



NAPA VALLEY TRANSPORTATION AUTHORITY
ATAC Agenda Letter

TO: Technical Advisory Committee (TAC)
FROM: Kate Miller, Executive Director
REPORT BY: Danielle Schmitz, Planning Manager
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SUBJECT: Regional Measure 3 Project List Recommendation

RECOMMENDATION

Staff is requesting that the TAC review and recommend the Regional Measure 3 (RM3) list of projects to be approved at the March 15 NVRTA Board Retreat.

EXECUTIVE SUMMARY

On December 14, 2016 MTC held its annual Commission Workshop, which included a Regional Measure 3 discussion. Regional Measure 3 is a proposed \$1-3 bridge toll increase on Bay Area Toll Bridges that would be placed on the ballot in November 2018 and include all 9 Bay Area counties. The Metropolitan Transportation Commission (MTC) has administered two other similar measures, RM1 and RM2. MTC has polled voters on the amount of a proposed increase and the \$1 increase tolled very promising. Consequently, MTC is leaning toward putting a \$1 increase on the ballot. It should be noted that in prior measures, Napa or Sonoma were not participating counties in the voter election. Preliminary indications by MTC suggest that Napa and Sonoma will be included in Regional Measure 3.

A \$1 dollar toll increase is projected to raise \$1.7 billion over a 25-year period, or \$127 million annually. Napa's return to source is roughly \$34 million in RM3 funds (based upon approximately 2% of tolls paid). Napa received a portion of the North Bay Express Bus project in Regional Measure 2 – roughly \$5.5 million for transit stations and buses, including \$2.5 million for the Soscol Gateway Transit Center. The Vine also receives annual operating revenues for the Route 29.

Regional Measure funds must support projects that relieve congestion on the bridge corridors. Since bridge tolls are fees and not taxes, the use of toll revenue must benefit

the payers of the fee. In other words, the projects funded by Regional Measure 3 should provide safety, mobility, access, or other related benefits in the toll bridge corridors. Staff is proposing to submit a Napa County RM3 project list which includes an array of transit capital, active transportation and transportation for livable communities' projects (Attachment 1).

FISCAL IMPACT

Is there a fiscal impact? No

BACKGROUND AND DISCUSSION

Unlike local sales tax measures where the Legislature has provided a general grant of authority to a county to create an expenditure plan to be placed on the ballot, RM1 and RM2 included an expenditure plan written and adopted by the Legislature as part of its normal bill passage process. The toll program is also unique in that it is regional in nature and the tolls are pooled to fund projects throughout the seven (7) State-owned bridges in the Bay Area. The toll revenue provides a benefit to those paying the fees (i.e. toll bridge users) or mitigates for the activity associated with the fees. As fees, toll increases are subject to a simple majority vote, rather than two-thirds. In the case of RM1 and RM2, and MTC's regional gas tax authorization statute, the vote is tallied region-wide, rather than county-by-county.

Regional Measure 1 was passed by Bay Area Voters in 1998 and increased tolls on the region's seven state-owned bridges to a uniform \$1. Revenues generated by the increase were dedicated to Highway and bridge improvements, public transit rail extensions, and other projects that reduce congestion on the bridge corridors.

Regional Measure 2 was a ballot measure instituting a \$1 dollar toll increase that was passed in 2004. The expenditure plan for RM2 funded 37 capital projects, with an emphasis on transit improvements on the bridge corridor.

On December 14th, MTC held a Commission Workshop which included a Regional Measure 3 discussion. For both RM1 and RM2 MTC formed a Technical Advisory Committee made up of CMAs, transit agencies, and other interested parties to discuss project proposals in an open forum. MTC is expecting a similar process this time around.

SUPPORTING DOCUMENTS

Attachment(s): (1) Proposed Napa RM 3 Projects
 (2) MTC Memo on RM3

Regional Measure 3

Item	Description	Estimated Cost (2016 \$\$)	RM3 Request	Project Horizon	
				Start	End
SR 29 (Broadway) /SR 221 (Soscol) Multi-Modal Improvements					
<i>Park & Ride Improvements - Technology/Access Upgrades</i>					
Redwood P&R	Bus charging station, electronic variable message signs (parking capacity, real time bus arrival, and traffic advisory)	250,000		2021	2022
American Canyon P&R (@ Crawford)	Includes Bike/Ped access corridor from lot to SR 29/passenger shelters/bulb outs, bus charging stations, electronic variable message signs (parking capacity, real time bus arrival, and traffic advisory) - improvements on east and west sides of highway - see ped overpass below.	840,000		2021	2023
American Canyon P&R - (2) Pedestrian Overpasses	Overpasses at AmCan existing P&R (American Canyon Road) and new P&R (Napa Junction)	7,000,000		2020	2023
Imola	Widen southbound SR 29 on-ramp and connect P&R to corridor, passenger shelter, paving, striping	2,000,000		2022	2024
<i>Park & Rides New</i>					
American Canyon-City Hall	Acquire property at and construct park and ride, including retail space and passenger amenities. Bus charging station and electronic variable message signs (parking capacity, real time bus arrival, and traffic advisory)	1,750,000		2025	2027
<i>Curb Extensions (Bulb outs)/Rider Stations/Amenities</i>					
American Canyon - City Hall/Walmart on corridor @Napa Junction		125,000		2025	2027
Napa Valley College - SR 221/State Hospital		250,000			

Regional Measure 3

Item	Description	Estimated Cost (2016 \$s)	RM3 Request	Project Horizon	
<i>Bike/Ped Improvements/Landscaping</i>					
American Canyon - Napa Junction to Mimi Drive (2.6 miles)	Bike/Pedestrian - Both sides of Broadway/SR 29	5,200,000		2021	2025
Napa Valley College - Imola to Kennedy Park /Streblow Dr. (0.7 miles)	Bike/Pedestrian - Both sides of Soscol/221	875,000		2025	2026
<i>Intersection Improvements</i>					
	Signal priority	750,000		2021	2025
	Queue jumps/intersection configuration improvements (3)	3,000,000			
Electric vehicles - Express Bus Expansion		14,000,000			
		36,040,000			

Other Priorities:

SR 37 Investments

Vallejo Ferry Operating Funds

Other - Competitive Program ideas

Transit Clean Vehicle program (off property infrastructure/fueling)

Transit Technology program (improve communications, predictability, etc. and encourage transit)



Memorandum

TO: Commission

DATE: December 8, 2016

FR: Executive Director

RE: Regional Measure 3

Background

Included in the Commission's Draft Advocacy Program for 2017 is a recommendation that the Commission sponsor legislation authorizing MTC to place on the ballot a measure asking Bay Area voters to approve a bridge toll increase to fund congestion relief projects for improved mobility in the bridge corridors. This memo and the attachments include information for your discussion and policy direction as we seek to pass legislation in 2017 to achieve this goal.

Attached to this memo are the following documents.

- A map showing the major investments included in Regional Measures 1 and 2 – RM1 and RM2 (Attachment A)
- Key Policy Considerations (Attachment B)
- Charts that include data on the county of origin of the toll payers, the relative size of the toll collections at each of the toll bridges and registered voter information (Attachment C)

Process

Unlike local sales tax measures where the Legislature has provided a general grant of authority to a county to create an expenditure plan to be placed on the ballot, RM1 and RM2 included an expenditure plan written and adopted by the Legislature as part of its normal bill passage process. The toll program is also unique in that it is regional in nature and the tolls are pooled together to fund projects throughout the bridge system. The toll revenue provides a benefit to those paying the fees (i.e. toll bridge users) or mitigates for the activity associated with the fees. As fees, toll increases are subject to a simple majority vote, rather than two-thirds. In the case of RM1 and RM2, and MTC's regional gas tax authorization statute, the vote is tallied region-wide, rather than county-by-county.

In 2003, when RM 2 was under consideration by the Legislature, then Senate Pro Tem Don Perata created a special Select Committee that held a number of public hearings to solicit public input on the expenditure plan. Concurrently, MTC hosted a Technical Advisory Committee that met monthly to provide interested parties — transit operators, CMA's and other stakeholders — an opportunity to propose projects and discuss the attributes of proposals as they emerged in an open public forum.

We expect a similar process to begin in earnest when the Legislature convenes in January 2017, with a goal of passing a bill in 2017 so that a measure can be placed on the ballot in 2018.

Workshop Focus

At your December workshop, staff hopes to solicit your guidance on the key policy considerations and draft principles outlined in Attachment B as well as any other related issues of concern to the Commission. We would expect to return to the Legislation Committee at regular intervals in 2017 to review further details about the Regional Measure 3 bill as it develops, including specific projects proposed for potential funding.



Steve Heminger

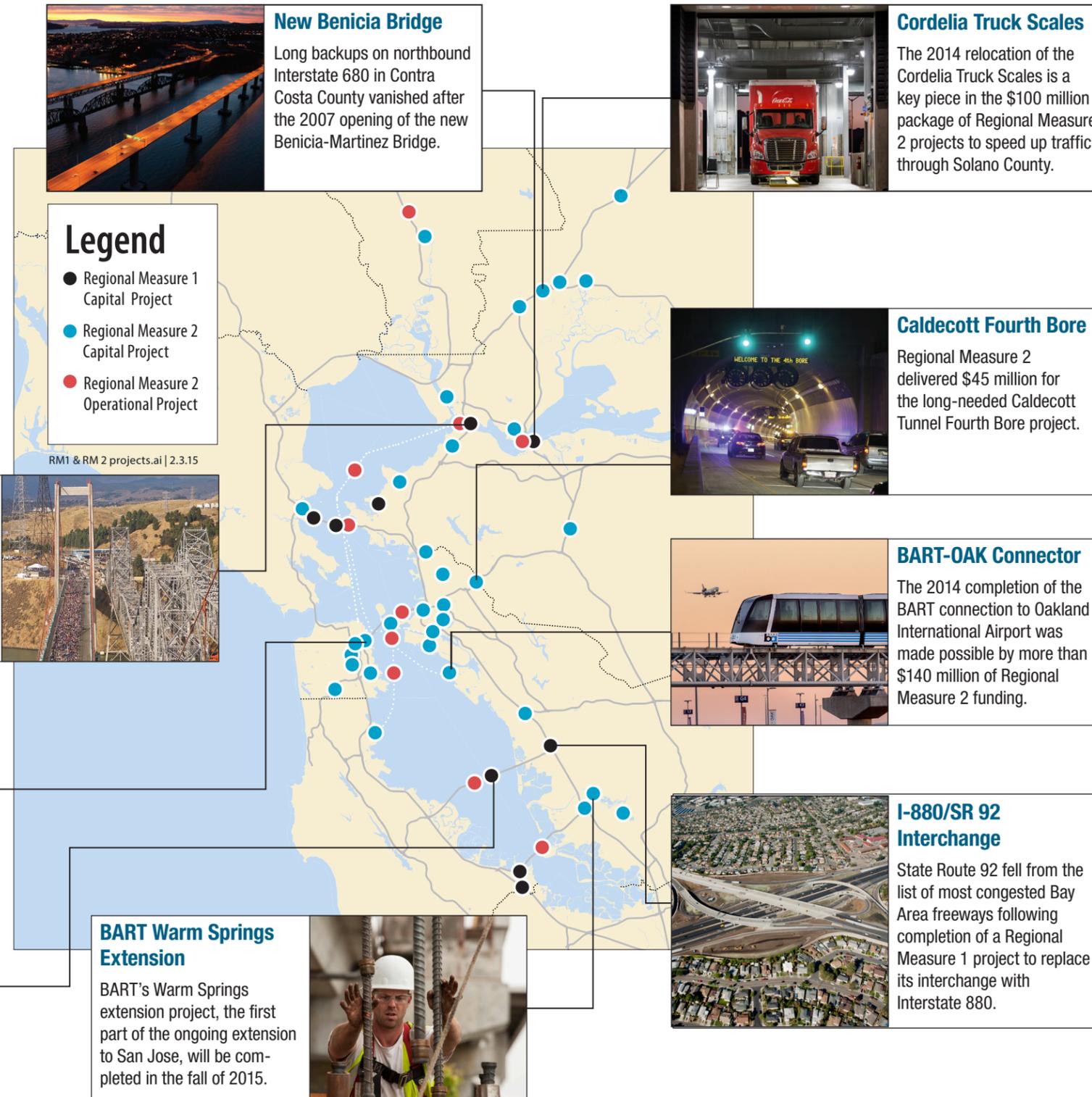
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Attachments



Voter Approved Toll Bridge Measures Deliver Big Returns

Year after year, in good economic times and bad, Bay Area residents rank transportation as one of their highest priorities. Voters have proved this time and again at the ballot box, including through the passage of Regional Measure 1 in 1988 and Regional Measure 2 in 2004. These measures raised tolls on the Bay Area's seven state-owned toll bridges — and delivered dozens of the most important transportation investments of the past generation.

With these projects now completed or under construction, it's time for voters to consider a third regional measure for the Bay Area's next generation of improvements.



New Benicia Bridge
Long backups on northbound Interstate 680 in Contra Costa County vanished after the 2007 opening of the new Benicia-Martinez Bridge.

Cordelia Truck Scales
The 2014 relocation of the Cordelia Truck Scales is a key piece in the \$100 million package of Regional Measure 2 projects to speed up traffic through Solano County.

Caldecott Fourth Bore
Regional Measure 2 delivered \$45 million for the long-needed Caldecott Tunnel Fourth Bore project.

BART-OAK Connector
The 2014 completion of the BART connection to Oakland International Airport was made possible by more than \$140 million of Regional Measure 2 funding.

I-880/SR 92 Interchange
State Route 92 fell from the list of most congested Bay Area freeways following completion of a Regional Measure 1 project to replace its interchange with Interstate 880.

BART Warm Springs Extension
BART's Warm Springs extension project, the first part of the ongoing extension to San Jose, will be completed in the fall of 2015.

New Carquinez Bridge
Thousands of people turned out in late 2003 to celebrate the opening of the Al Zampa Bridge linking Solano and Contra Costa counties.

Third Street Light Rail
San Francisco's T-Third light-rail project provided faster and more reliable connections between downtown and the city's southeastern neighborhoods.

San Mateo Bridge Widening
The late Congressman Tom Lantos was on hand in 2003 to cut the ribbon for the newly widened San Mateo-Hayward Bridge.

REGIONAL MEASURE 1	Amount (\$ millions)
New Benicia-Martinez Bridge	\$1,200
Carquinez Bridge Replacement	\$518
Richmond-San Rafael Bridge Rehabilitation	\$117
San Mateo-Hayward Bridge Widening	\$210
I-880/SR 92 Interchange Replacement	\$235
Bayfront Expressway Widening	\$36
Richmond Parkway	\$6
US 101/University Avenue Interchange Improvements	\$4

REGIONAL MEASURE 2	Amount (\$ millions)
Transbay Transit Center ¹	\$353
e-BART/Hwy 4 Widening ²	\$269
BART to Warm Springs ^{1,2}	\$304
BART Oakland Airport Connector ¹	\$146
Solano Co. I-80 HOV Lanes & Cordelia Truck Scales ¹	\$123
SMART Rail	\$82
AC Transit Bus Rapid Transit ²	\$78
Transit Center Upgrades and New Buses (Regionwide)	\$65
I-580 HOV Lanes	\$53
Ferry Vessels ²	\$46
Caldecott Tunnel Fourth Bore	\$45
Transit Technology (Clipper®, 511®, Signals)	\$42
Contra Costa I-80 HOV Lanes	\$37
BART Tube Seismic Retrofit ²	\$34
San Francisco Third Street Light Rail	\$30
BART Central Contra Costa Crossover	\$25
Safe Routes to Transit Projects	\$23
Other Regional Projects	\$356
Transit Operations Support (Annual)	\$41

¹ Amount shown includes other toll revenue in addition to RM2
² Under construction

Draft Principles for Regional Measure 3

Bridge Nexus

Ensure all projects benefit toll payers in the vicinity of the San Francisco Bay Area’s seven state-owned toll bridges

Regional Prosperity

Invest in projects that will sustain the region’s strong economy by enhancing travel options and improving mobility in bridge corridors

Sustainability

Ensure all projects are consistent with Plan Bay Area 2040’s focused growth and greenhouse gas reduction strategy

State of Good Repair

Invest in projects that help restore bridges and transportation infrastructure in the bridge corridors

Demand Management

Utilize technology and pricing to optimize roadway capacity

Freight

Improve the mobility, safety and environmental impact of freight

Resiliency

Invest in resilient bridges and approaches, including addressing sea level rise

Regional Measure 3 – Key Policy Considerations



When should the vote take place?

We recommend either the primary or general election in 2018. This will require the Legislature to pass the enabling legislation no later than the end of August 2017.

How large of a toll hike should we seek?

A comparison of the revenue yield from a \$1–\$3 toll surcharge as well as a comparison of toll rates on other bridges are shown in the tables below. A multi-dollar toll surcharge could be phased in over a period of years.

Toll Surcharge Amount	Annual Revenue	Capital Funding Available (25-year bond)
\$1	\$127 million	\$1.7 billion
\$2	\$254 million	\$3.3 billion
\$3	\$381 million	\$5.0 billion

Toll Rate Comparisons

Facility	Standard Auto Toll	Carpool Toll
BATA Bridges	\$5.00	\$2.50
Golden Gate Bridge	\$7.50/\$6.50 Plate/FasTrak	\$4.50
MTA Verrazano Narrows Bridge	\$11.08 ¹ /\$16.00 EZ-Pass/Cash	\$3.08 ^{1,2}
Port Authority of New York/New Jersey (Bridges and Tunnels)	\$10.50/\$12.50/\$15.00 Off-Peak/Peak/Cash	\$6.50

¹Results from EZ-Pass discount rate
Average rate, based on 24 trips





Which counties should vote on the toll increase?

Regional Measure 1 (1988) and Regional Measure 2 (2004) were placed on the ballot in only seven of the nine Bay Area counties; Napa and Sonoma were excluded. We propose that all nine counties be included in Regional Measure 3.

Should toll revenue be used for operating purposes?

If a portion of toll revenue is reserved for operating funding (such as to subsidize transit service), the capital funding shown in the table on the prior page would be reduced. For example, for every 10% of total revenue reserved for operating purposes under a \$2 toll scenario, the capital yield from toll revenue bonds would be reduced by approximately \$300 million. Accordingly, we recommend restricting operating funding to the smallest possible amount. If an operating program is created, we recommend establishing performance standards similar to those in Regional Measure 2 as a condition of funding eligibility.

Should congestion pricing be expanded?

The \$6 peak/\$4 off-peak weekday toll on the San Francisco-Bay Bridge has successfully reduced congestion on that span by encouraging some commuters to change their time or mode of travel. The \$6/\$4 differential toll also raises about the same amount of revenue as would a flat \$5 toll on that span. To further reduce congestion, we suggest consideration of a greater discount between the peak and off-peak rate for the Bay Bridge in Regional Measure 3.

Should a FasTrak® discount be authorized?

The Golden Gate Bridge district offers FasTrak Discounts to incentivize more drivers to sign up for FasTrak, since electronic toll collection significantly speeds up traffic throughput on the bridge. RM 3 is an opportunity to remove a statutory restriction that currently prohibits BATA from offering similar FasTrak discounts. We recommend pursuing this change to help reduce delays and associated emissions.

Should trucks pay an additional toll?

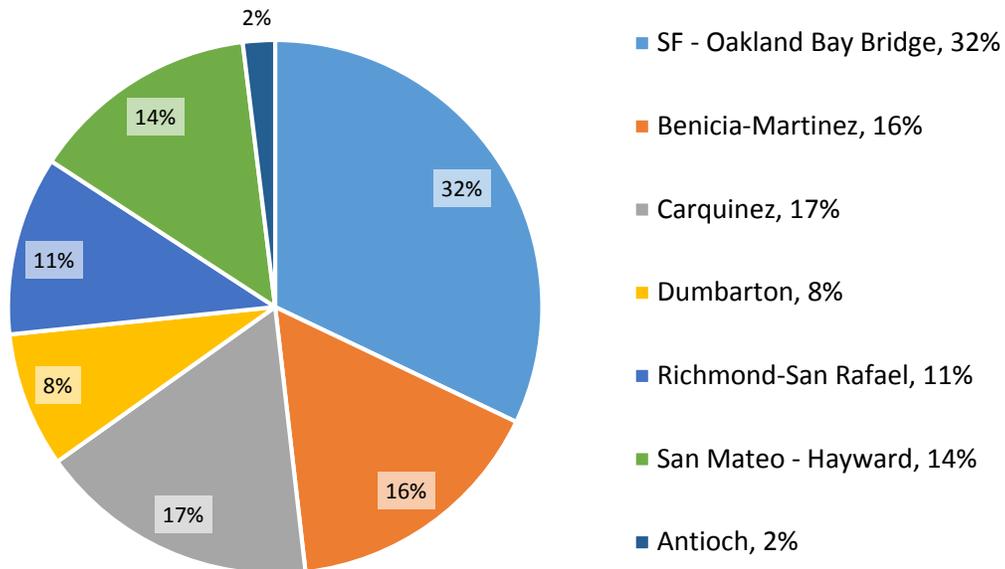
The last toll hike approved by the Bay Area Toll Authority (BATA) in 2010 included a substantial increase in the axle-based rate paid by commercial vehicles and trucks. As a result, we recommend that Regional Measure 3 be a flat surcharge added to all vehicles crossing the seven state-owned bridges.

What kind of projects should be considered for funding?

Since bridge tolls are fees and not taxes, the use of toll revenue should benefit the payers of the fee. In other words, the projects funded by Regional Measure 3 should provide safety, mobility, access, or other related benefits in the toll bridge corridors. Regional Measure 1 funded primarily a small set of bridge replacement and expansion projects. By contrast, Regional Measure 2 funded a much larger set of both bridge, highway, and transit projects in the bridge corridors. Given the region's significant needs on all modes, we expect that Regional Measure 3 will resemble its immediate predecessor in the breadth and modal mix of projects.

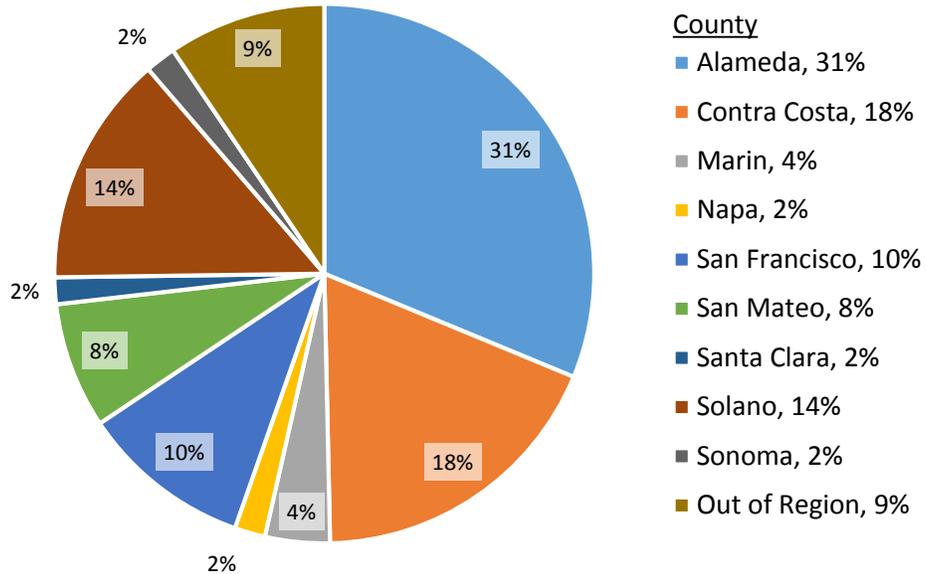


Share of Bridge Toll Revenue by Bridge



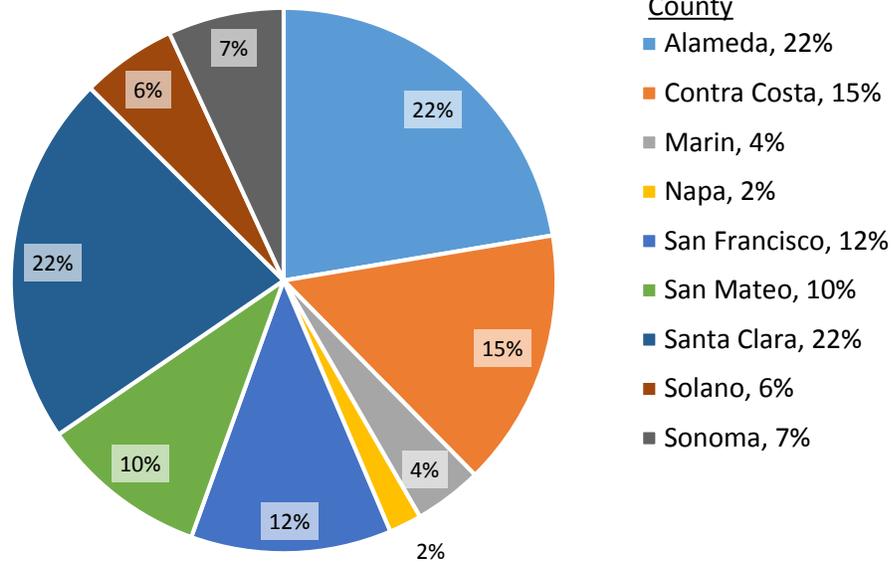
Source: FY16 Toll Revenues Collected by Bridge, MTC Comprehensive Annual Financial Report, June 30, 2016

Share of Toll Revenue by County of Residence



Source: 2015 MTC FasTrak Data - Average Typical Weekday Transactions by County of Billing Address

Share of Voters by County



Source: 2016 California Secretary of State Report of Registration (registered voters by county as of 10/24/2016)