

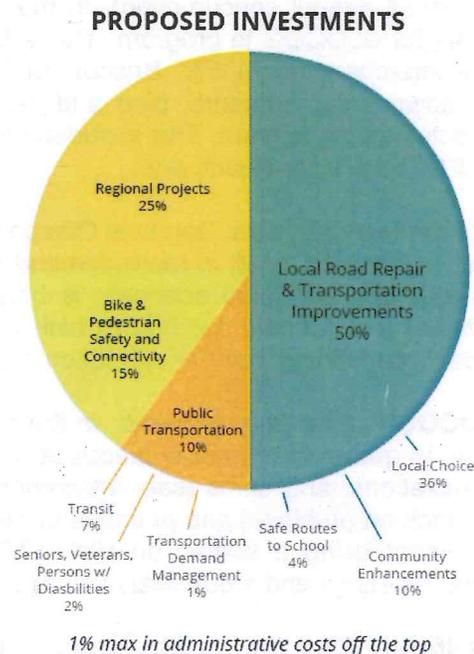
**SLOCOG's Self-Help County Efforts**  
**March 31, 2016**  
(Information for Member Jurisdictions)

**SUMMARY:**

State funds for transportation infrastructure have dropped and continue to decrease. SLOCOG saw this first hand with the loss of State Transportation Improvement Program (STIP) funds (approximately \$15M less in the 15/16 programming cycle). Without new funding for transportation investments, our cities and county may lose job opportunities, experience increased traffic on degraded streets and highways, suffer potential service cuts on buses, and see more costly transportation services for youth, seniors, and people with disabilities.

At the December 2015 board meeting, staff was directed to investigate Self-Help County status for the region. Throughout California twenty local county transportation agencies, like SLOCOG, have a super majority voter-approved transportation sales tax measure. Through outreach, focus groups, and polling conducted between December 2015 and March 2016, SLOCOG's staff and consultant reached out and launched a campaign to identify the public's transportation priorities and their level of support for transportation repairs and improvements.

Per the results of this public engagement campaign, SLOCOG staff is recommending a ½-cent regional sales tax that will generate \$25M/year solely for transportation purposes (\$225M over the 9-year period), as outlined in a specific voter-approved Transportation Investment Plan (see pie chart to the right), which would also include many voter safeguards. SLOCOG staff presented a summary of outreach, the suggested strategy for moving towards a November 2016 ballot measure and solicited feedback on the proposed investments at the April 6, 2016 SLOCOG Board meeting. The SLOCOG board directed staff to present to all City Councils and the Board of Supervisors for conceptual support of the Proposed Investments.



A detailed description of this pie chart and recommendations is outlined below in the Discussion section of this staff report, and a 2-page overview is attached.

**RECOMMENDATIONS:**

- A.) Review and Comment on: draft Transportation Investment Plan categories and distributions, including formula distribution for Local Road Repairs and Transportation Improvements, and Safeguards.
- B.) Identify *Key Projects* for local funding allocation.
- C.) Direct staff to work with SLOCOG to develop a Final Expenditure Plan, Ordinance, and Safeguards for City and County evaluation to place on the November 2016 ballot for voter consideration.

## **DISCUSSION:**

**About SLOCOG:** SLOCOG is an association of local governments, which is made up of the seven cities and the county. It has a 12-member Board, including, one member from each City Council and all of the County Board of Supervisors. SLOCOG's prime responsibilities include transportation planning and funding for the region, while serving as a forum for the study and resolution of regional issues. SLOCOG is responsible for coordinating, planning, and programming transportation programs and projects countywide, including: Highways, interchanges, streets, public transit, biking, walking, safe routes to school, and ridesharing. SLOCOG develops the 20+ year Regional Transportation Plan (RTP) to identify fundable, needed transportation projects of every mode.

**Transportation Funding Problem:** State and Federal revenues provided to our local transportation systems have been in decline for over a decade. More critically, since the release of the 2014 Regional Transportation Plan, the State funding estimates have dropped significantly. This is attributable to the fact that transportation revenues are based on Gas Taxes, due to both low fuel prices (which decreases the amount of Gas Tax) and more electric and hybrid vehicles (which decreases overall consumption). In the 15/16 programming cycle there was ZERO State gas tax dollars for SLOCOG to program. These funds typically cover the cost of highway improvements like local interchanges (LOVR, Brisco). SLOCOG has shifted funds that are typically used for local downtown enhancements, bike and pedestrian projects, etc. to keep some of the big highway projects moving forward. This includes project development for congestion relief on 101 South in the Shell Beach/Pismo Beach area.

Over the next 20 years, San Luis Obispo County's population is expected to grow by another 44,000 people. This will result in more demand on our streets, highways, and transit. If that's not enough, consider that our local economy is bolstered with tourists and visitors (using our transportation systems) from around our State which will grow by another seven million people. With the current inadequate funding, our transportation systems will fall further behind.

**SLOCOG Public Engagement:** In the past 6 months, SLOCOG staff and consultants engaged the public to garner information, feedback, and level of support at over 75 meetings with stakeholders, organizations, and clubs (see Attachment A). Over 700 meeting participants provided immediate feedback on problems and priorities through interactive clicker technology. An additional 143 people responded using a survey on SLOCOG's website. Consultant efforts also included four Focus Group meetings and a 600 likely-voter (landline, cellular, e-mail), statistically valid poll.

**A Self-Help Measure for SLO County:** Based upon public outreach, SLOCOG is considering a ½ cent regional sales tax that will generate \$25M/year solely for transportation purposes, as outlined in a specific voter-approved Transportation Investment Plan requiring a 2/3 majority vote. Over half of the revenue would come from non-residents who visit our county. Self-Help funds allow the region to leverage State/Federal grant funds, and each city in the county and the unincorporated portions of the county would receive direct annual allocations to use on their transportation priorities – whether for potholes, street maintenance, bicycle improvements, transit, safe routes to school, and other transportation improvements.

### **Proposed Transportation Investment Plan Distribution:** (Summarized in the above Pie Chart)

Based on the extensive outreach, SLOCOG is recommending a ½ cent increase in sales tax for a 9-year duration per a Transportation Investment Plan for:

- **Local Road Repair & Transportation Improvements (50%)**
  - This money is allocated directly to local jurisdictions under the following formula:

- Local Choice: 36% (for any transportation purpose)
  - Community Enhancements: 10% spent on things such as downtown enhancements, major roadway improvements, etc.
  - Safe Routes to School: 4% dedicated to capital improvements around county schools
- **Public Transportation (10%)**
    - This money is allocated as follows:
      - Transit: 7% allocated to capital improvements and operational improvements meant to increase frequency of current service (Transit Operators will further define regional and local allocation distribution)
      - Seniors, Veterans, Persons w/ Disabilities: 2% for point-to-point service increases
      - Transportation Demand Management: 1% dedicated to education and outreach meant to get people out of single occupant vehicles, thereby providing congestion relief during peak commute hours.
- **Bike & Pedestrian Safety and Connectivity (15%)**
    - This money is meant to fund three specific regional bikeway improvements, including City-to-the-Sea/Bob Jones Trail, Atascadero-Templeton Connector and Morro Bay-Cayucos Connector. It will also provide funds for a competitive bike and pedestrian grant program.
    - This money will allow the region to implement operational improvements that provide congestion relief on the US 101 South through Shell Beach/Pismo Beach. It also provides for a competitive grant program for additional Highway or regionally significant roadway projects in the county and can be used to leverage local, regional, federal, or State funds.

**Local Road Repairs and Transportation Improvements Allocations – In more depth:**

This category is distributed by formula to the local jurisdictions based upon \$150k/jurisdiction as a base with the remaining funds distributed based upon share of population (Source: Department of Finance Population Estimates 1/1/15, Table E-5), modified by new population percentages in the fifth year.

The following table depicts the recommendation distribution of \$12.5M for Local Road Repairs and Transportation Improvements. Each jurisdiction will determine its priority(s) for their local Community Enhancements and Safe Routes to School set asides (identified below).

**Table 1 – Local Road Repairs and Transportation Improvements**

Jurisdiction	\$ Base	% Share	\$ Share	Annual Total	%	Local Road			SRTS (4%)
						9 Year Total	Repair & Imp.s (36%)	Community Enhancements (10%)	
Arroyo Grande	\$ 150,000	6.35%	\$ 717,978	\$ 867,978	6.9%	\$ 7,811,804	\$ 5,624,499	\$ 1,562,361	\$ 624,944
Atascadero	\$ 150,000	10.63%	\$ 1,201,670	\$ 1,351,670	10.8%	\$ 12,165,031	\$ 8,758,822	\$ 2,433,006	\$ 973,202
Grover Beach	\$ 150,000	4.79%	\$ 541,491	\$ 691,491	5.5%	\$ 6,223,419	\$ 4,480,862	\$ 1,244,684	\$ 497,874
Morro Bay	\$ 150,000	3.75%	\$ 423,668	\$ 573,668	4.6%	\$ 5,163,013	\$ 3,717,369	\$ 1,032,603	\$ 413,041
Paso Robles	\$ 150,000	11.13%	\$ 1,257,409	\$ 1,407,409	11.3%	\$ 12,666,685	\$ 9,120,013	\$ 2,533,337	\$ 1,013,335
Pismo Beach	\$ 150,000	2.81%	\$ 317,669	\$ 467,669	3.7%	\$ 4,209,018	\$ 3,030,493	\$ 841,804	\$ 336,721
San Luis Obispo	\$ 150,000	16.70%	\$ 1,886,897	\$ 2,036,897	16.3%	\$ 18,332,072	\$ 13,199,092	\$ 3,666,414	\$ 1,466,566
SLO County	\$ 150,000	43.83%	\$ 4,953,218	\$ 5,103,218	40.8%	\$ 45,928,958	\$ 33,068,850	\$ 9,185,792	\$ 3,674,317
<b>Total</b>	<b>\$ 1,200,000</b>	<b>100%</b>	<b>\$ 11,300,000</b>	<b>\$ 12,500,000</b>	<b>100%</b>	<b>\$ 112,500,000</b>	<b>\$ 81,000,000</b>	<b>\$ 22,500,000</b>	<b>\$ 9,000,000</b>

**Self Help Measure Required Safeguards:**

- a. Independent Taxpayer Oversight Committee will oversee how funds are spent.
- b. Administrative Costs set as a maximum of 1%.
- c. Maintenance of Effort to require that new funds will augment existing transportation funding, not supplant them.
- d. Annual Audits and Annual Reporting of how funds were spent.
- e. Sunset date.
- f. Development must pay its fair share.

**Other Provisions:**

- a. Biennial Strategic Plan development.
  - o Efficiently use funds by advancing ready-to-go projects when high-cost project(s) are in project development phase.
- b. Strict Plan Amendment process.
- c. Implementation Guidelines.

**Next Steps:**

The SLOCOG Board has approved staff to distribute the draft Transportation Investment Plan breakdown (See Attachment B) to receive comments and feedback from local jurisdictions. Here is the timeline for those meetings:

*Board/Council review materials and provide feedback/comments:*

- Apr. 12: Morro Bay City Council
- Apr. 18: Grover Beach City Council
- Apr. 19: Board of Supervisors; Designation of SLOCOG as Local Transportation Authority;
- Apr. 19: Paso Robles City Council
- Apr. 19: Pismo Beach City Council
- Apr. 26: Atascadero City Council
- Apr. 26: Arroyo Grande City Council
- May 3: San Luis Obispo City Council
- May 4: Special SLOCOG Board meeting to review / address comments, and staff will finalize Ballot Materials (Ballot Label, Transportation Investment Plan, Ordinance, and Safeguards).

*Board/Council meetings for Approvals*

- June 1: SLOCOG Board: Review comments, Approves Final Investment Plan, Ordinance, and Safeguards; Send for jurisdiction approvals.
- June/July: All City Councils and BOS: Plan Approvals.
- Aug 3: (SLOCOG) Local Transportation Authority Adopts Plan (2/3rds), and calls for election.
- Aug 9: BOS: Place materials on November 2016 Ballot.
- Nov. 8: Election Day

ATTACHMENT A

SLOCOG - UPDATE OF PUBLIC ENGAGEMENT EFFORTS (2015/16)

2015	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
	<p><b>Board of Directors</b> Support Staff Reco:</p> <ul style="list-style-type: none"> <li>• Provide information and tools to sharpen the message/focus on transportation funding shortfalls.</li> <li>• Partner with non-governmental and civic organizations to educate the region on transportation funding issues.</li> <li>• Partner with non-governmental and civic organizations to educate the region on transportation funding issues.</li> </ul>	<p><b>Staff</b></p> <ul style="list-style-type: none"> <li>• Develops presentations for public</li> <li>• Continues to meet with stakeholders</li> <li>• Responds to media requests for more information</li> </ul>	<p><b>Board of Directors</b> Support Staff Reco:</p> <ul style="list-style-type: none"> <li>• Engage the public and stakeholders</li> <li>• Hold focus groups</li> <li>• Garner public feedback and complete a telephone survey to ascertain investment priorities and levels of support.</li> </ul>	<p><b>Staff/Consultant</b></p> <ul style="list-style-type: none"> <li>• Contract signed for public engagement/outreach, focus groups, polling</li> <li>• Materials created for public engagement, including interactive clicker technology presentation</li> <li>• Begin scheduling additional meetings/outreach</li> </ul>	<p><b>Staff/Consultant</b></p> <ul style="list-style-type: none"> <li>• Begin presentations with clicker technology</li> </ul>
	<p><b>Outreach &amp; Meetings</b></p> <p>KCBX Central Coast Voices</p> <p>Assembly Member Achadjian</p> <p>Senator Monning Staff</p> <p>Farm Bureau Staff</p> <p>SLO Chamber</p>	<p>Morro Bay Rotary</p> <p>Farm Bureau &amp; East Airport Commerce Park</p> <p>SLO Noontime Kiwanis</p> <p>Homebuilders Govt Affairs Comm.</p> <p>Bob Jones Trail Comm.</p> <p>AG/GB Chamber: Legis. Comm.</p> <p>City Managers</p> <p>Atascadero City Council</p> <p>Economic Vitality Comm. staff</p> <p>Atascadero Chamber of Commerce</p>	<p>Santa Margarita Area Council</p> <p>City Managers</p> <p>Atascadero Rotary</p> <p>EVC Board</p>	<p>COLAB Board</p> <p>Heal-SLO</p> <p>SLO Land Conservancy staff</p> <p>Sierra Club Board</p> <p>SLO Democratic Party</p> <p>KCBX: Issues and Ideas</p> <p>SLO Republican Party</p>	<p>CC American Public Works Assoc.</p> <p>A Vila Advisory Council</p>



## ATTACHMENT B



### CONNECTING COMMUNITIES

ARROYO GRANDE | ATASCADERO | GROVER BEACH  
MORRO BAY | PASO ROBLES | PISMO BEACH  
SAN LUIS OBISPO | SAN LUIS OBISPO COUNTY

## SLO COUNTY TRANSPORTATION INVESTMENT PLAN 2016

### New transportation investments are needed throughout San Luis Obispo County.

Revenues available to operate, maintain and improve our transportation system have not kept up with the needs of our community. State and federal funding has dropped severely in recent years and those funds are increasingly unreliable. Over the term of this Plan, SLO County's population will grow and the senior population will almost triple. This means more demand on our streets, highways and transit. Without new funding, SLO County will lose job opportunities, experience increased traffic on degraded streets and highways, suffer service cuts on buses and see more costly transportation services for youth, seniors and people with disabilities.

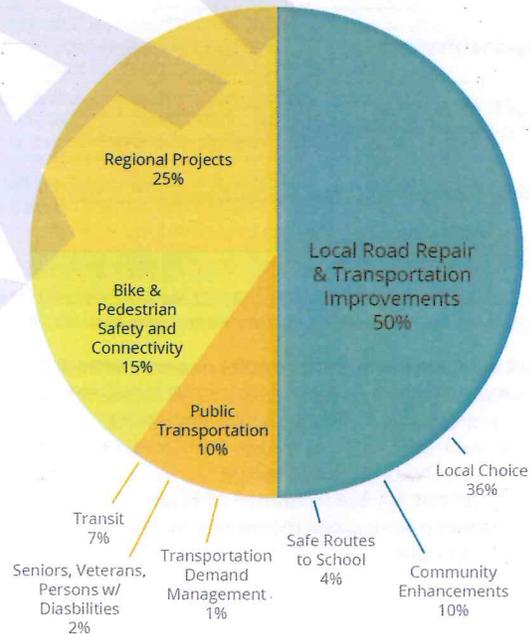
### In November 2016, voters will be asked to approve a ½ cent sales tax to address these needs.

Communities that have local transportation funds are able to do more themselves and are more successful in competing for funding, leveraging a larger share of state and federal dollars.

### This plan will:

- Preserve existing infrastructure and improve neighborhoods, including funds to every city and the County to repave streets, fill potholes, and upgrade local transportation infrastructure.
- Provide transit system preservation and improvements, by making capital and operational investments.
- Keep fares affordable for seniors and people with disabilities, including reliable and inexpensive transportation, as well as affordable senior shuttles, vans and services that help maintain independence.
- Reduce traffic congestion by eliminating bottlenecks and improving commute reliability.
- Improve safety for motorists, bicyclists and pedestrians.
- Support driving alternatives that improve air quality.
- Create good jobs that support residents and businesses in SLO County.

### PROPOSED INVESTMENTS



1% max in administrative costs off the top

## TRANSPORTATION INVESTMENT PLAN: SUMMARY OF PROPOSED INVESTMENTS

9-YEAR PLAN TOTALING \$225 MILLION		Percent of Funds	Fund Allocation (\$ millions)
<b>Local Road Repairs and Transportation Improvements</b>	Funds controlled by local jurisdictions with the following requirements: Local Choice (36%), Community Enhancements (10%), Safe Routes to School (4%)	<b>50%</b>	<b>\$112.5</b>
<i>Local Road Repairs and Transportation Improvement funds distributed by formula of \$150k base per jurisdiction; plus share of regional population</i>			
	<i>Arroyo Grande</i>	(6.9%)	(\$7,811,804)
	<i>Atascadero</i>	(10.8%)	(\$12,165,031)
	<i>Grover Beach</i>	(5.5%)	(\$6,223,419)
	<i>Morro Bay</i>	(4.6%)	(\$5,163,013)
	<i>Paso Robles</i>	(11.3%)	(\$12,666,685)
	<i>Pismo Beach</i>	(3.7%)	(\$4,209,018)
	<i>San Luis Obispo</i>	(16.3%)	(\$18,332,072)
	<i>SLO County</i>	(40.8%)	(\$45,928,958)
<b>Regional Projects</b>	Shell Beach/Pismo Beach congestion relief on US 101 South, US 101/Hwy 46 East, plus competitive program for regionally significant projects	<b>25%</b>	<b>\$56.2</b>
<b>Bike &amp; Pedestrian Safety and Connectivity</b>	Regional connectors including City-to-the-Sea/Bob Jones, Atascadero/Templeton Connector and Morro Bay/Cayucos Connector, plus local bike/ped improvement program	<b>15%</b>	<b>\$33.8</b>
<b>Public Transportation</b>	Transit (7%); Senior, Veterans, Persons w/ Disabilities (2%); Transportation Demand Management (1%)	<b>10%</b>	<b>\$22.5</b>
<b>TOTAL</b>		<b>100%</b>	<b>\$225</b>

*Note: Dollar amounts shown in millions reflect amount from a ½ cent sales tax generating \$25M/year for 9 years; while percent per category would not change, actual amount generated by a local sales tax per year would fluctuate based on local retail sales.*

**Strict accountability and performance measures ensure delivery.** The 9-year Plan will include strict accountability measures to ensure the funds are spent as directed by voters. It requires open and transparent public processes to allocate funds, including:

- Annual independent audits and compliance reports
- Citizen Oversight Committee
- Provisions for Maintenance of Effort
- Administrative costs maximum of 1%
- Sunset date