

REVISED ATTACHMENT A

BILL: SENATE BILL 4

AUTHOR: SENATOR TONY MENDOZA (D-ARTESIA)

SUBJECT: GOODS MOVEMENT: ALLOCATION OF FEDERAL FUNDS

STATUS: REFERRED TO COMMITTEES ON TRANSPORTATION AND HOUSING, ENVIRONMENTAL QUALITY AND GOVERNANCE AND FINANCE

ACTION: SUPPORT WORK WITH AUTHOR

RECOMMENDATION

Staff recommends that the Board of Directors adopt a ~~SUPPORT WORK WITH AUTHOR~~ position on Senate Bill 4. This bill, subject to voter approval at the June 5, 2018, statewide primary election, would enact the Goods Movement and Clean Trucks Bond Act to authorize \$600,000,000 of state general obligation bonds for goods movement and transportation projects. This bill would also revise the CTC's project prioritization to expand eligible projects and specify amounts to be allocated from federal Fixing America's Surface Transportation (FAST) Act dollars.

Specifically the bill would:

- Authorize, subject to voter approval a \$600 million general obligation bond That would be allocated in the following manner; \$200 million to the CTC for projects eligible under the Trade Corridor Improvement Fund (TCIF); \$200 million to the California Air Resources Board's (CARB) Goods Movement Emission Reduction Program, and; \$200 million to CARB for the expansion of the use of zero and near zero-emission trucks;
- Would allocate federal freight funds allocated to California via the FAST Act funding as follows: \$150 million for border entry projects in the San Diego and Imperial Counties, \$70 million for the elimination, alteration or improvement of hazardous railroad-highway grade crossings, and \$360 million to be allocated by the existing TCIF formula;
- Revise the list of plans to be considered by the CTC in prioritizing projects for funding;
- Would expand the list of eligible projects to include, rail landside access improvements, freight access improvements to airports and certain capital and operational improvements; and
- Would exclude San Diego and Imperial Counties from receiving additional FAST Act funding under the TCIF formula allocation.

DISCUSSION

Senate Bill 4 (Mendoza) presents an opportunity to make a significant step forward in addressing goods movement challenges facing our region. The bill would make a significant contribution by the state through the commitment of general obligation bonds and ensure that federal freight funds are allocated to key priorities in our region. The last major commitment of state funds to transportation was through Proposition 1B that was passed by the voters in 2006. That bond included funding for many projects in Los Angeles County that are now underway including key goods movement projects. Those projects create significant economic benefit to our region and the state.

There has been concern in Sacramento about the commitment of general fund revenues to pay for debt service on various bond measures. Staff recognizes those concerns but would argue that the economic benefit derived from those expenditures should be considered as an important reason to commit the state to funding freight projects. Staff finds that there is opportunity for discussion regarding the specific allocation amounts as they are outlined in the bill, as well as the priorities within those categories. Metro's goal with respect to the allocation of FAST Act funding is to maximize the region's share of funding to the County's highest priority projects for freight and goods movement. We would like to work with the author to ensure that the final measure maximizes the allocation of funding for Los Angeles County through the TCIF formula.

SB 4 also puts in place a program to allocate federal freight funds allocated to California. Towards the end of last year's legislative session discussions took place with respect to legislation introduced in 2016 (AB 2170, Frazier) to direct the allocation of these funds. The final amendments were ultimately not included in the bill but are included in SB 4. These provisions would ensure local input into the allocation of federal funds and ensure geographic equity.

Staff recommends that the Board adopt a ~~SUPPORT~~ WORK WITH AUTHOR position on the measure Senate Bill 4 (Mendoza).

DETERMINATION OF SAFETY IMPACT

There is no determined safety impact due to the enactment of the proposed legislation.

FINANCIAL IMPACT

The estimated financial impact has yet to be determined.

ALTERNATIVES CONSIDERED

Staff has considered adopting either an oppose or neutral position on the bill. An oppose or neutral position would be inconsistent with Metro's Board approved 2017 State Legislative Program Goals to support funding for goods movement and transportation projects in Los Angeles County.

NEXT STEPS

Should the Board decide to adopt a ~~SUPPORT WORK WITH AUTHOR~~ position on the measure; staff will communicate the Board's position to the author and work to incorporate Metro's priorities in the final version of the bill ~~and to ensure the measure's passage~~. Staff will continue to keep the Board informed as this issue is addressed throughout the legislative session.