

Transportation bonds are a healthy investment

USE STATE BONDS AS A FINANCIAL TOOL TO IMMEDIATELY CREATE JOBS



Without a state budget in place the State Treasurer could delay the Fall bond sale. If the Fall sale is cancelled, thousands of good-paying jobs will be lost and millions of taxpayer dollars will be wasted.



Temporary budget savings delays California's economic recovery

Delaying bond sales is extremely costly. Transportation projects that are in construction could be shut down and projects that are ready to go could be delayed indefinitely. The state saved almost a quarter of a billion dollars by delaying the Spring sale but this budget savings comes at a steep cost to taxpayers in delayed improvements, lost jobs and more traffic congestion.

Bond financing is a type of long-term borrowing approved by voters and used by the state to fund transportation projects. Bonds are sold to investors, the money received pays for transportation projects, and over time, the state pays the money back to the investors with interest. Proposition 1A, or the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century, was approved by California voters in 2008. Proposition 1B approved by voters in 2006 is a \$20 billion bond program to fund transportation projects statewide. State bond sales keep transportation projects moving on time and help create thousands of jobs.

Southern California is ready to create thousands of jobs now

Buying time does not equate to saving money in the long-term. Here are three reasons why a Fall bond sale is good for California:

- 1) Favorable contracting environment:**
Bids are coming in at unprecedented discounts that help the taxpayer dollars stretch farther.
- 2) Job creation where we need it:**
The construction industry has suffered enormously in this recession. Bond sales will enable contractors to get their workers off state unemployment benefits and back to earning a paycheck.
- 3) Accountability to voters:**
Propositions 1A and 1B promised the voters that specific projects would be delivered as early as December 2012. Without timely bond sales, these projects cannot move forward, breaking trust with California voters.

MORE INFORMATION

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These charts shows major Proposition 1A and 1B-funded projects in Southern California currently under construction at risk of being shutdown or scheduled for a funding allocation in 2011 at risk of being delayed.

Projects Under Construction at Risk of Being Shutdown

County	Project	Prop 1A or 1B funds	Total project cost (without ROW)	Jobs created
Los Angeles [†]	I-405 Northbound Carpool Lane, I-10 to US-101	\$614 million	\$937 million	14,000
	Exposition Light Rail Transit Extension (Phase II)	\$273 million	\$1.4 billion	22,600
	I-5 North Carpool Lanes from SR-134 to SR-170	\$234 million	\$912 million	13,500
Orange County	SR-57 Orangethorpe/Yorba Linda	\$40.9 million	\$47.9 million	719
	SR-57 - Yorba Linda/Lambert	\$41.3 million	\$48.2 million	723
	I-405/I-605 HOV	\$135.4 million	\$157.7 million	2,366
	SR-91 (SR-55 to Weir Canyon)	\$60.4 million	\$82.5 million	1,238
	Placentia Avenue Grade Separation	\$14.9 million	\$62.9 million	944
	Kraemer Avenue Grade Separation	\$22.6 million	\$61.1 million	917
	San Clemente/Dana Point Rail Safety Improvements	\$2.1 million	\$4.2 million	63
	OCTA Traffic Light Synchronization Program Phase 3	\$1 million	\$2 million	30
	Sand Canyon Grade Separation	\$8 million	\$46 million	690
	Riverside	I-215 South Widening	\$10.3 million	\$22.1 million
SR-91 Auxiliary Lanes		\$1 million	\$2.8 million	42
Cactus Avenue Improvements		\$1 million	\$5.5 million	83
Eucalyptus Street Improvements		\$1 million	\$5.4 million	81
Magnolia Grade Separation		\$20 million	\$26.8 million	402
San Bernardino	SBV Signal Synchronization	\$1.8 million	\$6.1 million	92
	I-10 Westbound	\$14 million	\$22.7 million	341
	210/215 Interchange	\$41.3 million	\$60 million	900
	I-215 Segments 1 & 2	\$49.1 million	\$212.7 million	3,191
	I-215 Segment 5	\$36.5 million	\$36.5 million	548
San Diego	Santa Margarita River Bridge and Double Track	\$17 million	\$40.6 million	609
	Blue Line Trolley Project Phase 3	\$4 million	\$226.9 million	8,100
Ventura	US 101 Rice Interchange	\$30 million	\$65 million	975
Total jobs at risk				73,486

Job assumptions based on 15 jobs created per \$1 million invested in transportation

[†] Indicates job numbers are rounded

Projects with Scheduled Start Dates at Risk of Being Delayed

County/ Agency	Project	Prop 1A or 1B funds	Total project cost (without ROW)	Jobs created
Los Angeles ^{** †}	I-5 South Carpool and Mixed Flow Lanes	\$465 million	\$677 million	10,000
	ACE San Gabriel Grade Separation	\$337 million	\$461 million	13,100
	Regional Connector	\$265 million	\$937 million	14,000
	Light Rail Vehicles	\$175 million	\$335 million	5,000
	ACE Gateway – Valley View Grade Separation Project	\$25.6 million	\$65.7 million	13,000
	Other Projects	\$1.5 billion	\$3.8 billion	49,300
Orange County	Metrolink Service Expansion Program Capital Improvements	\$18.7 million	\$95 million	1,425
	SR-57 (Katella to Lincoln)	\$34.7 million	\$39.4 million	591
	Metrolink Rolling Stock Acquisition	\$36.3 million	\$158 million	2,370
	Local Street Projects	\$16 million	\$56 million	840
	San Clemente Wayside Horn	\$2.3 million	\$4.4 million	66
	Orangethorpe Avenue Grade Separation	\$41.7 million	\$89.4 million	1,341
	Tustin Avenue/Rose Drive Grade Separation	\$31.4 million	\$66.5 million	998
	Riverside [*]	SR-91 HOV Lane Gap Closure	\$157.2 million	\$191.7 million
Auto Center Grade Separation		\$16 million	\$28 million	420
Iowa Grade Separation		\$13 million	\$24.5 million	368
Streeter Grade Separation		\$15.5 million	\$20 million	300
Riverside Grade Separation		\$8.5 million	\$15 million	225
March Airport Access Improvement		\$10 million	\$64.5 million	968
San Bernardino	Cherry Interchange Construction	\$30.8 million	\$67.4 million	1,011
	Citrus Interchange Construction	\$23.6 million	\$52.3 million	785
	Colton Crossing Grade Separation	\$91.3 million	\$175.3 million	2,630
	Glen Helen Grade Separation	\$7.2 million	\$23.9 million	359
	I-10 Duncan Canyon Interchange	\$1 million	\$31.5 million	473
	I-15 Baseline Interchange	\$1 million	\$35.9 million	539
	Ranchero Railroad Undercrossing	\$1 million	\$26 million	390
	Apple Valley Signal Construction	\$92,000	\$130,000	2
	I-15/La Mesa-Nisqualli Interchange ^{††}	\$21.3 million	\$62.2 million	1,119
	San Diego	I-15 Mira Mesa Direct Access Ramp	\$40 million	\$40 million
Sorrento-Miramar Curve Realignment Phase 1		\$10.8 million	\$39 million	585
South Line Rail Project		\$98 million	\$95.3 million	1,430
I-805 HOV Lanes (North)		\$57.5 million	\$163 million	2,445
I-805 HOV Lanes (South)		\$100 million	\$138 million	2,073
Ventura	US 101 HOV Lane, Mussel Shoals to Carpinteria	\$131.6 million	\$151 million	2,265
	Simi Valley / Moorpark Grade Crossings Rehabilitation	\$700,000	\$700,000	11
Metrolink	Positive Train Control and related projects	\$13.7 million	\$201.6 million	3,024
	Systemwide Rehab	\$31.2 million	\$35 million	525
	Expansion Projects including Double Track, Rolling Stock	\$36 million	TBD	TBD
	Sealed Corridor (for Spring Road and Chevy Chase)	\$7.3 million	TBD	TBD
	Safety Retrofits on Rolling Stock (Wired Communication)	\$1.9 million	\$3 million	45
	Broadway/Brazil	\$4 million	\$9.1 million	137
	LAUS Track and Platforms and Canopies	\$13.3 million	TBD	TBD
	Guardian Fleet Rail Cars	\$15.7 million	\$33.3 million	500
	Port of Los Angeles	South Wilmington Grade Separation	\$17 million	\$78.4 million
West Basin Railyard (USDOT TIGER II project)		\$51.2 million	\$130.2 million	1,953
Total jobs created				141,265

^{*} Indicates additional Proposition 1B-funded projects in specified county with total project costs less than \$1 million

^{**} Indicates projects are scheduled for an allocation in FY 11 ^{††} Jobs number based on 18 jobs per \$1 million