



Santa Cruz County Regional Transportation Commission's
Interagency Technical Advisory Committee (ITAC)

AGENDA
Thursday, December 15, 2016
1:30 p.m.
RTC Conference Room
1523 Pacific Avenue, Santa Cruz, CA

1. Call to Order
2. Introductions
3. Oral communications

The Committee will receive oral communications during this time on items not on today's agenda. Presentations must be within the jurisdiction of the Committee, and may be limited in time at the discretion of the Chair. Committee members will not take action or respond immediately to any Oral Communications presented, but may choose to follow up at a later time, either individually, or on a subsequent Committee agenda.

4. Additions or deletions to consent and regular agendas

CONSENT AGENDA

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

5. Approve Minutes of the September 15, 2016 ITAC meeting – Page 3

REGULAR AGENDA

6. Status of ongoing transportation projects, programs, studies and planning documents - Verbal updates from project sponsors
7. Unified Corridor Investment Study - Draft Goals, Performance Measures and Projects for Scenario Analysis - Page 6
 - a. Staff report
 - b. Attachments
8. Draft 2017 RTC Legislative Program - Page 13
 - a. Staff report
 - b. Attachments
9. Measure D – Transportation Improvement Plan (TRIP) Update - Page 18

- a. Staff report
 - b. Attachments
10. Regional Transportation Plan Preliminary – Local Revenues Financial Projections - Page 32
- a. Staff Report
 - b. Attachments
11. Options for Use of the Rail Corridor - Page 35
- a. Copy of Dec. 8, 2016 Staff report to RTC Board
12. Next Meeting – The next ITAC meeting is scheduled for January 19, 2017 in the SCCRTC Conference Room, 1523 Pacific Avenue, Santa Cruz, CA.

Adjourn

HOW TO REACH US: Santa Cruz County Regional Transportation Commission
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**Santa Cruz County
Regional Transportation Commission
Interagency Technical Advisory Committee (ITAC)**

DRAFT MINUTES

Thursday, September 15, 2016 1:30 p.m.
SCCRTC Conference Room
1523 Pacific Ave, Santa Cruz, CA

ITAC MEMBERS PRESENT

Teresa Buika, University of California at Santa Cruz (UCSC)
Jim Burr, Santa Cruz Public Works
Claire Fliesler, Santa Cruz Planning
Murray Fontes, Watsonville Public Works and Planning Proxy
Erich Friedrich, Association of Monterey Bay Area Governments (AMBAG)
Jessica Kahn, Scotts Valley Public Works and Planning Proxy
Barrow Emerson, Santa Cruz Metropolitan Transit District (METRO)
Steve Wiesner, County Public Works and Planning Proxy

STAFF PRESENT

Grace Blakeslee
Ginger Dykaar
Rachel Moriconi

OTHERS PRESENT

Kelly McClendon, Caltrans –by phone

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1. **Call to Order:** Chair Wiesner called the meeting to order at 1:30 p.m.
 2. **Introductions:** Self introductions were made.
 3. **Oral Communications:** None
 4. **Additions or deletions to consent and regular agendas:** None.

CONSENT AGENDA

5. **Approved Minutes of the August 18, 2016 ITAC meeting** (*Fontes/Fliesler*). *The motion passed unanimously by all members present.*
6. **Received 2016 Surface Transportation Block Grant Program (STBG) Project List**

REGULAR AGENDA

7. Coastal Resilience Mapping Tool Presentation

Dr. David Revell provided a presentation on regional Monterey Bay climate change initiatives and the Coastal Resilience Mapping Tool which shows coastal areas that could be affected by sea level rise, increased storm wave events, and coastal erosion. It includes projections for

Year 2100 and 2200. He highlighted some of the local and regional initiatives, which include consideration of sediment and sand levels, erosion mitigation and adaptation strategies.

8. Status of ongoing transportation projects, programs, studies and planning documents

METRO – Barrow Emerson reported that METRO is monitoring the bus service changes and may make minor schedule adjustments. METRO will be purchasing four electric buses, starting a study about buses on highway shoulders with Monterey-Salinas Transit (MST), and reviewing bus stops and bus stop facilities.

AMBAG – Erich Friedrich reported that the AMBAG board recently reviewed the draft regional growth forecast and will be using the forecast in scenario modeling for the 2018 Metropolitan Transportation Plan (MTP)/Sustainable Communities Strategy (SCS).

Regional Transportation Commission (RTC): Grace Blakeslee reported that the RTC will be conducting traffic counts at several locations in October and requested agencies let her know if there are additional locations where they would like count data. Rachel Moriconi announced new Bikeways Maps are now available for distribution.

Scotts Valley – Jessica Kahn reported that the city received bids for microsurfacing Mount Hermon Road.

Santa Cruz – Jim Burr and Claire Fliesler reported that the Branciforte Creek bicycle/pedestrian bridge and the citywide paving project, including slurry seal of 50 streets, are out to bid. Design work continues for the Monterey Bay Sanctuary Scenic Trail Network (MBSST) Segment 7. New Highway Safety Improvement Program (HSIP)-funded signal upgrades are 90% complete. The city is considering installing contra-flow bicycle lanes on Pacific Avenue between Church Street and Cathcart Street. Funding authorization for the Bay Street improvement project has been submitted to Caltrans. Environmental review and non-infrastructure components for the Active Transportation Program (ATP)-funded safe routes to schools project have begun.

Watsonville – Murray Fontes reported that the Freedom Boulevard reconstruction project is under construction.

UCSC – Teresa Buika reported that the ATP-funded bicycle path realignment project is expected to be completed this month.

County of Santa Cruz – Steve Wiener reported that the Twin Lakes/East Cliff Dr. beach front project construction is starting. Storm damage repairs on Highland Way, El Rancho Road, and Felton-Empire Road are expected to finish construction in October. The County is also working on the HSIP-funded guardrail and striping projects. The ATP-funded radar speed feedback sign project near schools is almost done. The Freedom Blvd. pavement project is done.

9. Update on the Sustainable Communities Strategy Implementation Project: Draft Toolkits

Erich Friedrich from the Association of Monterey Bay Area Governments (AMBAG) provided an update on the Sustainable Communities Strategy Implementation Project, including the draft toolkits that include housing, transportation, and economic development strategies that would implement the sustainable development vision of the Metropolitan Transportation Plan

(MTP)/Sustainable Communities Strategy (SCS). The toolkits focus on mixed use infill development along high quality transit corridors as a way to reduce vehicle miles traveled and associated greenhouse gas emissions. The toolkit includes policies, strategies, and case studies that can be used by and customized to each local jurisdiction; including during the planning stage for transportation projects. Mr. Freidrich requested that ITAC members review and provide input on the draft toolkit cut sheets within the next few weeks. AMBAG is working on releasing an interactive web version of the toolkit this fall.

10. Transportation Funding Updates

Rachel Moriconi reported that the Governor signed legislation that will at least temporarily restore some State Transit Assistance funding for METRO. The California Transportation Commission (CTC) approved new policies regarding fund advances and scope changes for Active Transportation Program (ATP) projects. She noted that the regular State legislative session ended without action on a transportation funding package, though legislators could be called back for the special session on transportation in November. She noted that the most recent state cap-and-trade auctions yielded only \$8 million which could impact implementation of cap-and-trade programs. Caltrans planning grant applications are due November 4, 2016. Agencies that would receive Measure D revenues are sharing information with their boards and the community on projects that could be funded from the measure.

- 11.** The committee agreed to move the next ITAC meeting to October 27 at 1:30pm in the SCCRTC Conference Room, 1523 Pacific Avenue, Santa Cruz, CA. This is one week later than the typical meeting date.

The meeting adjourned at 3:15 p.m.

Minutes prepared by: Rachel Moriconi

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AGENDA: December 15, 2016

TO: Interagency Technical Advisory Committee

FROM: Ginger Dykaar and Grace Blakeslee, Transportation Planners

RE: Unified Corridor Investment Study - Draft Goals, Performance Measures and Projects for Scenario Analysis

RECOMMENDATIONS

Staff recommends the Interagency Technical Advisory Committee:

1. Receive information about the Unified Corridor Investment Study (UCS);
 2. Provide input on the UCS draft goals, performance measures and projects to consider in the scenario analysis.
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BACKGROUND

The Santa Cruz County Regional Transportation Commission is developing a Unified Corridor Investment Study for Santa Cruz County's three primary transportation routes – Highway 1, Soquel Avenue/Drive and the Santa Cruz Branch Rail Line. See project area map in [Attachment 1](#). Highway 1 and Soquel Avenue/Drive are two of the most heavily traveled roadways in Santa Cruz County, are often congested and have safety concerns. Highway 1 serves as an important local, regional and interregional route, connecting communities within and between City of Santa Cruz and City of Watsonville and other communities throughout Monterey Bay. Soquel Avenue/Drive is an important facility for the local network and also often serves as the regional route when Highway 1 is congested. The recent acquisition of the rail line provides a third transportation facility along this corridor that has unused capacity.

Funded by Caltrans through their Sustainable Transportation Planning Grant Program, the Unified Corridor Investment Study will identify multimodal transportation investments that optimize usage of these three parallel transportation routes in Santa Cruz County while advancing sustainability goals. A sustainable transportation system requires addressing mobility, maintenance, safety, access, economic vitality, transportation equity, public health and environmental health, including the need to reduce greenhouse gas emissions.

The Unified Corridor Investment Study has been divided into two phases. Phase 1 of the project developed the transportation modeling tools to be used in Phase 2. Phase 1 work was completed earlier this year. A travel demand model using the TransCAD platform was developed for Santa Cruz County that will provide the ability to forecast changes in travel due to transportation improvements, population

increase and job growth. A GIS based transit model was also developed to accompany the travel demand model to estimate the changes in transit use as a result of changes in transit amenities, fares and/or frequency. A GIS based bike model, developed by AMBAG and funded by the Monterey Bay Air Pollution Control District, estimates increases in bike use based on improvements in bike facilities and is also included in this suite of transportation modeling tools for Santa Cruz County.

DISCUSSION

Phase 2 of the Unified Corridor Investment Study is currently underway to evaluate the transportation investments on the three parallel routes based on a performance based decision making process. The project will establish goals and performance measures for the corridor and use a scenario analysis to identify a package of transportation projects that will provide the greatest benefit based on the project goals. Three or four scenario alternatives, composed of unique groupings of transportation projects, will be analyzed to determine the impact on the performance measures. A final scenario will be identified based on results of the scenario alternatives and input from RTC, RTC advisory committees, stakeholders, and the public. Additional project information can be found on the SCCRTC website (<https://sccrtc.org/projects/multi-modal/unified-corridor-study/>).

Goals and Performance Measures

The UCS draft goals for unifying the three routes into one corridor and draft performance measures for which to measure project effectiveness were developed based on input provided by the public during Phase I of the UCS ([Attachment 2](#)). During Phase I, the community was asked to identify what is most important to them when traveling on Highway 1, Soquel Ave/Drive and the Santa Cruz Branch Rail Line. Safety, travel time, sustainable transportation choices, and low cost options were important to the members of the public who participated in the online survey or public workshop, with safety and travel time being important to the greatest number of individuals. **RTC staff recommends that the Interagency Technical Advisory Committee provide input on the UCS draft goals and performance measures.** Public input on the draft goals and performance measures will also be solicited using an online interactive survey, a stakeholder meeting, and at a public workshop on January 12, 2017 at 6:00pm at Simpkins Swim Center. The RTC is scheduled to adopt the UCS goals and performance measures at the March 2, 2017 RTC meeting.

Scenario Analysis

During Phase I of the UCS, the public also identified desired improvements on Highway 1, Soquel Avenue/Drive and the Santa Cruz Branch Rail Line, their primary origins and destinations, and the types of trips they take or would take on each route. A draft list of projects to be evaluated in the UCS has been developed based on public input during Phase I and comments received on related RTC planning efforts ([Attachment 3](#)). **RTC staff recommends that the Interagency Technical**

Advisory Committee provide input on projects to be considered in the UCS scenario analysis.

Once the list of projects is identified, projects will be grouped into three or four scenario alternatives. Modeling tools will then be used to measure the performance of each of the scenarios towards achieving the goals of the project. A final scenario will be developed based on results of the scenario alternatives and input from RTC, RTC Advisory Committees, stakeholders, and the public.

A consultant will be hired to perform the scenario analysis using the transportation modeling tools that were developed during Phase 1. A Request for Proposals (RFP) was released on November 16, 2016 to solicit qualified consultants to conduct the scenario analysis included in Phase 2 of the Unified Corridor Investment Study (UCS). Tasks to be completed by the consultant include:

- input on draft performance measures, projects to be analyzed and project groupings within scenarios;
- analysis of modeling tools developed in Phase 1 for UCS project area;
- development of new methodologies for analysis if needed for complete assessment of performance measures;
- technical analysis of scenario alternatives to identify the group of transportation projects that best achieves corridor goals; and
- development of draft and final project reports.

Information about the consultant request for proposals and the scope of work can be found at <http://sccrtc.org/about/opportunities/rfp/>.

Public Outreach Plan

RTC staff is the lead for the public outreach component of the UCS. Varied and engaging opportunities for members of the public to participate in the development of the project will be offered in order to promote broad based and informed public input. Public input will be encouraged throughout the development of the study. Specific activities designed to seek public participation include three online surveys available in English and Spanish, two public workshops, three stakeholder group meetings, and project updates at RTC and RTC Advisory Committee meetings. A project web page that tracks the project's progress will provide access to relevant documents and list opportunities for public input. Electronic newsletters will be sent out to keep interested parties apprised of the project activities.

Schedule

November 2016: RTC staff developed draft goals and performance measures based on input from Phase 1 public outreach and consistency with local, state and federal goals.

November 2016: Request for Proposals released for consultant to perform scenario analysis work

December 2016: RTC advisory committees input on goals, performance measures and projects to consider

December 2016 – January 2017: Online interactive survey to solicit the community's goals and transportation priorities for the project study area

January 5, 2017: Stakeholder meeting to solicit input on goals, performance measures and projects to consider in scenario analysis

January 12, 2016: Public workshop to solicit input on goals, performance measures and projects to consider (6:00PM at Simpkins Swim Center)

February 2, 2017: RTC scheduled to approve consultant selection

February, 2017: Consultant Notice to Proceed

March 2, 2017: RTC scheduled to review and approve goals, performance measures and projects to consider in scenario analysis

Fall 2017/Winter 2018: Results of scenario analysis brought to RTC, RTC advisory committees, stakeholders, and public

March 2018: RTC, RTC advisory committees, stakeholders, and public input on draft report

May 2018: RTC scheduled to approve UCS Final Report.

SUMMARY

Through their Sustainable Transportation Planning Grant Program, Caltrans funded the Unified Corridor Investment Study to identify multimodal transportation investments that optimize usage of three parallel transportation routes in Santa Cruz County (Highway 1, Soquel Avenue/Drive and the Santa Cruz Branch Rail Line) while advancing sustainability goals. Phase 1 of the UCS to develop the modeling tools has been completed. Phase 2 of the UCS to perform the scenario analysis for this corridor to identify the projects that provide the greatest benefit is currently underway. RTC staff recommends that the Interagency Technical Advisory Committee provide input on the UCS draft goals and performance measures and projects to be considered in the UCS scenario analysis.

Attachments:

1. Project area map
2. Draft goals and performance measures for the Unified Corridor Investment Study
3. Draft list of projects to be considered for scenario analysis

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ATTACHMENT 1



Santa Cruz County Unified Corridor Investment Study Project Area Map

ATTACHMENT 2

Unified Corridor Investment Study Draft Goals and Performance Measures

Draft Goals	Performance Measures
Provide safer transportation for all modes	Injury and fatal collisions by mode
	Perceived safety and comfort by mode
Provide reliable and efficient transportation choices to support economic vitality	Peak Period Mean Automobile Travel Time
	Peak Period Mean Transit Travel Time
	Travel Time Reliability
	MultiModal Network Quality
Develop a transportation network that serves the most people and is well integrated	Mode share
	Person Trips
	MultiModal Connectivity
Support Santa Cruz County in transitioning to a more sustainable transportation system that improves health, reduces pollution and is equitable and responsive to the needs of all users	Automobile Vehicle Miles Traveled
	Transit Vehicle Miles Traveled
	Passenger Vehicle Miles Traveled
	Criteria Pollutants
	Greenhouse gas emissions

ATTACHMENT 3

Unified Corridor Investment Study Draft Transportation Projects to be considered for Scenario Analysis

Highway Projects
buses on shoulders
high occupancy vehicle lanes and increased frequency of transit
hwy 1 aux lanes
hwy 1 ramp metering
high occupancy vehicle reversible lane
Soquel Ave/Drive
signal synchronization
transit signal priority
transit/high occupancy vehicle queue jumps
bus rapid transit lite (faster boarding, transit signal priority and queue jumps)
dedicated bus lane for bus rapid transit
roundabouts
parking removed from Soquel Avenue/Drive to side streets and parking lots to improve bike and transit options
increased frequency of transit
improved transit amenities
buffered bike lanes
green lane treatments
sidewalk improvements
intersection improvements for bikes/pedestrians
Rail Corridor
trail
rail transit
bus rapid transit
freight service on rail
Connections between Routes
improved bike/pedestrian facilities throughout urban area closing any gaps in network
transit connections between rail, hwy and Soquel Avenue/Drive
Transportation Demand Management
employers and residences - incentive programs – work from home 1 in 5 etc.
bike share, bike amenities, transit amenities, park and ride lots

TO: RTC Advisory Committees

FROM: Rachel Moriconi, Senior Transportation Planner

REGARDING: 2017 State and Federal Legislative Programs

RECOMMENDATIONS

Staff recommends that the Bicycle Committee, Elderly and Disabled Transportation Advisory Committee (E&D TAC), and Interagency Technical Advisory Committee (ITAC) identify State or Federal legislative issues the Regional Transportation Commission (RTC) should consider, pursue or monitor in 2017.

BACKGROUND

Each year the Regional Transportation Commission (RTC) adopts legislative platforms to guide its analysis of state and federal legislative or administrative actions that could impact transportation funding or implementation of the Regional Transportation Plan (RTP), Regional Transportation Improvement Program (RTIP), and transportation projects in Santa Cruz County. Working with the Central Coast Coalition (regional transportation agencies from Monterey, San Benito, Santa Barbara, San Luis Obispo, and Santa Cruz Counties), the California Association of Councils of Governments (CALCOG), other transportation entities, and its legislative assistants, monitors legislative proposals, the RTC notifies state and federal representatives of the RTC's analysis of key issues, and provides input on other federal and state actions.

DISCUSSION

Staff is in the process of developing the RTC's 2017 State and Federal Legislative Programs. **Staff recommends that the RTC's advisory committees provide input on the draft legislative priorities (Attachment 1) and identify any additional issues that the RTC should consider, monitor or pursue in 2017.** Following committee reviews of the draft legislative program, the RTC is expected approve the Legislative Programs at its January or February 2017 meeting.

Given that traditional revenue sources, such as gas taxes, are unpredictable, have dropped significantly in recent years, and generate less than half of what is needed to operate, maintain, and improve the transportation system, the recommended legislative priorities for 2017 once again focus on preserving funds designated for transportation and generating new, more stable revenue sources. Staff recommends that the RTC continue to support legislative proposals that: increase funds for local roadway preservation, transit, active transportation, the Freeway Service Patrol, the State Transportation Improvement Program (STIP) and other programs.

New stable funding is desperately needed, especially since the drop in gasoline and diesel prices is resulting in severe reductions in revenues designated for local streets and roads, the State

Transportation Improvement Program (STIP), the State Transit Assistance (STA) program, and other programs. While the California legislature considered significant transportation funding proposals earlier this year, the legislature was unable to reach a deal that would meet the two-thirds vote requirement. While the Governor, state legislative leaders, and President-elect Trump have indicated they will make infrastructure funding a priority next year, many anticipate that both federal and state leaders will instead be focused on health care, immigration and other non-transportation issues.

SUMMARY

Committee members are encouraged to suggest items for the RTC to consider for its 2017 Legislative Program.

Attachment 1: Draft 2017 Legislative Program

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**Santa Cruz County
Regional Transportation Commission
2017 STATE Legislative Program**

DRAFT

Transportation Funding

- **Restore and Stabilize Funding:** Support legislation and other efforts to restore, increase and stabilize funding for transit, local streets and roads, and State Transportation Improvement Program (STIP) projects.
 - Protect transportation funds, including Highway Users Tax Account (HUTA), transit, and regional funds from diversion to other State programs, including General Fund debt repayment.
 - Restore the price-based excise tax to 18-cents per gallon and eliminate annual adjustments.
 - Constitutionally protect all current and future taxes and fees imposed on motor vehicles from being loaned to the General Fund, used to pay general obligation bond debt service, or diverted to other non-transportation purposes.
 - Restore, protect and expand the funding and decision-making role of local and regional agencies, rather than the State making top-down funding decisions that are not community-based.
 - Restore State Transportation Improvement Program (STIP) county-shares. Nearly \$7 million needs to be restored to our region.
- **Increase State Funding for All Transportation Modes:**

State investments have not kept pace with the demand and cost to maintain and operate California's transportation system. Immediate and long-term sustainable solutions are needed.

 - **Immediate measures:** Support measures that immediately increase funds for transportation - index and increase state gas tax; support new transportation bonds and new vehicle license and/or vehicle registration fees; increase funds for the Freeway Service Patrol program.
 - **New funding systems:** Phase in new funding systems which are tied to system use, rather than fuel consumption or fuel prices. May include new user fees, such as a Road User Charge or Vehicle Miles Traveled (VMT) fee and other alternative funding mechanisms.
 - **Redirect and Increase Weight Fees:** Restore the \$1 billion/year in truck weight fees that have been diverted to pay for General Fund bond debt obligations and restore all the of the price-based gas tax to STIP and Local Streets and Roads.
 - **Cap & Trade:**
 - Increase percent of Cap & Trade revenues allocated to transportation projects and programs that help reduce greenhouse gas emissions in Santa Cruz County.
 - Broaden the definition of "disadvantaged communities" to ensure areas in Santa Cruz County that are recognized as such under most understandings of the term are not excluded from the definition used for the Cap and Trade program.
 - **Support options to replace the loss of redevelopment funding,** to support economic development and affordable housing consistent with sustainable community strategies.
 - **Distribution:** For any statewide or federal revenues, ensure a strong role for regional agencies in planning and determining transportation investment priorities; ensure funds are distributed equitably and not disproportionately distributed to large regions.
 - **Support multimodal transportation system:** Support legislation that increases funding for and supports implementation of complete streets, active transportation bike, pedestrian, and transit projects, transit-oriented development.

- **Expand local revenue-raising opportunities** and innovative financing options to address the significant backlog of transportation needs. Provide locals with the ability to supplement and leverage state funding for investments that protect state and local transportation assets
 - **Expand the authority of the RTC and local entities to increase taxes and fees** for transportation projects, including new gas taxes and vehicle registration fees.
 - Support clarifying amendment to Government Code Section 65089.20 that will give RTPAs equal treatment with Congestion Management Agencies (CMAs) to seek voter approval for a local vehicle registration fees. (*SB83 cleanup*)
- **Lower Vote Threshold:** Support efforts to amend the constitution to lower the voter threshold for local transportation funding measures, such as local sales tax or vehicle registration fee ballot measures, from the 2/3 supermajority to a simple majority or 55% vote.
- **Increase and Preserve Funding for Priority Projects in Santa Cruz County:**
 - Projects on Highway 1
 - Local Street and Roadway Preservation
 - Transit projects
 - Santa Cruz Branch Rail Line
 - Bicycle and Pedestrian facilities, including the Monterey Bay Sanctuary Scenic Trail Network (MBSST)

Project Implementation

- **Streamlining & Expediting:**
Support legislation and other efforts that modernize and accelerate project delivery and the creation of jobs.
- **Advanced Mitigation:**
Support implementation of “advanced mitigation” environmental programs, including approving up-front environmental mitigation funding for projects, such as the Highway 17 Wildlife Crossing.
- **FAST Act Implementation:** Support legislation and administrative strategies to implement the FAST federal authorization bill, in a way that ensures the best possible outcome for transportation projects in Santa Cruz County.
- **SHOPP Program:**
Support Caltrans’ efforts to provide more outreach regarding State Highway Operation and Protection Program (SHOPP) projects and to include measureable targets for improving the state highway system. Support clarification of existing laws to permit the expenditure of SHOPP funds for operational projects on state highways. Support inclusion of complete streets within SHOPP projects, as appropriate, but especially in areas where state highways serve as main streets, such as Highway 9 and Highway 152 in Santa Cruz County.
- **Encroachments**
Support legislation that clarifies the authority under which rail property owners may remove, or by notice may require the removal of encroachments.
- **Active Transportation Facilities:**
Support modification to rules, regulations, and government codes that will make roadways more bicycle and pedestrian-friendly, including laws associated with sharing the road; ensuring complete streets components (e.g. accessible pedestrian signals) are considered during the design of all projects; increasing funds for pedestrian safety countermeasures; providing additional direction and consistency for accessible pedestrian design.
- **Administrative:** Allow advance payment of planning, programming, and monitoring (PPM) and other program funds, in order to resolve cash flow challenges faced especially by small regional agencies, including the RTC.



**Santa Cruz County
Regional Transportation Commission**

DRAFT

2017 FEDERAL Legislative Program

- **Priority Projects:** Seek and preserve funding for priority transportation projects and programs in Santa Cruz County, including:
 - Projects on Highway 1
 - Santa Cruz Branch Rail Line
 - Transit operations and capital projects
 - Local street and roadway preservation
 - Bicycle and pedestrian facilities, including the Monterey Bay Sanctuary Scenic Trail Network (MBSST)
 - 511 implementation
- **Stabilize and Increase Funding**
 - **Increase funding levels** for all modes to bring transportation infrastructure up to a good state of repair and meet growing transportation needs in Santa Cruz County.
 - **Develop new funding mechanisms** that ensure the financial integrity of the Highway Trust Fund and Mass Transportation Account, current per-gallon gasoline fees are insufficient.
 - **Innovative Financing:** Ensure proposals for public-private partnerships and innovative financing are favorable for project implementation in Santa Cruz County.
- **Streamline Project Delivery:** Support regulations to streamline and integrate federal project delivery requirements for project planning, development, review, permitting, and environmental processes in order to reduce project costs and delays.
- **FAST Implementation**
 - Support legislation and administrative strategies to implement the FAST federal authorization bill, in a way that ensures the best possible outcome for transportation projects in Santa Cruz County. Ensure that DOT implementation of MAP-21 and FAST Act rules and regulations do not have a negative impact on projects.
 - **Active Transportation:** Support continued funding for pedestrian and bicycle projects
 - **Transit:** Support increased funding for transit, continued growth of the Small Transit Intensive Cities Program (STIC), funding for acquisition of transit capital (Bus and Bus Facilities, and Low and No Emissions Bus Programs), and increase funds for ADA implementation.
- **Air Quality and Greenhouse Gas Emissions:** Support development of new funding programs to reduce greenhouse gas emissions from transportation or expand eligibility for CMAQ to Santa Cruz County.
- **Performance Measures:** Support development of performance measures which are consistent with RTC approved goals, policies, and targets and which recognize data limitations of many regions.
- **TIGER:** Maintain the TIGER program
- **Marketplace Fairness:** Allow states and local governments to collect sales taxes on out-of-state online purchases, which would increase TDA and local sales tax revenues.

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TO: Interagency Technical Advisory Committee (ITAC)
FROM: Karena Pushnik, Senior Transportation Planner
RE: Measure D – Transportation Improvement Plan (TRIP) Update

RECOMMENDATION

This item is for information.

BACKGROUND

The Regional Transportation Commission is designated by the state as the regional transportation planning agency responsible for local transportation planning, policy and funding. For decades, funding our region's multimodal transportation network has been a major challenge. Funds available for transportation projects have not kept pace with the costs to operate, maintain and improve the system, especially as state and federal transportation funds dwindle, become more unreliable, and highly restricted, and are oftentimes focused on larger urban areas.

Three previous efforts took place in an attempt to increase revenue for local transportation projects: the Measure J 1/2-cent sales tax in 2004; the Transportation Funding Task Force (TFTF) in 2006-2007; and a \$10 Vehicle Registration Fee (VRF) in 2012. Measure J received 42% of the vote and would have committed 65% of the 1/2 cent sales tax to Highway 1. A super-majority of the TFTF agreed upon a package of transportation projects; however, the economy took a turn for the worse and the RTC board decided not to move forward with placing the measure on the ballot. The VRF would have brought in only 1/9th of the revenue of a sales tax, thereby limiting the transportation investments. With polling showing support for the VRF close to the 2/3rds vote threshold, the RTC board decided to spend the time and energy to pursue a sales tax measure in 2016, based on findings in the 2014 Regional Transportation Plan.

Thorough analysis of local transportation needs, financial projections, sustainability examination (STARS), priority project findings, and public engagement were included in the *2014 Regional Transportation Plan*. The outcome clearly indicated that projected transportation needs are great and projected funding is insufficient. Following adoption of the 2014 RTP, the Commission began an intensive phase of community discussion to determine the Expenditure Plan project categories and funding levels for a 1/2-cent sales tax ballot measure dedicated to addressing some of the region's transportation needs.

A draft Expenditure Plan was approved at a public hearing in December 2015. The final Expenditure Plan and ballot measure Ordinance, with modifications based on extensive

community engagement, was adopted by the RTC in June 2016 and the measure was placed on the November 8, 2016 ballot, designated as Measure D.

DISCUSSION

Measure D secured more than the 2/3 majority needed to pass with 83,816 yes votes or 67.78% of the votes cast on Measure D. Interest in Measure D was high as evidenced by the fact that nearly 94% of local ballots included a vote on the measure. Attached is the [Expenditure Plan](#) of projects approved by a super-majority of voters as Measure D ([Attachment 1](#)).

The success of Measure D can be attributed to many things including the following (not in any particular order):

- The RTC board's vision, leadership, trust, and diligent work
- A well-crafted, inclusive package of transportation projects based on the community's diverse mobility needs
- A huge number of businesses, organizations, and community members stepping up to publically endorse and financially support Measure D
- A well organized, well funded, and expertly implemented private campaign
- The public's enthusiasm for supporting transportation improvements to make neighborhood travel better, make it easier for kids to bike and walk to school, provide mobility for seniors and people with disabilities, improve regional travel and invest in options that reduce greenhouse gas emissions

In California, the November election contained 15 different transportation measures. All but one are sales tax measures. At the time of this writing, it appears that 7 of the 15 measures passed ([Attachment 2](#)).

Next Steps

In terms of next steps, the Measure D half-cent sales tax will go into effect on April 1, 2017. The Board of Equalization (BOE) will work with retailers to begin collecting revenues, with the first receipts anticipated by Summer 2017.

RTC staff has begun work on administrative, fiscal, agreement, independent oversight committee, and accountability requirements according to the [Measure D Ordinance](#). RTC staff held an initial meeting with Measure D fund recipient entities to discuss requirements, including: agreements, annual reporting, development of five-year programs of projects, maintenance of effort, audits, revenue and timing. The public will have opportunities to provide input into projects included in each recipient agency's five-year program of projects which must be approved following a public hearing by each city, County, Santa Cruz Metro Transit District, Community Bridges and RTC board.

The RTC is also responsible for developing an Implementation Plan, to be updated at least every five years, which will include revenue projections, possible financing tools,

project scope, cost, and delivery schedules, and other information needed to deliver the Expenditure Plan within the 30-year time horizon. Sections of the Ordinance related to implementation are summarized in Attachment 3. RTC staff will present reports and recommendations to the RTC board and advisory committees at future meetings.

SUMMARY

A super-majority of voters in Santa Cruz County voted yes on Measure D - the November 8, 2016 half-cent sales tax for transportation (67.78%). The Regional Transportation Commission worked with a multitude of organizations and the community over the last two years to develop the well-rounded measure. The RTC board and committees will be receiving more detailed reports about Measure D implementation in the coming months.

Attachments:

1. Measure D-Transportation Improvement Plan Expenditure Plan
2. 2016 California Transportation Measures
3. Summary of Measure D Ordinance

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Local ballot measure: D

Attachment 1

Exhibit A:

Santa Cruz County 2016 Transportation Improvement Plan - Expenditure Plan

Overview

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

SUMMARY OF TRANSPORTATION INVESTMENTS	% of Funds
Neighborhood Projects	30%
Direct Allocation to Cities and County	
Local roadway pavement repair and operational improvements, school and neighborhood traffic safety projects, bicycle and pedestrian projects	
San Lorenzo Valley Hwy 9 Corridor Improvements - \$10 million	
Highway 17 Wildlife Crossing - \$5 million	25%
Highway Corridors	
Highway 1 Corridor	
Auxiliary lanes that separate entering and exiting traffic from through lanes to improve traffic flow and safety: 41st Ave-Soquel Dr; Bay/Porter-Park; State Park-Park	
Bicycle and pedestrian over-crossings	
Traveler Information and Transportation Demand Management	
<i>Example Programs:</i> Cruz511, Carpool/Vanpool Programs	
Highway Safety and Congestion Reduction Programs	20%
<i>Example Programs:</i> Freeway Service Patrol and Safe on 17 Enforcement	
Transit for Seniors and People with Disabilities	
Direct Allocation to Service Providers	17%
Santa Cruz METRO (16%)	
Community Bridges Lift Line Paratransit Service (4%)	
Active Transportation	8%
Monterey Bay Sanctuary Scenic Trail (Coastal Rail Trail)	
Bike and pedestrian trail construction; maintenance, management and drainage of rail and trail corridor; install conduit for internet and electrical services	8%
Rail Corridor	
Infrastructure Preservation and Analysis of Options	
<i>Example Projects:</i> Analysis (including environmental analysis) of both rail transit and non-rail options for the corridor; rail line maintenance and repairs	100%
Total	

DESCRIPTION OF PROJECTS AND PROGRAMS TO BE FUNDED

The Expenditure Plan identifies transportation projects to be funded from a new one-half of one percent transactions and use tax, to be collected for thirty (30) years, if two-thirds of voters approve the ballot measure in 2016. The Expenditure Plan is presented to the voters of Santa Cruz County as a means to address insufficient funding to meet current and projected transportation needs in Santa Cruz County. Given current sales tax receipts, one-half of one percent transaction and use tax is expected to generate \$17 million a year in 2016 dollars, totaling approximately \$500 million for transportation investments. These local funds can be used to leverage state and federal transportation funds



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that would otherwise be unavailable. The investments described in the Expenditure Plan reflect the best efforts to achieve consensus among varied transportation needs of Santa Cruz County residents.

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

Neighborhood Projects – 30% per year

Direct Allocation to Cities and County

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

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

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

San Lorenzo Valley Highway 9 Corridor

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

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

Highway 17 Wildlife Crossing

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

Highway Corridors – 25%

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



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Highway 1 Corridor

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



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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.

2016 Transportation Measures by County

(as of 12/2/16, results may not be final)

Pass	% Yes	County	Sales Tax	Total Amount (\$millions)	Years
Yes	67.77	Santa Cruz (D)	½ cent	\$500	30
Yes	71.15	Los Angeles (M)	½ cent	\$860/year	n/a
Yes	70.33	Merced (V)	½ cent	\$450	30
Yes	67.71	Monterey (X)	3/8 cent	\$600	30
Yes	71.74	Santa Clara (B)	½ cent	\$6,314	30
Yes	71.95	Stanislaus (L)	½ cent	\$960	25
Yes	70.07	SF BART (RR)	Bond	\$3,500	48
No	34.82	San Francisco (K)	¾ cent	\$3,700	25
No	58.32	San Diego (A)	½ cent	\$18,200	40
No	63.45	Contra Costa (X)	½ cent	\$2,910	30
No	66.19	San Luis Obispo (J)	½ cent	\$225	9
No	63.80	Placer (M)	½ cent	\$1,590	30
No	56.90	Ventura (AA)	½ cent	\$3,300	30
No	57.91	San Benito* (P)	½ cent	\$240	30
No	44.29	Solano* (H)	½ cent	\$180	5

* - Failed in June 2016

Summary of Measure D Ordinance
Full Ordinance is online at: www.sccrtc.org/move

Ordinance: The Ordinance is the full text of Measure D, including the Expenditure Plan. It was referenced in the ballot question which the voters approved and was included in the voter guide.

Title: The Ordinance notes the measure may also be referred to as: “Santa Cruz County Transportation Improvement Plan Measure” or “Measure D” or “Traffic Relief, Road Repair, Safety, Transit Improvement Measure” or “Transportation Improvement Plan (TRIP)” or “Santa Cruz County Transportation Tax Measure” (*Sections 1 & 4*)

Responsible Entity:

Local Transportation Authority (LTA): Santa Cruz County Regional Transportation Commission (RTC) is responsible for the administration of the tax proceeds, consistent with State-defined LTA. (*Section 4*)

What: Retail Transactions and Use Tax of one-half of one percent (0.5%) for a period of thirty (30) years. “Measure Revenue” or “Transportation Tax Revenue” includes any interest or other earnings thereon. Note: *a Retail Transactions and Use Tax is slightly different from “sales and use tax”*

Effective Dates: April 1, 2017 – March 31, 2047. Expires thirty (30) years from the Operative Date. (*First day of the first calendar quarter commencing more than 110 days after the adoption of this Ordinance.*) (*Sections 3, 33, & 34*)

Expenditure Plan: Adopted as part of voter action, this is the plan for the expenditure of revenues expected to be derived from the tax, together with other federal, state, and local funds expected to be available for transportation projects and programs over next 30 years.

Fund Distribution:

- 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:
 1. Investment categories which are allocated a percentage of net revenues (RTC)
 2. Capital investments which are allocated specific dollar amounts (RTC)
 3. 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.
- RTC 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.
- 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.

- **Coop Fund Agreements:** 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.
 - The RTC may exchange 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 revenues. Such federal or State funds shall be distributed in the same manner as revenues derived from this ordinance.
 - The RTC shall maintain for public review an accounting of all balances that are subject to cooperative agreements approved pursuant to this section.
- RTC 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.
- RTC may, at the discretion of the RTC's Board, enter into agreement with the County Auditor-Controller to allocate revenues.

Eligible Uses of Measure Funds: Measure D revenue, including any interest or other earnings thereon, may only be used for transportation purposes described in the Ordinance and Expenditure Plan, including:

- **Expenditure Plan Projects**
 - All capital investments will be made based upon clearly defined project descriptions and limits resulting from the outcomes of environmental analyses, as applicable.
 - **Capital:** Construction, acquisition, maintenance, and operation of streets, roads, highways, including local roads, state highways and public transit systems; and
 - **Pre-Construction:** Planning, environmental reviews, engineering and design costs, and related right-of-way acquisition.
 - **Environmental Review:** 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. (Sec 31). (If environmental is not cleared, project will not be implemented.)
 - **Bonding Costs:** Debt service on bonds or other indebtedness, and expenses and reserves in connection with the issuance of the same.
 - **Other Project Costs:** 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. Defense or prosecution of legal actions related thereto.

- **RTC-Lead Projects:** RTC may engage, contract with, employ and compensate any public or private agency, party, contractor or professional 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 RTC shall not be responsible for the maintenance or operation of any State highway facilities following construction contract completion. (*Sec 13: Execution of Duties*)
- **Election Cost:** Payments to the County of Santa Cruz for any election costs. *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. (Sec. 15)*
- **BOE Payments:** Set up and ongoing required payments to the Board of Equalization (*max 1.5% of proceeds*)
- **Administration:** Implementation and administration of all provisions and requirements of the Ordinance, as amended. (*Section 12*)
 - Costs of program administration and oversight. Any funds necessary for the RTC's administration, implementation and oversight of the tax shall be paid by Measure Revenues - in order to ensure that the cost of administration, implementation and oversight this Measure are not borne by other programs and sources, such as TDA.
 - Admin functions include staff support, audits, programming processes, reporting, financial management, compiling and publishing an annual report, providing public information concerning the Ordinance, rent, supplies, contract and consulting services, overhead, legal, administrative expenses, other responsibilities as may be necessary and reasonable to administer the Ordinance and Expenditure Plan.
 - Administrative costs are taken off top, prior to the distribution of the Transportation Tax Revenue as provided in the Expenditure Plan.
 - RTC shall not expend more than one percent of the funds generated for administrative salaries and benefits net of the amount of fees paid to the State Board of Equalization for collection of the tax
 - Costs of performing or contracting for project-related work shall be paid from the revenues of tax allocated to the appropriate purpose and project.

MAINTENANCE OF EFFORT. (*Section 26*) Required by PUC 180001(e)

- Funds generated will 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. Measure Revenues shall not be used to replace existing transportation funding or to replace requirements for new development to provide for its own transportation needs.

- Entities receiving Measure Revenues shall maintain their existing commitment of discretionary local transportation-related expenditures for transportation purposes pursuant to this ordinance
- RTC shall enforce this Section by appropriate actions, including fiscal audits of the local agencies.

Implementation Plan: To be updated by RTC 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.

Amendments

- If project undeliverable or infeasible, or doesn't need all the funds, balance will be reallocated to another project or program of the same type or otherwise serving the same objectives. *"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."* (Sec 25)
- **Ordinance:** Non-BOE/state statute-related amendments to Ordinance require a two-thirds (2/3) vote of the total membership of the Authority. *Sec 24 & 25*
- **Process for Ordin/Exp Plan amendments:** Set forth in statutes (PUC Section 180207)
 - (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.
- **Implementation Plan:** The Implementation Plan may be amended by a majority vote of the RTC, however, amendment of the Implementation Plan shall not serve to amend provisions of the Expenditure Plan. *(see above for Ord/Exp Plan amendment process)*
- **Leveraging/Change in 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 Expenditure Plan. *(Section 9)*

- **Lawsuits on Ordinance:** Even if one part of Ordinance found invalid, rest remains. (*Sec. 29*)

Financing/Bonding Authority: *Section 10*

- While, pay-as-you-go financing is the preferred method of financing transportation improvements and programs under this Ordinance, the measure provides RTC with the authority to bond against the funds only if the RTC board finds it to be cost effective and to accelerate implementation of projects.
- Ordinance only gives RTC the power to sell or issue, from time to time, on or before the collection of taxes, bonds, or other evidence of indebtedness for capital projects. It does not give other entities the authority to bond against the funds.
- The decision to bond would be considered following consultation with bond counsel. The RTC could also consider requests from local jurisdictions that are interested in receiving several years worth of funds at one time in order to immediately address some of the backlog of needs. Including this authority in the measure does not mandate that bonding would occur but provides the option to do so if the RTC and project sponsors find that it would be cost beneficial. (*Not spelled out in Ordinance, but in practice/from June 2, 2016 Staff report.*)

Taxpayer Safeguards, Audits & Accountability: (*Section 32*) Independent citizen's oversight and annual audit reports for public review are required.

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 the Ordinance will be made by the Authority in public meetings, subject to the Brown Act.

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TO: Interagency Technical Advisory Committee

FROM: Rachel Moriconi, Senior Transportation Planner

RE: 2040 Regional Transportation Plan (RTP): Financial Element

RECOMMENDATIONS

Staff recommends that Interagency Technical Advisory Committee (ITAC) members review and update historic and future funding projections for local funding sources to staff by December 22, 2016.

BACKGROUND

As the transportation planning agency for Santa Cruz County, the Regional Transportation Commission (RTC) is responsible for developing, implementing, and regularly updating the Regional Transportation Plan (RTP) for Santa Cruz County. The RTC also works with the Association of Monterey Bay Area Governments (AMBAG) and partner agencies in San Benito and Monterey Counties to produce and implement the Metropolitan Transportation Plan (MTP) for the Monterey Bay region. The RTP is the state-mandated long range/25-year transportation plan and the MTP is the federally-mandated long range transportation plan.

The RTP and MTP include goals, targets and policies that are used to prioritize projects for funding (Policy Element); identify the area's transportation needs and plans (Action Element); and estimate the amount of state, federal, and local funds that may be available (Financial Element) for the next 20-25 years. Projects are required to be included in an RTP and/or MTP to receive certain transportation funds.

DISCUSSION

Financial Element

The Financial Element includes a history of revenue expenditures, estimated funding revenues and assumptions, and new funding options. The RTP must be fiscally constrained and realistic. The forecasts included in the Financial Element provide for this fiscal constraint by outlining the foreseeable funding revenue which may be realized in Santa Cruz County during the planning period.

Earlier this year RTC staff requested and several local agencies provided information on local revenue sources that are typically used for transportation

projects. Staff would like to ensure that the RTP accurately reflects both the cost to operate and maintain the existing transportation system, as well as the funding sources that are available for basic system maintenance. Additionally the RTP includes the cost and possible funding sources available for projects above and beyond basic maintenance, including major capital projects. **Staff recommends that the ITAC review and confirm local revenue information for the RTP.** Agencies should compare the numbers to current and recent past agency budgets and ensure that the list includes all existing, historic, or anticipated future local revenues that are used for transportation projects. This should include, but is not limited to, any local sales tax revenue, property taxes, fees, assessment districts, developer fees, funds reported in the State Controller’s Annual Report of Financial Transactions for Streets and Roads, and any other local sources used to operate, maintain, and improve the local transportation system.

Staff recognizes that changes in the economy, state and federal laws, and fuel consumption/gas taxes, can make predicting exactly how much funding will be available very challenging.

AMBAG staff is working on updating estimates for state and federal funding sources that are anticipated to be available for transportation projects based on historic averages and more recent state and federal legislative changes. AMBAG staff will present that information at the next ITAC meeting.

SUMMARY

AMBAG and the RTC are in the process of developing the Financial Element of the 2040 Regional Transportation Plan and Metropolitan Transportation Plan. Staff recommends that ITAC members confirm local funding sources that are used to operate, maintain, and improve the local transportation networks.

Attachment:

1. Preliminary draft Financial Element Local Revenues

S:\ITAC\2016\Dec2016\SR_RTPfinancialElementDec2016.docx

2040 RTP Fund Estimates

					Past/Anticipated Funds					2040 RTP PEI
REVENUE SOURCES (all figures in 1000's)	Source/Notes	Dedicated/Formula vs. Discretionary	Mode Type	Base Year/ Avg Annual (not escalated)	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19
LOCAL REVENUE SOURCES					\$94,397					
City Sales Taxes Used on Transportation					\$2,452					\$2,495
City of Santa Cruz Sales Tax - Measure H used on transp.	Based on City budgets, CIPs, and other do	Dedicated -Santa Cruz City projects	any	\$1,700	\$1,700	\$1,700	\$1,730	\$1,760	\$1,791	\$1,822
City of Capitola Sales Tax - Measure O used on transp.	Based on City budget - r	Dedicated -Capitola projects	any	\$752	\$491	\$505	\$700	\$752	\$765	\$779
City/County Developer Fees					\$981					\$998
City of SC Traffic Impact Fee Fund	Based on annual average. 225/226	Dedicated -City projects	any	\$35	\$159	\$419	\$1,418	\$100	\$500	\$500
City of Watsonville Traffic Impact Fees	Annual Avg	Dedicated -City projects	any	\$240	\$240	\$240	\$240	\$244	\$248	\$253
County of SC: RIF/TIF Developer Fees	Steve W. Aug 2016	Dedicated - County	any	\$629	\$193	\$365	\$1,330	\$640	\$651	\$663
City of Capitola Developer Fees	From local jurisdictions, based on their budgets			\$50						
City of SV Traffic Impact Fees	Based on City budget - r	Dedicated -City projects	any	\$27		\$46	\$29	\$24	\$24	\$25
City/County Funds (General Fund, property fees)					\$10,780					\$10,969
City of SC - Gen Fund	CIP (311/317); base annual average	Dedicated -City projects	any	\$2,700	\$1,581	\$399	\$576	\$3,980	\$500	\$500
Santa Cruz City - Local Capital Grants to Gas Tax Project	One-time funds for one project	Murray St Bridge	Local roads	one-time \$	\$0	\$0	\$0	\$300	\$0	\$0
Santa Cruz City- RDA Successor Agency - to Gas Tax Proj	Balance of RDA funds designated to specific projects	St Route 1/9 & Wayfinding signage	Local lead	limited to \$ shown	\$0	\$307	\$1,550	\$1,000	\$0	\$0
Santa Cruz City - CDBG	Special grant	Sidewalk Crosswalks	Local	one-time \$	\$0	\$0	\$0	\$250	\$0	\$0
City of SC- Street Sweeping	City of SC 8/16	Dedicated-Local		\$1,250	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$1,500
Watsonville - Gen Fund	Annual avg, per Murray Fontes	Dedicated-Local	any	\$100	100	\$100	\$100	\$100	\$102	\$104
City of Capitola - Gen Fund	Based on City budget - r analysis	Dedicated-Local	any	\$1,400	\$1,141	\$1,154	\$1,334	\$1,434	\$1,423	\$1,448
City of Scotts Valley Gen Fund	Est. based on 2/16 report to RTC	Dedicated-Local	any	\$450	\$450	\$450	\$450	\$450	\$458	\$466
County of SC: County Service Area revenues (CSA) - CSA 5	CSA 9 is stable at \$1.1 mil/year	CSA 9		\$1,100	\$1,104	\$1,181	\$1,033	\$1,051	\$1,070	\$1,088
County of SC: CSA 9D,2,3 - Road Maintenance	Budget - CSA 9D 1,2,3 is a reliable \$2.6-2.7 mil/year	CSA 9D1,2,3		\$2,650	\$2,646	\$2,655	\$2,658	\$2,704	\$2,752	\$2,800
City of Capitola - Permits, fees, other revenues	Based on City budget - r analysis	Dedicated-Local	Streets	\$30	\$38	\$76	\$54	\$28	29	\$30
County of SC: Waste management truck impact fees	New fee approved by BOS 11/2016	Dedicated - County pavement	Streets	\$600						
County of SC: roadside dumping fee	New fee approved by BOS 11/2016	Dedicated - County road cres	Streets	\$500						
Parking Fees					\$0					
Non-Profit, Member Fees, Sponsorships, Private Do					\$771					
Volunteer Center - Transportation Program Donations	Sometimes as low as \$50.00; Lois Connell	Dedicated - Volunteer Center	Paratransit	\$1	\$1	\$0	\$1	\$1	\$1	\$1
Donations- City of Santa Cruz	Budget. City of CC	Dedicated-e.g. Riverside Ave	LSR	\$50		\$42	\$0	\$1,400	\$50	\$50
Donations- Land Trust of Santa Cruz County	Land Trust Campaign Goals	Dedicated - MBSST & Wildlife xg	Bike/Ped & Hwy17	\$568	\$0		Total over next 5 years: \$12.5M			
Ecology Action Member Fees, Sponsorships, Inkind Donations	Avg match on recent grants	Dedicated - B2W & EA	TDM/bike/transit	\$150	\$50	\$100	\$150	\$150	\$150	\$153
CTSC - Bike Traffic School fees (Santa Cruz County)	CTSC 2016	Dedicated - CTSC Ed program	Bike Ed	\$2	\$3	\$2	\$1	\$2	\$2	\$2
Gas Tax (Highway User Tax)					\$8,477					
HUTA Capitola	http://www.californiacityfinance.co	Dedicated-Local Roads	Local roads	\$213	\$313	\$293	\$230	\$213		
HUTA SC	m/HUT160514.pdf &	Dedicated-Local Roads	Local roads	\$1,313	\$1,877	\$1,776	\$1,424	\$1,313		
HUTA SV	http://www.sco.ca.gov/ard_payment	Dedicated-Local Roads	Local roads	\$251	\$364	\$342	\$272	\$251	TBD	
HUTA Wats	s_highway.html	Dedicated-Local Roads	Local roads	\$1,074	\$1,584	\$1,475	\$1,165	\$1,074		
HUTA CO of SC		Dedicated-Local Roads	Local roads	\$5,626	\$8,306	\$7,899	\$6,071	\$5,626		
LiftLine Specialized Transportation - Non-TDA reve					\$729					
Airport Revenues	rayvon.williams@cityofwatsonville.org	Dedicated	Watsonville Airport	\$2,800		\$2,500	\$2,600	\$2,800	\$2,800	\$2,849
MTC Contribution to Hwy 17 Safety Project (Santa C	RTC FY16/17 budget	Dedicated - Safe on 17 CHP	CHP/hwy safety	\$50	\$50	\$50	\$50	\$50	\$50	\$50
Rail Line Lease Revenue	RTC FY16/17 budget	Dedicated -Rail	Rail Corridor	\$90			\$100	\$85	\$86	\$88
Transit Fares	TDA claim 2016	Dedicated	Transit	\$9,511	\$9,013	\$9,284	\$9,329	\$10,764	\$10,952	\$11,144
Transit non-fare revenue	TDA claim 2016	Dedicated	Transit	\$975	\$1,033	\$1,051	\$951	\$1,045	\$1,063	\$1,082
Transit Sales Tax	TDA claim 2016	Dedicated	Transit	\$19,087	\$18,298	\$18,764	\$19,095	\$19,572	\$20,062	\$20,413
Transportation Development Act/LTF					\$9,059					
UCSC Revenues (Santa Cruz County): Transit Fees	Includes Student Transit Fee, Faculty/S	UCSC projects	Campus Transit	\$3,231	\$3,225	\$3,180	\$3,121	\$3,176	\$3,231	\$3,288
UCSC Parking Fees	Includes both Parking and Event Parking revenues. Source: UCSC TAPS o	Campus Transit	Campus Transit	\$4,193	\$3,893	\$3,937	\$4,050	\$4,121	\$4,193	\$4,266
UCSC Vanpool User Fees	23 12-passenger vanpool routes during	UCSC vanpools	Vanpools	\$124	\$103	\$105	\$120	\$122	\$124	\$126
2016 Transportation Sales Tax	Double TDA estimates	Dedicated	any	\$19,087	\$0	\$0	\$0	\$4,530	\$18,436	\$18,759
Regional Vehicle Registration Fee (VRF)					\$2,000					

TO: Regional Transportation Commission

FROM: George Dondero, Executive Director

RE: Options for use of the rail corridor

RECOMMENDATION

Staff recommends that the Regional Transportation Commission (RTC) review the information provided and discuss possible options for future use of the rail corridor.

BACKGROUND

In 2012, after more than a decade of negotiations, due diligence and public input, the RTC became owner on behalf of the community of the 32-mile branch rail line, which was previously owned and operated by Union Pacific Railroad. The transaction included transfer of the responsibility to operate freight service and serve shippers on the line to Iowa Pacific Holdings, locally operating as the Santa Cruz and Monterey Bay Railway (SC&MBRy). Those rights and responsibilities are through a "freight easement" and designation as "common carrier" by the federal Surface Transportation Board. Railroad operators are also regulated by the Federal Railroad Administration. In addition, SC&MBRy signed a ten year Administration Coordination and License Agreement (ACL) with the RTC. That agreement addresses certain shared responsibilities, operation of passenger excursion trains and other issues of common concern. The ACL does not supersede the operator's rights and responsibilities as common carrier and holder of a freight easement.

At the September 1, 2016 RTC meeting, the Commission directed staff to provide an outline of three possible uses of the Santa Cruz Branch Line rail corridor: rail with trail, trail only, and bus rapid transit (BRT) with trail. The outline consists of three components:

1. Legal considerations for each option, including whether a full Environmental Impact Report (EIR) would be required.
2. A cost analysis for each option, based on current studies; and
3. A general timeline to implement each project.

DISCUSSION

Rail with Trail

The Rail with Trail (or "rail trail" as commonly referenced) approach is the policy currently being pursued by the RTC consistent with its decision to use Proposition 116 funds to purchase the rail line for preservation of existing freight and recreational rail service, expansion of recreational rail service, exploration of future passenger rail service and construction of a bicycle and pedestrian path. Significant

progress has been made, with funding for design, environmental clearance and construction of nine miles of the 32-mile trail now secured. Final design is in progress and construction is scheduled to begin in 2017/18. Funding has also been awarded for design and environmental review of an additional 2.1 miles of a current project on the north coast and funding is recommended for award for design and environmental review of an another 2.2 mile segment in mid-county.

Planning work for the Monterey Bay Sanctuary Scenic Trail Network (MBSST) was completed over a two and half year period entailing extensive outreach and engagement with stakeholders and community groups. The MBSST Network defines the 32-mile rail trail as the system spine. The resulting Master Plan includes cost estimates to construct each trail segment, including project level environmental clearance, permits, engineering design, and construction. The Master Plan was completed at a cost of about \$800,000 and was adopted by the RTC on November 7, 2013 with a revision adopted February 6, 2014. All local jurisdictions through which the trail will traverse have also adopted the Master Plan.

In addition to the Master Plan, a program-level Environmental Impact Report (EIR) was prepared. In anticipation of completion of the Master Plan and EIR, the RTC considered adding a trail-only option in the EIR; however, the RTC unanimously decided to not include a trail-only option at its February, 2013 meeting. The Master Plan and EIR, as adopted, direct future planning to include the assumption that the railroad tracks remain in place for use by freight, excursion and potentially in the future to serve the community with regular rail transit. Thus, the vision encapsulated in the Master Plan and EIR is a rail with trail scenario and represents current RTC policy.

Time: Current projects are anticipated for construction in 2017/18. Additional projects are contingent on funding. Using Measure D funds to leverage state, federal and private grants, a 10-year horizon is reasonable.

Estimated cost to complete MBSST: \$127MM less \$19MM already secured = \$108MM. Of the \$19MM secured, \$4.5MM is from private donations primarily via the Land Trust of Santa Cruz County. An additional \$3.2MM for a mid-county rail trail project will be considered by the California Transportation Commission (CTC) on December 8th, 2016 with a \$1.5MM match committed by the Land Trust.

Legal considerations for trail: MBSST Master Plan and associated EIR completed, project level environmental analysis required as trail segments are funded.

Rail Transit

In June 2015, the RTC completed a high altitude feasibility study to examine potential for the rail line to provide regular scheduled rail transit service. Several scenarios were examined based on different assumptions. The consultant provided cost estimates for each, and a timeline that would apply for development of any scenario. The RTC did not choose a preferred scenario, although the commission did agree that any future plans to provide rail service would include service to Watsonville. Although the study answered some preliminary questions, it raised

many more that need to be considered before the RTC and the community decide if rail transit service should be pursued and if so what characteristics and technologies are most suited to the community. To that end, the Expenditure Plan in Measure D has a Rail Corridor category which includes 1) protecting and maintaining the right-of-way including existing infrastructure of the rail line and 2) performing in-depth environmental and economic analysis of future transit and other transportation options on the right-of-way through a transparent public process. Funding from Measure D will not be used to begin new rail transit service nor would it be used to make improvements to the Pajaro Rail Station. The super majority of voters passed Measure D, making funding to conduct the in-depth environmental and economic analysis now available.

The time to complete the analysis, engineering, construction and procurement of vehicles and initiate rail transit service is estimated in the Feasibility Study to be approximately 11.5 years, or just over 8 years from the completion of preliminary design and environmental studies ([Attachment 1](#)). This time frame aligns with experience in other locations for a similar project of similar size. Note that once the preliminary design and environmental studies are completed, funding for further work would have to be secured, and could require additional time. Based upon recent experience with Measure D, a reasonable assumption would be 2-4 years from concept to approval by voters.

Time: 11.5 to 15 years or more depending

Estimated cost: both capital and operating costs vary by scenario with capital costs at \$77MM to \$176MM and operating and maintenance \$5.8MM to \$16MM per year

Legal Considerations: Freight and passenger rail service may legally operate on the same track as long as adequate design features and operating arrangements are established. If freight service continues only on the first 4 miles of the rail line, as is currently the case, such features and arrangements will only impact that portion of the line. Environmental review will be required for passenger rail service.

Trail-Only

A trail-only option has been proposed on the presumption that it would be a faster and less expensive means of completing the trail, albeit at the cost of forfeiting any other uses including the future option to add rail transit. The trail-only option would provide for dual use for bicyclists and pedestrians rather than multi-use of the corridor, including transit and freight service. Proponents of this approach point to the cost reduction of not having to build bridges for the trail if the railroad structures could be utilized. However, this approach adds a number of additional steps, some of which introduce considerable unknowns in terms of time and cost.

In this scenario, the RTC would make the decision to not develop rail transit service, abandon freight service on most or all of the line, remove the tracks, and dedicate resources to building a trail. That decision could be made once the full environmental and economic studies and public process are completed. Proponents

of the trail only concept have suggested that no further public process or evaluation needs to occur and that the Commission could make that decision now. Such a decision would most likely be challenged for various reasons: 1) funding and the commitment to complete the process in the Expenditure Plan of the Measure D ordinance approved by a supermajority (over 2/3) of Santa Cruz County voters/ 2) rail service is a condition of the Proposition 116 funding used to purchase the line and was the intent of a majority of both CA and Santa Cruz County voters to expand passenger rail service in California; 3) concerns around funding commitments, especially private ones, for current trail projects which are based on a rail-with-trail scenario; and 4) the rail operator is the owner of a freight rail easement on the entire length of the rail line, is the designated common carrier for this rail line, which only the Surface Transportation Board has the authority to change and has operating rights for both freight and recreational rail service under a ten year agreement with six years remaining. Regardless of the timing of the decision, further work would be required before the Commission could commence with building a trail and removing the tracks. Some tasks could occur concurrently while others will need to occur sequentially. At a minimum, the following would need to be undertaken:

1. Public Process – The community is clearly interested and not in unanimous agreement about use of the corridor. Long term mobility needs for the county need to be considered.
2. Re-negotiate the Administration, Coordination and Licensing (ACL) Agreement with Iowa Pacific Holdings (IPH). The current agreement is up for renewal in 2022. Staff contacted management at Iowa Pacific to inquire about their potential response to terminating the ACL prior to 2022 and they indicated that they were not interested. If the RTC is successful in convincing IPH to terminate the contract prior to its termination date, IPH may request compensation for to buy them out. Estimated time to complete: 2 6 years. Estimated cost: unknown cost for legal counsel, staff time and any potential buy out compensation.
3. Engage in discussions with the California Transportation Commission (CTC) to return at a minimum \$11 million in Proposition 116 funds that were awarded to the RTC for purchase of the line. However, the CTC may ask for the full \$14.2 MM used to purchase the rail line or \$19 MM, which includes funds used to improve bridges for rail operations. It is possible that the CTC will not require that the funds be returned and have the state take over the rail line. In past communications, the RTC asked what would happen if the RTC did not implement passenger rail service. The response was that the CTC and/or Caltrans would step in and help the RTC make a fresh attempt to implement rail service. This raises the question, “would the RTC prefer to attempt to develop rail service, or have Caltrans lead that effort?” If one assumes that the CTC will agree to accept repayment, the cost would include any escalation in appraised value of the property since the purchase was

completed in 2012. Other costs would include new appraisal of the property, legal counsel, staff time, and a negotiated agreement on the escalated value of property since the most recent appraisals were completed. Estimated time: 1.5 – 3 years. Estimated cost: up to \$1MM in consultant, legal and staff costs.

4. Secure the repayment funding from a source yet to be determined. Estimated time: unknown. Estimated cost: \$11MM to \$19MM + increase in market value of ROW since purchase.
5. Apply for abandonment of freight service on the line. This falls under the jurisdiction of the federal Surface Transportation Board (STB). Abandonment proceedings could be complicated by a) resistance or opposition of existing and potential shippers on the line, b) lack of cooperation by Iowa Pacific, and c) resistance by the STB to transform rail corridors to non-rail uses or to do so with conditions to compensate those affected including shippers and the operator and to mitigate for impacts of shifting rail shipping to roadway shipping. RTC experience with the STB during procurement of the line suggests that abandonment may be neither quick nor inexpensive. It took the STB over a year to deliver the decision on RTC's purchase of the line, which was unopposed and "simple." In the end, their decision was that they had no objection to the purchase. The delay was caused by the fact that other cases were in line ahead of ours. In addition, hourly rates are extremely high for attorneys with railroad experience who are qualified to practice before the STB. Estimated time: 2 – 3 years. Estimated cost: \$250,000 - \$500,000 in legal and staff costs; costs of potential conditions unknown.
6. Environmental permitting – assuming the above steps would not be challenged and could be completed successfully, there is a high likelihood that California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA) clearance would have to be filed to remove the track and remediate the rail corridor for any hazardous material as well as air quality impacts due to the construction work. Pulling up the tracks entails disposal of thousands of railroad ties that were treated with creosote, considered a hazardous material in California, and disturbance of the soil. RTC staff is currently investigating the cost of tie disposal which will likely entail shipping to a specialized disposal facility in another state. A permit from the County Environmental Health Services would also likely be required. Estimated time: 1.5 to 2.5 years. Estimated cost: \$100,000 for consultant fees, staff time and permit fees not including disposal fees.
7. Hazardous material assessment and potential mitigation. A change in use of the rail corridor will require an assessment about whether there are harmful levels of hazardous material in the vicinity of the tracks. The County Environmental Health Services would oversee the hazardous material assessment and any associated mitigation. Estimated time: Completed as

segments are funded. Estimated cost: Unknown depending on level of hazardous materials if any.

8. Removal of ties and rails. A Request for Proposals (RFP) would need to be issued and a qualified contractor engaged to remove the rails and ties. Estimated time: 6 – 12 months. Estimated cost: unknown
9. Survey property boundaries to verify ownership and deal with encroachments. This step is essential regardless of when the trail is built and whether the rail stays in place. Property records on many parcels in the corridor lack clarity and specifics that must be researched through titles and any surveys that were recorded. New surveys must be done and encroachments will need to be addressed through a variety of efforts which could include negotiation and legal action. Estimated time: 2 years. Estimated cost: \$5.4 MM.
10. Complete project-level environmental clearance on each trail segment project. While this applies whether the rail stays in place or not, current projects are able to tier off the currently certified EIR whereas this cost saving option will not be possible under a trail-only scenario. Estimated time: varies, depending on how many trail segments are being prepared for construction at one time. Estimated cost: unknown given that the current certified EIR is not representative of trail-only project
11. Funding – a percentage of Measure D funds is dedicated to construct and maintain the trail assuming that the trail is built next to the rail line. Any additional funds needed specific to a trail-only option, such as removal of tracks, may need to be secured through grants and/or private donations. Estimated time: unknown. Estimated cost: depends upon total cost of the trail-only option and the amount of funds available from Measure D.
12. Legal challenges – if the RTC does not make a good faith effort to develop rail transit in the county and develops the corridor only as a trail, there could be legal challenges from the state as well as privately funded groups of citizens because the RTC would not be meeting existing commitments to provide transportation options to reduce greenhouse gas emissions. Policies supporting emission reductions are spelled out in the 2014 Regional Transportation Plan. The California Air Resources Board (CARB) is expected to release new, more stringent targets for emission reductions to each region in 2017. Estimated time: 2 – 5 years. Estimated cost: \$500,000+
13. Other potential legal challenges to adopting a trail-only policy may come from the California Coastal Commission; other regulatory agencies and environmental organizations; and communities concerned with sustainability, economic justice and equity in providing transportation options to all residents of the county. Estimated time: 1- 3 years. Estimated cost: unknown.

Overall time: 8 years (not including construction) to unknown

Overall estimated cost: \$32MM (not including environmental, design and construction) to unknown

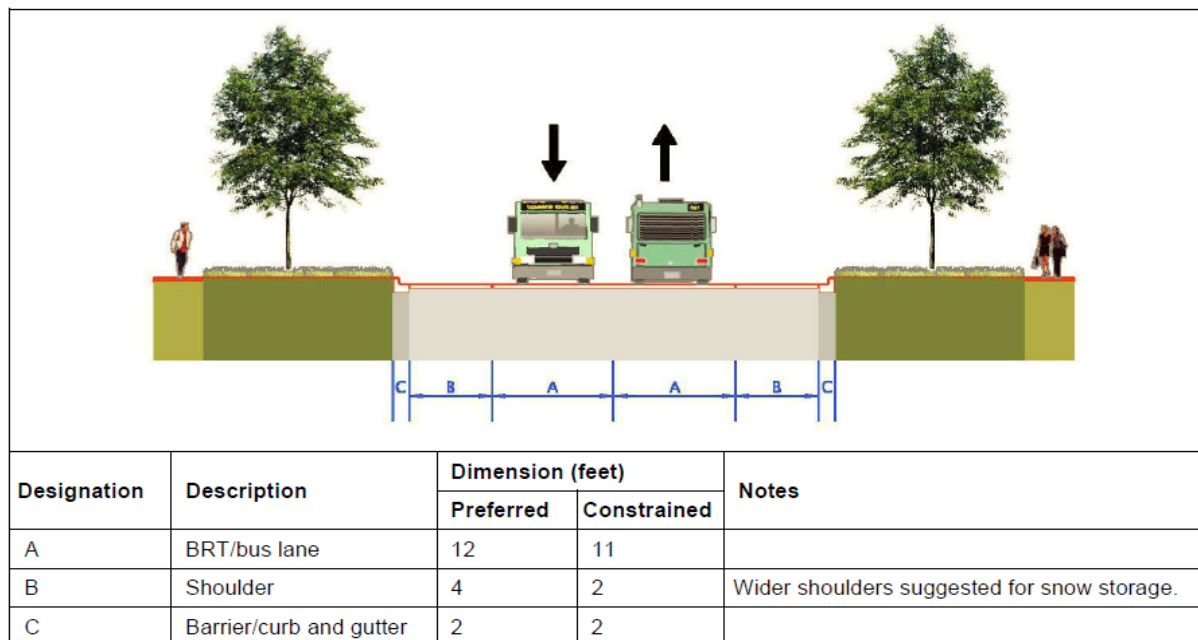
Overall legal considerations: dismantle contractual and voter approved obligations, various environmental reviews, Surface Transportation Board process, hazardous materials requirements, and legal challenges possibly from various fronts.

Bus Rapid Transit (BRT)

Bus rapid transit is a type of bus service that travels faster and more reliably than regular fixed route bus service by providing level boarding, triggering traffic signals, providing pre-board fare payment and running some or all of the time in dedicated lanes separated from traffic, among other typical characteristics. The RTC has not undertaken any studies on BRT in the County, although it was identified as one option on a portion of the rail line in the 1998 Major Transportation Investment Study and the Santa Cruz Metro considered BRT between downtown Santa Cruz and UCSC. BRT has been implemented in many areas around the world.

Physical Constraints

A typical BRT busway consists of two paved lanes, a separator/barrier and gutter, and outside shoulders. A typical section is illustrated here:



Source: *Designing Bus Rapid Transit Running Ways*, American Public Transportation Association, October, 2010, APTA-BTS-BRT-RP-003-10

Note that the full right-of-way requirements for the cross section above are 36 feet for the preferred, and 30 feet for the constrained example. For the busway to run

next to a multi-use trail, then the optimum design would include a separator/barrier to prevent buses that leave the busway from causing collisions on the trail. A three foot allowance for this separator will be assumed, yielding a 39 foot or 33 foot width needed for the busway running next to a trail. Most of the rail corridor right-of-way (ROW) would accommodate either the 30-foot or 36-foot busway exclusively. However, constructing the busway would conflict in many locations with the 12 - 16 foot average multi-use trail as the Monterey Bay Sanctuary Scenic Trail is currently envisioned and in development. A one-way busway with pullouts could be considered but additional analysis would be needed to determine feasibility, possible design options, current and future demand, signaling requirements and costs.

Approximately 8 miles of the trail are now fully funded, in design (based on the rail and trail decisions) and planned for completion in 2018. Another 2.1 miles of trail are funded through design and environmental work and 2.2 miles are being recommended for funding for design and environmental review. The current level of public interest in constructing the trail coupled with the extensive investment made to date in planning the project indicate that adopting a plan for BRT at the expense of the trail may not be an option the RTC would want to pursue.

Additionally, as described in detail under the trail-only option, the time and expense to abandon freight service, terminate existing agreements with the rail operator, engage in discussions with the CTC and the numerous other issues to consider, if removing the tracks, would need to be included if pursuing BRT on the rail corridor. Therefore, pursuing a BRT solution would take an unknown time span at an unknown cost. Staff does not have adequate information to assemble a cost or time estimate for a BRT system.

Cost estimate: Unknown – a significant amount of ROW may be needed for this option, additional costly signaling required for a one lane busway, and potential litigation associated with removal of tracks may be costly.

Legal considerations for BRT: Legal considerations for removing the tracks as discussed under the “trail only” option, a BRT Plan and associated environmental review.

Timeline to open service: Unknown given considerations discussed above.

Other Relevant Planning Work

The RTC is currently working on two projects which will provide useful information to the RTC and the community as part of the process to evaluate options for use of the rail corridor. The Unified Corridor Investment Study will identify transportation investments that optimize usage of three parallel transportation corridors in Santa Cruz County: Highway 1, Soquel Avenue/Drive and the Santa Cruz Branch Rail Line while advancing sustainability goals. This study will provide an analysis of potential projects on the rail corridor integrated with projects on Highway 1 and Soquel Avenue/Drive using a performance based approach. The study will identify how various groups of projects (scenarios) will advance mobility, access, safety, economic vitality, equity and public and environmental health, including the need to

reduce greenhouse gas emissions. The study is expected to be completed by June 2018. In addition, the Sustainable Transportation Prioritization Plan project will develop visualization tools to help the community envision future transportation projects. This project is expected to be completed by late 2017/early 2018.

Summary

The Commission directed staff to provide an outline of three possible uses of the Santa Cruz Branch Line rail corridor: rail with trail, trail only, and bus rapid transit (BRT) with trail. Available information on the legal considerations, cost estimates and an estimated timeline for each option are provided.

Attachments

1. Rail Transit Feasibility Study Timeline

S:\RTC\TC2016\TC1216\REGULAR AGENDA\RAILCORRIDORINFOREQUEST\RAILCORRIDOR-SR.DOCX



ATTACHMENT 1

TABLE 9-1: PRELIMINARY IMPLEMENTATION TIMELINE

		Time post-board Approval																																																			
		Year 0				Year 1				Year 2				Year 3				Year 4				Year 5				Year 6				Year 7				Year 8				Year 9				Year 10				Year 11							
Item		Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4								
Board Approval																																																					
Draft Environmental Studies & Conceptual Engineering																																																					
Preferred Alternative and Preliminary Engineering																																																					
Final Design, Construction Documents, Funding																																																					
ROW Acquisition																																																					
Contractor Procurement																																																					
Construction																																																					
Vehicle Procurement																																																					
Vehicle Commissioning & Testing																																																					
Opening																																																					