



# Monterey County

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## Board Report

Legistar File Number: RES 16-039

July 19, 2016

**Introduced:** 7/5/2016

**Current Status:** Agenda Ready

**Version:** 1

**Matter Type:** BoS Resolution

Adopt a resolution calling for a special election, to be consolidated with the General Election on November 8, 2016, in order to submit to the voters an ordinance authorizing the Transportation Agency for Monterey County to impose a three-eighths of one percent retail transactions and use tax to provide revenues for implementation of the Transportation Safety and Investment Plan for a period not to exceed thirty years, for specific transportation improvements. (4/5th approval required)

### RECOMMENDATION:

It is recommended that the Board of Supervisors:

Adopt a resolution calling for a special election, to be consolidated with the General Election on November 8, 2016, in order to submit to the voters an ordinance authorizing the Transportation Agency for Monterey County to impose a three-eighths of one percent retail transactions and use tax to provide revenues for implementation of the Transportation Safety and Investment Plan for a period not to exceed thirty years, for specific transportation improvements. (4/5th approval required)

### SUMMARY/DISCUSSION:

The TAMC Transportation Safety & Investment Plan will guide the investment of an estimated \$20 million per year for the next 30 years for a total of \$600 million in new revenues. The revenue will be raised from a 3/8 percent sales tax if approved by the voters in the November 8, 2016 election. The Investment Plan and tax would provide funding for local road maintenance and regional safety and mobility projects. The Investment Plan is a crucial part of becoming a “self-help” county. Gaining this status would significantly enhance the ability for local projects in Monterey County by opening up opportunities for the County and other local agencies to compete for federal and state grants.

On February 24, 2016, the Transportation Agency for Monterey County’s (TAMC) Board of Directors agreed to release for approval by the cities and County an expenditure plan for the Transportation Safety & Investment Plan that will split the estimated \$600 million raised through the transportation sales tax. The TAMC Board approved a 60% /40% split of revenues between local and regional projects, respectively. The distribution of the 60% local share amongst the cities and the county will be allocated 50% by population and 50% by lane miles. The TAMC Board also approved a set of Policies and Project Descriptions to provide additional detail for the anticipated uses of the revenue to be generated by the measure. This expenditure plan has been approved by each city in the County.

On May 10, 2016, the County also approved the expenditure plan, by the adoption of Resolution 16-106. That Resolution also commits the County, like all the other jurisdictions, to

share in the costs of the election in the event the measure is not approved. If the measure is approved, the tax revenues generated can be used to reimburse TAMC for election costs.

On June 22, 2016, TAMC approved the second reading of the Transportation Safety & Investment Plan implementation ordinance to finance the Plan through the 3/8 sales tax. Although the ordinance has been approved by TAMC, it still must be approved by a vote of the people. In order to obtain the voters' approval, this Board must adopt the attached Resolution, calling for the matter to be placed on the ballot, and to consolidate that election with the General Election in November.

As stated in the Resolution and Ordinance, the ballot question reads substantially as follows:

“Shall the Transportation Agency for Monterey County fund a Transportation Safety and Investment Plan to: Improve safety on local roads and highways, Repair potholes, Maintain streets and roads, Reduce traffic congestion, Improve transportation for seniors, young people, and people with disabilities, and Make walking and biking safer, by enacting a three-eighths' percent sales tax, raising approximately twenty million dollars annually over 30 years, plus state and federal matching funds, with citizen oversight and annual independent audits?”

ENVIRONMENTAL CONSIDERATIONS:

California Environmental Quality Act guidelines 15378 (b)(4) states that the following is not considered a project:

*“The creation of government funding mechanisms or other government fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment”.*

The Transportation Safety and Investment Plan and tax ordinance is a funding mechanism and not a project for consideration under CEQA.

Approval of the Resolution placing the matter on the ballot and consolidating the election with the November 8 General Election supports the County's strategic policies regarding infrastructure by potentially securing funds to make needed maintenance and safety improvements.

OTHER AGENCY INVOLVEMENT:

The creation of the proposed Transportation Safety & Investment Plan is a collaborative effort led by TAMC and involving the County, all the cities of the County.

FINANCING:

There will be an impact to the Road Fund 002-3000-RMA012 associated with this measure. If the final measure is approved by the voters, there would be an increase in revenues and corresponding expenditures in the Road Fund that would be used for maintenance and safety projects on the county road system. However, it is anticipated that the County would not realize funding or incur related expenditures until FY 2017-18. If the ballot measure is rejected, based upon the approved expenditure plan, the cost of the election would be shared amongst all of the local agencies, including the County, using the same formula that would have been used to allocate the tax revenue. These estimated costs to Monterey County of a failed ballot measure will range between \$160,000 to \$275,000 and will result in an unbudgeted expenditure with no

revenue offset in the Road Fund.

Neither scenario has been included in RMA's FY 2016-17 Baseline Budget request as there was not sufficient quantifiable information at the time the budget was developed. It is anticipated that there will be little to no impact in FY 2016-17 given the timing of the election. However, should there be an impact, staff will return to the Board through its committees requesting appropriate modifications to FY 2016-17 Adopted Budget for the Road Fund. Staff is working with TAMC to postpone payment of election cost to FY 18 should the measure not pass. If TAMC requires payment in FY 17, staff anticipates absorbing cost within the adopted budget for the Road Fund.

Any impacts to the Road Fund in following fiscal year will be included in the FY 2017-18 Baseline Budget request.

Approved by: Benny J. Young, Interim Director of Public Works and Facilities

Approved by: Carl P. Holm, AICP, RMA Director

Attachments on file with the Clerk of the Board:

Attachment A - Resolution

Exhibit A to Resolution - Ordinance

Exhibit B to Resolution - Transportation Safety and Investment Plan