AGENDA
Thursday, June 16, 2011
9:00 a.m.

NOTE LOCATION THIS MONTH
SCCRTC Conference Room
1523 Pacific Ave
Santa Cruz Ca

NOTE
See the last page for details about access for people with disabilities and meeting broadcasts.

En Español
Para información sobre servicios de traducción al español, diríjase a la última página.

AGENDAS ONLINE
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COMMISSION MEMBERSHIP

Caltrans (ex-officio) Rich Krumholz
City of Capitola Kirby Nicol
City of Santa Cruz Don Lane
City of Scotts Valley Randy Johnson
City of Watsonville Eduardo Montesino
County of Santa Cruz Ellen Pirie
County of Santa Cruz John Leopold
County of Santa Cruz Mark Stone
County of Santa Cruz Neal Coonerty
County of Santa Cruz Greg Caput
Santa Cruz Metropolitan Transit District Dene Bustichi
Santa Cruz Metropolitan Transit District Lynn Robinson
Santa Cruz Metropolitan Transit District Norm Hagen

The majority of the Commission constitutes a quorum for the transaction of business.
Article 8 Transportation Development Act Claims – only City and County representatives vote
Article 4 Transportation Development Act Claims, Policy Issues, and SAFE – all 12 members vote
1. Introductions

2. Oral communications

Any member of the public may address the Commission for a period not to exceed three minutes on any item within the jurisdiction of the Commission that is not already on the agenda. The Commission will listen to all communication, but in compliance with State law, may not take action on items that are not on the agenda.

Speakers are requested to sign the sign-in sheet so that their names can be accurately recorded in the minutes of the meeting.

CONSENT AGENDA

3. Fiscal Year 2011-12 Budget and Work Program Amendment (Resolution)

4. Governmental Accounting Standards Board (GASB) Statement No. 54 Fund Balance Reporting

All items appearing on the consent agenda are considered to be minor or non-controversial and will be acted upon in one motion if no member of the RTC or public wishes an item be removed and discussed on the regular agenda. Members of the Commission may raise questions, seek clarification or add directions to Consent Agenda items without removing the item from the Consent Agenda as long as no other Commissioner objects to the change.

REGULAR AGENDA

5. Metropolitan Planning Organization (MPO) Responsibilities (George Dondero, Executive Director)
   a. Staff report

6. Highway 1 HOV Lane project- Environmental document (Kim Shultz, Senior Transportation Planner)
   a. Staff report

7. New Regional Transportation Commission websites (Tegan Speiser, Yesenia Parra, Nathan Luedtke)
   a. Staff report

8. Review of items to be discussed in closed session

CLOSED SESSION
9. Conference with Real Property Negotiator Pursuant to Government Code 54956.8 relating to the purchase of the right-of-way: Santa Cruz Branch Rail Line from Watsonville Junction to Davenport

   Agency Negotiator: Kirk Trost, Miller Owen & Trost

   Negotiation Parties: SCCRTC, Union Pacific

   Under Negotiation: Price and Terms

   OPEN SESSION

10. Report on closed session

11. Next meetings

   The next SCCRTC meeting is scheduled for Thursday, August 4, 2011 at 9:00 a.m. at the Scotts Valley City Council Chambers, 1 Civic Center Dr, Scotts Valley, CA.

   The next Transportation Policy Workshop is scheduled for Thursday, August 18, 2011 at 9:00 am at the Watsonville City Council Chambers, 275 Main St., Watsonville, CA.

HOW TO REACH US

Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue, Santa Cruz, CA 95060
phone: (831) 460-3200 / fax (831) 460-3215
email: info@sccrtc.org / website: www.sccrtc.org

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   - Branciforte Library
   - Central Branch Library
   - Scotts Valley Library
   - Watsonville Library

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HOW TO REQUEST

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AGENDA: June 16, 2011

TO: Regional Transportation Commission/Transportation Policy Workshop

FROM: Luis Pavel Mendez, Deputy Director

RE: Fiscal Year (FY) 2011-12 Budget and Work Program Amendment

RECOMMENDATIONS

Staff recommends that the Regional Transportation Commission (RTC) adopt the attached resolution (Attachment 1) amending the FY 2011-12 budget as shown on Exhibit A.

BACKGROUND

The RTC establishes a budget each fiscal year to ensure that its planning responsibilities, administration needs, priority projects and transportation services are adequately funded. The RTC amends its budget as necessary to ensure that all of the RTC’s work can be accomplished. Due to a longer time frame than anticipated to close the purchase of the Santa Cruz Branch Rail Line, it is necessary to amend the RTC FY 2011-12 budget.

DISCUSSION

Since 2001, the RTC has been negotiating with Union Pacific (UP) to purchase the Santa Cruz Branch Rail Line (Branch Line). In January 2011, the RTC secured the necessary funding to purchase the Branch Line. Since then the RTC, its consultants and UP have been working to complete the purchase. It was anticipated that the purchase would close before the end of Fiscal Year (FY) 2010-11; however, because the Surface Transportation Board (STB) has not yet issued its approval of the Branch Line purchase, it may not close until the beginning of FY 2011-12. To ensure that there are no further delays, it is necessary to amend the RTC FY 2011-12 budget to carryover purchase and closing funds and expenditures from FY 2010-11. Therefore, RTC staff recommends that the RTC adopt the attached resolution (Attachment 1) amending the RTC FY 2011-12 budget and work program as shown on exhibit A.

SUMMARY

Due to a longer time frame than anticipated to close the purchase of the Santa Cruz Branch Rail Line, it is necessary to carryover funds and expenditures from FY 2010-11 to FY 2011-12 to avoid any further project delays. Staff recommends adoption of the attached resolution (Attachment 1) amending the FY 2011-12 budget as shown on Exhibit A.

Attachments:
1. Resolution amending the RTC FY 2011-12 budget
RESOLUTION NO.

Adopted by the Santa Cruz County Regional Transportation Commission on the date of June 16, 2011 on the motion of Commissioner duly seconded by Commissioner

A RESOLUTION AMENDING THE FY 2011-12 BUDGET AND WORK PROGRAM FOR THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION

BE IT RESOLVED BY THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION:

1. The FY 2011-12 Budget and Work Program for the Santa Cruz County Regional Transportation Commission, are hereby amended as shown in Exhibit A.

AYES: COMMISSIONERS

NOES: COMMISSIONERS

ABSTAIN: COMMISSIONERS

ABSENT: COMMISSIONERS

______________________________
Mark Stone, Chair

ATTEST:

______________________________
George Dondero, Secretary

Attachments: Exhibit A - SCCRTC FY 11-12 Budget as amended

Distribution: RTC Fiscal
AMBAG
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<th>WORK ELEMENT #682</th>
<th>FY11-12 APPROVED 03/03/11</th>
<th>FY11-12 PROPOSED 06/16/11</th>
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<td>STIP</td>
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<td>RSTP Exchange</td>
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<td>Union Pacific</td>
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<td>390,000</td>
<td>290,000</td>
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<td>15,000</td>
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<td>250,000</td>
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<td>General Contingency</td>
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<td>6,156</td>
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<td>Various Rail Line Improvements</td>
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<td>5,735,000</td>
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<tr>
<td>Right of Way Acquisition</td>
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<td>14,200,000</td>
<td>14,200,000</td>
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<td><strong>Subtotal Services &amp; Supplies</strong></td>
<td>5,914,156</td>
<td>20,434,156</td>
<td>14,520,000</td>
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<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td>6,024,156</td>
<td>20,544,156</td>
<td>14,520,000</td>
<td></td>
</tr>
</tbody>
</table>

Note:
TO: Regional Transportation Commission (RTC)  
FROM: Daniel Nikuna, Fiscal Officer  
RE: Governmental Accounting Standards Board (GASB) Statement No. 54 Fund Balance Reporting

RECOMMENDATIONS

Staff recommends that the Regional Transportation Commission (RTC) adopt the attached General Accounting Standards Board (GASB) Statement 54 Fund Balance Reporting Designations (Attachment 1).

BACKGROUND

The Governmental Accounting Standards Board (GASB) is the authoritative body which sets generally accepted accounting principles for states and local governments. In 2009 GASB issued Statement 54 (GASB 54), which established new categories to define fund balance components. The new categories emphasize the extent to which a government is bound to honor constraints and the purpose for which amounts can be spent. GASB 54 only applies to governmental funds. The RTC trust funds (i.e. TDA and STP Exchange) are not covered by this statement. GASB 54 requirements are effective for financial statements beginning in FY10/11 and the RTC must adopt the GASB 54 categories before the end of FY 10/11 to be in compliance.

DISCUSSION

The objective of GASB 54 is to enhance the usefulness of fund balance information by providing clearer fund balance categories that can be more consistently applied. To achieve the objective, GASB 54 has established five components of the fund balance which are presented in hierarchical order starting from the most to the least constrained components: 1) Non-Spendable, 2) Restricted, 3) Committed, 4) Assigned and 5) Unassigned. These components are explained in Attachment 1. Currently, the fund balance has two main components – Reserved and Unreserved, as shown on Attachment 2, FY09/10 Governmental Funds Balance Sheet.

Not all five GASB 54 fund balance components may be used on the RTC’s financial statements. The Restricted and the Unassigned categories will likely be the most prevalent. The Admin, Planning and Rideshare Fund of the RTC, which acts as the general fund will carry an Unassigned fund balance, which is analogous to the currently reported reserve. Consistent with the RTC Rules and Regulations, the RTC will continue to target an 8% minimum Unassigned fund balance designation (reserve).

To ensure compliance with GASB 54, **staff recommends that the RTC adopt the attached General Accounting Standards Board (GASB) Statement 54 Fund Balance Reporting Designations (Attachment 1).**
SUMMARY

GASB 54 requires that the RTC adopt new fund balance categories to classify and report fund balance amounts. Staff recommends that the RTC adopt the attached GASB 54 Fund Balance Reporting Designations to ensure compliance with GASB 54.

Attachments:
1. GASB 54 Fund Balance Reporting Designations
2. FY09/10 Governmental Funds Balance Sheet
These Fund Balance Reporting Designations are adopted by the Santa Cruz County Regional Transportation Commission (RTC) to fulfill the requirements of the Governmental Accounting Standards Board (GASB) Statement No. 54, Fund Balance Reporting and Governmental Fund Definitions applicable to governmental funds.

**Fund Balance Reporting Categories**

The RTC will report the fund balance in governmental funds under the following categories using the definitions provided by GASB Statement No. 54:

1. **Nonspendable Fund Balances**: amounts inherently non-spendable due to form of such funds (e.g. prepaid expenses and inventory), and legally or contractually required to be maintained intact (donation that only allows the expenditure of interest earnings).

2. **Restricted Fund Balance**: amounts that can be spent only for specific purposes as stipulated by external parties, constitutional provision, or enabling legislation.

3. **Committed Fund Balance**: amounts that can be used only for specific purposes as determined by formal action of the RTC Board. Funds may only be uncommitted by formal action of the RTC Board.

4. **Assigned Fund Balance**: amounts that are constrained by the intent to be used for a specific purpose, but are neither restricted nor committed. Funds may be assigned by authority delegated to committees or staff.

5. **Unassigned Fund Balance**: amounts that have not been assigned, committed, restricted or considered nonspendable.

Not all Fund Balance Reporting Categories may be used in any one reporting year.

**Order of Fund Balance Spending**

1. When an expenditure is incurred for specific purposes and funds are available in both restricted and non-restricted (committed, assigned, or unassigned) categories, the RTC will consider the restricted amount to have been used first.

2. When an expenditure is incurred for which funds in any non-restricted fund balance category may be used, the RTC will use committed amounts first, then the assigned and lastly the unassigned.

**Minimum Unassigned Fund Balance**

Consistent with the RTC Rules and Regulations, the RTC will target a minimum unassigned fund balance of 8% to protect against cash flow shortfall due to timing of revenue receipts and for budget stabilization during unexpected economic downturn.
### SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION

#### GOVERNMENTAL FUNDS

#### BALANCE SHEET

**June 30, 2010**

<table>
<thead>
<tr>
<th><strong>ASSETS</strong></th>
<th><strong>Administration and Planning Fund</strong></th>
<th><strong>Rail/Trail Authority Fund</strong></th>
<th><strong>Service Authority for Freeway Emergencies Fund</strong></th>
<th><strong>Freeway Service Patrol Fund</strong></th>
<th><strong>Highway 1 Program Fund</strong></th>
<th><strong>Totals</strong></th>
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<tr>
<td>Cash and investments</td>
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<td>$81,936</td>
<td>$542,221</td>
<td>$85,956</td>
<td>$1,554,667</td>
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<td>73,646</td>
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<td>Due from other agencies</td>
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<td>116,705</td>
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<td></td>
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<td>2,340</td>
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<tr>
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<td><strong>$747,440</strong></td>
<td><strong>$374,718</strong></td>
<td><strong>$615,867</strong></td>
<td><strong>$156,711</strong></td>
<td><strong>$2,043,342</strong></td>
<td><strong>$3,938,075</strong></td>
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#### LIABILITIES AND FUND BALANCES

**Liabilities:**

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<th>$49,755</th>
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<td>2,390</td>
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<td>Due to other funds</td>
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<td>30,280</td>
<td>18,351</td>
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<td>68,074</td>
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<tr>
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<td><strong>57,847</strong></td>
<td><strong>53,036</strong></td>
<td><strong>63,029</strong></td>
<td><strong>893,606</strong></td>
<td><strong>1,352,165</strong></td>
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</table>

**Fund Balances:**

| Reserve for prepaid items | 2,340 | | | | | 2,340 |
| Unreserved: | | | | | | |
| Undesignated | 460,451 | 316,871 | 562,831 | 93,682 | 1,149,736 | 2,583,57 |
| **Total fund balances** | **462,791** | **316,871** | **562,831** | **93,682** | **1,149,736** | **2,585,91** |
| **Total liabilities and fund balances** | **$747,440** | **$374,718** | **$615,867** | **$156,711** | **$2,043,342** | **$3,938,075** |
RECOMMENDATIONS

Staff recommends that the Regional Transportation Commission (RTC):

1. Receive this report on meeting the responsibilities of a Metropolitan Planning Organization (MPO) which are now fulfilled by the Association of Monterey Bay Area Governments (AMBAG) and discuss potential options for the RTC.

2. Give staff further direction on how the RTC wishes to proceed.

BACKGROUND

The Association of Monterey Bay Area Governments (AMBAG) was created in 1968 and in 1975, it was designated as the Metropolitan Planning Organization (MPO) for the three county region of San Benito, Santa Cruz and Monterey to meet certain transportation planning requirements as defined under federal law. In California, MPOs vary in size of jurisdiction, with several serving single counties such as in Santa Barbara, San Luis Obispo and Shasta counties. Others serve larger urbanized areas, such as the Metropolitan Transportation Commission serving the nine-county San Francisco Bay area. AMBAG is the smallest multi-county MPO (by population) in the state. The depressed economy since 2008 coupled with some challenging ongoing issues between AMBAG and the member agencies have stimulated discussion around how the members can best meet the challenges ahead. The RTC chair has requested staff to provide information regarding available options to fulfill the functions currently performed by AMBAG. This report will explain the mandated duties of an MPO, staffing and financial requirements to meet those duties, and the revenues available to fulfill them. The implications of creating single-county MPOs will then be analyzed.

DISCUSSION

AMBAG’S current menu of services can be divided into two groups – those that are mandated, and those acquired over time to meet various other regional interests and needs. This report will primarily focus on the mandated services. These include:

- **Serve as a clearing house** for information, including environmental reviews and census data; this function is primarily clerical in nature.
• Implement the state **Regional Housing needs Assessment**, in its role as the Council of Governments; this function is historically contentious in nature. The state recently changed the frequency of making the assessment from once every four years to once every eight years. AMBAG provides this service to Monterey and Santa Cruz counties; San Benito County COG performs their own assessment.

• **Conduct forecasts** of regional growth in population, housing and jobs

• Develop and maintain the **Regional Travel Demand Model**. The model provides critical data for making informed decisions about prioritizing transportation projects for funding and construction. It is a foundation for many of the planning and funding decisions that come before the RTC. Modeling is being pushed to become more sophisticated and sensitive to reflect multiple mode choices, changes in land use and application of multiple strategies to reduce greenhouse gas emissions.

• Ensure that transportation projects with federal funding are properly programmed in the **Federal Transportation Improvement Program (FTIP)**, primarily a clerical function typically performed by a transportation planner. The FTIP is similar in nature to the RTC’s Regional Transportation Improvement Program (RTIP). Currently, RTC staff programs State Transportation Improvement Program (STIP) funded projects within the county by working with the California Transportation Commission.

• **Preparing federal and state required planning documents**, including: Metropolitan Transportation Plan (MTP), the Sustainable Communities Strategy (SCS), a Public Participation Plan, and the Overall Work Program (OWP). RTC staff provides a good deal of effort in developing and maintaining all of these documents. The MTP consists essentially of a fusing of the regional transportation plans of the three counties into one document, and similarly the OWP does the same for the three individual work programs. The Public Participation Plan is updated every few years. The SCS is a recent addition to the MTP, as required under SB375.

• For many years, AMBAG also ensured that the region’s Metropolitan Transportation Plan could meet federal air quality conformity standards. Since 2004 the region’s air quality has been deemed by the US Environmental Protection Agency to meet federal standards, and thus the conformity analysis is no longer required. However, conformity may become an issue if the EPA adopts more stringent ozone standards.

**Other Roles**

AMBAG also manages an Energy Watch program, to provide energy saving assistance to governments, non-profits and the hospitality industry. AMBAG staff works on contract for the Pajaro River Watershed Flood Prevention Authority, and
provides some coordination for Rideshare Week. Recently an AMBAG representative has been attending meetings of the Monterey Bay Sanctuary.

**Other Structures**

There has been some discussion among member agencies about the feasibility of merging with AMBAG to form one entity. After some research and discussion with Caltrans staff, it appears that the restructuring process most applicable in the Monterey Bay region would evolve as follows.

First, the member agencies would each vote at their respective city council or board of supervisors whether to retain membership in AMBAG or to withdraw. If 75% of the region (by population) including the largest city (Salinas) were to vote to withdraw from AMBAG, then a restructuring could occur. The change would need agreement from the Governor, most likely through the Caltrans Director.

The RTC and the Transportation Agency for Monterey County (TAMC) would each become an MPO and each would take on the mandated functions which AMBAG currently provides. These would require some additional staffing, probably one full time planner position at each agency to cover most of the duties, with the exception of the Regional Travel Demand Model.

San Benito County would no longer be a member of an MPO. Similar to 26 other rural counties in the state, San Benito would not need to meet the MPO requirements for planning. The key function that would concern San Benito would be replacing or retaining the Regional Travel Demand Model.

**Managing the Regional Travel Demand Model**

In past years the credibility of the model has varied over time. As the one element of MPO duties requiring the greatest resources to manage and maintain, it is critical to approach this thoughtfully. Without AMBAG, this function could be provided in one of three ways:

1. Each county could run their own one-county model in house, hiring staff to do so.
2. The three counties could hire a consultant to run and manage the three-county model.
3. The three counties could jointly manage the three-county model, through an MOU or Joint Powers Agreement. Qualified staff would be hired to perform the work.

Of the three approaches, the last provides the best possibility for minimizing cost while supporting a high quality of work that will engender confidence among all users. It would also provide a workable platform to develop the model further to incorporate currently evolving practices sensitive to land use changes, multi-modal options and other improvements in transportation, as desired. This approach would minimize any duplication of effort to near zero, and give the partner agencies opportunity to manage the program for improved quality performance.
Travel demand modeling is a specialized skill set. Building a new program from the ground up will require some consultant assistance to ensure a well defined scope of duties is developed, appropriate software and hardware are selected, and other details are met accordingly. Coincidentally, a formal peer review of the AMBAG model was recently conducted. The technical report is in draft, and could provide useful recommendations to help improve the utility and reliability of the model. At this date it is not clear if the partnership would build a new model or try to work with the existing AMBAG model. In either case, startup costs would be involved to make the transition.

**Fiscal Impacts**

In considering any restructuring of MPO duties, a major concern is the potential impact to budgets. Staff has done some research on this issue, and the RTC would receive approximately $293,000 more under a post-AMBAG scenario. The following data has been provided by Caltrans Planning Division staff, and represents estimates for the current fiscal year.

<table>
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<tr>
<th>Current FY 10-11 Planning Funds Distribution with AMBAG</th>
<th>AMBAG</th>
<th>SCCRTC</th>
<th>TAMC</th>
<th>ABtCOG</th>
<th>Total</th>
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<tr>
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<th>FY 10-11 Planning Funds Distribution without AMBAG</th>
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</table>

AMBAG budgets ~$42,381 of PL to SBtCOG services
PL - Federal Planning funds
FTA 5303 - Federal Transit Planning funds
RPA - State Rural Planning Assistance funds

Note that as MPOs, both the RTC and TAMC would lose their current allotment of RPA funds. The PL allotment to the two agencies increases however, due to the federal formula which provides a base allotment to each MPO, plus an additional amount based upon population. The same is true for the FTA 5303 funds, to a lesser extent.
Staff is developing a work program and budget for the projected expenses of assuming MPO duties including the travel demand model. This information will be made available as soon as feasible, possibly at the June 16 meeting.

**SUMMARY**

The RTC is examining options to provide the services required of a Metropolitan Planning Organization (MPO). These services include several functions that could probably be provided by a full time planner. The Regional Travel Demand Model could be maintained by one modeler through a cooperative arrangement between the three transportation agencies. If the RTC and TAMC were to become MPOs the annual planning revenues would increase over the current allocations. Staff is working on details of a draft budget to include all of these services, and will present that information to the RTC at the June 16 meeting. Staff requests further direction after discussion of the issue on June 16th.
TO: Regional Transportation Commission – Transportation Policy Workshop
FROM: Kim Shultz, Senior Transportation Planner
RE: Highway 1 HOV Lane Project – Environmental Document

RECOMMENDATIONS

Staff recommends that the Regional Transportation Commission (RTC) receive a report on a proposed tiered environmental document for the Highway 1 HOV Lane project that will meet federal environmental requirements while providing the public with complete information on the project and retain the maximum flexibility for delivering improvements to the corridor.

BACKGROUND

The 1986 Regional Transportation Plan (RTP) identified improvements to Highway 1 as a high priority. In 2003, the Santa Cruz County Regional Transportation Commission (RTC), in cooperation with Caltrans and the Federal Highway Administration (FHWA), initiated preliminary design and environmental studies (referred to as the Project Approval/Environmental Documentation (PA/ED) phase) to add high occupancy vehicle (HOV) lanes to Highway 1 from Morrissey Boulevard in Santa Cruz to Larkin Valley Road in Aptos. The HOV lane project also includes auxiliary lanes, ramp meters, soundwalls, and new bicycle/pedestrian bridges over the highway.

To fund the proposed work on Highway 1 and a range of other transportation projects in the region, the County of Santa Cruz placed a transportation sales tax measure on the ballot in 2004 which was not approved by voters. A subsequent effort to generate broader public support for a transportation sales tax measure through the Transportation Funding Task Force was sidelined in 2008 when signs of the current economic downturn became apparent. There has been no active effort to revisit a sales tax measure as the region continues to feel the effects of the economic recession.

Meanwhile, the project schedule to complete the environmental work on the HOV Lane project has been delayed as the project team confronted a series of challenges, including: delay in release of the regional travel demand model, update right-of-way monument surveys in the central section of the highway, and resolution of engineering design issues with local jurisdictions and Caltrans to minimize right-of-way impacts and optimize traffic operations. The engineering design details were resolved approximately 9 months ago allowing environmental technical studies to be finalized and work to begin on completing the administrative draft environmental document. Staff anticipates release of the draft environmental reports to the public in early 2012.
DISCUSSION

As the project’s engineering challenges were successfully addressed, RTC and Caltrans staff began a series of meetings in the summer of 2009 to define the best method to complete the PA/ED phase in a manner that maximized project delivery options. Topics included consideration of possible funding scenarios, consideration of phased implementation options, and project scheduling issues. The focus of the project team was to ensure all state and federal requirements were met and maximum allowance was given to permit flexibility in delivering project improvements given the uncertain funding situation.

Federal Environmental Regulations

During this same timeframe, the FHWA updated its guidance in response to potentially diminishing federal transportation funding, past project experience, and added emphasis on government accountability. Specifically relevant to the HOV Lane project, the FHWA modified enforcement provisions related to the timely use of federal funds, and updated regulations defining the basis by which “reasonably available” funds are determined and set that determination as a criterion for approving environmental documents. In response to these changes FHWA representatives joined meetings with the project team to identify an acceptable approach for meeting both state and federal environmental regulations while providing the public with information on the complete project and retaining the flexibility to deliver fundable improvements to the corridor.

In May 2011, FHWA officials reported that they could not approve a final federal environmental document for either of the two project build alternatives (the full HOV lane project and a scaled-back TSM project) given their costs until a committed source of funding is identified. As federal funds are being used to produce the environmental document and envisioned for future project phases, federal approval of the environmental document is required.

In this same timeframe, enforcement provisions of FHWA’s regulations regarding the timely use of federal funds, known as the “10 year rule,” were tightened. The 10 Year Rule requires on-site construction or acquisition of right-of-way to begin within 10 years after beginning work on the preliminary engineering phase of a project or risk having to pay back federal funds used for those activities. In the case of the Highway 1 HOV Lane Project that amount is $5.56 million in federal funds.

While the 10 Year Rule has been in place for some time, the basis for appeals and extending the deadline have grown increasingly strict and represent a very real concern. The project team and RTC staff recommend modifying the current approach to address federal environmental requirements in order to preserve the opportunity to use federal funds on the project and avoid having to pay back federal funds used to date, while keeping project components moving forward that address congestion and multi-modal options on the Highway 1 corridor.

Response to Environmental Requirements

A range of alternative approaches have been considered to address the federal requirements described above, which still meet the approved purpose and need of the project and/or do not undermine completion of the HOV Lane Project while meeting the project funding requirement.
An approach tentatively endorsed by FHWA and Caltrans to preserve maximum flexibility in delivering congestion relief to the corridor is described as a “Combined Tier 1/Tier 2 Environmental Document”. The HOV Lane project as presently proposed would be described as the Tier 1 project in the environmental document to include full disclosure of the project’s impacts, costs, and benefits. This would allow the RTC to make a recommendation as to a locally preferred alternative for planning purposes and provide the community with information to make the necessary funding commitments.

The Tier 2 portion of the document would be to analyze the environmental impacts of a defined project that has a reasonably available funding commitment to move forward to right-of-way and construction. The build project evaluated in the Tier 2 portion of the document must meet the major project requirements to be an “operationally independent phase.” This is defined as a component of the overall project that functions as a viable transportation facility even if the rest of the project is not built for many years. The criteria used for selecting the current and future build segments of the overall project should be a reasonable and documented decision. Through this approach, both the FHWA and Caltrans would approve the Tier 2 project allowing it to advance to right-of-way acquisition and thereby meet the 10 Year Rule.

Tier 2 Fundable Project

In considering revenue reasonably available to fund a Tier 2 project, staff limited consideration to existing and future apportionments of State Transportation Improvement Program (STIP) funds. The RTC currently has a $2.3 million un-programmed STIP balance. Additionally, the RTC has historically received an average of $5 million per year or $10 million every 2-year cycle of the STIP. While staff does not anticipate a significant amount of new funds in the upcoming 2012 STIP cycle, staff is guardedly optimistic that future STIP cycles (2014, 2016, and beyond) will return to historic averages. Staff will also work with project sponsors to reevaluate the priority level of previously programmed projects, including $14 million in previously programmed highway projects, as part of development of the 2012 Regional Transportation Improvement Program (RTIP) later this year, and may recommend that the RTC redirect some of those funds to the Tier 2 Highway 1 project.

In review of candidate fundable Tier 2 projects, a number of criteria are considered including:

- Level of congestion relief provided on the primary transportation corridor, Highway 1
- Ability to complete the environmental analysis in a timely manner
- Relationship to the HOV Lane project’s approved purpose and need, including encouraging the use of efficient alternatives to driving alone
- Estimated cost of the project
- Operational Independence

Staff also believes it is important that improvements to the regionally significant corridor follow a logical sequence building on existing and proposed improvements to the multi-use Highway 1 corridor that can be delivered in a timely manner.

In consideration of the above criteria, staff has tentatively identified three projects which are reasonably fundable from existing and near term STIP cycles. Taken as a group these projects
could constitute a Tier 2 project that advances the approved purpose of the HOV project to reduce congestion and encourage alternative transportation, and all the components of the project are located in the same section of the highway which helps in completing the environmental analysis in a timely manner.

A potential set of projects to be considered by the project development team for environmental analysis as a fundable Tier 2 project consistent with state and federal regulations is:

1. Southbound Auxiliary Lane between 41st Avenue and Soquel Avenue - $7.8 million
2. Northbound Auxiliary Lane between 41st Avenue and Soquel Avenue - $12.0 million
3. Bicycle/Pedestrian Overcrossing of Highway 1 at Chanticleer Avenue - $8.7 million

The reported project cost estimates include project development activities following approval of the environmental document (i.e. right-of-way acquisition, final design, construction and all support costs) for a total amount of $28.5 million.

**Next Steps**

Additional effort will be necessary to transform existing work into a combined Tier 1/Tier 2 environmental document and meet the required timeframes discussed above and eliminate the threat of having to reimburse federal funds used on the project. Based on this proposal, the project team will develop a detailed scope of work, schedule, and cost for consideration and approval at the RTC’s Policy Workshop in August. At that same time staff will report on the amount of new funding that may be available for programming in the 2012 STIP and make preliminary recommendations for programming funds to the Tier 2 project.

**SUMMARY**

Changes in the emphasis and scrutiny of federal environmental regulations combined with uncertainties about committed funding to construct the Highway 1 HOV Lane project require a change in the format of the environmental document and approach to the project. The project team recommends a tiered environmental document that will allow full disclosure of the project as currently defined, including the project’s impacts, costs, and benefits (Tier 1). The document will also provide environmental documentation (Tier 2) of a project deemed financially feasible from existing funding sources that are consistent with the purpose of the HOV Lane project to reduce congestion on the highway and promote use of alternative travel modes. Once the Tier 2 environmental document is approved, the RTC could proceed to construct the selected Tier 2 project. The project development team will evaluate the potential Tier 2 projects and staff will present a revised scope of work, schedule, and cost proposal to prepare the combined tiered environmental document and preliminary recommendations for programming funds to a Tier 2 project at the RTC’s Policy Workshop in August.
AGENDA: June 16, 2011

TO: Regional Transportation Commission Transportation Policy Workshop

FROM: Tegan Speiser, Sr. Transportation Planner

RE: New Regional Transportation Commission (RTC) Websites

RECOMMENDATIONS – This item is for information only.

BACKGROUND

Regional Transportation Commission (RTC) staff worked with a local web consultancy, Monarch Media, to develop two new websites for the RTC; one site for the RTC’s planning, funding, project and policy roles and another to help the public successfully navigate and use the transportation system. The results of this effort are being presented today. Final preparations to implement the new websites: sccrtc.org and commutesolutions.org will occur this summer with the new sites fully launched and operational by August 1, 2011. A live demonstration of the beta sites will be provided at today’s Transportation Policy Workshop (TPW) meeting.

DISCUSSION

Work for the Commission’s new websites began with research on which topics and pages were most frequently visited on existing RTC websites, an online user survey, and focus groups. Analysis of data generated from this market research resulted in the design features, navigation and organization of information on the new sites.

Both of the new sites use Wordpress, an open source publishing platform. This platform allows for easy updating and administration and permits a large number of RTC staff members to keep the website content up to date within their respective areas of responsibility.

Features of the new websites include: built-in search capability throughout the site; better integration between the RTC and Commute Solutions websites; a modern, attractive design; an online bicycle and pedestrian hazard report form; an archive of RTC news and events; and the flexibility to quickly add new pages and features to the website as needs arise.

SUMMARY

A live demonstration of the RTC’s new websites sccrtc.org and commutesolutions.org will be provided at today’s TPW meeting.