

REGIONAL TRANSPORTATION COMMISSION

Transportation Policy Workshop

MINUTES

Thursday, May 20, 2004
9:00 am
SCCRTC Conference Room
Santa Cruz, CA 95060

Members Present:	Jan Beautz	Richard De La Paz
	Scott Kennedy	Randy Johnson
	Mike Keogh	Dennis Norton
	Emily Reilly	Edenilson Quintanilla (Alt)
	Pat Spence	Mark Stone
	Mardi Wormhoudt	David Murray (ex-officio) (Alt.)
	Ellen Pirie	

Staff Present:	Pat Dellin	Tegan Speiser
	Karena Pushnik	Kim Shultz
	Luis Mendez	Gini Pineda
	Rachel Moriconi	

1. Introductions
2. Oral Communications
3. Additions/Deletions to the Agenda

Add-on pages to Item 6 were identified as 6-3 through 6-10.

Deputy Director Pat Dellin announced that the initial meeting of the Paratransit Task Force was held yesterday and went well. She thanked Commissioner Wormhoudt for chairing the meeting and the other Commissioners and staff who had participated.

4. Accepted Minutes of the April 15, 2004 TPW Meeting (Kennedy/Quintanilla)

Commissioner Pirie abstained from voting on the minutes.

5. Accept Status Report on Highway 1 Projects

Deputy Director Pat Dellin said that there will be a quarterly progress report at the June Regional Transportation Commission meeting, that design build legislation is working its way through the legislature, and that the Highway Construction Authority (HCA) budget is

included in the Transportation Policy Workshop packet. She said the budget would be amended when HCA staff is on board.

6. Accept Report on California Transportation Commission Hearings on the 2004 State Transportation Improvement Plan (STIP)

Deputy Director Pat Dellin said that the Commission had accepted the Regional Transportation Improvement Program (RTIP) at its April 2004 meeting and it was now before the California Transportation Commission (CTC). She reviewed the status of both the Highway 1/17 Merge Lanes Project and the MetroBase project in this context.

Ms. Dellin said that because the state had borrowed transportation money for the general fund to deal with the budget crisis, the chance of getting State Transportation Improvement Program (STIP) funding for the 1/17-project for next fiscal year was very slim. Also, according to current CTC criteria, the project would probably not be funded until FY07-08. She said that using GARVEE bonds would allow the project to go to construction right away and spread repayment out over several years, thereby freeing up STIP money for other projects including funding the MetroBase.

Deputy Director Dellin reviewed how the MetroBase had dropped out of the STIP due to its site change and the CTC's "use it or lose it" provisions. She mentioned that in addition to the state borrowing transportation dollars during the last several lean years, a couple of years ago when the economy was booming, the state had given other counties more than their share of STIP funds and now the CTC doesn't want to reprogram or "unfund" these projects even though many of them are not ready to be implemented, as the Hwy 1/17 and MetroBase projects are. Ms. Dellin said that during the 7-8 months until the STIP is adopted and GARVEE bonds are determined, staff will be working on getting an equitable share of STIP funding for our county.

In response to a question from Commissioner Beautz, Ms. Dellin said that there are many projects in the Regional Transportation Improvement Program (RTIP), including the rail right-of-way, road improvements, Amesti Road and others that were all in the 2004 STIP and were simply carried over. She said that the MetroBase project had been deprogrammed by the CTC and is now considered a new project by the CTC, even though it has been an on-going project locally.

Commissioner Keogh took issue with staff and said that there was a gross error in the RTIP submitted to the CTC and that staff did not follow direction and send what the Commission had approved at its April 1, 2004 RTC meeting. He said that the RTIP did not reflect the project being funded in FY04-05 or AB3090 reimbursement, as the Commission had approved. Mr. Keogh distributed a copy of Attachment 4 of Item 29 from the April meeting with handwritten notes to illustrate his position.

Director Dellin said that staff had followed direction and asked that copies of what was actually submitted to the CTC, which included changes to Attachment 4 that were made by the Commission at the April meeting, be made and distributed. She said that everyone is

working to get funding returned for the MetroBase project, but that the CTC had rules beyond the scope of the SCCRTC's authority.

A discussion ensued regarding whether Commissioner Keogh's motion had been followed regarding AB3090 reimbursement for the MetroBase.

Chair Johnson said that seeing information for the first time at a meeting without time to reflect on it made discussion difficult and that it would better serve the Commission if items that needed discussion were presented to the Commission in advance of the meeting so that intelligent discourse could be supported with facts.

Commissioner Pirie suggested putting an item on the June Regional Transportation Commission meeting agenda to deal with the issue.

Commissioner Kennedy agreed with Commissioner Johnson that information for discussion should be provided to Commissioners prior to meetings and made a motion to continue the item to the June Commission meeting. Commissioner Wormhoudt seconded and the motion passed unanimously.

7. Accept Updates to the Transportation Sales Tax Measure Financial Plan

Deputy Director Pat Dellin reviewed updates on the *Financial Plan* for the Transportation Sales Tax Measure to fund the Highway 1 Widening/HOV and other projects. She said that the original plan had been revised so that local jurisdictions would receive their percentage share of revenue each year instead of having to wait until the widening project was completed and that agencies could use financial tools to deliver projects in a timely fashion. Ms. Dellin said that one of the assumptions was that the Highway Construction Authority (HCA) would bond to deliver the widening project as soon as feasible and that this financing convention allows the HCA to use City/County distributions as part of the security for the Highway 1 bonds. She said that this would not impact the annual distribution of funds to city or the county projects unless tax revenue dropped 30-40%, which is highly unlikely.

Pat Busch, Assistant CAO, answered questions regarding specifics of the revised *Financial Plan* and the bonding mechanisms.

Commissioner Wormhoudt asked if the up front financing was just for the first phase of the project and, if so, when would the second phase be financed. Mr. Busch said that under this revised plan, the first phase of the widening project would be funded along the original Caltrans Project Study Report (PSR) schedule and the second phase, from south of State Park Drive to San Andreas Road, would be funded when the money was available at the back end of the sales tax measure.

Commissioner Wormhoudt asked in what year construction of Phase II would take place. Mr. Busch replied that assuming the conservative 1% growth estimate, funds would be accumulated in the 25th year of the measure.

Commissioners discussed this concept and the impact it would have on the public. Commissioner Pirie expressed surprise and said it was the first time she had heard that the part of the project in her district would be built so many years later.

Senior Planner Kim Shultz clarified that the notion of the two phases was born from the concept that there was a PSR for the first phase. In actuality, once construction analysis and a building plan were done, many considerations and criteria would affect the actual construction timeline and sequencing. He said that one option was to build all the structures first before the lanes were widened. Therefore, it is not necessarily a fact that the second section of the project would not be started until 25 years into the sales tax measure.

Mr. Busch explained that the sales tax estimates were conservative at 1% assumed for real growth as were the estimates for federal funding. He said that the last 20 years shows a 1 to 2% growth rate. He said that this was a big project for our sales tax base and that it was assumed that bonding would not begin until FY09-10.

SCCRTC consultant Eileen Goodwin, Apex Strategies, said that the Expenditure Plan shows that all the projects listed could be funded, but it does not dictate how they would be functionally delivered. It was noted that having local funds could leverage more state and federal funds and that the HCA could be flexible without touching the 36% designated for other projects. Ms. Goodwin said there may be other things the HCA could do like build the south to north lane first or vice-versa.

Commissioner Wormhoudt cautioned that voters should know that no matter how the funding is divided up, something is going to have to wait and that the Commission needs to inform the public in good faith.

Commissioners discussed the assumptions used to calculate the financial analysis and questioned if the growth rate was too conservative, noting that while it was not a good idea to over promise revenues, it was also not productive to erode support for the tax measure by underestimating the economic forecast. It was confirmed that the percentages for the local jurisdictions would remain constant but that actual revenue could fluctuate due to population changes and the amount of tax revenue generated in any given year.

Bill Comfort said that the plan produced on 6/5/03 which was based on accelerated building plan showed the second phase being built much earlier because 90% of the sales tax revenues went to the widening and other projects waited until the highway was completed. He questioned whether the revised plan weakened support for the highway.

Deputy Director Dellin clarified that the Expenditure Plan Subcommittee had worked with Pat Busch in formulating the revised *Financial Plan* over the course of several meetings.

Commissioner Beautz said that if historically growth in Santa Cruz County was 1.5 - 2 % it might be a good idea to reconfigure the analysis. Ms. Beautz moved to approve the staff recommendations that the Regional Transportation Commission review and accept updates on the *Financial Plan* for the Transportation Sales Tax Measure to fund the Highway 1/HOV Lane Widening and other projects and ask Mr. Busch to come back with a report

using 1.25% and 1.5% growth figures and to see if with new numbers it would be possible to use an accelerated schedule with Caltrans.

Commissioners discussed whether an accelerated schedule was ever presented and approved by the Commission and, if so, did it include the design/build option.

Commissioner Beautz restated the motion to have Mr. Busch return with a plan using the two growth rate assumptions listed above and to also include an accelerated schedule. Commissioner De La Paz seconded.

Commissioner Beautz asked Mr. Busch if he could have the information in time for the June 3rd Regional Transportation Commission meeting and he said he could.

Commissioners agreed that it might take two or three meetings to review the plan and that they wanted to be sure that all the assumptions were realistic. Commissioner Pirie noted that the bonding costs for the second phase had not been included in the calculations.

The motion passed unanimously.

8. Review Draft Ballot Language

Deputy Director Pat Dellin said that both the Expenditure Plan and Ordinance would be included in the *County Voter's Information Pamphlet*.

Commissioner Beautz suggested to poll for the ballot language. Commissioners agreed the ballot language needed more work and agreed to send suggestions to staff in the next few days.

Commissioner Beautz moved and Commissioner Wormhoudt seconded to let the Expenditure Plan Subcommittee work on the ballot language with input from Commissioners.

Deputy Director Dellin referred to the constrained timeline saying that the Board of Supervisors had to put the final expenditure plan on the ballot in August. Commissioner Beautz suggested that the Board of Supervisors consider the final expenditure plan in late June. She said she expected the RTC to need to finalize its work on the expenditure plan at the June TPW meeting, after it hears public comment at the June 3rd evening public hearing.

The motion passed unanimously.

9. Approve Using Federal Earmark Funds for Completion of the Phase II Environmental Assessment of the Santa Cruz County Branch Rail Line

Deputy Director Pat Dellin responded to a question from Commissioner Pirie, by saying that it was important to approve using the federal earmark funds now so that the Phase II Environmental Site Assessment can proceed as soon as right-of-way entry is secured.

Commissioner Wormhoudt moved to approve the staff recommendations that the Regional Transportation Commission authorize using the Santa Cruz Brach Rail Line Acquisition Federal Earmark funds for the completion of the Phase II Environmental Site Assessment. Commissioner Kennedy seconded.

Neil McElwee asked how the Commission could move forward without first obtaining the right-of-way entry and making sure the business plan wasn't full of holes.

Commissioner Beautz said the business plan was late and asked if discussion of the business plan was a closed session item

SCCRTC consultant Kirk Trost, Miller, Owen & Trost, said the business plan was on schedule and that it would be discussed in Closed Session. County Counsel Rahn Garcia said he would discuss in Closed Session whether or not discussion of the business plan was appropriate for closed session.

The motion passed unanimously.

10. Approve Release of the Draft Environmental Impact Report (EIR) for the Recreation Rail Project

Commissioner Kennedy moved and Commissioner Reilly seconded to approve the staff recommendations that the Regional Transportation Commission:

1. Release the Draft Environmental Impact Report (EIR) for Recreational Rail service between Capitola and Aptos with an extension to Seascapes for a 45-day review period with comments due by noon July 6;
2. Hold a noticed evening public hearing, if desired, to receive comments on the draft EIR on June 17 starting at 6:00 pm; and
3. Return to the August Regional Transportation Commission meeting if it appears a contract budget amendment is needed to respond to comments and complete the Final EIR.

Commissioner Beautz asked to extend the comment period from 45 days to 60, since the vacation season was approaching, and that the comment period begin June 17th.

Commissioner Wormhoudt moved to amend the motion to include a 60 day comment period that started immediately upon the Commission's approval to release the document at the Transportation Policy Workshop meeting.

Commissioner Beautz asked that reference materials be put on the website and Deputy Director Dellin said it could be done within the next week. Ms. Beautz also requested that the public hearing be held at 7:00 P.M. rather than 6:00 P.M.

Commissioner Kennedy approved the amendments as long as the timeline was not adversely affected.

Commissioner Spence asked for the motion to be repeated.

Director Dellin said that the motion included the staff recommendations listed above, with the change that the review period was for 60 days commencing today with comments due from the public by noon on 7/21/04, that references would be put on the website and that a public hearing be held on 6/17/04 at 7:00 p.m. at the County Board of Supervisors Chambers.

The motion passed unanimously.

The meeting adjourned into Closed Session at 11:15 a.m.

CLOSED SESSION

11. Conference with Real Property Negotiator for Acquisition of the Santa Cruz Branch Rail Line

- Property: Santa Cruz Branch Rail Line from Watsonville Junction to Davenport
- Agency Negotiator: Kirk Trost, Miller, Owen & Trost
- Negotiation Parties: SCCRTC, Union Pacific
- Under Negotiation: All terms

OPEN SESSION

12. Next Meetings / Adjournment

The next regular RTC meeting will be held Thursday, June 3, 2004 at 9:00 a.m. at the Board of Supervisors Chambers, 701 Ocean St., Santa Cruz, CA 95060.

The next Transportation Policy Workshop will be held Thursday, June 17, 2004 at 9:00 a.m. at the RTC Office, 1523 Pacific Avenue, Santa Cruz, CA.

A public hearing on the Draft Expenditure Plan is scheduled for Thursday June 3, 2004 at 7:30 p.m., with an Open House from 7:00 p.m. to 7:30 p.m., at the Santa Cruz County Board of Supervisors Chambers, 701 Ocean Street, Santa Cruz, CA 95060.

A public hearing on the Draft EIR for the Recreational Rail Project is scheduled for Thursday, June 17, 2004 at 7:00 p.m. at the Santa Cruz County Board of Supervisors Chambers, 701 Ocean Street, Santa Cruz, CA 95060.

Respectfully submitted,

Gini Pineda, Secretary

ATTENDEES

Bill Comfort	
Les White	SCMTD
Gine Johnson	Ecology Action
John Presleigh	County Department of Public Works
Neil McElwee	
Ken Kannegaard	RMC Lonestar
Heather Boerner	Sentinel
Eileen Goodwin	Apex Strategies
Bob Scott	SCCRTC Consultant
Robert Jones	
Paul Elerick	CFST
Peter Scott	CFST
David Wright	Friends of Rail Trail
Rahn Garcia	County Counsel
Pat Busch	CAO Office
Kirk Trost	Miller, Owen & Trost