

AGENDA DATE: July 18, 2006



RESOURCE MANAGEMENT AGENCY

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AGENDA ITEM

ITEM NO. _____

SUBJECT:

Tulare County Half-Cent Sales Tax Measure: Expenditure Plan

REQUEST(S):

Approve the Draft Tulare County Half-Cent Transportation Sales Tax Measure: Expenditure Plan.

SUMMARY:

The County and cities all recognize the importance of local transportation systems. These systems have a direct impact on the public, agriculture, business, industry, and the local economy.

Most of the infrastructure supporting transportation within Tulare County was constructed in the early- to middle-part of the last century. This was well before the adoption of Proposition 13, which significantly limited funds to the County and cities for infrastructure maintenance. This loss of income has not been adequately compensated by other sources, such as State and Federal funds. New revenue sources will be needed to allow maintenance of existing infrastructure, or construction of new facilities.

The Tulare County Association of Governments (TCAG) intends to propose a countywide, half-cent sales tax at the general election in November, 2006. This tax would be imposed

both in incorporated and unincorporated areas, to supplement current revenues for transportation in Tulare County.

On June 26, 2006, TCAG Board directed its staff to prepare an Expenditure Plan, for referral to the County and cities that includes the following elements:

1. Distribution and Allocation of funds:

Regional Projects	50%
Transit/Bike/Environmental	14%
Discretionary	35%
Administration	1%

2. In Regional Projects Tier I would include only Regional Projects in the previously approved (2004) TCAG Regional Transportation Plan (RTP).

Tier II projects would be funded after Tier I projects, if funded, and would be amended into the RTP.

3. Discretionary funding distribution would be based on:

- 50% Population
- 25% Maintained Road Mileage
- 25% Daily Vehicle Miles Traveled

4. The TCAG JPA would be modified to include only elected officials.

5. A Citizens' Advisory Committee would be formed.

Countywide revenue generated by the Half-Cent Sales Tax Measure is projected to be \$21 million per year. In the unincorporated areas of Tulare County discretionary funds generated for road rehabilitation is estimated at \$3.9 million per year; this results in \$117 million (with no growth rate in sales tax proceeds) generated for projects over the next 30 years.

Discussion:

The Tulare County Association of Governments (TCAG) has been leading the effort to put a Half-Cent Countywide Transportation Sales Tax Measure on the November 2006 ballot. In March 2006, TCAG conducted a professional survey of voters in Tulare County to test support of a transportation sales tax measure.

Survey results indicated strong support for such a measure. Kern, Fresno and Madera Counties are considering similar measures on the November ballot, and Tulare County could gain a benefit from being on the ballot at the same time.

TCAG formed a technical advisory committee to address how the measure could be structured. The committee devised four general categories of funding by the percentage of the overall sales tax program:

Categories	Percentage Contribution
Regional Projects	50%
Transit/Bike/Environmental	14%
Discretionary	35%
Administration	1%

The Regional Projects include, as a base, the regional projects identified in the 2004 Regional Transportation Plan (RTP.) A “call for projects” was issued to all member agencies for future projects; these projects will be ranked by the TCAG Technical Committee as “Tier II projects” using their present RTP criteria.

The other category includes bike, transit, environmental, and pedestrian projects. A “call for projects” was issued to all member agencies for future projects. All of the requests are contained in the Draft Expenditure Plan.

The Discretionary category gives flexibility to member agencies for funding use. Each agency has different needs; flexible funding would allow addressing local priorities. It is the recommendation of the TCAG Board that this be distributed to the County and cities based on the formula: Population (50%), Maintained Road Miles (25%), and Daily Vehicle Miles Traveled (25%) updated each year.

Oversight and accountability by a Joint Powers Authority (JPA) under TCAG and Citizens’ Advisory Committee, is being researched and drafted by TCAG and Tulare County Counsel.

Funds generated by the Half-Cent Countywide Transportation Sales Tax Measure will make Tulare County a “self-help county” and give the County and cities matching funds for future federal and state funding.

Before the Measure can be placed on the ballot, the approval of the Expenditure Plan is necessary by Tulare County and at least five incorporated cities representing a majority of the incorporated population. This will authorize TCAG to vote on July 24, 2006 to move forward with the next steps to place the measure on the November 2006 ballot.

FINANCING:

The initial cost (\$10,000 to \$15,000 per Election Office) to place the measure on the ballot will be paid for by County contributions. If the measure is approved by the voters, the cost of the election will be refunded by the Authority with sales tax revenues.

However, an extensive campaign by the private sector will be required. The cost estimate for this campaign would be approximately \$400,000.

ALTERNATIVES:

To not support approval of the Draft Tulare County Half-Cent Transportation Sales Tax Measure: Expenditure Plan.

To provide further guidance regarding the Measure's development.

INVOLVEMENT OF OTHER DEPARTMENTS OR AGENCIES:

TCAG prepared the Expenditure Plan.


County Counsel is drafting the amendment to the TCAG JPA and the Half-Cent Sales Tax Measure ballot language.

SIGNATURE REQUIREMENTS:

County Administrative Officer/Clerk of the Board of Supervisors or authorized Deputy to attest to the Resolution.

ADMINISTRATIVE SIGN OFF:

RESOURCE MANAGEMENT AGENCY


Jean P. Brou
Assistant Director – Transportation


Henry Hash, Director

**BEFORE THE BOARD OF SUPERVISORS
COUNTY OF TULARE, STATE OF CALIFORNIA**

**IN THE MATTER OF THE
HALF-CENT SALES TAX MEASURE:
EXPENDITURE PLAN**

)
) **RESOLUTION NO.** _____
)

UPON MOTION OF SUPERVISOR _____, SECONDED BY
SUPERVISOR _____, THE FOLLOWING WAS ADOPTED BY THE BOARD
OF SUPERVISORS, AT AN OFFICIAL MEETING HELD JULY 18, 2006, BY THE
FOLLOWING VOTE:

AYES:
NOES:
ABSTAIN:
ABSENT:

ATTEST: C. BRIAN HADDIX
COUNTY ADMINISTRATIVE OFFICER/
CLERK OF THE BOARD OF SUPERVISORS

By _____
Deputy Clerk

Approved the Draft Tulare County Half-Cent Transportation Sales Tax Measure:
Expenditure Plan.