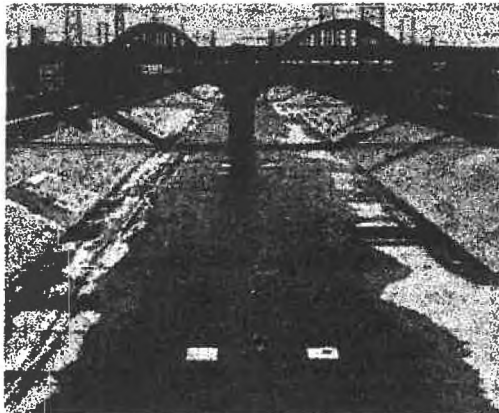


Mayor Garcetti, Where's the Green for the LA River?

27 Mar 2015 Written by Jack Humphreville



LA WATCHDOG-At the direction of the Los Angeles City Council, the City Administrative Officer submitted a letter to the Army Corps of Engineers stating that the City will have the financial capability to satisfy its cost sharing obligations with the Federal Government in connection with the revitalization of an eleven mile segment of the Los Angeles River that stretches from Griffith Park to Downtown Los Angeles.

The total projected cost for the City's preferred plan to restore this ecosystem is now \$1.4 billion, a \$300 million increase from last year due primarily to higher land acquisition costs for 719 acres of riverfront property and the

subsequent remediation expense. This does not include any operating and maintenance costs.

But more importantly as far as the City's finances are concerned, our cost sharing obligation has exploded by \$700 million to \$1.2 billion. This massive escalation in our contribution certainly implies that we were sandbagged by the City when it was pitching its preferred \$1.1 billion alternative in the fall of 2013 that would have cost us "only" \$500 million.

Unfortunately, our cash strapped City does not have the money to finance its \$1.2 billion cost sharing obligation.

Over the next four years, the City is anticipating a \$700 million cumulative deficit. This includes the cost of the new police contract. It also has long term liabilities of over \$25 billion, consisting of unfunded pension liabilities; deferred maintenance on our streets, sidewalks, and the rest of the infrastructure; and its existing long term debt.

This - in City speak - will necessitate a "new funding source that will require voter approval." In other words, the City will place on the ballot a tax increase that will require the approval of two-thirds of the voters.

While the LA River is Mayor Eric Garcetti's number one pet project, does it take priority over the \$6 billion needed to repair and maintain our lunar cratered streets and broken sidewalks? Does the River take priority over our parks and street lights? Does the River take priority over the restoration of City services? Does the River take priority over the phase out of the gross receipts business tax? Does the River take priority over funding our underwater pension plans? Does the River take priority over raises for City employees? And does the River take priority over public safety?

The \$1.4 billion revitalization of the eleven mile stretch of the Los Angeles River from Griffith Park to DTLA will be followed by the call to rehabilitate the other twenty miles of the River that flows from the headwaters in Canoga Park to Griffith Park. At \$125 million a mile, this will cost another \$2.5 billion.

And then there is the remaining twenty miles of the 51 mile River that flows south from the City to Long Beach, another \$2.5 billion ticket that is hopefully not our responsibility.

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There are many benefits associated with the revitalization of the Los Angeles River, including more open space and recreational opportunities in our park starved City, enhanced water quality, an improved environment, and the opportunity for smart economic development that does not turn the River into a canyon of high rises.

Mayor Garcetti and the River team that he has assembled in his office need to work cooperatively with the City Council, the Chief Legislative Analyst, and the City Administrative Officer to determine how the City is going to meet its \$1.2 billion cost sharing obligation as well as the increase annual operating costs.

And once they have done that, Eric and the rest of City Hall will need to convince two thirds of the voters that the Los Angeles River is a priority, including many of us who believe that the City must Live Within Its Means.

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