



## **STAFF REPORT TO THE CITY COUNCIL**

**DATE:** Regular Meeting of September 10, 2019

**TO:** Members of the City Council

**SUBMITTED BY:** David Biggs, City Manager  
Mike Roberts, Public Works Director

**SUBJECT:** Consideration and Adoption of Resolution of Support for the Countywide Imposition of One-Half of One Percent Sales Tax to Fund Transportation Improvements in Contra Costa County and Adopting the Proposed Transportation Expenditure Plan (TEP) Conditionally Amending the Growth Management Program (GMP), which includes Attachment A: Principles of Agreement for Establishing the Urban Limit Line (ULL) in the Measure J TEP to Match that Found in the 2020 TEP.

**RECOMMENDED ACTION:** Adoption of Resolution of Support for the Countywide Imposition of One-Half of One Percent Sales Tax to Fund Transportation Improvements in Contra Costa County and Adopting the Proposed Transportation Expenditure Plan (TEP) Conditionally Amending the Growth Management Program (GMP), which includes Attachment A: Principles of Agreement for Establishing the Urban Limit Line (ULL) in the Measure J TEP to Match that Found in the 2020 TEP

**FISCAL IMPACT OF RECOMMENDATION:** None as a result of this action. Should the TEP be implemented following the approval of the companion local revenue measure, there is funding provided for projects in the City, most importantly, the Hercules Regional Intermodal Transportation Center.

**DISCUSSION:** The Contra Costa Transportation Authority (Authority) is responsible for maintaining and improving Contra Costa County's transportation system by planning, funding, and delivering critical transportation infrastructure projects and programs that connect communities, foster a strong economy, increase sustainability, and safely and efficiently get people where they need to go.

The Authority is proposing the imposition of a countywide one-half of one percent sales tax for transportation purposes for a period of 35 years starting July 1, 2020 through June 30, 2055. Over the past year, the Authority conducted extensive consultations with local governments and outreach to a wide variety of interest groups and the public in order to develop a mix of projects and programs to be funded by the proposed sales tax. On August 28, 2019, the Authority released a proposed TEP to guide the use of the proposed sales tax revenues. The proposed TEP also includes a revised GMP, a new Complete Streets Policy, a new Road Traffic Safety Policy, a new Transit Policy, and a new

Advance Mitigation Program to help the Authority achieve its goals to reduce future congestion, manage the impacts of growth, and expand alternatives to the single-occupant vehicle.

The Authority also adopted Ordinance 19-01 on August 28, 2019 to conditionally amend the GMP, which includes Attachment A: Principles of Agreement for Establishing the ULL in the Measure J TEP (Measure J TEP) to match that found in the 2020 TEP. This amendment would only apply if the one-half of one percent local transportation sales tax is placed on the ballot and successfully approved by the electors on the March 3, 2020 ballot.

Currently, transportation needs significantly exceed projected revenues. Over the next 35 years, Contra Costa County population will continue to grow, resulting in new demands on the transportation infrastructure and additional mobility needs. The new sales tax measure is needed to keep Contra Costa County moving and to create livable and sustainable communities.

The proposed sales tax measure is expected to generate \$3.6 billion (current dollars). The TEP consists of a set of transportation investments (funding categories), taxpayer safeguards and accountability measures, and pertinent policies. The transportation investments are split roughly equal between funding categories targeted at congestion relief on major commute corridors throughout Contra Costa County and funding categories intended to improve transportation in all our communities. Overall, approximately 54.6% of transportation investments are to be used for transit and alternative modes; 26.7% for local streets and roads; and 18.7% for Highways and Freeways.

The TEP includes stable and reliable funding (17.4% of overall funding) to each city and town and Contra Costa County for maintenance and improvement of local roads. This is equivalent to 18% of the sales tax revenues for the Central, East, and Southwest subregions and 15.2% of sales tax revenues for the West subregion of Contra Costa County. Other community-based funding included bus and public transit, pedestrian and bicycle improvements on trails and streets, safe transportation for students, seniors and people with disabilities, and technology solutions to reduce emission and improve air quality.

The TEP also sets forward clear policies that ensure that while communities grow, the growth is kept within clear ULL. This will allow Contra Costa County to continue growing in a smart way, while protecting vital open space for parks and farmland. Furthermore, increased investments in bicycle and pedestrian facilities bring access to the outdoors to every community.

The plan, if enacted, will provide the following benefits:

- Smooth-flowing traffic along highways and roads;
- Quicker trips and less time sitting in traffic;
- Smoother pavement and fewer potholes;
- Transit, where and when it's needed;
- Easier ways to get from home or work to transit stops and back home again;
- Cleaner air due to reduced vehicle emissions;
- More bicycle lanes and walking paths to support an active lifestyle; and
- Free or reduced transit fares for students.

Contra Costa County passed its first transportation sales tax measure in 1988 known as Measure C. Measure C created the Authority and provided critical transportation funding for projects throughout Contra Costa County. Recognizing the pending expiration of Measure C, voters overwhelmingly approved Measure J extending funding to 2034. Measures C and J provided stable funding to cities/towns and Contra Costa County to maintain local streets and roads and established the GMP and ULL Compliance Requirements to preserve and enhance our quality of life and promote a strong economy. Funding was allocated to public transportation and bus operators, to service providers that assisted students to go to school and seniors and people with disabilities to go where they needed to go. Major projects included the Bay Area Rapid Transit (BART) extensions to Pittsburg/Bay Point and Antioch, the Caldecott Tunnel Fourth Bore, Highway 4 widening, train stations and intermodal transit centers, and improvements to bicycle and pedestrian trails. Equally important, local funding from Measures C and J were able to attract \$4.1 billion in outside funding from state, federal and regional sources. These leveraged funds combined with sound financial management have enabled the Authority to complete the major projects in Measure J significantly ahead of schedule.

Despite this success, the demand for transportation services and new funding continue to grow. New transportation technology is offering unprecedented opportunities to streamline travel, smooth traffic flow and reduce emissions. People are increasingly valuing alternative ways to get around, such as transit, walking and biking. As Contra Costa County's population grows, more people are using our highways, roads and transit. Contra Costa County's population is also aging. Currently, about 14% of the population is age 65 or older. By 2035, this population is expected to double to about 30%. As the agency responsible to maintain and improve Contra Costa County's transportation system, the Authority envisions a future where all of our transportation systems work together for more streamlined, safe, efficient, and convenient travel.

A set of Guiding Principles were used to develop the TEP. The Guiding Principles are collectively a statement of values to ensure a new TEP provides transportation solutions that meet the transportation needs of Contra Costa County's residents, businesses and travelers. The Guiding Principles consist of (see Attachment A):

- Relieve Traffic Congestion;
- Transit First;
- Performance Orientation;
- Economic Opportunity to partially fund transportation infrastructure that is likely to result in significant job growth;
- Public Participation that collects input from Stakeholders;
- Accountability and Transparency;
- A Balanced and Equitable Approach to benefit all residents and regions;
- Maximize Available Funding;
- Commitment to Technology and Innovation to improve transportation;
- Protecting the Environment and
- Commitment to Growth Management.

Transportation Investments:

A one-half percent transportation sales tax for a 35-year period from July 1, 2020 to June 30, 2055 is expected to generate approximately \$3.6 billion. To ensure an equitable distribution of benefits, the TEP allocates a proportionate share of the expected revenue to each of Contra Costa County's four subregions based on the projected population of each subregion. The Authority used input from the Regional Transportation Planning Committee (RTPC) for each subregion, as well as input from other stakeholders, public opinion surveys and public comments to further allocate funding to priority projects and programs in each subregion.

The proposed TEP is organized to focus on congestion relief along three signature corridors and on countywide programs intended to improve transportation in local communities. A brief overview of the major focus of the TEP follows:

A. Relieving Congestion on Highways, Interchanges and Major Roads (\$1.484 billion)

- Improve State Route 242 (SR242), Highway 4, Transit and the Bay Area Rapid Transit Corridor in East County – (eBART) (\$705 million);
- Modernize Interstate 680 (I-680), Highway 24, Transit and BART Corridor (\$536 million); and
- Upgrade I-80 and I-580 (Richmond-San Rafael Bridge), Transit and BART Corridor (\$243 million)

Easing traffic congestion is one of Contra Costa County residents' highest priorities. Accordingly, the proposed TEP invests nearly half of the new transportation sales tax revenue toward new, modern tools and strategies to improve traffic flow and reduce traffic congestion on Contra Costa County's major corridors and roads. These strategies include highway and road improvements thoughtfully integrated with transit improvements and alternative modes.

Each of Contra Costa County's corridors contains a major interstate or highway, a major transit line, local roads and streets, paths, bus lines, and transit stations. Everyone is impacted by the performance of each component of the corridor as each impacts the corridor as a whole. For example, improving transit and transit connections will lessen traffic congestion on Contra Costa County highways. As transit service is improved and more people take transit, fewer cars on the road translates to less traffic.

B. Improving Transportation Countywide in all of our Communities (\$1.98 billion)

The proposed TEP includes many projects throughout Contra Costa County to improve our local communities and protect Contra Costa County's environment and quality of life. This funding spreads into every community, through local projects and programs that improve Contra Costa County's vast transportation network. Funding will be allocated towards improving local roads and streets to make them safer for all travelers. Smaller projects, such as removing bottlenecks, improving traffic signal operations, installing traffic calming measures, and making streetscape improvements, which can make big improvements in a community's quality of life.

Funding will be allocated toward substantial investments in a robust transit system that provides affordable, efficient, convenient, and accessible transit to travelers throughout Contra Costa County. These projects will result in cleaner, safer, and more reliable trips on BART, buses, and ferries. The

transit systems will extend into parts of Contra Costa County that are currently lacking frequent transit service. When more people take transit, traffic congestion on Contra Costa County roads and highways will decrease, traffic will flow more smoothly, and air emissions will decrease, thereby improving air quality in Contra Costa County. The Initial Draft TEP continues to allocate funding towards a wide array of programs for students, seniors, veterans, and people with disabilities, aimed at offering safe transportation options and improving mobility.

The following countywide programs are included in the “Improving Transportation Countywide in all of our Communities”:

- Modernize Local Roads and Improve Access to Jobs and Housing (17.4%) – The TEP provides funding directly to every city, town and Contra Costa County so that they may make improvements to their own local roads and streets. This is equivalent to 18% of the sales tax revenues for the Central, East, and Southwest subregions and 15.2% of sales tax revenues for the West subregion of Contra Costa County.
- Provide Convenient and Reliable Transit Service in Central, East and Southwest Contra Costa County (10.9% of total funding) – Funding will be provided to public transit operators in the central, east, and southwest subregions to provide cleaner, safer, and more reliable trips on buses or shuttles. This funding will enable transit operators to improve the frequency of service on existing routes, especially high-demand routes, increase ridership, and incentivize transit use by offsetting fares.
- Increase Bus Services and Reliability in West Contra Costa County (6.9%) – Similar to above, but with a larger share of the West County allocation to focus on expanding transit services to unserved or underserved areas, along with more frequent and reliable bus service to all.
- Improve Walking and Biking on Streets and Trails (6.0%) – The TEP contains unprecedented levels of funding to improve safety for bicyclists and pedestrians in every part of Contra Costa County.
- Accessible Transportation for Seniors, Veterans, and People with Disabilities (5.0%) – Funding in this category will be used for affordable and safe countywide transportation for seniors, disabled veterans, and other people with disabilities who cannot drive or take other transit options.
- Cleaner and Safer BART (3.3%) – Funding for a suite of modernization projects at select stations to increase safety, security, and cleanliness, and to improve the customer experience.
- Safe Transportation for Youth and Students (2.9%) – The TEP allocates funding towards a wide array of transportation projects and programs for students and youth, aimed at offering safe transportation options, such as walking, and cycling, and improving mobility.
- Reduce and Reverse Commutes (1.5%) – Funding to provide transportation infrastructure to incentivize employers to create jobs in housing-rich areas, and promote transit, shared trips, telecommuting and shifting work schedules, all with the intent of reducing commuter traffic at peak commute times and better utilizing available reverse commute capacity in the existing transportation infrastructure.

- Reduce Emissions and Improve Air Quality (1.0%) – Funding for technology solutions to help solve the challenges of the lack of connectivity between transportation options, resulting in reduced emissions, and improved air quality.

#### Taxpayer Safeguards and Accountability:

The Authority has approved various administrative, financial and accountability policies beginning with the passage of Measure C in 1988 and the approval of Measure J in 2004. Certain policies relate to administrative and accounting practices, committee structures, local hiring preference, allocation of funds, and maintenance-of-effort are common in local transportation sales tax measures.

The major change proposed in the proposed TEP relates to the Authority's commitment that the TEP be a performance-based, outcome-oriented plan. Several sections were added to the Taxpayer Safeguards for performance standards to be considered before certain projects can be funded from sales tax revenue. The Authority envisions a process that consists of project nomination, project performance review, and full funding commitment for the highest performing projects. The intent is to prioritize the highest performing projects and work with project sponsors to fully fund them from one or more TEP funding categories combined with other state, federal or regional funding sources available to the Authority.

The proposed TEP also establishes a Public Oversight Committee (POC) (replacing the current Citizens Advisory Committee (CAC)) with prescribed additional responsibilities, including oversight of fiscal and performance audits.

#### Other Pertinent Policies:

The proposed TEP includes a mix of policies included in the existing Measure J, as well as four proposed new policies.

- GMP/ULL Compliance Requirements;
- Complete Streets Policy;
- Advance Mitigation Program;
- Transit Policy; and
- Road Traffic Safety aka "Vision Zero" Policy.

The GMP/ULL Compliance Requirements continue these policies with minor changes. Any jurisdiction with a developable hillside, ridgeline, wildlife corridor or creek is required to approve a corresponding development and protection policy. The process to approve minor amendments to the ULL has also been revised.

The other listed policies are new to the proposed TEP. The Complete Streets Policy, Transit Policy and Road Traffic Safety Policy are intended to provide an overall framework for a transportation system that is safe, sustainable, equitable, and provides for the needs of all users.

## Transportation Benefits for Hercules:

A variety of the projects and programs set forth in the TEP will benefit Hercules. Most significantly, funding will be made available to complete the remaining elements of the Regional Intermodal Transportation Center, there will a local return to source component that can be applied to street maintenance, rehabilitation, and repair and other local improvement projects, and local transit services will also be enhanced.

Pursuant to Public Utilities Code § 180206(b) a TEP may not be finally adopted and placed before the voters until it has received the approval of the County Board of Supervisors and city/town councils, which in aggregate represent both a majority of the cities/towns in Contra Costa County and a majority of the population residing in the incorporated areas of Contra Costa County. All jurisdictions will be asked to adopt the proposed TEP as presented. The Authority is seeking approval of the proposed TEP from all cities/towns and County Board of Supervisors by October 22, 2019.

The Authority will consider approving the TEP and accompanying ordinance to impose the sales tax at a special meeting of the Authority Board on October 30, 2019. The conditional amendment to the GMP, which includes Attachment A: Principles of Agreement for Establishing the ULL in the Measure J TEP to Match that Found in the 2020 TEP would only apply if the one-half of one percent local transportation sales tax is placed on the ballot and successfully approved by the electors on the March 3, 2020 ballot.

For the limited purpose identified in Public Utilities Code § 180206(b), the Authority seeks Hercules's support of the new Measure, by adopting the attached Resolution of Support for the Countywide Imposition of One-Half of One Percent Sales Tax to Fund Transportation Improvements in Contra Costa County and approval of the TEP and Adopting the Proposed Transportation Expenditure Plan (TEP) Conditionally Amending the Growth Management Program (GMP), which includes Attachment A: Principles of Agreement for Establishing the Urban Limit Line (ULL) in the Measure J TEP to Match that Found in the 2020 TEP.

Adopting the attached Resolution of Support is not subject to the California Environmental Quality Act of 1970 (CEQA) because the TEP is not a project within the meaning of CEQA. (See 14 California Code of Regulations (CCR), § 15378, 15352). Specifically, the Council's adoption of the Resolution of Support does not constitute the approval of a CEQA project for reasons that include, but are not limited to: (1) the TEP does not authorize the construction of any projects that may result in any direct or indirect physical change in the environment; (2) the TEP is a mechanism for funding potential future transportation projects, the timing, approval, and construction of which may be modified or not implemented depending on a number of factors, including future site-specific CEQA environmental review; and (3) the TEP is subject to further discretionary approvals insofar as it may not be adopted until and unless the pre-conditions set forth in the Public Utilities Code are satisfied (See 14 CCR., § 15378, 15352; Public Utilities Code § 180206(b)).

## ATTACHMENTS:

1. Resolution
2. Draft TEP

### 3. CCTA Ordinance

<i>Financial Impact</i>			
<b>Description:</b>			
<b>Funding Source:</b>			
<b>Budget Recap:</b>			
Total Estimated cost:	\$	New Revenue:	\$
Amount Budgeted:	\$	Lost Revenue:	\$
New funding required:	\$	New Personnel:	\$
Council Policy Change: Yes <input type="checkbox"/> No <input type="checkbox"/>			