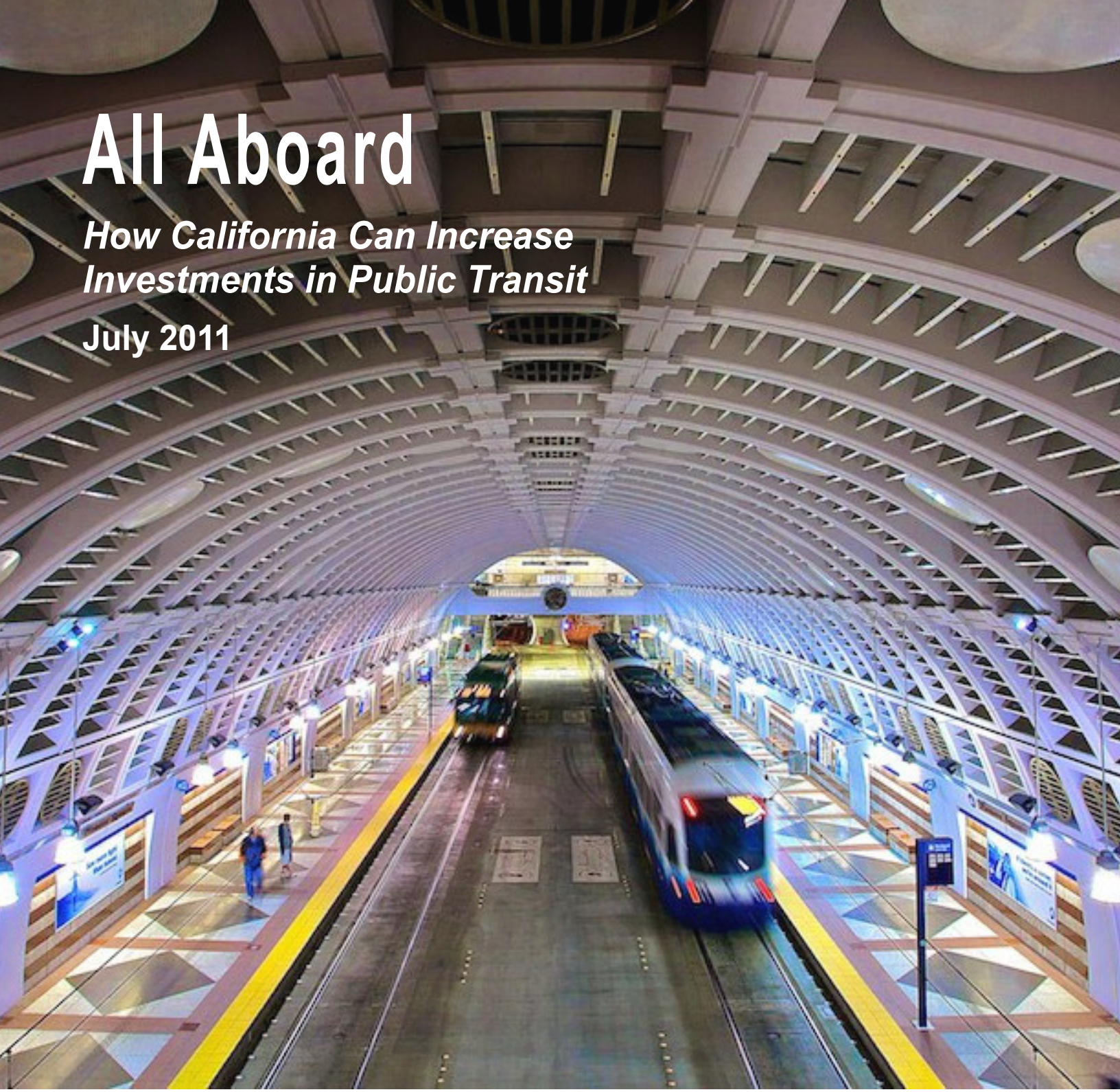

All Aboard

How California Can Increase Investments in Public Transit

July 2011

Bank of America

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Center for Law, Energy & the Environment

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About this Report

This policy paper is the eighth in a series of reports on how climate change will create opportunities for specific sectors of the business community and how policy-makers can facilitate those opportunities. Each paper results from one-day workshop discussions that include representatives from key business, academic, and policy sectors of the targeted industries. The workshops and resulting policy papers are sponsored by Bank of America and produced by a partnership of the UCLA School of Law's Environmental Law Center & Emmett Center on Climate Change and the Environment and UC Berkeley School of Law's Center for Law, Energy & the Environment.

Authorship

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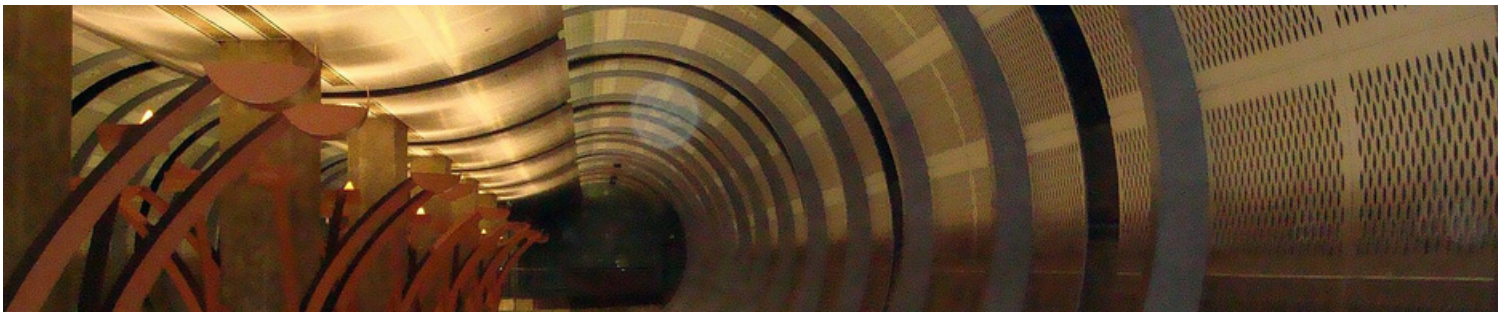


Executive Summary: The Importance of Public Transit

The buses, passenger rail cars, and shuttle vans that serve California's communities provide critical benefits to the state's environment, economy, and quality of life. For low-income, disabled, and senior residents, such transit represents a vital service. For automobile owners, public transit on dedicated right-of-ways can provide an alternative to sitting in traffic. It can also shape land use patterns to minimize car dependence and encourage walking and biking.

As traffic worsens, investments in public transit will become even more critical. The Texas Transportation Institute's 2010 nationwide study documented that traffic in California's major metropolitan regions costs residents as much as two full days per year in wasted time and related fuel consumption. In Los Angeles alone, congestion resulted in almost $12 billion in annual losses from delays, wasted fuel, and truck congestion. Bus and rail lines, however, can decrease this congestion nationwide by reducing each household's driving as much as 4,400 miles per year, saving them an estimated $13.7 billion in congestion costs. And according to the American Public Transportation Association, Americans living near transit services save 646 million hours in travel time and 398 million gallons of fuel annually. Transit therefore saves citizens time, stress, and money, while improving property values, creating jobs, and stimulating economic development.

The expansion of public transit also offers important environmental benefits. The state's transportation sector accounts for almost 40 percent of the greenhouse gas emissions that cause climate change, making it California's single largest source of these emissions. Nationally, reductions in driving facilitated by public transit save 37 million metric tons of carbon dioxide annually, equivalent to the emissions from generating electricity for 4.9 million households. Transit also reduces the automobile sector's significant contributions to California's harmful and deadly air pollution. Over 90 percent of Californians breathe unhealthy levels of one or more air pollutants during some part of the year, while premature deaths from particulate matter are now comparable to deaths from traffic accidents and second-hand smoke. Transit can mitigate all of these impacts.

Current levels of funding for public transit, however, are insufficient to support the extensive system needed to achieve these economic and environmental benefits. Funding for transit in the United States is significantly less than funding for highways and roads and mostly comes from cash-strapped state and local governments. In California, the economic recession and state budget decisions have severely reduced transit funding, with over $4 billion in state transit funds diverted to cover non-transit state services since 2001. Meanwhile, the recession has diminished tax revenues for local transit agencies.

Inadequate funding for transit means local transit operators have less money to operate and maintain their existing services. Moreover, they have few resources available for expanding the existing infrastructure. Stabilizing and improving funds for transit will be necessary for California to improve its transit system and achieve the resulting benefits.

Top Three Barriers to Increasing Investment in Public Transit in California

To address the problem, transit experts, business and labor leaders, and local officials gathered at the UCLA School of Law in November 2010. The group identified the primary challenges to stabilizing and improving transit revenue and suggested strategies and policies. The group focused on three key barriers hindering improved transit financing:

1) Legal Barriers to Raising Revenue: state law has placed high thresholds for voter approval of transit funding initiatives, such as sales tax, bond, and gas tax measures.

2) Negative Perception of Transit: some policy-makers and the general public may be reluctant to support public transit investments due both to a belief that public transit is an inefficient service and a lack of awareness of the economic benefits of transit.

3) Unsupportive Land Use Policies: many cities and counties in California lack the kind of development around transit station areas that would increase ridership and maximize the value of existing transit investments.

Short- and Long-Term Solutions

This paper identifies the short- and long-term actions that public transit advocates and government leaders can take to ensure that California maintains and expands its existing public transit system. Policy-makers and advocates will need to:

- Expand and capitalize on existing transit revenue schemes, such as through supporting the America Fast Forward plan (which would allow cities such as Los Angeles to receive federal no- or low-interest loans to be repaid from future sales tax revenue for transit); indexing the state gas tax (converting the tax to a percentage of the total gasoline purchase rather than a fixed per-gallon charge); creating regional tax increment financing zones for transit; implementing variable pricing for parking and congestion; and levying fees on vehicle miles traveled;

- Explore measures to reduce the voter approval threshold for transit-related taxes, assessments, and bonds from two-thirds to 55 percent;

- Compile and promote data on the economic benefits of public transit to the public and to elected officials in order to increase political support for transit financing; and

- Encourage supportive land use policies in transit station areas to facilitate greater utilization of existing and planned transit resources.

These and other proposed solutions are summarized below.

Federal Leaders

Support the America Fast Forward program, which helps local governments issue bonds secured by existing transit revenue streams. Metropolitan regions like Los Angeles will need federal support to finance construction of new transit lines by borrowing against future transit revenues at no or low interest (also known as the "30/10" initiative).

Target existing infrastructure dollars to jurisdictions willing to maximize station-area land use potential. Federal spending on infrastructure and buildings should be directed at transit-adjacent properties.

Offer tax credits and subsidies to employees who locate within walking, biking, or transit distance of their work. Employees who choose to live close to work or take transit should be rewarded with mortgage interest tax credits and other financial inducements to increase demand for transit-adjacent, mixed-use housing.

State Leaders

Support a voter initiative to lower the approval threshold for transit-related taxes, fees, and bonds. Such an initiative could reduce the two-thirds requirement to 55 percent for transit-related revenue measures and contain a provision that the expenditures must meet specific accountability requirements to ensure efficiency and prevent waste.

Authorize regional entities and/or local governments to develop a regional tax-increment financing program for transit. Tax-increment financing for transit allows local governments to issue bonds secured by future increases in property tax revenues in order to finance regional public investments in infrastructure and transit.

Authorize and encourage the development of local "transfer fees" to fund transit. A transit transfer fee, which would be levied upon the passing of title to a property from one person or entity to another, can support a dedicated fund that will finance transit service and improvements in a neighborhood.

Require transit agencies to condition future transit spending on improved local station area development. Local transit agencies in California should direct public funds for transit first to communities that allow more high-density, pedestrian-oriented development around station areas.

Target existing infrastructure and planning resources to jurisdictions willing to maximize station-area land use potential. As with the federal government, discussed above, state resources for local government planning and spending on infrastructure projects, such as new state offices and buildings, should be directed at transit-adjacent properties.

Offer tax credits and subsidies to employees who locate within walking, biking, or transit distance of their work. In conjunction with federal policies discussed above, employees who choose to live close to work or take transit should be rewarded with state tax credits and/or direct financial assistance.

Regional Entities

Develop a regional tax-increment financing program for transit. Regional entities, such as metropolitan planning organizations, should pursue tax increment financing for transit with state authorization, as discussed above.

Implement property tax assessments or property-based charges to fund transit that include pre-paid transit passes. New property tax assessments or other mechanisms to finance transit that are subject to voter approval may avoid the supermajority requirement of Proposition 26 (a ballot initiative approved by the voters in 2010 that imposes a two-thirds voter approval requirement for many charges) by offering pre-paid transit passes to assessed households in order to confer a specific benefit to the individuals paying the levy.

Levy new or revised taxes or fees on driving automobiles to fund transit. Such measures could include the indexing of gas taxes (converting the tax to a percentage of overall gasoline sales rather than a fixed per-gallon charge), a tax on vehicle miles traveled, congestion pricing, or a new tax or fee on car rentals.

Local Governments

Develop a regional tax-increment financing program for transit. Cities and counties could develop tax increment financing for transit with state authorization, discussed above, and in partnership with regional entities.

Develop proposals for property tax assessments or property-based fees to fund transit that include pre-paid transit passes. As with regional entities, cities and counties may be able to implement property tax assessments or fee mechanisms with majority votes by conferring specific benefits to the individuals paying the fee.

Encourage the implementation of "transfer fees" to fund transit. Transit transfer fees at the local level can support dedicated funds to finance transit service and improvements in a neighborhood.

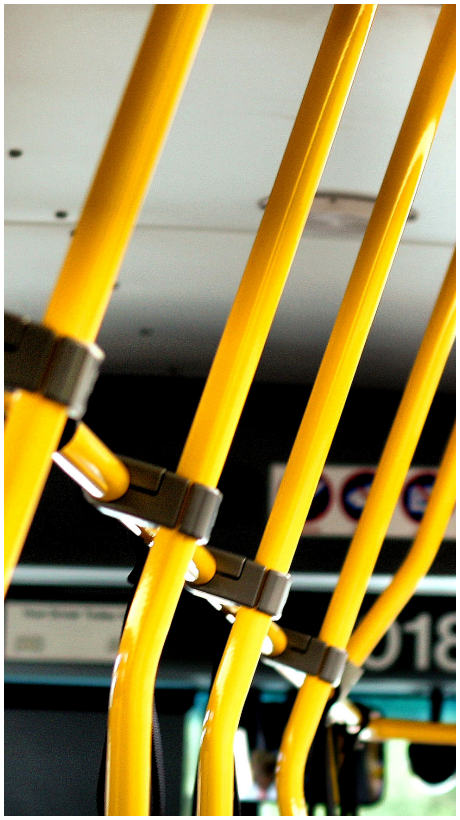
Implement variable pricing for parking and issues bonds secured by future parking revenue to finance transit improvements. Variable pricing for parking (through meters that accept credit cards and adjust prices to reflect demand and minimize competition among drivers for spaces) generates revenue that local government leaders can use to finance transit, thereby improving neighborhoods and boosting sales and property values.

Transit Agencies

Ensure that existing transit systems operate efficiently and that planned systems are built without delay and cost overruns. As part of the effort to promote transit benefits to the public, transit officials must ensure that existing service improves its efficiency by lowering costs and by employing dynamic means of providing services.

Leverage private sources of capital to finance the transit system. Private employers may be willing to contribute financially to the existing transit system or integrate their private transit systems for employees with public ones.

Condition future transit spending on improved local station area development. Transit officials should direct agency spending for transit first to communities that allow more high-density, pedestrian-oriented development around station areas.



Public Transit Advocates

Propose a voter initiative to lower the approval threshold for transit-related taxes, fees, and bonds. As discussed above, the initiative should reduce the supermajority requirement to 55 percent for transit-related revenue measures with built-in accountability measures to prevent waste.

Collect data from existing sources documenting the economic and environmental benefits of transit investments. Much of the data is already available in sources like the regional transportation plan that each metropolitan region submits and in the United States census and property value disclosures.

Promote the data to the public and elected officials through a coordinated marketing campaign. Coordinate the campaign with business and labor leaders who have stake in the expansion of transit for their employees and members and emphasize the economic development, environmental, and quality-of-life benefits of transit.

Promote the benefits of transit-friendly development to community members. Advocates will need to overcome local fears of development in station-area neighborhoods by citing research and case studies that document the improved economic opportunities, housing values and options, and mobility that come with transit.

California Needs to Increase Investments in Public Transit to Improve the Environment, Quality of Life, and Economy

Public Transit Benefits the Environment

Public transit provides critical benefits to the state's environment. Transit helps reduce the number of cars on the road by providing residents with an alternative to chronic traffic congestion. And by minimizing people's need to drive and purchase cars, transit can reduce the air pollution that causes smog, unhealthful respiratory conditions, and climate change. In addition, transit offers a vital service for low-income, disabled, and senior citizens who are unable or cannot afford to drive.

Public transit is critical to reducing greenhouse gas emissions

Transit reduces the greenhouse gas emissions that cause climate change. California has committed itself to reducing these emissions, most notably through the California Global Warming Solutions Act of 2006 (AB 32). AB 32 mandates that the state roll back its greenhouse gas emissions to 1990 levels by the year 2020, equivalent to a 30 percent cutback from the business-as-usual scenario projected for 2020.[1] In addition, former California Governor Arnold Schwarzenegger's Executive Order S-3-05 calls for an eighty percent reduction from 1990 levels by 2050.[2] In the AB 32 Scoping Plan, the California Air Resources Board ("CARB"), the agency responsible for implementing AB 32, noted that "enhanced public transit service" combined with better land use development will reduce greenhouse gas emissions and decrease average vehicle trip lengths by as much as 7.7 percent over a ten-year time horizon, with benefits doubling by 2030.[3] CARB calls for greenhouse gas reductions of five million metric tons from regional transportation-related policies by 2020 (with greater reductions to be realized thereafter).[4]

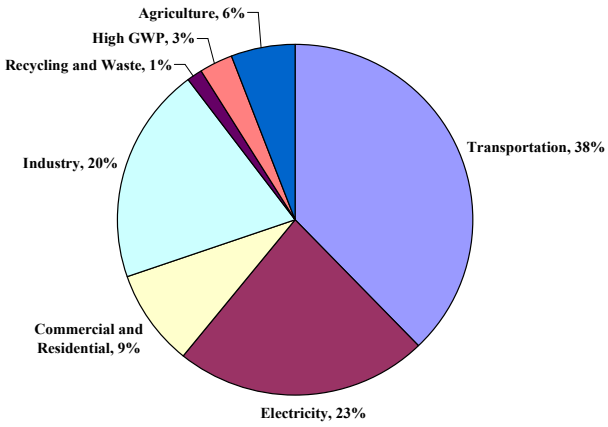


Figure 1. California's Greenhouse Gas Emissions (2002-2004 Average)

Source: California Air Resources Board

Reducing the amount of driving in California represents a critical strategy to fight climate change. The state's transportation sector accounts for almost forty percent of greenhouse gas emissions (see Figure 1), making it the single largest source,[5] compared to 33 percent nationwide.[6] Transportation emissions primarily result from vehicle miles traveled ("VMT") by cars and light trucks. The problem will only get worse. The Urban Land Institute projects a 48 percent increase in driving between 2005 and 2030, compared to a projected 23 percent increase in population.[7] In California, the Department of Transportation estimates VMT increases of 61 percent from 2007 to 2030 under the business-as-usual scenario.[8] As a result, state leaders have passed legislation like SB 375 (Steinberg), which encourages a regional approach to transportation and land use planning to minimize greenhouse gas emissions from cars and light trucks.[9] CARB relies on SB 375 to meet its greenhouse gas reduction goal of five million metric tons by 2020 through better land use planning.[10]

Transit can decrease these emissions by reducing driving and traffic congestion overall. According to the American Public Transportation Association, bus and rail lines in the United States reduce driving by 4,400 miles per household annually.[11] This reduction in driving translates to a savings of 37 million metric tons of carbon dioxide annually, equivalent to the emissions from generating electricity for 4.9 million households.[12]

Even with needed improvements to the fuel economy and carbon content of fuel, transit will continue to be necessary to fight pollution and climate change. Despite the California Air Resources Board's greenhouse gas regulations and improvement to the carbon content of fuel, the California Department of Transportation concludes that projected VMT increases will outweigh these policies' combined impact on greenhouse gas emissions.[13] The Urban Land Institute also predicts that technological progress in vehicle efficiency and fuel content are likely to be offset by continued growth in VMT nationwide.[14] Providing citizens with a viable alternative to the automobile will therefore be an ongoing necessity.

Transit reduces harmful air pollution

California experiences some of the most harmful and deadly air pollution in the country. According to the Air Resources Board, over 90 percent of Californians breathe unhealthy levels of one or more air pollutants during some part of the year.[15] The San Joaquin Valley has one of the worst levels of ozone pollution in the United States, while premature deaths from particulate matter are now comparable to deaths from traffic accidents and second-hand smoke.[16] Ozone pollution leads to asthma, reduced lung capacity, and increased susceptibility to respiratory illnesses.[17]

"The majority of costs for people is the maintenance and ownership of an automobile. Even if they bought cars and kept them in a garage to take transit, they'll still be paying for the car. Better transit service provides the tipping point."

-- Scott Bernstein
Center for Neighborhood Technology

On-road vehicles, such as automobiles and trucks, contribute a significant portion of this pollution. According to Air Resource Board emissions data, on-road motor vehicles emit roughly 32 percent of the statewide pollution (9,227.24 tons per day out of 29,273.26 tons per day statewide).[18] Gasoline- and diesel-powered automobile usage emits carbon monoxide, sulfur dioxide, and particulate matter pollution, among other pollutants.[19] Expanding public transit to encourage further reductions in driving will therefore decrease air pollution statewide and save the state health care costs.

Public Transit Improves Quality of Life

In addition to the environmental benefits, public transit offers many residents an opportunity to improve their quality of life. Transit can save citizens time, stress, and money, while improving property values and neighborhood development.

A critical alternative to sitting in traffic

According to the Texas Transportation Institute's 2010 nationwide study, traffic delays in California's major metropolitan regions cost drivers more than two full days per year in wasted time and up to 50 gallons of wasted fuel. For example, metropolitan area drivers in Los Angeles spent 63 hours per year stuck in traffic, 49 hours in San Francisco, and 37 hours in San Diego.[20] Los Angeles also topped the nationwide list with approximately 515 million hours and more than 406 million gallons of fuel lost to traffic, at a total cost to the region of almost $12 billion per year.[21]

Public transit offers an alternative. According to the American Public Transportation Association, Americans living near transit services saved 646 million hours in travel time.[22] And the Texas Transportation Institute estimated that the bus and rail system in Los Angeles alone reduced 33 million hours of traffic delay in 2009 at a cost savings of $733 million, while San Francisco's bus and rail system reduced over 28 million hours of traffic delay and saved $660 million.[23] Residents in the Bay Area also spent more than seven times more money on their private transportation in a

single year than public agencies in the region spent on all public roads and transit combined.[24] Improved public transit can therefore save drivers both money and time lost to traffic delays.

Significant household savings and improved economic activity

Transportation costs, from automobile purchases and maintenance and fuel consumption, are often a hidden burden for many residents seeking homes in more affordable, outlying neighborhoods. Homebuyers may be unaware of the impact of these aggregate transportation costs. The Center for Neighborhood Technology (CNT) found that while 69 percent of communities qualify as affordable under traditional definitions of affordable housing (considered to cost no more than 30 percent of household income), only 39 percent qualify when analysts factor both housing and transportation costs (considered to be a combined 45 percent of household income).[25] Studies by CNT and other organizations have also documented that households with increased transportation costs were more likely to be at risk for mortgage default and foreclosure due to the drag on their household savings rates.[26]

When households have access to a robust and affordable public transit network, however, they can often save significant transportation-related expenses. Regular transit usage can reduce household expenses for fuel and auto repair and maintenance. In some situations, access to transit can obviate the need for a second or third household car, providing even greater savings. According to CNT, improved access to transit can reduce household transportation costs by an average of three to five thousand dollars annually.[27] TransForm estimated that the average San Francisco Bay Area household could save $5,450 each year on transportation if all residents had the best access to public transit – equivalent to $10.7 billion per year in overall savings.[28]

Public transit investments also benefit residents by creating economic activity and job growth. The labor-intensive nature of transit (from such factors as construction, maintenance, and operation) means that investments in transit produce more jobs than other kinds of infrastructure spending. The Victoria Transport Policy Institute noted that the typical transit investment creates 19 percent more jobs than the equivalent amount of spending on the average road and bridge projects.[29] The California Transit Association estimated that one billion dollars in public transit investments creates 47,500 jobs, while each dollar in investment generates approximately six dollars in local economic activity.[30]

Public transit encourages more sustainable land use development

Transit can shape land use patterns to encourage residents to move into walkable communities without needing a car. This type of "sustainable" development refers to resource-efficient land use where residents live within walking distance of key services and mass transit and where neighborhoods contain a compact mix of uses, such as housing, offices, and retail. Residents in sustainable developments do not have to drive a car to get to jobs and run errands, and the compact footprint of these neighborhoods preserves open space and farmland.

Americans are demanding more sustainable development with a transit component. A United States Environmental Protection Agency (EPA) survey of residential building permit data in the fifty largest metropolitan areas between 1990 and 2008 showed a substantial increase in the share of new construction built in central cities and older suburbs, with a particularly dramatic rise over the past five years – including during the recent real estate downturn.[31] Moreover, in California's major metropolitan regions, the share of residential construction in historic central cities and core suburban communities increased between 1995 and 2008.[32] And a March 2010 national poll by Transportation for America found that three out of five

"It's not an issue of convincing people to get out of cars and into transit, but how we get communities and neighborhoods that are linked to transit and are supportive of people getting out of their cars."

-- Graham Brownstein
TransForm

voters, including rural voters, place a lower priority on new and expanded roads than on improved public transportation and steps to make walking and biking easier.[33]

While transit is not always necessary to develop walkable communities, it can serve as a catalyst for building them and as a critical feature of mobility for residents. Numerous barriers exist to building this kind of development, most notably local government land use policies and a lack of funding for planning efforts, a topic covered in a previous white paper in this series (see *Plan for the Future*, March 2010). Funding transit infrastructure and operations represents a key solution for overcoming the barriers.

Current Funding for Public Transit is Insufficient and Unstable

The United States substantially under-invests in transit infrastructure and operations. Funding for transit in the United States is significantly less than funding for roads and highways and mostly comes from state and local governments. The total combined transit funding in the nation reached a peak of $30.9 billion in 2006, with state and local funding comprising $22.8 billion, or 74 percent. By contrast, total highway expenditures from federal, state, and local governments reached $161.1 billion in 2006.[34]

The limited resources for transit mostly support the operation of existing transit systems rather than the development of new transit projects or the purchasing of new equipment for existing lines. Capital investment, which includes equipment purchases and construction of new transit lines, totaled $12.8 billion, or 29.3 percent of all domestic transit spending. Federal funds provided almost half of this amount, with $5.6 billion of total transit agency capital investments, while state funds provided $1.7 billion and local funds provided $5.5 billion.[35] By contrast, total highway capital expenditures totaled $78.7 billion in 2006, or almost half of all domestic highway spending.[36]

Transit financing policies will have greatest impact at the state level. States oversee and distribute more transportation funds than any other level of government. States determine where these funds will be allocated and prioritize the type of transportation options and modes, which in turn helps to determine local government decisions regarding infrastructure investment and land use patterns.[37] SB 375, for example, leverages this state role to encourage regional entities to coordinate their transportation and land use planning.

In California, transit funding has been severely reduced by the economic recession and budget decisions at the state level. Since 2001, the state has diverted over $4 billion in public transit funds to cover non-transit state services, including $1.4 billion in the 2008-2009 budget alone.[38] Partly in response, voters approved Proposition 22 in November 2010 by a 60 percent majority, protecting local transportation funds from future state diversion.[39] Still, the resulting revenue losses over the years have meant serious service cutbacks and fare increases during an economic downturn.

Exacerbating the effect of the state taking local funds, local agencies have experienced dwindling revenues for transit from the depressed economy. Sales taxes, for example, which are often used to raise local funds for transit, netted less revenue due to declining consumer purchases.[40] However, even with a strong economy, local transit agencies often experience budget shortfalls and difficulty supporting existing services.[41] A revived economy alone is therefore unlikely to provide the funding base necessary to build comprehensive and low-cost transit systems.

Inadequate funding for transit means local transit operators have less money to operate and maintain their services and have little available resources for expanding the existing infrastructure. Stabilizing and improving revenues for transit will therefore be necessary for California to improve its transit system and achieve the resulting environmental, economic, and quality-of-life benefits.

Barrier #1: Legal Barriers to Raising Transit Revenues

Ballot initiatives, most notably Proposition 13 and the recently enacted Proposition 26, have created supermajority-approval thresholds for transit revenue measures, such as sales taxes, bond measures, and gas taxes. Proposition 13, approved by a majority of voters in 1978, was a constitutional amendment that primarily served to reduce property taxes and restrict their rate of growth. However, the initiative also contained provisions requiring a two-thirds legislative majority for any future state tax increase. In addition, the measure imposed a two-thirds vote requirement on local governments attempting to increase local taxes. Meanwhile, voters approved Proposition 26 in November 2010, which extends the two-thirds requirement to certain state and local fees, although the outcome of litigation in the court system will likely determine the extent of this initiative's impact. As a result, raising new or additional revenue for transit faces significant legal hurdles.

"My clients and colleagues in the real estate development community would prefer to contribute to meaningful regional transportation solutions rather than continuing to use their limited resources on band-aids that address only symptoms of the problem."

-- David Grannis
Planning Company
Associates, Inc.

SOLUTION: Lower Voter Thresholds for Transit Funding and Capitalize on Existing Revenue Opportunities

Transit advocates should consider proposing a ballot initiative that would lower the voter approval threshold for transit-related taxes, assessments, and bonds to 55 percent from the current two-thirds requirement. In addition, advocates should maximize revenues for transit from existing sources, including issuing bonds backed by increased regional property tax revenue and existing sales tax measures, seeking federal support for no- or low-interest bonds financed by current transit revenue streams, and developing new sources of revenue such as dynamic parking metering.

Transit advocates should propose a voter initiative to lower the approval threshold for transit-related taxes, fees, and bonds

The initiative should reduce the supermajority requirement to 55 percent for transit bonds, property tax increases to repay bonds, and other local transit taxes and fees for transit, such as sales tax measures, vehicle license fees, or property assessments. The initiative could contain a provision that the expenditures must meet specific accountability requirements to ensure efficiency and prevent waste. Such a measure would limit the impacts of Propositions 13 and 26 on transit financing and make voter approval easier to secure.

State and local governments should develop a regional tax-increment financing program for transit

The state should authorize local governments or regional entities to develop tax increment financing for transit. Tax increment financing allows local governments to issue bonds to be repaid by future increases in property tax revenues in order

to finance public investments in infrastructure and transit. These investments in turn boost property values, which increase tax revenues in order to pay back the bondholders. The bonds would be used to finance the construction and operation of a comprehensive transit system. A regional plan would allow a greater source of revenue collection from property taxes that would reflect the regional value of a transit system. The proposal would require strict accounting methods to ensure that any increase in property tax revenue could be accurately traced to the investment in transit. Transit advocates could also join with other infrastructure proponents, such as citizens for school and park spending, to develop a comprehensive proposal for tax increment financing of a suite of public investments in neighborhoods.

Regional entities and/or local governments should develop proposals for property tax assessments or property-based fees to fund transit that include pre-paid transit passes

Local government or regional entities, such as metropolitan planning organizations, should develop proposals for property tax assessments or fee mechanisms to finance transit that would be subject to voter approval. Because home values tend to increase in areas with extensive and well-supported transit systems, these efforts would likely benefit those communities that implement them. However, Proposition 26 may impose a two-thirds majority requirement on a vote to levy charges on properties near transit. As a result, transit advocates may want to offer a pre-paid transit pass for all homeowners with the assessment or charge, which would confer a specific benefit to the individuals paying the levy (therefore placing it within an exception to the two-thirds requirement contained in Proposition 26[42]). Such a transit pass may qualify the rider to a certain number of days to ride the local system without charge. The transit passes will also serve to entice voters to approve the measure and to encourage them to ride the existing system and become repeat customers.

State and local governments should encourage the development of "transfer fees" to fund transit

Transfer fees are levied upon the passing of title to a property from one person or entity to another. A transit transfer fee can support a dedicated fund that will finance transit service and improvements in a neighborhood in perpetuity. The system can benefit the property owner by increasing the value of the property. With state authorization, local governments and regional entities can develop an accounting method to levy transfer fees on properties according to the benefits they will receive from the transit network.

Regional entities and state and local governments should consider implementing new or revised taxes or fees on driving automobiles to fund transit

Taxes or fees on auto usage will discourage driving while simultaneously encouraging transit usage. Such measures could include the indexing of gas taxes, a tax on vehicle miles traveled, congestion fees, or a new tax or fee on car rentals. Proponents will have to ensure that Proposition 26 does not restrict these measures. California levies a fixed-sum tax on every gallon of gasoline purchased (currently 18 cents for every gallon). Indexing these gas taxes would involve converting them to a percentage of the overall gasoline purchase. As a result, gas tax revenues would increase with inflation, rather than lose value over time due to inflation and improved fuel economy.

Local governments and regional entities should also consider a tax on vehicle miles traveled rather than on gasoline consumption, which will decrease as cars become more fuel efficient. Taxing the miles driven will discourage cars from

"I've seen again and again land values at least quadruple or increase even more than that when transit is built. If we can capture some of that value, we should be able to pay for a large part of the transportation investments."

-- Dan Rosenfeld
Office of Supervisor Mark Ridley-Thomas

occupying and using roadways, which will decrease congestion and the need to repair and maintain the existing road infrastructure. Oregon pioneered this approach in 2007 by using global positioning devices (GPS) in each automobile to track the miles driven. Policy makers will have to address privacy concerns in implementing this plan.

In addition, local transit officials should evaluate and explore the impact of congestion pricing as a means to fund transit improvements. Congestion pricing involves placing tolls, or raising existing tolls, on roadways during times of peak travel demand. The price signal can reduce traffic congestion, encourage carpooling or transit usage, and improve air quality. The added revenue could then fund transit to provide drivers with a convenient and affordable alternative to driving. State officials could consider offering matching funds for congestion pricing studies, based in part on the experience of the San Francisco County Transportation Authority, as described by a recent UCLA School of Law report.[43]

Finally, regional entities and local governments should consider imposing fees or taxes on car rentals. Car rentals contribute to traffic and highway use and can offer a valuable source of funding for transit.

State and local officials should leverage private sources of capital to finance the transit system

Private employers have a strong stake in the mobility of their customers and employees. These employers may be willing to contribute financially to the existing transit system or integrate their private employee transit systems with public ones. In addition, businesses and foundations may be willing to back or match financing for transit, which could potentially lower borrowing costs. Local transit agencies should consider forming new partnerships with businesses, and expand existing public-private arrangements, to provide service that supports employees.

"A huge issue for employers here is housing and transportation costs. Would businesses pay to reduce the attrition rate within their own ranks? Of course. But how do employers embed this into their culture?"

-- David Grannis
Planning Company
Associates, Inc.

The federal government should support efforts such as "America Fast Forward" to help local governments issue bonds backed by existing transit revenue streams

Local jurisdictions with existing transit revenue streams, such as sales tax measures for transit in Los Angeles, can finance construction of new transit lines by borrowing against future revenues. Los Angeles is pioneering one proposal, originally called "30/10" and now part of the federal "America Fast Forward" plan, which would allow the region to accelerate the delivery of 12 major transit corridor projects in 10 years, instead of the 30 years promised to voters in a successful 2008 sales tax measure. In order to make the borrowing cost-effective, the federal government will have to provide financial support to minimize or eliminate the interest on the bond payments that will be repaid from the sales tax revenue. Communities like Los Angeles could therefore borrow all the projected money from the sales tax at no or low interest (due to the federal support) and then repay bondholders with future revenue from the tax.

The federal government could support efforts like 30/10 in Los Angeles and other cities and states by developing a "Qualified Transportation Improvement Bond" program, as proposed by the federal America Fast Forward legislation. This program would subsidize the interest rate on local transit bonds, with the bond

principal repaid from non-federal revenue sources like a local sales tax measure for transit. The financing mechanism could therefore encourage metropolitan regions to finance construction of new transit lines by enabling the acceleration of local funding initiatives. These innovative financing proposals could more than double the amount of local borrowing possible against future transit revenues through relatively low-cost interest subsidies.

A precedent for this type of federal support can be found in the Transportation Infrastructure Finance and Innovation Act (TIFIA) program of the Federal Highway Administration. TIFIA provides federal credit assistance through direct loans, loan guarantees, and standby lines of credit to finance qualifying transportation projects.[44] The United States Senate Committee on Environment and Public Works, chaired by California Senator Barbara Boxer, announced a proposal in May 2011 to expand TIFIA funding for transit projects. This type of program would allow local governments and transit agencies to better leverage their existing revenue sources.

Local governments should implement variable pricing for parking and issue bonds secured by future parking revenue to finance transit improvements

Historically, parking has been a highly subsidized commodity by local governments and is often free or underpriced compared to demand.[45] While efforts to raise parking rates may engender strong political opposition, they can also provide substantial benefits for businesses, neighborhood residents, and drivers. As Professor Donald Shoup of the UCLA Urban Planning department has documented,[46] variable pricing for parking – through meters that accept credit cards and can adjust prices to reflect demand and minimize competition among drivers for spaces – can generate revenues that can improve neighborhoods and boost sales and property values. This revenue can finance infrastructure and transit improvements. Variable pricing can also discourage solo driving and unnecessary trips while minimizing pollution from autos circling for parking. Finally, local governments can issue bonds secured by this revenue, using the capital for transit improvements and expansion.

Barrier #2: Negative Public Perception of Transit

"In Chicago and New York, white collar and blue collar people ride transit together. Sacramento has state workers taking the transit system but at different times in the evening and with totally different demographics. So it isn't being made clear to the legislature who rides transit."

-- Gus Khouri
California Transit Association

Some participants at the workshop cited the negative image of public transit among voters and elected officials as a barrier to mobilizing political support for funding measures. Specifically, they expressed a belief that members of the public may perceive public transit as dangerous and wasteful due to weak public oversight and expensive labor contracts. They feared that these beliefs may cost transit critical political support from voters and from elected officials representing rural or suburban districts that do not perceive benefits from transit. In addition, many residents may be unaware of the economic benefits that transit brings by creating jobs, improving local economies, and helping households realize significant savings on transportation costs. Without a strong constituency to advocate for it, public transit is more likely to suffer from underinvestment and cutbacks during recessions.

SOLUTION: Develop and Promote Information on Transit Benefits

Building public support for transit requires the development and promotion of specific, fact-based information that highlights the benefits of transit for taxpayers. The data could include economic metrics about the return on transit investments, savings of fuel and time, increased property values associated with transit infrastructure, and increased economic productivity. They could also include quality-of-life metrics regarding time saved from avoiding congestion and environmental metrics on averted air pollution.

"Who uses the system is very political. The Bay Area is probably one region that would support a constitutional amendment to provide more transit money. But in L.A., Republicans drive cars more and are less likely to use the transit system, while Democrats are more likely to take transit."

-- John Fairbank
Fairbank, Maslin, Maullin, Metz & Associates

Public transit advocates will need to promote the data to the public and elected officials through a coordinated marketing and advocacy campaign. In addition, advocates will need to ensure that existing resources are spent efficiently and with proper oversight to guarantee high-quality, timely, and on-budget transit projects.

Public transit advocates should collect data from existing sources documenting the economic and environmental benefits of transit investments

Elected officials and the public will want hard data on the benefits that transit brings. Much of the data is already available in sources like the United States census and the regional transportation plans that each metropolitan region must submit under federal law. Advocates can also look to property value disclosures to demonstrate how transit can increase land values.

Public transit advocates should promote the data to the public and elected officials through coordinate marketing campaigns

Once compiled, advocates should promote the data through meetings with key decision-makers and through the media. The campaign should emphasize the economic development, environmental, and quality-of-life benefits of transit.

Advocates should also coordinate this campaign with business and labor leaders who have a stake in the expansion of transit. Some business leaders may be able to dedicate corporate operating funds to encourage employees to use transit (both public and private) as a means to attract and retain a younger workforce. Transit advocates and officials should encourage businesses to support transit campaigns, such as by providing free transit passes to employees during employment and coordinating their privately provided transit with public transit, as discussed previously. Businesses could therefore contribute to the campaign and promote their involvement to the public.

"It's a perception problem—people think their car will be taken away and they'll be forced to take transit. They need to see that transit is a benefit."

-- Dan Rosenfeld
Office of Supervisor
Mark Ridley-Thomas

Public transit officials should prioritize cost-effective policies to ensure that existing transit systems operate efficiently and that planned systems are built without delay and cost overruns

As part of the effort to promote the benefits to the public, transit officials should ensure that existing transit service improves its efficiency by lowering costs and exploring dynamic means of providing services, such as improving the use of global positioning devices (GPS) and wireless technologies and developing partnerships with private businesses interested in providing better commute options for their employees. Transit officials can harness business support by developing improved service to business community clusters and coordinating public service with existing private employer-based transit. Transit agencies will also have to perform sustained community outreach to minimize local opposition to the building of new transit lines and ensure on-time and under-budget construction efforts. They will need to engage in strict oversight of the construction process and operations to minimize expenditures and gain public confidence.

"The art community invested in Measure R [the Los Angeles transit sales tax measure] to increase patronage, and it was very effective. The private sector really understands this argument—that transit is a way to extend marketing dollars. But we really did the search for data on who is using transit."

-- Melody Kanschat
Los Angeles County
Museum of Art

Barrier #3: Unsupportive Land Use Policies

Many cities and counties in California lack policies to support development around transit station areas that would increase ridership and provide a greater return on transit investments. The unsupportive land use policies often result from the actions of local elected leaders, who respond to vocal constituents wanting to protect their neighborhoods from development associated with transit. The concerns typically involve fear of increased congestion, loss of parking, and gentrification stemming from new transit infrastructure. Restrictive station area land use policies, however, mean that more residents lack access to transit and find the existing transit system impractical to utilize, while the region loses opportunities to capitalize on the investment.

Because station-area land-use planning in California depends on the authority of local government leaders to determine land-use policies, most transit operators have no decision-making power over station area development. In some cases, transit operators have used agency-owned properties adjacent to transit stations for public-private redevelopment opportunities which may help catalyze neighborhood-wide redevelopment. But transit systems too often fail to maximize the residential and commercial opportunities surrounding station areas that would generate higher ridership and therefore increase revenues and public support.

SOLUTION: Promote and Require Transit-Friendly Development around Station Areas

Transit operators and leaders should spend existing transit resources first where local governments have agreed to maximize the commercial and residential potential of the station areas. In addition, state leaders should prioritize public spending for local governments who implement transit-friendly development plans.

Transit leaders should condition future transit spending on improved local station area development

State officials should direct public funds for transit first to communities that allow higher-density, pedestrian-oriented development around station areas (as envisioned by SB 375). A prioritization of funding for transit-friendly communities will encourage other local governments to develop supportive land use policies around their transit stations. Without these supportive land use policies, transit investments fail to maximize their ridership potential and improve regional land use and transportation patterns. The Metropolitan Transportation Commission in the San Francisco Bay Area has pioneered this approach by conditioning future spending on improved land use plans for new station areas. The Commission offers planning grants and works with local communities to develop realistic development targets for commercial and residential needs.[47] Other transit operators around the state should follow suit, with the support of

the environmental, business, and labor communities and public officials at the local and state level.

State leaders should direct existing infrastructure and planning resources to jurisdictions willing to maximize station-area land use potential
State resources for local government planning, such as through the Strategic Growth Council, state Department of Transportation (Caltrans), and the California Energy Commission (which has some funds available for energy-efficient planning),[48] should be targeted at transit-friendly planning.[49] In addition, state spending on infrastructure projects, such as new state offices and buildings, should be directed at transit-adjacent properties.

State leaders should ensure that state transit funding is directed primarily to jurisdictions with supportive land use policies
The state should follow the lead of the Metropolitan Transportation Commission and dedicate its transit resources to cities and counties willing to develop supportive land use for transit. Without these incentives, local governments are likely to preserve the status quo instead of developing community-supported visions for efficient and desirable growth in the community.

Transit advocates should promote the benefits of transit-friendly development to community members
Advocates will need to overcome local fears of development in station-area neighborhoods by citing research and case studies that document the improved economic opportunities, housing values, mobility, and housing options for seniors, young adults, and families without children. They can work with sustainable development advocates to launch outreach efforts for planning that harness and inspire public support. This community involvement will be necessary as a counterbalance to local opposition.

Federal, state, and local policy-makers should provide tax credits and subsidies to employees who locate within walking, biking, or transit distance of their work
Employees who choose to live close to work or take transit should be rewarded with mortgage interest tax credits or other assistance to stimulate demand for transit-adjacent, mixed-use housing. Location-efficient mortgages represent one policy option, which allow transit-using homeowners to receive a higher and subsidized mortgage under the assumption of saved transportation costs. Local governments have also pioneered other incentive programs that could be implemented throughout California. For example, the City of Baltimore has pioneered the “Live Near Your Work” program with the support of select businesses. With some private funding, Baltimore offers a $2000 contribution toward closing costs when an employee buys a house within walking distance of their employment. Local governments throughout California should consider implementing similar programs.

Conclusion: The Future of Public Transit

In order to improve the economy of California’s cities and suburbs, meet the state’s ambitious environmental and climate change goals, and improve public health, the state should increase and stabilize its investments in public transit. These expenditures pay dividends to the state’s residents through quality-of-life improvements to traffic congestion, air quality, and time and money spent on driving, as well as economic development that results from improved and more vibrant neighborhoods. Transit advocates will have to mobilize stakeholders to improve transit funding and better utilize existing revenues. Ultimately, citizens across California, from businesses, labor groups, and the general public, will have to recognize the vital benefits that they and their communities receive from having a stable and well-supported system of public transit.

Participant Bios

Allan Alexander
Attorney

John Barna
AECOM

John Barna is vice president for strategic programs at AECOM. He has responsibility for development of large transportation programs and project opportunities in AECOM's West Region. Most recently Mr. Barna was executive director of the California Transportation Commission, an independent state commission that is responsible for programming and funding several billion dollars annually for transportation projects in California in partnership with regional transportation agencies and the California Department of Transportation. Prior to the Commission, Mr. Barna was deputy secretary for transportation at the California Business, Transportation, and Housing Agency. He was responsible for transportation policy development and implementation for Governor Arnold Schwarzenegger's Administration in Sacramento. Before that, Mr. Barna was president of his own transportation consulting firm assisting businesses, coalitions, associations, and governmental agencies to plan, program, fund, and implement major transportation infrastructure projects. Clients included Catellus Corporation, DMB Realty, City of El Segundo, Gateway Cities Council of Governments, Hearst Corporation, Lewis Operating Company, Long Beach City College, Los Angeles Dodgers, Los Angeles Metro, and the Walt Disney Company. Mr. Barna taught undergraduate public speaking courses at the University of California, Davis. He also provided speech coaching and speech writing services to various faculty members.

Scott Bernstein
Center for Neighborhood Technology

Scott Bernstein is President of the Center for Neighborhood Technology, a 32-year old urban sustainability innovations laboratory which promotes healthy, sustainable communities by helping local leaders understand and use their hidden assets; CNT's work was honored with a 2009 MacArthur Foundation Award for Creative and Effective Organizations. He studied engineering and political science & served at Northwestern University's Center for Urban Affairs, taught planning at the UCLA graduate school and was a founding Advisory Board member at the Brookings Metropolitan Program. President Clinton appointed him to the President's Council for Sustainable Development, where he co-chaired its Metropolitan Sustainable Communities task force. He is a board member of the American Council for an Energy Efficient Economy and the Congress for a New Urbanism, and was appointed by Illinois Governor Quinn to the Illinois Economic Recovery Commission, where he chaired its Infrastructure Task Force. He led the development of the Location Efficient Mortgage®, and the new H + T Affordability Index, to help working families understand their direct transportation costs. He co-founded the Surface Transportation Policy Partnership, a national coalition which shifted federal policy toward greater local control. He also co-founded the Center for Transit Oriented Development, which created the nation's first National TOD Database for the FTA, covering all 4,600 existing and developing TOD sites in the U.S.

Graham Brownstein

TransForm

Graham represents TransForm's statewide policy interests in Sacramento. Previously, he served as Director of Community Organizing and Outreach for The Utility Reform Network (TURN), helping communities across the state navigate the California energy crisis and organizing a successful campaign to stop a major increase in telephone rates for rural customers. More recently Graham was Executive Director of the Environmental Council of Sacramento (ECOS), where he focused on augmenting the organization's internal and political resources. Graham and his wife live near the American River Parkway in Sacramento and love to walk and bike along the river with their dog Toshy. Graham majored in Environmental Studies and American Studies in college, receiving his BA from Yale University in 1996 and received a JD from the University of California at Davis School of Law in 2005..

John Fairbank

Fairbank, Maslin, Maullin, Metz & Associates (FM3)

A founding partner of Fairbank, Maslin, Maullin, Metz & Associates (FM3), John Fairbank has almost 30 years of experience in public opinion research and policy analysis, including advising candidates on national, state and local levels. Mr. Fairbank and his FM3 team have a broad range of experience conducting research on transportation issues at the regional and local level. FM3 has researched voter attitudes on half-cent sales tax increases to fund transportation improvements in 18 California counties including Alameda, Amador, Fresno, Imperial, Kern, Lake, Los Angeles, Mendocino, Monterey, Nevada, Riverside, Sacramento, San Bernardino, San Mateo, Santa Barbara, Santa Clara, Tulare and Ventura. Most recently, Mr. Fairbank's consulting has helped pass a new one half-cent transportation sales tax in Los Angeles County (Measure R) and one on behalf of Puget Sound Transit in Washington State. In this past November's election, Mr. Fairbank, working with a vast coalition including the California Transit Association, was the lead polling consultant for California's Proposition 22, which prohibits state government from commandeering local funds dedicated to transportation projects and community redevelopment. John Fairbank was born in Sacramento, California. He graduated from UCLA and serves as a Senior Fellow at the UCLA School of Public Policy and Social Research.

Sam Garrison

Los Angeles Area Chamber of Commerce

Samuel Garrison oversees issue development and advocacy for the Chamber, advises the President & CEO on setting the organization's public policy priorities, and manages the agendas for the Chamber's policy committees and political action committee. Garrison also represents the organization on a number of regional steering committees and policy planning groups. Before joining the Chamber in 2005, Garrison worked on Capitol Hill as a personal aide to Sen. Dianne Feinstein and senior legislative aide for Rep. Adam Schiff. He also served as press secretary and communications deputy for former L.A. City Councilmember Martin Ludlow. Garrison, who resides in Pasadena, is a graduate of the University of Southern California and Loyola Law School. He is also an alum of Leadership Southern California (2007) and served as a Ford Foundation Fellow for Regional Sustainable Development (2008). Garrison is an active member of the State Bar of California. When it's snowing, he is at the front of the lift line at Mammoth Mountain.

David Grannis

Planning Company Associates, Inc.

David Grannis founded Planning Company Associates, Inc. to bring a strategic private-public partnership approach to solving critical urban infrastructure and land-use problems. Grannis specializes in developing and implementing public-private partnership resulting in approval, action and implementation of creative and effective solutions. Examples of his work over the history of Planning Company Associates includes his role as a Project Manager for the Alameda Corridor, working with a myriad of government officials in securing funding for this nationally significant project, including a $400 million federal loan that was the precursor to TIFIA, service as the creator and lead consultant of Vision Los Angeles, a partnership between the Los Angeles business and environmental communities to develop a sustainable transportation plan for Los Angeles, developer of a comprehensive regional transportation finance and implementation program for the Walt Disney Company's Disneyland expansion project in Anaheim, California, and creating a strategy for the funding of the Hearst Ranch Conservation Program, resulting in the conservation of the 82,000-acre Hearst Ranch in perpetuity. David and his wife, Sherry Swanson, reside in Pasadena, California, with their two sons, Riley Sam Grannis & Luc Jamison Grannis.

Fran Inman

Majestic Realty

Fran Inman directs all government relations and community affairs activities for Majestic Realty Co., one of the nation's largest privately-held, family-owned real estate development companies. Inman was recently appointed by Governor Schwarzenegger to the California Transportation Commission. As immediate past chair of the board of the Los Angeles Area Chamber of Commerce, Inman has served on numerous statewide and regional goods movement committees and serves on the board of governors for the Los Angeles County Economic Development Corporation (LAEDC), the executive committee for the Central City Association (CCA), the executive committee for the California Business Properties Association (CBPA) and is the former chair of the San Gabriel Valley Economic Partnership (SGVEP). She also is founding board member and executive committee member for FuturePorts. Prior to transferring back to the corporate headquarters in 2001, Inman was executive vice president of the Silverton Hotel & Casino in Las Vegas, Nevada, a property owned by Majestic chairman and CEO, Edward P. Roski, Jr. A graduate of California State University, Fullerton, Inman holds both a bachelor of arts and a masters of business administration in finance. In 2010, Inman was awarded an Honorary Doctorate of Business Administration from Woodbury University. She and her husband Ron have three adult children – Chris and (Emily) Inman (Denver, CO); Kelly and (Todd) Rohs (Ft. Collins, CO) and Melinda Inman (Wheaton, IL) –and the delight of her life, granddaughters Katherine, Caroline, and Claire Inman (Denver, CO).

Melody Kanschat

Los Angeles County Museum of Art

Melody Kanschat, President and Chief Operating Officer of LACMA, oversees day-to-day operation of the museum, with a total annual expense budget of over $60 million and construction projects totaling over $338 million. She manages senior-level staff in administration, fundraising and external affairs, and is responsible for strategic planning with regard to institutional image, fundraising, budgeting, and facility operations. She has developed and implemented a multi-phased functional building program and associated capital and endowment fundraising campaigns as well as directing all city, county, state, and federal inter-agency activity in support of capital projects. Melody is a participant in national and international museum conferences and symposia.

Gus Khouri

California Transit Association

Gus F. Khouri joined the Shaw / Yoder / Antwih, Inc., team as a lobbyist in 2006. He is one of Sacramento's leading transportation advocates. Prior to joining the firm, he served in the Legislature for over eight years, most recently as a Senior Consultant to the Assembly Transportation Committee. Mr. Khouri organized informational hearings and was the Assembly Transportation Committee's point person on negotiations with respect to the 2006 Transportation Infrastructure Bond package (Propositions 1A and 1B). In addition, Mr. Khouri assisted in crafting language for the completion of the San Francisco-Oakland Bay Bridge refinancing deal. Before that, Mr. Khouri was a Senior Consultant to Assembly Member Rebecca Cohn for three years and a Legislative Assistant to Assembly Member George Nakano for two years; in both offices he advised the Members on transportation issues. He has also worked on several campaigns for legislative office. Mr. Khouri holds a Master of Arts degree in Government, from the California State University at Sacramento, as well as a Bachelor of Arts degree in Political Science, from University of the Pacific.

Mary Leslie

Los Angeles Business Council

Mary Leslie is President of the Los Angeles Business Council (LABC), a prominent business organization that advocates for Los Angeles business leaders on key issues that impact their businesses and their communities. Ms. Leslie is also President of Leslie & Associates, a private consulting firm that specializes in non-profit management, strategic planning and government affairs. In her previous role as Deputy Mayor for the City of Los Angeles under Mayor Richard Riordan, Ms. Leslie was responsible for the Mayor's Business Development programs. Prior to joining the Riordan Administration, she was Deputy Director of the U.S. Small Business Administration (SBA) and also served as the Executive Director of the California Economic Development Commission, overseeing policy development and trade missions for California business. Ms. Leslie was President Clinton's California Finance Director in his successful 1992 race for President. She received her Bachelor's degree from the University of Santa Clara, holds a Master's degree in Public Administration from the University of Southern California, and attended the Executive Management Program at the UCLA Anderson School of Management. She serves on the Los Angeles Conservation Corporation Board of Directors and served as a Commissioner on the Los Angeles Department of Water and Power Board and the Advisory Committees of L.A. Family Housing and the California Women's Law Center.

Terry O'Day

Environment Now

Mr. O'Day is Executive Director of Environment Now and Councilmember in the City of Santa Monica. Mr. O'Day was appointed to the Santa Monica City Council in February 2010 to finish the term for the late mayor, Ken Genser. Prior to his appointment, he was Chair of the city's Planning Commission, member of the Sustainable City Task Force, and advisory board member of Solar Santa Monica. Mr. O'Day is also past president of EV Rental Cars, a company he co-founded in 1998. Prior to founding EV Rental Cars, Terry was a senior analyst in business development and strategic planning for Edison Enterprises, a subsidiary of Edison International. Terry holds an MBA from The UCLA Anderson School of Management and completed the Coro Public Affairs Fellows Program in Los Angeles in 1996. He received a Bachelor of Arts with honors in Public Policy at Stanford University, with a thesis addressing public finance and demand management of electricity. Terry lives with his wife, Tiffany O'Day, and their two daughters in Santa Monica. He has also been active with community organizations throughout California and Mexico, including Coro Southern California, the USC Center for Sustainable Cities, the UCLA Luskin Center for Innovation, Human Rights Watch California Committee, Environmental Entrepreneurs, the Weingart Center and as the Board Chair of the Coalition for Clean Air.

Dan Rosenfeld

Supervisor Mark Ridley-Thomas

Dan Rosenfeld is Senior Deputy to Los Angeles County Supervisor Mark Ridley-Thomas, with responsibility for economic development, land use, sustainability and transportation issues. Mr. Rosenfeld has alternated between public and private-sector service, working previously as Director of Real Estate for the State of California and City of Los Angeles. In the private-sector, Mr. Rosenfeld served as a senior officer with The Cadillac Fairview Corporation, Tishman-Speyer Properties, Kilroy Industries and Jones Lang LaSalle. He was a founding member of Urban Partners, LLC, a nationally recognized developer of urban infill, mixed-use and transit-oriented real estate. Mr. Rosenfeld is a graduate of Stanford University and the Harvard Business School.

Bruce Russell

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Bruce Russell is Regional Sales Manager with Jacobs, a global engineering and architecture company. He is responsible for directing the business development activities for infrastructure projects within California. He has held a variety of positions during his 25 years with the firm including senior posts on high-profile transportation programs. Mr. Russell has 30 years of experience in the planning, design and construction of highways, toll roads, light rail transit, commuter rail, and freight rail projects for both public and private owners. During the last 10 years, Mr. Russell has served as the Project Manager or Project Director for more than 40 highway, transit and railroad planning and design projects. Mr. Russell is registered professional civil engineer in California and seven other states. He is -Chairman of the Los Angeles Area Chamber of Commerce Transportation and Goods Movement Committee, a member of the Executive Committee for Move LA, a member of the planning committee for Mobility21, and a graduate of Leadership LA. He holds a B.S. in Civil Engineering from Texas A&M University and a Masters of Business Administration from the University of Texas at Dallas.

Stuart Waldman

Valley Industry & Commerce Association

Stuart Waldman is the President of the Valley Industry & Commerce Association (VICA), which is recognized as the most active and influential business group in the San Fernando Valley. Prior to joining VICA, Waldman spent 11 years working for the California State Assembly representing the San Fernando Valley. Seven of those years were spent as a Chief of Staff to two Assemblymembers, including Assembly Speaker Bob Hertzberg. In 2001, Stuart was appointed as a board member to the California Board of Accountancy, the body that governs California's 68,000 CPAs. Waldman served in the Army from 1987 to 1989 as a Cavalry Scout with the First Infantry Division. He was awarded the Army Good Conduct Medal, the Army Achievement Medal and the Army Service Ribbon. He attended Los Angeles Valley College, where he received his associate's degree, and California State University, Northridge, where he received his bachelor's degree. Waldman also holds a law degree from Loyola Law School. Waldman is on the board of the Mid Valley YMCA, Habitat for Humanity San Fernando/Santa Clarita Valleys and Grandparents as Parents. He was recently named to California State University, Northridge Center for Management and Organizational Development advisory board. Stuart and his wife, attorney Nicole Kuklok-Waldman, share their Van Nuys home with their two rescue dogs, Ginger and Fred.

David Yale

Los Angeles County Metropolitan Transportation Authority

David Yale is the Deputy Executive Officer of Regional Programming for the Countywide Planning Department of the Los Angeles County Metropolitan Transportation Authority (Metro). He is responsible for transportation programming and long range financial forecasting for the regional transportation system in Los Angeles County. Mr. Yale is responsible for development of the multi-billion dollar Los Angeles County Transportation Improvement Program and the financial planning used for Metro's $150 billion Long Range Transportation Plan. Mr. Yale led the development of many of Metro's technical positions on past state and federal transportation funding legislation, including the Traffic Congestion Relief Program and the "Safe, Accountable, Flexible, Efficient, Transportation Equity Act: A Legacy for Users" (SAFETEA-LU). Mr. Yale has served as Metro's principal point of contact with the California Transportation Commission for over 15 years. In 1995, Mr. Yale was named the Regional Transportation Planning Agencies (RTPA) Moderator, a technical advisory committee assisting the California Transportation Commission in evaluating transportation policy decisions. David Yale possesses a Master's Degree in Urban Planning from the UCLA Graduate School of Architecture and Urban Planning and a Bachelor of Arts Degree in Political and Environmental Studies from Pitzer College in Claremont, California. Mr. Yale resides in Echo Park with his wife Catherine MacLean and his 12 year old daughter Jocelyn. His 19 year old son Sam lives in Lincoln Heights.

Denny Zane

Move LA

Denny Zane is Executive Director of Move LA, an organization that coalesces environmental, labor, business, and community leaders and organizations to champion the development of a clean, efficient, and robust transit system for Los Angeles County. Move LA played a leading role in creating the coalition and campaign for Measure R, placed before Los Angeles County voters by LA Metro on November 4, 2008 to provide a 1/2 cent sales tax increase for transportation purposes. From 1981 to 1994, Zane served as a city councilmember and one term as Mayor of Santa Monica, California. As council member and mayor, Denny initiated and designed the revitalization strategy for Santa Monica's Third Street Promenade. Zane is also formerly the Executive Director of the Coalition for Clean Air from 1992-94. During the same period, Denny was a member of the team that organized the constituency campaign in support of California's Zero Emission Vehicle program and Assemblywoman Fran Pavley's two landmark pieces of legislation to reduce greenhouse gases and allay global warming, AB 1493 and AB 32. Zane is a graduate of Occidental College, class of 1969, is married to Louise Mainville with a 14 year old son, Alex.

Jessica Zenk

Silicon Valley Leadership Group

Jessica Zenk is the Silicon Valley Leadership Group's Transportation Policy Director. Jessica is an urban planner with expertise in economic development, transportation, infill and redevelopment, and the arts. For the Leadership Group, Jessica directs transportation and land use policy initiatives and programs. Prior to joining the Leadership Group, Jessica worked with Seifel Consulting Inc., where she advised on a wide range of urban planning projects. Previously, Jessica worked in redevelopment, housing, development and public policy for public and non-profit agencies throughout the Bay Area. She received a Master of City and Regional Planning degree from the University of California, Berkeley, a Bachelor of Arts in Economics and Political Science from Brown University, and is certified with the American Institute of Certified Planners (AICP). Jessica is an avid dancer, performer and advocate for the arts, serving on the San Jose Arts Commission.

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30 California Transit Association, Fact Sheet: Economy. Available at: http://www.caltransit.org/files/resources/FACT%20SHEET-Economy.pdf

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34 Federal Highway Administration & Federal Transit Administration, *2008 Status of the Nation's Highways, Bridges, and Transit: Conditions and Performance*, Report to Congress, Executive Summary, United States Department of Transportation, 2008, p. vii.

35 Federal Highway Administration & Federal Transit Administration, p. xiii.

36 Federal Highway Administration & Federal Transit Administration, p. vii.

37 Neha Bhatt, Colin Peppard, Stephanie Potts, *Getting Back on Track*, Smart Growth America & Natural Resources Defense Council, 2010, p. 7.

38 California Transit Association, Fact Sheet: $4 Billion Lost. Available at: http://www.caltransit.org/files/resources/FACT%20SHEET-$4%20BILLION%20LOST.pdf

39 For a description of the ballot and final vote totals, please visit: http://www.voterguide.sos.ca.gov/propositions/22/

40 For example, Los Angeles County has seen sales tax revenues for transit decrease almost 10 percent between 2007 and 2009. *See* Los Angeles County Metropolitan Transportation Authority, *Comprehensive Annual Financial Report*, 2009, p. 124. Available at: http://www.metro.net/about_us/finance/images/cafr_2009.pdf

41 As another example from Los Angeles County, the ten-year budget forecast in 2006 for the Los Angeles County Metropolitan Transportation Authority, during a period of economic growth, still contained projections of deficits. *See* Los Angeles County Metropolitan Transportation Authority, *Comprehensive Annual Financial Report*, 2006, p. 2. Available at: http://www.metro.net/about_us/finance/images/cafr_2006.pdf

42 Proposition 26 specifically exempts from the two-thirds requirement a "charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged..." *See* Section 3(b)(1). For the entire text of Proposition 26, please visit: http://cdn.sos.ca.gov/vig2010/general/pdf/english/text-proposed-laws.pdf#prop26

43 Sean B. Hecht, Cara Horowitz, and M. Rhead Enion, *An Environmental Blueprint for California: How Governor Brown can ensure the State's environmental health and economic prosperity*, UCLA School of Law, January 2011, p. 7. Available at: http://cdn.law.ucla.edu/SiteCollectionDocuments/Environmental%20Law/Environmental_Blueprint_for_California.pdf

44 For more information about TIFIA, please visit: http://www.fhwa.dot.gov/ipd/tifia/

45 *See* Donald Shoup, *The High Cost of Free Parking*, Chicago: Planners Press, 2005.

46 For a list of publications from Professor Shoup, please visit: http://shoup.bol.ucla.edu/

47 For more information about the MTC policy, please visit: http://www.mtc.ca.gov/planning/smart_growth/tod/

48 For more information about CEC grants, please visit: http://www.energy.ca.gov/recovery/index.html

49 For more information on the Strategic Growth Council grants, please visit: http://www.sgc.ca.gov/docs/funding/Planning_Grant-_Final_Proposed_2010_02_12.pdf

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