

AGENDA: June 3, 2004

**TO:** Regional Transportation Commission  
**FROM:** Linda Wilshusen, Executive Director  
**RE:** Supplemental Report on the *Financial Plan* for the Transportation Sales Tax Measure

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### **RECOMMENDATION**

This item is for information only.

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### **BACKGROUND**

In June of 2003, the Santa Cruz County Regional Transportation Commission reviewed the *Preliminary Financial Plan*, prepared by Pat Busch, Assistant County Administrative Officer, for the local transportation sales tax measure. The SCCRTC's Expenditure Plan Subcommittee continued to work on the measure's project mix and financial components over the past year. As the Expenditure Plan for the sales tax measure has developed, some elements of the *Financial Plan* have changed.

### **DISCUSSION**

At the Commission's May 20, 2004 Transportation Policy Workshop, the Commission reviewed a summary of the updated *Financial Plan* (Attachment 1), which assumes 1% real growth in sales tax revenue and is based on current year dollars. Some Commissioners expressed dismay that the *Financial Plan* indicated that part of the Highway 1 HOV/Widening Project would be delivered at the end of the sales tax measure. It was discussed that the growth assumption in the *Financial Plan* were conservative. The Commission asked Mr. Busch to come back with a report on how increased growth rates could allow for acceleration of the Highway 1 Widening/Carpool Lane project.

Assistant County Administrative Officer Pat Busch has developed a supplemental report which discusses sales tax growth rates and the Highway 1 Widening/Carpool Lane project construction schedule (Attachment 2). This sensitivity analysis shows how the amount of funding available for projects in the local Transportation Sales Tax Measure could change based on the growth rate of sales tax revenues. If the growth rate continues to increase at current levels and there is greater participation of state and federal funding, there will be sufficient funding available to construct the Highway 1 Widening/Carpool Lane project as a continuous project well before the end of the sales tax measure.

Pat Busch will be at the meeting to respond to any questions.

## **SUMMARY**

The County Administrative Office has prepared a Supplemental Report on the *Financial Plan* for the half-cent sales tax measure for the Highway 1 Widening/HOV project and other projects. The Supplemental Report shows how the sales tax measure funds, with the addition of state and federal funds, will be adequate to deliver the Highway 1 project as a continuous project.

Attachment 1: Fact Sheet – Sales Tax Distribution/Financial Plan (assumes 1% real growth)

Attachment 2: Supplemental Report – From Pat Busch, Assistant CAO

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