

AGENDA: May 3, 2007

TO: Regional Transportation Commission (RTC)
FROM: Luis Pavel Mendez, Deputy Director
SUBJECT: Santa Cruz Metropolitan Transit District (SCMTD) FY 2007/08 Claims for Article 4 Transportation Development Act and State Transit Assistance Funds

RECOMMENDATIONS

Staff recommends that the Regional Transportation Commission:

1. Approve the Santa Cruz Metropolitan Transit District's FY 07/08 Transportation Development Act (TDA) Article 4 claim (Attachment 1) in the amount of \$6,362,037 per the attached resolution (Attachment 2);
 2. Approve the Santa Cruz Metropolitan Transit District's FY 07/08 State Transit Assistance Act (STA) claim (Attachment 1) in the amount of \$5,881,242 per the attached resolution (Attachment 3); and
 3. Accept Santa Cruz Metropolitan Transit District's 2006 Annual Report (Attachment 4) and oral presentation by the SCMTD General Manager.
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BACKGROUND

The State of California provides two major sources of funds for public transportation: Transportation Development Act (TDA) and State Transit Assistance (STA). The Regional Transportation Commission (RTC) oversees the allocation of these funds. TDA local transportation funds (LTF) are derived from 1/4 cent of the retail sales tax collected statewide, returned to each county according to the amount of tax collected in that county. TDA funds can be used to fund public transportation system operations, maintenance, and capital projects (such as vehicles, bus shelters, benches, and communication equipment); specialized transportation; RTC administration, transportation planning and programming; and local pedestrian and bicycle projects. In areas where no unmet transit needs exist or are reasonable to meet TDA funds can be used to fund street and road projects. Article 4 TDA funds are available to operators of general public transportation systems. The RTC allocates TDA funds to SCMTD and other claimants based on priorities and formulas in the RTC Rules and Regulations. The allocations are then included in the overall budget.

State Transit Assistance (STA) funds are derived from the statewide sales tax on gasoline and diesel fuel. The money is apportioned to each regional transportation planning agency based 50% on population and 50% on operator revenues for the prior fiscal year. STA funds may be allocated to public transit operators who meet certain qualifying criteria. Each year, the RTC allocates all of the region's STA revenues to the SCMTD. The STA allocation also flows through the SCCRTC budget. In years when the tax revenues from gasoline increase at a higher rate than tax revenues from all other goods, the STA also receives "spillover" revenues. The governor proposed discontinuing allocations of "spillover" revenue to the STA starting in FY 07/08.

DISCUSSION

The TDA and STA claims submitted by SCMTD (Attachment 1) are consistent with the Commission's adopted FY 07/08 budget and with the Commission's Rules and Regulations and state regulations. SCMTD's FY 07/08 Transportation Development Act claim is for the amount allocated by the RTC in its budget, \$6,362,037. This is an 8.2% increase over the FY 06/07 regular allocation and a 3.2% increase over the total of the regular and supplemental TDA allocations for FY 06/07. The State Transit Assistance claim is for \$5,881,242 which represents a 25% increase over the FY 06/07 allocation. The increase in STA funds is due to the passage of Proposition 1B by the California voters in November 2006.

By statute, TDA and STA funds may be used for either operations or capital projects. However, due to operating cost increases from year to year, SCMTD has been unable to meet the mandated efficiency standards necessary to use the STA funds for operating purposes (Public Utilities Code section 99314.6) since before 1989. Eligibility standards do not apply when STA funds are used for capital projects. SCMTD proposes to use the TDA funds for operations and the STA funds for the Capital Improvement Program. Specifically, SCMTD proposes to use the entire \$5,881,242 in STA funds for construction of the MetroBase Consolidated Operations Facility.

Staff recommends that the Regional Transportation Commission approve the attached resolutions (Attachments 2 & 3) approving the SCMTD FY 07/08 Transportation Development Act Article 4 claim in the amount of \$6,362,037 and the State Transit Assistance claim in the amount of \$5,881,242.

The TDA amount in this claim is based on the January 2007 estimate for FY 07/08 TDA funds provided by the Santa Cruz County Auditor, and the STA funds are based on the January 2007 estimate for FY 07/08 STA funds provided by the California State Controller based on the Governor's proposed FY 07/08 State budget. If the final amount of TDA and STA funds changes, an amended claim will be submitted by SCMTD.

Attachment 4 shows highlights of the SCMTD 2006 Annual Report. Les White, SCMTD General Manager, will make an oral presentation on the status of SCMTD services and projects and the SCMTD 2006 Annual Report.

SUMMARY

The Santa Cruz Metropolitan Transit District submitted FY 07/08 Transportation Development Act and State Transit Assistance claims. The claims are consistent with the Commission's adopted FY 07/08 budget and meet the criteria set in the Commission's Rules and Regulations and state regulations.

- Attachments:
1. TDA and STA Claims from SCMTD
 2. Resolution for TDA Claim
 3. Resolution for STA Claim
 4. SCMTD FY 2006 Annual Report Highlights

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