

City of Calistoga

Staff Report

TO: Honorable Mayor and City Council Members
FROM: James C. McCann, ^{SCM} City Manager and Jim Leddy, Executive Director, Napa County Transportation and Planning Agenda
DATE: June 17, 2008
SUBJECT: Proposed Transportation Sales Tax Measure Expenditure Plan

ISSUE: Consideration of a Resolution approving the proposed Transportation Sales Tax Measure Expenditure Plan and endorsing the measure for November.

RECOMMENDATION: Adopt Resolution Approving the Proposed Napa Valley Transportation Authority Transportation Improvement Expenditure Plan.

BACKGROUND/DISCUSSION:

Napa County: Some of the Worst Roads in the Bay Area

In February of 2008 the Metropolitan Transportation Commission released its annual review of the Pavement Condition Index (PCI) also known as the Report Card of existing pavement conditions. The PCI is an independent analysis of the road conditions of all the streets and roads in the nine Bay Area county regions. The scoring system is based on a 0-100 point system and measures the quality of local roads. This system also reflects on the remaining life of the existing system.

Napa County's jurisdictions received some of the worst scores in the Bay Area. The overriding need for the repairs and ongoing maintenance of local streets and roads was demonstrated yet again by this report. Our street and road conditions will get worse and more expensive to fix unless they receive immediate repair and improvement. The end result for users of our roads is higher costs in maintenance for vehicles and possibly the diversion of traffic to less equipped facilities. Yountville has the second highest index in the county.

The ranking system places scores in the following ranking categories:

Very good	PCI=80-89
Good	PCI=70-79
Fair	PCI=60-69
At-Risk	PCI=50-59
Poor	PCI=25-49

The jurisdictions of Napa County had the following three year average:

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Proposed Transportation Sales Tax Measure Expenditure Plan

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1	American Canyon	76
2	Calistoga	57
3	City of Napa	52
4	County of Napa	54
5	St. Helena	58
6	Yountville	67

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8 These are three-year averages and demonstrate the overriding need for the repairs and
9 ongoing maintenance of local streets and roads.

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11 **Insufficient State Support**

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13 The state cannot be counted on to adequately address Napa's transportation needs.
14 California prioritizes counties that have higher populations and greater funding sources.

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16 On January 10th, 2008, Governor Arnold Schwarzenegger released his proposed 2008-
17 2009 budget, which at that time predicted an \$8 billion dollar shortfall. One of the
18 immediate impacts of his budget proposal was the immediate six month delay of the one
19 time payment of local maintenance money that the voters of California had passed with
20 their support of Proposition 1B. These funds were limited and are a one time only
21 source.

22

23 Proposition 1B provides local jurisdictions with one time funds to repair local streets and
24 roads. These funds are one time non-renewable and provide \$400,000 for the smaller
25 jurisdictions. In comparison larger local jurisdictions (the City and County of Napa) are
26 slated to receive approximately \$1.2 and \$1.8 million. This is one time money and will
27 not repeat unless an additional statewide Bond is passed. To date there are no plans for
28 such a bond according to the Governors' office.

29

30 The local streets funding has been delayed by the Governor's Department of Finance in
31 order to deal with the cash flow issues that have emerged as part of the state's budget
32 crisis. On April 20th, 2008, the non-partisan Legislative Analysts Office released updated
33 figures that project an increase the 2007-2008 year shortfall for the state of California to
34 nearly \$12-14 billion. Although the Governor's January Budget proposal relatively held
35 transportation funding harmless, many different analysts including the non-partisan
36 Legislative analyst's office, are projecting that Proposition 42, the guarantee that sales
37 tax on gasoline products for transportation, might be suspended. More over, the funds
38 for local streets and roads which have been delayed from fiscal year 2007-2008 to 2008-
39 2009, may in fact be confiscated in order to balance Sacramento's swelling shortfall.

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41 Of the nine Bay Area counties only two, Napa and Solano, have no local transportation
42 sales tax. Sales taxes measures cover a local jurisdiction's needs allowing them to
43 maintain their investment by fixing and repairing local streets (i.e. potholes), high priority
44 congestion projects and transportation demand alternatives such as bike and pedestrian
45 system development and transit enhancement.

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47 These local funds also allow communities access to new funding in the form of additional
48 matching funds from both State and Federal sources. For your information, the
49 California Transportation Commission withheld approximately \$22 million dollars from
50 the Jamieson Canyon Phase One project when they took action on February 28th, 2007

1 due to the lack of a local match. Further, these locally controlled funds have been able
2 to augment and enhance local non-motorized transportation alternatives including
3 increased safe routes to school bike lane development, pedestrian walking path
4 development and greater resources for bus services.

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6 Given the ongoing, diminishing resources from the state and the increasing potential for
7 encroachment into transportation funds as well as the growing need to improve our
8 streets through focused and real investment in street maintenance, the idea of revisiting
9 a local transportation sales tax measure is being proposed.

10 11 **Insufficient Federal Support**

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13 Washington's commitment to local transportation remains grossly inadequate to meet
14 national needs. On the horizon there are no new proposals for the support and
15 enhancement of local streets and road repair and maintenance. Further, given the
16 spiraling federal deficit, the expectation that there will be new federal funds that are not
17 matched by a local component remain doubtful.

18 19 **Past Efforts**

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21 In 2006, the County of Napa placed before the voters a measure that sought to tackle a
22 combination of present transportation problems to alleviate the pressure. This measure
23 sought to provide funding for the widening of Jamieson Canyon, numerous other
24 congestion projects, fund ongoing maintenance for local streets and roads as well as
25 preserve and enhance transit. The largest single project within the 2006 Measure was
26 for Jamieson Canyon. That effort was unfortunately not successful.

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28 It is important to note that the voters of California passed proposition 1B and through
29 diligent and focused lobbying efforts, Napa County and Solano County were able to
30 secure \$74 million in funds for the project. Being a county without a local transportation
31 sale tax did penalize Napa. Phase One of the Jamieson Canyon Project is currently on
32 this reduced budget and on schedule for completion. Phase One includes widening to 4
33 lanes, only a partial safety barrier installation. Phase Two is completely unfunded at this
34 point.

35 36 **Current Plan**

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38 At the April 30th, 2008 Napa Valley Transportation Authority meeting, the NVTB Board
39 directed the Executive Director to circulate a proposed county transportation expenditure
40 plan (Expenditure Plan) to member jurisdictions staffs for comments and conceptual
41 approval. The Expenditure Plan is a necessary component of any proposed retail
42 transaction and use tax ordinance that the Authority may submit for voter approval in the
43 November, 2008 election in accordance with Local Transportation Authority and
44 Improvement Act (Public Utilities Code Section 180000 et seq.). Prior to the Authority
45 adopting any proposed tax measure, it is necessary for the Expenditure Plan to receive
46 the approval of the Board of Supervisors and City Councils representing both a majority
47 of the cities in the county and a majority of the population residing in the incorporated
48 areas of the county.

1 Further, at the April 30th NVTA Board meeting, the Board received a conceptual
2 framework that highlighted the ongoing local streets and roads maintenance needs and
3 how a potential measure would fund those needs as well as specific congestion relief
4 projects and local bike and transit system improvements.

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6 Attached is the proposed Resolution and Expenditure Plan which has been circulated for
7 review with the member jurisdictions (Attachment 1).

8 Once the 2008 MTC Local Streets and Road report was released and it became more
9 and more clear that the State would be unable to provide stable and long term funding
10 and may even encroach on local communities' ability to repair and maintain their streets
11 and roads, the review of a local sales tax began.

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13 In reviewing the surrounding communities' efforts and the specific needs of all of the
14 communities of Napa the following conceptual framework was proposed for discussion
15 and review:

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17 • At least 75% of the funds raised would be dedicated to maintaining and repairing
18 existing streets and roads throughout the county;
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20 • The remaining 25% of funds raised by this measure would be dedicated to high
21 priority congestion and traffic relief projects such as safety and traffic flow
22 improvements along Highway 29, getting cars off of the roads through expanded
23 transportation alternatives;
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25 • This measure would allow Napa County to access its fair share of state and
26 federal matching funds, which could double or even triple the dollar amount
27 available for high priority projects;
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29 • Projects will prioritize safety and congestion relief rather than encouraging
30 growth;
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32 • The measure would be a ½-cent sales tax that would sunset in 30 years; and
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34 • To ensure that all funds are spent locally and efficiently, an independent
35 Oversight Committee, based on the most effective practices of comparable
36 watchdog committees in California, would be formed.
37

38 The attached Expenditure Plan reflects specifics driven from the conceptual framework
39 reviewed and approved by the NVTA Board on April 30th, 2008. The list of congestion
40 relief projects reflects those top priority projects identified during the review process in
41 2005 and 2006 by the member jurisdictions and NCTPA staff. This list is a reduced list
42 from the previous measure and is the result of staff to staff level discussions.

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44 The funding distribution formula for the Local Streets and Road Maintenance funds
45 reflects a combination of factors including lane miles, sales tax generation, population
46 and most importantly need. The funding formula was vetted with all jurisdictions
47 management and reflects an effort to ensure that every jurisdiction will achieve a
48 minimum PCI of 71.
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1 When a sufficient number of jurisdictions have approved the Expenditure Plan, the
2 matter will be brought back to the NVTB Board for final adoption, and concurrently the
3 passage of the retail transaction and use tax ordinance by the Authority. It is anticipated
4 the Authority Board will take these actions in mid-July. Upon those steps being
5 completed, the matter will be submitted to the Board of Supervisors for placement of the
6 measure on the November, 2008 ballot, which action will need to occur by August 7,
7 2008.

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9 **FISCAL IMPACT:** Potential new revenues for local streets and roads maintenance.

10

11 **ATTACHMENTS:**

12 1. Draft Resolution

13 2. Resolution No. 2005-105

14 3. Addendum to the Final Program Environmental Impact Report for the Napa Valley
15 Transportation Authority Sales Tax Ordinance and Transportation Improvement
16 Expenditure Plan

17 4. Source and Use of Funds Spreadsheet

RESOLUTION 2008- _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALISTOGA,
COUNTY OF NAPA, STATE OF CALIFORNIA, APPROVING THE PROPOSED
NAPA VALLEY TRANSPORTATION AUTHORITY TRANSPORTATION
IMPROVEMENT EXPENDITURE PLAN

1 **WHEREAS**, on November 15, 2005, the Napa County Board of Supervisors
2 created the Napa Valley Transportation Authority ("Authority"), a local transportation
3 authority with all the powers and functions set forth in Division 19 (commencing with
4 Section 180000) of the California Public Utilities Code. Among the powers of the
5 Authority is the ability to adopt, subject to subsequent voter approval, a retail
6 transactions and use tax ordinance to provide a local transportation funding source; and
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8 **WHEREAS**, a component of the tax ordinance is an adopted County
9 Transportation Expenditure Plan detailing the purposes for which the tax revenues may
10 be expended; and
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12 **WHEREAS**, prior to Authority adoption of a County Transportation Expenditure
13 Plan, the Expenditure Plan must receive the approval of the Board of Supervisors and
14 of the City Councils representing both a majority of the cities in the county and a
15 majority of the population residing in the incorporated areas of Napa County; and
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17 **WHEREAS**, the development of a local transportation funding source in Napa
18 County is critical to address local transportation funding shortfalls, to provide local
19 match funds for state and federal transportation funds, and to maintain Napa County's
20 quality of life and economic viability by providing congestion relief, travel choices and a
21 safer transportation system; and
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23 **WHEREAS**, the Authority is proposing the adoption of a tax ordinance and
24 Expenditure Plan which impose a one-half of one percent transactions and use tax for a
25 period of thirty years; and
26

27 **WHEREAS**, at its May 21, 2008 meeting the Authority gave tentative approval to
28 a proposed Transportation Improvement Expenditure Plan (TIEP), attached hereto as
29 Exhibit A, which will benefit the citizens of Napa County and the City of Calistoga by
30 potentially providing much needed revenue for local transportation related projects; and
31

32 **WHEREAS**, the proposed projects in the TIEP have been previously analyzed in
33 a Program Environmental Impact Report (PEIR) which was certified by Authority on
34 January 18, 2006, and the Council, in its capacity as a Responsible Agency for certain
35 programs, previously found the PEIR adequate, and by Resolution No. 2423-05
36 adopted Findings of Fact and Rationales, a Statement of Overriding Considerations,
37 and a Mitigation Monitoring Program for the projects analyzed therein; and
38

39 **WHEREAS**, the Authority has prepared an Addendum to the PEIR, and both
40 documents have been reviewed by the Council and are found to adequately address the

41 environmental effects associated with the City's role as a Responsible Agency for
42 programs under the TIEP.

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44 **NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City
45 of Calistoga as follows:

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47 1. The foregoing recitals are true and correct.

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49 2. The Council, as a Responsible Agency, has reviewed and considered the
50 previously certified PEIR prepared by the Authority and the associated Addendum
51 (copies of which are on file with the City Clerk) which analyze the environmental effects
52 of implementing the county transportation expenditure plan under the requirements of
53 the California Environmental Quality Act, and finds, pursuant to Title 14 California Code
54 of Regulations section 15096, that the documents are adequate.

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56 3. With respect to the PEIR and Addendum, in accordance with section
57 15096, the Council hereby re-adopts the CEQA Findings of Fact and Rationales,
58 Statement of Overriding Considerations, and Mitigation Monitoring Program as
59 contained in Resolution No. 2005-105 (attached) for the proposed Napa Valley
60 Transportation Authority Transportation Improvement Expenditure Plan, attached hereto
61 as Exhibit A.

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63 4. That the Council hereby approves the Authority's proposed Transportation
64 Improvement Expenditure Plan attached hereto as Exhibit A for purposes of adoption by
65 the Authority as provided in Public Utilities Code section 180206(b).

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67 **PASSED, APPROVED, AND ADOPTED** by the City Council of the City of
68 Calistoga at a regular meeting held this **17th day of June, 2008**, by the following vote:

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70 **AYES:**

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72 **NOES:**

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74 **ABSTAIN/ABSENT:**

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JACK GINGLES, Mayor

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ATTEST:

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SUSAN SNEDDON, City Clerk

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RESOLUTION 2005-105

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALISTOGA, COUNTY OF NAPA, STATE OF CALIFORNIA, APPROVING THE PROPOSED NAPA VALLEY TRANSPORTATION IMPROVEMENT EXPENDITURE PLAN

WHEREAS, on November 15, 2005, the Napa County Board of Supervisors created the Napa Valley Transportation Authority ("Authority"), a local transportation authority with all the powers and functions set forth in Division 19 (commencing with Section 180000) of the California Public Utilities Code. Among the powers of the Authority is the ability to adopt, subject to subsequent voter approval, a retail transactions and use tax ordinance to provide a local transportation funding source; and

WHEREAS, a component of the tax ordinance is an adopted county transportation expenditure plan detailing the purposes for which the tax revenues may be expended; and

WHEREAS, prior to Authority adoption of a county transportation expenditure plan, the expenditure plan must receive the approval of the board of supervisors and of the city councils representing both a majority of the cities in the county and a majority of the population residing in the incorporated areas of Napa County; and

WHEREAS, the development of a local transportation funding source in Napa County is critical to address local transportation funding shortfalls, to provide local match funds for state and federal transportation funds, and to maintain Napa County's quality of life and economic viability by providing congestion relief, travel choices and a safer transportation system; and

WHEREAS, the Authority is proposing the adoption of a tax ordinance and expenditure plan which impose a one half of one percent transactions and use tax for a period of thirty years, and Council approval of the Authority's proposed Transportation Improvement Expenditure Plan (TIEP) will benefit the citizens of Calistoga by potentially providing much needed revenue for local transportation related projects; and

WHEREAS, the Authority has caused to be prepared a Draft Program Environmental Impact Report (PEIR), in accordance with the California Environmental Quality Act, which analyzes the environmental effects of the implementation of the proposed TIEP and the Council has reviewed the PEIR; and

WHEREAS, with respect to certain programs that may be implemented under the TIEP, the PEIR identifies the City of Calistoga as a Responsible Agency.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Calistoga as follows:

1. The foregoing recitals are true and correct.
2. The Council, as a Responsible Agency, has reviewed and considered the PEIR prepared by the Authority which analyzes the environmental effects of implementing the county transportation expenditure plan under the requirements of the California

Environmental Quality Act, and finds, pursuant to Title 14 California Code of Regulations section 15096, that the document is adequate.

3. With respect to the PEIR, in accordance with section 15096, the Council hereby adopts the "CEQA Findings of Fact and Rationales and Statement of Overriding Considerations Pertaining to the Proposed Napa Valley Transportation Authority Transportation Authority Transportation Improvement Expenditure Plan", attached hereto as Exhibit A. The Council further adopts and agrees to implement the Mitigation Monitoring Program attached hereto as Exhibit B.

4. That the Council hereby approves the Authority's proposed Transportation Improvement Expenditure Plan attached hereto as Exhibit C for purposes of adoption by the Authority as provided in Public Utilities Code section 180206(b).


5. The approvals contained herein are conditioned on the Authority's certification of the Final Program Environmental Impact Report containing no new significant unavoidable impacts or mitigation measures reducing impacts to a less-than-significant level that are within the purview of the City of Calistoga as a Responsible Agency which have not been identified in attached Exhibit A. In such event, the approvals contained herein shall be of no force and effect.

PASSED, APPROVED, AND ADOPTED by the City Council of the City of Calistoga at a regular meeting held this 6th day of December, 2005 following vote:

AYES: Vice Mayor Gingles, Councilmembers Slusser, Dunsford, von Pohle, and Mayor Alexander

NOES: None

ABSTAIN/ABSENT: None



DR. ANDREW ALEXANDER, Mayor

ATTEST



SUSAN SNEDDON, City Clerk