



APRIL 8, 2021

AGENDA ITEM # 7

**APPROVE DECENNIAL REVIEW UPDATES**

Action Requested: Adopt and Approve

Key Staff: Sabrina Drago, Executive Director

APPROVED  
BOARD OF DIRECTORS  
By ordinance # STA0-0012  
APR 08 2021  
BY *Arlene Evans*  
Clerk of the Board

**Recommendation**

Approve staff recommendations, based on public comments and the Professional Advisory Group, for Decennial Review Updates.

**Background**

Section XII of the Measure A implementing Ordinance states that “Beginning in 2019, and every ten years thereafter, the Authority shall review and, where necessary, propose amendments to the Expenditure Plan to meet changing transportation needs. Such review shall consider recommendations from local governments, transportation agencies and interest groups, and the general public.”

Given the effort of exploring the potential for a November 2020 transportation sales tax Measure, the Governing Board approved Resolution STA-20-0001 in January 2020, continuing the initial ten-year review until a decision was made as to whether to place a new measure on the ballot and, if necessary, the voters decided the issue. The Authority approved a plan at its September 2020 meeting to re-initiate the ten-year review process.

**Discussion**

Since Measure A passed in 2004 by 75% approval rate, it was the preference of the Governing Board to limit changes to the Expenditure Plan. With that stipulation in mind, the Authority conducted a series of public hearings over three months beginning in November 2020. Per Section XII of the Ordinance, the November hearing was focused on input from local governments, the December meeting on input from transportation agencies and interest groups, and the January 2021 meeting was open to the general public.

The Authority received comments from six (6) entities, including Caltrans, City of Elk Grove, City of Sacramento, Sacramento County, the STA Independent Taxpayer Oversight Committee and a member of the public. A synopsis of their comments is below:

Anatolia Homeowner, Sherry Kimbrow:

- Better commuting and park trails including better upkeep on existing paths, safe access to paths and shorter options for children, elderly and disabled.

Caltrans:

- Maintain percentage allocations in major categories and limit funding transfers between subcategories.

Elk Grove:

- No changes to the voter-approved allocation percentages
- Add the following eligible expenditures:
  - Curb Ramps replacement would be allowed with Road Maintenance
  - Bikeways including Class IV Bikeways (Separated Bikeways) or Cycle Tracks
  - Smart City Infrastructure related to Transportation Mobility and Safety
  - Bike Racks, Bike/pedestrian counters
  - Signals for pedestrians and bicyclists
  - Bus Stops and Shelters
  - Non-Infrastructure Education Programs for Safe Routes to School

Independent Taxpayer Oversight Committee (ITOC):

- Add two (2) voting members to bring the total up to five (5) versus the current three (3).

Sacramento, City:

- Does not recommend major changes to the program with some amendments:
  - From the City's approved targeted CIP Allocation, provide \$2M toward exploration of a new management structure to oversee the Intermodal Station
  - In the event that that the Richards Blvd./I-5 Interchange is determined to not be a feasible project, reallocate capital funding from Richards Blvd/I-5 Interchange to a new multi-modal bridge across the American River.
  - Add regional bike trails to the category of allowable expenditures in the Transportation Project Environmental Mitigation Program

Sacramento, County:

- Add language in Section IX, "Safety, Streetscaping, Pedestrian and Bicycle Facilities" to include activities that promote bicycle and pedestrian use and education around safety. The request states to not include options for infrastructure or funding, but merely education and outreach.

However, upon review from General Council, Staff were advised that the comment from the Independent Taxpayer Oversight Committee was part of Exhibit B, whereas the Decennial Review Update was only for Exhibit A, the Expenditure Plan. Their request was not incorporated into the updated Plan.

Staff recommendations for the proposed amendments are attached for the Board's consideration. If approved, the Authority will notify the Board of Supervisors and the City Councils of its initiation of any amendment, reciting findings of necessity.

Actions of the Board of Supervisors and City Councils to approve or to oppose the amendment(s) must be communicated to the Authority within 60 days after the date the notification is provided. Failure to notify the Authority of formal action within 60 days after the date of the notice will constitute approval. To be successful, an amendment(s) must be approved by the Board of Supervisors and by a majority of the City Councils constituting a

majority of the incorporated population. The process will be completed by June 30, 2021, as required by Resolution STA-20-001.

## **ORDINANCE NO. STAO-0012**

### **AN ORDINANCE PROVIDING FOR THE CONTINUATION OF A ONE-HALF OF ONE PERCENT RETAIL TRANSACTIONS AND USE TAX BY THE SACRAMENTO TRANSPORTATION AUTHORITY FOR LOCAL TRANSPORTATION PURPOSES**

**BE IT ENACTED BY THE GOVERNING BOARD OF THE  
SACRAMENTO TRANSPORTATION AUTHORITY:**

#### **GUIDING PRINCIPLES AND PREAMBLE**

To maintain and improve the quality of life in Sacramento County, the Sacramento Transportation Authority has crafted the Sacramento County Transportation Expenditure Plan:

- ▶ To reduce traffic congestion
- ▶ To improve air quality
- ▶ To maintain and strengthen the county's road and transportation systems
- ▶ To enhance Sacramento County's ability to secure state and federal funding for transportation by providing local matching funds
- ▶ To preserve unique, natural amenities
- ▶ To preserve agricultural land
- ▶ To serve all residents of Sacramento County.

This one-half of one percent retail transactions and use tax is statutorily dedicated for transportation planning, design, construction, operation and maintenance only in Sacramento County and cannot be used for other governmental purposes or programs. There are specific safeguards in this Ordinance to ensure that funding from the one-half of one percent transactions and use tax is used in accordance with the specified voter-approved transportation project improvements and programs. These safeguards include:



- The specific projects and programs included in the Expenditure Plan will be funded by revenue raised by this transactions and use tax. The Expenditure Plan can only be changed upon approval by the Sacramento County Board of Supervisors and a majority of all cities in the County representing a majority of the incorporated population.
- An Independent Taxpayer Oversight Committee is created to supervise fiscal and performance audits regarding the use of all sales tax funds and provide for independent review to ensure that all Measure funds are spent in accordance with provisions of the Expenditure Plan and Ordinance as approved by the voters.
- Continuation of Sacramento County's one-half of one percent transactions and use tax is for transportation programs only and is not intended to replace traditional revenues generated through locally-adopted development fees and assessment districts. Collection of the one-half of one percent transactions and use tax will start upon the expiration of the Existing Tax.
- The Sacramento Transportation Authority will continue to seek maximum funding for transportation improvements through State and federal programs. The Authority will not provide transactions and use tax revenue to any city or to the County unless all transportation revenues currently used by that jurisdiction continue to be used for transportation purposes.
- No more than three quarters of one percent of the available funds will be expended on administration of the sales tax program.
- A mandatory Expenditure Plan review is required every ten years to ensure that the program reflects current community needs as demographics, economics and technology change.

**SECTION I. SUMMARY.** This Ordinance provides for the continued imposition of a retail transactions and use tax of one-half of one percent for local transportation purposes for a period of thirty (30) years.

**SECTION II. MANDATED TAXPAYER SAFEGUARDS.**

A. Independent Taxpayer Oversight Committee. By April 1, 2010, an Independent Taxpayer Oversight Committee will be established as specified in Exhibit B of this Ordinance to provide citizen review and to ensure that all Measure funds are spent in accordance with provisions of the Expenditure Plan and this Ordinance. Exhibit B contains the specific terms and conditions for an Independent Taxpayer Oversight Committee and its role in supervising of periodic independent financial and performance audits.

B. Administrative Costs. The Authority shall expend only that amount of funds generated from the tax that is necessary and reasonable to carry out its responsibilities for audit, administrative expenses, staff support, and contract services. In no case shall the funds expended for administration exceed three quarters of one percent (0.75%) of the annual net amount of revenue raised by the tax.

C. Maintenance of Effort. The Authority, by the enactment of this Ordinance, intends the additional funds provided government agencies by this measure to supplement existing local revenues being used for street and highway purposes. Transactions and use tax revenue shall not be used to replace existing road funding programs or to replace requirements for new development to provide for its own road needs. Under this Measure, funding priorities should be given to addressing current transportation needs, easing congestion, and improving safety.

The government agencies shall maintain their existing commitment of transportation funds for street and highway, and the Authority shall enforce this provision by appropriate actions, including fiscal audits of the local agencies.

**SECTION III. DEFINITIONS.** The following definitions shall apply in this ordinance:

- A. "Expenditure Plan" means the Sacramento County Transportation Expenditure Plan 2009-2039 (attached as Exhibit A and adopted as part of this Ordinance) including any future amendments thereto.
- B. "County" means the County of Sacramento.
- C. "Authority" means the Sacramento Transportation Authority, a public district formed for the local performance of governmental functions under the Local Transportation Authority and Improvement Act, commencing at Section 180000 of the Public Utilities Code.
- D. "Existing Tax" means the one-half of one percent retail transactions and use tax adopted pursuant to Ordinance No. STA-0002.

**SECTION IV. AUTHORITY.** This Ordinance is enacted pursuant to the provisions of Division 19 (commencing with Section 180000) of the Public Utilities Code, and Section 7252.16 of the Revenue and Taxation Code.

**SECTION V. CONTINUED IMPOSITION OF RETAIL TRANSACTIONS AND USE TAX.**

Upon voter approval, the Authority shall continue to impose, in the incorporated and unincorporated territory of the County of Sacramento, a transactions and use tax for transportation purposes (referred to as "the tax") at the rate of one-half of one percent (0.5%) for a period of thirty (30) years beginning April 1, 2009. There shall be no concurrent assessment of the Existing Tax (which will expire on March 31, 2009) and the tax to be imposed pursuant to this Ordinance. The tax shall be imposed by the Authority in accordance with Section 180201 of the Public Utilities Code and Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code. The provisions of Revenue and Taxation Code Sections 7261 and 7262 and the provisions of Ordinance No. STA 0002, unless specifically modified by this Ordinance, are incorporated herein by reference as though fully set forth herein. The tax shall be in addition to any other taxes authorized by law, including any existing or future state or local sales tax or transactions and use tax.



**SECTION VI. USE OF PROCEEDS.** Revenues from the tax shall be used for transportation purposes only and may include, but are not limited to, administration, construction, maintenance, improvements, and operation of local streets, roads, and highways, state highways and freeways, public transit systems including rail, bicycle and pedestrian facilities and related purposes. These purposes include expenditures for planning, environmental reviews and mitigation, engineering and design costs, and related right-of-way acquisition and for the Cosumnes River Permanent Open Space Preserve and the American River Parkway/Bikeway Network. Expenditures also include, but are not limited to, debt service on bonds and expenses in connection with issuance of bonds. Routine accommodation of bicycles and pedestrians shall be included in all transportation projects.

**SECTION VII. SACRAMENTO COUNTYWIDE TRANSPORTATION MITIGATION FEE PROGRAM (SCTMFP).** No revenue generated from the tax shall be used to replace transportation mitigation fees required from new development now in effect in Sacramento County. In addition, each local jurisdiction must adopt a development financing mechanism as stated below in order to qualify for its local road maintenance formula funds.

**Goal:** To develop and implement a uniform transportation mitigation fee on all new development in Sacramento County that will assist in funding road and transit system improvements needed to accommodate projected growth and development.

**Specific Program Guidelines:**

- A. The Authority shall develop, in coordination with all local jurisdictions, a professional engineering and planning based process for charging new development with the cost of traffic impacts caused by each development during the period covered by this sales tax measure. Such a process will be consistent with state law, require each local jurisdiction to project growth of travel demand, identify specific road and transit capital improvements to meet such demands, describe the appropriate "nexus" between such demand and improvements, and adopt such fee programs as necessary to implement the revenues required.



B. The Authority process guidelines shall be adopted by the Authority Board no later than November 1, 2005. Each local government jurisdiction shall have completed the adopted process and implemented the fee program in its jurisdiction no later than March 31, 2009 for implementation on April 1, 2009. The fees to be implemented for this program shall be remitted to the Authority for reallocation to the local jurisdiction(s) in accordance with the SCTMFP. The fees to be implemented shall be in the following amounts:

- For each new single family unit - \$1,000.00
- For new multi-family units, retail building space, office space, and industrial or warehousing space, the fee shall be proportionate to the trip generation rate of the affected land use relative to the trip generation rate of a single family unit.

The fees shall be adjusted annually by action of the STA Governing Board to reflect changes in construction costs based on the McGraw-Hill Engineering News Record (ENR) 20-city Construction Cost Index.

The fee structure shall be implemented if validated by the nexus study described in A. above.

- C. All new low and very low income housing as defined by the California Department of Housing & Community Development shall be exempt from this fee program.
- D. The overall program allocation for the fees collected by this program shall be:
- 35% Local streets and roads for capital improvements and rehabilitation
  - 20% Public transit for capital improvements and rehabilitation
  - 20% Local interchange upgrades, safety projects and congestion relief improvements on the local freeway system, including bus and carpool lane projects.

- 15% Smart Growth Incentive Program
- 10% Transportation Project Environmental Mitigation, including, but not limited to habitat conservation, open space preservation, habitat replacement, and recreation, and overall environmental enhancement of transportation facilities to the benefit of local transit users and neighborhoods. Necessary open space preservation and natural habitat preservation programs shall be eligible uses of these funds.

- E. Authority Board may approve changes in the overall formula allocation described in D. above by a 2/3 vote.
  - F. All projects and program priorities for use of the SCTMFP shall be included in a five-year program, annually updated and approved by the Authority Board.
  - G. All fees raised under this program must be expended in the impacted area where the fees were generated.
- 
- H. A local jurisdiction that fails to implement the SCTMFP on April 1, 2009 shall forfeit its allocation of local street and road maintenance funds authorized by extension of the transportation sales tax. For each month such local jurisdiction does not have this fee program in full operation, such local jurisdiction shall lose local formula road maintenance funds and all such funds shall be made immediately available on a pro-rata basis to all other local jurisdictions that do have this fee program in place and operational.

**SECTION VIII. BONDING AUTHORITY.** Upon voter approval of the Measure, the Authority shall have the power to sell or issue, from time to time, on or before the collection of taxes, bonds or other evidence of indebtedness, in the aggregate principal amount at any one time outstanding of not to exceed the estimated proceeds of the tax, and to secure such indebtedness solely by way of future collection of taxes, for capital outlay expenditures for the purposes set forth in Section VI hereof, including the carrying out of transportation projects described in the Expenditure Plan.

**SECTION IX. ANNUAL APPROPRIATIONS LIMIT.** The annual appropriations limit established pursuant to Section 4 of Article XIII B of the California Constitution and Section 180202 of the Public Utilities Code shall be \$195,000,000.00 for fiscal year 2009/10. The appropriations limit shall be subject to adjustment as provided by law.

**SECTION X. OPERATIVE DATE.** Subject to voter approval, this Ordinance shall become operative on the first day of the first calendar quarter commencing more than 110 days after adoption of this Ordinance but in no event earlier than April 1, 2009. Prior to the operative date of this Ordinance, the Authority shall contract with the State Board of Equalization to perform all functions incidental to the administration and operation of this Ordinance. The intent is that the extension of the sales tax shall become operative immediately upon expiration of the Existing Tax.

**SECTION XI. ELECTION.** The Authority requests the Board of Supervisors to call an election for voter approval of this Ordinance which election shall be held on November 2, 2004, and consolidated with other elections to be held on that same date, that the measure retain its designation as Measure "A," and that it appear first in order on the County ballot before all other local measures. The election shall be called and conducted in the same manner as provided by law for the conduct of elections by a county. The sample ballot to be mailed to the voters shall include this full Ordinance and the entire Expenditure Plan. Approval of the Ordinance and the imposition of the tax shall require the affirmative vote of 2/3rds of the electors voting on the proposition at the election described in this section. The proposition to be placed on the ballot shall read substantially as follows:

To relieve traffic congestion, improve safety, and match state/federal funds by:

- Improving I-5, I-80, US 50, SR 99;
- Constructing a new road connecting I-5/SR 99/US 50;
- Maintaining/improving local roads;
- Increasing transit for seniors and persons with disabilities;
- Expanding/planning for light rail and commuter rail;

Shall Sacramento County voters continue the existing half-cent transportation sales tax for thirty years, including creating an Independent Taxpayer Oversight Committee to conduct audits ensuring all voter mandates are met?

YES \_\_\_\_\_

NO \_\_\_\_\_



**SECTION XII. EXPENDITURE PLAN AMENDMENTS.** The Expenditure Plan may only be amended by the following process:

1. Beginning in 2019, and every ten years thereafter, the Authority shall review and, where necessary, propose amendments to the Expenditure Plan to meet changing transportation needs. Such review shall consider recommendations from local governments, transportation agencies and interest groups, and the general public.
2. The Authority shall notify the Board of Supervisors and the city councils in writing of its initiation of an amendment, reciting findings of necessity.
3. Actions of the Board of Supervisors and city councils to approve or to oppose the amendment shall be communicated to the Authority within 60 days after the date the notice is mailed. Failure of the Board of Supervisors or any city council to notify the Authority of formal action within 60 days after the date the notice is mailed shall constitute approval.
4. The amendment must be approved by the Board of Supervisors.
5. The amendment must be approved by a majority of the city councils constituting a majority of the incorporated population.

**SECTION XIII. SEVERABILITY.** If any provision of this Ordinance is for any reason held invalid or unenforceable by a court of competent jurisdiction, that holding shall not affect the validity or enforceability of the remaining provisions, or the Existing Tax, and the Authority declares that it would have passed each part of this Ordinance irrespective of the validity of any other part.

**SECTION XIV. THE EXISTING TAX.** Nothing in the Ordinance is intended to modify, repeal, alter or increase the Existing Tax. The provisions of this Ordinance shall apply solely to the retail transactions and use tax adopted herein and not to the collection or administration of the Existing Tax.

**SECTION XV.** This Ordinance was introduced and the title thereof read at the regular meeting of the Governing Board on July 22, 2004 and on July 22, 2004 further reading was waived by a vote of the Directors present.

On a motion by Member Jeff Harris, seconded by Member Rich Desmond, the foregoing Ordinance was passed and enacted by the Governing Body of the Sacramento Transportation Authority, State of California at a regular meeting thereof, this 8th day of April, 2021 by the following vote, to wit:

AYES: Members Desmond, Frost, Guerra, Harris, Kozlowski, Kennedy, Miller, Avdis, Singh-Allen, Spease, Terry, Valenzuela, Vang

NOES: (None)

ABSENT: Members Nottoli, Sandhu, Schenirer

ABSTAIN: (None)

RECUSAL: (None)  
(PER POLITICAL REFORM ACT (§ 18702.5.))

**FILED**  
BOARD OF DIRECTORS

APR 08 2021

BY *Alicia Evans*  
CLERK OF THE BOARD

*Kati Valyuh*



Chairperson, Governing Board of  
the Sacramento Transportation  
Authority

ATTEST:

*[Signature]*  
Clerk of the Governing  
Board of the Sacramento  
Transportation Authority

In accordance with Section 25103 of the Government Code  
of the State of California a copy of the document has been  
delivered to the Chairman on **4-8-21**

By *[Signature]*  
Deputy Clerk, Board of Directors

(2/3 Vote Required)

**Sacramento County Transportation Expenditure Plan 2009-2039**  
**June 10, 2004**

**Revenue Estimates and Distribution.** Allocation of revenue authorized by Ordinance No. STA 04-01 is established within this Expenditure Plan. Funds shall be allocated by percentage of the actual revenue received. An estimate of revenues and allocation among categories is reflected in the Expenditure Plan. The estimated revenue is based upon 2004 value of money and is not binding or controlling.

**Formula Allocations.** After deduction of required Board of Equalization fees and authorized costs, revenues to be distributed by formula allocation to local governments and transit agencies as described below. All other funds shall be deposited with the Authority and expended at the discretion of the Authority Board as described below.

**Contribution from New Development.** No revenue generated from the tax shall be used to replace transportation mitigation fees currently required from new development in each local jurisdiction. In addition, each local jurisdiction must adopt a development financing mechanism as specified in Ordinance No. STA 04-01 in order to continue receiving local road maintenance funds.

**Requirement for Annual Financial and Performance Audits of Measure Funds.** The Sacramento Transportation Authority and each agency receiving an allocation of Measure revenue authorized in this Expenditure Plan shall undergo an annual financial audit supervised by the Independent Taxpayer Oversight Committee (ITOC) and performed in accordance with generally accepted auditing standards and government auditing standards issued by the Comptroller General of the United States. Compliance audits shall also be conducted to ensure that each agency is expending funds in accordance with the provisions and guidelines established for Measure revenues. In addition, the ITOC shall, based on performance standards for expending sales tax funds adopted by the Authority Board, conduct a performance audit to report on progress in meeting such standards and make recommendations for improving overall program performance. The Authority Board shall adopt the performance standards for each part of the program no later than December 31, 2009.

**Sacramento Expenditure Plan.** All available sales tax revenues shall be expended as follows:

I. **Revenue Estimates.** Tax revenues generated by Ordinance No. STA 04-01 over a thirty-year period are estimated to be **\$4,740 million**. Approximately **\$488 million** in contributions from new development are projected over this period, for an estimated total revenue of **\$5,228 million** for transportation improvements. Revenue estimates are not binding or controlling. To the extent these estimates provide more or less revenue, the Authority Board shall make appropriate allocation adjustments periodically to reflect actual revenues received.

II. **Allocations to the Cities of Galt and Isleton.** The City of Galt shall receive 1% of the sales tax revenues collected annually for eligible transportation purposes. The City of Isleton shall receive 0.04% of the sales tax revenues collected annually for eligible transportation purposes.



**III. Cosumnes River Permanent Open Space Preserve.** Funding shall be available for planning, development and acquisition of the Cosumnes River Permanent Open Space Preserve for the I5/SR99/US50 corridor and/or any other environmental mitigation needed to offset project impacts from such project consistent with the adjacent local jurisdictions' land use planning documents and processes. The Preserve shall be eligible for funding in the amount of at least \$5 million in each of the following categories: Local Arterial Program, as part of the funding dedicated for the I-5/US 50/SR 99 corridor; the Smart Growth Incentive Program; and the Transportation Environmental Mitigation Program. Facilities located in the Preserve can also qualify for funds available in the Safety, Streetscaping, Pedestrian and Bicycle Facilities Program at the discretion of each local jurisdiction receiving such funding. The Preserve shall be administered by an appropriate private, not for profit land preservation organization or other organization created specifically for the purpose of administering Measure open space funds as selected by the Authority Board.

**IV. Local Road Maintenance, Safety and Congestion Relief Program.** 38% of sales tax revenue collected and 35% of the revenues collected from new development shall fund the programs and projects included in this program. Cost estimates for such projects are not binding or controlling. Included in this program are subcategories described below.

**A. City Street and County Road Maintenance Program.** 30% of the sales tax revenue collected shall be distributed among the local jurisdictions for city street and county road maintenance. A Maintenance of Effort is required regarding existing road maintenance programs to ensure that the net impact of the program will provide continuing funds for this purpose in each of the cities and in the unincorporated areas of the County. Each of the local jurisdictions receiving these funds shall file a pavement and bridge maintenance system report on a biennial basis with the Authority regarding progress in maintaining local streets and roads. The report shall be in a format that can be audited on a biennial basis by the Independent Taxpayer Oversight Committee.

Distribution among the cities and unincorporated County area shall be based 75% on relative population and 25% on total street/road mileage. The formula will be updated annually based on the California Department of Finance population estimates for cities and counties.

**B. Local Arterial Safety and Traffic Operations Improvements Program.** 8% of the sales tax revenue collected and 35% of the revenues collected from new development shall fund local arterial safety and traffic operations improvements. The 8% portion would be separated into two categories of which 5% would be dedicated to the Local Arterial Program and 3% will be dedicated to the Traffic Control and Safety Program.

**1. Local Arterial Program.** This program will fund arterial safety, operational, streetscaping, bicycle, and pedestrian improvements, improved accessibility for the disabled, and upgrades of arterials to urban standards. A technical advisory committee made up of the public works directors or their designees from the County and each city in the county shall develop a recommended five-year program, updated annually, for expenditure of these program funds. Funds from this program shall be expended for implementation of, but shall not be limited to, the specific arterials or proposed corridors detailed in this Expenditure Plan. This list of arterials may be modified based on changing traffic, safety, and other changed conditions and priorities of each local jurisdiction over time. The costs shall also include necessary environmental mitigation directly related to project implementation. Receipt of funding for the I-5/SR99/US50 Connector is contingent on establishment of a habitat conservation approach, approval of the habitat conservation approach by the appropriate agencies, and adoption of the habitat conservation approach by the local recipient of funds.



**2. Traffic Control and Safety Program.** This program will fund traffic control system improvements, high priority pedestrian and vehicle safety projects, and emergency vehicle preemption systems for quicker police, fire and ambulance response throughout Sacramento County. Distribution among the cities and unincorporated County area shall be based 75% on relative population and 25% on total street/road mileage. The formula will be updated annually based on the California Department of Finance population estimates for cities and counties. Each local jurisdiction shall file a five-year program for use of the funds with the Authority, updated every other year to ensure program integrity and performance.

**V. Transit Congestion Relief Program.** 38.25% of the sales tax revenue collected and 20% of the revenues collected from new development shall fund transit capital improvements and provide funding for operating and maintaining such improvements, as well as existing transit services. The funding for capital improvements assumes 1/3 sales tax and a match of 2/3 federal, state and/or local funding other than sales tax. The funding for operations shall augment existing funds available for transit operations. These funds will be directly subvented to Sacramento Regional Transit based on a five year, annually updated transit capital and operating business plan recommended by Sacramento Regional Transit District, and approved by the Authority Board.

**VI. Neighborhood Shuttle System.** At least \$30 million in sales tax revenues will fund the development of additional Neighborhood Shuttles throughout Sacramento County. The Authority shall develop a program that will allow local jurisdictions to compete for these funds.

**VII. Senior and Disabled Transportation Services.** This program will be funded by an average of 4.5% of the sales tax revenues collected over the life of the tax. The sales taxes dedicated in support of the Consolidated Transportation Services Agency (CTSA) shall be 3.5% for years 1-10. In years 11-20 the funding would increase to 4.5% and then increase in years 21-30 to 5.5%. The City and County of Sacramento General Fund contribution to CTSA will expire with the Existing Tax. The funds will be directly subvented to the CTSA based on a five year, annually updated business plan recommended by the CTSA and approved by the Authority Board.

**VIII. Freeway Safety and Congestion Relief Program.** 12% of the sales tax revenue collected and 20% of the revenues collected from new development shall fund congestion relief projects on the freeway system in Sacramento County. This program is separated into two categories of which 9% of the sales tax revenues collected shall be dedicated to Regional Bus/Carpool Lane Connectors and Extensions and 3% of the sales tax revenues collected shall be dedicated to Local Freeway Interchange Congestion Relief Upgrades.

**A. Regional Bus/Carpool Lane Connectors/Extensions.** These projects will provide congestion relief on the freeway system throughout the County. The funding for these capital improvements assumes 1/2 sales tax and a match of 1/2 federal, state and/or local funding other than sales tax. All local jurisdictions, except the City of Isleton, shall establish transportation management associations to promote the use of carpools and public transit.

**B. Local Freeway Interchange Congestion Relief Upgrades.** Funding for these projects assumes 2/3 federal, state, and/or developer oriented funding and 1/3 sales tax funding. The Authority Board has the flexibility to change the matching formula based on project delivery and other issues the Board deems appropriate for consideration. Funding is dedicated for, but is not limited to, interchanges described in this Expenditure Plan. The Authority Board in collaboration with the Technical Advisory Committee of Authority may add additional local freeway congestion relief projects to reflect the changing transportation needs of the County over time.

**IX. Safety, Streetscaping, Pedestrian and Bicycle Facilities.** 5% of the sales tax revenues collected shall fund non-motorized, pedestrian and bicycle safety improvements. With the exception of \$30 million dedicated for improvement and maintenance of the American River Parkway/Bikeway Network, funds shall be distributed among the cities and unincorporated County area based 75% on relative population and 25% on total street/road mileage. The formula will be updated annually based on the California Department of Finance population estimates for cities and counties.

**X. Transportation-Related Air Quality Program.** 1.50% of the sales tax revenues collected shall exclusively fund projects and programs that facilitate the Authority's ability to meet state and federal air quality mandates for mobile sources and to environmentally mitigate for transportation capital improvements in this Expenditure Plan. The Sacramento Metropolitan Air Quality Management District (SMAQMD) shall administer the program. The program will be based on a five-year program, updated annually, recommended by the SMAQMD and approved by the Authority Board.

**XI. Smart Growth Incentive Program.** 15% of the revenues collected from new development shall be available to local jurisdictions on a competitive basis for projects that meet certain smart growth objectives. This program shall be administered by the Authority and shall take into account the SACOG Community Design competitive funding program. The program shall include planning, development and acquisition of the Cosumnes River Permanent Open Space Preserve for the I5/SR99/US50 corridor and/or any other environmental mitigation needed to offset impacts from that project consistent with the adjacent local jurisdictions' land use planning documents and processes.

**XII. Transportation Project Environmental Mitigation Program.** 10% of the revenues collected from new development shall fund environmental mitigation for transportation projects contained in the Expenditure Plan. The program shall be administered by the Authority and will be available for a variety of eligible categories of mitigation. The program shall include planning, development and acquisition of the Cosumnes River Permanent Open Space Preserve for the I5/SR99/US50 corridor and/or any other environmental mitigation needed to offset impacts from that project consistent with the adjacent local jurisdictions' land use planning documents and processes.

**XIII. General Program Administration and Independent Taxpayer Oversight Committee.** 0.75% of the sales tax revenues collected shall fund staff costs of the Authority and other costs of administering the programs and projects contained in this Expenditure Plan and the activities of the Independent Taxpayer Oversight Committee described in Exhibit B.



## Sacramento County Transportation Expenditure Plan 2009-2039

Percentage of DEVELOPER FEES	Percentage of SALES TAX		Proposed Sales Tax Allocation in \$	Proposed Developer Fee Allocation in \$	TOTAL PROPOSED ALLOCATION IN \$\$
<b>35%</b>	<b>38%</b>	<b>Local Road Maintenance, Safety and Congestion Relief Program</b>	<b><u>\$1,786</u></b>	<b><u>\$171</u></b>	<b><u>\$1,957</u></b>
	<b>30%</b>	<b>City Street and County Road Maintenance Program</b>	<b><u>\$1,410</u></b>		<b><u>\$1,410</u></b>
<b>35%</b>	<b>8%</b>	<b>Local Arterial Safety &amp; Traffic Operations Improvements Program</b>	<b><u>\$376</u></b>	<b><u>\$171</u></b>	<b><u>\$547</u></b>
	<b>5%</b>	<b>Local Arterial Program</b>	<b><u>\$235</u></b>	<b><u>\$171</u></b>	<b><u>\$406</u></b>
		<ul style="list-style-type: none"> <li>• Antelope Road: Watt—Auburn</li> <li>• Arden Way: ITS improvements Del Paso—Fair Oaks Blvd</li> <li>• Bradshaw Road: Grant Line—Folsom Blvd</li> <li>• Bruceville Road: Sheldon—Cosumnes River Blvd</li> <li>• Cosumnes River Blvd: I-5—Franklin Blvd</li> <li>• Elk Grove Blvd: Big Horn—Waterman</li> <li>• Folsom Blvd: 65th—Sunrise</li> <li>• Folsom Bridge Crossing</li> <li>• I5/SR99/SR50 Connector, including at least \$5 million for the Cosumnes River Permanent Open Space Preserve</li> <li>• Greenback Lane: I/80—Folsom/Auburn Road</li> <li>• Hazel Ave Improvements: Placer Co Line—Folsom Blvd</li> <li>• Madison Ave: Watt—Greenback</li> <li>• S Watt/Elk Grove-Florin Road: Folsom—Elk Grove Blvd</li> <li>• Sheldon Road: Bruceville—Bradshaw</li> <li>• Sunrise Blvd: Placer Co line—Grant Line</li> <li>• Watt Ave: Antelope—Capital City Freeway</li> </ul>			
	<b>3%</b>	<b>Traffic Control and Safety Program</b>	<b><u>\$141</u></b>		<b><u>\$141</u></b>
		<b>Eligible funding categories:</b>			
		<ul style="list-style-type: none"> <li>• Synchronizing Traffic Signals</li> <li>• Emergency Vehicle Signal Preemption</li> <li>• Installing Fog/Rain/Night Roadway Reflectors</li> <li>• Construct Shoulders for Safety on Rural Roads</li> <li>• Audible Pedestrian Signals</li> <li>• Changeable Message Signs</li> <li>• Installation or improvements to streetscape for bicyclists</li> <li>• Modifications to streetscape to improve accessibility for disabled persons</li> </ul>			

Percentage of DEVELOPER FEES	Percentage of SALES TAX		Proposed Sales Tax Allocation in \$	Proposed Developer Fee Allocation in \$	TOTAL PROPOSED ALLOCATION IN \$\$
20%	38.25%	<b>Transit Congestion Relief Program</b>	<u>\$1,798</u>	<u>\$98</u>	<u>\$1,896</u>
	34.50%	<b>Transit Operations, Maintenance &amp; Safety</b>	<u>\$1,622</u>		<u>\$1,622</u>
		<b>Eligible funding categories:</b>			
		• Operating & Maintaining Existing Bus, Light Rail, & Neighborhood Shuttle System			
		• Guaranteed Discount Transit Fares for Students, Seniors & Disabled			
		• Operating & Maintaining New Transit Capital Improvements			
20%	3.75%	<b>Transit Capital Improvement Program</b>	<u>\$176</u>	<u>\$98</u>	<u>\$274</u>
	1.25%	Construct Downtown Sacramento Intermodal Station	<u>\$58</u>		<u>\$58</u>
	2.50%	<b>Rail Transit Improvements</b>	<u>\$118</u>		<u>\$118</u>
		• Construct LRT extension from Meadowview Road to Cosumnes River College			
		• Implement Regional Rail commuter service (Sacto County portion)			
		• Fund planning, environmental, and design studies and processing for Downtown to Airport LRT Extension			
		• LRT Improvements in the I-80 Corridor			
		<b>Neighborhood Shuttle System</b>	<u>\$30</u>		<u>\$30</u>
	4.5%	<b>Senior &amp; Disabled Transportation Services</b> <i>3.5% 1-10 years 4.5% 11-20 years 5.5% 21-30 years</i>	<u>\$212</u>		<u>\$212</u>
20%	12%	<b>Freeway Safety and Congestion Relief Program</b>	<u>\$564</u>	<u>\$98</u>	<u>\$662</u>
	9%	<b>Regional Bus/Carpool Lane Connectors/Extensions</b>	<u>\$423</u>		<u>\$423</u>
		• Bus/Carpool ramp connection from SR 50 E to SR 99 S			
		• I/80 Bus/Carpool Lanes: I-5—Capital City Freeway			
		• I-5 Bus/Carpool Lanes: Elk Grove to I-80			
		• Ramp widenings for connectors between SR 50 and I-5			
		• SR 50 Bus/Carpool Lanes: Sunrise thru Downtown Sacto.			
	3%	<b>Local Freeway Interchange Congestion Relief Upgrades</b>	<u>\$141</u>		<u>\$141</u>
		• Central Galt/SR 99 Interchange Upgrade			
		• Cosumnes Blvd/I-5 Interchange Upgrade			
		• Grant Line Road/SR 99 Interchange Upgrade			
		• I-5/I-80 Interchange Upgrade & Carpool Lane Connector			
		• Richards Blvd/I-5 Interchange Upgrade *			
		• Sheldon Road/SR 99 Interchange Upgrade			
		• Watt Ave/SR 50 Interchange Upgrade			

\*In the event this project is determined to not be feasible, reallocate capital funding to a new multi-modal bridge across the American River at Truxel Road.



Percentage of DEVELOPER FEES	Percentage of SALES TAX		Proposed Sales Tax Allocation in \$	Proposed Developer Fee Allocation in \$	TOTAL PROPOSED ALLOCATION IN \$\$
	5%	<b>Safety, Streetscaping, Pedestrian and Bicycle Facilities</b>	<u>\$235</u>		<u>\$235</u>
		<b>Eligible funding categories:</b>			
		• American River Parkway/Bikeway Network Improvement Program (\$30 million or \$1 million per year)			
		• Local Corridor Streetscape Enhancements			
		• Pedestrian, Bike, and Road Safety Improvements			
		• <i>Installing &amp; Maintaining Safe Pedestrian Sidewalks (inc. ADA)</i>			
		• <i>Installing Safe Bike &amp; Pedestrian Ways Near Schools</i>			
		• <i>Bikeways, signage, wayfinding and bicycle facilities</i>			
		• <i>Education and outreach to facilitate bicycle and pedestrian travel and school access</i>			
		• Programs to promote walking and bicycling as travel alternatives			
		• Smart Growth Transportation Objectives			
	1.50%	<b>Transportation-Related Air Quality Program</b>	<u>\$71</u>		<u>\$71</u>
		<b>Eligible funding categories:</b>			
		• Air Quality Monitoring & Public Information			
		• Accelerated Replacement of Dirty Diesel Engines			
		• Replacement of Gasoline Engine Catalyts			
		• Installation of Diesel Engine Catalyts			
		• Other proven emission-reducing strategies			
15%		<b>Smart Growth Incentive Program</b>		<u>\$73</u>	<u>\$73</u>
		<b>Eligible funding categories:</b>			
		• Promotion of transit oriented joint development			
		• At least \$5 million for planning, development and acquisition of the Cosumnes River Permanent Open Space Preserve for the I5/SR99/US50 corridor and/or any other environmental mitigation needed to offset project impacts from such project consistent with the adjacent local agencies land use planning documents and process.			
10%		<b>Transportation Project Environmental Mitigation Program</b>		<u>\$48</u>	<u>\$48</u>
		<b>Eligible funding categories:</b>			
		• Environmental mitigation for transportation projects contained in Measure A			
		• Open space acquisition			
		• Natural habitat preservation			
		• At least \$5 million for planning, development and acquisition of the Cosumnes River Permanent Open Space Preserve for the I5/SR99/US50 corridor and/or any other environmental mitigation needed to offset project impacts from such project consistent with the adjacent local agencies land use planning documents and process.			
	0.75%	<b>Program Administration</b>	<u>\$35</u>		<u>\$35</u>
		• <b>General Program Administration</b>			
		• <b>Independent Taxpayers' Oversight Committee &amp; Independent Audit</b>			
100%		<b>Total Revenue over 30 years</b>	<b>\$4.74B</b>	<b>\$488</b>	<b>\$5.188B</b>

## INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE (ITOC)

**ITOC Goal and Function.** Voter adoption of this transportation sales tax ordinance shall result in creation of the Independent Taxpayer Oversight Committee (ITOC) as follows:

The ITOC shall review the fiscal and program performance of the sales tax transportation program through an annual audit to ensure that all transportation sales tax funds are spent by the Sacramento Transportation Authority (hereby referred to as the Authority) in accordance with all provisions of the voter-approved expenditure plan and ordinance. The ITOC's other mission is to provide positive, constructive advice to the Authority on how to improve implementation over the thirty-year course of the program for the benefit of Sacramento County residents and businesses, and to study and report on other issues related to the current or future use of transportation sales tax funds that may be expressly authorized by the Authority Board.

**Audit Requirement.** The ITOC shall supervise annual fiscal and periodic performance audits, which shall be performed in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States and based on performance standards adopted by the Authority Board for each program or project funded in whole or in part with sales tax funds. The first set of performance standards shall be adopted not later than July 1, 2009 and shall be updated every five years.

**Role of Financial and Performance Audits.** The ITOC shall, under the competitive procurement rules of the Authority and with the active involvement of the Authority Executive Director, select a professional auditor to conduct the fiscal and performance audits of expenditure of all sales tax funds, report findings based on the audits to the Authority and to the public; and recommend any additional audits that the ITOC believes may improve the financial operation and integrity of program implementation, while meeting all voter mandates. No professional audit firm shall conduct more than three consecutive fiscal audits during the course of the 30-year sales tax extension.

The Authority, with the direct participation of the ITOC, shall hold publicly noticed meetings, which may or may not be part of a regularly scheduled Board meeting, to consider the findings and recommendations of the audits. A report of the findings and recommendations of each audit by the ITOC shall be made readily available to the public in print and on the Authority's electronic website.

**Membership and Selection Process.** The Authority shall develop an open selection process that actively advertises for potential members and selects three committee members who are all residents of Sacramento County and possess the following professional and/or community credentials:

- One member who is a professional--active or retired--in the field of municipal audit, finance and/or budgeting with at least five years in a relevant and senior decision-making position in the public or private sector.
- One member who is a licensed civil engineer or trained transportation planner--active or retired--with at least five years of demonstrated experience in the field of transportation in government and/or the private sector.
- One member who is a current or retired manager of major public and/or privately financed development or construction projects, who by training and experience would understand the complexity, costs and implementation issues involved in building large scale infrastructure improvements.



- The Chair of the Authority Governing Board, the Executive Director of the Authority, and the County Auditor shall serve as ex-officio non-voting members of the ITOC.

#### **Terms and Conditions for Committees**

- Members shall serve staggered four-year terms. In no case shall any voting committee member serve more than eight years on the ITOC.
- Members shall serve without compensation, except they shall be reimbursed for authorized travel and other expenses directly related to the work of the ITOC.
- Members cannot be current local elected officials in the county or a full time or part time staff member of any city, the county government, local transit operator, or state transportation agency.
- If and when vacancies on the ITOC occur on the part of voting committee members, the Authority shall appoint an appropriate replacement within 90 days of the vacancy to fill the remainder of the term.

**Sales Tax ITOC Operation Protocols.** Given the thirty-year duration of the sales tax extension, the ITOC shall be appointed 120 days after the effective date of the sales tax extension and continue as long as sales tax funds from the current voter authorization are made available. The Authority Board and staff shall fully cooperate with and provide necessary financial and staff support to ensure the ITOC effectively carries out its duties and obligations. The annual cost of the activities of the ITOC shall not exceed \$150,000, adjusted for inflation.

**Conflict of Interest.** ITOC voting members are prohibited from acting in any commercial activity directly or indirectly involving the Authority, such as being a consultant or vendor to the Authority during their tenure on the ITOC. ITOC voting members shall not have direct commercial interest or employment with any public or private entity that receives transportation sales tax funds authorized by the voters in this ordinance.