

**SOUTH BAY CITIES COUNCIL OF GOVERNMENTS  
INFRASTRUCTURE WORKING GROUP (IWG) LUNCH MEETING**

**Revised Agenda**

**Wednesday, August 17, 2016 from 11:30 A.M. – 1:30 P.M.**

**LOCATION: Blue Water Grill, 665 North Harbor Drive, Redondo Beach 90277**

IWG meetings rotate between public meetings and public agency staff only meetings.

**Meetings Open to the Public**

August 17  
October 19  
December – no meeting

**Agency Staff Only Meetings**

September 21  
November 16  
January 17

Lunch, including beverage and tip, is available at a cost of **\$30.00** per person and must be paid in cash.

**No credit cards.** Payment will be collected during the meeting. Lunch selection must be from meeting menu.

To ensure seating for everyone, please RSVP your attendance and whether you will be purchasing lunch by close of business, Friday, August 11<sup>th</sup> to David Leger at: [DavidL@southbaycities.org](mailto:DavidL@southbaycities.org)

**IWG SOCIAL & ORDER LUNCH - 11:30 A.M. to Noon  
MEETING – 12:00 P. M. to 1:30 P. M.**

- 12:00 p.m.**      **Self-Introductions & Approval of the July 20, 2016 IWG Meeting Notes** (Attachment A)
- 12:05 p.m.**      **Agency & Other Reports**
- **SBCCOG** – Program update – Steve Lantz
  - **SOUTH BAY TRAFFIC FORUM, LA County DPW** – Update
  - **Caltrans** – Update
  - **L. A. Metro** - Updates
    - L. A. Metro Board - Update
    - **Metro TAC & Streets and Freeway Subcommittee** – Update
- 12:15 p.m.**      **Measure R**
- **Status of SBHP Projects in 2016-17 Metro Budget Request**
  - **SBHP Project Progress – Financial Risk Report** (To be distributed at meeting)
  - **Three-Month Look Ahead** (Attachment B)
- 12:25 p.m.**      **Metro Sales Tax Measure Updates** – Steve Lantz
- **SBCCOG consolidated concerns with Metro Sales Tax Measure** (Attachment C)
- 12:30 p. m.**      **Project Management Training Sessions – October 6, 13, 20, 27; 1-4 p. m., Cost: \$80.00**
- 12:35 p. m.**      **SPOTLIGHT PRESENTATION #1: South Bay Slow Speed Lanes Study – Jacob Lieb, Metro and Kati Rubinyi, Civic Projects**
- 1:00 p. m.**      **SPOTLIGHT PRESENTATION #2: Metro ITS Field Inventory Resource Sharing Tool (ITS First) – Eva Pan, Metro**
- 1:25 p. m.**      **Announcements / Adjournment - Next IWG meeting (public meeting) –September 21, 2016.**  
To include an item in the agenda, e-mail to: [lantzsh10@gmail.com](mailto:lantzsh10@gmail.com) by September 9, 2016.

# South Bay Cities Council of Governments Infrastructure Working Group Meeting Notes – July 20, 2016

## Attachment A

**Attendees:** Chair Stephanie Katsouleas (El Segundo); Vice Chair Rob Beste (Torrance); Maria Slaughter (Carson); Akbar Farokhi & Alan Leung (Hawthorne); Louis Atwell (Inglewood); Prem Kumar (Manhattan Beach); Ted Semaan, Brad Lindahl & Didar Khandker (Redondo Beach); Craig Bilizerian & Steve Finton (Torrance); Jimmy Shih (Caltrans); Josie Gutierrez, Angela Driscoll, Jane White & Andres Narvaez (LA County DPW); Mike Bohlke & Danielle Valentino (Metro); Alan Clelland & Dina Saleh (Iteris); Steve Lantz & David Leger (SBCCOG).

Chair Stephanie Katsouleas called the meeting to order at 12:07 pm.

### I. Self-Introductions and Approval of May 18, 2016 Minutes

Chair Katsouleas presented Rob Beste with a certificate of appreciation from the SBCCOG for his dedicated service over the past six years as Chair of the IWG.

Chair Katsouleas nominated Rob Beste for position of Vice Chair, approved without objection.

Motion made by Craig Bilizerian, seconded by Ted Semaan, to APPROVE the minutes of June 15, 2016. Minutes approved as submitted.

### II. Agency & Other Reports

- **SBCCOG** – Steve Lantz made the following announcements on behalf of Jacki Bacharach:
  - **South Bay Broadband Network** – A workshop is being held on July 21<sup>st</sup> to kick off the Broadband Study. Magellan Advisers will lead a 9-month study for a South Bay Broadband Network. They will be emailing cities to get contact information for relevant staff. They will be determining where gaps are in the system and what we need to do to get complete and high capacity broadband service in the South Bay.
  - **Green Building Challenge** - 160 businesses are participating as of now, with a recognition ceremony taking place September 28<sup>th</sup> in El Segundo.
  - **South Bay Travel Pal** – Cities have been providing input on the program. If there are city events in the works, please let SBCCOG staff know so they can be added to the Travel Pal website so people can potentially find carpool matches.
  - **Metro's Sales Tax Measure** – The SBCCOG Board voted to oppose the measure at the last Board Meeting but will not be taking an active role in the opposition campaign or potential lawsuits should they be initiated.
  - **SBCCOG/Metro Cooperative Agreement** – There will be a meeting later today with Metro to take a look at the Cooperative Agreement and change it in a way that will prevent the issue of Metro deleting or deferring projects without SBCCOG or lead agency knowledge. The goal is a long-lasting, mutually cooperative relationship. The current agreement expires May 31<sup>st</sup>, 2017. The SBCCOG will work with the cities that had projects deleted or deferred to make the necessary changes that will allow them to be included in future Metro Budget Requests.
  - **Dates to remember** – There will be a Broadband Workshop tomorrow, the Long Beach Container Terminal Tour scheduled for August 10<sup>th</sup>, Green Building Challenge Recognition Breakfast September 28<sup>th</sup>, Project Management Workshops all four Thursdays in October (6<sup>th</sup>, 13<sup>th</sup>, 20<sup>th</sup>, 27<sup>th</sup>) from 1 pm to 4 pm, and Energy Leader lunch for City Staff on December 1<sup>st</sup>.
  - **July Board Meeting** – There will be an update on the multi-unit dwelling electric vehicle charging station study. Board Members will also be sharing their city projects and priorities for the coming year.
- **South Bay Traffic Forum, LA County DPW** – Andres Narvaez distributed the South Bay Traffic Forum Status Report for July 2016. Mr. Narvaez updated the IWG on the status of the South Bay ITS Project (currently in construction), and several Traffic Signal Synchronization Program (TSSP) Projects, including Lomita Blvd @ Vermont (still in construction which began June 14); Crenshaw Blvd (construction began July 27) and Aviation Blvd (construction set to begin August 10); design work has also begun on several projects (Imperial Hwy and Avalon Blvd). More details can be found in the handout, located on the SBCCOG website at:  
<http://www.southbaycities.org/sites/default/files/infrastructure/HANDOUT%20South%20Bay%20Traffic%20Forum%20Status%20Report%20July%202016.pdf>
- **Caltrans - Update:** Jimmy Shih announced that the ITS project on the 405 is scheduled to be completed by August 2017. He also announced that the PSE for the PAED I-405/I-110 should be completed by May 2017, and that the PAED for the I-405 at 182<sup>nd</sup> St./Crenshaw Blvd was completed June 29<sup>th</sup>.
- **L. A. Metro Updates**
  - **L.A. Metro Board** – Mike Bohlke reported that Metro is dark this month so there is not much to report. The full ballot measure has been sent to the Registrar-Recorder for the LA County Board of Supervisors to approve and put on the

ballot.

- **Metro TAC & Streets and Freeway Subcommittee** –no report given.

### III. Measure R / Sales Tax Measure Updates

- **Status of SBHP Projects in 2016-2017 Metro Budget Request**

-Steve Lantz updated the IWG on the status of certain projects that were included in the SBHP 2016-2017 Metro Budget Request. He referred to a memo that was included in the agenda packet which detailed the list of eight (8) projects that were deferred or deleted by Metro staff. Mr. Lantz also referred the IWG to a boundary map that was included in the agenda packet which shows the SBHP eligible project areas in the South Bay. Mr. Lantz briefly addressed the process issues that led to the projects being deferred or deleted and that the SBCCOG will work with Metro to improve the process so it does not happen in subsequent Metro Budget Requests.

The memo and the map can be viewed in the agenda packet online at:

<http://www.southbaycities.org/sites/default/files/infrastructure/July%20IWG%20Agenda%20Packet.pdf>

- **SBHP Project Progress – Financial Risk Report** – Received and Filed.

- An updated Financial Risk Report was handed out at the meeting. Steve Lantz informed the IWG of a conversation earlier in the day with Caltrans in regards to their project reporting. Due to the fact that Caltrans submits monthly invoices to Metro (as opposed to quarterly invoices like the cities do), it often takes them several weeks after the close of a month to compile the invoices for that month. This means that Caltrans may submit a report in July, but it would be covering the month of May. This will be noted in the Financial Risk Report from now on. Mr. Lantz also announced that if a project is shaded with a light red color on the report, it means that a Funding Agreement Amendment is in the works. If a project is shaded with a light purple color, it signals a city that their Funding Agreement is within one year of expiration and that an amendment may be needed. It was also mentioned that Metro will continue to pay invoices while an FA amendment is being amended.

The updated report can be viewed online at:

<http://www.southbaycities.org/sites/default/files/infrastructure/HANDOUT%20UPDATE%20Attachment%20C%20-%20Project%20Progress%20%26%20Risk%20%20Report.pdf>

- **Three-Month Look Ahead** – Received and Filed. Steve Lantz reported that there will be a Metro ITS Field Inventory Resource Sharing Tool presentation at the August meeting.

- **Metro’s Sales Tax Measure: SBCCOG Position on ballot measure**

Steve Lantz reported that the SBCCOG Board of Directors voted to oppose the Sales Tax Measure and referred the IWG to a letter sent to the Metro Board Chair. Mr. Lantz also announced that Gateway COG has voted to oppose the measure. Danielle Valentino reported that other COGs have been more receptive to the measure, but that no other COGs have taken official positions. The letter can be viewed in the agenda packet online at:

<http://www.southbaycities.org/sites/default/files/infrastructure/July%20IWG%20Agenda%20Packet.pdf>

- **Metro Call for Projects Restructuring Options**

Ted Semaan discussed the potential restructuring of Metro’s Call for Projects (CFP) process. Mr. Semaan suggested that at the September IWG meeting, Brad McAllester (Executive Officer, Long Range Planning at Metro), be a Spotlight presenter on the CFP restructuring. Mr. Semaan mentioned that Metro is looking for the cities to say how they think the CFP changes should be done. The possibility of creating a subregional program, similar to the SBHP, was mentioned as a possible option. Metro wants cities to develop a consistent county-wide program. Mr. Semaan noted that Metro does not have to rush into this restructuring process as the results of the sales tax measure will affect the availability of funds for future CFPs. Metro staff has been neutral to providing elements to the changes. Mr. Semaan has spoken with the San Gabriel Valley and Gateway COGs who would like to attend the IWG meeting when Mr. McAllister makes his presentation.

Rob Beste asked if the sales tax measure fails, will Metro need all of the money that would have normally gone to the CFP? Ted Semaan answered that they are reluctant to say, but that in his opinion, there may not be a 2017 CFP if the measure fails. Mike Bohlke added that if the sales tax measure fails, Metro faces a financial deficit and the CFP money can be used to fill holes in the budget.

Rob Beste followed up with a question about Metro’s (legal) ability to divert CFP funds and put it towards operations. Steve Lantz responded that since Metro has programming authority, they could decide to not do a CFP regardless of the outcome of the sales tax measure. He added that normally Metro would modify CFP funding in the Long Range Transportation Plan. Metro does not have an obligation to state where the money would then be programmed

Mr. Lantz also added that the SBHP no longer covers application costs for CFP applications because in prior years, it has not been a cost effective investment of SBHP funds. In addition, Metro no longer allows SBHP funds to be used for PSR level studies that are required in CFP applications. If there are changes to the CFP process, this policy can be revisited.

It was decided by the IWG that Mr. Semaan would chair a task force to address the desired changes to the CFP process.

**IV. Review of Draft SBHP Implementation Plan 2016 Update (Iteris)**

- Alan Clelland made a presentation on the draft SBHP Implementation Plan (IP) update for 2016. He asked the IWG to send comments on the draft IP update to him by August 1<sup>st</sup> so they can be reviewed, incorporated, and a final draft can be presented to the SBCCOG Steering Committee and Board of Directors.

Mr. Clelland discussed the key changes between the draft IP update and the current IP, and why these changes are necessary. Changes made include: changes to project eligibility, definition of project components, the use of matching funds, the elimination of SBHP feasibility study funding, program allocation goals, a quarterly cash flow requirement, the Metro Budget Request description requirements, corridor-based performance metrics, and program acceleration.

For more detailed information, Mr. Clelland's full presentation can be viewed at:

<http://www.southbaycities.org/sites/default/files/infrastructure/PRESENTATION%20Draft%20Imp%20Plan%20Update%207-20-16%20IWG%20ppt%20final.pdf>

- Alan Clelland announced that there will be project management workshops held at the SBCCOG office on the four Thursdays in October (6<sup>th</sup>, 13<sup>th</sup>, 20<sup>th</sup>, 27<sup>th</sup>) from 1pm-4pm.
- Steve Lantz asked for the IWG members to set up meetings between him and their City Councils between September and March to bring them up to date on the SBHP and the IP update.

- V. **Announcements & Adjournment** – Chair Katsouleas adjourned the meeting at 1:36 pm until August 17, 2016 (public meeting). To include an item on the agenda, please email Steve Lantz ([lantzsh10@gmail.com](mailto:lantzsh10@gmail.com)) by August 5, 2016.

**South Bay Measure R Highway Program**

3-month Look-ahead on Committee Meetings and Decision Milestones

August 2016	September 2016	October 2016
<p><b>8. Steering Committee</b></p> <ul style="list-style-type: none"> <li>• Metro sales tax measure update</li> </ul> <p><b>17. IWG Public Meeting</b></p> <ul style="list-style-type: none"> <li>• Review SBHP Project Progress / Deferral- Deobligation Risk Report</li> <li>• Metro sales tax measure update</li> <li>• Spotlight #1: Slow Speed Lane Study</li> <li>• Spotlight #2: ITS First</li> </ul> <p><b>25. L. A. Metro Board</b></p> <p><b>25. SBCCOG Board</b></p>	<p><b>12. Steering Committee</b></p> <ul style="list-style-type: none"> <li>• Consider Draft South Bay Highway Program Implementation Plan</li> </ul> <p><b>21. IWG Agency Only Meeting</b></p> <ul style="list-style-type: none"> <li>• Review SBHP Project Progress / Deferral- Deobligation Risk Report</li> <li>• Consider Draft South Bay Highway Program Implementation Plan</li> <li>• Metro sales tax measure update</li> <li>• Spotlight: Metro Call for Projects Restructuring – Brad McAllester, Metro</li> </ul> <p><b>22. L. A. Metro Board</b></p> <p><b>22. SBCCOG Board</b></p>	<p><b>10. Steering Committee</b></p> <ul style="list-style-type: none"> <li>• Consider Draft South Bay Highway Program Implementation Plan</li> </ul> <p><b>19. IWG Public Meeting</b></p> <ul style="list-style-type: none"> <li>• Review SBHP Project Progress / Deferral- Deobligation Risk Report</li> <li>• Metro sales tax measure update</li> <li>• Spotlight: To be determined</li> </ul> <p><b>27. L. A. Metro Board</b></p> <p><b>27. SBCCOG Board</b></p> <ul style="list-style-type: none"> <li>• Consider Draft South Bay Highway Program Implementation Plan</li> </ul>

## **SBCCOG Concerns with Metro Measure M Ballot Measure 8/15/16**

The SBCCOG Board of Directors voted on June 30, 2016 to oppose Measure M, the proposed L. A. County transportation sales tax measure placed by Metro on the November 8, 2016 ballot. Although the SBCCOG could support a sales tax measure, we do not support this one. This memo is written to update and summarize numerous South Bay Cities Council of Governments (SBCCOG) concerns that have been expressed during the past 6 weeks.

- **The ballot language is vague, unaccountable, misleading and problematic.**
  - The ballot language does not provide transparency as to how the funding will be allocated.
  - The ballot language emphasizes road infrastructure improvements by putting them first. Yet the Expenditure Plan reflects Metro's real priorities with 78% of the combined Measure R and Measure M revenues earmarked for transit capital, transit operations and transit maintenance.
  - The last clause in the ballot measure language could be interpreted to say that a new ½ cent tax is authorized and the current Measure R tax continues until voters decide to end it. That would imply that the current Measure R sunset is removed and its rules would not be replaced with new rules for a unified one-cent tax on July 1, 2039. If the sunset elimination only applies to Measure R, this interpretation could prevent Metro from increasing the Measure R Local Return share to 20% after 2039.
  
- **Local Return allocations have not been equitable in previous sales taxes and Measure M provided a chance to correct this which was not taken.**
  - "Donor" cities, especially in the south Bay, are significantly burdened by the inequity of contributing far greater sales tax revenues than they receive. SBCCOG, along with other cities and subregions unsuccessfully recommended that the local return allocation be calculated based on population, lane miles within the jurisdiction, and sales tax revenues generated within the jurisdiction as a fairer way to divide the local return in just Measure M. Metro didn't even engage in a discussion of this proposed revision.
  
- **Metro can unilaterally change the Measure M Expenditure Plan every 10 years.**
  - Metro can change any commitments funded with the new measure every ten years without consulting the voters or its regional partners. It merely has to consult with its "independent citizens' advisory committee" composed of members exclusively appointed by Metro.
  
- **The Measure M Expenditure Plan violates Metro's own bottoms-up, transparent process and the application of performance metrics in developing Measure M project priorities and schedules.**
  - policies and projects were added unilaterally at board meetings without considering Metro's performance metrics:
  - removal of the sunset clause,
  - adding 3% local contribution for rail projects,
  - adding a new West San Fernando Valley project,
  - accelerating the Sepulveda Pass project ahead of existing Measure R project commitments,

- adding stormwater projects as eligible uses of up to 33 1/3% of Local Return in the new transportation tax.
- Metro states that they intend to keep all of the Measure R commitments without delays. But they are already having cost overruns on the projects that they have completed and are regularly increasing budgets beyond their original contingency reserves and extending schedules on projects that are in final design or construction.
- **The Measure M Tax at 1 cent is essentially permanent.**
  - In all practicality, Measure M can never be repealed.
  - To qualify a measure for the L. A. County ballot to end the tax would require a petition to be signed by 10% of L. A. County voters, or more than 430,000 registered voters (as of today's numbers). With more than 500 political districts and 4.3 million registered voters, the County is the largest and most complex election jurisdiction in the nation. Since less than half of registered voters typically vote, the petition would need to be signed by more than a majority of likely voters.
- **Measure M increases the cost and prevents acceleration of existing Measure R commitments.**
  - Eliminating the Measure R sunset provision in Measure M allows the Metro Board to add numerous new projects in the first two decades of the plan, effectively accelerating their delivery ahead of current commitments. Eliminating the sunset also allows repayment of debt to be deferred indefinitely.
  - Bonding to accelerate projects without a sunset clause would also allow repayment of debt to be deferred into later decades of the plan which would add significantly to the cost of Measure R projects and consume a significant share of future sales tax revenues thus endangering Plan revenues for projects scheduled after 2040.
  - Adding new projects precludes the significant opportunity for prioritizing acceleration of current Measure R projects using both the Measure R and the new sales tax revenues.
- **The Measure M ordinance 3% "Local Contribution" requirement for rail projects is one-sided and unfair to local partners.**
  - The 3% requirement should not have been snuck into the Measure M ordinance by the Metro Board. Like all other matching funds, investments from funding partners should be negotiated between Metro and each funding partner whether the partner is federal, state or local.
  - To compound the significance of the matter, Metro is the lead agency under CEQA and NEPA for its major rail projects. As responsible agencies, local jurisdictions have no control over the scope or cost of a project.
  - The Metro Board also added confusion to the 3% Local Contribution issue by passing a policy, in apparent conflict with the provision in the new sales tax ordinance, that allocates 100% of the 3% local contribution to first/last mile access projects related to a new station. These projects are not typically included in Metro's baseline rail project budgets. This is a clear example of how Metro Board policies can potentially modify ordinance language and of how Metro's baseline budgets are not accurate.
- **Metro's Expenditure Plan has a \$19 billion shortfall and Metro's response is vague, misleading, and unreliable.**
  - Even with revenue from four L. A. County transportation sales taxes (Propositions A and C, Measures R and M), there is a shortfall in the Measure M Expenditure Plan of approximately

16% of the estimated \$120 billion program over 40 years. Metro assures voters that it is seeking "Federal, local, state, and other Funding" to "enable all Major Projects to be delivered expeditiously." Metro notes that the non-Measure M matching funding assumed in the plan is "advisory and non-binding"; but Metro assures voters that this "flexible" approach to securing these other funds "has been strategically successful for Los Angeles County in the past, and "we expect that success will continue in the future." In effect, Metro is saying, "Trust us."

- **Metro calculates Measure M South Bay project revenues using non-South Bay projects.**
  - They have included the Airport Metro Connector project station at Aviation/96th Street. The project is a system connectivity project and it is located in the Westside Area, not the South Bay.
  - Less than 1/3rd of the I-105 ExpressLane project length is in the South Bay and this project has little benefit to the South Bay. It is unlikely that many South Bay residents will use the I-105 ExpressLane to get to LAX and few South Bay commuters will travel east on the South Bay portion of the I-105. Yet it is listed as a South Bay project.
- **The South Bay will not significantly benefit from Measure M major projects until future decades.**
  - The South Bay will have to pay the increased sales tax with little benefit from the projects that are Metro's regional priorities until the following major projects open:
    - I-105 ExpressLane from I-605 to I-405 - opens in **2029** - only 1/3 is in our subregion
    - Metro Green Line extension from Redondo Beach to Torrance – opens in **2030** –acceleration of 3 to 5 years and 2 ½ miles but with the new funding, it could have been built a lot sooner if newer projects weren't using up the new funds.
    - I-110 / I-405 Interchange and Ramp Improvements - opens in **2044**
    - I-110 ExpressLane extension from SR-91 to I-405 - opens in **2046**
    - I-405 South Bay Curve Improvements - opens in **2047**
    - Undefined and unscheduled \$130 Million South Bay project to keep sub-regional shares equitable - The Metro Board unanimously added a West San Fernando Valley transit capital project to the plan at the June 23rd board meeting with no prior environmental analysis or performance evaluation or public discussion. To keep the sub-regional shares equitable, the Board approved a proportionate increase in funding of \$130 million for additional undefined South Bay subregional projects with no direction on how or when the funds could be spent or even where the funds are coming from. The South Bay appreciates the additional funding but has no idea whether the funds will be available for acceleration of current commitments and/or for new projects, when the funds will be available, and whether Metro or the SBCCOG will select the projects to be funded by the new allocation.
- **The Measure M promise to "keep senior/disabled/student fares affordable" could jeopardize the entire expenditure plan due to the Measure M assumption of a 33% farebox recovery ratio.**
  - Metro faces a bus and rail operating deficit of \$165M in FY 2020 and \$237M in FY 2021.
  - The Measure M Expenditure Plan is predicated on a 33% farebox recovery ratio that was supposed to be achieved in 2015, meaning 33% of transit operating and maintenance costs will be paid from fares. Today, the farebox recovery ratio on the Metro system is no higher than 26%. Because the new measure is promising to "keep fares affordable" for some categories of riders, it will be very hard politically for the Board to raise fares. If Metro doesn't significantly raise fares or reduce operation and maintenance costs to reach the 33% farebox recovery ratio, Metro will not be able to fulfill the promises of the expenditure plan from this one factor alone.