Line Extension
- B** East San Fernando Valley North-South Transit Corridors
- C** Sepulveda Pass Transit Corridor
- D** Westside Subway Extension
- E** Regional Connector Transit Corridor
- F** Gold Line Foothill Extension
- G** Exposition Transit Corridor Phase 2
- H** Crenshaw/LAX Transit Corridor
- I** Eastside Transit Corridor Phase 2 (alternatives)
- J** Green Line LAX Extension
- K** South Bay Green Line Extension
- L** West Santa Ana Transit Corridor

