

CITY OF OAKLAND
AGENDA REPORT

2010 APR 22 PM 9:14

TO: Office of the City Administrator
ATTN: Dan Lindheim
FROM: President Pro Tempore Larry E. Reid and Councilmember Rebecca Kaplan
DATE: May 4, 2010

RE: **Update On The Development Of The Countywide Transportation Plan, Funding Strategies
And Opportunities**

SUMMARY

This item provides an opportunity to comment on the update of the Countywide Transportation Plan, Funding Strategies and Opportunities. The Alameda County Congestion Management Agency (ACCMA) and the Alameda County Transportation Improvement Authority (ACTIA) have embarked on a number of new initiatives to more cost effectively plan and deliver transportation programs and increase transportation funding in Alameda County. One major initiative results from an update to the *Countywide Transportation Plan* currently underway to meet the requirements of AB 32 and SB 375 and review transportation needs in Alameda County.

This update, in part, will launch a two step approach to bring more local transportation funding to Alameda County. The first approach is a proposal to place a \$10 Vehicle Registration Fee (VRF) on the November 2, 2010 ballot to be used for local transportation and transit improvements. The second and longer term objective is to extend the existing half-cent sales tax measure to add infrastructure projects and increase funding for essential transit services, streets and roads maintenance, bicycle and pedestrian safety, and services for seniors and disabled. This will be done through a coordinated process during the update of the Countywide Transportation Plan.

FISCAL IMPACT

There is no direct fiscal impact associated with the current update. However successful passage of a VRF could provide additional funding for transportation related projects and programs. Extending the existing half-cent sales tax will result in continued local funding for transportation capital projects and programs in the City.

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BACKGROUND

One of the primary responsibilities of the ACCMA is to develop and periodically update the *Countywide Transportation Plan*, a 25-year planning and policy document that guides transportation decisions and articulates the vision for Alameda County's transportation system. The ACCMA Board adopted the revised *Countywide Transportation Plan* in June 2009. Through goals, objectives and strategies, the Plan lays the groundwork for an investment program tailored to the diverse needs of the county's residents, visitors and workers. Through the funding allocation program, the Plan seeks to ensure that transportation investments, aimed at reducing congestion on our transportation systems, are efficient and productive and that maintenance and management of the system remains a high priority.

The ACCMA and ACTIA are currently updating the *Countywide Transportation Plan* to review transportation needs in Alameda County and incorporate the requirements of AB 32 and SB 375, which require MTC, the ACCMA and local jurisdictions to find ways to provide more programs and projects that integrate transportation and land use and reduce green house gas emissions. This update will be used by ACTIA to develop a proposal for an extension of the existing half-cent sales tax measure and is anticipated to be completed by June 2012 and used to inform the 2013 Regional Transportation Plan. It will, in part, launch a two step approach to bring more local transportation funding to Alameda County. First is a proposal to place a \$10 Vehicle Registration Fee (VRF) on the November 2, 2010 ballot to be used for local transportation and transit improvements. The second and longer term objective is to extend the existing half-cent sales tax measure to add infrastructure projects and increase funding for essential transit services, streets and roads maintenance, bicycle and pedestrian safety, and services for seniors and disabled. Both proposals are described below and are provided as information.

KEY ISSUES AND IMPACTS

In November 2000, Alameda County voters overwhelmingly approved reauthorization of the County's half-cent transportation sales tax for a 20-year period. The sales tax collection began on April 2, 2002, and will expire on March 31, 2022, unless reauthorized prior to that time.

Due to the significant economic downturn, ACTIA has seen one-third of the projected revenues disappear. This reduction primarily impacts programs; capital projects are anticipated to not be impacted due to accelerated delivery schedules and receipt of federal and state funds through one-time infusions. The current contract bidding climate has resulted in bids coming in significantly under the engineer's estimates.

Original estimates for overall sales tax receipts were for \$3 billion and are now down to \$2 billion. This has occurred at a time when climate change legislation will require efforts to reduce vehicle miles traveled, thereby increasing the role and importance of transit funding. Unfortunately, transit has been dramatically affected by reductions in funding from the State, as well as declines from the sales and property taxes. This triple hit has resulted in increased fares and service reductions.

Additionally, the senior population of Alameda County is expected to rise dramatically, particularly due to the Baby Boomers turning sixty-five – the first of which will do so in 2011. Increases in transportation services will be needed to accommodate the large growth in this sector of the population. Finally, the ramifications of a sedentary American lifestyle have rendered the rise of obesity to be considered an epidemic. How transportation infrastructure and services are implemented can have a dramatic effect on the amount of physical activity people will engage in for their everyday transportation needs. As needs have risen, the funding to address them has declined.

POLICY DESCRIPTION

Short Term Funding Opportunity – Vehicle Registration Fee for Transportation

The City Council is requested to provide input on the ACCMA's effort to place a Vehicle Registration Fee of \$10 that could be used for local transportation improvements throughout Alameda County on the November 2, 2010 ballot. The opportunity for a Countywide transportation agency to place this fee before the voters was authorized in 2009 by the passage of Senate Bill 83, authored by Senator Loni Hancock (Oakland). The Vehicle Registration Fee could help counties provide additional local funding for their transportation needs. Alameda County has very significant unfunded transportation needs, and this fee would provide funding to meet some of those needs.

The Vehicle Registration Fee would be a key part of an overall strategy to develop a balanced, well thought-out program that improves transportation and transit for our residents and has the potential to generate up to \$11 million per year.

The Vehicle Registration Fee could fund programs that:

- Repair and maintain our local streets and roads to make them safer for vehicles, cyclists and pedestrians.
- Make public transportation easier to use and more efficient.
- Make it easier to get to work or school, whether driving or using public transportation, bicycling or walking.
- Result in the reduction of pollution from cars and trucks.

Expenditure Plan: During the spring of 2010, ACCMA will develop a Vehicle Registration Fee Expenditure Plan, based on broad public input that articulates how the funds generated will be used. The draft Expenditure Plan is expected to be available in May 2010 with a final in June 2010. The Vehicle Registration Fee Expenditure Plan could have the following benefits.

- All of the money raised by the Vehicle Registration Fee would be used exclusively for transportation improvements in Alameda County. None of it can be taken by the State.
- Help fund roadway repairs and maintenance that make our roads safer for vehicles, cyclists and pedestrians.
- Provide investments that will help create a smarter, more efficient transportation system.
- Establish a reliable source of funding to help fund critical local transportation programs.

The elements in the Expenditure Plan must have a relationship or benefit to the persons paying the Vehicle Registration Fee.

Outreach and Schedule: As part of the outreach process, ACCMA will be making presentations to every City Council in Alameda County, the Board of Supervisors and transit agencies, and also will meet with other key agencies and stakeholder groups during March, April and May. In addition, ACCMA will hold four workshops in March and April. All meetings, meeting materials and project documents are available on the Alameda County Vehicle Registration Fee website (www.alamedacountyvrf.org).

Pubic Workshops

San Leandro

Thursday, March 18, 6:30 pm
 Bay Fair Center Mall
 15555 East 14th Street

Fremont

Wednesday, March 31, 6:30 pm
 Fremont Library
 2450 Stevenson Boulevard

Dublin

Thursday, April 8, 6:30 pm
 Dublin Library Community Room
 200 Civic Plaza

Oakland

Thursday, April 15, 6:30 pm
 City of Oakland Hearing Room 3
 One Frank H Ogawa Plaza

MAJOR VEHICLE REGISTRATION FEE MILESTONES

Event	Target Date
Approval by the Board to proceed Steering Committee Meetings	December 3, 2009 Monthly 2 nd Monday/1 p.m.
Develop Draft Expenditure Plan and Nexus Analysis	May 2010
Final Expenditure Plan approved by Steering Committee and ACCMA Board	June 2010
Submit Ballot Measure	August 2010

A Long-Term Planning and Funding Opportunity:

ACTIA and the ACCMA are working on the development of an update to the countywide transportation plan and an extension of the existing half-cent sales tax measure to offer a fresh set of infrastructure projects and to increase funding for essential transit services, streets and roads maintenance, bicycle and pedestrian safety, and services for seniors and disabled. Most of the projects included in the 2000 voter approved plan will have gone to construction by 2012. Extending the existing measure would allow for new capital projects to be developed that are identified in the countywide transportation plan update, while an increase would fund additional critical transit operations, street repairs and bicycle and pedestrian safety. A new ballot measure is currently planned for the November 2012 ballot, and would requires a 2/3 voter approval. ACTIA and ACCMA will be seeking participation in the countywide plan and expenditure plan

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development process with all county jurisdictions, special interest and advocacy groups, business, health, education and enforcement.

The decision to move forward with an integrated planning and funding approach was made through a series of meetings in late 2009. At an October 2009 ACTIA Board meeting and a December 2009 joint ACTIA/ACCMA board retreat, the Boards directed staff to begin developmental processes for a new Expenditure Plan that could be placed on the ballot in November 2012. Specifically, direction for the development of the Plan included the establishment of a new countywide transportation vision and closely coordinated development of the update to the Countywide Transportation Plan from which an Expenditure Plan would be derived. Development of both plans is scheduled to be completed by June 2012 through a technically based effort that includes significant public involvement.

ACTIA project implementation has seen great successes in early delivery, due to the readiness of the projects when adopted into the ACTIA Expenditure Plan, the diligent efforts of both ACTIA and project sponsor staff at moving the projects forward, and because of significant funding from state bonds and the federal government that helped to close funding gaps in many of the projects. As a result of these efforts, most of the projects will be delivered within the first ten years of the measure, and the remaining funds from the second half of the measure designated for projects will be used to pay off the debt incurred for early project delivery.

Joint development of the countywide transportation plan update and the expenditure plan will offer the county a strategic method to simultaneously develop a planning and funding strategy to meet the County's transportation needs while addressing the regulatory changes established through AB32 and SB375. ACTIA and ACCMA will work with all jurisdictions on the development of these plans and will seek approval of an expenditure plan from all cities and the county prior to placement on the 2012 ballot.

ACTION REQUESTED OF THE CITY COUNCIL

This is an informational item. No Council action is requested at this time.

Respectfully submitted,

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City Council

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City Council

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