



**SOUTH BAY CITIES**  
**COUNCIL OF GOVERNMENTS**

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May 11, 2016

Honorable Mark Ridley-Thomas  
Chairman  
Los Angeles County Metropolitan Transportation Authority  
One Gateway Plaza  
Los Angeles, Ca. 90012

Dear Chairman Ridley-Thomas,

This letter is written in response to Metro's request for comments during the public review of the draft expenditure plan and funding allocation structure of its proposed sales tax measure. We understand that Metro will be considering public comments received as it finalizes the draft expenditure plan and the Board decides whether to adopt the final structure and components in June or July 2016 to meet the submittal deadline for a November 2016 countywide ballot measure.

After reviewing and analyzing Metro's potential ballot measure (PBM), the South Bay Cities Council of Governments (SBCCOG) has adopted several principles that are essential to gaining the SBCCOG's support of the measure. Each principle contributes to an over-arching PBM design goal that serves our "communities first" in order to re-balance the regional emphasis of the three prior sales tax measures, Proposition A, Proposition C, and Measure R.

The South Bay subregion is the size of Portland, Oregon. While L.A. County needs countywide transportation connectivity, the connections within sub-regions are where most of the trips occur. Metro's Mobility Matrix found that trips in the South Bay average 7 minutes. Findings for other sub-regions validated this metric as well. L.A. County residents are increasingly staying more within their sub-regions or, to a lesser extent, are going to the adjacent sub-regions. This reduction of regional vehicle miles travelled is the most cost effective and efficient solution to sustainable mobility and illustrates the importance of this infrastructure.

That is why the SBCCOG strongly believes that the time has come for any new transportation measure to address local communities first.

Community Connections First / Local Return

**16% for Local Return is inadequate:** The SBCCOG has consistently advocated that 25% of all tax revenues from the prospective measure be returned to the cities in the form of Local Return. This increase is justified as cities have traditionally relied upon sales tax revenues for the improvement

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and maintenance of local streets. Yet, in each successive sales tax measure, Metro has reduced the amount of Local Return revenues: from 25% in Proposition A to 20% in Proposition C, and 15% in Measure R. Compounding these reduced sales tax revenues, the cities of Los Angeles County are dealing with declines in State and Federal Gas Tax revenues due to more fuel-efficient vehicles and hybrid/electric vehicles on our roads. These dramatic losses in revenues are already adversely impacting our ability to reduce congestion, improve access and safety, and to maintain our local streets and roads in a state of good repair.

Numerous surveys and public opinion polls have identified that the residents and businesses within our communities increasingly identify the urgent need to repair our local streets and highways. As elected officials, we are constantly approached with requests for street repair projects. Our local communities will be important in providing public information on the proposed sales tax measure to our constituents. We cannot afford to “kick the can down the road” any longer.

The 16% Local Return in the current PBM design fails to recognize that a city’s streets are the foundation of all the other elements of our transportation system. Bicyclists, buses, delivery and service vehicles, as well as police and fire departments use local streets. Transit users, whether accessing their stop or station by carpooling, walking or biking, use local streets. In addition, storm water pollution caused by vehicles is carried through our streets into the region’s drainage systems harming the water quality of local streams, lakes and the Santa Monica Bay. The region’s cities are subject to a Federal Consent Decree to address pollution stemming from the region’s streets and highways.

Local city streets will always be the foundation of transportation in urban areas. The SBCCOG is not alone on this issue; the Gateway Cities Council of Governments has also identified the 16% Local Return allocation as inadequate to meet the needs of LA County cities. We expect other sub-regions to agree as well.

**Required Local Rail Contribution:** We have also heard that Metro is considering including in the PBM a provision that requires local jurisdictions through which a Metro Regional rail project is constructed to contribute 3% of the capital cost of the extension based on a proportionate share of route miles. The SBCCOG opposes including the 3% local contribution provision in the PBM. When a rail line and stations are added to a community, the local jurisdiction must pay for significant local infrastructure changes in the areas adjacent to the line or stations. These costs are not included in the cost of the rail line being constructed by Metro which has access to regional, state and federal funds. The direct rail line costs should not be exacted from local jurisdictions. Instead, the local jurisdictions should be encouraged to invest in community infrastructure that will improve access to the stations, enhance safety and aesthetics adjacent to the rail rights of way, and undertake economic development initiatives that will add local ridership once the project is completed.

In addition, the SBCCOG is concerned with the 3% allocation methodology that bases the allocation on a proportionate share of the local jurisdiction’s route miles within the entire project rather than the projected cost of constructing those miles within each jurisdiction.

**No Earmarks:** The SBCCOG believes that local decisions should be made at the most local level possible. For this reason, the SBCCOG strongly encourages Metro to refrain from establishing any

earmarks within the Local Return program. This allows Local Return recipients the broadest possible flexibility to meet their specific local mobility, safety, sustainability, and state-of-good-repair needs.

**Revise Local Return Funding Formula:** In addition to an increase in the proposed allocation of local return, SBCCOG and Gateway COG encourage Metro to work with the County's local jurisdictions to determine a more equitable Local Return allocation formula that reflects the needs of the smaller cities. Propositions A & C and Measure R Local Return revenues are allocated solely based on population. This does not address the needs of cities with low residential populations but high daytime employment populations, or those that generate significant sales tax revenues.

South Bay cities like El Segundo and Torrance face transportation issues that cannot begin to be addressed with their current population-based Local Return allocation formula. The SBCCOG would like to work with Metro to revise the existing Local Return formula in an equitable way that will aid cities with large transportation issues and small populations. As an example, the SBCCOG requests Metro to consider a Local Return allocation based on 1/3 lane miles, 1/3 population and 1/3 sales tax generated from the local jurisdiction similar to the formula currently used by the Orange County Transportation Authority

**Reallocating the Expenditure Plan:** The SBCCOG encourages Metro to redistribute the PBM funds to raise the Local Return allocation to 25% of PBM revenues. Examples of modifications to the PBM that could be made include: decreasing the 1.5% Administrative allocation; transferring the 2% allocation for Active Transportation/First-Last Mile/Complete Streets into the Local Return program; and eliminating the I-105 and I-110 Express Lanes projects from the PBM and financing these and similar net-revenue-generating projects from non-sales-tax sources.

**Continuing Local Return with No Sunset:** Metro is advocating that the PBM includes a sunset provision (in 2057, 2064, or 2067). However, the agency has also included a provision stating that a significant share of the PBM revenues (¼-cent of the new sales tax) would continue indefinitely after the Measure sunsets for providing ongoing funding to maintain Metro's system in a state of good repair and for Metro's debt service.

Given the ongoing need to fund and maintain local streets and local transit, both COGs would like to see another ¼ cent of the PBM remain indefinitely and be dedicated to local jurisdictions for Local Streets and Transit State of Good Repair and local debt service. As an option, the SBCCOG also would support elimination of the proposed PBM sunset provision with an assurance that the Local Return and Sub-regional Programs would continue indefinitely consistent with the SBCCOG-recommended PBM revenue allocation design.

#### SBCCOG Capital Project Allocations

**Keep Current Commitments:** The SBCCOG has always supported the principle that promises made under previous sales tax measures should be honored before new priorities are funded. SBCCOG strongly believes that new projects should not be accelerated or programmed ahead of the existing commitments and that project acceleration should not allow new projects to jump to the head of the queue. In addition, projects that are expenditure plan commitments under previous sales tax

measures should be completed without the need for performance evaluation which has caused L.A. Metro to prioritize new projects over former commitments in the PBM.

**Accelerate the Green Line South Extension:** SBCCOG has worked with Metro for nearly a decade to expedite delivery of the Green Line South Extension to Torrance. We believe that a rail route through the South Bay will provide an essential mobility option for our residents and businesses and an economic development platform for our subregion. SBCCOG strongly supports acceleration of this Measure R project commitment to allow completion of the environmental approval and design processes by 2018 so that construction can be completed within the first decade of the PBM.

**Continue Successful Subregional Programs:** The SBCCOG has consistently supported an ambitious sub-regional program funded by an equitable sub-regional allocation of sales tax funding. The South Bay Highway Program (SBHP) is a model sub-regional partnership between Metro, Caltrans, the SBCCOG and eligible South Bay local jurisdictions. The SBCCOG strongly supports continuation of the SBHP for the duration of the PBM to reduce delays and improve safety on our South Bay highway network.

The SBCCOG also recognizes that the PBM must address the evolving need to provide a sustainable sub-regional and local mobility network that is accessible to all modes. As a result, the SBCCOG appreciates Metro's PBM inclusion of the South Bay Transportation System and Mobility Improvements line item that will allow the South Bay to undertake a more flexible range of initiatives than is possible in the SBHP and to improve access to emerging activity centers in the subregion.

We also appreciate Metro's ongoing support for maintaining a 20% share of PBM funding for Municipal Transit Operators throughout the term of the measure.

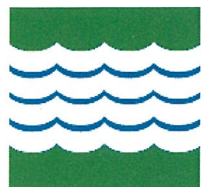
As indicated above, the SBCCOG priorities continue to be significantly different from the PBM that is currently under review. The SBCCOG position on the PBM will consequently depend on Metro's response to our recommendations to improve the current PBM design. Thank you for the opportunity to be substantively involved in the design.

Sincerely,



Jim Gazeley, SBCCOG Chair  
Mayor, City of Lomita

c.c.: SBCCOG Board Members and Alternates  
Metro Board Members  
Jacki Bacharach, SBCCOG Executive Director  
Phillip Washington, Metro CEO



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July 1, 2016

Honorable John Fasana, Chairman  
And Board of Directors  
Los Angeles County Metropolitan Transportation Authority  
One Gateway Plaza  
Los Angeles, CA. 90012

**SUBJECT: SBCCOG Opposition to Metro's Proposed November 8, 2016 Ballot Measure**

Dear Chairman Fasana and Members of the Board of Directors:

At its meeting on June 30, 2016, the South Bay Cities Council of Governments Board of Directors voted to oppose Metro's proposed countywide transportation sales tax measure planned for the November 8, 2016 ballot. Although there was a recognition by many of the members present of the need for additional transportation funding, and some support was expressed for a future sales tax measure, nine Board members voted to oppose Metro's proposed measure, six members abstained because they wanted to consult with their other council colleagues, and not one vote was cast to support the measure as adopted by the Metro Board.

During the considerable discussion that preceded the vote, the following major concerns were expressed:

1. The 3% local contribution requirement for Metro's regional rail projects imposes an unfair burden on our cities when compounded with loss of tax revenue caused by removal of the property needed by Metro for stations from the public property tax rolls.
2. The Plan under-invests in the streets that carry nearly all trips, whether cars, trucks, buses, or bicycles. Local jurisdictions cannot wait until 2040 for Local Return to rise from 17% to 20% of Measure X revenue. Local streets are crumbling and new mandates like stormwater treatment improvements have increased the need to prioritize these investments at a time when federal and state gas tax allocations have dramatically declined.
3. Cities throughout the county have been requesting a new allocation formula for Measure X local return funds to make up for the solely population-based funding allocation formulas in the local return program of Proposition A, C and Measure R. With Measure X, it is time to address the needs of those cities that are bedroom communities at night but need a robust daytime infrastructure. For example, El Segundo is a city of approximately 13,000 people that has a daytime population of about 100,000. Also, cities such as Torrance generate much more sales tax than the average. Cities were asking for Metro to negotiate a new funding allocation formula for Measure X local return and that didn't happen.
4. Based on population, the South Bay share of regional projects in the Expenditure Plan should be more than 10.5%. However, the Expenditure Plan allocates less than 7% of its regional revenues for South Bay priorities.

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5. The Metro Board rejected a motion by Directors representing the South Bay and Gateway Cities to complete Measure R projects before initiating new projects.

6. The fact that Metro needs a cash infusion in order to meet its current commitments means that it is ill-advised to take on massive new commitments. Metro needs to get its house in order and then determine what they actually can commit to in the future. The SBCCOG Board cannot trust that the projects promised by this measure will be implemented – especially since we are not seeing the Measure R commitments fulfilled as promised.

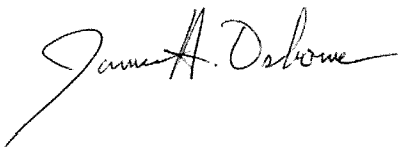
7. The Expenditure Plan unfairly allocates more than 50% of the available regional major project funding to projects in the City of Los Angeles, including the yet-to-be-evaluated Sepulveda Pass Tunnel which has risen in cost from \$1 billion in the previous plan to \$9+ billion. The Metro Board compounded the sub-regional inequity at its June 23, 2016 meeting by approving an amendment that added yet another project in the City of Los Angeles - \$189 million for a new and undefined rail line with an unknown cost that will link the West San Fernando Valley to Cal State Northridge.

8. All South Bay highway projects are delayed until after 2040 setting up a Hobson's choice for our South Bay children and grandchildren who will need to decide whether they will increase Local Return to fix what remains of their crumbling streets or construct highway projects that are needed in the South Bay today that South Bay taxpayers will be paying for, but not able to use, for the next 30 years.

9. One of the most troubling elements of the Ordinance is the fact that the Metro Board can unilaterally change the Expenditure Plan every 10 years after merely consulting with an advisory committee that the Board appoints. There is no provision in the ordinance that requires approval by Metro's local partners to these decennial changes in priority.

The SBCCOG Board expressed their concern about the need for funding but this proposed ballot measure is not fair and equitable for all areas of the county. It mortgages the future without addressing our needs today. For these reasons, the SBCCOG will be opposing the proposed measure

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Osborne". The signature is fluid and cursive, with a long, sweeping underline that extends to the left.

Jim Osborne, SBCCOG Chair  
Councilman, City of Lawndale

cc: Metro Board of Directors  
Phillip Washington, Metro CEO  
SBCCOG Board of Directors  
Jerry Brown, California Governor  
South Bay Members of the California Assembly  
South Bay Members of the California Senate  
South Bay Members of the U. S. Senate  
South Bay Members of the U. S. House of Representatives





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August 29, 2016

Mayor Eric Garcetti  
Los Angeles County Metropolitan Transportation Authority  
One Gateway Plaza  
Los Angeles, CA 90012

Dear Eric:

On behalf of the South Bay Cities Council of Governments (SBCCOG) Board of Directors, thank you for attending our meeting last Thursday evening. We appreciate hearing your perspectives and the time that you took to listen and respond to our members about their concerns with Measure M on the November ballot.

As you heard, our next Board meeting is on September 22 and between now and then, several of our cities will be considering their own positions on Measure M. Receiving information on the outstanding issues that were identified at our meeting will be helpful to them in their deliberations and also to the SBCCOG Board when we discuss the issue again.

To review, we requested:

- A legal opinion on the following Measure M-related items:
  - That the LACMTA Board of Directors can flexibly interpret the population based formula for Local Return subsequent to the election in a manner that would be different from the previous propositions – A, C and R that allocate their Local Return sub-funds based only on resident population, rather than using a more balanced formula that considers night-time and/or daytime populations of workers and residents.
  - That the Citizens' Advisory Committee is limited to only considering project acceleration and cannot change the funding allocations and projects in any other way.
  - That the 3% city obligation for cities with rail stations can include projects that aren't traditionally in the baseline budget and the actual basis can be negotiated between LACMTA and the local jurisdictions with a range of federal, state, LACMTA, or local funds, or even paid with private investments or in-kind services.
- An explanation of the 'nebulous fund' from which the money was taken for the almost \$1.2 billion worth of projects added to the expenditure plan at the June 23, 2016 Metro Board of Directors meeting.
- Confirmation that the Airport Connector Project at Aviation/96<sup>th</sup> Street is a system connectivity project and is not considered a South Bay project and therefore is not included in the calculation of the fair share of Measure M funding that the South Bay should be receiving.

Once again, thank you for your time. We look forward to receiving the information requested and any other additional information that you think would be pertinent for our cities and Board members.

Sincerely,

Jim Osborne, SBCCOG Chair  
Councilman, City of Lawndale

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**ERIC GARCETTI**  
**MAYOR**

September 2, 2016

The Honorable James Osborne  
Chair  
South Bay Cities Council of Governments  
20285 S Western Ave #100  
Torrance, CA 90501

Dear Chair Osborne:

Thank you for the opportunity to participate in the last meeting of the South Bay Cities Council of Governments (COG) to discuss the Los Angeles County Traffic Improvement Plan ("Measure M") on Thursday, August 25, 2016. I was pleased to listen and discuss South Bay's transportation priorities. I appreciated the opportunity to learn more about the South Bay's transportation challenges and infrastructure investment needs, and explore ways how we can work together to benefit everyone in our region.

The November 2016 election provides Los Angeles County an unprecedented opportunity to invest in our regional transportation system. These investments will benefit communities across every corner of Los Angeles, especially the South Bay. As you recall in our meeting, I discussed a number of opportunities Measure M would bring to the South Bay. This includes the addition of thousands of good-paying jobs along with multiple transportation projects and programs, funding to accelerate and build the Green Line Extension to Torrance, immediate South Bay-specific highway and mobility improvement programs, and Local Return investments totaling \$29 million per year starting for the South Bay in 2018 should Measure M pass.



In our meeting, I addressed a number of issues the COG has raised, including:

- Board-Adopted Guidelines
- 3% Local Contribution Requirement
- Local Return
- Measure M Expenditure Plan Amendments
- Sepulveda Pass Project
- Systemwide Connectivity

#### Board-Adopted Guidelines

After conferring with MTA legal counsel, I assure you that the MTA Board of Directors, as the administrative body responsible for implementing the Measure M Ordinance, has the authority to set guidelines for the spending of funds under that Ordinance so long as they do not contradict the Ordinance or contain provisions that are contrary to public policy. I look forward to partnering with you on the development of these guidelines, some of which are discussed below.

#### 3% Local Contribution Requirement

The Measure M Ordinance requires cities provide a 3% match of the total rail project cost. As you may know, Measure R assumed cities would provide a 3% contribution to rail projects pro-rated to the percentage of project mileage in that city. So far, every city with a rail project has made a commitment to provide a 3% local contribution. This includes the City of Los Angeles (Expo Line Phase 2, Regional Connector, Crenshaw/LAX Line, Purple Line Extension), City of Inglewood (Crenshaw/LAX), and a number of cities in the San Gabriel Valley for the Gold Line Foothill Extension.

The 3% contribution does not have to be a cash payment. After conferring with MTA legal counsel, I assure you that the MTA Board can adopt guidelines specifying what can be included as part of the contribution, including in-kind contributions such as right-of-way and/or property contributions, improvements or betterments surrounding a station, city permit fees, city staff and related costs, first-last mile investments, etc. I will work with you to help develop the guidelines for the 3% contribution to ensure flexibility for the South Bay and cities across Los Angeles County to meet the requirement.

### Local Return

Measure M provides a Local Return program where cities and local jurisdictions can take advantage of discretionary transportation funds based on population formula. The Local Return share under the Measure M plan is 17% starting in 2018 (a 2% increase over Measure R), and increases to 20% by 2040. This means the South Bay can receive approximately \$17 million in 2018 and a total of \$2.8 billion over the first 40 years. Considering these are secured revenues, each city can also bond against them to fix local streets and roads faster. Since the current state gas tax is not sustainable for future road repair, my belief is that ongoing Local Return funding will be critical.

With regards to Local Return guidelines, the Measure M ordinance states that Local Return is received based on population. However, after conferring with MTA legal counsel, the MTA Board may further define population (for example, daytime population) as long as the guidelines are reasonable and fair. I look forward to continuing the discussion with you and forming a working group on how we can allocate the Local Return for each South Bay city.

### Measure M Expenditure Plan Amendments

Measure M projects may be accelerated through Public Private Partnerships (P3) or other new funding sources. Accordingly, after conferring with MTA legal counsel, I assure you that the Measure M Expenditure Plan may be amended only by a 2/3 supermajority vote of the MTA Board of Directors. However, amendments are subject to restrictions, or firewalls. The MTA Board must provide public notice to the County Board of Supervisors, to each city in Los Angeles County, and to the public. Furthermore, any amendment to accelerate one project shall not reduce funds or delay other projects or programs. I commit to working with the South Bay cities to explore ways on how to further accelerate the number of transit (e.g. Green Line extension to Torrance) and freeway projects (e.g I-405). I have already received several letters expressing strong interest from capital market leaders in accelerating Measure M projects through a P3 approach (see attached).

With regards to the Taxpayer Advisory Committee, after conferring with MTA legal counsel, the Measure M Ordinance specifies that the committee “shall review and comment” on proposed changes. Therefore, the authority for all Expenditure Plan amendments lies only with the MTA Board, which must comply with the firewalls listed above.

### Sepulveda Pass Project Funding

Concerns were also raised about the Measure M funding amounts proposed for the Sepulveda Pass Project. As you may know, this corridor has more than 450,000 vehicle trips each day and is among the most congested in the nation. It is important to note that funds for this project were identified by two subregions (San Fernando Valley COG and Westside COG) as priority funding. Therefore, if funds were not allocated to this project, they could be allocated only to other projects within those two subregions -- none of the funding is taken from the South Bay.

### Systemwide Connectivity

As communicated to you by MTA Board Chair Fasana in a letter dated August 19, 2016, Systemwide Connectivity funding will be divided amongst subregions in an amount proportionally equal to the funding programmed for the North San Fernando Valley Bus Rapid Transit Improvements project. This means that the South Bay COG will receive a total of \$130 million dollars in Systemwide Connectivity funding, over which the COG will have discretion within future Board-adopted Systemwide Connectivity guidelines.

Again, I appreciate the opportunity to listen to your and your colleagues' concerns about Measure M, and I look forward to our continued partnership as we work together to secure funding for regional transportation investments in the South Bay.

Sincerely,

A handwritten signature in dark ink, appearing to read "E. Garcetti", with a horizontal line extending to the right.

ERIC GARCETTI  
Mayor

Attachments:

1. P3 Letters: Plenary Group, ACS, and Meridiam



Plenary Group USA Ltd.  
10100 Santa Monica Blvd.  
Suite 410  
Los Angeles, CA 90067  
Telephone: 424.278.2173  
Facsimile: 424.278.2174  
[www.plenarygroup.com](http://www.plenarygroup.com)

August 25, 2016

The Honorable Eric Garcetti  
Mayor, City of Los Angeles  
City Hall, Room 303  
200 N. Spring St.  
Los Angeles, CA 90012

Re: Support of Measure M

Dear Mayor Garcetti:

Plenary Group is one of the largest investors and dedicated developers of performance-based public-private partnerships (P3s) in North America. Our U.S. operations are headquartered here in Los Angeles in part because the region's voters have demonstrated a strong commitment to addressing the significant near and long-term transportation needs throughout the region.

Plenary Group strongly supports Measure M because we believe it presents an exceptional opportunity to leverage public and private resources and accelerate delivery to get more projects done sooner and with less risk to taxpayers throughout the region.

State and local governments across the country are finding P3s to be an effective tool in helping to rebuild and restore public infrastructure, bolster local and regional economies, and create long-term, sustainable jobs. With a P3 approach, the risks associated with a project can be transferred to a private partner, and there is greater price and schedule certainty and quicker access to financing for projects. The capabilities and resources of the private sector serve to complement the public sector's limited capacity to design, finance, build and deliver public infrastructure quickly, efficiently and cost-effectively. While P3 delivery will not replace traditional procurement methods, they can be a valuable supplement to existing programs, particularly in the ongoing period of prolonged funding challenges.

With the proposed Measure M, Los Angeles County now has an enormous opportunity to leverage private sector expertise and financial resources to accelerate the delivery of a wide variety of transportation projects throughout the region. We believe the passage of Measure M would immediately create more capacity to get the work completed sooner, bring more private sector investment and innovation, ensure projects are completed on-time and on-budget and provide long-term value for taxpayers throughout the County. Adopting the measure would send a powerful signal that the LA region is fully prepared to unleash the full potential of public and private investment in the regional transportation system.



In short, we see many opportunities to invest in much needed projects throughout the region and we stand ready to increase our level investment if voters pass Measure M in November.

Sincerely,

A handwritten signature in dark ink, appearing to read "Dale Bonner", with a long horizontal flourish extending to the right.

Dale Bonner  
Executive Chairman  
Plenary Concessions



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August 25, 2016

The Honorable Eric Garcetti  
Mayor of the City of Los Angeles  
City Hall  
200 N Spring Street  
Los Angeles, CA 90012

Dear Honorable Mayor Garcetti,

ACS Infrastructure Development, Inc. has been closely and enthusiastically following the developments regarding the Los Angeles County Traffic Improvement Plan.

With over 45 years of experience, the ACS Group is a global leader in transportation infrastructure development and construction, and one of the largest P3 developers in the world having developed over 80 P3 projects globally (72 of those in the transportation sector). With annual revenues in 2015 of approximately \$38 billion, over 200,000 employees worldwide and a presence in more than 70 countries, ACS leads the ranking of the "World's Largest Transportation Developers" as listed by Public Works Financing for the eighth year running. In 2006, the ACS Group began pursuing P3 projects in North America, through its North American subsidiaries ACS Infrastructure Development, Inc. and ACS Infrastructure Canada Inc. Since then, ACS has been awarded 11 complex transportation P3 projects across the U.S. and Canada. These projects represent a combined investment value of approximately \$16 billion and include landmark projects such as the \$1 billion SH 288 in Houston, Texas and the \$4.3 billion Eglinton Crosstown LRT in Ontario, Canada.

With consideration to the potential of the Los Angeles County Traffic Improvement Plan, we are actively interested in the Los Angeles area market as investors. Our organization and constituent firms have previously pursued and participated in Los Angeles projects and we are currently pursuing Los Angeles projects being delivered through Public-Private Partnerships (P3s) such as the Los Angeles International Airport Automated People Mover P3 project. We believe that certain key projects proposed through the Los Angeles County Traffic Improvement Plan could also be delivered as P3s and our organization is extremely interested in investing in some or all of these such projects if provided the opportunity under the right circumstances.

The Los Angeles County Traffic Improvement Plan will provide benefit for Angelenos for decades to come and ACS Infrastructure Development, Inc. is looking forward to being participants in helping to develop the future of Los Angeles.

Sincerely,

A handwritten signature in blue ink, appearing to be "Nuria Haltiwanger", with a long horizontal flourish extending to the right.

Nuria Haltiwanger  
Chief Executive Officer  
ACS Infrastructure Development, Inc.





Mayor Eric Garcetti  
Los Angeles City Hall  
200 N Spring St  
Los Angeles CA 90012

August 25, 2016

Dear Mayor Eric Garcetti

I write this letter to communicate to you our appreciation for the professionalism, tone and substance of the City and County's infrastructure investment program. As one of the largest global greenfield public infrastructure investors and asset managers, we at Meridiam rarely see the dynamism that exists around infrastructure in your community.

Your vision is clear. The fact that Los Angeles is using every tool in the implementation toolbox and strongly managing each and every initiative is a tribute to great executive leadership and communication of expectations.

Use of Public Private Partnerships also adds great value to the citizens and businesses of Los Angeles. The program announced for LAMTA's future is particularly exciting and utilization of the PPP delivery model can be an important value add. Not only do PPPs enable the City to leverage available resources with private investment but this tool also serves to protect taxpayers and infrastructure users in three ways:

First – all integration risk among engineers, builders and operators/maintainers can be transferred to a single entity that lives in the world of “no “excuses”

Second – causing the private sector to finance infrastructure provides the government with enormous leverage over long term private sector performance and

Third – long term lifecycle commitments and costs are locked in early in a competitive environment, ensuring that these costly assets perform as they are meant to over the long term.

We certainly intend to participate in opportunities presented by your program and hope that we can compete successfully and become a small part of the wonderful legacy you are creating.

Sincerely,

Joseph Aiello  
Partner