



Board Report

File #: 2020-0721, **File Type:** Informational Report

Agenda Number: 5.

**MEASURE R INDEPENDENT TAXPAYERS
OVERSIGHT COMMITTEE
NOVEMBER 4, 2020**

SUBJECT: MEASURE R AMENDMENT

ACTION: MAKE A FINDING THAT THE AMENDMENT FURTHERS THE PURPOSE OF THE ORDINANCE

RECOMMENDATION

Adopt a resolution (Attachment B) which finds, in accordance with Section 8(i)(3) of the Measure R Ordinance (the Ordinance), that the proposed amendment, including the expenditure plan, furthers the purpose of the Ordinance.

ISSUE

The Metro Board has approved proposed amendments and changes to the Measure R Ordinance to allow transfers between the Measure R sales tax highway capital and transit capital subfunds and adds a transit program of projects requested by the South Bay subregion. The Ordinance requires that any proposed amendment be presented at a public hearing, noticed to the required governing bodies, and reviewed by the Measure R Oversight Committee.

BACKGROUND

The Ordinance created both transit and highway capital subfunds that receive a percentage of the Measure R sales tax revenue and fund the capital projects listed on the Expenditure Plan. The Measure R Ordinance can be amended upon two-thirds vote of the Board. However, any amendment to provide for a transfer of moneys between the highway and transit subfunds can only occur every ten years, beginning 2020.

Metro staff notified the Board and stakeholders of the potential transfer amendment and received a request from the South Bay subregion to transfer \$400,000,000 from the subregion's Measure R highway program to fund transit projects. The proposed amendment modifies the Expenditure Plan and lists possible transit projects to be funded.

The Metro Board report (Attachment A) that considered the amendment language is attached and provides additional information about the proposed transfer and funding risks. The Board report is modified from the version presented to the Board to include a Board motion that was approved

concurrently.

The Board report includes a discussion of the funding risk associated with the proposed transfer of highway funds. The transfer would takeaway revenues for construction of Metro and or city-led highway projects that may have already gone through requisite environmental approval and design steps.

NEXT STEPS

Upon a finding by the Proposition R Independent Taxpayers Oversight Committee, completion of the required 365-day notice period to the state legislature, and holding of a public meeting, Metro staff will schedule a formal amendment of the Ordinance for Board adoption, expected in July 2021.

ATTACHMENTS

Attachment A - Metro Board Report to Approve Amendment Language

Attachment B - Resolution Finding That the Amendment Meets the Purpose of the Ordinance