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# MEASURE D

## 2023 STRATEGIC IMPLEMENTATION PLAN



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“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”

- Measure D Ordinance

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# CHAPTER 1

# EXECUTIVE

# SUMMARY







**On November 8, 2016**, Santa Cruz County voters approved Measure D, a half-percent transaction and use tax (half-cent sales tax) dedicated to transportation projects and services. **The Measure D Strategic Implementation Plan provides information on Measure D fund management and describes the strategic use of Measure D revenues for regional investment categories.**

The passage of Measure D marked a major shift for transportation improvements in Santa Cruz County. The Measure and its associated Expenditure Plan provide a balanced vision to improve, operate, and maintain Santa Cruz County's transportation network. Specifically, the Expenditure Plan provides funding for safer routes to schools; maintains mobility and independence for seniors and those with disabilities; invests in bicycle and pedestrian infrastructure on an unprecedented scale; provides for repaving roadways, repairing potholes, and local roadway safety; provides for congestion relief on major roadways; and invests in transportation projects that reduce pollution.

By having a half-cent dedicated sales tax, Santa Cruz County is one of 25 self-help counties in California. A "self-help" county is one in which voters have approved a local transportation sales tax, creating a funding source for local transportation projects. Being a self-help county enables Santa Cruz County to use more state and federal transportation funds by supplying a local match to secure grants.

The Measure D Strategic Implementation Plan (SIP) serves as the guiding policy document for the implementation of Regional Measure D projects. Included in the 2023 SIP Update are:

- Strategies and policies related to managing and expending sales tax revenues
- Strategies and policies related to project delivery and management
- Schedules and descriptions of programs and projects for the next five years
- Financial planning strategies, including borrowing and investment approaches
- Project implementation requirements such as audit and reporting requirements

The Strategic Implementation Plan also provides updated revenue estimates and a snapshot of the anticipated cash flow of Measure D Revenues as well as a commitment of funds to specific programs and projects in a specific year. The 2023 SIP builds on the 2020 SIP and includes the following major updates:

- **Highway 1 Corridor:**
  - ◇ Grant awards that fully funded Auxiliary Lanes and Bus-on Shoulder improvements from Soquel Avenue to State Park Drive.
  - ◇ Grant award, programming decisions, and strategies to provide a match for a competitive construction grant to extend improvements to Freedom Boulevard.
  - ◇ Discussions on remaining capacity and options for future use of remaining program capacity.

- **Active Transportation:**
  - ◇ Programming and partnership decisions, including grant awards that fully funded Segments 5, and 8-11.
  - ◇ Programming decisions to provide a match for a contract grant for Segment 12 with a strategy to delivery with the Highway 1 project from Freedom to State Park.
  - ◇ Discussions on maintenance needs and the limited capacity of the program, including a strategy to deliver remaining trail segments as part of a combined project.
- **Rail Corridor:**
  - ◇ Grant award for a concept report that will inform a subsequent EIR for a combined rail and trail project from Pajaro Junction to Natural Bridges.
  - ◇ Discussion of limited funding for preservation activities with a strategy to secure local dedicated funding to secure grants to upgrade the facility as part of the future Rail and Trail project implementation.
- **Highway 9:**
  - ◇ Completion of additional planning work and the formation of partnerships to advance Complete Streets project implementation at priority locations.
- **Highway 17 Wildlife Crossing:**
  - ◇ Completion of the project.
- **Revenues, Expenditures and Financing:**
  - ◇ Updated cost estimates, programming, financing assumptions and policies to meet expected financial commitments for the Highway and Active Transportation categories, including the remaining capacity of both program categories.

RTC continues to work with the community, local agencies, and Caltrans to maximize delivery of the Measure D Expenditure Plan.





# CHAPTER 2

# BACKGROUND



**The Santa Cruz County Regional Transportation Commission (RTC)** serves as the regional planning and administrative body for transportation in Santa Cruz County. Its core functions include the development of long-range plans, securing and distributing funds, and the management and delivery of regional projects in partnership with other entities. With the passage of Measure D in 2016, RTC's mandate has expanded to include the administration of a 30-year, half-cent sales tax for transportation purposes.

RTC prepares a Regional Transportation Plan (RTP) every four years according to state guidelines to guide short- and long-range planning and project implementation for the county. The RTP is RTC's comprehensive planning document that provides guidance for transportation policy and projects. The Santa Cruz County RTP is also incorporated into the Association of Monterey Bay Area Governments' (AMBAG) Metropolitan Transportation Plan-Sustainable Communities Strategy (MTP/SCS) that covers the counties of Santa Cruz, Monterey, and San Benito. The Santa Cruz County RTP utilizes a sustainability framework which balances economic, environmental, and equity interests, resulting in goals, policies, projects, and programs that support the development of a more sustainable transportation system. Unfortunately, even with Measure D funds, regional transportation plans for Santa Cruz County have shown that there are insufficient funds to fully implement all the transportation projects, programs, and services identified by local agencies and the community.

RTC solicited input from community groups, local jurisdictions, project sponsors, and the community at large about a possible half-cent sales tax ballot measure to fund transportation. At its December 2015 meeting, RTC approved a draft Expenditure Plan for using new revenues to repair and maintain local streets and roads; preserve transportation services for seniors and people with disabilities; make traveling safer for drivers, pedestrians, and bike riders; preserve and maintain the rail corridor; build the coastal rail trail; and improve traffic flow and reduce congestion on Highway 1. On June 16, 2016, RTC held a public hearing for the consideration of an ordinance to establish a tax subject to voter approval. As part of the hearing, RTC adopted both an Ordinance and the final Expenditure Plan and resolved that the county Board of Supervisors call for a special election for voter approval.

On November 8, 2016, more than two-thirds of county voters approved Measure D, the 30-year sales tax providing transportation funding for priority projects and programs in Santa Cruz County. Measure D provides funding for five categories of program investments. The full text of Measure D is attached as Appendix 1 to this document, and a summary of the Expenditure Plan is provided in Table 2-1 (page 12).

In February 2020, RTC approved an amendment to the Expenditure Plan that added auxiliary lanes on Highway 1 between State Park Drive and Freedom Boulevard and bus-on-shoulder improvements to the Highway Corridor category. The voter-approved Ordinance and Expenditure Plan serve as the primary guiding documents for Measure D implementation. RTC is required to allocate, administer, and oversee the expenditure of all Measure D revenues which are not directly allocated by formula to other agencies, consistent with the Expenditure Plan, through an implementation plan. Every year since voter approval of Measure D, RTC and other Measure D recipients have adopted a five-year program of projects showing how each recipient plans to spend Measure D revenues in the near term. The first Strategic Implementation

Plan was adopted in February 2020. The document is subsequently updated at least every 5 years. The Strategic Implementation Plan describes how the agency will implement Measure D over the life of the measure.

**Table 2-1: Summary of Transportation Investments**

<b>Summary of Transportation Investments</b>	<b>% of Funds</b>
Neighborhood Projects	30%
Highway Corridors	25%
Transportation for Seniors and People with Disabilities	20%
Active Transportation - Coastal Rail Trail	17%
Rail Corridor	8%

# CHAPTER 3

# STRATEGIC

# PLAN APPROACH

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### 3.1 – General Approach

**The 2023 Measure D Strategic Implementation Plan (SIP)** provides the current state of the scope, cost, and delivery schedule of each Expenditure Plan project or program. It also details the revenue projections and possible financing tools needed to deliver the Expenditure Plan within the 30 years of the Measure, and describes the risks, critical issues, and opportunities that should be addressed to expeditiously deliver the Expenditure Plan. The SIP implements the primary goal of the 2016 Santa Cruz County Transportation Improvement Plan Measure, or Measure D, as set forth in the Expenditure Plan:

*“Projects in the Expenditure 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.”*

Although the SIP discusses and provides 30-year revenue projections for program categories that are directly allocated by formula to other agencies (the Direct Allocation Projects and Programs), the primary purpose of the SIP is to guide the allocation, administration, and oversight of the expenditure of those Measure Revenues which are not directly allocated by formula annually to other agencies (the Regional Projects and Programs), consistent with the Expenditure Plan. The SIP takes into consideration available federal, state, and other funds; project and program schedules; and financing and other options that may be available to expedite project delivery and Measure D Regional Programs.

The 2023 Strategic Implementation Plan includes policies that provide requirements for the financial planning, administration, and use of Measure Revenues. The SIP considers revenue projections and growth rates, accounts for fluctuations in sales tax revenue seen over the last several years of shifting economic trends, and considers the effect of inflation in both sales tax revenues and program expenditures.

Based on current revenue forecasts, the Measure D Expenditure Plan is expected to generate \$1,037,462,000 including interest over 30 years. Approximately 50% of Measure D funding is allocated to cities, the County of Santa Cruz, Santa Cruz METRO and the consolidated transportation services agency or CTSA (Lift Line Community Bridges) as “Direct Allocations” as shown in Table 3-1.

**Table 3-1: Measure D - Direct Allocation Programs and Projects**

<b>Direct Allocation Programs and Projects</b>	<b>% of Measure D Revenues</b>	<b>Estimated Measure D Funds</b>
Neighborhood Projects: Cities and County by formula	30%*	\$289 million
Transportation for Seniors and People with Disabilities: Santa Cruz METRO-16%; CTSA-4%	20%	\$202 million
<b>Total Direct Allocations</b>	<b>49%</b>	<b>\$491 million</b>

*\*Minus the set-asides of \$5 million for the Highway 17 Wildlife Crossing and \$10 million for the Highway 9 Corridor.*



Approximately half of Measure D funding is designated for Regional Programs and Projects, as shown in Table 3-2. Funds will also earn interest over the life of the Measure, resulting in a minor amount of additional funds not included in the table.

**Table 3-2: Measure D - Regional Allocation Programs and Projects**

<b>Regional Programs and Projects</b>	<b>% of Measure D Revenues</b>	<b>Estimated Measure D Funds</b>
Highway Corridors	25%	\$253 million
SLV - Highway 9 Corridor	n/a	\$10 million
Highway 17 Wildlife Crossing	n/a	\$5 million
Active Transportation-Coastal Rail Trail	17%	\$172 million
Rail Corridor	8%	\$81 million
Total Regional Projects/Programs	51%	\$521 million

RTC solicits public input and determines near-term uses of Measure D revenues through the five-year programs of projects, or Five-Year Plans, for all Regional Programs. The 2023 SIP uses the latest Five-Year Plans and acknowledges that future amendments as well as annual Five-Year Plans will be adopted as more information on cost, schedules, grants, financing, and other opportunities become available. With a full 30 years of Measure D revenue forecasts, the SIP provides guidance for programming future funds for the Regional Programs.

Although Measure revenues provide a significant boost in funding for local and regional projects and programs, it is not enough to complete all the potential investments. The Measure D Ordinance and Expenditure Plan were therefore designed to use Measure revenues to leverage state and federal transportation funds that would otherwise be unavailable to the region. The SIP strategically guides the investment of funding for each Regional Program to maximize outside funding sources and expeditiously deliver the projects that were prioritized by the community.

### **3.2 – Sales Tax Revenues**

Pursuant to the Measure D Ordinance, RTC has the authority to levy a one-half cent transactions and use tax for a period of thirty years with the last operative date anticipated to be March 31, 2047. At the writing of the 2016 Transportation Improvement Plan-Expenditure Plan (Expenditure Plan) for the Measure D tax, it was estimated that the 0.5% transaction and use tax would generate \$17 million a year (based on 2015/2016 sales tax receipts without growth or escalation), totaling approximately \$500 million for transportation investments over the 30-year life of the tax. However, noted within the Expenditure Plan was the expectation that actual revenues to be received over the 30-year life of the tax would be impacted by various economic factors, such as inflation and economic growth or decline, and actual revenues were expected to vary from the original revenue estimate of \$17 million a year.

Thus, critical to RTC’s long-term program implementation and financial planning under the Expenditure Plan is the consideration of a Measure D sales tax revenue growth forecast to better determine future resources available to targeted program areas over time. While total actual and forecasted revenues will vary from the 2016 Expenditure Plan revenue estimates, the net percentages allocated to each investment

category will remain constant over the 30-year life of the tax.

This section describes RTC's updated sales tax revenue forecast over the life of the Measure D tax.

### **3.2.1 – Overview of Sales Tax Revenue Forecast**

Sales tax revenues allow RTC to pay expenses, fund projects, distribute direct allocations, and make any potential debt service or loan payments. The amount and timing of sales tax revenues influences the maximum amount of monies available for programs and projects regardless of whether program and project funding is pay-as-you-go or from borrowing proceeds.

In the following sections, an updated sales tax revenue forecast for the SIP is discussed. This forecast provides a framework for the projection of future revenues based on the performance of other variables relevant to the Measure D tax in addition to the actual historical performance of the Measure D tax.

RTC utilizes the services of HdL Companies to forecast Measure D sales tax revenues. HdL provides analytic services regarding the understanding of public agency revenues. For the purposes of updating the SIP, HdL prepared a short-term forecast (Fiscal Years 2023-24 through 2027-28) and a long-term forecast (Fiscal Year 2028-29 through March 31, 2047, the end of Measure D).

Overall, the Measure D sales tax revenue forecast is based on economic factors and historical data from a long-term perspective, recognizing that actual revenues in certain years may result in amounts above or below forecasted annual figures derived from long-term averages. Taking a cautious and conservative approach, the initial Measure D sales tax revenue forecast projects future annual growth below that of the 5-year historical growth average of Measure D revenues and in line with longer-term historical growth averages of taxable sales in Santa Cruz County. This approach provides a reasonable basis for planning purposes over the near-term and longer-term horizons; however, RTC will continue to refine future sales tax revenue forecasts through updates to the SIP no less than every five years as well as via annual updates to the five-year program of projects.

### **3.2.2 – Economic Factors**

Economic factors countywide, statewide, and nationally can result in revenue volatility – impacting growth and the ongoing performance of the Measure D tax. Just following the delivery of the 2020 SIP, the global COVID-19 pandemic was a significant development that materially impacted national and local economic factors and adversely affected factors such as production, supply chain, and consumption that have a direct impact on the sale (and taxing) of goods sold. While the immediate impacts of the COVID-19 pandemic were jolting, as case rates declined, vaccination rates increased, and emergency orders were lifted, national and local economies improved – rebounding to economic conditions in-line with or stronger than pre-pandemic conditions.

The current post-pandemic economy has shifted from the strong recovery environment during the second half of Calendar Year 2020 and throughout Calendar Year 2021 to a more volatile and uncertain economic environment. As we draft the 2023 SIP, the

uncertainty of whether the nation will enter a recession continues to loom but appears to be diminishing. The following factors, however, remain of significance in considering the forecasting of Measure D sales tax revenues and evaluating expectations of future resources for projects and for implementing projects under the Expenditure Plan.

- **Employment:** The low unemployment rate was a key driving force behind the Federal Reserve policy to increase interest rates beginning in the spring of 2022. Lower unemployment means people spend more, leading to more pressure on prices. While increased from the summer of 2022, unemployment rates remain low in the state and county, at 4.6% and 5.1% respectively as of August 2023.
- **Inflation:** While lessening, inflation lingers. Inflation can impact the Measure D sales tax revenue program in two primary ways. First, an increase in the overall cost of consumer goods has the potential to increase the amount of sales tax revenue generated. On the other hand, as the overall cost of goods and materials increases, the delivery of projects under the Expenditure Plan increases as well.
- **Interest Rates:** Changes to monetary policy and increases to the Federal Funds rate beginning in the spring of 2022 have notably impacted the short-term rate environment, and by extension have led to increases in long-term borrowing rates. Current long-term tax-exempt rates are notably increased since prior to the shift in monetary policy. As RTC anticipates the issuance of debt over the next five years, planning rates utilized within the Measure cash flow model take into account a higher interest rate environment.
- **Consumer Behavior:** Remote work has reshaped California’s labor and commercial real estate markets – each of which has implications for consumer behavior and taxable goods sold. Overall, following post-pandemic double-digit revenue growth, recent Measure D sales tax performance echoed more cautious behavior by consumers, along with fluctuating commodity pricing.

### **3.2.3 – Historical Data**

The discussion that follows highlights Measure D revenue trends and relevant historical county and state data points to help inform the Measure D revenue forecast.

#### ***Taxable Sales Data***

Historical taxable sales data for Santa Cruz County and the related growth rates provide a historical context for sales tax growth rate assumptions associated with the Measure D 2023 Strategic Implementation Plan.

Over the last 20 years, taxable sales in Santa Cruz County increased at an average annual growth rate of 2.91%, shown in the data in Table 3-3 as provided by the California Department of Tax and Fee Administration. This long-term growth average is below the average growth rates in the county over a nearer-term horizon. The average annual growth rate over a 10-year horizon is 4.80% – nearly two percentage points higher than the long-term average. Looking at the 5-year and 3-year horizon the average growth in taxable sales was 5.06% and 6.97%, respectively – each multiples of the long-term 20-year average of 2.91%. Figure 3-1 presents a graphical depiction of taxable sales in Santa Cruz County.

**Table 3-3: Historical Santa Cruz County Taxable Sales**

<b>Calendar Year</b>	<b>Taxable Sales (\$ in thousands)<sup>1</sup></b>	<b>Growth</b>
2003	\$2,782,641	-0.80%
2004	2,916,609	4.81%
2005	3,074,145	5.40%
2006	3,165,946	2.99%
2007	3,195,786	0.94%
2008	3,031,072	-5.15%
2009	2,638,469	-12.95%
2010	2,731,832	3.54%
2011	2,893,395	5.91%
2012	3,056,694	5.64%
2013	3,270,766	7.00%
2014	3,382,117	3.40%
2015	3,582,809	5.93%
2016	3,648,394	1.83%
2017	3,812,090	4.49%
2018	3,878,851	1.75%
2019	3,980,843	2.63%
2020	3,965,760	-0.38%
2021	4,575,986	15.39%
2022	4,846,272	5.91%
<b>Averages</b>		
	3-Year	6.97%
	5-Year	5.06%
	10-Year	4.80%
	<b>Long-Term Average (20-YR)</b>	<b>2.91%</b>

<sup>(1)</sup> Source: California Department of Tax and Fee Administration

Taxable sales growth rates, however, vary from actual sales tax revenue growth rates due to adjustments by the California Department of Tax and Fee Administration, which collects the sales taxes. In addition, taxable sales are reported on a calendar year (year ending December 31) as compared to sales tax revenues, which are typically reported on a fiscal year (year ending June 30).

**Measure D Sales Tax Data**

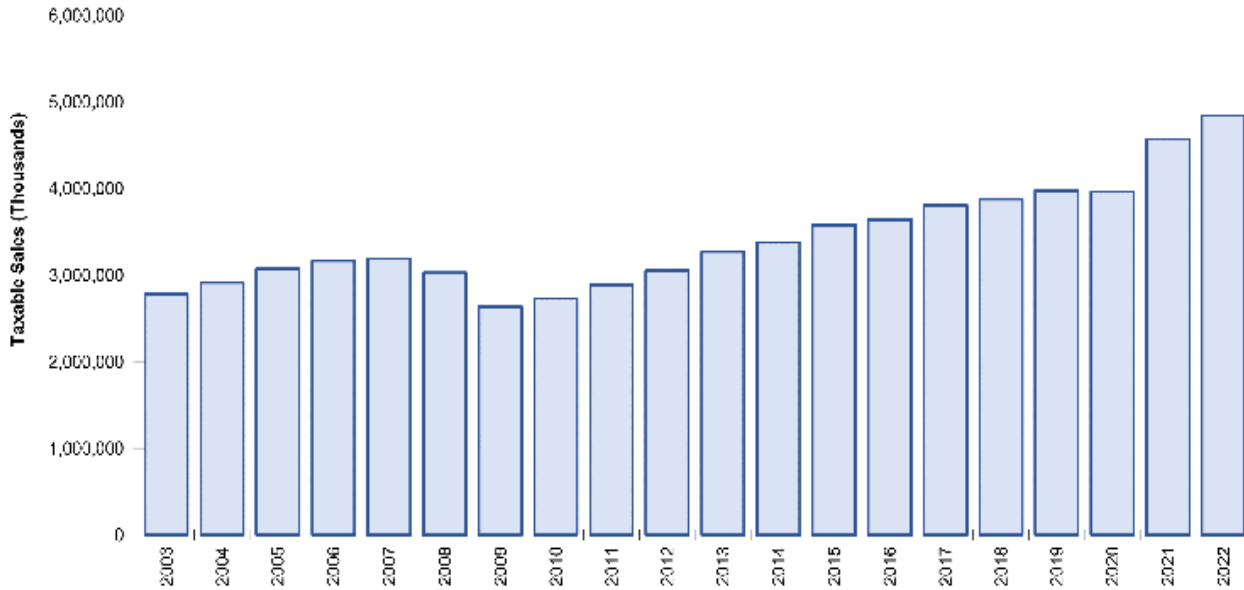
Measure D sales tax revenues originally estimated in the 2016 Measure D Expenditure Plan were forecast in constant dollars (no growth) and estimated to generate \$500 million through March 31, 2047 (approximately \$17 million/year). Sales tax collections began in April 1, 2017, representing one quarter of Fiscal Year 2016-2017 data. The full first year of collections was in Fiscal Year 2017-2018 and RTC has reported actual sales tax revenues through Fiscal Year 2022-23 Table 3.4 provides actual Measure D sales tax revenue receipts from Fiscal Year 2017-2018 through Fiscal Year 2022-23.

With six years of history of the Measure D tax – albeit through the pandemic, one of the world’s, nation’s, and state’s most

tumultuous times – the performance of the regional sales tax over this timeframe demonstrates the hit and the rebound related to the pandemic and corresponding shifts in consumer behavior. Notably, the combination of the implementation of AB 147 (a result of the Supreme Court Wayfair decision) and online consumer behavior collectively contributed to the double-digit percentage growth in Fiscal Year 2020-21 and Fiscal Year 2021-22.

Forecasted Measure D revenues are in part based upon the actual results of the sales tax over its six-year history, but also consider the more recent leveling out of annual growth (FY 2022-23 decline of 1%) and projects reasonably conservative growth expectations over the full term of the tax.

**Figure 3-1: Historical Santa Cruz County Taxable Sales**



Source: California Department of Tax and Fee Administration. Calendar Year data.

**Table 3-4: Historical SCCRTC Measure D**

Fiscal Year Adjusted Data	Measure D Sales Tax Revenues	Growth%
2017-18	\$21,391,907	N/A
2018-19	\$22,180,875	3.7%
2019-20	\$21,313,881	-3.9%
2020-21	\$24,675,262	15.8%
2021-22	\$27,625,975	12.0%
2022-23 <sup>1</sup>	\$27,363,250	-1.0%
<b>Averages</b>		
	3-Year	8.93%
	5-Year	5.31%

Source: SCCRTC Annual Financial Statements for Fiscal Years 2017-18 through 2021-22. (1) Fiscal Year 2022-23 reflects actual, unaudited figures.



**3.2.4 – Sales Tax Revenue Forecast**

The 2023 Strategic Implementation Plan updates the forecast for future Measure D revenues based on economic events and sales tax performance over the last five years. Economic conditions and sales tax performance were better than expected from when Measure D was being developed. As shown in Table 3-5 below, actual revenues have outperformed the \$17 million annual figure estimated in the Expenditure Plan and have grown to \$27.4 million annually in Fiscal Year 2022-23. However, to ensure that planning and programming stays within future available resources, the forecast has been carefully considered given the potential of a near-term economic contraction, necessitating a conservative approach to forecasting annual growth from actual Measure D base values.

**Short-Term Forecast (Fiscal Years 2023-24 through 2027-28)**

HdL, the firm that RTC has engaged to forecast Measure D sales tax revenues, currently forecasts a modest decline in sales tax revenues through Calendar Year 2023, with growth slowly building in early Calendar Year 2024. As consumers react to economic pressures, changes to discretionary and demand spending will be strained. Direct impacts on automobile purchases and financing of new construction-home improvement sector projects may be prioritized differently than just a couple of years ago. Large mortgage payments, restrictions on federal income tax deductions and essential spending on non-taxable household needs like health care services are also contributing to the current pressures of less available resources for consumers to spend on taxable merchandise.

While an increase in the overall cost of the consumer goods-business equipment-vehicles sector has the potential to increase the amount of sales tax revenue generated with each transaction, it is likely that the number of transactions may decrease as consumers evaluate each purchase as disposable income recedes.

As shown in Table 3-5 below, starting in forecasted Fiscal Year 2023-24, HdL estimates a 0.9% growth decline compared to Fiscal Year 2022-23. Calendar Year 2023 continues a slowdown in spending occurring in sectors such as automobiles and transportation and general consumer goods. Measure D sales tax revenues are forecasted to return to increases in Fiscal Year 2024-25, with a forecasted 2.1% growth; the subsequent four fiscal years’ average of about 3% demonstrates a steady return of consumer confidence and stability.

**Table 3-5: Short-Term Measure D Revenues**

<b>Fiscal Year</b>	<b>Measure D Sales Tax Revenues</b>	<b>Growth Factor</b>	
2022-23	\$27,363,250	NA	<b>Actual</b>
2023-24	\$27,114,358	-0.9%	<b>Short-Term Forecast</b>
2024-25	\$27,687,257	2.1%	
2025-26	\$28,489,889	2.9%	
2026-27	\$29,318,091	2.9%	
2027-28	\$30,219,154	3.1%	

### **Long-Term Forecast (Fiscal Years 2028-29 through 2046-47)**

Over the longer-term horizon, HdL forecasts a normalized transaction tax growth trend. The long-term growth potential is anticipated to be positive, absent any significant natural or geopolitical events. Outer year growth will be impacted by employment levels, wages, and the ongoing challenge of affording single and multi-family housing across the county.

Broader factors beyond Santa Cruz County and the region will likely influence the ultimate revenue collected by RTC. The evolution of the retail sector through enhanced technology deployment, state and national policies on electric vehicles, and tariffs on imported goods are a few examples of how the global economy is changing rapidly. Within Santa Cruz County, future population and housing and job growth may further support improved revenue projection estimates through the end of Measure D in March 2047.

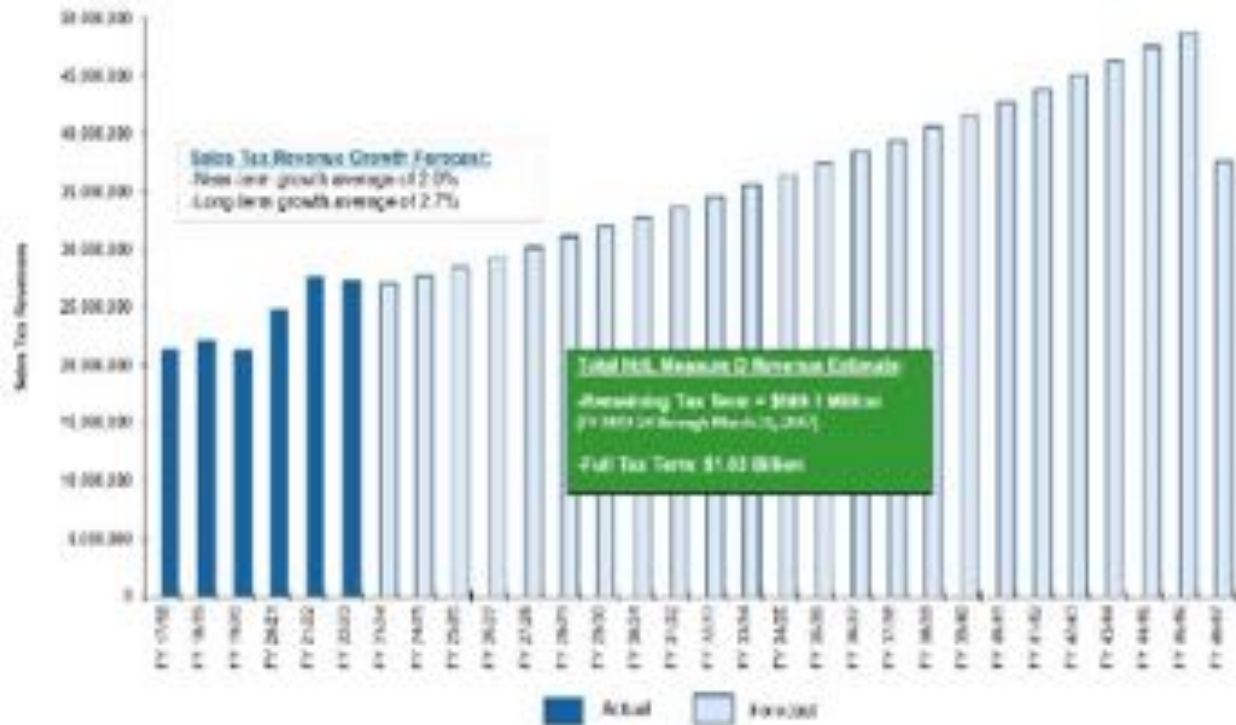
Under this backdrop, beginning in FY 2028-29, Measure D transaction and use tax revenues are forecasted to grow at an annual rate of 2.70%. This forecasted average annual growth rate is below the long-term average growth rate of the historical data trends discussed previously; however, now having the benefit of six years of actual data of the Measure D tax, the long-term average growth rate of 2.70% is higher than the long-term average growth rate of 1.60% utilized in the 2020 Strategic Implementation Plan document.

**Table 3-6: Comparison of Long-Term Growth Averages**

<b>Historical Data Metric</b>	<b>Historical Period</b>	<b>Average Growth Factor</b>
Taxable Sales	Since CY 2003 (20 Years)	2.91%
Historical Measure D	Since FY 2017-18 (5 Years)	5.31%
<b>Measure D Long-Term Forecast:</b>		<b>2.70%</b>

Overall, combining the short-term and long-term growth outlook for Measure D, total future (Fiscal Year 2023-24 through the term of the Measure D tax ending in March 2047) sales tax revenues for distribution are expected to be approximately \$1.012 billion after RTC administration and California Department of Tax and Fee Administration (CDTFA).

**Figure 3-2: Projected Measure D Sales Tax Revenues**



### 3.3 - Leveraging

A significant benefit of having a local sales tax is that these funds can be used as a match to leverage state, federal, and other grants. “Leveraged” funds are a financial commitment from another source toward the costs of a project. Leveraging can be achieved by a commitment from a grant to fund a percentage of the total cost of the project. The ability to include a larger match can lead to a more competitive grant application, and many grants require a match. The Measure D Ordinance assumed that a portion of the total costs of projects included in the Expenditure Plan would also be funded from additional federal, state, and local sources. The best way to ensure that Measure D can generate more revenue and expedite delivery of the Expenditure Plan is to use Measure D revenues to leverage these other funding sources.

RTC and Measure D Direct Recipients have been successful at increasing the overall funding available for Santa Cruz County transportation projects identified in the Expenditure Plan. The availability of Measure D to serve as a match to leverage additional funding is a key factor in programming decisions and the longer-term implementation plan.

Since passage of Measure D, RTC and local Measure D-Direct Recipients have been successful in securing significant competitive grant funding from state, federal, and local agencies and organizations by leveraging Measure D funds. As of 2023, the largest awards for which Measure D was used as a match include:

- \$115.8 million in Active Transportation Program (ATP) funds awarded for segments 8-11 and segment 18 of the Coastal Rail Trail 2017-2022
- \$9.184 million ATP awarded for Segment 7 of the Coastal Rail Trail

- \$107.2 million SB1 competitive grants awarded for Watsonville-Santa Cruz Multimodal Corridor Highway 1 Auxiliary Lanes, Bus-on-Shoulders and Soquel Drive projects in 2020
- \$30 million federal Mega grant awarded to the Highway 1 Freedom Boulevard-State Park and Segment 12 Coastal Rail Trail project
- \$38 million in Federal Lands Access Program (FLAP) awarded for Segment 5 of the Coastal Rail Trail \$3.45 million Transit and Intercity Rail Capital Program (TIRCP) grant awarded for the Zero-Emission Rail and Trail Project
- \$600,000 in state Coastal Conservancy Funds for Segment 5 of the Coastal Rail Trail
- METRO Buses and Lift Line replacement vehicles

RTC and local project sponsors are also targeting new federal grant programs established by the Infrastructure Investment and Jobs Act (IIJA), the California Transportation Commission (CTC) SB1 competitive grants, the State Transportation Improvement Program (STIP), the State Highway Operations and Protection Program (SHOPP)<sup>1</sup>, the Affordable Housing and Sustainable Communities Program (AHSC), the Highway Safety Improvement Program (HSIP), state Cap and Trade programs to lower greenhouse gas emissions, and other State program opportunities to increase the overall funding for transportation projects in Santa Cruz County.

Finally, RTC has worked with Caltrans and its local stakeholders to leverage Measure D Regional Funding with other local funds, including funding from the County, the four cities, and non-profits, such as the Land Trust of Santa Cruz County. RTC will continue to work with local agencies on funding agreements to deliver Expenditure Plan investments for programs that help deliver mutually beneficial priorities for transportation in the region.

### **3.4 – Borrowing Tools and Options**

As RTC considers the ongoing implementation of local and regional projects and programs under the Measure D Expenditure Plan, strategy and thought around the optimal funding approach for anticipated capital needs is critical to the discussion. In tandem with the strategies discussed in Section 3.3 Leveraging to secure state and federal funding sources for Measure D projects, it is common for transportation sales tax agencies to advance future sales tax revenues through a borrowing or form of debt financing. Based on current project schedules and secured/anticipated grant awards the Measure D cash flow model conservatively forecasts the need to borrow starting in FY 24/25.

This section provides an overview of the borrowing approach typical of transportation sales tax agencies and borrowing alternatives available to RTC.

#### **3.4.1 – Borrowing Approach**

Consistent with most transportation sales tax borrowing programs in California, debt issued by the RTC is anticipated to be executed under the following framework:

1. debt is secured by a pledge of all Measure D sales tax revenues;

2. debt service is paid directly from Measure D revenues before other uses of Measure D; and
3. the term of the debt does not exceed the term of the Measure D tax: March 31, 2047.

Overall, debt issued for specific programs under the Expenditure Plan will be prudently sized such that debt service on any form of borrowing that RTC may pursue does not exceed the allocated and available sales tax revenues of the benefiting Measure D Expenditure Plan category. This concept is referred to as “internal” coverage and further described in Policy 4.5. Thus, while debt issued by RTC is expected to be legally secured by all sales tax revenues (or a “gross” pledge), the issuance of debt by the RTC will be carefully managed at the regional program level.

### **3.4.2 – Borrowing Options**

There are various alternatives and approaches RTC may consider in establishing a borrowing/debt program. The variety of financing tools and options offer different benefits and considerations to RTC in the delivery of projects. Closer to the time when financing may be required, RTC would evaluate available borrowing options in detail based on project costs, timing considerations, and prevailing interest rates.

#### ***Types of Borrowings***

Because large-scale infrastructure projects require some initial investment related to planning, environmental, and design costs prior to project readiness and incurring larger construction costs, the funding or financing of capital requirements is often addressed through a phased, programmatic funding/financing approach, including the use of interim borrowing and long-term borrowing tools.

Interim Borrowings are typically executed when there is less certainty about the timing and amount of larger scale borrowing needs, but some initial project investment is needed. This approach may also be attributable to smaller scale projects. There are several forms of interim borrowing vehicles that are typically offered by an agency’s existing bank or another bank or commercial lending institution, including direct loans and lines of credit. Additionally, an agency may have the ability and resources to lend internally – such approach is permitted by the Measure D Ordinance and has been utilized by RTC – as further described in Policy 4.4.

Long-Term Borrowings are typically executed when the timing and amount of larger scale projects is known and when a project funding package is complete and project costs are known. A long-term borrowing can also be used to “take out” an interim borrowing arrangement. With more definition around project timing, costs, and the extent of other state and fund sources directed to the project, a detailed long-term plan of finance would be developed.

#### ***Long-Term Borrowing Options***

While RTC has and may continue to utilize interim borrowing strategies to support project readiness across the Measure D local and regional projects, the cost of borrowing for larger-scale project construction costs will fundamentally be driven by the long-term borrowing structure that RTC ultimately utilizes. Because of this, we discuss the primary long-term borrowing options available to RTC in greater



detail below. We would expect to evaluate these long-term borrowing alternatives (in addition to other options that may be available) closer to the time of RTC's future borrowing needs to determine the optimal approach.

Municipal Bonds – Public Offering: Public agencies, including many of RTC's peer transportation sales tax agencies, most frequently issue municipal bonds in the public municipal market to finance infrastructure projects. Most municipal bonds issued for infrastructure or capital improvements (including streets and highways) qualify to be issued on a tax-exempt basis. As a result, bond investors typically will purchase tax-exempt bonds at lower yields than taxable/corporate bonds as they do not pay federal and state income tax on interest earnings.

As the common mode of financing for public agencies, the issuance of municipal bonds tends to serve as the "Base Case" approach in the evaluation of financing alternatives. However, RTC could pursue other forms of borrowings secured by the Measure D sales tax revenue pledge, including bank private placements or State or Federal loans as discussed below.

Municipal Bonds – Private Placement: Like bonds sold in the public municipal market to multiple bond investors, there are a number of national, regional, and local commercial banks that can serve as a single investor on a borrowing through a private placement or direct purchase transaction. Direct purchase banks can set a tax-exempt (or taxable) rate of interest on a borrowing based on the prevailing interest rate environment and a bank's cost of funds. Depending on bank appetite and market conditions, the borrowing size and borrowing term may be more limited (smaller size and shorter term) under a private placement transaction than as compared to a public municipal bond offering.

State IBank Loan: The California Infrastructure and Economic Development Bank (IBank) is a state agency that finances economic development and public infrastructure projects. The IBank's Infrastructure State Revolving Fund (ISRF) program provides low-cost, direct financing to local governments and special districts for eligible projects – focusing on small and mid-sized local governments and special districts. Financing is available in amounts ranging from \$1 million to \$65 million with loan terms for the useful life of the project up to a maximum of 30 years. Borrowers receive low, competitive, fixed-interest rates – the IBank is AAA rated and passes low borrowing costs (through bonds) to its borrowers.

Federal TIFIA Loan: The United States Department of Transportation (U.S. DOT) is the federal agency that manages the Transportation Infrastructure Finance and Innovation Act (TIFIA) loan program. The TIFIA borrowing program has historically been utilized by transportation issuers with large-scale projects, robust bond programs, and sizable borrowing needs. However, over the last several years, the U.S. DOT established new programs designed to accommodate smaller borrowers through the Rural Project Initiative (RPI), which may be an option for RTC. The RPI program offers many benefits relative to the traditional TIFIA loan program; notably, TIFIA loan interest rates under the RPI program are 50% of the interest rate charged under the traditional TIFIA loan program. TIFIA loans can only be used to fund a percentage of overall project costs (33% under the traditional program and 49% under the RPI program) and, therefore, are executed in tandem with other project funding sources and/or with other borrowing sources. While a TIFIA loan can be structured with a

## **Chapter 3 - Strategic Plan Approach**

term up to a maximum of 40 years following the date of the loan execution, RTC's borrowing would be limited to the term of the Measure D tax.

There are many factors to consider when evaluating long-term borrowing approaches – most notably those related to borrowing cost and financing flexibility. Table 3-7 summarizes some of the key aspects of each long-term borrowing tool discussed above. In anticipation of potential borrowing needs, RTC will closely evaluate these primary areas (in addition to other key factors) – focusing on securing the lowest borrowing cost.

**Table 3-7: Comparison of Long-Term Borrowing Tools**

<b>TYPE OF BORROWING</b>	<b>Municipal Bonds Public Market</b>	<b>Municipal Bonds Private Market</b>	<b>State IBank Loan</b>	<b>Federal TIFIA Loan</b>
<b>LENDER(S)</b>	Various Municipal Bond Investors	Direct Lending Bank	California Infrastructure and Economic Development Bank	U.S. Department of Transportation
<b>BORROWING RATE</b>	Based on tax-exempt rates and level of investor interest	Based on tax-exempt rates and banks' lending rates	Based on IBank's borrowing rate	Based on U.S Treasury State and Local Government Series (SLGS) securities (50% of SLGS rate for RPI program)
<b>FINANCING LIMIT</b>	None	Dependent on bank appetite and bank market conditions	Up to \$65 Million	-Up to 33% of total project costs (traditional program) -Up to 49% of total project costs (RPI program)
<b>PROCESS</b>	-Underwriter required (selected on a negotiated or competitive basis) -Documentation and credit diligence -Official Statement (or Prospectus) prepared to market and sell bonds to investors -4-6 month execution	-RFP process for bank procurement -Documentation and credit diligence -Swifter execution	-Application required -Documentation and credit diligence -Funding 45-90 days after IBank board approval	-Letter of Interest and Application required -Documentation and credit diligence -Longer execution

## 3.5 Direct Allocation Programs and Projects

There are two programs which are considered Direct Allocation Programs and Projects within the Measure D Expenditure Plan, in that they directly allocate funding by formula to local agencies for specific types of transportation projects, including the majority of the Neighborhood Projects investment category and the entire Transportation for Seniors and People with Disabilities category. After accounting for the costs of RTC administration, implementation, and oversight of Measure D, RTC allocates the balance of funds based on formulas set forth in the voter-approved Measure D Ordinance.

### 3.5.1 – Neighborhood Projects - Direct Allocation to Cities and County

RTC allocates 30% of net Measure D revenue to the Neighborhood Projects category. Within that portion, specific dollar amounts totaling \$15 million are allocated to the following RTC-managed Programs and Projects: \$10 million for the San Lorenzo Valley – Highway 9 Corridor Improvements (see 3.5.1); and \$5 million for a Highway 17 Wildlife Crossing (see 3.5.2).

The remainder of the Neighborhood Projects category is allocated by formula to the cities of Capitola, Santa Cruz, Scotts Valley, and Watsonville and the County of Santa Cruz for their transportation projects as a direct allocation. Projects to be funded with these Measure D revenues may include: fixing potholes, local roadway repairs, rehabilitation, reconstruction and intersection improvements; new and improved sidewalks, crosswalks, and bicycle facilities, especially near schools; and other transportation projects as necessary for the benefit of residents in those jurisdictions.

Each year, the County of Santa Cruz and the cities of Capitola, Santa Cruz, Scotts Valley, and Watsonville prepare reports through a public process, typically as part of their capital improvement program, to identify how they plan to spend their share of measure funds and each year submit a report and audit information about how measure funds were spent in the prior year. Each agency adopts a five-year program of projects and a description of expenditures of Measure revenues from the most recently completed fiscal year.

RTC is required to allocate Measure D funds to these local jurisdictions no less than quarterly based on:

- Their proportional share of the countywide population (29% of the allocation),
- Their proportional share of countywide lane miles of roadway (39%), and
- The proportion of all Measure Revenue from the transaction and use tax that is generated within that jurisdiction (32%).

Population, road mile, and tax generation figures are updated annually based on latest available data. Each jurisdiction has entered into a funding agreement with the RTC which provides the guidelines and requirements for receiving, expending, and reporting on Measure D–Neighborhood Project (direct allocation) funding (Appendix 3).

Based on the growth projection in Section 3.2.4, Revenue Forecast, RTC is estimating to directly allocate approximately \$289 million to the County and cities over the 30-year life of the program.

### **3.5.2 – Transit for Seniors and People with Disabilities**

After accounting for the costs of RTC administration, implementation, and oversight of Measure D, the RTC allocates a total of 20% of Measure D revenue to two transit providers as a direct allocation to serve seniors and people with disabilities.

A total of 16% of Measure D revenue is distributed to Santa Cruz Metropolitan Transit District (METRO) to provide transit and paratransit service for seniors and people with disabilities. A total of 4% of Measure Revenues is allocated to the Consolidated Transportation Services Agency for Santa Cruz County (Community Bridges - Lift Line) for supplemental paratransit service. Paratransit works with social service agencies to increase transportation options for seniors, individuals with disabilities, and persons with low incomes. Funds are typically distributed on a monthly or quarterly basis.

Each agency has entered into a cooperative funding agreement with RTC which provides the guidelines and requirements for receiving, expending, and reporting on Measure D–Transit for Seniors and People with Disabilities (direct allocation) funding (see Appendix 3).

Based on the growth projection in Section 3.2.4 Revenue Forecast, the Measure D funding for Transit for Seniors and People with Disabilities investment category is now estimated to allocate approximately \$202 million to METRO and Community Bridges-Lift Line over the 30-year life of the program.

## **3.6 Regional Programs and Projects**

The Measure D Expenditure Plan identifies five investment categories, which the RTC considers Regional Programs and Projects. These five Regional Programs and Projects are the focus of the SIP. The Regional Programs and Projects include the San Lorenzo Valley–Highway 9 Corridor Improvements (\$10 million) and Highway 17 Wildlife Crossing (\$5 million), which are allocated specific dollar amounts for the 30-year life of the sales tax measure. The other three Regional Programs and Projects are the Highway Corridors (25%), Active Transportation (17%), and the Rail Corridor (8%), which each receive a percentage of the net revenues, after accounting for RTC administration, implementation, and oversight of Measure D.

### **3.6.1 – San Lorenzo Valley/Highway 9 Corridor Improvements - \$10 million**

Transportation projects to enhance safety and provide complete streets for all road users in San Lorenzo Valley (SLV) will receive \$10 million from Measure D–Neighborhood Projects over the 30-year life of the program. This amounts to \$333,000 per year for transportation projects to improve multimodal travel in the San Lorenzo Valley.

One of the first steps to identify and prioritize transportation for this important corridor was to complete a comprehensive transportation needs assessment and evaluation of a range of options to address transportation challenges. RTC used Measure D, a Caltrans planning grant, and RTC Transportation Development Act (TDA) and Rural Planning Assistance funds to complete the community-based Highway 9/San Lorenzo Valley Complete Streets Corridor Plan (SLV Plan). This plan, adopted by RTC in 2019, focused on safety for pedestrians, bicyclists, and motorists; access to schools, businesses, and bus stops; and improved traffic operations, pavement conditions, drainage, and other needs on Highway 9 and adjacent County roads.

Following completion of the SLV Plan, RTC, Caltrans, County of Santa Cruz, SLV Unified School District, and METRO have partnered to deliver components of the various complete streets projects, including:

- RTC applied for and was awarded a federal \$250,000 Highway Safety Improvement Program (HSIP) grant in 2018 for pedestrian safety and visibility improvements at several locations along Highway 9 with \$30,000 in matching funds from Measure D–SLV/ Highway 9 funds. Caltrans added the crosswalk improvements, including pedestrian-activated flashers, to a State Highway Operation and Protection Program (SHOPP) project under development, and construction was completed in 2020.
- Measure D provided \$15,000 for re-surfacing of a pedestrian and bicycle route on Farmer Street to serve as an alternative to Highway 9 between the SLV Schools and downtown Felton, completed by County of Santa Cruz in 2018.
- Since Highway 9 is a state highway owned and maintained by Caltrans, their defined processes for delivering improvements on the State Highway System must also be followed, and projects may not move forward unless there is a completed Project Initiation Document (PID). Therefore, the RTC programmed \$250,000 for Project Initiation Documents and RTC outreach and support to scope projects for the future environmental, right of way, final design, and construction components of projects along the corridor. RTC has collaborated with Caltrans on the following Project Initiation Documents along the Highway 9 Corridor:
  - ◇ The Safety Project (05-1M400) funded by Caltrans SHOPP proposes safety improvements for pedestrians and bicyclists in the segment of Highway 9 between Felton and the SLV schools campus. The PID was completed in spring 2020, the Project Approval & Environmental Documentation (PA&ED) component was completed in 2023, and the final design and right of way activities are ongoing with construction scheduled to begin in 2024.
  - ◇ The Felton Capital Maintenance (CAPM) (05-1K890) is a Caltrans SHOPP funded project that proposes repaving, operational, and complete streets elements along Highway 9 through Felton. RTC is partnering with Caltrans to incorporate operational and complete streets elements identified in the SLV Plan. The project PA&ED component is ongoing with construction scheduled to begin in 2027 pending availability of funds for construction.
  - ◇ An RTC-sponsored PID (05-1M550) was funded by Measure D and covers the remaining complete streets and operational improvement needs along the Highway 9 corridor. A total of 6 segments were identified and scoped through this PID process, as discussed further below.

Through the RTC-sponsored PID (05-1M550) process, improvements were identified on six different segments of Highway 9 in San Lorenzo Valley and include complete streets and operational improvements:

1. Felton: Henry Cowell State Park Boundary to Graham Hill Road
2. Schools: Graham Hill Rd to Glen Arbor Road (southern intersection)



3. Ben Lomond: Highland Park to Jacobson Lane
4. Brookdale: Western Drive to Irwin Way
5. Boulder Creek: River Street to Bear Creek Road
6. North of Boulder Creek: Pleasant Way to Pool Drive

The total estimated cost for the 6 projects exceeds \$50 million in 2022 dollars. While the Highway 9/SLV Complete Streets Corridor Plan identifies priorities for the corridor, additional money is required to secure grants and deliver the program of projects. To date, the RTC has made the following Measure D commitments:

- Programmed \$1 million to match future potential grants and state funds for improvements identified in the SLV Plan that will improve access to the school complex in Felton; and
- Programmed \$2.4 million to match future potential grants for remaining improvements along the corridor, with recent competitive federal grant pursuits focused on Segment 5 - Hwy 9 Boulder Creek Complete Streets project.

In addition to the Measure D funding commitments, a federal earmark of \$1.5 million was secured in 2022 for the Boulder Creek Complete Streets project.

RTC has targeted various funding sources to fund pre-construction and construction components of high priority projects. In addition to competitive funding, RTC continues to partner with Caltrans to include complete streets elements in SHOPP projects under development. For example, following completion of the SLV Schools Access & Circulation Study, RTC and Caltrans have partnered to include complete streets improvements in the Highway 9 Felton CAPM SHOPP-funded project. RTC's \$1 million programmed for improving access to the SLV school complex will supplement the Caltrans funds, and RTC will continue to pursue competitive grant funding to implement critical multimodal improvements through the development of the project.

Additional planning efforts to further refine the scope of work and needs of the Highway 9 SLV corridor have been completed or are underway, including:

- The San Lorenzo Valley School Access and Circulation Study, sponsored by RTC and the San Lorenzo Valley Unified School District, completed in 2023 in partnership with Caltrans, the County of Santa Cruz, and METRO. The Study was led by RTC and partially funded its portion from a consolidated Regional Transportation Improvement Program (RTIP) grant awarded in 2021.
- In 2023 RTC was awarded a Caltrans planning grant to complete a Rural Highway Safety Plan which upon completion would make rural conventional highways in Santa Cruz County, including the Highway 9 program of projects, eligible for several federal competitive funding programs. The Plan is scheduled to be complete in 2026.
- In 2023, RTC adopted the Highway 9 Complete Streets Action Plan which consolidates the 2022 Highway 9 Complete Streets PID, 2019 Highway 9/SLV Complete Streets Plan, and commitment by resolution to a goal of zero traffic deaths and serious injuries on Highway 9 by 2045. RTC's Interagency Technical Advisory Committee (ITAC) serves as the body responsible for monitoring

progress and recommending actions on the Action Plan.

The next steps for the Highway 9 program will be to continue planning and project prioritization efforts and to advance projects under development in the Felton/SLV School complex area and in Boulder Creek. Additionally, RTC will seek to develop the remaining complete streets improvements along the Highway 9 corridor including Brookdale, Ben Lomond, North Boulder Creek, and South Felton. Projects that are closer to construction-ready tend to perform well in competitive grant programs, which RTC plans to pursue for near-term projects in Felton and Boulder Creek using Measure D as a match to leverage grants. RTC is targeting safety and active transportation-related grant funding programs by leveraging Measure D, including the federal Safe Streets for All (SS4A) and Highway Safety Improvement Program (HSIP) funds.

Based on project cost estimates for the remaining improvements and considering cost escalation, it may become necessary to obtain a Measure D inter-program loan or other financing strategy to bring funding forward to deliver the remaining improvements sooner. Another option could be to refine (reduce) the scope of work of the projects to deliver the most critical and high priority complete streets improvements within the program.

As projects are developed and future grant opportunities become available, RTC will make future programming decisions to leverage Measure D to the greatest extent possible and maximize complete streets improvements for the benefit of the San Lorenzo Valley. The latest adopted five-year program of projects for San Lorenzo Valley/Highway 9 Corridor Improvements is included in Appendix 2. Program fact sheets are included in Chapter 6. A summary of programming is shown in Table 3-8. Based on current project schedules, short-term borrowing may be needed in FY26/27.

**Table 3-8: San Lorenzo Valley/Highway 9 Corridor Improvements Programming (in thousands)**

Program	Prior	FY 23/24	FY 24/25	FY 25/26	FY 26/27 <sup>1</sup>	FY 27/28	Future Estimate	Total
SLV/ Highway 9	\$435	\$449	\$390	\$400	\$2,161	\$0		\$3,835

*1 May require a small inter-program loan from the Highway Corridors program for one or two years to advance delivery.*

### 3.6.2 - Highway 17 Wildlife Crossing - \$5 million

Measure D provides \$5 million in revenues for the construction of a wildlife crossing under Highway 17 near Laurel Curve to allow the safe passage of wildlife and to reduce conflicts between wildlife and the traveling public, improving overall safety. This allotment amounts to approximately \$167,000 per year over the 30-year life of the program. The Highway 17 wildlife crossing project is a partnership between Caltrans, the Land Trust of Santa Cruz County, and the RTC. Caltrans completed construction of the wildlife crossing under Highway 17 near Laurel Curve in 2023.

To expedite delivery of the project, RTC approved an inter-program loan from the Measure D-Highway Corridor program, consistent with Policy 4.4. This project has been constructed and is in final close-out to determine the final Measure D contribution.

The balance of Wildlife Crossing revenues through 2047 will be directed towards debt service to reimburse the Highway Corridors category for the inter-program loan.

The latest adopted five-year program of projects for the Highway 17 Wildlife Crossing project is included in Appendix 2. A project fact sheet is included in Chapter 6. A summary of programming shown in Table 3-9.

**Table 3-9: Highway 17 Wildlife Crossing Project Programming (in thousands)**

<b>Project</b>	<b>Prior<sup>1</sup></b>	<b>FY 23/24</b>	<b>FY 24/25</b>	<b>FY 25/26</b>	<b>FY 26/27</b>	<b>FY 27/28</b>	<b>Future Estimate</b>	<b>Total</b>
Wildlife Crossing	\$2,590	\$1,476	\$167	\$167	\$167	\$167	\$290	\$5,022 <sup>2</sup>

(1) The RTC used an inter-program loan from the Highway Corridors program to advance delivery since the full \$5M committed in Measure D will not be available until the end of the 30-year measure. Debt service payments are estimated to total \$957,000, with payments of \$167,000 per year starting in FY24/25.

(2) Total includes interest earned 2017-2023.

### **3.6.3 – Highway Corridors – 25%**

After accounting for the costs of RTC administration, implementation, and oversight of Measure D, the RTC allocates 25% of the balance of funds to highway corridor programs to improve the safety and efficiency of major highway corridors in Santa Cruz County. Based on current estimates, the Measure D funding for the Highway Corridors investment category is estimated to allocate approximately \$253 million, plus interest earned, for Highway Corridor category investments over the 30-year life of the program.

#### **Highway 1**

RTC has been working on identifying Highway 1 improvements and funding for over two decades. In 2019, Caltrans certified an Environmental Impact Report/ Environmental Assessment (EIR/EA) for Highway 1 improvements from Santa Cruz to Aptos. The EIR/EA was both a programmatic (Tier I) concept for the corridor, which would be built over time through a series of smaller incremental projects (Tier II projects), and a Tier II project level clearance for auxiliary lanes between 41st Avenue in Capitola and Soquel Drive in the unincorporated county, including a new bicycle and pedestrian overcrossing at Chanticleer Avenue. Caltrans re-validated the Tier II EIR/EA to include a bus-on-shoulder component as part of the project.

To help identify multimodal corridor infrastructure investments between Watsonville and Santa Cruz, the RTC performed a study on three parallel routes, including Highway 1. The RTC programmed \$200,000 in Measure D-Highway funds to complete the Unified Corridor Investment Study (UCS), which serves as the RTC’s Comprehensive Multimodal Corridor Plan, a requirement for state grant opportunities. The implementation of the preferred scenario in the UCS is referred to as the Watsonville-Santa Cruz Multimodal Corridor Program. Included are projects to construct auxiliary lanes and bus-on-shoulder improvements on Highway 1. Auxiliary lanes improve

highway safety and efficiency by extending the merge distance of vehicles entering and exiting the highway. Bus-on-shoulder facilities allow buses to operate on the shoulders of Highway 1 to bypass traffic within the interchanges and to travel on the auxiliary lanes between interchanges. This program will improve transit travel time and reliability through the County. This innovative strategy will reduce the travel time for transit vehicles, which will lead to reduced congestion and vehicle miles traveled.

RTC is implementing a multimodal Highway 1 program of projects from Freedom Boulevard to Soquel Drive that builds the auxiliary lanes and bus-on-shoulder facility, with new bicycle and pedestrian overcrossings. This approach maximizes SB1 grant opportunities to deliver a safer and operationally improved multi-modal facility. There are three phases, as shown in Figure 3-3.

**Figure 3-3: Phasing of Highway 1 Project**



*Construction start year shown.*

RTC has targeted the competitive SB1 Solutions for Congested Corridors Program (SCCP), the Local Partnership Program (LPP), Trade Corridors Enhancement Program (TCEP), and the Active Transportation Program (ATP) as the most viable ways to leverage Measure D funds for Highway 1 multimodal projects. The California Transportation Commission (CTC) manages the funding programs and regularly programs funds in cycles. The SCCP, with \$250 million per year in funding, is the primary target for the Highway 1 Program. Past CTC SCCP and LPP guidelines required projects to have environmental clearance within six months of being adopted to receive grant funding, and would only award funds for the construction phase. To meet these requirements and ready the projects for construction, RTC used Measure D funds to advance pre-construction of the three initial phases of this program. RTC partnered with the County and METRO to apply for funding for Phases 1 and 2 of Highway 1, along with the first phase of a parallel multimodal project on Soquel Drive. The CTC commended RTC's multi-modal approach and awarded the joint project \$107 million from the 2020 Cycle 2 SCCP and LPP grant programs. Funds from Measure D provided \$13 million of the \$43 million total in matching funds for leveraging these state funds. Additional

### **Chapter 3 - Strategic Plan Approach**

matching funds came from STIP, Regional Surface Transportation Program Exchange, and the County of Santa Cruz. This grant award provides funds for construction of:

- Three new sets of auxiliary lanes from State Park Drive to Soquel Drive
- 5.75 miles of a 7.5-mile-long hybrid bus-on-shoulder/auxiliary lane facility
- Two new bike and pedestrian overcrossings of Highway 1 at Chanticleer Avenue and Mar Vista Drive
- Replacement of the Capitola Avenue bridge over Highway 1 with one that includes bike lanes and standard sidewalks
- 5 miles of Soquel Drive multimodal improvements, including buffered/protected bike lanes, transit signal priority and synchronization of 27 signals, 100 ADA curb ramps, 10 rapid flashing beacon pedestrian crossings, and pavement rehabilitation

The 41st Avenue to Soquel Drive project completed environmental clearance in 2019 and final design in 2021. Construction began in 2023 and is scheduled to be completed in 2025. The State Park Drive to Bay/Porter project completed environmental review in 2021 and final design was completed in 2022. Construction is scheduled to begin in 2023 and to be completed in 2026.

For Phase 3, RTC combined the highway auxiliary lane and bus-on-shoulder improvements with Segment 12 of the Rail Trail because of the interconnectedness of these facilities. This approach also makes the project more multimodal. RTC also applied for and received \$30 million in a federal Mega grant for Phase 3. This grant is part of the new federal Infrastructure Investment and Jobs Act (IIJA), and the project was one of only 8 funded in the nation. The award puts the project in a better position to secure additional state funding needed for construction. To secure the remaining funds, RTC formed another partnership which includes Caltrans, the County, and METRO. The partnership identified the following improvements for a joint project, and RTC applied for 2022 Cycle 3 SCCP and LPP grants for construction of these major components of the Watsonville-Santa Cruz Multimodal Corridor Program:

- 2.0 miles of a 7.5-mile-long hybrid bus-on-shoulder/auxiliary lane facility between Freedom Blvd. and State Park Drive
- replacement of the two railroad bridges over Highway 1
- 1.2 miles of the Coastal Rail Trail, also known as Segment 12
- Soquel Drive multimodal improvements
- Express and Rapid bus improvements

The Cycle 3 project (including the Highway 1 and the trail projects) completed environmental clearance in 2023. The project was very competitive and scored well, however the CTC chose not to award funds for this cycle because construction was not scheduled to start until the end of the funding period in 2025; therefore, CTC staff recommended that the RTC and Caltrans re-apply in Cycle 4.

The two primary risks associated with the highway projects are deliverability and



funding. RTC addresses program management by controlling project scope, schedule, and budget. RTC has sized and scheduled the projects to correspond well with CTC's programming cycles for SCCP. They each have independent utility and logical termini and can be phased to deliver smaller independent projects to meet the limited availability of large funding requests.

To further reach the goals of the Highway Corridors investment category, Measure D funds are used on three additional programs to reduce congestion and improve safety within the region's Highway Corridors: Cruz511 (RTC's Traveler Information and Transportation Demand Management (TDM) Platform), Freeway Service Patrol (FSP) program, and Safe on 17 enforcement programs. All three programs preceded Measure D, but the new revenue generated has allowed these programs to expand and increase service over time.

### ***Highway Traffic Demand Management***

In 2015, the RTC launched Cruz511.org as its TDM platform to deliver traveler information and referral services and market the availability of transportation options other than single-occupancy vehicles. The Cruz511 TDM program relieves congestion on Highway Corridors by promoting sustainable and alternatives modes of transportation. Cruz511 also offers online carpool and vanpool matching service, park and ride lot coordination and development, and personal trip planning assistance. In 2021, RTC launched the countywide "GO Santa Cruz County", a program to reward commuters with incentives to rethink their ride and choose a more earth-friendly and healthy commute. Alternative transportation points are earned when you opt to walk, bike, carpool, or ride the bus to work. Points can be accumulated and redeemed for \$5, \$10, or \$25 gift cards. GO Santa Cruz County is partially funded by Measure D. Since the launch and through September 2023, 4,826 people have signed up for the program, logging more than 100,000 alternative trips which has reduced CO2 emissions by 371 tons. RTC has programmed \$1.2 million of Measure D-Highway program funding to the Cruz511 TDM program through FY27-28.

### ***Highway Safety***

The Safe on 17 Task Force is a collaborative effort of the RTC Service Authority for Freeway Emergencies (SAFE), Caltrans, the California Highway Patrol (CHP), and the Metropolitan Transportation Commission (MTC) to identify conditions and behaviors contributing to collisions on the Highway 17 corridor and to recommend and implement solutions. Increasing CHP presence on Highway 17 has been found to significantly reduce speeding and collisions. The RTC provides \$100,000 annually for enhanced CHP enforcement, \$50,000 of which is from Measure D. Approximately \$397,000 in Measure Revenues have been programmed for Safe on 17, adding to the Department of Motor Vehicles funds to ensure additional CHP enforcement through FY26-27.

The Freeway Service Patrol (FSP) provides roving tow trucks on segments of Highways 1 and 17 to help stranded motorists and to remove debris and other obstructions on the highways. This work helps reduce non-recurring congestion by quickly clearing collisions, and it reduces fuel consumption and improves safety for motorists. Service is available during weekday commute hours and on a limited weekend schedule. The RTC has programmed \$1.46 million in Measure D-Highway funds for FSP service through FY 26-27.



The Measure D programming for the highway projects is summarized in Table 3-10, and project fact sheets are included in Chapter 6.

**Table 3-10: Highway Corridors Programming (in thousands)**

<b>Project/ Program</b>	<b>Prior</b>	<b>FY 23/24</b>	<b>FY 24/25</b>	<b>FY 25/26</b>	<b>FY 26/27</b>	<b>FY 27/28</b>	<b>Future Estimate</b>	<b>Total</b>
41st to Soquel + Chanticleer Bik/Ped Overcrossing	\$2,061	\$2,312	\$781	\$125	\$50	\$25	\$25	\$5,379
State Park to Bay-Porter + Capitola Ave OC + Mar Vista Bike/Ped Overcrossing	\$5,751	\$7,387	\$6,620	\$2,550	\$175	\$25	\$50	\$22,558
Freedom to State Park + Rail Trail Segment 12 Overcrossings	\$6,000	\$6,925	\$3,169	\$23,606	\$32,391	\$32,391	\$19,509	\$123,990
SCC Regional Conservation Investment Strategy	\$26							\$26
Cruz 511 <sup>1</sup>	\$646	\$210	\$221	\$231	\$243	\$255	\$8,081	\$9,887
Safe on 17 <sup>1</sup>	\$152	\$50	\$50	\$50	\$50	\$50	\$1,199	\$1,601
Freeway Service Patrol <sup>1</sup>	\$693	\$190	\$200	\$210	\$220	\$231	\$6,653	\$8,397
<b>TOTAL</b>	<b>\$15,329</b>	<b>\$17,074</b>	<b>\$11,041</b>	<b>\$26,772</b>	<b>\$33,129</b>	<b>\$32,977</b>	<b>\$35,517</b>	<b>\$171,838</b>

(1) Ongoing programs

**Financing and Capacity Estimates**

RTC committed to financing in 2022 when it programmed Measure D funds for the Phase 3 project well in excess of the Highway category’s pay-as-you go capacity. This SIP updates Policy 4.5 regarding financing and provides an estimate of \$172 million in Highway category expenditures to model two potential bond offerings.

FY24/25 Bond Offering	\$52 million
FY27/28 Bond Offering	\$47 million
Total Highway Category Debt	\$97 million

The model assumes RTC is successful in leveraging funding, and the projects will be delivered on schedule. With these assumptions, the Highway Category will have approximately \$23.4 million in future remaining capacity to proceed with additional projects. RTC could apply for funding to perform a planning study to advise how best to

use these funds to advance the Measure D goals to improve transit, safety, traffic flow, and efficiency. Future projects could include bus-on-shoulder extensions and short merge improvements located along the highway between Morrissey Boulevard and Mar Monte Avenue. It is important to note that this remaining capacity is constrained to the later years of the program unless additional financing is considered. Depending on whether additional capacity exists and how RTC may want to use that capacity, a second amendment to the expenditure plan may be warranted.

The proposed updated five-year program of projects for the Highway Category is included in Appendix 2. Several project/program fact sheets are included in Chapter 6. A summary of near-term programming is shown in Table 3-10.

### **3.6.4 – Active Transportation – 17%**

#### **Overview**

After accounting for the costs of RTC administration, implementation, and oversight of Measure D, the RTC allocates 17% of the balance of funds to Active Transportation by means of investing in the Monterey Bay Sanctuary Scenic Trail Network (MBSST), otherwise known as the Coastal Rail Trail, for people walking and bicycling in coastal Santa Cruz County. Based on the growth projection in Section 3.2.4 Revenue Forecast of this 2023 Strategic Implementation Plan, Measure D is now estimated to allocate \$172 million for the Active Transportation category investments over the 30-year life of the program. Measure D Active Transportation funds will be used for trail construction, maintenance, operations, management, and drainage of the rail and trail corridor and will leverage other state and federal grants for completion of the trail network.

Work on the Coastal Rail Trail began before the passage of Measure D, including the purchase of the Santa Cruz Branch Rail Line (SCBRL) in 2012 and the adoption of the MBSST Master Plan and the certification of the programmatic level Environmental Impact Report in 2014. Currently, eighteen miles of trail projects are either constructed or advancing through pre-construction activities (see Figure 3-4). For each Segment under development, RTC and the local jurisdictions have partnered to deliver and leverage grants using Measure D and other matching funds.

RTC has applied for and been awarded over \$162 million in state and federal funds for the Coastal Rail Trail since the passage of Measure D. Funds from Measure D provided \$49 million in matching funds for leveraging these state and federal funds. Additional matching funds came from Regional Surface Transportation Program Exchange, the City of Santa Cruz, the County of Santa Cruz, and the Land Trust of Santa Cruz County. Funds have been programmed for environmental review, design, and RTC staff oversight, outreach, and technical assistance for Segments 5, 8, 9, 10, 11, and 12. The strategy for competitiveness started with the completion of pre-construction work to demonstrate project readiness and best position these segments of the trail for construction grant funding.

The Active Transportation Program (ATP), SB1 Solutions for Congested Corridors Program (SCCP), and the SB1 Local Partnership Program (LPP), are some of the most likely grant sources available to fund additional Coastal Rail Trail projects. The California Transportation Commission (CTC) manages these three funding programs and programs funds in cycles. The State's Active Transportation Program (ATP) is the

primary target for the Coastal Rail Trail program. The CTC is also looking for multimodal and innovative solutions that increase safety and efficiency as part of the criteria used toward SCCP grants, so RTC may include Coastal Rail Trail projects in future SCCP grant applications, such as combining Segment 12 with the Watsonville-Santa Cruz Corridor Highway 1 Freedom-State Park Auxiliary Lanes/Bus on Shoulder and Soquel Drive project. For several grant programs, projects that have environmental clearance or are only requesting grant funding for the construction phase of a project are often considered “shelf-ready” and given priority for funding, so advancing environmental review and other pre-construction work continues to be a good use of Measure D–Active Transportation funds.

In addition to the funding for the project development work of these initial projects, Measure D continues to be used to maintain and manage the corridor in its current state. This funding is used for RTC staff and to procure contractors and consultants for addressing encroachments and leases, preventative maintenance particularly of drainage and vegetation, and technical work. Staff estimates annual corridor maintenance costs at \$1.3 million and \$46 million over the life of Measure D, or 25% of Measure D Active Transportation Program funds.

As segments of the trail are constructed, funding is also required to maintain the trail itself. RTC continues to work with the local jurisdictions to determine the best strategy for maintaining this facility. The cost of maintaining each mile of Coastal Rail Trail varies depending on the number of culverts, amount of vegetation, mitigation monitoring, and other factors but is estimated to cost between \$32,000 and \$44,000 per mile per year in 2022 dollars. Maintenance agreements have been executed to reimburse local agencies with Measure D–Active Transportation funds for trail maintenance work. RTC and the local jurisdictions have agreed to seek additional funds where possible to maintain the trail in order to be able to use more of the future programming capacity for Active Transportation on the delivery of the trail projects. In the near term, the Measure D Active Transportation funds are being used to contribute between 50% and 80% of the maintenance costs for the segments that have been constructed or will be constructed within the approved Measure D 5-Year Plan period. When totaled for the entire length of the trail and through the end of Measure D, and assuming that Segments 13-20 open for public use between 2030 and 2035, trail maintenance costs would equal approximately \$30 million, or 17% of the total amount of the available Measure D Active Transportation funds based on current trail maintenance cost sharing agreements.

If Measure D funds continue to be dedicated to trail maintenance over the life of Measure D, it will result in insufficient capacity in the Measure D - Active Transportation category to effectively leverage grant funding to complete construction of the Coastal Rail Trail as a standalone facility. The RTC may be able to secure funding to complete an Environmental Impact Report (EIR) for the joint rail transit and trail project (see project fact sheet), without overcommitting the Active Transportation category, based on RTC’s approval in 2022 of proceeding with the environmental component of the Zero Emission (ZE) Rail & Trail Project. Environmental clearance of the combined project would provide the public with a full understanding of the benefits, impacts, and probable cost of the rail transit and trail project.

The latest adopted five-year program of projects for the Active Transportation Program is included in Appendix 2. Several project/program fact sheets are included in Chapter

6. A summary of programming is shown in Table 3-11.

**Table 3-11: Active Transportation Programming (in thousands)**

<b>Project/ Program</b>	<b>Prior</b>	<b>FY 23/24</b>	<b>FY 24/25</b>	<b>FY 25/26</b>	<b>FY 26/27</b>	<b>FY 27/28</b>	<b>Future Estimate</b>	<b>Total</b>
Segment 5 Implementation	\$3,200	\$4,376	\$130	\$731	\$40	\$40		\$8,517
Segments 7-9 Implementation	\$2,043	\$2,678	\$2,040					\$6,761
Segments 10-11 Implementation	\$2,649	\$2,420	\$543	\$2,269	\$10,178			\$18,059
Segment 12 <sup>1</sup> Implementation	\$1,200	\$2,275	\$582	\$5,327	\$1,466	\$1,466	\$472	\$12,788
Segment 18 Implementation	\$263	\$7	\$7	\$7	\$2,807	\$7		\$3,097
City of Santa Cruz rail trail maintenance (7-9)	\$25	\$49	\$35	\$49	\$51	\$53	TBD	\$262
County of Santa Cruz rail trail maintenance (5, 10-12)				\$148	\$224	\$232	TBD	\$604
City of Watsonville rail trail maintenance (18)		\$15	\$4	\$4	\$4	\$4	TBD	\$29
Zero Emission Rail Transit & Trail <sup>2</sup>		\$175	\$175				TBD	\$350
RTC Project Mgmt, Corridor Encroachments, & Maintenance	\$4,420	\$1,936	\$1,731	\$1,841	\$1,489	\$1,539	\$35,464	\$48,420
<b>TOTAL</b>	<b>\$13,801</b>	<b>\$13,930</b>	<b>\$5,246</b>	<b>\$10,376</b>	<b>\$16,258</b>	<b>\$3,341</b>	<b>\$35,936</b>	<b>\$98,887</b>

(1) Bridges over Hwy 1 to be paid with Measure D-Highway funds.

(2) Segments 13-20 Trail share of project concept report costs.

### **Financing and Capacity Estimates**

The Commission committed to financing in 2022 when it programmed Measure D funds for the Highway 1 Phase 3 project well in excess of the Highway category's pay-as-you go capacity. This SIP updates Policy 4.5 regarding financing and provides an estimate of \$99 million in Active Transportation category expenditures to model one potential bond offering.

FY24/25 Bond Offering	\$20 million
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With the above assumptions, the Active Transportation category will have approximately \$71.3 million in future remaining capacity to proceed with additional projects or pay for trail maintenance. Based on estimates to complete the remaining sections of the trail and fund trail maintenance, Measure D will not generate enough Active Transportation funds to construct all of the trail in the near term, even with significant state and federal grants.

In the long term, an additional local tax (such as a new sales tax measure) is likely needed to fund all the maintenance and provide the money needed to leverage enough grants for the completion of the trail. As more sections of the trail are completed, RTC and local jurisdictions may evaluate more comprehensive maintenance strategies, such as options for consolidating maintenance and considering innovations and efficiencies practiced by trail managers in other counties.

**Figure 3-4: Status of Coastal Rail Trail Implementation**



**Coastal Rail Trail Project Status**

RTC is working with the County and the cities of Santa Cruz, Capitola, and Watsonville to implement the Coastal Rail Trail project as outlined below.

Segment 5: In partnership with the Federal Highway Administration Central Federal Lands is leading the development of Segment 5 (North Coast Rail Trail) between Wilder Ranch State Park and Davenport which encompasses 7.5 miles of the Coastal Rail Trail. The preconstruction activities have been completed, and the project is fully funded.

Segment 7: The City of Santa Cruz is leading development of Segment 7 on the Westside of Santa Cruz for a distance of 2.1 miles of the Coastal Rail Trail. Phase 1 between Natural Bridges Drive and Bay Ave/California Ave was constructed in 2020. Phase 2 between California Ave and Pacific Ave at the Wharf is fully funded, began construction in the spring of 2022, and is scheduled to be completed by 2023.



Segment 8, San Lorenzo River Trestle: The City of Santa Cruz advanced construction of the multi-use path across the San Lorenzo River with an innovative approach, cantilevering off the existing railroad trestle with a system that used lightweight decking in 2019.

Segment 8 & 9: The City of Santa Cruz is also leading development of Segments 8 and 9 of the Coastal Rail Trail for a distance of 2.2 miles between Pacific Ave at the Wharf and 17th Avenue in Live Oak. The widening of the walkway across the San Lorenzo River was completed in 2019, as described above. Environmental clearance of Segments 8 and 9 was completed in 2023, design is scheduled to be completed by 2024, and construction is scheduled to begin in 2025.

Segment 10 & 11: The County of Santa Cruz is leading development of Segments 10 and 11 of the Coastal Rail Trail for a distance of 4.7 miles in the unincorporated county of Santa Cruz and the City of Capitola. The project goes from 17th Avenue in Live Oak to State Park Drive in Aptos but does not include the Capitola railroad trestle over Soquel Creek. Environmental clearance of Segments 10 and 11 is scheduled to be completed in 2024, design is scheduled to be completed by 2025, and construction is scheduled to begin in 2026. The portion over Soquel Creek, called phase 2 of Segment 11, is included as part of the ZE Rail & Trail Project.

Segment 12: RTC in partnership with Caltrans is leading development of Segment 12 of the Coastal Rail Trail for a distance of 1.2 miles between State Park Drive and Rio Del Mar Blvd through Aptos Village. This segment is being developed as part of the Highway 1 auxiliary lane and bus-on-shoulders project from State Park Drive to Freedom Blvd. Environmental phase work has been completed and, pending funding availability, the project could go to construction in 2026. RTC was not successful in the 2022 Cycle 3 of SB1 funding programs and will pursue funding in Cycle 4 in 2024.

Segment 18: Segment 18 includes 1.2 miles of the Coastal Rail Trail in the City of Watsonville between Lee Road and Walker Street. Phase 1 of the project between Ohlone Parkway and the Watsonville Slough trailhead was completed in 2021. Phase 2 is included as part of the ZE Rail & Trail Project.

Segments 13-20: In 2023 and following the direction of the RTC board, the RTC and its consultants began the Project Concept Report for the Zero Emission Rail and Trail Project, the project to construct electric passenger rail and the remaining portions of the Coastal Rail Trail between Pajaro and Santa Cruz. The Concept Report is the first step of Environmental and early Design phases of project construction. Eventual construction will mean completion of Segments 13-20, including phase 2 of Segment 18, plus phase 2 of Segment 11 at the Capitola trestle.

### **3.6.5 – Rail Corridor – 8%**

After accounting for RTC administration, implementation and oversight of Measure D, Measure D allocates 8% of revenue for the Rail Corridor for infrastructure preservation and analysis of options. Based on the growth projection in Section 3.2.4, Revenue Forecast, of this SIP, the Measure D funding for the Rail Corridor investment category is now estimated to allocate approximately \$81 million for the Rail Corridor category investments over the 30-year life of the program. In 2012 RTC purchased the Santa Cruz Branch Rail Line (SCBRL) with the intent to build the Coastal Rail Trail and to consider options for potential commuter rail service. Per the Measure D Expenditure



Plan (Appendix 1), Measure D-Rail Corridor funds 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. The Measure Revenues do not include funding for any new train/rail service.

The 2023 SIP programs over \$7.3 million for the analysis of Rail Corridor options, including future feasibility studies and environmental clearance. Initially, RTC programmed \$775,000 of Measure D-Rail Corridor funds to complete the Unified Corridor Investment Study (UCS) to determine a preferred scenario of investments that provide the most effective use of three parallel routes in the county (Highway 1, Soquel Avenue/Soquel Drive/Freedom Boulevard, and the SCBRL). This funding was added to \$487,000 (including \$200,000 in Measure D-Highway Corridors funds) to complete the UCS. The preferred scenario approved by the RTC included preserving the rail line for future high-capacity public transit and implementing construction of a bicycle and pedestrian trail along the rail corridor.

To follow the UCS, RTC programmed \$933,000 in Measure D-Rail Corridor funds for a Transit Corridor Alternatives Analysis (TCAA). The study evaluated high-capacity public transit investment options that provide an integrated transit network for Santa Cruz County utilizing all or part of the length of the rail right-of-way between Pajaro Station and Natural Bridges Drive as a dedicated transit facility. RTC leveraged \$100,000 in Caltrans network integration rail grant funds for the analysis. Following extensive technical analysis and public outreach, RTC completed the TCAA in February 2021, identifying electric passenger rail as the preferred alternative. In 2023, RTC began the Concept Report for the Zero Emission Passenger Rail & Trail project, which will study and be the first construction phase for implementation of rail service between Pajaro and Santa Cruz as well as completion of adjacent Coastal Rail Trail segments 13-20 and at the Capitola trestle. The Project Concept Report seeks to identify a single build alternative and will include early environmental and design work, prior to starting work on an EIR. The study was funded by programming Measure D-Rail Corridor matching funds and securing a competitive Transit and Intercity Rail Capital Program (TIRCP) preconstruction grant for \$3.45 million in 2023. RTC will need additional funding to complete an EIR. Grant funding for pre-construction work is limited, so RTC may need to use Measure D funds for this purpose. The amount will be dependent on future grant opportunities. Currently, RTC has identified the State Rail Assistance (SRA) – Emerging Corridor Program as a potential grant. State Transit and Inter-City Rail Capital Program (TIRCP) funds are also an option for an EIR.

RTC has also programmed over \$12 million in Measure D-Rail Corridor funds for Infrastructure Preservation. The branch line has 37 bridges, 100 public and private grade crossings, and 93 drainage cross culverts. The infrastructure preservation needs of the branch line include bridge repairs or replacements, drainage improvements such as repairs or replacements to cross culverts, coastal erosion repair, slope stabilization, retaining walls, grade crossing improvements and repairs, storm-related repairs, and railbed repairs. Repairs are being funded prudently, due to the desire to direct funding towards a new passenger rail system, as noted above.

A part of the \$12 million is \$1.68 million for repair work related to the damage that occurred on the SCBRL during the 2017 winter storms. Although RTC anticipates getting fully reimbursed for storm damages, RTC has only been reimbursed for \$493,278 at this time. This is impacting programming capacity, while additional

reimbursement is evaluated by FEMA. RTC also borrowed \$3,587,804.63 from the RSTPX program, which is considered a loan. RTC has requested reimbursement, but some of this funding may not be reimbursed. If so, some expenditures would likely need to be programmed and paid for by Measure D and is therefore considered a risk to programming capacity. Work for the 2022-2023 storms is also being funded by a temporary loan from RSTPX, creating another potential risk to programming capacity if full FEMA reimbursement is not achieved.

The latest adopted five-year program of projects for the Rail Corridor Program is included in Appendix 2. Project fact sheets are included in Chapter 6. A summary of programming is shown in Table 3-12.

**Table 3-12: Rail Corridor Programming (in thousands)**

<b>Project/ Program</b>	<b>Prior</b>	<b>FY 23/24</b>	<b>FY 24/25</b>	<b>FY 25/26</b>	<b>FY 26/27</b>	<b>FY 27/28</b>	<b>Future Estimate</b>	<b>Total</b>
Analysis of Options & Environmental Clearance	\$1,995	\$830	\$700	\$2,894	\$900			\$7,319
Infrastructure Preservation	\$6,636	(\$183) <sup>1</sup>	\$1,310	\$920	\$1,800	\$1,710	TBD	\$12,193
<b>TOTAL</b>	<b>\$8,630</b>	<b>\$647</b>	<b>\$2,010</b>	<b>\$3,814</b>	<b>\$2,700</b>	<b>\$1,710</b>		<b>\$19,512</b>

(1) Negative due to inclusion of anticipated FEMA reimbursement for earlier storm damage costs

# CHAPTER 4

# POLICIES

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## **4.1 – Direct Allocations**

There are two investment categories within the Measure D Expenditure Plan that contain Direct Allocation programs. The categories include the direct allocation portion of the Neighborhood Program and the Transit for Seniors and People with Disabilities category. Policies associated with direct allocations, including information about the types of projects that may be funded with Measure Revenues, are outlined in the Master Funding Agreement (Appendix 3) for Direct Allocations. Recipients are required to prepare an annual report through a public process to identify how they plan to spend their share of measure funds and to report on how measure funds were spent in the prior year. For Neighborhood projects, eligible expenditures 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. Eligible Transit for Seniors and People with Disabilities expenditures include capital, maintenance, operations, planning, and programs to directly improve transit and paratransit for these populations.

Net revenues available for the Direct Allocation investment categories are the specified percentages after accounting for one-time election costs; California Department of Tax and Fee Administration (CDTFA) costs; RTC administration, implementation, and oversight costs; and funding specifically set aside for the San Lorenzo Valley – Highway 9 Corridor Improvements (\$10 million over 30-years) and the Highway 17 Wildlife Crossing (\$5 million over 30-years).

## **4.2 – Use of Cash Flow Model Analysis for Regional Programs and Projects**

RTC shall maintain a cash flow model, updated at least annually, to demonstrate that there are sufficient resources to support project delivery. While direct allocation program areas are funded based on their net allocable percentage of actual Measure D revenues and will not necessarily carry cumulative cash balances in the RTC's Measure D fund, funding needs for regional program investment categories are driven by specific project timelines and construction schedules and will therefore accumulate cash if annual Measure D revenues are not required for projects.

To ensure that the percentage of funds allocated as provided in the Expenditure Plan is maintained over the duration of the period that the tax is imposed, RTC will maintain a Measure D Cash Flow model in addition to individual cash flow models for the following regional programs:

- Highway Corridors (25% of Measure D Revenues)
- Active Transportation (17% of Measure D Revenues)
- Rail Corridor (8% of Measure D Revenues)
- SLV Highway 9 (\$10M Fixed Allocation from Neighborhood Category)
- Highway 17 Wildlife (\$5M Fixed Allocation from Neighborhood Category)

Each of these individual models will be used to provide information on the timing of projects and Measure D expenditures. Should RTC not be able to fund projects

for these programs on a pay-as-you-go basis or through inter-program loans and if determined by the Commission to be cost effective and to accelerate implementation of projects, RTC may decide to use bond financing or borrowing as an alternative method to fund project expenditures. The cash flow models will also be used to provide information on the potential debt capacity and to ensure that the percentage of funds allocated to each investment category is maintained over the duration of the period that the tax is imposed, consistent with the Ordinance and Expenditure Plan.

### **4.3 – Use of Pay-As-You-Go Funding**

Pay-as-you-go funding involves paying for expenditures with available cash on hand. No debt is incurred under pay-as-you-go funding approach, but the ability to meet construction cost expenses and deliver projects may be delayed, depending on the amount and availability of cash on hand. In the delivery of projects under the Measure D Expenditure Plan, all capital expenditures are first paid with available cash revenue on a pay-as-you-go basis; however, pay-as-you-go funding may be used to address capital expenditures in tandem with a form of financing that may be approved by the Commission. The use of inter-program loans (Policy 4.4) or use of bond financing or other financing tools (See Policy 4.5) are discussed further below.

### **4.4 - Use of Inter Program Category Loans**

In some years, a program or project in one investment category may need more than its annual sales tax allocation while another investment category may not spend its full allocation or may maintain a positive balance from prior year allocations. In order to maximize the effective use of funds, the RTC may consider loans between investment categories (also referred to as inter-program or inter-investment loans).

The rationale for individual loans between investment categories will be examined within the context of total Expenditure Plan efficiency as well as investment category equity on a case-by-case basis. On an Expenditure Plan-wide basis, inter-program category loans provide flexibility to re-allocate available funds on a short-term or long-term basis to meet the interim cash flow needs of one or more investment categories. Allowing Measure D revenues to flow across investment categories in the form of an inter-program category loan reduces the need to issue bonds or use other borrowing tools to fund investments, thereby preserving a larger proportion of sales tax revenues for investments, versus financing costs, within the total Expenditure Plan.

However, while total Expenditure Plan efficiency may be maximized with inter-program category loans, it is necessary to implement borrowing parameters to ensure equity across programs. From a tracking and reporting standpoint, clear delineations of sales tax revenues across investment categories will need to be maintained. RTC will track and account for inter-program category loans, including repayment and interest.

Inter-program category loans can maximize program efficiency. Specific parameters need to be integrated to ensure loan accountability and ensure program categories remain consistent with Measure D objectives. Inter-program category loans are included as a short-term cash management strategy and are clearly delineated between the investment categories. Interest on the loan will be determined at the time of the loan, but it is generally assumed to be at or near the assumed short-term investment rate applicable to the fund balance or based on programming amounts.

## **4.5 – Use of Bond Financing or Other Borrowing Tools**

If needed, a financing or borrowing may be authorized to accelerate projects. In addition, short-term financings may be authorized to address short-term cash flow deficits if an inter-program category loan is not pursued for such purposes.

Bond financing or other forms of borrowing generates up-front financing proceeds to accelerate project delivery. While inter-program category loans are meant to meet smaller cash flow needs, bonds and other borrowing tools are utilized to advance projects with larger-scale funding and cash flow needs.

Bond financings and borrowings provide for project acceleration, but also involve additional costs in the form of interest payments to investors/lenders, as well as the upfront cost of issuance. If the Commission authorizes the issuance of revenue bonds or executes some form of borrowing for investments within the Expenditure Plan, the cost of financing, including debt service, will be the pro-rata responsibility of the investment category that received the financing proceeds. Once a bond offering or other financing is executed, qualifying capital expenditures shall be paid with borrowing proceeds until those proceeds are exhausted. Once exhausted, pay-as-you-go funding will be used to address capital expenditure requirements.

Any RTC borrowing or financing will be secured by sales tax revenues. Investors/lenders are repaid principal and interest, according to regular, predetermined periodic payments with a specified final maturity. To ensure that each individual program can make its annual debt service payment independent of any other program's revenue, RTC may borrow for an individual program up to an amount where that program's projected annual sales tax revenue is at least one hundred and ten percent [1.10x] of that program's expected annual debt service for any given year. Further, in order to achieve and maintain high bond credit ratings, at the time of a bond financing or borrowing, RTC will ensure that total sales tax revenues will be greater than one and a half times [1.50x] the maximum authority-wide annual debt service payments.

## **4.6 – Investment of Cash Balances**

RTC will invest the cash balance of each Measure D regional investment category (including Neighborhood Program funds allocated for Highway 9 and Highway 17 Wildlife programs) in the County of Santa Cruz Investment Pool. Interest earned on the balance is considered Measure D revenue and will be credited to the cash balance of the respective program. Earnings information can be found at the County of Santa Cruz Treasurer-Tax Collector website:

<http://www.co.santa-cruz.ca.us/Departments/TaxCollector/TreasuryDivision.aspx>

Agencies receiving direct allocation program funds (cities, the County of Santa Cruz, Santa Cruz Metropolitan Transit District, and Community Bridges) which carry a cash balance are expected to invest accumulated revenues in interest-bearing accounts. Any interest income earned on those funds are considered Measure D revenues and shall be expended only for the purposes for which the funds were allocated.

## **4.7 – Cooperative Agreements**

There are a number of agreement types that are required as part of implementation



of Measure D.

- Agencies receiving Direct Allocation program funds are required to enter into a Master Funding Agreement (Appendix 3.1). The term for agreements for direct allocation Measure D recipients initially were set to expire in June 2022, but amendments have been executed that subsequently extended the agreements through 2047.
- A cooperative funding agreement is required between the RTC and each agency receiving Measure D regional funds (Funds that are not part of the direct allocation program). Appendix 3.2 is a template for agreements with local agencies. Funding agreements with FHWA and Caltrans may diverge from this template if required by the State or Federal agencies.
- A cooperative agreement between the RTC and each entity proposing to implement work on the Santa Cruz Branch Rail Line (SCBRL) is also required, regardless as to whether Measure D funds are being used. The template for this type of cooperative agreement is shown in Appendix 3.3. RTC has a cooperative agreement or is working to enter into a cooperative agreement with each of the local jurisdictions that are leading the rail trail development. Funding of maintenance of completed trail segments is generally handled by a separate maintenance agreement.

## **4.8 – Annual Reports: 5-Year Plans**

Per Section 32 of the Measure D Ordinance: Each local agency receiving Measure Revenue (including those receiving funds through a Direct Allocation Program or Project [See Chapter 3.4]) 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.

Some agencies may adopt the five-year program of projects, which should include any carryover balances, as part of their annual budget, capital improvement programs, or other process, but must submit the list of planned future and past expenditures no less than annually.

## **4.9 – Accounting, Audits, and Annual Expenditure Reports**

As noted in the Measure D Ordinance, 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, in addition to the 5-year plans and description of expenditures from the most recently completed fiscal year (described in Policy 4.8), no less than annually, RTC and any direct recipient of Measure D funds shall provide an independent annual audit of the expenditure of all funds generated by the transportation tax for the prior fiscal year ending June 30.

In addition to the independently audited financial statements, the RTC and each agency receiving direct allocations of Measure Revenues (cities, County, and transit agencies) shall submit an annual report that provides evidence of compliance with the Measure D Ordinance, Expenditure Plan, and Master Funding Agreements for Direct Recipient agencies, including information on specific projects that were funded by Measure D in the prior fiscal year, any leveraged funds, and planned use of Measure D balances.

The annual financial statements and annual reports on past and planned expenditures shall be made available to the public and reviewed by the independent Measure D Taxpayer Oversight Committee (see Policy 4.10). The Authority (RTC) shall publish the annual financial statements on the RTC website.

RTC and any direct recipient of Measure D funds Measure Revenue shall set up and maintain an appropriate system of accounts to track and report on Measure D funds. The accounting system must account for Measure D funds, including any interest received or accrued, separately for each program, and separately from any other funds received from RTC. The accounting system shall provide adequate internal controls and documentation to facilitate an annual compliance audit for Measure D funds and the respective usage and application of said funds. Agencies may accumulate revenue for up to three 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 considered Measure D revenues and expended only for the purposes for which the funds were allocated.

### **4.10 – Independent Oversight Committee**

An Independent Oversight Committee (also referred to as the Measure D Taxpayer Oversight Committee (TOC)) shall be established to:

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

The annual report will include the committee’s findings regarding compliance with the requirements of the Expenditure Plan and the Ordinance.

Members of the Independent Oversight Committee will be approved by the Board of Directors of the Authority (the Commission). As set forth by the Measure D Ordinance, 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 Commission 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.

### 4.11 – Programming Methodology for Regional Project Programs

RTC is responsible for programming Measure D Regional Programs and Projects through the 5-year Program of Projects (Chapter 3.6) and managing the Cash Flow Model for Measure D Revenues (Policy 4.2). RTC shall prioritize programming based on how well investments advance transportation goals and objectives for the region, including benefits identified in the voter-approved Measure D Ordinance, and program Measure D funds in a manner to expeditiously deliver the Measure D Expenditure Plan.

The Measure D Ordinance identifies the objectives shown below. These are consistent with the goals, policies, and targets in the RTC’s adopted Regional Transportation Plan (RTP) for Santa Cruz County. The RTP is the RTC’s comprehensive planning document that provides guidance for all transportation policy and projects for the next 20 to 25 years. The 2045 RTP is based on a sustainability framework that balances equity, the environment, and the economy, also called the triple bottom line. The RTP includes multiple policies addressing the goals shown below.

Measure D Objectives	RTP Goals & Policies
Safety	Safety
System preservation	System preservation
Traffic relief and reducing congestion	Improving travel times
Transit improvement	Access and mobility for all
Reducing pollution and greenhouse gas emissions by providing non-automobile transportation options	Greenhouse gas emissions reduction
Preserving rail options	
Improving economic vitality and quality of life	Improving social equity and affordable travel
Leveraging outside funds	Increasing transportation revenues

RTC shall also consider prior commitments, project or program readiness to receive and expend funding, and overall funding shortfall when making programming decisions. Projects that can be constructed sooner and are able to leverage other grants may be prioritized. Decisions on programming funds for Regional Programs and Projects to local jurisdictions to implement shall be based on identifying appropriate resources available to perform the work and maintain the project, with consideration of past performance in project delivery.

## **4.12 – Eligible Cost Guidelines**

Measure Revenue, including any interest or other earnings thereon, may only be used for transportation purposes described in the Expenditure Plan, including: the implementation and administration of all provisions and requirements of this Ordinance; 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 implementation, including 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 California Department of Tax and Fee Administration (CDTFA), 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. Additional guidance regarding eligible uses of Direct Allocation revenues is included in the Master Agreement for Direct Allocations (Appendix 3).

In order to ensure that the cost of administration, implementation, and oversight of 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 D Revenues. RTC shall expend only the amount of the Transportation Tax Revenue for administrative staff support, audits, 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 CDTFA for collection of the transactions and use tax and prior to the distribution of the Transportation Tax Revenue as provided in the Expenditure Plan.

## **4.13 – Proper and Timely Invoicing of Regional Programs and Projects**

Although RTC is responsible for programming Measure D Regional Programs and Projects (Chapter 3.6) and managing the Cash Flow Model for Measure D (Policy 4.2), RTC can, by cooperative agreement with a local agency or California Department of Transportation (Caltrans) (Policies 4.7 & 4.11), agree to have a local agency or Caltrans implement all or part of a Regional Program or Project. Measure D funds programmed to another agency for implementation of a Regional Program or Project will be on a reimbursement basis.

After a cooperative funding agreement is executed, the project sponsor can initiate expending and invoicing of Measure D funding, if applicable. Future agreements will specify that the implementing agency is to submit invoices to the RTC for reimbursement of eligible costs (Policy 4.12) as frequently as monthly and shall report to RTC staff all expected expenditures per fiscal year no later than June 30th of each fiscal year. RTC

will review invoices for quality control and provide reimbursement within 45 days.

#### **4.14 – Maintenance of Effort**

Pursuant to California Public Utilities Code Section 180001(e), funds generated by the Transportation Tax shall 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 D Revenues shall maintain their pre-2017 commitment of discretionary local transportation-related expenditures for transportation purposes, and RTC shall enforce this requirement by appropriate actions, including fiscal audits of the local agencies.

#### **4.15 – Delivery Management and RTC Oversight for Regional Programs and Projects**

Although RTC is responsible for programming Measure D Regional Programs and Projects (see Chapter 3.6) and managing the Cash Flow Model for Measure D (Policy 4.2), RTC can, by cooperative agreement with a local agency (Policies 4.7 & 4.12), agree to have a local agency sponsor or implement all or part of a Regional Program or Project (Chapter 3.6). RTC has an obligation to ensure that local agencies are delivering these Regional Programs and Projects in accordance with the Measure D Expenditure Plan, as well as any federal, state, regional, or local requirements.

RTC will assign an RTC staff representative to each Program or Project who will serve as the Project Delivery Manager (PDM). The PDM could be an RTC employee or a consultant to the RTC. The PDM will work with local agencies who have agreed to sponsor or implement all or part of a Regional Program or Project, in order to resolve issues that may arise throughout the various phases of project delivery. The PDM is responsible for reviewing the project at major milestones. It is expected that the PDM will work in partnership with the project sponsors to facilitate communications and speed delivery.

The purpose of the RTC review is four-fold: 1) to review the project to ensure that the objectives and purpose of the project are consistent with the original purpose of the project programmed in the Measure D Strategic Implementation Plan; 2) to ensure consistency with Strategic Implementation Plan policies and guidelines; 3) to monitor and assist with meeting project delivery milestones; and 4) to ensure any project in the Santa Cruz Branch Rail Line (SCBRL) right-of-way meets any applicable federal, state, and regional requirements for work on this RTC owned and managed property.

The following section summarizes the review and approval process required for Regional Programs or Projects implemented by a local agency.

## **RTC REVIEW DURING PROJECT APPROVAL AND ENVIRONMENTAL DOCUMENT (PAED) PHASE**

The RTC may be designated as either the lead agency, a responsible agency, or a cooperating agency according to the California Environmental Quality Act (CEQA). For this reason, in addition to performing project reviews, the RTC's PDM will be involved in the environmental process for Measure D projects as follows:

- The implementing agency shall consult with the PDM on the type of document proposed to meet CEQA compliance.
- The implementing agency shall provide the PDM with a Notice of Preparation if an Environmental Impact Report (EIR) is the type of CEQA document.
- The implementing agency shall provide the PDM with the opportunity to comment on the project.
- To assist local agencies delivering projects in the SCBRL right of way meet any applicable federal, state, and regional requirements, the implementing agency shall provide the PDM with the opportunity to review proposed mitigation measures.
- The implementing agency will provide the PDM with an opportunity to comment on the administrative draft environmental document, and should advise the PDM if there are project delivery risks associated with the results of the environmental analysis.
- The implementing agency shall provide responses to the PDM's comments on the environmental document or proposed mitigation measures.

The RTC will work with local agencies to develop a schedule for all reviews which commits to a fluid process based on partnership.

## **RTC REVIEW DURING DESIGN PLANS SPECIFICATONS AND ESTIMATES (PS&E) PHASE**

RTC has identified four (4) stages of design reviews.

### **1. CONCEPTUAL DESIGN REVIEW (35% PS&E)**

This review is to occur once the conceptual alternatives have been identified, and prior to the start of final design. The environmental document could be under preparation, but not final, since the intent of this review is to evaluate different alternatives and their impacts.

RTC will review scope of the project, consistency with Measure D policies and the Ordinance, and identify concerns regarding significant cost components of the project. The schedule and budget will be reviewed, and the schedule and phasing of the remaining reviews will be developed. The design of the project will consider future maintenance costs once the project has been constructed.

### **2. 65% PS&E**

The Level I review will be at a stage in design where a project alternative has been adopted,



and the details of the project have been initially defined for the following components of the project: right-of-way acquisition, easements, and disposition; utility relocations; drainage; wetlands and other environmental issues; need for permit applications; value engineering decisions; and future maintenance costs.

### **3. 95% PS&E**

The Level II review will be at a stage when most of the details of the final design have been finalized. In particular, the review will focus on the following components of the project: right-of-way acquisition, easements, and disposition; drainage; utility relocations; draft utility agreements; signing and striping plans; landscaping; preliminary construction staging; environmental permit applications; environmental mitigation needed; future maintenance costs; and preliminary estimates.

### **4. FINAL DESIGN REVIEW (100% PS&E)**

When the plans, specifications and estimates (PS&E) are complete, a review by the PDM will be performed to verify that all components from the previous reviews have been addressed and that the project construction cost estimate is compatible with the Strategic Implementation Plan. This review is required prior to advertising the project for construction bids.

## **INFORMATION PROVIDED BY THE PROJECT SPONSOR'S PM PRIOR TO ANY DESIGN REVIEW**

To provide for an adequate review, it is important to have materials available prior to the review. The following materials are requested by the project sponsor at least one week prior to any of the design reviews:

- Project Schedule – Beginning and completion dates for the following activities
  - ◇ Conceptual Engineering studies
  - ◇ Environmental Document
  - ◇ Design stages and RTC design review times (35%, 65%, 95%, Final)
  - ◇ Right-of-Way Engineering and Acquisition
  - ◇ Permits
  - ◇ Utility Relocations
  - ◇ Advertisement
  - ◇ Construction
- Project Estimate – A detailed breakdown of the project cost estimate, escalated to the year of construction.
- Financial Plan – Proposed revenue sources and amounts (by development phase and fiscal year), including shortfalls and proposed revenue sources. Any required match of Measure D funds must be clearly identified.

- Plans, Reports, and Specifications – any applicable plans, reports and specifications appropriate for the type of review.
- Summary response to issues raised by the PDM in previous reviews.
- Summary of compliance with applicable mitigation measures.

The material should offer enough detail to provide the PDM with an adequate perspective to aid them in their review. The implementing agency should provide the PDM at least four (4) weeks to perform their review.

The project sponsor's staff or consultant will meet with the RTC's PDM to describe the current status of design and any issues that are critical to understanding the project.

### **CALTRANS REVIEWS**

Project Sponsors are responsible for working with Caltrans to assure preparation and submittal of all documents that may be required by Caltrans, such as the Project Study Report (PSR)/Initial Project Report (IPR), the Project Report (PR), environmental documentation, right-of-way certification, and PS&E. Wherever possible, the Sponsor should attempt to combine these reports, such as the combined PSR/PR.

### **RTC REVIEW DURING RIGHT-OF-WAY PHASE**

The project sponsor is responsible for identifying real property needs, such as property acquisitions, clearance and demolition, property easements, rights to enter, and relocations of affected parties and businesses as part of the right-of-way process. Real Property acquisition and associated relocation of affected parties must be conducted consistent with the requirements of state law, and the federal "Uniform Acquisition and Relocation Assistance Act." In addition, the project sponsor will identify utility relocations needed for the project, including a determination of the liability for cost. The project sponsor will enter into utility agreements necessary to ensure the timely relocation of affected utilities as part of the right-of-way phase of project development. Finally, the right-of-way process will include entering into agreements for the acquisition of off-site environmental mitigation needed for the project.

The project sponsor should communicate with the PDM throughout the right of way process. Once the project design is at least 65% complete, the project sponsor shall provide a detailed estimate of the right-of-way cost of the project. At that point, the sponsor shall also provide a detailed schedule for completion of all right-of-way activities for the project. Proposed right of way acquisition and the potential for parcels to be excess to the Measure D project will be evaluated as part of the design review process described above. If issues regarding excess land extend beyond the design stage of the project, the project sponsor will meet with the PDM, as necessary to resolve such issues. The PDM will work to shorten review times whenever possible and can combine or eliminate a review based on the complexity of the project.

Any special circumstances regarding ownership of property excess to the Measure D project, or acquisition of property that will not be used for the Measure D project should be resolved early. With respect to disposal of property excess to the Measure D project, the proponent should consult with the PDM in order to determine the most cost effective and efficient time

for the disposal, in order to get the highest possible return on the investment for the Measure D program. Unless the RTC makes an exception, the project sponsor shall dispose of any property excess to the Measure D project within five years following completion of the project, or prior to sunset of the Measure D program. In some cases, this may mean that the sponsor accepts a less than optimal price, with the agreement of the RTC. In any case, the project sponsor shall advise the PDM of its plans for disposition at the completion of the project.

### **RTC REVIEW DURING CONSTRUCTION PHASE**

After bidding the construction contract, the PDM will be provided a summary of the funding used for the award of the construction contract. The PDM will be invited to attend the initial pre-construction meeting and any standing progress meetings with the Contractor. Attendance at construction meetings with the Resident Engineer and Contractor will be at the discretion of the PDM and based upon the complexity of the project. Regardless of attendance at meetings, the PDM will be permitted to review any design changes and be available as a resource to address issues and problems that arise during the construction phase. The PDM shall be provided copies of contract change orders (CCOs) and associated tracking logs, as requested. The project sponsor shall get the PDM's written concurrence on any CCOs that increase the scope of the project, beyond the project description set forth in the Measure D Expenditure Plan. At least 30 days before completion of the construction project, the implementing agency shall notify the RTC to perform a field review. The implementing agency shall resolve all comments provided by the PDM, prior to acceptance of the Construction contract.

## **4.16 – Amendments to Measure D Ordinance and Projects**

The Measure D 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 unable to secure adequate funding or financing 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.

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 RTC 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 RTC.

Prior to amending the Expenditure Plan, RTC shall solicit public input, including holding at least one public hearing and soliciting input from RTC Advisory Committees.

### **4.17 – Adoption of Future Policies and Amendments to Strategic Implementation Plan**

Over time, RTC may find the need to revise, delete, or add new policies or to otherwise amend provisions of the Measure D Strategic Implementation Plan. The Strategic Implementation Plan can be revised during subsequent Strategic Implementation Plan updates or amended at any time by resolution of the RTC. The Measure D Strategic Implementation Plan will be updated at least every 5 years, following a public hearing.

### **4.18 – Minor Amendments to 5-Year Plans**

Minor amendments to 5-Year Plans for Regional Projects that shift previously programmed funds between years for the same, already approved project may be performed administratively and do not require RTC approval.

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# CHAPTER 5

# CASH FLOW

# MODEL

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# Cash Balance by Program (in \$1000s)

## Model #1: Direct Allocation to Cities and County

Fiscal Year	Prior	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36	36/37	37/38	38/39	39/40	40/41	41/42	42/43	43/44	44/45	45/46	46/47	TOTALS
Beginning Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Sales Tax Revenues	\$6,638	\$5,933	\$5,678	\$6,699	\$7,558	\$7,463	\$7,400	\$7,570	\$7,809	\$8,054	\$8,322	\$8,592	\$8,839	\$9,093	\$9,360	\$9,634	\$9,909	\$10,192	\$10,483	\$10,782	\$11,091	\$11,401	\$11,720	\$12,050	\$12,389	\$12,738	\$13,098	\$13,469	\$13,852	\$10,638	\$288,454
Allocations	\$6,638	\$5,933	\$5,678	\$6,699	\$7,558	\$7,463	\$7,400	\$7,570	\$7,809	\$8,054	\$8,322	\$8,592	\$8,839	\$9,093	\$9,360	\$7,037	\$9,909	\$10,192	\$10,483	\$10,782	\$11,091	\$11,401	\$11,720	\$12,050	\$12,389	\$12,738	\$13,098	\$13,469	\$13,852	\$10,638	\$288,454
Ending Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

## Model #2: Transit for Seniors and People with Disabilities

Fiscal Year	Prior	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36	36/37	37/38	38/39	39/40	40/41	41/42	42/43	43/44	44/45	45/46	46/47	TOTALS
Beginning Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Sales Tax Revenues	\$4,842	\$4,288	\$4,119	\$4,799	\$5,372	\$5,309	\$5,267	\$5,380	\$5,539	\$5,703	\$5,881	\$6,062	\$6,226	\$6,396	\$6,573	\$6,756	\$6,939	\$7,128	\$7,322	\$7,522	\$7,727	\$7,934	\$8,147	\$8,366	\$8,593	\$8,826	\$9,066	\$9,313	\$9,568	\$7,342	\$202,303
Allocations	\$4,842	\$4,288	\$4,119	\$4,799	\$5,372	\$5,309	\$5,267	\$5,380	\$5,539	\$5,703	\$5,881	\$6,062	\$6,226	\$6,396	\$6,573	\$6,756	\$6,939	\$7,128	\$7,322	\$7,522	\$7,727	\$7,934	\$8,147	\$8,366	\$8,593	\$8,826	\$9,066	\$9,313	\$9,568	\$7,342	\$202,303
Ending Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	

## Model #3: Highway 17 Wildlife Crossing

Fiscal Year	Prior	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36	36/37	37/38	38/39	39/40	40/41	41/42	42/43	43/44	44/45	45/46	46/47	TOTALS
Beginning Balance	\$0	\$209	\$381	\$556	\$724	\$893	\$3	\$3	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	
Interest on Pooled Cash	\$1	\$5	\$8	\$4	\$2	\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$22
Sales Tax Revenues	\$208	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$125	\$5,000
InterProgram Loan (Highway Corridors)	\$0	\$0	\$0	\$0	\$0	\$1,527	\$1,309	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,836
Loan Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$168	-\$167	-\$167	-\$167	-\$167	-\$167	-\$167	-\$167	-\$167	-\$167	-\$167	-\$167	-\$167	-\$167	-\$167	-\$167	-\$167	-\$167	-\$167	-\$167	-\$167	-\$167	-\$102	-\$3,770
Expenses	\$0	\$0	\$0	-\$3	-\$0	-\$2,584	-\$1,476	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$4,063
Ending Balance	\$209	\$381	\$556	\$724	\$893	\$3	\$3	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$2	\$24	

## Model #4: San Lorenzo Valley/ Highway 9 Corridor Improvements

Fiscal Year	Prior	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36	36/37	37/38	38/39	39/40	40/41	41/42	42/43	43/44	44/45	45/46	46/47	TOTALS
Beginning Balance	\$0	\$419	\$728	\$1,025	\$1,299	\$1,424	\$1,723	\$1,641	\$1,617	\$1,583	-\$213	\$120	\$456	\$799	\$1,148	\$1,504	\$1,868	\$2,238	\$2,616	\$3,002	\$3,395	\$3,797	\$4,206	\$4,623	\$5,049	\$5,484	\$5,927	\$6,378	\$6,839	\$7,309	
Interest on Pooled Cash	\$2	\$11	\$16	\$7	\$6	\$27	\$34	\$33	\$32	\$32	\$	\$2	\$9	\$16	\$23	\$30	\$37	\$45	\$52	\$60	\$68	\$76	\$84	\$92	\$101	\$110	\$119	\$128	\$137	\$146	\$1,536
Sales Tax Revenues	\$417	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$333	\$250	\$10,000
InterProgram Loan (Highway Corridors)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Loan Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Expenses	\$0	\$0	-\$35	-\$53	-\$66	-\$214	-\$62	-\$390	-\$400	-\$2,161	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$3,381
Ending Balance	\$419	\$763	\$1,042	\$1,313	\$1,573	\$1,571	\$2,028	\$1,617	\$1,583	-\$213	\$120	\$456	\$799	\$1,148	\$1,504	\$1,868	\$2,238	\$2,616	\$3,002	\$3,395	\$3,797	\$4,206	\$4,623	\$5,049	\$5,484	\$5,927	\$6,378	\$6,839	\$7,309	\$7,706	

## Model #5: Highway Corridors

Fiscal Year	Prior	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35	35/36	36/37	37/38	38/39	39/40	40/41	41/42	42/43	43/44	44/45	45/46	46/47	TOTALS
Beginning Balance	\$0	\$6,035	\$10,586	\$14,634	\$17,612	\$20,463	\$20,325	\$8,932	\$54,364	\$33,169	\$3,944	\$19,393	\$1,694	\$866	\$356	\$159	\$164	\$374	\$798	\$1,448	\$2,334	\$3,466	\$4,852	\$6,501	\$8,427	\$10,643	\$13,161	\$15,996	\$19,161	\$22,672	
Interest on Pooled Cash	\$32	\$158	\$240	\$106	\$84	\$368	\$406	\$179	\$1,087	\$663	\$79	\$388	\$34	\$17	\$7	\$3	\$3	\$7	\$16	\$29	\$47	\$69	\$97	\$130	\$169	\$213	\$263	\$320	\$383	\$453	\$6,052
Sales Tax Revenues	\$6,052	\$5,360	\$5,148	\$5,999	\$6,845	\$6,636	\$6,583	\$6,725	\$6,924	\$7,129	\$7,352	\$7,577	\$7,783	\$7,994	\$8,217	\$8,445	\$8,674	\$8,910	\$9,152	\$9,402	\$9,659	\$9,917	\$10,184	\$10,458	\$10,741	\$11,032	\$11,332	\$11,641	\$11,960	\$9,177	\$253,008
Bond Proceeds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$52,000	\$0	\$0	\$47,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$99,000
Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$2,600	-\$2,600	-\$4,056	-\$6,171	-\$6,171	-\$7,921	-\$7,921	-\$7,921	-\$7,921	-\$7,921	-\$7,921	-\$7,921	-\$7,921	-\$7,921	-\$7,921	-\$7,921	-\$7,921	-\$7,921	-\$7,921	-\$7,921	-\$7,921	-\$7,921	-\$7,921	-\$164,174
Inter Program Loan (Highway 17)	\$0	\$0	\$0	\$0	\$0	-\$1,527	-\$1,309	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	-\$2,836
Loan Payment (Highway 17)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$168	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$167	\$102	\$3,770
Expenses	-\$50	-\$967	-\$1,340	-\$3,127	-\$4,078	-\$5,615	-\$17,073	-\$11,041	-\$26,772	-\$33,129	-\$32,977	-\$19,659	-\$891	-\$768	-\$666	-\$689	-\$713	-\$738	-\$764	-\$791	-\$819	-\$847	-\$877	-\$908	-\$939	-\$972	-\$1,006	-\$1,041	-\$1,078	-\$1,116	-\$171,451
Ending Balance	\$6,035	\$10,586	\$14,634	\$17,612	\$20,463	\$20,325	\$8,932	\$4,964	\$35,769	\$7,999	-\$21,436	\$7,865	\$8,787	\$8,277	\$59,787	\$8,085	\$8,294	\$8,719	\$9,369	\$10,254	\$11,387	\$12,773	\$14,422	\$16,348	\$18,564	\$21,082	\$23,917	\$27,082	\$30,593	\$31,289	



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# CHAPTER 6

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# Neighborhood Projects: Highway 9 San Lorenzo Valley Corridor Improvements

## Project Description

Highway 9 serves as the “Main Street” for the San Lorenzo Valley (SLV) towns of Felton, Ben Lomond, Brookdale, and Boulder Creek, and is an interregional arterial connecting Silicon Valley and Santa Cruz. It is the backbone for the movement of people and goods through the SLV and is the only direct route linking the four SLV towns.

There are significant transportation concerns throughout the SLV. This mountainous area has high collision rates, narrow curving roadways frequently impacted by steep terrain, significant gaps in bicycle and pedestrian facilities, a lack of walkways to many of the bus stops, traffic backups at a number of choke points, as well as pavement, drainage, and other assets in disrepair.

Measure D designates \$10 million for transportation projects in the Highway 9 corridor that will improve travel for residents of the SLV, beyond basic maintenance and safety projects led by Caltrans. A first step in identifying priority projects was the development of a comprehensive [Highway 9 San Lorenzo Valley Complete Streets Corridor Plan \(SLV Plan\)](#). Building on past public input and planning activities, the SLV Plan identifies, evaluates, and prioritizes transportation projects on Highway 9 and connecting county roads through the SLV that can be implemented in the short- and mid-term to address challenges along the corridor. The plan focuses on safety for pedestrians, bicyclists, and motorists; multi-modal access to schools, businesses, and bus stops; traffic operations, pavement conditions, drainage, and other needs in this travel corridor.

The SLV Plan was accepted by the RTC in 2019, and RTC staff is now focused on delivering priority projects in partnership with Caltrans, County DPW, SLVUSD, and METRO.



## Total Programming

<b>Total Funding Secured</b>	<b>\$</b>	<b>12.85M</b>
<b>Funding Sources</b>		
Measure D (Neighborhood)	\$	10M
Other*	\$	2.85M

\*Includes HSIP Grant (Fed), Caltrans Planning Grant, and Match (TDA, RTC Reserve Fund & RPA) funds.





# Neighborhood Projects: Highway 9 San Lorenzo Valley Corridor Improvements

## Priority Projects

The SLV Plan identifies over 30 priority projects for the corridor, including the following:

- ▶ Pedestrian and bicycle paths to the SLV schools campus and modifications to improve traffic flow along the schools' entrances
- ▶ Modifications to Felton, Brookdale, Ben Lomond, and Boulder Creek town centers to create safer pedestrian walking and crossing facilities, reduce speeding, and improve access to businesses
- ▶ Pedestrian safety and visibility improvements; and shoulder widening for bicycles

The plan is being used to secure grants, leverage state funds (SHOPP), and facilitate subsequent design, environmental review, and construction of these and other priority projects.

## Project Delivery Strategy

The RTC, Caltrans, County of Santa Cruz, SLVUSD, and METRO are working together to deliver components of the various complete streets projects defined by the community in the SLV Plan. Caltrans constructed the crosswalk improvements that were funded by the Measure D-leveraged Highway Safety Improvement Program (HSIP) funds in 2020.

The RTC is collaborating on Caltrans funded safety and repaving projects. Both of these projects are currently in the Project Approval & Environmental Documentation (PA&ED) phase, with construction expected to be complete in 2027 and 2029, respectively. These projects incorporate many complete streets and other safety improvements as identified by the community in the SLV Plan for Felton and the SLV Schools. These improvements include sidewalks, bike lanes, crosswalk safety improvements, center turn lanes, extended turn pockets, and pedestrian refuge islands, as well as other safety elements.

The State Route 9 Complete Streets Project Initiation Document (PID) was funded by Measure D and covers Caltrans required scoping, estimating, and phasing assessments for the remaining projects in the SLV Plan. Completed in 2022, the RTC is now using Measure D funds to leverage state and federal grants to fund construction of additional improvements.

The RTC secured \$1.5 million in federal funding for Boulder Creek Complete Streets Improvements, as defined in the SLV Plan, and is beginning preliminary design and environmental review. The RTC also worked with Caltrans and the SLV School District in 2023 to complete the SLV Schools Access Study, a preliminary engineering study to improve circulation to and past the elementary, middle, and high schools for all modes of transportation on Highway 9 north of Felton. This study was funded by a combination of Measure D-leveraged grants and funding from the SLV Unified School District. The RTC is currently seeking grant funding for the final design, environmental review, and construction phases.





# Neighborhood Projects: Highway 17 Wildlife Crossing

## Project Description

Caltrans, the Santa Cruz County Regional Transportation Commission, the Land Trust of Santa Cruz County, and resource agencies partnered to construct a wildlife undercrossing on Highway 17 near Laurel Road in Santa Cruz County.

The Santa Cruz Mountains are home to a variety of wildlife species including endangered and threatened species. The area of Highway 17 at Laurel Road has been identified as a critical linkage for two core wildlife habitat areas on either side of the highway.

Highway 17 is the major freeway connection between the San Francisco Bay Area and the Monterey Bay Region through the Santa Cruz Mountains. More than 65,000 vehicles travel the highway each day (24 million vehicles a year). The dense traffic, concrete median barriers, and lack of culvert undercrossings or bridges make Highway 17 a major barrier for wildlife moving through the Santa Cruz Mountains. Many wildlife (including mountain lions, bobcats, and deer) have been hit trying to cross Highway 17 near Laurel Road.

Highway 17 at Laurel Road is built over a large natural drainage, an ideal place to install a bridge to allow animals to travel beneath the highway. At the project location, 460 acres of mostly undeveloped land on both sides of the highway have been preserved in a conservation easement by the Land Trust of Santa Cruz County.



## Project Highlights

- ▶ Provides safe passage for wildlife to cross under Highway 17 near Laurel Road
- ▶ Bridges two core wildlife habitat areas on each side of Highway 17
- ▶ Traffic volumes of over 60,00 vehicles per day, combined with a concrete median barrier and a lack of adequate culvert or bridge undercrossings contribute to animal-vehicle collisions along Highway 17.
- ▶ Collaborative project between the Regional Transportation Commission, Land Trust of Santa Cruz County, and Caltrans

## Project Delivery Strategy

Caltrans lead the project delivery. The pre-construction phases were funded with Caltrans State Highway Operation and Protection Program funds. The RTC used Measure D funds to leverage additional SHOPP and Land Trust funds for construction. The RTC used an interprogram loan of Measure D Highway Corridor funds to expedite construction of the Wildlife Crossing.



# Neighborhood Projects: Highway 17 Wildlife Crossing

## Total Programming

<b>Estimated Total Cost</b>	<b>\$12.5M</b>
<b>Funding Sources</b>	
Measure D (Neighborhood)*	\$5M
Other Secured**	\$7.5M

\*Includes loan payments (principal and interest)  
 \*\*Includes Land Trust and SHOPP funds.

## Project Status/Schedule

Construction started in February 2022. Most of the construction was completed at the end of 2022, with final striping 2023.



## Funding Partners







# Highway Corridor: Highway 1 Aux Lanes, BOS (41st Avenue to Soquel Drive), and Chanticleer Bicycle/Pedestrian Overcrossing

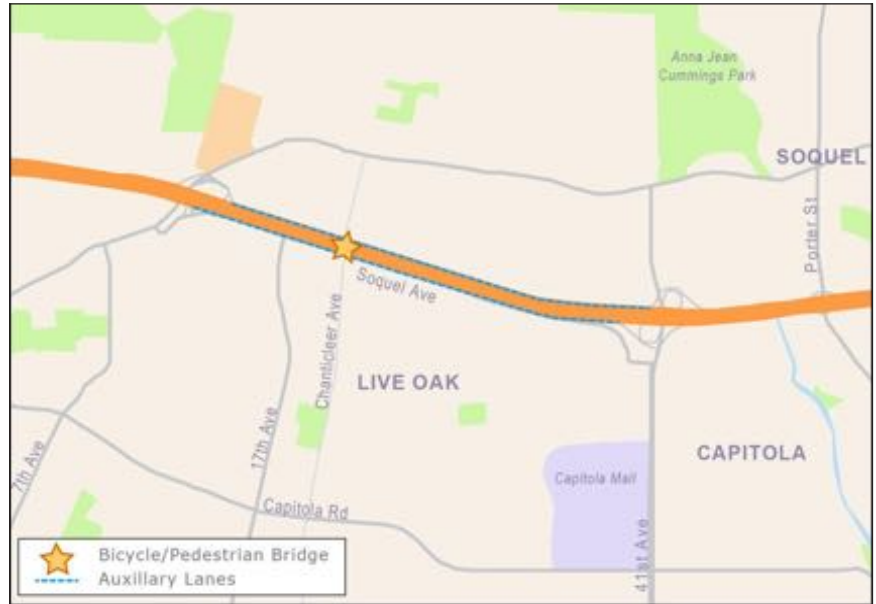
## Project Description

The project will construct northbound and southbound auxiliary lanes and bus-on-shoulder improvements between the 41st Avenue and Soquel Avenue/Drive interchanges, and construct a new bicycle and pedestrian overcrossing at Chanticleer Avenue. Historically, this section of Highway 1 has been the busiest in the county, serving over 100,000 vehicles a day, providing access to the primary regional commercial/retail activity centers on 41st Avenue and regional medical facilities located on Soquel Drive. The auxiliary lanes will connect the on-ramps with the next off-ramp, thereby extending the weaving and merging distance between the ramps, improving traffic operations, and reducing cut-through traffic diverting to local streets and neighborhoods.

The bicycle/pedestrian overcrossing at Chanticleer Avenue provides an alternative route for bicyclists and pedestrians currently using the Soquel or 41st interchanges to cross over Highway 1. The overcrossing will be lighted, 12- to 14-foot wide, and will incorporate aesthetic treatments consistent with the visual character of the corridor and the adjacent community.

### Unified Corridor Investment Study

Recognizing the need to address both existing transportation problems and future needs of Santa Cruz County, a Unified Corridor Investment Study (UCS) was undertaken to consider transportation options between Santa Cruz and Watsonville along three of the most important north to south transportation routes in the County, including the Highway 1 corridor. The study provides a rigorous analysis of how various groups of projects or scenarios advance the transportation goals of Santa Cruz County.



## Project Highlights

- ▶ Improves traffic operations on Highway 1
- ▶ Improves bicycle and pedestrian connectivity to regional destinations and transit by providing a dedicated crossing for active transportation users at Chanticleer Avenue
- ▶ Adds infrastructure for buses to travel in the auxiliary lanes between interchanges and on the outside shoulder through interchanges
- ▶ Measure D funds are being used to accelerate the project development process
- ▶ Construction expected to begin in early 2023

## Project Delivery Strategy

The RTC is leading the delivery of this project. Measure D-Highway Corridor funds and other RTC discretionary funds were used to complete the work necessary to ready the project for construction, and as a match for SB1 construction grants. This project has environmental clearance and has received funds from Cycle 2 of the SB1 Solutions to Congested Corridors Program and Local Partnership Program competitive funds.



# Highway Corridor: Highway 1 Aux Lanes, BOS (41st Avenue to Soquel Drive), and Chanticleer Bicycle/Pedestrian Overcrossing

## Project Funding

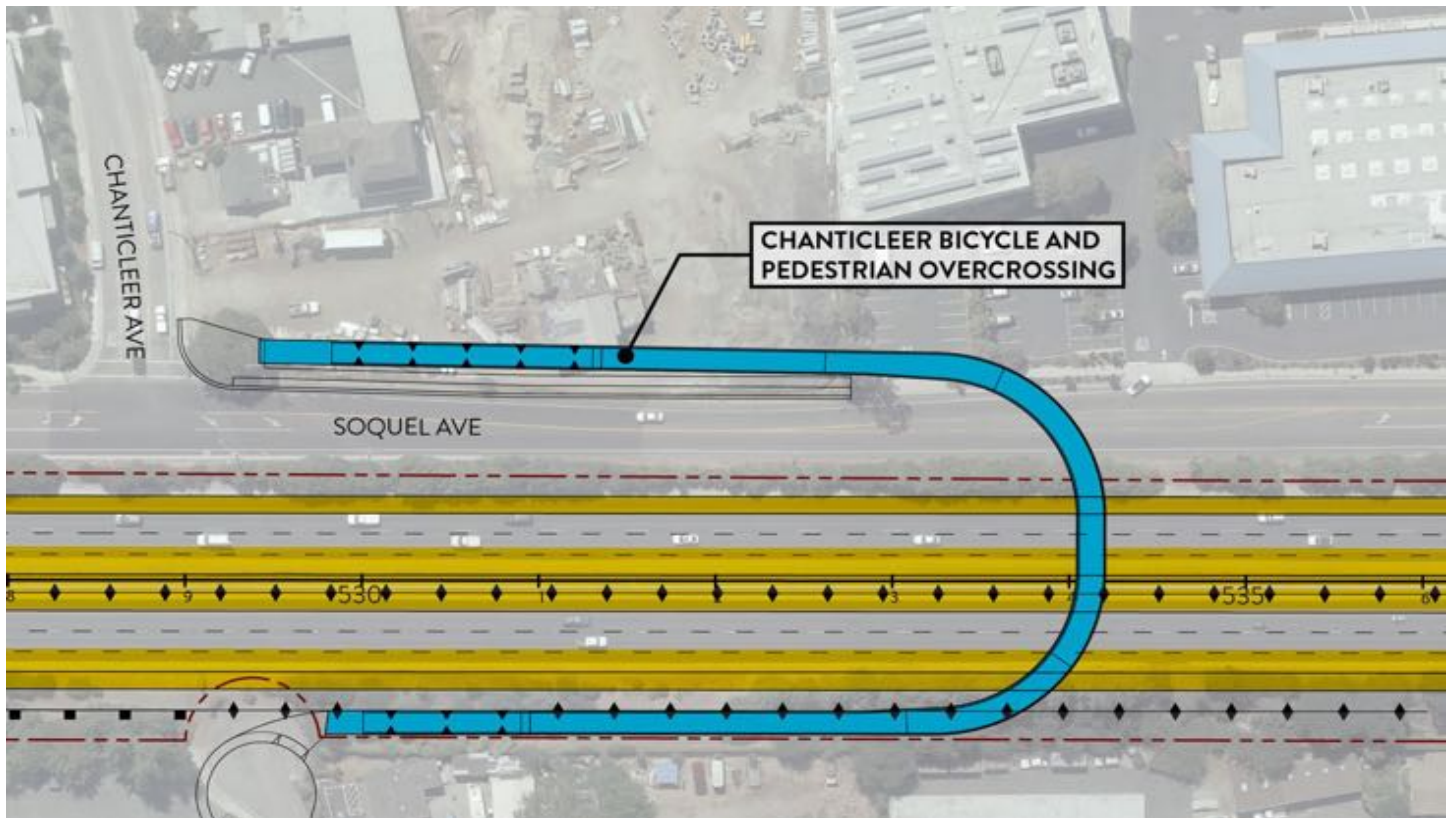
<b>Estimated Project Cost</b>	<b>\$</b>	<b>38.6M</b>
<b>Funding Sources</b>		
Measure D (Highway)	\$	5.2M
Other Secured*	\$	35.3M

\*Includes STIP, SB1 (SCCP and LPP programs) and HIP funds.



## Project Status/Schedule

The Unified Corridor Investment Study was completed in 2019. The Environmental Impact Report was certified in 2019. The final design phase is complete. The project is expected to go to construction in early 2023 and complete construction in 2024.





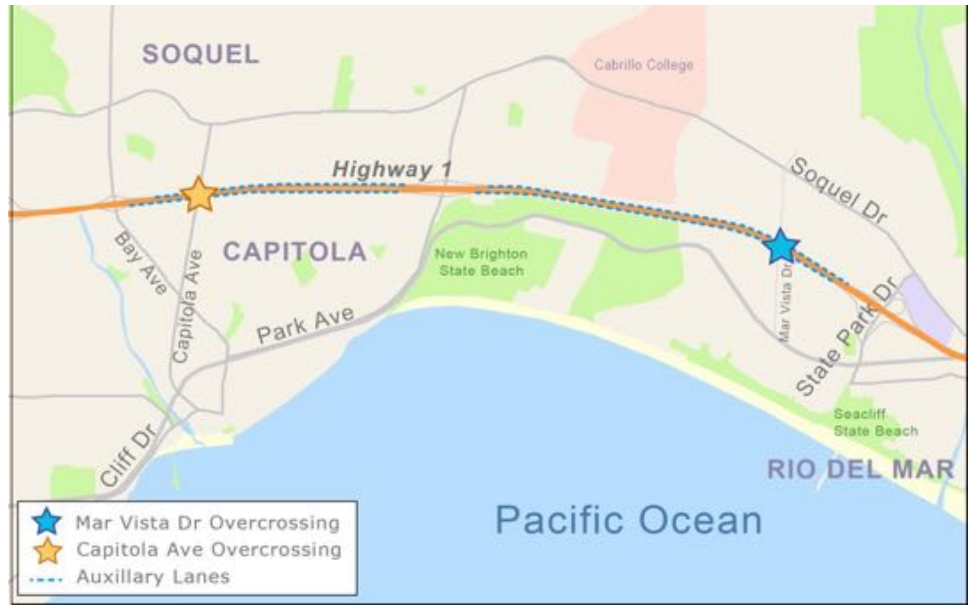
# Highway Corridor: Highway 1 Aux Lanes, BOS (Bay Avenue/Porter Street to State Park Drive), and Mar Vista Bicycle/Pedestrian Overcrossing

## Project Description

The project will construct northbound and southbound auxiliary lanes and bus-on-shoulder improvements between the Bay Avenue/Porter Street and State Park Drive interchanges and replace the existing Capitola Avenue local roadway overcrossing. This section of Highway 1 is one of the busiest in the county, providing access to the City of Capitola, Soquel and Aptos villages, and Cabrillo College. The auxiliary lanes will connect the on-ramps with the next off-ramp, thereby extending the weaving and merging distance between the ramps, improving traffic operations, and reducing cut-through traffic diverting to local streets and neighborhoods.

The new Capitola Avenue overcrossing will include enhanced bicycle and pedestrian facilities to improve connectivity for bicyclists and pedestrians between Soquel Drive to the north and the future Coastal Rail Trail to the south. The overcrossing, soundwalls, and retaining walls will incorporate aesthetic treatments consistent with the visual character of the corridor and the adjacent community.

The project also includes a new bicycle and pedestrian overcrossing (POC) at Mar Vista Drive to provide a safe link between schools, the beach, residential neighborhoods and retail centers on each side of Highway 1. This POC was one of three bicycle and pedestrian overcrossings identified in the Highway 1 Corridor Investment



## Project Highlights

- ▶ Improves traffic and safety operations on Highway 1
- ▶ Reduces cut-through traffic diverting to local streets and neighborhoods by adding auxiliary lanes between Bay Avenue/Porter Street and State Park Drive
- ▶ Improves bicycle and pedestrian connectivity to regional destinations and transit by providing enhanced bicycle and pedestrian facilities for active transportation users at Capitola Avenue
- ▶ Adds infrastructure for buses to travel in the auxiliary lanes between interchanges and on the outside shoulder through interchanges
- ▶ Improves bicycle and pedestrian connectivity to regional destinations and transit by providing a dedicated crossing for active transportation users
- ▶ Connects neighborhoods, schools, parks/beaches and commercial centers

## Project Delivery Strategy

The RTC is leading the delivery of this project. Measure D-Highway Corridor funds and other RTC discretionary funds are being used to complete the work necessary to ready the project for construction. RTC was successful in securing Cycle 2 SB1 Solutions to Congested Corridors and Local Partnership Program competitive funds in 2020, which fully funds construction of this project.



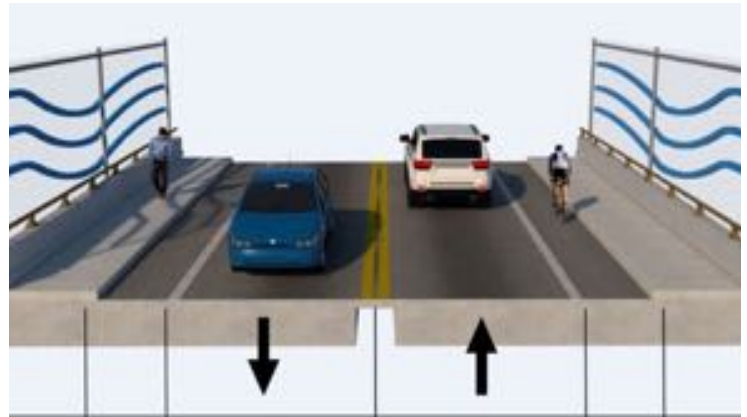


# Highway Corridor: Highway 1 Aux Lanes, BOS (Bay Avenue/Porter Street to State Park Drive), and Mar Vista Bicycle/Pedestrian Overcrossing

## Project Funding

<b>Estimated Total Cost</b>	<b>\$</b>	<b>94.2M</b>
<b>Funding Sources</b>		
Measure D (Highway)	\$	22.5M
Other Secured*	\$	76.3M

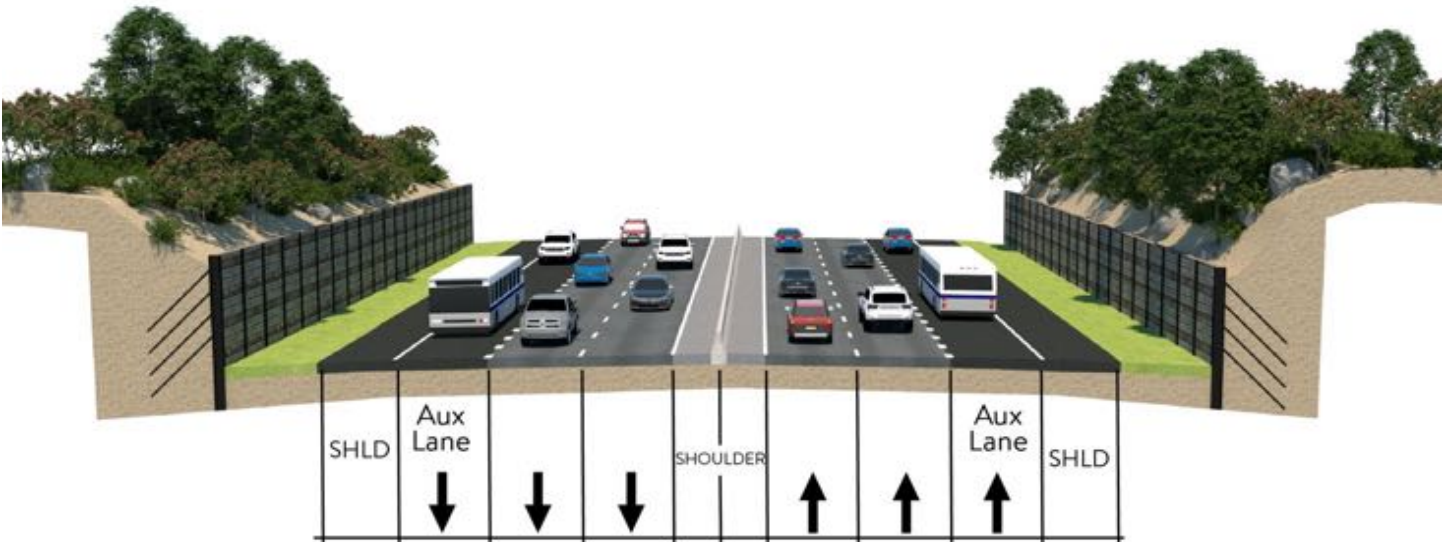
\*Includes STIP and SB1 (SCCP and LPP programs) funds.



Preliminary rendering of Capitola Avenue Overcrossing

## Project Status/Schedule

Environmental review was completed in 2021. Final design was completed in 2022. The project is expected to go to construction in 2023.



Preliminary rendering of auxiliary lanes



# Highway Corridors: Highway 1 Aux Lanes and BOS (State Park Drive to Freedom Boulevard), and Coastal Rail Trail Segment 12

## Project Description

The project will construct multimodal improvements to enhance transit frequency and on-time performance, and safety and mobility for vehicles, transit, bicycles, and pedestrians. The project includes northbound and southbound auxiliary lanes and bus-on-shoulder improvements between the State Park Drive and Freedom Boulevard interchanges, replaces the two existing railroad bridges between the State Park Drive and Rio del Mar interchanges, and widens the Aptos Creek bridge. This section of Highway 1 provides access to Aptos Village, Rio del Mar, Aptos High School, and Aptos Hills/Corralitos. The auxiliary lanes will connect the on-ramps with the next off-ramp, thereby extending the weaving and merging distance between the ramps, improving traffic operations, and reducing cut-through traffic diverting to local streets and neighborhoods.

The existing railroad bridges will be replaced with longer span bridges to accommodate the addition of auxiliary lanes on Highway 1. The Highway 1 bridge over Aptos Creek and Spreckles Drive will be widened as part of the project. The new bridges, soundwalls, and retaining walls will incorporate aesthetic treatments consistent with the visual character of the corridor and the adjacent community.

This project also includes construction of Segment 12 of the Coastal Rail Trail, a bicycle and pedestrian trail along an approximately 1.25-mile segment of the Santa Cruz Branch Rail Line right-of-way from State Park Drive to Rio Del Mar Boulevard.



## Project Highlights

- ▶ Improves traffic and safety operations on Highway 1
- ▶ Adds infrastructure for buses to travel in the auxiliary lanes between interchanges and on the outside shoulder through interchanges
- ▶ Reduces cut-through traffic diverting to local streets and neighborhoods by adding auxiliary lanes between State Park Drive and Freedom Boulevard
- ▶ Provides a dedicated bicycle and pedestrian trail, improving safety and connectivity to schools, commercial centers, and transit facilities
- ▶ Improves active transportation connectivity by constructing 4 dedicated bicycle/pedestrian overcrossings

## Project Delivery Strategy

The RTC is leading the delivery of this project. Measure D-Highway Corridor and Active Transportation funds and other RTC discretionary funds will be used to complete preconstruction work and as a match for future grants. The project will evaluate a Trail Next to the Railroad Track Alignment ("Ultimate Trail Configuration") and a Trail on the Railroad Track Alignment ("Interim Trail") as an optional first phase. RTC is targeting Cycle 3 of the SB1 Solutions to Congested Corridors Program, Trade Corridor Enhancement Program, and Local Partnership Program funds.





# Highway Corridors: Highway 1 Aux Lanes and BOS (State Park Drive to Freedom Boulevard), and Coastal Rail Trail Segment 12

## Project Funding

Estimated Total Cost	\$	TBD*
<b>Funding Sources</b>		
Measure D	\$	70.3M
Other Secured	\$	26.7M*
Needed	\$	83.0M

\*Mega Grant



## Project Status/Schedule

The environmental phase of this project is expected to be completed in 2023. The project is scheduled to be construction-ready in 2025, pending availability of funds for construction.





# Highway Corridors: Cruz511

## Program Description

For more than 35 years, the RTC has offered transportation demand management (TDM) services to Santa Cruz County with the goal of using the existing transportation system more effectively by assisting travelers to use various modes of transportation, especially sustainable transportation modes. TDM programs use a multi-pronged approach to incentivize and support mode share changes to non-drive alone methods of transportation.

Cruz511, the RTC's TDM service, provides a comprehensive website of resources for travel options around the county, including a trip planner, bicycle maps, accessible travel options, and an interactive traffic map with real-time information on travel speeds, incident details, and lane closures on county roads and state highways. Knowledgeable travel counselors are also available to help people understand their options for getting around.

The Cruz511 program works with non-profits and community-based organizations to deliver messaging around transportation safety. Staff works closely with agencies implementing Vision Zero plans and campaigns around the county by providing resources and guidance. Cruz511 also provides a hazard reporting system where members of the public can report issues that impede access and mobility on our roadway networks.

In Spring 2021, Cruz511 launched GO Santa Cruz County, an online commute management platform that rewards sustainable commuting. Participants earn points for each eligible trip logged on the platform or mobile app. Points can then be redeemed for electronic gift cards, entries into the monthly raffle, or donated to a local nonprofit. Learn more at [www.gosantacruzcounty.org](http://www.gosantacruzcounty.org).



## Program Highlights

- ▶ Provides sustainable commute choices to residents through coordination with major employers in the county
- ▶ Hosts an online and mobile platform to make sustainable commute choices easier for all people to access
- ▶ Coordinates with Metro to promote and encourage transit usage
- ▶ Provides education and informational messaging regarding safety and mobility options to the public

## Total Programming

<b>Total Funding</b>	<b>\$ 300,000/year avg.</b>
<b>Funding Sources</b>	
Measure D (Highway)	\$ 1.3M
Other Sources**	\$ 995,000

\*Amounts show money programmed beginning in FY17/18 when Measure D funds first became available.

\*\*Includes STBG, RSTPX, STIP, SAFE, City of Santa Cruz and Fund Interest





# Highway Corridors: Cruz511



## Rethink Your Commute and Earn Rewards!





# Highway Corridors: Safe on 17

## Program Description

The Highway 17 corridor was identified as a high-collision corridor in 1998 as a result of collision data analysis and recommendations of local, regional, county, and state agencies. The Safe on 17 Task Force was formed to develop and implement collision reducing strategies, such as additional CHP enforcement, traffic safety improvements, and public education. These strategies focus on preventing the occurrence of the top five Primary Collision Factors in fatal and injury collisions including driving at unsafe speeds, vehicle right-of-way violations, improper turning, and improper lane change.

The Task Force is comprised of representatives from the Santa Cruz County Regional Transportation Commission (RTC), the San Francisco Bay Area’s Metropolitan Transportation Commission (MTC), the California Highway Patrol (CHP), the California Department of Transportation (Caltrans), local police and fire departments, legislators’ offices, and the media. The RTC and MTC provide \$100,000 annually for enhanced CHP enforcement using Service Authority for Freeway Emergencies (SAFE) funds. SAFE funds come from a \$1 registration fee on all vehicles in the region and fund the highway call box system, Freeway Service Patrols on Highways 1 and 17 in addition to extra CHP enforcement on Highway 17, and other motorist-aid services. The RTC provides an additional \$50,000 annually to the program from Measure D funds.



## Program Highlights

- ▶ Multi-agency, multi-jurisdictional effort to reduce injury and fatal collisions on Highway 17
- ▶ Encourages safer driving and deters traffic violations with extra CHP enforcement
- ▶ Implements road safety improvements to reduce wet weather and run-off-road collisions through guardrail upgrades, shoulder widening projects, and pavement surface treatments
- ▶ Increases safe driving practices, especially on mountainous highway roads, through education and public outreach

## Meeting Schedule

The Safe on 17 Task Force meets twice a year to share information about transportation projects and collisions on Highway 17 and traffic operation systems in Santa Cruz County. Meetings are open to the public and all are welcome to attend. A teleconference option is available for those unable to attend meetings in person.

SAFE ON 17 MEETINGS	LOCATION	ADDRESS
3rd Wednesday in March	CHP San Jose	2020 Junction Ave., San Jose, CA
3rd Wednesday in September	RTC office	1523 Pacific Ave., Santa Cruz, CA





# Highway Corridors: Safe on 17

## Total Programming

<b>Total Funding</b>	<b>\$ 150,000/year</b>
<b>Funding Sources</b>	
Measure D (Highway)*	\$ 50,000/year
Other Secured**	\$ 100,000/year

\*In FY17/18 Measure D funds first became available.

\*\*Includes MTC-SAFE and DMV-SAFE funds.





# Highway Corridors: Freeway Service Patrol

## Program Description

The Santa Cruz County Regional Transportation Commission (RTC) operates the Freeway Service Patrol (FSP) program in Santa Cruz County in conjunction with the Department of Transportation (Caltrans) and the California Highway Patrol (CHP). This program consists of two tow trucks patrolling Highway 1 from Highway 9 to State Park Drive and Highway 17 from Mount Herman Road to the Santa Clara County Line.

FSP tow trucks remove disabled vehicles from the highway at no cost to motorists. They reduce congestion on the highway by quickly clearing accidents, debris, and other incidents, and allowing traffic to return to normal conditions. They commonly perform tasks such as changing a flat tire, jump-starting a vehicle, or providing gas. Service is available during weekday commute hours and on a limited schedule on weekends.

The FSP program is designed to reduce congestion, improve safety, and reduce fuel consumption and auto emissions by minimizing the congestion associated with collisions and other incidents.



## Program Highlights

- ▶ Reduces the number of traffic jams by quickly clearing accidents, debris, and other incidents
- ▶ Lessens the chain of further accidents and bottlenecks caused by passing drivers
- ▶ Saves fuel and cuts air-pollution emissions by reducing stop-and-go traffic
- ▶ Helps stranded motorists

## Service Schedule

	WEEKDAYS		WEEKENDS	
	AM	PM	Saturday	Sunday
<b>Hwy 1</b>	6:00-9:00 a.m.	3:30-6:30 p.m.	No regular weekend service*	
<b>Hwy 17</b>	6:30-9:30 a.m.	3:30-6:30 p.m.	None	1:00-7:00 p.m.

\*Special weekend service is provided during Spring Break and Summer.



# Highway Corridors: Freeway Service Patrol

## Total Programming\*

<b>Total Funding Secured</b>	<b>\$ 350,000/year avg.</b>
<b>Funding Sources</b>	
Measure D (Highway)	\$ 1.1M (FY17/18-24/25)
Other Secured**	\$ 1M

\*Amounts show money programmed beginning in FY17/18 when Measure D funds first became available.

\*\*Includes SB1, FSP, and STIP funds.



## FSP Partners







# Active Transportation: Coastal Rail Trail Segment 5

## Project Description

The North Coast Rail Trail (Coastal Rail Trail Segment 5 as defined in the Monterey Bay Sanctuary Scenic Trail {MBSST} Network Master Plan) proposes to construct 7.5 miles of the MBSST's rail trail spine between Wilder Ranch and Davenport. Segment 5 would be a new multi-use paved path with striping and unpaved shoulders, and parking improvements along the scenic North Coast in Santa Cruz County.

The goals of this project are to provide an accessible bicycle and pedestrian path adjacent to the rail right-of-way for active transportation, recreation, coastal viewshed appreciation, and environmental/cultural education along the existing rail corridor, consistent with the MBSST Network Master Plan. When constructed, this project will be one portion of the planned 32-mile Coastal Rail Trail network that traverses the entire coastline of Santa Cruz County.

Segment 5 is divided into three phases. Phase I covers 5.4 miles from Wilder Ranch to Panther/Yellowbank Beach. Phase II spans 2.1 miles from Panther/Yellowbank Beach to Davenport and includes new parking lots in Davenport and at Panther/Yellowbank Beach, improved access to the parking lot at Bonny Doon Beach, and a pedestrian crossing in Davenport. Phase III includes construction of the Cotoni Coast Dairies Highway 1 overpass that connects the Coastal Rail Trail on the coastal side of Highway 1 to Cotoni Coast Dairies National Monument on the inland side of Highway 1.

**\* Please note that the North Coast Rail Trail is still in the design phase and is not open to the public. Members of the public should not enter the right-of-way until the RTC announces that construction of the trail has been completed and the trail is open for public use.**



## Project Highlights

- ▶ ADA-accessible trail that maximizes ocean views and scenic coastal vistas along historical and agricultural landscapes
- ▶ 7.5-mile continuous paved bicycle and pedestrian trail connecting Wilder Ranch to Davenport
- ▶ Provides car-free alternative access to numerous beaches and recreational facilities along the coast
- ▶ Links to existing and future trails (such as Wilder Ranch, Cotoni Coast Dairies National Monument, San Vicente Redwoods, etc.) creating bicycle and pedestrian access from the City of Santa Cruz to Davenport
- ▶ Safety and mobility improvements along a scenic portion of the County adjacent to Highway 1
- ▶ Improves parking lots and adds restrooms at Davenport and Yellowbank/Panther Beaches
- ▶ Improves pedestrian crossing of Highway 1 in the town of Davenport
- ▶ Provides new dedicated bicycle and pedestrian connection from the Coastal Rail Trail to Cotoni Coast Dairies National Monument

## Project Delivery Strategy

In partnership with the Federal Highway Administration (FHWA) - Central Federal Lands (CFL), the RTC is leading project delivery for the North Coast Rail Trail (Segment 5). The RTC is leading state environmental review and CFL is leading federal environmental clearance. CFL will lead construction. The project (Phases I, II & III) is fully funded through a combination of Federal Land Access Program funds, Measure D- Active Transportation funds, and funding provided by the Land Trust of Santa Cruz County and the California Coastal Conservancy.



# Active Transportation: Coastal Rail Trail Segment 5

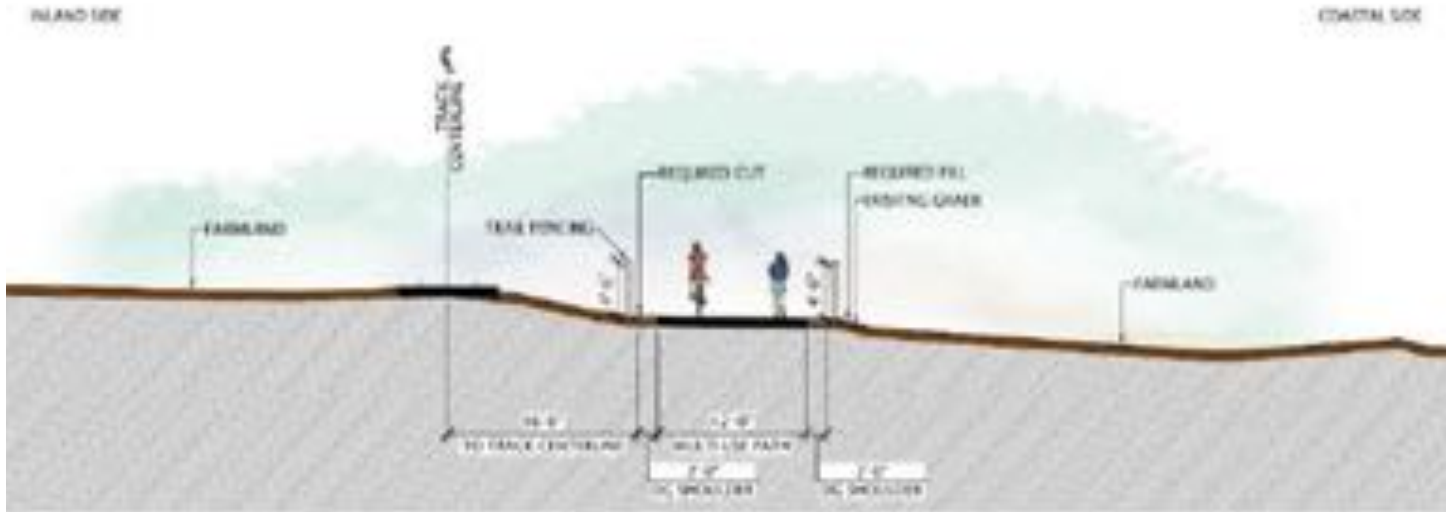
## Project Schedule

Phase I and Phase II state and federal environmental review was completed in 2019 and 2021. Phase I and Phase II final design and permitting are scheduled to be complete in 2023 and construction is scheduled to begin in Spring 2024. Phase III is scheduled to complete environmental review in 2024, design in 2025, and begin construction in 2027.

## Total Programming

Estimated Total Cost	\$51.4M
Funding Sources	
Measure D (Active Transportation)	\$8.5M
Federal Lands Access Program	\$37.7M
Other Secured*	\$5.25M
Need	\$0.0M

\*Includes Land Trust of Santa Cruz County and RSTPX funds.





# Active Transportation: Coastal Rail Trail Segment 7

## Project Description

The Coastal Rail Trail Segment 7 project (as defined in the Monterey Bay Sanctuary Scenic Trail {MBSST} Network Master Plan) proposes to construct 2.1 miles of the MBSST’s rail trail spine between Natural Bridges Drive and Pacific Avenue at the Santa Cruz Wharf. The existing facility is along the publicly-owned railroad right-of-way. Alternate routes have high bicycle and pedestrian crash histories, making this a high priority project in mid-Santa Cruz County.

The goals of this project are to increase the numbers of people biking and walking, improve safety and mobility of non-motorized users, and to provide high-quality connections to schools, parks, and community facilities. When constructed, this project will be one portion of the planned 32-mile rail trail network that parallels the entire coastline of Santa Cruz County.

The Segment 7 project will provide connections to several existing open spaces such as the Terrace Lands at Younger Lagoon Reserve, Antonelli Pond Park, Natural Bridges State Beach, Neary Lagoon Wildlife Refuge, as well as West Cliff Drive bike/pedestrian path, and the Wilder Ranch path.



## Project Highlights

- ▶ Provides a low stress, off-street dedicated bicycle and pedestrian trail, improving safety and connectivity to schools, employment centers, and transit facilities
- ▶ Over 30,000 residents live within 1 mile of the corridor, where 9 schools and 28 parks are located
- ▶ Provides a safer car-free alternative to Mission Street and connects to the Beach Street bikeway
- ▶ Enhances mobility and transportation for disadvantaged communities

## Project Delivery Strategy

The City of Santa Cruz is leading the project delivery. The City is delivering Segment 7 in stages due to funding availability. Phase 1, from Natural Bridges to Bay/California, has been constructed. Phase 2, from Bay/California to the Pacific Avenue roundabout by the wharf entrance, is under construction.





# Active Transportation: Coastal Rail Trail Segment 7

## Total Programming

<b>Estimated Total Cost</b>	<b>\$20M</b>
<b>Funding Sources</b>	
Measure D (Active Transportation)	\$2.1M
Measure D (Local-Neighborhood)	\$1M
Other Secured*	\$17M

\*Includes SB1 Active Transportation Program, Coastal Conservancy, Congressional Earmark, FORT/BSCC Donations, City of Santa Cruz, and STIP funds.

## Project Status/ Schedule

Construction of Phase 1 was completed in December 2020 and the trail is now open. Construction of Phase 2 began in July 2022 and is scheduled to be completed in Winter 2023.



Project Rendering: Segment 7, Phase II



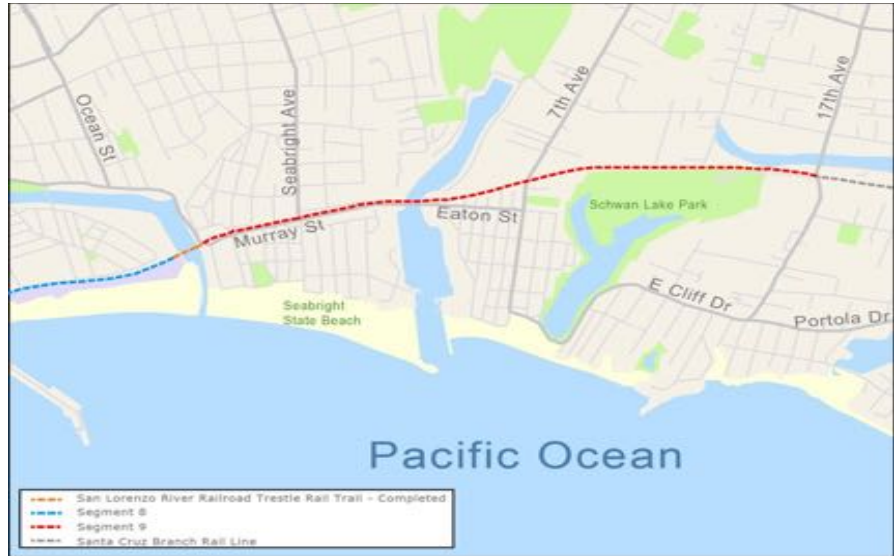
# Active Transportation: Coastal Rail Trail Segments 8 & 9

## Project Description

The Coastal Rail Trail Segments 8 and 9 project (as defined in the Monterey Bay Sanctuary Scenic Trail {MBSST} Network Master Plan) includes 2.2 miles of the MBSST's rail trail spine between Pacific Street in the City of Santa Cruz and 17th Avenue in the unincorporated area of Santa Cruz County along the publicly-owned railroad right-of-way.

The goals of this project are to increase the numbers of people biking and walking, improve safety and mobility of non-motorized users, and provide high-quality connections to schools, parks, and community facilities. When constructed, this project will be part of a planned 32-mile rail trail network that traverses the entire coastline of Santa Cruz County. A part of the Segment 8 project, the San Lorenzo River Railroad Trestle trail widening, was accelerated ahead of the rest of the segment and was completed in 2019.

Segments 8 and 9 are particularly challenging due to three new bridges and four at-grade crossings.



## Project Highlights

- ▶ Provides a dedicated bike/ped trail, improving safety and connectivity to schools and employment centers
- ▶ Connects to the Beach Street bikeway and Segment 7, connecting the west and east sides of Santa Cruz
- ▶ Includes a new bike/ped bridge at Rodeo Gulch
- ▶ Includes either a separate multi-use bike/ped structure or a 10' multi-use path across the Santa Cruz Harbor, cantilevered off the Harbor rail bridge
- ▶ Connects to downtown Santa Cruz via the San Lorenzo River levee trails
- ▶ Provides a 10' multi-use path across the San Lorenzo River (completed in 2019)
- ▶ Extends through the Seabright neighborhood to Live Oak
- ▶ 48,000 residents live within 1 mile of the corridor, where 15 schools and 37 parks are located

## Project Delivery Strategy

The City of Santa Cruz advanced construction of the multi-use path across the San Lorenzo River with an innovative approach, cantilevering off the existing rail trestle with a system that used lightweight decking. The project is fully funded through a combination of Measure D-Regional Active Transportation Funds, State Active Transportation Program funds, and funding from the Land Trust of Santa Cruz County. The City completed the preliminary design and environmental phase in March 2023.



# Active Transportation: Coastal Rail Trail Segments 8 & 9

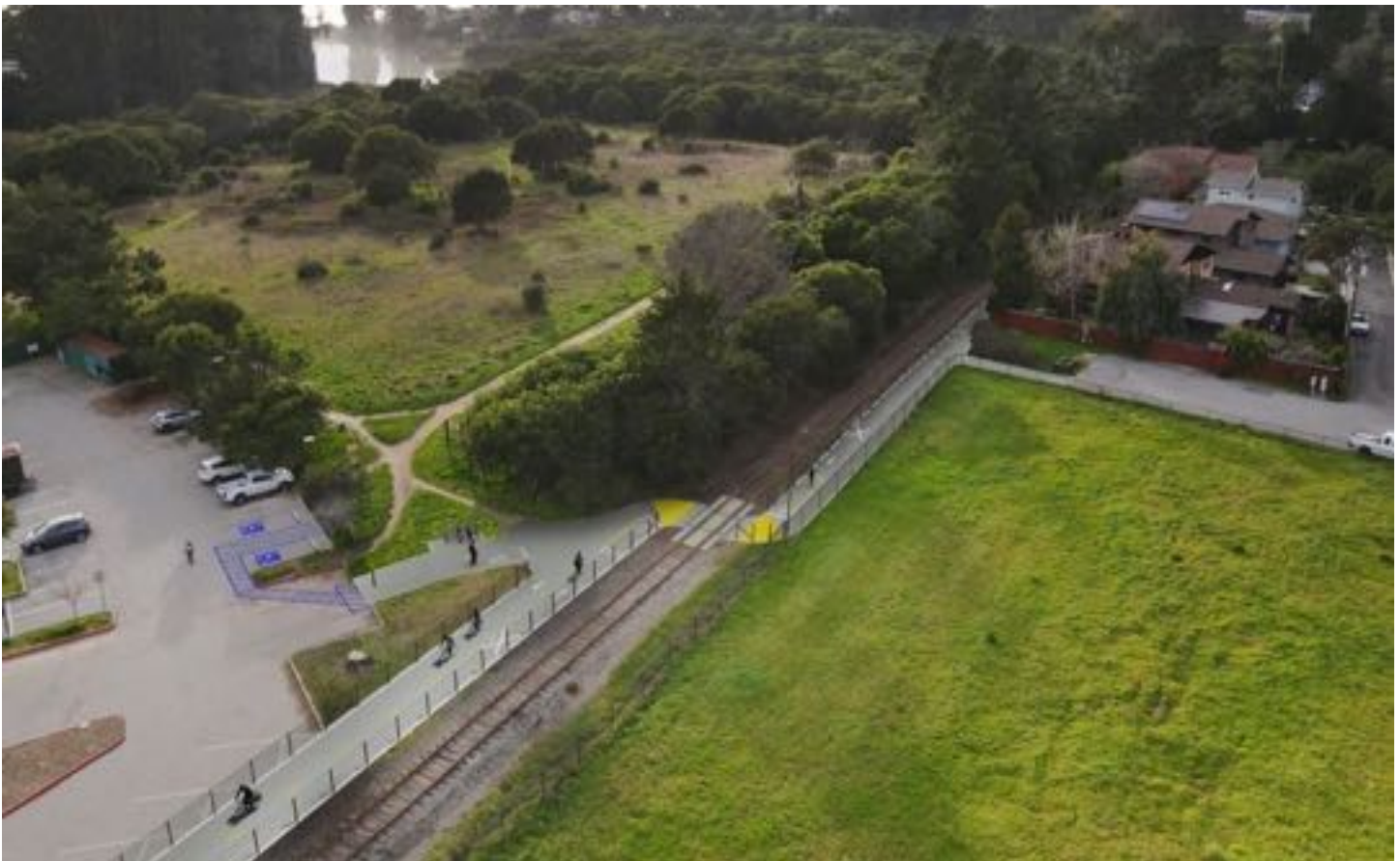
## Total Programming

Funding Sources	
Measure D (Active Transportation)	\$2.9M
Measure D (Local Neighborhood)	\$4.2M
State Active Transportation Program	\$35.7M
Other Secured*	\$5.4M
Need	\$0
<b>Total Funding</b>	<b>\$48.2M</b>

\*Includes TDA, ATP, and Land Trust funds.

## Project Schedule

The multi-use path cantilevered off the San Lorenzo River Railroad Trestle was completed in 2019. Preliminary design and engineering were completed in 2023. Final design is scheduled for completion in 2024 and the project is scheduled to go to construction in 2026.



Preliminary project rendering





# Active Transportation: Coastal Rail Trail Segments 10 & 11

## Project Description

The Coastal Rail Trail Segments 10 and 11 project (as defined in the Monterey Bay Sanctuary Scenic Trail {MBSST} Network Master Plan) proposes to construct 4.7 miles of the MBSST’s rail trail spine between 17th Avenue in the unincorporated area of Santa Cruz County known as Live Oak through Jade Street Park in the City of Capitola, then down the coast to State Park Drive.

The goals of this project are to increase the proportion of trips accomplished by biking and walking, improve safety and mobility of non-motorized users, and to provide high-quality connections to schools, parks, and community facilities. When constructed, this project will be a part of a proposed 32-mile Coastal Rail Trail network that parallels the entire coastline of Santa Cruz County.

Segment 10 is particularly challenging due to right-of-way constraints requiring realignment of sections of the railroad track bed. The project includes a 200-foot span pre-engineered bicycle and pedestrian bridge over Rodeo Gulch Creek on the inland side of the rail trestle bridge.

Segment 11 is particularly challenging due to extreme topography, including bridge structures at Soquel Creek, New Brighton State Beach, and Borregas Creek.



## Project Highlights

- ▶ Provides a dedicated bicycle and pedestrian trail, improving safety and connectivity to schools and commercial centers
- ▶ Includes three new bicycle and pedestrian bridges
- ▶ Over 49,000 residents live within one mile of the corridor
- ▶ 14 schools, 26 parks, and New Brighton and Seacliff State Beaches are within one mile of the corridor
- ▶ Enhances mobility and transportation for disadvantaged communities

## Project Delivery Strategy

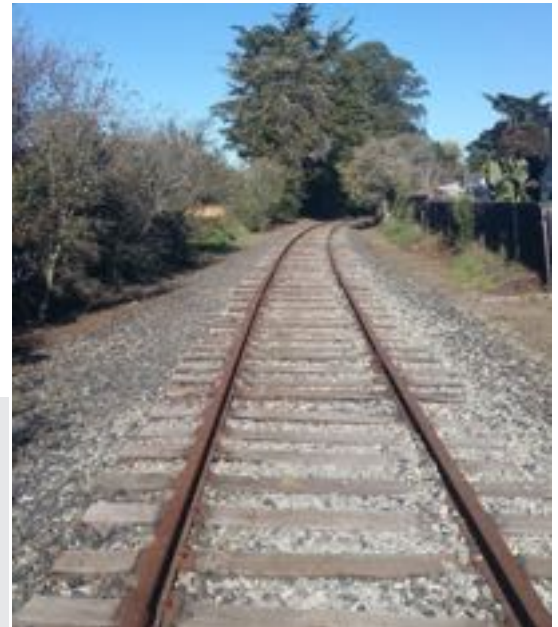
The County is advancing the environmental and design phases of the project. The project is fully funded through a combination of Measure D-Regional Active Transportation Funds and State Active Transportation Program funds, with the exception of the stretch of trail that crosses Soquel Creek. The section of trail over Soquel Creek and involving the Capitola Trestle, as described in the Ultimate Trail Configuration, is being developed as part of RTC’s Electric Rail Transit Project.



# Active Transportation: Coastal Rail Trail Segments 10 & 11

## Total Programming

Funding Sources	
Measure D (Active Transportation)	\$17M
State Active Transportation Program	\$67.6M
Need	\$0
<b>Total Funding</b>	<b>\$84.5M</b>



## Project Schedule

The project’s environmental phase began in 2021, and is expected to be completed in Spring 2024. The final design phase is expected to be completed in 2025. The project is scheduled to go to construction in 2026.



Preliminary project rendering



# Active Transportation: Coastal Rail Trail Segment 18

## Project Description

The Coastal Rail Trail Segment 18 (as defined in the Monterey Bay Sanctuary Scenic Trail {MBSST} Network Master Plan) proposes to construct 1.2 miles of the MBSST's rail trail spine from Lee Road to Walker Street in the City of Watsonville connecting the downtown to the existing trail network in the Watsonville Slough Wetlands and a future trail to Pajaro Valley High School. The facility will be along the publicly-owned railroad right-of-way.

The goals of this project are to increase the number of people biking and walking, improve safety and mobility of non-motorized users, and provide high-quality connections to schools, parks, and community facilities. When constructed, this project will be part of a planned 32-mile rail trail network that parallels the entire coastline of the Santa Cruz County.



## Project Highlights

- ▶ Provides a dedicated bicycle and pedestrian trail, improving safety and connectivity to schools, residential areas, and employment centers
- ▶ 1.2-mile continuous paved bicycle and pedestrian trail connecting the City of Watsonville to the Watsonville Slough Wetlands trail network
- ▶ Connects to the Monterey County Monterey Bay Sanctuary Scenic Trail Network
- ▶ Over 22,000 residents live within one mile of the trail
- ▶ 12 schools and 12 parks are within one mile of the trail
- ▶ Enhances mobility and transportation for disadvantaged communities

## Project Delivery Strategy

The City of Watsonville is leading the project delivery. The City is delivering Segment 18 in stages due to funding availability and the time needed to get new crossing agreements approved by the California Public Utilities Commission (CPUC). Phase I, from Ohlone Parkway to a Watsonville Slough Trail Network trailhead, is completed. The remainder requires additional funds for construction. The City is targeting SB1-Active Transportation Program (ATP) and federal grant opportunities to fully fund the remainder of the segment.





# Active Transportation: Coastal Rail Trail Segment 18

## Total Programming

<b>Estimated Total Cost</b>	<b>\$12.67M</b>
<b>Funding Sources</b>	
Measure D (Active Transportation)	\$2.95M
Measure D (Local-Neighborhood)	\$1.29M
Other Secured*	\$2.8M
Need	\$5.63M

\*Includes ATP, County, FORT, Land Trust, RTC and STIP funds.



## Project Status/Schedule

The environmental phase was completed in 2020. Phase I opened in summer 2021. Phase II & III are combined with development of the RTC's Electric Passenger Rail Transit Project.



Segment 18, Phase 1



# Active Transportation: RTC PM and Maintenance

## Santa Cruz Branch Rail Line

The 32-mile Santa Cruz Branch Rail Line (SCBRL) is a continuous transportation corridor that spans the length of the county offering tremendous potential for new mobility options for residents and visitors alike. In 2013, the RTC adopted the Monterey Bay Sanctuary Scenic Trail Network Master Plan and certified a programmatic Environmental Impact Report. The Coastal Rail Trail, serving as the system’s spine, is a result of a 20-year effort to purchase the SCBRL, which was first established in 1876. On October 12, 2012, the RTC successfully closed escrow, placing title of the branch line into public ownership with the commitment of facilitating passenger and freight service, as well as creating a multi-use bicycle and pedestrian trail.

This important transportation corridor is within one mile of more than 80 parks, 25 schools, approximately half of the county’s population, provides access to the Monterey Bay National Marine Sanctuary at several key locations, and connects to regional and state rail lines.



## RTC Project Management and Maintenance

The RTC is responsible for managing the overall development of the Coastal Rail Trail corridor, including oversight, technical assistance, and implementing some of the project development work for segments of the trail.

The RTC is also responsible for maintaining the portion of the right-of-way outside of the railroad easement. The short-line railroad operator, Saint Paul & Pacific Railroad, is responsible for maintaining the infrastructure within the railroad easement.

It is important to maintain the corridor in order to:

- ▶ Retain the integrity of the land to support future increased transportation use
- ▶ Support existing storm water drainage systems that flow along and across the corridor
- ▶ Limit impacts to adjacent properties from trees or sediment

The RTC has a Preventative Maintenance Program that outlines procedures for RTC staff to carry out maintenance operations, with individual inquiries being tracked using ArcGIS, a mapping and analytics platform. Regular inspections and repair or cleanup work within the right-of-way will maintain the corridor for future use and limit impacts to adjacent jurisdictions and private property.

General property management of a railroad right-of-way must account for federal railroad law and oversee various activities, such as access for utility companies or local government jurisdictions.



# Active Transportation: RTC PM and Maintenance

## Program Highlights

### Maintenance

- ▶ Semiannual inspections of full corridor
- ▶ Track and process individual requests from neighbors or local jurisdictions for maintenance
- ▶ Future trail maintenance agreements for constructed segments
- ▶ Annual clearing of drainage facilities and grass mowing
- ▶ Repair of drainage facilities
- ▶ Removal of encampments, trash, or problem trees as needed
- ▶ Other vegetation control as needed

### Other Property Management

- ▶ Management of utility crossings and leases
- ▶ Processing of right-of-entry agreements
- ▶ Addressing illegal encroachments, altered drainage, and dumping of sediment and trash from adjacent farmers and property owners



## Total Programming

<b>Total Funding Secured*</b>	<b>\$</b>	<b>7.7M</b>
<b>Funding Sources</b>		
Measure D (Active Transportation)	\$	7.7M
Other	\$	0

\*Reflects Measure D-funded oversight and maintenance costs FY17/18-FY24/25 for all segments (1.1M/yr on average).







# Active Transportation & Rail Corridor: Zero Emission Passenger Rail & Trail Project

## Project Description

The project proposes new high-capacity zero emission passenger service and stations on approximately 22 miles of the Santa Cruz Branch Rail Line, from the City of Santa Cruz in the north to Pajaro, just south of Watsonville. The project also proposes 12 miles of Coastal Rail Trail Segments 13-20 (as defined in the Monterey Bay Sanctuary Scenic Trail Network Master Plan) primarily within the rail right-of-way from Rio Del Mar Boulevard, through the community of La Selva Beach and the City of Watsonville, to the community of Pajaro in northern Monterey County. It also includes the Capitola Trestle reach of Segment 11.

The new rail service will take advantage of a publicly-owned rail right-of-way to provide all-day service connecting the most populated areas of Santa Cruz County to the greater region. At the Pajaro Junction, existing Amtrak and planned expanded regional service to the north and south will provide a seamless intercity travel option for riders on the Central Coast. The dedicated right-of-way will bypass highly congested Highway 1 and local arterials, and re-connect cities. The project will also connect the Branch Line to Diridon Station (Caltrain Depot) on the California Rail Network via the Highway 17 Express (an Amtrak Thruway service) bus service, which is included in the State Rail Plan.

The new trail will nearly complete the 32-mile Coastal Rail Trail which provides a dedicated bicycle/pedestrian travel facility that serves all of the rail stations and is a part of the California Coastal Trail, by developing 12 miles of the trail that are not yet constructed or under development.



## Project Highlights

- ▶ Provides high-capacity zero emission passenger rail transit service and stations on approximately 22 miles of the Santa Cruz Branch Rail Line
- ▶ Connects the most populated areas of Santa Cruz County and to the California Rail Network
- ▶ Provides a public transit network built on frequency and predictability
- ▶ Provides new bicycle/pedestrian access along 12 miles of the rail right-of-way
- ▶ Includes new bicycle/pedestrian bridges across Hidden Beach Gulch, Bush Gulch, and La Selva Gulch
- ▶ Improves safety and mobility of non-automobile users, and provides high-quality connections to key destinations and recreational facilities
- ▶ Passes within 1 mile of more than 90 parks, 40 schools, and approximately half of the county's population

## Project Delivery Strategy

The RTC is currently advancing zero emission passenger rail transit on the Santa Cruz Branch Rail Line with CalSTA Transit and Intercity Rail Capital Program (TIRCP) Cycle 6 funds and matching Measure D Rail Corridor funds. Development of Coastal Rail Trail Segments 13-20 and part of 11 is included in the project in order to achieve efficiencies and expand the active transportation network with matching Measure D Active Transportation funds. Further development and construction of the Coastal Rail Trail can be phased into smaller sections. The RTC is seeking state and federal funds, including SB 125 TIRCP funds and CalSTA State Rail Assistance funds, to complete the Preliminary Engineering, Initial Right-of-Way and Environmental Documentation phases of the combined Zero Emission Passenger Rail & Trail project.



# Active Transportation & Rail Corridor: Zero Emission Passenger Rail & Trail Project

## Total Programming

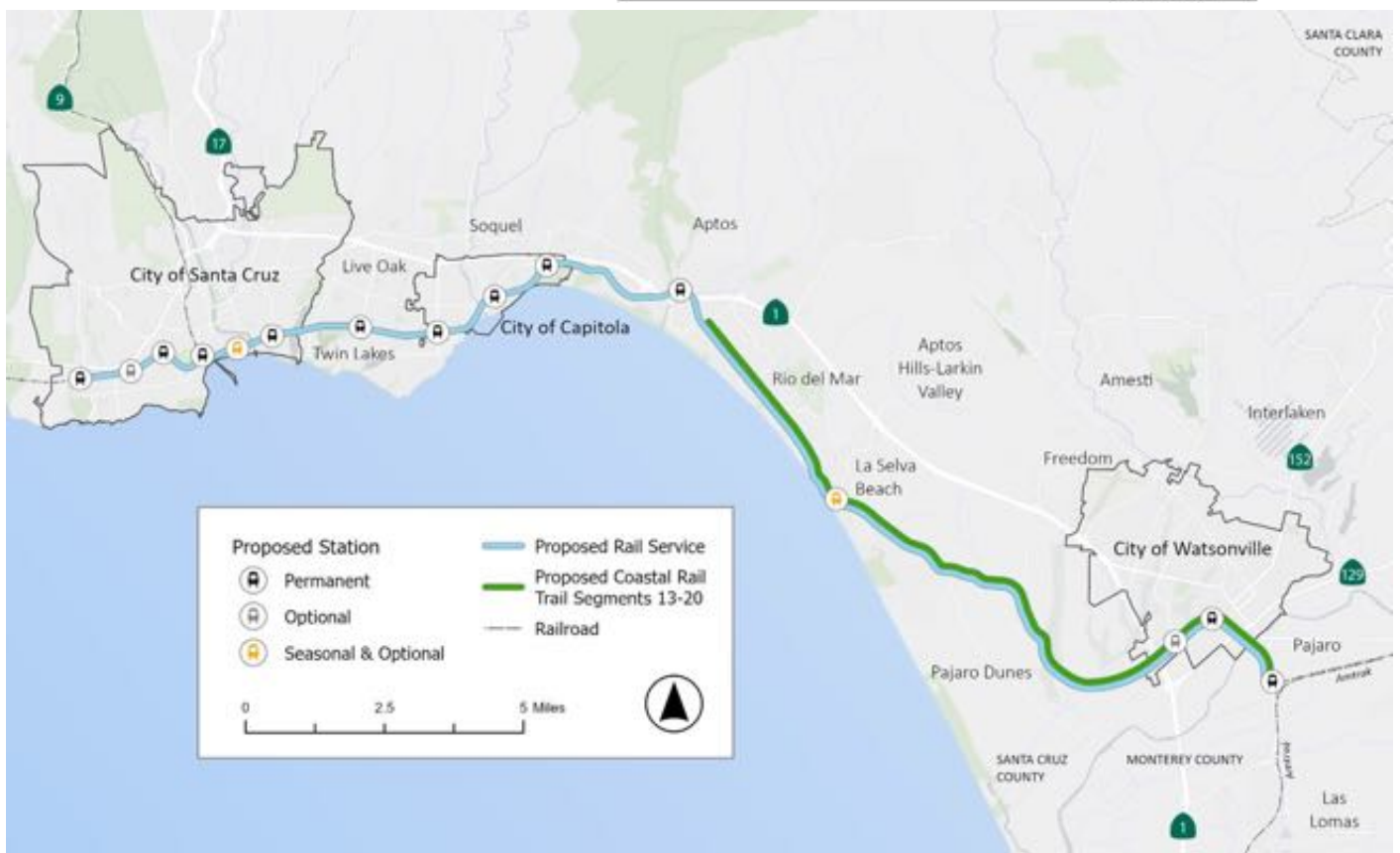
<b>Estimated Total Cost</b>	<b>TBD**</b>
<b>Funding Sources</b>	
Measure D (Rail Corridor)	\$5.43M
Measure D (Active Transportation)	\$0.35M
Other Secured	\$3.45M*
Needed	\$16.45M**

\*Transit and Intercity Rail Capital Program, Cycle 6 award.

\*\* Project costs after the Environmental Documentation Phase are not yet estimated. Needed funds shown are for completion of the environmental documentation phase only.

## Project Schedule

The Zero Emission Passenger Rail & Trail Project's Concept Report is anticipated to be completed in April 2025. Preliminary Engineering, Initial Right-of-Way Support, and the Draft/Final Environmental Document are anticipated to be completed in the first half of 2026. Final Engineering and Right-of-Way are projected to wrap up by the end of the decade, with Capital Construction starting as early as 2031. The Coastal Rail Trail Segments 13-20 trail alignment is scheduled to be completed in 2024 and the environmental phase is scheduled to be completed in 2026, subject to available funding.







# Rail Corridor: Infrastructure Preservation

## Program Description

The Santa Cruz County Regional Transportation Commission (RTC) acquired the Santa Cruz Branch Line (SCBRL) in 2012 for \$14.2M to expand transportation options and alternatives to driving, and plan for the future mobility needs of Santa Cruz County residents and visitors. The 135-year-old rail corridor spans 32-miles from Davenport to Watsonville and connects to regional and state rail lines.

The short-line railroad operator, St. Paul & Pacific Railroad, currently provides freight rail service to a number of local construction, agricultural, beverage, and biofuel companies through an Administration, Coordination, and License Agreement with the RTC. Freight rail service helps to reduce traffic and greenhouse gases as one rail car load generally removes four truck trips from roadways and freeways. Big Trees & Pacific Railroad currently operates seasonal and special event recreational rail service on a portion of the Santa Cruz Branch Rail Line.

Measure D funds are used for inspections and repairs to the 29 railroad bridges, as well as repairs and upgrades to railroad signals, grade crossings, and the railbed to meet the Federal Railroad Administration (FRA) Requirements for a short-line railroad.

In 2017 and again in 2022/2023, severe winter storms damaged the line at several locations. The RTC has completed several storm damage repairs and debris removal projects and has programmed repairs for the remaining damaged sites.



## Program Highlights

Rail Preservation Efforts:

- ▶ Inspections and repairs of railroad bridges on an ongoing basis
- ▶ Storm damage repairs and clean up resulting from the 2017 and 2022/2023 winter storms, the majority of which will be funded by state and federal disaster assistance relief funds
- ▶ Capital Maintenance efforts to comply with FRA requirements, including repair and rehabilitation of railroad track infrastructure, grade crossings, signals, and signage as needed
- ▶ Railbed repairs including repairs to coastal erosion near Manresa State Beach

## Total Programming

<b>Total Funding Secured</b>	<b>\$</b>	<b>15.67M</b>
<b>Funding Sources</b>		
Measure D (Rail)	\$	12.42M
Other Sources*	\$	3.25M

\*Includes RSTPX, short-line railroad improvement program, and FEMA funds.



# Rail Corridor: Infrastructure Preservation



# APPENDICES

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# Appendix 1 – Measure D Ordinance and Expenditure Plan

## 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:

- A. “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 XIII B 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 XIII B. 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.

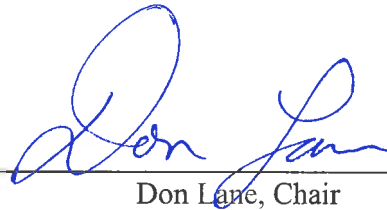
**Section 34. TERMINATION DATE.** The authority to levy the tax imposed by this Ordinance shall expire thirty (30) years from the Operative Date of this ordinance (with the last operative date anticipated to be March 31, 2047).

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

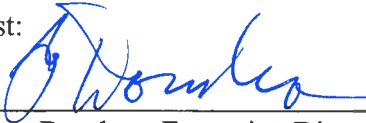
ABSENT: Zach Friend



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Don Lane, Chair

Attest:



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George Dondero, Executive Director

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**AMENDMENT 1 to  
Santa Cruz County  
2016 Measure D: Transportation Improvement Expenditure Plan  
- Approved by over 2/3 of Santa Cruz County voters on November 8, 2016 -  
- Amended February 6, 2020 – Effective 3/22/20 -**

**Overview**

Measure D, the 2016 Transportation Improvement Expenditure Plan for Santa Cruz County provides a balanced vision to improve, operate and maintain Santa Cruz County’s transportation network. Projects in the Expenditure 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.

<b>SUMMARY OF TRANSPORTATION INVESTMENTS</b>	<b>% of Funds</b>
<b>Neighborhood Projects</b>	<b>30%</b>
<b>Direct Allocation to Cities and County</b>	
Local roadway pavement repair and operational improvements, school and neighborhood traffic safety projects, bicycle and pedestrian projects	
<b>San Lorenzo Valley Hwy 9 Corridor Improvements</b> - \$10 million <b>Highway 17 Wildlife Crossing</b> - \$5 million	
<b>Highway Corridors</b>	<b>25%</b>
<b>Highway 1 Corridor</b>	
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; <a href="#">Rio del Mar-State Park</a> ; <a href="#">Freedom-Rio del Mar</a>	
Bicycle and pedestrian over-crossings	
<b>Traveler Information and Transportation Demand Management</b>	
<i>Example Programs:</i> Cruz511, Carpool/Vanpool Programs	
<b>Highway Safety and Congestion Reduction Programs</b>	<b>20%</b>
<i>Example Programs:</i> Freeway Service Patrol, <a href="#">bus on shoulder</a> and Safe on 17 Enforcement	
<b>Transit for Seniors and People with Disabilities</b>	<b>17%</b>
<b>Direct Allocation to Service Providers</b>	
Santa Cruz METRO (16%) Community Bridges Lift Line Paratransit Service (4%)	
<b>Active Transportation</b>	<b>8%</b>
<b>Monterey Bay Sanctuary Scenic Trail (Coastal Rail Trail)</b>	
Bike and pedestrian trail construction; maintenance, management and drainage of rail and trail corridor; install conduit for internet and electrical services	<b>100%</b>
<b>Rail Corridor</b>	
<b>Infrastructure Preservation and Analysis of Options</b>	<b>8%</b>
<i>Example Projects:</i> Analysis (including environmental analysis) of both rail transit and non-rail options for the corridor; rail line maintenance and repairs	
<b>Total</b>	<b>100%</b>



## **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 was approved by 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 2016 Measure D: Transportation Improvement Expenditure Plan for Santa Cruz County.

### **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-five~~ interchanges: 41st Ave-Soquel Dr; Bay Ave/Porter St-Park Ave; and State Park Dr-Park Ave; [Rio del Mar Blvd-State Park Dr; and Freedom Blvd-Rio del Mar Blvd](#). 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 volume corridor.

### **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, [bus on shoulders](#) 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.*

*(7) Amendment 1 approved unanimously by the RTC (the Measure D Authority) on February 6, 2020. In accordance with Section 180207 of the Public Utilities Code and the Measure D Ordinance, a copy of the notice of the proposed amendment was provided to the Board of Supervisors and City Councils in Santa Cruz County on February 6, 2020. The proposed amendment becomes effective 45 days after notice is given.*

Measure D Authority/Lead Agency:

**[Santa Cruz County Regional Transportation Commission](http://www.sccrtc.org)**  
**[www.sccrtc.org](http://www.sccrtc.org)**  
**831.460.3210**

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**Appendix 2 – Five Year Plans for Regional Programs and Projects**

**Measure D: 5-Year Program of Projects (FY23/24-27/28)**

**Active Transportation/MBSST-Coastal Rail Trail (17% of Measure D Revenues)**

**PROPOSED: Fall 2023**

Previously updated 6/6/19, 12/5/19, 5/7/20, 6/29/20, 9/3/20, 5/6/21, 6/3/21, 8/5/21, 10/7/21, 5/5/22, 11/3/22, 1/12/23, 2/2/23, 3/3/22, 5/4/23.

5-Year plans are updated annually. For updates for subsequent years, visit <https://sccrtc.org/funding-planning/measured/regional-projects/>

	Rail Trail Project/Program	Description	Schedule	Prior Years Spent*	FY22/23 - est. actual*	Planned <sup>1</sup>					Total Measure D through FY27/28	Future	Proposed Updates- Fall 2023
						FY23/24	FY24/25	FY25/26	FY26/27	FY27/28			
1	North Coast Segment 5	Trail development and construction, including EIR & design consultants, legal, Environmental Health Services & ROW; RTC project mgmt, oversight, outreach and technical assistance; \$125k for Davenport Crosswalk and \$1.4 million for Yellowbank Crossing	Pending FLAP timing, ready to start construction FY23/24	\$2,888,194	\$312,162	\$4,375,786	\$130,000	\$731,000	\$40,000	\$40,000	\$8,517,142	\$0	Funds shifted between years based on latest schedule and FY22/23 actuals.No change to total.
2	North Coast Segment 5: trail maintenance and operations	Ongoing maintenance of sections of trail once constructed. Includes restriping, sweeping, vegetation management, mitigations, and periodic repaving.	Start after trail open in FY24/25.	\$0	\$0	\$0	\$0	\$148,354	\$224,294	\$232,144	\$604,792	est \$270k/yr+ escalation	Add funds in FY27/28 and reduce funds in FY24/25 and FY25/26 based on updated schedule and RTC-County of Santa Cruz Segment 5 maintenance agreement. Previously \$755k thru FY26/27.
3	Segment 7: Natural Bridges to Bay/California (Phase 1), Bay/California to Wharf (Ph2), City of Santa Cruz (SC) lead	Allocation to City of Santa Cruz for Segment 7 rail trail	Phase I: 2020; Phase II: 2022-2024	\$1,100,000	\$0	\$2,150,000	\$0	\$0	\$0	\$0	\$3,250,000	\$0	Funds shifted from FY22/23 to FY23/24 for Phase 2. No change to total.
4	Seg 8: San Lorenzo River trestle widening, City of Santa Cruz	Allocation to City of SC for widening of existing walkway on the existing railroad bridge over San Lorenzo River near Boardwalk	Completed June 2019	\$500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$500,000	\$0	No change
5	Seg 8/9: SC Wharf to 17th Ave., City of SC lead (partnership with County)	Allocation to City of SC: \$2M set aside to serve as match for construction grants; \$370k for additional analysis of interim trail. Joint project with County.	Est. 2025 start construction	\$0	\$0	\$370,000	\$2,000,000	\$0	\$0	\$0	\$2,370,000	\$0	Shift funds from FY22/23 to FY23/24.
6	RTC Oversight and technical assistance: Segments 7-9	RTC project management, oversight, outreach and technical assistance (consultants, legal, Environmental Health Services & ROW)	Through project completion	\$356,958	\$86,199	\$158,065	\$40,000	\$0	\$0	\$0	\$641,221	\$0	Reduced \$43k based on FY22/23 and ongoing estimated actuals. Combines estimated oversight and technical assistance for Segments 7-9.
7	Trail maintenance and operations in Santa Cruz	Ongoing maintenance. Includes restriping, sweeping, vegetation management, mitigations, and periodic repaving.	ongoing	\$20,000	\$5,268	\$48,732	\$35,000	\$49,000	\$51,000	\$53,000	\$262,000	TBD	Add \$53,000 in FY27/28
9	Segment 10-11: Segment 10 (17th-47th/Jade St. park), Seg 11 (Monterey to St. Park Dr)	Allocation to County DPW for planning, environmental review, design, and right of way and construction. County led project.	PA/ED started 2020	\$1,362,378	\$1,104,190	\$2,076,208	\$470,000	\$2,229,000	\$10,137,908	\$0	\$17,379,684	\$0	Add \$305,870 for additional technical analysis.Carryover funds not yet invoiced in FY22/23 to FY23/24.
10	Segment 10-11 Oversight and technical assistance	RTC project mgmt, oversight, outreach and technical assistance (consultants, legal, Environmental Health Services & ROW)	Duration of project delivery	\$92,592	\$58,650	\$342,716	\$71,773	\$40,000	\$40,000	\$0	\$645,732	\$0	Carryover funds not spent in FY22/23 to FY23/24. Reduce \$48.6k based on updated estimates.
11	Capitola Trestle Railroad Bridge Interim Trail analysis	Analysis of feasibility for building a trail on the bridge through Capitola Village and over Soquel Creek.	FY21/22	\$29,256	\$0						\$29,256	\$0	No change
12	Capitola Trail: City Hall to Monterey Ave	RTC project management, oversight, outreach and technical assistance (consultants, legal, Environmental Health Services & ROW)	Construction timing TBD	\$2,237	\$168	\$1,319	\$1,000	\$0	\$0	\$0	\$4,724	\$0	Reduce FY22/23 to reflect estimated actual. Previously \$5556

	Rail Trail Project/Program	Description	Schedule	Prior Years Spent*	FY22/23 - est. actual*	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	Total Measure D through FY27/28	Future	Proposed Updates- Fall 2023
13	Segment 12: State Park Drive to Rio Del Mar Boulevard	Design, right-of-way, and matching funds for construction grants. Assumes work associated with bridges over Highway 1 to be implemented with the Hwy 1 Freedom-State Park project and paid out of Measure D-Highway.	Start construction FY24/25; dependent on grant funding	\$0	\$1,199,732	\$2,275,308	\$581,760	\$5,327,433	\$1,466,000	\$1,466,000	\$12,316,233	\$472,167	Carryover funds not spent in FY22/23 and add \$216k for additional project management and support costs.
14	Segment 18: Lee Road to Walker (Ohlone to slough trail-Phase I), City of Watsonville lead	Allocation to City of Watsonville for trail construction.	Ph. 1 completed 2021; Phase 2 postponed	\$150,000	\$0	\$0	\$0	\$0	\$2,800,000	\$0	\$2,950,000	\$0	No change.
15	Watsonville Trail segments oversight and technical assistance	RTC project management, oversight, outreach and technical assistance (consultants, legal, Environmental Health Services & ROW)	Duration of project delivery	\$109,686	\$3,020	\$6,900	\$6,900	\$6,900	\$6,900	\$6,900	\$147,205	TBD	Add funds in FY27/28. Reduce FY22/23 based on estimated actual. Overall reduced \$77.5k -some analysis and development being done as part of the Zero Emission Rail Transit and Trail project.
16	Trail maintenance and operations in Watsonville	Ongoing maintenance. Includes restriping, sweeping, vegetation management, mitigations, and periodic repaving.	ongoing	\$0	\$0	\$14,550	\$3,500	\$3,600	\$3,700	\$3,800	\$29,150	TBD	Add funds in FY27/28. Previously programmed funds not yet invoiced for FY20/21-FY22/23 carried over to FY23/24.
17	Zero Emission Rail Transit & Trail	Project concept report, preliminary engineering and environmental analysis of remaining sections of trail as part of the Electric Rail & Trail project. Includes consultant services, project management and public outreach; match for grants.	Concept report starting FY23/24	\$0	\$0	\$175,000	\$175,000	\$0	\$0	\$0	\$350,000	TBD	Shift funds from FY22/23 to FY23/24. No change to total
18	Santa Cruz County Regional Conservation Investment Strategy - Grant match	Match to Wildlife Conservation Board grant for early mitigation planning for transportation projects.	2019-2022	\$14,775	\$2,565	\$0	\$0	\$0	\$0	\$0	\$17,340	\$0	No change. Study completed.
19	Ongoing oversight, coordination, and assistance, including on development of future trail sections	RTC staff and consultants work related to overall trail planning, soil investigations, Environmental Health (EHS), legal, stakeholder coordination, response to public comments, and development of future projects and grant applications.	ongoing	\$1,069,606	\$172,160	\$203,860	\$209,806	\$219,297	\$230,262	\$241,775	\$2,346,765	Varies	Add funds in FY27/28 and update other years based on updated estimates. Previously \$2.07M through FY26/27.
20	Corridor encroachments & maintenance	Ongoing corridor maintenance, including vegetation, tree work, trash, graffiti, drainage, encroachments, boundary surveys, storm damage repairs outside of what is required for railroad operations. Includes RTC staff time and contracts.	ongoing	\$2,270,374	\$890,996	\$1,732,016	\$1,521,166	\$1,621,636	\$1,258,306	\$1,297,710	\$10,592,204	Estimated \$1.3M/yr + escalation	Add FY27/28 and update FY23/24-26/27 estimated costs. Previously \$8.97 million
<b>Estimated 5-Year Measure D Expenditures</b>				<b>\$9,966,057</b>	<b>\$3,835,109</b>	<b>\$13,930,459</b>	<b>\$5,245,906</b>	<b>\$10,376,221</b>	<b>\$16,258,369</b>	<b>\$3,341,329</b>	<b>\$62,953,449</b>		
<b>5-Year Balance - Financing Needed (e.g. loans/bonds)</b>											<b>(\$14,196,818)</b>		

1- Programmed funds may be shifted between years based on actual expenditures/use rates when sufficient cash capacity exists.

\*FY22/23 and future amounts will be adjusted based on audited financials

**Measure D: 5-Year Program of Projects (FY23/24-FY27/28)**  
**Highway Corridors (25% of Measure D Revenues)**

**Proposed: Fall 2023**

*Previously updated 6/6/19, 6/27/19, 2/6/20, 3/5/20, 5/7/20, 9/3/20, 11/5/20, 12/3/20, 3/4/21, 10/7/21, 5/5/22, 9/1/22, 11/3/22, 5/4/23.*

Project	Description	Schedule	Prior Years Spent	FY22/23 Est. Actuals*	Planned <sup>1</sup>					Total through FY27/28 Measure D	Future Years	Total (including Future capital)	Proposed Updates	
					FY23/24	FY24/25	FY25/26	FY26/27	FY27/28					
1	Highway 1: Auxiliary Lanes and Bus on Shoulder from 41st to Soquel; Chanticleer Bike/Pedestrian Overcrossing	Freeway operational improvement, bus on shoulder improvements, rehab roadway and drainage, improve bicycle/pedestrian access over freeway.	Construction started e. 2023.	\$1,242,132	\$819,224	\$1,960,545	\$781,100	\$125,000	\$50,000	\$25,000	\$5,003,000	\$25,000	\$5,028,000	No change to total. Some funds moved between years.
2	Highway 1: Auxiliary Lanes & Bus on Shoulder from State Park to Bay-Porter, Reconstruction of Capitola Avenue Overcrossing and Bicycle/Pedestrian Overcrossing at Mar Vista Dr	Freeway operational improvement, bus on shoulder improvements, soundwalls and retaining walls, reconstruct Capitola Ave. overcrossing with sidewalks and bike lanes, new Bike/ped bridge	Start construction Fall 2023. Estimated 2.5 years of construction	\$5,117,294	\$633,979	\$7,386,728	\$6,620,000	\$2,550,000	\$175,000	\$25,000	\$22,508,001	\$50,000	\$22,558,001	No change to total. Some funds moved between years.
3	Highway 1: Auxiliary Lanes & Bus on Shoulder from Freedom to State Park and Segment 12 Coastal Rail Trail	Freeway operational improvement, bus on shoulder, soundwalls and retaining walls, bridges over Hwy 1 and widen bridge over Aptos Creek/Spreckles Drive, portion of Segment 12 of the Coastal Rail Trail -including 2 new bicycle/pedestrian overcrossings over Highway 1	Start construction 2025, pending fund availability	\$1,901,894	\$4,098,245	\$6,924,831	\$3,169,000	\$23,605,974	\$32,390,667	\$32,390,667	\$104,481,277	\$19,508,722	\$123,990,000	Increase \$540k for anticipated additional project management and support.
4	Santa Cruz County Regional Conservation Investment Strategy - Grant match	Match to Wildlife Conservation Board grant for early mitigation planning for transportation projects.	Complete FY22/23	\$23,079	\$2,421						\$25,500	\$0	\$25,500	No change
5	Cruz 511-Traveler Information and Commute Manager	Ongoing system & demand management (TDM), includes Cruz511.org traveler information, GoSantaCruzCounty.org, carpool and other TDM programs	Ongoing	\$445,784	\$200,000	\$210,000	\$220,500	\$231,000	\$243,000	\$255,150	\$1,805,434	Ongoing	\$1,805,434	Add \$255k in FY27/28
6	Safe on 17	Ongoing system management program, involves increased CHP enforcement on Highway 17	Ongoing	\$109,347	\$42,746	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$402,093	Ongoing	\$402,093	Add \$50k in FY27/28
7	Freeway Service Patrol	Ongoing system management and congestion reducing program. Roving tow trucks removing incidents and obstructions during peak travel periods on Hwy 1 and Hwy 17	Ongoing	\$523,212	\$169,532	\$190,000	\$200,000	\$210,000	\$220,000	\$231,000	\$1,743,744	Ongoing	\$1,743,744	Add \$231k in FY27/28 and update FY22/23 actuals.
	Completed Projects	Unified Corridor Investment Study-Analysis of Highway 1 corridor projects	Completed Jan 2019	\$199,808	\$0	\$0	\$0	\$0	\$0	\$0	\$199,808		\$199,808	No change
<b>Estimated Annual Measure D Highway Corridors Expenditures</b>				<b>\$9,562,549</b>	<b>\$5,966,146</b>	<b>\$16,722,104</b>	<b>\$11,040,600</b>	<b>\$26,771,974</b>	<b>\$33,128,667</b>	<b>\$32,976,817</b>	<b>\$136,168,856</b>	<b>\$19,583,722</b>	<b>\$155,752,578</b>	
8	Interprogram Loan for Hwy 17 Wildlife Crossing	Interprogram loan to allow Hwy 17 Wildlife Crossing project to proceed without bonding and loan repayments	Interprogram Loan FY22/23	\$0	\$1,525,724	\$1,308,864	-\$166,667	-\$166,667	-\$166,667	-\$166,667	\$2,167,922	-\$166k/year	Est. \$957k interest	Interprogram loan and repayment pushed out based on Highway 17 Wildlife Crossing project expenditure timing.
<b>Total Expenditures (with loans &amp; repayments)</b>				<b>\$9,562,549</b>	<b>\$7,491,871</b>	<b>\$18,030,968</b>	<b>\$10,873,933</b>	<b>\$26,605,307</b>	<b>\$32,962,000</b>	<b>\$32,810,150</b>	<b>\$138,336,779</b>			

**Notes:**

1- Funds may be shifted between years based on actual expenditures/use rates when sufficient cash capacity exists.

\*FY22/23 reflects preliminary estimates to be adjusted based on audited financials.

**Measure D: 5-Year Program of Projects (FY23/24-FY27/28)**

**PROPOSED - Fall 2023**

*Previously updated 6/6/19, 6/27/19, 10/3/19, 5/7/20, 9/3/20 and 6/6/21, 10/7/21, 6/16/22, 11/3/22, 12/1/22, 8/3/23.*

**Category: Rail Corridor (8% of Measure D Revenues)**

	Project	Description	Est. Schedule	Prior Years	FY22/23 Est. Actuals*	Planned <sup>1</sup>					Total Measure D	Proposed Updates
						FY23/24	FY24/25	FY25/26	FY26/27	FY27/28		
1	Rail Infrastructure Preservation	Railroad bridge inspections and analysis, railroad bridge rehabilitation (including Pajaro River Bridge grant match), and ongoing maintenance and repair of railroad track infrastructure and signage.	Ongoing	\$3,696,277	\$1,745,811	\$1,002,501	\$1,310,000	\$920,000	\$1,800,000	\$1,710,000	\$12,184,590	Add funds in FY27/28. Increase and update FY21/22 and FY22/23 based on actuals; update FY23/24-FY26/27 based on updated estimates. Previously \$9.88M.
2	Rail Transit -Preliminary Engineering and Environmental Analysis (Zero Emission Rail Transit & Trail Project)	Preparation of operating concept, preliminary engineering, and environmental document for electric rail transit and trail project on the branch line	Concept Report - 2023-2025	\$0	\$106,389	\$830,000	\$700,000	\$2,894,000	\$900,000	\$0	\$5,430,389	No change to total. Some funds shifted to later years based on updated schedule.
3	Santa Cruz County Regional Conservation Investment Strategy	Match to Wildlife Conservation Board grant for early mitigation planning for transportation projects.	FY19/20-Fall 2022	\$7,344	\$816						\$8,160	No change
<b>Completed Projects</b>												
4	Completed: Unified Corridor Investment Study (UCS), past lawsuits, and Transit Corridor Alternatives Analysis (TCAA)	Completed UCS, TCAA and lawsuit	2018-2019	\$1,888,225							\$1,888,225	Previously \$1,906,983. Reduced based on FY21/22 audited actuals.
5	2017 Storm Damage Repair & Cleanup	Repair and cleanup of damage resulting from the 2017 winter storms including one washout, minor slides and various downed or compromised trees.	Spring 2020-2022	\$1,678,868							\$1,678,868	Previously \$1,398,144. Additional expenses billed to FEMA for prior years, not yet reimbursed by FEMA.
5a	FEMA reimbursement for storm damage repairs	This is an estimate. Final reconciliation of storm damage costs paid by Measure D and FEMA reimbursements still pending.		(\$493,278)	\$0	(\$1,185,590)					-\$1,678,868	Note- this is an estimate. Difference from Storm Damage Repairs (line 5) represents additional Rail Preservation expenditures (line 1) that were later billed to FEMA. Additional \$4.7M has been requested (to repay Measure D and RSTPX short-term loan). Funds shown in FY23/24 have not yet been received.
Total Measure D Expenditures				\$6,777,436	\$1,853,016	\$646,912	\$2,010,000	\$3,814,000	\$2,700,000	\$1,710,000	\$19,511,364	

1- Funds may be shifted between years based on actual expenditures/use rates when sufficient cash capacity exists.

2- Actuals and carryover to be adjusted based on audited actuals. Shown here are preliminary estimates.

**Measure D: 5-Year Program of Projects (FY23/24-FY27/28)**  
**Proposed: Fall 2023**  
 Previously updated 6/6/19, 11/7/19, 9/3/20, 10/7/21, 3/17/22, 11/3/22.

**Category: Neighborhood Projects: San Lorenzo Valley (SLV)/Highway 9 Corridor (\$333,333/year; \$10 million over 30 years)**

	Name/Road/Limits	Description	Schedule	FY22/23 Estimated Actuals	Prior Years	Planned <sup>1</sup>					Total Measure D	Proposed Updates
						FY23/24	FY24/25	FY25/26	FY26/27	FY27/28		
1	San Lorenzo Valley (SLV) Safe Routes to Schools -Preconstruction & grant match	\$99k for SLV Schools Complex Circulation and Access Study and funding designated for potential match of future grant opportunities.	Schools Access Study 2021-2023.	\$15,897	\$98,990	\$0	\$0	\$0	\$901,010	\$0	\$1,000,000	No change to total. Prior updated to reflect estimated FY22/23 and audited FY21/22 actuals. Shift \$901k to FY26/27 to align with construction year of Caltrans SHOPP project.
2	Preliminary scope and engineering documents for near term projects	Develop engineers estimates, prelim. designs, initial screening and implementation documents needed to secure funds for priority projects; may include engineering needed to integrate complete streets components into SHOPP and local projects. Includes \$180k to Caltrans for complete streets Project Initiation Document (PID) for the corridor.	Ongoing. Complete Streets PID complete 2022.	\$0	\$180,000	\$60,000	\$0	\$0	\$0	\$0	\$240,000	No change to total. Funds not spent in FY22/23 shifted to FY23/24.
3	SLV/SR9 Corridor technical assistance, oversight, and community outreach	Includes legal, engineering review, grant preparation, funding agreements, RTC staff coordination with Caltrans, County, schools, and other stakeholders, public outreach, other planning activities.	Ongoing	\$46,505	\$80,689	\$39,311	\$0	\$0	\$0	\$0	\$120,000	No change to total. Prior updated to reflect estimated FY22/23 and FY21/22 audited actuals. Funds not spent shifted to FY23/24.
4	Boulder Creek Complete Streets	Grant match for complete streets improvements in Boulder Creek, including sidewalks, enhanced crosswalks with curb extensions, pedestrian refuge islands, and other safety and traffic calming features.	Begin pre-construction Summer 2023	\$0	\$0	\$350,000	\$390,000	\$400,000	\$1,260,000	\$0	\$2,400,000	Update title and description consistent with \$1.5M earmark secured. No change to total. (Previously listed as grant match for future projects in the corridor.)
<b>COMPLETED PROJECTS</b>												
5	Hwy 9 Pedestrian Crosswalks and Enhancements	Stripe new crosswalks and add RRFBs, ladder striping, etc to several existing crosswalks	Completed Spring 2021		\$25,385	\$0					\$25,385	
6	Hwy 9/SLV Complete Streets Corridor Plan	Community-based comprehensive corridor plan, identifying priority transportation projects.	Completed 6/19		\$35,000						\$35,000	
7	Farmer St. Road Repair (alternate ped/bike route to Hwy 9)	Resurfacing Farmer Street, a pedestrian bypass to access SLV Schools Campus	Completed Fall 2019		\$15,000						\$15,000	
<b>Estimated 5-Year Measure D Expenditures</b>				<b>\$62,402</b>	<b>\$435,064</b>	<b>\$449,311</b>	<b>\$390,000</b>	<b>\$400,000</b>	<b>\$2,161,010</b>	<b>\$0</b>	<b>\$3,835,385</b>	

1- Funds may be shifted between years based on actual expenditures/use rates when sufficient cash capacity exists.  
 2- Prior Year actuals and carryover to current fiscal year to be adjusted based on audited actuals. Shown here are preliminary estimates.



**Measure D: 5-Year Program of Projects (FY23/24-FY27/28)**

*Proposed Fall 2023*

*Previously updated 6/6/19, 9/3/20, 10/7/21, 11/3/22.*

**Category: Highway 17 Wildlife Corridor (\$5 million over 30 years)**

	Project	Description	Schedule	Prior Years	FY22/23*	Planned					Future Debt Service**	Total Measure D	Proposed Updates
						FY23/24	FY24/25	FY25/26	FY26/27	FY27/28			
1	Highway 17 Wildlife Crossing near Laurel Curve: Construction**	Construct wildlife undercrossing to connect habitat on either side of the highway. Creates a wildlife corridor enabling animals to safely cross the highway.	2021-2023	\$0	\$2,580,469	\$1,470,531						\$4,051,000	Shift funds not spent FY22/23 to FY23/24. Project expected to be closed out by end of 2023. No change to total.
2	Highway 17 Wildlife Crossing near Laurel Curve: Construction Financing	Financing/debt service on loans or bonds needed advance implementation, since Measure D revenues are allocated over 30 years. RTC anticipates using interprogram loans from other Measure D Regional programs.	NA	\$0	\$0	\$0	Debt Service payments \$166,667/year					\$957,078	Update based on timing of expenditures.
3	Highway 17 Wildlife Crossing near Laurel Curve: Oversight and public outreach	RTC costs associated with oversight, agreements, financing, coordination, and public engagement.	FY19/20-FY23/24	\$5,121	\$3,869	\$5,000						\$13,990	Shift some unspent funds from FY22/23 to FY23/24 and reduce total. Previously \$15k
<b>Estimated Annual Measure D Expenditures</b>				\$5,121	\$2,584,338	\$1,475,531	\$166,667	\$166,667	\$166,667	\$166,667	\$3,125,000	\$5,022,067	Includes est \$22k interest
<i>Interprogram loan from Measure D - Highway Corridors</i>				\$0	\$1,525,724	\$1,308,864						\$2,834,589	Reduce based on expenditure timing. Previously \$3.02M

\*Estimated expenditures; to be updated based on audited actuals.

\*\*Since the full \$5M committed in the Measure D Expenditure Plan for this project will not be available until end of the 30 year measure, consistent with the Measure D Strategic Implementation Plan, the RTC authorized loans from the Highway Corridors investment category. Land Trust committed \$3M for construction costs.

\*\*\*Pre-construction and support costs funded through Caltrans SHOPP. Actual cost and financing will depend on final construction costs and timing.

# Appendix 3.1 – Measure D Master Funding Agreement and Guidelines

**MEASURE D  
MASTER FUNDING AGREEMENT  
between the  
SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION  
and the  
[INSERT RECIPIENT]**

This Master Funding Agreement (“AGREEMENT”), effective the 30th of June, 2017, is entered into by and between the Santa Cruz County Regional Transportation Commission (“RTC”) and the [Insert Recipient] (“RECIPIENT”).

## RECITALS

A. On November 8, 2016, the voters of Santa Cruz County, pursuant to the provisions of the Local Transportation Authority and Improvement Act, California Public Utilities Code, Division 19, Section 180000 et seq. (the “Act”), adopted an ordinance approving the Santa Cruz County Transportation Improvement Plan Measure (“Measure D”), thereby authorizing Santa Cruz County Regional Transportation Commission (“RTC”) to administer the proceeds from a retail transaction and use tax of one-half of one-percent (0.5%).

B. The duration of the Measure D sales tax will be 30 years from the initial date of collection, which is April 1, 2017, with said tax to terminate/expire on March 31, 2047. The tax proceeds will be used to pay for the programs and projects outlined in the Measure D Expenditure Plan and Ordinance, as it may be amended.

C. The Measure D Ordinance authorizes the RTC to allocate, administer, and oversee the expenditure of all Measure D revenues and to distribute revenues no less than quarterly to local jurisdictions, Santa Cruz Metropolitan Transit District (METRO), and the Consolidated Transportation Service Agency (CTSA): Community Bridges Lift Line, consistent with the formulas and provisions set forth in the Expenditure Plan;

D. This Agreement delineates the requirements of the Measure D funds that are directly allocated to local jurisdictions, METRO and Community Bridges, as authorized by the Measure D Expenditure Plan. Funds for projects identified in the expenditure plan to be funded from the highway corridors, rail corridor, and/or Monterey Bay Sanctuary Scenic Trail (Coastal Rail Trail) categories are not the subject of this AGREEMENT, and RECIPIENT will be required to enter into a separate agreement for any funds from those investment categories.

E. This AGREEMENT was approved by the governing body of the RTC on May 18, 2017.

**NOW, THEREFORE, it is mutually agreed by and between the parties as follows:**

## ARTICLE I: FUNDING ALLOCATIONS

1. This AGREEMENT authorizes the RTC to allocate the direct allocation funds derived from Measure D receipts as described in the voter-approved Ordinance and Expenditure Plan for the following:

- Neighborhood Projects: Direct Allocation to Cities and County
- Transportation for Seniors and People with Disabilities: Direct Allocation to Service Providers

2. All Measure D distributions pursuant to this AGREEMENT shall be effective as of July 1, 2017.

**A. Neighborhood Projects Program: Direct Allocation to Local Jurisdictions**

1. Consistent with the Measure D Expenditure Plan, RTC will distribute Measure D Neighborhood Projects direct allocation funds at least quarterly to incorporated cities and the County of Santa Cruz pursuant to a formula weighted based on each jurisdiction’s proportional share of the countywide population (29%), lane miles of roadway (39%) and site in Santa Cruz County where revenue from the Measure D transaction and use tax is generated (32%). RECIPIENT’s allocations are subject to change based on variations in annual population, road mile, and tax site generation figures. Data will be updated each year based on the latest available data.

2. The *Measure D: Guidelines for Direct Allocations* (“Guidelines”) provide program eligibility and fund usage guidelines, definitions, additional requirements, and guideline adoption details. Said guidelines are hereby incorporated into this AGREEMENT by reference.

3. Neighborhood 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 current and future local transportation needs, shall each prepare an annual report through a public process, in accordance with the requirements of this AGREEMENT, to identify how they plan to spend their share of measure funds and how measure funds were spent in the prior year.

**B. Transportation for Seniors and People with Disabilities Program: Direct Allocation to METRO and Community Bridges**

1. RTC will distribute Measure D direct allocation funds pursuant to set percentages detailed in the Measure D Expenditure Plan.

2. As noted in the Measure D Expenditure Plan: 16% of net Measure Revenues will be distributed to Santa Cruz Metropolitan Transit District (METRO) to provide transit and paratransit service for Seniors and people with disabilities. 4% of net Measure Revenues 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.

3. The *Measure D: Guidelines for Direct Allocations* (“Guidelines”) provide program eligibility and fund usage guidelines, definitions, additional requirements, and guideline adoption details. Said guidelines are hereby incorporated into this AGREEMENT by reference.

**ARTICLE II: PAYMENTS AND EXPENDITURES**

**A. RTC’S DUTIES AND OBLIGATIONS**

1. Within thirty working days of actual receipt of the Measure D sales tax revenues from the State Board of Equalization (“BOE”) RTC shall remit to the RECIPIENT its designated amount of available direct allocation funds. Funds shall be disbursed on a no less than quarterly basis by the formulas described in Article I Section A or B, as applicable, above. As noted in the Measure D Expenditure Plan: distribution percentages are net after costs required for administration, implementation and oversight of the measure, including RTC administrative salaries and benefits (*limited to 1% of total measure*

revenues), annual independent fiscal audits, reports to the public, preparation and implementation of state-mandated reports, oversight committee, Board of Equalization fees, and other administration, implementation and oversight responsibilities as may be necessary to administer and implement the Ordinance and the Expenditure Plan. These costs are estimated in the RTC's annual budget.

2. RTC shall annually update the Measure D fund revenue projections and the resulting fund allocation formulas to reflect the most current data available. RTC shall use the updated Measure D program allocation formulas in the allocations beginning July 1 of each new fiscal year, which is from July 1 to June 30.

3. RTC shall report quarterly to the public the amount of Measure D revenues distributed to RECIPIENT quarterly and for the fiscal year.

4. RTC shall provide for an independent annual audit of its financial statements including revenues and expenditures and also of its calculation of the allocation formula for distributing Measure D revenues to various recipients and render an annual report to the RTC within 180 days following the close of the fiscal year. The RTC may consider extensions to this deadline on a case-by-case basis.

5. RTC shall provide at least 45 days' notice to RECIPIENT prior to conducting an audit of expenditures made by RECIPIENT to ensure that expenditures are in compliance with this AGREEMENT and the Measure D Ordinance and Expenditure Plan.

## **B. RECIPIENT'S DUTIES AND OBLIGATIONS**

1. RECIPIENT shall expend all Measure D funds received in compliance with applicable policies, guidelines and plans, including the Guidelines, the Measure D Ordinance, Expenditure Plan, 30-year Implementation Plan, and consistency with the Regional Transportation Plan and performance measures, as they may be adopted or amended by RTC from time to time.

2. RECIPIENT shall set up and maintain an appropriate system of accounts to report on Measure D funds received. RECIPIENT must account for Measure D funds, including any interest received or accrued, separately for each program, and from any other funds received from the RTC. The accounting system shall provide adequate internal controls and audit trails to facilitate an annual compliance audit for Measure D funds and the respective usage and application of said funds. RTC and its representatives, agents and nominees shall have the absolute right at any reasonable time to inspect and copy any accounting records related to such funds, except to the extent specifically prohibited by applicable law.

3. RECIPIENT shall expend Measure D allocations as quickly as possible for cost-effective eligible projects, but may reserve annual allocations for a maximum of no more than five fiscal years for larger projects that are identified in the Five-Year Program of Projects. If funds are not obligated and expended within five years, funds may be redirected after sixty (60) days of the end of the fifth fiscal year, at RTC's discretion, to other Measure D recipient agencies for projects that can be immediately implemented, unless a corrective action plan has been submitted to and approved by the RTC, an exception due to extenuating circumstances has been approved by the RTC board, or a "cooperative fund agreement" (described in Section II.C) has been approved by the RTC.

4. RECIPIENT hereby agrees to and accepts the formulas used in the allocation of Measure D revenues as reflected in the voter-approved Measure D Ordinance and Expenditure Plan, as it may be amended as provided therein, and agrees to accept the annual update of the sales tax allocation formulas, as reported by the RTC in its annual budget.

5. RECIPIENT hereby agrees that prior to commencement of any specific project or activity which will be funded with Measure D revenues, requirements of the California Environmental Quality Act (CEQA) and/or the National Environmental Policy Act (NEPA) shall be met, if applicable. The RTC shall not be the lead agency for any project or activity undertaken by RECIPIENT using Measure D revenues.

6. RECIPIENT hereby agrees to actively work to leverage or secure matching outside funding sources. Any additional Measure D 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.

### C. OTHER EXPENDITURE CONDITIONS AND RESTRICTIONS

1. **Transportation Purposes Only:** RECIPIENT shall use all Measure D funds solely for transportation purposes as defined by the authorizing ballot measure. If RECIPIENT violates this provision, all further allocations shall be suspended until RECIPIENT fully reimburses all misspent funds, including all interest which would have been earned thereon. If RECIPIENT does not reimburse misspent funds, further allocations will be redistributed to other projects in the Neighborhood Projects or Transit categories of Measure D.

2. **Interest Earnings:** As set forth in the Measure D Ordinance, 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 the Measure D ordinance or this AGREEMENT shall be expended only for the purposes for which the funds were allocated.

- a. Interest earnings on must be spent on the eligible uses defined in the Measure D Expenditure Plan, Ordinance, and “Guidelines.”
- b. Beginning in FY 18/19, each recipient agency shall estimate annual interest earnings and reflect these earnings in their 5-Year Program of Projects.
- c. The expenditure of interest earnings according to this policy will be included in the annual audit required by the Measure D Ordinance.

3. **Maintenance of Effort/Non-Substitution of Funds:** Pursuant to California Public Utilities Code Section 180001(e), RECIPIENT shall use Measure D funds to supplement and not replace existing local revenues used for transportation purposes. Measure D revenues also shall not be used to replace revenues used for existing agency indirect costs or overhead. As set forth in the Measure D Ordinance: 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 D Revenues shall maintain their existing commitment of discretionary local transportation-related expenditures for transportation purposes pursuant to the ordinance, and the RTC shall enforce this requirement by appropriate actions, including fiscal audits of the local agencies. RECIPIENTS shall report on their compliance in the annual report. The *Measure D: Guidelines for Direct Allocations* (“Guidelines”) provide additional guidance.

4. **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 RTC and shall be consistent with all rules adopted or approved by the RTC relating to



such exchanges. Subject to concurrence of RECIPIENT, the RTC may exchange Measure D revenues for State or federal funds allocated or granted to any public agency within or outside the area or jurisdiction of the RTC to maximize effectiveness in the use of the Measure D revenues. Such federal or State funds shall be distributed in the same manner as Measure D revenues. The RTC shall maintain for public review an accounting of all balances that are subject to cooperative agreements approved pursuant to this section.

5. **Staff Cost Limitations:** Direct costs associated with the delivery of programs and projects associated with Measure D programs, including direct staff costs and consultant costs, are eligible uses of Measure D funds. The intent of the measure is to expand and improve the transportation network through the construction, maintenance and operation of transportation projects and services. RTC does not allow indirect costs, unless the RECIPIENT submits an independently audited/approved Indirect Cost Allocation Plan (ICAP). This may include, but not be limited to, the ICAP prepared for other state or federal programs.

### ARTICLE III: REPORTING REQUIREMENTS

#### A. REQUIREMENTS AND WITHHOLDING

1. RECIPIENT shall comply with each of the reporting requirements set forth below. If RECIPIENT fails to comply with one or more of these requirements, RTC may withhold payment of further Measure D funds to RECIPIENT until full compliance is achieved.

2. RECIPIENT shall, by December 31st of each year, submit to RTC separate independently audited financial statements for the prior fiscal year ending June 30 of Measure D funds received and used. The RTC may consider extensions of the due date on a case-by-case basis. The audit, which shall be made available to the public, shall report on evidence that the expenditure of funds is in accordance with the Expenditure Plan adopted by the voters. The RTC will prepare a publicly available annual report on past and upcoming activities and publish an annual financial statement on the RTC website.

3. RECIPIENT shall actively conduct public outreach, in partnership with RTC and/or its advisory committees, as a means of ensuring that the public has the ability to access information about which projects and programs are funded with Measure D funds.

4. RECIPIENT shall, by December 31st of each year, submit to RTC an annual report (covering the prior fiscal year) regarding programs and projects on which RECIPIENT expended Measure D funds. The RECIPIENT agency board shall annually adopt the annual report, after holding a public hearing. The annual report shall include 1) a five-year program of projects including information about each of the projects to be funded with Measure D revenues. RECIPIENT shall submit the program of projects to the RTC in a format that can be easily understood by members of the public; and 2) Description of expenditures of Measure Revenues from the most recently completed fiscal year. Some agencies may adopt the five-year program of projects as part of their annual budget, capital improvement programs, or other process earlier in the year, but must submit the list no later than December 31.

5. RECIPIENT shall document expenditure activities and report on the performance of Measure D funded activities through the annual report process, or through other RTC performance and reporting processes as they may be requested, including but not limited to the annual Five-Year Program of Projects, planning and monitoring reports. The RTC shall utilize information from RECIPIENT on expenditures to prepare a comprehensive report to the public on the expenditure of Measure D revenues.

6. RECIPIENT shall install or mount signage adjacent to Measure D funded construction projects and/or on vehicles funded with Measure D funds where practical, so Santa Cruz County taxpayers are

informed as to how RECIPIENT is using Measure D funds. See separate “*Measure D: Sign Specifications*” [under development] for additional signage guidance.

7. RECIPIENT shall provide current and accurate information on RECIPIENT’s website, to inform the public about how RECIPIENT plans to use and is using Measure D funds. RECIPIENT shall notify RTC staff once the draft 5-year program of projects is available for public review and at least two weeks in advance of the anticipated date of the public hearing and board action on the annual 5-Year Program of Projects.

8. RECIPIENT shall, at least annually, publish an article highlighting a project or program funded by Measure D funds. This could be in a local newspaper, agency newsletters, or via internet-based platforms, including but not limited to blogs, websites, and social media sites.

9. RECIPIENT shall make its administrative officer or designated staff available upon request to render a report or answer any and all inquiries in regard to RECIPIENT’s receipt, usage, and/or compliance audit findings regarding Measure D funds before the RTC and/or the Independent Oversight Committee or RTC advisory committees, as applicable.

10. RECIPIENT agrees that RTC may review and/or evaluate all project(s) or program(s) funded pursuant to this AGREEMENT. This may include visits by representatives, agents or nominees of RTC to observe RECIPIENT’s project or program operations, to review project or program data and financial records, and to discuss the project with RECIPIENT’s staff or governing board.

#### **ARTICLE IV: OTHER PROVISIONS**

##### **A. INDEMNITY BY RECIPIENT**

1. Neither RTC, nor its governing body, elected officials, any officer, consultant, agent, or employee thereof shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by RECIPIENT in connection with the Measure D funds distributed to RECIPIENT pursuant to this AGREEMENT. It is also understood and agreed, pursuant to Government Code Section 895.4, RECIPIENT shall fully defend, indemnify and hold harmless RTC, its governing body, and all its officers, agents, and employees, from any claims or liability imposed on RTC for injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by RECIPIENT in connection with the Measure D funds distributed to RECIPIENT pursuant to this AGREEMENT.

##### **B. INDEMNITY BY RTC**

1. Neither RECIPIENT, nor its governing body, elected officials, any officer, consultant, agent, or employee thereof shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by RTC under or in connection with any work, authority or jurisdiction delegated to RTC under this AGREEMENT. It is also understood and agreed, pursuant to Government Code Section 895.4, RTC shall fully defend, indemnify, and hold harmless RECIPIENT, and its governing body, elected officials, all its officers, agents, and employees from any claims or liability imposed on RECIPIENT for injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by RTC under or in connection with any work, authority or jurisdiction delegated to RTC under this AGREEMENT.

##### **C. JURISDICTION AND VENUE**

1. The laws of the State of California will govern the validity of this AGREEMENT, its interpretation and performance, and any other claims to which it relates. All legal actions arising out of this AGREEMENT shall be brought in a court of competent jurisdiction in Santa Cruz County, California and the parties hereto hereby waive inconvenience of forum as an objection or defense to such venue.

**D. TERM**

1. The term of this AGREEMENT shall be from April 1, 2017 to June 30, 2022, unless amended in writing or a new Master Funding Agreement is executed between RTC and RECIPIENT for Measure D revenues.

**E. SEVERABILITY**

1. If any provision of this AGREEMENT is found by a court of competent jurisdiction or, if applicable, an arbitrator, to be unenforceable, such provision shall not affect the other provisions of the AGREEMENT, but such unenforceable provisions shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permissible the intent of the parties set forth in this AGREEMENT.

**F. MODIFICATION**

1. This AGREEMENT, as well as the referenced Guidelines, Measure D Ordinance and Expenditure Plan, constitutes the entire AGREEMENT, supersedes all prior written or oral understandings regarding Measure D program funds (but not project funding agreements). This AGREEMENT may only be changed by a written amendment executed by both parties. Notwithstanding the foregoing, the Guidelines, performance measures, and other policies related to Measure D funds may be changed from time to time by the RTC, and any such changes shall be incorporated herein to the same extent as the underlying policy so amended.

**IN WITNESS WHEREOF**, the parties have executed this AGREEMENT by their duly authorized officers as of the date first written below.

**ENTER NAME (RECIPIENT)**

**SANTA CRUZ COUNTY REGIONAL  
TRANSPORTATION COMMISSION (RTC)**

\_\_\_\_\_  
Name Date  
Title

\_\_\_\_\_  
George Dondero Date  
Executive Director

Approved as to Form:

Approved as to Form:

By: \_\_\_\_\_  
Name Date

By: \_\_\_\_\_  
Legal Counsel to SCCRTC Date

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**Measure D: Guidelines for Direct Allocations for  
Neighborhood Projects and Transportation for Seniors and People with Disabilities**

*Approved by SCCRTC 5/18/17*

**Section 1. Purpose**

- A. To specify the eligible uses of and requirements for funds authorized under Measure D (2016) that local jurisdictions, Santa Cruz Metropolitan Transit District (METRO), and the Consolidated Transportation Services Agency (CTSA) for Santa Cruz County: Community Bridges Lift Line must follow in their use of Measure D funds authorized under the “Neighborhood Projects” and “Transportation for Seniors and People with Disabilities” categories. These guidelines are incorporated by reference into the *Measure D Master Funding Agreement*. Additional terms and conditions are contained in the agreements themselves, the Measure D Ordinance and Expenditure Plan. The intent of these guidelines is to:
1. Provide guidance on eligible uses and expenditures of Measure D “Neighborhood Projects” and “Transportation for Seniors and People with Disabilities” direct allocation funds.
  2. Guide implementation of the Measure D Ordinance and Expenditure Plan, as it relates to these direct allocations.
- B. These guidelines only apply to the ongoing formula allocations of net revenues to cities, the County of Santa Cruz, and transit/paratransit operators (RECIPIENTS) pursuant to Measure D and the Expenditure Plan associated therewith. Separate Guidelines apply to “Neighborhood Projects” investments which are allocated specific dollar amounts (Highway 9 Corridor in San Lorenzo Valley and Highway 17 Wildlife Crossing) and other Measure D investments categories (Highway Corridors, Active Transportation, and Rail Corridor).

**Section 2. Authority**

- A. The Santa Cruz County Regional Transportation Commission (RTC) is responsible for implementation of Measure D. These guidelines, adopted by the RTC board, set forth eligible uses and expenditures of Measure D revenues designated to the “Neighborhood Projects” and “Transportation for Seniors and People with Disabilities” categories. The RTC may update these guidelines on an as-needed basis, effective upon approval of the RTC board, and will do so with involvement of Measure D revenue recipients, and the RTC’s technical, bicycle, and elderly/disabled advisory committees, as applicable. Exceptions to these guidelines must be requested in writing and be approved by the RTC board.

**Section 3. Background**

- A. On November 8, 2016, voters approved the 2016 Santa Cruz County Transportation Improvement Plan - Expenditure Plan: Measure D, which allocates 30% of net Measure D revenues to a “Neighborhood Projects” program and 20% to a “Transportation for Seniors and People with Disabilities” program. Section 5 of these guidelines clarifies eligible fund uses and expenditures in association with these Direct Allocation funds (also referred to as formula funds, direct distributions, direct allocations).
- B. **Neighborhood Projects – Direct Allocation to Cities and County:** As set forth in the voter- approved Expenditure Plan, all but \$15 million (total over 30 years) of funds allocated to Neighborhood Projects (30% of net Measure D revenues) will be distributed to the cities of Capitola, Santa Cruz, Scotts Valley, and Watsonville and the County of Santa Cruz for eligible transportation projects based on the formula set forth in the Measure D Expenditure Plan.
- C. **Transportation for Seniors and People with Disabilities:** Direct Allocation to Service Providers funds will be distributed as follows:
1. 16% of net Measure D Revenues will be distributed to Santa Cruz Metropolitan Transit District

(METRO) to provide transit and paratransit service for seniors and people with disabilities.

2. 4% of net Measure D Revenues will be allocated to Community Bridges Lift Line, as the Consolidated Transportation Services Agency (CTSA) for Santa Cruz County for paratransit services that increase transportation options for seniors, individuals with disabilities, and persons with low incomes.

D. In the event that any agency that is designated to receive direct allocation funds through the Expenditure Plan is dissolved, the RTC may redistribute funds 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.

#### **Section 4. Definition of Terms**

- A. **Authority/RTC:** The Santa Cruz County Regional Transportation Commission (RTC) is the state-designated regional transportation planning agency and is the Local Transportation Authority (Authority) for Santa Cruz County which performs long-range planning and funding for countywide transportation projects and programs, and administers the Measure D half-cent transportation sales tax programs, approved by voters on November 8, 2016.
- B. **Capital project:** A capital investment that typically requires the following phases: planning/feasibility, scoping, environmental clearance, design, right-of-way, construction, and completion.
- C. **Complete Street:** A transportation facility that is planned, designed, operated, and maintained to provide safe mobility for all users, including bicyclists, pedestrians, transit vehicles, truckers, and motorists, appropriate to the function and context of the facility. Complete street concepts apply to rural, suburban, and urban areas. (Caltrans definition)
- D. **Complete Streets Act of 2008:** The California Complete Streets Act (Assembly Bill 1358) was signed into law in September 2008. It requires that local jurisdictions modify their general plans as follows:
  1. Commencing January 1, 2011, upon any substantial revision of the circulation element, the legislative body shall modify the circulation element to plan for a balanced, multimodal transportation network that meets the needs of all users of the streets, roads, and highways for safe and convenient travel in a manner that is suitable to the rural, suburban, or urban context of the general plan.
  2. For the purposes of this paragraph, “users of streets, roads, and highways” means bicyclists, children, persons with disabilities, motorists, movers of commercial goods, pedestrians, skaters, users of public transportation, seniors, and other users of transportation facilities.
- E. **Cost Allocation Plans (CAPs):** CAPs and indirect cost (IDC) rate proposals are plans that provide a systematic manner to identify, accumulate, and distribute allowable direct and indirect costs to programs funded through the RTC Master Funding Agreements.
- F. **Direct cost (DC):** A cost completely attributed to the provision of a service, operations, a program, a capital cost, or a product. These costs include documented hourly project staff labor charges (salaries, wages, and benefits) that are directly and solely related to the implementation of Measure D-funded projects, consultants, contractors, and materials. These funds may be used for travel or training if they are directly related to the implementation of the “Neighborhood Projects” and “Transportation for Seniors and People with Disabilities” funds.



- G. **Direct Local Allocation (or Distribution) Funds:** Funds allocated based upon a funding formula defined in a voter approved measure and allocated to eligible agencies on a regularly schedule basis (no less than quarterly).
- H. **Education and promotion:** Marketing, education, information, outreach, and promotional campaigns and programs funded by Measure D.
- I. **Environmental documents:** Preparation of environmental documents, such as those related to the California Environmental Quality Act (CEQA) and/or the National Environmental Policy Act (NEPA), or permits required by state or federal permitting agencies.
- J. **Equipment and vehicles:** Purchase or lease of vehicles and equipment for Measure D-funded transportation services, information dissemination, fare collection, maintenance, etc.
- K. **Grants:** Funding for plans, programs, or projects based on a competitive call for projects; evaluated based on applicable evaluation criteria; and allocated based on a reimbursement basis.
- L. **Indirect cost:** Also known as “overhead,” any cost of doing business other than direct costs. These costs include utilities, rent, administrative staff, officers’ salaries, accounting department costs, and personnel department costs, which are requisite for general operation of the organization but are not directly allocable to a particular service or product.
- M. **Maintenance:** Repairs, renovation, or upgrade of existing facility or infrastructure.
- N. **Net Measure D Revenues:** The net amount of Measure D sales tax revenues remaining after costs required for administration, implementation and oversight of the measure. These expenses include 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. Net revenues are distributed by formula to the investment categories identified in the Expenditure Plan.
- O. **Operations:** Provision of services that operate transportation facilities and programs. Operations costs do not include the costs to operate community outreach or other programs not directly related to a specific transportation service, program, or product.
- P. **Pedestrian crossing improvements:** Pedestrian crossing improvements such as crosswalks, roadway/geometric changes, or reconfiguration specifically benefiting pedestrians.
- Q. **Planning:** Identification of project and program current conditions and needs and development of strategies and plans to address the identified needs.
- R. **Project completion/closeout:** Inspection/project acceptance, final invoicing, final reporting, and the processes for closing out a project.
- S. **Recipient:** Agencies receiving direct allocations of funds from the “Neighborhood Projects” and “Transportation for Seniors and People with Disabilities” Expenditure Plan categories.
- T. **Scoping and project feasibility:** Early capital project phases that identify project needs, costs, and implementation feasibility.
- U. **Sidewalks and ramps:** New sidewalks, sidewalk maintenance, curb ramps, and stairs/ramps for pedestrian and Americans with Disabilities Act access.

- V. **Signage:** Warning, regulatory, wayfinding, or informational signage.
- W. **Signals:** New traffic signals or crossing signals, signal upgrades, countdown signals, audible signals, or signal timing improvements.
- X. **Street resurfacing and maintenance:** Repaving and resurfacing of on-street surfaces, including striping.
- Y. **Traffic calming:** Infrastructure primarily aimed at slowing down motor vehicle traffic.

**Section 5. Fund Allocations**

A. “Neighborhood Projects” Direct Allocation Funds

1. *General:* RTC distributes Measure D “Neighborhood Projects” funds to incorporated cities in the county and to the County of Santa Cruz to be spent on transportation capital improvements intended to directly maintain and improve the multimodal local streets and roads network in Santa Cruz County. Each city and Santa Cruz County will receive their proportional share (which share shall be adjusted annually as described in the Master Funding Agreement) of the direct allocation Neighborhood Projects funds based on the formula specified in the Measure D Expenditure Plan, as it may be amended from time to time as provided therein. These funds are allocated on a no less than quarterly basis directly to each city and the County. Recipient agencies must place all such funds in a separate account for the Measure D program and will require annual audits. Agencies will maintain all interest accrued from the Measure D funds within the program.
2. *Formula:* Neighborhood Project Funds to cities and the County of Santa Cruz shall be distributed by the following formula: 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.
3. *Eligible Project Types:* These funds may be used for any local transportation need based on local priorities identified in the recipient agency’s annually updated 5-Year Program of Projects. Neighborhood Projects to be funded with Measure D revenues may include the items below under Eligible Uses (5) which are determined as necessary for the benefit of residents in those jurisdictions and approved through a public process by the jurisdiction.
4. 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 in the next five years and how measure funds were spent in the prior year.
5. *Eligible Uses:* The Measure D “Neighborhood Projects” funds allocated to cities and the County of Santa Cruz may be used for capital projects, programs, maintenance, and operations that directly improve local streets and roads and local transportation. These include streets and roads projects, local transit projects, bicycle and pedestrian projects, projects (sponsored by others) that require local agency support, and other transportation projects, as approved through a public process by the jurisdiction. Where applicable, projects will also incorporate complete streets practices that make local roads safe for all modes, including bicyclists and pedestrians, and accommodate transit. Eligible uses for these funds include, but are not necessarily limited to:

- a. Capital projects, including:
  - i. All phases of capital projects, including feasibility studies, planning, environmental, right-of-way acquisition, construction, construction management
  - ii. Transportation infrastructure maintenance and preservation including fixing potholes, repaving, resurfacing, rehabilitation, and reconstruction of local streets, roads, pathways, and maintenance of curbs, gutters and drains.
  - iii. Intersection improvements, including signals, turn lanes, etc.
  - iv. Signage and striping on roadways, including crosswalks, traffic and bicycle lanes
  - v. Improvements or upgrades to transportation bridges and tunnels
  - vi. Installation of or upgrades to sidewalks and curb ramps
  - vii. Americans with Disabilities Act (ADA) on-street improvements, including sidewalk upgrades and curb ramp installations
  - viii. Purchase or lease of equipment or new vehicles dedicated for local streets and roads projects
  - ix. Crossing projects including traffic signals, signage, traffic lights, and striping (at intersections, interchanges, railroads, freeways, etc.), including bicyclist and pedestrian treatments
  - x. Pedestrian facility installation and maintenance, including sidewalk repair and installation, curb ramps, countdown signals, accessible signals, at-grade crossings
  - xi. Bicycle facility installation and maintenance, including bikeways, bicycle routes, boulevards, lanes, multi-use pathways, green lanes, sharrows, bicycle boxes
  - xii. Improvements to roadways at rail crossings, including grade separations and safety protection devices
  - xiii. Pedestrian and bicycle access to, from and at transit facilities
  - xiv. Traffic calming projects
  - xv. Upgrades to or installation of new local streets and roads infrastructure including installation of streets, roads, and highways
  - xvi. Bus stop improvements, including bus pads, turnouts and striping
  - xvii. Improvements to roadways for truck or transit routing.
- b. Transportation system operations including:
  - i. Operations of traffic signal system controls and interconnections, corridor monitoring and management, signal synchronization and transit prioritization.
  - ii. Public transit operations including bus, shuttle, rail, and paratransit services
  - iii. Safe routes to schools programs.

- c. Direct staff and consultant costs that support eligible activities, including the annual report and audit for Measure D revenues.
  - d. Direct staff training costs directly related to implementation of projects or programs implemented with the Measure D “Neighborhood Projects” Funds.
6. *Ineligible Uses:* The following is a list of ineligible uses of Measure D “Neighborhood Projects” funds:
- a. Non-transportation projects such as fees charged to capital construction projects for services or amenities not related to transportation;
  - b. Capital projects, programs, maintenance, operations, or purchases that do not directly improve local transportation facilities;
  - c. Projects or programs that exclusively serve city/county staff;
  - d. Supplanting existing funds designated for transportation programs and projects;
  - e. Indirect costs, unless the RECIPIENT submits an independently audited/approved Indirect Cost Allocation Plan and Measure D funds are not supplanting other funds used to cover existing overhead and indirect costs. Indirect costs shall only be applied to direct agency staff costs.
  - f. Mark-up to costs for services, materials, equipment, contracts, etc.

B. “Transportation for Seniors and People with Disabilities” Funds

1. *General:* RTC distributes Measure D “Transportation for Seniors and People with Disabilities” funds to Santa Cruz METRO and CTSA to be spent on transportation capital improvements, services, and operations that provide transportation services to seniors or people with disabilities, with the intent to maximize the number of rides provided. METRO and CTSA will receive direct allocations of net Measure D funds based on the formulas specified in the Measure D Expenditure Plan, as it may be amended from time to time as provided therein. These funds are allocated on a no less than quarterly basis directly to each service provider. Recipient agencies must place these funds in a separate account for the Measure D program and annual audits are required. Agencies will maintain all interest accrued from the Measure D funds within the program.
2. *Formulas and Purpose:* As described in the voter-approved Measure D Expenditure Plan:
  - a. 16% of net Measure Revenues will be distributed to Santa Cruz Metropolitan Transit District (METRO) to provide transit and paratransit service for seniors and people with disabilities.
  - b. 4% of net Measure Revenues will be allocated to the Consolidated Transportation Services Agency (CTSA) for Santa Cruz County, Community Bridges Lift Line, for paratransit services that increase transportation options for seniors, individuals with disabilities, and persons with low incomes.
3. The METRO and CTSA are best able to determine their transportation needs, shall each prepare a five-year plan through a public process to identify how they plan to spend their share of measure funds in the next five years and an annual report detailing how measure funds were spent in the prior year. Reports prepared by the CTSA are subject to review and concurrence

from the RTC's Elderly and Disabled Transportation Advisory Committee (E&D TAC).

4. *Eligible Uses:* The Measure D funds allocated to Santa Cruz Metropolitan Transit District (METRO) and Community Bridges Lift Line (CTSA) may be used for capital projects, programs, maintenance, or operations that directly improve transportation for seniors and people with disabilities. Eligible uses for these funds include, but are not necessarily limited to:
  - a. Capital projects, including:
    - i. All phases of capital projects, including feasibility studies, planning, environmental, right-of-way acquisition, construction, construction management
    - ii. Upgrades to or expansions to bus, paratransit, and shuttle infrastructure
    - iii. Purchase or lease of equipment or new vehicles for transit services
  - b. Maintain or increase METRO public transit and paratransit system operations and services, including express, local, and feeder buses, shuttles, and paratransit services that serve seniors and people with disabilities
  - c. Maintain or increase Paratransit services operated by the CTSA.
  - d. Safety or security improvements for operators, passengers, service users, facilities, and infrastructure or property.
  - e. Direct staff and consultant costs to develop, plan, implement, manage, operate and maintain transit and paratransit projects and programs that serve seniors and people with disabilities.
  - f. Direct staff and consultant costs to provide customer service and outreach for transit and paratransit projects and programs
  - g. Direct staff and consultant costs that support eligible activities, including the annual report and audit for Measure D revenues
  - h. Direct staff training costs directly related to implementation of projects or programs implemented with the Measure D "Transportation for Seniors and People with Disabilities" funds
5. *Ineligible Uses:* The following is a list of ineligible uses of Measure D "Transportation for Seniors and People with Disabilities" funds:
  - a. Non-transportation projects such as fees charged to capital construction projects for services or amenities not related to transportation;
  - b. Capital projects, programs, maintenance, or operations that do not directly improve local transit or paratransit facilities or services;
  - c. Projects or programs that exclusively serve recipient agency staff;
  - d. Supplanting existing funds designated for transportation programs and projects;
  - e. Indirect costs, unless the RECIPIENT submits an independently audited/approved Indirect Cost Allocation Plan and Measure D funds are not supplanting other funds used to cover existing overhead and indirect costs.



- C. **Approval of Projects/Program – The 5-Year Program of Projects:** Prior to the agency expending the Measure D funding on any projects or programs, all projects and programs that use Measure D “Neighborhood Projects” and “Transportation for Seniors and People with Disabilities” direct allocation funds must be approved by the recipient-agency governing board following a public hearing. This approval allows the opportunity for the public to provide input on planning for Measure D-funded projects. These projects and programs must be included in the Five Year Program of Projects. Project sponsors are encouraged to use the Five Year Program of Projects template included as Attachment A. In the case of the CTSA, the 5-Year Program of Projects must be reviewed by the RTC’s Elderly and Disabled Transportation Advisory Committee (E&D TAC) and approved by the RTC, following a public hearing at an RTC board meeting.

## **Section 6. Performance Metrics**

- A. Recipients of Measure D revenues shall report on the performance of Measure D funded activities as part of the annual report process, or through other RTC performance and reporting processes as they may be requested, including but not limited to the annual report of prior year expenditures and Five-Year Program of Projects and the annual audit. Attachment B provides a list of performance measures that shall be used, unless substitute measures are approved by the RTC.

## **Section 7. Maintenance of Effort**

- A. Recipient shall use Measure D funds to supplement and not replace existing revenues used for transportation purposes, including agency indirect costs and overhead. A maintenance of effort formula ensures that Measure D results in an increased or sustained level of transportation-related activities than would otherwise have been possible. 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. While Measure D funds shall not be used to directly replace and/or reduce those charges, Recipient may reduce or provide subsidies to development for their transportation needs and/or charges using other non-transportation sources to offset those charges. The entities receiving Measure D Revenues shall maintain their existing commitment of discretionary local transportation-related expenditures for transportation purposes pursuant to the ordinance, and the RTC shall enforce this requirement by appropriate actions, including fiscal audits of the local agencies.
- B. An agency’s baseline “maintenance of effort” shall be calculated based on the average of revenues and expenditures for transportation purposes in the three to five fiscal years prior to the start of Measure D allocations to recipient agencies (FY16/17, FY15/16, FY14/15, and optionally FY13/14 and FY12/13).
- C. The baseline calculation shall include the following revenues: local discretionary revenues, formula funds received for transportation purposes (e.g. gas tax, state transit assistance, FTA5311, etc).
1. Local agency discretionary revenues (general funds, sales and property taxes and other fees) designated for transportation purposes which were calculated for the baseline shall be adjusted annually in proportion to growth or decline of gross Measure D sales tax revenues. Dedicated

funds for transportation which are not locally generated, such as state gas tax and other state and federal formula funds shall not be subject to this adjustment.

2. Revenues from special, non-formula, competitive grants, and/or past revenues carried over into FY14/15-16/17 (and optionally FY12/13 and 13/14) for special projects and/or emergencies will not be part of MOE baseline calculation but shall still be identified in the baseline report. This includes, but is not limited to, one-time grants such as Regional Surface Transportation Program (RSTP)/Surface Transportation Block Grant Program (STBG), State Transportation Improvement Program (STIP), Active Transportation Program (ATP), American Recovery and Reinvestment Act (ARRA), Highway Safety Improvement Program (HSIP), Highway Bridge Program (HBP), FTA5310, and FEMA grants. While these are not part of the baseline calculation, agencies will be expected to continue to seek and secure grants from other sources, use some Measure D funds to leverage other grants, and not depend on Measure D formula funds to supplant those efforts.

- D. *Expenditures:* In the baseline report, Recipients shall also show how revenues were used in FY14/15-16/17 (and optionally FY12/13 and 13/14). This includes a breakdown by transportation purpose, such as ongoing operations, maintenance, transit service type, major projects, street sweeping, pavement, bicycle projects, walkways, as well as outside transportation programs your agency has contributed funds to (such as safe route to school, transportation demand management, and paratransit programs), and agency staffing, overhead and indirect costs.
- E. *Exceptions:* The RTC recognizes that there will be instances where other and sometimes longstanding local, state, or federal revenues, formula funds, and grants will fluctuate or no longer be available. There also may be instances where a recipient agency reserves several years of funds, then spends several years of banked revenues in one fiscal year. If there are past revenues or expenditures which an agency proposes to exclude from the baseline maintenance of effort calculations, or if an agency is unable to meet the baseline maintenance of effort in a given year, the agency must provide a written justification for such exclusion for consideration by the RTC and the Measure D Oversight Committee. The written justification must include evidence for the need for any lower base amount.
- F. If extraordinary storm damage or other emergencies occur in a given year, an agency may request an exception to maintenance of effort requirements that year.
- G. Recipient agencies have up to three fiscal years to meet the adjusted minimum local revenue expenditure requirement, outlined in Section 7.C.1. If an agency fails to submit annual reports or within three fiscal years the adjusted average annual expenditures of local discretionary revenues over the past three years do not meet the adjusted minimum local expenditure maintenance of effort requirements, the Measure D allocations amount to the RECIPIENT will be reduced by the amount that the agency did not meet the baseline level of expenditures of the agency discretionary revenues and the remaining Measure D will be reserved until any and all maintenance of effort expenditures are fulfilled or a plan to meet the maintenance of effort amount moving forward has been approved by the RTC.

H. Recipients shall submit their baseline calculation to the RTC by August 1, 2017. Recipients shall demonstrate and certify their maintenance of effort through the annual report and audit, and provide supporting documentation of how they calculated their maintenance of effort, which may include annual fiscal expenditure reports or ledgers and/or State Controllers reports used to comply with Senate Bill 1 (2017) or the California Streets and Highways Code.

## **Section 8. Complete Streets Policy Requirement**

A. To receive Measure D “Neighborhood Projects” funds, local jurisdictions must do both of the following with respect to Complete Streets policies:

1. Have an adopted Complete Streets policy or adopt a Complete Street policy by April 1, 2018, and
2. Comply with the California Complete Streets Act of 2008, including any amendments. The California Complete Streets Act (AB1358) requires that local general plans do the following:
  - a. Commencing January 1, 2011, upon any substantial revision of the circulation element, the legislative body shall modify the circulation element to plan for a balanced, multimodal transportation network that meets the needs of all users of the streets, roads, and highways for safe and convenient travel in a manner that is suitable to the rural, suburban, or urban context of the general plan.
    - i. For the purposes of this paragraph, “users of streets, roads, and highways” means bicyclists, children, persons with disabilities, motorists, movers of commercial goods, pedestrians, users of public transportation, and seniors.
    - ii. The Governor’s Office of Planning and Research has developed detailed guidance for meeting this law: *Update to the General Plan Guidelines: Complete Streets and the Circulation Element*  
[https://www.opr.ca.gov/docs/Update\\_GP\\_Guidelines\\_Complete\\_Streets.pdf](https://www.opr.ca.gov/docs/Update_GP_Guidelines_Complete_Streets.pdf)

B. Agencies shall utilize the *Monterey Bay Area Complete Streets Guidebook* checklist or another complete streets checklist when defining project scope and design.

## **Section 9. Signage**

A. *Background:* The display of project signs is regularly utilized by public agencies to provide members of the public with information about the construction and operation of transportation projects. Project signs are posted near the location of the project, or on the vehicle in the case of bus transit projects, and typically display the project name, the project cost, funding source, project sponsor and estimated completion date. Project signs also are used to help inform the public of what programs help fund projects, like the Measure D transportation sales tax.

B. *Project Signage Provisions:* RTC, in coordination with local project sponsors, will utilize project signs to provide members of the public with information on projects and programs that the Measure D program is helping deliver. Project sign guidelines will help provide uniformity for project sponsors in the implementation of the Measure D program. Projects that meet the thresholds identified in the guidelines will follow the appropriate display schedules and project signage type. While specifications for Measure D project signs have been developed by types of projects, if the prescribed sign type obstructs user accessibility or causes a potential safety hazard, project sponsors have the discretion to install alternative signage that displays the Measure D logo at a minimum.

- C. *Measure D Contribution Thresholds, Display Schedules, and Sign Specifications*: Measure D project sign installation will follow the Measure D contribution thresholds, display schedules, and sign specifications summarized in Attachment C. RTC will provide templates of sign specifications, developed in consultation with project sponsors.

#### **Section 10. Advancement of Direct Local Allocation Distribution Funds**

- A. The RTC may consider advancing future year direct allocation funds, with the goal of seeing improvements made in the near term, if sufficient funding is available for short term loans from other Measure D programs. If a jurisdiction is interested in this option, a written request to the RTC Executive Director indicating the amount of funds requested and the projects on which the funds will be spent is required. Requests will be considered on an individual basis and will be approved by the RTC only if they do not delay implementation of other projects.

#### **Section 11. Adoption of Guidelines**

- A. Measure D guidelines are adopted by the RTC on an as-needed basis. Changes to Guidelines will be brought through the RTC's Interagency Technical Advisory Committee for review and comment, as well as any other RTC committees as necessary, before changes are adopted by the RTC Commission.

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**ATTACHMENT A:  
5-YEAR PROGRAM OF PROJECTS CONTENT**

All recipient agencies that use Measure D “Neighborhood Projects” and “Transportation for Seniors and People with Disabilities” direct allocation funds must receive approval of a 5-year program of projects, in accordance with the requirements of this Attachment A, from their governing board prior to the jurisdiction expending Measure D funding on any project/program. This approval allows the opportunity for the public to provide input on planning for local streets and roads and transit projects and programs.

**Contents of 5-year Program of Projects**, which must be adopted by the jurisdiction’s governing board, following a public hearing (which may be done as part of agency’s overall budget or Capital Improvement Program adoption):

- 1) **5-year Project List:** List of projects on which to specifically spend Measure D funds. All projects must be consistent with the Measure D Ordinance/Expenditure Plan and Implementation Guidelines. They should be focused on addressing the promises made to voters.
  - a. **Grouped Project List:** List in spreadsheet how you anticipate using Measure D allocations.

Name/ Road/ limits	Description, complete streets components	Total Measure D	\$\$\$ of Measure D to be used each year					Other funds	Total Cost	Project schedule
			FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22			

- b. **Major Projects** – In addition to including in one row of grouped list, include following basic info on each major project/program (*Next page includes sample template for this information or project sponsors can use their own template/fact sheet that includes this information.*)
    - i. Project name
    - ii. Description: Brief description of work to be done and project location
    - iii. Project benefits/purpose
    - iv. Complete Streets consistency
    - v. Cost/Funding: cost by phase, and other funds (secured or anticipated) - local, grants using by Measure D funds to leverage, etc.
    - vi. Schedule – timing of environmental review, design, right-of-way, and construction
- 2) **Future Funds** (*if applicable*): General description of anticipated use of Measure D funds through 2047 if known (e.g. priority future projects, if there is a large project you may be saving funds up for, or general ongoing roadway rehab, paratransit service, Active Transportation Plan implementation)
- 3) **Public Process:** Describe public input process used to develop your 5-year plan and individual projects; public process must include at least one public hearing and approval of recipient’s governing board. In the case of CTSA, the 5-Year Program of Projects must be reviewed by the RTC’s Elderly and Disabled Transportation Advisory Committee (E&D TAC) and approved by the RTC, following a public hearing at an RTC board meeting. Also explain how were these projects were prioritized – e.g. evaluation criteria used.
- 4) **Maintenance of effort:** Attach documentation of other revenues spent in past 3 years on transportation and amount budgeted in current/upcoming fiscal year. Provide justification of any reduction in local funds designated for operations and/or projects.

*Text from Measure D Ordinance related to 5-year Program of Projects – Section 32.A.1): 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.*



**MEASURE D: MAJOR PROJECT INVESTMENTS**

**Category: (list one-Neighborhood Projects, Highway Corridors, Transportation for People with Disabilities, Active Transportation/MBSST. Rail Corridor)**

**PROJECT NAME/TITLE**

**Implementing Agency:**

Agency name

**Description/Scope:**

Brief description of work to be done and project location (plus graphics, photos, etc if available/appropriate)

**Project Location/Limits:**

Describe project location, include map if appropriate

**Project Purpose/Need/Benefits:**

Description of benefits, reasons for project. Help the public understand what they are getting from the Measure D funding for your project/program. Include 5 main bullet points that are easy to understand, remember, repeat, etc. It can also include more detail in paragraph form.

**Complete Streets consistency:**

Description of complete streets components of project; ensure consistency with [Complete Streets Guidebook](https://www.sccrtc.org/wp-content/uploads/2013/08/ChecklistFinal.pdf) (see: check list too - <https://www.sccrtc.org/wp-content/uploads/2013/08/ChecklistFinal.pdf>)

**If applicable:**

Miles of New Bike Lanes/trails:

Miles of New Pedestrian Walkways/sidewalks:

**Cost/Funding/Schedule Information:**

Cost by phase, and other funds (secured or anticipated) - local, grants using by Measure D funds to leverage, etc. UPDATE with what makes sense for your project. This is a SAMPLE.

	Cost by phase				
	Environmental (PA/ED)	Design (PS&E)	Right-of-Way (ROW)	Construction	Other
Timing of work (start/end month/yr)					
Measure D					
List Other Sources (as applicable)					
HUTA					
Grant x					
METRO sales tax					
Developer Fee					
TBD-additional need					
<b>TOTAL</b>	\$ -	\$ -	\$ -	\$ -	\$ -

**Public Outreach**

List public outreach that has been done or will be done for project. (e.g. past plans, committee review, public hearings, etc.)

**Project Contact:** Project Manager Name/contact info/project website info (if applicable)

**ATTACHMENT B**  
**PERFORMANCE MEASURES**

Direct Allocation recipients are to document the performance and benefits of the projects and programs funded with Measure D funds. The following performance measures are a selection of performance standards to be documented by the recipients, as applicable. Additional or alternate performance measures may be requested by the RTC or recipients.

Performance reporting will be done via the annual report, as well as the audit process and various planning activities, as applicable. Performance will be evaluated periodically through the aforementioned evaluation reports to determine the effectiveness of investments and to inform future investment decisions. Note: The *Measure D Guidelines for Direct Allocations* may contain additional listing of performance measures by program type.

**NEIGHBORHOOD PROJECTS PROGRAM (Local Streets and Roads - LSR)**  
**PERFORMANCE MEASURES**

<b>Performance Measure</b>	<b>Performance Metric and Standard</b>	<b>Corrective Action</b>
<b>Pavement State of Repair</b>	Track city/countywide Pavement Condition Index (PCI), which rates the “surface condition” of local streets from 1 to 100, at least every three years.	Any agency with a falling PCI must provide an explanation. If the PCI drops, specify what funding amounts, policies, or other needs are required to enable increasing the PCI to 60 (fair) or above.
<b>Complete Streets Implementation</b> Expenditure of LSR Measure D funds on bicycle and pedestrian projects elements	<ul style="list-style-type: none"> <li>▪ Percent of annual Measure D LSR investment to support bicycling and walking.</li> <li>▪ Number of linear feet or lane miles of bicycle facilities built or maintained (bike lanes, bike routes, multi-use pathways)</li> <li>▪ Number of pedestrian projects completed (linear feet of sidewalks, number of crossing improvements/striping, quantify traffic calming items, lighting, landscaping/streetscape, number of curb/ADA ramps, linear feet of trail/pathway built or maintained)</li> <li>▪ Describe how school access was improved for children bicycling and walking, which may include collision data</li> </ul>	Provide an explanation if less than 20% of Measure D funds are spent on bicycle and pedestrian facilities.
<b>Capital Project and Program Investment</b> Amount expended on capital projects and programs by phase (design, right-of-way, construction and capital support)	Investment into capital projects and programs is greater than funding program administration (outreach, staffing, administrative support)	Any agency expending less on capital investments compared to other activities must explain how capital investments will increase in the subsequent years
<b>Leveraged Funds</b>	Report total grants and other funding secured using Measure D as a match.	Explain if Measure D funds fully funding projects.

**TRANSPORTATION FOR SENIORS AND PEOPLE WITH DISABILITIES PROGRAM  
PERFORMANCE MEASURES**

<b>Performance Measure</b>	<b>Performance Metric and Standard</b>	<b>Corrective Action</b>
<b>Ridership/Service Utilization</b> <ul style="list-style-type: none"> <li>▪ Annual Ridership</li> <li>▪ Passenger trips per revenue vehicle hour/mile</li> </ul>	Change in annual ridership and passenger trips per revenue vehicle hour/mile and qualitative explanation for possible reasons.	Provide information on why numbers went down.
<b>Cost Effectiveness</b> <ul style="list-style-type: none"> <li>▪ Operating Cost per Passenger</li> <li>▪ Operating Cost per Revenue Vehicle Hour/Mile</li> </ul>	Maintain operating cost per passenger or per revenue vehicle hour/mile; percentage increase less than or equal to inflation as measured by CPI	Any agency with significant increase in costs must provide an explanation
<b>State of Good Repair</b>	<ul style="list-style-type: none"> <li>▪ Average age of bus and paratransit vehicles</li> <li>▪ Number of vehicles beyond useful life</li> </ul>	Provide information on plan to keep bus and paratransit vehicles in state of good repair.
<b>Service Provision</b> <ul style="list-style-type: none"> <li>▪ Frequency and service span on major corridors or trunk lines</li> <li>▪ Revenue hours</li> <li>▪ Revenue miles</li> <li>▪ Service areas</li> </ul>	<ul style="list-style-type: none"> <li>▪ 15 minute or better frequencies on major corridors or trunk lines: 10 minute or better frequencies during weekday peak periods</li> <li>▪ Service span of 7 days/week, 20 hours per day</li> <li>▪ Maintain or increase revenue hours/miles</li> <li>▪ Number of routes</li> <li>▪ Total service hours</li> </ul>	Any agency not meeting expected performance must provide an explanation and a description of how service provision will be met in the future.
<b>Service Operations and Provisions</b> Number of people served or trips provided to seniors or people with disabilities Percent of fixed route service used by seniors and people with disabilities	Track number of seniors or people with disabilities served by program. <ul style="list-style-type: none"> <li>▪ Service types such as ADA mandated paratransit, door-to-door service, taxi programs, accessible van service, shuttle service, group trips, travel training, meal delivery, and fixed-route transit</li> </ul>	Report on ridership or service data. Explain reasons for ridership reductions.
<b>Cost Effectiveness</b> Cost per Trip or Cost per Passenger  Total Measure D program cost per one-way passenger trip divided by total trips or total passengers during period.	Maintain cost per trip or per passengers <ul style="list-style-type: none"> <li>▪ Service types such as ADA mandated paratransit, door-to-door service, taxi programs, accessible van service, shuttle service, group trips</li> </ul>	Any agency with significant increase in costs must provide an explanation
<b>Breakdown of METRO budget for ParaCruz and fixed routes service</b>	Maintain paratransit operating budget and service.	If other funds shifted from one program to another, provide explanation
<b>Leveraged Funds</b>	Report total grants and other funding secured using Measure D revenues as a match.	Explain if Measure D funds fully funding projects.

**ATTACHMENT C**  
**MEASURE D PROJECT SIGN GUIDELINES SUMMARY**

<b>Project Type</b>	<b>Measure D Funding Threshold</b>	<b>Display Schedule</b>	<b>Type of Signage</b>
Neighborhood Projects: Capital Improvement Projects	Contribution greater than \$25,000	Prior to the construction, during construction and 1 months after the completion of construction.	2' by 3' sign for \$25k-\$999,999; 4' by 6' for greater than \$1 million
Transit/paratransit Capital	Contribution greater than \$10,000	Vehicles: Life of vehicle  Transit Facilities and Amenities: Prior to the construction, during construction and 1 month after the completion of construction.	Vehicles: 18" by 18"  Amenities: 2' by 3'
Transit Operations	Contribution greater than \$10,000	Funding duration	18" by 18"
Regional Capital Projects (Highway, Rail, Trail)	All projects	Prior to the construction, during construction and 3 months after the completion of construction	4' by 6' sign

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## Appendix 3.2 – Cooperative Agreement to Receive Funds

### MEASURE D REGIONAL PROJECT COOPERATIVE AGREEMENT

NO. COP- [ \_\_\_\_\_ ]

### COOPERATIVE FUNDING AGREEMENT

BETWEEN THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION

AND

[AGENCY]

This Agreement is made and entered into as of \_\_\_\_\_ (“Effective Date”) by and between the Santa Cruz County Regional Transportation Commission (“RTC”) and [AGENCY] (“[ACRONYM]” or “Recipient”). RTC and Recipient may be referred to herein as “Party” or “Parties” collectively.

#### I. Recitals

- A. On November 8, 2016, the voters of Santa Cruz County, pursuant to the provisions of the Local Transportation Authority and Improvement Act, California Public Utilities Code, Division 19, Section 180000 et seq., adopted an ordinance approving the Santa Cruz County Transportation Improvement Plan Measure (“Measure D”), thereby authorizing the Santa Cruz Regional Transportation Commission (“RTC”) to administer the proceeds from a retail transaction and use tax of one-half of one-percent (0.5%).
- B. The duration of the Measure D sales tax will be 30 years from the initial date of collection, April 1, 2017, and will expire on March 31, 2047. The tax proceeds will be used to pay for the programs and projects set forth in the Measure D ordinance adopted by RTC and voters (“Measure D Ordinance”) and the *Measure D Strategic Implementation Plan* (“SIP”), as may be amended.
- C. The Measure D Ordinance authorizes the RTC to allocate, administer, and oversee the expenditure of all Measure D revenues and to distribute revenues for regional project categories (“Regional Projects”).
- D. Whereas the RTC has approved a five-year program of projects which programs \$[AMOUNT] to [AGENCY] for [SPECIFIC PROJECT] from the Measure D- [PROGRAM/PROJECT] Expenditure Plan investment category.
- E. RTC and [AGENCY] (referred to herein as “[ACRONYM]” or “Recipient”) developed a scope of work and a financial plan for a qualifying project, which is attached hereto as Exhibits A, and B (“Project Plan”).
- F. The project consists of [SHORT DESCRIPTION OF WORK TO BE PERFORMED] as more particularly described in the Scope of Work in Exhibit A to this Agreement (hereinafter referred to as the “Project”).
- G. RTC commits to contribute \$[AMOUNT] towards the cost of the completed Project.

**NOW, THEREFORE**, in consideration of the foregoing, RTC and [AGENCY] do hereby agree as follows:

#### II. [AGENCY] Agrees



- A. [AGENCY] Implementation. The Recipient completed the Project in accordance with the Scope of Work.
- B. Funding Breakdown. The Recipient agrees that RTC will provide \$[AMOUNT] for the Project in accordance with the costs and amounts shown in the Financial Plan attached as Exhibit B. RTC is not obligated to contribute funding in excess of the amounts shown in Section III and Exhibit B. If RTC elects to contribute additional funds to the Project beyond what is expressly provided for in this Agreement, such additional contribution must be memorialized in a written amendment to this Agreement executed by both Parties.
- C. Eligible Costs. The Recipient understands and agrees that direct costs associated with the delivery of transportation programs and projects associated with Measure D funds including direct staff costs and consultant costs, are eligible uses of Measure D funds. RTC does not allow indirect costs, unless the Recipient submits for RTC approval an independently audited and approved Indirect Cost Allocation Plan (ICAP). This may include, but not be limited to, the ICAP prepared for other state or federal programs.
- D. Cost Overruns: Any additional costs incurred during the implementation of the Project beyond the \$[AMOUNT] contributed by RTC shall be the responsibility of the Recipient.
- E. Invoicing. The Recipient agrees that within 45 days of execution of this Agreement, Recipient will submit invoices to RTC for Project expenditures, or before June 15 of each fiscal year whichever is earlier. The Recipient agrees to invoice RTC for reimbursement on an actual cost basis. RTC will review invoices for quality control and provide reimbursement within 45 days.
- F. Accounting. The Recipient agrees to set up and maintain an appropriate system of accounts to report on Measure D funds received and expended. Such accounting system must comply with all of the following requirements:
- i. Recipient must account for Measure D funds separately for each program or project, and from any other funds received from the RTC.
  - ii. The accounting system shall provide adequate internal controls and audit trails to facilitate an annual compliance audit for Measure D funds and the respective usage and application of said funds.
  - iii. RTC and its representatives, agents and nominees shall have the absolute right at any reasonable time to inspect and copy any accounting records related to such funds, except to the extent specifically prohibited by applicable law.
- G. Audits. The Recipient agrees that RTC shall have the ability to audit expenditures and invoices claimed by Recipient under this Agreement to ensure compliance with this Agreement and the Measure D Ordinance and Expenditure Plan. RTC shall provide at least a 45-day notice to Recipient prior to conducting an audit.

- H. Annual Audited Financial Statements. The Recipient agrees to submit to RTC, by December 31st of each year, separate independently audited financial statements for the prior fiscal year ending June 30 of Measure D funds received and used. The audit, which shall be made available to the public, shall report on evidence that the expenditure of funds is in accordance with the Expenditure Plan adopted by the voters, as well as applicable policies, guidelines and plans, including the Measure D Guidelines, Measure D Strategic Implementation Plan, and consistency with the Regional Transportation Plan and performance measures. Failure to submit the annual report may result in RTC withholding other Measure D funds from Recipient until the report is submitted.
- I. Progress Payments. To the extent that there are any outstanding, valid invoices for the Project, the Recipient agrees to promptly make payments on all such invoices.
- J. Completion of Work. The Recipient affirms that the Project has been completed in accordance with Scope of Work.
- K. Obtain Necessary Permits and Approvals. The Recipient affirms that it has or will obtain all permits and approvals necessary for completion and maintenance of the Project. If any required permits or approvals have not yet been obtained, Recipient agrees to obtain such permits and approvals in a timely manner. To the extent required, RTC shall reasonably and in a timely manner cooperate with the Recipient as necessary for the Recipient to obtain such permits and approvals.
- L. Publicize Use of Measure D Funds. Recipient agrees to actively conduct public outreach, in partnership with RTC and/or its advisory committees, as a means of ensuring that the public has the ability to access information about which projects and programs are funded with Measure D funds. Specifically, Recipient shall:
- i. Recipient shall install or mount signage adjacent to Measure D funded construction projects funded with Measure D funds where practical, so Santa Cruz County taxpayers are informed as to how Recipient is using Measure D funds. See separate “*Measure D: Sign Specifications*” for additional signage guidance.
  - ii. Recipient shall provide current and accurate information on Recipient’s website, to inform the public about how Recipient used Measure D funds.
  - iii. Recipient shall prepare and distribute a news release and/or other notifications highlighting the project or program funded by Measure D funds. This could be included in a local newspaper, agency newsletters, or via internet-based platforms, including but not limited to blogs, websites, and social media sites.
- M. Compliance with Laws. The Recipient agrees that with regard to administering and completing Recipient’s responsibilities for the Project, Recipient shall at all times comply with all applicable laws of the United States, the State of California, the County, and with all applicable regulations promulgated by federal, state, regional, or local administrative and regulatory agencies, now in force and as they may be enacted, issued, or amended during the term of this Agreement.
- N. Records. The Recipient agrees to retain all of its records relating to this Agreement for a period of three years following expiration or termination of the Agreement, or following resolution of a dispute under this Agreement, whichever occurs later.

- O. State Audits. The Recipient agrees to provide timely notice to RTC if an audit is to be conducted in connection with the Project and further agrees to comply with all legal requirements pertaining to audits. Specifically, the Recipient agrees that:
- i. The auditors of the State of California or the Taxpayer Oversight Committee for Measure D may examine all records relative to the goods, services, equipment, materials, supplies or other assistance provided to Recipient for the Project. The Recipient agrees to allow the auditor(s) and Taxpayer Oversight Committee access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records.
  - ii. Further, the Recipient agrees to include a similar right to the State auditor(s) and Taxpayer Oversight Committee to audit records and interview staff in any contract related to performance of this Agreement.

### III. RTC Agrees

- A. RTC Contribution. RTC agrees to provide up to \$[AMOUNT] towards the cost of the Project, in accordance with the Measure D 5-Year Program of Projects and Financial Plan attached as Exhibit B.
- B. Funding Breakdown. RTC agrees that the Project will be funded in accordance with the costs and amounts shown in the Financial Plan attached as Exhibit B. Recipient is not obligated to contribute funding in excess of the amounts shown in Section III and Exhibit B.
- C. Prompt Payment. RTC agrees to pay Recipient on a reimbursement basis for actual costs, as detailed above. RTC shall remit payment for eligible expenditures within forty-five (45) calendar days of actual receipt of invoices from Recipient, unless RTC disputes expenditures claimed, in which case RTC will investigate and endeavor to resolve the dispute within a reasonable amount of time.
- P. Cooperate with Recipient in Seeking Permits and Approvals. RTC agrees to reasonably and in a timely manner cooperate with the Recipient as necessary for the Recipient to obtain any necessary outstanding permits or approvals required for the Project.
- D. Compliance with Laws. RTC agrees that with regard to administering and completing RTC's responsibilities for the Project, RTC shall at all times comply with all applicable laws of the United States, the State of California, the County, and with all applicable regulations promulgated by federal, state, regional, or local administrative and regulatory agencies, now in force and as they may be enacted, issued, or amended during the term of this Agreement.
- E. Records. RTC agrees to retain all of its records relating to this Agreement for a period of three years following expiration or termination of the Agreement, or following resolution of a dispute under this Agreement, whichever occurs later.
- Q. State Audits. RTC agrees to provide timely notice to Recipient if an audit is to be conducted in connection with the Project and further agrees to comply with all legal requirements pertaining to audits. Specifically, RTC agrees that:

- iii. The auditors of the State of California or the Taxpayer Oversight Committee for Measure D may examine all records relative to the goods, services, equipment, materials, supplies or other assistance provided to Recipient for the Project. RTC agrees to allow the auditor(s) and Taxpayer Oversight Committee access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records.
- iv. Further, the RTC agrees to include a similar right to the State auditor(s) and Taxpayer Oversight Committee to audit records and interview staff in any contract related to performance of this Agreement.

#### **IV. It is Mutually Agreed**

- A. Additional Funding Needs. If additional funds beyond those identified in the Financial Plan are necessary for the Project, RTC and Recipient will cooperate to identify and secure new, increased, or replacement funding.
- B. Term. This Agreement will begin on the Effective Date and will remain in effect until December 31, [YEAR] or otherwise terminated by either Party as provided in Section IV (C) below. Notwithstanding the foregoing, all indemnification obligations will remain in effect until specifically terminated or modified in writing by mutual agreement.
- C. Termination. This Agreement may be canceled by a Party for breach of any obligation, covenant or condition hereof by the other Party, upon notice to the breaching Party. With respect to any breach which is reasonably capable of being cured, the breaching Party shall have thirty (30) days from the date of the notice to initiate steps to cure. If the breaching Party diligently pursues cure, such Party shall be allowed a reasonable time to cure, not to exceed sixty (60) days from the date of the initial notice, unless a further extension is granted in writing by the non-breaching Party.
- D. Indemnity. Neither RTC, nor its governing body, elected officials, any officer, consultant, agent, or employee thereof shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by Recipient in connection with the Measure D funds distributed to Recipient pursuant to this Agreement. It is also understood and agreed, pursuant to Government Code Section 895.4, that Recipient shall fully defend, indemnify and hold harmless RTC, its governing body, and all its officers, agents, consultants, and employees, from any claims, demands, liability, damages, lawsuits or other actions imposed on RTC for injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by Recipient performance of this Agreement or in connection with the Measure D funds distributed to Recipient pursuant to this Agreement.

Neither Recipient nor its governing body, elected officials, any officer, consultant, agent, or employee thereof shall be responsible for any damage or liability occurring by reason of anything done by RTC under or in connection with any work, authority, or jurisdiction delegated to RTC under this Agreement. It is also understood and agreed, pursuant to Government Code Section 895.4, that RTC shall fully defend, indemnify, and hold harmless Recipient and its governing body, elected officials, all its officers, agents, consultants, and employees from any claims, demands, liability, damages, lawsuits or other actions imposed on Recipient for injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by RTC under or in connection with any work, authority or jurisdiction delegated to RTC under this Agreement.

- E. Notices. Any notice which may be required under this Agreement shall be in writing, shall be effective when received, and shall be given by personal service, or by certified or registered mail, return receipt requested, to the addresses set forth below, or to such addresses which may be specified in writing to the Parties hereto.

To **RECIPIENT:** [NAME OF AGENCY DIRECTOR]  
[ADDRESS]  
[PHONE NUMBER]

To **AUTHORITY:** Guy Preston, Executive Director RTC  
1101 Pacific Ave. Suite 250  
Santa Cruz, CA 95060  
(831) 460-3200

- F. Additional Acts and Documents. Each Party agrees to do all such things and take all such actions, and to make, execute and deliver such other documents and instruments, as shall be reasonably requested to carry out the provisions, intent and purpose of the Agreement.
- G. Integration. This Agreement represents the entire agreement of the Parties with respect to the subject matter hereof. No representations, warranties, inducements or oral agreements have been made by any of the Parties except as expressly set forth herein, or in other contemporaneous written agreements.
- H. Amendment. This Agreement may only be changed by a written amendment executed by duly authorized representatives of both Parties. Notwithstanding the foregoing, Measure D Guidelines, performance measures, and other policies related to Measure D funds may be changed from time to time by the RTC, and any such changes shall be incorporated herein to the same extent as the underlying policy so amended.
- I. Independent Agencies. Both Parties to this Agreement are independent agencies. Nothing in this Agreement shall be interpreted to render any agents or employees of RTC to be employees or agents of Recipient nor be interpreted to render any agents or employees of Recipient to be employees or agents of RTC.
- J. Assignment. This Agreement may not be assigned or transferred without the express written consent of both Parties.



- K. Successors. This Agreement shall be binding upon the successor(s), assignee(s) or transferee(s) of the RTC or the Recipient as the case may be. This provision shall not be construed as an authorization to assign, transfer, hypothecate or pledge this Agreement other than as provided above.
- L. Severability. Should any part of this Agreement be determined to be unenforceable, invalid, or beyond the authority of either Party to enter into or carry out, such determination shall not affect the validity of the remainder of this Agreement which shall continue in full force and effect; provided that, the remainder of this Agreement can, absent the excised portion, be reasonably interpreted to give effect to the intentions of the Parties.
- M. Limitation. All obligations of RTC under the terms of this Agreement are expressly subject to RTC's continued authorization to collect and expend the sales tax proceeds provided by Measure D. If for any reason RTC's right to collect or expend such sales tax proceeds is terminated or suspended in whole or part, RTC shall promptly notify Recipient, and the Parties shall consult on a course of action. If, after twenty-five (25) working days, a course of action is not agreed upon by the Parties, this Agreement shall be deemed terminated by mutual or joint consent.
- N. Attorneys' Fees. If a Party to this Agreement brings any action, including arbitration or an action for declaratory relief, to enforce or interpret a provision of this Agreement, the prevailing Party shall be entitled to reasonable attorneys' fees in addition to any other relief to which that Party may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.
- O. Counterparts. The Parties may execute this Agreement in two or more counterparts, which shall, in the aggregate, be deemed an original but all of which, together, shall constitute one and the same instrument.
- P. Interpretation. Each Party acknowledges that it has reviewed this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Agreement.
- Q. Governing Law and Venue. The laws of the State of California will govern the validity of this Agreement, its interpretation and performance, and any other claims to which it relates. All legal actions arising out of this Agreement shall be brought in a court of competent jurisdiction in Santa Cruz County, California and the Parties hereto hereby waive inconvenience of forum as an objection or defense to such venue.

**In Witness Whereof**, the Parties have executed this Agreement by their duly authorized officers as of the Effective Date.

<b>[AGENCY]</b>	<b>SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION:</b>
Name: [NAME OF AGENCY DIRECTOR] Title: [TITLE] Date:	Name: Guy Preston Title: Executive Director Date:
<b>APPROVED AS TO FORM:</b>	<b>APPROVED AS TO FORM:</b>
Name: [NAME] Title: [AGENCY] Counsel Date:	Name: Steve Mattas Title: General Counsel to SCCRTC Date:
<b>RISK MANAGER APPROVAL:</b>	<b>RISK MANAGER APPROVAL:</b>
Name: [NAME] Title: [AGENCY] Risk Manager Date:	Name: Yesenia Parra Title: SCCRTC Risk Manager Date:

**V. Exhibits List**

- A. Exhibit A—Scope of Work
- B. Exhibit B--Financial Plan

## **Exhibit A—Scope of Work**

**Exhibit B--Financial Plan**

<b>RTC Contribution</b>	<b>[AGENCY] Contribution</b>	<b>Other Funding</b>	<b>Total Project Cost</b>
<b>[\$AMOUNT]</b>	<b>Any additional costs</b>		<b>[\$AMOUNT]</b>

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## Appendix 3.3 – Cooperative Agreement Involving SCBRL

### REGIONAL MONTEREY BAY SANCTUARY SCENIC TRAIL SEGMENT # COOPERATIVE AGREEMENT

#### Agreement #

This AGREEMENT, effective on \_\_\_\_\_, (EFFECTIVE DATE) is between the Santa Cruz County Regional Transportation Commission, referred to as RTC, and [Insert name of specific City or the County of Santa Cruz], a political subdivision of the State of California, referred to hereinafter as [Insert CITY or COUNTY]. RTC and [Insert CITY or COUNTY] may be referred to herein as PARTY or PARTIES collectively.

#### RECITALS

1. PARTIES are authorized to enter into a cooperative agreement for work on the Santa Cruz Branch Rail Line, hereinafter as RAIL LINE.
2. For the purpose of this AGREEMENT, the project described in the Project Description Exhibit A to this AGREEMENT, will be referred to hereinafter as PROJECT.
3. RTC purchased from Union Pacific Railroad and now owns that certain real property identified as RAIL LINE right-of-way for preservation, continuation of freight and recreational rail service, implementation of additional recreational rail service, potential future passenger rail service and construction of a bicycle and pedestrian trail.
4. RTC secured the services of St. Paul & Pacific Railroad, LLC (RAILWAY) for the purpose of maintaining and providing recreational and freight rail services on a FREIGHT EASEMENT of 10 feet from the centerline of any track on the RAIL LINE and entered into an Administration, Coordination and License Agreement (ACL) with RAILWAY, and the ACL is incorporated herein by this reference dated July 16, 2018.
5. All references to the ACL herein shall refer to the most current ACL and amendments available at the time of the design and approval of the PROJECT.
6. RTC produced and adopted the Monterey Bay Sanctuary Scenic Trail (MBSST) Network Master Plan, as revised on February 6, 2014, and certified the MBSST Network Master Plan Final Environmental Impact Report (EIR) on November 7, 2013, which includes construction of a multi-use trail along the RAIL LINE right-of-way and is incorporated herein by this reference; and the MBSST Network Master Plan identifies design standards and guidelines.

7. All references to the MBSST Network Master Plan herein shall refer to the most current MBSST Network Master Plan and amendments available at the time of the design and approval of the PROJECT.
8. RTC has entered into a Remedial Action Agreement (RAA) for the RAIL LINE right-of-way with the County of Santa Cruz Environmental Health Division (CSCEHD) which assigns CSCEHD the role as regulatory oversight agency for characterization and potential remedial action under Sections 101480 through 101490 of the California Health and Safety Code, and the RAA is incorporated by this reference dated June 13, 2017.
9. All obligations and responsibilities assigned in this AGREEMENT to complete the following PROJECT COMPONENT[S] will be referred to hereinafter as WORK:

*[Delete this and project components not part of this coop]*

- PROJECT APPROVAL AND ENVIRONMENTAL DOCUMENT (PA&ED)
- PLANS, SPECIFICATIONS, AND ESTIMATE (PS&E)
- RIGHT-OF-WAY
- CONSTRUCTION

Each PROJECT COMPONENT is defined in the California Department of Transportation (CALTRANS) Workplan Standards Guide Version 12.5 dated March 2020 as a distinct group of activities/products in the project planning and development process. The Workplan Standards Guide shall be used as a guide for the activities contemplated under this AGREEMENT. RTC may, in its sole discretion, waive the completion of certain activities listed in the Guide when PROJECT circumstances warrant it. The term AGREEMENT, as used herein, includes this document and any attachments, exhibits, and amendments.

10. The following work associated with this PROJECT has been completed or is in progress:

*[Insert any Prior work, such as completed environmental documents, studies, reports, or agreements, such as other coop agreements. OR if no prior work has been completed, insert: No prior work has been completed for this PROJECT.]*

- 

11. In this AGREEMENT capitalized words represent defined terms, initialisms, or acronyms.

## **RESPONSIBILITIES**



12. PARTIES hereby set forth the terms, covenants, and conditions of this AGREEMENT.

**Project Description**

13. PARTIES agree that for the purpose of this AGREEMENT, the details of the PROJECT are documented in the Project Description Exhibit A to this AGREEMENT.

14. PARTIES will amend this AGREEMENT by updating and replacing the Project Description, in its entirety, each time any details of the Project Description change. Project Description replacements will be executed by a legally authorized representative of the respective PARTIES. The most current fully executed Project Description supersedes any previous Project Description created for this AGREEMENT.

**Sponsorship**

15. A SPONSOR is responsible for establishing the scope of the PROJECT and securing the financial resources to fund the WORK. A SPONSOR is responsible for securing additional funds when necessary or implementing PROJECT changes to ensure the WORK can be completed with the funds obligated in this AGREEMENT.

16. PROJECT changes shall be approved by RTC as the owner/operator of the RAIL LINE right-of way.

17. [Insert CITY, COUNTY, RTC, or any combination] [ Insert is or are] [Insert SPONSOR or CO-SPONSORS] for the WORK in this AGREEMENT.

**Implementing Agency**

18. The IMPLEMENTING AGENCY is the PARTY responsible for managing the scope, cost, schedule, and quality of the work activities and products of a PROJECT COMPONENT.

- [Insert CITY, COUNTY or RTC] is the Project Approval and Environmental Document (PA&ED) IMPLEMENTING AGENCY [or leave blank].

[Insert] PA&ED includes the completion of the Final Environmental Document (documenting the project alternative selection) [or leave blank].

- [Insert CITY, COUNTY or RTC] is the Plans, Specifications, and Estimate (PS&E) IMPLEMENTING AGENCY [or leave blank].

*[Insert]* PS&E includes the development of the plans, specifications, and estimate, including those needed for off-site environmental mitigation; and, obtaining any resource agency permits. *[or leave blank]*

- *[Insert CITY, COUNTY or RTC]* is the RIGHT-OF-WAY IMPLEMENTING AGENCY *[or leave blank]*

*[Insert]* RIGHT-OF-WAY includes coordination with utility owners for the protection, removal, or relocation of utilities; the preparation of utility agreements and notice(s) to owners to relocate; the acquisition of right-of-way interests, including those needed for off-site environmental mitigation; and post-construction work such as right-of-way monumentation/recordation, relinquishments/vacations, and excess land transactions. The RIGHT-OF-WAY component budget identifies the cost of the capital costs of right-of-way acquisition, which includes the PROJECT cost of utility relocations and off-site environmental mitigation (RIGHT-OF-WAY Capital) and the cost of the staff work in support of the capital cost (RIGHT-OF-WAY Support) *[or leave blank]*.

- *[Insert CITY, COUNTY or RTC]* is the CONSTRUCTION IMPLEMENTING AGENCY *[or leave blank]*.

*[Insert]* CONSTRUCTION includes the advertisement/award of the construction contract, construction contract administration, surveying/staking, inspection, quality assurance, and assuring regulatory compliance. The CONSTRUCTION component budget identifies the capital costs of the construction contract/furnished materials (CONSTRUCTION CAPITAL) and the cost of the staff work in support of the construction contract administration (CONSTRUCTION SUPPORT) *[or leave blank]*.

19. Any PARTY responsible for completing WORK will invite the other PARTY to participate in the selection of any consultant proposed to perform WORK on the PROJECT. RTC reserves explicit authority to administratively approve or reject proposed consultants.
20. Any PARTY employing consultants, contractors and subcontractors to perform WORK shall require consultants, contractors and subcontractors to defend and indemnify the other PARTY, RAILWAY, and each of their respective officials, officers, employees and agents, from any claims demands and liability arising from such work to the fullest extent allowed by applicable law.
21. Any PARTY employing engineering firms to prepare plans, specifications, and estimates will ensure that the firms will not be employed by or under a contract for the construction of the PROJECT. However, an engineering firm may be retained during construction to check shop drawings, do soil foundation tests, test construction materials and perform construction surveys.

22. Any PARTY responsible for completing WORK will make its personnel and consultants that prepare WORK available to help resolve WORK related problems and changes for the entire duration of the PROJECT, including WORK that may occur during the construction component of the PROJECT.

### **RTC's Oversight**

23. RTC' will provide oversight to ensure that [Insert CITY or COUNTY] WORK is in accordance with the applicable standards, including but not limited to the MBSST Network Master Plan. RTC oversight does not include any efforts necessary to develop or deliver WORK or any validation by verifying or rechecking WORK. RTC's review and approval of the WORK as consistent with applicable standards shall not waive any claims or exonerate any contractor or subcontractor from liability for any defects in completion of any WORK component or in the design thereof whether patent or latent.
24. When RTC performs oversight, it does so for its own benefit. No one can assign liability to RTC due to its oversight.
25. RTC, as the owner/operator of the RAIL LINE right-of-way, will approve WORK outputs in accordance with RTC's policies and guidance and as indicated in this AGREEMENT. If RTC agreements, policies or guidance that pertain to the WORK are updated or amended while this AGREEMENT is effective, RTC shall provide current policy or guidance document to [Insert CITY or COUNTY].
26. [Insert CITY or County] will provide WORK related products and supporting documentation upon RTC's request for the purpose of RTC oversight.

### **CEQA/NEPA Lead Agency**

27. [Insert CITY, COUNTY, OR RTC] is the California Environmental Quality Act (CEQA) Lead Agency for the PROJECT.
28. [Insert either CITY, COUNTY, or RTC] is the National Environmental Policy Act (NEPA) Lead Agency for the PROJECT. OR PARTIES have agreed not to seek a NEPA document. If this decision is changed, PARTIES agree to amend this AGREEMENT.

### **Environmental Permits, Approvals and Agreements**

29. PARTIES will comply with the commitments and conditions set forth in the environmental documentation, environmental permits, approvals, and applicable agreements as those commitments and conditions apply to each PARTIES' responsibilities in this AGREEMENT.

30. Unless otherwise assigned in this AGREEMENT, the IMPLEMENTING AGENCY for a PROJECT COMPONENT is responsible for all PROJECT COMPONENT WORK associated with coordinating, obtaining, implementing, renewing, and amending the PROJECT permits, agreements, and approvals whether they are identified in the planned project scope of work or become necessary in the course of completing the PROJECT.

**Project Approval and Environmental Document (PA&ED)** *[This entire section can be completely deleted if PAED is not one of the project components included in the Implementing Agency section of this AGREEMENT]*

31. As the PA&ED IMPLEMENTING AGENCY, *[Insert either CITY, COUNTY or RTC]* is responsible for all PA&ED WORK except those activities and responsibilities that are assigned to another PARTY and those activities that are excluded under this AGREEMENT.
32. *[Insert either CITY, COUNTY or RTC]* will be responsible for completing the following PA&ED activities:

PA&ED Activity	AGREEMENT Funded Cost
<i>[Insert CITY, COUNTY or RTC]</i> Oversight	No
<i>[List any other PAED Activities that PARTY listed above will perform]</i>	<i>[Yes or No]</i>

33. *[Insert either CITY, COUNTY or RTC]* will notify *[Insert RTC and or leave blank if RTC is implementing PAED]* CSCEHD (i) of any planned activity within the RAIL LINE right-of-way that will result in soil disturbance, and (ii) that *[Insert either CITY, COUNTY or RTC]* is responsible for CSCEHD oversight cost as specified in the RAA during PA&ED.
34. Any PARTY preparing environmental documentation, including studies and reports, will ensure that qualified personnel remain available to help resolve environmental issues and perform any necessary work to ensure that the PROJECT remains in environmental compliance.
35. *[Insert either CITY, COUNTY or RTC]* will provide written notice of the initiation of environmental studies to the CEQA *[Insert and NEPA or leave blank]* Lead *[Insert Agency or Agencies]* prior to completing any other PA&ED work. *[Delete if it is the same agency].*

### California Environmental Quality Act (CEQA)

36. Environmental documentation will be prepared in compliance with all applicable provisions of California Public Resources Code §21000 et seq.
37. In consultation with [Insert CITY, COUNTY, or RTC], the CEQA Lead Agency will determine the type of CEQA documentation required for the PROJECT. The CEQA Lead Agency will cause that documentation to be prepared in accordance with CEQA requirements.
38. The PARTY involved in the preparation of CEQA documentation will prepare the documentation to meet CEQA requirements and follow the CEQA Lead Agency's standards that apply to the CEQA process.
39. Any PARTY preparing any portion of the CEQA documentation, including any studies and reports, will submit that portion of the documentation to the CEQA Lead Agency for review, comment, and approval at appropriate stages of development prior to public availability.
40. [If a PARTY other than RTC is doing CEQA public meeting work, insert CITY or COUNTY] will submit CEQA-related public notices to RTC for review, comment, and approval prior to publication and circulation. [Otherwise this statement is not needed and can be removed].
41. [If a PARTY other than RTC is doing CEQA public meeting work, insert CITY or COUNTY] will submit all CEQA-related public meeting materials to RTC for review, comment, and approval at least ten (10) working days prior to the applicable public meeting date. [Otherwise this statement is not needed and can be removed]
42. If [Insert CITY or COUNTY] makes any changes to public meeting materials that were previously provided to RTC, then [Insert CITY or COUNTY] will allow RTC to review, comment, and concur on those changes at least three (3) working days prior to the public meeting date. [Otherwise this statement is not needed and can be removed].
43. The CEQA Lead Agency will attend all CEQA-related public meetings.
44. If a PARTY who is not the CEQA Lead Agency holds a public meeting about the PROJECT, that PARTY must clearly state its role in the PROJECT and the identity of the CEQA Lead Agency on all meeting publications. All meeting publications must also inform the attendees that public comments collected at the meetings are not part of the CEQA public review process.

45. That PARTY will submit all meeting advertisements, agendas, exhibits, handouts, and materials to the CEQA Lead Agency for review, comment, and approval at least ten (10) working days prior to publication or use. If that PARTY makes any changes to the materials, it will allow the CEQA Lead Agency to review, comment on, and approve those changes at least three (3) working days prior to the public meeting date.
46. The CEQA Lead Agency shall maintain final editorial control with respect to text or graphics that could lead to public confusion over CEQA-related roles and responsibilities.

**National Environmental Policy Act (NEPA)** *[This entire section can be completely deleted if NEPA documentation is not being prepared]*

47. In consultation with *[Insert CITY or COUNTY and RTC, or RTC]*, the Lead Agency will determine the type of NEPA documentation required for the PROJECT. The NEPA Lead Agency will cause that documentation to be prepared in accordance with NEPA requirements.
48. The NEPA Lead Agency will review, comment, and approve all environmental documentation (including, but not limited to, studies, reports, public notices, and public meeting materials, determinations, administrative drafts, and final environmental documents) at appropriate stages of development prior to approval and public availability.
49. When required, the NEPA Lead Agency will conduct consultation and coordination and obtain, renew, or amend approvals pursuant to the Federal Endangered Species Act, and Essential Fish Habitat.
50. When required, the NEPA Lead Agency will conduct consultation and coordination approvals pursuant to Section 106 of the National Historic Preservation Act.
51. The PARTY involved in the preparation of NEPA documentation will follow Federal Highway Administration (FHWA) and CALTRANS standards that apply to the NEPA process including, but not limited to, the guidance provided in the FHWA Environmental Guidebook and the CALTRANS Standard Environmental Reference.
52. Any PARTY preparing any portion of the NEPA documentation (including, but not limited to, studies, reports, public notices, and public meeting materials, determinations, administrative drafts, and final environmental documents) will submit that portion of the documentation to the NEPA Lead Agency for review, comment, and approval at least ten (10) working days prior to public availability. If that PARTY makes any changes to the materials, it will allow the NEPA Lead Agency to review, comment on, and approve those changes at least three (3) working days prior to the applicable public meeting date.



53. If a PARTY who is not the NEPA Lead Agency holds a NEPA public meeting about the PROJECT, that PARTY must clearly state its role in the PROJECT and the identity of the NEPA Lead Agency on all meeting publications.
54. [Insert CITY, COUNTY or RTC] will prepare, publicize, and circulate all NEPA-related public notices, including Federal Register notices. [Insert CITY or COUNTY] will submit all notices to [Insert RTC and the NEPA Lead Agency or NEPA Lead Agency if RTC is Implementing Agency for PA&ED] for review, comment, and approval prior to publication and circulation. [Or leave blank if RTC is implementing NEPA]
55. The NEPA Lead Agency will attend all NEPA-related public meetings.
56. [Insert CITY, COUNTY, or RTC] will submit all NEPA-related public meeting materials to [Insert RTC and the NEPA Lead Agency or NEPA Lead Agency if RTC is the Implementing Agency for PA&ED] for review, comment, and approval at least ten (10) working days prior to the applicable public meeting date.
57. If a PARTY, who is not the NEPA Lead Agency, holds a public meeting about the PROJECT, that PARTY must clearly state its role in the PROJECT and the identity of the NEPA Lead Agency on all meeting publications. All meeting publications must also inform the attendees that public comments collected at the meetings are not part of the NEPA public review process.
58. That PARTY will submit all meeting advertisements, agendas, exhibits, handouts, and materials to the NEPA Lead Agency for review, comment, and approval at least ten (10) working days prior to publication or use. If that PARTY makes any changes to the materials, it will allow the NEPA Lead Agency to review, comment on, and approve those changes at least three (3) working days prior to the public meeting date.
59. The NEPA Lead Agency shall maintain final editorial control with respect to text or graphics that could lead to public confusion over NEPA-related roles and responsibilities.
60. [Insert CITY, COUNTY or RTC] will ensure that the PROJECT is included in the approved Federal Statewide Transportation Improvement Program (FSTIP) prior to the NEPA Lead Agency's approval of the environmental document.

**Plans, Specifications, and Estimate (PS&E)** *[This entire section can be completely deleted if PS&E is not one of the project components included in the Implementing Agency section of this AGREEMENT]*

- 61. As the PS&E IMPLEMENTING AGENCY, [*insert CITY, COUNTY, or RTC*], is responsible for all PS&E WORK except those activities and responsibilities that are assigned to another PARTY and those activities that are excluded under this AGREEMENT.
- 62. [*Insert CITY, COUNTY, or RTC*] will be responsible for completing the following PS&E activities:

PS&E Activity	AGREEMENT Funded Cost
[ <i>Insert CITY, COUNTY or RTC</i> ] Oversight	No
[ <i>Insert CITY, COUNTY or RTC</i> ]	
[List any other PS&E Activities that PARTY listed above will perform]	[Yes or No]

- 63. [*Insert either CITY, COUNTY or RTC*] will notify RTC and CSCEHD (i) of any planned activity within the RAIL LINE right-of-way that will result in soil disturbance, and (ii) that [*Insert either CITY, COUNTY or RTC*] is responsible for CSCEHD oversight cost as specified in the RAA during PS&E.
- 64. [*Insert CITY, COUNTY, or RTC*] will prepare Utility Conflict Maps identifying the accommodation, protection, relocation, or removal of any existing utility facilities that conflict with construction of the PROJECT.
- 65. All arrangements for the protection, relocation, or removal of all conflicting utility facilities will be addressed in the PROJECT plans, specifications, and estimate.
- 66. [*Insert CITY, COUNTY, or RTC*] will determine the cost to positively identify and locate, accommodate, protect, relocate, or remove any utility facilities whether inside or outside the RAIL LINE right-of-way in accordance with federal and California laws and regulations, and RTC’s policies, procedures, standards, practices, and applicable agreements.

67. [Insert CITY, COUNTY, or RTC] will provide [Insert CITY, COUNTY, or RTC] with a Boundary Survey. The Boundary Survey will identify the limits of the RAIL LINE right-of-way and identify potential Third-Party Encroachments and easements onto the RAIL LINE right-of-way. The Boundary Survey will include the placement of survey monuments at intervals sufficient for use by future survey crews.
68. [Insert CITY, COUNTY, or RTC] will prepare third-party Encroachment Conflict Maps identifying the removal of any existing third party (non-utility) encroachments that conflict with construction of the PROJECT
69. All third-party encroachment conflicts not resolved will be addressed in the PROJECT plans, specifications, and estimate.
70. [Insert CITY, COUNTY, or RTC] will be the applicant for all applicable California Public Utility Commission (CPUC) approvals.
71. [Insert CITY, COUNTY, or RTC] will prepare and transmit regulatory permit applications. [Insert CITY, COUNTY] will provide a copy of all permit applications at least 10-days in advance of transmittal for RTC's review and concurrence (or leave blank if RTC is implementing agency for PS&E and CONSTRUCTION). All permit conditions will be addressed in the PROJECT plans, specifications and estimate.

## **RIGHT-OF-WAY**

*[This entire section can be completely deleted if RIGHT-OF-WAY is not one of the project components included in the Implementing Agency section of this AGREEMENT]*

72. As the RIGHT-OF-WAY IMPLEMENTING AGENCY, [insert CITY, COUNTY, or RTC] is responsible for all RIGHT-OF-WAY WORK except those activities and responsibilities that are assigned to another PARTY and those activities that are excluded under this AGREEMENT.
73. [Insert CITY, COUNTY, or RTC] will be responsible for completing the following RIGHT-OF-WAY activities:

RIGHT-OF-WAY Activity	AGREEMENT Funded Cost
[Insert CITY, COUNTY or RTC] Oversight	No
Issue Notices to Owner	No
Boundary Survey	No
Removal of Encroachments	No
Request removal of third-party encroachments	No
Hearing and adopting Resolutions of Necessity for acquisitions of right-of-way	No

74. [Insert CITY or COUNTY, or RTC] will make all necessary arrangements with utility owners for the timely accommodation, protection, relocation, or removal of any existing utility facilities that conflict with construction of the PROJECT.
75. [CITY or COUNTY] will provide RTC a copy of utility conflict maps, relocation plans, proposed notices to owner, reports of investigation, and utility agreements (if applicable) for RTC’s concurrence prior to RTC issuing the notices to owner and executing any utility agreements [or leave blank if RTC is the Implementing Agency for ROW].
76. All utility conflicts will be fully addressed prior to Right-of-Way Certification.
77. [Insert CITY, COUNTY or RTC] will provide RTC a copy of Third-Party Encroachment Conflict Maps for RTC’s concurrence. RTC will issue the Notices to Owner. RTC will attempt to make all necessary arrangements with property owners for the timely removal of any encroachment that conflicts with the construction of the PROJECT. [Delete this clause if RTC is implementing RIGHT OF WAY]
78. All encroachments will be fully identified prior to Right-of-Way Certification.
79. [Insert CITY, COUNTY, or RTC] will engage or provide a land surveyor licensed in the State of California to be responsible for surveying and right-of-way engineering. All survey and right-of-way engineering documents will bear the professional seal, certificate number, registration classification, expiration date of certificate, and signature of responsible surveyor.
80. When RIGHT-OF-WAY is funded with State or Federal funds the acquisition of right-of-way will not occur prior to the approval of the environmental document.

81. The RTC Board is responsible for hearing and adopting Resolutions of Necessity for acquisitions of right-of-way.
82. If [Insert CITY or COUNTY] acquires any right-of-way to be incorporated into the RAIL LINE right-of-way, [CITY or COUNTY] will acquire in RTC's name.
83. Title to the RAIL LINE right-of-way will ultimately be vested in the name of RTC. RTC's acceptance of title will occur after the Right-of-Way Closeout activities, as identified in the CALTRANS Workplan Standards Guide, are complete. [Leave blank if RTC is ROW Implementing Agency]
84. A Maintenance Agreement must be executed prior to Right-of-Way Certification, unless PARTIES mutually agree to other arrangements in writing.
85. [Insert CITY or COUNTY] will submit a draft Right-of-Way Certification to RTC six (6) weeks prior to scheduled Right-of-Way Certification milestone date for review.
86. [Insert CITY or COUNTY] will submit a final Right-of-Way Certification to RTC for approval prior to advertising the construction contract (or RTC will provide Right-of-Way Certification prior to the PROJECT advertisement or delete entirely if Construction is not part of the agreement).
87. Physical and legal possession of the right-of-way must be secured prior to advertising the construction contract, unless PARTIES mutually agree to other arrangements in writing.
88. RTC's acceptance of right-of-way title is subject to review of an Updated Preliminary Title Report provided by [Insert CITY or COUNTY] verifying that the title is free of all encumbrances and liens. Upon acceptance by RTC, [Insert CITY or COUNTY] will provide RTC with a Policy of Title Insurance in RTC's name. [Leave blank if RTC is ROW Implementing Agency]
89. Right-of-way conveyances from third-parties must be completed prior to completion of the WORK unless PARTIES mutually agree to other arrangements in writing.

**CONSTRUCTION**

*[This entire section can be completely deleted if CONSTRUCTION is not one of the project components included in the Implementing Agency section of this AGREEMENT]*

- 90. As the CONSTRUCTION IMPLEMENTING AGENCY, *[insert CITY, COUNTY, or RTC]* is responsible for all CONSTRUCTION WORK except those activities and responsibilities that are assigned to another PARTY and those activities that are excluded under this AGREEMENT.
- 91. *[insert CITY, COUNTY, or RTC]* will be responsible for completing the following CONSTRUCTION activities:

CONSTRUCTION Activity	AGREEMENT Funded Cost
<i>[Insert CITY, COUNTY or RTC]</i> Oversight	No
<i>[List any other CONSTRUCTION Activities that Party listed above will perform]</i>	<i>[Yes or No]</i>

- 92. Physical and legal possession of the right-of-way must be completed prior to advertising the construction contract, unless PARTIES mutually agree to other arrangements in writing.
- 93. Right-of-way conveyances must be completed prior to WORK completion, unless PARTIES mutually agree to other arrangements in writing.
- 94. *[Insert CITY, COUNTY, or RTC]* will advertise, open bids, award, and approve the construction contract in accordance with the California Public Contract Code and the California Labor Code. By accepting responsibility to advertise and award the construction contract, *[Insert CITY, COUNTY, or RTC]* also accepts responsibility to administer the construction contract.
- 95. If the lowest responsible construction contract bid is greater than the funding commitment to CONSTRUCTION CAPITAL, PARTIES must agree in writing on a course of action within fifteen (15) working days. If no agreement is reached within fifteen (15) working days, the IMPLEMENTING AGENCY will not award the construction contract.



96. *[Insert either CITY, COUNTY or RTC]* will notify RTC and CSCEHD of any planned activity within the RAIL LINE right-of-way that will result in soil disturbance and that *[Insert either CITY, COUNTY or RTC]* is responsible for CSCEHD oversight cost as specified in the RAA during CONSTRUCTION.
97. *[Insert CITY, COUNTY, or RTC ]* will implement changes to the construction contract through Change Orders. *[Insert PARTIES will review and concur on all Change Orders over \$25,000 or other provisions as agreed by PARTIES].*
98. Upon WORK completion, ownership or title to all materials and equipment constructed or installed for the operations and/or maintenance of the MBSST within RAIL LINE right-of-way as part of WORK become the property of RTC.
99. RTC will not accept ownership or title to any materials or equipment constructed or installed outside RAIL LINE right-of-way.

## **Funding**

100. *[If Measure D-MBSST Regional funds are not used, insert]* The WORK does not use RTC administered regional Measure D funds. PARTIES will amend this AGREEMENT should this condition change. *[and then delete the next set of clauses with exception of 104 or 4<sup>th</sup> clause down].*
101. *[If Measure D-MBSST Regional funds are used, delete the previous clause and insert]* Funding sources, PARTIES committing funds and funding amounts are documented in the Funding and Spending Summary, Exhibit B to this AGREEMENT.
102. PARTIES will amend this AGREEMENT by updating and replacing the Funding and Spending Summary, in its entirety, each time the funding details change Funding and Spending Summary replacements will be executed by a legally authorized representative of the respective PARTIES. The most current fully executed Funding and Spending Summary supersedes any previous Funding and Spending Summary created for this AGREEMENT. *[or use the previous clause]*
103. PARTIES will not be reimbursed for costs beyond the funds obligated in this AGREEMENT.
104. If an IMPLEMENTING AGENCY anticipates that funding for the WORK will be insufficient to complete the WORK, the IMPLEMENTING AGENCY will promptly notify the other PARTY.

105. Unless otherwise documented in the Funding and Spending Summary, overall liability for project costs within a PROJECT COMPONENT will be in proportion to the amount contributed to that PROJECT COMPONENT by each fund type.
106. Unless otherwise documented in the Funding and Spending Summary, any savings recognized within a PROJECT COMPONENT will be credited or reimbursed, when allowed by policy or law, in proportion to the amount contributed to that PROJECT COMPONENT by each fund type.
107. WORK costs, except those that are specifically excluded in this AGREEMENT, are to be paid from the funds obligated in the Funding and Spending Summary. Costs that are specifically excluded from the funds obligated in this AGREEMENT are to be paid by the PARTY incurring the costs from funds that are independent of this AGREEMENT.

### **Invoicing and Payment**

*[The first two clauses can be completely deleted if there is no exchange of funding for any project component]*

108. PARTIES will invoice for funds on a pro-rata basis where the Spending Summary shows that one PARTY provides funds for use by another PARTY. PARTIES will pay invoices within **forty-five (45) calendar days** of receipt of invoice. *[This entire clause can be completely deleted if there is no exchange of funding]*
109. When a PARTY is reimbursed for actual cost, invoices will be submitted at least quarterly for the prior month's expenditures. After all PROJECT COMPONENT WORK is complete, PARTIES will submit a final accounting of all PROJECT COMPONENT costs. Based on the final accounting, PARTIES will invoice or refund as necessary to satisfy the financial commitments of this AGREEMENT.
110. Component of work covered by the AGREEMENT

*[Insert a section for each component of work covered by the AGREEMENT and then select the one of the two invoice and payment clauses below and delete the other clause]*

- *PA&ED*
  - No invoicing or reimbursement will occur for any *[Insert name of component]* PROJECT COMPONENT covered by this AGREEMENT.
  - *[Insert CITY, COUNTY, or RTC]* will invoice *[Insert CITY, COUNTY, or RTC]* and *[Insert CITY, COUNTY, or RTC]* will reimburse for actual costs incurred and paid by *[Insert CITY, COUNTY, or RTC]*.

- *PS&E*
  - No invoicing or reimbursement will occur for the [Insert name of component] PROJECT COMPONENT.
  - [Insert CITY, COUNTY, or RTC] will invoice [Insert CITY, COUNTY, or RTC] and [Insert CITY, COUNTY, or RTC] will reimburse for actual costs incurred and paid by [Insert CITY, COUNTY, or RTC].
- *RIGHT-OF-WAY Support*
  - No invoicing or reimbursement will occur for the [Insert name of component] PROJECT COMPONENT.
  - [Insert CITY, COUNTY, or RTC] will invoice [Insert CITY, COUNTY, or RTC] and [Insert CITY, COUNTY, or RTC] will reimburse for actual costs incurred and paid by [Insert CITY, COUNTY, or RTC].
- *RIGHT-OF-WAY Capital*
  - No invoicing or reimbursement will occur for the [Insert name of component] PROJECT COMPONENT.
  - [Insert CITY, COUNTY, or RTC] will invoice [Insert CITY, COUNTY, or RTC] and [Insert CITY, COUNTY, or RTC] will reimburse for actual costs incurred and paid by [Insert CITY, COUNTY, or RTC].
- *CONSTRUCTION Support*
  - No invoicing or reimbursement will occur for the [Insert name of component] PROJECT COMPONENT.
  - [Insert CITY, COUNTY, or RTC] will invoice [Insert CITY, COUNTY, or RTC] and [Insert CITY, COUNTY, or RTC] will reimburse for actual costs incurred and paid by [Insert CITY, COUNTY, or RTC].
- *CONSTRUCTION Capital*
  - No invoicing or reimbursement will occur for the [Insert name of component] PROJECT COMPONENT.
  - [Insert CITY, COUNTY, or RTC] will invoice [Insert CITY, COUNTY, or RTC] and [Insert CITY, COUNTY, or RTC] will reimburse for actual costs incurred and paid by [Insert CITY, COUNTY, or RTC].

## Schedule

111. PARTIES will manage the WORK schedule to ensure the timely use of obligated funds and to ensure compliance with any environmental permits, right-of-way agreements, construction contracts, and any other commitments. PARTIES will communicate schedule risks or changes as soon as they are identified and will actively manage and mitigate schedule risks.
112. The IMPLEMENTING AGENCY for each PROJECT COMPONENT will furnish PARTIES with written monthly progress reports during the completion of the WORK.

## Measure D Requirements

*[Keep section if Measure D – Regional Funds will be used. Otherwise, delete section]*

113. **Approval of Projects/Program – The 5-Year Program of Projects:** Prior to the RTC allocating Measure D Active Transportation/MBSST (Measure D Trail) funding to any projects or programs, projects must first be approved by the RTC governing board following a public hearing. This approval allows the opportunity for the public to provide input on planning for Measure D-funded projects.
- 114.
115. *[Insert CITY or COUNTY]* shall actively conduct public outreach, in partnership with RTC and/or its advisory committees, as a means of ensuring that the public has the ability to access information about which projects and programs are funded with Measure D funds.
116. CITY shall, by December 31st of each year, submit to RTC an annual report (covering the prior fiscal year) regarding programs and projects on which CITY expended Measure D Trail funds, including but not limited to, 1) updated project costs, funding, scope, and schedule; 2) documentation of actual expenditures of Measure D Trail Revenues from the most recently completed fiscal year; and 3) information on leverage grants, performance metrics, public outreach. Expenditures of Measure D Trail funds shall be consistent with the RTC-approved 5-year program of projects. RTC shall include expenditure information into a consolidated annual report and financial statements prepared by the RTC for Measure D Trail funds.
- 117.

118. **[Insert CITY or COUNTY]** shall document expenditure activities and report on the performance of Measure D funded activities through the annual report process, or through other RTC performance and reporting processes as they may be requested, including but not limited to the annual Five-Year Program of Projects, planning and monitoring reports. RTC shall utilize information from **[Insert CITY or COUNTY]** on expenditures to prepare a comprehensive report to the public on the expenditure of Measure D revenues.
119. **[Insert CITY or COUNTY]** shall install or mount signage adjacent to Measure D funded construction projects, so Santa Cruz County taxpayers are informed as to how **[Insert CITY or COUNTY]** is using Measure D funds
120. CITY shall provide current and accurate information on CITY’s website, to inform the public about how CITY plans to use and is using Measure D funds.
121. Maintenance of Effort: Pursuant to California Public Utilities Code Section 180001(e), **[Insert CITY or COUNTY]** shall use Measure D funds to supplement and not replace existing local revenues used for transportation purposes. Measure D revenues also shall not be used to replace revenues used for existing agency indirect costs or overhead. As set forth in the Measure D Ordinance: 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 D Revenues shall maintain their existing commitment of discretionary local transportation-related expenditures for transportation purposes pursuant to the ordinance, and the RTC shall enforce this requirement by appropriate actions, including fiscal audits of the local agencies. **[Insert CITY or COUNTY]** shall report on their compliance in the annual guidance.

**Additional Provisions**

**Standards**

122. PARTIES will comply with all applicable federal and California laws, regulations, and standards during performance of the WORK; FHWA standards (when federal funds are used); CALTRANS standards (based on AASHTO standards); AREMA Standards for railroad facilities or facilities affecting railroads; and, RTC Standards. RTC Standards are:
  - Monterey Bay Sanctuary Scenic Trail Network 2013 Master Plan

- Sanctuary Scenic Trail Standards Manual - Signs and Exhibits Specifications adopted in 2013

123. RTC shall provide [Insert CITY or COUNTY] with all applicable documents constituting RTC Standards applicable to performance of the WORK during the Term of this AGREEMENT.

**Right of Entry Agreement(s)**

124. [Insert CITY or COUNTY] is responsible for obtaining a right of entry agreement from the RAILWAY prior to entering the RAIL LINE right-of-way to perform the PROJECT WORK.
125. RTC shall grant [Insert CITY or COUNTY], its agents, consultants, and contractors a right of entry agreement(s) to enter the RAIL LINE right-of-way, upon [Insert CITY or COUNTY]'s agreement to meet all of RTC's requirements for obtaining such agreement.

**Qualifications**

126. Each PARTY will ensure that personnel participating in WORK are appropriately qualified or licensed to perform the tasks assigned to them.

**Encroachments**

127. The IMPLEMENTING AGENCY for a PROJECT COMPONENT will coordinate, prepare, obtain, implement, renew, and amend any encroachment permits needed to complete the WORK.

**Protected Resources**

128. If any PARTY discovers unanticipated cultural, archaeological, paleontological, or other protected resources during WORK, all WORK in that area will stop and that PARTY will notify all other PARTIES within 24 hours of discovery. WORK may only resume after a qualified professional has evaluated the nature and significance of the discovery in accordance with all applicable state and federal laws and regulations and RTC approves a plan for its removal or protection.

**Disclosures**

129. PARTIES will hold all preliminary drafts of final reports, studies, materials, and documentation relied upon, produced, created, or utilized for the WORK in confidence to the extent permitted by law and where applicable, the provisions of California Government Code, Section 6254.5(e) will protect the confidentiality of such documents in the event that said documents are shared between PARTIES.



130. PARTIES will not distribute, release, or share said documents with anyone other than employees, agents, and consultants who require access to complete the WORK without the written consent of the PARTY authorized to release them, unless required or authorized to do so by law.
131. If a PARTY receives a public records request pertaining to the WORK, that PARTY will notify PARTIES within five (5) working days of receipt and make PARTIES aware of any disclosed public documents. PARTIES will consult with each other prior to the release of any public documents related to the WORK.

### **Hazardous Materials**

132. HM-1 is hazardous material (including, but not limited to, hazardous waste) that may require removal and disposal pursuant to federal or state law, irrespective of whether it is disturbed by the PROJECT or not.
133. HM-2 is hazardous material (including, but not limited to, hazardous waste) that may require removal and disposal pursuant to federal or state law only if disturbed by the PROJECT.
134. The management activities related to HM-1 and HM-2, including and without limitation, any necessary manifest requirements and disposal facility designations are referred to herein as HM-1 MANAGEMENT and HM-2 MANAGEMENT respectively.
135. If HM-1 or HM-2 is found the discovering PARTY will immediately notify all other PARTIES.
136. RTC, independent of the PROJECT, is responsible for any HM-1 found within the existing RAIL LINE right-of-way. RTC will undertake, or cause to be undertaken, HM-1 MANAGEMENT with minimum impact to the PROJECT schedule.
137. RTC will pay, or cause to be paid, the cost of HM-1 MANAGEMENT for HM-1 found within the existing RAIL LINE right-of-way with funds that are independent of the funds obligated in this AGREEMENT.
138. If HM-1 is found within the PROJECT limits and outside the existing RAIL LINE right-of-way, responsibility for such HM-1 rests with the owner(s) of the parcel(s) on which the HM-1 is found. **[Insert CITY, COUNTY, or RTC]** in concert with the local agency having land use jurisdiction, will ensure that HM-1 MANAGEMENT is undertaken with minimum impact to PROJECT schedule.

139. The cost of HM-1 MANAGEMENT for HM-1 found within the PROJECT limits and outside the existing RAIL LINE right-of-way will be paid from funds that are independent of the funds obligated in this AGREEMENT and will be the responsibility of the owner(s) of the parcel(s) where the HM-1 is located.
140. The IMPLEMENTING AGENCY that disturbs HM-2 material is responsible for HM-2 MANAGEMENT during performance of that WORK.
141. The cost of HM-2 MANAGEMENT for HM-2 found within the PROJECT limits will be paid from funds designated for the WORK necessary to complete the PROJECT COMPONENT that disturbs the HM-2 hazardous material.
142. RTC's acquisition or acceptance of title to any property on which any HM-1 or HM-2 is found will proceed in accordance with direction provided by RTC's Executive Director.

### **Claims**

143. PARTIES will confer on any claim that may affect the WORK or PARTIES' liability or responsibility under this AGREEMENT.
144. A PARTY may settle any claim related to this AGREEMENT without the consent of the other PARTIES, so long as (i) such settlement results in a full and complete release of that claim at no cost to the other PARTIES, (ii) the settlement does not accept or acknowledge liability or fault on behalf of the non-settling PARTIES, and (iii) the settlement does not impose any immediate, ongoing, or future obligations on non-settling PARTIES. In all other cases, no PARTY shall settle any claim without the written consent of the other PARTIES to this AGREEMENT.

### **Accounting and Audits**

145. If the WORK expends state or federal funds, any PARTY seeking RTC reimbursement of indirect costs must submit an indirect cost rate proposal and central service cost allocation plan (if any) in accordance with 2 CFR, Part 200, and Chapter 5 of Local Assistance Procedures Manual. These documents are to be submitted annual to RTC for review and acceptance prior to RTC's reimbursement of indirect costs.
146. Travel, per diem, and third-party contract reimbursements for WORK are to be paid from the funds in this AGREEMENT only after the contractor performs the work and incurs said costs.

147. If the WORK expends state or federal funds, will comply with the Federal Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards of 2 CFR, Part 200. PARTIES will ensure that any for-profit consultant hired to participate in the WORK will comply with the requirements in 48 CFR, Chapter 1, Part 31. When state or federal funds are expended on the WORK these principles and requirements apply to all funding types included in this AGREEMENT.
148. PARTIES will maintain and will ensure that any consultant hired by PARTIES to participate in WORK will maintain, a financial management system that conforms to Generally Accepted Accounting Principles (GAAP), and that can properly accumulate and segregate incurred PROJECT costs and billings.
149. PARTIES will maintain and make available to each other all WORK-related documents, including financial data, during the term of this AGREEMENT.
150. PARTIES will retain all WORK- related records for three (3) years after the CLOSEOUT STATEMENT, Exhibit C.
151. PARTIES will require that any consultants hired to participate in the WORK will comply with GAAP.
152. PARTIES have the right to audit each other in accordance with generally accepted governmental audit standards.
153. RTC, [insert CITY or COUNTY], or any other funding agency, including its consultants or agents, shall have access to all WORK -related records of each PARTY for audit, examination, excerpt, or transcription.
154. The examination of any records will take place in the offices and locations where said records are generated and/or stored and will be accomplished during reasonable hours of operation. The auditing PARTY will be permitted to make copies of any WORK-related records needed for the audit.
155. The audited PARTY will review the draft audit, findings, and recommendations, and provide written comments within thirty (30) calendar days of receipt.
156. Upon completion of the final audit, PARTIES have forty-five (45) calendar days to refund or invoice as necessary in order to satisfy the audit findings.
157. Any audit dispute not resolved by PARTIES is subject to mediation. Mediation will follow the process described in the General Conditions section of this AGREEMENT.

158. If the WORK expends state or federal funds, each PARTY will undergo an annual audit in accordance with the Single Audit Act in the Federal Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards as defined in 2 CFR, Part 200.
159. When a PARTY reimburses a consultant for WORK with state or federal funds, the procurement of the consultant and the consultant overhead costs will be in accordance with the 2020 Caltrans Local Assistance Procedures Manual, Chapter 10.
160. The auditors of the State of California or the Taxpayer Oversight Committee for Measure D may examine all records relative to the goods, services, equipment, materials, supplies or other assistance provided to PARTIES for the PROJECT. The PARTIES agree to allow the auditor(s) and Taxpayer Oversight Committee access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, PARTIES agree to include a similar right to the State auditor(s) and Taxpayer Oversight Committee to audit records and interview staff in any contract related to performance of this AGREEMENT.

#### **Interruption of Work**

161. If WORK stops for any reason, and the WORK could impair the safety or operation of the RAIL LINE, IMPLEMENTING AGENCY for the relevant PROJECT COMPONENT will place the RAIL LINE right-of-way in a safe and operable condition acceptable to RTC.
162. If WORK stops for any reason, each PARTY will continue to implement the obligations of this AGREEMENT, including the commitments and conditions included in the environmental documentation, permits, agreements, or approvals that are in effect at the time that WORK stops, and will keep the PROJECT in environmental compliance until WORK resumes.

#### **Penalties, Judgements and Settlements**

163. [If coop involves funding, insert A. If it does not, insert B. Delete this and the option not chosen]

- a. The cost of awards, judgments, or settlements generated by the WORK are to be paid from the funds identified in the Exhibit B: Funding and Spending Summary in this AGREEMENT. In the event that the funds identified in the Exhibit B: Funding and Spending Summary in this AGREEMENT are insufficient to cover the costs of awards, judgments, or settlements generated by the WORK , then the SPONSOR will be responsible for obtaining additional funds to cover the amount in excess. The cost of legal challenges to the environmental process or documentation are PROJECT cost.. In the event that funds identified in the Exhibit B: Funding and Spending Summary in this AGREEMENT are insufficient to cover the cost of legal challenges, then the SPONSOR will be responsible for obtaining additional funds to cover the amount in excess.
  - b. The SPONSOR will be responsible for obtaining funds to cover the costs of awards, judgements, settlements, and legal challenges to the environmental process or documentation that may be generated by the WORK.
164. Any PARTY whose action or lack of action causes the levy of fines, interest, or penalties will indemnify and hold all other PARTIES harmless per the terms of this AGREEMENT.

### **Environmental Compliance**

165. If during performance of WORK additional activities or environmental documentation is necessary to keep the PROJECT in environmental compliance, PARTIES will amend this AGREEMENT to include completion of those additional tasks.

## **GENERAL CONDITIONS**

### **Independent Agreement**

166. This AGREEMENT is separate from and does not modify or replace any other cooperative agreement or memorandum of understanding between the PARTIES regarding the PROJECT.

### **Integration**

167. This AGREEMENT is the final expression of the agreement between the PARTIES related to the WORK, and shall supersede any oral understanding or writings pertaining to the WORK. The requirements of this AGREEMENT shall take precedence over any conflicting requirements in any documents that are made an express part of this AGREEMENT.

### **Severability**

168. If any term, provision, covenant or restriction of this AGREEMENT is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this AGREEMENT shall remain in full force and effect and shall in no way be affected, impaired or invalidated.

### **Amendment**

169. Except as otherwise provided in the AGREEMENT, PARTIES will execute a written amendment if there are any changes to the terms of this AGREEMENT.

### **Closure Statement**

170. PARTIES agree to sign the CLOSURE STATEMENT, Exhibit C, to terminate this AGREEMENT. However, all indemnification, document retention, audit, claims, environmental commitment, legal challenge, maintenance and ownership articles will remain in effect until terminated or modified in writing by mutual agreement or expire by the statute of limitations.

### **Governing Law; Venue**

171. In the event of a dispute between the PARTIES to this AGREEMENT regarding or related to the terms and provisions contained herein, the PARTIES mutually agree that the sole venue for any such dispute shall be the Superior Court of the County of Santa Cruz, and that the terms and provisions of this AGREEMENT shall be interpreted under the laws of the State of California.

### **Indemnification**

172. Neither RTC nor any of their officers and employees, are responsible for any injury, damage, or liability occurring by reason of anything done or omitted to be done by [insert CITY or COUNTY], its contractors, sub-contractors, and/or its agents under or in connection with any work, authority, or jurisdiction conferred upon [insert CITY or COUNTY] under this AGREEMENT. It is understood and agreed that [insert CITY or COUNTY], to the extent permitted by law, will defend, indemnify, and save harmless RTC and all of their officers and employees from all claims, suits, or actions of every name, kind, and description brought forth under, but not limited to, tortious, contractual, inverse condemnation, or other theories and assertions of liability occurring by reason of anything done or omitted to be done by [insert CITY or COUNTY], its contractors, sub-contractors, and/or its agents under this AGREEMENT.



173. Neither [insert CITY or COUNTY] nor any of their officers and employees, are responsible for any injury, damage, or liability occurring by reason of anything done or omitted to be done by RTC, its contractors, sub-contractors, and/or its agents under or in connection with any work, authority, or jurisdiction conferred upon RTC under this AGREEMENT. It is understood and agreed that RTC, to the extent permitted by law, will defend, indemnify, and save harmless [insert CITY or COUNTY] and all of their officers and employees from all claims, suits, or actions of every name, kind, and description brought forth under, but not limited to, tortious, contractual, inverse condemnation, or other theories and assertions of liability occurring by reason of anything done or omitted to be done by RTC, its contractors, sub-contractors, and/or its agents under this AGREEMENT.

### **Non-parties**

174. PARTIES do not intend this AGREEMENT to create a third-party beneficiary or define duties, obligations, or rights for entities not signatory to this AGREEMENT. PARTIES do not intend this AGREEMENT to affect their legal liability by imposing any standard of care for fulfilling the WORK different from the standards imposed by law.
175. PARTIES will not assign or attempt to assign obligations to entities not signatory to this AGREEMENT without the approval of the other PARTY formalized in a written amendment to this AGREEMENT.

### **Ambiguity and Performance**

176. The PARTIES mutually represent and warrant that they have each had the opportunity to be represented by counsel of their choice in negotiating this AGREEMENT, and therefore this AGREEMENT shall be deemed to have been negotiated and prepared at the joint request, direction and construction of the PARTIES, at arm's length, with the advice and participation of counsel, and shall be interpreted in accordance with its terms without favor to either PARTY, and no presumption or burden of proof shall arise favoring or disfavoring either PARTY by virtue of the authorship of any of the provisions of this AGREEMENT. Headings are provided in this AGREEMENT for the convenience of the PARTIES only and shall not be used to interpret the provisions of this AGREEMENT.
177. A waiver of a PARTY's performance under this AGREEMENT will not constitute a continuous waiver of any other provision.
178. A delay or omission by a PARTY to exercise a right or power due to a default shall not negate that the PARTY's ability to use of that right or power in the future.

## **Defaults**

179. If any PARTY defaults in its performance of the WORK, a non-defaulting PARTY will request in writing that the default be remedied within thirty (30) calendar days. If the defaulting PARTY fails to do so, the non-defaulting PARTY may initiate the dispute resolution procedure described herein.

## **Term**

180. This AGREEMENT will begin on the EFFECTIVE DATE and remain in effect until the Work has been completed and a CLOSURE STATEMENT has been executed.

## **Termination**

181. Notwithstanding any other provision of this AGREEMENT, this AGREEMENT may be terminated prior to completion of the Work in accordance with the provisions below:

*a. Termination for Convenience.*

This AGREEMENT may be terminated by any PARTY for any reason, provided that the terminating PARTY gives not less than thirty (30) calendar days' written notice (delivered by certified mail, return receipt requested) of intent to terminate.

*b. Termination for Cause.*

If a PARTY fails to cure a breach of material term of this AGREEMENT within ten (10) days' notice by the non-breaching PARTY, then the non-breaching PARTY may immediately terminate or suspend this AGREEMENT for cause.

*c. Condition of Right of Way Upon Termination*

If this AGREEMENT is terminated prior to completion of the WORK, then the IMPLEMENTING AGENCY engaged in PROJECT WORK in the right-of-way at the time of termination will be responsible for restoring the PROJECT right-of-way to a safe and operable condition acceptable to RTC.

### **Dispute Resolution**

182. PARTIES will first attempt to resolve AGREEMENT disputes at the PROJECT team level. If they cannot resolve the dispute themselves, the RTC Executive Director and the [insert executive officer or person that CITY or COUNTY requests] of [Insert CITY or COUNTY] will attempt to negotiate a resolution. If PARTIES do not reach a resolution, the PARTIES legal counsel will engage in non-binding mediation, using a mediator mutually acceptable to all PARTIES. PARTIES agree to participate in mediation in good faith and the costs of mediation will be apportioned equally between them.
183. Neither the dispute nor the mediation process shall relieve PARTIES from full and timely performance of the WORK in accordance with the terms of this AGREEMENT.
184. No PARTY may file a civil complaint until after mediation, or forty-five (45) calendar days after filing the written mediation request, whichever occurs first.
185. PARTIES maintain the ability to pursue alternative or additional dispute remedies if a previously selected remedy does not achieve resolution.

### **Attorneys' Fees**

186. If a PARTY to this AGREEMENT brings any action, including arbitration or an action for declaratory relief, to enforce or interpret a provision of this AGREEMENT the prevailing PARTY shall be entitled to reasonable attorneys' fees in addition to any other relief to which that PARTY may be entitled. The court may set such fees in the same action or in a separate action brought for that purpose.

### **Independent Agencies**

187. PARTIES to this AGREEMENT are independent agencies. Nothing in this AGREEMENT shall be interpreted to render any employees of RTC to be employees of [Insert CITY or COUNTY] nor be interpreted to render any employees of [Insert CITY or COUNTY] to be employees of RTC.

## **Prevailing Wage**

188. When WORK falls within the Labor Code § 1720(a)(1) definition of "public works" in that it is construction, alteration, demolition, installation, or repair; or maintenance work under Labor Code § 1771, PARTIES will conform to the provisions of Labor Code §§ 1720-1815, and all applicable provisions of California Code of Regulations, Title 8, Division 1, Chapter 8, Subchapter 3, Articles 1-7. PARTIES will include prevailing wage requirements in contracts for public work and require contractors to include the same prevailing wage requirements in all subcontracts.
189. Work performed by a PARTY's own employees is exempt from the Labor Code's Prevailing Wage requirements.
190. If WORK is paid for, in whole or part, with federal funds and is of the type of work subject to federal prevailing wage requirements, PARTIES will conform to the provisions of the Davis-Bacon and Related Acts, 40 U.S.C. §§ 3141-3148.
191. When applicable, PARTIES will include federal prevailing wage requirements in contracts for public works. WORK performed by a PARTY's employees is exempt from federal prevailing wage requirements.

## **Notice**

### RTC

[*Insert name and title of RTC PM*],  
1523 Pacific Avenue  
Santa Cruz, CA 95060-3911  
Office Phone: [*insert phone number*]

Email: [*insert email address*]

### [*insert CITY or COUNTY*]

[*insert name and title of City or County's PM*]  
[*insert address line 1*]  
[*insert address line 2*]  
Office Phone: [*insert phone number*]  
Email: [*insert email address*]

## SIGNATURES

PARTIES are empowered to enter into this AGREEMENT and have delegated to the undersigned the authority to execute this AGREEMENT on behalf of the respective agencies and covenants to have followed all the necessary legal requirements to validly execute this AGREEMENT.

Signatories may execute this AGREEMENT through individual signature pages provided that each signature is an original or electronic signature. This AGREEMENT is not fully executed until all original signatures or electronic signature are attached.

<b><i>Insert full name of CITY or COUNTY</i></b>	<b>SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION:</b>
Name: <i>Insert</i> Title: : <i>Insert</i> Date:	Name: Guy Preston Title: Executive Director Date:
<b>APPROVED AS TO FORM:</b>	<b>APPROVED AS TO FORM:</b>
Name: <i>Insert</i> Title: <i>Insert</i> Date:	Name: Steve Mattas Title: General Counsel to SCCRTC Date:
<b>APPROVED AS TO RISK:</b>	<b>APPROVED AS TO RISK:</b>
Name: <i>Insert</i> Title: <i>Insert</i> Date:	Name: Yesenia Parra Title: Administrative Officer Date:

## **EXHIBIT A - PROJECT DESCRIPTION**

[Insert a detailed Project Description, including project limits and maps, in order to provide clarity on the scope]



## **EXHIBIT B - FUNDING & SPENDING SUMMARY**

### **FUNDING SUMMARY**

*(funding in thousands)*

[Insert Funding Summary Table(s)]

**SPENDING SUMMARY**

*(Spending in thousands)*

**[Insert Spending Summary Table(s)]**

**EXHIBIT C - CLOSURE STATEMENT & INSTRUCTIONS**

Did PARTIES complete all scope, cost and schedule commitments included in this AGREEMENT and any amendments to this AGREEMENT?

YES / NO

Did RTC accept and approve all final deliverables submitted by other PARTIES?

YES / NO

Did the RTC Director of Budget and Finance verify that all final accounting for this AGREEMENT and any amendments to this AGREEMENT were completed?

YES / NO

If construction is involved, did the RTC Executive Director verify that all claims and third-party billings (utilities, etc.) have been settled before termination of the AGREEMENT?

YES / NO

Did PARTIES complete and transmit the As-Built Plans, Project History File, and all other required contract documents?

YES / NO

**If ALL answers are “YES”, this form may be used to TERMINATE this AGREEMENT.**

## CLOSURE STATEMENT

PARTIES agree that they have completed all scope, cost, and schedule commitments included in Agreement [insert number] and any amendments to the agreement. The final signature date on this document terminates agreement [insert number] except survival articles. All survival articles in agreement [insert number] will remain in effect until expired by law, terminated or modified in writing by the PARTIES' mutual agreement, whichever occurs earlier.

The people signing this agreement have the authority to do so on behalf of their public agencies.

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### SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION

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Name  
Executive Director

---

Date

---

**[Insert specific name of CITY or COUNTY]**

---

Name  
Title

---

Date