

MEMORANDUM

DEPARTMENT OF PUBLIC WORKS
County of Placer

TO: BOARD OF SUPERVISORS

DATE: September 18, 2007

FROM: KEN GREHM / RICK DONDRO^{RWD}

SUBJECT: REGIONAL TRANSPORTATION FUNDING STRATEGY

ACTION REQUESTED / RECOMMENDATION

This item is being presented for informational purpose only. No action is requested.

BACKGROUND / SUMMARY

The purpose for this item is to update the Board on various funding strategies to provide necessary transportation improvements in Placer County. The funding of transportation infrastructure improvements is an important issue in Placer County. The Placer County Transportation Planning Agency (PCTPA) has identified a need for approximately \$5.6 billion in transportation funds through year 2035. With existing revenue sources, Placer County should receive about \$3.2 billion over the next 30 years. Because existing funding sources would fall well short in achieving this funding level, PCTPA has been working with a steering committee of local leaders to identify which funding sources could most effectively pay for necessary transportation projects. The committee considered a wide variety of funding alternatives and potential projects. The steering committee concluded that the best alternative includes increased development impact fees and a transportation sales tax. Using these two funding sources in a coordinated manner will facilitate quicker project delivery.

Developer Impact Fees

Currently, the majority of roadway projects within Placer County are funded through local and regional fee programs. Our County Traffic Fee Programs have been successful in funding local roadway improvements to accommodate growth. Our current Capital Improvement Program identifies roadway funding from Traffic Fee Programs of \$200 million.

South Placer development also participates in three regional fee programs; the Highway 65 JPA, the South Placer Regional Transportation Authority (SPRTA) and the Roseville/County Baseline Road program. The Highway 65 JPA was formed to fund the construction of four interchanges along Highway 65. The Roseville/County Fee Program was formed to address impacts on portions of Baseline Road and Walerga Road located within Placer County.

The SPRTA Fee Program applies to the South County and was formed to address regional transportation needs. The initial program included funding for Sierra College Boulevard, the Douglas/I80 Interchange, Lincoln Bypass, Placer Parkway, and Air Quality Projects. The money collected for air quality improvements was recently allocated to the Interstate 80 Widening Project diamond lanes. Earlier this year, the SPRTA Board took action to further address impacts to state facilities and other regionally significant projects. That action modified the fee program to include several new projects described below:

- Widening of Hwy 65 to six-lanes between Galleria Boulevard and Blue Oaks Boulevard (estimated cost \$50 million)
- Partial funding for the Rocklin Road Interchange (\$10 million)
- Partial funding for Auburn-Folsom Road widening (\$7 million)
- Increase funding to Lincoln Bypass from \$10 million to \$30 million.

A new fee is under development that would fund the construction of the Placer Parkway project. The need for this road is partially driven by new development in the South Placer area. The new fee is called Tier 2 and would apply to these new growth areas. The payment of this fee was included in the Development Agreement for the recently approved Placer Vineyards project.

It is anticipated that new growth areas will also participate in the SPRTA Fee program. As those growth areas are approved, additional projects will be added to the SPRTA fee program including:

- Expansion of I80/HWY 65 Interchange (\$30 million)
- Widening of HWY 65 to six-lanes from Blue Oaks to Twelve Bridges (\$45 Million)
- Widening of HWY 65 to four-lanes from Ferarri Ranch to Wise Road (\$50 Million)

Should all of the new growth areas be approved and the SPRTA Board modifies the project list to include those projects listed above, the total funding generated from SPRTA and Tier 2 would be approximately \$800 million.

Transportation Sales Tax

The Placer County Transportation Planning Agency was designated as the Transportation Authority by your Board. The PCTPA Board has directed staff to take the appropriate steps to place a half-cent transportation sales tax on the November 2008 ballot. The proposed tax would be for thirty years, and would generate approximately \$1.26 billion dollars. Although a final list of specific projects has not been approved, the tentative list of projects is shown in the table on Attachment A. PCTPA staff is currently soliciting comments on the Expenditure Plan. A key aspect of this new Transportation revenue is to leverage other State/Federal funds by using it as a local match. Another benefit of the sales tax is the ability to use alternative financing mechanisms to deliver projects sooner than would otherwise be possible. The new tax would need 2/3 approval in an election, and would be dedicated to Transportation purposes. The administration of the program would be by PCTPA and the revenues could not be diverted for other uses.

The revenue would also provide a subvention back to each jurisdiction to fund local transportation improvements and maintenance. This funding is significant in that it would supplement the road maintenance program, and provide a funding source to address future safety and capacity improvements.

In order for a Transportation Sales Tax to be included on the November 2008 ballot, the Board of Supervisors, along with the majority of the cities representing the majority of the population of the County must support placement on the ballot. In anticipation of this request, PCTPA staff is seeking comments on the draft list of projects included in the expenditure plan. Later this year, PCTPA staff will prepare a final expenditure plan and will request the Board consider the following actions:

- Approve the placement of a Transportation Sales Tax on the November 2008 ballot.
- If appropriate, placement of the measure on the ballot.

ENVIRONMENTAL

The PCTPA Board approved an Addendum EIR on May 24, 2006 for the Regional Transportation Plan and the proposed expenditure plan.

FISCAL IMPACT

Passage of the sales tax measure would result in revenue of \$1.26 billion over thirty years.

Attachment A: Expenditure Plan Summary Table

PROPOSED EXPENDITURE PLAN

PROJECT	Estimated Cost	Percentage of Sales Tax
Interstate 80	\$211 million	16.7%
Highway 65	\$50 million	4.0%
I80/Hwy 65 Interchange	\$75 million	5.9%
Placer Parkway (6-lanes)	\$85 million	6.7%
State Route 49	\$43 million	3.4%
Local Transit	\$120 million	9.5%
Rail and Bus Rapid Transit	\$89 million	7.0%
Tahoe Subvention	\$30 million	2.4%
Local Subventions	\$480 million	38.0%
Bike/Pedestrian	\$12 million	0.9%
Administration/Financing	\$69 million	5.4%
TOTAL	\$1264 million	100%