



CITY OF PACIFIC GROVE
300 Forest Avenue, Pacific Grove, California 93950

AGENDA REPORT

TO: Honorable Mayor and Members of City Council
FROM: Robert Huitt, Councilmember and Thomas Frutchey, City Manager
MEETING DATE: September 2, 2015
SUBJECT: TAMC Sales Tax Measure and State Legislation to Increase the Sales Tax Cap in Monterey County
CEQA: Does not Constitute a “Project” per California Environmental Quality Act (CEQA) Guidelines

RECOMMENDATION

1. Authorize the Mayor to sign a letter of support for a proposed measure to increase the sales tax cap in Monterey County.
2. Authorize Councilmember Huitt, as the City’s representative on the TAMC Board, and the City Manager, to take the necessary actions to secure additional funding currently being considered at both the state and county levels for City roads, bicycle lanes, and pedestrian routes.

DISCUSSION

Monterey County roads have recently been ranked among the worst in the state. The County and several cities projected their unmet road maintenance and repair needs (Attachment 1).

At its August 26, 2015 Board meeting, the Transportation Agency of Monterey County (TAMC) Board continued its ongoing consideration of a 3/8 cent sales tax measure for local and regional transportation needs (see Attachment 2). A 3/8 cent measure would generate approximately \$20 million per year. Four prior TAMC-sponsored measure have failed at the ballot box. Any such tax would require voter approval at an upcoming election. Discussions concerning the measure have considered a split in tax proceeds ranging from 75% regional/25% local all the way through 25% regional/75% local; there has been no agreement yet on any allocation between regional and local needs, let alone how the local portion would be allocated among jurisdictions. The regional projects have not been identified; it does appear that most people agree, however, that Hwy 156 should not be a candidate.

The timing is crucial, as there are proposals at the state level for the state to provide additional future transportation funds to counties, with priority given to “self-help” counties, i.e., those that have achieved a voter-approved transportation measure dedicated to raising additional tax funds to meet their local transportation needs. An important component of becoming a “self-help” county is that the community controls the funds and determines how the funds are spent. Assemblyman Jim Beall has sponsored particularly helpful legislation that has received fairly broad support (Attachment 3).

Earlier this week, it was learned that Greenfield has initiated a ballot measure to continue its current enhanced sales tax, and to increase it. This would bring Greenfield within 1/8 cent of the maximum, such that a County wide measure would be limited to 1/8 cent, which would bring in approximately \$6M, a small enough amount that the effort required to pass may not be seen as worth it.

In response, discussion has turned to requesting Assemblyman Alejo or another State representative to sponsor legislation increase the sales tax cap in Monterey County. Governor Brown vetoed a statewide measure this summer, noting in his veto measure that any increase should be sought on a county-by-county basis. Los Angeles County and/or San Mateo is currently seeking legislation to increase their cap. TAMC has requested that cities write letters of support for such a measure Attachment 4).

This is evolving very rapidly; additional progress may be achieved at the TAMC Executive Board meeting the morning of Wednesday, September 2. We will provide an update at the Council meeting.

OPTIONS

1. Do nothing.
2. Provide alternative direction to staff.

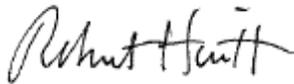
FISCAL IMPACT

Uncertain. There are several measures currently being considered that would increase the funding available to the City to improve maintenance of the City's transportation network.

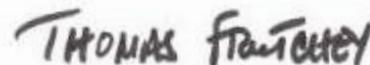
ATTACHMENTS

1. Unmet road maintenance and repair needs, by jurisdiction
2. August 25 TAMC agenda report regarding transportation improvement measure
3. Assemblyman Jim Beall proposed roads maintenance funding legislation
4. Draft letter of support for legislation to increase the Monterey County sales tax cap
5. Sales tax levels in Monterey County jurisdictions

RESPECTFULLY SUBMITTED,



Robert Huitt
Councilmember



Thomas Frutchey
City Manager

Monterey County Summary of Road Maintenance Needs			
Location	Need (in \$M)	Lane Miles	Comments
King City	11.2	25	Includes sidewalks, AC and drainage improvements
Soledad	15	36.3	1 million a year for 15 years
Greenfield	8.1	22	Combination of Crack Seal and Pass-QB (or Sand) Slurry, Fiber Seal (Type II Slurry) and Grind and Overlay
Monterey County	741	1100	Current funding provided for pavement repairs of \$5 Million per year will need to be increased to \$15 to \$20 Million per year to start to improve the pavement conditions on County roads.
Marina	17	156	From a budget point of view, we only allocate our gas tax monies for street repairs which currently is \$150,000 annually
Salinas	254	562	Does not include sidewalks, ADA or upgrades
Seaside	41	90	Does not include sidewalks, ADA or upgrades
Gonzales	23.7	12.5	
Carmel By the Sea	16.9	26.8	15 year estimate
City of Pacific Grove	22.2	62	Does not include sidewalks, ADA or upgrades. 15-year estimate
Total	1150.1	2092.6	

PG Notes

Based on the City's 1999 pavement management study, the total cost to rehabilitate the City's street to a desirable pavement condition index was \$3.2 million. Unit costs have escalated 3x since then; deferred maintenance has increased the backlog 2x. Therefore \$19.2 M
With Engineering at 15%, total cost would be \$22.21m.
The City allocates \$450,000 per year from gas tax funding and general funding for street maintenance and rehabilitation,

TRANSPORTATION AGENCY FOR MONTEREY COUNTY

www.tamcmonterey.org

HIGHLIGHTS

August 26, 2015

Outpouring of Support for the Fort Ord Recreation Trail and Greenway

There was an outpouring of public support for the Fort Ord Recreation Trail and Greenway, (FORTAG) at the TAMC Board Meeting on Wednesday. The proposed project developed by two California State University, Monterey Bay (CSUMB) professors, which some have compared to the San Francisco Bay Trail, is the result of a grass-roots effort as a response to the designation of the Fort Ord National Monument in 2012 and the public's desire to improve access to the monument from neighboring communities.

Developed by Fred Watson and Scott Waltz, the plan, which is consistent with what was envisioned long ago in the Fort Ord Use Plan, creates two connected regional trails totaling 30 miles in the former Fort Ord area. These trails will provide better opportunities for residents and visitors to access the Fort Ord National Monument and surrounding destinations without driving. The trail loops would have an open-space buffer on either side of a 12' wide paved trail so that people of all ages and abilities would have access to parks, hiking/mountain biking trails, and the Monterey Bay Sanctuary Scenic Trail.

The plan would also provide a link between peninsula cities, CSUMB and the City of Salinas; further connecting homes, schools, and areas of recreation and employment. The benefits include alternate ways to travel, economic development, and healthier lifestyle choices.

After the informative and detailed presentation, the TAMC Board of Directors directed staff to assist in finding funding sources for the project.

TAMC Transportation Measure Outreach Plan Gains Momentum

The Agency's Transportation Improvement Measure public outreach plan gained momentum with the TAMC Board of Directors appointment of an Ad Hoc Working Group for the plan. The group will provide input, guidance and participate in the outreach effort. The Agency will continue to take their "self-help" message to the community as they explain the challenges Monterey County faces and seeks input on meeting the need to address Monterey County's aging and underfunded transportation network.

Without a dedicated source of locally controlled dollars for transportation Monterey County is unable to compete against “self-help counties” for additional funding, further placing the county at a disadvantage to address its critical transportation needs to maintain roads and ensure safe, adequate streets, roads, bus systems, walkways, bike routes and transportation systems for today and in the future.

Guidelines for Regional Bicycle and Pedestrian Wayfinding Plan Presented

The TAMC Board of Directors got a preview of wayfinding designs that could be used for location and directional signs along Monterey County’s regional bicycle and pedestrian routes. Three options for sign designs were viewed during a presentation of the Regional Bicycle and Pedestrian Wayfinding Plan. The public can vote for their favorite design on TAMC’s public online forum at TAMC.mysidewalk.com.

The purpose of the plan and the wayfinding signage is to improve access to regional destinations and promote key signage features that cities and the county will be encouraged to incorporate into their own signs in order to improve wayfinding across city boundaries. Having uniform signs can support residents and visitors who want to bicycle and walk in the cities and in the county, and can enhance each jurisdiction’s brand as a regional destination.

An estimated 60% of potential bicyclists indicate that they would cycle more often if it were safer and easier to do so. A complete network of bicycle paths and lanes, secure bicycle storage, and ways to find comfortable routes to destinations are three key elements that encourage bicycling would make it easier and safer to do so. Increased bicycling for transportation would also help maximize the use of our existing road network and reduce greenhouse gas emissions.



TRANSPORTATION AGENCY FOR MONTEREY COUNTY

Memorandum

To: Board of Directors
From: Theresa Wright
Community Outreach Coordinator/Associate Transportation Planner
Meeting Date: August 26, 2015
Subject: Transportation Improvement Measure Outreach Plan Update

RECOMMENDED ACTION

1. **RECEIVE** an update on the Transportation Improvement Measure outreach;
2. **APPOINT** an ad hoc Working Group to assist with public outreach for the Transportation Improvement Measure; and
3. **PROVIDE** input on and assistance with the Transportation Improvement Measure outreach activities.

SUMMARY

On May 27, 2015, the Transportation Agency Board of Directors initiated work on the Transportation Improvement Measure Public Outreach Plan. The purpose of the Plan is to increase public awareness and understanding of Monterey County's transportation needs and funding challenges.

FINANCIAL IMPACT

Agency staff and consultant time are in the adopted Agency budget.

DISCUSSION

Many of Monterey County's key transportation networks are aging, underfunded and in need of repair and upgrading. Without a dedicated source of locally controlled dollars, the county struggles to compete for state and federal matching grants to make necessary improvements. At the same time, streets, roads, highways and transportation systems throughout Monterey County are in high demand. In order to meet this demand and future demands, the Agency is re-evaluating its plans and exploring all options.

On May 27, 2015, the Transportation Agency Board of Directors approved a contract with CliffordMoss as the Transportation Improvement Measure Public Outreach Plan consultant; and approved their selection of Moxxy Marketing as their identified local lead project sub-consultant.

Since that approval, the consultants have met with Agency staff and an informal working group to initiate the first phase of the Transportation Improvement Measure Outreach Plan. The focus of the first phase is to reach out to community leaders to get their input on transportation improvements needed throughout the County. This report provides an update on the development and implementation of the first phase of the plan and seeks input on the outreach plan.

An informal working group has been providing input to staff and working to reach out to community stakeholders. The informal group has included the following TAMC Board members: Chair Kimbley Craig, Jerry Edelen, Ed Smith, Ralph Rubio, John Phillips, John Huerta, and Jane Parker. Staff recommends that these individuals be appointed by the TAMC Board as an ad hoc working group. The ad hoc working group would continue to provide guidance and input, but frequent updates and all policy decisions will be brought to the TAMC Board of Directors.

In addition, the staff and consultant team is developing documents to be used by Agency Board members in their public outreach efforts. Finally, the team is working to create a “Keep Monterey County Moving” community stakeholders group in comprised of 20-30 community members representing the diverse geographic interests of Monterey County to provide input as the draft expenditure plan of projects is developed.

At this time, staff is seeking input and assistance from the Board in communicating transportation needs to key stakeholders and obtaining input from members of the public via the attached Transportation Investment Plan Input form.



Approved by: _____
Debra L. Hale, Executive Director

Date Signed: August 14, 2015

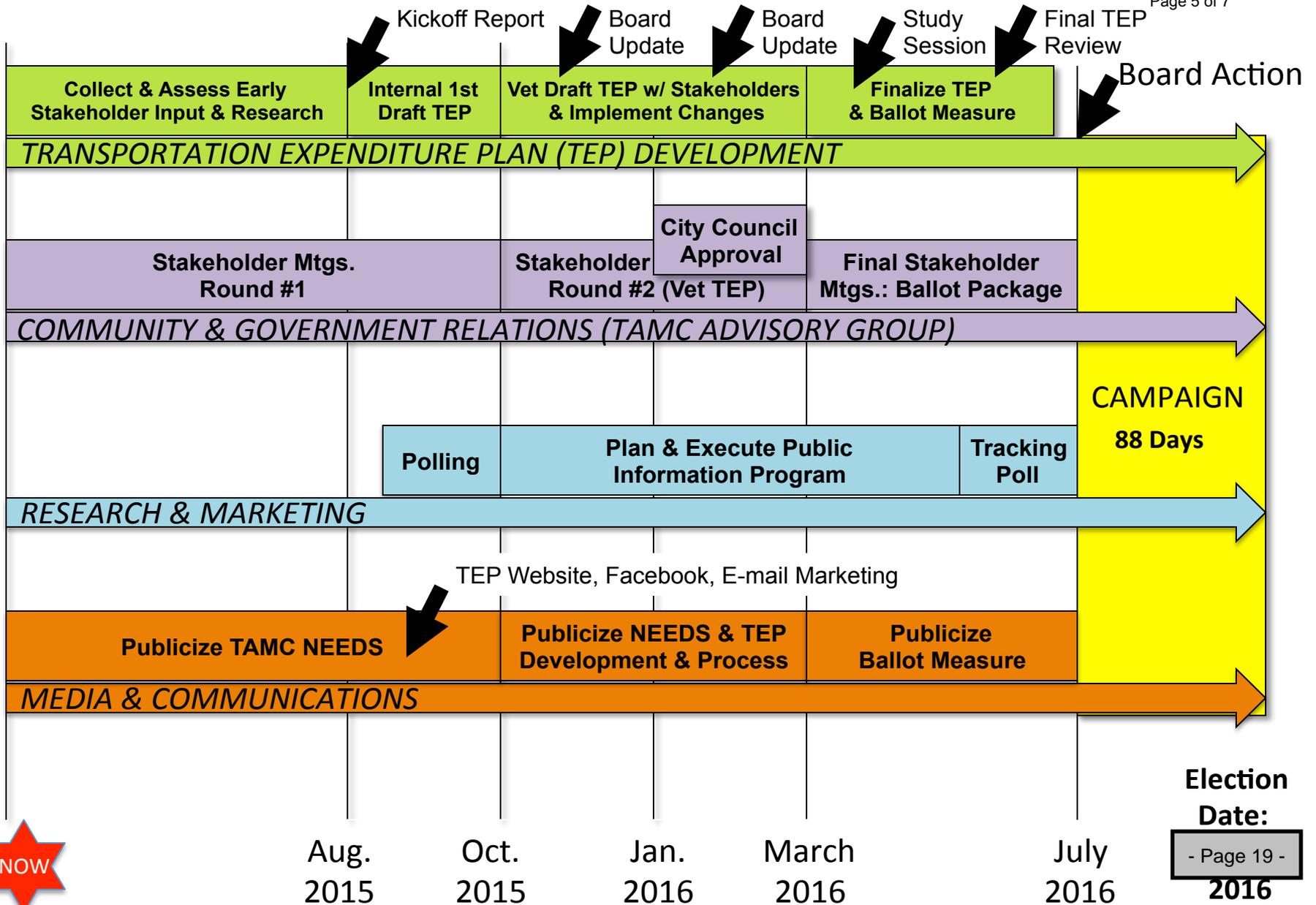
Regular Agenda

Counsel Approval: N/A
Finance Approval: N/A

Attachment:

- 1. Public Outreach Plan Timeline
- 2. Transportation Investment Plan Input form

TAMC Pre-Electoral Ballot Measure Prep Timeline





We're Planning for Monterey County's Future. We want YOUR input.

Please Rank the Following

(1 – Highest Need to 6 – Lowest Need)



- Local & Regional Road Repairs
- Safety Improvements
- More Bus Services to Schools, Work, & Healthcare
- Improve Walkability, Bicycle, and Clean Transportation Options
- Better Air Quality, & More Greenways, Wildlife Corridors, & Open Space
- Enhance Transportation for Youth, Seniors, Veterans & Persons with Disabilities

Other Transportation Needs: _____

YES! Sign me up to receive updates!

Name: _____ Address: _____
Email: _____ City/State/Zip: _____
Phone: _____ Most used mode of transport: _____

RETURN TO



TAMC
TRANSPORTATION AGENCY
FOR MONTEREY COUNTY

55-B PLAZA CIRCLE
SALINAS, CA 93901
(831) 775-0903

info@tamcmonterey.org

PLEASE DON'T HESITATE TO
CONTACT US WITH YOUR
QUESTIONS AND CO

TAMC Board Survey: Transportation Measure Public Outreach Plan

Board

Member: _____

Instructions

Please list the names of any individual or organization that you think should be contacted in our Transportation Investment Measure stakeholder and opinion leader outreach. Indicate whether you can help us spread the word by facilitating a meeting with any of your recommendations.

Part I: Recommendations

1) _____ **Name and Contact Information**

- a.
- b.
- c.

2) _____ **Name and Contact Information**

- a.
- b.
- c.

3) _____ **Name and Contact Information**

- a.
- b.
- c.

Part II: I agree to contact the following community leaders/stakeholders

1) _____ **Name of individual/organization**

- a.
- b.
- c.

CURRENT BILL STATUS

MEASURE: S.B. No. 1 (1st Ex. Sess.)
AUTHOR(S): Beall.
TOPIC: Transportation funding.
HOUSE LOCATION: SEN
+LAST AMENDED DATE: 08/25/2015

TYPE OF BILL:

Active
Urgency
Appropriations
2/3 Vote Required
Non-State-Mandated Local Program
Fiscal
Non-Tax Levy

LAST HIST. ACT. DATE: 08/25/2015
LAST HIST. ACTION: Read second time and amended. Re-referred to Com. on
APPR.
COMM. LOCATION: SEN TRANSPORTATION AND INFRASTRUCTURE DEVELOPMENT

TITLE: An act to add Sections 14526.7, 14526.8, and 16321 to the Government Code, to amend Sections 7360 and 60050 of, and to add Sections 7361.2, 7653.2, 60050.2, and 60201.4 to, the Revenue and Taxation Code, to add Section 2103.1 to, to add Article 8 (commencing with Section 228) to Chapter 1 of Division 1 of, and to add Chapter 2 (commencing with Section 2030) to Division 3 of, the Streets and Highways Code, and to add Sections 9250.3 and 9250.6 to the Vehicle Code, relating to transportation, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately.

Aug 28, 2015

http://www.leginfo.ca.gov/pub/15-16/bill/sen/sb_0001-0050/sbx1_1_bill_20150826_status.html

ISSUE SUMMARY, FROM DEBBIE HALE

Our Board of Directors has agreed to move forward to build a plan and develop public consensus to place a 3/8% transportation sales tax on the November, 2016 ballot. This measure is critical for meeting our growing transportation needs, and will help us become a “self-help county” and leverage any new state money that is approved.

- Such a measure would raise \$20 million per year, or \$600 million over 30 years.
- We agreed that 3/8% was our limit, because this was all the room that was left after the City of Salinas and Del Rey Oaks adopted new measures last November.
- However, we just learned that the City of Greenfield has placed a new 3/4% measure on their November, 2015 ballot to address vital public safety needs. Unfortunately, it takes up nearly all the remaining sales tax capacity in their jurisdiction. Because TAMC's measure is countywide, all jurisdictions need adequate room below the cap. The Greenfield measure effectively squeezes out the TAMC transportation sales tax. While we had hoped that the Governor would sign AB 464 (Mullen) to raise the cap, he vetoed it.
- TAMC Board agreed to pursue special legislation to allow TAMC to levy a 3/8% sales tax in 2016, despite the local 2% cap.
- TAMC has Gus Khouri to work this legislation for us, since he is also working a similar bill for San Mateo County and the deadline for such a measure to pass this session is September 11, less than 3 weeks away. So time is of the essence. While our proposal is not in a bill yet, we hope have that information soon, and assuring all parties of countywide support is critical.
- **We would therefore ask that the County and Cities write letters to TAMC with copies to our legislative delegation support our efforts to enact this very narrow exception to the 2% cap.**

DRAFT
PLEASE PERSONALIZE
PLEASE SEND SEPARATE LETTERS TO EACH REPRESENTATIVE

August 27, 2015

The Honorable Bill Monning
Senate Majority Leader
17th Senate District
State Capitol, Room 313
Sacramento, CA 95814
Via email to: Tobias.Uptain-Villa@sen.ca.gov

The Honorable Anthony Cannella
12th Senate District
State Capitol, Room 5082
Sacramento, CA 95814
Via email to: Meredith.Evans@sen.ca.gov

The Honorable Luis Alejo
30th Assembly District
State Capitol
P.O. Box 942849
Sacramento, CA 94249-0030
Via email to: Tony.Madrigal@asm.ca.gov

The Honorable Mark Stone
29th Assembly District
State Capitol
P.O. Box 942849
Sacramento, CA 94249-0029
Via email to: Craig.Scholer@asm.ca.gov

Re: Support for Monterey County sales tax limit measure

Dear Senator Monning, Senator Cannella, Assemblymember Alejo, Assemblymember Stone:

On behalf of , I am writing to express our support for legislation that would provide an exemption from the current two percent cap for the Transportation Agency for Monterey County to pursue a local sales tax measure, subject to voter approval, for transportation in 2016.

Existing law authorizes various local governmental entities to levy a transactions and use tax for specific purposes, in accordance with the Transactions and Use Tax Law, including a requirement that the combined rate of all taxes that may be imposed under that law in the county may not exceed 2%.

TAMC is considering a 3/8% (0.375%) countywide transportation investment measure, aiming for the November 2016 ballot. However, with other non-transportation tax measures proposed by Monterey County jurisdictions, there will not be sufficient capacity under the 2% local option sales tax cap countywide. The TAMC Board agreed that it is important to continue to pursue a \$20 million/year sales tax measure to provide critically needed investments into Monterey County's transportation system.

This special legislation to provide an exemption to the 2% local option cap would allow TAMC to proceed with its proposed 3/8% sales tax measure. Monterey County's transportation system is falling apart and needs fixes to provide safer ways for people to get around and get to work, school, and businesses, to support our economy.

The mission of TAMC is to develop and maintain a multimodal transportation system that enhances mobility, safety, access, environment quality and economic activities in Monterey County. The reliability of federal and state funding for transportation needs has become tenuous and challenging. There is a significant funding shortfall, making it difficult to maintain existing roads, or to make needed safety and mobility improvements. Many counties have opted to become “self-help” counties with voter approved transportation measures dedicated to meet their local needs. An important component of becoming a “self-help” county is that the community controls the funds and determines how the funds are spent.

I strongly urge you to support TAMC’s effort to make Monterey County a “self-help” county to fund transportation infrastructure. Thank you for supporting efforts to improve transportation in California.

Sincerely,

Local Sales Tax Availability - After TAMC Tax

2015 Tax Rate	% Available after TAMC .375 Tax	Location
7.625%	1.50%	Unincorporated Co.
8.625%	0.50%	Carmel
9.125%	0.00%	Del Rey Oaks
8.125%	1.00%	Gonzales
8.625%	-0.25%	Greenfield *
8.125%	1.00%	King City
8.625%	0.50%	Marina
8.625%	0.50%	Monterey
8.625%	0.50%	Pacific Grove
9.125%	0.00%	Salinas
8.625%	0.50%	Sand City
8.625%	0.50%	Seaside
8.625%	0.50%	Soledad

*If Measures V and W are approved on the Nov. 2015 ballot.