

Public Hearing Scheduled for 7:30 p.m.

Date: June 3, 2004

To: Regional Transportation Commission

From: Linda Wilshusen, Executive Director

RE: Final Draft Expenditure Plan and Ordinance for a Local Transportation Sales Tax Measure

RECOMMENDATION

Staff recommends the Regional Transportation Commission:

1. Review comments from local agencies, the Commission's committees, and the public on the Draft Expenditure Plan and Ordinance (Attachment 1);
2. Hold a public hearing on the proposed Transportation Sales Tax Measure;
3. Approve County Counsel's proposed revised Transportation Sales Tax Measure Expenditure Plan and Ordinance (Attachment 2),
4. Approve the Poll Subcommittee's proposed revised Ballot Language (Attachment 3) and inform staff of any additional modifications that should be made prior to conducting a final poll on the measure;
5. Consider the County Auditor-Controller's proposal regarding membership of the Audit Committee after the ballot measure passes and implementation activities begin.

At the RTC's June 17 meeting:

Review results of the poll testing the proposed Expenditure Plan and approve the final Transportation Sales Tax Measure Expenditure Plan, Ordinance and Ballot Language and request that the Board of Supervisors approve the Ordinance and place the Transportation Sales Tax Measure on the November 2004 ballot.

BACKGROUND

Over the past year the Regional Transportation Commission, through its Expenditure Plan Subcommittee, has used information from polls, interviews with community leaders and financial analyses to develop a list of projects to include in a local transportation sales tax measure, proposed for the November 2004 ballot. The proposed Highway 1 Widening/Carpool Lane project is the signature project and main beneficiary of the proposed tax measure. The new sales tax would also fund several other transportation improvements in the region. A Fact Sheet

on the proposed tax measure is attached ([Attachment 4](#)). A sensitivity analysis on the *Financial Plan* for the sales tax measure appears in the prior agenda item.

At your April 15th Transportation Policy Workshop meeting, the Commission released the draft Expenditure Plan list of projects for public and local agency review and input. The Ordinance and full Expenditure Plan include more details on each project and the mechanics of implementing the tax measure. The complete Ordinance and Expenditure Plan will be included in the *County Voter's Information Pamphlet*.

As discussed at the Commission's May 20, 2004 meeting, the amount of funding for each category of projects will be distributed annually based on the percentage share of the sales tax revenues listed in the Expenditure Plan. The recipient agencies can at their option utilize financial management tools to speed delivery of projects. A summary of projected allocations to the local jurisdictions is included as [Attachment 5](#).

DISCUSSION

Timeline

An updated timeline for activities relative to getting the sales tax measure on the ballot is included as [Attachment 6](#).

Public Input on the Expenditure Plan and Ordinance

Over the past month and a half, the Commission has solicited input from local jurisdictions, the Santa Cruz Metropolitan Transit District (SCMTD), the Highway Construction Authority (HCA), the Commission's Committees and the community as a whole. Documents related to the proposed sales tax measure have been posted on the website and notices have been sent to the media, community groups, and individuals that signed up for information through the Commission's e-news program. Written comments that have been received through May 26, 2004 are attached ([Attachment 1](#)). An update on the actions taken by local agencies is noted in the timeline ([Attachment 6](#)). **Staff recommends the Commission review these written comments.**

At its May 6, 2004 meeting, the Commission scheduled a public hearing for this meeting. **Staff recommends the Commission hold a public hearing to receive additional input on the proposed Transportation Sales Tax Measure.** Staff will distribute any additional comments that have been received since May 26, 2004 to Commissioners at this meeting.

Highlights of Final Draft Ordinance and Expenditure Plan

Since release of the Draft Ordinance and Expenditure Plan on April 15, 2004, the Commission's legal counsel through the County Counsel's Office has taken the lead on finalizing the Ordinance and Expenditure Plan. The final draft of the Ordinance and Expenditure Plan ([Attachment 2](#)) are submitted for Commission approval, and will be subsequently submitted to the County Board of Supervisors for their approval for the ballot.

The final draft Ordinance and Expenditure Plan incorporates changes recommended by SCCRTC's on-call legal consultants from Nossaman Guthner Knox Elliott LLP, the County Auditor-Controller, and the County's Bond Counsel and Financial Advisor. Rahn Garcia of the County Counsel's Office has significantly modified the format of the Ordinance and made some additional changes to the text of the Ordinance and Expenditure Plan. New sections added by County Counsel are 4.22.050 through 4.22.130 and 4.22.230. Mr. Garcia will be available at the June 3, 2004 meeting to answer any questions.

Some of the significant changes from the April 15 version of the Expenditure Plan and Ordinance are explained below:

Highway 1 Bicycle/Pedestrian Crossings: The scope of the Highway 1 Widening/Carpool Lane project includes proposals for three new bicycle/pedestrian bridges crossing over Highway 1, as well as improvements to bicycle/pedestrian facilities on existing overcrossings (also used by automobiles). Earlier, the Expenditure Plan Subcommittee decided to show the cost of the proposed three new bridges and improvements to existing crossings separate from the Highway 1 Widening/Carpool Lane project in the Expenditure Plan. The Commission's PA/ED consultant, Nolte, has not yet confirmed the total anticipated costs of these planned bicycle and pedestrian improvements, however it is anticipated that they will make up between \$7-10 million of the \$424 million total anticipated cost of the Highway 1 Widening/Carpool Lane project. Since there are several state and federal funding programs that may be available to fund some of these bike/pedestrian improvements, staff does not recommend that the Commission limit itself to funding the entire cost of these facilities through the transportation sales tax measure. **As such, the description of the Highway 1 Bicycle/Pedestrian Crossings in the Expenditure Plan has been modified to allow more flexibility.** Staff believes that this modification is also consistent with the Bicycle Committee's recommendation regarding the bicycle/pedestrian crossings.

Using Percentages for all Projects: The April version of the Expenditure Plan called for fixed amounts over the life of the measure for some projects and percentages of annual funds for other projects. For consistency and to ease the annual allocation of funds, **the Expenditure Plan has been modified so that all project categories would receive a percentage of funds.** Staff also proposes round numbers for the percentages.

Independent Audit Committee: In his comments, the County Auditor-Controller proposed that the Audit Committee (section 5A2) include 5 to 7 members, of which 2 are SCCRTC Board members and the others members of the public, and that members of the Grand Jury be considered for some of the public member slots. **Staff proposes that details on the membership of the Audit Committee not be included in the final Expenditure Plan and Ordinance, but that they be considered after the measure passes and implementation activities begin.**

Staff recommends that the Commission accept the modifications made to the Expenditure Plan and make any additional modifications at this meeting following a public hearing.

Ballot Measure Language and Polling

The proposed transportation sales tax measure includes a third component: the language on the ballot. The first component, the Ordinance, sets the official requirements for the measure. The second component, the full Expenditure Plan, includes details regarding each project, dollar amounts, percentages of the total anticipated funds and allocation notes. Both the Expenditure Plan and Ordinance are included in the *County Voter's Information Pamphlet*. The third component, the ballot language, appears on the ballot and is limited to 75 words.

At its May 20, 2004 meeting, the Commission reviewed a preliminary draft of the ballot measure language and forwarded it to the Expenditure Plan Subcommittee's poll subcommittee (Commissioners Beautz, Kennedy, and Pirie) for revision. Commissioners agreed to submit suggested changes to the ballot language for the poll subcommittee to consider; however, no suggested changes were received. The poll subcommittee has also reviewed the draft poll and is working with the Commission's consultant Gene Bregman on revising the poll.

The poll subcommittee recommends the Commission approve the draft final ballot language with modifications as necessary following the public hearing (Attachment 3).

Next Steps

After the draft language is approved by the Commission at this meeting, the Commission's pollster will conduct one last poll of likely voters regarding the ballot language, project list, and some elements of the Expenditure Plan. The Commission will receive the poll results and finalize all three components of the measure at its June 17th Transportation Policy Workshop meeting.

SUMMARY

The Santa Cruz County Regional Transportation Commission has developed and released for public review a draft list of projects to include in a proposed local transportation sales tax measure. The primary purpose of this sales tax measure is to secure sufficient funding to widen Highway 1 to add carpool/bus lanes. Over the past month and a half the Commission has solicited public comment on the proposed sales tax measure.

Attachments:

1. Comments Received on the Proposed Sales Tax Measure
2. Revised Draft Expenditure Plan and Ordinance, Reorganized by County Counsel
3. Draft Ballot Language
4. Fact Sheet on the Proposed Sales Tax Measure
5. Summary of projected allocations to local jurisdictions
6. Updated Timeline