Emails received between 11/28/20 – 01/04/20

From: cjlong3@everyactioncustom.com <cjlong3@everyactioncustom.com>
Sent: Saturday, November 28, 2020 11:23 AM
To: Transit Corridor <transitcorridoraa@sccrtc.org>
Subject: Choose Rail for the Locally Preferred Alternative

Dear RTC Commissioners and Staff,

I'm writing to let you know that I support rail transit for the rail corridor. Please follow the recommendation of the TCAA study and choose rail transit as the locally preferred alternative.

I support using Electric Passenger Rail to connect everyone along the rail corridor between Santa Cruz and Watsonville, and connect our county to the regional and state rail network at the Watsonville Pajaro Junction.

The many benefits of providing passenger rail alongside the trail make it clear that choosing passenger rail is the best way to transform our county into a more equitable, more sustainable, more prosperous community for everyone.

Thank you.

Sincerely,
Carol Long
75 Chestnut St Unit 101 Santa Cruz, CA 95060-4977 cjlong3@sbcglobal.net

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From: rolandsaher@everyactioncustom.com <rolandsaher@everyactioncustom.com>
Sent: Saturday, November 28, 2020 12:58 PM
To: Transit Corridor <transitcorridoraa@sccrtc.org>
Subject: Choose Rail for the Locally Preferred Alternative

Dear RTC Commissioners and Staff,

I'm writing to let you know that I support rail transit for the rail corridor. Please follow the recommendation of the TCAA study and choose rail transit as the locally preferred alternative.

I support using Electric Passenger Rail to connect everyone along the rail corridor between Santa Cruz and Watsonville, and connect our county to the regional and state rail network at the Watsonville Pajaro Junction.

The many benefits of providing passenger rail alongside the trail make it clear that choosing passenger rail is the best way to transform our county into a more equitable, more sustainable, more prosperous community for everyone.

I personally would definitely use a rail connection from Live Oak - I live on Brommer, which is just two blocks away from my home - to downtown and the Westside of SC.
I also support a train for ecological reasons. We need to get our CO2 emissions down soon and for the duration!

Thank you.
Sincerely, Roland Saher

Thank you.

Sincerely,
Roland Saher
2355 Brommer St Spc 27 Santa Cruz, CA 95062-3557 rolandsaher@gmail.com

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From: perplexedprimate@everyactioncustom.com <perplexedprimate@everyactioncustom.com>
Sent: Sunday, November 29, 2020 1:18 PM
To: Transit Corridor <transitcorridoraa@sccrtc.org>
Subject: Choose Rail for the Locally Preferred Alternative

Dear RTC Commissioners and Staff,

I'm writing to let you know that I support rail transit for the rail corridor. Please follow the recommendation of the TCAA study and choose rail transit as the locally preferred alternative.

I support using Electric Passenger Rail to connect everyone along the rail corridor between Santa Cruz and Watsonville, and connect our county to the regional and state rail network at the Watsonville Pajaro Junction.

Some of the most important benefits are reducing local emissions (transportation is Santa Cruz County's top emissions source, contributing to the climate crisis and aggravating respiratory health concerns), encouraging active transportation (and thereby public health), and making transit-oriented development even more viable in our county.

The many benefits of providing passenger rail alongside the trail make it clear that choosing passenger rail is the best way to transform our county into a more equitable, more sustainable, more prosperous community for everyone.

Thank you.

Sincerely,
Michelle Merrill
930 Rosedale Ave Spc 25 Capitola, CA 95010-3601 perplexedprimate@gmail.com

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From: lynnfrancis74@everyactioncustom.com <lynnfrancis74@everyactioncustom.com>
Sent: Sunday, November 29, 2020 4:51 PM
To: Transit Corridor <transitcorridoraa@sccrtc.org>
Subject: Choose Rail for the Locally Preferred Alternative

Dear RTC Commissioners and Staff,

Emails received between 11/28/20 – 01/04/20

I'm writing to let you know that I support rail transit for the rail corridor. Please follow the recommendation of the TCAA study and choose rail transit as the locally preferred alternative.

I support using Electric Passenger Rail to connect everyone along the rail corridor between Santa Cruz and Watsonville, and connect our county to the regional and state rail network at the Watsonville Pajaro Junction.

The many benefits of providing passenger rail alongside the trail make it clear that choosing passenger rail is the best way to transform our county into a more equitable, more sustainable, more prosperous community for everyone. It would also help to get tourists off the road during summertime. Watsonville could be a new destination and it would be great if the rail could connect with other public transportation as the concepts are developed more.

Thank you for your work.

Thank you.

Sincerely,
Lynda Francis
PO Box 1733 Soquel, CA 95073-1733
lynnfrancis74@gmail.com

From: Brian Peoples <brian@trailnow.org>
Sent: Thursday, November 26, 2020 8:09 AM
To: ryan.coonerty@santacruzcounty.us; openup@cats.ucsc.edu; dmeyers@cityofsantacruz.com; 'Ed Bottorff (ebottorff167@yahoo.com)' <ebottorff167@yahoo.com>; greg.caput@co.santa-cruz.ca.us; Andy Schiffrin <Andy.Schiffrin@santacruzcounty.us>; trina.coffman@cityofwatsonville.org
Cc: 'Bruce McPherson (bruce.mcpherson@co.santa-cruz.ca.us)' <bruce.mcpherson@co.santa-cruz.ca.us>; Gine Johnson <Gine.Johnson@santacruzcounty.us>; rlj12@comcast.net; Zach Friend <BDS022@co.santa-cruz.ca.us>; Patrick Mulhearn <Patrick.Mulhearn@santacruzcounty.us>; Bertrand, Jacques <jbertrand@ci.capitola.ca.us>; Guy Preston <gpreston@sccrtc.org>; Matt Machado <Matt.Machado@santacruzcounty.us>; Alex Clifford <AClifford@scmtd.com>; Regional Transportation Commission <info@sccrtc.org>
Subject: Open Coastal Trail from Watsonville to Santa Cruz Boardwalk by 2023

RTC Commissioner Train supporters,

According to the Transit Corridor Alternative Analysis (TCAA), Bus Rapid Transit (BRT) along a section of the coastal corridor with a wide trail is the most effective use of the corridor for mass transit and will have the greatest impact on climate change. We need to open the Coastal Corridor as a temporary dirt/gravel from Watsonville to Santa Cruz Boardwalk by 2023 to alleviate traffic associated with Highway 1 widening.

Please help move our community forward by opening the Coastal Corridor from Watsonville to Santa Cruz Boardwalk by 2023.

Best regards,

Brian Peoples
Executive Director
Trail Now

From: J. Ben Vernazza <ben@benvcpa.com>
Sent: Tuesday, December 1, 2020 11:12 AM
To: bruce.mcpherson@co.santa-cruz.ca.us; aurelio.gonzalez@cityofwatsonville.org; jbertrand@ci.capitola.ca.us; sbrown@cityofsantacruz.com; greg.caput@co.santa-cruz.ca.us; ryan.coonerty@santacruzcounty.us; trina.coffman@cityofwatsonville.org; zach.friend@santacruzcounty.us; ebottorff167@yahoo.com; john.leopold@co.santa-cruz.ca.us; rlj12@comcast.net; openup@ucsc.edu; Patrick.Mulhearn@santacruzcounty.us
Cc: Guy Preston <gpreston@sccrtc.org>; jimmy.dutra@cityofwatsonville.org; BenV@CPA.com
Subject: Comments about ORDINANCE NO.L 2016-01 -- SCCRTC and 1/2% tax to fund transportation.

SCCRTC Commissioners:

My company is active in providing fiduciary opinions regarding investment portfolios. Hence, my propensity to review documents that guide fiduciaries such as trust documents, articles of incorporation, ERISA Pension Plan Guidelines, and in your case ORDINANCE NO.2016-01 adapted by the electorate that same year.

My short presentation this Thursday November 3, 2020 SCCRTC meeting is the attached cover page statement without any verbal statements about the 23 pages attached for reference – THE ORDINANCE ITSELF and a two-page explanation of RailBanking (also attached). I have taken a deep dive, so to speak, into the details of the ordinance which defines what the commission can and cannot do as well as how the commission might alter what is outlined in the ordinance.

I am sending it to you separately from the agenda attachments because it is the guiding document for you and is well worth re-reading at this critical time for the RTC.

Ben

-DIVERSITY CREATES A BETTER WORLD-

J. Ben Vernazza CPA/PFS TEP emeritus, Managing Director
Aptos CA – BenV@CPA.com 831-239-6000

PRECISION
FIDUCIARY
ANALYTICS

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ben@benvcpa.com
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Santa Cruz County Regional Transportation Commission Meeting
November 3, 2020 – **ITEM 2 ORAL COMMUNICATIONS**
Comments by J. Ben Vernazza

RTC Commissioners' Fiduciary Responsibilities
Traced Through the Ordinance Measure D Document
SAFETY, POTHOLE REPAIR, TRAFFIC RELIEF AND
TRANSIT IMPROVEMENT MEASURE

Question: What needs to happen if 'the authority' (Commissioners) want to utilize the rail-trail as a train or other similar rail service?
Answer: Since the Expenditure Plan (Sch A) specifically states "The Measure Revenues do not include funding for any new train/rail service" (page 20) then new train-rail expenditure may only be amended by 1) RTC Authority reciting findings of necessity; 2) provision of notice and a copy of the amendments provided to the Board of Supervisors and the City Councils of Santa Cruz County, and such **Amendments shall require a two-thirds (2/3) vote of the total membership of the Authority**. (pg.12 Section 25 B)

Question: What happens if the RTC Commission determines that the best use of the corridor is an option other than rail transit?
Answer: The funds in *Rail Corridor – 8% (page 20)* may be utilized for other transportation improvements along and near the corridor. This can be interpreted as meaning added to the *Monterey Bay Sanctuary Scenic Trail (Coastal Rail-Trail) – 17%* (page 20). **This would be a change in the Implementation Plan by amendment of a majority vote of the Commission**. (Section 8 (B) pg. 6). Railbanking after passage.

Suggest you follow each scenario by reading the highlighted sections on

- Page 1 (what the voters saw in the voting booth)
- Page 2 (whereas concerning the Sanctuary Trail Network)
- Page 4 (Schedule A Expenditure incorporated in Ordinance)_
- Page 6 (Implementation Plan changes and amendments majority vote)
- Page 7 (Pay as you go is the goal)
- Page 12 (Expenditure Plan changes need 2/3 majority to pass)
- Page 14 (Section 32 C – review of expenditures within Ordinance?)
- Page 15 (Overview; note nothing mentioned about train or rail)
- Page 15 (Highway 1 Corridor 41st-Soquel Dr; Bay/Porter Park; State Park-Park
  NOTE: no mention is made of Segment 12 – Does Segment 12 require A 2/3 majority vote because its main purpose is two bridges for a train?
- Page 18-19 (Highway Corridor Improvements, bike-pedestrian bridges)
- Page 20 (Sanctuary Trail and Studies-Analysis NO TRAIN FUNDING INCLUDED)
- Attachment 2 pages (**Railbanking** – What, Where, Why , When and How)

Santa Cruz County

Measure D: Safety, Pothole Repair, Traffic Relief, Transit Improvement Measure. In order to: improve children's safety around schools; repair potholes; repave streets; improve traffic flow on Highway 1; maintain senior/disabled transit; reduce global warming pollution by providing transportation options like sidewalks, buses, bike lanes, trails; **preserve rail options***; shall Santa Cruz County voters adopt an ordinance establishing a half-cent sales tax for 30 years, raising approximately $17 million annually, requiring citizen oversight, independent audits, and funds spent locally? ***rail-banking (see attachment)**

ORDINANCE NO. 2016-01

AN ORDINANCE OF

THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION ENACTING A RETAIL TRANSACTIONS AND USE TAX,

SUBJECT TO ADOPTION BY THE ELECTORATE,

TO BE ADMINISTERED BY THE STATE BOARD OF EQUALIZATION

WHEREAS, the multimodal local transportation network is necessary for economic vitality; provides access to homes, schools, healthcare, and businesses; is utilized by drivers, buses, people walking, bicyclists, trains and trucks; and is important to the overall quality of life for all Santa Cruz County residents; and

WHEREAS, agencies in Santa Cruz County are working to reduce congestion, reduce greenhouse gas emissions and improve safety, access and mobility; and

WHEREAS, the County of Santa Cruz and the Cities of Capitola, Santa Cruz, Scotts Valley, and Watsonville operate, maintain, and make improvements to the local street and road network, which includes over 1,800 lane miles of roads, traffic signals, sidewalks, bicycle paths, and other transportation facilities; and

WHEREAS, public transit and paratransit operators provide a lifeline for senior citizens and people with disabilities, who depend on these vital transportation services for independent living; and

WHEREAS, over 100,000 people travel each day on Highway 1 to access their homes, jobs, health care, and services; and

WHEREAS, the Santa Cruz Branch Rail Line was brought into public ownership in 2012 for the purpose of expanding transportation options along the most heavily traveled corridor in Santa Cruz County; and

WHEREAS, the Monterey Bay Sanctuary Scenic Trail Network, including the Rail Trail, is a planned multi-use bicycle and walking path that is separated from vehicular traffic and will span the length of Santa Cruz County connecting homes, schools, jobs, coastal and other key destinations; and

WHEREAS, State and Federal funding sources and programs that support transportation have been cut, are unreliable, can be diverted to other uses, and are insufficient to operate and maintain the local road, bicycle, pedestrian, transit, senior and disabled transportation networks in a state of good repair; and

WHEREAS, new local revenues that cannot be taken by the state are needed to prevent further deterioration of roads and maintain them in good condition; reduce traffic congestion; maintain public transportation and transportation services for seniors and people with disabilities; reduce collisions and improve traffic flow on local highways; provide safe and accessible crosswalks, ramps, and sidewalks; and create safe bicycle routes; and

WHEREAS, there is strong recognition of need for infrastructure improvements and acknowledgement that the local multi-modal transportation network serves all sectors of our community; and

WHEREAS, after receiving feedback from residents throughout Santa Cruz County on their priorities for the multimodal transportation system, the Santa Cruz County Regional Transportation Commission has determined that the community places a high priority on preserving and maintaining existing infrastructure, maintaining public transit and transit service for seniors and people with disabilities, reducing traffic congestion, improving safety, and expanding options for traveling within Santa Cruz County; and

WHEREAS, the Local Transportation Authority and Improvement Act, California Public Utilities Code Section 180000 *et seq.* ("Act"), generally authorizes a local transportation authority to place a ballot measure before the voters of the county to authorize a retail transactions and use tax to fund transportation-related projects and programs ("Transportation Tax"), upon the approval of two-thirds of the electors voting upon the measure; and

WHEREAS, the Santa Cruz County Regional Transportation Commission is designated by California Government Code section 29532.1 as the transportation planning agency of the County of Santa Cruz; and

WHEREAS, Sections 180050 and 180201 of the Act provide that the County may designate a transportation planning agency to act as the local transportation authority for purposes of the Act including imposing a Transportation Tax; and

WHEREAS, a one-half cent sales tax established locally would generate approximately seventeen million dollars ($17 million) per year solely for transportation projects in Santa Cruz County; and

WHEREAS, local funding measures for transportation strengthen our local economy by creating jobs and providing mobility and access for all transportation system users; and

WHEREAS, the Act states that the additional funds provided by the tax so adopted shall supplement existing local revenues being used for public transportation purposes; and

WHEREAS, the Act further provides that a county transportation expenditure plan shall be prepared for the expenditure of the revenues expected to be derived from the Transportation Tax; and

WHEREAS, the Santa Cruz County Regional Transportation Commission has conducted a noticed public hearing, as required by state law, on the question of whether or not to request voters to adopt an Ordinance to fund the programs identified in the Expenditure Plan; and

WHEREAS, funds generated by the Transportation Tax shall be used only for transportation purposes, including the administration of the Expenditure Plan, construction, acquisition, maintenance and operation of streets, roads, highways, public transit systems, including paratransit services, and related transportation purposes within the County of Santa Cruz,

NOW, THEREFORE, the people of the Santa Cruz County Regional Transportation Commission of the County of Santa Cruz do ordain as follows:

Section 1. **TITLE.** This Ordinance shall be known as the "Santa Cruz County Transportation Improvement Plan Measure." The Santa Cruz County Regional Transportation Commission shall be referred to herein as the Local Transportation Authority ("Authority"). This Ordinance shall be applicable in the territory of

the Santa Cruz County Regional Transportation Commission, which is all incorporated and unincorporated territory lying within the County of Santa Cruz.

Section 2.SUMMARY. This Ordinance provides for the adoption of a transportation Expenditure Plan for Santa Cruz County, the imposition of a Retail Transactions and Use Tax of one-half of one percent (0.5%) for a period of thirty (30) years, the authority to issue limited tax bonds secured by such taxes and the administration of the tax proceeds, with independent citizens oversight and annual audit reports for public review.

Section 3.OPERATIVE DATE. Subject to voter approval, this Ordinance shall be operative the first day of the first calendar quarter commencing more than 110 days after the adoption of this Ordinance. The anticipated Operative Date of this Ordinance will be as early as April 1, 2017, if approved by two-thirds of the voters voting on the measure at the November 8, 2016 Election.

Section 4.DEFINITIONS. The following definitions shall apply in this Ordinance:

1. "Authority" means the Santa Cruz County Regional Transportation Commission (SCCRTC), previously created in Government Code 67940 and 67941 and designated as the transportation planning agency for Santa Cruz County in Government Code 29532.1 and designated as the Local Transportation Authority for Santa Cruz County pursuant to Division 19 (commencing with Section 180000) of the California Public Utilities Code, authorized to impose a Retail Transactions and Use Tax, subject to voter approval, in accordance with Chapter 5 (commencing with Section 180200) of Division 19 of the California Public Utilities Code, and with Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code.

B. "Board of Supervisors" means the Santa Cruz County Board of Supervisors.

C. "County" means Santa Cruz County and includes the incorporated and unincorporated territory of the county which makes up the boundaries of the Santa Cruz County Regional Transportation Commission territory.

D. "State" means the State of California.

E. "Measure Revenue" or "Transportation Tax Revenue" means the revenue generated by the one-half of one percent (0.5%) increase in the Retail Transactions and Use Tax imposed and as collected pursuant to this Ordinance, including any interest or other earnings thereon.

F. "Retail Transactions and Use Tax" or "Transportation Tax" is to be identified as specified in Part 1.6 (commencing with section 7251) of Division 2 of the California Revenue and Taxation code.

G. "Measure" or "Traffic Relief, Road Repair, Safety, Transit Improvement Measure" or "Transportation Improvement Plan (TRIP)" or "Santa Cruz County Transportation Tax Measure" means the Ordinance, including all provisions and Expenditure Plan incorporated herein.

H. "Expenditure Plan" or "Plan" or "Investment Plan" means the 2016 Santa Cruz County Transportation Improvement Plan - Expenditure Plan attached to this Ordinance as Exhibit A and adopted as part of this Ordinance including any future amendments thereto. This is the plan for

the expenditure of revenues expected to be derived from the tax imposed pursuant to this Ordinance, together with other federal, state, and local funds expected to be available for transportation projects and programs, for the period during which the tax is to be imposed.

Section 5.PURPOSE. This Ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

A. To impose a Retail Transactions and Use Tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 180000 *et seq*. of the California Public Utilities Code, which authorize the Authority to adopt this Ordinance which shall be operative if a two-thirds (2/3) majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

B. To adopt a Retail Transactions and Use Tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

C. To adopt a Retail Transactions and Use Tax ordinance that imposes a countywide Transportation Tax and provides a measure therefor that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.

D. To adopt a Retail Transactions and Use Tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Division 19 (commencing with Section 180000) of the California Public Utilities Code and Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

E. Measure Revenue, including any interest or other earnings thereon, may only be used for transportation purposes described in the Ordinance and Expenditure Plan (Exhibit A), including: the implementation and administration of all provisions and requirements of this Ordinance as amended; the construction, acquisition, maintenance, and operation of streets, roads, highways, including local roads, state highways and public transit systems; and for related transportation purposes consistent with the Expenditure Plan, including project management and oversight of the projects to be funded using the Transportation Tax, such as coordination with other responsible agencies as well as project delivery and negotiation of project agreements. These purposes include expenditures for planning, environmental reviews, engineering and design costs, and related right-of-way acquisition. Expenditures may also include, but are not limited to, payments to the County of Santa Cruz for any election costs as set forth in the Ordinance, required payments to the Board of Equalization, costs of program administration and oversight, defense or prosecution of legal actions related thereto, debt service on bonds or other indebtedness, and expenses and reserves in connection with the issuance of the same.

Section 6.ADMINISTRATION OF PLANS. The Authority shall impose the Transportation Tax and enter into an agreement with the State Board of Equalization to collect the funds, may at the discretion of the

Authority's governing Board enter into agreement with the County Auditor-Controller to allocate revenues derived from the Transportation Tax consistent with the Ordinance and Expenditure Plan, and shall administer the Ordinance and Expenditure Plan included in this Ordinance, consistent with the provisions and priorities of the Ordinance and Expenditure Plan, consistent with the authority cited herein.

Section 7.CREATION OF SPECIAL FUND. The Authority shall establish a new fund entitled "Transportation Tax Regional Transportation Fund". All Transportation Tax Revenue, plus interest, will be deposited in the special fund. The fund authorized hereunder will be administered by the Authority pursuant to this Ordinance and the provisions of Division 19 (commencing with Section 180000) of the California Public Utilities Code, and Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code.

Section 8.IMPLEMENTATION.

A. Projects and programs funded in the Expenditure Plan will be implemented over the 30-year time horizon of the Transportation Tax. Three types of investments are funded by the Expenditure Plan: investment categories which are allocated a percentage of net revenues, capital investments which are allocated specific dollar amounts, and ongoing direct allocations of a percentage of net revenues to be distributed to cities, the County of Santa Cruz, and transit operators for capital projects and operations. Capital investments will be made based upon clearly defined project descriptions and limits resulting from the outcomes of environmental analyses, as applicable. The Authority shall distribute revenues no less than quarterly to local jurisdictions, the Santa Cruz Metropolitan Transit District, and the Consolidated Transportation Service Agency based on the formulas set forth in the Expenditure Plan, in accordance with the Act and this Ordinance.

B. The Santa Cruz County Regional Transportation Commission, which currently allocates, administers and oversees the expenditure of federal, state and Transportation Development Act funding for local and regional transportation projects and programs, in its role as the Authority shall allocate, administer and oversee the expenditure of all Measure Revenues which are not directly allocated by formula annually to other agencies, consistent with the Expenditure Plan, as it may be amended in accordance with the Act and this Ordinance through an Implementation Plan, which it will update at least every 5 years, following a public hearing. The purposes of the Implementation Plan are to define the scope, cost, and delivery schedule of each Expenditure Plan project or program, detail the revenue projections and possible financing tools needed to deliver the Expenditure Plan within the 30 years promised to voters, and describe the risks, critical issues and opportunities that the Authority should address to expeditiously deliver the Expenditure Plan. The Implementation Plan may be amended by a majority vote of the Authority, **however, amendment of the Implementation Plan shall not serve to amend provisions of the Expenditure Plan.**

C. Agencies implementing the Expenditure Plan projects may accumulate revenue over multiple years so that sufficient funding is available for larger and long-term projects. Any interest income earned on funds allocated pursuant to this ordinance shall be expended only for the purposes for which the funds were allocated.

Section 9.LEVERAGING FUNDS. Leveraging or matching of outside funding sources is strongly encouraged. Any additional transportation revenues made available through their replacement by matching funds will be spent based on the principles outlined for fund allocations described in the Ordinance and Expenditure Plan.

Section 10.BONDING AUTHORITY. Pay-as-you-go financing is the preferred method of financing transportation improvements and programs under this Ordinance. However, if determined by the board of the Authority to be cost effective and to accelerate implementation of projects, the Authority may decide to use bond financing as an alternative method. Upon voter approval of this Ordinance, the Authority shall have the power to sell or issue, from time to time, on or before the collection of taxes, bonds, or other evidence of indebtedness, in an aggregate principal amount at any one time outstanding not to exceed the estimated proceeds of the Transportation Tax, and to secure such indebtedness solely by way of future collection of the Transportation Tax, for capital outlay expenditures for the purposes set forth in this Ordinance, including, but not limited to, carrying out the transportation projects described in the Expenditure Plan, consistent with the Section 180250 of the Public Utilities Code.

Section 11.COOPERATIVE FUND AGREEMENTS. To maximize the effective use of funds, revenues may be transferred or exchanged between or among jurisdictions receiving funds from this measure. Jurisdictions receiving funds may, by annual or multi-year agreement, exchange funds provided that the percentage of funds allocated as provided in the Expenditure Plan is maintained over the duration of the period of time the tax is imposed. Agreements to exchange funds, including fund repayment provisions, must be approved by the Authority and shall be consistent with all rules adopted or approved by the Authority relating to such exchanges. The Authority may exchange revenues for State or federal funds allocated or granted to any public agency within or outside the area or jurisdiction of the Authority to maximize effectiveness in the use of the revenues. Such federal or State funds shall be distributed in the same manner as revenues derived from this ordinance. The Authority shall maintain for public review an accounting of all balances that are subject to cooperative agreements approved pursuant to this section.

Section 12.ADMINISTRATIVE AND IMPLEMENTATION COSTS.

A. The Authority shall expend only that amount of the Transportation Tax Revenue for staff support, audit, administrative expenses, and contract services that is necessary and reasonable to carry out its responsibilities pursuant to Division 2 of the Revenue and Taxation Code. Pursuant to Section 180109 of the Public Utilities Code, the Authority shall not expend more than one percent of the funds generated pursuant to Division 19 of the Code for administrative salaries and benefits net of the amount of fees paid to the State Board of Equalization for collection of the transactions and use tax and prior to the distribution of the Transportation Tax Revenue as provided in the Expenditure Plan (Exhibit A).

B. In order to ensure that the cost of administration, implementation and oversight this Measure are not borne by other programs and sources, such as Transportation Development Act-funded programs, any funds necessary for administrative, implementation and oversight of the Ordinance and Transportation Tax shall be paid by Measure Revenues. These functions include audits, programming processes, reporting, financial management, compiling and publishing an annual report, providing public information concerning the Ordinance, rent, supplies, consulting services, overhead, legal, other responsibilities as may be necessary to administer the Ordinance and Expenditure Plan. Costs of

performing or contracting for project-related work shall be paid from the revenues of the Transportation Tax allocated to the appropriate purpose and project.

Section 13.EXECUTION OF DUTIES. The Authority may engage, contract with, employ and compensate any public or private agency, party, contractor or professional, in accordance with the Public Contract Code and/or any of the provisions for public employment of profession services for public agencies, for the planning, finance, approval, design, construction, acquisition of right of way, maintenance, operation, control and repair of any road, highway, bus, rail or other transportation facility. However, the Authority shall not be responsible for the maintenance or operation of any State highway facilities following construction contract completion.

Section 14.ELECTION. The Authority requests the Board of Supervisors to call an election for voter approval of this Ordinance, which election shall be held on November 8, 2016. The election shall be called and conducted in the same manner as provided by law for the conduct of elections by a county. Pursuant to Section 180203 of the Public Utilities Code, the sample ballot to be mailed to the voters shall be the full proposition as set forth in this Ordinance, and the voter information handbook shall include the Expenditure Plan. Approval of this Ordinance, and imposition of the Transportation Tax, shall require the affirmative vote of a two-thirds (2/3) majority of the electors voting on this measure at the election described in this section. The proposition to be placed on the ballot shall read substantially as follows:

"**Safety, Pothole Repair, Traffic Relief, Transit Improvement Measure.** In order to: improve children's safety around schools; repair potholes; repave streets; improve traffic flow on Highway 1; maintain senior/disabled transit; reduce global warming pollution by providing transportation options like sidewalks, buses, bike lanes, trails; preserve rail options; shall Santa Cruz County voters adopt an ordinance establishing a half-cent sales tax for 30 years, raising approximately $17 million annually, requiring citizen oversight, independent audits, and funds spent locally?

YES ____ NO ____"

Section 15.ELECTION COSTS. The County of Santa Cruz shall be reimbursed for its cost in conducting the election if the measure is approved per Section 180203(a) of the Public Utilities Code. Election costs will be funded from Year 1 Measure Revenues before net proceeds are disbursed to the projects and programs in the Expenditure Plan. Reimbursement of the County of Santa Cruz for the costs of this election shall be deferred until it can be paid from the Measure Revenues collected when the Transportation Tax goes into effect.

Section 16.CONTRACT WITH STATE. Prior to the operative date of this Ordinance, the Authority shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the Authority shall not have contracted with the State Board of Equalization prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

Section 17.TRANSACTIONS TAX RATE. For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated and unincorporated territory of the County at the rate of one-half of one percent (0.5%) of the gross receipts of any retailer from the sale of all

tangible personal property sold at retail in said territory on and after the operative date of this Ordinance.

Section 18.PLACE OF SALE. For the purposes of this Ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

Section 19.USE TAX RATE. An excise tax is hereby imposed on the storage, use or other consumption in the County of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in said territory at the rate of one-half of one percent (0.5%) of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

Section 20.ADOPTION OF PROVISIONS OF STATE LAW. Except as otherwise provided in this ordinance and except insofar as they are inconsistent with the provisions of Division 19 (commencing with Section 180000) of the California Public Utilities Code and Part 1.6 of Division 2 (commencing with Section 7251) of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this Ordinance as though fully set forth herein.

Section 21.LIMITATIONS ON ADOPTION OF STATE LAW AND COLLECTION OF USE TAXES. In adopting the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of this Authority shall be substituted therefor. However, the substitution shall not be made when:

1. The word "State" is used as a part of the title of the State Controller, State Treasurer, Victim Compensation and Government Claims Board, State Board of Equalization, State Treasury, or the Constitution of the State of California;

2. The result of that substitution would require action to be taken by or against this Authority or any agency, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this Ordinance.

3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;

b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.

4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "County" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

Section 22.PERMIT NOT REQUIRED. If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this Ordinance.

Section 23.EXEMPTIONS AND EXCLUSIONS.

A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the County in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

2. Sales of property to be used outside the County which is shipped to a point outside the County, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the County shall be satisfied:

a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-County address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

b. With respect to commercial vehicles, by registration to a place of business out-of-County and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this County of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

6. Except as provided in subparagraph (7), a retailer engaged in business in the County shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the County or participates within the County in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the County or through any representative, agent, canvasser, solicitor, subsidiary, or person in the County under the authority of the retailer.

7. "A retailer engaged in business in the County" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the

Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the County.

D. Any person subject to the use tax under this Ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a County imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

Section 24.AMENDMENTS. All amendments subsequent to the effective date of this Ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this Ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this Ordinance. **Other amendments to this Ordinance shall require a two-thirds (2/3) vote of the total membership of the Authority**.

Section 25.EXPENDITURE PLAN UPDATES AND AMENDMENTS.

A. This Ordinance and Expenditure Plan may be amended to provide for the use of additional federal, state, and local revenues, to account for unexpected revenues, or to take into consideration unforeseen circumstances. Should a project implementing agency determine that a planned project has become undeliverable, infeasible or unfundable due to circumstances unforeseen at the time this Ordinance and Expenditure Plan were created, or should a project not require all funds programmed for that project or have excess funding, funding set forth at project termination will be reallocated to another project or program of the same type or otherwise serving the same objectives.

B. The Ordinance and Expenditure Plan may only be amended, if required, by the following process set forth in Section 180207 of the Public Utilities Code: (1) Initiation of amendments by the Authority reciting findings of necessity; (2) Provision of notice and a copy of the amendments provided to the Board of Supervisors and the City Councils in Santa Cruz County; (3) The proposed amendments shall become effective 45 days after notice is given. **Amendments shall require a two-thirds (2/3) vote of the total membership of the Authority.**

Section 26.MAINTENANCE OF EFFORT. Pursuant to California Public Utilities Code 180001(e), it is the intent of this Ordinance that funds generated by the Transportation Tax be used to supplement and not replace existing revenues used for transportation purposes. Existing funds, revenues and other resources being used for transportation purposes include but are not limited to federal and state funding, the collection of traffic impact mitigation fees, other local impact fees, and dedications of property. The funds generated by the Transportation Tax shall not be used to replace existing transportation funding or to replace requirements for new development to provide for its own transportation needs. The entities receiving Measure Revenues shall maintain their existing commitment of discretionary local transportation-related expenditures for transportation purposes pursuant to this ordinance, and the Authority shall enforce this Section by appropriate actions, including fiscal audits of the local agencies.

Section 27.ENJOINING COLLECTION FORBIDDEN. No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the

Authority, or against any officer of the State or the Authority, to prevent or enjoin the collection under this ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

Section 28.ANNUAL APPROPRIATIONS LIMIT. The annual appropriations limit of the Authority pursuant to Section 4 of Article XIIIB of the California Constitution and Section 180202 of the Public Utilities Code shall be established at a sum equal to the amount of all proceeds of the Transportation Tax collected annually, and as defined by said Article XIIIB. The appropriations limit shall be subject to adjustment as provided by law.

Section 29.SEVERABILITY. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid or unenforceable by a court of competent jurisdiction, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby, and the Authority declares that it would have passed each part of this Ordinance irrespective of the validity of any other part.

Section 30.CAPTIONS. The titles and headings to the sections set forth in this ordinance are not part of this ordinance and shall have no effect upon the construction or interpretation of any part hereof.

Section 31.ENVIRONMENTAL. This Ordinance is not a project as defined in Section 15378 of the California Environmental Quality Act (CEQA) Guidelines and is therefore exempt from CEQA requirements. Approval of this Ordinance and Expenditure Plan does not commit to implementation of any specific project or activity listed herein. Prior to commencement of any specific project or activity identified in the Expenditure Plan, applicable provisions of the California Environmental Quality Act (CEQA) shall be completed.

Section 32.TAXPAYER SAFEGUARDS, AUDITS, AND ACCOUNTABILITY. Accountability is of utmost importance in delivering public investments with public dollars. In order to ensure accountability, transparency and public oversight of all funds collected and allocated under this Measure and to comply with state law, all of the following shall apply:

A. Annual Report. Each agency receiving Measure Revenue shall annually adopt, after holding a public hearing, an annual report which includes 1) a five-year program of projects including information about each of the projects to be funded with Measure Revenues allocated according to the Expenditure Plan. Local and regional agencies shall submit their program of projects to the Authority in a format that can be easily understood by members of the public. 2) Description of expenditures of Measure Revenues from the most recently completed fiscal year. The purpose of requiring the most recently completed fiscal year expenditures is to allow the Authority to prepare a comprehensive report to the public on the expenditure of funds generated by this Ordinance.

B. Annual Audit. No less than annually, an independent annual audit shall be conducted of the expenditure of all funds generated by the transportation tax. The audit, which shall be made available to the public, shall report on evidence that the expenditure of funds is in accordance with this Plan as adopted by the voters in approving the Ordinance on November 8, 2016. The Authority will also prepare a publicly available annual report on past and upcoming activities and publish an annual financial statement.

C. Independent Oversight Committee. An Independent Oversight Committee shall be formed by the Board of Directors of the Authority to review the annual independent fiscal audit of the expenditure of the Transportation Tax funds and issue an annual report on its findings regarding compliance with the requirements of the Expenditure Plan and the Ordinance to the Authority Board of Directors. The total membership of the Independent Oversight Committee shall not exceed five (5) members and any vacancy which may occur from time to time shall be filled by the Board of Directors of the Authority as soon as reasonably possible.

Members of the Independent Oversight Committee shall be residents of Santa Cruz County who are neither elected officials of any government, nor employees from any agency or organization that either oversees or implements projects funded from the proceeds of the sales tax. Members will fairly represent the geographical, social, cultural, and economic diversity of Santa Cruz County to ensure maximum benefit for transportation users. The Committee shall include at least one person with an accounting or fiscal management background.

Independent Oversight Committee meetings will be announced in advance and will be open to the general public. The Independent Oversight Committee shall meet at least once but no more than four times per year.

The responsibilities of this Committee include:

- Reviewing Expenditure Plan expenditures on an annual basis to ensure they conform to the Ordinance.
- Reviewing the annual audit and report prepared by an independent auditor, describing how funds were spent.
- Produce a publicly available Annual Report of Oversight Activities.

D. Decisions regarding implementation of this Ordinance will be made by the Authority in public meetings, subject to the Brown Act.

Section 33.EFFECTIVE DATE. This Ordinance relates to the levying and collecting of the retail transactions and use tax and shall take effect immediately, subject only to the Operative Date set forth in this Ordinance.

Section 34.TERMINATION DATE. The authority to levy the tax imposed by this Ordinance shall expire thirty (30) years from the Operative Date of this ordinance (with the last operative date anticipated to be March 31, 2047).

The foregoing Ordinance was PASSED AND ADOPTED by the Santa Cruz County Regional Transportation Commission (SCCRTC), on June 16, 2016, by the following vote:

AYES: Don Lane, John Leopold, Ryan Coonerty, Ed Bottorff, Karina Cervantez, Cynthia Chase, Jimmy Dutra, Dennis Norton, Bruce McPherson

NOES: Randy Johnson, Greg Caput

ABSENT: Zach Friend

→Exhibit A:←

Santa Cruz County

2016 Transportation Improvement Plan - Expenditure Plan

- Approved by the RTC board on June 16, 2016-

Overview

The 2016 Transportation Improvement Plan (TRIP) - Expenditure Plan for Santa Cruz County provides a balanced vision to improve, operate and maintain Santa Cruz County's transportation network. The plan will provide safer routes to schools for local students; maintain mobility and independence for seniors and those with disabilities; invest in bicycle and pedestrian pathways and bridges on an unprecedented scale; repave roadways, repair potholes and improve safety on local streets; ease congestion on major roadways; and invest in transportation projects that reduce the pollution that causes global warming.

SUMMARY OF TRANSPORTATION INVESTMENTS

Neighborhood Projects

Direct Allocation to Cities and County

Local roadway pavement repair and operational improvements, school and neighborhood traffic safety projects, bicycle and pedestrian projects

San Lorenzo Valley Hwy 9 Corridor Improvements - $10 million

Highway 17 Wildlife Crossing - $5 million

Highway Corridors

Highway 1 Corridor

Auxiliary lanes that separate entering and exiting traffic from through lanes to improve traffic flow and safety:

41st Ave-Soquel Dr; Bay/Porter-Park; State Park-Park

Bicycle and pedestrian over-crossings

Traveler Information and

Transportation Demand Management

Example Programs: Cruz511, Carpool/Vanpool Programs

Highway Safety and Congestion Reduction Programs

Example Programs: Freeway Service Patrol and Safe on 17 Enforcement

Transit for Seniors and People with Disabilities

Direct Allocation to Service Providers

Santa Cruz METRO (16%)

Community Bridges Lift Line Paratransit Service (4%)

Active Transportation

Monterey Bay Sanctuary Scenic Trail (Coastal Rail Trail)

Bike and pedestrian trail construction; maintenance, management and drainage of rail and trail corridor; install conduit for internet and electrical services

Rail Corridor

Infrastructure Preservation and Analysis of Options

Example Projects: Analysis (including environmental analysis) of both rail transit and non-rail options for the corridor; rail line maintenance and repairs

Total

DESCRIPTION OF PROJECTS AND PROGRAMS TO BE FUNDED

The Expenditure Plan identifies transportation projects to be funded from a new one-half of one percent transactions and use tax, to be collected for thirty (30) years, if two-thirds of voters approve the ballot measure in 2016. The Expenditure Plan is presented to the voters of Santa Cruz County as a means to

address insufficient funding to meet current and projected transportation needs in Santa Cruz County. Given current sales tax receipts, one-half of one percent transaction and use tax is expected to generate $17 million a year in 2016 dollars, totaling approximately $500 million for transportation investments. These local funds can be used to leverage state and federal transportation funds that would otherwise be unavailable. The investments described in the Expenditure Plan reflect the best efforts to achieve consensus among varied transportation needs of Santa Cruz County residents.

Three types of investments are funded in the Expenditure Plan: investment categories which are allocated a percentage of net revenues, capital investments which are allocated specific dollar amounts, and ongoing direct allocations of a percentage of net revenues to cities, the County of Santa Cruz, and transit operators for capital projects and operations. The following describes the investments funded by the Santa Cruz County 2016 Transportation Improvement Plan - Expenditure Plan.

Neighborhood Projects – 30% per year

Direct Allocation to Cities and County

The existing local street and road, bicycle, and pedestrian systems are critical to the everyday movement of people within the county. Much of the local roadway system is aging, has potholes, and is in need of major repair. Continued deferred maintenance will result in an exponential increase in the cost of maintaining the roadway system. Additionally, many sections of the county currently have inadequate facilities for bicyclists and pedestrians to travel safely. Current resources, without generation of new revenues for transportation, cannot provide adequate funding to maintain the local roadway system at the level necessary to adequately serve the public or expand the bicycle and pedestrian system to encourage more users.

Approximately $135 million ($4.5 million per year) in Measure Revenues will be allocated to the cities of Capitola, Santa Cruz, Scotts Valley, and Watsonville and the County of Santa Cruz for transportation projects. Projects to be funded with Measure Revenues may include: fixing potholes, local roadway repairs, rehabilitation, reconstruction and intersection improvements; new and improved sidewalks, crosswalks and bicycle lanes and paths, especially near schools; and other transportation projects as necessary for the benefit of residents in those jurisdictions. The County of Santa Cruz and the cities of Capitola, Santa Cruz, Scotts Valley and Watsonville, who are best able to determine their local transportation needs, shall each prepare an annual report through a public process to identify how they plan to spend their share of measure funds and how measure funds were spent in the prior year.

Funds will be distributed at least quarterly to cities and the County of Santa Cruz based on each jurisdiction's proportional share of the countywide population (29%), lane miles of roadway (39%) and site where the Measure Revenue from the transaction and use tax is generated (32%). Population, road mile, and tax site generation figures will be updated each year based on the latest available data.

San Lorenzo Valley Highway 9 Corridor

Ten ($10) million in Measure Revenues is designated for transportation projects improving travel for residents of San Lorenzo Valley. Example projects may include:

- Safety projects for people walking, biking or driving in the Highway 9 corridor through San Lorenzo Valley
- Projects that provide safe access to schools along or near Highway 9
- Intersection and signal improvements
- Bicycle lanes, paths and/or signage
- Accessible pedestrian crosswalks and sidewalks, including lighting and flashing pedestrian beacons that increase visibility
- Improved access to bus stops and bus service

Highway 17 Wildlife Crossing

Highway 17 is a major connection between the Monterey Bay Region and San Francisco Bay Area. The dense traffic, concrete median barriers, and lack of drainage culverts and/or bridge undercrossings makes Highway 17 a major barrier for wildlife moving through the Santa Cruz Mountains. Mountain lions, bobcats and deer have all been hit trying to cross Highway 17 which also makes it dangerous for the motorists. Five ($5) million in Measure Revenues will be allocated for construction of a safe passage for wildlife to cross under Highway 17. This project will improve safety for both drivers and wildlife.

Highway Corridors – 25%

Aging highway systems continue to operate under high traffic volumes as population, and thus demand for moving people and goods increases. State highways provide essential mobility for Santa Cruz County residents, businesses, and visitors. The highway corridors are the region's main thoroughfares with Highway 1 carrying over 100,000 people daily. Measure Revenues are needed to improve traffic flow and safety as state and federal formula funds do not fund most highway improvements in Santa Cruz County. Measure Revenues (25% or approximately $125 million total) will be allocated to Highway 1 and Highway 17 corridor projects to increase the safety and efficiency of these corridors in Santa Cruz County.

Highway 1 Corridor

Highway investments included in the Expenditure Plan, improve traffic flow and safety on Highway 1, especially for South County and Mid-County commuters, small businesses, bus riders and first responders (law enforcement, fire, medical) by adding auxiliary lanes between three interchanges: 41st Ave-Soquel Dr; Bay Ave/Porter St-Park Ave; and State Park Dr-Park Ave. Auxiliary lanes are lower cost highway projects that can improve flow by separating entering or exiting traffic from the through lanes. Approximately 10% of all of the injuries and fatalities in Santa Cruz County in 2013 occurred between Soquel Dr and Park Ave on Highway 1. Auxiliary lanes can help to improve safety on this high traffic

New bridges for cyclists and pedestrians

Highways can separate neighborhoods and make it harder to ride a bike or walk to access locations of interest. In order to improve bicycle and pedestrian movement between neighborhoods, employment, retail, medical, and recreation sites on either side of Highway 1, Measure Revenues can be used to construct bicycle/pedestrian bridges crossing over Highway 1 including crossings in Live Oak near Chanticleer Avenue and in Aptos/Seacliff near Mar Vista Elementary School. Measure Revenues can also improve bicycle and pedestrian facilities on existing crossings.

Traveler Information and Transportation Demand Management

The efficiency of the existing transportation system can be increased by promoting use of transit, carpooling, vanpooling, as well as bicycling and walking. Transportation demand management strategies can reduce the number of vehicles on our roadways especially during peak periods. Examples of transportation demand management programs that could be funded by this measure include "Cruz511", the traveler information service for Santa Cruz County, and carpool/vanpool programs.

Highway Safety and Congestion Reduction Programs

Improving safety is a primary goal of this measure. Programs that reduce fatal and injury collisions on highways and reduce congestion are also funded by Measure Revenues. Examples of programs that improve safety and reduce congestion are the Safe on 17 Task Force and the Freeway Service Patrol (roving tow trucks that remove stalled or disabled vehicles, debris, and other obstructions that may cause backups).

Transportation for Seniors and People with Disabilities – 20% per year

Direct Allocation to Service Providers

Seniors and disabled persons make up an increasing percentage of Santa Cruz County's population. For seniors and persons with disabilities, access to healthcare, social services, shopping, and recreation is key to quality of life. A number of specialized transportation programs have been implemented which meet specialized needs for transportation to medical services, social service programs, shopping and other purposes that cannot be met by conventional bus transit. An aging population will require maintenance and expansion of transit and paratransit services for elderly and disabled residents into the future.

Measure Revenues (16% or approximately $2.75 million per year) will be distributed to Santa Cruz Metropolitan Transit District (METRO) to provide transit and paratransit service for seniors and people with disabilities. Measure Revenues (4% or approximately $680,000 per year) will be allocated to the Consolidated Transportation Services Agency for Santa Cruz County (Community Bridges-Lift Line) for paratransit service. Paratransit works with social service agencies to increase transportation options for seniors, individuals with disabilities, and persons with low incomes. Funds will be distributed at least quarterly.

Active Transportation – 17%

Monterey Bay Sanctuary Scenic Trail (Coastal Rail Trail)

Measure Revenues (17% or approximately $85 million total) will be allocated for the Monterey Bay Sanctuary Scenic Trail Network, otherwise known as the Coastal Rail Trail, for people walking and bicycling along the coast in Santa Cruz County. The coastal rail and trail corridor connects Watsonville, Aptos, Capitola, Live Oak, Santa Cruz, and Davenport and links to trails in Monterey County. The trail offers spectacular views of the Monterey Bay, historic trestles, and a flat surface free of automobile traffic. This trail will provide kids, commuters and recreational bicyclists and walkers a safe and enjoyable way to travel. Funds will be used for trail construction, maintenance, operation, management and drainage of the rail and trail corridor and will leverage other state and federal grants for completion of the trail network.

Rail Corridor – 8% ↑↑↑↑

Infrastructure Preservation and Analysis of Options

Eight percent of Measure Revenues (approximately $40 million total) will be used for preservation of the Rail Corridor infrastructure and analysis of its future potential use to better serve Santa Cruz County residents and visitors. Projects include analysis (including environmental and economic analysis) to answer important community questions about possible future transit and other transportation uses of the corridor through an open, transparent public process; and maintaining and repairing the publicly-owned Santa Cruz Branch Rail Line. **The Measure Revenues do not include funding for any new train/rail service. If the Regional Transportation Commission determines that the best use of the corridor is an option other than rail transit, funds may be utilized for other transportation improvements along and near the corridor.**

Notes

(1) Estimated revenues from a ½-cent transaction and use tax are $17 million per year (in 2016 dollars) for 30 years. The present value (i.e., present day purchasing power) of the Measure Revenues is forecasted to be approximately $500 Million. The actual revenues to be received over the 30-year life of the tax will be affected by various economic factors, such as inflation and economic growth or decline. The estimated amounts for each category reflect the allocation of approximately $500 Million. The estimated amounts for each category, divided by $500 Million, establishes ratios for the allocation among the categories. While total revenues will vary, the net percentages to each investment category will remain constant over the 30-year life of the tax.

(2) Percentages are net after costs required for administration, implementation and oversight of the measure -- including annual independent fiscal audits, reports to the public, preparation and implementation of state-mandated reports, oversight committee, and other administration, implementation and oversight responsibilities as may be necessary to administer and implement the Ordinance and the Expenditure Plan. Administrative salaries and benefits shall not exceed 1% of total Measure Revenues.

(3) If bonding is used to advance implementation of any of these projects, finance costs will be paid from the percent of funds designated for the associated investment category.

(4) It is anticipated that a portion of the total costs of the projects included in the Expenditure Plan will also be funded from federal, state, and local sources, as described in the Regional Transportation Plan (RTP).

(5) Outside of the funds to local jurisdictions and transit agencies which will be allocated on an ongoing basis, based on revenues generated, the Santa Cruz County Regional Transportation Commission shall allocate Measure Revenues to all other categories of transportation projects and specific capital projects. Capital investments will be made based upon clearly defined project descriptions and limits resulting from the outcomes of environmental analyses, design engineering, and public input, as applicable.

(6) In the event that any agency that is designated funds through the Expenditure Plan is dissolved, the redistribution of funds will be based on the same formulas minus the dissolved agency. New or successor entities that come into existence in Santa Cruz County during the life of the Expenditure Plan, such as incorporation of a new city, merging of agencies, or designation of a new agency as the county Consolidated Transportation Services Agency or transit agency, may be considered as eligible recipients of funds through the amendment process as set forth in the Ordinance.

https://www.votescount.us/Home/PastElections/November8,2016PresidentialGeneralElection/LocalMeasuresontheballot/MeasureDCountyTransportationTaxMeasure.aspx

https://www.votescount.us/Home/PastElections/November8,2016PresidentialGeneralElection/LocalMeasuresontheballot/MeasureDCountyTransportationTaxMeasure/FulltextofMeasureD.aspx

rails-to-trails conservancy

Fact Sheet

Railbanking—What, Where, Why, When and How

In 1983, concerned by the rapid contraction of America's rail network, the U.S. Congress amended the National Trails System Act to create the railbanking program. Railbanking is a method by which lines proposed for abandonment can be preserved for future rail use through interim conversion to trail use.

Railbanking can be requested by either a public agency or a qualified private organization at the time that the railroad files for abandonment with the Surface Transportation Board (STB), formerly the Interstate Commerce Commission. The railbanking request must be sent to the STB in Washington, D.C., and must at the very minimum include a Statement of Willingness To Assume Financial Responsibility. Since the abandoning railroad company must agree to negotiate a railbanking agreement, a copy of the request for railbanking must be served on the railroad at the same time it is sent to the STB.

A Public Use Condition (PUC) request is a request that is complementary to a request for railbanking. If a PUC request is made to the STB, the STB will place a restriction on the abandonment that prevents the railroad company from selling off or otherwise disposing of any property or trail-related structures, such as bridges or culverts, for a period of 180 days after the abandonment is authorized. This PUC gives the prospective trail manager some breathing room for preparing an offer to the railroad. (The PUC is also a good backup device should the railroad not agree to railbanking since the STB will issue a PUC regardless of whether the railroad agrees.)

There are several other important points regarding railbanking:

1. A railbanking request is not a contract and does not commit the interested party to acquire any property or to accept any liability. It invites negotiation with the railroad company under the umbrella of railbanking.
2. A party filing a Statement of Willingness To Assume Financial Responsibility is not accepting any financial responsibility. It is merely expressing an interest in possibly doing so.
3. The tracks and ties on a railbanked line can be removed. However, bridges and trestles must remain in place, and no permanent structures can be built on the right-of-way.
4. Railbanking can only be requested for a rail line that is still under the authority of the STB. The STB has authority over the corridor until the railroad files a notice of consummation, which must be filed within one year of the abandonment decision (unless the railroad requests an extension). If no notice of consummation is filed by the railroad within one year, abandonment authorization lapses. Railbanking requests are due within the period specified in the applicable notice of abandonment. However, late-filed requests will be accepted for good cause so long as the STB retains authority to do so.
5. Some railroad rights-of-way contain easements that revert back to adjacent landowners when an abandonment is consummated. However, if a line is railbanked, the corridor is treated as if it had not been abandoned. As a result, the integrity of the corridor is maintained, and any reversions that could break it up into small pieces are prevented.
6. Railbanking can be affected through a sale, a donation or a lease of the corridor. The details of which are subject to negotiation with the railroad.
7. A railbanked line is subject to possible future restoration of rail service. The abandoning railroad can apply to the STB to resume rail service on a railbanked corridor which will then vacate the trail use ordinance. The terms and conditions of a transfer back to rail service must be negotiated with the trail manager.

A more thorough discussion of railbanking and other legal issues related to rails-to-trails conversions can be found in *Secrets of Successful Rail-Trails: An Acquisition and Organizing Manual for Converting Rails into Trails*, available online at **www.railstotrails.org.**

On the back is a sample of a request for railbanking including a Statement of Willingness to Assume Financial Responsibility and a Public Use Condition. The items in italics are to be completed by the prospective trail agency or group.

National Headquarters: 2121 Ward Court, NW, 5th Floor / Washington, DC 20037
tel 202.331.9696 / fax 202.223.9257 / www.railstotrails.org

[*Date*]

Ms. Cynthia Brown
Chief, Section of Administration
Surface Transportation Board
Office of Proceedings
395 E Street, S.W.
Washington, DC 20423-0001

Re: [*Name of Railroad Company*] Abandonment in [*Name of County and State*] , [*STB Docket Number*]

Dear Ms. Brown:

This request is filed on behalf of [*Agency Name*] which is a [*political subdivision or government agency interested in transportation and/or natural resources, private public interest organization interested in conservation and/or recreation, etc.*], which is hereinafter referred to as 'proponent'.

While not taking a position on the merits of this abandonment, proponent requests issuance of a Public Use Condition as well as a Certificate or Notice of Interim Trail Use rather than an outright abandonment authorization between [*endpoint a*] and [*endpoint b*].

A. Public Use Condition

Proponent requests the STB to find that this property is suitable for other public use, specifically trail use, and to place the following conditions on the abandonment:

1. An order prohibiting the carrier from disposing of the corridor, other than the tracks, ties and signal equipment, except of public use on reasonable terms. The justification for this condition is that [*example: the rail corridor in question is along a scenic river and will connect a public park to a major residential area. The corridor would make an excellent recreational trail and conversion of the property to trail use is in accordance with local plans. In addition, the corridor provides important wildlife habitat and greenspace and its preservation as a recreational trail is consistent with that end.*] The time period sought is 180 days from the effective date of the abandonment authorization. Proponent needs this much time because [*example: we have not had an opportunity to assemble or to review title information, complete a trail plan or commence negotiations with the carrier.*]
2. An order barring removal or destruction of potential trail-related structures such as bridges, trestles, culverts and tunnels. The justification for this condition is that these structures have considerable value for recreational trail purposes. The time period requested is 180 days from the effective date of the abandonment authorization for the same reason as indicated above.

B. Interim Trail Use

The railroad right-of-way in this proceeding is suitable for railbanking. In addition to the public use conditions sought above, proponent also makes the following request:

STATEMENT OF WILLINGNESS TO ASSUME FINANCIAL RESPONSIBILITY

In order to establish interim trail use and rail banking under section 8(d) of the National Trails System Act, 16 U.S.C. §1247(d), and 49 C.F.R. §1152.29, [Agency Name] is willing to assume full responsibility for management of, for any legal liability arising out of the transfer or use of (unless the user is immune from liability, in which case it need only indemnify the railroad against any potential liability), and for the payment of any and all taxes that may be levied or assessed against the right-of-way owned by [*Name of Railroad Company*] and operated by [*Name of Operator if different than Railroad Company*].

The property, known as the [*Property Name*] extends from railroad milepost [*Milepost Number*] near [*endpoint a*] to railroad milepost [*Milepost Number*] near [*endpoint b*] a distance of [*number*] miles in [*County Name*] County, [*State*]. The right-of-way is part of a line of railroad proposed for abandonment in STB Docket No. AB-*xx* (Sub *yy*).

A map depicting the right-of-way is attached.

[*Agency Name*] acknowledges that use of the right-of-way is subject to the user's continuing to meet its responsibilities described above and subject to possible future reconstruction and reactivation of the right-of-way for rail service.

By my signature below, I certify service upon [*Railroad Company and Address*], by U.S. Mail, postage prepaid, first class, on [*date*].

Respectfully submitted,

[*Name*]

On behalf of [*Agency*]

rails-to-trails conservancy

National Headquarters
2121 Ward Court, NW, 5th Floor
Washington, DC 20037
tel 202.331.9696
fax 202.223.9257

Emails received between 11/28/20 – 01/04/20

From: spaceunicorn3000@everyactioncustom.com <spaceunicorn3000@everyactioncustom.com>
Sent: Wednesday, December 2, 2020 3:34 PM
To: Transit Corridor <transitcorridoraa@sccrtc.org>
Subject: Choose Rail for the Locally Preferred Alternative

Dear RTC Commissioners and Staff,

I'm writing to let you know that I support rail transit for the rail corridor. Please follow the recommendation of the TCAA study and choose rail transit as the locally preferred alternative.

I DO NOT support using Electric Passenger Rail to connect everyone along the rail corridor between Santa Cruz and Watsonville, and TO NOT connect our county to the regional and state rail network at the Watsonville Pajaro Junction BECAUSE IT IS SIMPLY TOO EXPENSIVE AND NON-SUSTAINABLE

The ARE NO benefits BY providing passenger rail alongside the trail BECAUSE THEY SIMPLY CANNOT FIT ATTEMPTING TO transform our county into a more equitable, more sustainable, more prosperous community for everyone BY USING A SCHEDULE OR CHARGING A FARE AND A TAX IS THE LAST WAY IN MAKING OUR COUNTY AS SUCH. STOP BEING PURSUADED BY SPECIAL INTEREST THAT CREATE ROBO EMAILS SUCH AS THIS AND RESPECT THE WILL OF THE PEOPLE. WORK TO A TRAIL ONLY SOLUTION WITH BUS ON SHOULDER/BUS RAPID TRANSIT AND STOP OVERSPENDING BY BUILDING FOR A TRAIN THAT WILL NEVER EXIST.

Thank you.

Sincerely,
Jack Brown
spaceunicorn3000@gmail.com

From: Adam <adam@worldofsebastian.com>
Sent: Monday, December 14, 2020 4:23 PM
To: Transit Corridor <transitcorridoraa@sccrtc.org>
Subject: RE: Input on draft Transit Corridor Alternatives Analysis

Dear Commissioners,

Thank you for the opportunity to comment on the Draft Transit Corridor Alternatives Analysis and Rail Network Integration Study Report. I write as a former transportation consultant and an associate professor of Environmental Studies at UCSC.

I appreciate the RTC team studying various alternatives in depth. I write to comment on the lack of a true Bus Rapid Transit (BRT) alternative.

Four BRT routes are studied in the draft. Their estimated travel time from Pajaro to Natural Bridges is 80-88 mins, compared to 45-55 mins for light rail (p 5-12), and the faster light rail travel time is a key

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reason why it emerges as the recommended locally preferred alternative.

But the BRT studied is not Bus Rapid Transit. It emerges as a straw man alternative that is slower than the current bus! Traveling on 3 buses from Pajaro to Natural Bridges is currently scheduled to take 71 minutes, excluding transfer time - up to 17 minutes faster than the "BRT" alternative. See https://goo.gl/maps/6KWiWRDPF3DYhnJf8

This brings up three main points:

1. Why does the BRT option not use more of the rail corridor, for example using guideway technology? This would have several advantages, not least:

- avoiding Highway 1 congestion and the Boardwalk bottleneck (see below)

- allowing routing flexibility to serve key destinations, especially UCSC which accounts for nearly half of the county's total ridership. A guided bus could leave the rail alignment at Bay and head up to campus, rather than having all service extend to Natural Bridges with minimal ridership

- allowing design flexibility through removing the tracks and replacing them with concrete guideways, enabling more of the corridor's width to be effectively used, whether for passing places or a wider bike/pedestrian path

Of course, there would be challenges in scheduling vehicles traveling in opposite directions to meet in passing places, but exactly the same challenges would be faced with rail. Why is a single-track width a problem for BRT but not for rail? The report does not explain.

Indeed, guided buses run effectively, including with single-track sections on former rail lines, in places like the UK. See the Cambridge example here: https://www.youtube.com/watch?v=10UY3WC4nDY

All buses will need to be electric by the time that the rail corridor opens for service. The only major downside of BRT over light rail is that freight would not be accommodated in the rail corridor.

2. The travel times for light rail do not appear to consider the Boardwalk bottleneck.

Unless roadways are radically reconfigured, traveling past the Boardwalk and along Beach St against traffic would be at walking pace, slowing service down considerably. I do not see any concept-level designs that would allow rail to avoid these challenges. BRT, in contrast, could more easily use a contraflow lane or alternate routing.

3. The broader point is that the draft report focuses too much on technology, and not enough on routes and service quality.

Utilizing the rail corridor for transit, in order to get transit out of congestion, is a key conclusion of the draft report. That makes sense. What doesn't make sense is restricting consideration of the rail corridor to rail-based technologies.

Emails received between 11/28/20 – 01/04/20

Riders do not care whether they are on a train or a bus. They care about speed, frequency, cost, and other aspects of the service. Whether the vehicle has rubber tires or steel wheels is almost immaterial. See, for example, Jarrett Walker's comments here: https://humantransit.org/2011/03/rail-bus-differences-contd.html

I urge the RTC to make its decision in a technology-neutral manner, and instead decide on key aspects of the service, such as route and stop spacing. If the rail corridor is selected as the route, then decisions on technologies (bus, guided bus, light rail) can be studied in detail as a next step.

Thank you for your consideration.

Adam Millard-Ball

Santa Cruz

From: annlkaplan@everyactioncustom.com <annlkaplan@everyactioncustom.com>
Sent: Monday, December 14, 2020 5:48 PM
To: Transit Corridor <transitcorridoraa@sccrtc.org>
Subject: Choose Rail for the Locally Preferred Alternative

Dear RTC Commissioners and Staff,

Please DO NOT choose rail transit as the locally preferred alternative for transit in the rail corridor. Indeed, this is a terrible idea that, once and for all, should be put to a vote on a County-wide basis.

I DO NOT support using Electric Passenger Rail between Santa Cruz and Watsonville, and for a myriad of reasons which have been repeatedly expressed, neither should you! This is a boondoggle--a gigantic waste of time and money.

Thank you for taking an open mind and shutting down this ill-advised plan.
Ann L Kaplan, annlkaplan@gmail.com

Thank you.

Sincerely,
Ann Kaplan
100 Estrella Ave La Selva Beach, CA 95076-1721 annlkaplan@gmail.com

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From: Mark Mesiti-Miller <markmesitimiller@gmail.com>
Sent: Thursday, December 17, 2020 3:14 PM
To: 'Randy Johnson' <rlj12@comcast.net>
Cc: dtimm@scottsvalley.org; Transit Corridor <transitcorridoraa@sccrtc.org>; 'Sally Arnold' <sallya@cruzio.com>
Subject: TCAA - Support For Passenger Rail Transit is Overwhelming

Greetings Councilmember and Regional Transportation Commissioner Johnson,

Emails received between 11/28/20 – 01/04/20

In reviewing the public comments received by the RTC during milestone 3 of the TCAA, you probably noticed the overwhelming number of comments in support of selecting electric passenger rail transit as the locally preferred alternative.

The Friends of the Rail & Trail also noticed and we decided to analyze the comments. We found that 83% of people who stated a preference expressed support for passenger rail transit between Santa Cruz and Watsonville. Of the 255 people who expressed a preference, 212 (83%) preferred rail transit; 1.6% preferred bus transit; 1.6% preferred some other type of transit system; 2.4% were opposed to rail transit but didn't state a preference for anything else; 11.4% wanted a trail only. Furthermore, 100% of the community stakeholder groups submitting comments expressed support for passenger rail transit in the corridor.

Not surprisingly, public support was widespread extending from one end of the county to the other. Here are a few quotes selected from the many supportive comments:

From Tom Purdy in Ben Lomond:
Living the the [sic] San Lorenzo Valley, I recognize what a unique resource the rail corridor from Watsonville to Davenport is. I wish citizens had had the foresight to purchase the corridor from Santa Cruz to Boulder Creek, as it would make it easier to develop a walking / biking trail in the valley. In addition, having a rail line would add an important public transportation option for the valley. So I think it is critical to preserve the corridor from Watsonville to Davenport not only for biking and hiking, but equally important, for light rail service. I only hope that we can build on this project to someday expand the concept into the San Lorenzo Valley.

From Jeb Bishop in Santa Cruz:
Please pursue electric trains on the rail corridor between Santa Cruz and Pujari Junction. Rail transit is the most efficient means of mass transit, from the perspective of combatting global warming and moving people fast without having to deal with rush hour traffic and ever expanding freeways.

From Saladin Sale in Santa Cruz:
Santa Cruz County is going to continue to grow in population - we can't ignore that reality so we must plan for it. Rail is the technology that will allow simply adding more connected units to match demand without adding the cost of additional operators. Rail has the capacity to allow many, many passenger to take their bikes with them, not just 3 or 4 on a bus. This will be a big part of the first mile / last mile solution.
I want to be able to reliably take my bike with me to Watsonville, Capitola, Monterey, Salinas and the SF Bay Area and ride when I get to my destination. I want to comfortably sit with personal space while I access the internet and work remotely. Rail will let me do both smoothly, at street level and without the limitations of buses.
Big projects take determination, time and patience. Keep listening to public transit experts who have the credentials and experience behind the positions the recommend. YOU ARE ON THE RIGHT TRACK! Please follow the recommendation of the TCAA Study and choose rail transit as the locally preferred alternative.

From Ellen Davidson in Live Oak:
I've been a Live Oak resident for 49 years and worked at the National Marine Fisheries Service way out on the west side until I retired. Passenger rail would have connected me directly with my job at NMFS saving me the commute and the environment. I believe the rail trail has extraordinary benefits for the Santa Cruz community that we won't really understand until it is completed.

Emails received between 11/28/20 – 01/04/20

From Paula Bradley in Capitola:
The many benefits of providing passenger rail alongside the trail make it clear that choosing passenger rail is the best way to transform our county into a more equitable, more sustainable, more prosperous community for everyone.

Let's move forward and complete the project without further delays.

From Cindy Rubin in Aptos:
I am writing because I would like to see electric passenger rail service connect Santa Cruz to Watsonville. We need an alternative to automobiles and our bus service. People who cannot afford cars or cannot drive should have alternatives. I believe when we invest in rail transportation infrastructure, our county will be able to attract better paying jobs and help people in our community commute to work, at the same time providing a means for people to more efficiently move within the county, thereby making this a more attractive community to live and work.

From Maryjane Slade in Aptos:
Having travelled throughout Europe, what a joy to use their rail. Having international clients, they are stunned at our lack of good rail. Let us join the 21st century and make life easier for us all. We don't all need to be on the highways. We need to have good, safe, alternative travel options. What a beautiful train ride to go from Davenport to Watsonville. Why not show off our beautiful coast....safely, with less impact on the environment.

From Hector Melgoza in Freedom:
I support using Electric Passenger Rail to connect everyone along the rail corridor between Santa Cruz and Watsonville, and connect our county to the regional and state rail network at the Watsonville Pujari Junction.

From Amy Morake, a teacher at Watsonville High School:
The many benefits of providing passenger rail alongside the trail make it clear that choosing passenger rail is the best way to transform our county into a more equitable, more sustainable, more prosperous community for everyone.
I'm a teacher at Watsonville High, and I think a lot of our students would benefit from having an easier way to commute to Santa Cruz for a variety of job, cultural, and educational opportunities available in Santa Cruz.

Clearly, the evidence indicates that adding efficient, quiet, comfortable passenger rail alongside the rail trail is widely supported and not really as controversial as the few anti-rail, trail-only folks continually claim. If you want to check the correspondence yourself, here is a link to the RTC website where you can find the correspondence: https://sccrtc.org/projects/multi-modal/transitcorridoraa/ Look under the Milestone 3 heading for "Public Comments received via email by Nov. 27, 2020" and, for "Stakeholder Comments received by Nov. 27, 2020".

You should also know, support for passenger rail transit is not limited to our county. Our neighbors, the Transit Agency of Monterey County (TAMC) solicited public input on their "Monterey Bay Area Rail Network Integration Study" via an online survey that was open over this last summer. The results of their outreach can be found in the Public Sentiment Survey Memo posted to their website. Not surprisingly, some of the insights gleaned from the public input were "Sentiment is overwhelmingly positive, with 87% of respondents indicating that access to passenger rail service would "very much" or "somewhat" directly affect their lives in a positive way. Similarly, 64% of respondents are interested in

both living or working near a rail station." Here is a link to the TAMC study website: https://www.tamcmonterey.org/monterey-bay-area-rail-network-integration-study

As always, should you have any questions or wish to discuss this matter further, please contact me anytime.

Thanks for your time and consideration,

Mark
Mark Mesiti-Miller, P.E.
(831) 818-3660
Vice Chair, Friends of the Rail & Trail - www.railandtrail.org
Husband, father, grandfather and champion for social, environmental, and economic justice

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From: Bud Colligan <bud@colligans.com>
Sent: Sunday, December 20, 2020 2:00 PM
To: Bruce McPherson <Bruce.McPherson@santacruzcounty.us>; AURELIO Gonzalez <aurelio.gonzalez@cityofwatsonville.org>; Bertrand, Jacques <jbertrand@ci.capitola.ca.us>; Sandy Brown <sandybrown1972@gmail.com>; Greg Caput (greg.caput@santacruzcounty.us) <greg.caput@santacruzcounty.us>; Ryan Coonerty <ryan@ryancoonerty.com>; Zach Friend <zach.friend@gmail.com>; Randy Johnson <Rlj1200@gmail.com>; Mike Rotkin <openup@cats.ucsc.edu>; Manu Koenig <manuforsupervisor@gmail.com>
Cc: Guy Preston <gpreston@sccrtc.org>; Regional Transportation Commission <info@sccrtc.org>
Subject: TCAA and what to do next

Dear Commissioners,

As you receive the latest skewed information from the train lobby regarding the Transit Corridors Alternatives Analysis (TCAA), it is important to set the record straight and call out Friends of the Rail and Trail (FORT) for their continued attempts to confuse the community.

In a recent email, FORT tells you that 83% of 255 people who provided input to the Regional Transportation Commission (RTC) regarding the TCAA preferred rail transit. One can distort reality with statistics and this email is a case in point. The sample size of 255 represents 9/100s of 1% (.0009) of the county population of 273,213. Not only is the sample size infinitesimal, but the large majority of the "public input" was generated by FORT itself, urging everyone on its email list to send a pre-written FORT-authored letter to the RTC. This is the same type of "public process" which has led to flawed conclusions, wasteful spending, and no transportation improvement of the corridor in the last 8 years.

As elected officials, I'm confident you feel that actual votes of the people are the best indicator of preference. In 2018, the people of Capitola voted to reject the RTC train plan and preserve the Capitola trestle for bikes and pedestrians. And in November of this year, the people of the 1st District voted decisively for the former Executive Director of Greenway, Manu Koenig, and ousted the 12 year incumbent and ardent train supporter. Koenig received more votes than any Supervisor in the history of Santa Cruz County, a total of 17,967 or 57% of the vote. Compare the input of 255 residents actively solicited by FORT with an objective vote count of 17,967!

There are five Supervisorial districts in the county and we welcome hearing from the voters of them all. In its December 6 editorial, the Santa Cruz Sentinel joined Supervisor-elect Koenig in calling for a county-wide vote on the use of the rail corridor. We believe in effective transportation solutions for all the residents of the county. There are many initiatives that are funded or can be undertaken on Hwy 1, Freedom Blvd/Soquel Ave, and the rail corridor which we can afford, move people effectively, and provide social equity. As we have discovered from the voters, an unfunded $1.3 billion train plan is not one of them. It's time to recognize reality and stop the circular nonsense promoted by FORT. It's time for a vote.

Regards,

Bud Colligan
Co-Founder, Monterey Bay Economic Partnership
Co-Founder, Santa Cruz Works
Board Member, Santa Cruz County Greenway
Community Activist and Philanthropist

From: fiddletwin@everyactioncustom.com <fiddletwin@everyactioncustom.com>
Sent: Thursday, December 24, 2020 1:51 PM
To: Transit Corridor <transitcorridoraa@sccrtc.org>
Subject: Choose Rail for the Locally Preferred Alternative

Dear RTC Commissioners and Staff,

Please follow the recommendation of the TCAA study and choose rail transit as the locally preferred alternative for transit in the rail corridor.

I support using Electric Passenger Rail to connect everyone along the rail corridor between Santa Cruz and Watsonville, and connect our county to the regional and state rail network at the Watsonville Pajaro Junction.

The many benefits of providing passenger rail alongside the trail make it clear that choosing passenger rail is the best way to transform our county into a more equitable, more sustainable, more prosperous community for everyone.

Thank you.

Sincerely,
Darren Davison
Soquel, CA 95073
fiddletwin@yahoo.com

From: larrydick@everyactioncustom.com <larrydick@everyactioncustom.com>
Sent: Sunday, December 27, 2020 4:14 PM
To: Transit Corridor <transitcorridoraa@sccrtc.org>
Subject: Choose Rail for the Locally Preferred Alternative

Emails received between 11/28/20 – 01/04/20

Dear RTC Commissioners and Staff,

Please follow the recommendation of the TCAA study and choose rail transit as the locally preferred alternative for transit in the rail corridor.

I support using Electric Passenger Rail to connect everyone along the rail corridor between Santa Cruz and Watsonville, and connect our county to the regional and state rail network at the Watsonville Pajaro Junction.

The many benefits of providing passenger rail alongside the trail make it clear that choosing passenger rail is the best way to transform our county into a more equitable, more sustainable, more prosperous community for everyone.

As an active senior citizen I very much support a rail alternative to driving to Santa Cruz. I also support bike paths that isolate bikes from cars. I would love to see class I bike trails from Santa Cruz to Monterey

Thank you.

Sincerely,
Larry Dick
16470 Twin Lakes Dr Royal Oaks, CA 95076-9068 larrydick@sbcglobal.net

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From: Jeff Traugott <jeff@traugottguitars.com>
Sent: Monday, December 28, 2020 11:57 AM
To: Regional Transportation Commission <info@sccrtc.org>
Subject: New Rail Trail Thanks!

Dear Commissioners,

I just wanted to say thank you for your efforts on the new rail trail, I work along the rail line north of Swift street and I had a first hand view of the construction and completion of the path.

Since being done it has been amazing to see how many people are using it in so many different ways, families, skaters, walkers, bicycles and the few crazy folks that live in this part of the city.

I enjoy watching and listening to people as they cruise by in one direction then back in the other, the common theme is happiness and I've seen how quickly having a traffic free path has become normal and loved. Just the freedom to get somewhere by any mode without the stress of motor vehicles is incredibly special!!

Just wanted to let someone know that we who work along the rail line truly appreciate our new path and can't wait for more, including the new electric train idea, haha!!

Congratulations on a great start to an honestly useful and healing community project!!

Emails received between 11/28/20 – 01/04/20

All the best, Jeff

Jeff Traugott
Jeff Traugott Guitars
2553-B Mission Street
Santa Cruz, CA 95060
831-426-2313
www.traugottguitars.com

From: dnworks@everyactioncustom.com <dnworks@everyactioncustom.com>
Sent: Tuesday, December 29, 2020 11:00 AM
To: transitcorridoraa@sccrtc.org
Subject: Choose Rail for the Locally Preferred Alternative

Dear RTC Commissioners and Staff,

I am a strong proponent of public transportation and even though my house is right next to the tracks and I would be inconvenienced by the noise of commuter rail, I am 100% in favor of it.
My only concern: Establishing commuter rail service is a very expenssive proposition and I have seen no research that shows there would be enough ridership (at the necessarily modest cost) to pay for the service ... the service would need to be continuously subsidized by county/city taxes.

Thank you.

Sincerely,
DIMITRIOS DOUROS
440 Bellevue St Santa Cruz, CA 95060-5338 dnworks@yahoo.com

From: philipkain@everyactioncustom.com <philipkain@everyactioncustom.com>
Sent: Wednesday, December 30, 2020 5:03 PM
To: transitcorridoraa@sccrtc.org
Subject: Choose Rail for the Locally Preferred Alternative

Dear RTC Commissioners and Staff,

Please follow the recommendation of the TCAA study and choose rail transit as the locally preferred alternative for transit in the rail corridor.

I support using Electric Passenger Rail to connect everyone along the rail corridor between Santa Cruz and Watsonville, and connect our county to the regional and state rail network at the Watsonville Pajaro Junction.

The many benefits of providing passenger rail alongside the trail make it clear that choosing passenger rail is the best way to transform our county into a more equitable, more sustainable, more prosperous community for everyone.

Emails received between 11/28/20 – 01/04/20

Thank you.

Sincerely,
Philip Kain
1292 Mount Hermon Rd Scotts Valley, CA 95066-2929 philipkain@yahoo.com

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From: Brian Peoples <brian@trailnow.org>
Sent: Thursday, December 31, 2020 5:18 AM
To: Shannon Munz <smunz@sccrtc.org>
Cc: Guy Preston <gpreston@sccrtc.org>
Subject: survey configuration management?

Hi Shannon,

In the Sentinel, there is a letter stating that the RTC did not control the survey to "locals only" and "one vote". Is this true?

Survey results (regarding support for rail service) presented in a Dec. 18 letter are invalid as rail fans around the world were given access to RTC's survey and repeated voting was not blocked. The mid-November online edition of Trains magazine included a link to the survey. RTC has not responded to my query as to whether those responses had been identified and excluded from the results.
— Bill Delaney, Capitol

Letter | RTC survey did not exclude access from outside – Santa Cruz Sentinel

Brian

From: Saladin Sale
Sent: Thursday, December 31, 2020 1:07 PM
To: Regional Transportation Commission <info@sccrtc.org>
Subject: Rail Trail

Dear Commissioners:

My wife and I love the new Westside rail trail - riding our e-bikes along with skaters, runners and walkers between Natural Bridges Drive and Bay Street and on to the wharf, downtown, river levee paths, the Eastside and beyond. We totally support continuing to build the trail while completing the steps for eventual electric light rail transit. The trail with rail plan has been subjected to deep scrutiny by credentialed transit experts who have publicly concluded this is the right combination for this unused transit corridor. The financial interests in opposition appear to have no real alternative transit plan – only vaporous "world's first" possibilities. My concern in that the big money interests opposed actually want neither transit nor trail in their backyards. Removal of the tracks would only open the doors to years of litigation by property owners challenging their rail easements and thereby stopping any further progress on trail OR transit.

Emails received between 11/28/20 – 01/04/20

From: Mark Mesiti-Miller <markmesitimiller@gmail.com>
Date: December 31, 2020 at 10:40:46 AM PST
To: Aurelio Gonzalez <aurelio.gonzalez@cityofwatsonville.org>, Sandy Brown <sbrown@cityofsantacruz.com>, bruce.mcpherson@co.santa-cruz.ca.us, Greg Caput <greg.caput@co.santa-cruz.ca.us>, ryan.coonerty@santacruzcounty.us, Zach Friend <Zach.Friend@santacruzcounty.us>, manuforsupervisor@gmail.com, rlj12@comcast.net, Michael Rotkin <openup@ucsc.edu>, jbertrand@ci.capitola.ca.us
Cc: dlindslind@earthlink.net, Donna Meyers <dmeyers@cityofsantacruz.com>, Dan Rothwell <darothwe@cabrillo.edu>, Gine Johnson <Gine.Johnson@santacruzcounty.us>, Andy Schiffrin <Andy.Schiffrin@santacruzcounty.us>, tony.gregorio@santacruzcounty.us, Patrick Mulhearn <Patrick.Mulhearn@santacruzcounty.us>, dtimm@scottsvalley.org, Guy Preston <gpreston@sccrtc.org>, Regional Transportation Commission <info@sccrtc.org>
Subject: Financing Public Transportation

Greetings Chair Gonzalez, Regional Transportation Commissioners and Commissioner Alternates:

I am writing to share some ideas and an approach about financing the desired improvements to our public transportation system such as adding passenger rail to our current bus system.

For a variety of reasons, the majority of citizens realize the importance of improving public transportation to give folks a meaningful alternative to driving, allowing us to reduce our collective Vehicle Miles Travelled, fight the devastating effects of climate change, reduce social inequity and improve the quality of life for everyone. While improvements to public transportation offer many tangible benefits to social equity and environmental sustainability, these benefits are difficult to monetize. As a result, many folks jump to the economic costs and from there jump to the idea that a dreaded sales tax measure will be required to fund the local share of the cost.

While sales taxes are one method, there are many other mechanisms for financing public transportation. Consider this example:
Seattle has demonstrated that a thriving metropolitan region with a growing economy and population does not have to be synonymous with more driving and more emissions. Between 2006 and 2017, Seattle's population increased by 23 percent, yet daily traffic volumes declined slightly, by 5 percent. Transit ridership increased 46 percent over that time. Seattle's rate of driving alone to work fell nine percentage points between 2010 and 2019 at the same time that employment boomed and downtown Seattle added over 90,000 jobs.

Seattle has significantly expanded both bus and rail transit over that time period, leading to a 20 percent increase in transit boardings over that time, even as many other cities have seen declining ridership. The city raised funds to expand bus service in 2014 through a voter-approved $60 vehicle registration fee and a 0.1-percent sales tax hike, adding 270,000 additional service hours. As a result, Seattle has been able to drastically increase the percentage of householders within a ten-minute walk of relatively high frequency transit service (running at least every ten minutes) from 25 percent in 2015 to 70 percent in 2019.

(From the October 2020 report: 'Driving Down Emissions' jointly produced by Smart Growth America and Transportation for America)

The truth is there are many ways to finance public transportation. The attached report titled "Local Funding Options for Public Transportation" published in April 2020, by the Victoria Transport Policy Institute, evaluates eighteen potential funding options. While the VTPI report is not an exhaustive list of every potential funding option, the report clearly demonstrates there are many funding options besides a sales tax.

Based on the above, I suggest an approach that invites the stakeholders and the public to engage in the process of deciding how best to finance the desired improvements by engaging the services of a public financing expert firm to help us explore financing options, manage the public input process, analyze the results and provide the findings and recommendations to move forward.

I would welcome the opportunity to more deeply explore this most important subject. Please let me know if that is possible.

Respectfully submitted,

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Local Funding Options for Public Transportation

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By
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Abstract

This report evaluates eighteen potential local funding options suitable to help finance public transit or other transportation projects and services. They are evaluated according to eight criteria, including potential revenue, predictability and sustainability, horizontal and vertical equity, travel impacts, strategic development objectives, public acceptance and ease of implementation. This is a somewhat larger set of options and more detailed and systematic evaluation than most previous studies. This research identified no new options that are particularly cost effective and easy to implement; each has disadvantages and constraints. As a result, its overall conclusion is that a variety of funding options should be used to help finance the local share of transportation improvements to ensure stability and distribute costs broadly.

A summary version of this report was published as:

"Evaluating Public Transportation Local Funding Options," *Journal of Public Transportation*, Vol. 17, No. 1, 2014, pp. 43-74

Contents

Introduction

High quality public transit can provide various economic, social and environmental benefits, including direct user benefits and various indirect and external benefits. Residents of communities with high quality transit tend to own fewer motor vehicles, drive less, and spend less on transport than they would in more automobile-oriented locations. Governments and businesses can save roadway and parking facility costs. It can support economic development. Appropriate public transit investments can provide positive economic returns: under favorable conditions transit investments can provide savings and benefits that more than offset costs (Litman 2010). As a result, public transit service improvements are an important component of many jurisdictions' strategic transport plans (Buehler and Pucher 2010).

Dedicated fuel taxes and vehicle fees finance highway programs, developers are required to build vehicle parking facilities, and freight provides good profits to most railroads; public transportation lacks such reliable funding options (Yusuf 2016). Although federal and state/provincial funds often help finance transit improvements, additional local funding is generally needed. Several previous studies identify and evaluate potential funding options for transport (AASHTO 2014; Huang, et al 2010; Sakamoto 2010; Reich, Davis and Sneath 2012) and public transit (DeGood 2012; HDR 2015; IPIRG 2007; Pula, Shinkle and Rall 2015; Smith and Gihring 2015; TBoT 2010; TCRP 2009), but many only consider a limited set of options and evaluation criteria.

This report evaluates eighteen potential local funding options according to eight criteria, including potential revenue, predictability and sustainability, horizontal and vertical equity, travel impacts, strategic development objectives, public acceptance and ease of implementation. This is a somewhat larger set of options and evaluation criteria than considered in most previous studies. Much of this analysis can be applied to other types of transportation improvements besides public transit.

Literature Review

This section summarizes various publications on transportation and public transit funding options.

General Transportation Funding (not specific to transit)

Sustainable Urban Transport Financing from the Sidewalk to the Subway: Capital, Operations, and Maintenance Financing (Ardila-Gomez and Ortegon-Sanchez 2016) identifies an *underfunding trap* in which cities lack sustainable revenue to implement transportation improvements that will provide long-term savings and benefits. They evaluate 24 potential financing instruments based on their social, economic and environmental impacts, their ability to fund urban transport capital investments, operational expenses, and maintenance, and the "beneficiary pays" principle. They conclude that capital investments should be financed by a combination of grants from multiple levels of government, loans, public private partnerships repaid by user fees, and property taxes.

Transportation Revenue Options: Infrastructure, Emissions, and Congestion (Huang, et al 2010), summarizes results of an expert workshop on transportation funding. It considers three main funding categories: fuel taxes, congestion fees and VMT fees. It explores the financial and environmental advantages and disadvantages of each option and discusses various policy issues. It highlights the additional benefits of road tolls and vehicle-travel fees which can reduce traffic congestion and pollution emissions, in addition to raising revenues.

Financing Sustainable Urban Transport (Sakamoto 2010) provides guidance on urban transport finance, particularly in developing countries. It evaluates various funding options based on administrative levels, potential revenues, efficiency, equity, environmental objectives, stability, political acceptability and administrative ease. It also provides numerous examples and case studies from around the world.

Florida MPOAC Transportation Revenue Study (Reich, Davis and Sneath 2012) summarizes a detailed study which analyzed key state transportation funding issues, identified and evaluated potential sustainable funding sources. It recommends dedicated sales taxes, increased diesel taxes, gradually increase gasoline taxes and index them to inflation, redirect motor vehicle license and title fees to the state transportation funds, and conduct a study of VMT fees for possible future implementation.

Innovative Infrastructure Financing Mechanisms for Smart Growth (Tomalty 2007) describes and evaluates infrastructure (including but not limited to public transit improvements) funding options that support smart growth development. It includes examples from various cities. These include:

High Occupancy/Toll Lanes
Sector and Density Gradient Approach to Development Cost Charges
Parking Site Tax
Land Value Taxation
Standard Offer Contract
Storm Water Utility Fee Credits
TOD Policy Leveraging
Fuel Tax Transfer
Tax Increment Financing
Tax Base Sharing
Vehicle Registration Surcharges
Commuter Tax
Tax-Exempt Tax Revenue Bonds
Local Option Sales Tax
Grant Anticipation Revenue Vehicles

Transit Funding Studies

Local and Regional Funding Mechanisms for Public Transportation and its online *Regional Funding Database* (TCRP 2009) provides an extensive list of local and regional funding sources that are or could be used to support public transportation, plus guidance on factors to consider when evaluating and implementing these options. Table 1 summarizes the options identified. It evaluates based on revenue yield (adequacy and stability), cost efficiency, equity across demographic and income groups, degree to which beneficiaries pay, political and popular acceptability, and technical feasibility.

Table 1 **U.S. Local and Regional Public Transport Funding Options** (TCRP 2009)

Traditional Tax- and Fee-Based Transit Funding Sources	Common Business, Activity, and Related Funding Sources	Revenue Streams from Projects (Transportation and Others)	New "User" or "Market-Based" Funding Sources
General revenues	Employer/payroll taxes	Transit-oriented development/joint development	Tolling (fixed, variable, and dynamic; bridge and roadway)
Sales taxes (variable base of goods and services, motor fuels)	Vehicle rental and lease fees	Value capture/beneficiary charges	Congestion pricing
Property taxes (real property, includes vehicles)	Parking fees	Special assessment districts	Emissions fees
Contract or purchase-of-service revenues (by public agencies and private organizations, etc.)	Realty transfer tax and mortgage recording fees	Community improvement districts/community facilities districts	VMT fees
Lease revenues	Corporate franchise taxes	Impact fees	
Vehicle fees (title, registration, tags, inspection)	Room/occupancy taxes	Tax-increment financing districts	
Advertising revenues	Business license fees	Right-of-way leasing	
Concessions revenues	Utility fees/taxes		
	Income taxes		
	Donations		
	Other business taxes		

Various potential funding options are described in a Transit Cooperative Research Program (TCRP) report.

Steer Davies Gleave (2016) compiled a list of potential local public transit funding options including Tax Incremental Financing, Developer Funding, Asset Exploitation, Residential Value Capture, Employee Parking Levies, and Municipal Bonds. It provides case studies including Oxford Station, Hurontario LRT and Greater Manchester. AECOM (2012) provides critical analysis of both successful and unsuccessful transport funding programs, including congestion tolls, payroll taxes, parking taxes, HOT lanes, sale and fuel taxes, and tax increment financing. Table 2 summarizes current local public transit funding sources for various size U.S. cities.

Table 2 **U.S. Local Public Transportation Funding By System Size** (TCRP 2009)

Funding Source	Percent Capital Investment			Percent Operating Expenses		
City population	> 1m	200k to 1 m.	50k to 200k	> 1m	200k to 1 m.	50k to 200k
Fares and Earned Income	–	–	–	58.2%	30.2%	37.8%
Sales taxes	35.5%	38.9%	51.1%	18.8%	25.8%	28.3%
Other directly generated local funds	33.7%	–	–	–	–	–
Local general funds	–	42.5%	32.7%	11.1%	26.9%	21.3%
Other Local Dedicated Funds	18.4%	–	–	–	–	–
Local Property Taxes	–	–	9.7%	–	–	–
Other local sources	–	8.2%				

Note: dashes indicate minor contribution.

The *Guide to Transportation Funding Options* (UTCM 2010), by the Texas Transportation Institute University Transportation Center for Mobility describes the following transit funding options:

General fund expenditures
Vehicle registration fees
Employer/payroll taxes
Concessions
General sales taxes
Lottery and/or casino revenues
Vehicle leasing and rental fees
Advertising
Tollway revenues
Cigarette tax
Parking fees and fines
Property taxes
Fares and fair related income
Contracts or purchase of service
Lease revenues
Concessions/rental income
Realty/mortgage transfer fees
Corporate franchise taxes
Hotel/motel taxes
Utility fees
Public Private Partnerships (PPP)
Tax-increment Financing Districts
Transportation Development Districts

Primer on Transit Funding (APTA 2012) describes U.S. transit funding sources including federal and state grant programs, general funds, fuel taxes, rental car sales taxes, vehicle registration fees (levies), bond proceeds, sales tax, and interest income. *Financing Capital Investment: A Primer for the Transit Practitioner* (Transtech Management 2003), identifies and evaluates transit capital project financing options, primarily U.S. federal and state grants, and borrowing strategies, but also new revenue options. TransLink, the Vancouver, Canada regional transportation agency, is evaluating new funding options (Cayo 2012). Table 3 summarizes the options identified.

Table 3 **Potential Translink Funding Options** (TransLink 2012)

User Fees and Taxes	Beneficiary Fees	Other Taxes and Financing Tools	Direct Government Grants
Transit fares			
Gas taxes			Provincial grant program
Road and parking pricing	Land value capture levy	Carbon tax	Federal grants
Transportation Improvement Fee	Property tax	Debt instruments	Federal-provincial national
Vehicle-km travelled fee	Employer/Payroll tax	Regional sales tax	transit strategy program
Flat levy (e.g. Hydro Levy)	Development charges	Vehicle sales tax	Social service

This table summarizes options for funding Vancouver region transportation improvements.

The report, *Sustainable Urban Transport Financing from the Sidewalk to the Subway : Capital, Operations, and Maintenance Financing* (Ardila-Gomez and Ortegon-Sanchez 2016), published by the World Bank, evaluates 24 potential urban transportation funding options in terms of their advantages, disadvantages and fairness (beneficiaries pay). The table below summarizes these options.

Table 4 **Potential Funding Options** (Ardila-Gomez and Ortegon-Sanchez 2016)

General benefit instruments	Direct benefit instruments	Indirect benefit instruments
General public beneficiaries	*Direct Beneficiaries (users, drivers, passengers)*	*Indirect beneficiaries (firms, land and property owners, developers)*
• Public transport subsidies Property taxes • National and international grants and loans • Climate-related financial instruments • Global Environment Facility (GEF) • Clean Technology Fund • Clean Development Mechanism (CDM) • Public–Private Partnerships (PPPs) for public transport	• Parking charges • Road pricing • Congestion charges • Fuel taxes and surcharges • Vehicle taxation • Farebox revenue • PPPs for urban roads	• Advertising • Employer contributions • Added value capture mechanisms • Land-value taxes/betterment levies • Tax increment financing • Special assessment • Transportation utility fees • Land asset management • Developer exactions • Development impact fees • Negotiated exactions • Joint developments • Air rights

This table evaluates various urban transportation funding options in terms of beneficiaries.

Finding Solutions To Fund Transit: Combining Accountability & New Resources For World-Class Public Transportation (IPIRG 2007) identified and evaluated various public transit funding options and evaluated them according to seven principles: market efficiency, low collection costs, reliability, diversity, "fare increases are self-defeating," budget accountability and community participation. It evaluates general sales taxes, dedicated gasoline taxes, car rental taxes, registration fees, tire taxes, weight-based vehicle registration fees, vehicle battery taxes, weigh-mile truck fees, road tolls, development impact fees, stormwater fees, real estate transfer taxes and parking taxes.

Thinking Outside the Farebox: Creative Approaches to Financing Transit Projects (DeGood 2012) discussed various benefits from high quality public transport, and provides guidance on ways to finance transit improvements in the U.S. funding options, including various federal and state grants, bonds and loan programs, plus local funding options, particularly dedicated funds from general sales and property taxes. It evaluates local funding options based on their potential revenue, reliability, equity and political feasibility. These include:

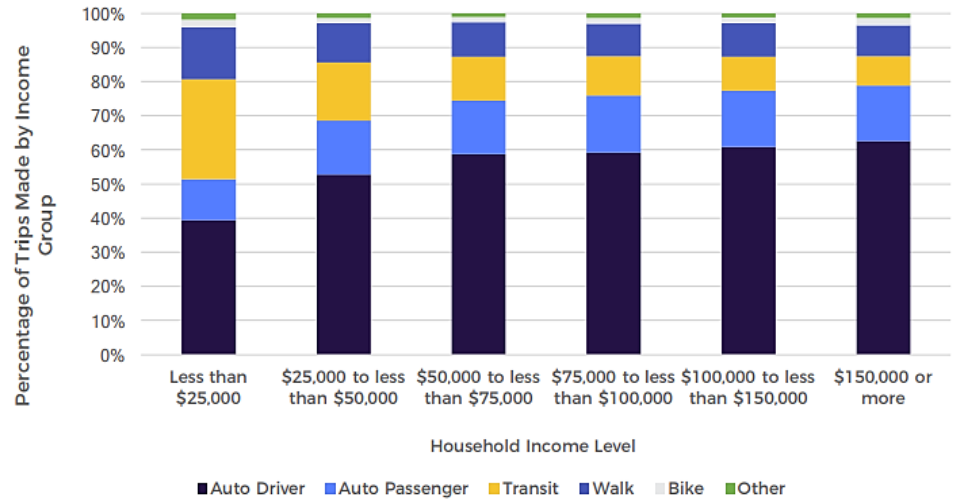
- Tax Increment
- Special Assessment District
- Development Contributions
- Sales Tax
- Road tolls
- Vehicle Registration Tax
- Parking Fees
- Fuel Taxes
- Land Sales

Financing Transit Systems Through Value Capture: An Annotated Bibliography (Smith and Gihring 2015) summarizes the findings of numerous studies concerning the impacts transit service has on nearby property values, and the feasibility of capturing a portion of the incremental value to finance transit improvements.

The report, *What Do Americans Think about Federal Tax Options to Support Public Transit, Highways, and Local Streets and Roads? Results from Year Five of a National Survey* (Weinstein Agrawal and Nixon 2015) found that most survey respondents want good public transit service in their communities and nearly two-thirds support spending gas tax revenues on transit, but few support raising gas tax or transit fares, and few respondents are well-informed about how transit is funded, with only half knowing that fares do not cover the full cost of transit.

The Vancouver, Canada region's *Mobility Pricing Independent Commission* (2017), comprised of 14 community leaders, is using stakeholders engagement and detailed analysis of transport trends and costs by income class to evaluate the travel impacts and social equity effects of various decongestion fees and investment options. The results will be used to develop recommendations transportation pricing and congestion reduction policies.

Figure 1 **2011 Primary trip mode by household income level** (MPIC 2017)



Automobile mode share, annual vehicle travel and peak-period trips tend to increase with income. Lowest income seldom drive during peak periods. This indicates that road user fees and congestion pricing are less regressive than financing roads and parking through general taxes or through building rents.

The Move Ahead: Funding "The Big Move" (TBoT 2010) describes and evaluates potential options for funding The Big Move, a 25-year, $50 billion regional transportation infrastructure program. Each option is evaluated based on technical feasibility, projected revenue generation, predictability, sustainability and durability of the revenue, administrative cost and complexity, impact on consumer behavior (i.e. extent that the tool encourages commuters to reduce congestion through car-pooling or other measures that remove cars from the road), and social equity and fairness. The report, *Making the Move: Choices and Consequences* (TISAP 2013) evaluates potential benefits from increased public transit investments, evaluates potential funding options, and recommends various funding packages (including increased fuel and corporate taxes, and dedication of sales taxes), plus various implementation strategies to insure that investments maximize benefits and gain public support. *Time to Get Serious: Reliable Funding For GTHA Transit / Transportation Infrastructure*, investigated options to fund *The Big Move*, a strategic transportation improvement program proposed for the Greater Toronto and Hamilton Area (Irwin and Bevan 2010). It identified twelve potential funding options, described their benefits and drawbacks, and examples of their implementation. Table 5 summarizes the study's results. A study performed six years later concluded that of the $68.1 billion needed to build the planned system, 58% was financed, leaving $28.8 billion in additional funding needs (Transport Action Ontario 2016).

Table 5 **Summary of Toronto Revenue Options Analysis** (Irwin and Bevan 2010)

Source	Net Revenue	Basis of Estimate	Policy Advantages	Implementation Issues
1. Tolls on major roadways	$1 – 2 B/year	10 – 20 ¢/km	Relieves congestion and reduces road expansion costs. Revenue grows with demand. Encourages transit use.	Traffic diversion concerns. "Double taxation" concerns. Much better transit required first. Social equity concerns.
2. Regional gas/diesel fuel tax	$1 – 2 B/year	10 – 20 ¢/litre	Can marginally reduce auto use but not focusing on hot spots. Encourages energy-efficient, and transit use. Easy to administer.	Sales leakage to nearby areas. Declines as fuel-efficiency increases. Best introduced when gas prices are low.
3. Commercial parking levy	$1 – 2 B/year	$1.00 – 2.00/day per space	Reduces auto use to commercial areas. Encourages more use of transit and active transportation Administratively straightforward	Employment leakage to surrounding areas. A version, the Commercial Concentration Tax, was previously rejected.
4. Regional sales tax	$1 – 2 B/year	1 – 2% in addition to the HST	Administratively stable, reliable source	No direct incentive for more sustainable travel. Sales leakage. Political opposition.
5. High Occupancy Toll (HOT) lanes or express lanes on GTHA freeways	$400 –800 M/yr. for Express Lanes $200 – 400 M/yr. for HOT Lanes	10 – 20¢/km for single-occupant vehicles (HOT Lanes) or for all vehicles (Express Lanes)	Encourages car-pooling. Increases person-carrying capacity and average speed on major highways.	Relatively small revenue versus infrastructure and enforcement costs
6.Dedciate a portion of gas/diesel HST revenue to GTHA transit	$400 – 600 M/year	May 2010 report of $895 M additional gas tax revenue anticipated from 2010/11 HST	Same as above for Regional Gas/Diesel Fuel tax. Would be timely if dedicated as of July 1, 2010 or shortly thereafter.	As above except province wide application of HST avoids fuel sales leakage to surrounding areas
7. Congestion levy on private vehicles entering central area during peak periods	$250 – $500 M/yr	$5 – 10/vehicle entry-charge at cordon	Reduces Central Area Congestion. Encourages more use of transit and active transportation. Improves mobility in Central Area	May reduce Central Area employment. Congestion & parking spillover. Implemen-tation and enforcement costs.
8. Vehicle registration fee (varies with vehicle GHG emission levels)	$200 – 400 M/year	$100 – 200/year per vehicle	Stable, reliable source. Encourages low-emission vehicles. Easy to administer	Does not moderate amount of use of the vehicle
9. Value capture levy (higher property taxes in areas served by high quality transit)	$50 – 100 M/year	N/A	Encourages compact development and increased transit use. May reduce land speculation. Easy to administer	Uncertainty in estimating value increases. Higher rents. May force out small business and low income residents
10. Utility bill levy	$50 – 100 M/year	$20 – 40/year per household	Stable, reliable source. Easy to administer	No direct incentive for more sustainable driver behaviour
11. Employer payroll tax in areas within walking distance of rapid transit	$40 – $80 M/year	$100 – 200/year per full time employee	Stable, reliable source. Partially borne by incoming workers who benefit from improved transit. Administratively straightforward	Higher costs, potential loss of jobs in taxation zones. Benefits to local employees may not compensate for lower wages.
12. Additional federal funding (national transit strategy)	$1 – 2 B/year	25 – 50% of transit capital costs 25 – 50% of net transit operating costs	Administratively straightforward. Provides relatively reliable funding plus a stable policy framework from the federal and provincial governments	Difficult in context of large federal/provincial deficits. Could stop, as in 1998. No direct incentive for more sustainable transport activity.

This table summarizes options for funding Toronto region transportation improvements.

Evaluation Criteria

This section describes the eight criteria used to evaluate funding options.

Potential Revenue

This refers to the amount of money that an option can be expected to generate, based on various assumption about how it is implemented. Some funding options have natural constraints, for example, there are limits to the amount of money transit agencies can generate through advertizing and station rents, but in most cases maximum potential revenues reflect assumptions about how an option is implemented and what is politically acceptable.

Predictability and Stability

Funding predictability and stability are desirable for planning and budgeting purposes. Some funding options fluctuate from year-to-year, while others are more predictable and stable. These evaluations are based on a general understanding of funding options, which may be modified in a particular situation. For example, sales tax revenues may be more predictable and stable in areas with diversified retail markets than where markets are more specialized.

Equity Analysis

One of the most common issues raised in public consultations is a desire that transport funding be *equitable*, that is, the distribution of costs and benefits should be considered fair and appropriate. Transport equity can be defined and measured in various ways that may lead to different conclusions concerning what is equitable (Litman 2002). There are two major categories:

- *Horizontal equity* refers to the distribution of impacts between people with similar wealth, needs and abilities. It assumes that similar people should generally be treated equally, and implies that people should "get what they pay for and pay for what they get" unless subsidies are specifically justified.
- *Vertical equity* refers to the distribution of impacts between people who differ in wealth, ability or need. It generally assumes that costs should be smaller and benefits greater for people who are physically, economically or socially disadvantaged. Policies that do this are called *progressive* and those that impose higher costs on disadvantaged people are called *regressive*.

Equity analysis can consider various types of impacts, and group people in various ways. For example, road pricing is generally considered regressive, since a given toll represents a larger portion of income to lower-income than to higher income motorists. However, lower-income people tend to drive less than wealthier people, particularly on major urban highways that are candidates for tolling, and rely more on alternative modes. As a result, road pricing tends to be less regressive than other roadway funding options (such as general taxes), and may be progressive overall if it leads to improvements to alternative modes, such as faster bus service, or increased cycling facility investments (Schweitzer and Taylor 2008). Transit fares can be structured to achieve horizontal and vertical equity goals (Lotshaw and Hovenkotter 2019)

Horizontal equity requires that program costs be borne by beneficiaries. Public transit service improvements can provide various benefits to users (called *internal* benefits) and non-users (called *external* benefits). Some benefits result from the service improvements themselves, others only result if they reduce automobile travel or stimulate more compact development (Banister and Thurstain-Goodwin 2011; CTOD 2011; Litman 2011; EDRG 2007). These include benefits to:

- Transit users from improved convenience and comfort, financial savings, increased safety, and improved public fitness and health.

- Motorists from reduced traffic and parking congestion, improved mobility for non-drivers which reduces chauffeuring burdens, improved traffic safety, and emission reductions.
- Taxpayer from road and parking facility cost savings, improved safety, and increased public health.
- Businesses from congestion reductions, parking cost savings, improved employee safety and fitness, and because high quality transit tends to support regional economic development.
- Benefits to residents (regardless of how they travel), including parking cost savings, improved mobility for non-drivers, increased safety, reduced pollution and improved public fitness.

Table 6 summarizes the distribution (also called the *incidence*) of transit benefits. Some are concentrated, benefiting certain people, businesses and jurisdictions. Others are more widely dispersed. Most people and businesses experience some savings and benefits. Under favorable conditions, high quality transit can provide financial savings and economic benefits that offset costs, providing positive return on investments (Litman 2010). This suggests that various funding sources can be justified on a beneficiary-pays basis, including funding from people who do not currently use public transit but gain savings and benefits.

Table 6 **Distribution of Transit Benefits**

	Transit Users	Motorists	Taxpayers	Businesses	Residents
Improved convenience and comfort	✓				
Congestion reductions		✓		✓	
Roadway cost savings			✓		
Parking cost savings	✓		✓	✓	✓
User savings and affordability	✓				
Improved mobility for non-drivers	✓	✓			✓
Improved traffic safety	✓	✓	✓	✓	✓
Energy conservation	✓				
Emission reductions		✓			✓
Improved public health	✓		✓	✓	✓

High quality public transport can provide a variety of widely distributed benefits.

Travel Impacts

This refers to the effects an option has on how and how much people travel, and whether this supports or contradicts strategic transport planning objectives, such as objectives to reduced automobile travel and increased use of alternative modes. These are estimated based on our understanding of price impacts on travel activity.

Strategic Development Objectives

This refers to the effects an option has on the type and location of development in a community, and whether this supports or contradicts strategic planning objectives such as objectives to encourage more compact, accessible development and discourage sprawl. These are estimated based on our understanding of tax and price impacts on development patterns.

Public Acceptability

Another important issue for this analysis is the degree of public acceptability of each funding option (Agrawal 2015; Weinstein and Nixon 2015). The Victoria transit funding research project included surveys and focus groups that investigated public preferences concerning funding options (Earthvoice Strategies 2012; Quay Communications 2012). Such preferences can vary significantly depending on the group surveyed, existing tax

conditions, and exactly how funding options are designed and implemented. For example, the public acceptability of a fuel tax increase may depend on existing fuel tax levels, when they were last raised, and exactly how revenues are used. Although past experiences can provide useful guidance for future studies and surveys, the results are not necessarily transferable to other times and places.

Ease of Implementation

This refers to a revenue option's *transition* (initial implementation) and *transaction* (ongoing collection) costs. These are estimated based on assumptions about how it will be implemented and what is required to do this.

Analysis

This section describes and evaluates eighteen potential public transit funding options.

Fare Increases

In most urban transit systems, current adult fares average $2 to $3 per trip or $50 to $80 for a monthly pass, with discounted (*concession*) fares for youths, seniors and people with disabilities. It is possible to increase all fares, selected categories, or change price structures, for example, to include higher fares for longer-distance trips or for special services such as light rail or express commuter buses.

Potential Revenue

The price elasticity of transit ridership with respect to fares is usually –0.2 to –0.5 in the short run (first year), and increases to –0.6 to –0.9 over the long run (five to ten years) (Litman 2004b; McCollom and Pratt 2004; Wardman and Shires 2011). This suggests that a 10% fare increase typically increases revenue 5-8% over the short run and 1-4% over the long-run. As a result, rising fare increases revenue, but less than proportionately (raising fares 10% provides less than 10% increased revenue), and revenue gains tend to decline over time. These impacts tend to vary depending on the types of riders and types of services. Transit dependent users and peak period travel tend to be less price-sensitive than discretionary travelers (people who could travel by automobile) and off-peak travel.

Predictability and Stability

As previously described, the additional revenues from fare increases can be difficult to predict with precision and tend to decline over time.

Horizontal Equity

Since transit services are subsidized, fare increases can be considered horizontally equitable (users pay for the services they receive). However, automobile travel imposes significant external costs, particularly under urban-peak travel conditions, including road and parking subsidies, traffic congestion, accident risks and pollution damages imposed on others (Litman 2009; TC 2008). Under urban-peak travel conditions, transit subsidies are often smaller than the subsidies that would be required to accommodate additional automobile travel on the same corridor. Described differently, to the degree that shifting travel from automobile to public transport is considered a sacrifice that benefits other people, fare increases can be considered horizontally inequitable because they double-charge transit users.

Vertical Equity

Since public transit provides basic mobility and many users are lower-income, fare increases tend to be regressive and vertically inequitable. This regressivity varies depending on specific factors, such as transit user incomes and price structures.

Travel Impacts

Fare increases tend to reduce public transit travel and shift travel to automobile (Litman 2004b; McCollom and Pratt 2004; Wardman and Shires 2011). They therefore tend to contradict planning objectives to reduce automobile travel.

Strategic Development Objectives

Transit fare increases may reduce the relative attractiveness of transit-oriented locations, such as downtowns and transit station areas.

Public Acceptance

Although there is general support for the user pay principle, surveys and focus groups indicate opposition to significant fare increases due to vertical equity concerns (a desire to keep public transit affordable to lower-income users), and a desire to encourage public transit travel.

Ease of Implementation

Fare increases are easy to implement.

Legal Status

Most public transit agencies or local governments have the legal ability to increase fares.

Examples

Most transit agencies regularly increase fares. The report, *A Fare Framework: How Transit Agencies Can Set Fare Policy Based on Strategic Goals* (Lotshaw and Hovenkotter 2019) describes how transit fares can be structured to achieve equity objectives.

Discounted Bulk Transit Passes

Public transit agencies can sell transit passes to a group, such as all students at a college or university, all employees at a worksite or all residents of a neighborhood. They are often designed to be revenue neutral - the additional transit service costs are at least offset by the additional revenues. For example, if standard monthly passes are priced at $80 and used for 40 average monthly trips, the transit agency can sell $40 discounted passes to a group of students that average 20 monthly trips or $20 to a group of residents that average 10 monthly trips.

Potential Revenue

Potential revenues depend on the scope of these programs, which could add hundreds, thousands or tens of thousands of new users. However, this also tends to increase transit service costs.

Predictability and Stability

Contracts for such services tend to be for one or more years, so transit agencies can generally plan for the additional revenue and ridership on an annual basis.

Horizontal Equity

Such passes tend to create cross-subsidies from those participants who seldom or never ride transit to those who ride more than average, although they may benefit from reduced congestion and accident risk.

Vertical Equity

Since physically and economically disadvantaged people tend to ride transit more than average and benefit most from financial savings, and since such programs tend to increase total transit service (for example, allowing increased frequency), this strategy tends to support vertical equity objectives.

Travel Impacts

This tends to increase transit ridership and reduced automobile travel, although impacts will vary depending on specific circumstances.

Strategic Development Objectives

This can increase the attractiveness of transit-oriented locations.

Public Acceptance

There is often high public acceptance of such programs, since they make transit more affordable and encourage transit ridership. U-Pass programs often receive high levels of student support, but neighborhood programs tend to receive less.

Ease of Implementation

Once a price structure is established implementation is relatively easy.

Legal Status

Most transit agencies have the legal ability to negotiate discounted fares for particular groups.

Examples

Many colleges and universities have U-Pass programs which provide transit passes to all students and sometimes staff at a campus (Brown, Hess and Shoup 2003). TransLink's *Employer Pass Program* offers a 15% discount to transit passes purchased through employers. Boulder, Colorado offers such a pass to residential neighborhoods, called the *Neighborhood Eco Pass* (Boulder 2013).

Property Taxes

Most municipal governments collect property taxes. In many jurisdictions a portion of property taxes are dedicated to public transit.

Potential Revenue

It is possible to increase property taxes by virtually any amount, but large tax increases are politically difficult and there are many demands on these tax revenues.

Predictability and Stability

Property taxes are relatively stable.

Horizontal Equity

To the degree that public transit improvements increase nearby property values or provide other savings and benefits to nearby residents and businesses (congestion reductions, parking cost savings, household savings, emission reductions, etc.), property tax funding can be considered horizontally equitable.

Vertical Equity

Property ownership tends to increase with income, and lower-income residents tend to qualify for various property tax discounts and exemptions, so this tax tends to be relatively progressive with respect to income. However, even poor people bear a portion of these taxes through rents, and property taxes are burdensome to some lower-income home owners.

Travel Impacts

Property taxes have few direct travel impacts.

Strategic Development Objectives

Large property tax differences may cause development to shift between jurisdictions, but transit taxes are relatively small and usually applied region-wide so impacts are likely to be minimal.

Public Acceptance

Although property taxes are widely used to finance public transit, and tend to be considered a default funding source (the source used if other options are infeasible), there may be resistance to significant increases in this tax.

Ease of Implementation

Since transit property taxes are already collected in most jurisdictions they are relatively easy to increase.

Legal Status

In some jurisdictions, state/provincial legislation or voter approval is required to raise property tax rates.

Examples

Many transit agencies rely on property taxes (TCRP 2009; UTCM 2010).

Regional Sales Taxes

Many jurisdictions (particularly in the U.S.) rely significantly on sales taxes to finance public transit. Variations include special taxes on particular transactions such as hotel room and vehicle rentals.

Potential Revenue

A regional general sales tax could generate virtually any amount of revenue. Revenues from taxes on sales of particular products tend to be modest.

Predictability and Stability

Moderately stable. Sales taxes tend to fluctuate more than property taxes.

Horizontal Equity

To the degree that public transit benefits consumers, sales taxes can be considered horizontally equitable, although the relationship is indirect (people and businesses that benefit most do not necessarily pay more sales taxes).

Vertical Equity

Sales taxes are regressive, and so tend to be vertically inequitable.

Travel Impacts

Sales taxes do not directly affect travel activity.

Strategic Development Objectives

Large sales tax differences may cause development to shift between jurisdictions, but transit taxes are relatively small and usually applied region-wide so impacts are likely to be minimal.

Public Acceptance

Mixed. Although there tends to be opposition to most tax increases, sales taxes are among the most often applied to fund transportation programs, including public transit improvements indicating a moderate degree of public acceptance.

Ease of Implementation

In jurisdictions that already apply sales taxes, there is minimal cost to increasing such taxes to fund public transit. Where no sales taxes is currently applied, implementation costs would be moderate.

Legal Status

In many jurisdictions, state/provincial legislation or voter approval is required to raise sales tax rates.

Examples

Sales taxes are the most common dedicated source of transit funding in the U.S. (IPIRG 2007). According to the Federal Transit Administration's *National Transit Database*, after federal funds, sales taxes comprised the largest source of revenues for capital spending (38%) and the second largest source of operating expenses (27%) after fares (32%). In November 2016, 71% of Los Angeles County voters approved *Measure M* (http://theplan.metro.net) a 0.5% sales tax increase to generate $870 million annually to expand transit and bike networks. The agency produced a report, *LA County's Measure M Lessons Learned* (METRO 2017), which provides advice for building public support for such a program.

Income Taxes

An additional tax on income, dedicated to public transportation.

Potential Revenue

This tax can generate virtually any amount of revenue.

Predictability and Stability

This tax tends to be relatively predicable and stable

Horizontal Equity

To the degree that all residents benefit from public transit, it can be considered equitable, but since higher income households pay more but tend to use public transit less than lower income households, it may be considered unfair. This could be considered an equitable tax for funding higher quality transit services, such as commuter rail, since higher income residents are more likely to use such services.

Vertical Equity

Income taxes are generally considered among the most progressive (vertically equitable) tax options.

Travel Impacts

Income taxes do not generally affect travel activity.

Strategic Development Objectives

Income taxes do not generally affect development patterns unless they are high enough to encourage some households to move outside the urban boundaries.

Public Acceptance

Income taxes have mixed public acceptance.

Ease of Implementation

Implementation is relatively easy and in jurisdictions where income taxes are already collected, but may require significant new administrative effort if there is no existing system.

Legal Status

The ability of individual jurisdictions to collect income taxes varies widely.

Examples

In 2016, Indianapolis Region voters approved a referendum that authorizes the city to impose an income tax of up to 0.25 percent—25 cents per $100 of income—to help fund the Marion County Transit Plan. For a resident earning $50,000 a year, that 0.25 percent equals an additional $125 in annual income taxes (Orr 2016). The plan calls for $390 million in improvements to improve reginal bus service—extending hours of operation, increasing the number of bus routes that run at 15-minute frequencies, plus the operational costs of three Bus Rapid Transit lines.

The City of Cincinnati (2016) levies a two percent (2%) per annum tax on municipal taxable income to finance general municipal operations, maintenance, new and facilities and other capital improvements, including public transit services.

Fuel Taxes

Special fuel tax can be collected in a jurisdiction to fund public transit. In some cases a portion of existing fuel tax revenue is dedicated to public transit programs without increasing fuel tax rates.

Potential Revenue

Assuming residents average 500 gallons of annual fuel consumption, each cent per gallon of taxes generates $5 per capita. Although fuel price increases reduce demand (a 10% price increase typically reduces fuel consumption 2-4% in the medium-run), a few cents per gallon to fund transit generally have minimal impact (Litman 2013; Wardman and Shires 2011).

Predictability and Stability

Fuel tax revenue is moderately stable. It tends to fluctuate more than property taxes.

Horizontal Equity

To the degree that motorists benefit from public transit improvements, due to reduced traffic and parking congestion, and reduced need to chauffeur non-drivers, and to the degree that automobile travel imposes external costs on non-drivers, fuel taxes can be considered to increase horizontal equity.

Vertical Equity

Fuel taxes are regressive, but this regressivity is reduced if public transit improvements provide more convenient and affordable alternative to driving. Described differently, of all possible fuel tax uses, transit improvements are relatively progressive if they improve affordable mobility options.

Travel Impacts

Fuel tax increases tend to reduce automobile travel and encourage use of alternative modes, although typical transit funding taxes are small and so would have minimal impact. Travel impacts depend on whether the transit tax is in addition to, or a portion of, existing fuel taxes.

Strategic Development Objectives

Fuel tax increases tend to encourage more compact, multi-modal land development, although the effects of this are likely to be minimal.

Public Acceptance

In general, fuel tax increases tend to be unpopular. However, surveys and focus groups indicate moderate support to fuel tax increases that are dedicated to transportation improvements.

Ease of Implementation

Implementation is relatively easy and in jurisdictions where fuel taxes are already collected.

Legal Status

Fuel tax increases often require state or provincial approval.

Examples

At least twelve U.S. states have local option transit gasoline taxes (TCRP 2009). Such taxes are common in Canada. In Metro Vancouver, 15¢ per litre fuel tax is dedicated to transit. In Ontario, two cents per litre of the provincial gas tax is devoted to public transit, and Calgary and Edmonton receive 5¢ of the provincial gas tax collected in each city for road and transit funding (TBoT 2010).

Vehicle Levy

An additional fee for registering vehicles in the region.

Potential Revenue

Although vehicle levies can be any size, most are $20-60 annual per vehicle, only a portion of which is dedicated to public transit, so their total transit revenue is small to moderate. High levies can motivate some motorists to register their vehicles in other jurisdictions.

Predictability and Stability

Stable.

Horizontal Equity

As previously discussed, to the degree that motorists benefit from public transit improvements, due to reduced traffic and parking congestion, and reduced need to chauffeur non-drivers, and to the degree that automobile travel imposes external costs on non-drivers, a vehicle levy can be considered to increase horizontal equity. However, since vehicle fees do not reflect use (fees are the same for vehicles driven high and low annual mileage), this fee poorly reflects the external costs imposed by a particular vehicle.

Vertical Equity

This fee tends to be regressive, particularly because lower-income motorists tend to drive their vehicles lower annual mileage and so pay more per kilometer than higher income motorists on average.

Travel Impacts

Higher vehicle fees may marginally reduce vehicle ownership and use, but impacts are likely to be small.

Strategic Development Objectives

No significant impacts.

Public Acceptance

According to survey and focus group responses, vehicle levies have less public acceptance than other transportation-related revenue options.

Ease of Implementation

Where vehicle registration fees are already collected an additional levy to fund transportation or public transit programs is easy to apply. Implementation costs are much higher if a special fee collection system must be established.

Legal Status

In most jurisdictions this would require state/provincial legislation and support.

Examples

In the United States, 33 states and 27 local jurisdictions have vehicle registration fees which help finance transportation improvements, which often includes public transport (IPIRG 2007). Toronto, Montreal, Quebec City, Gatineau, Trois-Rivières, Saguenay, Sherbrooke, and Saint-Jérome all use a vehicle registration fee to help finance public transport (TBoT 2010). In Montreal and Quebec City, $30 from the provincially-levied license/vehicle registration revenue is devoted to funding transit operations. Toronto collects $60 annually per vehicle registration.

Utility Levy

Apply a special transit levy to all utility accounts in the region.

Potential Revenue
Small. Although such a levy could be any size, they are usually $10-40 annual per meter, or $5-20 per capita.

Predictability and Stability
Stable.

Horizontal Equity
Similar to a property tax, a utility levy charges residents.

Vertical Equity
A utility levy is likely to be relatively regressive, since it is a flat fee per household.

Travel Impacts
No significant impacts.

Strategic Development Objectives
No significant impacts.

Public Acceptance
According to survey and focus group responses, utility levies have low public acceptance. It had the greatest level of opposition of all options presented.

Ease of Implementation
Relatively easy to implement.

Legal Status
Would generally require state/provincial legislation.

Examples (TCRP 2009)
Some jurisdictions have local government utility taxes. TransLink receives a hydro levy of $1.90 per month from each BC Hydro account within the service region. The hydro levy generates approximately $18 million per year in revenue (TBoT 2010).

Employee Levy

A levy paid by employers (often only larger employers) located in a transit service area.

Potential Revenue

Small to moderate potential revenues, depending on the number of employees covered and the level of the levy.

Predictability and Stability

Stable.

Horizontal Equity

Can be considered fair to the degree that commuters create traffic congestion and create demand for public transit.

Vertical Equity

The ultimate incidence of this fee is difficult to predict. It may substitute for wages, reduce total employment, or shift employment location if a large levy is applied just in the urban core.

Travel Impacts

Travel impacts are likely to be small.

Strategic Development Objectives

If applied only in an urban core it may discourage downtown employment and encourage sprawl.

Public Acceptance

Uncertain.

Ease of Implementation

Would probably involve moderate implementation costs, similar to other business taxes and fees.

Legal Status

May require state/provincial legislation.

Examples (TBoT 2010; TCRP 2009)

In France, the *Versement Transport* (Transport Levy) taxes employers with more than nine staff to help finance local public transport services. A special 0.6% payroll tax is collected from most employers in the Portland and Eugene Oregon regions to help finance public transport services.

Road Tolls (Decongestion Pricing)

Tolls are fees for driving on a particular road, bridge, or in a particular area. *Decongestion pricing* refers to tolls that are higher during peak periods to reduce traffic congestion. A variation is High Occupancy Tolls (HOT) lanes, which are free for use by high occupant vehicles (buses and carpools), but tolled for low-occupant vehicles.

Potential Revenue

Although revenues are theoretically large if widely applied, most proposals only toll a minor portion of roads and vehicle travel, resulting in modest total revenues.

Predictability and Stability

Once established, revenues would probably be moderately stable, but may decline over the long run as travelers take tolls into account when making longer-term decisions (such as where to live).

Horizontal Equity

Tolls are generally considered vertically equitable, because they charge users directly for the congestion and roadway costs they impose, but they are often criticized as unfair if only applied on a few roadways.

Vertical Equity

Tolls are often criticized as regressive, since a given toll represents a higher portion of income for poorer than wealthier motorists, but overall regressivity depends on the incomes of actual road users, the quality of travel options on that corridor, and how revenues are used. Tolls are often progressive compared with other funding options, such as using general taxes to finance roads and public transit services (Kitchen 2019).

Travel Impacts

Road tolls tend to reduce affected automobile travel, particularly if implemented with public transit improvements. Congestion pricing can be effective at reducing traffic congestion,

Strategic Development Objectives

Mixed. If applied only in central areas tolls may encourage more dispersed development, but if applied broadly and implemented with improvements to other modes, they may encourage compact development.

Public Acceptance

There is often public opposition to tolls, particularly on existing roadways, although surveys indicate some acceptance if revenues are used to support popular road and public transport improvements.

Ease of Implementation

Although there are many possible ways to implement road tolls, including new technologies that reduce costs, implementation tends to be expensive, particularly if implemented by a single region.

Legal Status

Road tolling usually requires state/provincial legislation.

Examples (TBoT 2010; TCRP 2009)

London, Singapore and Stockholm apply congestion tolls for driving on urban roads during peak periods (Wolfe 2019). In 2019 New York City approved the first US urban decongestion pricing program, which will charge motorists to enter the most congested parts of Manhattan (Hu 2019; Schaller 2018). It is expected to raise approximately $1bn annually. Although economists advocate this as a way to reduce traffic problems, much of its political support comes from its ability to finance public transit improvements.

Vehicle-Km Tax

A form of road pricing that charges motorists per kilometre travelled. Could vary by vehicle type, such as higher fees for higher polluting vehicles.

Potential Revenue

Potentially large.

Predictability and Stability

Moderate. Similar to fuel taxes.

Horizontal Equity

Similar to fuel taxes. To the degree that motorists benefit from public transit improvements, and to the degree that automobile travel imposes external costs on non-drivers, vehicle-kilometer fees can be considered to increase horizontal equity.

Vertical Equity

Is likely to be regressive. However, to the degree that public transit improvements reduce the need to drive, this regressivity is reduced.

Travel Impacts

Vehicle-kilometer fees tend to reduce automobile travel and encourage use of alternative modes, including public transit.

Strategic Development Objectives

Vehicle-kilometer fees tend to encourage more compact, multi-modal land development.

Public Acceptance

In general, vehicle-kilometer fees tend to be unpopular. However, survey and focus group responses indicate moderate support for this option.

Ease of Implementation

Has high implementation costs since it would require a special system to measure annual vehicle travel in a region.

Legal Status

Would generally require federal state or provincial legislation and support.

Examples (Huang, et al, 2010; TBoT 2010)

Vehicle-kilometer fees have been proposed in many jurisdictions, but so far have only been implemented for freight trucks in Germany. Since 2005, all trucks have been charged a VKT of €0.09 to €0.14 per kilometer based on the truck's emissions levels and number of axles.

Parking Sales Taxes

A special tax on parking transactions (when motorists pay directly for parking).

Potential Revenue

Small to moderate. Only a minor portion (probably 5-10%) of parking activity is priced. It could encourage more businesses to provide free parking to employees and customers.

Predictability and Stability

Moderate to low stability.

Horizontal Equity

As with other vehicle use fees, it can be considered horizontally equitable to the degree that transit improvements benefit motorists and to the degree that motor vehicle travel imposes external costs.

Vertical Equity

Since this fee only applies when parking is priced, it is probably less regressive than other vehicle fees.

Travel Impacts

By marginally increasing parking fees it may slightly reduce vehicle trips, but by increasing the value to users of parking subsidies and reducing commercial parking profitability, it may reduce the total portion of parking that is priced (Litman 2013; Wardman and Shire 2011).

Strategic Development Objectives

Because this fee primarily applies in downtowns and other major commercial centers, it may discourage compact development.

Public Acceptance

There is often public opposition to parking fees. Survey and focus group responses indicate moderate support for this option.

Ease of Implementation

Implementation costs are likely to be small to moderate. It may require new accounting requirements for commercial parking operators.

Legal Status

Requires provincial or state legislation and support.

Examples (Litman 2012; TBoT 2010)

Many U.S. jurisdictions levy a parking surcharge. Chicago, Illinois assesses a flat parking surcharge, rather than a percentage charge, on daily, weekly and monthly parking, with charges ranging from $0.75-$2 for daily parking, $3.75 to $10 for weekly and $15 to $40 for monthly parking. TransLink has permission to collect a 7% parking surcharge to off-street parking transactions, but found it too administratively burdensome to collect.

Parking Levy

A special property tax on non-residential parking spaces throughout the region.

Potential Revenue

Potential revenue is large. Assuming that there are one to two qualifying parking spaces per capita, a $50 per space annual tax could generate $100 annually per capita.

Predictability and Stability

Relatively stable, although revenues may decline slightly over time if property owners reduce their parking supply.

Horizontal Equity

Like a fuel tax, this can be considered fair to the degree that motorists benefit from public transit improvements, or to the degree that parking facilities or automobile travel impose currently uncompensated external costs.

Vertical Equity

The ultimate incidence of this tax is difficult to predict, and will vary depending on specific conditions. It will mainly be borne by commercial property owners (residential parking is exempt), and so may marginally increase retail prices, increase parking pricing, and reduce wages. Costs may be reduced if property owners are allowed to reduce their parking supply. To the degree that public transit improvements reduce the need to drive, any regressivity is further reduced.

Travel Impacts

This tax may reduce parking supply and encourage property owners to price parking, which can reduce vehicle travel (Litman 2013; Wardman and Shire 2011). Travel impacts therefore depend on its magnitude, how it is applied, and the flexibility of local parking requirements.

Strategic Development Objectives

This tax encourages reduced parking supply and therefore more compact development.

Public Acceptance

Surveys and focus groups indicate relatively high support for parking taxes. Vancouver region experience indicates possible opposition from suburban businesses.

Ease of Implementation

This tax has relatively high implementation costs, since it requires adding a new field to property records, but once established, ongoing costs are likely to be modest.

Legal Status

May require state or provincial legislation.

Examples (IPIRG 2007; Litman 2012; WWF 2017)

Melbourne, Perth and Sydney, Australia all impose levies on city center non-residential parking spaces to encourage use of alternative modes and fund transport facilities and services. Since 2012, Nottingham, England has imposed a £379 annual levy on approximately 25,000 spaces, representing 42% of total spaces. In its first three years the levy generated £25.3 million, which is dedicated to improving the city's transport infrastructure. The levy has helped increase public transport mode share to over 40%, and reduce carbon emissions by 33%. Local authorities in England may charge employers for the parking they provided for staff via a Workplace Parking Levy, but only one community implemented this option (Burchell, et al. 2019).

Expanded Parking Pricing

Expand where and when public parking is priced, such as metering currently unpriced on-street parking spaces in urban neighborhoods, and charging for off-street parking at public facilities such as for government employees, at schools and parks. This is best implemented as part of a comprehensive parking management program that also includes better pricing systems, user information and enforcement practices.

Potential Revenue

Small to moderate. In most urban areas there are many unpriced publically-owned parking facilities that could be priced, although motorists will avoid using priced parking if possible. Currently only 1-2% of non-residential parking activity is priced, which probably averages $20-40 annual per capita. If this can be tripled to 3-6% it would generate an additional $40-80 annual per capita.

Predictability and Stability

Relatively stable.

Horizontal Equity

Like a fuel tax, this can be considered fair, since these valuable spaces are currently provided free to motorists, and to the degree that automobile travel imposes currently uncompensated external costs, and to the degree that motorists benefit from public transit improvements.

Vertical Equity

Mixed. Lower-income households tend to own fewer vehicles and drive less than higher-income households, so overall impacts will vary depending on specific conditions, including lower-income vehicle ownership rates, and the quality and price of transport and parking options.

Travel Impacts

Parking pricing encourages people to reduce their vehicle ownership and use.

Strategic Development Objectives

Mixed. If implemented as part of an integrated parking management program efficient parking pricing can reduce the total number of parking spaces needed in an area, and total vehicle travel, supporting more compact development. However, if parking is priced in a few major commercial areas it may favor suburban commercial areas, encouraging sprawl.

Public Acceptance

Mixed. Motorists and businesses often oppose parking pricing, although the concept of user paid parking is gaining support as a way to reduce parking problems and generate local revenues.

Ease of Implementation

Parking pricing tends to have relatively high implementation costs to install and operate pricing systems, plus additional transaction costs to motorists.

Legal Status

Many jurisdictions already price public parking.

Examples (Litman 2012; TCRP 2009)

Many communities price a portion of on-street and publically-owned off-street parking spaces.

Development or Transportation Impact Fees

A fee on new development to help fund infrastructure costs, and allow existing development fees to be used for public transit infrastructure investments (MRSC 2010). Transportation or traffic impact fees are similar charges specifically intended to finance transport system improvements, which are sometimes limited to roadway expansion projects.

Potential Revenue

Small to moderate. Since it only applies to new development it depends on the amount of development occurring in the region.

Predictability and Stability

Is highly variable depending on how it is applied and the amount of qualifying development that occurs.

Horizontal Equity

To the degree that new development increases demand for public transit, or that developers benefit from high quality transit service, it can be considered equitable.

Vertical Equity

Uncertain. Although wealthier people tend to purchase more new housing, this fee will increase the costs of all new development and so will tend to increase rents and reduce housing affordability.

Travel Impacts

If the charges discourage more compact, infill development they may increase sprawled development and therefore automobile travel.

Strategic Development Objectives

If the charges discourage more compact, infill development they may increase sprawled development.

Public Acceptance

Surveys and focus groups indicate relatively high support for development fees.

Ease of Implementation

Implementation costs are minimal since development fees are already collected in most jurisdictions.

Legal Status

Most municipalities governments and many region governments have a legal ability to collect such fees, although the use of such funds is often restricted to specific infrastructure, which may exclude public transit facilities and services.

Examples (IPIRG 2007; TCRP 2009)

Many jurisdictions collect development or traffic/transportation impact fees.

Land Value Capture

A special property tax imposed in areas with high quality public transit, intended to recover a portion of the increased land values provided by transit and to help finance the service improvements (AECOM 2015; Suzuki, et al. 2015; Page, Bishop and Wong 2016; Smith and Gihring 2015; Vadali 2014). Sometimes called a *transit benefit district tax* (TRILLIUM Business Strategies 2009). Sclar, Lönnroth and Wolmar (2016) discuss various practical obstacles to efficient application of this funding option.

Potential Revenue

Moderate to large over the long-run.

Predictability and Stability

Difficult to predict, but stable once development occurs.

Horizontal Equity

Is considered horizontally equitable to the degree that high quality public transit provides an extra increase in land values and development revenues.

Vertical Equity

Vertical equity impacts depend on how the tax is structured and development conditions. It tends to capture value from developers and property owners, but some of the tax may be passed on to residents, and it can reduce housing affordability in transit-oriented developments, which is regressive.

Travel Impacts

Depends on details. If such a tax discourages development around transit stations it could reduce transit ridership and transit-oriented development.

Strategic Development Objectives

Mixed. May discourage some transit-oriented development, but it could encourage more concentrated development near transit stations.

Public Acceptance

Surveys and focus groups indicate relatively high support for land value capture.

Ease of Implementation

May require special analysis and legislation to determine the most appropriate tax structure.

Legal Status

In some jurisdictions, state or provincial legislation and support would be required.

Examples (TBoT 2010)

Land value capture in the form of transit benefit districts is used in some U.S. cities including Miami, Florida; Los Angeles, California; and Denver, Colorado. It is used in many major cities such as Hong Kong (Suzuki, et al. 2015).

Station Rents

Collect revenues from public-private developments on publically-owned land in or near transit stations.

Potential Revenue

Probably small. It depends on BC Transit's ability to obtain and develop land around transit stations, and the demand for such building space.

Predictability and Stability

Revenues are difficult to predict, but once established may be relatively stable.

Horizontal Equity

Is considered horizontally equitable to the degree that it captures the value of proximity to high quality public transit.

Vertical Equity

Vertical equity impacts depend on development conditions. It can be an opportunity for a community to raise additional revenue from businesses and higher income residents, but if rents are structured to maximize revenue it may reduce housing affordability in accessible locations (i.e., lower-priced housing in transit-oriented developments) which is regressive.

Travel Impacts

Uncertain. If this increases transit-oriented development it may help reduce total vehicle travel.

Strategic Development Objectives

Uncertain. It may increase or discourage transit-oriented development, depending on how development and rents are structured.

Public Acceptance

Surveys and focus group responses indicate relatively high support for station rents.

Ease of Implementation

Some station development may be relatively easy, but maximizing this revenue option may involve some effort and risks.

Legal Status

Most transit agencies have the legal ability to develop stations, but may require state or provincial approval to condemn land for station development.

Examples

Larger transit agencies with significant space in terminal and station facilities may enter into concession agreements (an income-generating strategy similar to leasing) with a variety of commercial and retail enterprises (TCRP 2009). TransLink has established a Real Estate Division is responsible for acquiring, managing and disposing of TransLink's properties in a manner that optimizes revenue, reduces capital costs and supports TransLink's strategic development goals, which includes station-area development (TransLink 2011).

Station Air Rights

Sell the rights to build over transit stations (Tompkins 2010).

Potential Revenue

Depends on demand for such development. There are generally few sites where such development is feasible, so total potential revenues are probably modest.

Predictability and Stability

Uncertain. Depends on demand for such development.

Horizontal Equity

Is considered horizontally equitable to the degree that it captures the value of proximity to high quality public transit.

Vertical Equity

Vertical equity impacts depend on specific conditions. It can raise revenue from businesses and higher income residents, but if structured to maximize revenue it may reduce housing affordability in accessible locations (i.e., lower-priced housing in transit-oriented developments) which is regressive.

Travel Impacts

Uncertain. If this increases transit-oriented development it may help reduce total vehicle travel.

Strategic Development Objectives

Uncertain. It may increase or discourage transit-oriented development, depending on how development and rents are structured.

Public Acceptance

Surveys and focus groups indicate relatively high support for revenue-generating station area development.

Ease of Implementation

Some station air rights development may be relatively easy, but maximizing this revenue option may involve some effort and risks.

Legal Status

Most transit agencies probably have the legal right sell or rent station-area air rights.

Examples (Tompkins 2010)

The Toronto Transit Commission has investigated options for selling air rights at the York Mills subway station, the Eglinton/Yonge bus terminal, the Sheppard/Yonge station bus terminal and land adjoining the Spadina station (Hall 2002).

Advertising

Most transit agencies collect revenues from transit vehicle, stop and station advertising.

Potential Revenue

Although expanding transit service and increasing transit ridership should allow more advertising, even doubling or tripling of revenue would provide relatively small additional revenue.

Predictability and Stability

Relatively unstable.

Horizontal Equity

No clear impact.

Vertical Equity

No clear impact.

Travel Impacts

No clear impact.

Strategic Development Objectives

No clear impact.

Public Acceptance

Surveys and focus groups indicate relatively high support for advertising. However, there may be public opposition to particular advertising methods or materials.

Ease of Implementation

Since most transit agencies already sell advertising, expansion is relatively easy.

Legal Status

Already widely used.

Examples (TCRP 2009)

Most public transit agencies generate revenue from advertising.

Options Summary

Table 7 summarizes the funding options evaluated in this study.

Table 7 **Potential Public Transport Funding Options**

Name	Description	Advantages	Disadvantages
Fare increases	Increase fares or change fare structure to increase revenues.	Widely applied. Is a user fee (considered equitable).	Discourage transit use. Is regressive.
Discounted bulk passes	Discounted passes sold to groups based on their ridership.	Increases revenue and transit ridership.	Increases transit service costs and so may provide little net revenue.
Property taxes	Increase local property taxes	Widely applied. Distributes burden widely.	Supports no other objectives. Is considered regressive.
Sales taxes	A special local sales tax.	Distributes burden widely.	Supports no other objectives. Is regressive.
Income tax	Special income tax for transit or transportation.	Progressive with respect to income. Relatively stable.	May be difficult to implement.
Fuel taxes	An additional fuel tax in the region.	Widely applied. Reduces vehicle traffic and fuel use.	Is considered regressive.
Vehicle fees	An additional fee for vehicles registered in the region.	Applied in some jurisdictions. Charges motorists for costs.	Does not affect vehicle use.
Utility levy	A levy to all utility accounts in the region.	Easy to apply. Distributes burden widely.	Is small, regressive and support no other objectives.
Employee levy	A levy on employees in a designated area or jurisdiction.	Charges for commuters.	Requires administration. Encourage sprawl if in city centers.
Road tolls	Tolls on some roads or bridges.	Reduces traffic congestion.	Costly to implement. Can encourage sprawl if only applied in city centers.
Vehicle-Km tax	Distance-based fees on vehicles registered in the region.	Reduces vehicle traffic.	Costly to implement.
Parking taxes	Special tax on commercial parking transactions.	Is applied in other cities.	Discourages parking pricing and downtown development.
Parking levy	Special property tax on parking spaces throughout the region.	Large potential. Distributes burden widely. Supports strategic goals.	Costly to implement. Opposed by suburban property owners.
Expanded parking pricing	Increase when and where public parking facilities (e.g. on-street parking) are priced.	Moderate to large potential. Distributes burden widely. Reduces parking & traffic problems.	Requires parking meters and enforcement, and imposes transaction costs.
Development or transport impact fees	A fee on new development to help finance infrastructure, including transit improvements.	Charges beneficiaries.	Limited potential.
Land value capture	Special taxes on property that benefit from the transit service.	Large potential. Charges beneficiaries.	May be costly to implement. May discourage TOD.
Station rents	Collect rents from station public-private developments.	Charges beneficiaries.	Limited potential.
Station air rights	Sell the rights to build over transit stations.	Charges beneficiaries.	Limited potential.
Advertising	Additional advertising on vehicles and stations.	Already used.	Limited potential. Sometimes unattractive.

This table summarizes potential funding options identified in this study.

For more quantitative analysis, these evaluation criteria were rated on a seven-point scale from 3 (strongly supports objective) to -3 (strongly contradicts objective), as illustrated in Table 8. Of course, such ratings are subjective so other people or groups may reach different conclusions. In a typical planning process an advisory committee consisting of informed citizens, technical experts and elected officials would perform these ratings. In this exercise all ratings have the same weight, but they can be weighted to give some objectives more importance than others. Many of these impacts can vary significantly depending on how an option is implemented, local conditions and community preferences, so it is helpful to develop more specific descriptions of how an option would be applied in a particular geographic area.

Table 8 **Potential Local Public Transit Funding Options Summary Matrix**

Name	Potential Revenue	Stability	Horizontal Equity	Vertical Equity	Travel Impacts	Development Impacts	Public Acceptance	Ease to Implement
Fare increases	2	2	2	-3	-3	-2	-3	3
Discounted bulk passes	1	2	2	2	3	2	2	3
Property taxes	3	3	2	-1	0	-1	-2	3
Sales taxes	3	2	1	-2	0	0	-2	3
Fuel taxes	2	2	2	-1	3	2	-2	3
Vehicle levy	2	3	2	-2	0	0	-2	-1
Utility levy	1	3	2	-3	0	0	-3	2
Employee levy	2	3	3	2	0	-1	-2	-2
Road tolls	1	2	3	-2	3	1	-2	-3
Vehicle-Km tax	2	2	3	-2	3	1	-3	-3
Parking taxes	1	2	2	0	2	-2	-1	-1
Parking levy	3	2	2	1	2	2	-2	-3
Expanded parking pricing	2	2	3	1	3	-1	-1	-1
Development cost charges	1	1	2	0	0	-1	3	-1
Land value capture	3	3	2	0	0	-2	2	-2
Station rents	1	2	3	0	0	0	3	-1
Station air rights	1	2	3	0	0	0	3	-2
Advertising	1	1	3	0	0	0	3	3

This table summarizes the degree that the funding options support various planning objectives. Rating range from 3 (strongly supports objective) to -3 (strongly contradicts objective). 0 = no or mixed impacts. Although these results are somewhat subjective and may vary depending on community values and conditions, this illustrates a method for quantifying the advantages and disadvantages of various options that can be applied in other situations.

Conclusions

Public transit service improvements are an important component of many regions' transportation system improvement plans. High quality public transit services can provide various economic, social and environmental benefits, including direct user benefits and various indirect and external benefits. Current demographic and economic trends, including aging population, urbanization, plus concerns about inaffordability, health and environmental protection justify more support for high quality transit. Recent experience indicates that many citizens will support tax increases to improve public transit services.

Implementing transit improvements often requires additional funding. Although some federal, state or provincial funding may be available, significant new local funding is often needed. Based on a detailed review of existing literature, this study identified eighteen funding options, including some that are widely used and others considered innovative and only applied in a few jurisdictions.

These potential funding options were evaluated against eight criteria. Evaluation results can vary depending on perspective and assumptions. Equity analysis is particularly subjective depending on how equity is defined and impacts measured. From some perspectives, it is most equitable to generate transit funding from a narrowly defined group of beneficiaries, such as users of a new transit service, employers who generate commute trips, or owners of transit station area properties. However, high quality public transit tends to provide multiple, dispersed benefits, including external benefits to people who do not currently use the service but benefit from reduced traffic and parking congestion, improved safety, reduced need to chauffeur non-drivers, energy conservation and emission reductions, and increased regional economic development. Public transit improvements tend to provide a broader scope of benefits than highway expansions, so a wider range of funding options can be justified for horizontal equity (i.e., beneficiaries pay) sake.

Widely used public transit funding sources include fares, property taxes, sales taxes, fuel taxes, advertising and station rents. There is potential for increasing revenues from these options, although fare increases contradict other planning objectives. Fuel tax increases and expanded parking pricing (more frequently charging motorists for using public parking facilities, particularly on-street parking in urban neighborhoods) are particularly appropriate because they also encourage fuel conservation and more efficient transport, in addition to raising revenues. However, these taxes and fees are considered burdensome and regressive (their actual regressivity depends on the quality of transport options available, and so is reduced by public transit service improvements) and so should be implemented gradually.

The options that seem most acceptable to the public (development and transportation impact fees, station rents and advertising) tend to generate modest revenue. Economists are particularly enthusiastic about decongestion pricing, but it tends to be costly and politically difficult to implement, and total revenues are often modest since tolls are only collected on a small portion of total vehicle travel. However, New York City recently approved a decongestion pricing program which received political support largely as a transit funding option.

Three new revenue options with significant potential deserve more consideration: *parking levies* (special property taxes on non-residential parking spaces), *vehicle levies* (an additional fee on vehicles registered in the region) and *employee levies* (a levy on each employee, often only collected from larger employers). These could generate relatively large amounts of revenue, distribute costs broadly, and have a logical connection to transit improvements (high quality transit benefit motorists, businesses and employees). A parking levy applied to all non-residential parking spaces in a region would disperse the financial burden and support Strategic Development Objectives (reduce impervious surface and reduce excessive parking supply) by encouraging more compact development and more efficient parking pricing. These three options have moderate implementation costs, more than increasing existing transit funding options, but less than road tolls or vehicle-kilometer fees.

Where feasible, development and transportation impact fees, station rents and air rights can be used to generate funds, but their revenues will vary depending on future demand for transit-area development, and so are difficult to predict and are likely to be modest in most cases.

Land value capture taxes and levies should also be considered. They should be structured to avoid discouraging transit-oriented development (they should not be too high or geographically concentrated), and it may be best to defer their implementation for a few years until station-area demand rises sufficiently. It is particularly appropriate to create local area benefit districts around transit stations where modest special levies and parking meter revenues are used primarily to finance local improvements such as station amenities, streetscaping and special cleaning and security services, rather than financing system-wide transit services.

This research discovered no new funding options that are particularly cost effective and easy to implement. Each funding option has disadvantages and constraints. As a result, this study's overall conclusion is that a variety of funding options should be used to help finance the local share of public transit improvements to ensure stability (so total revenues are less vulnerable to fluctuations in a single economic sector or legal instrument) and distribute costs broadly. Public transit improvements often provide widely dispersed benefits that can justify widely dispersed funding sources. Even people who do not currently use public transit benefit from reduced congestion, increased public safety and health, improved mobility option for non-drivers, regional economic development, and improved environmental quality.

Additional research is recommended to better understand the impacts of these options. Revenue options that are implemented should be structured to maximize benefits and minimize problems. Taxes and levies should be designed to support other regional planning objectives, including increased transit ridership, reduced automobile traffic, economic development, energy conservation, compact development and greenspace preservation and affordability.

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Acknowledgments

This paper is based on research sponsored by the Victoria Regional Transit Commission (VRTC) and the Capital Regional District (CRD). Thanks to my research partners Jan Pezarro and Mark Pezarro, and fellow Task Force members Robert Lapham, Jonathan Norgaard, Erinn Pinkerton and Marg Misek-Evans.

Emails received between 11/28/20 – 01/04/20

From: Brian Peoples <brian@trailnow.org>
Sent: Friday, January 1, 2021 8:37 AM
To: aurelio.gonzalez@cityofwatsonville.org; Zach Friend <BDS022@co.santa-cruz.ca.us>; Patrick Mulhearn <Patrick.Mulhearn@santacruzcounty.us>; ryan.coonerty@santacruzcounty.us; greg.caput@co.santa-cruz.ca.us; 'jimmy.dutra@cityofwatsonville.org' <jimmy.dutra@cityofwatsonville.org>; Manu Koenig <rskoenig@gmail.com>; Andy Schiffrin <Andy.Schiffrin@santacruzcounty.us>; rlj12@comcast.net; 'Bruce McPherson (bruce.mcpherson@co.santa-cruz.ca.us)' <bruce.mcpherson@co.santa-cruz.ca.us>; Gine Johnson <Gine.Johnson@santacruzcounty.us>; dmeyers@cityofsantacruz.com; openup@cats.ucsc.edu; Bertrand, Jacques <jbertrand@ci.capitola.ca.us>
Cc: Shannon Munz <smunz@sccrtc.org>; Guy Preston <gpreston@sccrtc.org>; Alex Clifford <AClifford@scmtd.com>; Matt Machado <Matt.Machado@santacruzcounty.us>; Ginger Dykaar <gdykaar@sccrtc.org>; Yesenia Parra <yparra@sccrtc.org>
Subject: Train Magazine - promoting Santa Cruz Train

RTC Commissioners,

Apparently, the survey conducted for the Transit Corridor Alternative Analysis (TCAA) was posted in Train Magazine to advocate for train fans across the world to support a train in Santa Cruz County. This is a major flaw of the TCAA and RTC Leadership should get the consult to address why they failed to have proper configuration management of the public survey. More importantly, the TCAA survey results should be completely removed as a decision factor on best use of the Coastal Corridor.

Digest: Comment period in progress for Santa Cruz, Calif., transit proposals | Trains Magazine

Best regards,

Brian Peoples
Executive Director
Trail Now

From: Jack Brown <jack.b.brown@gmail.com>
Sent: Thursday, December 31, 2020 7:19 PM
To: bruce.mcpherson@co.santa-cruz.ca.us; aurelio.gonzalez@cityofwatsonville.org; Regional Transportation Commission <info@sccrtc.org>; Zach Friend <Zach.Friend@santacruzcounty.us>; Randy Johnson <rlj12@comcast.net>; sbrown@cityofsantacruz.com; greg.caput@co.santa-cruz.ca.us; ryan.coonerty@santacruzcounty.us; trina.coffman@cityofwatsonville.org; ebottorff167@yahoo.com; Patrick Mulhearn <Patrick.Mulhearn@santacruzcounty.us>; openup@cats.ucsc.edu; tim.gubbins@dot.ca.gov; Manu Koenig <rskoenig@gmail.com>
Subject: We need to right the ship in 2021

Dear RTC Commissioners,

Emails received between 11/28/20 – 01/04/20

As 2020 has drawn to a close, we have learned a great many things. The needs for transportation have seen a major change in the wake of the pandemic and the efforts of the past will simply not work for the future of Santa Cruz. In summary we need to abandon the idea of rail in Santa Cruz and stop the design of the trail on the rail corridor where the emphasis is on a train, not trail safety.

Yes, we still have a need to reduce traffic, provide transportation equity and protect our planet, but we have to have solutions that are the right size for our unique community and that can be implemented quickly. In short, rail is a huge mistake that does not satisfy the basic requirements for what is needed and we need to concentrate on what is really needed for our community.

I also rode the Segment 7, Phase 1 portion of the bike path, or 'rail with a trail' as I call it. What a disappointment that was. Although I thought anything is better than riding on the street, I cannot say as much for this trail. In a 75 foot wide corridor, it is a narrow 12-foot wide ribbon shoved to the side crammed against fences, walls and parking lots. I chronicled my journey on the trail at https://www.youtube.com/watch?v=WCqV_cE1emM . This video showed vehicles that were parked at businesses along the corridor blocking portions of the trail, a vendor in a store parking lot with his equipment in the trail along with shopping carts and other equipment. There was hardly enough space to get around slow moving bikes, pedestrians and dog walkers, but worst of all, the intersections with oncoming traffic. Why these were not setup as 4-way stops is beyond me. Speed and distance perspectives are difficult to perceive on the trail and cars come up quickly as can be seen in the video. Lastly, all the excessive turns, curbs and obstacles including fences with steel posts directly against the path with no runoff room is going to cause some serious injuries. These issues should not have been there. The trail should be in the center of the corridor. Let Segment 7 be a lesson on how NOT to build the rest of the corridor. Let's get serious about trying to reduce traffic, reduce greenhouse gasses and build walkable and bikeable communities. This can be done with Bus on Shoulder (Not Bus on Auxiliary Lanes) and Bus Rapid Transit along Soquel and even on the corridor between Santa Cruz and Capitola if necessary. This will clearly point out to people driving by themselves in vehicles that there is a faster way. A train simply will not do that.

Also, let's please understand that the Tig/M demonstration is not necessary. Tig/M is only experienced in bespoke, hand-crafted mall rides on loops, not commuter rail on a single track. Yes, their technology looks tantalizing, but they are the only provider of this type of vehicle. Their only implementations are a few hundred yards at the Grove in Hollywood, a $5.5B project in oil rich Qatar through a shopping center and a tourist trolley in Aruba servicing cruise ships. They have no experience in commuter rail, speeds about 9 MPH or virtual coupling. If Tig/M fails, which it easily could. No one will pick up where they left off. A whole new infrastructure would be needed to replace their vehicles. We simply cannot afford to put our transportation future in the hands of such a startup. It is putting too much of the public investment at risk.

Lastly, I hope you give more of the decision on how to proceed to the public. Mark Mesiti-Miller created a false sense of public support for rail by creating a form letter for his base to send to the RTC at the last meeting and from this created a false sense of support for rail in the RTC study. The 210 responses for rail are only 0.01% of the population of Santa Cruz County. We really need an advisory vote based on the final recommendation of the TCAA, projected cost and timeline against a trail only solution with Bus on Shoulder and Bus Rapid Transit. Of course, I feel the latter is the proper solution for Santa Cruz County and we should actually have the RTC vote immediately to rail bank all rail north

of Watsonville and proceed with the trail and Bus on Shoulder and a revitalization of our Metro and ADA transport systems and I hope you can draw the same conclusion as well. A train simply does not provide what we need. If we can get both sides of the issues to focus on the common points of support, we can make things happen. Moving people, reduce traffic, a safe and wide and effective multi-modal path on the corridor and reduce greenhouse gas emissions, we can really accomplish something in 2021.

Respectfully,

Jack Brown
Aptos, CA

From: lbeyea@cruzio.com <lbeyea@cruzio.com>
Sent: Friday, January 1, 2021 11:22 AM
To: Regional Transportation Commission <info@sccrtc.org>
Subject: particulate pollution from non-exhaust emissions

Dear RTC Commissioners and Staff:

It seems that, when evaluating transportation alternatives, including actions that affect VMT, non-exhaust emissions (NEE) should be included in the evaluation. For further information, see

https://www.emissionsanalytics.com/news/pollution-tyre-wear-worse-exhaust-emissions

Thank you for your attention to this matter.

Len Beyea
Santa Cruz

From: frank rimicci <frankeej1958@gmail.com>
Sent: Friday, January 1, 2021 9:24 PM
To: Regional Transportation Commission <info@sccrtc.org>
Subject: Rail with trail

Dear Sirs and Ma'ams, I just want to drop a line here to show support for the rail trail plan as it currently exists.Those that oppose rail are being selfish and shortsighted, as a trail only does not suit the needs of all Santa Cruz county residents. While I support trails and am an avid cyclist, I feel there are ample trails and the rail corridor will provide an excellent route through the county and when augmented with rail transport, will be a viable alternative to many People and businesses now and into the future. Thanks for considering all People when considering options for the branch line.

Yours sincerely, Frank Rimicci Jr. Corralitos

Emails received between 11/28/20 – 01/04/20

From: ROBERT STEPHENS <awranch@aol.com>
Sent: Monday, January 4, 2021 12:35 PM
To: Regional Transportation Commission <info@sccrtc.org>
Subject: Rail Corridor

Dear Commissioners:

I want to make two points: one on current trail cost and the other on a passenger train working in our old freight line.

New York state has undertaken a huge master trail plan to build the Empire State trail. They will end up with over 700 miles of a biking/walking trail. A big percentage of this trail is in old rail lines. Can we stop making a train a priority and actually build a trail? Below is some comments on cost per mile in New York state, which shows a realistic cost per mile. What are you spending per mile to build the easiest section? How are you bench marking your trail cost to other trails?

The recently completed Empire State Trail in New York state added 350 miles of trail at a cost of 266 million dollars. This works out to $760,000 per mile. Follow this link for more information: https://www.railstotrails.org/media/667098/infrastructure_empirestatetrail.pdf Here is a quote about cost for a small part of this trail which converted an old electric trolley line that fell out of use to a trail. "In addition to closing the Rotterdam Junction gap, another recently opened section in the Capital Region is the 36-mile Albany Hudson Electric Trail, which runs from the city of Rensselaer to the city of Hudson in Rensselaer and Columbia counties. The $45 million trail follows the historic route of an electric trolley." So this conversation from a trolley line to trail cost $1.25 million per mile. These are the numbers we should be looking for in our county to build a trail, if you put it in the rail corridor. Your current trail plan is wasting tons of money and ending up with a trail that does not work.

Please follow NewYork's lead and drop the electric trolly idea and build a world class trail. Everyone in our community wants a trail. The pandemoniac has shown that mass transit is not in favor but biking and active transportation is.

For any mass transportation project to work, it needs to hit on all cylinders. In a sense it is a lot like a retail store: location is critical. Due to the fact that the old freight line does not actually go where people want to go: Downtown Watsonville, Cabrillo, the Capitola Mall, Dominica Hospital, the Pacific Garden Mall and UCSC, any train project will fail. Imagine putting a retail store five blocks off of Pacific avenue, it is not going to fly. Any train in the corridor is doomed. Please stop wasting money on a train and build a world class trail that our community can get behind and afford.

Sincerely,
Robert Stephens
Aptos

Emails received between 11/28/20 – 01/04/20