

City of Scotts Valley CITY COUNCIL STAFF REPORT

DATE: June 21, 2017

TO: Honorable Mayor and City Council

FROM: Jessica Kahn, Civil Engineer

Approved: Jenny Haruyama, City Manager

SUBJECT: **AUTHORIZE THE CITY MANAGER TO EXECUTE THE MASTER AGREEMENT FOR MEASURE D FORMULA FUNDS WITH THE SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION AND APPROVE THE 5-YEAR PROGRAM OF PROJECTS**

SUMMARY OF ISSUE

Measure D, the transportation ballot measure passed by Santa Cruz County voters on November 8, 2016, provides funding for efforts related to maintaining and improving local roads, including pavement, bicycle, and pedestrian infrastructure for a period of ten years. The Regional Transportation Commission (RTC) is responsible for implementation and administration of the measure and on May, 18 2017 approved the Master Agreement for Measure D formula funds and Guidelines for Direct Allocations for Neighborhood Projects and Transportation for Seniors and People with Disabilities.

The agreement and its implementing guidelines are meant to ensure that funds are spent in accordance with the Measure D Ordinance and Expenditure Plan and ensure that standardized procedures are applied to each recipient of Measure D revenues. They clarify roles and responsibilities, provide guidance on eligible uses and expenditures, outline the obligations of RTC in distributing the funds and the recipient agencies in expending the funds. The documents also include funding allocation, payment and expenditure provisions, direct local distribution summary, reporting provisions, and liability and indemnification responsibilities.

Accountability Measures

Measure D includes transparency and accountability measures. These include:

- requirements to make information available to the public about projects funded by Measure D,
- involving the community in the decision-making process for how funds will be used each year (through the “5-year Program of Projects” or “5-year plans”),
- tracking how funds were spent (through annual reports and audits),
- a taxpayer oversight committee which reviews the annual expenditures and audits, and
- maintenance of effort requirements that ensure that new revenues are used to supplement and not supplant revenues used for transportation purposes.

SB1 also includes accountability measures, including a local maintenance of effort requirement. Once guidance is established for SB1, the RTC may combine the maintenance of effort reporting requirements for Measure D with those for SB1.

5-Year Program of Projects

As established in the Measure D Ordinance, all entities receiving Measure D funds are required to develop a five-year program of projects, identifying how each agency plans to use Measure D funds in the upcoming 5 years. The 5-year project list will be updated annually and must be approved following a public hearing.

Projects eligible to be funded by Measure D were reviewed by the Council in consideration of the Five-Year Capital Improvement Plan on April 3, and again as part of the preliminary Annual Budget review on May 17. The City identified four projects to be funded using Measure D funds:

| CIP # | Description | Fiscal Year | Amount Funded by Measure D |
|--------------|---|-------------|----------------------------|
| 17 | Pavement Rehabilitation –Green Hills Road | 2017/18 | \$ 100,000 |
| 20 | Pavement Rehabilitation – Bean Creek Road | 2018/19 | 500,000 |
| 21 | Rehabilitation of Glenwood Drive | 2020/21 | 566,800 |
| 22 | Sidewalk Improvements on Kings Village Road | 2021/22 | 181,300 |
| Total | | | \$1,348,100 |

Annual Reporting and additional requirements

Starting in 2018 the City will be required to submit an annual report which includes:

- an updated five-year program of projects,
- a report on prior fiscal year expenditures,
- progress made to improve the transportation system,
- how maintenance of effort requirements have been met to ensure Measure D revenues are supplementing (not supplanting) other revenues, and
- the degree to which Measure D funds were used to secure additional funding from other sources (leveraging other funds).

The City must also adopt a Complete Street policy by April 1, 2018, and comply with the California Complete Streets Act of 2008 (per Section 8 of the Guidelines). This is scheduled to be completed with the update to the City’s General Plan currently in progress.

FISCAL IMPACT

The City is projected to receive approximately \$250,000 in Measure D funds per year through March 31, 2047.

STAFF RECOMMENDATION

It is recommended that the City Council:

- 1) Approve Resolution No. 1923.1, approving the Santa Cruz County Regional Transportation Commission (RTC) Measure D Master Funding Agreement for Measure D formula funds and any related future amendments with the RTC, and authorize the City Manager and City Attorney to execute the Master Agreement.
- 2) Approve Resolution No. 1923.2, approving the FY 2017/1/ to FY 2021/22 Five-Year Program of Projects (FY17/18 – FY21/22) to be funded with Measure D revenues.

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RESOLUTION NO. 1923.1

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SCOTTS VALLEY
APPROVING THE SANTA CRUZ REGIONAL TRANSPORTATION COMMISSION
MEASURE D MASTER FUNDING AGREEMENT**

WHEREAS, on November 8, 2016, the voters of Santa Cruz County adopted an ordinance approving the Santa Cruz County Transportation Improvement Plan Measure (“Measure D”), authorizing the Santa Cruz County Regional Transportation Commission (“RTC”) to administer the proceeds from a retail transaction and use tax of one-half of one percent (0.5%); and

WHEREAS, sales tax proceeds from Measure D will be collected for 30 years beginning April 1, 2017, which are to be used to pay for the programs and projects outlined in the Measure D Expenditure Plan and Ordinance; and

WHEREAS, Measure D requires entering into a Master Funding Agreement between the RTC and the City in order to distribute Measure D funds to the local jurisdiction; and

WHEREAS, the RTC has developed a Measure D Master Funding Agreement that specifies Measure D Neighborhood Projects funding distributions, RTC’s responsibilities, and the recipient’s responsibilities for revenues collected from April 1, 2017 through March 31, 2047; and

WHEREAS, implementation guidelines for each program are referenced in the Master Funding Agreement to guide fund eligibility and expenditures.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Master Funding Agreement, attached hereto and incorporated herein, is approved.

The above and foregoing resolution was duly and regularly adopted by the City Council of the City of Scotts Valley at a regular meeting held on the 21st day of June, 2017 by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

Approved: _____
Randy Johnson, Mayor

Attest: _____
Tracy A. Ferrara, City Clerk

**MEASURE D
MASTER FUNDING AGREEMENT
between the
SANTA CRUZ COUNTY REGIONAL TRANSPORTATION COMMISSION
and the
CITY OF SCOTTS VALLEY**

This Master Funding Agreement (“AGREEMENT”), effective the 30th of June, 2017, is entered into by and between the Santa Cruz County Regional Transportation Commission (“RTC”) and the City of Scotts Valley (“RECIPIENT”).

RECITALS

A. On November 8, 2016, the voters of Santa Cruz County, pursuant to the provisions of the Local Transportation Authority and Improvement Act, California Public Utilities Code, Division 19, Section 180000 et seq. (the “Act”), adopted an ordinance approving the Santa Cruz County Transportation Improvement Plan Measure (“Measure D”), thereby authorizing Santa Cruz County Regional Transportation Commission (“RTC”) to administer the proceeds from a retail transaction and use tax of one-half of one-percent (0.5%).

B. The duration of the Measure D sales tax will be 30 years from the initial date of collection, which is April 1, 2017, with said tax to terminate/expire on March 31, 2047. The tax proceeds will be used to pay for the programs and projects outlined in the Measure D Expenditure Plan and Ordinance, as it may be amended.

C. The Measure D Ordinance authorizes the RTC to allocate, administer, and oversee the expenditure of all Measure D revenues and to distribute revenues no less than quarterly to local jurisdictions, Santa Cruz Metropolitan Transit District (METRO), and the Consolidated Transportation Service Agency (CTSA): Community Bridges Lift Line, consistent with the formulas and provisions set forth in the Expenditure Plan;

D. This Agreement delineates the requirements of the Measure D funds that are directly allocated to local jurisdictions, METRO and Community Bridges, as authorized by the Measure D Expenditure Plan. Funds for projects identified in the expenditure plan to be funded from the highway corridors, rail corridor, and/or Monterey Bay Sanctuary Scenic Trail (Coastal Rail Trail) categories are not the subject of this AGREEMENT, and RECIPIENT will be required to enter into a separate agreement for any funds from those investment categories.

E. This AGREEMENT was approved by the governing body of the RTC on May 18, 2017.

NOW, THEREFORE, it is mutually agreed by and between the parties as follows:

ARTICLE I: FUNDING ALLOCATIONS

1. This AGREEMENT authorizes the RTC to allocate the direct allocation funds derived from Measure D receipts as described in the voter-approved Ordinance and Expenditure Plan for the following:

- Neighborhood Projects: Direct Allocation to Cities and County
- Transportation for Seniors and People with Disabilities: Direct Allocation to Service Providers

2. All Measure D distributions pursuant to this AGREEMENT shall be effective as of July 1, 2017.

A. Neighborhood Projects Program: Direct Allocation to Local Jurisdictions

1. Consistent with the Measure D Expenditure Plan, RTC will distribute Measure D Neighborhood Projects direct allocation funds at least quarterly to incorporated cities and the County of Santa Cruz pursuant to a formula weighted based on each jurisdiction's proportional share of the countywide population (29%), lane miles of roadway (39%) and site in Santa Cruz County where revenue from the Measure D transaction and use tax is generated (32%). RECIPIENT's allocations are subject to change based on variations in annual population, road mile, and tax site generation figures. Data will be updated each year based on the latest available data.

2. The *Measure D: Guidelines for Direct Allocations* ("Guidelines") provide program eligibility and fund usage guidelines, definitions, additional requirements, and guideline adoption details. Said guidelines are hereby incorporated into this AGREEMENT by reference.

3. Neighborhood Projects to be funded with Measure Revenues may include: fixing potholes, local roadway repairs, rehabilitation, reconstruction and intersection improvements; new and improved sidewalks, crosswalks and bicycle lanes and paths, especially near schools; and other transportation projects as necessary for the benefit of residents in those jurisdictions. The County of Santa Cruz and the cities of Capitola, Santa Cruz, Scotts Valley and Watsonville, who are best able to determine their current and future local transportation needs, shall each prepare an annual report through a public process, in accordance with the requirements of this AGREEMENT, to identify how they plan to spend their share of measure funds and how measure funds were spent in the prior year.

B. Transportation for Seniors and People with Disabilities Program: Direct Allocation to METRO and Community Bridges

1. RTC will distribute Measure D direct allocation funds pursuant to set percentages detailed in the Measure D Expenditure Plan.

2. As noted in the Measure D Expenditure Plan: 16% of net Measure Revenues will be distributed to Santa Cruz Metropolitan Transit District (METRO) to provide transit and paratransit service for Seniors and people with disabilities. 4% of net Measure Revenues will be allocated to the Consolidated Transportation Services Agency for Santa Cruz County (Community Bridges-Lift Line) for paratransit service. Paratransit works with social service agencies to increase transportation options for Seniors, individuals with disabilities, and persons with low incomes.

3. The *Measure D: Guidelines for Direct Allocations* ("Guidelines") provide program eligibility and fund usage guidelines, definitions, additional requirements, and guideline adoption details. Said guidelines are hereby incorporated into this AGREEMENT by reference.

ARTICLE II: PAYMENTS AND EXPENDITURES

A. RTC'S DUTIES AND OBLIGATIONS

1. Within thirty working days of actual receipt of the Measure D sales tax revenues from the State Board of Equalization ("BOE") RTC shall remit to the RECIPIENT its designated amount of available direct allocation funds. Funds shall be disbursed on a no less than quarterly basis by the formulas described in Article I Section A or B, as applicable, above. As noted in the Measure D Expenditure Plan: distribution percentages are net after costs required for administration, implementation and oversight of the measure, including RTC administrative salaries and benefits (*limited to 1% of total measure*

revenues), annual independent fiscal audits, reports to the public, preparation and implementation of state-mandated reports, oversight committee, Board of Equalization fees, and other administration, implementation and oversight responsibilities as may be necessary to administer and implement the Ordinance and the Expenditure Plan. These costs are estimated in the RTC's annual budget.

2. RTC shall annually update the Measure D fund revenue projections and the resulting fund allocation formulas to reflect the most current data available. RTC shall use the updated Measure D program allocation formulas in the allocations beginning July 1 of each new fiscal year, which is from July 1 to June 30.

3. RTC shall report quarterly to the public the amount of Measure D revenues distributed to RECIPIENT quarterly and for the fiscal year.

4. RTC shall provide for an independent annual audit of its financial statements including revenues and expenditures and also of its calculation of the allocation formula for distributing Measure D revenues to various recipients and render an annual report to the RTC within 180 days following the close of the fiscal year. The RTC may consider extensions to this deadline on a case-by-case basis.

5. RTC shall provide at least 45 days' notice to RECIPIENT prior to conducting an audit of expenditures made by RECIPIENT to ensure that expenditures are in compliance with this AGREEMENT and the Measure D Ordinance and Expenditure Plan.

B. RECIPIENT'S DUTIES AND OBLIGATIONS

1. RECIPIENT shall expend all Measure D funds received in compliance with applicable policies, guidelines and plans, including the Guidelines, the Measure D Ordinance, Expenditure Plan, 30-year Implementation Plan, and consistency with the Regional Transportation Plan and performance measures, as they may be adopted or amended by RTC from time to time.

2. RECIPIENT shall set up and maintain an appropriate system of accounts to report on Measure D funds received. RECIPIENT must account for Measure D funds, including any interest received or accrued, separately for each program, and from any other funds received from the RTC. The accounting system shall provide adequate internal controls and audit trails to facilitate an annual compliance audit for Measure D funds and the respective usage and application of said funds. RTC and its representatives, agents and nominees shall have the absolute right at any reasonable time to inspect and copy any accounting records related to such funds, except to the extent specifically prohibited by applicable law.

3. RECIPIENT shall expend Measure D allocations as quickly as possible for cost-effective eligible projects, but may reserve annual allocations for a maximum of no more than five fiscal years for larger projects that are identified in the Five-Year Program of Projects. If funds are not obligated and expended within five years, funds may be redirected after sixty (60) days of the end of the fifth fiscal year, at RTC's discretion, to other Measure D recipient agencies for projects that can be immediately implemented, unless a corrective action plan has been submitted to and approved by the RTC, an exception due to extenuating circumstances has been approved by the RTC board, or a "cooperative fund agreement" (described in Section II.C) has been approved by the RTC.

4. RECIPIENT hereby agrees to and accepts the formulas used in the allocation of Measure D revenues as reflected in the voter-approved Measure D Ordinance and Expenditure Plan, as it may be amended as provided therein, and agrees to accept the annual update of the sales tax allocation formulas, as reported by the RTC in its annual budget.

5. RECIPIENT hereby agrees that prior to commencement of any specific project or activity which will be funded with Measure D revenues, requirements of the California Environmental Quality Act (CEQA) and/or the National Environmental Policy Act (NEPA) shall be met, if applicable. The RTC shall not be the lead agency for any project or activity undertaken by RECIPIENT using Measure D revenues.

6. RECIPIENT hereby agrees to actively work to leverage or secure matching outside funding sources. Any additional Measure D revenues made available through their replacement by matching funds will be spent based on the principles outlined for fund allocations described in the Ordinance and Expenditure Plan.

C. OTHER EXPENDITURE CONDITIONS AND RESTRICTIONS

1. **Transportation Purposes Only:** RECIPIENT shall use all Measure D funds solely for transportation purposes as defined by the authorizing ballot measure. If RECIPIENT violates this provision, all further allocations shall be suspended until RECIPIENT fully reimburses all misspent funds, including all interest which would have been earned thereon. If RECIPIENT does not reimburse misspent funds, further allocations will be redistributed to other projects in the Neighborhood Projects or Transit categories of Measure D.

2. **Interest Earnings:** As set forth in the Measure D Ordinance, agencies implementing the Expenditure Plan projects may accumulate revenue over multiple years so that sufficient funding is available for larger and long-term projects. Any interest income earned on funds allocated pursuant to the Measure D ordinance or this AGREEMENT shall be expended only for the purposes for which the funds were allocated.

- a. Interest earnings on must be spent on the eligible uses defined in the Measure D Expenditure Plan, Ordinance, and “Guidelines.”
- b. Beginning in FY 18/19, each recipient agency shall estimate annual interest earnings and reflect these earnings in their 5-Year Program of Projects.
- c. The expenditure of interest earnings according to this policy will be included in the annual audit required by the Measure D Ordinance.

3. **Maintenance of Effort/Non-Substitution of Funds:** Pursuant to California Public Utilities Code Section 180001(e), RECIPIENT shall use Measure D funds to supplement and not replace existing local revenues used for transportation purposes. Measure D revenues also shall not be used to replace revenues used for existing agency indirect costs or overhead. As set forth in the Measure D Ordinance: Existing funds, revenues and other resources being used for transportation purposes include but are not limited to federal and state funding, the collection of traffic impact mitigation fees, other local impact fees, and dedications of property. The funds generated by the Transportation Tax shall not be used to replace existing transportation funding or to replace requirements for new development to provide for its own transportation needs. The entities receiving Measure D Revenues shall maintain their existing commitment of discretionary local transportation-related expenditures for transportation purposes pursuant to the ordinance, and the RTC shall enforce this requirement by appropriate actions, including fiscal audits of the local agencies. RECIPIENTS shall report on their compliance in the annual report. The *Measure D: Guidelines for Direct Allocations* (“Guidelines”) provide additional guidance.

4. **Cooperative Fund Agreements:** To maximize the effective use of funds, revenues may be transferred or exchanged between or among jurisdictions receiving funds from this measure. Jurisdictions receiving funds may, by annual or multi-year agreement, exchange funds provided that the percentage of funds allocated as provided in the Expenditure Plan is maintained over the duration of the period of time the tax is imposed. Agreements to exchange funds, including fund repayment provisions, must be approved by the RTC and shall be consistent with all rules adopted or approved by the RTC relating to

such exchanges. Subject to concurrence of RECIPIENT, the RTC may exchange Measure D revenues for State or federal funds allocated or granted to any public agency within or outside the area or jurisdiction of the RTC to maximize effectiveness in the use of the Measure D revenues. Such federal or State funds shall be distributed in the same manner as Measure D revenues. The RTC shall maintain for public review an accounting of all balances that are subject to cooperative agreements approved pursuant to this section.

5. **Staff Cost Limitations:** Direct costs associated with the delivery of programs and projects associated with Measure D programs, including direct staff costs and consultant costs, are eligible uses of Measure D funds. The intent of the measure is to expand and improve the transportation network through the construction, maintenance and operation of transportation projects and services. RTC does not allow indirect costs, unless the RECIPIENT submits an independently audited/approved Indirect Cost Allocation Plan (ICAP). This may include, but not be limited to, the ICAP prepared for other state or federal programs.

ARTICLE III: REPORTING REQUIREMENTS

A. REQUIREMENTS AND WITHHOLDING

1. RECIPIENT shall comply with each of the reporting requirements set forth below. If RECIPIENT fails to comply with one or more of these requirements, RTC may withhold payment of further Measure D funds to RECIPIENT until full compliance is achieved.

2. RECIPIENT shall, by December 31st of each year, submit to RTC separate independently audited financial statements for the prior fiscal year ending June 30 of Measure D funds received and used. The RTC may consider extensions of the due date on a case-by-case basis. The audit, which shall be made available to the public, shall report on evidence that the expenditure of funds is in accordance with the Expenditure Plan adopted by the voters. The RTC will prepare a publicly available annual report on past and upcoming activities and publish an annual financial statement on the RTC website.

3. RECIPIENT shall actively conduct public outreach, in partnership with RTC and/or its advisory committees, as a means of ensuring that the public has the ability to access information about which projects and programs are funded with Measure D funds.

4. RECIPIENT shall, by December 31st of each year, submit to RTC an annual report (covering the prior fiscal year) regarding programs and projects on which RECIPIENT expended Measure D funds. The RECIPIENT agency board shall annually adopt the annual report, after holding a public hearing. The annual report shall include 1) a five-year program of projects including information about each of the projects to be funded with Measure D revenues. RECIPIENT shall submit the program of projects to the RTC in a format that can be easily understood by members of the public; and 2) Description of expenditures of Measure Revenues from the most recently completed fiscal year. Some agencies may adopt the five-year program of projects as part of their annual budget, capital improvement programs, or other process earlier in the year, but must submit the list no later than December 31.

5. RECIPIENT shall document expenditure activities and report on the performance of Measure D funded activities through the annual report process, or through other RTC performance and reporting processes as they may be requested, including but not limited to the annual Five-Year Program of Projects, planning and monitoring reports. The RTC shall utilize information from RECIPIENT on expenditures to prepare a comprehensive report to the public on the expenditure of Measure D revenues.

6. RECIPIENT shall install or mount signage adjacent to Measure D funded construction projects and/or on vehicles funded with Measure D funds where practical, so Santa Cruz County taxpayers are

informed as to how RECIPIENT is using Measure D funds. See separate “*Measure D: Sign Specifications*” [under development] for additional signage guidance.

7. RECIPIENT shall provide current and accurate information on RECIPIENT’s website, to inform the public about how RECIPIENT plans to use and is using Measure D funds. RECIPIENT shall notify RTC staff once the draft 5-year program of projects is available for public review and at least two weeks in advance of the anticipated date of the public hearing and board action on the annual 5-Year Program of Projects.

8. RECIPIENT shall, at least annually, publish an article highlighting a project or program funded by Measure D funds. This could be in a local newspaper, agency newsletters, or via internet-based platforms, including but not limited to blogs, websites, and social media sites.

9. RECIPIENT shall make its administrative officer or designated staff available upon request to render a report or answer any and all inquiries in regard to RECIPIENT’s receipt, usage, and/or compliance audit findings regarding Measure D funds before the RTC and/or the Independent Oversight Committee or RTC advisory committees, as applicable.

10. RECIPIENT agrees that RTC may review and/or evaluate all project(s) or program(s) funded pursuant to this AGREEMENT. This may include visits by representatives, agents or nominees of RTC to observe RECIPIENT’s project or program operations, to review project or program data and financial records, and to discuss the project with RECIPIENT’s staff or governing board.

ARTICLE IV: OTHER PROVISIONS

A. INDEMNITY BY RECIPIENT

1. Neither RTC, nor its governing body, elected officials, any officer, consultant, agent, or employee thereof shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by RECIPIENT in connection with the Measure D funds distributed to RECIPIENT pursuant to this AGREEMENT. It is also understood and agreed, pursuant to Government Code Section 895.4, RECIPIENT shall fully defend, indemnify and hold harmless RTC, its governing body, and all its officers, agents, and employees, from any claims or liability imposed on RTC for injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by RECIPIENT in connection with the Measure D funds distributed to RECIPIENT pursuant to this AGREEMENT.

B. INDEMNITY BY RTC

1. Neither RECIPIENT, nor its governing body, elected officials, any officer, consultant, agent, or employee thereof shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by RTC under or in connection with any work, authority or jurisdiction delegated to RTC under this AGREEMENT. It is also understood and agreed, pursuant to Government Code Section 895.4, RTC shall fully defend, indemnify, and hold harmless RECIPIENT, and its governing body, elected officials, all its officers, agents, and employees from any claims or liability imposed on RECIPIENT for injury (as defined in Government Code Section 810.8) occurring by reason of anything done or omitted to be done by RTC under or in connection with any work, authority or jurisdiction delegated to RTC under this AGREEMENT.

C. JURISDICTION AND VENUE

1. The laws of the State of California will govern the validity of this AGREEMENT, its interpretation and performance, and any other claims to which it relates. All legal actions arising out of this AGREEMENT shall be brought in a court of competent jurisdiction in Santa Cruz County, California and the parties hereto hereby waive inconvenience of forum as an objection or defense to such venue.

D. TERM

1. The term of this AGREEMENT shall be from April 1, 2017 to June 30, 2022, unless amended in writing or a new Master Funding Agreement is executed between RTC and RECIPIENT for Measure D revenues.

E. SEVERABILITY

1. If any provision of this AGREEMENT is found by a court of competent jurisdiction or, if applicable, an arbitrator, to be unenforceable, such provision shall not affect the other provisions of the AGREEMENT, but such unenforceable provisions shall be deemed modified to the extent necessary to render it enforceable, preserving to the fullest extent permissible the intent of the parties set forth in this AGREEMENT.

F. MODIFICATION

1. This AGREEMENT, as well as the referenced Guidelines, Measure D Ordinance and Expenditure Plan, constitutes the entire AGREEMENT, supersedes all prior written or oral understandings regarding Measure D program funds (but not project funding agreements). This AGREEMENT may only be changed by a written amendment executed by both parties. Notwithstanding the foregoing, the Guidelines, performance measures, and other policies related to Measure D funds may be changed from time to time by the RTC, and any such changes shall be incorporated herein to the same extent as the underlying policy so amended.

IN WITNESS WHEREOF, the parties have executed this AGREEMENT by their duly authorized officers as of the date first written below.

CITY OF SCOTTS VALLEY

**SANTA CRUZ COUNTY REGIONAL
TRANSPORTATION COMMISSION (RTC)**

Name Date
Title

George Dondero Date
Executive Director

Approved as to Form:

Approved as to Form:

By: _____
Name Date

By: _____
Legal Counsel to SCCRTC Date

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**Measure D: Guidelines for Direct Allocations for
Neighborhood Projects and Transportation for Seniors and People with Disabilities**

Approved by SCCRTC 5/18/17

Section 1. Purpose

- A. To specify the eligible uses of and requirements for funds authorized under Measure D (2016) that local jurisdictions, Santa Cruz Metropolitan Transit District (METRO), and the Consolidated Transportation Services Agency (CTSA) for Santa Cruz County: Community Bridges Lift Line must follow in their use of Measure D funds authorized under the “Neighborhood Projects” and “Transportation for Seniors and People with Disabilities” categories. These guidelines are incorporated by reference into the *Measure D Master Funding Agreement*. Additional terms and conditions are contained in the agreements themselves, the Measure D Ordinance and Expenditure Plan. The intent of these guidelines is to:
1. Provide guidance on eligible uses and expenditures of Measure D “Neighborhood Projects” and “Transportation for Seniors and People with Disabilities” direct allocation funds.
 2. Guide implementation of the Measure D Ordinance and Expenditure Plan, as it relates to these direct allocations.
- B. These guidelines only apply to the ongoing formula allocations of net revenues to cities, the County of Santa Cruz, and transit/paratransit operators (RECIPIENTS) pursuant to Measure D and the Expenditure Plan associated therewith. Separate Guidelines apply to “Neighborhood Projects” investments which are allocated specific dollar amounts (Highway 9 Corridor in San Lorenzo Valley and Highway 17 Wildlife Crossing) and other Measure D investments categories (Highway Corridors, Active Transportation, and Rail Corridor).

Section 2. Authority

- A. The Santa Cruz County Regional Transportation Commission (RTC) is responsible for implementation of Measure D. These guidelines, adopted by the RTC board, set forth eligible uses and expenditures of Measure D revenues designated to the “Neighborhood Projects” and “Transportation for Seniors and People with Disabilities” categories. The RTC may update these guidelines on an as-needed basis, effective upon approval of the RTC board, and will do so with involvement of Measure D revenue recipients, and the RTC’s technical, bicycle, and elderly/disabled advisory committees, as applicable. Exceptions to these guidelines must be requested in writing and be approved by the RTC board.

Section 3. Background

- A. On November 8, 2016, voters approved the 2016 Santa Cruz County Transportation Improvement Plan - Expenditure Plan: Measure D, which allocates 30% of net Measure D revenues to a “Neighborhood Projects” program and 20% to a “Transportation for Seniors and People with Disabilities” program. Section 5 of these guidelines clarifies eligible fund uses and expenditures in association with these Direct Allocation funds (also referred to as formula funds, direct distributions, direct allocations).
- B. **Neighborhood Projects – Direct Allocation to Cities and County:** As set forth in the voter- approved Expenditure Plan, all but \$15 million (total over 30 years) of funds allocated to Neighborhood Projects (30% of net Measure D revenues) will be distributed to the cities of Capitola, Santa Cruz, Scotts Valley, and Watsonville and the County of Santa Cruz for eligible transportation projects based on the formula set forth in the Measure D Expenditure Plan.
- C. **Transportation for Seniors and People with Disabilities:** Direct Allocation to Service Providers funds will be distributed as follows:
1. 16% of net Measure D Revenues will be distributed to Santa Cruz Metropolitan Transit District

(METRO) to provide transit and paratransit service for seniors and people with disabilities.

2. 4% of net Measure D Revenues will be allocated to Community Bridges Lift Line, as the Consolidated Transportation Services Agency (CTSA) for Santa Cruz County for paratransit services that increase transportation options for seniors, individuals with disabilities, and persons with low incomes.

D. In the event that any agency that is designated to receive direct allocation funds through the Expenditure Plan is dissolved, the RTC may redistribute funds based on the same formulas minus the dissolved agency. New or successor entities that come into existence in Santa Cruz County during the life of the Expenditure Plan, such as incorporation of a new city, merging of agencies, or designation of a new agency as the county Consolidated Transportation Services Agency or transit agency, may be considered as eligible recipients of funds through the amendment process as set forth in the Ordinance.

Section 4. Definition of Terms

- A. **Authority/RTC:** The Santa Cruz County Regional Transportation Commission (RTC) is the state-designated regional transportation planning agency and is the Local Transportation Authority (Authority) for Santa Cruz County which performs long-range planning and funding for countywide transportation projects and programs, and administers the Measure D half-cent transportation sales tax programs, approved by voters on November 8, 2016.
- B. **Capital project:** A capital investment that typically requires the following phases: planning/feasibility, scoping, environmental clearance, design, right-of-way, construction, and completion.
- C. **Complete Street:** A transportation facility that is planned, designed, operated, and maintained to provide safe mobility for all users, including bicyclists, pedestrians, transit vehicles, truckers, and motorists, appropriate to the function and context of the facility. Complete street concepts apply to rural, suburban, and urban areas. (Caltrans definition)
- D. **Complete Streets Act of 2008:** The California Complete Streets Act (Assembly Bill 1358) was signed into law in September 2008. It requires that local jurisdictions modify their general plans as follows:
 1. Commencing January 1, 2011, upon any substantial revision of the circulation element, the legislative body shall modify the circulation element to plan for a balanced, multimodal transportation network that meets the needs of all users of the streets, roads, and highways for safe and convenient travel in a manner that is suitable to the rural, suburban, or urban context of the general plan.
 2. For the purposes of this paragraph, “users of streets, roads, and highways” means bicyclists, children, persons with disabilities, motorists, movers of commercial goods, pedestrians, skaters, users of public transportation, seniors, and other users of transportation facilities.
- E. **Cost Allocation Plans (CAPs):** CAPs and indirect cost (IDC) rate proposals are plans that provide a systematic manner to identify, accumulate, and distribute allowable direct and indirect costs to programs funded through the RTC Master Funding Agreements.
- F. **Direct cost (DC):** A cost completely attributed to the provision of a service, operations, a program, a capital cost, or a product. These costs include documented hourly project staff labor charges (salaries, wages, and benefits) that are directly and solely related to the implementation of Measure D-funded projects, consultants, contractors, and materials. These funds may be used for travel or training if they are directly related to the implementation of the “Neighborhood Projects” and “Transportation for Seniors and People with Disabilities” funds.

- G. **Direct Local Allocation (or Distribution) Funds:** Funds allocated based upon a funding formula defined in a voter approved measure and allocated to eligible agencies on a regularly schedule basis (no less than quarterly).
- H. **Education and promotion:** Marketing, education, information, outreach, and promotional campaigns and programs funded by Measure D.
- I. **Environmental documents:** Preparation of environmental documents, such as those related to the California Environmental Quality Act (CEQA) and/or the National Environmental Policy Act (NEPA), or permits required by state or federal permitting agencies.
- J. **Equipment and vehicles:** Purchase or lease of vehicles and equipment for Measure D-funded transportation services, information dissemination, fare collection, maintenance, etc.
- K. **Grants:** Funding for plans, programs, or projects based on a competitive call for projects; evaluated based on applicable evaluation criteria; and allocated based on a reimbursement basis.
- L. **Indirect cost:** Also known as “overhead,” any cost of doing business other than direct costs. These costs include utilities, rent, administrative staff, officers’ salaries, accounting department costs, and personnel department costs, which are requisite for general operation of the organization but are not directly allocable to a particular service or product.
- M. **Maintenance:** Repairs, renovation, or upgrade of existing facility or infrastructure.
- N. **Net Measure D Revenues:** The net amount of Measure D sales tax revenues remaining after costs required for administration, implementation and oversight of the measure. These expenses include annual independent fiscal audits, reports to the public, preparation and implementation of state-mandated reports, oversight committee, and other administration, implementation and oversight responsibilities as may be necessary to administer and implement the Ordinance and the Expenditure Plan. Net revenues are distributed by formula to the investment categories identified in the Expenditure Plan.
- O. **Operations:** Provision of services that operate transportation facilities and programs. Operations costs do not include the costs to operate community outreach or other programs not directly related to a specific transportation service, program, or product.
- P. **Pedestrian crossing improvements:** Pedestrian crossing improvements such as crosswalks, roadway/geometric changes, or reconfiguration specifically benefiting pedestrians.
- Q. **Planning:** Identification of project and program current conditions and needs and development of strategies and plans to address the identified needs.
- R. **Project completion/closeout:** Inspection/project acceptance, final invoicing, final reporting, and the processes for closing out a project.
- S. **Recipient:** Agencies receiving direct allocations of funds from the “Neighborhood Projects” and “Transportation for Seniors and People with Disabilities” Expenditure Plan categories.
- T. **Scoping and project feasibility:** Early capital project phases that identify project needs, costs, and implementation feasibility.
- U. **Sidewalks and ramps:** New sidewalks, sidewalk maintenance, curb ramps, and stairs/ramps for pedestrian and Americans with Disabilities Act access.

- V. **Signage:** Warning, regulatory, wayfinding, or informational signage.
- W. **Signals:** New traffic signals or crossing signals, signal upgrades, countdown signals, audible signals, or signal timing improvements.
- X. **Street resurfacing and maintenance:** Repaving and resurfacing of on-street surfaces, including striping.
- Y. **Traffic calming:** Infrastructure primarily aimed at slowing down motor vehicle traffic.

Section 5. Fund Allocations

A. “Neighborhood Projects” Direct Allocation Funds

1. *General:* RTC distributes Measure D “Neighborhood Projects” funds to incorporated cities in the county and to the County of Santa Cruz to be spent on transportation capital improvements intended to directly maintain and improve the multimodal local streets and roads network in Santa Cruz County. Each city and Santa Cruz County will receive their proportional share (which share shall be adjusted annually as described in the Master Funding Agreement) of the direct allocation Neighborhood Projects funds based on the formula specified in the Measure D Expenditure Plan, as it may be amended from time to time as provided therein. These funds are allocated on a no less than quarterly basis directly to each city and the County. Recipient agencies must place all such funds in a separate account for the Measure D program and will require annual audits. Agencies will maintain all interest accrued from the Measure D funds within the program.
2. *Formula:* Neighborhood Project Funds to cities and the County of Santa Cruz shall be distributed by the following formula: Proportional share of the countywide population (29%), lane miles of roadway (39%) and site where the Measure Revenue from the transaction and use tax is generated (32%). Population, road mile, and tax site generation figures will be updated each year based on the latest available data.
3. *Eligible Project Types:* These funds may be used for any local transportation need based on local priorities identified in the recipient agency’s annually updated 5-Year Program of Projects. Neighborhood Projects to be funded with Measure D revenues may include the items below under Eligible Uses (5) which are determined as necessary for the benefit of residents in those jurisdictions and approved through a public process by the jurisdiction.
4. The County of Santa Cruz and the cities of Capitola, Santa Cruz, Scotts Valley and Watsonville, who are best able to determine their local transportation needs, shall each prepare an annual report through a public process to identify how they plan to spend their share of measure funds in the next five years and how measure funds were spent in the prior year.
5. *Eligible Uses:* The Measure D “Neighborhood Projects” funds allocated to cities and the County of Santa Cruz may be used for capital projects, programs, maintenance, and operations that directly improve local streets and roads and local transportation. These include streets and roads projects, local transit projects, bicycle and pedestrian projects, projects (sponsored by others) that require local agency support, and other transportation projects, as approved through a public process by the jurisdiction. Where applicable, projects will also incorporate complete streets practices that make local roads safe for all modes, including bicyclists and pedestrians, and accommodate transit. Eligible uses for these funds include, but are not necessarily limited to:

- a. Capital projects, including:
 - i. All phases of capital projects, including feasibility studies, planning, environmental, right-of-way acquisition, construction, construction management
 - ii. Transportation infrastructure maintenance and preservation including fixing potholes, repaving, resurfacing, rehabilitation, and reconstruction of local streets, roads, pathways, and maintenance of curbs, gutters and drains.
 - iii. Intersection improvements, including signals, turn lanes, etc.
 - iv. Signage and striping on roadways, including crosswalks, traffic and bicycle lanes
 - v. Improvements or upgrades to transportation bridges and tunnels
 - vi. Installation of or upgrades to sidewalks and curb ramps
 - vii. Americans with Disabilities Act (ADA) on-street improvements, including sidewalk upgrades and curb ramp installations
 - viii. Purchase or lease of equipment or new vehicles dedicated for local streets and roads projects
 - ix. Crossing projects including traffic signals, signage, traffic lights, and striping (at intersections, interchanges, railroads, freeways, etc.), including bicyclist and pedestrian treatments
 - x. Pedestrian facility installation and maintenance, including sidewalk repair and installation, curb ramps, countdown signals, accessible signals, at-grade crossings
 - xi. Bicycle facility installation and maintenance, including bikeways, bicycle routes, boulevards, lanes, multi-use pathways, green lanes, sharrows, bicycle boxes
 - xii. Improvements to roadways at rail crossings, including grade separations and safety protection devices
 - xiii. Pedestrian and bicycle access to, from and at transit facilities
 - xiv. Traffic calming projects
 - xv. Upgrades to or installation of new local streets and roads infrastructure including installation of streets, roads, and highways
 - xvi. Bus stop improvements, including bus pads, turnouts and striping
 - xvii. Improvements to roadways for truck or transit routing.
- b. Transportation system operations including:
 - i. Operations of traffic signal system controls and interconnections, corridor monitoring and management, signal synchronization and transit prioritization.
 - ii. Public transit operations including bus, shuttle, rail, and paratransit services
 - iii. Safe routes to schools programs.

- c. Direct staff and consultant costs that support eligible activities, including the annual report and audit for Measure D revenues.
 - d. Direct staff training costs directly related to implementation of projects or programs implemented with the Measure D “Neighborhood Projects” Funds.
6. *Ineligible Uses:* The following is a list of ineligible uses of Measure D “Neighborhood Projects” funds:
- a. Non-transportation projects such as fees charged to capital construction projects for services or amenities not related to transportation;
 - b. Capital projects, programs, maintenance, operations, or purchases that do not directly improve local transportation facilities;
 - c. Projects or programs that exclusively serve city/county staff;
 - d. Supplanting existing funds designated for transportation programs and projects;
 - e. Indirect costs, unless the RECIPIENT submits an independently audited/approved Indirect Cost Allocation Plan and Measure D funds are not supplanting other funds used to cover existing overhead and indirect costs. Indirect costs shall only be applied to direct agency staff costs.
 - f. Mark-up to costs for services, materials, equipment, contracts, etc.

B. “Transportation for Seniors and People with Disabilities” Funds

1. *General:* RTC distributes Measure D “Transportation for Seniors and People with Disabilities” funds to Santa Cruz METRO and CTSA to be spent on transportation capital improvements, services, and operations that provide transportation services to seniors or people with disabilities, with the intent to maximize the number of rides provided. METRO and CTSA will receive direct allocations of net Measure D funds based on the formulas specified in the Measure D Expenditure Plan, as it may be amended from time to time as provided therein. These funds are allocated on a no less than quarterly basis directly to each service provider. Recipient agencies must place these funds in a separate account for the Measure D program and annual audits are required. Agencies will maintain all interest accrued from the Measure D funds within the program.
2. *Formulas and Purpose:* As described in the voter-approved Measure D Expenditure Plan:
 - a. 16% of net Measure Revenues will be distributed to Santa Cruz Metropolitan Transit District (METRO) to provide transit and paratransit service for seniors and people with disabilities.
 - b. 4% of net Measure Revenues will be allocated to the Consolidated Transportation Services Agency (CTSA) for Santa Cruz County, Community Bridges Lift Line, for paratransit services that increase transportation options for seniors, individuals with disabilities, and persons with low incomes.
3. The METRO and CTSA are best able to determine their transportation needs, shall each prepare a five-year plan through a public process to identify how they plan to spend their share of measure funds in the next five years and an annual report detailing how measure funds were spent in the prior year. Reports prepared by the CTSA are subject to review and concurrence

from the RTC's Elderly and Disabled Transportation Advisory Committee (E&D TAC).

4. *Eligible Uses:* The Measure D funds allocated to Santa Cruz Metropolitan Transit District (METRO) and Community Bridges Lift Line (CTSA) may be used for capital projects, programs, maintenance, or operations that directly improve transportation for seniors and people with disabilities. Eligible uses for these funds include, but are not necessarily limited to:
 - a. Capital projects, including:
 - i. All phases of capital projects, including feasibility studies, planning, environmental, right-of-way acquisition, construction, construction management
 - ii. Upgrades to or expansions to bus, paratransit, and shuttle infrastructure
 - iii. Purchase or lease of equipment or new vehicles for transit services
 - b. Maintain or increase METRO public transit and paratransit system operations and services, including express, local, and feeder buses, shuttles, and paratransit services that serve seniors and people with disabilities
 - c. Maintain or increase Paratransit services operated by the CTSA.
 - d. Safety or security improvements for operators, passengers, service users, facilities, and infrastructure or property.
 - e. Direct staff and consultant costs to develop, plan, implement, manage, operate and maintain transit and paratransit projects and programs that serve seniors and people with disabilities.
 - f. Direct staff and consultant costs to provide customer service and outreach for transit and paratransit projects and programs
 - g. Direct staff and consultant costs that support eligible activities, including the annual report and audit for Measure D revenues
 - h. Direct staff training costs directly related to implementation of projects or programs implemented with the Measure D "Transportation for Seniors and People with Disabilities" funds
5. *Ineligible Uses:* The following is a list of ineligible uses of Measure D "Transportation for Seniors and People with Disabilities" funds:
 - a. Non-transportation projects such as fees charged to capital construction projects for services or amenities not related to transportation;
 - b. Capital projects, programs, maintenance, or operations that do not directly improve local transit or paratransit facilities or services;
 - c. Projects or programs that exclusively serve recipient agency staff;
 - d. Supplanting existing funds designated for transportation programs and projects;
 - e. Indirect costs, unless the RECIPIENT submits an independently audited/approved Indirect Cost Allocation Plan and Measure D funds are not supplanting other funds used to cover existing overhead and indirect costs.

- C. **Approval of Projects/Program – The 5-Year Program of Projects:** Prior to the agency expending the Measure D funding on any projects or programs, all projects and programs that use Measure D “Neighborhood Projects” and “Transportation for Seniors and People with Disabilities” direct allocation funds must be approved by the recipient-agency governing board following a public hearing. This approval allows the opportunity for the public to provide input on planning for Measure D-funded projects. These projects and programs must be included in the Five Year Program of Projects. Project sponsors are encouraged to use the Five Year Program of Projects template included as Attachment A. In the case of the CTSA, the 5-Year Program of Projects must be reviewed by the RTC’s Elderly and Disabled Transportation Advisory Committee (E&D TAC) and approved by the RTC, following a public hearing at an RTC board meeting.

Section 6. Performance Metrics

- A. Recipients of Measure D revenues shall report on the performance of Measure D funded activities as part of the annual report process, or through other RTC performance and reporting processes as they may be requested, including but not limited to the annual report of prior year expenditures and Five-Year Program of Projects and the annual audit. Attachment B provides a list of performance measures that shall be used, unless substitute measures are approved by the RTC.

Section 7. Maintenance of Effort

- A. Recipient shall use Measure D funds to supplement and not replace existing revenues used for transportation purposes, including agency indirect costs and overhead. A maintenance of effort formula ensures that Measure D results in an increased or sustained level of transportation-related activities than would otherwise have been possible. Existing funds, revenues and other resources being used for transportation purposes include but are not limited to federal and state funding, the collection of traffic impact mitigation fees, other local impact fees, and dedications of property. The funds generated by the Transportation Tax shall not be used to replace existing transportation funding or to replace requirements for new development to provide for its own transportation needs. While Measure D funds shall not be used to directly replace and/or reduce those charges, Recipient may reduce or provide subsidies to development for their transportation needs and/or charges using other non-transportation sources to offset those charges. The entities receiving Measure D Revenues shall maintain their existing commitment of discretionary local transportation-related expenditures for transportation purposes pursuant to the ordinance, and the RTC shall enforce this requirement by appropriate actions, including fiscal audits of the local agencies.
- B. An agency’s baseline “maintenance of effort” shall be calculated based on the average of revenues and expenditures for transportation purposes in the three to five fiscal years prior to the start of Measure D allocations to recipient agencies (FY16/17, FY15/16, FY14/15, and optionally FY13/14 and FY12/13).
- C. The baseline calculation shall include the following revenues: local discretionary revenues, formula funds received for transportation purposes (e.g. gas tax, state transit assistance, FTA5311, etc).
1. Local agency discretionary revenues (general funds, sales and property taxes and other fees) designated for transportation purposes which were calculated for the baseline shall be adjusted annually in proportion to growth or decline of gross Measure D sales tax revenues. Dedicated

funds for transportation which are not locally generated, such as state gas tax and other state and federal formula funds shall not be subject to this adjustment.

2. Revenues from special, non-formula, competitive grants, and/or past revenues carried over into FY14/15-16/17 (and optionally FY12/13 and 13/14) for special projects and/or emergencies will not be part of MOE baseline calculation but shall still be identified in the baseline report. This includes, but is not limited to, one-time grants such as Regional Surface Transportation Program (RSTP)/Surface Transportation Block Grant Program (STBG), State Transportation Improvement Program (STIP), Active Transportation Program (ATP), American Recovery and Reinvestment Act (ARRA), Highway Safety Improvement Program (HSIP), Highway Bridge Program (HBP), FTA5310, and FEMA grants. While these are not part of the baseline calculation, agencies will be expected to continue to seek and secure grants from other sources, use some Measure D funds to leverage other grants, and not depend on Measure D formula funds to supplant those efforts.

- D. *Expenditures:* In the baseline report, Recipients shall also show how revenues were used in FY14/15-16/17 (and optionally FY12/13 and 13/14). This includes a breakdown by transportation purpose, such as ongoing operations, maintenance, transit service type, major projects, street sweeping, pavement, bicycle projects, walkways, as well as outside transportation programs your agency has contributed funds to (such as safe route to school, transportation demand management, and paratransit programs), and agency staffing, overhead and indirect costs.
- E. *Exceptions:* The RTC recognizes that there will be instances where other and sometimes longstanding local, state, or federal revenues, formula funds, and grants will fluctuate or no longer be available. There also may be instances where a recipient agency reserves several years of funds, then spends several years of banked revenues in one fiscal year. If there are past revenues or expenditures which an agency proposes to exclude from the baseline maintenance of effort calculations, or if an agency is unable to meet the baseline maintenance of effort in a given year, the agency must provide a written justification for such exclusion for consideration by the RTC and the Measure D Oversight Committee. The written justification must include evidence for the need for any lower base amount.
- F. If extraordinary storm damage or other emergencies occur in a given year, an agency may request an exception to maintenance of effort requirements that year.
- G. Recipient agencies have up to three fiscal years to meet the adjusted minimum local revenue expenditure requirement, outlined in Section 7.C.1. If an agency fails to submit annual reports or within three fiscal years the adjusted average annual expenditures of local discretionary revenues over the past three years do not meet the adjusted minimum local expenditure maintenance of effort requirements, the Measure D allocations amount to the RECIPIENT will be reduced by the amount that the agency did not meet the baseline level of expenditures of the agency discretionary revenues and the remaining Measure D will be reserved until any and all maintenance of effort expenditures are fulfilled or a plan to meet the maintenance of effort amount moving forward has been approved by the RTC.

H. Recipients shall submit their baseline calculation to the RTC by August 1, 2017. Recipients shall demonstrate and certify their maintenance of effort through the annual report and audit, and provide supporting documentation of how they calculated their maintenance of effort, which may include annual fiscal expenditure reports or ledgers and/or State Controllers reports used to comply with Senate Bill 1 (2017) or the California Streets and Highways Code.

Section 8. Complete Streets Policy Requirement

A. To receive Measure D “Neighborhood Projects” funds, local jurisdictions must do both of the following with respect to Complete Streets policies:

1. Have an adopted Complete Streets policy or adopt a Complete Street policy by April 1, 2018, and
2. Comply with the California Complete Streets Act of 2008, including any amendments. The California Complete Streets Act (AB1358) requires that local general plans do the following:
 - a. Commencing January 1, 2011, upon any substantial revision of the circulation element, the legislative body shall modify the circulation element to plan for a balanced, multimodal transportation network that meets the needs of all users of the streets, roads, and highways for safe and convenient travel in a manner that is suitable to the rural, suburban, or urban context of the general plan.
 - i. For the purposes of this paragraph, “users of streets, roads, and highways” means bicyclists, children, persons with disabilities, motorists, movers of commercial goods, pedestrians, users of public transportation, and seniors.
 - ii. The Governor’s Office of Planning and Research has developed detailed guidance for meeting this law: *Update to the General Plan Guidelines: Complete Streets and the Circulation Element*
https://www.opr.ca.gov/docs/Update_GP_Guidelines_Complete_Streets.pdf

B. Agencies shall utilize the *Monterey Bay Area Complete Streets Guidebook* checklist or another complete streets checklist when defining project scope and design.

Section 9. Signage

A. *Background:* The display of project signs is regularly utilized by public agencies to provide members of the public with information about the construction and operation of transportation projects. Project signs are posted near the location of the project, or on the vehicle in the case of bus transit projects, and typically display the project name, the project cost, funding source, project sponsor and estimated completion date. Project signs also are used to help inform the public of what programs help fund projects, like the Measure D transportation sales tax.

B. *Project Signage Provisions:* RTC, in coordination with local project sponsors, will utilize project signs to provide members of the public with information on projects and programs that the Measure D program is helping deliver. Project sign guidelines will help provide uniformity for project sponsors in the implementation of the Measure D program. Projects that meet the thresholds identified in the guidelines will follow the appropriate display schedules and project signage type. While specifications for Measure D project signs have been developed by types of projects, if the prescribed sign type obstructs user accessibility or causes a potential safety hazard, project sponsors have the discretion to install alternative signage that displays the Measure D logo at a minimum.

- C. *Measure D Contribution Thresholds, Display Schedules, and Sign Specifications*: Measure D project sign installation will follow the Measure D contribution thresholds, display schedules, and sign specifications summarized in Attachment C. RTC will provide templates of sign specifications, developed in consultation with project sponsors.

Section 10. Advancement of Direct Local Allocation Distribution Funds

- A. The RTC may consider advancing future year direct allocation funds, with the goal of seeing improvements made in the near term, if sufficient funding is available for short term loans from other Measure D programs. If a jurisdiction is interested in this option, a written request to the RTC Executive Director indicating the amount of funds requested and the projects on which the funds will be spent is required. Requests will be considered on an individual basis and will be approved by the RTC only if they do not delay implementation of other projects.

Section 11. Adoption of Guidelines

- A. Measure D guidelines are adopted by the RTC on an as-needed basis. Changes to Guidelines will be brought through the RTC's Interagency Technical Advisory Committee for review and comment, as well as any other RTC committees as necessary, before changes are adopted by the RTC Commission.

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**ATTACHMENT A:
5-YEAR PROGRAM OF PROJECTS CONTENT**

All recipient agencies that use Measure D “Neighborhood Projects” and “Transportation for Seniors and People with Disabilities” direct allocation funds must receive approval of a 5-year program of projects, in accordance with the requirements of this Attachment A, from their governing board prior to the jurisdiction expending Measure D funding on any project/program. This approval allows the opportunity for the public to provide input on planning for local streets and roads and transit projects and programs.

Contents of 5-year Program of Projects, which must be adopted by the jurisdiction’s governing board, following a public hearing (which may be done as part of agency’s overall budget or Capital Improvement Program adoption):

- 1) **5-year Project List:** List of projects on which to specifically spend Measure D funds. All projects must be consistent with the Measure D Ordinance/Expenditure Plan and Implementation Guidelines. They should be focused on addressing the promises made to voters.
 - a. **Grouped Project List:** List in spreadsheet how you anticipate using Measure D allocations.

| Name/ Road/ limits | Description, complete streets components | Total Measure D | \$\$\$ of Measure D to be used each year | | | | | Other funds | Total Cost | Project schedule |
|--------------------------|---|-----------------------|--|-------------|-------------|-------------|-------------|----------------|---------------|---------------------|
| | | | FY 17/18 | FY 18/19 | FY 19/20 | FY 20/21 | FY 21/22 | | | |
| | | | | | | | | | | |

- b. **Major Projects** – In addition to including in one row of grouped list, include following basic info on each major project/program (*Next page includes sample template for this information or project sponsors can use their own template/fact sheet that includes this information.*)
 - i. Project name
 - ii. Description: Brief description of work to be done and project location
 - iii. Project benefits/purpose
 - iv. Complete Streets consistency
 - v. Cost/Funding: cost by phase, and other funds (secured or anticipated) - local, grants using by Measure D funds to leverage, etc.
 - vi. Schedule – timing of environmental review, design, right-of-way, and construction
- 2) **Future Funds** (*if applicable*): General description of anticipated use of Measure D funds through 2047 if known (e.g. priority future projects, if there is a large project you may be saving funds up for, or general ongoing roadway rehab, paratransit service, Active Transportation Plan implementation)
- 3) **Public Process:** Describe public input process used to develop your 5-year plan and individual projects; public process must include at least one public hearing and approval of recipient’s governing board. In the case of CTSA, the 5-Year Program of Projects must be reviewed by the RTC’s Elderly and Disabled Transportation Advisory Committee (E&D TAC) and approved by the RTC, following a public hearing at an RTC board meeting. Also explain how were these projects were prioritized – e.g. evaluation criteria used.
- 4) **Maintenance of effort:** Attach documentation of other revenues spent in past 3 years on transportation and amount budgeted in current/upcoming fiscal year. Provide justification of any reduction in local funds designated for operations and/or projects.

Text from Measure D Ordinance related to 5-year Program of Projects – Section 32.A.1): Each agency receiving Measure Revenue shall annually adopt, after holding a public hearing, an annual report which includes 1)a five-year program of projects including information about each of the projects to be funded with Measure Revenues allocated according to the Expenditure Plan. Local and regional agencies shall submit their program of projects to the Authority in a format that can be easily understood by members of the public.

MEASURE D: MAJOR PROJECT INVESTMENTS

Category: (list one-Neighborhood Projects, Highway Corridors, Transportation for People with Disabilities, Active Transportation/MBSST, Rail Corridor)

PROJECT NAME/TITLE

Implementing Agency:

Agency name

Description/Scope:

Brief description of work to be done and project location (plus graphics, photos, etc if available/appropriate)

Project Location/Limits:

Describe project location, include map if appropriate

Project Purpose/Need/Benefits:

Description of benefits, reasons for project. Help the public understand what they are getting from the Measure D funding for your project/program. Include 5 main bullet points that are easy to understand, remember, repeat, etc. It can also include more detail in paragraph form.

Complete Streets consistency:

Description of complete streets components of project; ensure consistency with [Complete Streets Guidebook](https://www.sccrtc.org/wp-content/uploads/2013/08/ChecklistFinal.pdf) (see: check list too - <https://www.sccrtc.org/wp-content/uploads/2013/08/ChecklistFinal.pdf>)

If applicable:

Miles of New Bike Lanes/trails:

Miles of New Pedestrian Walkways/sidewalks:

Cost/Funding/Schedule Information:

Cost by phase, and other funds (secured or anticipated) - local, grants using by Measure D funds to leverage, etc. UPDATE with what makes sense for your project. This is a SAMPLE.

| | Cost by phase | | | | |
|-------------------------------------|-----------------------|---------------|--------------------|--------------|-------|
| | Environmental (PA/ED) | Design (PS&E) | Right-of-Way (ROW) | Construction | Other |
| Timing of work (start/end month/yr) | | | | | |
| Measure D | | | | | |
| List Other Sources (as applicable) | | | | | |
| HUTA | | | | | |
| Grant x | | | | | |
| METRO sales tax | | | | | |
| Developer Fee | | | | | |
| TBD-additional need | | | | | |
| TOTAL | \$ - | \$ - | \$ - | \$ - | \$ - |

Public Outreach

List public outreach that has been done or will be done for project. (e.g. past plans, committee review, public hearings, etc.)

Project Contact: Project Manager Name/contact info/project website info (if applicable)

ATTACHMENT B
PERFORMANCE MEASURES

Direct Allocation recipients are to document the performance and benefits of the projects and programs funded with Measure D funds. The following performance measures are a selection of performance standards to be documented by the recipients, as applicable. Additional or alternate performance measures may be requested by the RTC or recipients.

Performance reporting will be done via the annual report, as well as the audit process and various planning activities, as applicable. Performance will be evaluated periodically through the aforementioned evaluation reports to determine the effectiveness of investments and to inform future investment decisions. Note: The *Measure D Guidelines for Direct Allocations* may contain additional listing of performance measures by program type.

NEIGHBORHOOD PROJECTS PROGRAM (Local Streets and Roads - LSR)
PERFORMANCE MEASURES

| Performance Measure | Performance Metric and Standard | Corrective Action |
|---|--|--|
| Pavement State of Repair | Track city/countywide Pavement Condition Index (PCI), which rates the “surface condition” of local streets from 1 to 100, at least every three years. | Any agency with a falling PCI must provide an explanation. If the PCI drops, specify what funding amounts, policies, or other needs are required to enable increasing the PCI to 60 (fair) or above. |
| Complete Streets Implementation Expenditure of LSR Measure D funds on bicycle and pedestrian projects elements | <ul style="list-style-type: none"> ▪ Percent of annual Measure D LSR investment to support bicycling and walking. ▪ Number of linear feet or lane miles of bicycle facilities built or maintained (bike lanes, bike routes, multi-use pathways) ▪ Number of pedestrian projects completed (linear feet of sidewalks, number of crossing improvements/striping, quantify traffic calming items, lighting, landscaping/streetscape, number of curb/ADA ramps, linear feet of trail/pathway built or maintained) ▪ Describe how school access was improved for children bicycling and walking, which may include collision data | Provide an explanation if less than 20% of Measure D funds are spent on bicycle and pedestrian facilities. |
| Capital Project and Program Investment Amount expended on capital projects and programs by phase (design, right-of-way, construction and capital support) | Investment into capital projects and programs is greater than funding program administration (outreach, staffing, administrative support) | Any agency expending less on capital investments compared to other activities must explain how capital investments will increase in the subsequent years |
| Leveraged Funds | Report total grants and other funding secured using Measure D as a match. | Explain if Measure D funds fully funding projects. |

**TRANSPORTATION FOR SENIORS AND PEOPLE WITH DISABILITIES PROGRAM
PERFORMANCE MEASURES**

| Performance Measure | Performance Metric and Standard | Corrective Action |
|--|--|---|
| Ridership/Service Utilization <ul style="list-style-type: none"> ▪ Annual Ridership ▪ Passenger trips per revenue vehicle hour/mile | Change in annual ridership and passenger trips per revenue vehicle hour/mile and qualitative explanation for possible reasons. | Provide information on why numbers went down. |
| Cost Effectiveness <ul style="list-style-type: none"> ▪ Operating Cost per Passenger ▪ Operating Cost per Revenue Vehicle Hour/Mile | Maintain operating cost per passenger or per revenue vehicle hour/mile; percentage increase less than or equal to inflation as measured by CPI | Any agency with significant increase in costs must provide an explanation |
| State of Good Repair | <ul style="list-style-type: none"> ▪ Average age of bus and paratransit vehicles ▪ Number of vehicles beyond useful life | Provide information on plan to keep bus and paratransit vehicles in state of good repair. |
| Service Provision <ul style="list-style-type: none"> ▪ Frequency and service span on major corridors or trunk lines ▪ Revenue hours ▪ Revenue miles ▪ Service areas | <ul style="list-style-type: none"> ▪ 15 minute or better frequencies on major corridors or trunk lines: 10 minute or better frequencies during weekday peak periods ▪ Service span of 7 days/week, 20 hours per day ▪ Maintain or increase revenue hours/miles ▪ Number of routes ▪ Total service hours | Any agency not meeting expected performance must provide an explanation and a description of how service provision will be met in the future. |
| Service Operations and Provisions Number of people served or trips provided to seniors or people with disabilities Percent of fixed route service used by seniors and people with disabilities | Track number of seniors or people with disabilities served by program. <ul style="list-style-type: none"> ▪ Service types such as ADA mandated paratransit, door-to-door service, taxi programs, accessible van service, shuttle service, group trips, travel training, meal delivery, and fixed-route transit | Report on ridership or service data. Explain reasons for ridership reductions. |
| Cost Effectiveness Cost per Trip or Cost per Passenger Total Measure D program cost per one-way passenger trip divided by total trips or total passengers during period. | Maintain cost per trip or per passengers <ul style="list-style-type: none"> ▪ Service types such as ADA mandated paratransit, door-to-door service, taxi programs, accessible van service, shuttle service, group trips | Any agency with significant increase in costs must provide an explanation |
| Breakdown of METRO budget for ParaCruz and fixed routes service | Maintain paratransit operating budget and service. | If other funds shifted from one program to another, provide explanation |
| Leveraged Funds | Report total grants and other funding secured using Measure D revenues as a match. | Explain if Measure D funds fully funding projects. |

ATTACHMENT C
MEASURE D PROJECT SIGN GUIDELINES SUMMARY

| Project Type | Measure D Funding Threshold | Display Schedule | Type of Signage |
|--|------------------------------------|---|---|
| Neighborhood Projects: Capital Improvement Projects | Contribution greater than \$25,000 | Prior to the construction, during construction and 1 months after the completion of construction. | 2' by 3' sign for \$25k-\$999,999; 4' by 6' for greater than \$1 million |
| Transit/paratransit Capital | Contribution greater than \$10,000 | Vehicles: Life of vehicle Transit Facilities and Amenities: Prior to the construction, during construction and 1 month after the completion of construction. | Vehicles: 18" by 18" Amenities: 2' by 3' |
| Transit Operations | Contribution greater than \$10,000 | Funding duration | 18" by 18" |
| Regional Capital Projects (Highway, Rail, Trail) | All projects | Prior to the construction, during construction and 3 months after the completion of construction | 4' by 6' sign |

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RESOLUTION NO. 1923.2

**RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF SCOTTS VALLEY
APPROVING THE FY 2017/18 TO FY 2021/22 FIVE-YEAR PROGRAM OF
PROJECTS TO BE FUNDED WITH MEASURE D REVENUES**

WHEREAS, on November 8, 2016, the voters of Santa Cruz County adopted an ordinance approving the Santa Cruz County Transportation Improvement Plan Measure (“Measure D”), authorizing the Santa Cruz County Regional Transportation Commission (“RTC”) to administer the proceeds from a retail transaction and use tax of one-half of one percent (0.5%); and,

WHEREAS, sales tax proceeds from Measure D will be collected for 30 years beginning April 1, 2017, which are to be used to pay for the programs and projects outlined in the Measure D Expenditure Plan and Ordinance; and,

WHEREAS, the Master Funding Agreement between RTC and the City of Scotts Valley articulates the terms and conditions of RTC’s administration and direct allocation of proceeds to the City as authorized in the Measure D Expenditure Plan; and,

WHEREAS, the Master Funding Agreement requires that the City Council annual adopt an annual report that includes a five-year program of projects including information about each of the projects to be funded with Measure D revenues after holding a public hearing; and,

WHEREAS, the five-year program of projects is considered part of the City’s Five-Year Capital Improvement and Purchase Plan, which was published for public review on the City’s website on May 12, 2017 and reviewed during a public hearing of the proposed FY 2017/18 Annual Budget at the City Council’s regular meeting on June 7, 2017; and,

WHEREAS, the five-year program of projects, attached hereto and incorporated herein, lists the projects proposed by the City that are consistent with the Measure D Expenditure Plan.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the FY 2017/18 to FY 2021/22 Five-Year Program of Projects to be funded with Measure D revenues, attached hereto and incorporated herein, is approved.

The above and foregoing resolution was duly and regularly adopted by the City Council of the City of Scotts Valley at a regular meeting held on the 21st day of June, 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Approved: _____
Randy Johnson, Mayor

Attest: _____
Tracy A. Ferrara, City Clerk



**Measure D
5 - Year Program of Projects
Fiscal Year 2017/2018**



Prepared by:
City of Scotts Valley Public Works
701 Lundy Lane
Scotts Valley, CA 95066

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1 5-year Project List

Measure D: 5-Year Program of Projects (FY17/18-FY22/23)

Agency: City of Scotts Valley

Expenditure Plan Category: Neighborhood Projects

Measure D Revenues

| | FY17/18 | FY18/19 | FY19/20 | FY20/21 | FY21/22 |
|---|-----------|-----------|-----------|-----------|-----------|
| Estimated Annual Measure D Allocations | \$251,531 | \$251,531 | \$251,531 | \$251,531 | \$251,531 |

Amount of Measure funds to be used

| Name/Road/ limits | Description, complete streets components | Total Measure D | FY17/18 | FY18/19 | FY19/20 | FY20/21 | FY21/22 | Total cost estimate | Other Funds \$ | Other fund sources | Est. Construction start date | Major project? * (yes/no) |
|--|--|-----------------|-------------------|-------------------|------------------|--------------------|-------------------|---------------------|----------------|--|------------------------------|---------------------------|
| Green Hills Road (Glen Canyon Road to terminus) | Provide bike lanes, road widening, new curb and gutter, restriping on Glen Canyon Road from Vern Hart Fish Park to Green Hills Road. On South Navarra Drive from Green Hills Road to Grant Creek Road provide signage and sharrows. | \$ 100,000 | \$ 100,000 | | | | | \$ 900,000 | \$ 800,000 | RTC-STBG - 711,000 Gas Tax - 89,000 | Fall 2017 | Yes |
| Bean Creek Road (Monteville to the City limit) | Rework subgrade, asphalt overlaying, drainage improvements, and restriping | \$ 500,000 | | \$ 500,000 | | | | \$ 500,000 | | | Summer 2018 | Yes |
| Glenwood Drive (Casa Way and the City limit) | Widen Glenwood Drive to accommodate bike lanes between Casa Way and the City limits. Construction would include reworking the subgrade, asphalt overlaying, drainage improvements, and restriping to include bike lanes and/or sharrows. | \$ 566,800 | | | | \$ 566,800 | | \$ 566,800 | | | Summer 2020 | Yes |
| Kings Village Road (Mt. Hermon Road to Bluebonnet Lane) | Improve sidewalks on both sides of the street on Kings Village Road from Mt. Hermon Road to Bluebonnet Lane. | \$ 181,300 | | | | | \$ 181,300 | \$ 181,300 | | | Spring 2022 | No |
| Estimated Annual Measure D Expenditures | | | \$ 100,000 | \$ 500,000 | \$ - | \$ 566,800 | \$ 181,300 | | | | | |
| Carry over to next fiscal year | | | \$151,531 | (\$96,938) | \$154,972 | (\$160,540) | (\$89,921) | Note 1 | | | | |
| Annual Interest Earnings on Measure D Revenues | | | | \$379 | (\$242) | \$387 | (\$401) | | | | | |

Footnotes

Note 1 - The City of Scotts Valley will provide temporary cash flow as necessary to ensure the projects are completed on a timely basis and in anticipation of annual Measure D revenues to be remitted to the City

2 Major Projects

2.1 Green Hills Road

2.2 Bean Creek Road

2.3 Glenwood Drive

2.1 Green Hills Road

MEASURE D: MAJOR PROJECT INVESTMENTS

Category: Neighborhood Projects

Pavement Rehabilitation on Green Hills Road

Implementing Agency: City of Scotts Valley

Description/Scope:

This project will rehabilitate Green Hills Road from Glen Canyon Road to its terminus. The project will include bike lanes, road widening, new curb and gutter, restriping on Glen Canyon Road from Vern Hart Fish Park to Green Hills Road. The project will also include signage and sharrows on South Navarra Drive from Green Hills Road to Grant Creek Road.

Project Location/Limits:

The project location is in Scotts Valley, CA, and includes Glen Canyon Road from Flora Lane to Green Hills Road, Green Hills Road from Glen Canyon Road to the northern end at S. Navarra Drive, and S. Navarra Drive from the southern end to Granite Creek Road.

Project Purpose/Need/Benefits:

This project will preserve the existing roadways and enable its use as an eastern corridor of the city's Active Transportation Network. Part of Glen Canyon Road and all of Green Hills Road are currently in very poor condition and require repaving. Safety will be improved with the use of bike lane green striping and signage at the Glen Canyon Road/Green Hills Road and Mt. Hermon Road/Glen Canyon Road intersections. Safety is also a concern through a narrow stretch of Glen Canyon Road under Highway 17, where green striping, sharrows, and signage are also planned. Sharrows will also be added on S. Navarra Drive. Together, these project improvements will provide a key piece in the City's overall plan to increase bicycling and walking to all of its primary destinations.

Complete Streets consistency:

See attached Complete Street Project Review Checklist

Cost/Funding/Schedule Information:

Total funding for this project is \$900,000. Primary funding source is a combination of a grant from the Regional Transportation Commission – Surface Transportation Block Grant, which has provided a grant of \$711,000 based on an 11% matching requirement by the City from Gas Tax and Measure D revenues.

Estimated project schedule:

| | |
|-----------------------------|---------------------|
| Preliminary Design | January-March 2017 |
| Final Design | April-May 2017 |
| Issue Bids for Construction | July 2017 |
| Construction | August-October 2017 |

Public Outreach

The following stakeholder groups have provided input on project scope and design: Active Transportation Workgroup, Falcon Ridge Homeowner Association, RTC Bicycle and Elderly and Disabled Committees, and Ecology Action.

The following stakeholder groups will be asked to provide input in future on project scope and design: Scotts Valley School District, Santa Cruz Metro, County of Santa Cruz.

Project Contact:

Scott Hamby, Public Works Director
(831) 438-5854
shamby@scottsvalley.org

2.2 Bean Creek Road

MEASURE D: MAJOR PROJECT INVESTMENTS

Category: Neighborhood Projects

Bean Creek Road Rehabilitation

Implementing Agency: City of Scotts Valley

Description/Scope:

This project would improve Bean Creek Road, between Monteville to the City limits, by reworking the subgrade, asphalt overlaying, drainage improvements, and restriping.

Project Location/Limits:

Bean Creek Road is a local/rural from Scotts Valley Drive extending from Scotts Valley Drive to the City/County boundary and continuing to the intersection of Glenwood Drive in the County of Santa Cruz.

Bean Creek Road from Bluebonnet Lane to the City/County limit is .6 miles of 22', 2 lane road fronting medium high density residential and the Monteville Senior Mobile Home Park. The roadway becomes rural serving several low density residential parcels to the City limit. Beyond the City limit the roadway continues rural in nature serving low density Santa Cruz County residential parcels.

Project Purpose/Need/Benefits:

The portion of Bean Creek Road from Scotts Valley Drive to Bluebonnet Lane is fronted by Scotts Valley Middle School and medium high density residential. This portion was widened to add bicycle lanes and sidewalk, and overlaid using various grant funds in 2009.

Bean Creek Road is heavily used by recreational cyclists as well as a more limited number of pedestrians again as recreation because of its rural, forested nature. Recent complaints by both communities about the poor condition of the roadway surface (poor drainage, potholes, and uneven pavement surfaces) have raised the priority by the City for rehabilitation. City Council directed staff to proceed to seek funds for rehabilitation of the roadway.

Complete Streets consistency:

See attached Complete Street Project Review Checklist.

Cost/Funding/Schedule Information:

A placeholder funding amount of \$500,000 is included in the City's Capital Improvement Program as a preliminary estimate pending the completion of the pavement management study. Estimated project schedule:

| | |
|-----------------------------|------------------|
| Develop Bid Specs | Spring 2018 |
| Issue Bids for Construction | Summer 2018 |
| Construction | Summer/Fall 2018 |

Public Outreach

Recent complaints by cyclist and pedestrian communities about the poor condition of the roadway surface have raised the priority by the City for rehabilitation. City Council discussed the concerns at the City Council Meeting on October 16, 2013.

The following stakeholder groups will be asked to provide input in future on project scope and design: Neighborhood Group, County of Santa Cruz, RTC Bicycle and Elderly and Disabled Committees.

Project Contact:

Scott Hamby, Public Works Director
(831) 438-5854
shamby@scottsvally.org

2.3 Glenwood Drive

MEASURE D: MAJOR PROJECT INVESTMENTS
Category: Neighborhood Projects

Rehabilitation on Glenwood Drive

Implementing Agency: City of Scotts Valley

Description/Scope:

This project would widen Glenwood Drive to accommodate bike lanes between Casa Way and the City limits. Construction would include reworking the subgrade, asphalt overlaying, drainage improvements, and restriping to include bike lanes and/or sharrows.

Project Location/Limits:

Glenwood Drive is a local/rural from Scotts Valley Drive extending from Scotts Valley Drive to the City/County boundary and continuing to the intersection of Highway 17 in the County of Santa Cruz.

Glenwood Drive from Casa Lane to the City/County becomes rural serving several low density residential parcels to the City limit. Beyond the City limit the roadway continues rural in nature serving low density Santa Cruz County residential parcels.

Project Purpose/Need/Benefits:

The portion of Glenwood Drive from Scotts Valley Drive to Casa Way is fronted by Scotts Valley High School and medium density residential. This portion was widened to add bicycle lanes and sidewalk in 1999 and 2003.

Past this High School the roadway is deteriorating and lacks any bicycle facilities.

Complete Streets consistency:

Will be completed prior to preliminary design.

Cost/Funding/Schedule Information:

Total funding for this project is \$566,800. Primary source of funding would be Measure D Sales Tax revenues. Alternative funding sources could include grant funding from federal and/or state resources and Gas Tax revenues.

Estimated project schedule:

| | |
|-----------------------------|------------------|
| Preliminary Design | Summer 2019 |
| Final Design | Winter 2019/2020 |
| Develop Bid Specs | Winter 2019/2020 |
| Issue Bids for Construction | Spring 2020 |
| Construction | Summer/Fall 2020 |

Public Outreach

The following stakeholder groups will be asked to provide input in future on project scope and design: Scotts Valley School District, Santa Cruz Metro, County of Santa Cruz, RTC Bicycle and Elderly and Disabled Committees.

Project Contact:

Scott Hamby, Public Works Director
(831) 438-5854
shamby@scottsvalley.org

3 Public Process

3.1 5- Year Plan

Throughout the fiscal year, City staff members continually monitor the functional status and performance of all of the City's physical plant. Maintenance activities supporting City infrastructure are documented and analyzed to determine if rehabilitation or replacement is necessary. In addition, throughout the year, policy direction from the City Council may be received to construct, enhance or rehabilitate City facilities. Staff makes note of these projects and begins to define the scope, nature and extent of projects as may be required.

Each project is assigned a priority category based on staff's professional judgment using the factors and priority levels identified below:

- **Priority A** – project is *essential/critical* to health and safety or legal/regulatory requirements
- **Priority B** – project is *important* to maintaining health and safety or maintaining quality of life, *but not critical*.
- **Priority C** – project is *deferrable* and would only be implemented to the extent that higher priority projects are first funded.

The Measure D 5-Year plan is completed concurrently with the City's Capital Improvements Program (CIP). Prior to or concurrent with the completion of the draft CIP plan, staff will meet with representatives from various city commissions as appropriate to gain input from those bodies relative to CIP projects for which they may have input. Two commissions in particular that have discussions on the City's CIP plans are the ADA Accessibility Committee and the Parks & Recreation Commission.

Starting in FY 2017/18, once the draft plan is created, it is presented to the City Council in a Study Session held in late March or early April. Council then provides direction on each of the projects within the plan and any changes are incorporated into a revised Five Year CIP Plan. Any updates requiring further discussion are provided once again to the City Council at its May Budget Study Session. The CIP Plan is also provided to the Planning Commission in May for their review and concurrence that the proposed five-year plan is consistent with the City's General Plan.

The Council then holds a Public Hearing on the budget, which includes the Five Year CIP Plan, normally the first Wednesday in June. Subject to any public testimony and final Council direction, the final Five Year CIP Plan is prepared, and the project costs associated with any projects which are funded in the next fiscal year are appropriated by the City Council as part of the adoption of the Annual Budget. Project costs are adjusted annually based on updated project schedule and cost information, as well as information on any grants and other funds the City may secure for projects.

Additional public participation has been or will be solicited for the current 5-year program of projects as described below.

3.2 Project List

3.2.1 Green Hills Road

Public input has been sought for the project in several ways. 1) A flyer was developed and distributed to local employers, environmental groups, the public library, health facilities, and public offices to invite the public to a meeting to describe the project. Community members representing the local bike shop, bike industry, environmental groups, and local other business owners and individuals attended, and gave input on the project and other issues regarding active transportation in Scotts Valley. 2) Local homeowners were approached, with the result that the entire Falcon Ridge Homeowners Association wrote a letter to the City concerning their views on the project. 3) Many parts of this project were envisioned in 2012 when Scotts Valley adopted a Bicycle Transportation Plan. The RTC Elderly and Disabled Committee and the Bicycle Committee were consulted on the plan in 2012, 2015, and in 2017.

3.2.2 Bean Creek Road

Complaints by cyclist and pedestrian communities about the poor condition of the roadway surface have raised the priority by the City for rehabilitation. City Council discussed the concerns at the City Council Meeting on October 16, 2013.

The following stakeholder groups will be asked to provide input in future on project scope and design: Neighborhood Group, County of Santa Cruz, RTC Bicycle and Elderly and Disabled Committees.

3.2.3 Glenwood Drive

The following stakeholder groups will be asked to provide input in future on project scope and design: Scotts Valley School District, Santa Cruz Metro, County of Santa Cruz, RTC Bicycle and Elderly and Disabled Committees.

3.2.4 Kings Village Road Sidewalk

The Sidewalk Master Plan prepared in 1996 has been used as the basis for implementation of various sidewalk improvements. Discussion about this length of sidewalk has been brought up repeatedly by the City's ADA committee and has been included for funding in several un-awarded grant applications. There is currently no direct assessable path from Mount Hermon Road to the US Post Office via Kings Village Road. The following stakeholder groups will be asked to provide input in future on project scope and design: Santa Cruz Metro and Elderly and Disabled Committees.

4 Baseline Maintenance of Effort

The table below summarizes the amount budgeted for transportation for FY 2017/18 as reflected in the annual budget.

| | FY 2017/18 BUDGETED EXPENDITURES |
|--|---|
| On-going Operations: Admin & Engineering | 335,462 |
| Street Maintenance | 410,923 |
| Street Repairs | 55,000 |
| Major Projects: | |
| Pavement Rehabilitation - Green Hills Road | 811,000 |
| Sidewalk Improvements | 39,600 |
| TOTAL BUDGETED EXPENDITURES | 1,651,985 |

The baseline “maintenance of effort” is calculated based on the average of revenues and expenditures for transportation purposes in the five fiscal years prior to the start of Measure D allocations (FY16/17, FY15/16, FY14/15, FY13/14, and FY12/13). Supporting documentation (State Controllers reports) used to calculate this baseline is attached to this document.

The baseline calculation includes the following:

Revenues: local discretionary revenues, formula funds received for transportation purposes (e.g. gas tax, state transit assistance, FTA5311, etc). Revenues from special, non-formula, competitive grants, and/or past revenues carried over into FY12/13-16/17 for special projects and/or emergencies are not part of maintenance of effort baseline calculation but are identified below.

Expenditures: breakdown by transportation purpose, such as ongoing operations, maintenance, transit service type, major projects, street sweeping, pavement, bicycle projects, walkways, as well as outside transportation programs the City has contributed funds to, and agency staffing, overhead and indirect costs.

**CITY OF SCOTTS VALLEY
MEASURE D
5-YEAR MAINTENANCE OF EFFORT**

| | Projected | | | | | | |
|--|--------------------|------------------|--------------------|--------------------|------------------|------------------|------------------|
| | FY | FY | FY | FY | FY | Average | MOE |
| | 2016/17 | 2015/16 | 2014/15 | 2013/14 | 2012/13 | | Baseline |
| REVENUES: | | | | | | | |
| Gas Tax | 237,289 | 261,455 | 341,807 | 375,790 | 273,759 | 298,020 | 310,166 |
| Traffic Mitigation Impact Fees | 95,003 | 81,216 | 42,763 | 61,898 | 131,245 | 82,425 | 79,909 |
| Drainage Construction Impact Fees | 9,825 | 4,730 | 5,214 | 54,825 | 6,947 | 16,308 | 17,605 |
| RSTPX Exchange Funds | - | - | - | 225,000 | - | 45,000 | - |
| DOT Federal Grant /Vine Hill School Road | - | - | 400,000 | - | - | 80,000 | - |
| DOT Federal Emergency Grant | - | - | 1,000 | - | - | 200 | - |
| Investment Income | 7,319 | 6,351 | 4,930 | 4,563 | 5,053 | 5,643 | 5,308 |
| Measure D Sales Tax for Transportation | - | - | - | - | - | - | - |
| TOTAL REVENUES | 349,436 | 353,752 | 795,714 | 722,076 | 417,004 | 527,596 | 412,988 |
| EXPENDITURES: | | | | | | | |
| On-going Operations: Admin & Engineering | (285,943) | (307,668) | (259,867) | (284,958) | (237,313) | (275,150) | (275,150) |
| Street Maintenance | (384,887) | (364,570) | (301,853) | (363,342) | (352,483) | (353,427) | (353,427) |
| Street Repairs | - | (78,194) | (123,045) | (170,623) | - | (74,372) | (74,372) |
| Equipment Purchase-Backhoe | - | (25,000) | - | - | - | (5,000) | (5,000) |
| Street Signs & Lighting | - | (87,318) | (132,586) | (24,650) | (9,105) | (50,732) | (50,732) |
| Major Projects: | | | | | | | |
| Mt. Hermon Road/Scotts Valley Drive Intersection | (61,000) | (58,429) | (7,448) | - | - | (25,375) | - |
| Pedestrian/Bike Lane –Vine Hill School Road | - | - | (597,557) | (22,979) | (30,206) | (130,148) | - |
| Scotts Valley Drive Slurry Seal | - | - | - | (235,891) | - | (47,178) | (47,178) |
| Traffic Signals | - | - | - | - | (31,376) | (6,275) | (6,275) |
| Granite Creek Overpass | (202,000) | - | - | - | - | (25,250) | (22,725) |
| Mt. Hermon Road Slurry Seal | (218,000) | - | - | - | - | (27,250) | (24,525) |
| TOTAL EXPENDITURES | (1,151,830) | (921,179) | (1,422,356) | (1,102,443) | (660,483) | (967,658) | (812,134) |

Attachments

Complete Street Project Review Checklist for Major Projects

MOE Supporting Documentation: State Controllers reports 2012-2016