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March __, 2015

Dear Members of the Metro Board of Directors,

We appreciate the opportunities afforded to our Executive Director and members of our Infrastructure Working Group to engage in discussions about the upcoming preparation of the Long Range Transportation Plan (LRTP) and a possible new transportation sales tax.

The technical work on the South Bay Mobility Matrix has highlighted baseline financial and mobility issues that we believe deserve the Board's attention. We are concerned that Metro staff is currently working under unrealistic deadlines to allow the "bottoms up" input you have been seeking. The current November 2016 schedule presumes that local input on the design and priorities for a sales tax proposal would need to be completed by the end of April, 2015. The process also assumes that preparation of the Long Range Transportation (LRTP) would begin after the sales tax is considered by voters in November 2016. We think that this process is backward; before voters are asked to approve another sales tax the LRTP should be prepared with two scenarios – one that assumes what Metro could undertake if the sales tax is approved and the other that assumes what Metro can continue to do if a sales tax is measure is deferred until at least 2018 or beyond.

As you review the final technical report of the South Bay Cities Mobility Matrix you will read the following which we assume are standard clauses in all of the matrices that have been prepared:

- "For the most part, these are capital cost estimates and do not include vehicles, operating, maintenance and financing costs."
- "Due to variations in project scope and available data, costs estimated for the Mobility Matrix are not intended to be used for future project-level planning. Rather, the cost ranges developed via this process constitute a high-level, rough order-of-magnitude planning estimate range for short-, mid-, and long-term subregional funding needs for the Mobility Matrix effort only. More detailed analysis will be conducted in the Metro LRTP update process, which may necessitate refinement of project/program details and associated cost estimates."
- "O&M costs will be revisited as part of the Metro LRTP update."
- "These estimates under represent the operations and maintenance costs due to limitations of data availability."
- "More detailed analysis will be conducted in the LRTP process, which may necessitate refinement of projects/programs and associated cost estimates."

What this means is that any sales tax proposal developed in advance of the LRTP will be designed without an accurate assessment of our future capital project priorities and the operations and maintenance funding requirements of our existing and planned road and transit infrastructure and systems. As a result, a new sales tax will continue the weaknesses of previous sales tax measures that focused too heavily on enticing with new regional mobility projects that would attract a two-

thirds voter majority without providing achievable project costs. If we continue this approach, the condition and efficiency of existing infrastructure will suffer and/or the promised projects will not be delivered.

When you add up all of the needs of the sub-regions and the region as a whole and then consider that you don't have an accurate cost estimate of operations and maintenance, you will literally be rounding off billions, if not trillions, of dollars.

While we understand the Board's interest in pursuing the effort to develop a new sales tax proposal, we think the current approach is a recipe for disaster for the region that will not result in a viable sales tax proposal and we strongly request that you first prepare a two-tiered LRTP taking the time to construct a credible funding capacity analysis for the region and sub-regions and then work with us to come up with a mix of strategies – tolls, fees, sales tax, etc. - that will address all of our needs instead of rushing in to a public vote without all of the information.

Sincerely,

James F. Goodhart
SBCCOG Chair
Councilman, City of Palos Verdes Estates

LOCAL GOVERNMENTS IN ACTION

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Los Angeles Manhattan Beach Palos Verdes Estates Rancho Palos Verdes Redondo Beach Rolling Hills
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