

STAFF REPORT

SUBJECT: Measure D Expenditure Plan

MEETING DATE: October 12, 2005

AGENDA ITEM: 5

RECOMMENDATION:

Discuss development of draft Measure D Expenditure Plan and South Coast funding priorities.

DISCUSSION:

At its meeting on September 15, the board reviewed the final report for the public opinion poll that was completed by True North Research. The survey was completed to determine the feasibility of renewing Measure D and to identify voter priorities for the renewal expenditure plan. The countywide survey included only those who are likely voters in the November 2006 general election which is the target date for the Measure D ballot measure. Some of the key findings of the survey include:

- Transportation and traffic related issues are the highest priority issues among voters in the county.
- Support for a renewal of Measure D is high and broad-based. 72% of voters indicated that they would support a ballot Measure extending Measure D for 30 years. The support is strong among all four county subregions and among voter subgroups based on commute status, party affiliation, age, gender, party affiliation, etc.
- Awareness of the existing Measure D is quite low and the consulting team cautions that the results of the survey cannot be viewed as a referendum on the existing Measure D. The support levels for Measure D renewal are not based on voters' opinions regarding how the existing Measure D was structured or implemented.
- Voters' priorities for how Measure D funds should be allocated among project categories vary. The consultant team concludes that voters want a balanced expenditure plan that includes funding for alternative transportation modes, traffic congestion relief, road maintenance/repair and safety improvements. Passing a renewal of Measure D will require that the expenditure plan include sufficient funding for projects/ programs in each of these categories.
- Many of the specific transportation projects and programs polled received strong support. At least 2/3rds of voters indicated that they would favor using some of the Measure D funds to be allocated for 20 of the 24 projects/programs tested.

- The consulting team concluded that renewal of Measure D is feasible and recommends that SBCAG proceed with plans for placing the measure on the November 2006 ballot.

The full survey report and cross tabulations can be downloaded from the SBCAG website: www.sbcag.org.

The board also discussed the process for developing an expenditure plan that must be approved by SBCAG, the County Board of Supervisors and cities representing a majority of the incorporated area population before the measure can be placed on the ballot. Approval of the expenditure plan by each of the agencies must be completed by June 2006 to meet the county elections office deadline for placing the measure on the ballot in November. The process will need to allow adequate time for public and agency review of the draft expenditure plan. The consulting team is suggesting that a draft plan be completed for review by the SBCAG board by the end of November. Following SBCAG approval, the draft plan would be presented to city councils and Board of Supervisors for review as well as to stakeholders and members of the public through February. The draft expenditure plan would be revised based on agency and public input. A revised expenditure plan would be approved by SBCAG in April and then presented to each city and the county for approval through May. The Board of Supervisors would be requested to place the measure on the ballot in June.

SBCAG staff has been working with an expenditure plan committee comprised of staff from each city, the county, SBMTD and Caltrans. The committee has met several times to assist SBCAG in developing revenue estimates, candidate projects and their cost estimates and a process for creating a draft expenditure plan for board consideration. The committee has agreed on a set of guiding principles that should be used in developing the expenditure plan to help ensure that the renewal will be successful (attached).

During the discussion of the expenditure plan at the September 15 board meeting, many members expressed a strong preference for retaining the 70% local/30% regional allocation of funding contained in the existing Measure D expenditure plan. Under the existing Measure D, 70% of revenues are allocated on a population formula basis to each city and the county and the local policy boards decide how these funds will be expended through the yearly adoption of a 5-year program of projects. Local agencies are permitted to use their allocations for various transportation purposes including road repair, maintenance and improvements, transit service expansion, bikeways, sidewalks, etc. The remaining 30% of Measure D funds were allocated in the expenditure plan for 15 specific regional highway improvement projects (29.5%) and for paratransit (0.5% of the total).

Some Board members emphasized that retaining the 70% local allocation share allows each agency to be responsive to transportation needs and priorities within their communities and that the flexibility provided is important. It was suggested by some members that providing a balanced expenditure plan which is responsive to the voter priorities identified in the poll could be accomplished within the framework of the 70/30 split and that each subregion of the county might achieve this required balance in a different manner.

Staff's preliminary financial analysis indicates that it is unlikely that funding all of the transportation priorities and achieving the balance needed to pass the extension with a 2/3rds vote can be achieved solely through allocation of 30% of the revenues to specific regional transportation projects and programs. Local agencies will need to consider allocating funds for priority projects and programs within the expenditure plan to help ensure that the renewal is successful.

Another policy issue that has emerged during the discussions of the overall split in revenues between local and regional projects is the specification of how the local revenues will be allocated. SBCAG's consultants have indicated that while they recognize the importance of local control and flexibility over local project selection, specification of the local program is also important to secure voter approval. Therefore the need for local control and discretion must be weighed against the need to commit funding for specific purposes to engender support from the voters who reflect various constituencies that support road maintenance, transit, bike routes, safe routes to schools, etc.

It was requested that the Measure D expenditure plan be agendaized for the South Coast Subregional Planning Committee meeting. The committee can facilitate a discussion among local agency representatives regarding the South Coast's priorities for allocating Measure D funds. Funding for maintaining and expanding local and regional transit services should be considered. Sherrie Fisher, MTD General Manager, will be presenting information to the committee on potential transit enhancements and funding needs. Representatives from the local agencies may offer their perspective on this challenging issue.

STAFF CONTACT: Jim Kemp or Steve VanDenburgh

Measure D Renewal Committee

Guiding Principles

Guiding principles used to develop the draft Expenditure Plan:

These principles will serve as the screening criteria for evaluating candidate projects.

- 1. Poll Tested.** Are the projects and/or programs supported by the voting public as indicated by the July 2005 community survey?
- 2. Financially Feasible.** Are the projects and/or programs able to be supported by future funding?
- 3. Critical.** Are the projects and/or programs considered necessary to the voting public and the SBCAG board?
- 4. Leveragable.** Can the projects and/or programs leverage Federal, State and Local monies to maximize future measure funding?
- 5. Regional Transportation Plan.** Are the projects/programs included in the Regional Transportation Plan?

These principles will serve as the screening criteria for evaluating the expenditure plan.

- A. Geographically Equitable.** Does the expenditure plan include projects and/or programs that represent the needs of the entire county rather than one particular region?
- B. Politically Supportable.** Does the plan have the support and commitment of the SBCAG board and county elected officials?
- C. Comprehensive*** Does the expenditure plan adequately include the poll tested 4 major categories of projects and programs?

- Congestion Relief
Maintenance
- Alternative Transportation
- Safety

**All four categories generated support but no one category was so popular that it could stand on its own. Without any one project category it is very likely the overall plan would be rejected by voters.*