ATTACHMENT A

BILL: **SB 1018 (AS AMENDED ON APRIL 7, 2016)**

AUTHOR: **SENATOR CAROL LIU**
(D-LA CAÑADA FLINTRIDGE)

SUBJECT: **STATE ROUTE 710 NORTH STUDY: COST BENEFIT ANALYSIS**

STATUS: **SENATE TRANSPORTATION AND HOUSING COMMITTEE**
HEARING SCHEDULED: APRIL 26, 2016

ACTION: **OPPOSE**

RECOMMENDATION

Staff recommends that the Board adopt an OPPOSE position on SB 1018 (Liu) as amended on April 7, 2016.

ISSUE

Senator Carol Liu has amended SB 1018, a bill that would require that the Cost Benefit Analysis (CBA) for the SR 710 North Study to be a technical study included in the comprehensive analysis of the alternatives described in the draft environmental document for the State Route 710 North. The bill as amended would require Metro to:

- Hold 3 public hearings on the CBA.
- Provide a 90-day public review process for the CBA.
- Respond to comments on the CBA in a stand-alone document.
- Post the CBA on the Metro website as a stand-alone document.

DISCUSSION

The Metro Board of Directors directed the preparation of a CBA of the alternatives currently under study in its role as the funding agency for the State Route 710 environmental review process. The Board is not the lead agency in the environmental review process and will not be the agency that approves the environmental document and selects the final project. However, the Metro Board may be called on to make decisions relating to funding on the project. The Board determined that in its role as a funding partner the CBA would be valuable in its decision making process. The Board of Directors previously adopted an OPPOSE position on the bill as introduced.

With respect to comments on the CBA, Metro and Caltrans are committed to responding to comments on the CBA. Metro is committed to an open and transparent process in its decision making and we believe the CBA has a role in the funding decision making process.

According to Caltrans, the CBA has been incorporated into the environmental document as a technical study. The CBA has been included in the Caltrans website with other technical studies for the draft environmental document.

As amended, SB 1018 is now more onerous and more troublesome than the previous version of the bill. Metro and Caltrans have held numerous public meetings as a part of the environmental process and all of the documents have been available for review and comment pursuant to state and federal environmental laws. A CBA is not required in the environmental review process. The Board of Directors asked for the preparation of the CBA in its capacity as the funding agency for the project to be selected by Caltrans as the lead agency in the environmental process.

The previous version of SB 1018 directed that the CBA be incorporated into the environmental study and that comments be responded to as a part of that process. Caltrans has incorporated the CBA into the environmental process and Metro and Caltrans have committed to respond to comments. Now, it appears that the current version of SB 1018 would separate the CBA from that environmental process and direct Metro to hold additional hearings and respond to comments separately.

Overall while the initial version of SB 1018 did point out an inconsistency between the CBA and environmental documents, the bill is still troublesome because now it changes course and would appear to direct that the documents be treated separately. Staff believes that this highlights the challenges and dangers of legislation that makes changes to an ongoing environmental process and for these reasons staff recommends that the Board continue to oppose SB 1018.

DETERMINATION OF SAFETY IMPACT

Staff has determined that there is no direct impact to safety as a result of this proposal.

FINANCIAL IMPACT

Staff has determined that there is not an immediate fiscal impact to the agency as the result of the provisions outlined in this bill. However, the bill could increase the cost of future environmental documents by setting a precedent that could cause the inclusion of CBA's in the environmental review process in the future.

ALTERNATIVES CONSIDERED

Metro could consider adopting a work with author position on the bill because we are responding to comments on the Cost Benefit Analysis, however the provision that requires the CBA to a part of the environmental document is a chief concern.

NEXT STEPS

Should the Board decide to adopt an OPPOSE position on SB 1018, staff will communicate the Board's position to the author and work to oppose the bill. Staff will continue to keep the Board informed as this issue is addressed throughout the legislative session.