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DEPARTMENT OF  
TRANSPORTATION

CITY OF SACRAMENTO  
CALIFORNIA

927 10<sup>th</sup> STREET, STE. 100  
SACRAMENTO, CA  
95814-2700

PH. (916) 808-8300  
FAX (916) 264-8281

May 10, 2004

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: RENEWAL OF MEASURE A TRANSPORTATION SALES TAX**

**LOCATION AND COUNCIL DISTRICT:** Citywide. All Districts.

**RECOMMENDATION:**

This report recommends that the City Council discuss the draft Expenditure Plan, countywide transportation impact fee, and policy issues and provide direction to the City's members of the Sacramento Transportation Authority (STA) Governing Board.

**CONTACT PERSON: Fran Halbakken, Planning and Policy Manager, 808-7194**

**FOR COUNCIL MEETING OF:** May 11, 2004

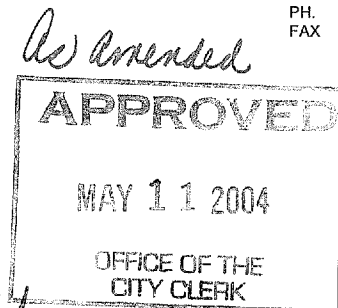
**SUMMARY:**

The current Measure A Transportation Sales Tax will expire in 2009. The STA Board previously authorized STA staff and consultants to prepare a sales tax extension ordinance and Expenditure Plan for possible inclusion on the November 2004 Countywide ballot. The STA Governing Board held workshops in March, April and May to discuss the draft Expenditure Plan and policy issues related to Measure A renewal. The full Council will discuss the Expenditure Plan, development fee and policies and provide direction to STA Board members and staff in advance of STA Board action.

**COMMITTEE/COMMISSION ACTION:** None.

**BACKGROUND INFORMATION:**

Since 1989, the Measure A transportation sales tax has been collected in Sacramento County at the rate of ½ cent and designated for transportation purposes. Measure A revenues are distributed as follows:



*(See Minutes for Council Direction to Staff)*

City Council  
Renewal of Measure A Transportation Sales Tax  
May 10, 2004

- 1.5% for transportation-related air quality programs and mitigation
- 1.8% for Paratransit
- 25.6% for street maintenance
- 38% for street capital (road projects/programs)
- 32% for transit capital projects and operations and maintenance (O&M)

Street maintenance and capital funds are distributed on a per capita basis, with the City receiving 35.5% of the total sales tax. In FY 2003/04, the City received \$8,210,213 in Measure A maintenance and \$10,984,543 in Measure A capital funds. Attachments A - G illustrate the City's transportation fund sources, shown in various ways. The City relies heavily on Measure A funding for both maintenance and capital projects.

For the renewal of Measure A, the STA Board is seeking to develop an Expenditure Plan that will be approved by voters and provide for a balanced transportation system. The Board formed a Technical Advisory Committee of Measure A recipient agencies and a broad-based Citizens Committee to assist STA staff and consultants. City staff has been attending both Technical and Citizens Committee meetings. A cross-departmental City team, consisting of staff from Transportation, Economic and Downtown Development, Planning, Parks, and Finance has been involved in the renewal effort. The STA Board has been receiving public comments on Expenditure Plan categories and the percentage of allocation to categories since March 2004. Under the draft Expenditure Plan (Attachment H), which is based on extension of the ½ cent sales tax for 30 years, 2009 to 2039, the distribution would be the following:

- 1.5% for transportation-related air quality programs and mitigation
- 5% for Paratransit
- 29% for street maintenance
- 8% for street capital (road projects/programs)
- 38.25% transit congestion relief (3.75% new transit projects; 34.5% O & M)
- 12.25% for state highway safety and congestion relief
- 5% for landscaping, pedestrian (including American with Disabilities Act) and bicycle facilities, smart growth, and transit-oriented development
- 1% for program administration

A graph showing the current Measure A and proposed Expenditure Plan distribution is included as Attachment I. Staff's analysis of the Expenditure Plan is detailed below:

**Street Maintenance** – increase from current 25.6% to proposed 29%

Street maintenance needs have increased for the City of Sacramento and all the Measure A entities since the sales tax was established in 1988. Polls indicate that voters strongly support street maintenance. Staff recommends the allocation be increased to a minimum of 30%.

**Street Capital (road projects/programs) – decrease from 38% to 8%**

There will be less funding available for local road projects. Projects listed in the Expenditure Plan that are entirely or partially in the City of Sacramento include:

- Arden Way, Del Paso to Fair Oaks
- Bruceville Road, Sheldon to Cosumnes River
- Cosumnes River, Interstate 5 to Franklin
- Folsom – 65<sup>th</sup> to Sunrise
- South Watt/Elk Grove-Florin, Folsom to Elk Grove
- Sheldon – Bruceville to Bradshaw

These projects are assumed to be 1/3 funded by sales tax and 2/3 from private development, redevelopment, federal or state funds. Five percent of the eight percent allotment is for local road projects and the remaining three percent is for traffic safety and operational programs. The City has been dedicating \$3.5-4 million of Measure A funds to the program areas of:

- Pedestrian safety
- Speed humps
- Traffic signals and roundabouts
- Traffic Operations Center
- Signal Pre-Emption
- Transportation Air Quality Collaborative
- Economic Development, Infill and Redevelopment support
- Neighborhood Traffic Management Program
- Midtown South SMART
- Diagonal parking conversion
- Median/Turn lane

As proposed, the City of Sacramento's annual per capita share would be \$2.8 million for road projects and \$1.7 million per year for programs. Staff recommends the allocation be increased to 12%, increasing the funding for City road projects and programs to \$6.7 per year.

**Transit Capital and Operations and Maintenance (O&M)**

The Plan allocates 38.25% to cover the annual O&M costs for Regional Transit's current transit system and the following new capital projects entirely or partially in the City of Sacramento:

- Light Rail extension to Cosumes River College (CRC)
- Light Rail extension from Downtown to Natomas/Airport – design & environmental
- Sacramento Intermodal Station
- Bus Rapid Transit on Florin, Freeport to Elk Grove-Florin

- Bus Rapid Transit on Stockton, Downtown to Florin Mall to CRC
- Downtown Bus Loop service upgrade

Staff recommends moving the Intermodal Station from the rail transit improvements category with its own dedicated allocation from Measure A.

### **State Highway Safety and Congestion Relief**

This is a new category in the Expenditure Plan with an allotment of 12.25%. When the original Measure A Expenditure Plan was developed, the State Department of Transportation (Caltrans) was responsible for funding operational improvements of the regional freeway system in Sacramento County. Caltrans no longer receives dedicated state or federal funding for this purpose and funding is expected to come from local or regional fund sources. These projects are assumed to be 1/3 or 1/2 sales tax funded with the remainder from our region's state or federal funds. Listed projects that are entirely or partially in the City limits are:

- Ramp connection SR 50 east to 99 south
- Capital City freeway Bus/Carpool lanes, E Street to El Camino
- Interstate 80 Bus/Carpool lanes, Interstate 5 to Capital City freeway
- Interstate 5 Bus/Carpool lanes, Elk Grove to Interstate 80
- Ramp connection between SR 50 and Interstate 5
- State Route 50 Bus/Carpool lanes, Sunrise to Downtown
- Interstate 5/Cosumnes Interchange
- Interstate 5/80 Interchange upgrade
- Interstate 5/Richards Interchange upgrade

### **Landscaping, pedestrian (including ADA) and bicycle facilities, and Smart Growth**

This program area is proposed at 5% and would include streetscaping, pedestrian improvements, ADA accessibility, bicycle improvements, safe routes to schools, and Smart Growth and transit-oriented development projects. Setting aside \$1 million per year for the American River Parkway and applying a per capita share, the City of Sacramento would receive \$2.4 million per year.

Staff recommends increasing the allocation to 8% to provide more funds for ADA accessibility and a formula allocation. The Parks Department would like to include maintenance of major off-street bicycle bridges and facilities to this category.

### **Countywide Transportation Impact Fee**

To supplement Measure A sales tax, STA is proposing a fee at the following levels:

- Single family unit - \$1000
- Multi family unit - \$750
- Retail - \$2.50 / SF

- Office - \$2.00 / SF
- Industrial - \$0.50 / SF

The new impact fee would be imposed in the County and every city in the county. Each agency can opt to pay their share of the fee from existing fees or other available revenue sources, in lieu of imposing the new fee. Impact fee allocation is proposed at:

- 30% for local road projects and programs
- 30% for transit capital projects
- 30% for freeway projects
- 10% for a transportation project environmental mitigation program

Based on revenue projections, the consultant estimated the fee program to add \$488 million over 30 years.

Staff recommends the allocations not be determined until a nexus study is done to determine where fees will be coming from, aligned with projects that will be of benefit to those areas.

## **Policies**

Draft ordinance language addresses the following policy issues that arose from a public opinion survey conducted last December (see Attachment J):

- Taxpayer oversight and independent auditing
- Periodic Expenditure Plan review and amendment process
- New development “paying its way”
- Open space preservation and growth management

## **Process and schedule**

The STA Board has made intent motions to approve a ½ cent extension for 30 years and approve the concept of a supplemental impact fee. Two subcommittees were established to develop recommendations to the full STA Board on the allocations of the Expenditure Plan and the growth management policies. Board meetings are scheduled on May 27, June 10 and June 24 to finalize the Expenditure Plan and related matters. Following that the policy boards of all the affected agencies will be asked to formally act on Measure A renewal, with final action scheduled to come back to the STA Board.

## **FINANCIAL CONSIDERATIONS:**

The current Measure A transportation sales tax provides 34% of the City of Sacramento’s maintenance and operating funds and 27% of the local funds for transportation capital projects and programs. Measure A renewal is critical for the City’s transportation needs.

not involve an activity that will cause a direct or indirect physical change in the environment and does not require further environmental review.


**POLICY CONSIDERATIONS:**

Recommendations in the draft Expenditure Plan and related policies are consistent with the City of Sacramento's Strategic Plan goals of improving and diversifying the transportation system and enhancing and preserving neighborhoods. The policies support joint development at transit stations and projects that promote "Smart Growth."


**ESBD CONSIDERATIONS:**

None, since no goods or services are being procured with this report.

Respectfully submitted,

  
Francesca Lee Halbakken  
Planning and Policy Manager

RECOMMENDATION APPROVED:

  
ROBERT P. THOMAS  
City Manager

Approved:

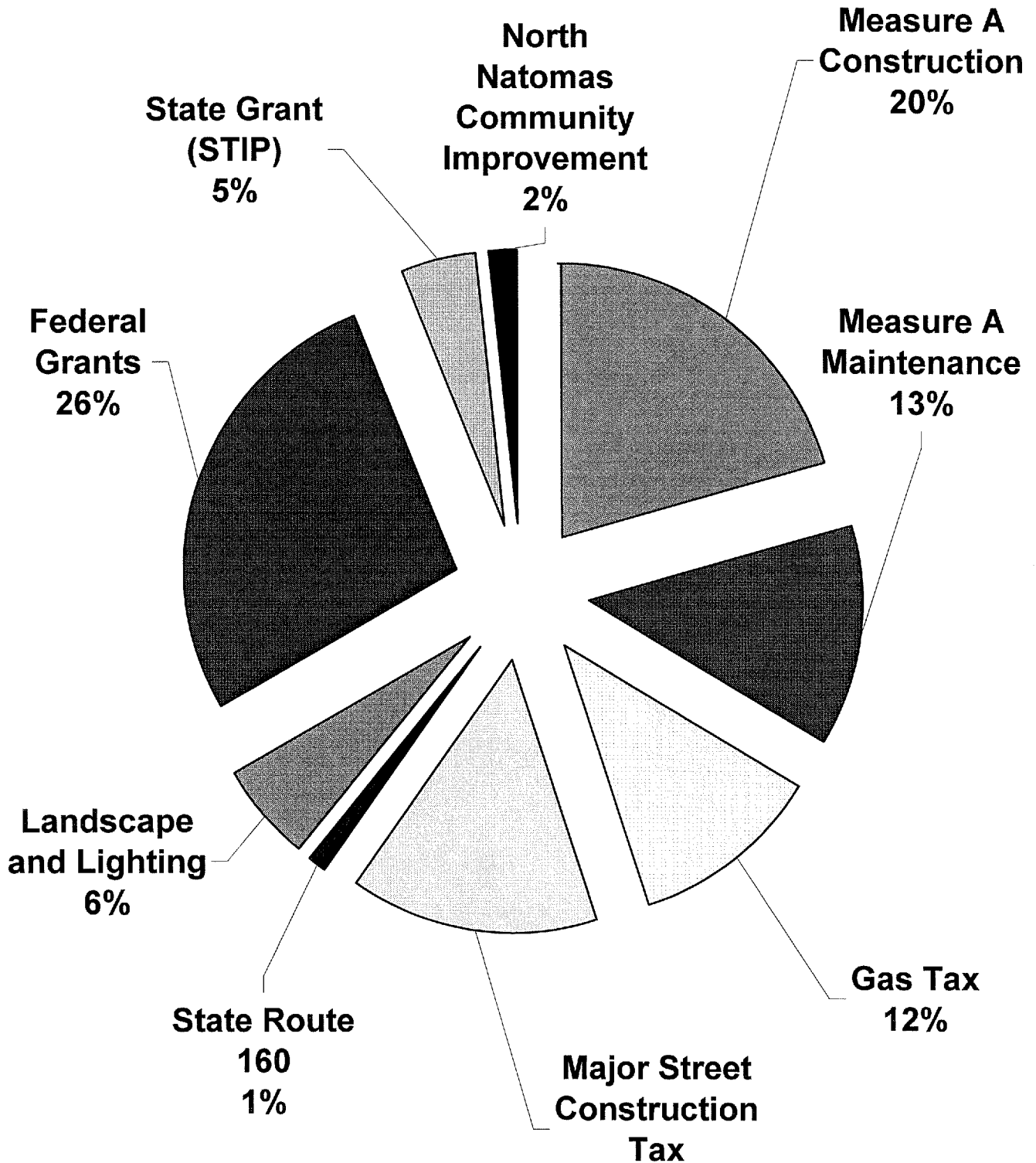
  
Marty Hanneman  
Director, Department of Transportation

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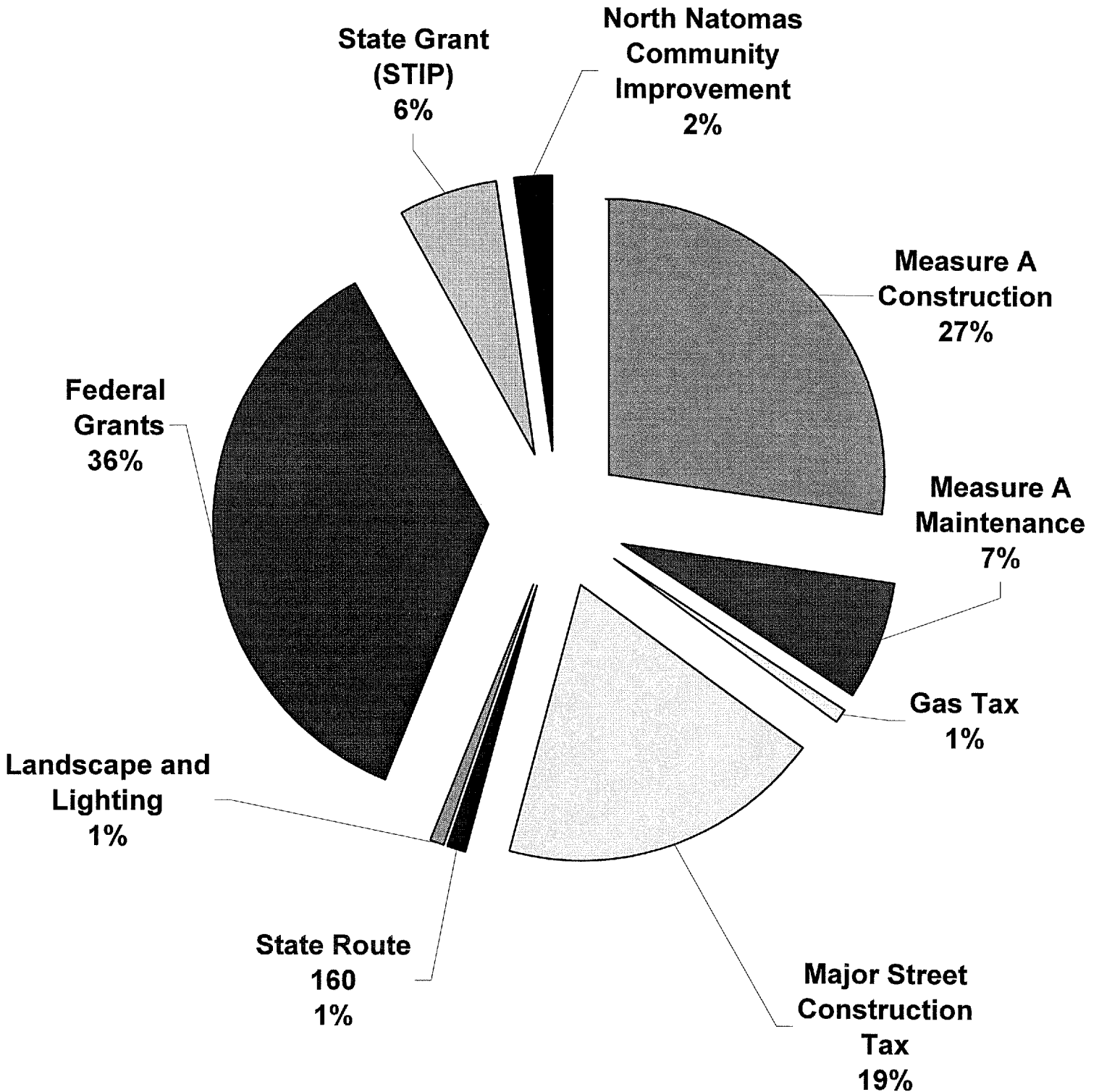
- 1) Attachment A, Total Programming by Fund Type, page 7
- 2) Attachment B, Transportation Capital Program Funding, page 8
- 3) Attachment C, Transportation Operations and Maintenance Funding, page 9
- 4) Attachment D, Capital Program Funding by Program Area, page 10
- 5) Attachment E, Transportation Capital Program Funding by Fund Type (less State/Federal Grants), page 11
- 6) Attachment F, Transportation Capital Program Funding by Program Area (less State/Federal Grants), page 12
- 7) Attachment G, Measure A Funding by Program Area, page 13
- 8) Attachment H, Measure A Expenditure Plan, pages 14-18
- 9) Attachment I, Measure A Distribution by Mode, page 19-20
- 10) Attachment J, Expenditure Plan Policy Issues, pages 21-25

# 2003-2004 Transportation Funding Total Programming by Fund Type (\$67,826,844)

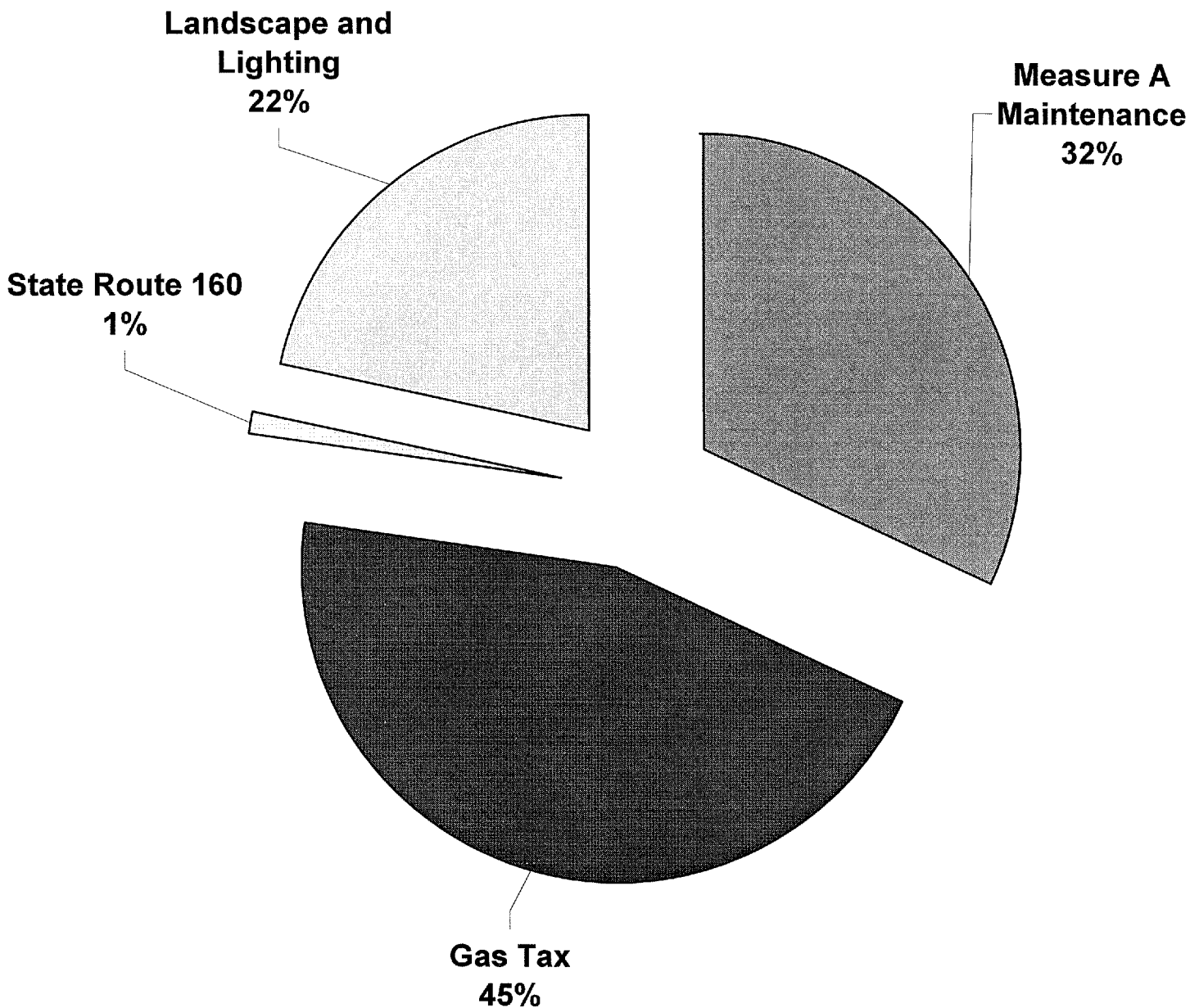
(Capital/Maintenance/Operations)



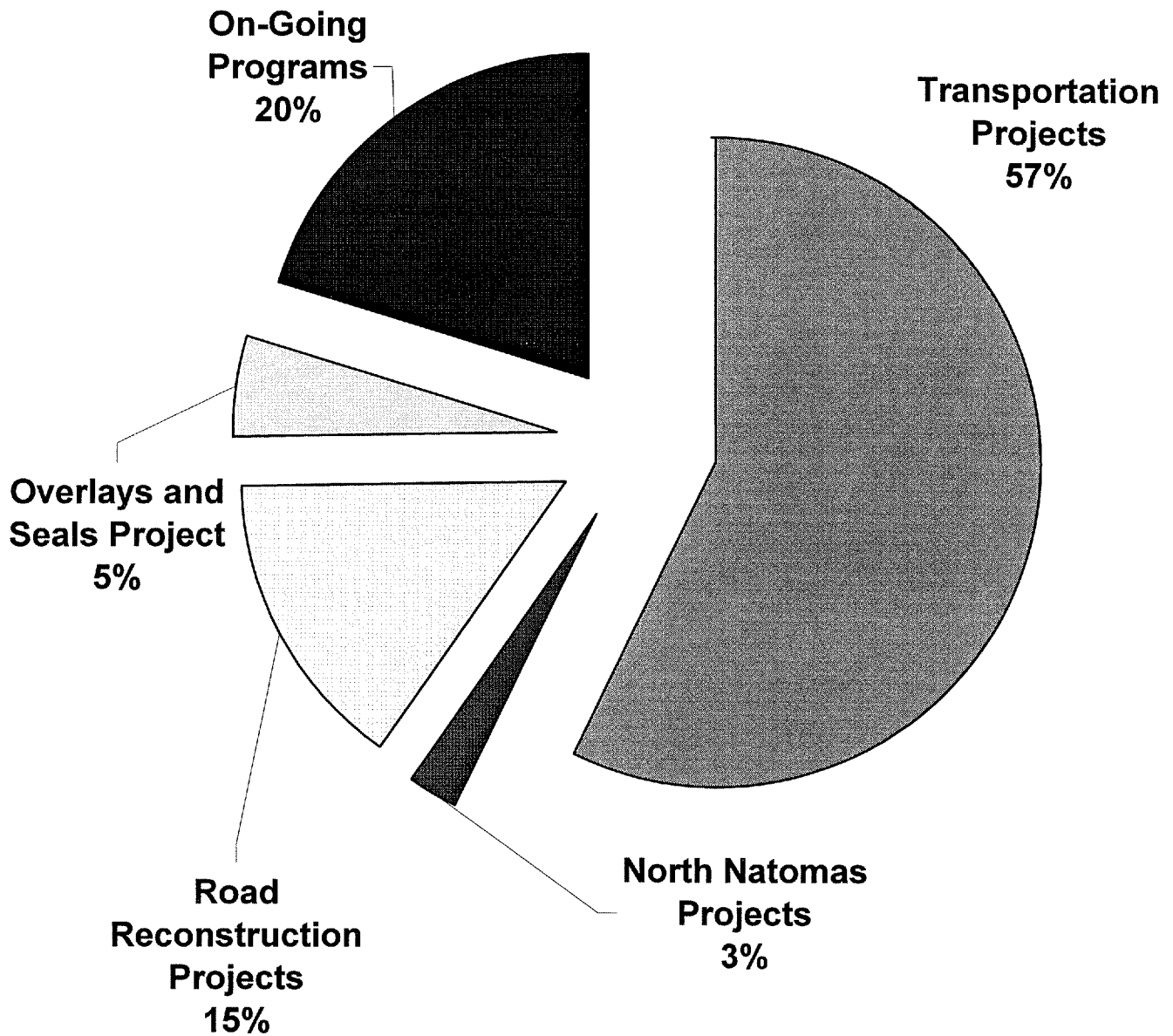
# 2003-2004 Transportation Capital Program Funding by Fund Type (\$51,528,527)



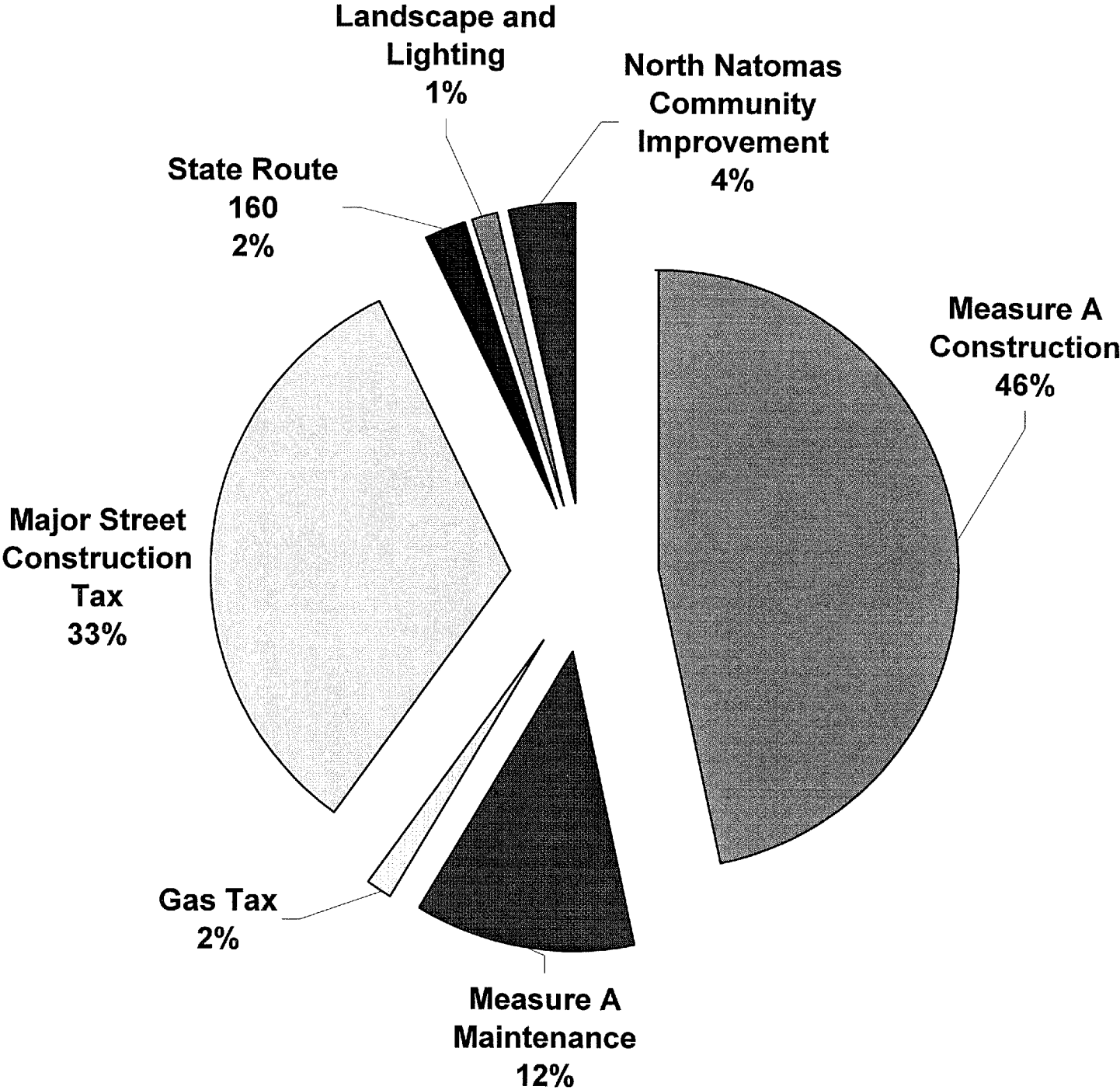
# 2003-2004 Transportation Operations & Maintenance Funding by Fund Type (\$16,298,037)



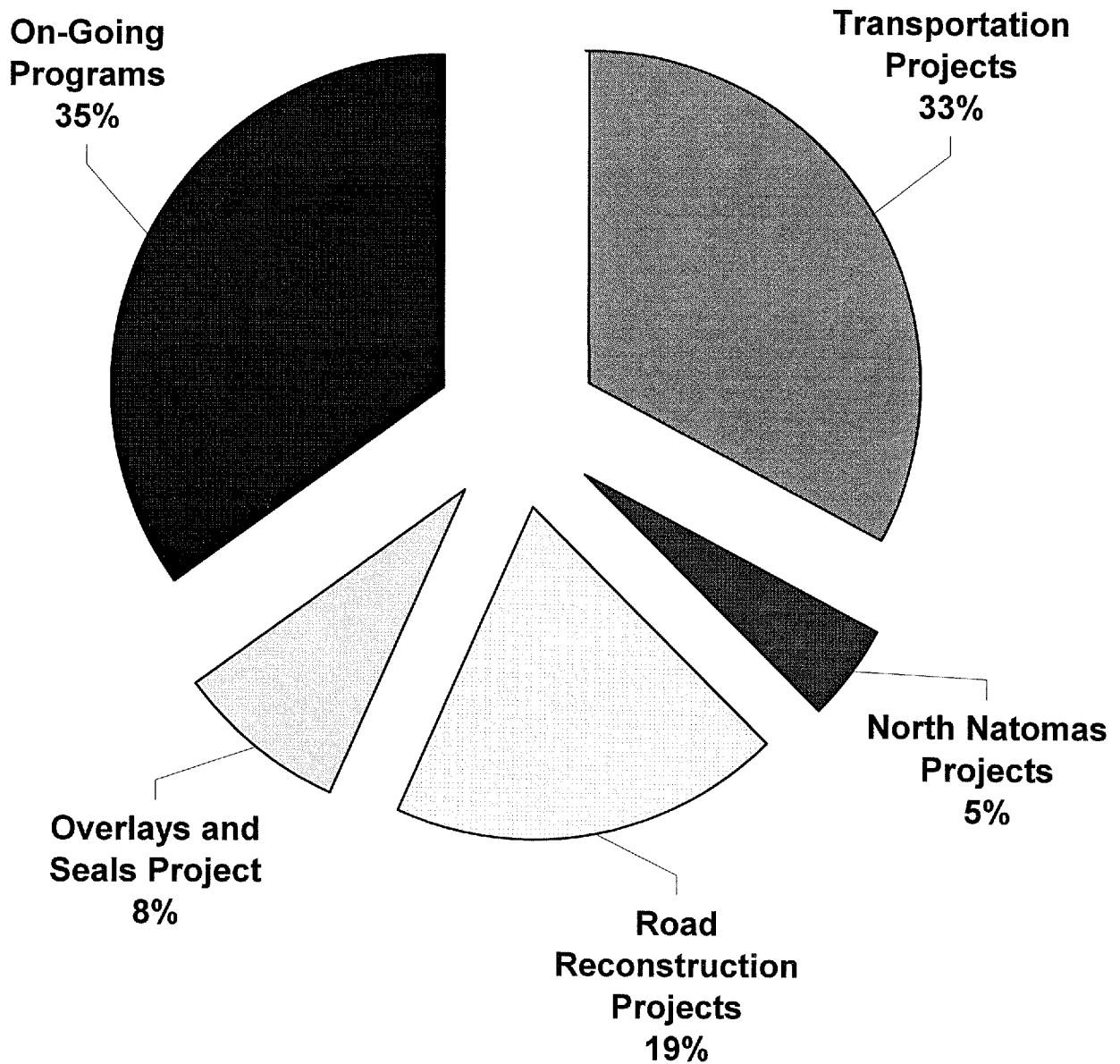
# 2003-2004 Capital Program Funding by Program Area (\$51,528,527)



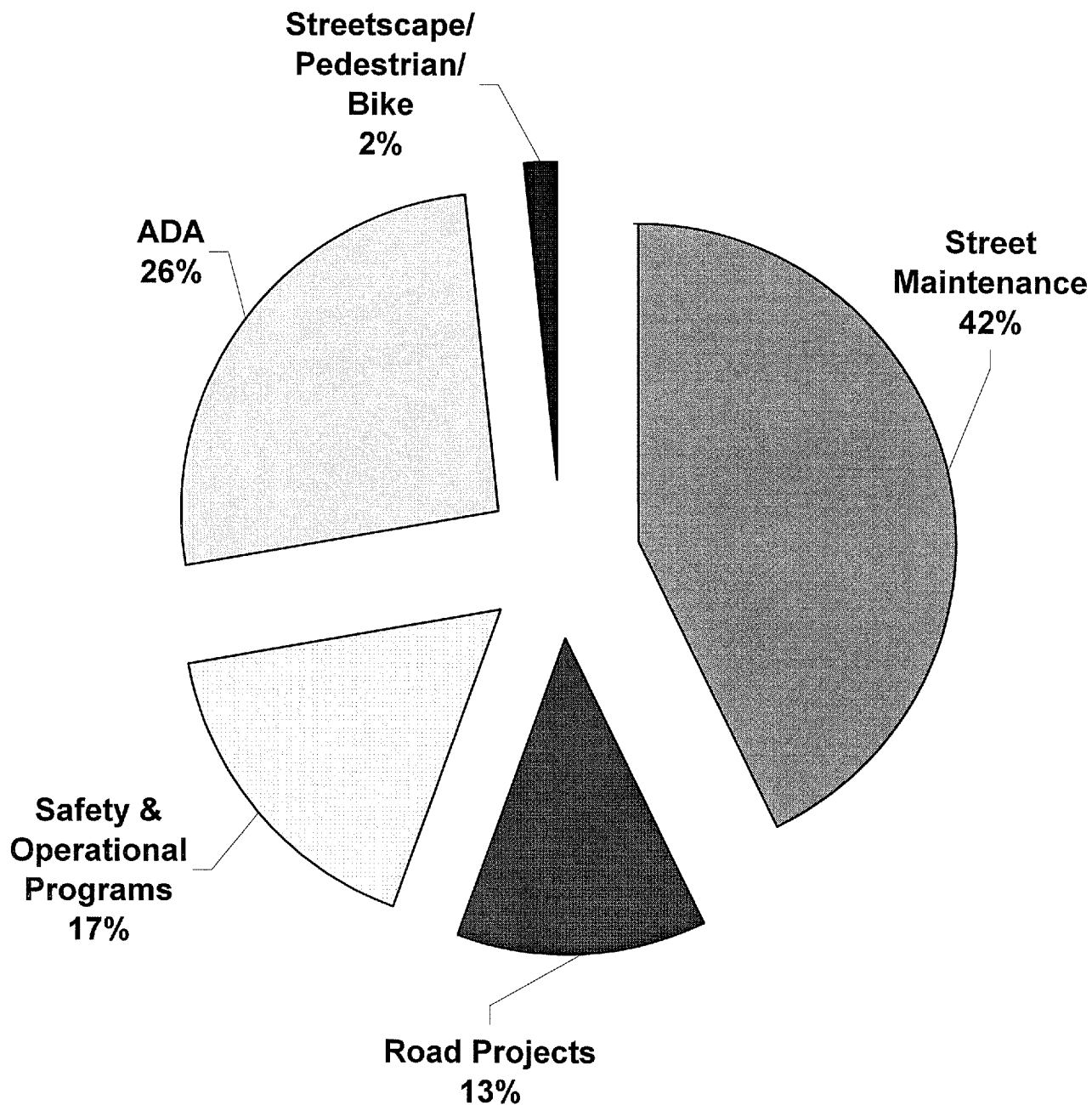
# 2003-2004 Transportation Capital Program Funding (less State/Federal Grants) by Fund Type (\$30,024,710)



# 2003-2004 Transportation Capital Program Funding (less State/Federal Grants) by Program Area (\$30,024,710)



**2003-2004 Measure A Funding  
by Program Area  
(\$19,194,756)  
(Capital/Operations/Maintenance)**



Measure A Expenditure Plan Development  
Staff/Consultant Recommendation — May 7, 2004

	Proposed Percentage of DEVELOPER FEES	Proposed Percentage of SALES TAX		Total Project Est. Cost	Proposed Sales Tax Allocation in \$	Proposed Developer Fee Allocation in \$	TOTAL PROPOSED ALLOCATION IN \$\$
<b>I.</b>	<b>37%</b>		<b>Local Road Maintenance, Safety and Congestion Relief Program</b>	\$3,700	<b>\$1,739</b>	<b>\$146</b>	<b>\$1,885</b>
	<b>29%</b>		<b>City Street and County Road Maintenance - Filling the Potholes</b>		<b>\$1,363</b>		<b>\$1,363</b>
			<p><i>This program would be targeted for city street and county road maintenance and rehabilitation and repair. It would include a required Maintenance of Effort regarding existing road maintenance programs to ensure that the net impact of the program would provide continuing funds for this purpose in each of the cities and in the unincorporated areas of the County. Each of the local governments receiving these funds would file a pavement and bridge maintenance system report on a biennial basis to the STA regarding progress in maintaining local streets and roads. The report would be in a format that could be audited on a biennial basis. Distribution among the cities and unincorporated County area would be based 50% on relative population and 50% on total street/road mileage. The formula would be updated annually based on the Department of Finance population estimates for cities and counties.</i></p>				
	<b>30%</b>	<b>8%</b>	<b>Local Arterial Safety &amp; Traffic Operations Improvements Program</b>		<b>\$376</b>	<b>\$146</b>	<b>\$522</b>
			<p><i>This program would be separated into two categories of which 5% would be dedicated to arterial safety, operational and streetscaping improvements. The second category would dedicate 3% for traffic control system improvements, high priority pedestrian and vehicle safety projects, upgrades of arterials from old rural standards to safer, urban standards, and emergency vehicle preemption systems for quicker police, fire and ambulance response in Sacramento County. Distribution among the cities and unincorporated County area would be based 50% on relative population and 50% on total street/road mileage. Each local government would file a five year program for use of the funds with the STA, updated every other year to ensure program integrity and performance.</i></p>				
	<b>5%</b>		<p><i>The 5% arterial program would include, but not be limited to, the following arterials. This list of targeted facilities could be modified based on changing traffic, safety, and other changed conditions and priorities of each local government jurisdiction over time.</i></p> <ul style="list-style-type: none"> <li>• Antelope Road: Watt—Auburn \$48 \$16</li> <li>• Arden Way: ITS improvements Del Paso—Fair Oaks Blvd \$12 \$4</li> <li>• Bradshaw Road: Grant Line—Folsom Blvd \$128 \$43</li> <li>• Bruceville Road: Sheldon—Cosumnes River Blvd \$14 \$5</li> <li>• Cosumnes River Blvd: I-5—Franklin Blvd \$20 \$7</li> <li>• Elk Grove Blvd: Big Horn—Waterman \$20 \$7</li> <li>• Folsom Blvd: 65th—Sunrise \$118 \$39</li> <li>• Folsom Bridge Crossing* \$85 \$28</li> <li>• Grant Line/White Rock: SR99—SR50 (&amp; open space mitigation) \$260 \$87</li> <li>• Greenback Lane: I/80—Folsom/Auburn Road \$50 \$17</li> <li>• Hazel Ave Improvements: Placer Co Line—Folsom Blvd \$118 \$39</li> <li>• Madison Ave: Watt—Greenback \$91 \$30</li> <li>• S Watt/Elk Grove-Florin Road: Folsom—Elk Grove Blvd \$120 \$40</li> <li>• Sheldon Road: Bruceville—Bradshaw \$25 \$8</li> <li>• Sunrise Blvd: Placer Co line—Grant Line \$47 \$16</li> <li>• Watt Ave: Antelope—Capital City Freeway \$28 \$9</li> </ul> <p><i>*project requires less than 1/3 contribution from local sales tax</i></p>		<b>\$235</b>		<b>\$235</b>
	<b>3%</b>		<p><i>The 3% traffic control and safety program would be dedicated to the following programs:</i></p> <ul style="list-style-type: none"> <li>• Synchronizing Traffic Signals</li> <li>• Emergency Vehicle Signal Preemption</li> <li>• Installing Fog/Rain/Night Roadway Reflectors</li> <li>• Construct Shoulders for Safety on Rural Roads</li> <li>• Audible Pedestrian Signals</li> <li>• Changeable Message Signs</li> <li>• Modifications to streetscape to improve accessibility for disabled citizens</li> </ul>		<b>\$141</b>		<b>\$141</b>

**Measure A Expenditure Plan Development**  
Staff/Consultant Recommendation — May 7, 2004

	Proposed Percentage of DEVELOPER FEES	Proposed Percentage of SALES TAX		Total Project Est. Cost	Proposed Sales Tax Allocation in \$\$	Proposed Developer Fee Allocation in \$	TOTAL PROPOSED ALLOCATION IN \$\$	
<b>II.</b>	<b>38.24%</b>		<b>Transit Congestion Relief Program</b>	1,617+	<b>\$1,798</b>	<b>\$146</b>	<b>\$1,944</b>	
			<p><i>This program is meant to provide funding for both major transit capital improvements and the necessary funding for operating and maintaining such improvements, as well as existing transit services. The funding for capital improvements assumes 1/3 sales tax and a match of 2/3 federal, state and/or local funding other than sales tax. The funding for operations is meant to augment existing Transportation Development Act (TDA) funds, Proposition 42 funds, fare box revenues and other available funds. These funds would be directly subvented to Regional Transit based on a five year, annually updated transit capital and operating business plan recommended by Regional Transit and approved by the STA Board. The plan would require Regional Transit to improve its current 25% fare box to operating cost ratio to no less than 27% systemwide by the time the sales tax extension takes effect in 2009.</i></p>					
	<b>34.50%</b>		<b>Transit Operations &amp; Maintenance</b>		<b>\$1,622</b>		<b>\$1,622</b>	
			<p><b>Eligible Funding categories:</b>  <b>Operating &amp; Maintaining Existing Bus &amp; Light Rail System</b>  <b>Guaranteed Discount Transit Fares for Students &amp; Seniors</b>  <b>Operating &amp; Maintaining New Transit Capital Improvements</b></p>					
	<b>30%</b>	<b>3.74%</b>	<b>Transit Capital Improvement Program</b>		<b>\$176</b>	<b>\$146</b>	<b>\$322</b>	
	<b>1.62%</b>		<b>Rail Transit Improvements</b>		<b>\$76</b>		<b>\$76</b>	
			<p><i>(1/3 local Transportation Sales Taxes, 2/3 Federal, State, Private developer or other sources)</i></p> <ul style="list-style-type: none"> <li>• Construct LRT extension from Meadowview Road to Cosumnes River College \$153 \$51</li> <li>• Upgrade Commuter rail/Capitol Corridor in the I-80 corridor (based on state, federal and other county participation) \$40 \$13</li> <li>• Construct Downtown Sacramento Intermodal Station \$175 \$58</li> <li>• Fund all planning, environmental, and design studies and processing for Downtown to Airport LRT Extension \$50 \$17</li> </ul>					
	<b>2.13%</b>		<b>Bus Transit Improvements</b>		<b>\$100</b>		<b>\$100</b>	
			<p>Initiate a premium, express commuter bus program from suburban residential and job centers into downtown Sacramento using key freeway and arterial corridors with a requirement that the new services reach at least a 40% fare box to operating cost ratio within 24 months of initiation. Targeted freeway HOV lanes and arterial corridors include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Florin Road: Freeport Blvd—Elk Grove/Florin</li> <li>• Stockton Blvd: Downtown—Florin Mall—CRC</li> <li>• Sunrise Blvd: Old Auburn Road—Folsom Blvd</li> <li>• Watt Ave: Antelope—Folsom Blvd</li> <li>• Downtown Bus Loop Upgrade</li> <li>• Cap City Freeway</li> <li>• Interstate 5</li> <li>• SR 99</li> <li>• US 50</li> </ul> <p>Initiate, in full coordination with Paratransit, Inc. and appropriate local government jurisdictions the neighborhood transit concept, with the requirement that the new service reach at least a 25% fare box to operating cost ratio within 24 months of initiation. This program should target at least one newly developed community and one older, built out community.</p> <p>Both the premium, express commuter bus and neighborhood transit programs shall be based on a service and financial plan recommended by Regional Transit and approved by the STA Board no later than (add date) for service initiation no later than (add date).</p>					

**Measure A Expenditure Plan Development**  
Staff/Consultant Recommendation — May 7, 2004

Proposed Percentage of DEVELOPER FEES	Proposed Percentage of SALES TAX		Total Project Est. Cost	Proposed Sales Tax Allocation in \$\$	Proposed Developer Fee Allocation in \$	TOTAL PROPOSED ALLOCATION IN \$\$
<b>III.</b>	<b>5%</b>	<b>PARATRANSIT - Senior &amp; Disabled Transportation</b>		<b>\$235</b>		<b>\$235</b>
		<i>4% 1-10 years 5% 10-20 years 6% 20-30 years</i>				
		<i>This program would increase the sales taxes dedicated in support of Paratransit, Inc. by 100% to 4% for years 1-10. In years 10-20 the funding would increase another 25% to 5% and then increase another 25% in years 20-30 to 6%. The City and County of Sacramento General Fund contribution to Paratransit, Inc. would expire with the current Measure A expiration in 2009. These increases are meant to allow for a planned expansion to address the anticipated travel needs of growing senior and disabled population over time. The funds would be directly subvented to Paratransit, Inc. based on a five year, annually updated program, developed by Paratransit, Inc. and submitted to the STA Board for approval.</i>				

Proposed Percentage of DEVELOPER FEES	Proposed Percentage of SALES TAX		Total Project Est. Cost	Proposed Sales Tax Allocation in \$\$	Proposed Developer Fee Allocation in \$	TOTAL PROPOSED ALLOCATION IN \$\$
<b>IV.</b>	<b>30%</b>	<b>12.26% Freeway Safety and Congestion Relief Program</b>	\$1,230	<b>\$576</b>	<b>\$146</b>	<b>\$722</b>
	<b>9.30%</b>	<b>Regional Bus/Carpool Lane Connectors/Extensions</b>		<b>\$437</b>		<b>\$437</b>
		<i>(1/2 local Transportation Sales Taxes, 1/2 Federal, State, Private developer or other sources)</i>				
		<i>This program is meant to provide congestion relief on the freeway system in Sacramento County that now carries 1/2 of all vehicle miles traveled on an annual basis. It is assumed all of these projects would attract 1/2 federal and state match and require a 1/2 sales tax contribution. Because of current federal and state environmental, local community impacts and growth management policies, these improvements are almost exclusively targeted on development of an efficient regional bus and carpool smart lane system that would take as many users of vehicles off the freeway system as possible during peak hours of travel. Development of this system, largely on existing rights-of-way, would promote use of transit, van and carpools, as well as allow existing transit operated throughout the County, such as Paratransit, to become much more efficient. STA shall fully coordinate this program with Caltrans and with Regional Transit and the program should be developed with the premium, express bus commuter demonstration program in mind.</i>				
		<ul style="list-style-type: none"> <li>• Bus/Carpool ramp connection from SR 50 E to SR 99 S \$80 \$40</li> <li>• Cap City Freeway HOV Lanes from E St to El Camino Ave \$180 \$90</li> <li>• I/80 Bus/Carpool Lanes: I-5—Capital City Freeway \$75 \$37</li> <li>• I-5 Bus/Carpool Lanes: Elk Grove to I-80 \$339 \$170</li> <li>• Ramp widenings for connectors between SR 50 and I-5 \$40 \$20</li> <li>• SR 50 Bus/Carpool Lanes: Sunrise thru Downtown Sacto. \$160 \$80</li> </ul>				
	<b>2.96%</b>	<b>Local Freeway Interchange Congestion Relief Upgrades</b>		<b>\$139</b>		<b>\$139</b>
		<i>The following key highway interchange projects are significant contributors to current local traffic congestion, often backing up daily on the local street network. These interchanges would be targeted with a funding program providing for 2/3 federal, state, and/or developer oriented funding and 1/3 sales tax funding. This list targets the current high priority interchanges, but is not limited to these specific interchanges and the STA Board has the flexibility to change the matching formula based on project delivery and other issues the Board deems appropriate for consideration. The STA Board can modify this list based on the request of the local government jurisdiction where the interchange is located or on other changes in travel behavior, safety and other changes in community needs and priorities over time.</i>				
		<ul style="list-style-type: none"> <li>• Central Galt/SR 99 Interchange Upgrade \$17 \$5</li> <li>• Cosumnes Blvd/I-5 Interchange Upgrade \$30 \$10</li> <li>• Florin Road/SR 99 Interchange Upgrade \$25 \$8</li> <li>• Grant Line Road/SR 99 Interchange Upgrade \$39 \$13</li> <li>• I-5/I-80 Interchange Upgrade &amp; Carpool Lane Connector \$135 67*</li> <li>• Richards Blvd/I-5 Interchange Upgrade \$40 \$13</li> <li>• Sheldon Road/SR 99 Interchange Upgrade \$40 \$13</li> <li>• Watt Ave/SR 50 Interchange Upgrade \$30 \$10</li> </ul>				
		<i>*(1/2 sales tax funding rather than 1/3)</i>				

**Measure A Expenditure Plan Development**  
Staff/Consultant Recommendation — May 7, 2004

Proposed Percentage of DEVELOPER FEES	Proposed Percentage of SALES TAX		Total Project Est. Cost	Proposed Sales Tax Allocation in \$	Proposed Developer Fee Allocation in \$	TOTAL PROPOSED ALLOCATION IN \$
<b>V.</b>	<b>5%</b>	<b>Safety, Landscaping, Pedestrian and Bicycle Facilities</b>		<b>\$235</b>		<b>\$235</b>
<p><i>This program is focused on non-motorized, pedestrian and bicycle safety improvements. With the exception of \$30 million dedicated for improvement and maintenance of the American River Park and Bikeway, it would be based on a competitive, semi-annual countywide grant program administered by the STA that considers such characteristics as safety improvements, community redevelopment needs, contribution to transit ridership and smart growth objectives, and the proportion of additional funding leveraged from sources other than sales tax. The programs would include, but not be limited to:</i></p> <p><b>American River Bikeway</b> (\$30 million or \$1 million per year)  <b>Local Redevelopment Corridor Streetscape Enhancements</b>  <b>Pedestrian, Bike, and Road Safety Improvements</b></p> <ul style="list-style-type: none"> <li>• Installing &amp; Maintaining Safe Pedestrian Sidewalks (inc. ADA)</li> <li>• Installing Safe Bike &amp; Pedestrian Ways Near Schools</li> </ul> <p><b>Smart Growth Transportation Objectives</b></p>						

Proposed Percentage of DEVELOPER FEES	Proposed Percentage of SALES TAX		Total Project Est. Cost	Proposed Sales Tax Allocation in \$	Proposed Developer Fee Allocation in \$	TOTAL PROPOSED ALLOCATION IN \$
<b>VI.</b>	<b>1.50%</b>	<b>Transportation-Related Air Quality Program</b>		<b>\$71</b>		<b>\$71</b>
<p><i>This program, to be administered by the Sacramento Air Quality Management District (SMAQMD), would be targeted exclusively on projects and programs that effectively maintain STA's ability to meet state and federal air quality mandates for mobile sources and to environmentally mitigate for transportation capital improvements in this sales tax expenditure plan. The program would be based on a five year program, updated annually, recommended jointly by the SMAQMD and STA, and adopted by the STA Board that meets the above criteria.</i></p> <p><b>Air Quality Monitoring &amp; Public Information</b>  <b>Accelerated Replacement of Dirty Diesel Engines</b>  <b>Replacement of Gasoline Engine Catalysts</b>  <b>Installation of Diesel Engine Catalysts</b>  <b>Other proven emission-reducing strategies</b></p>						

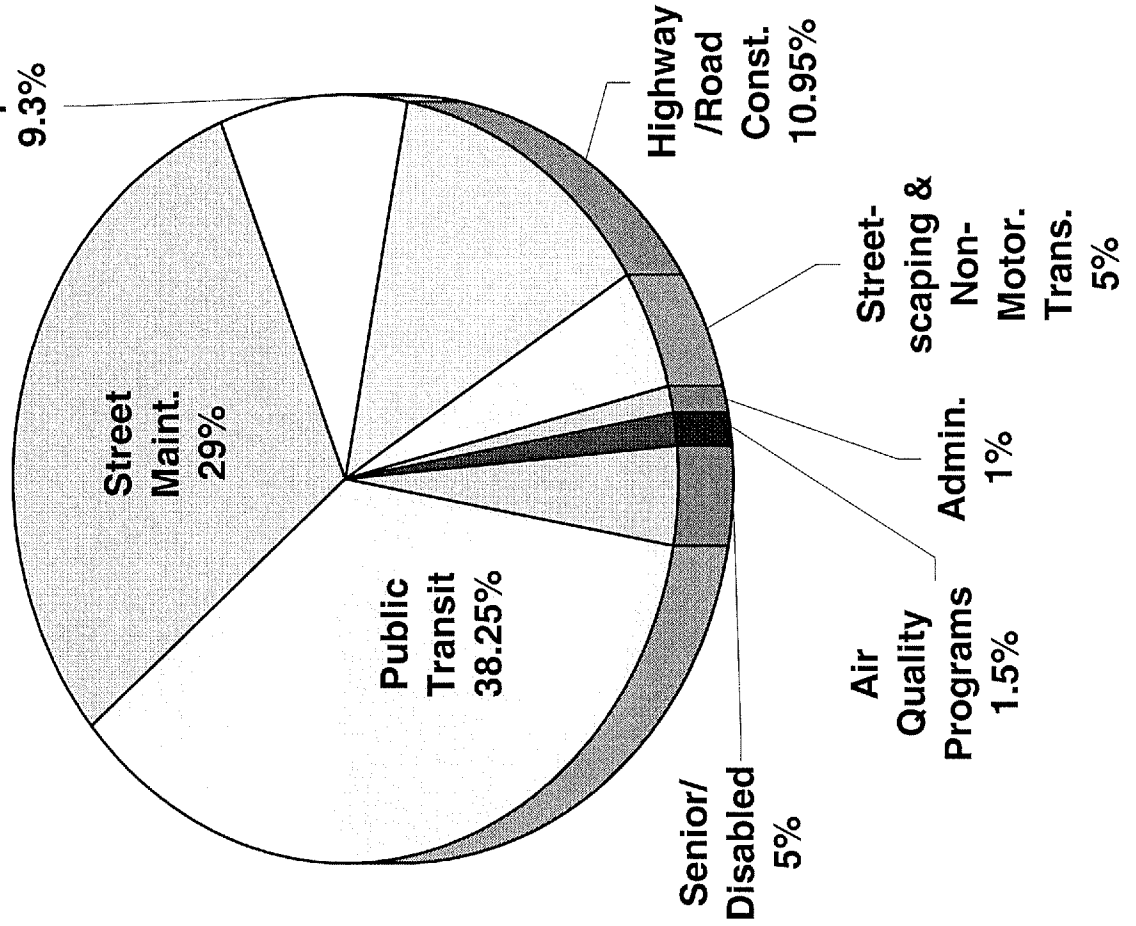
Proposed Percentage of DEVELOPER FEES	Proposed Percentage of SALES TAX		Total Project Est. Cost	Proposed Sales Tax Allocation in \$	Proposed Developer Fee Allocation in \$	TOTAL PROPOSED ALLOCATION IN \$
<b>VII.</b>	<b>10%</b>	<b>Transportation Project Environmental Mitigation Program</b>			<b>\$48</b>	<b>\$48</b>
<p><i>This program, to be administered by the STA Board, would be funded by a 10% allocation of the total revenue collected through developer fees. Eligible categories would include:</i></p> <p><b>Environmental mitigation for transportation projects contained in Measure A</b>  <b>Open space acquisition</b>  <b>Natural habitat preservation</b>  <b>Promotion of transit oriented joint development</b></p>						

**Measure A Expenditure Plan Development**  
 Staff/Consultant Recommendation — May 7, 2004

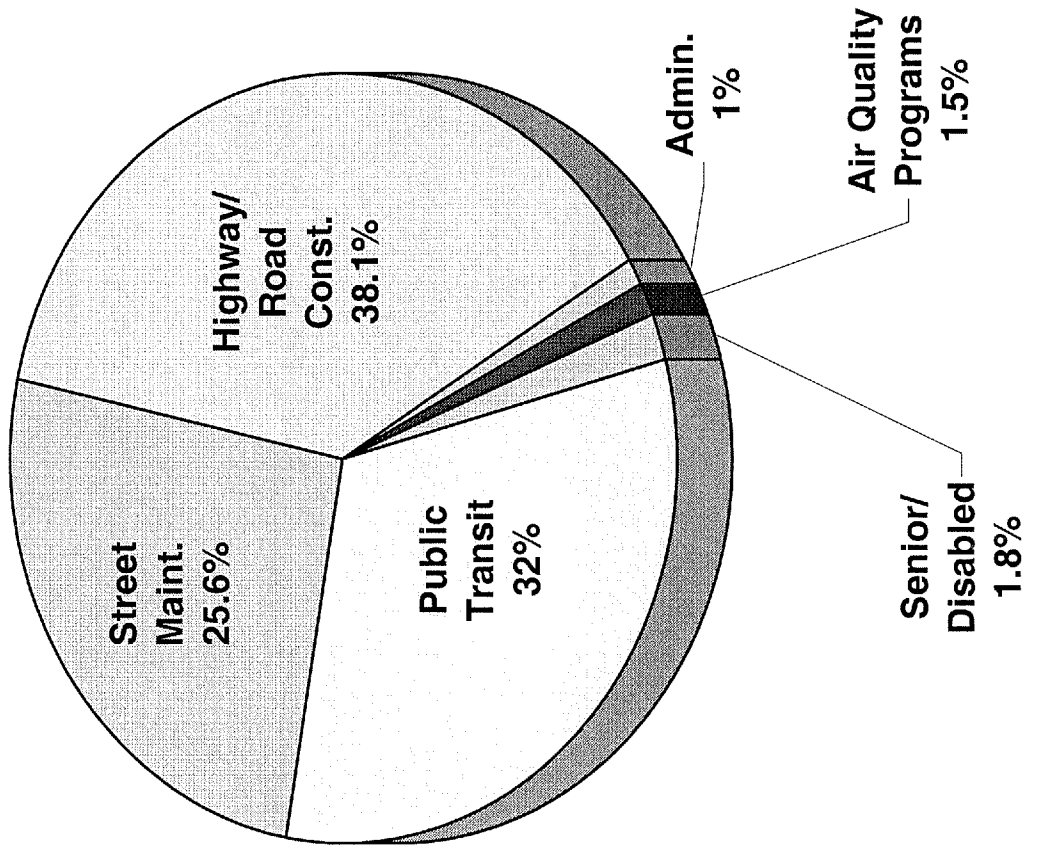
Proposed Percentage of DEVELOPER FEES	Proposed Percentage of SALES TAX	Total Project Est. Cost	Proposed Sales Tax Allocation in \$\$	Proposed Developer Fee Allocation in \$	TOTAL PROPOSED ALLOCATION IN \$\$
VIII.	1% <b>Program Administration</b>		<b>\$47</b>		<b>\$47</b>
	0.25% <b>Sacramento Transit Vision Development Program</b> <i>This program, to be developed by STA, in collaboration with STA Board member local government jurisdictions, Regional Transit and Paratransit, Inc., would be an intensive program to develop a long term plan of action called the "Sacramento Transit Vision" including, but not limited to:</i> <ul style="list-style-type: none"> <li>• A specific, phased plan of capitol and service improvements that moves Sacramento County to a much higher level of daily transit usage linked to planned, future land use and development plans in each local government jurisdiction.</li> <li>• A survey of transportation infrastructure needed to move transit services to the "next level" including local freeways, street and arterial upgrades and maintenance to serve transit objectives; role of private developers and private employers as related to promotion of a heightened "transit ethic" on the part of commuters; and a status report on the adequacy of senior and disabled transit services as related to needs.</li> <li>• A detailed business and financial plan that matches the total costs and all available revenues needed to implement that "Vision", including appropriate fiscal and operating performance guidelines for Regional Transit and Paratransit, Inc. required to meet the needs identified.</li> <li>• Specific recommendations for meeting identified revenue shortfalls from existing public and private sources, as well as potential new sources of funding.</li> <li>• As part of this Vision process and in full coordination with Regional Transit and Paratransit, Inc., all local government jurisdictions and the private sector, STA shall implement appropriate programs of public education and orientation regarding a description, explanation and promotion of the benefits of a heightened level of transit usage in Sacramento County.</li> <li>• The vision shall include specific recommendations regarding the participation of all local government jurisdictions as active members, including Board participation, in the Sacramento Regional Transit District. This shall also include appropriate changes in Board governance structure to ensure fair and equitable representation of all local governments.</li> <li>• A draft of the proposed Vision shall be available for public review an comment no later than March 1, 2006. The STA shall adopt a final Vision no later than June 15, 2006.</li> </ul> 0.75% <b>General Program Administration and Independent Taxpayers' Oversight Committee &amp; Independent Audit</b> <i>The STA staff and other administrative costs will continue to be funded under this category for administering the Measure A program.</i>  <i>The implementing ordinance approved by the voters will create an Independent Taxpayers Oversight Committee. This Committee will be responsible for overseeing biennial fiscal and performance audits of all aspects of the implementation of the sales tax extension program and reporting to the STA Board and the public on their findings and recommendation regarding how the program performance can be improved to better implement voter mandates.</i>				
100%	<b>Total Revenue over 30 years</b>		<b>\$4.7B</b>	<b>\$488</b>	<b>\$5.188B</b>

**MEASURE A DISTRIBUTION BY MODE**

**Expenditure Plan  
Recommendation  
2009-2039**



**Current Measure A 1989-2009**



PROGRAM AREA	2004	2009
Street Maintenance	\$ 8,200,000	\$10,900,000
<b>CAPITAL PROJECTS/PROGRAMS</b>		
Road Projects	\$ 2,400,000	\$ 1,885,000
Safety Programs	\$ 3,200,000	\$ 1,131,000
Streetscape, Pedestrian/Bike, ADA	\$ 5,343,000	\$ 1,530,000
State Highway Projects	<u>0</u>	<u>\$ 767,000</u>
	\$10,943,000	\$ 5,313,000

## TRANSPORTATION SALES TAX EXPENDITURE PLAN POLICY ISSUES

### I. TAXPAYER ACCOUNTABILITY SAFEGUARDS

#### A. LEGAL DEDICATION OF FUNDS

By law, sales tax funds can only be used for transportation purposes as described in the local ordinance governing the program, including the construction, environmental mitigation of transportation projects, capital activities, acquisition, maintenance, and operation of streets, roads, highways, including state highways and public transit systems and related purposes. These purposes include, but are not limited to, expenditures for the planning, environmental reviews, engineering and design costs, related right-of-way acquisition, and construction, engineering and administration. Use of these funds for other government purposes is prohibited without another 2/3 vote approval by voters.

#### B. MANDATORY ANNUAL PROGRESS REPORT

The Authority shall prepare an annual report to the public detailing progress made in accomplishing the projects and program improvements in the sales tax extension program. The annual report shall be given wide public circulation in the mass media or by direct mail and by the STA's electronic website.

#### C. CREATION OF THE INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE

The Independent Taxpayer Oversight Committee would supervise the mandatory fiscal and performance audits and study any other issues expressly authorized by the STA Board (see attached draft for recommended Committee structure).

#### D. MANDATORY BIENNIAL FISCAL AND PERFORMANCE AUDIT

The Independent Taxpayer Oversight Committee (ITOC) shall conduct a biennial, independent fiscal and performance audit of the expenditure of all sales tax funds raised by this measure. The audit, which shall be made available to the public, shall report on evidence that the expenditure of funds is in accordance with the Sacramento County Transportation Improvement Plan as adopted by the voters in approving the sales tax measure on November 2, 2004. In addition, the audit shall determine that the Maintenance of Effort requirements and other requirements

regarding local government and public transit participation in receiving funds have been complied with.

The audit shall also ensure that no more than one percent of total sales tax expenditures are used for administrative staff salaries and benefits in implementing this Plan. A summary of the results of the audit shall appear once every two years in the Authority's annual report.

#### E. MANDATORY PLAN UPDATE AND TERMINATION OF SALES TAX

The expenditure plan would be reviewed and updated by STA every 10 years for the life of the program. Such a review would be used to reflect actual revenues and costs of projects and programs, changes in technology and new transportation management practices, as well as current and changing transportation priorities and needs in the County, as defined by the duly elected local government representatives on the STA Board. Any changes to this Plan resulting from the plan reviews would be adopted in accordance with the major consensus amendment process and must be based on specific, written and adopted findings of necessity for change by the Authority.

The sales tax authorized to be collected by the voters shall be terminated on March 31, 2039, unless reauthorized by the voters to extend the sales tax prior to the termination date as required under state law in effect at the time of the vote for extension.

#### II. AREAWIDE UNIFORM TRAFFIC MITIGATION FEE

Riverside County has implemented a program as a part of their recently extended sales tax program, and several other counties are now considering, a program requiring all local governments in the respective county to impose a uniform level of transportation mitigation fees that would provide additional funds to supplement the local transportation sales tax program. This program could fund major operational improvements such as a traffic light control synchronization system, major arterial improvements, including streetscape and other urban redevelopment improvements, local interchange upgrades and transit capital improvements such as transit stations, pedestrian access to transit stations, and park and ride lots. These funds could also be used to purchase open space or natural habitat to environmentally mitigate new development and infrastructure in support of new development.

Over the course of thirty years, these fees levied on all new development could raise substantial revenues for new capital improvements, thus freeing up sales tax funding for maintenance and operation of the County's transit and local road system. If these fees were in the range of \$500 to \$3000 per housing unit and

equivalent on commercial and industrial development, and were imposed over and above existing traffic impact fees, they could provide one more important method to fund the gap that Sacramento County is experiencing relative to needs. If the STA wishes to consider this program, we would propose that local governments have the option of either imposing a fee in addition to current traffic impact fees or simply pay the equivalent of the same fee from their existing fee program into the area-wide program. This option recognizes that some local jurisdiction's fees are much higher than other jurisdictions and already cover some of these costs.

Under this type of program, the fees collected would be financially administered by STA, but control of their expenditure would rest with a committee of local elected officials on the STA Board representing a specific area of the County. The principle is that fees raised in a given area of the County be expended in that same area of the County to deal with the traffic impacts of new development.

As an example, the County of Sacramento, Folsom, Citrus Heights and Rancho Cordova could be designated a "Sacramento County North" area. The STA Board members from those jurisdictions would adopt a five-year, annually updated program of projects or priorities for use of the fees raised in their "area". The program could be based on a recommendation from the respective public works and public transit staff from the same area.

Obviously, under state law, there must be a direct nexus between the proposed improvement and the development upon which the fee to pay for the improvement is placed. Finally, the implementation of this program, to be meaningful, would require local government participation in the program as a condition for receiving sales tax revenues for local street and road maintenance.

### **III. SACRAMENTO COUNTY GROWTH MANAGEMENT ISSUE OPTIONS**

Increasingly, stakeholders and voters are recognizing the need to account for and mitigate the growth inducing nature of some transportation improvements. Our voter research indicates a connection between urban growth and congestion, however, voters are reluctant to spend transportation sales tax dollars on non-transportation programs, and they do not favor any particular growth management tool over another.

Other counties with local transportation sales taxes have used a variety of approaches to confront the same issue. No one tactic is universally applied; each county is different. Based on experience in other counties, Sacramento's unique characteristics and the preferences of some local stakeholders, several options have emerged as possible growth-management elements for renewal of Measure A. One of the following or a combination of approaches is likely to meet the

voters' desire that Measure A address growth without significantly diverting funding to non-transportation uses. We offer them as options, which need a full discussion at this time.

A. RESTRICTIVE LANGUAGE

The renewal ordinance can be written to require or prohibit certain uses of Measure A funds. Those restrictions might be specific to expenditures in geographic areas, on types of transportation projects or under certain circumstances.

Similarly, the language could restrict distribution of Measure A funds to local governments unless those agencies take certain actions or prohibit certain activities as related to future growth or mitigation of new growth impacts.

B. FINANCIAL INCENTIVES/DISINCENTIVES

Primarily related to Transportation Mitigation Fees described in Section II, this approach can be a useful tool for helping to guide development within the language of Measure A. For example, while the TMFs may be applied uniformly throughout a region, Measure A could waive the TMFs in transit corridors or areas designated for "smart growth" or in cases of needed low income housing. Conversely, a higher TMF could be assessed to restrict development in some areas, such as outside the Urban Services Boundary of Sacramento County.

Another form of financial incentive/disincentive could come through adjustments of the ratio of local match or developer match with Measure A funds for projects in areas that policy-makers choose for special attention.

C. EXCLUSIONARY/INCLUSIONARY APPROACHES

Measure A could provide limits or authorize activities that go beyond the mere levy of a local sales tax and designation of projects. For example, it could be used to limit development in areas outside the Urban Services Boundary of Sacramento County or community spheres of influence. Some counties have designated that all development must occur within incorporated cities.

D. PURCHASE OF OPEN SPACE

Some counties have designated a portion of their local transportation sales tax for purchase of land as mitigation for new capital construction or for exclusion from development. While polls and focus groups repeatedly have shown that voters do not want significant sales tax dollars diverted from transportation solutions, for as

an example purchase of open space, they have indicated a willingness to use a limited amount of these funds for open space preservation related to mitigation of transportation improvements.

It is most likely that any land use element to Measure A would use a combination of these approaches. Some stakeholders may have additional creative ideas for land use controls as well. As previously stated, this issue needs the immediate attention of policy makers, if we are to offer the voters a widely supported measure for November.