

Financing City Transportation Infrastructure

Designing Cities

National Association of City Transportation Officials

October 24-26, 2012

**Jaime de la Vega
General Manager**

Los Angeles Department of Transportation



National Impact of Traffic Congestion

4.8 billion hrs.

Travel delay

\$101 billion

Congestion cost

1.9 billion gal.

Wasted fuel

\$23 billion

Truck congestion cost

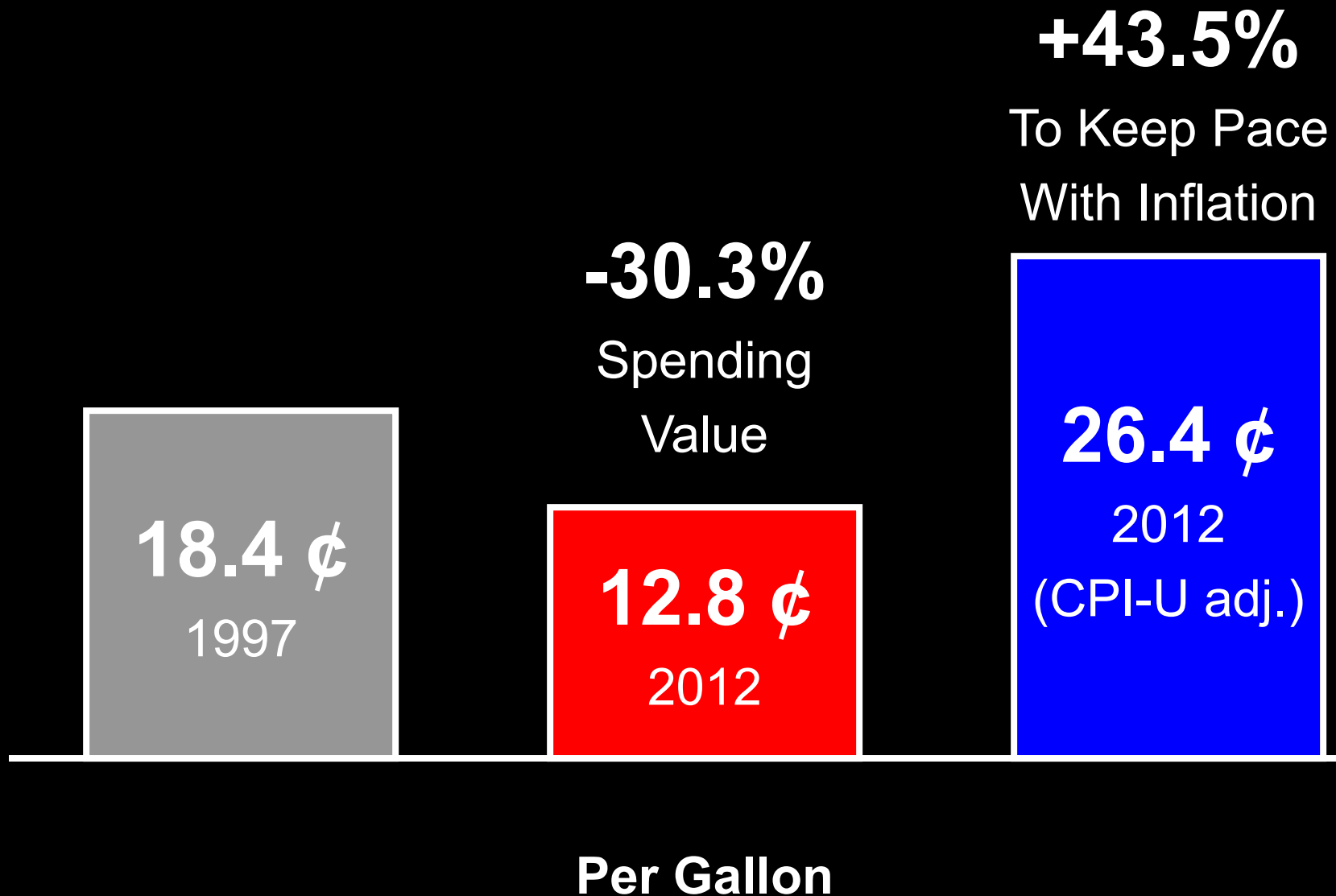
“2011 Urban Mobility Report”, Texas A&M Transportation Institute, September 2011; national data for 2010

But Is It a “Problem”?

“As per capita delay went up, so did GDP per capita. Every 10 percent increase in traffic delay per person was associated with a 3.4 percent increase in per capita GDP.”

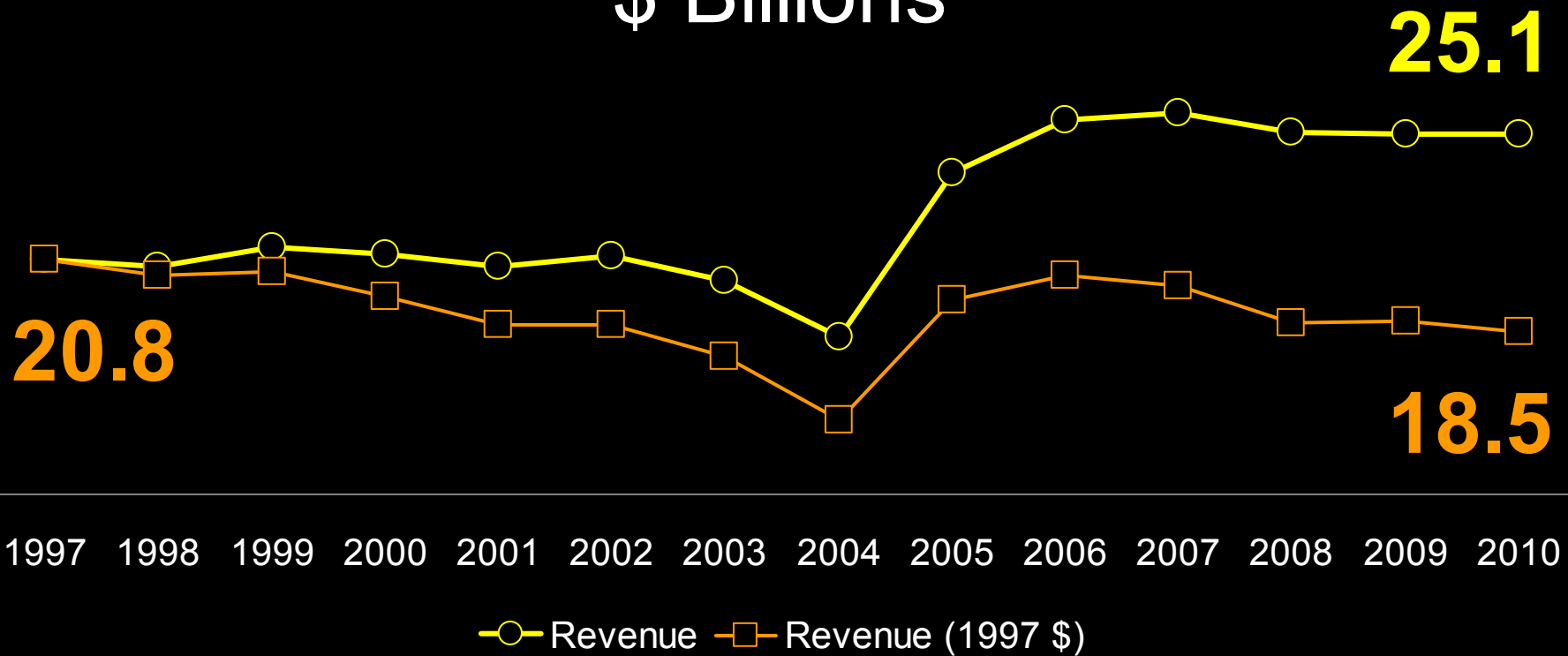
“Rethinking the Economics of Traffic Congestion”, *The Atlantic Cities*, Eric Dumbaugh (Florida Atlantic University), June 1, 2012

Federal Gas Tax



Federal Gas Tax

\$ Billions



“Congress should adopt legislation laying out a clear plan for transitioning, over the next decade, from the per-gallon fuel tax to a **highway-use fee based on vehicle-miles traveled (VMT)**.”

“Well Within Reach: America’s New Transportation Agenda”, p.31, Sec. Norman Mineta and Sec. Samuel Skinner, David R. Goode National Transportation Policy Conference, Miller Center for Public Affairs, University of Virginia, October 2010

**How will cities fund
transportation
improvements
in the future?**

Los Angeles

LA Times coverage of 2005 election:

[The] campaign strategist for Mayor James K. Hahn, dismissed Villaraigosa's plan as...**implausible proposals**...

[Villaraigosa] has spelled out **no plan** to come up with the billions of dollars that would be necessary to extend the Red Line subway along Wilshire Boulevard...

Los Angeles Critical Success Factors

**Project
Development
At Risk**

**Multiple
Parallel
Strategies**

**Made the
Problem
Bigger**

Specificity

“Politics is the art of the possible”

Otto Von Bismarck (1815 - 1898)

German Prussian Politician

Local Funding Strategies Considered

Gas Tax

Parking Tax

Vehicle Registration

Parking Meter Rates

Congestion Pricing

Parking Citation Fines

Revenue Bonds

Sales Tax

Funding Strategies Pursued

Proposition 1B

State (2006)

P3

Private (2008-Current)

Measure R

Local (2008)

America Fast Forward

Federal (2012)

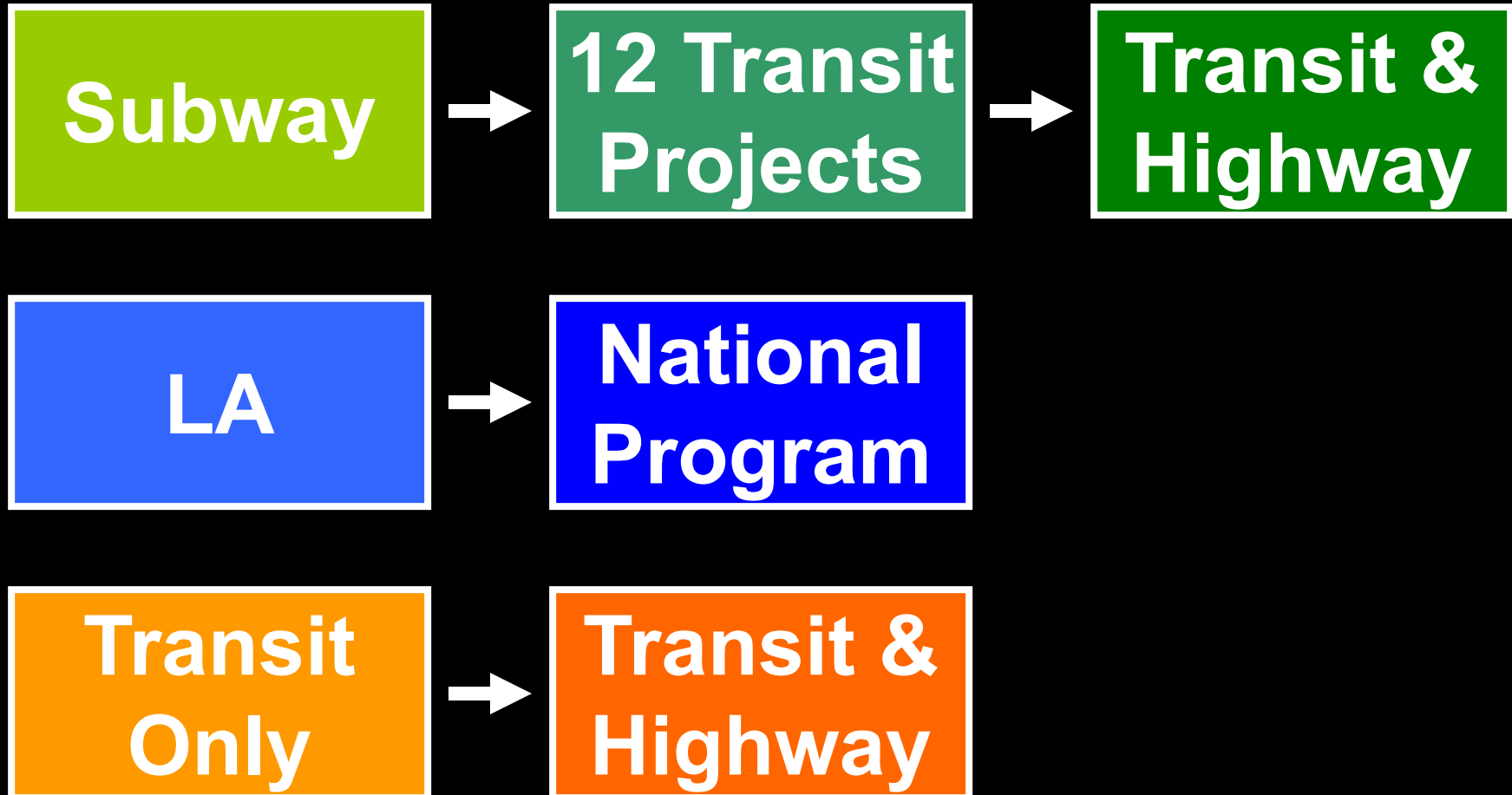
Sec. 5309 New Starts

Federal (2012)

Measure J (Pending)

Local (2012)

Making the Problem Bigger



\$0.15/gallon countywide gas tax

Support	38%
Oppose	59%

0.5% countywide sales tax

	<u>2006</u>	<u>2007</u>	<u>2008</u>
Support	59%	65%	66%
Oppose	36%	28%	24%

Double parking rates & fines

Support	42%
Oppose	54%

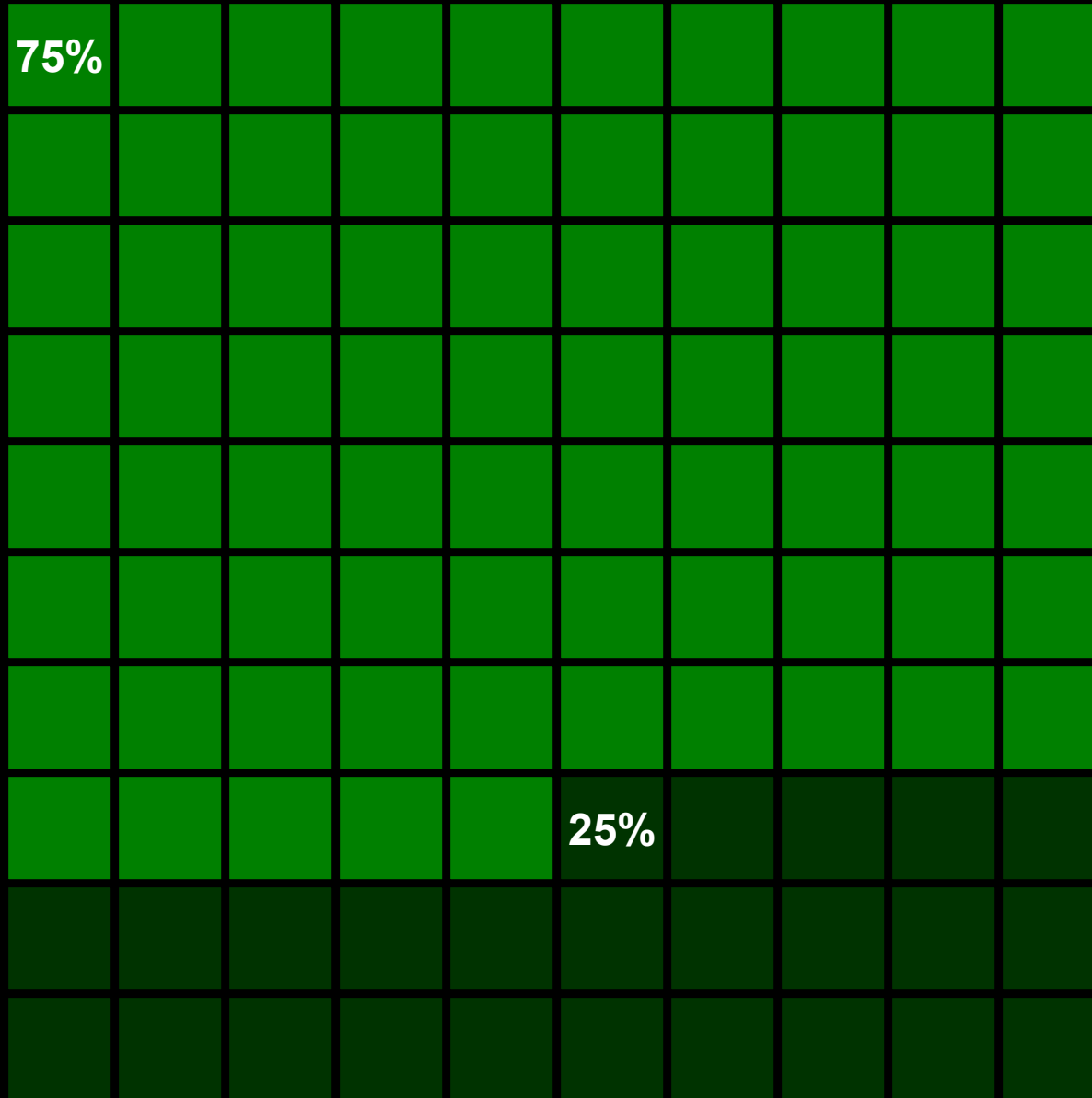
Measure R

- 30-year 0.5% sales tax
- Revenue use limited to transportation
- US \$40 billion estimated revenue
- Requires 2/3 voter approval

Preferred Revenue Allocation

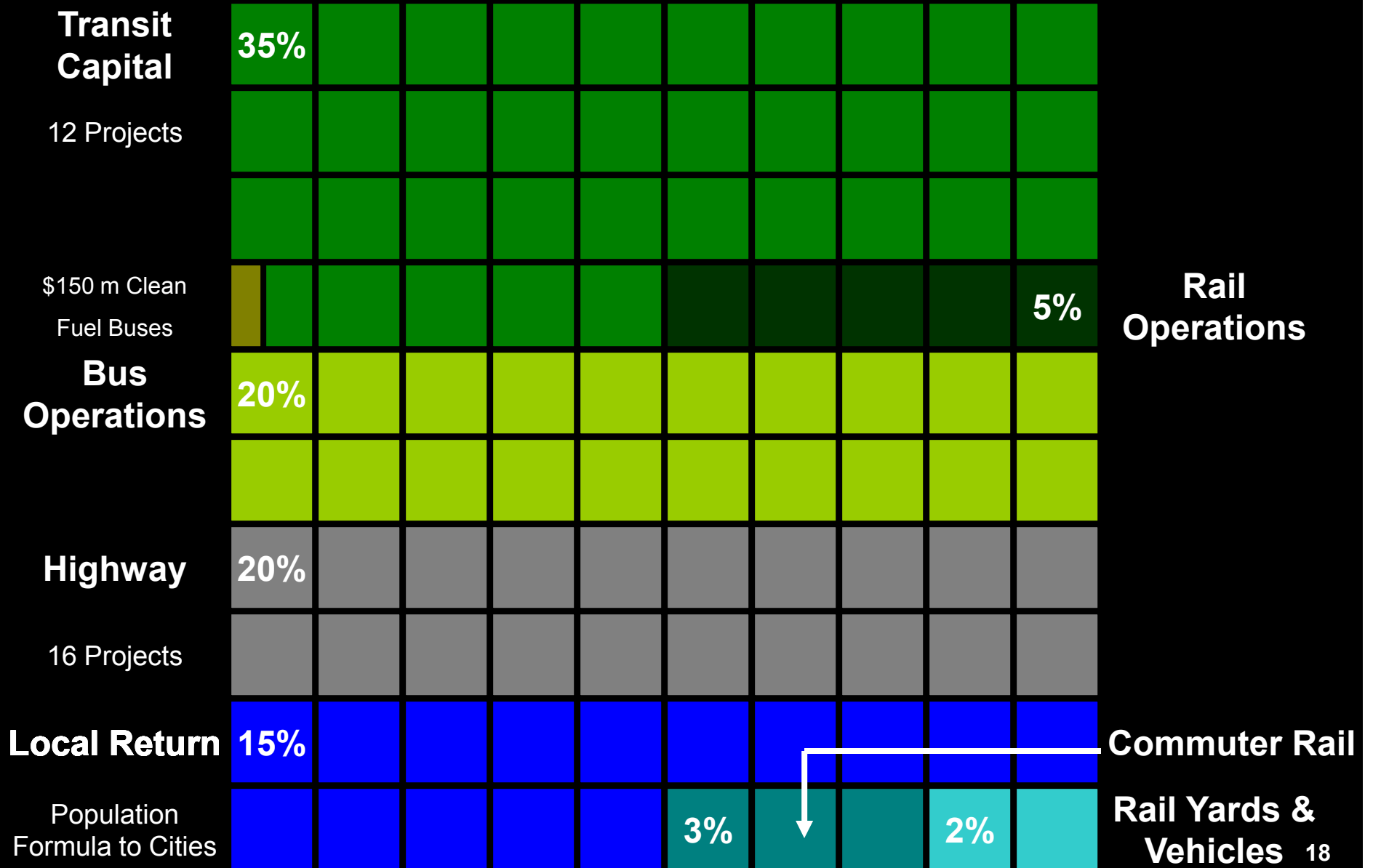
Rail Capital

75%

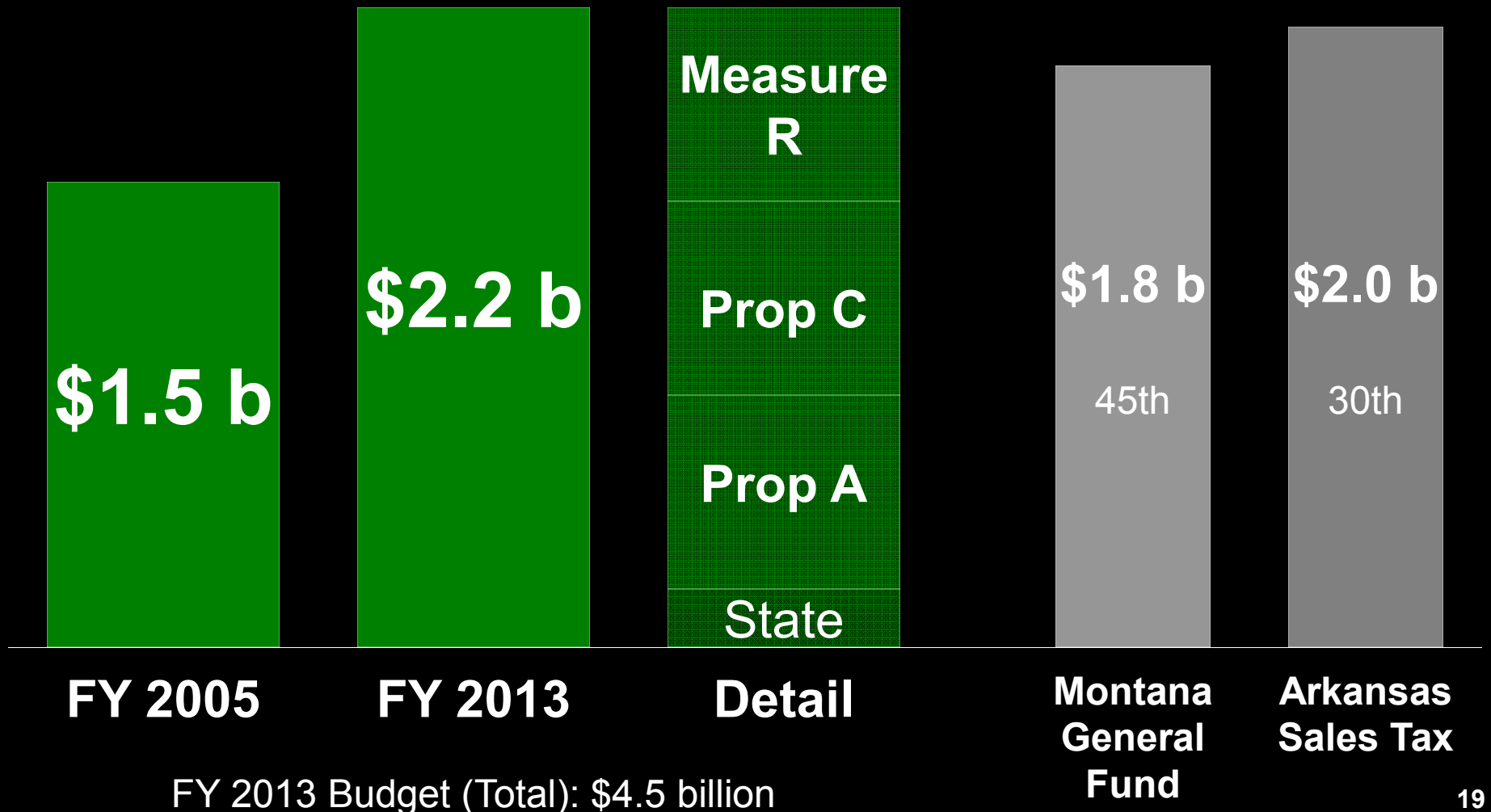


Rail
Operations

Final Revenue Allocation



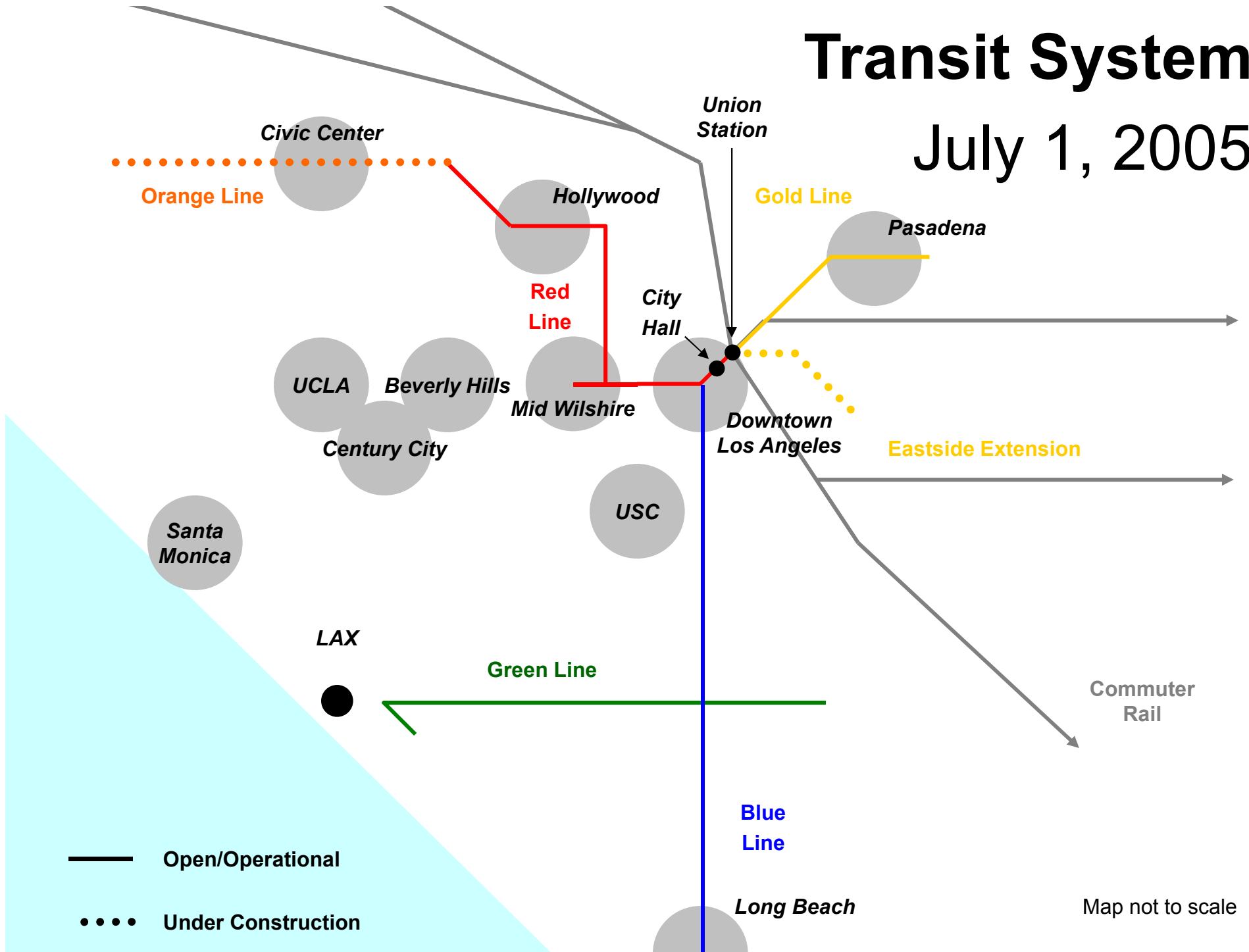
Los Angeles County Transport Sales Tax



FY 2013 Budget (Total): \$4.5 billion

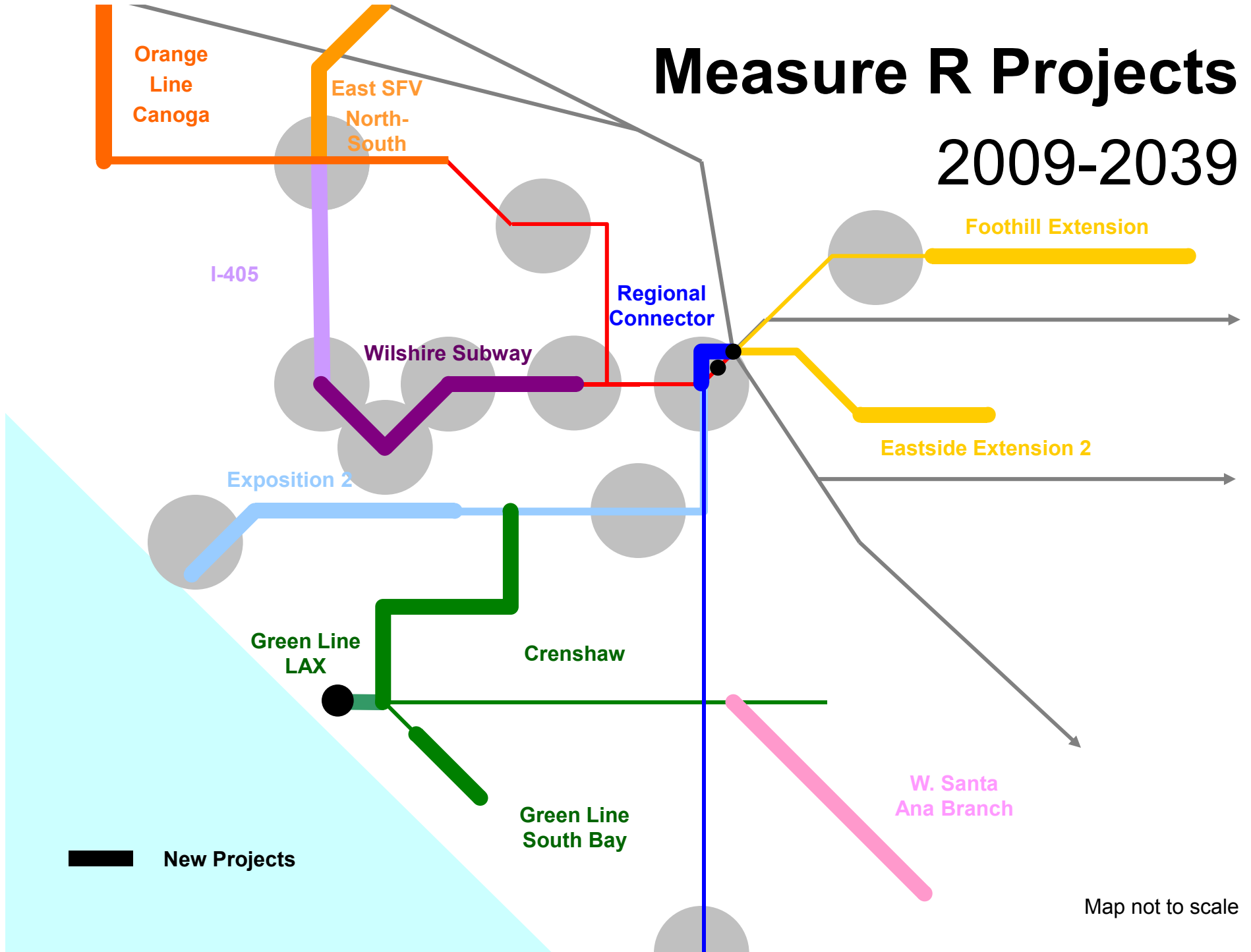
Transit System

July 1, 2005



Measure R Projects

2009-2039



Map not to scale

Measure J

- 30-year extension of Measure R tax
- Enable borrowing against future revenue to accelerate construction
- November 6, 2012 election