

Northeastern University Dukakis Center for Urban & Regional Policy

TRANSIT CAMPAIGNS:
FINANCING CASE STUDY

2008 LOS ANGELES COUNTY BALLOT MEASURE TO PASS A TRANSPORTATION SALES TAX (MEASURE R)

BACKGROUND

WHAT WAS THE GOAL OF THE CAMPAIGN?

The goal of the campaign was to raise revenue for transportation projects in Los Angeles (“LA”) County, including the expansion of subway lines and bus service, in order to relieve traffic congestion.

WHAT WAS THE RESULT OF THE CAMPAIGN?

On November 4, 2008, voters in LA County approved a half-cent sales tax increase (from 8.25% to 8.75%) together with an expenditure plan on a ballot with a 67.22% supermajority that will raise an estimated \$40 billion over its thirty-year life for specified transit and roadway projects. The voter-approved expenditure plan for the measure allocates 40% of the funding for specific transit capital projects, 25% for transit operations, 20% for specific highway capital projects, and 15% to local jurisdictions for discretionary use such as street resurfacing, signal synchronization, and bike and pedestrian improvements. While the completion of each project in the expenditure plan is not guaranteed, the levels of distribution of funding across programs are. Changes to the projects in the plan can be made only by a two-thirds majority of the Board of Directors of the LA County Metropolitan Transportation Authority (“Metro”), the regional transportation planning and public transportation operating authority of LA County. The measure also suspended a planned general fare increase for one year and prohibited the increase of fares for students, seniors, and riders with disabilities for five years.

WHY WAS THE CAMPAIGN INITIATED?

State budget shortfalls in the years leading up to Measure R resulted in the diversion of transportation revenues from the state sales tax on gasoline, as well as from transportation bonding authority, to other, non-transportation uses. This growing inability to rely on state revenue sources for

transportation projects caused many advocates, elected officials, and Metro to conclude that non-federal funding for transportation would have to be raised locally. Separately, Metro had originally forecasted the availability of \$4 billion for transportation projects over the next thirty years. Due to projected cost increases in a short period of time that amount was adjusted down to zero, indicating no funding for new projects.

At the same time, LA County, with 10.3 million inhabitants in 2008 the most populous county in the nation, continued to suffer from its infamous traffic congestion problem, which has always been dire but recently had grown even worse (“from icy slush to frozen”) as experienced by its residents and documented by the Texas Transportation Institute. The combination of these developments provided the motivation for many to participate in a campaign to raise transportation revenue on a local basis.

HOW WAS THE CAMPAIGN STRUCTURED?

Measure R benefited from three separate, but coordinated, efforts: a coalition of environmental, labor, and business groups called “Move LA,” whose enthusiasm got the ball rolling for the ballot measure, a public information campaign called “Imagine” run by Metro around the development of its Long Range Transportation Plan (“LRTP”), and an official political campaign, “Yes on Measure R” managed by a team of professionals who had been involved in LA Mayor Antonio Villaraigosa’s election.

POLITICAL CONTEXT

WHAT FORMAL STEPS WERE REQUIRED FOR THE CAMPAIGN TO SUCCEED?

Since the late 1960s, individual counties in California have the specific authorization from the state to impose regional sales taxes to fund transportation projects and services.

This case study was prepared in July of 2012 by Rafael Mares and Aviva Rothman-Shore of the Conservation Law Foundation based on interviews with Denny Zane, former major of Santa Monica, Gary Toeppen, President and CEO, LA Area Chamber of Commerce, and Dan Rosenfeld, a former real estate developer with Urban Partners, currently Senior Deputy for County Supervisor Mark Ridley-Thomas, as well as a review of documents related to the campaign.

Measure R was the seventh attempt since the 1960s by LA County to avail itself of this option and the third one that was successful. First, the Metro Board of Directors had to vote to place the question on the ballot for November of 2008. After the Metro Board of Directors decided to do so with a 9-2 vote in August of 2008, the county supervisors needed to agree to consolidate the ballot question with the county election process.

This is usually thought of as a ministerial act in practice, but legally discretionary. In the case of Measure R, the county supervisors—led by three of their colleagues who were also Directors of the Metro board and opposed to the measure—initially refused to put the question on the ballot due to disagreement about the funding distribution, a first in the county's history. Ultimately, after a change of heart by one of the three supervisors, the measure was allowed to proceed.

In addition, a legislative extension of how long the sales tax could last, from six and a half years to thirty years, was necessary. The State Legislature approved this change in August of 2008. The measure was required to pass on November 4, 2008, with a supermajority of 66.67%, as a result of a 1995 California Supreme Court ruling. The ballot question titled “Traffic Relief. Rail Extensions. Reduce Foreign Oil Dependence” was: “To: Synchronize traffic signals; Repair potholes; Extend light rail with airport connections; Improve freeway traffic flow (5, 10, 14, 60, 101, 110, 138, 210, 405, 605, 710); Keep senior/student/disabled fares low; Provide clean-fuel buses; Expand subway/Metrolink/bus service; Dedicate millions for community traffic relief; Shall Los Angeles County's sales tax increase one-half cent for thirty years with independent audits, public review of expenditures, all locally controlled?”

WHAT WAS THE POLITICAL CLIMATE AT THE TIME OF THE CAMPAIGN?

The political climate for a revenue-raising measure was difficult due to the national economic situation, but advocates also recognized some clear opportunities. Advocates realized early on that the probable Democratic presidential nominee, either Barack Obama or Hillary Clinton, would bring new voters to the November election and that those voters would be more likely to support a transportation tax measure. What we now call a recession had already started when the campaign was under consideration late in 2007.

In September 2008, shortly before the vote, the economy took a particularly sharp downward turn, which conventional wisdom says should hurt a tax measure. Looking back, some believe that voters may not yet completely have been

able to gauge the full impact of the economic crisis, but that sentiment is somewhat belied by the fact that a Measure R follow-up survey, conducted seven months following the election, still indicated that overall support had not declined. Between 2002 and 2008, the public approval ratings of Metro had increased by over fifty percent, which has been attributed to the completion of major rail and bus rapid transit projects and the strong ridership associated with them.

WHAT PREVIOUS PLANNING, RESEARCH, OR ADVOCACY EFFORTS BENEFITED THE CAMPAIGN?

In early 2008, Metro published a draft of its LRTP that provided a list of significant rail, bus, highway, and other transportation improvements and expansions, for which later examination showed that no funding was available. The list ultimately became the major source of projects ideas for the expenditure plan associated with Measure R. The campaign also benefited from regular polling Metro had conducted tracking the public interest in new funding options over several years prior. In June of 2008, Metro also commissioned the LA County Economic Development Corporation to examine the economic impacts of the proposed measure.

CAMPAIGN MANAGEMENT/STRUCTURE

WHO LED THE MOVE LA COALITION?

Denny Zane, a former Santa Monica mayor, turned transit advocate, successfully pulled together a coalition of environmental, labor, and business leaders, who had never worked together in support of raising revenue for transportation in LA County. Other leaders of the coalition included Dan Rosenfeld, a real estate developer at the time and chair of the LA Chamber of Commerce Land Use Committee, Gary Toebben, president and CEO of the LA Chamber of Commerce, and Maria Elena Durazo executive secretary-treasurer of the LA County Federation of Labor.

WHO RAN THE IMAGINE INFORMATIONAL CAMPAIGN?

The purpose of the Imagine Campaign, which predated the existence of Measure R, was not to develop support for the ballot question. Metro designed this informational campaign to solicit public input for the LRTP. It asked county residents to imagine what a future with better transportation options could look like. This civic engagement process, however, has been credited with helping to build support for Measure R.

WHO LED THE YES ON MEASURE R CAMPAIGN?

The official public campaign in support of Measure R began only in September of 2008. Metro, as a publicly funded agency, was limited in advocating or campaigning for a measure, although it was permitted to provide information. A plan by Metro staff to continue a proactive informational campaign was cancelled by the board. A privately-financed campaign managed by a team comprised of professionals who had been involved in Mayor Villaraigosa's election took over. This change brought with it the leadership of key political figures, including Mayor Villaraigosa and County Supervisor Zev Yaroslavsky.

CAMPAIGN FINANCE

HOW WAS MOVE LA FUNDED?

Move LA was largely funded by individual and corporate donations.

HOW WAS THE IMAGINE CAMPAIGN PAID FOR?

The Imagine informational campaign associated with the LRTP plan was paid out of Metro's budget for the planning process and cost over \$4 million.

HOW WAS THE YES ON MEASURE R CAMPAIGN FUNDED?

The Yes on R campaign, which raised about \$4 million, benefited greatly from the Mayor's fundraising efforts, who may have raised as much as 80% of this amount, and continued to fundraise successfully even after the economy crashed. A significant portion of these funds came from labor unions.

POLITICAL STRATEGY

WHAT WAS THE OVERALL POLITICAL STRATEGY FOR THIS CAMPAIGN?

The campaign's political strategy was premised on the opportunity provided by the presidential election. The assumption was that the election, regardless of the Democratic candidate, was going to have large turnout and pull in low-propensity voters from demographics such as people of color, women, youth, and those with lower income, who are more likely to support a transportation tax measure.

COMMUNICATIONS STRATEGY

WHAT WERE THE MAIN COMMUNICATION CHALLENGES OF THIS CAMPAIGN?

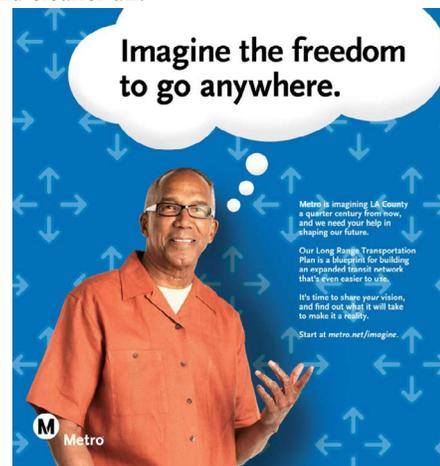
While there was close to consensus in LA County about the need to invest in transportation, some felt their municipality, region, or constituents would not get their fair share of the funding as set forth in the expenditure plan.

HOW WERE THESE CHALLENGES MET?

Although not formally a part of the Measure R communications strategy, Metro's Imagine Campaign played an essential role in addressing the communication challenges. The Imagine Campaign focused its message on improved mobility. Through the Imagine Campaign, Metro was able to engage LA County residents not only in envisioning a better transportation system, but in developing a specific list of projects.

During the Imagine Campaign, Metro attracted sixty million hits to its website. Understanding how the money would be spent convinced many voters that the sales tax increase would be a worthwhile investment and that they would benefit personally. The campaign in favor of Measure R continued to use maps and lists to illustrate and publicize the proposed projects.

At the beginning of the public campaign, Metro sent out county-wide a sixteen-page informational mailer that included project lists and maps. Mobility for everyone was also the focus of the Measure R communications campaign, which dubbed the ballot question "The Roadmap to Traffic Relief" and interchangeably any of the other issues of specific concern identified such as rail safety, low transit fares, road safety, and cleaner air.



Job creation was not a central theme. Trusted experts, such as a Don Sepulveda, president of the LA Section of the American Society of Civil Engineers, Jonathan Stewart, a UCLA Civil and Environmental Engineering Professor, and Trisha Murakawa, the chair of the American Lung Association of California, served as unpaid spokespeople for the campaign, while politicians were intentionally not used in any of the campaign's advertisements due to fear of public cynicism about their motivations.

HOW DID THE CAMPAIGN SPEND ITS COMMUNICATIONS RESOURCES?

The Measure R campaign used cable advertisements, radio spots, and earned media, but little social media. All of the communications were carefully targeted to focus scarce media resources on areas that were closely contested. The campaign relied on cable for its advertising to take advantage of the ability to select zip codes specific to the areas it wanted to target.

Voters in areas of strong support for Measure R were not a priority to the extent that people living in those areas are unlikely to be able to recall the television commercials if asked today. The majority of the campaign's \$3 million budget was spent on television. Helpful to the campaign was that the opposition relied on earned media, spending no money on commercials or direct mail. Polling was used extensively throughout the development and implementation of the Measure R campaign.

It was used to monitor interest in new funding options for transportation (by Metro), to test the viability of a sales tax measure prior to its approval by the Metro board (by Move LA, Metro, and the Mayor), as well as to fine-tune the ballot language and the commercials determining which words and in what order they should be used (by Yes on Measure R).

ORGANIZATION STRATEGY

HOW WERE CRITICAL STAKEHOLDERS RECRUITED INTO THE CAMPAIGN?

Mayor Villaraigosa during his 2005 election campaign had made the extension of the Purple subway line from Wilshire/Western to Santa Monica, the so-called "Subway to the Sea," one of his key objectives. Early in 2007, Zane, in consultation with others, decided to help make the Mayor's vision a reality by pursuing funding of the Subway to the Sea, with a portion of the \$4 billion that had originally been identified by Metro as part of its LRTP process and the hope that such an advocacy effort would also increase funding for other transit projects.

In November 2007, after Metro adjusted the estimate of available funding over the next thirty years down to zero, the Subway to the Sea Coalition under Zane's leadership called a meeting at the Bradbury Building, an architectural landmark, which attracted representatives from thirty-four organizations representing the labor, environment, and development communities. The main conclusion of the meeting was that the primary focus of the coalition had to be about broadly raising money for transportation, rather than one particular transit project.

Building on the success of the November 2007 meeting, in January of 2008 the coalition held a "Time to Move LA" conference. Zane as a mayor of Santa Monica had made a lot of connections with people in government, and the environmental, labor, and development communities. He used this occasion to bring them together turning out 350 stakeholders, including advocates, experts, and political leaders, and representatives from additional business, civic, and transportation-related organizations. As a result of this meeting, which was held at the Cathedral of Our Lady of the Angels, a modern Roman Catholic church building downtown, participants formed "Move LA," a new coalition with a multi-modal mission, which ultimately provided the necessary momentum for Measure R.



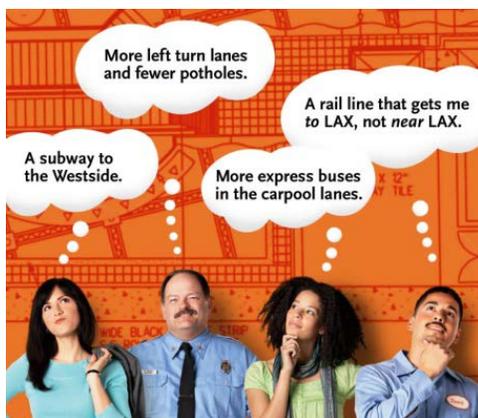
HOW WAS SUPPORT SECURED FOR THE EXPENDITURE PLAN OF THE MEASURE?

Staff of the Mayor and Metro, and a Metro board member, engaged in a shuttle diplomacy process around the region to secure support for the expenditure plan. The existence of councils of government within the region facilitated the negotiation process in the development of the expenditure plan. Move LA did not get involved in selecting individual projects but helped negotiate the general categories and priorities of expenditures. From the perspective of the business community, it was important that the expenditure plan included investment in expansion, not just state of good repair and operations, since nobody wanted to spend money simply to fill an existing gap.

While this process garnered wide support for the expenditure plan, including ultimately a supermajority of the voters, some stakeholders decided to sit out the campaign or oppose the ballot. For example, the environmental justice community mostly did not participate in the campaign and the Bus Riders Union of the Labor/Community Strategy Center rejected Measure R consistent with its long history of opposing rail transit investment, because it generally requires a higher subsidy than bus transit, which can cause an overall increase in fares and Metro's tendency to favor it over maintaining and improving the bus system.

WHAT METHODS WERE USED ON THE GROUND TO SECURE VOTERS?

The campaign intentionally refrained from spending resources on phone banking and door-knocking, since large turnout was assumed. Instead, it used press conferences with labor and environmental leaders, and elected officials around the county to generate local earned media coverage.



KEY LESSONS

SUPPORT FOR TRANSIT PROJECTS IN LARGE GEOGRAPHIC AREA REQUIRES BUNDLING WITH ROAD IMPROVEMENTS

To elicit broad-based support for Measure R, participants in the campaign early on decided that a mix of rail and bus transit and highway projects was necessary. A multi-modal approach made it possible to provide benefits across LA County, since not all areas could benefit from the transit improvements. The expenditure plan was carefully calibrated to make sure that no part of the county could say that they were not receiving any benefit.

COALITIONS OF UNUSUAL BEDFELLOWS ARE MORE EFFECTIVE NOT JUST THE DIRECT USERS

Zane's success in bringing together representatives from the environmental, labor, and business communities, who had never worked together before and literally had never visited each others' offices, and getting them to agree to collaborate, sent a powerful signal to decision-makers. As a result, elected officials, including the Mayor and Metro board members, realized that tackling the transportation revenue problem in 2008 had legs, which brought to the table not only their support but also their leadership.

POLLING IS A CRUCIAL TOOL IN CAMPAIGN DEVELOPMENT AND IMPLEMENTATION

The various polls conducted by Metro, the Mayor, Move LA, and Yes on Measure R helped convince Metro and others to initiate the campaign, shaped the exact language of the ballot question, and perfected the public message used to round up support for the measure. County Supervisor Yaroslavsky, whose support was seen by many as critical, remained non-committal until Move LA conducted a poll and Metro confirmed its results with its own poll. The Mayor, in turn, conducted a third poll, before he got on board. Likewise, the carefully crafted public message, that took into account voters interests and concerns and was so important to the close result, could not have been developed without polling.

A CHARISMATIC LEADER CAN GET THE BALL ROLLING AND HELP OVERCOME ADVERSITY

While the circumstances in 2007 clearly were ripe for a transportation finance campaign, someone had to convene the stakeholders. It is fair to say that without Zane there would not have been a Measure R campaign. Zane's ability to bring people together and his willingness to take a risk kick started this effort and likely carried it through.

LEGAL HURDLES CAN BE OVERCOME DESPITE A TIGHT BALLOT TIMELINE

Leaders did not give up when faced with hurdles ranging from LA County's refusal to consolidate the ballot to the legislative changes required to allow the duration of the sales tax to be extended and to permit Metro to collect taxes. While these obstacles seemed insurmountable on a tight deadline, the time constraints ultimately worked in the campaign's favor, motivating the legislature to respond quickly.

POTENTIALLY TRANSFERRABLE IDEAS

- Use of interesting meeting space to attract stakeholders initially
- Involvement of high level representatives of key constituents early on
- Separation of the advocacy, informational, and official political campaigns
- Extensive use of polling
- Development of specific expenditure plan prior to vote
- Regional agencies can play crucial role in developing list of projects
- Supporters refraining from developing list of projects but helping to negotiate general expenditure priorities
- Engagement of professionalized, seasoned campaign team with experience in the region
- Targeted cable advertisement buys
- Use of spokespeople, other than politicians, as transit champions

