

Measure “J” FAQ

Local Transportation Improvement Act

FREQUENTLY ASKED QUESTIONS

1. **What is Measure J?** Measure J is a countywide transportation measure on the November 2004 Ballot. If approved by 2/3 of voters, Measure J would enact a ½-cent increase to the sales tax rate countywide to finance transportation projects listed in the Expenditure Plan included as part of the Measure.
2. **How much will it generate?** Approximately \$577M (in 2004 dollars) over 30 years.
3. **What Projects Will Measure J Pay For?** Funds generated by Measure J will help pay for the Highway 1 Widening/Carpool/Bus lanes project and other transportation projects countywide, as listed below.

| Highway 1 Projects: | <u>Percentage of Funds</u> | <u>Total Est. Revenues</u> |
|---|--------------------------------|--------------------------------|
| Highway 1 Widening/Carpool Lane Project | 63.0% | \$363M |
| Highway 1 Bicycle/Pedestrian Crossings | 1.0% | \$6M |
| Highway 1 Express Buses | 1.0% | \$6M |
| Highway 1 Park and Ride Lots and Carpool Programs | 1.5% | \$9M |
| Local City & County Transportation Improvements - Street/Road/Bicycle/Pedestrian/Transit | 19.5% | \$112M |
| Highway 17 Safety Programs | 1.0% | \$6M |
| Senior & Disabled Transportation Services | 4.0% | \$23M |
| Watsonville-Pajaro Junction Rail Station | 1.0% | \$6M |
| Coastal Bicycle/Pedestrian Trail, adjacent to Rail Line | 4.0% | \$23M |
| Contingency/Reserve | 3.0% | \$17M |
| Administration | 1.0% | \$6M |
| TOTAL: | 100% | \$577 million |

4. **What is the Highway 1 Widening/Carpool Lane Project?** This project will add a new travel lane in each direction on Highway 1 between Santa Cruz and Aptos. The new lane will be designated for use by carpools, vanpools, express buses and emergency vehicles during commute hours. The project may also include auxiliary lanes and ramp meters.
5. **Why is additional local funding needed?**
 - Existing revenues are insufficient to fund the Highway 1 Widening/Carpool Lane Project, one of the largest public works project in Santa Cruz County since the highway was built.
 - Though state and federal funds will be used to greatest extent possible, local sales tax revenue is needed to fill funding gaps for the project --- it may also give the region a better chance of receiving competitive grant funds.
 - Most state and federal funds are distributed to areas based on population. Since Santa Cruz County is a relatively small region, our share of funds is too low to cover the entire cost of the Highway 1 Widening/Carpool Lane Project – estimated to cost \$491 million (with \$363 million coming from Measure J revenues).
 - State transportation funds have become unreliable and subject to conflicting state budget priorities. Over the past few years the State has “borrowed” approximately \$6 billion in gas tax and other transportation funds in order to cover shortfalls in other State non-transportation funded programs.
 - The State will not be able to take Measure J funds away from us. These tax dollars will stay here and be used for local transportation improvements.
6. **How will the ballot measure be decided?** 2/3rd of those voting on Measure J on November 2, 2004 will need to vote affirmatively in order for it to pass.
7. **How long will the tax be collected?** 30 years

8. **When will the new tax go into effect/start?** April 1, 2005 (if approved by voters)
9. **What is an Expenditure Plan?** The Expenditure Plan is a document that identifies how funds generated by Measure J will be distributed. It provides information on each of the projects to be funded, the taxpayer accountability safeguards, and the general provisions of the Measure. The entire text of the Expenditure Plan is available in the Voter Pamphlet on the County Election's Department website: <http://www.votescount.com/nov04/measurej.pdf>. The Voter Pamphlet also includes an impartial analysis of Measure J, a fiscal analysis of its provisions, as well as arguments both for and against the Measure.
9. **What is the Ordinance?** The Ordinance is the part of the Measure that authorizes imposition of the tax and provides technical details about on how the tax will be collected, distributed and monitored. The entire text of the Ordinance is available in the Voter Pamphlet on the County Election's Department website: <http://www.votescount.com/nov04/measurej.pdf>.
10. **How were the projects selected?** The Santa Cruz County Regional Transportation Commission (RTC) developed this program of projects based on input received at public meetings, interviews with community members/leaders, and polls of likely voters over the past two years.
11. **Can the Board of Supervisors or RTC change the amount given to each project or category?**
No. Only voters could change the project list, the amount of funding distributed to each project, or any other provisions of the Ordinance and Expenditure Plan.
12. **Which projects will get the funds first?** In general, funds will be allocated annually to every project based on the percentages listed above. A provision to cover debt service on bonds for the Highway 1 Widening/Carpool Lane Project as a first priority could mean that other allocations are deferred in some years.
13. **Who will collect and distribute the money?** The State Board of Equalization (BOE) collects the funds from local retailers and others who sell products and services. Those funds will then be deposited in a special account overseen by the County Auditor-Controller, to distribute as outlined in the Expenditure Plan. Funding for the Highway 1 Widening/Carpool Lane Project will be distributed to the Highway 1 Construction Authority.
14. **What is the Highway 1 Construction Authority?** The Highway Construction Authority (HCA) is a new agency solely focused on construction of the Highway 1 Widening/Carpool Lane project. Representatives of the County of Santa Cruz, the Santa Cruz Metropolitan Transit District (Metro), and the Cities of Capitola, Scotts Valley, and Watsonville make up the HCA board.
15. **How will we know Measure J funds are being spent properly? Will they be subject to audits?** An independent audit committee will be established to ensure the funds are being spent in accordance to the Measure J Ordinance and Expenditure Plan and to oversee an annual financial audit of the allocation and expenditure of Measure J funds. Status reports will be developed to keep the community informed about project progress and how the funds are being spent.
16. **Who will decide how the City and County Transportation Improvement funds are spent?** Measure J funds allocated for local roadway repairs, bicycle facilities, sidewalks and transit improvements will be divided based on population and distributed to the Board of Supervisors and each City Council who will then decide how to use their share of funds.
17. **How can I find out more about the Measure J and the Highway 1 Widening/Carpool Lane Project?** Visit the RTC online at www.sccrtc.org, call us at 831-460-3200, or e-mail us at info@sccrtc.org to access [FAQ's on Highway 1](#), Fact Sheets on Measure J, and other information.