

FACT SHEET
Sales Tax Distribution/Summary of the Financial Plan
For a Half Cent Sales Tax Measure for Highway 1 Widening/Carpool-Bus Lane Project
and Other Local Transportation Improvements
(Assumes 1% Real Growth)

Overall:

Sales Tax Projections

- All Figures shown in 2003/04 dollars
- Projections assume 1.0% for real growth
- Assumes inflation and additional growth rates will parallel project cost increases
- Total generated by 30-year (2004/05-2034/35) 1/2-cent sales tax: **\$530 Million**

Fund Distribution:

- Sales Tax Revenues distributed **annually** to the Responsible Agency for each project/project type:

Project	% of Funds	Responsible Agency
Highway 1 Widening/Carpool Lanes Santa Cruz to Aptos - Includes 3 New Bicycle and Pedestrian Overcrossings (\$7M) - Includes Interest Payments on Bonds (\$80M)	64%	HCA
Highway 1 Express Buses (capital projects and/or services)	1%	SCCRTC distributes
Park/Ride Lots and Carpool/Alternative Transportation Programs (capital projects and/or services)	1.5%	SCCRTC distributes
Local City & County Transportation Improvements – Street, Road, Bicycle/Pedestrian and/or Transit (mostly capital projects)	20.5%	County/Cities (by population)
Coastal Bicycle/Pedestrian Trail next to rail line (capital project)	4%	SCCRTC distributes
Senior & Disabled Transportation Services (capital projects and/or services)	3%	SCCRTC distributes
Highway 17 Safety Programs (capital and CHP services)	1%	SCCRTC distributes
Watsonville-Pajaro Junction Rail Station (capital project)	1%	SCCRTC distributes
Contingency/Reserve	3%	SCCRTC distributes
Administration	1%	SCCRTC distributes

Annual distributions based on projected revenues shown on attached spreadsheet.

- Each of the Responsible Agencies will determine implementation and what/if any financial management tools to use (such as bonds) to accelerate delivery of those projects.
- Where SCCRTC is the responsible agency for distributing sales tax revenues to projects, SCCRTC will determine distribution schedules and what, if any, financial management tools to use to accelerate delivery of some projects. For some projects, SCCRTC may conduct a competitive grant process.

- For local city and county transportation improvements, annual allocations to the county and city will be based on current population; each City Council and the County Board of Supervisors will determine which specific projects to implement.

Assumptions for Highway 1 Project

Estimated Cost of Highway 1 Widening/HOV Project (from Santa Cruz to Aptos):

- Present day cost (in 2002/03 dollars) based on standard width medians (Alternative 2B from Caltrans Project Study Report)
 - Phase 1 (north of State Park Drive): \$235 million (M)
 - Phase 2 (south of State Park Drive): \$109M
 - Net Cost of Bonds Needed to Accelerate Delivery of Phase 1: \$80M
 - **Total: \$424M**
- As project design proceeds, project phasing may change and project costs may change; however, the percent of the sales tax revenue will not change due to cost changes

Assumptions Regarding Revenues for Highway 1/HOV Project:

- \$8 million (M) in RSTP and CMAQ federal funds for Environmental Review (secured)
- \$52M from future state and federal funds (STIP, RSTP, congressional earmarks, etc.)
- \$24M from interest earned; \$3.3 M through completion of Phase 1
- \$340M from sales tax measure
- **Total \$424M**

Construction Schedule for Highway 1 Widening:

- Phase 1 – north of State Park Dr. - 2010/11 to 2013/14
- Phase 2 – south of State Park Dr. - To Be Determined by Highway Construction Authority (HCA)

Bonding Assumptions:

- Three Bonds Issued during construction of Phase 1: 2009/10, 2011/12, & 2012/13
- Reserve Fund: 10% Reserve
- Coverage: 130% coverage on Gross Debt Service
- Debt Service for Highway 1 bonds shall have priority over other distributions. Unlikely to restrict annual distribution to other projects.
- Total Borrowed for Highway 1 (Bond Proceeds): \$145M
- Total Debt Service Cost: \$225M
- Net Cost of Bonds: \$80M (*Bond Debt Service Minus Bond Proceeds*)
- Timing: 30 year measure required to provide reasonable period to amortize the bonds