

City Manager's Report
February 5, 2008 Council Meeting

Item #: 9.1a.

Subject: Discussion and Update Regarding Crows Landing Airbase.

Discussion: Since our last meeting staff has continued to monitor developments related to the Crows Landing Airbase. Issues which have been discussed since the last meeting include the following:

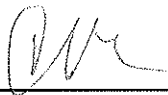
The County meeting to discuss the proposed land use plan is scheduled for February 27, 2008 in Patterson Council Chambers. Several members of County staff and Westpark developers will be present to discuss the plan. This will be an open house type meeting where citizens can attend anytime during the meeting to present comments. The next scheduled meeting of Council and staff with the Westpark group is February 4, 2008. Staff and Council can report verbally on the discussions at that meeting.

Staff will continue to monitor and participate in discussions regarding the development and report back any new information. No action is requested.

Cost: None

Budget Impact: None at this time.

Recommendation: Discussion and Update Regarding Crows Landing Airbase



Department Head



City Manager

**City Manager's Report
February 5, 2008 Council Meeting**

Item #: 9.1b,

Subject: Discussion and Recommendation regarding Proposed ½ cent sales Tax Measure for Transportation

Discussion: In November of 2006 the County attempted to pass a ½ cent sales tax for transportation. The measure received a 57% approval approximately 10% short of the 2/3 vote required to pass. The measure would have provided funding for new projects and local road maintenance as well as other items.

Attached is a report prepared for the STANCOG Policy Board discussing the previous measure and a recommended proposal for a new Tax Measure to be placed on the November 2008 ballot. Passage of the measure is important in that it not only helps fund projects, but it also provides funding to match state and federal dollars, further leveraging the amount of projects and work that can be done.

As explained in the attached report, Stanislaus County City Managers met with the County CEO and STANCOG Director Vince Harris to develop a funding plan which met the needs of the County. The main topics of discussion were as follows:

1. What should be the length of the Tax Measure? The previous proposal was for 30 years. Discussions with opponents after the election determined this was a major issue. The group agreed that the plan should be developed based on a 20 year proposal to address this concern.
2. How much funding should the proposed plan be based on? The previous measure looked at 1 billion dollars over a 30 year period. The group agreed to use the same estimate decreasing the total based on the 20 year term. This lowered the total to \$700 million.
3. The third issue was how the funding would be distributed between local and regional projects. This is a very important issue for cities and the county to determine what funding should be used for local maintenance, local projects, and regional projects. The attached document prepared for the STANCOG Policy Board outlines how the previous measure was distributed. One of the concerns with the previous measure was that it was too complicated and hard to understand. Based on this the group put together the following distribution. 50%, or \$350 million, to regional projects; and 50%, or \$350 million, to local traffic improvement and road maintenance programs.
4. The next issue related to what projects would be funded in the regional funding and what would be funded in the local projects. It was agreed that the local traffic improvement and road maintenance funding should be left to the local jurisdiction to determine how the funding is used. This could be new construction, road maintenance,

transit or even non-motorized. The funds would be available for the local jurisdiction to determine their use. For the distribution of the regional projects, it was determined to divide the funds into three corridors as follows:

Corridor	Description	Funding
North County Corridor	New 2 to 4 Lane Expressway, Dale Rd to east of City of Oakdale	\$117 million
Central County Corridor	SR99 @ Mitchell Rd./Service Rd. Interchange Reconstruction and SR132 Widening from I-580 to SR99: widen from 2 to 4 lanes. Widen and provide Operational Improvements from SR99 to Waterford Includes SR99 @ SR132 Connectivity Improvements	\$117 million
South County Corridor	W. Main Improvements: Widen and provide Operational Improvements from Turlock to I-5 including a bypass around Patterson	\$117 million

As noted in the attached document, the funding must be spent within that corridor.

5. The final issue related to the distribution formula for the local funds. There are numerous ways this could be done. One argument was to distribute by population and another by sales tax. A third alternative would be some combination with perhaps road miles included as an additional consideration. After much discussion, it was determined that the distribution base would be done on 98% of either population or sales tax, whichever is the greater for each jurisdiction, with the exception of the county. The County would then receive the remaining funding which puts them at a distribution level based on population. The final factor was to address how the growth will be distributed. It was agreed that any growth in the sales tax will be distributed on a 50% population, 50% sales tax distribution.

Based on these five issues being agreed on, the group unanimously approved and recommended moving the plan forward. The program as currently designed would be beneficial to the City of Patterson. If we were to adopt our own local sales tax measure, we would receive \$650,000 – 700,000 per year. Based on the agreed distribution of local funds, we would receive a base the first year of \$686,497 with potential growth distributed each year. In addition to this amount, we will benefit from improvements to the South County Corridor as well as other corridors indirectly.

STANCOG is looking for input and support for the plan from each City Council. Without that support the tax measure will probably not be successful.

Additional work is required by STANCOG to prepare the measure for the ballot. The total cost for this work is estimated at \$400,000 for which Patterson's share is \$14,985 and would cover the following items:

- a. Consultant fees for public polling
- b. Staff time to re-write the Expenditure Plan based on polling results and other data.
- c. Consultant fees to update the corresponding Environmental Impact Report.
- d. Consultant fees to provide public education and outreach services.
- e. Staff time to gain Local Jurisdiction and Board of Supervisors concurrence of the updated Expenditure Plan.

A representative from STANCOG will be present to answer any questions.


Cost: Patterson's cost to prepare the item for the ballot is \$14,985 and will come from LTF funds. These funds are primarily used for Street Maintenance programs.

Budget Impact: The budget will be amended to reflect decreased revenues for street maintenance. Long term benefit will be significant if the ½ cent sales tax measure passes.

Recommendation: Staff recommends approval of the plan as currently proposed. Should significant changes be made they should be discussed with the Council prior to approval.



Department Head



City Manager

TO: Policy Board

Staff Memorandum
INFORMATION

FROM: Vince Harris, Executive Director

DATE: January 25, 2008

SUBJECT: 2008 Transportation Sales Tax Program—Status Update

Background

At the January 9, 2008 Policy Board meeting, during my Executive Director's Report, I presented to Policy Board Members a recap of the December 12, 2007 Strategic Planning Workshop. As a part of that workshop, Members discussed the need and possibility of pursuing a 2008 Transportation Sales Measure. After completion of my Director's report, Members directed staff to proceed with the following activities:

- a. By the February 13th Policy Board meeting, provide a consensus based framework for a new Transportation Expenditure Plan.
- b. Create a budget for the development and outreach of a new Transportation Expenditure Plan.
- c. Prepare a milestone schedule to complete all public sector work.

Status of Activities

In order to achieve the directed worked activities, staff has proceeded as follows:

1. An informational email memorandum was sent to all City Managers, the County CEO and the Alliance CEO regarding the proposed Transportation Expenditure Plan. The memo explained the Policy Board's interest and requested that all attend a half day working meeting to discuss the issue.
2. The working meeting was held Friday January 18th at the City of Ceres Council Chambers. The following were in attendance:

Rick Robinson, County CEO
Matt Machado, County Public Works Director
Bill Bassitt, Alliance CEO
Brad Kilger, Ceres City Manager
Michael Brinton, Ceres
Kenneth Craig, Ceres
Sarah Ragsdale, Ceres
Joe Donabed, Hughson City Manager
David Chase, Hughson Public Works Director
Jim Niskanen, Modesto Acting City Manager
Judith Ray, Modesto Deputy City Manager
Michael Holland, Newman City Manager
Steve Hallam, Oakdale City Manager
Cleve Morris, Patterson City Manager
Bryan Whitemeyer, Patterson Deputy City Manager
Rich Holmer, Riverbank City Manager
David Melilli, Riverbank Public Works Director
Tim Kerr, Turlock City Manager
Chuck Deschenenes, Waterford City Manager
StanCOG staff: Vince Harris, Vince Canales, Carlos Yamzon & Lark Downs

The intent of the meeting was to reach agreement with all City Managers and the County on the following:

1. The duration of a propose Transportation Sales Tax Program
2. Projected sales tax to be collected
3. Elements of a 2008 Transportation Expenditure Plan

As a process of attempting to reach agreement, the previous 2006 Transportation Expenditure Plan was reviewed. The 2006 Plan was a comprehensive plan of transportation expenditures for the next 30 years in Stanislaus County. The 2006 Expenditure Plan components are summarized in the following Table 1.

Table 1 – 2006 Expenditure Plan Summary

	%	2006 Dollars (\$)
1. State Highway Corridors	44.2%	\$450 million
2. State Highway Interchanges (will require local, state and federal funds match)	15.7%	\$160 million
3. Local Transportation Improvements	9.8%	\$100 million
4. Matching funds for Federal funds	3.9%	\$ 40 million
5. Pavement Management Program (for pothole repair and curb to curb pavement overlays on existing city streets and county roads)	24.4%	\$250 million
6. Commuter Rail Transit	1.0%	\$10 million
7. Paratransit for Seniors and Disabled Persons	1.0%	\$10 million
TOTAL	100%	\$1,02 billion

Under existing state law, the proposed half cent sales tax measure required a 66 2/3% majority approval in order to pass; and, the Stanislaus County Clerk Recorder's office indicted the 2006 Sales Tax Program received a 57.92% voter approval. As a point of reference, during this discussion the Alliance CEO provided a summary overview of election results by precinct and offered some insight into where the Measure was successful and where it was perceived to be weak amongst the voters. This information was used as a reference to frame the continued discussion about the possible components of a 2008 Transportation Sales Tax Program.

The combined group reached agreement that the new sales tax program should be proposed at 20 years; and that the projected sales tax revenues should be based on the 2006 revenue projections less the 10 years of revenue collection. Based on these assumptions, the 20 year sales tax projection is assumed at \$700,000,000.

The last task was to reach agreement on the elements of the sales tax program. As noted above, the 2006 Expenditure Plan was composed of seven different elements. Based on discussions with policy Board Members, and persons and groups opposing the previous Measure; the group agreed that a new Expenditure Plan should only include the following two components: (1) a "Local Traffic Improvement and Road Maintenance Program", and (2) Dedicated Capital Corridor Improvements.

The group agreed that the two programs should share equally in the projected sales tax revenues. Therefore, each program would receive 50% of expected revenues, or \$350 million dollars for distribution. The "Local Traffic Improvement and Road Maintenance Program" discussion revolved around the equitable distribution of these funds to each City and the unincorporated area of the County. The discussion focused on the following two formulas:

1. Funds allocated (as a floor) based on 70% of Sales Tax, 20% Road Miles & 10% Population
2. Funds distributed based on 100% of Population

Tables 2 and 3 below summarize these formulas:

**Table 2- 70%, 20%, 10% Allocation
 Local Traffic Improvement and Road Maintenance Program**

Jurisdiction	Sales Tax Collection %	Sales Tax Collection \$	Population %	Population \$	Road Miles %	Road Miles \$	Jurisdiction Total \$
Ceres	5.85%	14,332,500	8.05%	2,818,600	4.23%	2,961,000	20,112,100
Hughson	0.72%	1,764,000	1.17%	408,190	0.87%	609,000	2,781,190
Modesto	37.72%	92,414,000	40.11%	14,038,604	20.02%	14,014,000	120,466,604
Newman	0.61%	1,494,500	1.98%	691,413	1.01%	707,000	2,892,913
Oakdale	4.28%	10,486,000	3.57%	1,250,209	2.49%	1,743,000	13,479,209
Patterson	1.42%	3,479,000	4.00%	1,401,015	1.61%	1,127,000	6,007,015
Riverbank	1.76%	4,312,000	4.12%	1,442,424	2.07%	1,449,000	7,203,424
Turlock	14.06%	34,447,000	13.29%	4,652,443	8.13%	5,691,000	44,790,443
Waterford	0.42%	1,029,000	1.65	576,513	0.83%	581,000	2,186,513
County	33.16%	81,242,000	22.06	7,720,581	58.74%	41,118,000	130,080,581
TOTALS	100.00%	245,000,000	100.00%	35,000,000	100.00%	70,000,000	350,000,000

**Table 3- 100% Population Distribution
 Local Traffic Improvement and Road Maintenance Program**

Jurisdiction	Sales Tax Collection %	Sales Tax Collection \$	Population %	Population \$	Road Miles %	Road Miles \$	Jurisdiction Total \$
Ceres	5.85%	0	8.05%	28,186,000	4.23%	0	28,186,000
Hughson	0.72%	0	1.17%	4,081,903	0.87%	0	4,081,903
Modesto	37.72%	0	40.11%	140,386,042	20.02%	0	140,386,042
Newman	0.61%	0	1.98%	6,914,134	1.01%	0	6,914,134
Oakdale	4.28%	0	3.57%	12,502,085	2.49%	0	12,502,085
Patterson	1.42%	0	4.00%	14,010,148	1.61%	0	14,010,148
Riverbank	1.76%	0	4.12%	14,424,244	2.07%	0	14,424,244
Turlock	14.06%	0	13.29%	46,524,429	8.13%	0	46,524,429
Waterford	0.42%	0	1.65	5,765,134	0.83%	0	5,765,134
County	33.16%	0	22.06	77,205,813	58.74%	0	77,205,813
TOTALS	100.00%	0	100.00%	350,000,000	100.00%	0	350,000,000

Based on these formulas it was determined that the County and the City of Oakdale would receive less funds if the 100% Population formula was the basis of distribution. Therefore, subsequent to the January 18th meeting, Cities and County staff proposed the following solution as shown in Table 4 below:

**Table 4- 98% Cities Population Basis
 Local Traffic Improvement and Road Maintenance Program**

Jurisdiction	Sales Tax Share (%)	Allocation Based On Sales Tax Only (\$)	Population Share (%)	Allocation Based On Population Only (\$)	Base Funding to Cities Established Using 98% of the Greater of Sales Tax or Population Percentages (\$)	Annual Base Funding Using 98% of the Greater of Sales Tax or Population Percentages (\$)	Agency Share Annual Growth at 3% based on Sales Tax % (\$)	Agency Share Annual Growth at 3% based on Pop . % (\$)	Allocation 50% Pop. & 50% Sales Tax
Ceres	5.85%	20,475,000	8.05%	28,186,000	27,622,347	1,381,117	30,713	42,263	36,488
Hughson	0.72%	2,520,000	1.17%	4,081,903	4,000,265	200,013	3,780	6,143	4,961
Modesto	37.72%	132,020,000	40.11%	140,386,042	137,578,322	6,878,916	198,030	210,578	204,304
Newman	0.61%	2,135,000	1.98%	6,914,134	6,775,851	338,793	3,203	10,395	6,799
Oakdale	4.28%	14,980,000	3.57%	12,502,085	14,680,400	734,020	22,470	18,743	20,606
Patterson	1.42%	4,970,000	4.00%	14,010,148	13,729,945	686,497	7,455	21,000	14,228
Riverbank	1.76%	6,160,000	4.12%	14,424,244	14,135,759	706,788	9,240	21,630	15,435
Turlock	14.06%	49,210,000	13.29%	46,524,429	48,225,800	2,411,290	73,815	69,773	71,794
Waterford	0.42%	1,470,000	1.65	5,765,134	5,649,831	282,492	2,205	8,663	5,434
Subtotal Cities					272,398,519	13,619,926	350,910	409,185	380,048
County	33.16%	116,060,000	22.06%	77,205,813	77,601,481	3,880,074	174,090	115,815	144,953
TOTALS	100.00%	350,000,000	100.00%	350,000,000	350,000,000	17,500,000	525,000	525,000	525,000

The above proposal assumes distribution of sales tax revenues, 50% to local jurisdictions and 50% to regional projects. Growth in local shares is proposed to be allocated based on 50% population and 50% sales tax percentages.

The remainder of the January 18th meeting focused on capital improvements for regional projects. This activity distributed the remaining \$350 million in projected sales tax revenues. The discussion delineated the following three regional corridors: northern, central and southern. Table 5 below indicates the projects proposed for these corridors.

Table 5 – Proposed Capital Corridor Improvements

<i>Project</i>	<i>Improvements</i>	<i>Estimated Project Cost**</i>	<i>Proposed Sales Tax Allocation</i>	<i>PSR Status</i>	<i>Construction Award Schedule</i>
Northern Corridor	North County Corridor: New 2 to 4 Lane Expressway, Dale Rd to east of City of Oakdale	TBD	\$116.67 million	Complete by April 2008	TBD
Central Corridor	SR99 @ Mitchell Rd./Service Rd. I/C Reconstruction	\$80 million	\$31 million	Complete	TBD
Central Corridor	SR132 Widening from I-580 to SR99: widen from 2 to 4 lanes. Widen and provide Operational Improvements from SR99 to Waterford Includes SR99 @ SR132 Connectivity Improvements	TBD	\$85.66 million	TBD	TBD
Southern Corridor	W. Main Improvements: Widen and provide Operational Improvements from Turlock to I-5	TBD	\$116.67 million	TBD	TBD
TOTALS		TBD	\$350 million		

The above corridor projects were discussed extensively by the group. The following are conditions associated with these proposed regional projects:

1. Any revenue growth in the overall Transportation Sales Tax program will be prorated across all three Capital Corridors.
2. It is anticipated that these projects will leverage both State and Federal funds as has been historically experienced by other "Self Help Counties" who have Transportation Sales Tax programs.
3. It is understood that projected Transportation Sales Tax revenues associated with each of these corridors will not change existing funding protocols to compete for other State or Federal transportation funds. Additionally, these existing transportation funding programs remain separate and distinct from the proposed Transportation Sales Tax program.
4. It is understood that the projects identified in each corridor must remain through the duration of the proposed Transportation Sales Tax Program; and must be delivered in a timely manner by each project sponsor based on agreed-to milestone schedules.

Funding For Public Sector Work Activities

StanCOG staff reminded the group of the need to fund the public sector work activities through an amended FY07/08 StanCOG Operating Budget revision. The budget amendment is proposed at \$400,000; and would fund the following activities:

- a. Consultant fees for public polling
- b. Staff time to re-write the Expenditure Plan based on polling results and other data.
- c. Consultant fees to update the corresponding Environmental Impact Report.
- d. Consultant fees to provide public education and outreach services.
- e. Staff time to gain Local Jurisdiction and Board of Supervisors concurrence of the updated Expenditure Plan.

Staff proposed that the budget be achieved through the use Transportation Development Act (TDA) funds under the Transit Cost Sharing Step 3 Local Transportation Funds (LTF) process. Staff proposed to prorate (based on population) all Local Jurisdictions and Stanislaus County's FY07/08 LTF Road Fund shares to achieve the proposed \$400,000 Expenditure Plan budget. The group agreed with this proposed approach.