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Sacramento City Council

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**COUNCIL COMMITTEE ON
LAW & LEGISLATION**
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January 31, 1980

City Council
City Hall
Council Chambers
Sacramento, California 95814

RE: LEGISLATION FOR PROPOSITION 5 GUIDEWAY TRANSIT FUNDING

Members in Session:

On January 24, 1980, the Law & Legislation Committee considered a proposal to introduce legislation to secure Proposition 5 funding for a fixed guideway transit system. The attached report, prepared by John W. Schumann, Senior Planner at Regional Transit, explains the program and the proposed legislation. The legislation would allow the Sacramento area to commence receiving the maximum amount of funds (approximately \$3,000,000 annually) allocated to this area under Proposition 5. By securing state legislation, we can commence receipt of the funds now, even though the specific project is not yet selected, nor ready for construction. If we do not secure legislation and wait for say two years, until a project is selected and ready for construction, we would lose \$6,000,000 for the project.

The Committee recommends that the City Council authorize the staff to support and secure the introduction of the legislation proposed in the attached report.

BLAINE H. FISHER, Chairman
Law & Legislation Committee

APPROVED
BY THE CITY COUNCIL

FEB 5 1980

OFFICE OF THE
CITY CLERK

BACKGROUND INFORMATION
LEGISLATION NEEDS RE PROPOSITION 5 (ARTICLE XIX)
FIXED GUIDEWAY FUNDING

If fixed guideway transit (light rail) is found feasible and desirable in any of the planning studies currently underway or about to begin, Proposition 5 funding will be an important element in its implementation. Possible lines in two corridors currently are being evaluated and compared against other transportation system improvements (see map on following page). In the case of the Interstate 80 Bypass Corridor, Proposition 5 funding would be an important source for the State-local match required to obtain Federal interstate transfer funds. In the Folsom Corridor, Proposition 5 funding also could be used to match Federal funds (in what appears to be the unlikely event these should become available) or could form the basis for a funding package consisting entirely of State and local monies.

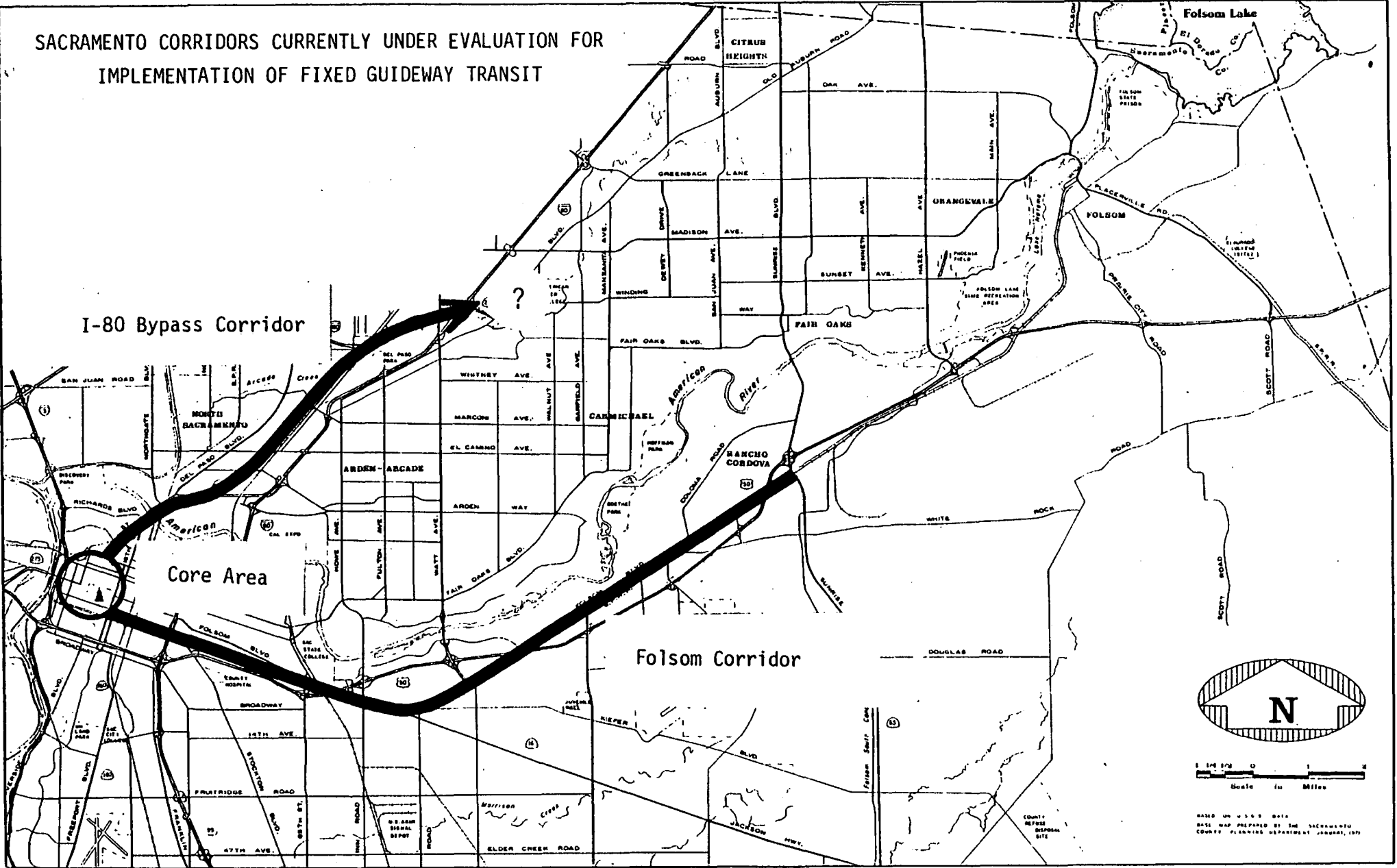
At present, the Sacramento region uses Proposition 5 guideway funds on a current year basis. For example, the ongoing Folsom Corridor Rail Transit Feasibility Study is being funded largely with Proposition 5 dollars; and an application for additional Proposition 5 money has been submitted to assist in carrying out the upcoming Interstate 80 Corridor Alternatives Analysis/Draft Environmental Impact Statement (AA/DEIS) planning process.

Proposition 5 funding available for fixed guideway transit can be used for several categories of expenses:

- Guideway planning and engineering, and comparison of guideway projects with other alternatives.
- Construction of facilities and acquisition of equipment of all types, except vehicles.
- Maintenance of guideway structures and the immediate right-of-way for the guideway.

The maximum Proposition 5 funding available within Sacramento County under the provisions of Section 200 is determined by estimating the amount of State financial participation in projected highway program expenditures in the proposed budget and applying the appropriate Section 200 percentage to that amount. Those percentages are 25% of projected highway program expenditures or the amount needed to maximize Federal financial

SACRAMENTO CORRIDORS CURRENTLY UNDER EVALUATION FOR IMPLEMENTATION OF FIXED GUIDEWAY TRANSIT



I-80 Bypass Corridor

Core Area

Folsom Corridor



Scale in Miles
 0 1 2 3 4 5

BASED ON U.S.G.S DATA
 BASE MAP PREPARED BY THE SACRAMENTO
 COUNTY PLANNING DEPARTMENT JOURNAL, 1979

participation. The amount of total State Highway Program expenditures in a county is estimated by adding the State costs for maintenance, administration, and engineering to the State capital outlay expenditures in each county.

The Sacramento Regional Area Planning Commission estimates that the maximum amount available to Sacramento County during the next five years will approximate \$3 million annually. On a current year basis, these amounts will not be large enough to contribute to a fixed guideway funding program, particularly if and when construction is underway with bills needing to be paid in a timely fashion.

Additional State Legislation Needed

State Legislation now is required to establish the machinery for the practical utilization of Proposition 5 funding as part of a guideway development process, should such development be determined to be desirable. Enactment of such legislation will not commit the region to construction of a particular guideway project or, indeed, any guideway project. It merely will establish the framework for using Proposition 5 funding if and when a project worthy of construction is identified.

Two specific elements need to be addressed by this legislation:

- The set aside of Proposition 5 funds.
- Procedures for Proposition 5 funding advances.

If enacted, the set aside provision will require the State of California annually to set aside the maximum amount (25% of the State Highway Program costs for Sacramento County) of Proposition 5 guideway monies in a separate account, which will draw interest. These funds will be available for use at a later time (up to 5 years) for guideway development purposes.

The second provision will provide for advances (needed to pay for current guideway development costs) from future years' estimates of State funding of the County's highway program under Proposition 5. Such advances would be authorized for a period of 10 years from the date of the legislation. After that time, Proposition 5 funds would have to be used to amortize any overages which might have occurred between advance drawdowns allowed

and actual Proposition 5 funding allowances (i.e., to balance the accounts should actual county highway program funding be less than anticipated at the time the estimate was made for the Proposition 5 guideway advance).

Draft Legislation

Appended to this text is a draft of the legislation that will be needed to establish the above Proposition 5 funding program. It is recommended that the Sacramento City Council vote to approve the concept of this funding program and submit a request to an appropriate State Legislator to have these amendments enacted.

For the current legislative year, requests for drafting such legislation will have to be submitted by an assemblyman or senator to the Legislative Counsel no later than February 15, 1980.

Appendix: Proposed Amendments to State Legislation
Relative to Proposition 5 Fixed Guideway Funding
For Sacramento County

AMENDMENT 1

Section 199.15 is added to the Streets and Highways Code, to read:

199.15. Notwithstanding Section 14533 of the Government Code, the California Transportation Commission shall allocate annually from the State Highway Account in the State Transportation Fund an amount equal to the maximum authorized under Section 200 for exclusive public mass transit guideway construction purposes to the Sacramento Regional Transit District.

AMENDMENT 2

Section 199.16 is added to the Streets and Highways Code, to read:

199.16 (a) All funds allocated for exclusive public mass transit guideway construction purposes pursuant to Sections 199 and 199.15 or made available for such purposes pursuant to subdivision (b) shall be retained in the State Highway Account until such time as such funds are needed for expenditure by the Sacramento Regional Transit District. The department and the District shall jointly establish procedures for the orderly implementation of this section.

(b) Upon application by the District, the commission may by resolution adopt a plan under which the department shall advance State Highway Account funds to the District for exclusive public mass transit guideway construction purposes. The plan shall provide for the method and timing of amortization of the advance. The maximum amount which shall be advanced under this subdivision shall be based upon the state transportation improvement program adopted pursuant to Section 14529 of the Government Code and in effect at the time the plan is adopted

by the commission. After June 30, 1991, allocations to the District under Section 199.15 shall be applied to the amortization of the advances in excess of entitlement during the previous years until the advances have been fully paid.

(c) The application of the District to the commission for an advance shall include an operating plan which indicates the estimated cost of operating the system and the proposed sources of the operating revenues. The staff of the commission shall provide an analysis of the application, with special attention to be given to the financial element of the application.

(d) Notwithstanding Section 199, the funds so advanced shall not be deemed an expenditure on the state highway system solely within the year of the advance, but rather shall be deemed so expended over the five-year period in an amount during each year equal to the amount calculated for each of those years in arriving at the five-year total.

AMENDMENT 3

Section 199.17 is added to the Streets and Highways Code, to read:

199.17. Commencing on July 1, 1986, the amount budgeted and allocated to the District pursuant to Section 199.15 shall be reduced by an amount equal to the amount, if any, by which the total amount being retained for the District pursuant to Section 199.16 exceeds the total amount allocated to the District during the prior five years pursuant to Section 199.15.

For purposes of this section, funds encumbered as a result of the letting of a contract by the District for the construction of an exclusive public mass transit guideway system shall not be deemed funds retained by the District.