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Experts Find That \$40 Billion Transit Tax May Not Pay for All They Hoped

by Ryan Vaillancourt

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DOWNTOWN LOS ANGELES - When Los Angeles County voters passed Measure R last November, approving a half-cent sales tax to raise \$40 billion for transportation projects, many saw it as a sign that the public was desperate to ease congestion.

The tax hike required approval from 66.67% of voters. It got 67.22%.

"It's very difficult to get two-thirds approval of anything and particularly in a bad economy, which I think speaks to how dire the perception of this problem was," said Phil Recht, chair of the Central City Association, which hosted a panel on Measure R on Tuesday, May 13, before a crowd of business and transportation leaders.

Recht, who moderated the panel at the Sheraton Los Angeles Downtown, pointed to projections that the county's population will swell from 9.8 million to 12 million by 2030, slowing the average freeway speed to about 20 miles per hour.

If voters expected Measure R to reduce traffic immediately, that won't happen. The Los Angeles Metropolitan Transportation Authority faces some major economic potholes on its road to easing congestion and improving the reach of mass transit, concluded the panel of experts, including new MTA Executive Director Art Leahy.

Measure R, which follows a \$38.9 billion state transportation bond approved in 2006 known as Proposition 1B, puts a half-cent sales tax in place for 30 years. With the first funds becoming available July 1, the measure is expected to fund 33 transit projects — including the proposed Downtown Regional Connector and an extension of the Metro Gold Line — as well as a portion of regional street repairs and other projects.

As unemployment continues to rise and the economy continues to struggle, however, the revenue stream of sales tax dollars that was supposed to feed Measure R is suddenly thinner than anticipated, said panelist Richard Katz, a member of the MTA board.

"The \$40 billion that you voted for, based on this economy, is now about \$32 billion, and if it doesn't turn around quick, it'll be \$25 billion before too long," Katz said.

Reason to Move, Now

If Katz lamented the recession's toll on Measure R's ability to raise money, he said a silver lining is that



(l to r) California Transportation Commissioner Dario Frommer, MTA board member Richard Katz and new MTA Executive Director Art Leahy participated in a May 13 panel discussion on Measure R. Katz warned that the anticipated \$40 billion could turn out to be as little as \$25 billion. *Photo by Gary Leonard.*

lower construction costs and competition among contractors make now a good time to jumpstart infrastructure projects. As an example, he noted that a recently started expansion of the San Diego (405) Freeway high-occupancy vehicle lane came in 10% below the MTA's anticipated cost, saving the agency \$100 million.

"With three or four more projects like that, you can build another project just based on the savings," he said.

Still, new projects will likely be difficult without further financial contributions from the state and federal governments, said panelist Dario Frommer, a former state Assembly majority leader and one of two current California Transportation Commissioners from Los Angeles County.

For Measure R to be successful, elected officials will have to leverage the county funds to obtain more dollars from the state and federal governments, Frommer said.

Recht agreed.

"Forty billion dollars sounds like an awful lot of money, but it's still not nearly enough to fund even the 33 projects that are designated in this measure," Recht said.

A New Leader

As the MTA attempts to implement its transportation projects amid the global economic woes, it'll do so under the reins of Leahy, who most recently served as executive director of the Orange County Transportation Authority.

Leahy, a Los Angeles native who started his career in transportation as an MTA bus driver, still resides in and commutes from Orange County. He and the other panelists agreed that in addition to financial challenges, future transportation projects face a significant obstacle in community opposition. Leahy said he hopes to counterbalance that during his tenure with earlier and more proactive community engagement during the planning process.

For Downtown residents and workers, the benefits of Measure R may be felt most in the Downtown Regional Connector, a proposed two-mile transit route that would link four light-rail lines. The project, expected to cost at least \$800 million, is in the environmental review stage and completion is likely seven to 10 years away.

If the Regional Connector is the only Measure R funded project in Downtown proper, area commuters and residents alike may have more at stake in the 32 other projects if they can divert traffic from the Pasadena (110), Hollywood (101) and Santa Monica (10) freeways, said Carol Schatz, executive director of the Central City Association.

"Downtown residents have to go other places," Schatz said. "Any time they go some place else they're faced with this reality. Not to mention those who don't live Downtown who want to get here for a sporting event or a concert."

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