

Staff Report

April 9, 2024

TO: Honorable Mayor and Members of the Town Council
FROM: Merrill Buck, Town Engineer
RE: Draft Transportation Sales Tax Expenditure Plan – PCTPA

Recommendation

Receive a presentation from the Placer County Local Transportation Authority (PCTPA) regarding a proposed regional half-cent sales tax transportation measure in the South Placer County District, to be placed on the November 2024 ballot. Following the presentation, staff recommends that the Town Council adopt a resolution approving the Draft Transportation Sales Tax Expenditure Plan.

Issue Statement and Discussion

Placer County Transportation Planning Agency (PCTPA) was created over twenty-five years ago to provide local control over transportation priorities and funding within the County. Leaders in Placer felt strongly that local control would benefit the County rather than Placer being dictated priorities by others in the Sacramento Region. Over the last twenty-five years, this has worked very well with both large and small transportation priorities being constructed on-time and on-budget including Interstate 80 Improvements, the Lincoln Bypass, the Sierra College Boulevard/I-80 Interchange, the Douglas Boulevard Interchange, portions of Sierra College Boulevard, State Route 49, Nevada Street (Auburn), Highway 65 Interchanges, the Colfax Roundabout, Phase 1 of the 80/65 Interchange and many more projects. All of these improvements required and received the unanimous commitment of every jurisdiction to ensure each project's successful completion.

In October of 2019, Assembly Bill 1413 was signed into law by Governor Newsom permitting the formation of a sub-county sales tax district in the counties of San Diego, Solano and Placer. The proposed district must contain only contiguous cities, and either all the unincorporated area of the county or none of the unincorporated area of the county. If authorized by the majority of the voters in the proposed district, AB 1413 permits the revenue from the measure to fund transportation projects that would benefit the proposed district as set forth in the Draft Transportation Sales Tax Expenditure Plan (DTSTEP).

In February of 2024, the PCPTA Board approved the DTSTEP which now requires jurisdictional approval. All the incorporated jurisdictions in Placer County are now asked to consider adopting resolutions approving that plan which identifies transportation projects eligible to be funded by a potential November 2024 Transportation Sales Tax.

If a majority of the jurisdictions in Placer County with the majority of the population approve the proposed DTSTEP, PCPTA staff will return to the Placer County Transportation Planning Agency board and propose the first reading of an Ordinance to approve the DTSTEP and place a ½ cent Transportation Sales Tax Measure on the November 2024 ballot. The ½ cent sales tax will only be applied to sales in Rocklin, Roseville, Lincoln, and Placer County businesses. The PCTPA ½ cent sales tax will not be collected in the Town of Loomis.

If approved, the DTSTEP would provide a reasonable funding balance between highway, rail, transit, bicycle/pedestrian, and local streets and road needs:

- 52% of the funding would go to major highway and road programs.
- 12% of the funding will go toward rail and transit programs, including Capitol Corridor programs.
- 25% of the funding will go towards local streets and roads split between Roseville, Rocklin, and Lincoln based upon population.
- 5% of the funding will go towards bicycle and pedestrian programs.

The DTSTEP would expire in 30 years unless voters approve an extension.

CEQA Requirements

The California Environmental Quality Act (CEQA) does not apply to activities that will not result in a direct or reasonably foreseeable indirect physical change in the environment, or is otherwise not considered a project as defined by CEQA Statute §21065 and CEQA State Guidelines §15060(c)(3) and §15378. The Draft Transportation Sales Tax Expenditure Plan and Ballot Measure meets the above criteria and is not subject to CEQA. No additional environmental review is required.

Financial and/or Policy Implications

Approximately \$1.2 billion in potential transportation revenue is projected from a proposed 30-year ½ cent sales tax district in South Placer County (Loomis is not included). This very conservative revenue analysis was performed by HDL Companies as an update in 2020 to their 2017 projection which came in at approximately \$1.4 billion. Due to the unknown nature of the land use that could generate sales tax in the unincorporated area of the County, and HDL's experience in examining the feasibility of transportation sales tax measures in other areas of California, HDL did not include a projected increase in sales tax for future developing areas in the South Placer unincorporated area.

With that in mind, HDL revised their projection of sales tax revenue without including the unincorporated areas and found the potential additional transportation revenue from the proposed sales tax would stay essentially the same at \$1.2 billion over 30 years. This is sufficient to cover the gap in local matching funds needed for transportation projects in the proposed South Placer County District.

Attachments

- A. Resolution
- B. Draft Expenditure Plan
- C. Power Point Presentation

TOWN OF LOOMIS

RESOLUTION NO. 24 - _____

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF LOOMIS
APPROVING A DRAFT TRANSPORTATION SALES TAX EXPENDITURE PLAN**

WHEREAS, Placer County Transportation Planning Agency (PCTPA) was created over twenty-five years ago to provide local control over transportation priorities and funding within the County; and

WHEREAS, Placer County Transportation Planning Agency (PCTPA) was created over twenty-five years ago to provide local control over transportation priorities and funding within the County; and

WHEREAS, in October of 2019, Assembly Bill 1413 was signed into law by Governor Newsom permitting the formation of a sub-county sales tax district in the counties of San Diego, Solano and Placer; and

WHEREAS, in February of 2024, the PCPTA Board approved the Draft Transportation Sales Tax Expenditure Plan (Plan) which now requires jurisdictional approval; and

WHEREAS, if a majority of the jurisdictions in Placer County with the majority of the population approve the proposed DTSTEP Plan, PCPTA staff will return to the board and propose the first reading of an Ordinance to approve the Plan and place a ½ cent Transportation Sales Tax Measure on the November 2024 ballot; and

WHEREAS, the Draft Transportation Sales Tax Expenditure Plan has been reviewed by the Town Council; and

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Town Council of the Town of Loomis that said Draft Transportation Sales Tax Expenditure Plan is hereby approved.

PASSED AND ADOPTED this 9th day of April, 2024 by the following vote:

AYES:

NOES:

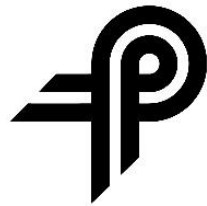
ABSENT:

ABSTAINED:

Mayor

ATTEST:

Deputy Town Clerk



PLACER COUNTY
LOCAL TRANSPORTATION
AUTHORITY

EXPENDITURE PLAN EXHIBIT A TO ORDINANCE NO. 24-01

South Placer County District Transportation Expenditure Plan

This South Placer County District Expenditure Plan (the "Expenditure Plan" or "Plan"), was prepared by the Placer County Local Transportation Authority (the "Authority") for the purpose of establishing a one-half of one percent (0.5%) retail transactions and use tax for transportation purposes (the "Transportation Tax") within the incorporated territory of the cities of Lincoln, Rocklin and Roseville (collectively referred to as the "District"), to be collected for thirty (30) years, if approved by the voters on November 5, 2024. This is proposed by the Authority as a means to fill the shortfall in funding needed to: implement necessary highway, local road, interchange, rail, and transit projects; secure new transportation corridors through environmental clearance and right of way purchases; provide adequate maintenance and improvements on the local street and road system; promote economic growth throughout the County; and meet the needs of commuters and the specialized needs of the growing senior and disabled population. The Authority has evaluated all alternative funding sources and the funds generated from the Transportation Tax are for the sole purpose of funding the construction, reconstruction, rehabilitation, or replacement of public infrastructure for transportation purposes, or the acquisition or lease of real property for public infrastructure for transportation purposes consistent with Transportation Improvement Plan and Retail Transactions and Use Tax Ordinance ("Ordinance").

Chapter 1: Goals and Objectives

1.1 Maintain and Improve the Quality of Life in Placer County by Supplementing Existing Funds for Transportation

Reduce current congestion and provide adequate transportation facilities to accommodate reasonable growth in the future.

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Provide funding for the adequate maintenance and improvement of local streets and roads, and transit infrastructure within, or for the benefit of, the City of Lincoln, City of Rocklin, and City of Roseville.

Enhance Placer County's ability to secure state and federal funding for transportation by offering local matching funds.

1.2 Provide for Accountability in the Expenditure of Taxpayer Funds

Provide for mandatory dedication of Transportation Tax funds only for the transportation infrastructure improvements and programs identified in this Plan and no other purpose. Provide for mandatory, annual financial and performance audits of program expenditures to ensure that all funds are spent in accordance with this voter adopted Plan and Ordinance.

Provide for an independent Citizen Oversight Committee to review the mandatory annual financial audits of program expenditures and to produce an annual report of findings to the Authority Board and the public.

Provide for a Maintenance of Effort requirement in funds made available to city governments for local street and road programs to ensure the new money for this purpose is adding to current funding levels.

Provide for the strict limitation of Authority costs in implementing this Plan, by limiting, in law, funds expended for salaries and benefits of Authority staff to implement the Plan to no more than one percent (1%) of the annual amount of revenues raised by the Transportation Tax and prohibiting all expenditures for general employee salaries or other operating expenses of the Authority.

Provide for this Plan to be reviewed at least every ten (10) years for the period it is in effect to ensure that the changing needs and priorities of the jurisdictions are met, as provided in Section XII of the Ordinance.

Provide for the mandatory termination of the Transportation Tax in thirty (30) years from the operative date, requiring additional voter approval at a general election for any extension.

1.3 Provide for Equity in the Distribution of Transportation Tax Revenues

Address the unique needs of each of the areas of the District. Provide a reasonable balance between competing highway, rail, transit, bicycle/pedestrian, and local streets and road needs.

1.4 Provide for Local Control of the Transportation Improvement Plan

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Provide cost effective, local administration of the Plan through the existing Placer County Transportation Planning Agency which is designated as the Placer County Local Transportation Authority. No new agency will be created to administer these funds.

Delegate appropriate administrative responsibility to the cities and other local agencies designated by a city or the Authority for local programs.

Chapter 2: Taxpayer Accountability Safeguards

2.1 Legal Dedication of Funds

Funds generated by the Transportation Tax, net of the amount of fees paid to the California Department of Tax and Fee Administration (CDTFA), may only be used for transportation purposes as described in the Ordinance governing this Plan, including the acquisition, construction, environmental mitigation, and maintenance of streets, roads, highways, including state highways and public transit systems and equipment, and for related transportation purposes. These purposes include but are not limited to expenditures for planning, environmental reviews, engineering and design costs, related right-of-way acquisition, and construction, engineering, project management, and administration.

2.2 Mandatory Annual Fiscal and Performance Audit

No less than annually, the Authority shall conduct an independent fiscal audit of the expenditure of all funds generated by the Transportation Tax and an independent performance audit to ensure the expenditure of funds is consistent with the Plan and Ordinance. The audits, which shall be made available to the public, shall report on evidence that the expenditure of funds is in accordance with this Plan as adopted by the voters in approving the Ordinance on November 5, 2024. In addition, the audits shall determine compliance with the Maintenance of Effort requirements and requirements described in Section 3.3 of this Plan entitled "Local Transportation Program."

2.3 Independent Citizen Oversight Committee

A four (4) member Independent Citizen Oversight Committee shall be formed to review the annual independent fiscal and performance audits of the expenditures of the Transportation Tax funds and issue to the Authority Board of Directors an annual report on its findings regarding compliance with the requirements of the Expenditure Plan and the Ordinance. The annual report shall also be made available to the public by posting it in a manner that is easily accessible to the public. Membership in the Independent Citizen Oversight Committee shall be composed of one registered voter appointed by the governing body of each District city council and one appointed by the Placer County Board of Supervisors. The appointee of the County shall reside in the District. Persons currently employed by the Placer County Transportation Planning Agency, County of Placer or any District incorporated city therein, or currently serving as a city councilmember or member

of the Board of Supervisors, are not eligible for membership on the Citizen Oversight Committee.

2.4 Mandatory Plan Update and Termination of Transportation Tax

This Plan shall be reviewed by the Authority at least every ten (10) years that the Transportation Tax is in effect to reflect current and changing transportation priorities and needs in the District, as defined by the duly elected local government representatives on the Authority Board. Any changes to this Plan must be adopted in accordance with Section XII of the Ordinance and with current law in effect at the time of the update and must be based on findings of necessity for change by the Authority. The Transportation Tax authorized to be collected by the voters shall expire in thirty (30) years, unless the voters approve an extension of the Transportation Tax prior to the expiration date, as may be required under state law in effect at the time of the vote for extension.

Chapter 3: Specific Transportation Programs to Be Funded

The Transportation Tax shall be allocated by the Authority for projects within or benefiting the District cities consistent with the following provisions and are limited to the purpose of funding the construction, reconstruction, rehabilitation, or replacement of public infrastructure for transportation purposes, or the acquisition or lease of real property for public infrastructure for transportation purposes.

3.1 Major Highway and Road Programs – 52%

Many more state highway improvement projects are needed to deal with congestion and safety problems in the District than existing state and federal revenues can fund. Approximately \$3,318 million in major highway/road improvements over the thirty (30) years have been identified in this Plan. Projected state and federal funds are estimated to be \$431 million and will fund about 13% of the improvement costs needed and identified in this Plan. Funds generated by the Transportation Tax will supplement those funding sources with an estimated \$825 million (25% of the improvement costs) and, along with an estimated \$2,062 million in developer impact fees (62% of the improvement costs), will cover the remaining costs estimated to accomplish these improvements. The actual amount of funds available for expenditure on state highway improvement projects from the identified sources and the amount expended for such purposes may vary from these estimates.

52% of the Transportation Tax is allocated to Major Highway/Road Projects. The Major Highway/Road projects to be implemented with the Transportation Tax revenues are as follows:

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ROUTE	LIMITS	PROJECT
SR 65	Galleria Blvd. to Twelve Bridges.	Widen to 3-5 lanes each direction
I-80/SR 65	Interchange Improvements	Improve interchange safety and capacity
I-80	I-80/Rocklin Road Interchange and Auxiliary Lane	Improve interchange safety and capacity
Baseline Road	Foothills Blvd to SR 70/99	Widen to 4-6 lanes and grade separation at railroad crossing
SR 65	SR 65/Nelson Lane Interchange SR 65/Nicholas Road Interchange	Improve to grade separated interchange
Placer Parkway	SR 65 to SR 70/99	Construct 4 lane expressway

The final scope and project limits of all improvements proposed for the State Highway system will be determined through the environmental clearance process.

The Authority may add additional Major Highway/Road projects, should the Transportation Tax produce more revenue than now predicted or the Authority be more successful than anticipated in attracting state/federal matching funds, developer impact fees, or obtaining other grants and funds for transportation infrastructure purposes, or due to unforeseen circumstances.

3.2 Rail and Transit Program – 12%

This Plan will provide an estimated \$187 million of Transportation Taxes to expand rail, add bus rapid transit, and implement programs to meet the transit needs of seniors, disabled persons and commuters.

3.2.a. Transportation Services for Seniors, Disabled Persons and Local Residents

Seniors and disabled persons are becoming an increasing percentage of the population each year and will drive demand for more frequent transit service to more areas. In addition, a number of transportation programs have been implemented which meet specialized needs for transportation to medical services, social service agencies and programs, shopping and other purposes that cannot be met by conventional transit. Local residents are also in need of improvements in local transit service. An estimated

\$75 million in Transportation Tax funds will be used for transit infrastructure.

3.2.b. Capitol Corridor Rail and Bus Rapid Transit Service

The existing Capitol Corridor rail service has provided a viable alternative to the automobile for daily commuters to downtown Sacramento and reduces traffic on I-80. The current service level needs to be augmented by expanding capacity between Sacramento and Roseville to bring ten (10) round trips per day to Placer County. In addition, establishment of frequent and timely bus rapid transit service that provides a reasonable alternative to the automobile for existing and future daily commuters who travel to and within the South Placer area is needed. An estimated \$50 million of Transportation Tax funds will be made available for capital of these rail and bus rapid transit infrastructure improvements and to match available federal funds.

3.2.c. Commuter/Express Bus Service

Commuter bus services provide a safe, convenient, and comfortable alternative to driving and removes congestion from highways. There is strong demand to expand this highly popular effective service to connect more residential areas and major employment centers. An estimated \$62 million of Transportation Tax funds will be made available for capital of commuter and express bus infrastructure, and to match available federal and state funds.

The actual amount of funds available for expenditure on transit and other projects described in this Section from the identified sources and the amount expended for such purposes may vary from these estimates.

3.3 Local Transportation Program – 25%

The local transportation systems, particularly local streets and roads are critical to the everyday movement of people within the District.

Much of the road system is aging, has potholes, and is in need of expanded maintenance and rehabilitation. Current resources, without the establishment of Transportation Tax revenues for transportation, cannot provide adequate funding to maintain the local street and road system at the level necessary to adequately serve the public.

The priorities for local transportation vary among individual local jurisdictions. While overlay, reconstruction, repair, and maintenance of the local road system are needs common to all and are specifically allowable as an expenditure of these funds, there are additional needs as well. Transportation Tax funds can be used for transportation projects, as designated by this Plan. Some examples of allowable projects include widening existing local roads, traffic signalization, traffic safety improvements, sidewalks, bike

ATTACHMENT B

paths, transit centers, local matching funds for transportation grants or earmarks, charging stations for electric vehicles, compressed natural gas or other alternative fuels, lighting, landscaping, park and ride lots, and Safe Routes to School programs.

This Plan will provide an estimated \$394 million of Transportation Taxes specifically for these purposes. The funds will be distributed to the cities within the District for connecting roadways, trails and transit systems within or benefiting the District cities by a formula based on an equal weighting of each jurisdiction's proportionate share of the total County population. Allocations will be updated annually based on California Department of Finance population data.

The actual amount of funds available for expenditure on local transportation projects from the identified sources and the amount expended for such purposes may vary from these estimates.

In order to be eligible for these funds, each jurisdiction shall satisfy and continue to satisfy the following requirements:

1. By July 1 of each year, file with the Authority a Five-Year Capital Improvement program including all capital transportation projects, including those projects funded by the jurisdiction's share of the Transportation Tax.
2. Adopt and administer a development impact fee program that requires new development to pay a fair share of necessary transportation improvements attributable to the new development.
3. By December 31 of each year, file with the Authority an annual Expenditure Report for the prior fiscal year identifying the amount of Transportation Taxes, developer impact fees and other local agency funds expended by the jurisdiction, and certify that the maintenance of effort requirements of the Ordinance and the Expenditure Plan have been satisfied.

3.4 Bicycle and Pedestrian Program – 5%

Bicycle, pedestrian, and neighborhood electric vehicle (NEV) travel provide a viable alternative for short distance trips and enhance the quality of life in our neighborhoods. Safe, easy to use facilities in key areas support the attractiveness of these clean and healthy transportation modes. An estimated \$75 million in net Transportation Tax funds will be used to match local, state, and federal funds to construct and improve bicycle, pedestrian, and neighborhood electric vehicle facilities and otherwise to support walkable and bikeable communities including Safe Routes to School.

The Authority shall establish the criteria by which projects are deemed eligible for funding under this Program, and the selection criteria by which such eligible projects are selected. The initial criteria shall be established by the Authority within one year of the

adoption of the Ordinance. The eligibility and selection criteria may include safety, connectivity to schools and to the overall system estimated demand/usage, ability to attract matching funds, and lack of other funding in the overall Transportation Expenditure Plan.

3.5 Competitive Projects Program – 5%

It is recognized that the Plan cannot anticipate every factor that could affect transportation needs over its thirty (30) year life. New technologies, new travel patterns, and new transportation modes are amongst the many possibilities that may arise in the future. To provide the flexibility to meet those unanticipated needs and opportunities, the Transportation Plan is anticipated to provide approximately \$79 million to a Competitive Projects Program. The Authority shall establish the criteria by which projects are deemed eligible for funding under this Program, and the selection criteria by which such eligible projects are selected. The initial criteria shall be established by the Authority within one year of the adoption of the Ordinance. The eligibility and selection criteria may include safety, congestion relief, ability to attract matching funds, and lack of other funding in this overall Transportation Expenditure Plan. Any Competitive Projects Program funds unspent at the conclusion of the thirty (30) year Plan would be added to the Local Transportation Program.

Chapter 4: Bond Financing

Construction of the highway and rail projects and implementation of the local streets and roads and other programs identified in this Plan are needed as soon as possible. In order to accomplish this, some level of borrowing will be required, with debt to be repaid with Transportation Tax revenues. The Authority will determine the extent of borrowing that is reasonable and that can be supported by Transportation Tax revenues as the Plan is implemented.

Chapter 5: Allocations Summary

TRANSPORTATION TAX REVENUE ALLOCATIONS	
Major Highway/Road Program	52%
Rail and Transit Program	12%
Local Transportation Program	25%
Bicycle and Pedestrian Program	5%
Competitive Projects Program	5%
Transparency, Accountability, and Administration	1%
TOTAL	100%

The Authority may reallocate the expenditure of Transportation Taxes in any given year on a different percentage basis provided that the percentage allocations set forth above are achieved over the duration of the Ordinance.

Chapter 6: Funding Flexibility and Bonding to Expedite Projects

To deliver transportation projects more quickly for the benefit of Placer County residents, visitors, and businesses, the Authority may temporarily shift Transportation Tax revenues and developer impact fees administered by the South Placer Regional Transportation Authority ("SPRTA") amongst projects in any given year. However, the proportionate shares for funding contributions and purposes over the 30-year period may not be changed without an amendment of this Plan as required by law and Section XII of the Ordinance. Transportation Tax revenues subject to this temporary shift specifically exclude those annually allocated to the cities under the Local Transportation Program (Section 3.3 of this Plan).

Chapter 7: Informing the Public of Local Funding Support

All projects using \$1 million or more of Transportation Tax revenues shall be signed to inform the public that Transportation Tax revenues support the project.

Chapter 8: Severance Provisions

If any provision of this Plan, or the application thereof, is for any reason held invalid and unenforceable by a court of competent jurisdiction to a person or circumstance, the remainder of the Plan and the application of such provision to other persons or circumstances shall not be affected thereby, and the Authority declares that it would have passed each part of this Plan irrespective of the validity of any other part.