

**SAN MATEO COUNTY TRANSIT DISTRICT  
STAFF REPORT**

TO: San Mateo County Transit District

THROUGH: Jim Hartnett  
General Manager/CEO

FROM: Seamus Murphy  
Chief Communications Officer

SUBJECT: **ADOPTION OF TRANSACTIONS AND USE TAX ORDINANCE, ADOPTION OF  
SAN MATEO COUNTY CONGESTION RELIEF PLAN AND CALL FOR ELECTION  
ON ORDINANCE**

**ACTION**

The Get Us Moving San Mateo County (GUM) Ad Hoc Advisory Committee recommends that the Board of Directors:

1. Adopt an ordinance to:
  - a. Authorize the San Mateo County Transit District (District) to impose a one-half of one percent (0.5%) retail transactions and use tax within the County of San Mateo (County) for a period of thirty (30) years; and
  - b. Authorize the District and the San Mateo County Transportation Authority (Authority) to allocate the proceeds of the retail transactions and use tax to fund the transportation improvements included in the San Mateo County Congestion Relief Plan set forth in the ordinance; and
  
2. Adopt a resolution to:
  - a. Request that the County Board of Supervisors concur with the San Mateo County Congestion Relief Plan set forth in the Ordinance;
  - b. Contingent upon the Board of Supervisors providing such concurrence, call a countywide District Election to be held on November 6, 2018 to seek voter approval of the Ordinance;
  - c. Request that the County consolidate the District Election with the Statewide General Election to be held on November 6, 2018;
  - d. Request that County Counsel prepare the impartial analysis of the Ordinance, direct staff to take various actions required to proceed with the above actions, and authorize District reimbursement of the County's costs for conducting the election; and
  - e. Authorize the General Manager/CEO to file a written argument and a rebuttal argument in favor of the ballot measure.

## **SIGNIFICANCE**

The proposed actions will allow the voters to approve a new, much-needed supplemental revenue source to address wide-ranging transportation and transit challenges in the County.

The proposed new half-cent transactions and use tax, which is expected to provide \$80 million annually would be invested in transportation and transit projects that will:

- Reduce traffic congestion on highways including 101, 280, and other highways and their related interchanges, potentially including bicycle and pedestrian components and facilities;
- Repair potholes, maintain streets, and reduce local traffic;
- Plan and construct grade separations that eliminate hazards and bottle-necks where the Caltrain tracks intersect with local streets;
- Improve bicycle and pedestrian facilities;
- Provide new and better regional transit connections;
- Maintain and enhance transit services for seniors, youth, residents with lower incomes and people with disabilities; and
- Improve and expand transit services to reduce travel times and car trips.

The San Mateo County Congestion Relief Plan ("Congestion Relief Plan") outlines core principals, investment categories and independent oversight mechanisms that reflect the collective feedback garnered through nine months of extensive outreach to communities throughout the County.

### *Revisions Made to the Congestion Relief Plan Since June Board of Directors Meeting*

In June, a draft Congestion Relief Plan was presented at public meetings of the District's Board of Directors and the County Board of Supervisors. Based on feedback from these two boards, as well as from the GUM Stakeholder Advisory Group, GUM Technical Advisory Group, members of the public, GUM Steering Committee and the GUM Ad-Hoc Advisory Committee, the following noteworthy changes were made to the draft:

- The core principles were updated to highlight key groups that the public transportation system should serve (youth, seniors, people with disabilities, and people with lower incomes); reference the creation of high-quality jobs; expand language referencing environmentally-sustainable planning and solutions including the incorporation of green stormwater improvements as needed; and include the term "complete streets" to describe policies that encourage safe accommodation of all people using the roads, regardless of mode of travel.
- The Countywide Highway Congestion Improvements category was updated to include language that makes it clear that bicycle and pedestrian facilities and components that are associated with a highway or interchange project could be funded through this category.

- The Local Safety, Pothole and Congestion Relief Improvements category was modified from an entirely discretionary program to include both formula and discretionary elements. The formula program ensures that every city and the County would receive an allocation of funds from the measure. The new discretionary set-aside would fund grade separation efforts within the County.
- A new provision related to the administration of the funds was added to more clearly explain the link between the core principles and allocation of funding. In addition, the Congestion Relief Plan now requires that the Authority, which will be responsible for administering investments in all but the County Public Transportation Systems Category, develop a Strategic Plan that will be informed by broad-based community engagement and coordination with cities, the County, relevant public agencies, and key transportation stakeholders.
- The independent oversight committee was expanded to include representation from several additional key stakeholders.
- The Countywide Highway Congestion Improvements category annual allocation was set at 22.5 percent and the Local Safety, Pothole, and Congestion Relief Improvements category annual allocation was set at 12.5 percent (comprised of 10 percent for the formula program and 2.5 percent for the discretionary set-aside for grade separation investments, as discussed above).

#### Final Proposed Congestion Relief Plan

The final investment plan recommended by the Ad Hoc Advisory Committee contains the following key provisions:

##### Core Principles

- Relieve traffic congestion countywide;
- Invest in a financially-sustainable public transportation system that increases ridership, embraces innovation, creates more transportation choices, improves travel experience, and provides quality, affordable transit options for youth, seniors, people with disabilities, and people with lower incomes;
- Implement environmentally friendly transportation solutions and projects that incorporate green stormwater infrastructure and plan for climate change;
- Promote economic vitality and economic development, and the creation of quality jobs;
- Maximize opportunities to leverage investment and services from public and private partners;
- Enhance safety and public health;
- Invest in repair and maintenance of existing and future infrastructure;
- Facilitate the reduction of vehicle miles travelled, travel times and greenhouse gas emissions;
- Incorporate the inclusion and implementation of complete street policies and other strategies that encourage safe accommodation of all people using the roads, regardless of mode of travel;

- Incentivize transit, bicycle, pedestrian, carpooling and other shared-ride options over driving alone; and
- Maximize potential traffic reduction associated with the creation of housing in high-quality transit corridors.

Investment Categories

Funds will be allocated on a percentage basis over the life of the Congestion Relief Plan as follows:

	<b>Highway / Interchange</b>	<b>Local Safety / Pothole</b>	<b>Bicycle / Pedestrian</b>	<b>Regional Connections</b>	<b>Public Transit</b>
<b>Percent</b>	22.5 %	12.5 %	5 %	10 %	50 %
<b>Projected Funding</b>	\$540M	\$300M	\$120M	\$240M	\$1,200M

- *Countywide Highway Congestion Improvements:* Investments in highway projects throughout the County designed to: provide congestion relief; reduce travel times; increase person throughput; improve highway and interchange operations, safety and access; and deploy advanced technologies and communications on the highways. Eligible candidate projects will be focused on highway and interchange facilities, including Highway 101, Highway 280 and other highways and their interchanges. Eligible candidate projects can include bicycle and pedestrian components or facilities that are incorporated into and enhance safety for a larger highway or interchange project.
- *Local Safety, Pothole, and Congestion Relief Improvements:* Investments in major arterial and local roadway improvements in key congested areas throughout the County. These investments will be focused on improving safety, reducing congestion, and supporting all modes of travel on the County's roadway system. Eligible investments include, but are not limited to, the following: implement advanced technologies and communications on the roadway system; improve local streets and roads by paving streets and repairing potholes; promote alternative modes of transportation, which may include funding shuttles or sponsoring carpools, bicycling and pedestrian programs; plan and implement traffic operations and safety projects, including signal coordination, bicycle/pedestrian safety projects, and separation of roadways crossing the Caltrain rail corridor.

Each year, ten percent (10%) of the annual tax proceeds (out of the 12.5% total tax proceeds designated for this category) will be allocated to each of the cities in the County, and to the County, on a formula basis to be used for any of the purposes designated in the paragraph above. The annual distributions will be based 50 percent on population and 50 percent on road miles, and will be adjusted annually. If a city or the County has a Pavement Condition Index score (a "PCI Score") of less than 70, it must use tax proceeds under this

category exclusively for projects that will increase their PCI score until such time as they reach a PCI of 70 or greater.

The remaining tax proceeds designated for this category will be invested in grade separations on a discretionary basis.

- *Bicycle and Pedestrian Improvements*: To investment in bicycle, pedestrian, and active transportation projects. Programming of funds under this category will give priority to those projects that are designed to help reduce traffic congestion by safely connecting communities and neighborhoods with schools, transit, and employment centers; fill gaps in the existing bicycle and pedestrian network; safely cross barriers such as major roads, rail corridors, and highways; improve existing facilities to make them safer and more accessible for cyclists and pedestrians; and make walking or biking a safer and more convenient means of transportation for all County residents and visitors. Bicycle, pedestrian, and other transportation programs that incentivize mode shift to active transportation options will be eligible for funding.
- *Regional Transit Connections*: To support investment in infrastructure and services that are designed to improve transit connectivity between the County and the region. Investments from this category will be prioritized based on a project's ability to reduce congestion, a project's ability to enhance mobility options by connecting the County to the rest of the region, and a project's support through public-private partnerships.
- *County Public Transportation Systems*: To support operations and capital needs of the County's public transit services comprised of SamTrans bus and paratransit service, Caltrain rail service, and other mobility services administered by the District.

Funding provided from this category will provide additional funds to maintain and enhance bus, paratransit, and other mobility services to better serve vulnerable, underserved, youth, low-income, and transit-dependent populations throughout the County. Investments will be designed to increase ridership, improve efficiency, and reduce congestion within the County by facilitating the creation of new services that incentivize more riders to choose to use public transit.

Improvements to the County's bus network eligible for investment from this category include, but are not limited to: increased frequencies on the SamTrans' core routes; expanded hours of service during mornings, evenings and weekends; changes and improvements that make service more accessible for youth, senior, disabled, and low-income populations; technology-based solutions that improve efficiency, convenience, access to information, and overall rider experience; improved first- and last-mile connections between job centers and transit hubs; and implementation of services, programs and policies that better connect neighborhoods and communities with popular destinations to make transit the travel option of choice for more the County residents.

Investment in the Caltrain rail service will be designed to help fulfill plans to expand service levels through the operation of modern, high-performance electric trains and to fund annual operating and capital needs, including investment needed to maintain Caltrain's aging infrastructure and make capital improvements necessary to expand the system's ridership capacity.

#### Administration

As stated above, the Authority will be responsible for administering investments in all but the County Public Transportation Systems Category. The Authority's strategic plan will identify funding prioritization criteria primarily informed by and consistent with the Core Principles. Development of the Strategic Plan will include broad-based community engagement and coordination with cities, the County, relevant public agencies, and key transportation stakeholders.

#### Summary of the Oversight

A fifteen-member citizen oversight committee will be formed to ensure funds are invested in a way that is consistent with the Congestion Relief Plan. Terms will be staggered. To provide for staggered terms, the length of the initial term of each appointee will vary, with no term exceeding three years. Subsequent terms will be three years.

Annually, the District will have an audit conducted by an independent auditor. The auditor will review the receipt of tax proceeds and expenditure of tax proceeds under the Congestion Relief Plan. Following its review of the audit and public hearing, the independent oversight committee will issue a public report.

#### **BUDGET IMPACT**

The budget impacts associated with a District election will be determined by the County Elections Office closer to the November election date. If the measure passes in November, an estimated \$80 million will be available annually, for 30 years, for new investment in transportation and transit improvements countywide.

#### **BACKGROUND**

For the past 40 years, the District has strived to meet the County's mobility needs. As those needs have changed over time, the District has worked to respond with services that will benefit all County residents. The District's strategic plan identified the need to secure new revenue sources to assist in the delivery of enhanced transportation options. With traffic congestion at record levels, transit is being identified not only as a solution to congestion, but key to maintaining quality of life and mobility options for all residents.

In 2017, the legislature passed, and Governor Brown signed, Assembly Bill (A.B.) 1613 (Mullin), which allows the District's Board of Directors, with concurrence from the County Board of Supervisors, to seek voter approval of a new ½-cent sales tax for transportation purposes. If approved by 2/3 of the voters, this measure would generate an estimated \$80 million per year for transportation-related investments.

A public opinion poll conducted by the County in March 2017 demonstrated support for the creation of new revenues to fund countywide transportation and traffic congestion solutions. It also concluded that public outreach to educate residents about solutions and identify priorities would eventually be needed to develop an expenditure plan with sufficient support for adoption.

GUM was launched in November 2017 as a collaborative public education and engagement effort coordinated by the District and the County. GUM was designed to increase community awareness about current transportation conditions, programs, services, and solutions; help identify and prioritize transportation funding needs in the County; develop an understanding of community opinions about transportation priorities; and inform plans for future transportation revenue opportunities and expenditures.

Over the past nine months, GUM solicited input from community members throughout the County via mail, phone, online and in-person outreach. Over 14,000 residents provided feedback about their priorities through an online and paper survey. Over 100 in-person meetings and presentations were conducted in the County including presentations to every city council and dozens of civic, business, and advocacy organizations. Eight in-person Town Halls were conducted in geographically diverse locations. Residents also participated in telephone and online Town Halls, which were focused on audience participation and engagement, and drew over 8,500 participants, combined.

The GUM effort also included the organization of a Stakeholder Advisory Group (SAG) comprised of over 70 community partners and civic organizations, and a Technical Advisory Group (TAG) with representatives from the County, the cities in the County, and other agency partners. These groups participated in a needs assessment process that identified over 120 transportation projects and programs representing over \$12 billion in unfunded needs throughout the County. The SAG and TAG met monthly over the course of the outreach process and provided valuable input that influenced the GUM education and outreach efforts, as well as the proposed Congestion Relief Plan.

A recap of the extensive education and engagement outreach efforts that stretched countywide is provided below.

### Stakeholder Involvement – Phase One

#### Stakeholder Advisory Group & Technical Advisory Group

The SAG and TAG described above worked collaboratively with GUM staff to:

- Develop a set of Goals that were ultimately adopted by the District's Board of Directors to guide the creation of an eventual investment/expenditure plan for the Board's consideration;
- Coordinate a needs assessment process that identified over 120 transportation projects and programs to inform development of potential investment categories for a potential transportation investment plan; and
- Develop a public survey to capture County residents' transportation investment priorities.

### Public Survey

A public survey was made available online at [www.getusmovingsmc.com](http://www.getusmovingsmc.com) and in hard copy. The survey asked residents to choose their top five priorities among options that included a focus on highway congestion, transit systems, local streets and roads, east-west mobility, bicycle and pedestrian enhancements, greenhouse gas reduction, safety, geographic equity, and technology and innovation.

The hard copy was mailed to over 140,000 County residents and over 10,000 printed copies were distributed by hand. The survey was also translated into Spanish, Chinese and Tagalog, and distributed throughout the County at libraries, city halls, community centers, senior centers, and other venues. Over 14,000 surveys were completed.

Survey results were analyzed both by the "top score" and the "mean score." The "top score" is the total number of respondents who ranked a priority as their top priority. For the "mean score," each response is assigned a point value to measure both frequency of rating and intensity of rating. The mean score is the closest indicator of priorities countywide because it factors in the most data points.

Survey respondents' top scores demonstrate a preference for:

- Relieving Congestion on Highways – 4,207
- Maintain and Enhance Transit Services – 2,278 (combined score)
- Reduce Local Congestion and Repair Potholes – 2,219 (combined score)

The priorities receiving the five highest mean scores were:

- Relieve Congestion on Highways – 2.729
- Reduce Congestion on Local Streets – 1.860
- Repair Potholes – 1.620
- Expand Transit to better connect homes with jobs, schools, etc. – 1.276
- Improve Transit Travel Times and Frequency – 1.090

### Digital Media, TV Ad, Traditional and Social Media

Digital outreach resulted in over 4.5 million impressions related to the GUM effort, and thousands of television advertisements related to GUM were aired on key stations in the County.

### Public Meetings

Over 50 GUM presentations were conducted throughout the County including presentations to every city council in the County, and many business, civic and advocacy groups. Four in-person Town Hall meetings were organized, including one each in North County, Central County, South County and on the Coastsides. The Town Halls were focused on audience participation and engagement and drew over 120 participants.

### Public Opinion Polling

A second public opinion poll was conducted in February 2018 to track public opinion in the County about the creation of additional revenues and future

investment in transportation and traffic congestion solutions. Over 1,000 likely voters participated in the poll. When compared to the County's initial poll, which was conducted in March 2017, the February 2018 poll demonstrates a significant increase in support, with over 74 percent of respondents indicating that they would support a new 30-year, 1/2-cent sales tax to fund a variety of multi-modal transportation improvements.

### Stakeholder Involvement – Phase Two

#### Online Budget Challenge Tool

The extensive stakeholder feedback that was received during Phase One helped shape the creation of an interactive Online Budget Challenge tool. The online tool allowed residents to build their own budget, dividing up to \$80 million per year in new funding among transportation categories that were identified as important by County residents.

As of June 4, 2018, over 1,000 residents had taken the online budget challenge and the priorities receiving the highest level of support were:

- Public Transit – 53 percent for high-investment option
- Highways – 16 percent for high-investment option
- Local Roads – 12 percent for high-investment option

Information about the Online Budget Challenge Tool was promoted by a variety of methods including two countywide direct mail pieces, television advertisements and digital promotions.

#### Digital Media, TV Ad, Traditional and Social Media

Digital outreach resulted in over 3 million impressions related to the GUM effort, and thousands of television advertisements spots related to the GUM effort aired on key stations in the County.

#### Public Meetings; In-person, Telephone, & Online Town Halls

Over 50 GUM presentations were given throughout the County including at meetings of every city council in the County, and to many business, civic and advocacy groups. Another four in-person Town Hall meetings were organized. The meetings were held at one location each in North County, Central County, South County and on the Coastside. The Town Halls were focused on audience participation and engagement.

In addition to the in-person Town Halls, two telephone and one online Town Hall were conducted. Both the telephone and online Town Halls allowed County residents to provide valuable feedback on the GUM effort without traveling to a specific physical location. From the comfort of their own homes, over 7,500 residents participated in the telephone Town Halls. A variety of issues were discussed, including questions about how the investment plan would improve traffic conditions, potholes and transit options.

Stakeholder Advisory Group & Technical Advisory Group

During Phase two, the SAG and TAG were instrumental in helping to further refine the core principles, categories and funding levels associated with the GUM investment plan. The groups met monthly during this phase and there was robust discussion and deliberation at each meeting.

**STRATEGIC INITIATIVES**

Priority 1: Expand Mobility Options

Priority 2: Strengthen Fiscal Health

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