

## ORDINANCE FOR MEASURE D2006

### AN ORDINANCE OF THE SANTA BARBARA COUNTY LOCAL TRANSPORTATION AUTHORITY EXTENDING FOR 30 YEARS AND INCREASING BY ONE-QUARTER CENT THE EXISTING ONE-HALF CENT SALES TAX AND ESTABLISHING A PROGRAM FOR TRANSPORTATION IMPROVEMENTS AND EXPENDITURES

#### ORDINANCE NO. 4

#### PREAMBLE

To benefit the residents and economy of Santa Barbara County, the Santa Barbara County Local Transportation Authority shall implement the Measure D Renewal Expenditure Plan which is based on the following principles:

1. A balanced transportation network of highways, local streets, rail and bus transit, vanpools, rideshare, bicycle and pedestrian facilities are necessary to preserve the quality of life and a healthy viable economy for Santa Barbara County residents.
2. Streets should be designed and operated to enable safe access for all users. Pedestrians, bicyclists, motorists and transit riders of all ages and abilities must be able to safely move along and across a complete street.
3. Maintaining and improving air quality is an important goal for Santa Barbara County. Alternatives to the single occupant automobile are important contributors to improved air quality.
4. It is estimated that there is a shortfall of over \$3.0 billion to fund current and future transportation needs in the county including:
  - Street repair, safety and improvements on local streets and roads;
  - Congestion relief and safety projects to accommodate crowded streets and highways;
  - Capital and operating assistance for bus and passenger rail service;
  - Local match requirements for state and federal funding.
5. State and federal monies are insufficient to meet Santa Barbara County's transportation needs. A local retail transactions and use tax renewal for transportation improvements is the funding method best suited for combining with these other revenue sources to meet Santa Barbara County's needs.

Revenue to fund the expenditure plan will come from the extension of Measure D, a one-half percent (1/2 %) local sales tax for transportation approved by county voters in 1989, originally set to expire in March 2010, but which by this ordinance would be extended for an additional 30 years and increased by one-quarter percent (1/4 %). The Measure D Renewal is expected to generate \$1.575 billion for needed transportation projects and programs and leverage an estimated \$544 million in federal and state gas taxes, developer fees and contributions from neighboring counties.

This sales tax is statutorily dedicated for the planning, design, right of way acquisition, construction, operation and maintenance of transportation projects and programs that benefit the residents and economy of Santa Barbara County and cannot be used for other governmental purposes or programs. There are specific safeguards in this Ordinance to ensure that funding from the three-quarters of one percent transactions and use tax is used in accordance with the specified voter-approved transportation projects and programs. These safeguards include:

- The revenue raised by this sales tax can only be used for specific projects and programs included in the Expenditure Plan.
- A Citizens' Oversight Committee is created to ensure that the Local Transportation Authority expends revenues raised by the transaction and use tax in a fiscally sound and responsible manner in accordance with the provisions of the Expenditure Plan and the Ordinance as approved by the voters.
- Continuation of Santa Barbara County's sales tax is for transportation programs only and is not intended to replace traditional revenues generated through locally-adopted development fees and assessment districts and requires a maintenance of effort by both local agencies and the State of California to insure that these sales tax revenues are used to supplement, rather than replace, existing transportation funding.
- The Santa Barbara County Local Transportation Authority will continue to seek maximum funding for transportation improvements through State and federal programs. The Authority will not provide transactions and use tax revenue to any city or to the County unless all transportation revenues currently used by that jurisdiction continue to be used for transportation purposes.

- No more than one percent of the available funds will be expended on salaries and benefits for administration of the program.
- A mandatory Expenditure Plan review is required every ten years to reflect current and changing priorities and needs in the County, as defined by the duly elected local government representatives on the Authority Board.
- Each year, the Santa Barbara County Local Transportation Authority will conduct an independent fiscal audit of the expenditure of all funds raised through this ordinance.

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The Santa Barbara County Local Transportation Authority does hereby ordain as follows:

**Section 1. Title.** This ordinance shall be known as the Santa Barbara County Local Transportation Authority Transactions and Use Tax Ordinance, which may also be known as the Measure D Renewal Ordinance. The Santa Barbara County Local Transportation Authority hereinafter shall be called "Authority." This sales tax ordinance shall be applicable in the incorporated and unincorporated territory of the County of Santa Barbara, which shall be referred to herein as "District."

**Section 2. Existing Ordinance and Expenditure Plan.** Upon approval by the voters of the County of Santa Barbara of this Ordinance No. 4, the pre-existing Transaction and Use Tax (hereinafter "Existing Tax") provisions, Ordinance No.1 and Ordinance No.2 of the Authority, shall be amended and replaced by the provisions of this ordinance to the extent called for herein, specifically:

- A. The Existing Tax provisions, including the tax rate, Expenditure Plan, procedures for adoption approval and amendment of the existing Expenditure Plan and other operative provisions of Ordinance No.1 and No.2 shall remain in effect until March 31, 2010. The Existing Tax and any obligations or bonded indebtedness arising thereunder shall be deemed to continue and shall be in full force and effect until March 31, 2010, as amended herein. Revenues from sales tax levied but not yet collected on March 31, 2010 shall continue to be due and payable until collected.
- B. The new provisions adopted herein shall become effective April 1, 2010 and shall on that date replace the Existing Tax provisions and the prior ordinances.
- C. To the extent that the Authority may desire prior to April 1, 2010 to issue bonds secured by future revenues from the new sales tax provisions adopted herein, the provisions of this ordinance shall be operative at said earlier date for application to said revenues and bonds, allocation of any local or regional funds derived from said bonds and operation of the Expenditure Plan adopted hereunder.

**Section 3. Imposition of Transactions and Use Tax.** In addition to any other taxes authorized by law, including the Existing Tax, there is hereby imposed in the District, in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code and Division 19 (commencing with Section 180000) of the California Public Utilities Code, a transactions and use tax at the rate of three-quarters of one percent (3/4%) for a period not to exceed thirty years from April 1, 2010, in addition to any existing or future authorized state or local transactions and use tax.

**Section 4. Purpose.** This sales tax ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

- A. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 180050 et.seq. of the Public Utilities Code which authorizes the Authority to adopt this sales tax ordinance which shall be operative if a two-thirds majority of the electors voting on the measure vote to approve the imposition of the sales tax at an election called for that purpose.
- B. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the requirements and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.
- C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefore that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.
- D. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

**Section 5. Contract with State.** Prior to the Operative Date, the Authority shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the Authority shall not have contracted with the State Board of Equalization prior to the Operative Date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

**Section 6. Transactions Tax Rate.** For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the District at the rate of three-quarters of one percent (3/4%) of the gross receipts of any retailer from the sale of all

tangible personal property sold at retail in said District on and after the operative date of this ordinance. The Existing Tax at the rate of one half of one percent shall continue to be imposed under provisions of the pre-existing ordinance until March 31, 2010. The rate of three-quarters of one percent (3/4%) shall become operative on April 1, 2010.

**Section 7. Place of Sale.** For the purposes of this ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

**Section 8. Use Tax Rate.** An excise tax is hereby imposed on the storage, use or other consumption in the District of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in said District at the rate of three-quarters of one percent (3/4%) of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made. The Existing Tax at the rate of one half of one percent shall continue to be imposed under provisions of the pre-existing ordinance until March 31, 2010. The rate of three-quarters of one percent (3/4%) shall become operative on April 1, 2010.

**Section 9. Adoption of Provisions of State Law.** Except as otherwise provided in this ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this ordinance as though fully set forth herein.

**Section 10. Limitations on Adoption of State Law and Collection of Use Taxes.** In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of this Authority shall be substituted **therefor**. However, the substitution shall not be made when:

1. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Control, State Board of Equalization, State Treasury, or the Constitution of the State of California;

2. The result of that substitution would require action to be taken by or against this Authority or any agency, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this Ordinance.

3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remain subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;

b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.

4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "District" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

**Section 11. Permit Not Required.** If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this sales tax ordinance.

**Section 12. Exemptions and Exclusions.**

A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the County in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

2. Sales of property to be used outside the District which is shipped to a point outside the District, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the District shall be satisfied:

a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-District address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

b. With respect to commercial vehicles, by registration to a place of business out-of-District and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this sales tax ordinance.

4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the Operative Date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this District of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the Operative Date of this sales tax ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

6. Except as provided in subparagraph (7), a retailer engaged in business in the District shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the District or participates within the District in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the district or through any representative, agent, canvasser, solicitor, subsidiary, or person in the District under the authority of the retailer.

7. "A retailer engaged in business in the District" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the District.

D. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

**Section 13. Expenditure Plan, Purposes.** The revenues received by the Authority from this Measure D Renewal Ordinance, after deduction of required Board of Equalization costs for performing the functions specified in Section 180204(b) of the California Public Utilities Code, shall be used to (1) improve transportation facilities and services, countywide, as set forth in the adopted Expenditure

Plan, which is attached as Exhibit A hereto and incorporated and adopted as a part of this ordinance by reference, (2) for expenses for compliance with the California Environmental Quality Act including adopted mitigation measures, and (3) for the administration of the Authority, consistent with the limitations of Section 180109(b). Any expenditure pursuant to said Expenditure Plan shall be in a manner consistent with the Regional Transportation Plan and the Regional Transportation Improvement Program, applicable portions of the State Transportation Improvement Program and adopted congestion management plans. After allocations appropriate for administrative expenses, the revenues shall, with the exception of the conditions set forth herein, be allocated as follows:

- A. Fifty percent (50%) to a Local Program as allocated herein, for projects selected by city councils and the Board of Supervisors in accordance with the Expenditure Plan.
- B. Fifty percent (50%) to a Regional Program as allocated herein, for projects of regional importance including those which add capacity to roadways, improve safety, provide major operational improvements or improve transit and passenger rail services within and between cities and other counties in accordance with the Expenditure Plan.
- C. In the event bonds are issued pursuant to Section 29 hereof, such revenues or any part thereof may be allocated by the Authority to pay and secure such bonds, provided that the resolution or indenture providing for issuance of such bonds requires that proceeds of such bonds be expended in accordance with the foregoing percentage allocations. In such case, all revenues allocated to such bonds shall be deemed expended in the years in and for the purposes for which proceeds of such bonds are to be expended.

**Section 14. Compliance with California Environmental Quality Act (CEQA).** Inasmuch as the purpose of this sales tax ordinance is to establish a government funding mechanism for the financing of future transportation improvement programs and projects and the purpose of the Expenditure Plan is to be a transportation improvement planning document to provide long range planning for the Regional Transportation Improvement Program, applicable portions of the State Transportation Improvement Program and congestion management plans to be adopted in the future, the inclusion of any particular project in the Expenditure Plan shall not be deemed to be a "commitment" to that specific project as that term is used in CEQA Guideline 15378(b)(4). Individual projects developed pursuant to the Regional Transportation Improvement Program, applicable portions of the State Transportation Improvement Program, adopted congestion management plans and shown in the Expenditure Plan are subject to CEQA review and analysis at the time of funding commitment and actual project approval, as required by CEQA Guideline 15276. Likewise, the adoption or approval of a local program of projects or amendments to the Expenditure Plan shall not be deemed to be a project under CEQA, but each project adopted or listed thereunder shall be subject to CEQA review and analysis at the time of funding commitment and actual project approval.

**Section 15. Allocation of Local Program Revenues.** Local Program revenues specified in Section 13(A) shall be allocated and expended in accordance with this section.

- A. Local program revenues shall be allocated annually according to the following formula. This formula is further described and explained in the Category Description of the Local Program in the Expenditure Plan along with other applicable rules for usage and allocation of local program revenues.
  - 1. All cities and the County will share 80.1% of local program revenues allocated by their proportionate share of the population of the county after each jurisdiction has received a \$50,000 annual base allocation.
  - 2. North County jurisdictions will share 13.2% of local program revenues, which shall be sub-allocated to the incorporated cities and the County by the share of population in the North County.
  - 3. South County jurisdictions will share 6.7% of local program revenues, which shall be sub-allocated to the incorporated cities and the County by the share of population in the South County

The Authority will annually update the population estimates used in the allocation based on the most recent information available from the California Department of Finance.

- B. Local jurisdictions shall spend the funds they receive on eligible transportation projects and programs at their discretion. Each jurisdiction will be required to annually adopt a program of projects, pursuant to Section 17, identifying how their estimated share of local program allocations will be expended over a five year period on projects in three categories: Maintaining Existing Infrastructure, Alternative Transportation and Congestion Relief as described herein.
  - 1. **Maintaining Existing Infrastructure.** This includes the maintenance, repair and rehabilitation of local roads, bridges, seismic bridge safety improvements, roadway drainage facilities, and the operation of urban forestry-street tree programs.
  - 2. **Alternative Transportation.** This includes maintenance, repair, construction and improvement of bicycle and pedestrian facilities, Safe Routes to School improvements, traffic calming, reduced transit fares for seniors and the disabled, and bus and rail transit services that provide alternatives to the automobile, and education and incentive programs designed to reduce single occupant auto trips.
  - 3. **Congestion Relief.** This includes traffic signal coordination, intersection improvements and channelization, road, bridge and highway safety and operational improvements, new local roads, extensions of existing roads, and increased roadway capacity.

- C. Each city and the County will be required to expend a minimum percentage of its local allocation on Alternative Transportation projects. By the end of the 30th year of the program, jurisdictions shall have spent a minimum percentage of their funds on Alternative Transportation according to the percentages prescribed in Table 4 of the Expenditure Plan.
- D. Every 10 years, the Authority, in consultation with the local jurisdictions, shall evaluate the categorical percentage for each jurisdiction to determine if the prescribed percentages are serving the transportation needs of the jurisdiction. After a noticed public hearing, the Authority may amend the Expenditure Plan to change the categorical percentages pursuant to Section 19.
- E. For purposes of this Section "North County jurisdictions" shall include the cities of Guadalupe, Santa Maria, Lompoc, Buellton, Solvang, the unincorporated areas of the County north of the Santa Ynez Mountains and any subsequently incorporated cities in that northerly unincorporated area. For purposes of this Section "South County jurisdictions" shall include the cities of Santa Barbara, Carpinteria, Goleta, the unincorporated areas of the County south of the Santa Ynez Mountains and any subsequently incorporated cities in that southerly unincorporated area.
- F. For the purpose of this section, any new incorporations or annexations which take place during the course of any fiscal year (July 1 to June 30) shall be incorporated into the formula beginning with the subsequent fiscal year. Any data required for calculations referred to above shall be such data as are approved for the incorporation/annexation by the Local Agency Formation Commission (LAFCO).

**Section 16. Allocation of Regional Program Revenues.** The revenues available for the Regional Program specified in Section 13(B) shall be allocated annually and expended pursuant to the Expenditure Plan, attached as Exhibit A.

- A. No revenues as provided for in this section shall be allocated for any State highway projects if the Authority adopts a finding that the Santa Barbara County region is not receiving, at a minimum, its fair share of highway funds from the State. The determination of fair share shall consider all relevant factors including the degree to which the Santa Barbara County region is receiving the statutory county minimum funding for all budgeted, expended, and programmed State and federal highway funds. The policies and project approval actions of the California Transportation Commission and California Department of Transportation shall be subject to review, as well, to determine whether the Santa Barbara County region is receiving full consideration in the allocation of any, additional uncommitted State and federal highway funding. A finding that the region is not receiving its fair share of highway funding shall document that the State of California has reduced State highway fund allocations to the Santa Barbara County region as a result of the addition of local revenues as provided herein. A finding, if required, may be made at any time at the Authority's discretion and shall be the subject of consideration by the Authority during the preparation of the biennially adopted Regional Transportation Improvement Program.
- B. If, prior to the start of any fiscal year, the Authority makes a finding that the region is not in receipt of a fair share of State and federal funding the Authority may amend the expenditure plan to reallocate revenues pursuant to Section 19 for other regional projects.
- C. If the Authority finances the construction of highway facilities by the issuance of bonds or any similar financing device, the Authority shall first allocate the funds necessary to meet all debt service requirements prior to making any redistribution of funds as provided in Section 17 (B), above.
- D. The Authority may, in conformity with the adopted Expenditure Plan, engage, contract with, employ and compensate any public or private agency, party, contractor or professional, in accordance with the Public Contract Code and/or any of the provisions for public employment of professional services for public agencies, for the planning, finance, approval, design, construction, acquisition of right of way, maintenance, operation, control and repair of any road, highway, rail or other transportation facility.
- E. The Authority shall not be responsible for the maintenance or operation of any State highway facilities following construction contract completion.
- F. All State highway improvements to be funded with revenue as provided in this Ordinance, including project development and overall project management responsibilities, shall be the subject of cooperative agreements with Caltrans.

**Section 17. Project Programming.**

- A. **Local Program of Projects.** Each local jurisdiction shall annually adopt a five-year program of projects and submit it to the Authority for approval pursuant to this Section.
  - 1. The program of projects shall include information about each of the projects to be funded with revenues made available under Section 13(A) with sufficient detail including project location, scope, schedule, cost and funding sources to ensure that the program can be easily understood by members of the public. Projects involving work at various locations that are substantially similar or work that is minor in scope may be grouped together in the program as a single project. The program of projects shall also include a detailed description of local jurisdiction expenditures of local program funds from the previous fiscal year. The purpose of requiring previous fiscal year expenditures to be documented in the program of projects submitted to the Authority is to allow the Authority to determine if the local agency is meeting its prescribed expenditure percentages on alternative modes and to allow the Authority to prepare a comprehensive report to the Citizens Oversight Committee and the public on the expenditure of Measure D Renewal Ordinance funds.

2. A public hearing shall be conducted by the local jurisdiction regarding the proposed program of projects before adopting and submitting the project list to the Authority for approval. After a noticed public hearing, the Authority shall adopt the program of projects submitted by each local jurisdiction provided that it is consistent with this ordinance and the attached expenditure plan, and prior to releasing to the local jurisdiction its share of local program funding for the first fiscal year in the program of projects. Expenditures may be made on projects using local program funds only if they are included in the Authority's most recently adopted program of projects.
3. A local jurisdiction may request that the Authority amend its program of projects. Amendments may be made by the Authority by a majority vote if the amendment does not require an Expenditure Plan amendment. Amendments to the program of projects that require an Expenditure Plan amendment shall be approved pursuant to Section 19.
4. All projects to be funded with revenues made available under this Ordinance must be consistent with the Regional Transportation Plan and any applicable congestion management plans.

**B. Regional Program of Projects.** The Authority shall annually adopt a five-year program of regional projects to be funded with revenues made available under this Section 13 of this Ordinance.

1. The regional program of projects shall incorporate local projects approved by local agencies and the Authority pursuant to Section 17 and shall include regional projects approved by the authority in accordance with the Expenditure Plan.
2. A public hearing shall be held by the Authority prior to approval of the regional program of projects. Expenditures may be made on regional projects with the revenues made available under this section if they are included in the most recently adopted regional program of projects.
3. The Authority may amend the regional program of projects by a majority vote if the amendment does not require an Expenditure Plan amendment. Amendments to the regional program of projects that require an Expenditure Plan amendment shall be approved according to Section 19.

**Section 18. Public Participation and Information.** All meetings of the Authority board shall be open to the public to the maximum extent possible pursuant to the Ralph M. Brown Act, Government Code Section 54950 et seq. The planning and administration of the Expenditure Plan and operations of the Authority will be conducted in a transparent manner to encourage public participation. The Authority will ensure that there is accountability to the public in carrying out the purposes of this Ordinance. A report on the funding of projects and programs, local agency usage of required alternative transportation expenditure percentages, delivery of projects, financial status and projected schedule for future projects shall be made to the Authority in a public hearing at least annually. All such reports and records of the Authority shall be made available to the public and shall be on file in the Authority offices.

**Section 19. Expenditure Plan Amendments and Updates.** The Authority may propose amendments to the Expenditure Plan to provide for the use of additional federal, state and local funds, to account for unexpected revenues, to add or delete a project or program from the plan, to maintain consistency with the Regional Transportation Plan, or to take into consideration unforeseen circumstances. Amendments to the Expenditure Plan must be passed by a two thirds majority of the Authority. The Authority shall notify the Board of Supervisors and the city council of each city in the county of the proposed amendment(s) and provide each entity with a copy of the proposed amendment(s). Pursuant to Public Utilities Code 180207, proposed amendment(s) shall become effective 45 days after notice is given, unless a local jurisdiction appeals an expenditure plan amendment by a majority vote of its elected policy body. The amendment shall not be implemented unless an override of the appeal is passed by a four-fifths majority of the Authority. The Authority shall hold a public hearing on the appealed proposed amendment(s) prior to voting on an override.

The Expenditure Plan shall be updated by the Authority every ten years that the sales tax is in effect to reflect current and changing priorities and needs in the County, as defined by the duly elected local government representatives on the Authority Board. Any changes to the Plan must be adopted according to the amendment process described above, in accordance with current law in effect at the time of the update.

**Section 20. Citizens Oversight Committee.** The Authority shall appoint a Citizens Oversight Committee to help ensure accountability to voters regarding the expenditure of sales tax funds and to assist the Authority in ensuring that all provisions, requirements and voter mandates specified in this sales tax ordinance are fully and properly carried out. The Citizens Oversight Committee will serve in an advisory capacity to the Authority staff and board and will be comprised of an appropriate balance of transportation users representing the geographic, social, cultural, and economic interests in the county.

**Section 21. Audit Provisions.** No less than annually, the Authority shall conduct and approve an independent fiscal audit of the expenditure of all Sales Tax funds raised by this sales tax ordinance. The audit, which shall be made available to the public and the Citizens Oversight Committee, shall report on evidence that the expenditure of funds is in accordance with the Expenditure Plan as adopted by the voters in approving the sales tax measure on November 7, 2006. In addition, the audit shall determine that Maintenance of Effort requirements as set forth in Section 23 are being met. The audit shall also insure that no more than one percent (1%) of total Sales Tax expenditures is used for administrative staff salaries and benefits in implementing this Plan as per Section 26 herein.

**Section 22. Cooperative Fund Agreements.** To maximize the effective use of funds, revenues may be transferred or exchanged between or among jurisdictions under the following provisions:

- A. Jurisdictions receiving funds may, by annual or multi-year agreement, exchange funds provided that the percentage of funds allocated as provided in Section 15 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 Authority and shall be consistent with any and all rules adopted or approved by the Authority relating to such exchanges.

- B. The Authority may exchange revenues for State or federal funds allocated or granted to any public agency within or outside the area or jurisdiction of the Authority to maximize effectiveness in the use of the revenues. Such federal or State funds shall be distributed in the same manner as the revenues from the sales tax imposed in Section 3.

**Section 23. Maintenance of Effort.** It is the intent of the Legislature and the Authority, that revenues provided from this sales tax be used to supplement existing local revenues being used for the purposes set forth in Section 15 hereof. Each local agency receiving revenues pursuant to Section 15 shall annually maintain an expenditure of local discretionary funds for street and road purposes which is no less than that reported in the State Controller's Annual Report of Financial Transactions for Streets and Roads for the Fiscal Year 2006-2007. If any local agency had extraordinary local discretionary fund expenditures for fiscal year 2006-2007, it may, subject to the approval of the Authority, use as a base for determining the required minimum level of local discretionary funds, the average amount of such funds reported to the State Controller for the three year period of fiscal year 2004-2005 through 2006-2007. The Authority shall not allocate any revenues pursuant to Section 15 of this sales tax ordinance to any eligible local agency in any fiscal year until that local agency has certified to the Authority that it will include in its budget for that fiscal year an amount of local discretionary funding for streets and roads purposes at least equal to the minimum Maintenance of Effort required by this Section. An annual, independent audit shall be conducted to verify that the Maintenance of Effort requirements were met. Any local agency which does not meet its Maintenance of Effort requirements in any given fiscal year, shall have its funding under Section 15 reduced in a following year by the amount by which the expenditure of the agency for such purposes was less than its required level. Any local streets and roads revenues not allocated pursuant to these Maintenance of Effort requirements shall be redistributed to the remaining jurisdictions according to their share of the total County population, excluding the agency who has failed to meet its requirements, and excluding its share of population.

**Section 24. Strategic Plan.** The Authority will prepare a Strategic Plan, which it will update at least every five years. The Strategic Plan will be the master document for delivery of the Expenditure Plan projects and programs and can be amended at any time. The Strategic Plan may be amended by a majority vote of the Authority Board, however, amendment of the Strategic Plan shall not serve to amend provisions of the Expenditure Plan. To the extent that any amendment of the Strategic Plan would serve to modify, cancel, reallocate funds or otherwise change a provision of the Expenditure Plan, it shall require a two-thirds vote of the Authority Board to implement. The purposes of the Strategic Plan are as follows:

1. Defines the scope, cost, and schedule of each project
2. Identifies accomplishments and critical issues
3. Lists a set of amendments to these projects
4. Details the revenue projections and possible financing tools needed to deliver the Expenditure Plan
5. Gathers into one document the policies and procedures adopted to implement the Regional Program.

**Section 25. Private Sector Funding.** Revenues provided from this sales tax shall not be used to replace private developer funding which has been or will be committed for any project.

**Section 26. Administrative Expenses.** Revenues may be expended by the Authority for salaries, benefits, overhead, technical, auditing and legal services and for those services including contractual services, necessary to administer and implement the Expenditure Plan and allocations under this sales tax ordinance. However, in no case shall the Authority expend more than one percent (1%) of the funds generated by the sales tax for salaries and benefits of its staff, as provided in California Public Utilities Code Section 180109(b). Costs of performing or contracting for project-related work shall be paid from the revenues allocated to the appropriate purpose, as set forth herein. An annual independent audit shall be conducted to assure that the revenues expended by the Authority under this section for administration were reasonable, and necessary to carry out Authority responsibilities.

**Section 27. Establishment of Separate Accounts – Interest.** Each jurisdiction receiving funds pursuant to Section 15 shall deposit said funds in a separate Transportation Improvement Account. Interest earned on funds allocated pursuant to this sales tax ordinance shall be expended only for the purposes for which the funds were allocated.

**Section 28. Annual Appropriations Limit.** Article XIII(B) of the California Constitution requires the establishment of an annual appropriations limit for certain governmental entities. The previously established maximum appropriations limit shall continue to be in effect until Fiscal Year 2009/2010. The maximum annual appropriations limit for the Authority shall be \$125,000,000.00, effective for Fiscal Year 2009/2010. Should the Authority choose to seek bond financing using the proceeds of this sales tax measure prior to Fiscal Year 2009/2010, the annual appropriation limit of \$125,000,000.00 shall be effective for the year in which such bonding is initiated. The appropriations limit shall be subject to adjustment as provided by law. All expenditures of the transactions and use tax revenues imposed in Section 3 (other than expenditures with respect to debt service on any limited tax bonds issued pursuant to Section 29 hereof), are subject to the appropriations limit of the Authority.

**Section 29. Bonding Authority.** Upon voter approval of this sales tax ordinance, the Authority shall have the authority to issue limited tax bonds payable from the proceeds of the sales tax to accelerate the construction of needed transportation improvements and provide other funds needed to accomplish the projects and programs specified in the Expenditure Plan and the Local Programs of projects. The Authority, in allocating the annual revenues from the sales tax, shall meet all debt service requirements prior to allocating funds for other projects. "Limited tax bonds" means indebtedness and securities of any kind or class, including, but not limited to bonds, notes, revenue anticipation notes, commercial paper and certificates of participation. The authority to issue bonds hereunder shall include the authority to issue bonds on behalf of the Authority or any or all of its member agencies for either regional or local agency tax revenues. Revenues from the Existing Tax shall be available for bond debt service related to proceeds spent on qualifying projects or programs to the extent necessary prior to April 1, 2010.

**Section 30. Amendments.**

- A. All statutory amendments subsequent to the effective date of this sales tax ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this sales tax ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this sales tax Ordinance.
- B. With the exception of Sections 3, 6, 8, 28 and 34, which require a vote of the electors of the County of Santa Barbara to amend, this sales tax ordinance may be amended, expanded, codified or reduced in scope by the Santa Barbara County Local Transportation Authority, by any process appropriate to the amendment of general law county ordinances, passed by roll call vote entered in the Minutes, with two-thirds of the members of the Authority concurring at any regular or special meeting called for the purpose.
- C. Amendments to the Expenditure Plan shall be adopted pursuant to Section 19 above.

**Section 31. Enjoining Collection Forbidden.** No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the Authority, or against any officer of the State or the Authority, to prevent or enjoin the collection under this ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

**Section 32. Severability.** If any section, part, clause or phrase or provision of this sales tax ordinance or the application thereof to any person or circumstance is held invalid or unconstitutional, the remainder of the sales tax ordinance and the application of such provision to other persons or circumstances shall not be affected thereby. Should any provision of this sales tax Ordinance for any reason be held invalid or unenforceable by a court of competent jurisdiction, that holding shall not affect the validity or enforceability of the remaining provisions, or the Existing Tax, and the Authority declares that it would have passed each part of this Ordinance irrespective of the validity of any other part.

**Section 33. Effective Date.** This sales tax ordinance relates to the levying and collecting of transactions and use taxes within the District and shall take effect as provided in Section 2 upon approval of the Appropriations Limit provided in Section 28 and the Transactions and Use Tax provided for in Sections 3, 6, and 8 by popular vote as required under the provisions of California law. Before the expiration of fifteen (15) days after its passage by the Authority it, or a summary of it, shall be published once, with the names of the members of the governing board of the Authority voting for and against the same in the Santa Maria Times, a newspaper of general circulation published in the County of Santa Barbara.

**Section 34. Termination Date.** The authority to levy the tax imposed by this ordinance shall expire March 31, 2040.

**Section 35. Operative Date.** "Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the adoption of this ordinance, the date of such adoption being the date of voter approval of this ordinance. The Operative Date is the date upon which the provisions of this ordinance shall take effect, subject to the specific provisions of Section 2, above, as to operation of the Existing Tax and amendment of Ordinances No.1 and No. 2. Although the provisions of the ordinance shall be operative on the Operative Date, the New Tax rate shall not be in effect until April 1, 2010.

**Section 36. Proposition.** The Authority shall request by Resolution that the Board of Supervisors of the County call an election at which the adoption of this ordinance shall be proposed to the voters of Santa Barbara County.

Passed, approved and adopted by the Santa Barbara County Local Transportation Authority this 15<sup>th</sup> day of June, 2006, by the following vote:

Ayes: Supervisors Carbajal, Centeno, Firestone, Rose; Mayors Alvarez, Blum, DeWees, Wallis; Councilmembers Hicks, Jordan, Mariscal, Skytt

Noes: None  
Absent: Supervisor Gray  
Abstentions: None

**Exhibit A to  
Santa Barbara County Local Transportation Authority  
Ordinance no. 4**

**EXPENDITURE PLAN**

The following are applicable portions of the Expenditure Plan submitted for approval by the Santa Barbara County Board of Supervisors and the City Councils of the Cities of Santa Barbara County in accordance with Section 180206 of the California Public Utilities Code. The Executive Summary, the synopsis of Ordinance provisions for Administrative and Taxpayer Accountability safeguards and certain other explanatory or redundant material contained in the Expenditure Plan document submitted for said approval are included in this Ordinance Exhibit for illustrative purposes only. The operative portions of this Expenditure Plan which constitute the Expenditure Plan contemplated by Section 180206 and which may be amended from time to time pursuant to Section 20 of the Ordinance are the Local Program and Regional Program Sections following the heading Category Descriptions, including table 4.

## MEASURE "D" RENEWAL

### TRANSPORTATION EXPENDITURE PLAN

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For Santa Barbara County  
Adopted April 20, 2006

Santa Barbara County Association of Governments  
260 N. San Antonio Road, Suite B  
Santa Barbara, CA 93110  
[www.sbcag.org](http://www.sbcag.org)

#### **SANTA BARBARA COUNTY MEASURE "D"** **RENEWAL TRANSPORTATION EXPENDITURE PLAN**

This document contains the Santa Barbara County Measure "D" Renewal Expenditure Plan. This Expenditure Plan, which is required to be adopted by the Santa Barbara County Local Transportation Authority pursuant to Public Utilities Code commencing with Section 180000, describes how revenues generated by the continuation for 30 years of the ½ percent local retail transactions and use tax (sales tax) and a ¼ percent increase in the sales tax will be spent for specific transportation projects and programs. An ordinance authorizing the sales tax, including this expenditure plan, must be approved by the Local Transportation Authority and a two-thirds majority of county voters. The ordinance becomes effective at the close of the polls on the day of the election at which the local transportation measure is approved by the voters. The full text of the Expenditure Plan is provided on the following pages.

#### **Member Jurisdictions**

City of Santa Barbara  
City of Santa Maria  
City of Lompoc  
City of Buellton  
City of Solvang  
City of Goleta  
City of Carpinteria  
City of Guadalupe  
County of Santa Barbara

#### **EXECUTIVE SUMMARY**

The Measure "D" Renewal Expenditure Plan is intended to meet existing and future transportation needs in Santa Barbara County and reduce a shortfall of over \$3.0 billion in transportation funding required to meet these needs. The plan calls for local street repairs, safety, operational and congestion relief improvements on local streets and highways, and alternatives to the automobile, including expanded bus service, commuter rail service, and new bicycle and Safe Routes to School programs.

Revenue to fund the plan will come from the continuation of Measure D, a local sales tax approved by county voters in 1989 which will expire in 2010. Under the plan, the current sales tax of one half percent (1/2 %) would be continued for a term of 30 years beginning in 2010 and the tax rate would be increased by one quarter percent (1/4 %) The Measure D Renewal is expected to generate \$1.575 billion for needed transportation projects and programs and leverage an estimated \$544 million in federal and state gas taxes, developer fees and contributions from neighboring counties.

Categorical allocations are as follows:

- 50% or \$787.5 million to a **Local Program** for projects selected by city councils and the Board of Supervisors.
  - At least \$179.6 million will be expended on projects that provide alternatives to the automobile.
- 50% or \$787.5 million to a **Regional Program** for projects of regional importance.
  - \$278.5 million for highway safety and congestion relief improvements
  - \$509.0 million for alternatives to the automobile, including intercity and intercounty bus, carpool/vanpools, a commuter rail program, and reduced transit fares for seniors and the disabled.

## **CATEGORICAL ALLOCATIONS**

**LOCAL PROGRAM** – These are projects of local importance selected by city councils and the Board of Supervisors. All cities and the County will share 80.1% of local program revenues allocated by their proportionate share of the population of the county after each jurisdiction has received a \$50,000 annual base allocation. North County jurisdictions will share 13.2% of local program revenues, which shall be sub-allocated to the incorporated cities and the County by the share of population in the North County. South County jurisdictions will share 6.7% of local program revenues, which shall be sub-allocated to the incorporated cities and the County by the share of population in the South County.

The funds must be used to supplement current transportation spending levels and cannot be used to replace general fund expenditures currently expended by the local agencies for street and road purposes. Funding may be used in combination with other revenue sources such as state funds or local fees to deliver projects and may be used to augment funding of projects in the Regional Program.

Projects that may be funded from the Local Program include:

- The maintenance, repair and rehabilitation of local roads and bridges and seismic bridge safety improvements.
- Roadway drainage facilities
- The operation of urban forestry-street tree programs.
- Traffic signal coordination, intersection channelization.
- Safety improvements.
- New local roads, extensions of existing roads, and increased roadway capacity.
- Maintaining, improving or constructing bicycle and pedestrian facilities
- Safe Routes to School improvements.
- Traffic calming.
- Reduced transit fares for seniors and the disabled.
- Bus and rail transit services that provide alternatives to the automobile.
- Programs that reduce transportation demand.

Each jurisdiction will be required to spend a minimum percentage of the funds received over the 30 year life of the program on alternative transportation projects.

**REGIONAL PROGRAM** - These are projects of regional importance which add lanes, improve safety, make operational improvements and maintain and expand transit services within and between cities and other counties. Projects include state highway facilities and local, regional and interregional transit. Funding will be used in combination with other revenue sources such as state and federal funds or local fees to deliver projects and can be loaned to the State to deliver highway projects sooner than would normally be expected using state and federal gas taxes. This Expenditure Plan assumes that \$544 million in other funding would be leveraged for Regional Program projects using funding from the sales tax, as shown in Table 1.

Improvements that would be funded from the Regional Program include:

- **Capacity, Operational and Safety Improvements.**
  - Widen Highway 101 to six lanes from the Ventura County line to Milpas Street in the city of Santa Barbara.
  - In Santa Maria, reconstruct the Highway 101\135 interchange, add a northbound loop on-ramp at Highway 101\Betteravia Road and construct a new interchange at Highway 101\McCoy Lane.
  - Widen the Highway 101 Santa Maria River Bridge to six lanes.
  - Improve the connection of Route 246 to Lompoc providing an all weather crossing of the Santa Ynez River
  - Widen Highway 246 to 4 lanes from Purisima Road to Domingos Road.
  - Improve traffic circulation in Guadalupe by improving railroad crossings, installing traffic signals, constructing bike\ped paths, and widening roads.
  - Widen Highway 1 in Lompoc, from Central Avenue to Purisma Road
  - Improve traffic circulation in Goleta by adding a new overpass of Highway 101
- **Rural Highway Safety Program.** Leverage state and federal funds to make safety improvements to rural highways. This includes, but is not limited to passing lanes, fog reflectors, intersection turn lanes, bicycle and pedestrian improvements and traffic calming. Eligible facilities are Highways 246, 166, 1, 154, 135 and 192.
- **Bus Transit Service.**
  - Local\Regional Service. Funding would be allocated to transit providers operating intercity services in the North County and South County. The funds would be used to continue existing services after federal funding grants expire and to increase frequencies on existing routes or establish new inter-city services. Examples of services that would be funded include the Breeze intercommunity service (Lompoc\Santa Maria\Vandenberg Air Force Base) and MTD inter-city service on the South Coast (Carpinteria\Santa Barbara\Goleta). Expenses for vehicles, capital facilities such as transportation hubs, planning, marketing, and operations are eligible.
  - Interregional Service. Funding would be allocated to transit providers to continue existing interregional services after federal funding grants expire and to expand peak hour commute and express bus service. Examples of services that would be funded are the Valley Express (Santa Ynez Valley to South Coast), Clean Air Express

(North County to South Coast), and Coastal Express (Ventura County to South Coast). Expenses for vehicles, capital facilities such as transportation hubs, planning, marketing and operations are eligible

- **Reduced Transit Fares for Elderly and Disabled.** Fare reductions for the elderly, the handicapped, and the transportation disadvantaged would be maintained and expanded by providing funding for the operating expenses of specialized transit service providers.
- **Expanded Use of Carpools, Vanpools and Alternative Modes.** Expand the number of carpools and vanpools and encourage telecommuting and alternative modes to reduce congestion during commute times. Funds would be used for planning, developing, and marketing carpools, vanpools and trip-demand reduction programs including bicycle and transit usage.
- **Implementation of Passenger Rail Transit.** A commuter rail service would be initiated in the Ventura County-to-Goleta corridor to reduce peak period traffic congestion on the South Coast 101 corridor. Eligible costs include planning, operations, purchase or lease of locomotives and passenger cars, track improvements, station facilities, train and grade crossing controls.
- **Expanded Regional Bicycle Network.** Expand and improve the regional bicycle network. Eligible projects include new bike routes to eliminate missing links in the regional network, bike path lighting, bike system planning, development, construction and education.
- **Safe Routes to School.** Increase pedestrian and bicycle safety to, from and near schools. Eligible projects include wider shoulders and sidewalks near schools, crosswalk signals, school zone signage, traffic calming, and pedestrian and bicycle safety education for students.

**TABLE 1**

FUNDING LEVERAGED BY  
REGIONAL PROGRAM INVESTMENTS

<b>Regional Program Projects with Leveraged Funding</b>	<b>Sales Tax Funds to be Used as a Match</b>	<b>Leveraged State and Federal Gas Tax, Developer Fees and Funds from Other Counties</b>
Widen Highway 101, Ventura County Line to Milpas Street	\$140,000,000	\$288,000,000
Widen the Highway 101 Santa Maria River Bridge from 4 to 6 lanes	\$8,000,000	\$32,000,000
Construct New Highway 101 Interchange at McCoy Lane, Santa Maria	\$21,000,000	\$3,000,000
Widen Highway 246 from 2 to 4 lanes from Purisma Road to Domingos Road, near Lompoc	\$30,000,000	\$33,000,000
Improve the connection of Route 246 to Lompoc providing an all weather crossing of the Santa Ynez River	\$8,000,000	\$18,000,000
Rural Highway Safety Program	\$25,000,000	\$5,000,000
Circulation improvements, Guadalupe: widen roads, install traffic signals, construct bike/ped paths, improve RR crossing safety	\$6,000,000	\$4,000,000
Widen Highway 1 in Lompoc, Central Avenue to Purisma Road	\$11,000,000	\$11,000,000
Highway 101 Overpass Improvement, Goleta	\$7,500,000	\$17,500,000
Commuter Rail Program, Ventura County to Goleta	\$126,000,000	\$100,000,000
Regional Bicycle Program	\$42,500,000	\$22,500,000
Safe Routes to School Program	\$44,000,000	\$20,000,000
<b>TOTAL</b>	<b>\$469,000,000</b>	<b>\$554,000,000</b>

**SANTA BARBARA COUNTY**  
**LOCAL TRANSPORTATION AUTHORITY**

The Santa Barbara County Association of Governments (SBCAG) was designated the Santa Barbara County Local Transportation Authority ("the Authority") pursuant to the provisions of Public Utilities Code Section I, Division 19 commencing with Section 180000 by the Santa Barbara County Board of Supervisors to carry out the activities delineated in the Santa Barbara County Measure D Ordinance. If the renewal of Measure D is approved by county voters, the Authority would continue to administer the revenues generated under Measure D. The Board of the Authority, listed below, includes elected representatives from each of the cities in the county as well as the five members of the Santa Barbara County Board of Supervisors.

**SBCAG Board Members**

Fiscal Year 2005-06

Supervisor Joe Centeno - Santa Barbara County, 5<sup>th</sup> District (SBCAG Chair)  
Supervisor Joni Gray - Santa Barbara County, 4<sup>th</sup> District  
Supervisor Salud Carbajal - Santa Barbara County, 1<sup>st</sup> District  
Supervisor Brooks Firestone - Santa Barbara County, 3<sup>rd</sup> District  
Supervisor Susan Rose – Santa Barbara County, 2<sup>nd</sup> District  
Mayor Marty Blum - City of Santa Barbara  
Councilmember Marty Mariscal - City of Santa Maria  
Mayor Lupe Alvarez - City of Guadalupe  
Mayor Dick DeWees - City of Lompoc  
Councilmember Donna Jordan - City of Carpinteria  
Mayor Jonny Wallis - City of Goleta (SBCAG Vice-Chair)  
Councilmember Russ Hicks – City of Buellton  
Mayor Ed Skytt - City of Solvang

**STATEMENT OF PRINCIPLES**

The Local Transportation Authority's principles in developing this Expenditure Plan are as follows:

1. A balanced transportation network of highways, local streets, rail and bus transit, bicycle and pedestrian facilities are necessary to preserve the quality of life and a healthy viable economy for Santa Barbara County residents.
2. Streets should be designed and operated to enable safe access for all users. Pedestrians, bicyclists, motorists and transit riders of all ages and abilities must be able to safely move along and across a complete street.
3. Maintaining air quality is an important goal for Santa Barbara County. Alternatives to the single occupant automobile are important contributors to improved air quality.
4. It is estimated that there is a shortfall of over \$3.0 billion to fund current and future transportation needs in the county including:
  - Street repair, safety and improvements on local streets and roads;
  - Congestion relief and safety projects to accommodate crowded streets and highways;
  - Capital and operating assistance for bus and passenger rail service;
  - Local match requirements for state and federal funding.
5. State and federal monies are insufficient to meet Santa Barbara County's transportation needs. A local retail transactions and use tax renewal for transportation improvements is the funding method best suited for combining with these other revenue sources to meet Santa Barbara County's needs.
6. All Expenditure Plan investments will be made to benefit the residents and economy of Santa Barbara County.

**TABLE 2**

ANTICIPATED SANTA BARBARA COUNTY  
THIRTY YEAR REVENUE FROM A ¼% SALES TAX  
FOR CATEGORICAL ALLOCATION

Thirty Year Revenue Total in 2005 Dollars:            \$1,575,000,000

**TABLE 3**

CATEGORICAL ALLOCATIONS  
(30-Year Estimate in 2005 Dollars)

<b>REVENUES FOR ALLOCATION</b>		<b>\$1,575,000,000</b>
<b>LOCAL PROGRAM</b>		<b>50%      \$787,500,000</b>
Countywide Allocation by population after providing an annual \$50,000 base allocation (80.1% of Local Program)	<b>\$630,500,000</b>	
Minimum Alternative Modes Expenditures	\$145,300,000	
Shared by North County Jurisdictions (13.2% of Local Program)	<b>\$104,000,000</b>	
Minimum Alternative Modes Expenditures	\$19,200,000	
Shared by South County Jurisdictions (6.7% of Local Program)	<b>\$53,000,000</b>	
Minimum Alternative Modes Expenditure	\$15,100,000	
<b>REGIONAL PROGRAM</b>		<b>50%      \$787,500,000</b>
Highway Safety & Congestion Relief	<b>\$278,500,000</b>	
Transit & Alternative Modes	<b>\$509,000,000</b>	

These revenue allocations are for illustrative purposes. Actual net revenues will probably fall above or below these projections, therefore revenue allocations to each category will be based on the percentages listed above.

**CATEGORY DESCRIPTIONS**

**LOCAL PROGRAM**

Cities and the County will share fifty percent (50%) of the sales tax revenue for projects selected by local jurisdictions. Different regions of the county place different weight on infrastructure maintenance, alternative modes and local flexibility, depending on how they expect their communities to change over time or the amount of uncertainty they face in the future. In the South County, many of the transportation needs are evident today and can be addressed by specific projects included in the expenditure plan such as commuter rail. In the North County, which is rapidly urbanizing, transportation needs are evolving. More flexibility is required to address future needs. Consequently, a larger share of Local Program funding is allocated to North County agencies under the Measure D Renewal Expenditure Plan.

Local jurisdictions will receive an annual funding allocation based on the following formula:

- All cities and the County will share 80.1% of local program revenues allocated by their proportionate share of the population of the county after each jurisdiction has received a \$50,000 annual base allocation.
- North County jurisdictions will share 13.2% of local program revenues, which shall be **suballocated** to the incorporated cities and the County by the share of population in the North County.
- South County jurisdictions will share 6.7% of local program revenues, which shall be **suballocated** to the incorporated cities and the County by the share of population in the South County

The Authority will annually update the population estimates used in the allocation formula based on the most recent information available from the California Department of Finance. Table 4 displays an estimate of each jurisdiction's allocation of local program funding.

Whenever possible the Authority will seek to bond for these revenues to reduce project inflationary costs and tackle maintenance needs when repairs rather than rehabilitation or reconstruction is in order. This would result in a savings to taxpayers.

Local jurisdictions shall spend the funds they receive on eligible transportation projects and programs at their discretion. Each jurisdiction will be required to annually adopt a program of projects identifying how their estimated share of local program allocations will be expended over a five year period on projects in three categories: Maintaining Existing Infrastructure, Alternative Transportation and Congestion Relief. Prior to adopting the 5-year program of projects, each city and the County will hold a public hearing on the proposed program.

- **Maintaining Existing Infrastructure.** This includes the maintenance, repair and rehabilitation of local roads, bridges, seismic bridge safety improvements, roadway drainage facilities, and the operation of urban forestry-street tree programs.
- **Alternative Transportation.** This includes maintenance, repair, construction and improvement of bicycle and pedestrian facilities, Safe Routes to School improvements, traffic calming, reduced transit fares for seniors and the disabled, and bus and rail transit services that provide alternatives to the automobile, and education and incentive programs designed to reduce single occupant auto trips.
- **Congestion Relief.** This includes traffic signal coordination, intersection improvements and channelization, road, bridge and highway safety and operational improvements, new local roads, extensions of existing roads, and increased roadway capacity.

Each city and the County will be required to expend a minimum percentage of its local allocation on Alternative Transportation projects. By the end of the 30th year of the program, jurisdictions shall have spent a minimum percentage of their funds on Alternative Transportation according to the percentages prescribed on Table 4.

Every 10 years, the Authority, in consultation with the local jurisdictions, shall evaluate the categorical percentage for each jurisdiction to determine if the prescribed percentages are serving the transportation needs of the jurisdiction. After a noticed public hearing, the Authority may amend the expenditure plan to change the categorical percentages.

It is the intent of the California State Legislature and the Authority that revenues provided under this measure be used to supplement existing revenues being used for local street maintenance projects and programs. A jurisdiction cannot redirect monies currently being used for local transportation purposes to other uses, and then replace the redirected funds with Local Program dollars from the retail transaction and use tax. To meet the requirements of state law, a jurisdiction must demonstrate maintenance or a minimum level of local transportation expenditures in conformance with procedures adopted in ordinance by the Authority. Monies from this program may not go to a city's or the County's "General Fund".

Local jurisdictions may "lend" any of their allocation to another agency so that projects could be expedited as long as a formal agreement is executed by all agencies involved and is approved by the Authority.

**TABLE 4**

LOCAL PROGRAM  
Estimated Revenues and 30-Year Expenditure Percentages  
By Population\*

	<b>30-Year Allocation</b>	<b>Alternative Transportation</b>
Buellton	\$10,300,000	5%
Carpinteria	\$26,500,000	30%
Goleta	\$55,000,000	20%
Guadalupe	\$13,700,000	5%
Lompoc	\$83,500,000	15%
Santa Barbara City	\$159,200,000	40%
Santa Barbara County	\$253,800,000	15%
Santa Maria	\$173,500,000	25%
Solvang	\$12,000,000	15%
<b>Total =</b>	<b>\$787,500,000</b>	

\* Based upon January 1, 2005 California Department of Finance Population Estimates

## **REGIONAL PROGRAM**

Fifty percent (50%) of the revenue generated under this measure will be allocated to projects of regional importance which add capacity to roadways, improve safety, provide major operational improvements or improve transit and passenger rail services within and between cities and other counties.

The Authority will be required to annually adopt a program of projects identifying how the estimated share of Regional Program allocations will be expended over a five year period on projects and programs. Prior to adopting the 5-year program of projects, the Authority will hold a public hearing on the proposed program.

More improvement projects are needed to address regionally significant transportation problems than existing state and federal revenues can fund. Of the total funds that would be available in the Regional Program, an estimated \$787.5 million in project funding would be used to leverage an estimated \$554 million in federal and state revenues to complete the following list of projects. Funding can be loaned to the state to deliver a project sooner than would normally be expected using state and federal gas taxes. The cost of these projects can include such items as traffic signals, intersection channelization, curbs and gutters, shoulders, bus rapid transit infrastructure, as long as these costs are directly related to the project

## **HIGHWAY SAFETY AND CONGESTION RELIEF**

<u>Highway 101: South Coast</u> Widen from 4 to 6 lanes and make safety and operational improvements between the Ventura County line and Milpas Street.	\$140.0 million
<u>Highway 101: Santa Maria</u> Widen the Santa Maria River Bridge from 4 to 6 lanes.	\$8.0 million
<u>Highway 101: Santa Maria</u> Construct a new interchange at McCoy Lane	\$21.0 million
<u>Highway 101: Santa Maria</u> Add a northbound loop on-ramp at Betteravia Road	\$5.0 million
<u>Highway 101: Santa Maria</u> Reconstruct the Highway 135 (Broadway) interchange.	\$17.0 million
<u>Highway 246: Lompoc</u> Widen 2 to 4 lanes from Purisma Road to Domingos Road	\$30.0 million
<u>Highway 246: Lompoc</u> Improve the connection of Route 246 to Lompoc providing an all weather crossing of the Santa Ynez River	\$8.0 million
<u>Rural Highway Safety Program</u> Funds would be awarded through a competitive grant process to projects that will leverage state and federal funding to make safety improvements to rural highways in the county. Eligible highways are 246, 166, 1, 154, 135, 192	\$25.0 million
<u>Circulation Improvements: Guadalupe</u> Widen roads, install traffic signals, construct bike/ped paths, improve RR crossings	\$6.0 million
<u>Highway 1: Lompoc</u> Widen north "H" street, Central Ave. to Purisma	\$11.0 million
<u>Highway 101 Overpass Improvement: Goleta</u> Improve traffic circulation in Goleta by adding a new overpass of Highway 101 <sup>1</sup>	\$7.5 million

## **TRANSIT AND ALTERNATIVE MODES**

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<sup>1</sup> If measurable progress has not been made on a new Highway 101 overpass project in the city of Goleta by December 31, 2025, the project's unexpended Measure D funds shall be reallocated as follows: 33% to the Regional Bicycle Program, 33% to the Rural Highway Safety Program, 14% to the Safe Routes to School Program, 20% to the Local/Regional Bus Program.

The objective of expenditures from the Regional Program on transit and alternative modes is to provide alternatives to the use of automobiles as a means of transportation. This is an important step in maintaining air quality in addition to enhancing the mobility of persons without access to private automobiles, the elderly and the handicapped population of Santa Barbara County.

To address evolving transit needs funded from this category, the Authority shall prepare and adopt every five years a Regional Transit Systems Plan which shall identify how transit monies in the Local/Regional and Interregional transit programs shall be allocated for the succeeding five year period.

Bus transit projects that would be funded are:

Interregional Bus Service Program

\$62.0 million

Maintain and expand bus service between North County and South Coast regions and between Santa Barbara County and adjoining counties. Expenses for planning and promotions, vehicles, capital facilities such as transportation hubs, and operations are eligible. Funding would be used to continue existing services after federal funding grants expire, deliver expanded peak hour commute and express bus service and provide greater frequencies on existing routes. Any public transit operator providing interregional services shall be eligible to receive these funds and funds allocated under this program shall be allocated directly to the public transit operator providing the service. Eligible projects that may be funded from under this program include, but are not limited to:

- Coastal Express service from Ventura County to employment centers in Santa Barbara County.
- Clean Air Express service from North County cities to employment centers on the South Coast.
- Valley Express bus service between the Santa Ynez Valley and South Coast employment centers.

Local/Regional Bus Service Program

\$198.5 million

Maintain and expand bus services in cities and between cities within the North County region and South Coast region. Funding would be used to continue existing services after federal funding grants expire, deliver expanded peak hour commute and express bus service and provide greater frequencies on existing routes. Expenses for vehicles, capital facilities, planning and promotions, and operations are eligible.

Over the 30 year life of the program, no less than 40% of the funds allocated for Local/Regional Bus Services shall be allocated for services provided in the North County region and no less than 40% of the funds shall be allocated for services in the South County region. Any public transit operator providing local/regional services shall be eligible to receive these funds and funds allocated under this program shall be allocated directly to the public transit operator providing the service.

Eligible projects that may be funded from under this program include, but are not limited to:

- Greater frequencies on existing peak hour intra-city bus routes.
- Transportation hubs
- Traffic signal pre-emption systems for buses
- Operations and capital purchases such as vehicles for providing transit service to the elderly, the handicapped, and the transportation disadvantaged.
- Expanded intercity service connecting North County cities.

Reduced Transit Fares for Seniors/Disabled

\$9.0 million

Reduce fares charged to the elderly, the handicapped, and the transportation disadvantaged by funding the operating expenses of specialized transit service providers.

Carpool, Vanpools and Alternative Modes

\$27.0 million

Regional Program funds would be spent to expand the use of carpools, vanpools and trip-reduction programs. Funds will be used for planning, developing, and marketing bicycle and transit usage, carpools, vanpools and trip-demand reduction programs. It is intended that these funds be used to match federal, state, local, and private funding to maximize the number of improvements to be implemented. Eligible projects include, but are not limited to:

- Guaranteed Ride Home Program
- Flexible work schedule education
- Transit and bicycle system education

Commuter Rail Program

\$126.0 million

This expenditure plan includes funding to operate a five-year commuter rail pilot service in the Ventura County-to-Goleta corridor. Funding is also provided to continue the service if it is determined to be successful by the Authority. The service would operate during morning and evening commute times, providing commuters with an alternative to the automobile to reduce congestion on Highway 101. The service would be implemented in three phases.

Phase 1—Planning and Agreements (2006 to 2010). This is the phase for planning, developing performance measures for approval by the Authority, conducting environmental reviews and working out agreements with UPRR, other counties and the service operator. Measure D would provide a small amount of funding, estimated at \$1.5 million, for expenses related to this phase.

Phase 2—Begin Commuter Train Pilot Service Program (2010 to 2015). This is the pilot service program phase where station improvements, layover facilities, locally funded track improvements, and rolling stock would be purchased to initiate 2 trains/day (plus existing Amtrak service) with connecting bus service. This is also the phase where the Authority would determine whether the service is meeting its performance measures and should be continued under Phase 3. Capital costs are estimated at \$28 million for trains, \$31 million for tracks/stations and \$3.5 million for buses. Annual net operating subsidy costs are estimated to be \$3.5 million for trains and \$0.8 million for buses. Approximately \$50.0 million would come from Measure D and the rest from state or federal sources or other counties.

Phase 3—Continued Service (2015 to 2040). This Expenditure Plan includes funding to continue the service after the pilot program and expand the service to 3 trains/day. Additional funding from local, state and federal sources would be required to fund Phase 3.

Eligible projects funded under this program include, but are not limited to, planning and negotiating agreements, promotions and marketing, operations, maintenance, bus connecting service, the purchase or lease of locomotives and passenger cars, track improvements, station facilities, train and grade crossing controls.

The Authority may discontinue funding support for the commuter rail service and reallocate funding to other programs during any phase, but only after the approval of an expenditure plan amendment. The first priority use of unexpended, reallocated funds shall be to relieve congestion in the Highway 101 South Coast corridor through other projects and programs in the Regional Program.

#### Regional Bicycle Program

\$42.5 million

This program will fund projects through a competitive grant process that would expand and improve the regional bicycle network. Cities and the County, Caltrans, transit districts and the commuter rail operator would be eligible to compete for funding. Schools districts, universities and colleges would be eligible to compete for funding with a city/county co-sponsor. Funds would be used for planning, project development, construction of capital projects and education programs but not maintenance. Eligible projects include, but are not limited to, new bike routes to eliminate missing links in the regional network, bike path lighting, bicycle route plans and maps.

#### Safe Routes to School Program

\$44.0 million

This program will fund projects through a competitive grant process that increase pedestrian and bicycle safety to, from and near schools. Cities, the County, school districts, Caltrans, and transit districts would be eligible to compete for funding. Funds would be used for capital projects and education programs. Eligible projects include, but are not limited to traffic calming near schools, wider shoulders and sidewalks near schools, crosswalk signals and school zone signage, pedestrian and bicycle safety education for students.

## **ADMINISTRATION**

### **LOCAL TRANSPORTATION AUTHORITY ADMINISTRATION**

The Authority board will hire and oversee the staffing and professional assistance required to carry out the requirements of the program. The total cost of salary and benefits of staffing for administration of the Measure D plan shall not exceed 1% of the sales tax revenues generated by Measure D.

Meetings of the Authority board are open to the public and planning and administration of the Measure D program will be conducted in a transparent manner to encourage public participation. The Authority will ensure that there is accountability to the public in carrying out the program.

- An annual independent audit shall be conducted to assure that the revenues expended by the Authority are necessary and reasonable in carrying out its responsibilities under the Ordinance.
- The Authority will prepare an annual report, identifying the total expenditures for administration, as well as other costs associated with delivering the program.
- An annual budget will be adopted by the Authority each year. The budget will project the expected sales tax receipts, other anticipated funds, and planned expenditures for administration, programs, and projects.

### **STRATEGIC PLAN**

The Authority will prepare a Strategic Plan, which it will update at least every five years. The Strategic Plan will be the master document for delivery of the Expenditure Plan projects and programs and can be amended at any time. The purposes of the Strategic Plan are as follows:

- Defines the scope, cost, and schedule of each project
- Identifies accomplishments and critical issues

- Lists a set of amendments to these projects
- Details the revenue projections and possible financing tools needed to deliver the Expenditure Plan
- Gathers into one document the policies and procedures adopted to implement the Regional Program.

### **AMENDMENTS TO THE EXPENDITURE PLAN**

The Authority may propose amendments to the Expenditure Plan to provide for the use of additional federal, state and local funds, to account for unexpected revenues, to add or delete a project or program from the plan, or to take into consideration unforeseen circumstances. Amendments to the Expenditure Plan must be passed by a two thirds majority of the Authority. The Authority shall notify the Board of Supervisors and the city council of each city in the county of the proposed amendment(s) and provide each entity with a copy of the proposed amendment(s). Pursuant to Public Utilities Code 180207, proposed amendment(s) shall become effective 45 days after notice is given, unless a local jurisdiction appeals an expenditure plan amendment by a majority vote of its elected policy body. The amendment shall not be implemented unless an override of the appeal is passed by a four-fifths majority of the Authority. The Authority shall hold a public hearing on the appealed proposed amendment(s) prior to voting on an override.

## **TAXPAYER ACCOUNTABILITY SAFEGUARDS**

### **CITIZENS OVERSIGHT COMMITTEE**

The Authority shall appoint a Citizens Oversight Committee to help ensure accountability to voters regarding the expenditure of Measure D funds and to assist the Authority in ensuring that all provisions, requirements and voter mandates specified in Measure D are fully and properly carried out. The committee will serve in an advisory capacity to the Authority staff and Board and will be comprised of an appropriate balance of transportation users representing the geographic, social, cultural, and economic interests in the county.

### **LEGAL DEDICATION OF FUNDS**

Measure D funds may only be used for transportation purposes as described in the local ordinance governing this program, including the construction, environmental mitigation of transportation projects, capital activities, acquisition, maintenance, and operation of streets, roads, highways, including state highways and public transit systems and for related purposes. These purposes include but are not limited to expenditures for the planning, environmental reviews, engineering and design costs, related right-of-way engineering and acquisition, and construction engineering and administration.

### **MANDATORY ANNUAL FISCAL AUDIT**

No less than annually, the Authority shall conduct an independent fiscal audit of the expenditure of all sales tax funds raised by this measure. The audit, which shall be made available to the public, shall report on evidence that the expenditure of funds is in accordance with the Santa Barbara County Measure D Renewal Expenditure Plan as adopted by the voters in approving the sales tax measure on November 7, 2006. In addition, the audit shall determine that Maintenance of Effort requirements are being met. The audit shall also insure that no more than one percent (1%) of total sales tax expenditures is used for administrative staff salaries and benefits in implementing this Plan.

### **MANDATORY PLAN UPDATE AND TERMINATION OF SALES TAX**

This Plan shall be updated by the Authority every ten years that the sales tax is in effect to reflect current and changing priorities and needs in the County, as defined by the duly elected local government representatives on the Authority Board. Any changes to this Plan must be adopted in accordance with current law in effect at the time of the update. The sales tax authorized to be collected by the voters shall be terminated on March 31, 2040, unless reauthorized by the voters to extend the sales tax prior to the termination date as required under state law in effect at the time of the vote for extension.

**END.**