

1 **Ordinance #16-01**

2 **Los Angeles County Traffic Improvement Plan**

3  
4 **PREAMBLE**

5 Los Angeles County’s comprehensive plan to improve transportation and ease traffic  
6 congestion through the following core goals:

7  
8 **Improve freeway traffic flow**; reduce bottlenecks and ease traffic congestion.

9  
10 **Expand the rail and rapid transit system**; accelerate rail construction and build new rail lines;  
11 enhance local, regional, and express bus service; and improve system connectivity.

12  
13 **Repave local streets, repair potholes, synchronize signals**; improve neighborhood streets  
14 and intersections, and enhance bike and pedestrian connections.

15  
16 **Keep the transit and highway system safe**; earthquake-retrofit bridges, enhance freeway and  
17 transit system safety, and keep the transportation system in good working condition.

18  
19 **Make public transportation more accessible, convenient, and affordable** for seniors,  
20 students, and the disabled; and provide better mobility options for our aging population.; ~~and~~  
21 ~~provide better connectivity and access to public transportation for all.~~

22  
23 **Embrace technology and innovation**; incorporate modern technology, new advancements,  
24 and emerging innovations into the local transportation system.

25  
26 **Create jobs, reduce pollution, and generate local economic benefits**; ~~protect and monitor~~  
27 ~~the public’s investments through independent oversight~~; increase personal quality time and  
28 overall quality of life.

29  
30 **Provide accountability and transparency; protect and monitor the public’s investments**  
31 **through independent audits and oversight.**

32  
33  
34 **SECTION 1. TITLE**

35 This Ordinance shall be known and may be cited as the “Los Angeles County Traffic  
36 Improvement Plan” (“Ordinance”). The Ordinance shall include Attachment A entitled  
37 “Expenditure Plan” and Attachment B entitled “Subregional Maps” which are attached hereto  
38 and incorporated by reference as if fully set forth herein.

39  
40 **SECTION 2. SUMMARY**

41 This Ordinance imposes a retail transactions and use tax at the rate of one-half of one  
42 percent (.5%) within Los Angeles County to be operative on the first day of the first calendar  
43 quarter commencing not less than 180 days after the adoption of this Ordinance by the voters.

1 The rate of this tax shall increase to one percent (1.0%) on July 1, 2039 immediately upon the  
2 expiration of the .5% tax imposed by Ordinance No. 08-01 of the Los Angeles County  
3 Metropolitan Transportation Authority (Measure R).

4  
5 SECTION 3. DEFINITIONS

6 The following terms, whenever used in this Ordinance, shall have the meanings set forth below:

7 "Active Transportation" means projects that encourage, promote, or facilitate  
8 environments that promote walking, bicycling, rolling modes, or transit use.

9 "ADA Paratransit" means paratransit service for the disabled as provided for by the  
10 Americans with Disabilities Act (42 U.S.C. § 12101 et seq.).

11 "Board of Equalization" means the California State Board of Equalization.

12 "Capital" means any project or program described in Attachment A that qualifies as a  
13 capital improvement expenditure.

14 "Capital Improvement Expenditures" means expenditures for the purpose of acquiring,  
15 upgrading, or maintaining transportation physical assets such as property, transportation  
16 facilities, rail improvements, highways, or equipment, so long as any such expenditures for  
17 maintenance substantially extend the useful life of the project. This also includes any physical  
18 improvement and any preliminary studies, design, or surveys relative thereto, including, but  
19 not limited to, any property of a permanent nature, and equipment needed in connection with  
20 such improvements.

21 "Complete Streets" means a comprehensive, integrated transportation network with  
22 infrastructure and design that allows safe and convenient travel along and across streets for  
23 all users, including pedestrians, users and operators of public transit, bicyclists, persons with  
24 disabilities, seniors, children, motorists, users of green modes, and movers of commercial  
25 goods.

26 "Expected Opening Date" means the date that a project is expected to be open for use  
27 by the public, which is expressed as the first year of a three-year range. With respect to  
28 programs, the expected opening date is the last year in which funds are anticipated to be  
29 made available for use on the projects that comprise the program.

30 "Expenditure Plan" means that expenditure plan which is attached hereto as  
31 Attachment A.

32 "First/Last Mile" means infrastructure, systems, and modes of travel used by transit  
33 riders to start or end their transit trips. This includes but is not limited to infrastructure for  
34 walking, rolling, and biking (e.g. bike lanes, bike parking, sidewalks, and crosswalks), shared

1 use services (e.g. bike share and car share), facilities for making modal connections (e.g. kiss  
2 and ride and bus/rail interface), signage and way-finding, and information and technology that  
3 eases travel (e.g. information kiosks and mobile apps).

4 “Green Streets” means urban transportation rights-of-way integrated with storm water  
5 treatment techniques that use natural processes and landscaping and ~~that~~ quantitatively  
6 demonstrate that they capture and treat storm water runoff from their tributary watershed  
7 through infiltration or other means and are included within the respective Enhanced  
8 Watershed Management Plan.

9 “Gross Sales Tax” means the amount of Sales Tax collected by the Board of  
10 Equalization pursuant to this Ordinance.

11 “Groundbreaking Start Date” means the first year of a three-year period by which the  
12 applicable project sponsor is expected to award a construction contract enabling the  
13 beginning of construction. In alternative project delivery methods, such as design-build and  
14 public-private partnership contracts, it means the start of the actual construction phase or  
15 phases of the project.

16 “Highway Construction” means a capital only project or program that includes all  
17 environmental, design, and construction work in public highway and street rights-of-way. This  
18 includes ~~e~~Complete ~~s~~Streets, ~~g~~Green ~~s~~Streets, and active transportation improvements such as  
19 bikeways and pedestrian improvements.

20 “Interest” means interest and other earnings on cash balances.

21 “Local Return” means funds returned to the cities ~~in~~ within Los Angeles and Los  
22 Angeles County, based on population, for eligible transportation-related uses as defined by  
23 the Local Return Guidelines to be developed in coordination with ~~the~~ such cities and Los  
24 Angeles County and adopted by the Metro Board of Directors. Funds will be eligible for  
25 communities’ transportation needs, including transit, streets and roads, storm drains, Green  
26 Streets, Active Transportation Projects, Complete Streets, public transit access to recreational  
27 facilities, Transit Oriented Community Investments, and other unmet transit needs.

28 “Measure R” means Ordinance No. 08-01, including the attached expenditure plan, of  
29 the Los Angeles County Metropolitan Transportation Authority, as adopted by the Metro Board  
30 of Directors on July 24, 2008.

31 “Measure R Projects” means those projects and programs identified in the expenditure  
32 plan attached to Ordinance No. 08-01.

33 “Metro” means the Los Angeles County Metropolitan Transportation Authority or any  
34 successor entity.

1 "Metro Rail Operations" means service delivery for operating and regular and  
2 preventative maintenance for Metro Rail Lines as defined in guidelines adopted by the Metro  
3 Board of Directors, as well as Metro State of Good Repair.

4 "Metro State of Good Repair" means the repair, rehabilitation, and replacement  
5 required to maintain reliable, safe, effective, and efficient rail transit services.

6 "Multi-Year Subregional Programs" means multiple capital projects defined by  
7 guidelines adopted pursuant to Section 7(c).

8 "Net Revenues" means Sales Tax Revenues minus any amount expended on  
9 administrative costs pursuant to Section 10.

10 "Regional Rail" means regional commuter rail service within Los Angeles County,  
11 including operating, maintenance, expansion, and state of good repair.

12 "Sales Tax" means a retail transactions and use tax.

13 "Sales Tax Revenues" means the Gross Sales Tax minus any refunds and any fees  
14 imposed by the Board of Equalization for the performance of functions incident to the  
15 administration and operation of this Ordinance.

16 "Schedule of Funds Available" means the anticipated schedule for releasing funds to  
17 complete projects included in the Expenditure Plan.

18 "Subregion" means "subregional planning area" as shown by the boundaries in  
19 "Subregional Maps" attached hereto as Attachment B.

20 "Transit Construction" means a capital only project or program including  
21 environmental, design, and construction work in public transit rights-of-way or in support of the  
22 capital needs of the public transit system, such as rolling stock, transit stations, or transit stop  
23 improvements. Transit construction can also include first/last mile improvements.

24 "Transit Operations" means countywide transit service operated by Metro and the  
25 Included and Eligible Municipal Operators receiving funds allocated through a Board-adopted  
26 Formula Allocation Procedure (FAP).

27  
28 SECTION 4. STATUTORY AUTHORITY

29 This Ordinance is enacted, in part, pursuant to:

30 a. Part 1.6 (commencing with Section 7251) of Division 2 of the California  
31 Revenue and Taxation Code; and

32 b. Division 12 (commencing with Section 130000) of the California Public Utilities  
33 Code.

1 SECTION 5. IMPOSITION OF RETAIL TRANSACTIONS AND USE TAX

2 a. Subject to the limits imposed by this Ordinance, Metro hereby imposes, in the  
3 incorporated and unincorporated territory of Los Angeles County, a Transactions and Use tax  
4 at the rate of one-half of one percent (.5%) beginning on the first day of the first calendar  
5 quarter commencing not less than 180 days after the adoption of this Ordinance by the voters.  
6 The rate of this tax shall increase to one percent (1.0%) on July 1, 2039 immediately upon the  
7 expiration of the .5% tax imposed by Ordinance No. 08-01 of the Los Angeles County  
8 Metropolitan Transportation Authority (Measure R).

9 b. This Transactions and Use tax shall be in addition to any other taxes  
10 authorized by law, including any existing or future state or local Transactions and Use tax.  
11 The imposition, administration, and collection of the tax shall be in accordance with all  
12 applicable statutes, laws, and rules and regulations prescribed and adopted by the Board of  
13 Equalization.

14 c. Pursuant to Section 130350.7(h) of the Public Utilities Code, the tax rate  
15 authorized by this section shall not be considered for purposes of the combined rate limit  
16 established by Section 7251.1 of the Revenue and Taxation Code.

17 d. Pursuant to the provisions of Section 7262.2 of the Revenue and Taxation  
18 Code, the required provisions of Sections 7261 and 7262 of that Code as now in effect or as  
19 later amended are adopted by reference in this Ordinance.

20 e. This Ordinance incorporates provisions identical to those of the Sales and Use  
21 Tax Law of the State of California insofar as those provisions are not inconsistent with the  
22 requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation  
23 Code.

24 f. The Transactions and Use tax shall be administered and collected by the  
25 Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the  
26 least possible deviation from, the existing statutory and administrative procedures followed by  
27 the Board of Equalization in administering and collecting the California State Sales and Use  
28 Taxes.

29 g. This Transactions and Use tax shall be administered in a manner that will be,  
30 to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the  
31 Revenue and Taxation Code, minimizes the cost of collecting the transactions and use taxes,  
32 and at the same time, minimizes the burden of record keeping upon persons subject to  
33 taxation under the provisions of this Ordinance.

34

1 SECTION 6. ADMINISTRATION BY BOARD OF EQUALIZATION

2 a. CONTRACT WITH STATE. Prior to the operative date, Metro shall contract with  
3 the Board of Equalization to perform all functions incident to the administration and operation of  
4 this Ordinance; provided, that if Metro shall not have contracted with the Board of Equalization  
5 prior to the operative date, it shall nevertheless so contract and in such a case the operative  
6 date shall be the first day of the first calendar quarter following the execution of such a contract.

7 b. TRANSACTIONS TAX RATE. For the privilege of selling tangible personal  
8 property at retail, a tax is hereby imposed upon all retailers in the incorporated and  
9 unincorporated territory of Los Angeles County at the rate of one half of one percent (.5%) of the  
10 gross receipts of any retailer from the sale of all tangible personal property sold at retail in said  
11 territory on and after the operative date of this Ordinance. The rate of this tax shall increase to  
12 one percent (1.0%) of the gross receipts on July 1, 2039 immediately upon the expiration of the  
13 .5% tax imposed by Ordinance No. 08-01 of the Los Angeles County Metropolitan  
14 Transportation Authority (Measure R).

15 c. PLACE OF SALE. For the purposes of this Ordinance, all retail sales are  
16 consummated at the place of business of the retailer unless the tangible personal property sold  
17 is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for  
18 delivery to an out-of-state destination. The gross receipts from such sales shall include delivery  
19 charges, when such charges are subject to the state sales and use tax, regardless of the place  
20 to which delivery is made. In the event a retailer has no permanent place of business in the  
21 State or has more than one place of business, the place or places at which the retail sales are  
22 consummated shall be determined under rules and regulations to be prescribed and adopted by  
23 the Board of Equalization.

24 d. USE TAX RATE. An excise tax is hereby imposed on the storage, use, or other  
25 consumption in Los Angeles County of tangible personal property purchased from any retailer  
26 on and after the operative date of this Ordinance for storage, use, or other consumption in Los  
27 Angeles County at the rate of one half of one percent (.5%) of the sales price of the property.  
28 The rate of this tax shall increase to one percent (1.0%) of the sales price of the property on  
29 July 1, 2039 immediately upon the expiration of the .5% tax imposed by Ordinance No. 08-01 of  
30 the Los Angeles County Metropolitan Transportation Authority (Measure R). The sales price  
31 shall include delivery charges when such charges are subject to state sales or use tax  
32 regardless of the place to which delivery is made.

33 e. ADOPTION OF PROVISIONS OF STATE LAW. Except as otherwise provided in  
34 this Ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of

1 Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with  
2 Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a  
3 part of this Ordinance as though fully set forth herein.

4 f. LIMITATIONS ON ADOPTION OF STATE LAW AND COLLECTION OF USE  
5 TAXES. In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

6 1. Wherever the State of California is named or referred to as the taxing  
7 agency, the name of Metro shall be substituted therefor. However, the substitution shall not be  
8 made when:

9 A. The word "State" is used as a part of the title of the State  
10 Controller, State Treasurer, Victim Compensation and Government Claims Board, State Board  
11 of Equalization, State Treasury, or the Constitution of the State of California;

12 B. The result of that substitution would require action to be taken by  
13 or against Metro or any agency, officer, or employee thereof rather than by or against the Board  
14 of Equalization, in performing the functions incident to the administration or operation of this  
15 Ordinance.

16 C. In those sections, including, but not necessarily limited to sections  
17 referring to the exterior boundaries of the State of California, where the result of the substitution  
18 would be to:

19 i. Provide an exemption from this Sales Tax with respect to  
20 certain sales, storage, use, or other consumption of tangible personal property which would not  
21 otherwise be exempt from this Sales Tax while such sales, storage, use, or other consumption  
22 remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue  
23 and Taxation Code; or

24 ii. Impose this Sales Tax with respect to certain sales,  
25 storage, use, or other consumption of tangible personal property that would not be subject to  
26 this Sales Tax by the state under the said provision of that code.

27 D. In Sections 6701, 6702 (except in the last sentence thereof),  
28 6711, 6715, 6737, 6797, or 6828 of the Revenue and Taxation Code.

29 2. The phrase "Los Angeles County" shall be substituted for the words "this  
30 state" in the phrase "retailer engaged in business in this state" in Section 6203 and in the  
31 definition of that phrase in Section 6203 of the Revenue and Taxation Code.

32 g. PERMIT NOT REQUIRED. If a seller's permit has been issued to a retailer  
33 under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall  
34 not be required by this Ordinance.

1           h.       EXEMPTIONS AND EXCLUSIONS.

2                   1.       There shall be excluded from the measure of the transactions tax and the  
3 use tax the amount of any sales tax or use tax imposed by the State of California or by any city,  
4 city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law  
5 or the amount of any state-administered transactions or use tax.

6                   2.       There are exempted from the computation of the amount of transactions  
7 tax the gross receipts from:

8                           A.       Sales of tangible personal property, other than fuel or petroleum  
9 products, to operators of aircraft to be used or consumed principally outside the County in which  
10 the sale is made and directly and exclusively in the use of such aircraft as common carriers of  
11 persons or property under the authority of the laws of this State, the United States, or any  
12 foreign government.

13                           B.       Sales of property to be used outside Los Angeles County which is  
14 shipped to a point outside Los Angeles County, pursuant to the contract of sale, by delivery to  
15 such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a  
16 consignee at such point. For the purposes of this paragraph, delivery to a point outside Los  
17 Angeles County shall be satisfied:

18                                   i.       With respect to vehicles (other than commercial vehicles)  
19 subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of  
20 the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code,  
21 and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of  
22 the Vehicle Code by registration to an address outside Los Angeles County and by a declaration  
23 under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her  
24 principal place of residence; and

25                                   ii.       With respect to commercial vehicles, by registration to a  
26 place of business outside Los Angeles County and declaration under penalty of perjury, signed  
27 by the buyer, that the vehicle will be operated from that address.

28                           C.       The sale of tangible personal property if the seller is obligated to  
29 furnish the property for a fixed price pursuant to a contract entered into prior to the operative  
30 date of this Ordinance.

31                           D.       A lease of tangible personal property which is a continuing sale of  
32 such property, for any period of time for which the lessor is obligated to lease the property for an  
33 amount fixed by the lease prior to the operative date of this Ordinance.



1                   E.     For the purposes of subparagraphs (C) and (D) of this section, the  
2 sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a  
3 contract or lease for any period of time for which any party to the contract or lease has the  
4 unconditional right to terminate the contract or lease upon notice, whether or not such right is  
5 exercised.

6                   3.     There are exempted from the use tax imposed by this Ordinance, the  
7 storage, use, or other consumption in Los Angeles County of tangible personal property:

8                   A.     The gross receipts from the sale of which have been subject to a  
9 transactions tax under any state-administered transactions and use tax ordinance.

10                  B.     Other than fuel or petroleum products purchased by operators of  
11 aircraft and used or consumed by such operators directly and exclusively in the use of such  
12 aircraft as common carriers of persons or property for hire or compensation under a certificate  
13 of public convenience and necessity issued pursuant to the laws of this State, the United States,  
14 or any foreign government. This exemption is in addition to the exemptions provided in  
15 Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

16                  C.     If the purchaser is obligated to purchase the property for a fixed  
17 price pursuant to a contract entered into prior to the operative date of this Ordinance.

18                  D.     If the possession of, or the exercise of any right or power over, the  
19 tangible personal property arises under a lease which is a continuing purchase of such property  
20 for any period of time for which the lessee is obligated to lease the property for an amount fixed  
21 by a lease prior to the operative date of this Ordinance.

22                  E.     For the purposes of subparagraphs (C) and (D) of this section,  
23 storage, use, or other consumption, or possession of, or exercise of any right or power over,  
24 tangible personal property shall be deemed not to be obligated pursuant to a contract or lease  
25 for any period of time for which any party to the contract or lease has the unconditional right to  
26 terminate the contract or lease upon notice, whether or not such right is exercised.

27                  F.     Except as provided in subparagraph (G), a retailer engaged in  
28 business in Los Angeles County shall not be required to collect use tax from the purchaser of  
29 tangible personal property, unless the retailer ships or delivers the property into the County or  
30 participates within the County in making the sale of the property, including, but not limited to,  
31 soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer  
32 in County or through any representative, agent, canvasser, solicitor, subsidiary, or person in the  
33 County under the authority of the retailer.

1 G. "A retailer engaged in business in Los Angeles County" shall also  
2 include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1  
3 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in  
4 compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered  
5 under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be  
6 required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or  
7 aircraft at an address in Los Angeles County.

8 4. Any person subject to use tax under this Ordinance may credit against  
9 that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or  
10 retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and  
11 Taxation Code with respect to the sale to the person of the property the storage, use, or other  
12 consumption of which is subject to the use tax.

13 i. AMENDMENTS. All amendments subsequent to the effective date of this  
14 Ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use  
15 taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and  
16 Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and  
17 Taxation Code, shall automatically become a part of this Ordinance, provided however, that no  
18 such amendment shall operate so as to affect the rate of tax imposed by this Ordinance.

19 j. ENJOINING COLLECTION FORBIDDEN. No injunction or writ of mandate or  
20 other legal or equitable process shall issue in any suit, action, or proceeding in any court  
21 against the State or Metro, or against any officer of the State or Metro, to prevent or enjoin the  
22 collection under this Ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code,  
23 of any tax or any amount of tax required to be collected.

## 24 SECTION 7. USE OF REVENUES

25 a. All Net Revenues generated from the Sales Tax imposed pursuant to this  
26 Ordinance plus any Interest, less any funds necessary for satisfaction of debt service and  
27 related requirements of all bonds issued and obligations incurred pursuant to this Ordinance  
28 that are not satisfied out of separate allocations, shall be allocated solely for the transportation  
29 purposes described in this Ordinance.

30 b. Metro shall establish and administer a sales tax revenue fund and such  
31 subfunds as established in this Ordinance. All Net Revenues and Interest on Sales Tax  
32 Revenues shall be credited into the sales tax revenue fund and credited to the appropriate  
33 subfunds and programs in accordance with the percentages in the column entitled "% of Sales  
34

1 Tax (net of Admin)” on page 1 of Attachment A. All sums in the sales tax revenue fund shall  
2 be expended by Metro for the projects and programs described in Attachment A. Metro may  
3 expend additional funds from sources other than the Sales Tax imposed pursuant to this  
4 Ordinance on the projects and programs described in Attachment A.

5 1. Metro shall establish the following subfunds of the sales tax revenue  
6 fund:

7 A. Transit Operating and Maintenance Subfund, for Metro Rail  
8 Operations program funds, Transit Operations (Metro and Municipal Providers) program funds,  
9 ADA Paratransit for the disabled and Metro discounts for seniors and students program funds.

10 i. Metro Rail Operations program funds are eligible to be  
11 used for Metro Rail State of Good Repair.

12 ii. Transit Operations program funds are eligible to be used  
13 for Metro State of Good Repair.

14 B. Transit, First/Last Mile (Capital) Subfund, for Transit Construction  
15 (including System Connectivity Projects – Airports, Union Station, and Countywide BRT)  
16 program funds and Metro State of Good Repair program funds. This subfund shall include a  
17 Transit Contingency Subfund.

18 i. Transit Contingency Subfund. All Net Revenues allocated  
19 to the Transit, First/Last Mile (Capital) Subfund, except those allocated to Metro State of Good  
20 Repair, that are not assigned to a specific project or program coded “T” in the “modal code”  
21 column of Attachment A shall be credited to the Transit Contingency Subfund.

22 C. Highway, Active Transportation, Complete Streets (Capital)  
23 Subfund, for Highway Construction (including System Connectivity Projects – Ports, Highway  
24 Congestion Programs and Goods Movement) program funds and Metro Active Transportation  
25 (Bicycle, Pedestrian, Complete Streets) program funds. This subfund shall include a Highway  
26 Contingency Subfund.

27 i. Highway Contingency Subfund. All Net Revenues  
28 allocated to the Highway, Active Transportation, Complete Streets (Capital) Subfund, except  
29 those allocated to Metro Active Transportation Program, that are not assigned to a specific  
30 highway capital project or program coded “H” in the “modal code” column of Attachment A shall  
31 be credited to the Highway Contingency Subfund.

32 D. Local Return/Regional Rail Subfund, for Local Return program  
33 funds and Regional Rail program funds.

34 2. For each project identified in the “Expenditure Plan Major Projects”

1 section of Attachment A, Metro shall expend the amount of Net Revenues specified in the  
2 column entitled “Measure \_\_\_ Funding 2015\$” for each project. Such expenditures shall  
3 commence in the fiscal year identified in the column “Groundbreaking Start Date,” or in the  
4 subsequent two fiscal years, except that expenditures for preconstruction costs may commence  
5 sooner.

6                   A. Metro may expend funds from the Contingency Subfunds for  
7 inflation adjustments for any project identified in the “Expenditure Plan Major Projects” section  
8 of Attachment A if less than two-thirds (2/3) of the amount allocated in the “Measure \_\_\_  
9 Funding 2015\$” column has been expended prior to the first day of Fiscal Year 2027. Such  
10 expenditures shall be deducted from the Highway Contingency Subfund if the project is coded  
11 “H” in the “modal code” column of Attachment A or from the Transit Contingency Subfund if  
12 the project is coded “T” in the “modal code” column of Attachment A. Such expenditures shall  
13 not exceed the actual amount of inflation since 2015 as determined by an index selected by  
14 the Metro Board of Directors.

15                   3. For each program identified in the “Multi-Year Subregional Programs”  
16 section of Attachment A, Metro shall expend the amount of Net Revenues specified in the  
17 column entitled “Measure \_\_\_ Funding 2015\$” for each program. Such expenditures shall  
18 commence in the fiscal year identified in the column “Groundbreaking Start Date,” or in the  
19 subsequent two fiscal years, except that expenditures for preconstruction costs may  
20 commence sooner.

21                   A. Metro may expend funds from the Contingency Subfunds for  
22 inflation adjustments for any project identified in the “Multi-Year Subregional Programs”  
23 section of Attachment A beginning in Fiscal Year 2027. Such expenditures shall be deducted  
24 from the Highway Contingency Subfund if the project is coded “H” in the “modal code” column  
25 of Attachment A or from the Transit Contingency Subfund if the project is coded “T” in the  
26 “modal code” column of Attachment A. Such expenditures shall not exceed the actual amount  
27 of inflation since 2015 as determined by an index selected by the Metro Board of Directors.

28                   4. Metro shall expend funds allocated to the Contingency Subfunds, to the  
29 extent necessary, to service the debt of any bonds issued or other obligations incurred  
30 pursuant to Section 12 of this Ordinance.

31                   5. Metro may expend funds from the Contingency Subfunds for  
32 Expenditure Plan Major Projects or Multi-Year Subregional Programs in any fiscal year in  
33 which Net Revenues received are not sufficient to meet Metro’s funding obligations for that  
34 year for such projects.

1           6.       No earlier than July 1, 2039, the Metro Board of Directors shall increase  
2 the percentage of Net Revenues allocated to the Regional Rail program of the Local Return  
3 and Regional Rail Subfund from one percent (1%) to two percent (2%) provided that the  
4 recipient(s) satisfy certain performance criteria, which shall be adopted by the Metro Board of  
5 Directors. Any such increase in Net Revenues allocated to Regional Rail shall be offset by  
6 corresponding reductions in Net Revenues allocated to either the Transit, First/Last Mile  
7 (Capital) Subfund or Highway, Active Transportation, Complete Streets (Capital) Subfund, or  
8 both. No reduction shall delay any projects in Attachment A.

9           7.       On July 1, 2039, the percentage of Net Revenues allocated to the Local  
10 Return program shall increase by three percent of Net Revenues. The Metro Board of  
11 Directors shall make corresponding reductions to either the Transit Construction or Highway  
12 Construction programs, or both. No reduction shall delay any projects in Attachment A.

13           c.       The Metro Board of Directors shall adopt guidelines regarding Multi-Year  
14 Subregional Programs identified in Attachment A. The guidelines shall, at minimum, specify  
15 definitions of active transportation, first/last mile, visionary seed project studies, street car and  
16 circulator projects, greenway projects, mobility hubs, highway efficiency and operational  
17 improvement projects, bus system improvements, highway demand-based programs (such as  
18 high occupancy vehicle extensions and connections), transit capital projects, transportation  
19 system and mobility improvements, bus rapid transit capital improvements, safe route to  
20 schools, multi-modal connectivity projects, arterial street improvements, freeway interchange  
21 improvements, goods movement improvements, highway and transit noise mitigations,  
22 intelligent transportation systems, transportation technology improvements, streetscape  
23 enhancements and Great Streets, public transit state of good repair, and traffic congestion  
24 relief improvements.

25           d.       Metro may enter into an agreement with the Board of Equalization to transfer  
26 Sales Tax Revenues directly to a bond trustee or similar fiduciary, in order to provide for the  
27 timely payment of debt service and related obligations, prior to Metro's receipt and deposit of  
28 such Sales Tax Revenues into the sales tax revenue fund; provided, however, that such  
29 payments of debt service and related obligations shall be allocated to the appropriate subfund  
30 consistent with the expenditure of the proceeds of the corresponding debt.

31           e.       Metro shall include the projects and programs in Attachment A in the Long  
32 Range Transportation Plan within one year of the date the Ordinance takes effect. The revised  
33 and updated Long Range Transportation Plan shall also include capital projects and capital  
34 programs that are adopted by each subregion that are submitted to Metro for inclusion in the

1 revised and updated Long Range Transportation Plan, if the cost and schedule details are  
2 provided by the subregions, in a manner consistent with the requirements of the plan.

3 f. Three percent (3%) of the total project cost of any Expenditure Plan Major  
4 Project coded "T" in Attachment A shall be paid by each incorporated city within Los Angeles  
5 County, and Los Angeles County for those projects in unincorporated areas, based upon the  
6 percent of project total centerline track miles to be constructed within that jurisdiction's borders if  
7 one (1) or more stations are to be constructed within the borders of said jurisdiction. An  
8 agreement approved by both Metro and the governing board of the jurisdiction shall specify the  
9 total project cost determined at the conclusion of thirty percent (30%) completion of final design  
10 (which shall not be subject to future cost increases), the amount to be paid, and a schedule of  
11 payments. If the total project cost estimate is reduced after the conclusion of thirty percent  
12 (30%) completion of final design, the proportionate cost to the jurisdiction shall be reduced  
13 accordingly. The jurisdiction may request a betterment for a project. The jurisdiction, however,  
14 shall incur the full cost of any such betterment. Such agreements shall be in accordance with  
15 guidelines adopted by the Metro Board of Directors.

16 1. If no agreement is entered into and approved prior to the award of  
17 any contract authorizing the construction of the project within the borders of the jurisdiction, or if  
18 at any time the local jurisdiction is in default of any sums due pursuant to the approved  
19 agreement, all funds contained in the Local Return/Regional Rail Subfund allocated to that  
20 jurisdiction may, at Metro's sole discretion, be withheld for not longer than fifteen (15) years and  
21 used to pay for the project until the three percent (3%) threshold is met.

22 g. Once every ten (10) years, beginning in Fiscal Year 2027, Metro shall conduct  
23 a comprehensive assessment of each project and program identified in Attachment A as an  
24 "Expenditure Plan Major Project" or "Multi-Year Subregional Program." This assessment shall  
25 determine which projects or programs are either completed, or anticipated to be completed  
26 during the next ten-year period. The Measure \_\_ Independent Taxpayer Oversight Committee  
27 of Metro, established pursuant to Section 8, shall review and comment on the assessment.

28 Metro shall also conduct a public review prior to the assessment's approval. Upon approval of  
29 this assessment by a two-thirds vote, the Metro Board of Directors may:

30 1. Add "Expenditure Plan Major Projects" and "Multi-Year Subregional  
31 Programs" to the Expenditure Plan by a two-thirds (2/3) vote so long as such additions do not  
32 delay the Groundbreaking Start Date, Expected Opening Date, or amount of "Measure \_  
33 Funding 2015\$" of any other "Expenditure Plan Major Project" or "Multi-Year Subregional

1 Program.” No “Expenditure Plan Major Projects” or “Multi-Year Subregional Programs” may  
2 be added to the Expenditure Plan except through the decennial process described herein.

3 A. Should an “Expenditure Plan Major Project” or “Multi-Year  
4 Subregional Program”, except for those coded “sc” in the “subregion” column of Attachment A,  
5 be completed without the expenditure of all Net Revenues allocated to that project or program  
6 in Attachment A, the surplus Net Revenues shall be expended on projects or programs in the  
7 same subregion as the project or program so completed. The Metro Board of Directors shall  
8 determine by a two-thirds (2/3) vote whether a project or program is complete.

9 B. Should an “Expenditure Plan Major Project” or “Multi-Year  
10 Subregional Program” coded “sc” in the “subregion” column of Attachment A be completed  
11 without the expenditure of all Net Revenues allocated to that project or program in Attachment  
12 A, the surplus Net Revenues shall be expended on another “Expenditure Plan Major Project”  
13 or “Multi-Year Subregional Program” coded “sc” in the “subregion” column of Attachment A.  
14 The Metro Board of Directors shall determine by a two-thirds (2/3) vote whether a project or  
15 program is complete.

16 2. Adopt an amendment to transfer Net Revenues between the Transit,  
17 First/Last Mile (Capital) Subfund and the Highway, Active Transportation, Complete Streets  
18 (Capital) Subfund pursuant to Section 11(c). No such amendment shall be adopted except  
19 through the decennial process described herein.

20 3. Adopt an amendment to Attachment B pursuant to Section 11(a). No  
21 such amendment shall be adopted except through the decennial process described herein  
22 provided, however, the Metro Board of Directors shall not adopt an amendment to Attachment  
23 B prior to the comprehensive assessment in Fiscal Year 2047.

24 h. No Net Revenues generated from the Sales Tax shall be expended on the  
25 State Route 710 North Gap Closure Project.

26 i. Notwithstanding any other provision of this Ordinance, no recipient of Local  
27 Return program funds may expend more than thirty-three and one-third percent (33⅓ %) of  
28 total funds received in any fiscal year on Green Streets.

## 30 SECTION 8. OVERSIGHT

31 a. There is hereby established a Measure \_\_ Independent Taxpayer Oversight  
32 Committee of Metro (“Committee”) to provide an enhanced level of accountability for  
33 expenditures of sales tax revenues made under the Expenditure Plan. The Committee shall

1 meet at least four (4) times each year to carry out the purposes of this Ordinance. The  
2 Committee reports directly to the Metro Board of Directors and the public.

3 b. It is the intent that the Committee will assist Metro and take advantage of  
4 changing situations in the future with regard to technologies and transportation developments.  
5 Therefore, the provisions contained in this Ordinance are based on a 2016 perspective and are  
6 not meant to be unduly restrictive on the Committee's and Metro's roles and responsibilities.

7 c. Committee Membership. The Committee Members established for oversight  
8 shall carry out the responsibilities laid out in this Ordinance and play a valuable and constructive  
9 role in the ongoing improvement and enhancement of this Ordinance.

10 1. As such, the Committee Members shall be comprised of seven (7)  
11 voting members representing the following professions or areas of expertise:

12 A. A retired Federal or State judge

13 B. A professional from the field of municipal/public finance and/or  
14 budgeting with a minimum of ten (10) years of relevant experience

15 C. A transit professional with a minimum of ten (10) years of  
16 experience in senior-level decision making in transit operations and labor practices

17 D. A professional with a minimum of ten (10) years of experience in  
18 management and administration of financial policies, performance measurements, and reviews

19 E. A professional with demonstrated experience of ten (10) years or  
20 more in the management of large-scale construction projects

21 F. A licensed architect or engineer with appropriate credentials in the  
22 field of transportation project design or construction and a minimum of ten (10) years of relevant  
23 experience

24 G. A regional association of businesses representative with at least  
25 ten (10) years of senior-level decision making experience in the private sector

26 2. The intent is to have one member representing each of the specified  
27 areas of expertise. If, however, after a good faith effort, qualified individuals have not been  
28 identified for one (1) or more of the areas of expertise, then no more than two (2) members from  
29 one (1) or more of the remaining areas of expertise may be selected.

30 3. The members of the Committee must reside in Los Angeles County and  
31 be subject to conflict of interest provisions. No person currently serving as an elected or  
32 appointed city, county, special district, state, or federal public officeholder shall be eligible to  
33 serve as a member of the Committee.

34 d. Conflict of Interest. The Committee members shall be subject to Metro's conflict



1 of interest policies. The members shall have no legal action pending against Metro and are  
2 prohibited from acting in any commercial activity directly or indirectly involving Metro, such as  
3 being a consultant to Metro or to any party with pending legal actions against Metro during their  
4 tenure on this Committee. Committee members shall not have direct commercial interest or  
5 employment with any public or private entity, which receives sales tax funds authorized by this  
6 Ordinance.

7 e. Committee Membership Selection Panel. The Selection Panel ("Panel") shall  
8 select for approval the Oversight Committee Members, who will be responsible for performing  
9 the responsibilities under this Ordinance. The Panel will be comprised of three (3) persons,  
10 each of whom shall be members of the Metro Board of Directors, or their designee.

11 1. The Panel shall be selected as follows, and will represent the existing  
12 leadership of Metro's Board (Chair, Vice Chair, and second Vice Chair):

13 A. One representative from the Los Angeles County Board of  
14 Supervisors; and

15 B. One representative selected by the Mayor of the City of Los  
16 Angeles; and

17 C. One representative from the Los Angeles County Cities

18 2. The Panel shall screen and recommend potential candidates for  
19 Committee Membership. The Panel will develop guidelines to solicit, collect, and review  
20 applications of potential candidates for membership on the Committee. The filling of  
21 membership vacancies, due to removals and reappointments will follow these same guidelines.

22 3. The recommended candidates for Committee Membership  
23 shall be approved by the Metro Board by a simple majority.

24 f. Term. Each member of the Committee shall serve for a term of five (5) years,  
25 and until a successor is appointed, except that initial appointments may be staggered with terms  
26 of three (3) years. A Committee member may be removed at any time by the appointing  
27 authority. Term limits for Committee members will be staggered to prevent significant turnover  
28 at any one time. There is no limit as to the number of terms that a Committee member may  
29 serve. Members will be compensated through a stipend and they may choose to waive.

30 g. Resignation. Any member may, at any time, resign from the Committee upon  
31 written notice delivered to the Metro Board. Acceptance of any public office, the filing of intent  
32 to seek public office, including a filing under California Government Code Section 85200, or  
33 change of residence to outside the County shall constitute a Member's automatic resignation.

34 h. Committee Responsibilities. The Committee shall, at a minimum, meet on a

1 quarterly basis to carry out its responsibilities and is hereby charged with the following  
2 responsibilities:

3 1. *General Responsibilities*

4 A. The Committee will have the responsibility for approving the scope  
5 of work and direct the work of the auditors, to include at minimum the above mentioned areas.  
6 Selection of the auditors will follow the Board approved procurement and solicitation policies.  
7 The Committee will be involved in the solicitation and selection process of the auditors.

8 B. The Committee shall prepare an annual report on the results of the  
9 annual audit per Section 8(h)(3)(B), any findings made, and report the comments to the Metro  
10 Board of Directors.

11 C. The Committee shall review all proposed debt financing and make  
12 a finding as to whether the benefits of the proposed financing for accelerating project delivery,  
13 avoiding future cost escalation, and related factors exceed issuance and interest costs.

14 D. The Committee shall review any proposed amendments to the  
15 Ordinance, including the Expenditure Plan, and make a finding as to whether the proposed  
16 amendments further the purpose of the Ordinance.

17 2. *Quarterly Responsibilities.* The Committee shall at minimum review the  
18 following:

19 A. For each Subfund, make findings on the effective and efficient use  
20 of funds.

21 B. For Local Return funds, review the programmed revenues and  
22 uses for each of the local jurisdictions.

23 C. For Transit and Highway (Capital), review comparison of budget  
24 expended to project milestone completion, comparison of contingency spent to project  
25 completion, and review of soft costs expended.

26 D. For Active Transportation Program, review programmed revenues  
27 and uses.

28 E. For State of Good Repair, review budget and expenses.

29 F. For Transit Operating and Maintenance (which includes Metro Rail  
30 Operations, Transit Operations, ADA Paratransit for the disabled/Metro discounts for seniors  
31 and students, and Regional Rail), review budget and expenses.

32 3. *Annual Responsibilities*

33 A. The Committee shall review the results of the audit performed

1 and make findings as to whether Metro is in compliance with the terms of the Ordinance. Such  
2 findings shall include a determination as to whether recipients of Net Revenues allocated and  
3 funds were expended for all the Subfunds (listed in Attachment A) and have complied with this  
4 Ordinance and any additional guidelines developed by Metro.

5           B.       *Annual Financial and Compliance Audit.* Metro shall contract for  
6 an annual audit, to be completed within six (6) months after the end of the fiscal year being  
7 audited, for the purpose of determining compliance by Metro with the provisions of this  
8 Ordinance relating to the receipt and expenditure of Sales Tax Revenues during such fiscal  
9 year. The audit should include a determination as to whether recipients of Net Revenues  
10 allocated from these Subfunds have complied with this Ordinance and any additional guidelines  
11 developed by Metro for these Subfunds.

12           C.       For major corridor projects, included in the Expenditure Plan, the  
13 Committee shall review at least once a year:

14                   i.       Project costs, established LOP budgets, and any  
15 significant cost increases and/or major scope changes of the major corridor projects identified in  
16 the Expenditure Plan.

17                   ii.       The funding available and programmed for the projects  
18 included in the Expenditure Plan, as well as any funding gaps for each of these projects. The  
19 Committee shall provide recommendations on possible improvements and modifications to  
20 deliver the Plan.

21                   iii.       Performance in terms of project delivery, cost controls,  
22 schedule adherence, and related activities.

23           4.       *Five-Year Responsibilities*

24           A.       The Committee shall review the Comprehensive Program  
25 Assessment of the Expenditure Plan every five (5) years or every ten (10) years in accordance  
26 with Section 7(g) and make findings and/or provide recommendations for improving the  
27 program. The results of this assessment will be presented to the Metro Board of Directors.

28           B.       *Comprehensive Program Assessment.* Metro shall conduct every  
29 five (5) years, a comprehensive review of all projects and programs implemented under the Plan  
30 to evaluate the performance of the overall program and make recommendations to improve its  
31 performance on current practices, best practices, and organizational changes to improve  
32 coordination.

33                   i.       Accountability to the Public and the Metro Board. All audit reports, findings, and  
34 recommendations will be available and accessible to the public (through various types of media)

1 prior to the public hearing and upon request. Metro will establish a website dedicated to the  
2 Oversight of this Measure and include all pertinent Ordinance information for the public. The  
3 Committee shall review all audits and hold an annual public hearing to report on the results of  
4 the audits.

5  
6 SECTION 9. MAINTENANCE OF EFFORT REQUIREMENTS

7 a. It is the intent of Metro that any Sales Tax Revenues provided to local  
8 jurisdictions in Los Angeles County under the program described in Attachment A as “Local  
9 Return” be used to augment, not supplant, existing local revenues being used for  
10 transportation purposes.

11 b. Metro shall develop guidelines that, at a minimum, specify maintenance of  
12 effort requirements for the local return program, matching funds, and administrative  
13 requirements for the recipients of revenue derived from the Sales Tax.

14  
15 SECTION 10. COSTS OF ADMINISTRATION

16 Metro shall establish an Administration/Local Return fund and one and one-half  
17 percent (1.5%) of Gross Sales Tax revenues shall be credited into this fund. As funds are  
18 received by Metro and credited to this fund, one percent (1%) of Net Revenues shall be  
19 immediately transferred to the Local Return/Regional Rail Subfund of the sales tax revenue  
20 fund to be used solely for the Local Return program. All other amounts in the  
21 Administration/Local Return fund shall be available to Metro for administrative costs, including  
22 contractual services.

23  
24 SECTION 11. AMENDMENTS

25 a. The Metro Board of Directors may amend this Ordinance, including Attachment  
26 A and Attachment B, with the exception of Section 11, for any purpose subject to the  
27 limitations contained in Section 7(g), including as necessary to account for the results of any  
28 environmental review required under the California Environmental Quality Act or the National  
29 Environmental Policy Act and any related federal statute of the projects listed in Attachment A.  
30 Any such amendments shall be approved by a vote of not less than two-thirds (2/3) of the  
31 Metro Board of Directors. Metro shall hold a public meeting on proposed amendments prior to  
32 adoption. Metro shall provide notice of the public meeting to the Los Angeles County Board of  
33 Supervisors, the city council of each city in Los Angeles County, and the public, and shall

1 provide them with a copy of the proposed amendments, at least 60 days prior to the public  
2 meeting.

3 b. By two-thirds (2/3) vote, the Metro Board of Directors may amend the  
4 “Schedule of Funds Available” columns listed in Attachment A to accelerate a project,  
5 provided that any such amendments shall not reduce the amount of funds assigned to any  
6 other project or program as shown in the “Measure \_\_ Funding 2015\$” column of Attachment  
7 A or delay the Schedule of Funds Available for any other project or program. Metro shall hold  
8 a public meeting on proposed amendments prior to adoption. Metro shall provide notice of the  
9 public meeting to the Los Angeles County Board of Supervisors, the city council of each city in  
10 Los Angeles County, and the public, and shall provide them with a copy of the proposed  
11 amendments, at least 30 days prior to the public meeting.

12 c. Metro shall not adopt any amendment to this Ordinance, including Attachment  
13 A, that reduces total Net Revenues allocated to the sum of the Transit, First/Last Mile (Capital)  
14 Subfund and the Highway, Active Transportation, Complete Streets (Capital) Subfund. Not  
15 more than once in any ten (10) year period commencing in FY2027, Metro may adopt an  
16 amendment transferring Net Revenues between the Transit, First/Last Mile (Capital) Subfund  
17 and the Highway, Active Transportation, Complete Streets (Capital) Subfund. This  
18 subparagraph shall not apply to adjustments to the Net Revenues allocated to the Transit,  
19 First/Last Mile (Capital) Subfund and the Highway, Active Transportation, Complete Streets  
20 (Capital) Subfund pursuant to Section 7(b)(6) or Section 7(b)(7). Such adjustments shall not  
21 require an amendment to this Ordinance or Attachment A.

22 d. Notwithstanding Section 11(a) of this Ordinance, Metro shall not adopt any  
23 amendment to this Ordinance, including Attachment A, that reduces Net Revenues allocated  
24 to the Transit Operating & Maintenance Subfund or the Local Return/Regional Rail Subfund.

25 e. The Metro Board of Directors may amend Section 11 of this Ordinance if such  
26 amendments are approved by a vote of not less than two-thirds (2/3) of the Metro Board of  
27 Directors and are approved by a majority of the voters voting on a measure to approve the  
28 amendment. Metro shall hold a public meeting on proposed amendments prior to adoption.  
29 Metro shall provide notice of the public meeting to the Los Angeles County Board of  
30 Supervisors, the city council of each city in Los Angeles County, and the public, and shall  
31 provide them with a copy of the proposed amendments, at least 60 days prior to the public  
32 meeting. Amendments shall become effective immediately upon approval by the voters.

1 SECTION 12. ESTABLISHMENT OF BONDING AUTHORITY

2 a. Metro is authorized to issue limited tax bonds and incur other obligations, from  
3 time to time, payable from and secured by all or any portion of the Sales Tax Revenues to  
4 finance any program or project in the Expenditure Plan, pursuant to Sections 130500 et seq. of  
5 the Public Utilities Code, and any successor act, or pursuant to any other applicable sections of  
6 the Public Utilities Code or the Government Code. As additional security, such bonds and other  
7 obligations may be further payable from and secured by farebox revenues or general revenues  
8 of Metro, on a basis subordinate to Metro's existing General Revenue Bonds, or any other  
9 available source of Metro's revenues, in each case as specified in a resolution adopted by a  
10 majority of Metro's Board of Directors. The maximum bonded indebtedness, including issuance  
11 costs, interest, reserve requirements and bond insurance, shall not exceed the total amount of  
12 the Gross Sales Tax. Nothing herein shall limit or restrict in any way the power and authority of  
13 Metro to issue bonds, notes or other obligations, to enter into loan agreements, leases,  
14 reimbursement agreements, standby bond purchase agreements, interest rate swap  
15 agreements or other derivative contracts or to engage in any other transaction under the  
16 Government Code, the Public Utilities Code or any other law.

17 b. The Metro Board of Directors shall adopt guidelines regarding the issuance of  
18 bonds and the incurrence of other obligations pursuant to this Section 12. The guidelines shall,  
19 at a minimum, establish methods for taking into account (a) the expenditure of proceeds of such  
20 bonds and other obligations and (b) the payment of debt service and other amounts with respect  
21 to such bonds and other obligations, for purposes of meeting the program expenditure  
22 requirements of Section 7 hereof.

23  
24 SECTION 13. APPROPRIATIONS LIMIT

25 Article XIII B of the California Constitution requires certain governmental entities to  
26 establish an annual appropriations limit. This appropriations limit is subject to adjustment as  
27 provided by law. To the extent required by law, Metro shall establish an annual appropriations  
28 limit and expenditures of the retail transactions and use tax shall be subject to such limit.

29  
30 SECTION 14. ELECTION

31 Pursuant to California Public Utilities Code Section 130350.7(d), Metro hereby calls a  
32 special election to place this Ordinance before the voters. The ballot language shall read as  
33 follows:

1 **Los Angeles County Traffic Improvement Plan.**

2 To improve freeway traffic flow/safety; repair potholes/sidewalks; repave local streets;  
3 earthquake retrofit bridges; synchronize signals; keep senior/disabled/student fares  
4 affordable; expand rail/subway/bus systems; improve job/school/airport connections; and  
5 create jobs; shall voters authorize a Los Angeles County Traffic Improvement Plan  
6 through a ½ ¢ sales tax and continue the existing ½ ¢ traffic relief tax until voters decide  
7 to end it, with independent audits/oversight and ~~all~~ funds controlled locally?  
8

9 SECTION 15. EFFECTIVE AND OPERATIVE DATES

10 a. This Ordinance shall be effective on January 1, 2017, if:

11 1. Two-thirds (2/3) of the voters voting on the measure vote to approve  
12 this Ordinance at the statewide general election scheduled for November 8, 2016; and

13 2. No California state statute that requires Metro to provide funding from  
14 revenues derived from the Sales Tax imposed pursuant to this Ordinance for any project or  
15 program other than those in the Expenditure Plan, or provide a level of funding greater than  
16 described in the Expenditure Plan, or on a different schedule than described in the Expenditure  
17 Plan, is adopted by the California Legislature subsequent to the adoption of this Ordinance by  
18 the Metro Board of Directors and becomes law.  
19

20 SECTION 16. SEVERABILITY

21 If any tax or provision of this Ordinance is for any reason held invalid or unenforceable  
22 by a court of competent jurisdiction, that holding shall not affect the validity or enforceability of  
23 the remaining taxes or provisions, and Metro declares that it would have passed each part of  
24 this Ordinance irrespective of the validity of any other part.

**Los Angeles County Transportation Expenditure Plan**  
**Outline of Expenditure Categories**  
**Fiscal Year (FY) 2018 - 2057, Escalated Dollars**  
(millions)

**ATTACHMENT A**

Subfund	Program	% of Sales Tax (net of Admin)	First Year Amount (FY 2018)	FY 2018 - FY 2032 (15 Years)	FY 2033 - FY 2047 (15 Years)	FY 2048 - FY 2057 (10 Years)	FY 2018 - FY 2057 (40 Years)
Transit Operating & Maintenance	Metro Rail Operations <sup>1</sup>	5%	\$ 42	\$ 850	\$ 2,320	\$ 2,810	\$ 5,980
	Transit Operations <sup>2</sup> (Metro & Municipal Providers)	20%	\$ 169	\$ 3,400	\$ 9,280	\$ 11,240	\$ 23,920
	ADA Paratransit for the Disabled; Metro Discounts for Seniors and Students	2%	\$ 17	\$ 340	\$ 930	\$ 1,120	\$ 2,390
Transit, First/Last Mile (Capital)	Transit Construction (Includes System Connectivity Projects - Airports, Union Station, and Countywide BRT)	35%	\$ 296	\$ 5,960	\$ 16,230	\$ 19,670	\$ 41,860
	Metro State of Good Repair <sup>5</sup>	2%	\$ 17	\$ 340	\$ 930	\$ 1,120	\$ 2,390
Highway, Active Transportation, Complete Streets (Capital)	Highway Construction (includes System Connectivity Projects - Ports, Highway Congestion Programs, Goods Movement)	17%	\$ 144	\$ 2,890	\$ 7,880	\$ 9,560	\$ 20,330
	Metro Active Transportation Program (Bicycle, Pedestrian, Complete Streets)	2%	\$ 17	\$ 340	\$ 930	\$ 1,120	\$ 2,390
Local Return / Regional Rail	Local Return - Base <sup>3</sup> (Local Projects and Transit Services)	16%	\$ 136	\$ 2,720	\$ 7,420	\$ 8,990	\$ 19,130
	<i>Local Return / Regional Rail (Beginning FY 2040)</i> <sup>4</sup>				\$ 690	\$ 2,240	\$ 2,930
	Regional Rail	1%	\$ 8	\$ 170	\$ 460	\$ 560	\$ 1,200
<b>TOTAL PROGRAMS</b>			<b>\$ 847</b>	<b>\$ 17,010</b>	<b>\$ 46,380</b>	<b>\$ 56,190</b>	<b>\$ 119,590</b>
Administration /Local Return	0.5% for Administration	0.5%	\$ 4	\$ 85	\$ 230	\$ 280	\$ 600
	1.0% Local Return <sup>3</sup>	1.0%	\$ 8	\$ 170	\$ 460	\$ 560	\$ 1,200
<b>GRAND TOTAL</b>			<b>\$ 860</b>	<b>\$ 17,265</b>	<b>\$ 47,070</b>	<b>\$ 57,030</b>	<b>\$ 121,390</b>

1. Funds are eligible to be used for Metro Rail State of Good Repair.
2. Funds are eligible to be used for Metro State of Good Repair.
3. 1% Administration to supplement Local Return, **increasing the Local Return-Base to 17% of net revenues.**
4. To be funded by Highway/Transit Capital Subfunds in FY 2040 and beyond.
5. The Metro Board of Directors will prioritize the Wardlow Grade Separation project to receive new funding and/or grants and assign this project to be included in Metro's State of Good Repair program.

All totals are rounded; numbers presented in this document may not always add up to the totals provided.  
Based on January 2016 revenue projections.



# Los Angeles County Transportation Expenditure Plan

(2015 \$ in thousands)

# ATTACHMENT A

## Groundbreaking Sequence (Exceptions Noted)

For Reference Only	Project (Final Project to be Defined by the Environmental Process)	Notes	Schedule of Funds Available		Subregion*	2016 - 2067 Local, State, Federal, Other Funding 2015\$	Measure Funding 2015\$	Most Recent Cost Estimate 2015\$**	Modal Code
			Ground- breaking Start Date †	Expected Opening Date (3 year range)					
<b>Expenditure Plan Major Projects</b>									
1	Airport Metro Connect 96th St. Station/Green Line Ext LAX ®	a,p	FY 2018	CY 2021	sc	\$233,984	\$347,016	\$581,000	T
2	Westside Purple Line Extension Section 3 ®	b	FY 2018	FY 2024	w	\$986,139	\$994,251	\$1,980,390	T
3	High Desert Multi-Purpose Corridor (HDMC)®	q	FY 2019	FY 2021	nc	\$100,000	\$170,000	\$270,000	H
4	I-5 N Cap. Enhancements (SR-14 to Lake Hughes Rd) ®		FY 2019	FY 2023	nc	\$544,080	\$240,000	\$784,080	H
5	Gold Line Foothill Extension to Claremont ®	c	FY 2019	FY 2025	sg	\$78,000	\$1,019,000	\$1,097,000	T
6	Orange Line BRT Improvements	n	FY 2019	FY 2025	sf	\$0	\$286,000	\$286,000	T
7	BRT Connector Orange/Red Line to Gold Line	o	FY 2020	FY 2022	av	\$0	\$240,300	\$240,300	T
8	BRT Connector Orange/Red Line to Gold Line	o	FY 2020	FY 2022	sf	\$0	\$26,700	\$26,700	T
9	East SF Valley Transit Corridor Project ®	d	FY 2021	FY 2027	sf	\$520,500	\$810,500	\$1,331,000	T
10	West Santa Ana Transit Corridor LRT Seg-1 ®	b,d	FY 2022	FY 2028	gc	\$500,000	\$535,000	\$1,035,000	T
11	Crenshaw/LAX Track Enhancement Project	e	FY 2022	FY 2026	sc	\$0	\$49,599	\$49,599	T
12	SR-71 Gap from I-10 to Rio Rancho Rd.		FY 2022	FY 2026	sg	\$26,443	\$248,557	\$275,000	H
13	LA River Waterway & System Bikepath		FY 2023	FY 2025	cc	\$0	\$365,000	\$365,000	H
14	Complete LA River Bikepath		FY 2023	FY 2025	sf	\$0	\$60,000	\$60,000	H
15	Sepulveda Pass Transit Corridor (Ph 1) ®	b,f	FY 2024	FY 2026	sf	\$0	\$130,000	\$130,000	H
16	Sepulveda Pass Transit Corridor (Ph 1) ®	b,f	FY 2024	FY 2026	w	\$0	\$130,000	\$130,000	H
17	Vermont Transit Corridor	o	FY 2024	FY 2028	cc	\$400,000	\$25,000	\$425,000	T
18	SR-57/SR-60 Interchange Improvements	d	FY 2025	FY 2031	sg	\$565,000	\$205,000	\$770,000	H
19	Green Line Extension to Crenshaw Blvd in Torrance ®	d,g	FY 2026	FY 2030	sb	\$272,000	\$619,000	\$891,000	T
20	I-710 South Corridor Project (Ph 1) ®	d,h	FY 2026	FY 2032	gc	\$150,000	\$250,000	\$400,000	H
21	I-105 Express Lane from I-405 to I-605	p	FY 2027	FY 2029	sc	\$0	\$175,000	\$175,000	H
22	Sepulveda Pass Transit Corridor (Ph 2) ®	b	FY 2024	FY 2033	sf	\$1,567,000	\$1,270,000	\$2,837,000	T
23	Sepulveda Pass Transit Corridor (Ph 2) ®	b	FY 2024	FY 2033	w	\$1,567,000	\$1,270,000	\$2,837,000	T
24	Gold Line Eastside Extension (One Alignment) ®	d	FY 2029	FY 2035	gc	\$957,000	\$543,000	\$1,500,000	T
25	Gold Line Eastside Extension (One Alignment) ®	d	FY 2029	FY 2035	sg	\$957,000	\$543,000	\$1,500,000	T
26	West Santa Ana Transit Corridor LRT Seg-2 ®	r	FY 2022	FY 2041	cc	\$1,082,500	\$400,000	\$1,482,500	T
27	West Santa Ana Transit Corridor LRT Seg-2 ®	r	FY 2022	FY 2041	gc	\$982,500	\$500,000	\$1,482,500	T
28	I-710 South Corridor Project (Ph 2) ®		FY 2032	FY 2041	gc	\$658,500	\$250,000	\$908,500	H
29	I-5 Corridor Improvements (I-605 to I-710)		FY 2036	FY 2042	gc	\$46,060	\$1,059,000	\$1,105,060	H
30	Crenshaw Northern Extension	i	FY 2041	FY 2047	cc	\$495,000	\$1,185,000	\$1,680,000	T
31	Crenshaw Northern Extension	i	FY 2041	FY 2047	w	\$0	\$560,000	\$560,000	T
32	I-405/I-110 Int. HOV Connect Ramps & Intrchnng Improv ®		FY 2042	FY 2044	sb	\$0	\$250,000	\$250,000	H
33	I-605/I-10 Interchange		FY 2043	FY 2047	sg	\$472,400	\$126,000	\$598,400	H
34	SR 60/I-605 Interchange HOV Direct Connectors		FY 2043	FY 2047	sg	\$360,600	\$130,000	\$490,600	H
35	Lincoln Blvd BRT	o	FY 2043	FY 2047	w	\$0	\$102,000	\$102,000	T
36	I-110 Express Lane Ext South to I-405/I-110 Interchange		FY 2044	FY 2046	sb	\$228,500	\$51,500	\$280,000	H
37	I-405 South Bay Curve Improvements		FY 2045	FY 2047	sb	\$250,840	\$150,000	\$400,840	H
38	Green Line Eastern Extension (Norwalk)	p	FY 2046	FY 2052	sc	\$570,000	\$200,000	\$770,000	T
39	SF Valley Transportation Improvements	m	FY 2048	FY 2050	sf	\$0	\$106,800	\$106,800	T
40	Sepulveda Pass Westwood to LAX (Ph 3)	p	FY 2048	FY 2057	sc	\$3,800,000	\$65,000	\$3,865,000	T
41	Orange Line Conversion to Light Rail		FY 2051	FY 2057	sf	\$1,067,000	\$362,000	\$1,429,000	T
42	City of San Fernando Bike Master Plan		FY 2052	FY 2054	sf	\$0	\$5,000	\$5,000	H
43	Historic Downtown Streetcar		FY 2053	FY 2057	cc	\$0	\$200,000	\$200,000	T
44	Gold Line Eastside Ext. Second Alignment	p	FY 2053	FY 2057	sc	\$110,000	\$2,890,000	\$3,000,000	T
45	High Desert Multi-Purpose Corridor - LA County Segment	p	FY 2063	FY 2067	sc	\$32,982	\$1,845,718	\$1,878,700	H
46	<b>Expenditure Plan Major Projects Subtotal</b>					<b>\$19,581,027</b>	<b>\$20,989,941</b>	<b>\$40,570,969</b>	

Footnotes on following page.

\*\* The most recent cost estimate equals the accelerated cost. Prior year expenses included in all project costs.

# Los Angeles County Transportation Expenditure Plan

(2015 \$ in thousands)

# ATTACHMENT A

## Groundbreaking Sequence (Exceptions Noted)

For Reference Only	Project (Final Project to be Defined by the Environmental Process)	Notes	Schedule of Funds Available		Subregion*	2016 - 2067 Local, State, Federal, Other Funding 2015\$	Measure Funding 2015\$	Most Recent Cost Estimate 2015\$**	Modal Code
			Ground- breaking Start Date †	Expected Opening Date (3 year range)					
			1 <sup>st</sup> yr of Range						
<b>Multi-Year Subregional Programs</b>									
47	Metro Active Transport, Transit 1st/Last Mile Program	p	FY 2018	FY 2057	sc	\$0	\$857,500	\$857,500	H
48	Visionary Project Seed Funding	p	FY 2018	FY 2057	sc	\$0	\$20,000	\$20,000	T
49	Street Car and Circulator Projects	k,p	FY 2018	FY 2022	sc	\$0	\$35,000	\$35,000	T
50	Transportation System and Mobility Improve. Projects Program		FY 2018	FY 2032	sb	\$0	\$293,500	\$293,500	H
51	Active Transportation 1st/Last Mile Connections Prog.		FY 2018	FY 2057	w	\$0	\$361,000	\$361,000	H
52	Active Transportation Program		FY 2018	FY 2057	nc	\$0	\$264,000	\$264,000	H
53	Active Transportation Program		FY 2018	FY 2057	gc	\$0	TBD	TBD	H
54	Active Transportation Program (Including Greenway Proj.)		FY 2018	FY 2057	sg	\$0	\$231,000	\$231,000	H
55	Active Transportation, 1st/Last Mile, & Mobility Hubs		FY 2018	FY 2057	cc	\$0	\$215,000	\$215,000	H
56	Active Transportation, Transit, and Tech. Program		FY 2018	FY 2032	lvm	\$0	\$32,000	\$32,000	T
57	Highway Efficiency Program		FY 2018	FY 2032	lvm	\$0	\$133,000	\$133,000	H
58	Bus System Improvement Program		FY 2018	FY 2057	sg	\$0	\$55,000	\$55,000	T
59	First/Last Mile and Complete Streets		FY 2018	FY 2057	sg	\$0	\$198,000	\$198,000	H
60	Highway Demand Based Prog. (HOV Ext. & Connect.)		FY 2018	FY 2057	sg	\$0	\$231,000	\$231,000	H
61	I-605 Corridor "Hot Spot" Interchange Improvements ®		FY 2018	FY 2057	gc	\$240,000	\$1,000,000	\$1,240,000	H
62	Modal Connectivity and Complete Streets Projects		FY 2018	FY 2057	av	\$0	\$202,000	\$202,000	H
63	South Bay Highway Operational Improvements		FY 2018	FY 2057	sb	\$600,000	\$500,000	\$1,100,000	H
64	Transit Program		FY 2018	FY 2057	nc	\$500,000	\$88,000	\$588,000	T
65	Transit Projects		FY 2018	FY 2057	av	\$0	\$257,100	\$257,100	T
66	Transportation System and Mobility Improve. Program		FY 2018	FY 2057	sb	\$0	\$350,000	\$350,000	H
67	North San Fernando Valley Bus Rapid Transit Improvements	p,s	FY 2019	FY 2023	sc	\$0	\$180,000	\$180,000	T
68	Subregional Equity Program	p,s	FY 2018	FY 2057	sc	TBD	TBD	\$1,196,000	T/H
69	Countywide BRT Projects Ph 1 (All Subregions)	l,p	FY 2020	FY 2022	sc	\$0	\$50,000	\$50,000	T
70	Countywide BRT Projects Ph 2 (All Subregions)	l,p	FY 2030	FY 2032	sc	\$0	\$50,000	\$50,000	T
71	Active Transportation Projects		FY 2033	FY 2057	av	\$0	\$136,500	\$136,500	H
72	Los Angeles Safe Routes to School Initiative		FY 2033	FY 2057	cc	\$0	\$250,000	\$250,000	H
73	Multimodal Connectivity Program		FY 2033	FY 2057	nc	\$0	\$239,000	\$239,000	H
74	Countywide BRT Projects Ph 3 (All Subregions)	l,p	FY 2040	FY 2042	sc	\$0	\$50,000	\$50,000	T
75	Arterial Program		FY 2048	FY 2057	nc	\$0	\$726,130	\$726,130	H
76	BRT and 1st/Last Mile Solutions e.g. DASH		FY 2048	FY 2057	cc	\$0	\$250,000	\$250,000	T
77	Freeway Interchange and Operational Improvements		FY 2048	FY 2057	cc	\$0	\$195,000	\$195,000	H
78	Goods Movement (Improvements & RR Xing Elim.)		FY 2048	FY 2057	sg	\$0	\$33,000	\$33,000	T
79	Goods Movement Program		FY 2048	FY 2057	nc	\$0	\$104,000	\$104,000	T
80	Goods Movement Projects		FY 2048	FY 2057	av	\$0	\$81,700	\$81,700	T
81	Highway Efficiency Program		FY 2048	FY 2057	nc	\$0	\$128,870	\$128,870	H
82	Highway Efficiency Program		FY 2048	FY 2057	sg	\$0	\$534,000	\$534,000	H
83	Highway Efficiency, Noise Mitig. and Arterial Projects		FY 2048	FY 2057	av	\$0	\$602,800	\$602,800	H
84	ITS/Technology Program (Advanced Signal Tech.)		FY 2048	FY 2057	sg	\$0	\$66,000	\$66,000	H
85	LA Streetscape Enhance. & Great Streets Program		FY 2048	FY 2057	cc	\$0	\$450,000	\$450,000	H
86	Modal Connectivity Program		FY 2048	FY 2057	lvm	\$0	\$68,000	\$68,000	H
87	Public Transit State of Good Repair Program		FY 2048	FY 2057	cc	\$0	\$402,000	\$402,000	T
88	Traffic Congestion Relief and Improvement Program		FY 2048	FY 2057	lvm	\$0	\$63,000	\$63,000	H
89	Traffic Congestion Relief/Signal Synchronization		FY 2048	FY 2057	cc	\$0	\$50,000	\$50,000	H
90	Arroyo Verdugo Projects to be Determined		FY 2048	FY 2057	av	\$0	\$110,600	\$110,600	H
91	Countywide BRT Projects Ph 4 (All Subregions)	p	FY 2050	FY 2052	sc	\$90,000	\$10,000	\$100,000	T
92	Countywide BRT Projects Ph 5 (All Subregions)	p	FY 2060	FY 2062	sc	\$0	\$100,000	\$100,000	T
93	<b>Multi-Year Subregional Programs Subtotal</b>					<b>\$1,430,000</b>	<b>\$10,253,700</b>	<b>\$12,879,700</b>	
94	<b>GRAND TOTAL</b>					<b>\$21,011,027</b>	<b>\$31,243,641</b>	<b>\$53,450,669</b>	

Footnotes on following page.

\*\* The most recent cost estimate equals the accelerated cost. Prior year expenses included in all project costs.

Footnotes:

- a. Interface station to LAX sponsored Automated People Mover includes an extended Green Line terminus and a consolidated bus interface for 13 Metro and Municipal bus lines. Bicycle, passenger, and other amenities are also included.
- b. Project acceleration based on high performance.
- c. Identified as a priority per the Metro Board Motion in October 2009.
- d. Project funded on LRTP schedule, per Dec. 2015 Board Policy.
- e. Consistent with the Orange Line, no sooner than 15 years after the revenue operation date of the Crenshaw/LAX project, Metro will consider, as transportation system performance conditions warrant, grade separation and/or undergrounding of the Crenshaw/LAX Line ( including the Park Mesa Heights section & Inglewood section of the project). These additional track enhancements, when warranted, will be eligible for funding through the decennial comprehensive review process in the Ordinance.
- f. Sepulveda Pass Ph. 1 from Orange Line/Van Nuys to Westwood includes early delivery of highway ExpressLane.
- g. Studies will be completed to evaluate a future Green Line connection to the Blue Line (city of Long Beach).  
No capital funds from the Green Line to Torrance Project will be used for the studies.
- h. I-710 South Project assumes an additional \$2.8 billion of alternative revenue sources; not shown here with the cost or revenues for the project. The Shoemaker Bridge "Early Action" project is a priority project for these funds.
- i. Council of Government descriptions vary for the "Crenshaw Northern Extension" project.
- k. Lump sum would be provided in the first 5 years for initial capital costs only. Project sponsors responsible for ongoing operations & maintenance.
- l. Acceleration of Lincoln BRT project eligible as Countywide BRT Program. Any funds freed up from accelerations returns to Countywide BRT Program.
- m. SF Valley Transportation Improvements may include, but are not limited to, Transit Improvements, North San Fernando BRT, and I-210 soundwalls in Tujunga, Sunland, Shadow Hills and Lakeview Terrace.
- n. Critical grade separation(s) will be implemented early through Operation Shovel Ready.
- o. Conversion to LRT or HRT after FY 2067 included in expenditure plan based on ridership demand.
- p. Funds for projects identified as "sc" that are not expended are only available for other System Connectivity Capital Projects.
- ~~q. Up to 10% of the Measure funding can be used for predevelopment work to prepare for ROW purchases.  
The balance of the Measure funds are assumed for Right-of-Way.~~
- g. Funding calculated based on estimated right-of-way acquisition costs; but can be repurposed for appropriate project uses, as approved by the MTA Board of Directors.
- r. This project could start as early as FY 2028 and open as early as FY 2037 with Public-Private Partnership delivery methods.
- s. This project will increase system connectivity in the North San Fernando Valley and the Metro Transit System. Environmental plan work shall begin no later than six months after passage of Measure \_\_\_\_\_. To provide equivalent funding to each subregion other than the San Fernando Valley, the subregional equity program will be provided as early as possible to the following subregions in the amounts (in thousands) specified here: AV\* \$96,000; W\* \$160,000; CC\* \$235,000; NC\* \$115,000; LVM\* \$17,000; GC\* \$244,000; SG\* \$199,000; and SB\* \$130,000.

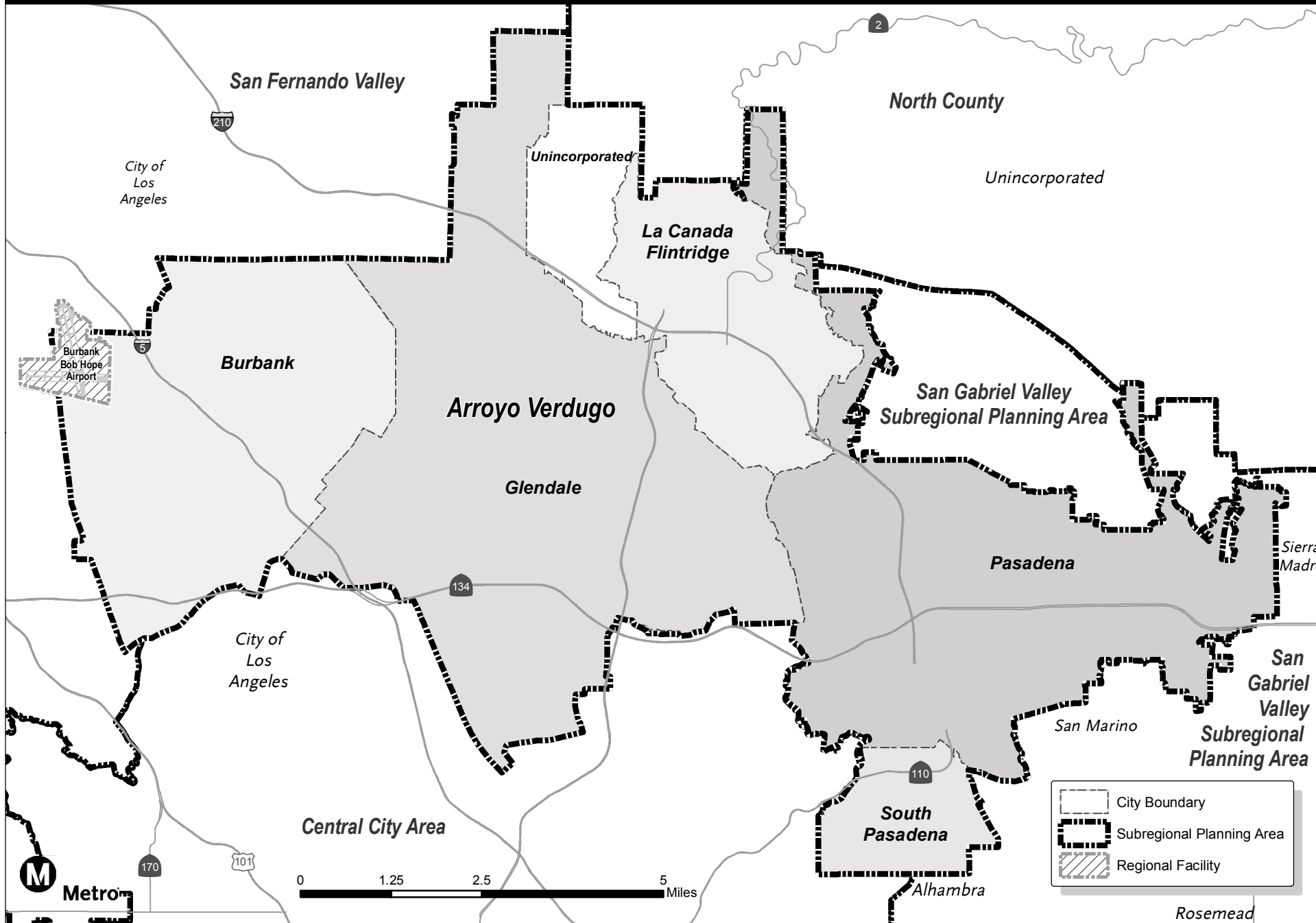
\* Subregion Abbreviations:

sc = System Connectivity Projects (no subregion)	nc = North County	® Indicates Measure R-related Projects
av = Arroyo Verdugo	sb = South Bay	
lvm = Las Virgenes Malibu	w = Westside	CY = Calendar Year
cc = Central City Area	gc = Gateway Cities	FY = Fiscal Year
sg = San Gabriel Valley	sf = San Fernando Valley	YOE = Year of Expenditure

\*\* The most recent cost estimate equals the accelerated cost. Prior year expenses included in all project costs.

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## Arroyo Verdugo Subregional Planning Area

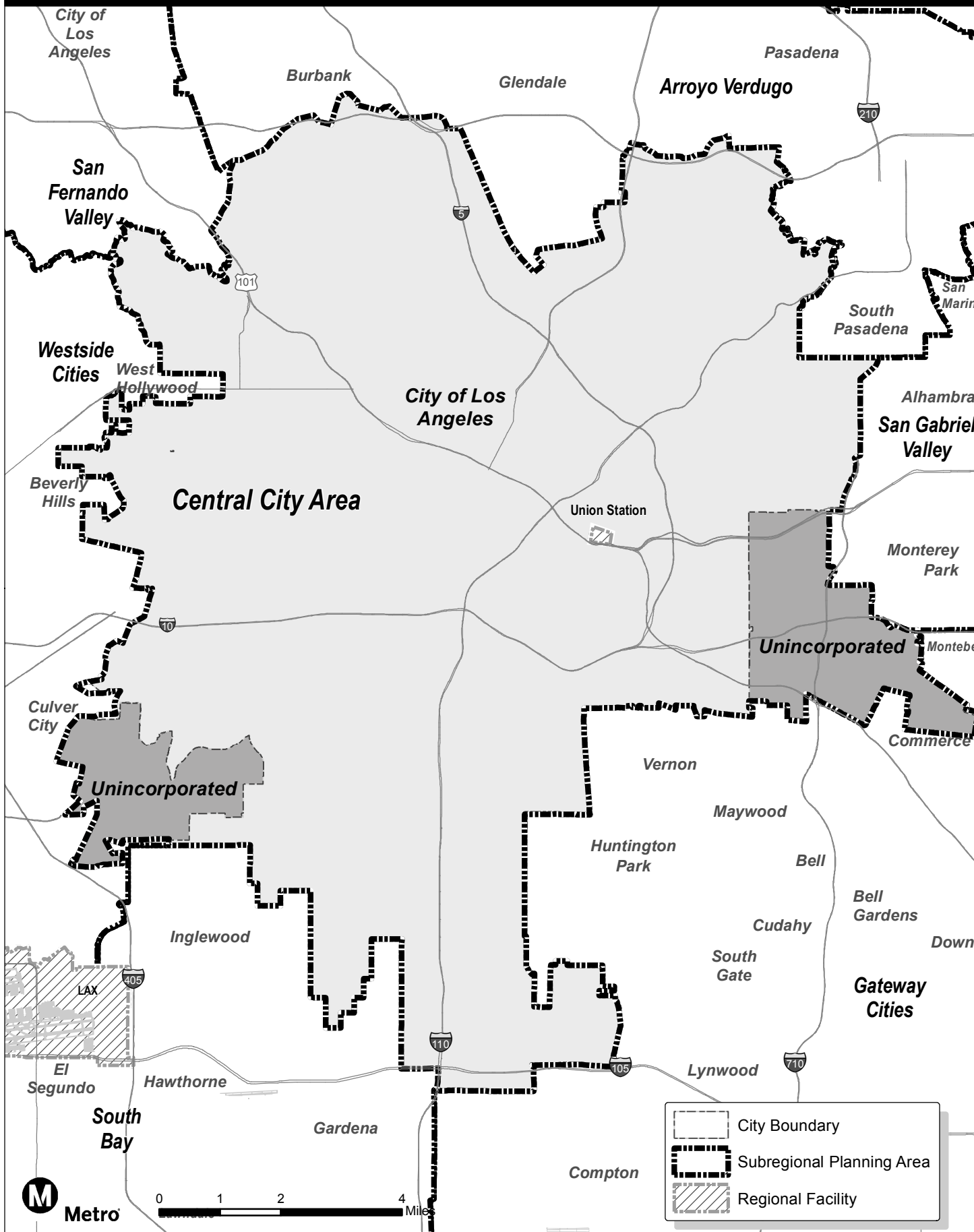


Rosemead



# ATTACHMENT B - page 3 of 9

## Central City Area Subregional Planning Area



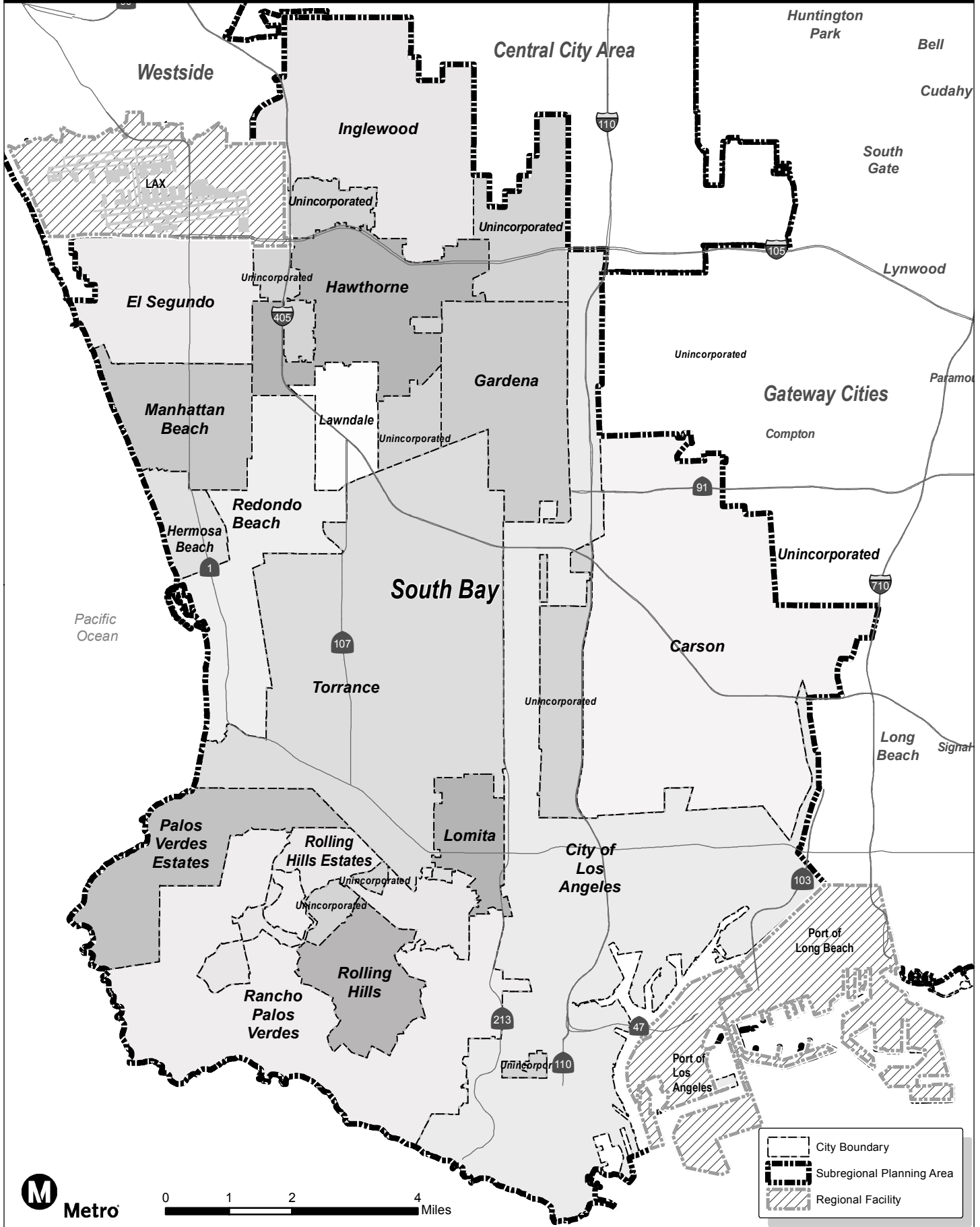






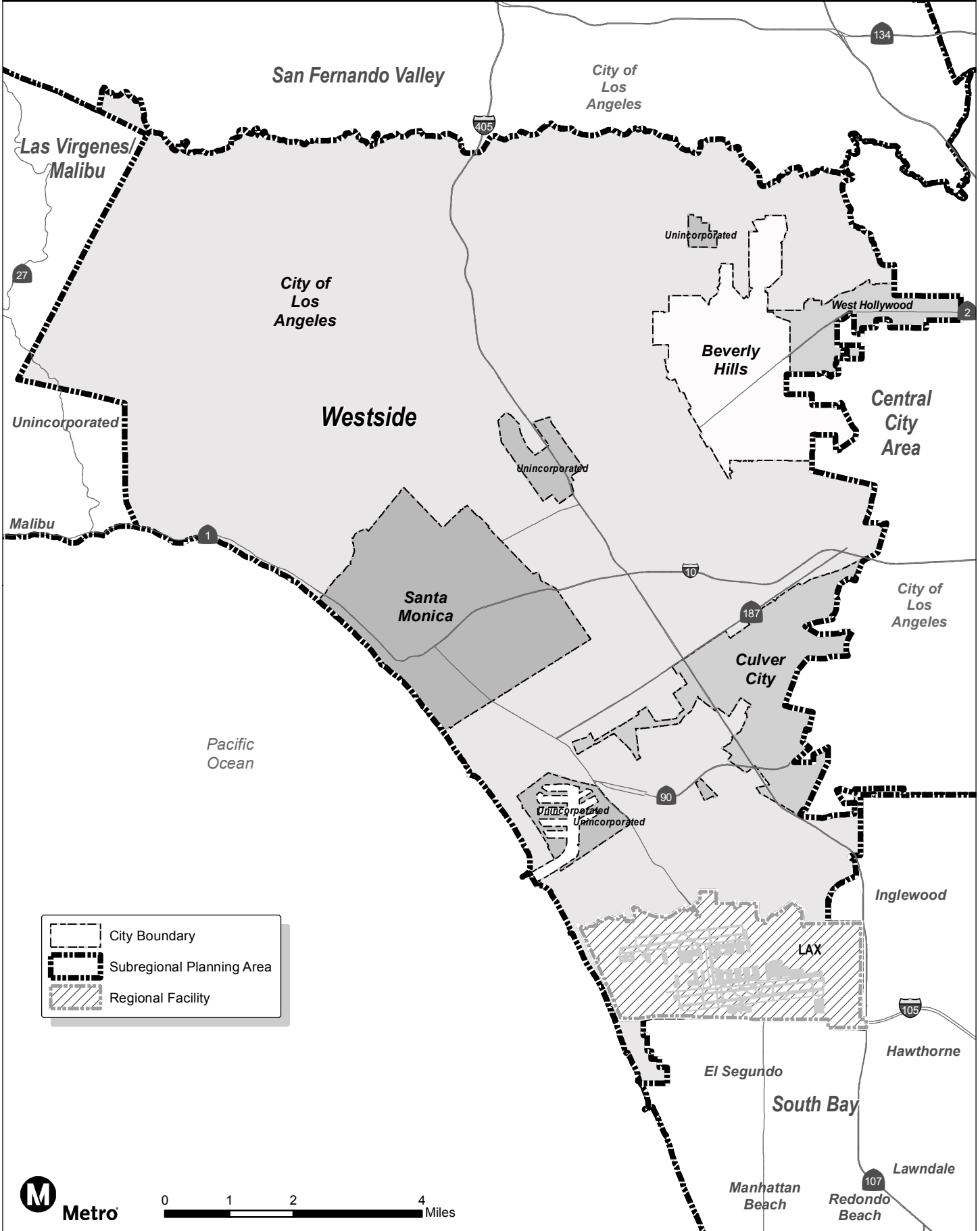
# ATTACHMENT B - page 6 of 9

## South Bay Subregional Planning Area



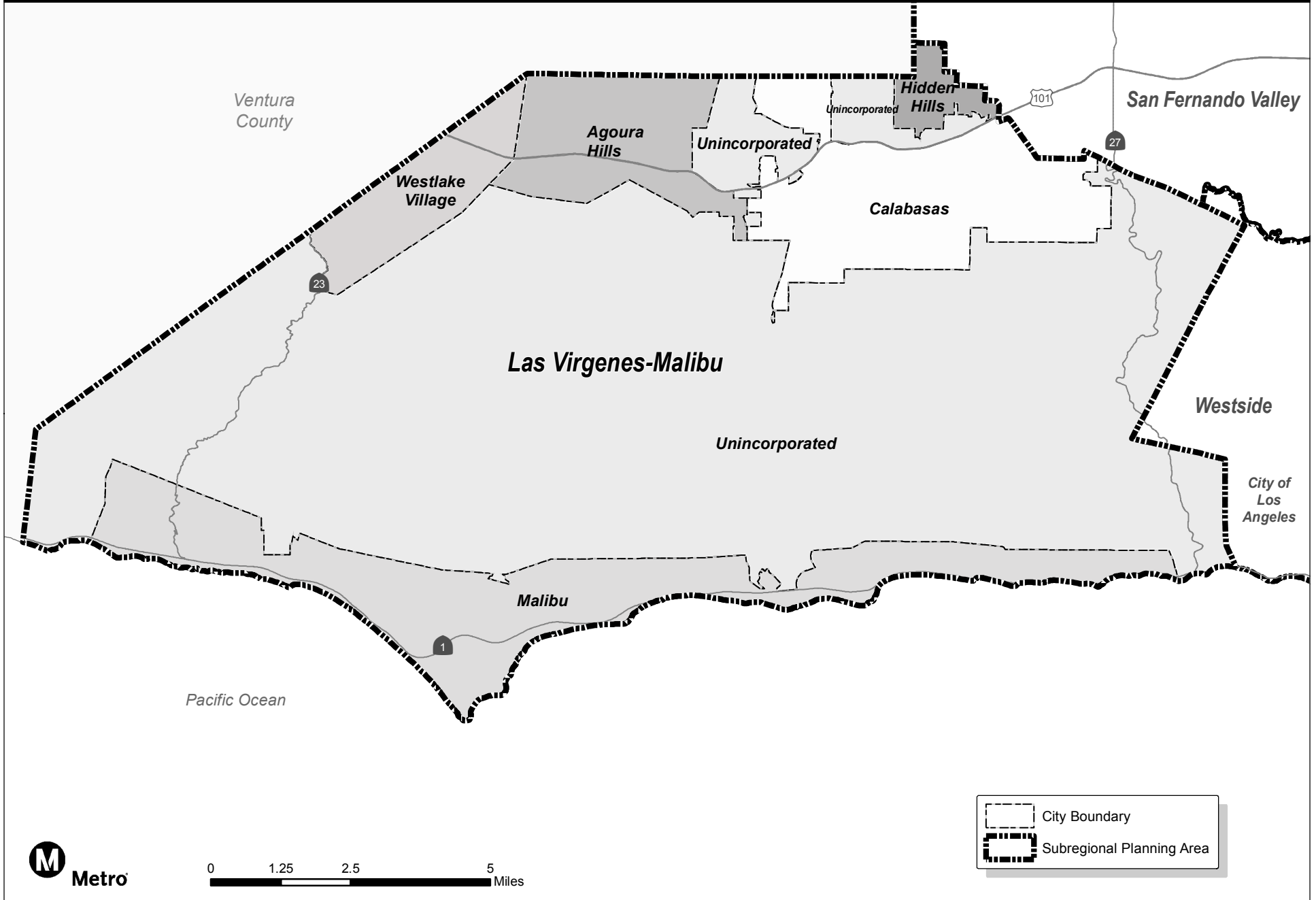
# ATTACHMENT B - page 7 of 9

## Westside Subregional Planning Area



# ATTACHMENT B - page 8 of 9

## Las Virgenes-Malibu Subregional Planning Area



# ATTACHMENT B - page 9 of 9

## North County Subregional Planning Area

