

DEPARTMENT OF FINANCE BILL ANALYSIS

AMENDMENT DATE: June 30, 2009  
POSITION: Oppose

BILL NUMBER: SB 545  
AUTHOR: G. Cedillo

**BILL SUMMARY: Freeway Construction**

This bill would prohibit the construction of a surface or above-grade I-710 highway between Valley Boulevard in the city of Los Angeles and Del Mar Boulevard in the city of Pasadena. This bill would permit the Department of Transportation (Caltrans) to construct a segment of freeway that consists solely of a subsurface transportation facility without an agreement with a county or city under specified conditions. The length of time that an impasse must exist before Caltrans can move ahead would be changed from 10 years to 20 years.

**FISCAL SUMMARY**

Restricting construction to a tunnel would make hundreds of state owned properties available as surplus properties, thus making them eligible for sale. The Roberti Act specifies procedures for the sale of this surplus residential property at substantially less than fair market value. Existing law also provides that proceeds from the sale of the surplus property would go to the Public Transit Account.

**COMMENTS**

The Department of Finance is opposed to this bill because this bill in conjunction with current law could make hundreds of properties on the proposed I-710 corridor available for sale as surplus property at prices considerably below market value resulting in the loss of hundreds of millions of dollars. Existing law should be changed to allow these properties to be sold at market value, for deposit into the State Highway Account. Higher revenues could then be used to offset some of the higher costs of subsurface construction or other high priority projects.

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Analyst/Principal (0752) J. Parks	Date	Program Budget Manager Mark Hill	Date
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Department Deputy Director	Date
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Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

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**BILL ANALYSIS** Form DF-43 (Rev 03/95 Buff)

G. Cedillo

June 30, 2009

SB 545

**ANALYSIS**

A. Programmatic Analysis

**Current law** requires the Department of Transportation (Caltrans) to enter into an agreement prior to any closure of a city street or county highway due to construction of a freeway. Current law provides an exception with the jurisdiction of Los Angeles County Metropolitan Transportation Authority (LCMTA), if specified requirements have been met, such as if an agreement with the county or one or more of the cities is not possible because an impasse has existed for 10 or more year.

**This bill** would prohibit the construction of a surface or above-grade I-710 highway between Valley Boulevard in the city of Los Angeles and Del Mar Boulevard in the city of Pasadena. This bill would permit Caltrans to construct a segment of freeway that consists solely of a subsurface transportation facility without an agreement with a county or city under existing specified conditions. Cut and cover technology would only be permitted for entrance and exit portals, and neither portal shall encroach on territory of the City of South Pasadena, and could also be used in areas necessary to construct tunnel ventilation structures, emergency exits, and any other mitigation measures required for the tunnel. The length of time that an impasse must exist before Caltrans can move ahead would be changed from 10 years to 20 years.

**Discussion:** The author's office indicates that the purpose of this bill is to remove from consideration previously rejected surface alignments for the I-710 freeway extension in Los Angeles County should Caltrans and the LCMTA decide to proceed with the environmental review process and preliminary engineering on this project. Caltrans has acquired over 500 properties for right-of-way for alternative routes in the I-710 corridor. Opposition to the alternative surface routes from the city of South Pasadena has made it unlikely that a surface route could ever be built, so Caltrans and the Metropolitan Transportation Authority have determined that a tunnel is the only remaining viable alternative.

B. Fiscal Analysis

Restricting construction to a tunnel would make hundreds of state owned properties available as surplus properties, thus making them eligible for sale. The Roberti Act specifies procedures for the sale of this surplus residential property at substantially less than fair market value. Existing law also provides that proceeds from the sale of the surplus property would go to the Public Transit Account.

Code/Department Agency or Revenue Type	SO LA CO RV	PROP 98	(Fiscal Impact by Fiscal Year)						Fund Code
			(Dollars in Thousands)						
			FC	2009-2010	FC	2010-2011	FC	2011-2012	
2660/Caltrans	SO	No		-----	See Fiscal Summary	-----			0042
<u>Fund Code</u>	<u>Title</u>								
0042	Highway Account, State, STF								