



**SOLANO TRANSPORTATION IMPROVEMENT AUTHORITY
BOARD MEETING AGENDA**

**5:30 p.m., Regular Meeting
April 14, 2010
Suisun City Hall Council Chambers
701 Civic Center Drive
Suisun City, CA 94585**

Notice to the Public: By action of the Solano County Board of Supervisors, the Solano Transportation Improvement Authority (STIA) was established pursuant to, and for the purposes provided for under California Public Utilities Code §§180000 et seq which relate to the funding of transportation and transit projects.

Public Comment: Pursuant to the Brown Act, the public has an opportunity to speak on any matter on the agenda or, for matters not on the agenda, issues within the subject matter jurisdiction of the agency. Comments are limited to no more than 3 minutes per speaker unless modified by the Board Chair, Gov't Code § 54954.3(a). By law, no action may be taken on any item raised during the public comment period (Agenda Item IV) although informational answers to questions may be given and matters may be referred to staff for placement on a future agenda of the agency.

Speaker cards are helpful but not required in order to provide public comment. Speaker cards are on the table at the entry in the meeting room and should be handed to the STA Clerk of the Board.

Americans with Disabilities Act (ADA): This agenda is available upon request in alternative formats to persons with a disability, as required by the ADA of 1990 (42 U.S.C. §12132) and the Ralph M. Brown Act (Cal. Govt. Code §54954.2). Persons requesting a disability related modification or accommodation should contact Johanna Masiclat, Clerk of the Board, at (707) 424-6008 during regular business hours at least 24 hours prior to the time of the meeting.

Staff Reports: Staff reports are available for inspection at the STA Offices, One Harbor Center, Suite 130, Suisun City during regular business hours, 8:00 a.m. to 5:00 p.m., Monday-Friday. You may also contact the Clerk of the Board via email at jmasiclat@sta-snci.com. **Supplemental Reports:** Any reports or other materials that are issued after the agenda has been distributed may be reviewed by contacting the STA Clerk of the Board and copies of any such supplemental materials will be available on the table at the entry to the meeting room.

Agenda Times: Times set forth on the agenda are estimates. Items may be heard before or after the times shown.

ITEM

BOARD/STAFF PERSON

- | | |
|---|---------------|
| I. CALL TO ORDER/PLEDGE OF ALLEGIANCE
(5:30 – 5:35 p.m.) | Chair Spering |
| II. CONFIRM QUORUM/ STATEMENT OF CONFLICT
<i>An official who has a conflict must, prior to consideration of the decision; (1) publicly identify in detail the financial interest that causes the conflict; (2) recuse himself/herself from discussing and voting on the matter; (3) leave the room until after the decision has been made. Cal. Gov't Code § 87200.</i> | Chair Spering |

STIA BOARD MEMBERS

Jim Spering Chair County of Solano	Elizabeth Patterson City of Benicia	Jack Batchelor, Jr. City of Dixon	Harry Price City of Fairfield	Jan Vick City of Rio Vista	Pete Sanchez City of Suisun City	Len Augustine City of Vacaville	Osby Davis City of Vallejo
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STIA BOARD ALTERNATES

Mike Reagan	Mike Ioakimedes	Rick Fuller	Chuck Timm	Ron Jones	Mike Hudson	Curtis Hunt	Erin Hannigan
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III. APPROVAL OF AGENDA

IV. OPPORTUNITY FOR PUBLIC COMMENT

(5:35 – 5:40 p.m.)

V. Selection of STIA Chair and Vice-Chair

Charles Lamoree

Recommendation:

Select members of the STIA Board to serve as Chair and Vice-Chair.

(5:40 – 5:45 p.m.)

VI. INFORMATION ITEMS

A. Status of Current Transportation Funding in Solano County

Daryl K. Halls

Informational

(5:45 – 5:50 p.m.)

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B. Summary of Local Transportation Funding Options

Daryl K. Halls

Informational

(5:50 – 5:55 p.m.)

Pg. 5

VII. ACTION ITEMS

A. Board Discussion and Direction on New Local Revenue Options

Committee

Recommendation:

Forward a recommendation to the STA Board regarding further evaluating and conducting feasibility analysis for specified new local revenue options as indicated in Attachment A.

(5:55 – 6:25 p.m.)

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VIII. BOARD MEMBERS COMMENTS

IX. ADJOURNMENT

The next regular meeting of the STIA Board is scheduled for **May 12, 2010.**



DATE: April 12, 2010
TO: Solano Transportation Improvement Authority Board
FROM: Daryl K. Halls, Executive Director
RE: Status of Current Transportation Funding in Solano County

Background/Discussion:

PRIORITY PROJECTS

Solano County relies on a combination of State (59%), regional (28%), local (7%) and federal (6%) funding sources to fund the current list of priority projects. Based on the most recent Regional Transportation Plan (RTP) adopted by the Metropolitan Transportation Commission (MTC), Solano County is only projected to have enough federal, State and regional funds available over the next 25 years to fund all or part of seven new projects. These projects include the next segment of the I-80/I-680/SR 12 Interchange, one limited auxiliary lane on I-80 near Fairfield, the Jepson Parkway, the West End of the North Connector, the Fairfield Vacaville Train Station, the Vallejo Station, and the Vacaville Transit Center.

STATE FUNDING

The majority of the funding for the major new projects is expected to come from State funding, but the RTP's projected funding estimates have not factored in the current State fiscal crisis which has already affected the 2008 and 2010 State Transportation Improvement Programs (STIPs) and will likely negatively impact the 2012 STIP and potentially the 2014 STIP. The STIP is the primarily source of state funding for Solano County's new capacity projects such as roadways, highways, interchanges and transit centers. In the 2008 STIP, Solano received an estimated \$10 million in new programming capacity, about half the total projected for Solano. The 2010 STIP funding cycle extends all the way to FY 2014-15. For Solano County, this has resulted in no new projected STIP funds for the next five years for any of these seven specified projects, an estimated annual loss of between \$10 to \$15 million and no new STIP capacity for any new Solano County projects that has not already been programmed. This limits the projects that can be funded out of Solano's regional STIP (Regional Transportation Improvement Program (RTIP) to the projects currently programmed in the Solano's RTIP which consists of the five projects currently programmed in the STIP. A decision has not yet been made by the California Transportation Commission (CTC) regarding whether projects already programmed in the STIP will have to be reprogrammed to future years due to State highway account cash flow shortfalls. This trend is expected to continue at least through the 2012 STIP and perhaps beyond. With nearly 60% of Solano's priority projects dependent upon State funding, the downsizing of the STIP will have a dramatic impact on Solano's ability to deliver and fund priority projects in the near and long term.

State Transportation Act funds (STAF) are provided to Solano County through the region and can be used for a variety of transit services, planning and capital. Historically, this fund source has been unpredictable with large increases and decreases between years. Recent actions by the State Legislature have resulted in an elimination or severe reduction of this funding source.

REGIONAL FUNDING

The second largest percentage of funding for Solano's current priority projects has been derived from regional funding (28%), which primarily consists of Regional Measure 2 and/or AB 1171 bridge toll funds appropriated by the Bay Area Toll Authority (BATA). The bridge toll funds are a combination of one time only capital funds and annual operating funds for specified transit services identified in the RM 2 expenditure plan contained in SB 916 (Perata) and have a nexus to the one of the seven state owned Bay Area toll bridges. As the STA and Solano project sponsors deliver their bridge toll funded capital projects over the next five to ten years, only the annual transit operating funds for four Solano Express funded Inter-regional transit routes and the Baylink Ferry (soon to be operated by the Water Emergency Transit Authority (WETA)) will remain.

FEDERAL FUNDING

Federal funding only provides 6% of the funding for the current priority projects and is typically obtained through three funding allocation processes:

1. The annual appropriations process;
2. The federal authorization earmarks which takes place approximately every six years; and
3. Through federal cycle funds obtained through the region's federally designated Metropolitan Planning Organization (MPO), which is the Metropolitan Transportation Commission (MTC) for the nine county Bay Area region.

Solano County's recent appropriations and authorization success has been a result of maintaining a narrow and coordinated list of federal priorities and receiving the support of Solano County's congressional delegation. This has contributed greatly to obtaining over \$45 million in federal earmarks funds from combined appropriations and authorization during the past 8 years. In federal cycle funds, MTC has continued to focus on more transit oriented and alternative modes choice projects such as regional bikes and transportation for livable communities' projects and this past year MTC added Safe Routes to School, a Climate Change program, and the Freeway Performance Initiative (FPI). Some federal cycle funds are dedicated to transit capital replacement and maintaining local streets and roads, but these funds are limited and allocated twice every six years. Solano is expected to receive about \$9 million in the next federal cycle process from MTC. These regional programs will have a benefit for Solano County, but they do not substantially address Solano County's funding shortfalls for priority projects, maintenance of local streets and roads, senior and disabled mobility, and safety programs.

LOCAL FUNDING

Local funding provides an estimated 7% of the funding for Solano County's current set of priority projects. These local funding contributions have been primarily through local gas tax for roadway projects, local developer fees for local roadway and interchange projects, local Transportation Development Act (TDA) for local transit projects, and some limited local redevelopment funds. The County of Solano and its seven cities rely on local gas tax revenues to fund the maintenance of its local streets and roads. This is occasionally augmented by federal cycle funds provided by MTC through the STA. In recent years, Solano's gas tax revenues have

been flat or slightly reduced and the State has on several occasions delayed the transfer of local streets and roads funds due to cash flow problems. During the same time period, the amount of people living and working in Solano County has continued to increase and the number of daily trips on Solano County roadways as also continuing to increase. As a result, Solano County's Pavement Condition Index (PCI) rating has decreased from 66 to 63.6 from 2004 to 2009. A PCI rating between 60 and 69 is considered fair with a rating of below 60 classified as at risk.

TRANSIT FUNDING

Local transit services and transit services for seniors and the disabled are funded through local transit development act (TDA) funds and some limited State Transportation Act funds (STAF). Until recently, Solano County TDA revenues had gradually increased in correspondence to the County's growth in population and jobs. The last two years, this trend has changed due to the downturn in the economy. Local TDA revenues have gone down by 10% over the last two years. This is coupled with the before mentioned cuts in STAF, the only source of state transit revenues. According to the STA's most recent Senior and Disabled Transit Study, the percentage of seniors residing in Solano County was projected to increase from 9% to 19% by 2030. This leaves Solano's transit operators with growing transit needs and limited options for continuing to maintain existing transit service, much less to expand service to meet the projected increase in transit services that is projected.

At the meeting, staff will provide a brief overview of the current status and projections for each of these funding sources.

Recommendation:

Informational.

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DATE: April 12, 2010
TO: Solano Transportation Improvement Authority (STIA) Board
FROM: Daryl K. Halls, Executive Director
RE: Summary of Local Transportation Funding Options

Background:

In December 2009, the STA Board began discussing options for development of a coordinated funding strategy to determine how to best allocate limited transportation funds in the short term to fully fund the construction of priority projects. In January 2010, a STA Board workshop was held in conjunction with the monthly Board meeting. At the workshop, a listing of the priority highway, arterial and transit projects and the funding sources currently programmed and potentially available to each project was provided and discussed.

For more than a decade, Solano County has grappled with various options to address the growing funding gap between available federal, state, regional and local transportation funds and the estimated funding needs necessary to address maintenance of the current transportation system in Solano County, and to construct the critical improvements needed to provide safety, access and to improve current mobility, both now and in the future. Since the placement of an advisory measure on the ballot in 1998, Solano County has tried unsuccessfully three times to join other California counties in passing a local sales tax measure for transportation. On two occasions, over 60% of Solano County voters supported the effort, but each time it fell short of the 66.7 % necessary for passage. The last effort took place in June of 2006.

Since 2006, Solano County has focused its transportation efforts funding efforts on maximizing its activities to seek and attract federal, state and regional funds and has explored other options for funding transportation projects and improvements. In 2008, members of the STA Board traveled to Southern California and to several adjacent North California counties to view and discuss a variety of options for funding and constructing projects. These funding options included: regional transportation impact fees (RTIF) (Contra Costa, Placer and Riverside counties), Express/High Occupancy Toll (HOT) lanes (Alameda, San Diego and Santa Clara counties), and toll freeways (Orange County).

Later that year, the STA Board commissioned a feasibility study for a regional transportation impact fee. In December 2008, following the completion of the feasibility study, the STA Board authorized the initiation of a RTIF Nexus Study, which is currently underway. In May 2009, the STA Board designated the STIA Board to serve as the governing board for the administration of the RTIF, if it is adopted by the County and a combination of all or some of the seven cities. Also in May of 2009, the STA Board took action to request funding from the Bay Area Toll Authority (BATA) for the initiation of a preliminary engineering study for Express/HOT lanes on two segments of I-80 adjacent to Fairfield and Vacaville. In July 2009, the STA Board, upon receiving a commitment of the requested funding from the BATA, authorized moving forward on hiring consultants to conduct the preliminary engineering for the two segments covering approximately 16 miles of I-80.

In February 2010, members of the STA Board traveled to Sacramento to meet with Solano County's State Legislators and to discuss the potential impact of proposed state budget cuts to local streets and roads, transit, and priority projects. That same month, the STA Board's tasked the Executive Committee to work with staff to prepare a list of potential new local funding options for review and discussion by the Board.

In March 2010, the Governor and State Legislature agreed to a swap of gas tax revenues in exchange for an imposition of an excise tax on gas to be dedicated to transportation. This legislative fund swap was advertised as being revenue neutral for the State Transportation Improvement Program (STIP) and local streets and roads, but reduced the annual amount of funds available for transit. This followed on the previous State Budget when the State Legislature and the Governor agreed to zero out STAF, the primary source of state funds for transit. A potential negative outcome of this new revenue source is that it is much more vulnerable to future diversions by the State Legislature and the Governor to balance future State Budgets, a common occurrence in past years.

Discussion:

The Board's Executive Committee and staff have worked the past two months to identify potential new revenues to offset the projected loss of future state funding and to help address the most critical projects and transportation needs facing Solano County.

One option available to the Board would be to develop a funding strategy with only the currently available federal, state, regional and local funding, and not pursue any new local revenues. The development of a funding strategy is in process and will continue to be discussed under separate Board items and as part of the development of the STA's updated Overall Work Program.

The Executive Committee and staff have discussed the potential, merits, and obstacles for seven potential new local funding options. The seven options presented for discussion by the STIA Board are as follows:

1. Regional Express/High Occupancy Toll Lanes on I-80
2. Regional Transportation Impact Fee (RTIF)
3. Rio Vista Bridge Toll
4. Benefit Assessment District for Transit – Benicia-Vallejo
5. Public Private Partnerships (3Ps)
6. Local Sales Tax Option for Transportation
7. Local DMV Fee for Transportation Benefits and Mitigation Authorized by SB 83

SUMMARY OF LOCAL FUNDING OPTIONS

1. Regional Express/High Occupancy Toll Lanes on I-80

Regional Express/High Occupancy Toll (HOT) lanes are dedicated lanes that require single-occupancy vehicles to pay a toll to use a lane designated for use by high occupancy vehicles (HOVs), commonly referred to as carpools. Express/HOT lanes provide a mobility option for single occupancy vehicles to provide reliable travel at a variable price. The revenue generated from the use of the Express/HOT lanes can be used to build out the HOV/HOT lanes more rapidly and provide for maintenance and operation of the lane and the facility.

In order to construct and operate a Express/HOT lanes facility, authorizing legislation is needed. Currently, Alameda and Santa Clara counties and several counties in Southern California (Orange, Riverside, San Bernardino and San Diego) have authorization to construct HOT lanes demonstration projects. In 2009, the Metropolitan Transportation Commission (MTC) tried unsuccessfully to pass legislation (AB 744) obtaining authorization for an 800 mile Express/HOT lanes network throughout seven counties, including Solano, in the Bay Area. This legislation was supported by the STA, which had taken action to initiate Express/HOT lanes on I-80. With the passage of AB 744 uncertain, staff recommends the STA sponsor an Express/HOT lanes demonstration bill for the I-80 corridor in Solano County.

Eligible projects to be funded:

Express/HOT lanes revenues can be dedicated to build out of the Express/HOT lanes projects, maintenance and operation of the facility (includes the new lane and equipment), traffic enforcement, and improving mobility in the corridor (express bus service and ridesharing are examples).

2. Regional Transportation Impact Fee (RTIF)

In 2008, the STA completed a feasibility study for the RTIF. Based on this study, the Board authorized the STA to retain consultants to conduct a nexus study to determine a list of projects eligible to be funded through the imposition of a RTIF. In May 2009, the STA Board designated the STIA Board as the governing board for the RTIF if it is implemented. In March 2010, the STA Board approved criteria for evaluation of potential projects. Once the nexus study is completed by the STA, the authority to establish the fee resides with each of the seven city councils and the Board of Supervisors. Staff recommends the STA complete the RTIF nexus study.

Eligible projects to be funded:

The purpose for the RTIF is to help mitigate the impact of future growth on the regional transportation system. The focus for eligible projects has been on projects included in the list of routes of regional significance and transit facilities of regional significance, both of which have been updated as part of the STA's Comprehensive Transportation Plan update. RTIF funds are not to address existing deficiencies, such as maintenance of local streets and roads, or providing senior and disabled transit service.

3. Rio Vista Bridge Toll

As part of the most recent federal authorization bill, the City of Rio Vista received an earmark from Congressman Dan Lundgren to evaluate the potential for upgrading and relocation the Rio Vista Bridge. Due to the coordination required with three Caltrans districts and three regional agencies, Rio Vista requested the STA take the lead on the study. The final alignment alternatives have been identified and are under review. The study is scheduled to be presented to the STA Board in June 2010. Staff recommends completing the study and then determining whether to further examine options for a funding plan that includes the potential for tolling the Rio Vista Bridge.

Eligible projects to be funded:

The primary project to be funded would be the upgrade and potential relocation of the Rio Vista Bridge. SR 12 corridor improvements with a nexus to the bridge could also be eligible.

4. Benefit Assessment District for Transit – Benicia-Vallejo

In 2009, the STA Board completed and approved a Solano Transit Consolidation Study that included a recommendation to consider consolidating Benicia and Vallejo's transit service into one transit system. Later in 2009, Benicia, Vallejo and STA entered into a memorandum of understanding to evaluate in greater detail the potential for this to occur. A draft joint powers agreement (JPA) has been prepared and is being finalized. A business plan is being prepared by a STA consultant team and is being reviewed by staff from all three agencies. One of the goals of the study is to identify a longer term and sustainable revenue source to maintain and expand the transit service for both cities to address future need. One of the options to be evaluated is the formation of a benefit assessment district. Staff recommends this option be evaluated and considered as part of a Short Range Transit Plan to be developed by the new JPA after it is formed.

Eligible projects to be funded:

The revenues from a benefit assessment district could fund local transit service, senior and disabled transit, commuter transit, taxi-script program, and other transit services. The funding could be used both for capital and operating.

5. Public Private Partnerships

Public Private Partnerships is a funding option that has not been explored in any great detail by STA or the various project sponsors in Solano County. This option is being discussed at a national, state and regional level and all three levels of governments are looking for candidate and pilot projects. Solano County has obtained over \$100 million to help construct new or expand six major transit facilities in the next five years. Each of these projects will need to fund operations and maintenance of the facility once it is constructed and will need additional funding to fully fund the current or future phases of the project.

Staff recommends adding a Public Private Partnership Feasibility Study to the STA's Overall Work Program for FY 2010-11 to evaluate the viability and options for interested transit centers.

Eligible projects to be funded:

A range of projects could be funded through public private partnerships. This could include transit centers, parking structures, toll lanes, and roadways.

6. Local Sales Tax Option for Transportation

The passage of local sales tax measures in California began with Santa Clara County in the mid 1980s and a number of counties in California have passed local measures in the last 25 years. Currently, seven of nine Bay Area Counties have local sales tax measures in place. Nearby Sacramento and San Joaquin counties also have passed local measures. Napa and

Solano are the two Bay Area counties that have not. Local sales tax measures must be approved by 2/3rd of voters in that specified county based on an expenditure plan approved by a majority of the cities representing a majority of the incorporated population for that County, and approved by the Board of Supervisors. Solano has tried unsuccessfully on three separate occasions to pass a local sales tax for transportation. Obtaining the support of 2/3 of Solano County's voters is difficult even during more positive economic times. Staff recommends not pursuing this option in 2010.

Eligible projects to be funded:

One of the benefits of local sales tax measures is its flexibility and options for funding a variety of transportation projects, improvements and programs. This list of eligible projects and programs is defined through the expenditure plan.

7. Local DMV Fee for Transportation Benefits and Mitigation

In 2009, the State Legislature passed SB 83 (Hancock) which authorizes congestion management agencies to place an expenditure plan on the ballot of each county to raise the DMV fee for congestion benefit and mitigation. The fee can range up to \$10 per year and requires a simple majority vote for passage. Each \$1 of fee would generate an estimated \$320,000 annually with \$3.2 million per year for a \$10 fee. Projects contained in the congestion management plan and that demonstrate a benefit for and/or mitigation of the automobile are eligible. This new local revenue option has the potential to address local streets and roads, senior and disabled mobility, safe routes to schools and other local community mobility issues. Currently, seven of the other eight Bay Area counties are considering placing a SB 83 expenditure plan on the ballot for the November 2010 election. First recommended step is to authorize the conducting of a public opinion poll to assess the feasibility of placing a SB 83 expenditure plan on November 2010 ballot for consideration by Solano County voters.

Eligible projects to be funded:

The SB 83 expenditure plan is somewhat more constrained than a local sales tax expenditure plan (note attached memo from Legal Counsel on SB 83). Specifically, the fee can only fund projects or programs that provide a benefit to or mitigate the impacts caused by the automobile. Example of eligible projects would be maintenance and repair of local streets and roads, safe routes to schools, safety projects, specified roadway or transit projects, and senior and disabled transit service.

This staff report has been concurrently agendized for the STA Board in the event the STIA Board opts to act on any or all of the specific recommendations regarding follow up feasibility and/or evaluation of the new revenue options.

Recommendation:

Informational.

Attachment:

- A. Memo from STA's Legal Counsel, Chuck Lamoree, re. Transportation Funding under SB 83 (Vehicle Registration Fee)

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April 8, 2003

To: Solano Transportation Improvement Authority (STIA) Governing Board
 From: Chuck Lamoree, STA Legal Counsel
 Re: Transportation Funding under SB83 (Vehicle Registration Fee)

Effective January 1, 2010, there is an additional mechanism for funding local transportation projects. Under the provisions of SB83--**and following majority approval by the electorate--** up to \$10.00 may be added to vehicle registrations a county in order to fund a wide-variety of transportation projects. *Attached is a copy of the legislation.*

In summary, SB83 provides:

1. Continues to require county congestion management agencies (CMA) prepare and adopt congestion management programs (CMP) and update those plans every two years. A county's CMP includes traffic level of service standards, performance elements regarding the movement of people and goods. plan elements that promote alternative transportation methods, including carpools, vanpools, transit, bicycles, and other strategies, an analysis of land use decisions on regional, and a long range capital improvement program.
2. Authorizes a "countywide transportation planning agency" (i.e., STA in Solano County) to place on the ballot a majority vote local measure that will impose a fee of up to \$10 on each vehicle registered in that county to fund programs to address congestion mitigation and motor vehicle induced pollution.
3. Requires that the CMA adopt two studies before submitting the matter before the electorate:
 - a. **Benefit Relationship Study:** Legally, there must be a relationship between the fee and the benefit to the public from the improvements to be funded. To do this, SB83 authorizes the governing boards of countywide transportation planning agencies to adopt a resolution containing a finding of fact that projects and programs to be funded by the fee has a relationship or benefit to the persons who will be paying the fee and are consistent with the regional transportation plan. The finding of fact requires a majority vote of the governing board. *Attached is a copy of a draft Benefit-Relationship Analysis.*
 - b. **Expenditure Plan:** Second, SB 83 requires a countywide transportation planning agency's governing board to adopt a plan for the expenditure of fee revenues that finance "congestion mitigation programs and projects" benefiting the persons paying the fee. The STA Board will be very familiar with "expenditure" plans from the prior work on the potential of a local transportation sales tax. However, the expenditure plan contemplated by SB 83 is more streamlined that the prior process. These programs and projects will include, but not be limited to, providing matching funds for bond-funded transportation projects and creating or sustaining congestion or pollution mitigation programs and projects.

4. The types of projects that can use these funds is very broad:
 - a. "Congestion mitigations programs and projects" that can be included in the expenditure plan is extensive and includes, but is not be limited to, "programs and projects identified in an adopted congestion management program or county transportation plan; projects and programs to manage congestion, including, for example, high-occupancy vehicle or high-occupancy toll lanes; improved transit services through the use of technology, bicycle and pedestrian improvements; improved signal coordination, traveler information systems, highway operational improvements, and local street and road rehabilitation; and transit service expansion."
 - b. "Pollution mitigation programs and projects" are defined to include, but not be limited to, "programs and projects carried out by a congestion management agency, a regional water quality control board, an air pollution control district, an air quality management district, or another public agency that is carrying out the adopted plan of a congestion management agency, a regional water quality control board, an air pollution control district, or an air quality management district."
5. SB 83 authorizes up to five percent of fee revenue to be used by a countywide transportation planning agency for administrative costs associated with the programs and projects.
6. Finally, SB 83 requires the Department of Motor Vehicles (DMV), if requested by a countywide transportation planning agency, to collect the fee upon the registration or renewal of the registration of a motor vehicle registered in the county. However, the bill also requires the countywide transportation planning agency to pay for the initial setup and programming costs identified by DMV through a direct contract with the DMV and for any direct contract payment by the CMA to be repaid from the initial revenues available for distribution.
7. Ballot measures that are to be considered at a November election usually have to be to the County Registrar of Voters by early August.

If any Board member has questions in advance of the Board meeting, please do not hesitate to call me.

END OF MEMO

BILL NUMBER: SB 83 CHAPTERED
BILL TEXT

CHAPTER 554
FILED WITH SECRETARY OF STATE OCTOBER 11, 2009
APPROVED BY GOVERNOR OCTOBER 11, 2009
PASSED THE SENATE SEPTEMBER 10, 2009
PASSED THE ASSEMBLY SEPTEMBER 9, 2009
AMENDED IN ASSEMBLY SEPTEMBER 4, 2009

INTRODUCED BY Senator Hancock

JANUARY 20, 2009

An act to add Section 65089.20 to the Government Code, and to add Section 9250.4 to the Vehicle Code, relating to traffic congestion.

LEGISLATIVE COUNSEL'S DIGEST

SB 83, Hancock. Traffic congestion: motor vehicle registration fees.

Existing law provides for the imposition by certain districts and local agencies of fees on the registration of motor vehicles in certain areas of the state that are in addition to the basic vehicle registration fee collected by the Department of Motor Vehicles for specific limited purposes.

The bill would authorize a countywide transportation planning agency, by a majority vote of the agency's board, to impose an annual fee of up to \$10 on motor vehicles registered within the county for programs and projects for certain purposes. The bill would require voter approval of the measure. The bill would require the department, if requested, to collect the additional fee and distribute the net revenues to the agency, after deduction of specified costs, and would limit the agency's administrative costs to not more than 5% of the distributed fees. The bill would require that the fees collected may be used only to pay for programs and projects bearing a relationship or benefit to the owners of motor vehicles paying the fee and are consistent with a regional transportation plan, and would require the agency's board to make a specified finding of fact in that regard. The bill would require the governing board of the countywide transportation planning agency to adopt a specified expenditure plan.

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. (a) The Legislature finds and declares all of the following:

(1) Motor vehicle congestion negatively impacts businesses and commuters, inhibits the efficient movement of goods, and elevates pollutants that impact the quality of the state's air.

(2) There are transportation improvements that will reduce congestion, including those that improve signal coordination, traveler information systems, intelligent transportation systems, highway operational improvements, and public transit service

expansions.

(3) There are measures available to lessen the impact of motor vehicle-related pollution, including congestion management programs, stormwater runoff best management practices, and transportation control measures aimed at reducing air pollution.

(b) It is the intent of the Legislature to establish a program that allows countywide transportation planning agencies or their counterparts to address congestion through transportation services and improvements and to mitigate the impacts of motor vehicles on air and water quality, and improve the business climate and natural environment.

SEC. 2. Section 65089.20 is added to the Government Code, to read:

65089.20. (a) A countywide transportation planning agency may place a majority vote ballot measure before the voters of the county to authorize an increase in the fees of motor vehicle registration in the county for transportation-related projects and programs described in this chapter. The agency may impose an additional fee of up to ten dollars (\$10) on each motor vehicle registered within the county. The ballot measure resolution shall be adopted by a majority vote of the governing board of the countywide transportation planning agency at a noticed public hearing. The resolution shall also contain a finding of fact that the projects and programs to be funded by the fee increase have a relationship or benefit to the persons who will be paying the fee, and the projects and programs are consistent with the regional transportation plan adopted pursuant to Section 65080. The finding of fact shall require a majority vote of the governing board at a noticed public hearing.

(b) The ballot measure described in subdivision (a) shall be submitted to the voters of the county and if approved by the voters in the county, the increased fee shall apply to the original vehicle registration occurring on or after six months following the adoption of the measure by the voters and to a renewal of registration with an expiration date on or after that six-month period.

(c) (1) The governing board of the countywide transportation planning agency shall adopt an expenditure plan allocating the revenue to transportation-related programs and projects that have a relationship or benefit to the persons who pay the fee. The transportation-related programs and projects include, but are not limited to, programs and projects that have the following purposes:

(A) Providing matching funds for funding made available for transportation programs and projects from state general obligation bonds.

(B) Creating or sustaining congestion mitigation programs and projects.

(C) Creating or sustaining pollution mitigation programs and projects.

(2) For the purposes of paragraph (1), the following terms have the following meanings:

(A) "Congestion mitigation programs and projects" include, but are not limited to, programs and projects identified in an adopted congestion management program or county transportation plan; projects and programs to manage congestion, including, for example, high-occupancy vehicle or high-occupancy toll lanes; improved transit services through the use of technology and bicycle and pedestrian improvements; improved signal coordination, traveler information systems, highway operational improvements, and local street and road

rehabilitation; and transit service expansion.

(B) "Pollution mitigation programs and projects" include, but are not limited to, programs and projects carried out by a congestion management agency, a regional water quality control board, an air pollution control district, an air quality management district, or another public agency that is carrying out the adopted plan of a congestion management agency, a regional water quality control board, an air pollution control district, or an air quality management district.

(d) Not more than 5 percent of the fees distributed to a countywide transportation planning agency shall be used for administrative costs associated with the programs and projects.

(e) For purposes of this section, "countywide transportation planning agency" means the congestion management agency created pursuant to Chapter 2.6 (commencing with Section 65088) or the agency designated pursuant to Section 66531 to submit the county transportation plan.

SEC. 3. Section 9250.4 is added to the Vehicle Code, to read:

9250.4. (a) The department shall, if requested by a countywide transportation planning agency, collect the fee imposed pursuant to Section 65089.20 of the Government Code upon the registration or renewal of registration of a motor vehicle registered in the county, except those vehicles that are expressly exempted under this code from the payment of registration fees.

(b) The countywide transportation planning agency shall pay for the initial setup and programming costs identified by the department through a direct contract with the department. Any direct contract payment by the board shall be repaid, with no restriction on the funds, to the countywide transportation planning agency as part of the initial revenues available for distribution.

(c) (1) After deducting all costs incurred pursuant to this section, the department shall distribute the net revenues pursuant to subdivision (a) of Section 65089.20 of the Government Code.

(2) The costs deducted under paragraph (1) shall not be counted against the 5-percent administrative cost limit specified in subdivision (d) of Section 65089.20 of the Government Code.

**SB 83 Additional Vehicle Registration Fee – Draft SFCTA Preliminary Findings
on Benefit-Relationship Analysis**

DRAFT – April 7, 2010

The following is a summary of a memorandum we received on March 22, 2010 from our consultant, Cambridge Systematics, regarding its preliminary benefit-relationship analysis of the Expenditure Plan projects and programs. We have not vetted this preliminary analysis with legal counsel, and it is in draft form. It was based upon a list of potential projects and programs that could be included in the Authority’s proposed draft Expenditure Plan, which is still in preliminary form. It is also not exhaustive of all the projects and programs that other CMAAs are considering for inclusion in their Expenditure Plans.

Summary of Preliminary Benefit-Relationship Analysis:

The purpose of the preliminary analysis was to determine (1) whether the identified projects and programs may be funded with an increased vehicle registration fee pursuant to the requirements of *California Government Code* Section 65089.20 (SB 83), and (2) what technical approach should be used to justify the finding of benefit or relationship between the projects and programs and those paying the vehicle registration fee.

The consultants evaluated the benefit and relationship according to three categories, within which they could apply the same analytical approach:

1. **Mobility Improvements** (including complete streets projects, transit station improvements, connectivity improvements, sidewalk widening, sidewalk bulbouts, trees, lighting, landscaping, repair or upgrade of pedestrian walkways, traffic signal and equipment, pedestrian countdown signals, real-time information systems, parking management, transportation demand management, transit operations, transit signal priority, small transit upgrades and expansion);
2. **Street Maintenance** (including street resurfacing, curb ramps, and pothole-filling); and
3. **Pedestrian Safety** (including intersection reconfiguration, shortening of crossing distances and minimizing conflicts with other modes, including many pedestrian improvements listed also under Mobility).

The benefit and relationship analysis has two parts that, taken together, are referred to as the “dual test.” The first part of the dual test relates to what impact or need is reasonably related to the activity. In this case the “activity” is ownership of private vehicles in San Francisco. The second part relates to what specific revenues associated with the activity, in this case SB 83 fees, will either fund mitigations reasonably related to the impact, or benefits reasonably related to the need. Thus, each part of the dual test has two alternative interpretations as shown in Figure 1 below.

Figure 1: Dual Test

	Part 1	Part 2
Impact or Need Analysis	Does the activity generate a negative impact?	If so, are the fee revenues used to mitigate that impact?
Benefit and Relationship Analysis	Does the activity cause the need for a public service or facility?	If so, are fee revenues used for the service or facility that benefits the activity?

SB 83 Additional Vehicle Registration Fee – Draft SFCTA Preliminary Findings on Benefit-Relationship Analysis

DRAFT – April 7, 2010

Cambridge Systematics' initial findings indicate that all projects we submitted for consideration meet one or both elements of the dual test, and are therefore eligible for inclusion in an SB 83 vehicle registration fee Expenditure Plan.

Specifically, for each category, the consultants made the following preliminary analysis:

Mobility Improvements

- Impact-Need: Congestion caused by motorists constrains mobility.
- Benefit-Relationship: Capacity to relieve congestion by expanding roadway network is severely constrained, so a feasible alternative is to enhance capacity of existing transportation systems (most directly vehicle and transit capacity, but also including bicycle and pedestrian infrastructure).

Street Maintenance

- Impact-Need: Streets deteriorate from vehicle use, and additional funds are needed to adequately maintain them.
- Benefit-Relationship: Vehicle owners benefit from maintained streets through reduced vehicle maintenance costs, improved safety, enhanced driving experience, and travel time savings.

Pedestrian Safety

- Impact-Need: Vehicle operation causes pedestrian injuries and fatalities.
- Benefit-Relationship: Projects that improve pedestrian safety reduce those injuries and fatalities.

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DATE: April 12, 2010
TO: Solano Transportation Improvement Authority (STIA) Board
FROM: Daryl K. Halls, Executive Director
RE: Board Discussion and Direction on New Local Revenue Options

This item is for Board discussion.

Recommendation:

Forward a recommendation to the STA Board regarding further evaluating and conducting feasibility analysis for specified new local revenue options as indicated in Attachment A.

Attachment:

- A. New Local Funding Options and Recommendations, April 14, 2010

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NEW LOCAL FUNDING OPTIONS AND RECOMMENDATIONS

April 14, 2010

1. Establish Regional Express/HOT Lanes Network including I-80 and I-680 in Solano	
Status:	MTC has been unsuccessful in passing enabling legislation (AB 744). Authority is needed for STA to proceed with implementation of I-80 corridor.
Recommendation:	Sponsor Express/HOT Lanes demonstration bill for I-80 corridor.
2. Regional Transportation Impact Fee	
Status:	STA completed feasibility study. Board has authorized initiation of nexus study. The study’s criteria has been adopted and draft project list prepared. Next step is completion of nexus study and evaluation of fee allocation options. Ultimate decision to establish fee will be made by seven city councils and Board of Supervisors.
Recommendation:	Continue RTIF process and complete nexus study.
3. Rio Vista Bridge Toll	
Status:	Rio Vista Bridge Study in process with final alternatives under review. Study scheduled to be presented to STA Board in May-June 2010.
Recommendation:	Complete study and then determine whether to further examine option for funding plan that includes option for tolling bridge.
4. Benefit Assessment District –SolTrans (Benicia/Vallejo Transit)	
Status:	Draft JPA prepared by legal counsel and under review by Benicia and Vallejo staff and legal counsel. Business plan being developed by STA consultant team and reviewed by staff from three agencies.
Recommendation:	Long range funding plan to be considered as part of Short Range Transit Plan for JPA.
5. Public Private Partnerships (3 Ps)	
Status:	Six major transit stations in process, but each with funding shortfalls for construction and operations and maintenance. Individual project consideration of 3 Ps is uncertain.
Recommendation:	Add Public Private Partnership Feasibility Study to STA’s Overall Work Program for FY 2010-11 to evaluate viability and options for interested transit centers.

6. Local Sales Tax Option for Transportation	
Status:	This option required 2/3 supermajority vote for passage. Three previous efforts fell short (60% in 2002, 64% in 2004 and less than 50% in 2006).
Recommendation:	Reconvene STIA Board in the future to consider option for November 2012 or future election.
7. Local DMV Fee for Transportation Benefits and Mitigation Authorized by Passage of SB 83 in 2009	
Description:	Recent passage of SB 83 authorizes CMAs to place expenditure plan on the ballot of each county for a simple majority vote to raise DMV fee for congestion benefit and mitigation.
Status:	Seven of eight other Bay Area counties are considering SB 83 expenditure plan for November 2010 ballot. Issue of developing a new revenue recommendation tasked to Executive Committee for a recommendation. STA has not made a determination about this or other options.
Recommendation:	Recommend STA Board authorize poll to assess feasibility of planning SB 83 expenditure plan on November 2010 ballot for Solano voter consideration.