REPORT TO SHASTA COUNTY RTPA

SUBJECT		MEETING DATE	ITEM NUMBER
Consider Actions to Generate Additional Funding for Transportation		7/26/05	7

RECOMMENDATION
It is recommended that the Agency:

1) Authorize the Executive Officer to commence the process to establish a Traffic Impact Fee for State Highway Improvements

2) Authorize an amount not to exceed $10,000 to perform polling to determine the viewpoint of area residents to spending additional dollars on transportation improvements.

SUMMARY
This item is a follow-up to last meeting's presentation on transportation funding.

DISCUSSION
At the April meeting the Agency was presented with a set of solutions to address the shortcomings of the traditional gas tax levy. Staff is of the opinion that the best solution for the transportation network in Shasta County, is to implement a sales tax earmarked for transportation purposes. It should be emphasized that Staff is focused solely on transportation to the exclusion of other potential uses for additional sales tax revenues, such as police and fire or library services.

Since the last meeting the Executive Officer has made four presentations regarding this issue. Three were to service clubs and one was to the Redding Planning Commission. The feedback received has generally been positive, but no local "private sector champion" has yet stepped forward.

At each of these speaking engagements the Citizen Input Questionnaire has been distributed. Staff has received 42 responses to date. Of these responses 62% favor an additional half-cent sales tax. The most important local transportation issue, according to respondents, is traffic congestion followed by enhanced bus service. Conversely, only 20% indicated a willingness to work on this issue. It should be clarified that this sample is very unscientific and should not be used as a basis to make an inference about the whole population. Accordingly, it is only being used as anecdotal evidence in this discussion.

In theory a sales tax initiative is still probably the best solution. However, based upon feedback received, there is considerable work to be done educating the public on this very important community issue.

An area of funding that cries out for attention is the application of traffic impact fees throughout the region. Each of the four local entities levy traffic impact fees of differing amounts; these range from $800 to $3,544 for a new residence. This difference is presumably due to the difference in perceived needs by the four local entities. All of these fee programs are intended to address needs on each entities' road system driven by development, although Anderson's program does include minor improvements to the Deschutes Interchange and partially funds signals on SR 273. Whereas these revenues are earmarked for each entities' local system, we currently have no revenue mechanism to address the same impacts of development on the state highway system.

Another reason to generate a local revenue stream is that it will allow local control over how and when these transportation improvements are delivered. As you are aware, due to state actions our number one priority project, Dana to Downtown, has been delayed to at least 2007. If local revenues were available this project would be under construction, using these monies to "bridge" the gap in state funding. Reimbursement from the state would then occur when state funds become available. This is the strategy utilized in regions with local revenue sources.

It is recommended that the Agency authorize the Executive Officer, in partnership with Caltrans, to convene a meeting of the three City Managers and the County CAO, to discuss the needs on the state highway system, and, to hopefully devise a strategy to generate funding for this road network. This meeting would address issues such as the terms and conditions of such a program and would represent the first step in this process.

This strategy could lead to a uniform fee charged by all jurisdictions. It could be levied by each local agency or could be levied by the RTPA as a regional impact fee. This fee would generate funding to address the "indirect impacts" of development and would not be considered a substitute for "direct impact" mitigation.

It does not appear that the timing is optimal right now to further advance a sales tax initiative. This conclusion is based upon the less than enthusiastic reception received to date to this concept. It seems the general feeling among people is that there is plenty of money to meet our needs; it just needs to be spent correctly. There was also a strong feeling that if Proposition 42 funding is allowed to flow as the voters intended, then our transportation problems would dissipate in a flood of new money. These thoughts simply emphasize how difficult the challenge is in this region. It should be pointed out that Proposition 42 did not attain a majority in Shasta County, yet achieved a nearly 70% pass rate statewide.

Another factor leading to this conclusion is the lack of a private individual or group of individuals willing to step forward and champion this effort. In areas where sales tax initiatives have succeeded, a prominent local group, such as a Chamber of Commerce or local manufacturers group get actively involved; and not only with their checkbook.

Despite these observations, Staff does believe there is merit in performing a certain amount of polling to determine as accurately as possible why people in Shasta County are so fiscally conservative; even in the face of significant growth, growing traffic congestion and declining revenues. To that end it is recommended that the Agency proceed with engaging a polling consultant to answer some of these questions. Staff would work with the City of Redding to see if there are any benefits to partnering with them as their polling project proceeds.

ALTERNATIVES

Identified alternatives to the Staff recommendations are as follows:

1. The Agency may choose not to pursue a traffic impact fee dedicated to State Highway facilities. This is not recommended due to the needs projected for the state highway system as a result of local growth and development. Without some source of local revenue other than the State Transportation Improvement Program (STIP), funding opportunities will be lost to other regions that are willing to shoulder more of the cost of road improvements as the state looks to leverage and maximize its investment. In order to compete statewide for scarce resources, some local revenue source is necessary.

2. The Agency may choose not to authorize Staff to conduct some polling. This is not recommended because it is important to understand why our residents think the way they do. Hopefully, polling data would help focus education efforts where they can have the most payback.

OTHER AGENCY INVOLVEMENT

This item was discussed at the July 12, 2005, Technical Advisory Committee (TAC) meeting.

FINANCING

Approval of the Staff recommendation will have no significant impact on the Agency's budget.

Daniel J. Kovacich

Daniel J. Kovacich, Executive Officer

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