

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Chief Executive Office

BOARD AGENDA # B-5

Urgent Routine

AGENDA DATE February 26, 2008

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval of a Resolution Supporting the County-wide Transportation Sales Tax Program

STAFF RECOMMENDATIONS:

Approve the Resolution Supporting the County-wide Transportation Sales Tax Program.

FISCAL IMPACT:

Initial estimates indicate that a 20-year one-half cent transportation sales tax program would generate approximately \$700 million, with \$350 million committed to regional projects and \$350 million divided among the County and nine cities for local traffic improvements and road maintenance. Stanislaus County's portion of the local share is estimated at \$77.6 million.

- Continued on Page 2 -

BOARD ACTION AS FOLLOWS:

No. 2008-126

On motion of Supervisor O'Brien, Seconded by Supervisor Monteith

and approved by the following vote,

Ayes: Supervisors: O'Brien, Grover, Monteith, DeMartini, and Chairman Mayfield

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:

ATTEST:


CHRISTINE FERRARO TALLMAN, Clerk

File No.

Approval of a Resolution Supporting the County-wide Transportation Sales Tax Program

FISCAL IMPACT Continued:

Stanislaus County's Capital Improvement Program (CIP) has identified over \$1.03 billion in Public Works - Roads and Traffic projects. The County cost for these projects is estimated at \$665 million. While Public Facilities Fees collected from new growth will cover a portion of these costs, a significant funding gap still exists. A one-half cent transportation sales tax program would assist in closing this funding gap and provide a local share match for leveraging Federal & State transportation funds. One of the larger regional projects included in the County's CIP is the North County Corridor which is identified as one of the projects to be funded with the \$350 million committed to regional projects.

At their February 13, 2008 meeting, the StanCOG Policy Board approved a Transportation Expenditure Plan Budget of \$400,000 to cover environmental work, public education and outreach efforts and staff charges associated with the placement of the measure on the ballot. Stanislaus County's share of this cost is \$89,135, which will be funded through a reduction in Local Transportation Funds.

DISCUSSION:

In November 2006, an initiative (Measure K) to increase the County sales tax rate by one-half cent to fund transportation improvements and road maintenance received 57.92% voter approval, but failed to garner the required 66-2/3% majority approval to pass. Measure K would have been in effect for 30 years with 70% of the revenue committed to regional infrastructure needs and 30% committed to local traffic needs.

Recognizing that significant transportation deficiencies still exist, and with no identified funding to address these deficiencies, in December 2007 the StanCOG Policy Board once again revisited the issue of a one-half cent transportation sales tax initiative. At their January 9, 2008 meeting, the StanCOG Policy Board directed their Executive Director to begin working with the County Chief Executive Officer and City Managers from the nine cities to develop a draft Plan that would be acceptable to all agencies. This group examined potential revenue that would be generated, the breakdown of revenue between regional and local needs and potential apportionment methodologies for the distribution of local funding including population, sales tax and road miles. While less favorable to the County, the actual methodology chosen was able to gain consensus by all parties, a key element in moving the measure forward.

The group agreed that 50% of the estimated \$700 million in anticipated revenue should be allocated towards regional projects and 50% should be committed to local traffic improvements and road maintenance efforts. The regional projects focused on major corridor improvements in the north, central and southern portions of the County. Those projects include:

Approval of a Resolution Supporting the County-wide Transportation Sales Tax Program

- Northern Corridor - North County Corridor: a new 2 to 4 Lane Expressway from Dale Rd. to east of the City of Oakdale.
- Central Corridor - Reconstruction of State Route 99 at Mitchell/Service Interchange; widening of State Route 132 from Interstate 580 to State Route 99; widening and operational improvements of State Route 132 from State Route 99 to Waterford.
- Southern Corridor - Widen and provide operational improvements from Turlock to Interstate 5.

The nine cities and the County are in the process of developing an Expenditure Plan that will outline how they intend to use their share of the \$350 million for local traffic improvements and road maintenance efforts. This information will be presented to the StanCOG Policy Board as part of the Final Expenditure Plan and will be included in the public education and outreach efforts.

The proposed 2008 Transportation Expenditure Plan framework for the one-half cent sales tax was presented to the nine City Councils, which supported placing the measure on the ballot. At their February 13, 2008 meeting, the StanCOG Policy Board approved the Transportation Expenditure Plan budget that will fund environmental work, public education and outreach efforts and staff charges associated with the placement of the measure on the ballot.

In July 2008, the StanCOG Policy Board will be asked to approve the Final Expenditure Plan and request that the Board of Supervisors place the Expenditure Plan on the November 2008 Ballot.

POLICY ISSUES:

Pursuant to the provisions of Public Utilities Code, a retail transaction and use tax ordinance applicable in the incorporated and unincorporated territory of a county may be imposed by the Local Transportation Authority if the tax ordinance is adopted by a two-third's vote of the Authority and imposition of the tax is subsequently approved by a two-third's vote of the electors voting on the measure at an election called for that purpose by the Board of Supervisors, at the request of the Authority, and a County Transportation Expenditure Plan (the Plan) is adopted

The Board of Supervisors is asked to consider whether support of a 20-year one-half cent transportation sales tax program will further the Board's priority of a Well-Planned Infrastructure.

STAFFING IMPACTS:

There are no staffing impacts associated with this item.

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
STATE OF CALIFORNIA

Date: February 26, 2008

No. 2008-126

On motion of Supervisor O'Brien and approved by the following vote,
Seconded by Supervisor Monteith

Ayes: Supervisors: O'Brien, Grover, Monteith, DeMartini, and Chairman Mayfield

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

THE FOLLOWING RESOLUTION WAS ADOPTED: Item # *B-5
RESOLUTION OF SUPPORT FOR A COUNTY-WIDE ONE-HALF CENT
SALES TAX TRANSPORTATION MEASURE

WHEREAS, the Stanislaus Council of Governments (StanCOG) is designated the Stanislaus County Local Transportation Authority, pursuant to the provisions of Public Utilities Code Section I, Division 19, commencing with Section 180000; and

WHEREAS, pursuant to the provisions of Public Utilities Code, a retail transaction and use tax ordinance applicable in the incorporated and unincorporated territory of a county may be imposed by the Authority if the tax ordinance is adopted by a two-third's vote of the Authority and imposition of the tax is subsequently approved by a two-third's vote of the electors voting on the measure at an election called for that purpose by the Board of Supervisors, at the request of the Authority, and a County Transportation Expenditure Plan (the Plan) is adopted; and

WHEREAS, pursuant to the provisions of Public Utilities Code, the Plan which supports the tax ordinance must be approved by the Board of Supervisors and the City Councils representing both a majority of the cities in the county and a majority of the population residing in the unincorporated areas of the County; and

WHEREAS, the intent of the Plan is to remedy the existing and future deficiency in transportation funding in Stanislaus County while promoting reduced traffic congestion on streets and highways; and

WHEREAS, the Plan calls for pavement management, street repairs, safety and operational improvements on local streets and roads, and projects to reduce congestion on streets and highways; and

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk
Stanislaus County Board of Supervisors,
State of California



WHEREAS, the Stanislaus Council of Governments' Board at their meeting of January 9, 2008 directed their Executive Director to meet with representative of the nine cities and the County to develop a draft Plan to be presented to the Board for their consideration at their February 13, 2008 Policy Board meeting, including creating a budget for the development and outreach of a new Plan and preparation of a milestone schedule to complete all public sector work; and

WHEREAS, two meetings were held by the City Managers of the nine cities and the County Chief Executive Officer that resulted in the development of a proposed 20-year, \$700 million Plan as set forth in the February 13, 2008 StanCOG Policy Board staff report; and

WHEREAS, all nine cities provided comments on the draft Plan and indicated their support of the draft Plan; and

WHEREAS, the StanCOG Policy Board considered the matter at their February 13, 2008 meeting and supported proceeding with environmental review and preparation of an Expenditure Plan with the intent to place the Transportation Sales Tax on the November 2008 ballot.

NOW, THEREFORE, BE IT RESOLVED that the Stanislaus County Board of Supervisors does hereby support a county-wide one-half cent transportation sales tax measure and preparation of a Final Expenditure Plan and tax ordinance by the StanCOG Policy Board.



City of Ceres • City of Hughson • City of Modesto • City of Newman • City of Oakdale • City of Patterson
City of Riverbank • City of Turlock • City of Waterford • County of Stanislaus

TO: Policy Board

Staff Memorandum
INFORMATION

FROM: Vince Harris, Executive Director *VGH*

DATE: February 6, 2008

SUBJECT: 2008 Transportation Sales Tax Program—Policy Board Workshop

Background

At the January 9, 2008 Policy Board meeting, during my Executive Director's Report, I presented to Policy Board Members a recap of the December 12, 2007 Strategic Planning Workshop. As a part of that workshop, Members discussed the need and possibility of pursuing a 2008 Transportation Sales Tax Measure. After completion of my Director's report, Members directed staff to proceed with the following activities:

- a. By the February 13th Policy Board meeting, provide a consensus based framework for a new Transportation Expenditure Plan.
- b. Create a budget for the development and outreach of a new Transportation Expenditure Plan.
- c. Prepare a milestone schedule to complete all public sector work.

Status of Activities

In order to achieve the directed worked activities, staff has proceeded as follows:

1. An informational email memorandum was sent to all City Managers, the County CEO and the Alliance CEO regarding the proposed Transportation Expenditure Plan. The memo explained the Policy Board's interest and requested that all attend a half day working meeting to discuss the issue.
2. The working meeting was held Friday January 18th at the City of Ceres Council Chambers. The following were in attendance:

Rick Robinson, County CEO
Matt Machado, County Public Works Director
Bill Bassitt, Alliance CEO
Brad Kilger, Ceres City Manager
Michael Brinton, Ceres
Kenneth Craig, Ceres
Sarah Ragsdale, Ceres
Joe Donabed, Hughson City Manager
David Chase, Hughson Public Works Director
Jim Niskanen, Modesto Acting City Manager
Judith Ray, Modesto Deputy City Manager
Michael Holland, Newman City Manager
Steve Hallam, Oakdale City Manager
Cleve Morris, Patterson City Manager
Bryan Whitemeyer, Patterson Deputy City Manager
Rich Holmer, Riverbank City Manager
David Melilli, Riverbank Public Works Director
Tim Kerr, Turlock City Manager
Chuck Deschenenes, Waterford City Manager
StanCOG staff: Vince Harris, Vince Canales, Carlos Yamzon & Lark Downs

The intent of the meeting was to reach agreement with all City Managers and the County on the following:

1. The duration of a propose Transportation Sales Tax Program
2. Projected sales tax to be collected
3. Elements of a 2008 Transportation Expenditure Plan

As a process of attempting to reach agreement, the previous 2006 Transportation Expenditure Plan was reviewed. The 2006 Plan was a comprehensive plan of transportation expenditures for the next 30 years in Stanislaus County. The 2006 Expenditure Plan components are summarized in the following Table 1.

Table 1 – 2006 Expenditure Plan Summary

	<u>%</u>	<u>2006 Dollars (\$)</u>
1. State Highway Corridors	44.2%	\$450 million
2. State Highway Interchanges (will require local, state and federal funds match)	15.7%	\$160 million
3. Local Transportation Improvements	9.8%	\$100 million
4. Matching funds for Federal funds	3.9%	\$ 40 million
5. Pavement Management Program (for pothole repair and curb to curb pavement overlays on existing city streets and county roads)	24.4%	\$250 million
6. Commuter Rail Transit	1.0%	\$10 million
7. Paratransit for Seniors and Disabled Persons	1.0%	\$10 million
TOTAL	100%	\$1,02 billion

Under existing state law, the proposed half cent sales tax measure required a 66 2/3% majority approval in order to pass; and, the Stanislaus County Clerk Recorder’s office indicted the 2006 Sales Tax Program received a 57.92% voter approval. As a point of reference, during this discussion the Alliance CEO provided a summary overview of election results by precinct and offered some insight into where the Measure was successful and where it was perceived to be weak amongst the voters. This information was used as a reference to frame the continued discussion about the possible components of a 2008 Transportation Sales Tax Program.

The combined group reached agreement that the new sales tax program should be proposed at 20 years; and that the projected sales tax revenues should be based on the 2006 revenue projections less the 10 years of revenue collection. Based on these assumptions, the 20 year sales tax projection is assumed at \$700,000,000.

The last task was to reach agreement on the elements of the sales tax program. As noted above, the 2006 Expenditure Plan was composed of seven different elements. Based on discussions with policy Board Members, and persons and groups opposing the previous Measure; the group agreed that a new Expenditure Plan should only include the following two components: (1) a “Local Traffic Improvement and Road Maintenance Program”, and (2) Dedicated Capital Corridor Improvements.

The group agreed that the two programs should share equally in the projected sales tax revenues. Therefore, each program would receive 50% of expected revenues, or \$350 million dollars for distribution. The “Local Traffic Improvement and Road Maintenance Program” discussion revolved around the equitable distribution of these funds to each City and the unincorporated area of the County. The discussion focused on the following two formulas:

1. Funds allocated (as a floor) based on 70% of Sales Tax, 20% Road Miles & 10% Population
2. Funds distributed based on 100% of Population

Tables 2 and 3 below summarize these formulas:

**Table 2- 70%, 20%, 10% Allocation
 Local Traffic Improvement and Road Maintenance Program**

Jurisdiction	Sales Tax Collection %	Sales Tax Collection \$	Population %	Population \$	Road Miles %	Road Miles \$	Jurisdiction Total \$
Ceres	5.85%	14,332,500	8.05%	2,818,600	4.23%	2,961,000	20,112,100
Hughson	0.72%	1,764,000	1.17%	408,190	0.87%	609,000	2,781,190
Modesto	37.72%	92,414,000	40.11%	14,038,604	20.02%	14,014,000	120,466,604
Newman	0.61%	1,494,500	1.98%	691,413	1.01%	707,000	2,892,913
Oakdale	4.28%	10,486,000	3.57%	1,250,209	2.49%	1,743,000	13,479,209
Patterson	1.42%	3,479,000	4.00%	1,401,015	1.61%	1,127,000	6,007,015
Riverbank	1.76%	4,312,000	4.12%	1,442,424	2.07%	1,449,000	7,203,424
Turlock	14.06%	34,447,000	13.29%	4,652,443	8.13%	5,691,000	44,790,443
Waterford	0.42%	1,029,000	1.65	576,513	0.83%	581,000	2,186,513
County	33.16%	81,242,000	22.06	7,720,581	58.74%	41,118,000	130,080,581
TOTALS	100.00%	245,000,000	100.00%	35,000,000	100.00%	70,000,000	350,000,000

**Table 3- 100% Population Distribution
 Local Traffic Improvement and Road Maintenance Program**

Jurisdiction	Sales Tax Collection %	Sales Tax Collection \$	Population %	Population \$	Road Miles %	Road Miles \$	Jurisdiction Total \$
Ceres	5.85%	0	8.05%	28,186,000	4.23%	0	28,186,000
Hughson	0.72%	0	1.17%	4,081,903	0.87%	0	4,081,903
Modesto	37.72%	0	40.11%	140,386,042	20.02%	0	140,386,042
Newman	0.61%	0	1.98%	6,914,134	1.01%	0	6,914,134
Oakdale	4.28%	0	3.57%	12,502,085	2.49%	0	12,502,085
Patterson	1.42%	0	4.00%	14,010,148	1.61%	0	14,010,148
Riverbank	1.76%	0	4.12%	14,424,244	2.07%	0	14,424,244
Turlock	14.06%	0	13.29%	46,524,429	8.13%	0	46,524,429
Waterford	0.42%	0	1.65	5,765,134	0.83%	0	5,765,134
County	33.16%	0	22.06	77,205,813	58.74%	0	77,205,813
TOTALS	100.00%	0	100.00%	350,000,000	100.00%	0	350,000,000

Based on these formulas it was determined that the County and the City of Oakdale would receive less funds if the 100% Population formula was the basis of distribution. Therefore, subsequent to the January 18th meeting, Cities and County staff proposed the following solution as shown in Table 4 below:

**Table 4- 98% Cities Population Basis
 Local Traffic Improvement and Road Maintenance Program**

Jurisdiction	Sales Tax Share (%)	Allocation Based On Sales Tax Only (\$)	Population Share (%)	Allocation Based On Population Only (\$)	Base Funding to Cities Established Using 98% of the Greater of Sales Tax or Population Percentages (\$)	Annual Base Funding Using 98% of the Greater of Sales Tax or Population Percentages (\$)	Agency Share Annual Growth at 3% based on Sales Tax % (\$)	Agency Share Annual Growth at 3% based on Pop. % (\$)	Allocation 50% Pop. & 50% Sales Tax
Ceres	5.85%	20,475,000	8.05%	28,186,000	27,622,347	1,381,117	30,713	42,263	36,488
Hughson	0.72%	2,520,000	1.17%	4,081,903	4,000,265	200,013	3,780	6,143	4,961
Modesto	37.72%	132,020,000	40.11%	140,386,042	137,578,322	6,878,916	198,030	210,578	204,304
Newman	0.61%	2,135,000	1.98%	6,914,134	6,775,851	338,793	3,203	10,395	6,799
Oakdale	4.28%	14,980,000	3.57%	12,502,085	14,680,400	734,020	22,470	18,743	20,606
Patterson	1.42%	4,970,000	4.00%	14,010,148	13,729,945	686,497	7,455	21,000	14,228
Riverbank	1.76%	6,160,000	4.12%	14,424,244	14,135,759	706,788	9,240	21,630	15,435
Turlock	14.06%	49,210,000	13.29%	46,524,429	48,225,800	2,411,290	73,815	69,773	71,794
Waterford	0.42%	1,470,000	1.65	5,765,134	5,649,831	282,492	2,205	8,663	5,434
Subtotal Cities					272,398,519	13,619,926	350,910	409,185	380,048
County	33.16%	116,060,000	22.06%	77,205,813	77,601,481	3,880,074	174,090	115,815	144,953
TOTALS	100.00%	350,000,000	100.00%	350,000,000	350,000,000	17,500,000	525,000	525,000	525,000

The above proposal assumes distribution of sales tax revenues, 50% to local jurisdictions and 50% to regional projects. Growth in local shares is proposed to be allocated also based on 50% population and 50% sales tax percentages.

The remainder of the January 18th meeting focused on capital improvements for regional projects. This activity distributed the remaining \$350 million in projected sales tax revenues. The discussion delineated the following three regional corridors: northern, central and southern. Table 5 below indicates the projects proposed for these corridors.

Table 5 – Proposed Capital Corridor Improvements

<i>Project</i>	<i>Improvements</i>	<i>Estimated Project Cost**</i>	<i>Proposed Sales Tax Allocation</i>	<i>PSR Status</i>	<i>Construction Award Schedule</i>
Northern Corridor	North County Corridor: New 2 to 4 Lane Expressway, Dale Rd to east of City of Oakdale	TBD	\$116.67 million	Complete by April 2008	TBD
Central Corridor	SR99 @ Mitchell Rd./Service Rd. I/C Reconstruction	\$80 million	\$31 million	Complete	TBD
Central Corridor	SR132 Widening from I-580 to SR99: widen from 2 to 4 lanes. Widen and provide Operational Improvements from SR99 to Waterford Includes SR99 @ SR132 Connectivity Improvements	TBD	\$85.66 million	TBD	TBD
Southern Corridor	W. Main Improvements: Widen and provide Operational Improvements from Turlock to I-5	TBD	\$116.67 million	TBD	TBD
TOTALS		TBD	\$350 million		

The above corridor projects were discussed extensively by the group. The following are conditions associated with these proposed regional projects:

1. Any revenue growth in the overall Transportation Sales Tax program will be prorated across all three Capital Corridors.
2. It is anticipated that these projects will leverage both State and Federal funds as has been historically experienced by other "Self Help Counties" who have Transportation Sales Tax programs.
3. It is understood that projected Transportation Sales Tax revenues associated with each of these corridors will not change existing funding protocols to compete for other State or Federal transportation funds. Additionally, these existing transportation funding programs remain separate and distinct from the proposed Transportation Sales Tax program.
4. It is understood that the projects identified in each corridor must remain through the duration of the proposed Transportation Sales Tax Program; and must be delivered in a timely manner by each project sponsor based on agreed-to milestone schedules.

Funding For Public Sector Work Activities

StanCOG staff reminded the group of the need to fund the public sector work activities through an amended FY07/08 StanCOG Operating Budget revision. The budget amendment is proposed at \$400,000; and would fund the following activities:

- a. Consultant fees for public polling
- b. Staff time to re-write the Expenditure Plan based on polling results and other data.
- c. Consultant fees to update the corresponding Environmental Impact Report.
- d. Consultant fees to provide public education and outreach services.
- e. Staff time to gain Local Jurisdiction and Board of Supervisors concurrence of the updated Expenditure Plan.

Staff proposed that the budget be achieved through the use of Transportation Development Act (TDA) funds under the Transit Cost Sharing Step 3 Local Transportation Funds (LTF) process. Staff proposes to prorate (based on population) all Local Jurisdictions and Stanislaus County's FY07/08 LTF Road Fund shares to achieve the proposed \$400,000 Expenditure Plan budget. The group agreed with this proposed approach.

Actions by City Councils

As of the writing of this updated staff report, the proposed 2008 Transportation Expenditure Plan framework has been heard and approved by the following jurisdictions:

1. City of Ceres
2. City of Hughson
3. City of Modesto
4. City of Oakdale
5. City of Patterson

The following is the schedule for the remaining jurisdictions to hear the item:

- February 7, 2008.....City of Waterford
- February 11, 2008.....City of Riverbank
- February 12, 2008.....City of Newman and City of Turlock

Workshop Materials

For Member's reference, attached please find the following:

1. Proposed 2008 Local Traffic Improvement and Road Maintenance Program Spreadsheet (large format)
2. 2006 Financial Expenditure Plan