METRO'S 28 BY 2028 PLAN: A CRITICAL REVIEW IV. METRO'S LONG RANGE PLANS OVERPROMISE AND UNDERDELIVER

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IV. METRO'S LONG RANGE PLANS OVERPROMISE AND UNDERDELIVER

Long-range plans have been used to justify each of Metro's four successful half-cent transportation sales taxes. Although there have been variations on the theme, these ballot measure campaigns have included a proposed program of projects to be funded. In three cases out of the four, these programs were published prior to the public vote. These plans were updated periodically to reflect necessary changes driven by the imbalance between the financial resources necessary to perform on all of Metro's original promises, and what revenues actually become available. The nature of transportation planning requires that long range plans be continually updated. This segment focuses on the most significant of these plans, and their failures, past and yet to come.

1980 PROPOSITION A

Figure 4 provides the Rapid Rail Transit map from the plan provided with 1980's Proposition A, the first successful county-wide sales tax.[1] Rail advocates have been planning and promoting a "modern" rail transit system—more modern than the Red and Yellow Cars, that is—since 1911, involving at least 18 prior attempts to fund a system.[2]

The key section of the Proposition A Ordinance describing the scope of LACTC's rail plans is:

> "D.2.c. The System will be constructed and operated in substantial conformity with the map (hereinafter referred to as "Map") attached hereto as Exhibit "A." The areas proposed to be served are, at least, the following:
>
> - San Fernando Valley
> - West Los Angeles
> - South Central Los Angeles/Long Beach
> - South Bay/Harbor
> - Century Freeway Corridor
> - Santa Ana Free [sic] Corridor
> - San Gabriel Valley"

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1 Metro. Los Angeles County Transportation Commission. Ordinance 16. http://media.metro.net/projects_studies/taxpayer_oversight_comm/proposition_a_ordinance.pdf

2 Green, L. "A History of Rail Setbacks." *Mass Transit* magazine. September 1985.

The “Map” referenced in section D.2.c. is **Figure 4.** A notable feature of the map in **Figure 4** is that the lines don’t provide exact routings, but rather general service corridors. This lack of specificity combines with lines drawn to appear two miles wide to produce a map implying that more residences, businesses, and other destinations would be closer to the rail lines than could ever actually be the case once the lines are constructed.

Of the 11 rail lines on the map:

- One, the Long Beach Blue Line, was completed with Proposition A funding.
- Two, the Red/Purple Line (MOS-1 and MOS-2) and the Green Line, were started with the intention of full funding from Proposition A, but needed Proposition C funding to be completed. Neither of these lines has been fully completed.
- Three, the El Monte Line, the South Bay/Harbor Line, and the San Fernando Valley Line, were completed as busways. The El Monte Busway was completed prior to the passage of Proposition A. There is a plan to convert the San Fernando Valley Line to light rail decades from now. There are no plans to convert the other two lines.
- One, the Glendale Line, is subject to no current plans for completion.
- Two, the Pasadena Gold Line and the Red Line to the Valley, have been completed with a combination of Proposition A and C funds.
- Two, the Santa Ana Free***way*** Corridor/West Santa Ana Branch and the I-405 Line, are being planned for construction with a variety of funding sources, including Proposition A, but little to nothing has been constructed to date.

Figure 4: Rail Rapid Transit System

While LACTC had expansive plans for rail construction from Proposition A funding, by 1989 the revenue generated was too limited to fund the entire project list. One line, the Long Beach-Los Angeles Blue Line, was almost completed and would be fully funded by Proposition A. The Red Line and Green Lines were under construction, but there was insufficient funding available to complete even these two lines.

Today, nearly four decades after the passage of Proposition A and the passage of three additional half-cent sales taxes, five of the 11 rail lines in **Figure 4**—El Monte, Glendale, San Fernando Valley, Santa Ana Free***way*** Corridor, and South Bay/Harbor—do not have a single mile of rail transit on them. A sixth, the I-405 Corridor, has passenger rail on well under 10% of its length. Thus, the Proposition A plan failed to produce the passenger rail lines promised to voters for three reasons: LACTC/Metro overestimated revenue generated by sales taxes, underestimated project costs, and failed to ensure adequate project management.

1990 PROPOSITION C

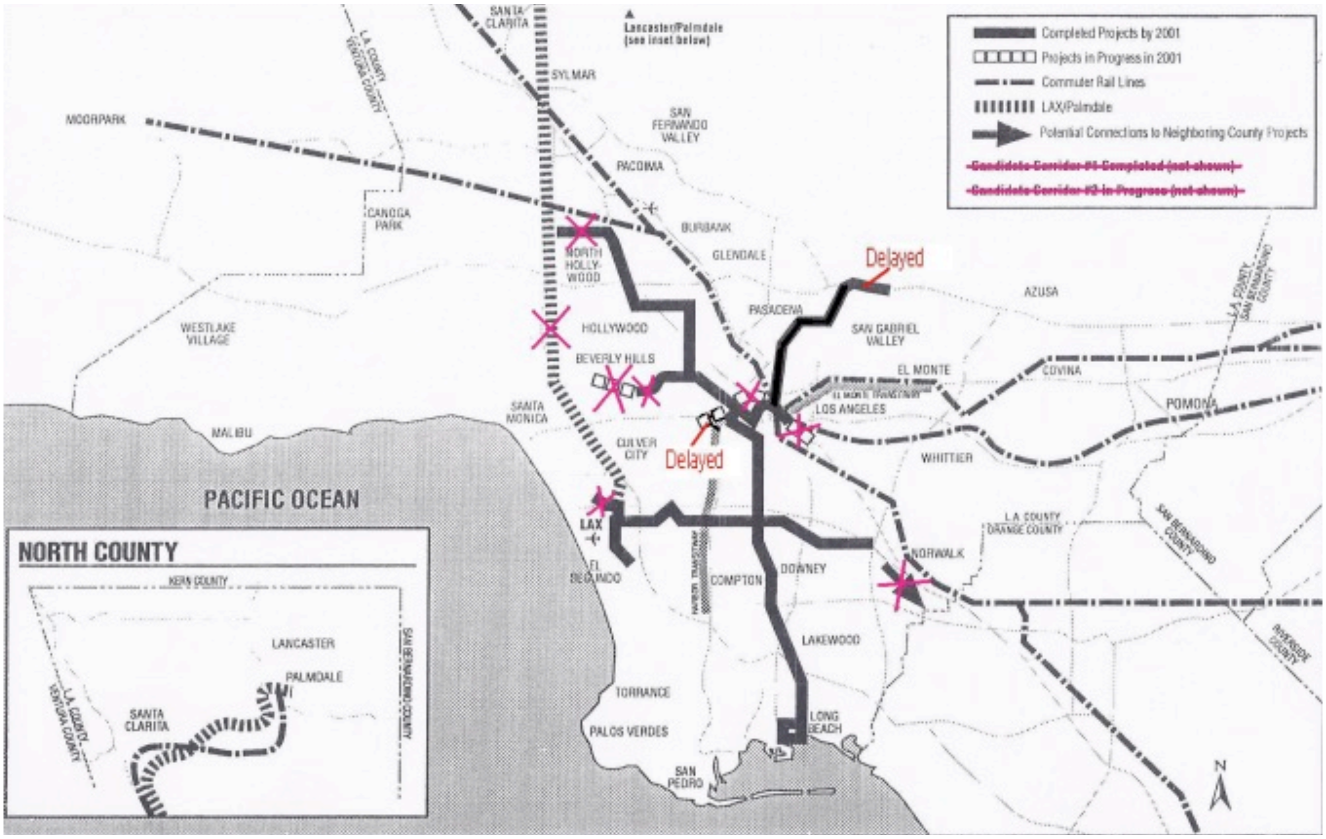
Proposition C, the second half-cent Metro sales tax, was placed on the November 1990 ballot and approved by Los Angeles voters. Unlike the other three LACTC/Metro sales tax measures, there was no detailed program of projects prepared as part of the ballot measure. Following its passage, LACTC began a planning and promotion process that eventually produced the agency’s *30-Year Integrated Transportation Plan*, which, after many iterations and meetings, was approved by the LACTC Commission at its April 22, 1992 meeting.

This document included a very long list of projects that were to be completed over its three-decade horizon, more than needs to be fully analyzed here. The highest priority projects identified to be completed within the first 10 years of the plan are detailed in **Figure 5**. This map was developed and first presented during 1991, so the 10-year implementation period to which it corresponded ended in 2001.

In total, there were 12 Metro lines or extensions that were scheduled for completion prior to the end of 2001 that did not meet that schedule. Some of these projects were to have been placed into revenue service earlier than 2001, but the calculations below all assume 2001 as the scheduled revenue service date:

- One (LAX-Palmdale) has been entirely cancelled.
- One (East Santa Ana Branch) has yet to begin construction. If completed as currently scheduled, it will be 27 years late.
- One (San Fernando Valley East-West Subway Segment 1) was completed as the Orange Line Bus Rapid Transit line four years late. Segment 2 was completed at the same time.

Figure 5: Rail Projects and Candidate Corridors: Fundable Plan–10 Year Implementation Program



- One (Red Line MOS-3 Eastside) was changed from heavy rail to light rail and was completed two years late.
- One (Pasadena Gold Line) began passenger service in 2003, two years late.
- One (Expo Line to USC) was completed approximately 11 years late, but included eight more stations than what was planned in 1991.
- One (Downtown Light Rail Regional Connector) is scheduled to be completed 21 years late.
- Two (the Purple Line extensions) are under construction on different alignments, and, if completed on the current schedule, will be a combined total of 46 years late.
- Two (Expo Line Phase 2 to Santa Monica, Pasadena Gold Line Foothill Extension), effectively Candidate Corridors 1 & 2, were completed a combined total of 30 years late.
- One (Green Line LAX Connector) has been taken over by Los Angeles International Airport and will be completed at an unknown date. It is 18 years late and counting at this date.

The LACTC’s *30-Year Integrated Transportation Plan* failed for a variety of reasons, but chief among these is the agency’s optimistic financial projections. When it was adopted, the plan’s financial element projected $100 billion of revenues over the plan period. Two-and-one-half years later, when the MTA Board was presented with the next regularly scheduled revision to the plan, the estimated revenues over the same period were $64 billion—a reduction of $36 billion in 30 months—which turned out to be too high.

2008 MEASURE R

Over the 18 years between Proposition C and Measure R, few new Metro rail line construction projects were begun, although there were extensions to previously completed lines. Construction for the Bus Rapid Transit Orange Line began and was completed, and the Gold Line Eastside entered construction and was nearing completion by 2008. Several other projects were well into planning and design, but Metro lacked the funding for rail construction. The agency needed more money, and a new tax, to proceed.

In 2008, the economy was booming after the recovery from the burst of the dot.com bubble, and Metro concluded this made it a good time to ask the voters for more funding. Metro placed a new tax proposal, its third, on the November 2008 ballot.

- The plan included:
  - Funding for 11 new, or accelerated, passenger rail and three busway construction projects and bus capital projects;
  - Local return funding, a political goal of elected city officials and county supervisors;
  - Funding for 17 road and highway projects, designed to gain the favor of drivers who had no interest in using transit themselves; and
  - Funding for bus operations, to (try to) quiet the bus service expansion proponents.
- After polling showed that the voters were apprehensive about imposing an eternal tax, Metro stipulated a 30-year term. This added a few key percentage points to the “likely to vote for” response showing up in polls.
- Then-Senator Barak Obama made his initial run for U.S. president in this election. Polling indicated he had strong support among minority voters who would be likely to vote at this election, whom Metro believed to strongly favor such a new tax for transit.
- Measure R was the object of strong campaigns by contractors, equipment suppliers, and professionals who contributed to the formal campaign to sway the voters.

Measure R passed with 67.22% in favor, barely a half percentage point over the two-thirds voter approval required to pass. Regrettably for Metro, the timing of Measure R proved very unfortunate. The economy began to falter in the middle of the campaign. By the time the winning vote was certified, Metro staff understood that their sales tax revenue projections could not be achieved. Metro did not have the revenue for a rainy day fund, instead leveraging the increased revenue projections of the prior years as much as possible. Sales tax collections for Proposition A increased from $526 million for FY02 to $686 million for FY07, more than 30% over five years, but then sunk to $568 million for FY10, down 17% over three years. These are current year values, not inflation-adjusted values. The downturn was larger if expressed in real dollars. The FY07 receipts were not exceeded again until collections of $687 million in FY13, not inflation-adjusted.[3]

The impact of the Great Recession on Metro's planning and operations was dramatic. The downturn in sales tax revenues not only significantly reduced Metro's ability to finance major transportation construction projects, but it forced major reductions in expenditures for transit operating subsidies.

In 2012, four years after the approval of Measure R, Metro went back to the voters and put Measure J on the ballot to try to extend Measure R for an additional 30 years. However, for the first time, Metro's timeline extended too far into the future, and Measure J was defeated by a narrow margin, with the 64.72% positive vote falling short of the two-thirds majority by less than two percentage points.

Measure R was a failure. Metro's efforts to try to get Measure J passed only four years after Measure R, and then, four years later, orchestrating Measure M's passage, are evidence. Metro itself understood Measure R was a failure.

2016 MEASURE M

It is too soon to draw empirical conclusions about the success or failure of Measure M, or of *28 by 2028*, which is an acceleration of the original Measure M implementation schedule, but history, context, and past performance indicate that Metro is unlikely to accomplish its goals.

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3 Metro, Proposition A & C and Measure R Sales Taxes. https://www.metro.net/about/financebudget/taxes/

CONCLUSIONS

1. Each long-range transportation construction program that Metro has adopted has fallen behind schedule, failing to accomplish what was promised.

2. These failures result from an overestimation of sales tax revenues and underestimation of construction cost projections.

3. In 2019, almost 40 years after the passage of Proposition A, and after the passage of three additional half-cent sales taxes, of the 11 rail lines shown on the 1980 Proposition A Map, fewer than half have been completed anywhere close to as promised and only three (Long Beach-Los Angeles Blue Line, Pasadena Gold Line, and Red Line to San Fernando Valley) have been completed in full as rail lines.