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CITY COUNCIL STAFF REPORT
Meeting: February 2, 2016

Subject

Transportation Tax Measure Allocations.

Recommended Action

Approve advocacy direction to City representatives regarding the proposed Santa Clara County sales tax, including general funding levels within expenditure categories, as developed in coordination with other North County and West Valley cities.

Background

The Santa Clara County Valley Transportation Authority (VTA) is actively discussing the possibility of placing a countywide transportation sales tax measure on the November 2016 ballot. This tax measure would be focused on enhancing public transportation systems such as BART and Caltrain, improving pavement maintenance, highways, and expressways, and improving active transportation alternatives for bicyclists and pedestrians.

Historically, countywide transportation sales tax measures in California have often employed a strategy of combining a list of specific, major regional projects to be funded with separate program categories within which smaller-scale projects (such as street repaving) would be subsequently identified and funded. Projects of significant local importance (such as Wolfe/280 Interchange improvements) could also come from a crossover category in which the tax measure designates a funding level and specific projects are subsequently selected based on certain criteria.

VTA has undertaken "Envision Silicon Valley," a campaign aimed at engaging community leaders in discussion of current and future transportation needs, identifying solutions and developing funding priorities. Projects identified would be carried

forward into the Valley Transportation Plan (VTP) 2040 and the Association of Bay Area Governments (ABAG) Plan Bay Area documents.

The proposed transportation sales tax measure would provide a county-level source of transportation funds to supplement regional, state, and federal funds along with direct funding from local agencies.

In August, the County of Santa Clara, cities, and transit agencies submitted projects for consideration as part of the VTP 2040 process. An estimated \$40 billion in projects and programs were submitted for an estimated \$20 billion in potential funding (including future grant funds as well as the sales tax funding).

On August 18, 2015, the City Council provided direction regarding the City's response to VTA's "call for projects" for VTP 2040. As this list of projects is the basis for discussion of a 2016 countywide transportation sales tax, the City Council directed staff to include the attached list of projects and program enhancements (Attachment A), highlighted by the following:

- 1) Implementation of long-term mass transit solutions to serve major employment centers along and near the highway 85 corridor (Adopted Resolution No. 15-077, Attachment B);
- 2) Highway 280/Wolfe Road Interchange and Overcrossing Replacement;
- 3) Foothill and Lawrence Expressway Improvements, as adopted by Expressway Policy Board;
- 3) Bicycle Transportation Plan Implementation;
- 4) Shuttle Service for Bubb/McClellan/Rainbow and Homestead/Foothill/Stevens Creek/Wolfe areas

Discussion

VTA staff is currently discussing funding concepts, and it is expected that an initial proposal for the tax measure will be developed by VTA in early 2016. Based on discussions among stakeholders, it appears at this time that the following projects and

programs are likely to be considered for the tax measure (likely a 30-year, 1/2 cent sales tax that would generate about \$6 billion over the life of the tax measure):

- 1) The BART Phase 2 extension to San Jose (and possibly to Santa Clara);
- 2) Increased capacity for Caltrain including longer trains, station and platform enhancements, and money for grade separations;
- 3) Expressway improvements based on the current County Expressway Plan with priorities including upgrades to the Foothill and Lawrence Expressways;
- 4) Key freeway improvement projects including express lanes and interchange upgrades such as the Route 280/Wolfe Road Interchange;
- 5) Local street and road pavement maintenance allocations with a possible provision to un-encumber local funds if an adequate pavement maintenance level is achieved;
- 6) Transportation improvements for bicyclists and pedestrians; and
- 7) Transit service improvements for seniors and people with disabilities.

Public and agency review regarding the proposed sales tax measure is expected to begin in February, with final adoption of the measure by August. The Envision Silicon Valley process will include formal review of the proposed measure by the following VTA boards and committees:

- 1) The VTA Board and Envision Silicon Valley Ad-Hoc Committee (Los Altos Mayor Jeannie Bruins represents the North County cities and Campbell Mayor Jason Baker represents West Valley cities);
- 2) The VTA Policy Advisory Committee (Councilmember Vaidhyanathan represents Cupertino);
- 3) The VTA Technical Advisory Committee (Public Works Director Timm Borden represents Cupertino);
- 4) Envision Silicon Valley stakeholder committees, including community interest groups and transportation advocacy groups.

Additionally, potential advocacy for the composition of the measure could come from key employers (individually or through the Silicon Valley Leadership Group), community and environmental groups, and/or a possible coalition of West Valley and North County cities.

On January 8, 2016, staff attended a meeting of representatives from several North County and West Valley cities. At this meeting, a conceptual allocation of county sales tax funding levels and expenditure categories was discussed. This concept was developed from various discussions among agency representatives, elected officials, actions taken by governing bodies, and VTA meetings.

After discussion and some edits to the working draft, consensus was reached that each city representative should return their City Council and request approval to advocate for this conceptual funding allocation. The intent is to solidify the collective cities' position and more effectively advocate for specific funding levels and uses as the sales tax measure moves forward. VTA is expected to begin to finalize the county sales tax funding levels, expenditure categories and projects in February 2016.

The recommended advocacy position is as follows:

Expenditure Category	Proposed Allocation (in millions)	Proposed Allocation (Percent-rounded)
Bart to San Jose	1,200	20
Caltrain Improvements	400	7
Railroad Grade Separation Program	900	15
Congestion Relief/Transit/Mode Shift	500	8
Expressways	1,000	17
Streets and Highways	500	8
Local Streets and Roads (formula program with flexibility to focus on maintenance or local needs)	1,000	17
Bicycle/Pedestrian	500	8

Fiscal Impact

None.

Sustainability Impact

Any future projects that enhance non-vehicular transportation modes or reduce congestion will have positive effects on greenhouse gas emissions.

Prepared by: Timm Borden, Director of Public Works

Approved for Submission by: David Brandt, City Manager

Attachments:

A – Draft VTP 2040 Project List 8-19-15

B – Resolution for Regional Mass Transit 8-19-15