

2017

# Strategic Expenditure Plan



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## 1. Executive Summary

### Background

Starting in May of 2015, the Transportation Agency engaged in a public outreach effort to inform the public about our transportation needs, funding challenges and the self-help option. The Transportation Agency for Monterey County placed the Transportation Safety & Investment Plan (Measure X) on the November 8, 2016 ballot and the measure was approved with 67.7% approval from Monterey County voters. The measure is anticipated to generate an estimated \$20 million annually for a total of \$600 million over thirty years through a retail transactions and use tax of a three-eighths' of one-percent (3/8%). The revenue from Measure X funds critical safety, mobility, and maintenance projects and programs in three categories:

- \$360 million (60%) to Local Road Maintenance, Pothole Repairs & Safety
- \$160 million (27%) to Regional Road Safety & Congestion Improvements
- \$80 million (13%) to Pedestrian & Bike Safety and Mobility Projects

### Sales Tax Revenues

As noted above and described in more detail in Chapter 4, Measure X sales tax revenues estimated in the 2016 Transportation Safety and Investment Plan were forecast in constant dollars and estimated to be \$600 million through March 31, 2047. However, given economic activity in Monterey County since the time Measure X was being developed, the Transportation Agency has assumed a beginning sales tax revenue value of \$24,839,186 for Fiscal Year 2017-2018. From this base year amount, the Transportation Agency forecasts future revenues. As historic Monterey County taxable sales data serves as a proxy for sales tax revenues, the Transportation Agency's financial advisor, KNN Public Finance, evaluated historical growth averages and recommended that the Measure X sales tax revenue forecast assume a long-term average growth rate of 3.21 percent for planning purposes. This information is incorporated into the cash flow model provided in Chapter 9.

### Project Prioritization

One of the purposes of the Strategic Plan is to establish the relative priority among the projects contained in the Measure X Transportation Safety & Investment Plan as far as the sequence in which they will be implemented. The eight projects that will be prioritized using the criteria provided by the Transportation Agency Board of Directors are:

- Highway 68 - Safety & Traffic Flow
- US 101 Safety Improvements - South County
- State Route 156 Safety Improvements
- Marina-Salinas Multimodal Corridor (Imjin Safety & Traffic Flow)
- Highway 1 Rapid Bus Corridor
- Holman Highway 68 Safety & Traffic Flow – A (Community Hospital of the Monterey Peninsula Roundabout)
- Holman Highway 68 Safety & Traffic Flow – B (Pacific Grove Complete Streets)
- Fort Ord Regional Trail and Greenway

Measure X regional projects are prioritized for programming based on five key criteria as recommended by the Transportation Agency Board of Directors and identified in the Measure X Policies and Project Descriptions document. A rating of High (green), Medium (yellow), and Low (red) is used for each criterion to evaluate the projects. Presented as a summary here, the full project prioritization and supporting documentation can be found in Chapter 3.

	Project Readiness	Matching Funds	Fair Geographic Distribution	Congestion Need & Safety Benefit	Cost Effectiveness & Connectivity
Fort Ord Regional Trail and Greenway					
Highway 1 Rapid Bus Corridor					
Highway 68 - Safety & Traffic Flow					
Holman Highway 68 Safety & Traffic Flow - A (CHOMP Roundabout)					
Holman Highway 68 Safety & Traffic Flow - B (Pacific Grove)					
Marina-Salinas Multimodal Corridor					
State Route 156 Safety Improvements					
US 101 Safety Improvements - South County					

First Five Years

The 2017 Measure X Strategic Expenditure Plan is a five-year planning document, coordinated with the 2018 State Transportation Improvement Program cycle. To manage the various available funding sources with eligible Measure X projects, Chapter 4 presents the Integrated Funding Plan, which incorporates the results of the project prioritization to identify projects that can start or are nearing construction in the first five years of Measure X. Those projects expected to start construction are:

- State Route 68 Safety & Traffic Flow
- State Route 156 Safety Improvements (Castroville Boulevard Interchange)
- Marina-Salinas Multimodal Corridor (Imjin Safety & Traffic Flow)
- Fort Ord Regional Trail and Greenway

*Accelerating Project Delivery through Financing*

Many local transportation sales tax programs successfully implement a debt financing strategy in order to expedite the delivery of regional projects. On a “pay as you go” basis, it can become more difficult to deliver the program within the thirty-year life of the sales tax due to construction cost escalation and fluctuating or insufficient annual sales tax revenues. In the case of Measure X, issuing bonds or other debt financing instruments may be necessary primarily to ensure sufficient cash flow to deliver regional projects as they become ready for construction.

The cash flow model presented in Chapter 9 shows sales tax revenues exceeding authority-wide annual debt service at around 2.0x or better. In addition, fiscal year 2016-2017 unaudited data shows a significant increase in sales tax revenues over initial projections during the development of Measure X. These metrics suggest that there is additional debt capacity on an authority-wide basis. This debt capacity, however, may be only available to projects in the regional program. Should the Transportation Agency not be able to fund projects for the regional program on a pay-as-you-go basis or through inter-program loans then bond financing could be an option to ensure that project expenditures are funded.

To this end, Transportation Agency staff has conducted an extensive debt financing review with the Agency’s financial advisors, KNN Public Finance, to determine potential debt financing strategies to include in the cash flow model. The initial cash flow model presented in Chapter 9 includes \$43 million of debt financing within the first five years of the program, which will require further study and approval by the Transportation Agency Board of Directors.

*Local Road Maintenance & Pay-As-You-Go Programs*

Pay-as-you-go financing involves paying for capital expenditures with available cash on hand and, as such, no debt is incurred under pay-as-you-go financing.

Pay-as-you-go financing by Measure X is used for the apportionments to the Habitat Preservation / Advance Mitigation, Safe Routes to Schools, Senior and Disabled Transportation, the Commuter Bus, Salinas Valley Transit Centers and Vanpools programs, and the Local Road Maintenance fund.

The Local Road Maintenance funds are allocated quarterly to all Monterey County jurisdictions. The formula distribution for these funds is based on 50% road miles and 50% population. The formula is updated as new information becomes available using Department of Finance population figures and center line miles as reported by the California Department of Transportation.

*Strategic Expenditure Plan Updates*

The Strategic Expenditure Plan is a five-year programming document. It provides a snapshot of anticipated cash flow, as well as a commitment of funds to specific projects for the next five years of Measure X. In order to effectively reflect upon actual revenues and project progression, this plan sets a goal for updates every two years.

## 2. Introduction and Background

### 2.1. Introduction

The Transportation Agency for Monterey County's mission is to proactively fund and plan a transportation system that enhances mobility, safety, access, environmental quality and economic activities by investing in regional transportation projects for Monterey County residents, businesses and visitors.

Our Board of Directors is made up of local elected officials who want to make our transportation system better by filling potholes, making our roads safer, and reducing traffic. Representative of the County's diversity, our Board has one elected official from each of our twelve cities, and all five county supervisors. The Transportation Agency for Monterey County, working with our local, state, and federal partners, has made great progress on making our highways safer and reducing traffic, ranging from large projects, such as US 101 at San Juan Road; to rail or bus service; to smaller projects such as neighborhood sidewalks, bicycle paths and bike racks. However, our transportation system in Monterey County is aging and the county roads and city streets are crumbling. There are still significant safety concerns and traffic jams, such as those on Highway 68, Highway 156 and US 101. These issues stifle our regional economy and make it more difficult for our vulnerable populations – the elderly, children and the disabled – to get around.

The challenge facing us is that we can't count on the State and federal government to bail us out. While project costs rise with inflation, road repairs become more expensive the longer we wait. Currently, Monterey County has over \$2 billion dollars in unfunded road maintenance, safety and traffic reduction needs.

For this reason, community leaders joined with the Transportation Agency for Monterey County to develop the Transportation Safety & Investment Plan (Measure X), which identifies solutions to regional safety and local road needs of the highest priority.

### 2.2. Measure X Background

Starting in May of 2015, the Transportation Agency engaged in a public outreach effort to inform the public about our transportation needs, funding challenges and the self-help option. The Transportation Agency for Monterey County placed the Transportation Safety & Investment Plan (Measure X) on the November 8, 2016 ballot and the measure was approved with 67.7% approval from Monterey County voters. The measure is anticipated to generate an estimated \$20 million annually for a total of \$600 million over thirty years through a retail transactions and use tax of a three-eighths' of one-percent (3/8%). The revenue from the sales tax measure will be used to fund transportation safety and mobility projects in Monterey County.

Measure X funds critical safety, mobility, and maintenance projects and programs in three categories:

- \$360 million (60%) to Local Road Maintenance, Pothole Repairs & Safety
- \$160 million (27%) to Regional Road Safety & Congestion Improvements
- \$80 million (13%) to Pedestrian & Bike Safety and Mobility Projects

### **2.3. Purpose of the Strategic Plan**

The Policies and Project Descriptions for Measure X identified which projects and programs will receive Measure X revenue, and the amounts they will receive, but not the dates they will receive these funds. Recognizing that not all \$600 million in projects can be delivered at the outset of the program, the Measure X Policies and Project Descriptions document requires that the Transportation Agency for Monterey County adopt a Strategic Plan that prioritizes the projects and establishes a timeline for their implementation within twelve months of the sales tax taking effect. This document is the Strategic Plan for the Measure X Program.

The primary purposes of the Strategic Plan are to:

- Define the preliminary scope, cost and schedule for the regional projects in Measure X;
- Forecast Measure X and matching fund revenue streams and identify possible financing tools needed to deliver the regional program;
- Prioritize regional projects and define a schedule for delivery of those projects spread out over 30 years to match cash flows and potential debt financing obligations;
- Identify sources of matching and leveraged funds for regional projects;
- Identify critical issues and risks to program delivery;
- Identify a lead implementation agency or “project sponsor” for each regional project;
- Layout a year by year implementation schedule and cash flow; and,
- Gather into one document the policies and procedures adopted to implement the Measure X Strategic Plan.

The Strategic Plan is a five-year programming document. It provides a snapshot of anticipated cash flow, as well as a commitment of funds to specific projects for the next five years of Measure X. In order to effectively reflect upon actual revenues and project progression, this plan sets a goal for updates every two years.

### 3. Regional Project Prioritization

One of the purposes of the Strategic Plan is to establish the relative priority among the projects contained in the Measure X Transportation Safety & Investment Plan as far as the sequence in which they will be implemented. This is a more complex task than appears on the surface since many of the Measure X projects rely upon some other funding sources for implementation. Additionally, only some of the improvements funded from Measure X represent regional projects, while others are categorical programs such as “Safe Routes to School” and transit programs. The largest component in Measure X however is the fixed percentage of sales tax revenue used to fund Local Road Maintenance. This latter category of allocated funds will flow directly to the designated recipients and as such does not require prioritization.

The eight projects that will be prioritized using the criteria described in the next section of the Strategic Plan are:

- Highway 68 - Safety & Traffic Flow
- US 101 Safety Improvements - South County
- State Route 156 Safety Improvements (Castroville Boulevard Interchange)
- Marina-Salinas Multimodal Corridor (Imjin Safety & Traffic Flow)
- Highway 1 Rapid Bus Corridor
- Holman Highway 68 Safety & Traffic Flow – A (Community Hospital of the Monterey Peninsula Roundabout)
- Holman Highway 68 Safety & Traffic Flow – B (Pacific Grove Complete Streets)
- Fort Ord Regional Trail and Greenway

The four programs that receive annual allocations and are not subject to the prioritization criteria are:

- Habitat Preservation / Advance Mitigation
- Safe Routes to Schools
- Senior and Disabled Transportation
- Commuter Bus, Salinas Valley Transit Centers and Vanpools

A series of meetings with the Measure X Citizens Oversight Committee, Executive and Technical Advisory Committees, and the Transportation Agency Board will be used to set project priorities with each Strategic Plan update.



### 3.1. Prioritization Criteria

The following prioritization criteria, recommended by the Transportation Agency Board of Directors, were considered when evaluating projects:









1. Project Readiness
2. Ability to Leverage Matching Funds
3. Fair Geographic Distribution of Funds
4. Project Need: Congestion Relief and Safety Benefits
5. Cost Effectiveness & System Connectivity

A rating of High (green), Medium (yellow), and Low (red) is used for each criterion to evaluate the projects, as described below:

#### *Project Readiness*

Considers the degree of completion of environmental and design phases, well-documented preliminary cost estimates, and documented community support as appropriate.









**TABLE 1: Project Readiness Score Summary**

<b>Projects</b>	<b>Status</b>	<b>Rating</b>
Fort Ord Regional Trail and Greenway	Initial trail planning maps have been completed and the project is ready to begin environmental review.	
Highway 1 Rapid Bus Corridor	Monterey-Salinas Transit is in the process of completing a preliminary study.	
Highway 68 – Safety & Traffic Flow	With completion of the Project Initiation Document, environmental review can begin.	
Holman Highway 68 Safety & Traffic Flow – A (CHOMP)	The City of Monterey has completed the environmental review.	
Holman Highway 68 Safety & Traffic Flow – B (Pacific Grove)	The City of Pacific Grove is beginning work on the Project Initiation Document.	
Marina-Salinas Multimodal Corridor	The City of Marina has completed the environmental review.	
State Route 156 Safety Improvements	The Supplemental Environmental Impact Report is being worked on by Caltrans.	
US 101 Safety Improvements – South County	The Transportation Agency is coordinating with Caltrans to update the Project Initiation Document.	

*Ability to Leverage Matching Funds*

Considers whether the project has secured additional sources of funding as necessary to complete the phase, and the relative availability of matching funds from other sources, including federal, state and local monies.









**TABLE 2: Matching Funds Score Summary**

<b>Projects</b>	<b>Status</b>	<b>Rating</b>
Fort Ord Regional Trail and Greenway	The project has identified funding for the environmental and design phases, and is an excellent candidate for federal and State matching funds for construction.	
Highway 1 Rapid Bus Corridor	The project has identified funding for the environmental and design phases, but requires matching funds for construction.	
Highway 68 – Safety & Traffic Flow	The project has identified funding for the environmental and design phases, but requires matching funds for construction.	
Holman Highway 68 Safety & Traffic Flow – A (CHOMP)	The project has identified funds through construction.	
Holman Highway 68 Safety & Traffic Flow – B (Pacific Grove)	The Project Initiation Document and environmental review phases are funded.	
Marina-Salinas Multimodal Corridor	The project has identified funds through construction and is an excellent candidate for State matching funds.	
State Route 156 Safety Improvements	The project has identified funding for the design phase, but requires significant matching funds and developer fees for right-of-way and construction.	
US 101 Safety Improvements – South County	The Project Initiation Document is funded by Measure X, and the project could receive regional and inter-regional State funds for environmental.	

*Fair Geographic Distribution of Funds*

Considers where growth is occurring throughout the County and the fair distribution of Measure X revenues throughout the County on a timely basis. The rating is based on the distribution of trips generated by growth for each proposed improvement from the 2013 Regional Development Impact Fee Nexus Study.









**TABLE 3: Fair Geographic Distribution Score Summary**

<b>Projects</b>	<b>Percentage of New Trips</b>	<b>Rating</b>
Fort Ord Regional Trail and Greenway	0.0%	
Highway 1 Rapid Bus Corridor	4.8%	
Highway 68 – Safety & Traffic Flow	16.5%	
Holman Highway 68 Safety & Traffic Flow – A (CHOMP)	3.0%	
Holman Highway 68 Safety & Traffic Flow – B (Pacific Grove)	3.0%	
Marina-Salinas Multimodal Corridor	22.5%	
State Route 156 Safety Improvements	5.5%	
US 101 Safety Improvements – South County	29.5%	

*Project Need: Congestion Relief and Safety Benefits*

Considers the congestion relief benefits from the construction of the project, as well as the safety history of the area and the safety benefits from the construction of the project.









**TABLE 4: Congestion Need & Safety Benefit Score Summary**

<b>Projects</b>	<b>Status</b>	<b>Rating</b>
Fort Ord Regional Trail and Greenway	As a system of paved trails, the project would provide minimum congestion relief but important bike/ped safety benefits.	
Highway 1 Rapid Bus Corridor	This project would relieve vehicle congestion on Highway 1 in a corridor ranked 8 <sup>th</sup> for safety issues.	
Highway 68 – Safety & Traffic Flow	This project would provide extensive congestion relief in a corridor with the highest number of safety incidents.	
Holman Highway 68 Safety & Traffic Flow – A (CHOMP)	This project improves local access to the Community Hospital of the Monterey Peninsula, ranked 9 <sup>th</sup> for safety issues.	
Holman Highway 68 Safety & Traffic Flow – B (Pacific Grove)	This project improves regional bicycle and pedestrian conditions, with congestion relief benefits.	
Marina-Salinas Multimodal Corridor	This project provides regional congestion relief on a key multimodal route, as well as on Highway 68, ranked 2 <sup>nd</sup> for safety issues.	
State Route 156 Safety Improvements	This project provides regional congestion relief benefits for vehicle and freight movements entering and leaving the county.	
US 101 Safety Improvements – South County	This project provides regional congestion relief benefits between South County and Salinas, ranked 6 <sup>th</sup> for safety issues.	

*Cost Effectiveness & System Connectivity*

Considers the ability to construct the project in the short term for a large long-term gain in regional system connectivity for multiple modes of travel while reducing overall life-cycle costs.

**TABLE 5: Cost Effectiveness & System Connectivity Score Summary**

<b>Projects</b>	<b>Status</b>	<b>Rating</b>
Fort Ord Regional Trail and Greenway	Improves bicycle and pedestrian access to the Fort Ord National Monument with a benefit-cost ratio of 6.05.	
Highway 1 Rapid Bus Corridor	Improves vehicle and transit efficiency on State Route 1 between major destinations.	
Highway 68 – Safety & Traffic Flow	Improves multiple travel modes between major destinations on the State Highway System with a benefit-cost ratio of 3.06.	
Holman Highway 68 Safety & Traffic Flow – A (CHOMP)	Improves access and localized efficiency for multiple travel modes at the entrance of the Community Hospital of the Monterey Peninsula and connects to recent improvements on Holman Highway 68.	
Holman Highway 68 Safety & Traffic Flow – B (Pacific Grove)	Improves access and localized efficiency for multiple travel modes in Pacific Grove and connects to recent improvements on Holman Highway 68, with a benefit-cost ratio of 2.5.	
Marina-Salinas Multimodal Corridor	Improves multiple travel modes between major destinations as an alternate route to the State Route 68 corridor.	
State Route 156 Safety Improvements	Improves local access, and vehicle and freight movements on the State Highway System, with a benefit-cost ratio of 1.2.	
US 101 Safety Improvements – South County	Improves local access, and vehicle and freight movements on the State Highway System, with a benefit-cost ratio of 1.0.	

**3.2. Prioritization Results**

Table 6 reflects the final ratings for the eight projects. Projects that rated higher in Project Readiness and Matching Funds, with the consideration of Fair Geographic Distribution, are considered better candidates for early programming of funds to bring these projects to construction as soon as possible. The remaining criteria are considered with the overall rating of the projects to ensure the equitable disbursement of funds throughout the Measure X program. The following Chapter 4 presents the prioritization results in the five-year integrated funding plan to demonstrate the leveraging of Measure X funds with other funding programs and the early delivery of projects.

**TABLE 6: Project Prioritization Summary**

	Project Readiness	Matching Funds	Fair Geographic Distribution	Congestion Need & Safety Benefit	Cost Effectiveness & Connectivity
Fort Ord Regional Trail and Greenway					
Highway 1 Rapid Bus Corridor					
Highway 68 - Safety & Traffic Flow					
Holman Highway 68 Safety & Traffic Flow - A (CHOMP Roundabout)					
Holman Highway 68 Safety & Traffic Flow - B (Pacific Grove)					
Marina-Salinas Multimodal Corridor					
State Route 156 Safety Improvements					
US 101 Safety Improvements - South County					

## 4. Integrated Funding Plan

Several of the strategic goals identified by the Transportation Agency Board of Directors, as discussed in more detail in Chapter 6, are to deliver the Measure X regional program of projects, while strategically utilizing debt financing to expedite delivery, and leveraging as much matching funds as possible. With the passage of California Senate Bill 1 (Beall), several new transportation funding programs were created from which the Transportation Agency will potentially be able to leverage Measure X and other existing fund sources. To ensure coordination between the various fund sources, which all have different requirements and eligibility, the Transportation Agency has prepared a five-year integrated funding plan (Table 7) that coincides with the 2018 State Transportation Improvement Program cycle. As with this overall Strategic Expenditure Plan, the integrated funding plan is designed to identify projects that will be strong candidates for specific matching fund programs, and to bring projects to construction over the next five years.

The following fund sources were considered as part of the integrated funding plan:

- Measure X
- State Transportation Improvement Program
- Inter-Regional Transportation Improvement Program
- State Highway Operations Protection Program
- Regional Surface Transportation Program
- Transportation Development Act 2%
- Developer Fees
- Federal Matching Funds:
  - Federal Lands Access Program
- State Matching Funds:
  - Congested Corridors
  - Trade Corridor Enhancement Program
  - Local Partnership Program

Based on this initial funding plan, which is coordinated with the project prioritization ratings from the previous chapter, the Transportation Agency is anticipating beginning construction on four of the eight Measure X regional projects in the next five years (assuming the successful receipt of matching funds):

- State Route 68 Safety & Traffic Flow
- State Route 156 Safety Improvements (Castroville Boulevard Interchange)
- Marina-Salinas Multimodal Corridor (Imjin Safety & Traffic Flow)
- Fort Ord Regional Trail and Greenway





## 5. Sales Tax Revenues

This section describes the Transportation Agency's initial sales tax revenue forecast over the life of the Measure X tax – March 31, 2047. The 3/8% Measure X sales tax is estimated to generate \$600 million in constant dollars to fund local transportation projects over 30 years, resulting in the collection of approximately \$20 million in sales tax revenues annually. These sales tax revenue estimates and program allocations were originally presented in the Transportation Agency's 2016 Transportation Safety and Investment Plan. However, critical to the Transportation Agency's long-term financial planning is the consideration of a Measure X sales tax revenue growth forecast to better determine future resources available to programs over time.

### 5.1. Sales Tax Revenue Forecast

As described in more detail in the following sections, Measure X sales tax revenues estimated in the 2016 Transportation Safety and Investment Plan were forecast in constant dollars and estimated to be \$600 million through March 31, 2047. Sales tax collections began in April 1, 2017, representing one quarter of Fiscal Year 2016-2017 data. The full first year of collections begins in Fiscal Year 2017-2018. The final year of collection in FY 2046-2047 will represent a partial year collection as the Measure X tax sunsets on March 31, 2047.

Sales tax estimates were originally estimated to be \$20 million in Fiscal Year 2017-2018 based on a constant dollar estimate over 30 years. However, given economic activity in Monterey County since the time Measure X was being developed, the Transportation Agency has assumed a beginning sales tax revenue value of \$24,839,186 for Fiscal Year 2017-2018. From this base year amount, the Transportation Agency forecasts future revenues.

As historic Monterey County taxable sales data serves as a proxy for sales tax revenues and accounts for both real and inflationary growth, over the long-term, we would expect Measure X sales tax growth rates in-line with long-term taxable sales growth averages. As such, KNN Public Finance recommends a Measure X sales tax revenue forecast in-line with historical taxable sales growth averages and assumes a long-term average growth rate of 3.21 percent. However, as referenced throughout the above discussion, the Transportation Agency is cautious of near-term economic contraction following an extended period of economic expansion. Thus, over the near-term horizon, through Fiscal Year 2021-2022, KNN Public Finance, in consultation with Transportation Agency staff, incorporated an annual sales tax revenue forecast more consistent with long-term inflationary growth averages reflecting minimal real growth. Ultimately, near-term assumptions for growth build into the long-term average growth assumption of 3.21 percent in Fiscal Year 2022-2023, which is then assumed over the life of the Measure X program.

**TABLE 8: Measure X Sales Tax Revenue  
Annual Growth Rate Assumptions**

<b>Fiscal Year</b>	<b>Measure X Sales Tax Revenues</b>	<b>Growth</b>
2018	\$24,839,186	N/A
2019	\$25,286,291	1.80%
2020	\$25,792,017	2.00%
2021	\$26,436,818	2.50%
2022	\$27,229,922	3.00%
2023	\$28,101,280	3.20%

### **5.2. Sales Tax Revenue Forecast Approach**

Sales tax revenues allow the Transportation Agency to pay expenses, fund projects, distribute local allocations, and make any potential debt service payments. The amount and timing of sales tax revenues influences the maximum amount of monies available for projects regardless of whether funding is pay-as-you-go or from debt proceeds.

In the following sections, a sales tax revenue forecast prepared by the Transportation Agency's financial advisor, KNN Public Finance, for the 2017 Strategic Plan is discussed. Given the inaugural nature of the sales tax, this forecast establishes a framework for anticipated future revenues and project delivery timelines. Thus, Transportation Agency staff has taken a cautious and conservative approach to this initial forecast of future revenues to ensure that planning and programming stays within future available resources. The actual economy has been better than expected from when Measure X was being developed, and first quarter State Board of Equalization sales tax revenue distributions suggest a beginning Fiscal Year 2017-2018 sales tax revenue value of \$24,839,186 – above the \$20 million annual figure presented in the 2016 Transportation Safety and Investment Plan. However, on the heels of an extended period of economic expansion, KNN Public Finance has carefully considered the potential of a near-term economic contraction, necessitating a conservative approach to forecasting annual growth from this base value.

Overall, the Measure X sales tax revenue forecast is based on economic factors and historical data from a long-term perspective recognizing that actual revenues in certain years may result in amounts above or below forecasted annual figures derived from long-term averages. Accordingly, and as discussed in the following paragraphs, the initial Measure X sales tax revenue forecast projects annual growth in-line with long-term historical taxable sales growth averages. Further, the Transportation Agency will continue to refine future sales tax revenue forecasts through updates to this 2017 Strategic Plan every two years.

### **5.3. Economic Factors**

Located south of San Francisco, Monterey County includes many high-income communities along its northwestern coast and an agriculture-driven inland economy anchored by its service center, Salinas. While Monterey County has relatively high wealth levels in some areas, strong agricultural production, and a growing tourism sector, the County's economy (along with the rest of the United States) contracted during fiscal years experienced economic declines in the early 2000's and late 2000's. However, consistent with national and state economies, the County has experienced an economic recovery over the last seven consecutive years.

From a statewide perspective, as reported by HdL Companies, a revenue analytics company, California local tax receipts from January 2017 through March 2017 sales were 2.1 percent higher than the first quarter of 2016. Rising fuel prices, auto sales, and restaurant sales added most to the overall gain. However, some categories of general consumer goods and business-to-business sales were flat or down. Thus, following the seventh year of economic recovery, HdL is anticipating the start of a leveling off of growth in future tax revenues in California.

With these economic factors as a backdrop, the duration the current economic expansion and challenges in predicting the actual size or timing of a possible future recession, we are reliant on historical growth trends in our estimation of future growth in this 2017 Strategic Plan.

### **5.4. Historical Taxable Sales**

Given the inaugural nature of the Measure X tax, we do not have the benefit of historical revenue trends to evaluate. However, historical taxable sales data for Monterey County and the related growth rates provide a historical context for sales tax growth rate assumptions associated with the initial Measure X 2017 Strategic Plan. An eighteen-year history of taxable sales in Monterey County is presented in Table 9.

Since 1998, taxable sales in Monterey County increased at an average annual growth rate of 3.21 percent, using data provided by the California Board of Equalization. However, near-term growth rates have been higher due to the prolonged period of economic recovery following the Great Recession that officially lasted from December 2007 to June 2009. The average annual growth rate over the last 5 years has been 5.28 percent and over the last 3 years taxable sales growth has averaged 4.36 percent.

Taxable sales growth, however, can vary from actual sales tax revenue growth due to adjustments by the California State Board of Equalization, which collects the sales taxes. In addition, taxable sales are reported on a calendar year (year ends December 31) as compared to sales tax revenues, which are typically reported on a fiscal year (year ends June 30).

**TABLE 9: Historical Monterey County Taxable Sales**

<b>Calendar Year</b>	<b>Monterey County Taxable Sales (1)</b>	<b>Growth</b>
1998	\$3,858,997	NA
1999	4,280,676	10.93%
2000	4,897,051	14.40%
2001	5,101,569	4.18%
2002	4,851,946	-4.89%
2003	4,918,656	1.37%
2004	5,235,955	6.45%
2005	5,454,500	4.17%
2006	5,658,166	3.73%
2007	5,680,652	0.40%
2008	5,399,594	-4.95%
2009	4,705,845	-12.85%
2010	4,955,562	5.31%
2011	5,312,732	7.21%
2012	5,637,445	6.11%
2013	5,910,531	4.84%
2014	6,200,747	4.91%
2015	6,406,117	3.31%
	<b><u>Averages</u></b>	
	3-year	4.36%
	5-year	5.28%
	10-year	1.80%
	15-year	1.95%
	All Data	3.21%

(1) California State Board of Equalization.

### **5.5. Inflationary and Real Growth**

There are two factors that impact the growth of sales tax revenues: (i) inflationary growth and (ii) real growth. Sales tax revenues will grow as a result of annual inflationary impacts; the same amount of goods will cost more or less in subsequent years. In addition, sales tax revenues will experience real growth regardless of inflationary impacts as regional economic and demographic factors result in increases or decreases in purchasing trends.

Table 10 summarizes the historical growth of Monterey County taxable sales in terms of inflationary growth (CPI) and real growth. Given the strength of the economic recovery, since 2010 the real growth component of the total taxable sales growth is greater than inflationary growth. However, looking back over a longer-term horizon that incorporates recessionary periods, taxable sales growth was mostly a function of inflationary growth with declines in real growth.

Based on the averages shown in Table 10, over the last five years on average taxable sales increased by 5.28 percent, of this increase 1.74 percent is attributable to inflationary growth and 3.31 percent is attributable to real growth. When considering averages over the last 10 years that includes the most recent recessionary period, 1.80 percent average taxable sales growth is mostly reflective of the 1.99 percent inflationary growth and suggest negative real growth of 0.19 percent.

Additionally, the averages for real and inflationary suggest that inflationary growth is less volatile than real growth. Thus, the forecasting of sales tax revenues in an economic growth environment, therefore, must balance the recent economic strength and historical growth averages.

**TABLE 10: Historical Growth Factors**

Fiscal Year Ending	Highway Construction Price Index <sup>(1)</sup>	Monterey County Taxable Sales Growth <sup>(2)</sup>	Inflationary Growth		Real Growth
			CPI West Data <sup>(3)</sup>	Growth	
1998		N/A	165.2	N/A	N/A
1999	5.67%	10.93%	170.0	2.91%	8.02%
2000	1.12%	14.40%	176.5	3.82%	10.58%
2001	8.86%	4.18%	182.1	3.17%	1.00%
2002	-10.55%	-4.89%	185.5	1.87%	-6.76%
2003	6.18%	1.37%	188.9	1.83%	-0.46%
2004	28.45%	6.45%	194.0	2.70%	3.75%
2005	19.37%	4.17%	200.7	3.45%	0.72%
2006	5.76%	3.73%	206.9	3.09%	0.64%
2007	-4.10%	0.40%	213.6	3.22%	-2.83%
2008	-5.26%	-4.95%	220.3	3.14%	-8.09%
					-
2009	-21.17%	-12.85%	219.9	-0.19%	12.66%
2010	-2.08%	5.31%	221.6	0.80%	4.51%
2011	8.57%	7.21%	228.5	3.13%	4.08%
2012	-6.06%	6.11%	233.2	2.04%	4.08%
2013	18.43%	4.84%	236.6	1.44%	3.40%
2014	18.23%	4.91%	241.1	1.91%	3.00%
2015	4.10%	3.31%	244.3	1.32%	1.99%
2016	9.81%		249.2	2.01%	-2.01%
<b>Averages</b>					
3-year	10.71%	4.36%		1.75%	0.99%
5-year	8.90%	5.28%		1.74%	2.09%
10-year	2.05%	1.80%		1.88%	-0.45%
15-year	4.64%	1.95%		2.12%	-0.44%
All Data	4.74%	3.21%		2.31%	0.72%

(1) California Department of Transportation. Historical Highway Construction Price Index Reports.

(2) California State Board of Equalization.

(3) CPI West Region All Items, U.S. Department of Labor Statistics. Data reflects July values.

## 6. Strategic Plan Approach

### 6.1. General Approach

For the 2017 Strategic Plan, the Transportation Agency gathered the latest information on the status of projects from sponsors and forecasted delivering the Measure X projects and programs under several scenarios. As part of this process, the Transportation Agency assessed the potential changes in general economic conditions and the associated impact to the sales tax revenue forecast and the financing assumptions. The Transportation Agency has also reviewed existing policies for Measure X contained in the Policies and Project Descriptions document, and assessed the need for new and/or revised policies. Based on this analysis and review, the Transportation Agency crafted this Strategic Plan to depict how the Transportation Agency expects to allocate future resources.

### 6.1. Plan Development Process

Development of the Strategic Plan has been an interactive process between the Transportation Agency Board, the Measure X Citizens Oversight Committee, Transportation Agency staff, and consultants. The steps involved in developing the Strategic Plan are described below.

*Develop Project Descriptions and Cost Estimates* - For budgeting and cash flow purposes in the Strategic Plan, further definition and cost analysis of projects was necessary. To accomplish this, a series of one-on-one meetings was held with each project's potential lead agency. Based on these meetings and subsequent analyses, each Measure X project and program was further defined, cost by phase established and/or updated, schedule (unconstrained by funding availability) developed, and expected sources of matching funds identified. This information was included in individual project data sheets. During the course of the Plan development process, these data sheets were continually updated to reflect any changes. The final data sheets used are located in Chapter 8 – Regional Program Project Sheets.

*Develop Criteria for Prioritizing Projects* - Many of the Measure X projects and programs, particularly those that will be used for sustaining on-going operations, will be funded annually. Others requiring significant capital expenditures need to be funded as they become ready for construction and matching funds are available. This latter category of projects required setting priorities for when they could be implemented.

*Revenue Projections and Possible Financing Tools* – Realization of the Measure X Investment Plan requires both Measure X sales tax revenues and revenues from matching sources. Projections of the amount of annual revenues by each source were developed early in the process.

*Lead Agency Identification* - Jurisdictional responsibilities for delivery of each phase (planning and environmental clearance, design, right-of-way acquisition, and

construction) for each project and program were developed jointly with Caltrans and the local jurisdictions.

*Critical Issues and Risks Identification* – The ability to implement the Measure X Program could be impacted by a variety of cost and revenue issues (e.g. cost overruns, schedule delays, and revenue shortfalls). This task focused on identifying these issues, assessing their potential impact and incorporating an ability to respond to such impacts in the Strategic Plan.

*Identification of Matching Fund Sources for Each Project* – In this step, assumptions were established for the amount and timing of federal, state and local funding, and a set of cash flow scenarios were analyzed relative to the sources needed to deliver each project and maximize use of Measure X funds.

*Strategic Plan Preparation* – The final step is preparation of this document.

## **6.2. Goals & Guiding Principles**

Goals and guiding principles provide an overall guidance to the Strategic Plan development process. Once the Strategic Plan is adopted, these goals and principles can serve in the future as the foundation upon which specific program policies and procedures can be defined and incorporated in updates to the Strategic Plan.

The following goals and principles were developed by the Transportation Agency Board of Directors and will be used to help define a plan for effectively delivering the Measure X Transportation Safety & Investment Plan as approved by the voters:

1. Assure that the overall Measure X program of projects is delivered
2. Maximize leveraging of Measure X revenue
3. Accelerate project delivery through financing, where appropriate
4. Control project and program costs
5. Coordinate with Caltrans and Project Sponsors to complete pre-construction phases of regional projects as early in the program as feasible

*Assure that the overall Measure X program of projects is delivered*

The passage of Measure X signifies a commitment by the Transportation Agency and local jurisdictions to deliver each component of the program and to assure that funds will be expended in accordance with the implementing ordinance, funding agreements, and associated policies. The ability to implement the Measure X program will require the prioritization of projects to ensure efficient project delivery, cooperation between the Transportation Agency and Caltrans, and securing matching funds for projects. The goal of the Transportation Agency is to deliver as many of the regional projects as possible in the first fifteen years.



*Maximize leveraging of Measure X revenue*

As State and federal funding levels from formula programs become increasingly uncertain, the Transportation Agency must focus on strategies that make the most efficient use of Measure X revenues by leveraging them with other outside funding. Measure X revenue is dependent on taxable sales, which is linked in turn to demographic and economic growth, and the maturation of Monterey County's wholesale and retail sectors. These are not areas that the Transportation Agency has the ability to directly control. Consequently, the Transportation Agency and its local agencies and transit partners need a revenue maximization strategy which focuses principally on ways the agency can increase its share of State and federal funds from discretionary programs to leverage Measure X funding. A revenue maximization strategy should comprise two elements— maximizing the efficient use of State and federal funds that the Transportation Agency and the agency partners are programmatically allocated, and bringing additional State and federal transportation funds to the county.

*Accelerate project delivery through financing, where appropriate*

Many sales tax programs, such as Measure D in Santa Barbara County, successfully implement a debt financing strategy in order to expedite the delivery of the regional program of projects. On a “pay as you go” basis, it can become more difficult to deliver the program within the thirty-year life of the sales tax due to construction cost escalation and fluctuating sales tax revenues. In the case of Measure X, issuing bonds or other debt financing instruments may be necessary primarily to ensure sufficient cash flow to deliver regional projects as they become ready for construction. Transportation Agency staff has conducted an extensive debt financing review with the Agency's financial advisors, KNN Public Finance, to determine potential debt financing strategies to include in the cash flow model. The initial cash flow model presented in Chapter 9 includes \$43 million of debt financing within the first five years of the program, which will require further study and approval by the Transportation Agency Board of Directors.

*Control project and program costs*

Delivery of the Measure X Transportation Safety & Investment Plan requires not only making the most efficient use of the revenue generated from the sales tax, but also by the effective management of project and program costs. Increased project costs, whether through scope creep or future cost escalation, could pose a threat to delivering the full complement of Measure X projects. The Strategic Plan delineates a multi-pronged strategy for containing costs based on the following principles:

1. Each Measure X program and project must live within the Measure X revenue projected for that program or project in the Investment Plan.

2. Programs should be structured so that both the Transportation Agency and each project's lead implementation agency can effectively manage cash-flows and deliver projects in a timely way.
3. Institutional processes should reinforce and support disciplined project management within the Transportation Agency, Caltrans, and local agencies.

*Coordinate with Caltrans and Project Sponsors to complete pre-construction phases of regional projects as early in the program as feasible*

In order to complete the pre-construction phases and prepare Measure X's regional projects for construction, the Transportation Agency will need to coordinate closely with Caltrans and local project sponsors. The focus of these efforts should be to finish the environmental, design, and right-of-way phases of the regional projects early in the program to make the projects competitive candidates for State and federal matching funds, or to align the projects with potential financing strategies. To facilitate these discussions and streamline project review, the Transportation Agency has established working groups with Caltrans and the relevant jurisdictions.

### **6.3. Strategic Program Delivery Strategy**

Several alternative scenarios were analyzed during the plan development process, with input from the Transportation Agency Board of Directors and Citizen's Oversight Committee. The alternative scenarios included different assumptions regarding delivery of Measure X projects.

The Strategic Plan schedule of projects ensures that allocations of Measure X funds to local agencies are made quarterly. All of the projects specified in Measure X can be delivered within the 30-year term, but this will require substantial commitments of matching funds including State Transportation Improvement Program, Senate Bill 1 (Beall) grant programs, Regional Surface Transportation Program, Regional Development Impact Fees, as well as aggressive advocacy efforts to secure state and federal discretionary funding.

The cash flow analysis of the program delivery strategy shows that the local and regional programs identified the Measure X Transportation Safety & Investment Plan would each receive the required funding levels. Because of the need for large amounts of matching funds, not all of the Measure X projects can be delivered in the early years of the program. To address this, the Measure X Policies and Project Descriptions as well as the Transportation Agency Board of Directors has established priorities for project delivery schedules. Due to the constrained economic climate at all levels of government, use of those matching funds by Measure X projects that are also available for local agencies will affect the delivery schedule for local agencies non-Measure X improvement programs as well.

Debt financing is an important part of the delivery strategy, and has been recommended as an option by the Transportation Agency Board. Since there isn't

enough funding from Measure X to fund the annual programs and regional projects in some years, issuing bonds or other debt financing tools would allow distributions of funds to annual programs to occur uninterrupted as well as the regional projects as necessary based on the project delivery schedule.

The key tradeoffs associated with meeting the project delivery commitments in the Measure X Transportation Safety & Investment Plan include:

- Providing annual allocations off the top for administration, Board of Equalization, and other annual expenses followed by the Local Road Maintenance program;
- Delivering regional projects (especially those dependent on matching funds); and
- Creating reserve capacity as insurance for potential future economic downturns.

## 7. Management of Risks

### 7.1. Risk Management Overview

The Transportation Agency's ability to implement the Measure X Strategic Plan in accordance with the overarching goals could be impacted by a number of issues and risks. Key among these risks are issues related to project cost and schedule, and to projected revenue levels and allocations. The following provides a brief description of these risks and their respective potential impacts on the implementation of the Measure X Program.

### 7.2. Cost, Scope, and Schedule Risk

A key risk that could impact implementation of the Measure X Strategic Plan is an unexpected increase in the cost of the component projects and programs beyond the levels that could be accommodated within the levels of revenues projected. Among the primary causes of unexpected cost increases could be lack of detail and/or reliance on conceptual-level cost estimates; change in project scope, unit costs, and/or unit quantities; unanticipated surges in the cost of construction materials similar to that experienced in recent years; unanticipated issues associated with environmental conditions, utility relocation, right-of-way acquisition, and/or litigation against a project; and changes to the assumed implementation schedule.

Unless projected sales tax revenue levels are higher than estimated, the implication of increased costs for a Measure X project or the entire program is that it will require a larger amount of matching funds from state, local, and/or private sources, as well as targeting potential federal funding programs. As a result, throughout the implementation of the Strategic Plan it will be vital for Measure X project sponsors to provide realistic cost estimates and construction schedules in order to achieve an implementable funding plan.

#### *Potential Approaches to Cost Containment*

The following types of approaches could be considered to reduce cost and schedule risk and to assure that projects receive their proposed share of Measure X dollars.

- Each project and program must stay within the revenue level identified in the Measure X Transportation Safety & Investment Plan. To reinforce the importance of cost management, each Measure X project and program should be allocated up to its share of the sales tax as approved by the voters. Measure X project sponsors should not expect that delivery of their project will be accelerated using revenue from another program and/or issuance of debt unless there is compliance with loan repayment terms or debt management policies.
- Project scopes and implementation schedules used in the programming of Measure X projects in the Strategic Plan should be realistic.

- The use of realistic/conservative cost escalation rates and re-assessing the appropriateness of these rates with each Strategic Plan update.

### **7.3. Sales Tax Revenue Risks**

Potential issues that could impact revenue from the Measure X sales tax include: the anticipated level of sales tax at the start of the Measure X implementation period are lower than projected; projected rates of growth are lower than historic trends due to unanticipated economic cycles; and lower than projected levels of population and employment growth and tourism levels resulting in reduced sales tax revenues.

Lower levels of Measure X sales tax would likely result in the delayed implementation of projects and programs, and could impact potential bonding by requiring an increased emphasis on securing leveraged funds to make up for shortfalls in projected sales tax funding needed for debt service.

#### *Potential Approaches to Address Sales Tax Revenue Risks*

As part of the Strategic Plan process, the following types of approaches could be considered to reduce sales tax revenue risk and to assure that projects and programs receive their proposed share of Measure X dollars.

- Develop conservative sales tax revenue projections. Additionally, consider programming annual allocations to projects based on the most conservative projection. In anticipation of sales tax revenues that are higher than the conservative projection, develop alternate plans to distribute revenues to accelerate regional projects or deposit the funds to increase the cash balance reserve.
- Establish an annual cap on the amount of sales tax that will be programmed each year. For example, only 90 percent of the conservative sales tax projection would be programmed and allocated to the Measure X regional projects and programs. If revenue is available at the end of the fiscal year it would be allocated in the next year.
- Examine the potential for an internal borrowing policy. This would allow jurisdictions with projects ready for implementation but lacking local cash the ability to borrow money from another jurisdiction or an inter-program loan from the regional program. Funds would be paid back in future years, with interest, and would not negatively impact the implementation schedule of the lending jurisdiction's project or program.

### **7.4. State Revenue Risks**

The level of State funding available for Measure X projects may be impacted by a number of factors. The factors include the current and projected status of the overall State and the transportation budget in particular; status of revenues in the State highway fund, motor fuels tax rates, levels of State borrowing against transit funding

and the timing of repayment; funding levels required for highway operations and safety under the State Highway Operation and Protection Program (SHOPP) relative to new projects, the State's bond rating and debt capacity, and the ability to secure State Transportation Improvement Program funds. The Transportation Agency is also anticipating that Measure X regional projects will leverage significant State funds from Senate Bill 1 (Beall) grant programs, such as Congested Corridors, Trade Corridors Enhancement Program, Local Partnership Program, and the Transit and Intercity Rail Capital Program. Lack of availability and delayed timing of receipt of State funding could delay the construction of Strategic Plan projects and programs.

### *Potential Approaches to Address State Revenue Risks*

The following types of approaches could be considered to reduce State revenue risk and to assure that projects receive their proposed share of Measure X and potential State leveraged dollars.

- Conduct a State matching funds analysis to identify projects that would best compete in different grant programs to maximize State revenues for the overall Measure X program.
- Maintain regular communications with Caltrans grant program coordinators to ensure that the Transportation Agency and local jurisdictions receive timely notification of funding opportunities and have detailed knowledge of program requirements.
- Identify a number of ready or nearly ready projects to position the region to take advantage of potential opportunities if additional State funding becomes available.
- State leveraging assumptions should be reviewed every grant cycle, with some projects reviewed more frequently depending on project readiness and potential availability of State funds.
- Consider bringing in outside assistance (from partner agencies or consultants) to develop the grant applications.

### **7.5. Federal Revenue Risks**

With a high risk of failure for nearly all federal programs, federal discretionary funding is not a major component of the Strategic Plan program delivery strategy. However, such funding could be pursued for the regional projects if funding becomes available. If pursued, issues affecting federal funds could include anticipated program definition and funding levels in future authorization legislation and anticipated levels of federal authorization and obligation.

Similar to State funding sources, changes in federal funding programs and annual appropriation of formula and discretionary funds could negatively impact the delivery of Measure X projects. Specifically, construction of projects and programs

could be delayed. In addition, similar to issues associated with potential State sources, other sources of local funding could potentially be advanced on a cash basis and/or through issuance of debt in anticipation of future receipt of the other sources proposed.

*Potential Approaches to Address Federal Revenue Risks*

The following types of approaches could be considered to reduce federal revenue risk and to assure that projects receive their proposed share of Measure X and federal leveraged dollars.

- For federal discretionary funds, the Transportation Agency may want to focus staff efforts by identifying funding programs that have the best chance of success (such as the Federal Lands Access Program or TIFIA loans). The strategy should evaluate the funding potential for both large-scale and small-scale projects and reflect the need to complete additional requirements related to federal funding.
- Seek pre-briefing and de-briefing for any applications filed.
- Maintain regular communications with the Federal Highway Administration, Federal Transit Administration and Caltrans to ensure that the Transportation Agency is able to compete for any available transportation funds that will be awarded throughout the year. Federal leveraging assumptions should be reviewed every grant cycle, with some projects reviewed more frequently depending on project readiness and potential availability of new or changing federal grant programs.

## 8. Strategic Plan Policies

### 8.1. Policy 1 – Local Road Maintenance Program Apportionments

Local Road Maintenance funds are allocated quarterly to all Monterey County jurisdictions. The formula distribution for these funds is based on 50% road miles and 50% population. The formula is updated as new information becomes available using Department of Finance population figures and center line miles as reported by the California Department of Transportation.

No later than June 30 of each year, the Transportation Agency provides each jurisdiction an estimate of the Local Road Maintenance appropriation for the upcoming fiscal year.

### 8.2. Policy 2 - Use of Pay-As-You-Go Financing

Pay-as-you-go financing involves paying for capital expenditures with available cash on hand. No debt is incurred under pay-as-you-go financing, but the ability to incur expenses and deliver projects may be delayed, depending on the availability of cash on hand. Alternatively, debt financing involves the sale of bonds to investors in order to generate up-front bond proceeds and accelerate project delivery. Long-term bonds are secured against and repaid from down-stream, recurring revenues. Investors are repaid principal and interest, according to regular, predetermined periodic payments with a specified final maturity. Debt financing provides for project acceleration, but also involves additional costs in the form of interest payments to investors as well as upfront cost of issuance.

Pay-as-you-go or pay-go financing by Measure X is used for the annual apportionment to the local road maintenance program as well as for the Habitat Preservation / Advance Mitigation, Safe Routes to Schools, Senior and Disabled Transportation, and the Commuter Bus, Salinas Valley Transit Centers and Vanpools programs.

### 8.3. Policy 3 - Use of Measure X Debt Financing

As noted in Policy 2, all capital expenditures are first paid with available cash revenue on a pay-as-you-go basis, with remaining capital expenditures met with debt financing, if necessary. If the Transportation Agency Board elects to utilize debt financing, the cost of financing, including debt service, will be the pro-rata responsibility of the project(s) that received the bond proceeds. Once debt financing is issued, qualifying capital expenditures shall be paid with the proceeds until those proceeds are exhausted. Once exhausted, capital expenditures will then return to pay-as-you-go financing.

To insure that the regional program can make its potential annual debt service payment independent of any other program's revenue, the Transportation Agency may issue debt financing designated for the regional program up to an amount where total Measure X annual sales tax revenue is at least 1.5x that of the regional program's expected annual debt service for any given year. The Transportation Agency shall maintain a cash flow model, updated at least every two years, to demonstrate that the



minimum ending cash balance of three million dollars (\$3,000,000) can be maintained, unless use of funds in the cash balance reserve is approved by the Transportation Agency Board of Directors.

The Cash Flow Model shown in Chapter 9 shows sales tax revenues exceeding authority-wide annual debt service at around 2.0x or better. In addition, fiscal year 2016-2017 unaudited data shows a significant increase in sales tax revenues over initial projections during the development of Measure X. These metrics suggest that there is additional debt capacity on an authority-wide basis. This debt capacity, however, may be only available to projects in the regional program. Should the Transportation Agency not be able to fund projects for the regional program on a pay-as-you-go basis or through inter-program loans then bond financing could be an option to ensure that project expenditures are funded. It is important to note that additional debt capacity depends on a variety of factors including sales tax revenue growth, program allocations, years remaining in Measure X, credit rating, bond market interest rates, and structure of bonds (principal amortization / reserve fund).

Overall, if needed, a debt financing may be utilized to accelerate projects and take advantage of the current low interest rate environment. In addition, short-term financings may be utilized to address short-term cash flow deficits. The cash flow model presented in Chapter 9 assumes a debt financing issuance of \$43 million in the first five years of the program, which will require further study and approval by the Transportation Agency Board of Directors.

#### **8.4. Policy 4 – Use of Inter-Project Loans**

In certain years, one project may need more than its annual sales tax allocation while another project may not spend its full allocation or may maintain a positive balance from prior year allocations.

The rationale for individual inter-project loans will be examined within the context of total project efficiency as well as equity on a case-by-case basis. On a program wide basis, inter-project loans provide flexibility to re-allocate available funds on a short-term basis to meet the interim cash flow needs of one or more projects. Allowing sales tax revenues to flow across projects in the form of a loan reduces the need to secure outside financing, thereby preserving a larger proportion of sales tax revenues for projects within the total program.

However, while total project efficiency may be maximized with inter-project loans, it is necessary to implement borrowing parameters to ensure equity across programs. From a tracking and reporting standpoint, clear delineations of sales tax revenues across projects will need to be maintained. The Transportation Agency will track and account for inter-project loans, including repayment and interest.

### **8.5. Policy 5 – Programming Methodology for Regional Projects**

Measure X regional projects will be prioritized for programming based on five key criteria as recommended by the Transportation Agency Board of Directors and identified in the Measure X Policies and Project Descriptions document:

1. Project Readiness
2. Ability to Leverage Matching Funds
3. Fair Geographic Distribution of Funds
4. Project Need: Congestion Relief and Safety Benefits
5. Cost Effectiveness & System Connectivity

As the projects are prioritized and the cash flow needs addressed, the programming element of the Strategic Plan is developed. Measure X funding is programmed in five-year increments in the Strategic Plan and updated every two years.

### **8.6. Policy 6 - Investment of Cash Balance**

The Transportation Agency will invest the cash balance of each Measure X program in the County of Monterey Pool or other financial institution that maximizes earnings but retains required cash flow. Interest earned on the balance will be credited to the cash balance of the overall program.

## 9. Cash Flow Model

# Transportation Agency for Monterey County

## Measure X - Transportation Safety & Investment Plan

### Cash Flow Analysis - with Financing

Investment Rate of Return	0.02
TAMC Administration - 1%	0.01
TAMC Administration - Direct Costs	0.005
Board of Equalization Administrative Fees	0.015

	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23
<b>Revenues</b>						
Measure X Sales Tax Revenue	\$ 24,839	\$ 25,286	\$ 25,792	\$ 26,437	\$ 27,230	\$ 28,101
<i>Growth</i>	N/A	1.8%	2.0%	2.5%	3.0%	3.2%
Prior Year Carry-over		\$ 7,354	\$ 5,526	\$ 39,231	\$ 38,655	\$ 37,826
Measure X Interest Earned	\$ -	\$ 147	\$ 111	\$ 785	\$ 773	\$ 757
Bond Proceeds			\$ 43,691			
<b>Total Revenues</b>	<b>\$ 24,839</b>	<b>\$ 32,787</b>	<b>\$ 75,120</b>	<b>\$ 66,453</b>	<b>\$ 66,658</b>	<b>\$ 66,684</b>
<b>Expenditures</b>						
Administrative Expenses	\$ 1,455	\$ 753	\$ 768	\$ 787	\$ 811	\$ 837
<i>County Election Costs</i>	\$ 715	-	-	-	-	-
<i>Board of Equalization Fees</i>	\$ 373	\$ 379	\$ 387	\$ 397	\$ 408	\$ 422
<i>Administration - Salaries/Benefits/Overhead</i>	\$ 245	\$ 249	\$ 254	\$ 260	\$ 268	\$ 277
<i>Administration - Direct Costs</i>	\$ 122	\$ 125	\$ 127	\$ 130	\$ 134	\$ 138
Local Road Maintenance	\$ 14,031	\$ 14,720	\$ 15,014	\$ 15,390	\$ 15,851	\$ 16,359
<i>Carmel</i>	\$ 167	\$ 175	\$ 179	\$ 183	\$ 189	\$ 195
<i>Del Rey Oaks</i>	\$ 61	\$ 64	\$ 65	\$ 67	\$ 69	\$ 71
<i>Gonzales</i>	\$ 171	\$ 179	\$ 183	\$ 187	\$ 193	\$ 199
<i>Greenfield</i>	\$ 356	\$ 373	\$ 381	\$ 390	\$ 402	\$ 415
<i>King City</i>	\$ 316	\$ 331	\$ 338	\$ 346	\$ 357	\$ 368
<i>Marina</i>	\$ 560	\$ 588	\$ 599	\$ 614	\$ 633	\$ 653
<i>Monterey</i>	\$ 882	\$ 926	\$ 944	\$ 968	\$ 997	\$ 1,029
<i>Pacific Grove</i>	\$ 480	\$ 504	\$ 514	\$ 526	\$ 542	\$ 560
<i>Salinas</i>	\$ 3,562	\$ 3,737	\$ 3,811	\$ 3,907	\$ 4,024	\$ 4,153
<i>Sand City</i>	\$ 23	\$ 24	\$ 24	\$ 25	\$ 26	\$ 27
<i>Seaside</i>	\$ 865	\$ 907	\$ 926	\$ 949	\$ 977	\$ 1,008
<i>Soledad</i>	\$ 491	\$ 515	\$ 525	\$ 538	\$ 555	\$ 572
<i>County</i>	\$ 6,097	\$ 6,397	\$ 6,525	\$ 6,688	\$ 6,889	\$ 7,109
Regional Safety, Mobility & Walkability Projects	\$ 2,000	\$ 11,788	\$ 20,106	\$ 11,621	\$ 12,169	\$ 46,488
<i>Construction Cost Index</i>	0.0%	4.0%	4.0%	4.0%	4.0%	4.0%
<i>Debt Service</i>			\$ 2,622	\$ 2,622	\$ 2,622	\$ 2,622
<i>Highway 68 - Safety &amp; Traffic Flow</i>	\$ -	\$ -	\$ -	\$ -	\$ 1,170	\$ 30,416
<i>US 101 Safety Improvements - South County</i>	\$ -	\$ 265	\$ -	\$ -	\$ -	\$ -
<i>State Route 156 Safety Improvements - A (Castroville Blvd)</i>	\$ -	\$ -	\$ -	\$ -	\$ 2,616	\$ -
<i>State Route 156 Safety Improvements - B (Blackie Road)</i>	\$ -	\$ -	\$ 2,250	\$ -	\$ -	\$ -
<i>Marina-Salinas Multimodal Corridor</i>	\$ -	\$ 8,320	\$ 8,653	\$ -	\$ -	\$ -
<i>Highway 1 Rapid Bus Corridor</i>	\$ -	\$ 811	\$ 1,687	\$ -	\$ -	\$ 8,066
<i>Holman Highway 68 Safety &amp; Traffic Flow - A (CHOMP Roundabout)</i>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<i>Holman Highway 68 Safety &amp; Traffic Flow - B (Pacific Grove)</i>	\$ -	\$ -	\$ 162	\$ -	\$ -	\$ 2,950
<i>Habitat Preservation / Advance Mitigation</i>	\$ -	\$ 312	\$ 1,920	\$ -	\$ 3,422	\$ -
<i>Fort Ord Regional Trail and Greenway</i>	\$ -	\$ -	\$ 649	\$ 6,749	\$ -	\$ -
<i>Safe Routes to Schools</i>	\$ 667	\$ 693	\$ 721	\$ 750	\$ 780	\$ 811
<i>Senior and Disabled Transportation</i>	\$ 500	\$ 520	\$ 541	\$ 562	\$ 585	\$ 608
<i>Commuter Bus, Salinas Valley Transit Centers and Vanpools</i>	\$ 833	\$ 867	\$ 901	\$ 937	\$ 975	\$ 1,014
<b>Total Expenditures</b>	<b>\$ 17,485</b>	<b>\$ 27,261</b>	<b>\$ 35,889</b>	<b>\$ 27,798</b>	<b>\$ 28,832</b>	<b>\$ 63,684</b>
<b>Revenues, less Expenditures</b>	<b>\$ 7,354</b>	<b>\$ 5,526</b>	<b>\$ 39,231</b>	<b>\$ 38,655</b>	<b>\$ 37,826</b>	<b>\$ 3,000</b>

# Transportation Agency for Monterey County

## Measure X - Transportation Safety & Investment Plan

### Cash Flow Analysis - with Financing

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#### Debt and Debt Service Coverage

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##### Debt Service #1

Total Principal	\$	43,691			
Interest Rate		4.0%			
Annual Debt Service	\$	2,622			
<i>Bond Year</i>		<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
Principal Beginning Balance	\$	43,691	\$ 42,817	\$ 41,908	\$ 40,962
Principal Payment	\$	(874)	\$ (909)	\$ (946)	\$ (984)
Principal Ending Balance	\$	42,817	\$ 41,908	\$ 40,962	\$ 39,978
Interest Expense	\$	(1,748)	\$ (1,713)	\$ (1,676)	\$ (1,638)
Debt Service #1	\$	2,622	\$ 2,622	\$ 2,622	\$ 2,622
<b>Net Sales Tax Revenue Debt Service Coverage</b>		<b>9.69x</b>	<b>9.93x</b>	<b>10.23x</b>	<b>10.56x</b>
<b>Net Sales Tax Revenue Debt Service Coverage (MADS)</b>		<b>1.96x</b>	<b>2.01x</b>	<b>2.07x</b>	<b>2.14x</b>

## **10. Regional Program Project Sheets**

## US 101 Safety Improvements - South County



### Description

Construct frontage roads along US-101 south of Salinas (Abbott Street on/off-ramp) and make related intersection improvements.

### Purpose

Traffic on US 101 in South County is increasingly impacting the highway as well as adjoining interchanges. The lack of frontage roads means that agricultural trucks must use the highway to make local trips, adding to traffic congestion and forcing U-turns and other tricky maneuvers on US 101. Antiquated interchanges all along US 101 will not be able to accommodate traffic in the near future. The purpose of this project is to improve safety and relieve future traffic congestion by eliminating multiple highway crossings while providing the necessary frontage roads to allow farmers access to their lands.

### Benefits

Improves safety and relieves traffic congestion on US 101; Reduces conflicts with slow moving agricultural vehicles; Supports regional travel between Salinas and south Monterey County cities; Improves access for local residents

### Location

South Salinas and South County

### Sponsor

Caltrans

### Project Manager

TBD

### Phone

### Email

### Project Schedule and Funding (\$1,000s)

Phase	Schedule	Total	Measure X	STIP	RSTP	TDA 2%	RDIF	Match	Tolling	FORA
Study	FY 18/19	\$ 255	\$ 255	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PA&ED	FY 20/21	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PS&E	FY 22/23	\$ 16,169	\$ -	\$ 16,169	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CON	FY 24/25	\$ 14,875	\$ 14,875	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CON	FY 25/26	\$ 14,870	\$ 14,870	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 56,169	\$ 30,000	\$ 26,169	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

## Marina-Salinas Multimodal Corridor



### Description

Widen Imjin from 2 to 4 lanes between Reservation Road and Imjin Road and make bike and pedestrian safety and transit improvements along the corridor.

### Purpose

This project will provide a transit, bicycle, pedestrian and auto corridor that will connect Salinas to Marina and California State University Monterey Bay. Features of the project will include new travel lanes, bicycle facilities, sidewalks, transit stops/shelters, transit prioritization at signalized intersections.

### Benefits

Reduced travel times between Salinas and the Peninsula; Improves safety for all travelers; Creates a more comfortable regional bicycle route; Improves pedestrian safety in the corridor

### Location

Imjin Parkway between Highway 1 and Reservation Road

### Sponsor

City of Marina

### Project Manager

Brian McMinn

### Phone

(831) 884-1212

### Email

[bmcminn@cityofmarina.org](mailto:bmcminn@cityofmarina.org)

### Project Schedule and Funding (\$1,000s)

Phase	Schedule	Total	Measure X	STIP	RSTP	TDA 2%	Fees	SB 1	Tolling	FORA
PA&ED	FY 15/16	\$ 1,650	\$ -	\$ 1,650	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PS&E	FY 17/18	\$ 1,650	\$ -	\$ 1,650	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CON	FY 18/19	\$ 30,000	\$ 8,000	\$ -	\$ -	\$ -	\$ 3,000	\$ 19,000	\$ -	\$ -
CON	FY 19/20	\$ 8,000	\$ 8,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 41,300	\$ 16,000	\$ 3,300	\$ -	\$ -	\$ 3,000	\$ 19,000	\$ -	\$ -



## State Route 156 Safety Improvements - Blackie Road Extension



### Description

Extension of Blackie Road to connect to a new interchange at State Route 156 and Castroville Boulevard

### Purpose

This project will connect to two other projects that are also planned in the corridor: the State Route 156 / Castroville Boulevard Interchange Improvements; and the State Route 156 West Corridor Improvements. The Blackie Road Extension will provide a new connection from the major distribution center in south Castroville to State Route 156, reducing truck traffic and reducing congestion on Merritt Street through town.

### Benefits

Provides traffic congestion relief for 32,000 vehicles per weekday; Improves safety for Oak Hills and other local communities; Improves safety at intersections; Supports our \$2 billion per year visitor economy; Improves movement of valuable goods to market

### Location

North Monterey County

### Sponsor

TAMC

### Project Manager

TBD

### Phone

### Email

### Project Schedule and Funding (\$1,000s)

Phase	Schedule	Total	Measure X	STIP	RSTP	TDA 2%	RDIF	Match	Tolling	FORA
PA&ED	FY 18/19	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ 250	\$ 250	\$ -	\$ -
PS&E / ROW	FY 19/20	\$ 2,000	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CON	FY 21/22	\$ 4,000	\$ 2,000	\$ 2,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 6,500	\$ 4,000	\$ 2,000	\$ -	\$ -	\$ 250	\$ 250	\$ -	\$ -

## State Route 156 Safety Improvements - Castroville Boulevard Interchange



### Description

Build a new interchange at Castroville Boulevard and Highway 156, with connections to Blackie Road to improve access for commercial traffic.

### Purpose

Highway 156 at Castroville Boulevard is the top collision location in Monterey County. In addition, Highway 156 is the major link connecting the San Francisco Bay area and North Monterey County to the Monterey Peninsula. With its present narrow configuration, it currently operates over capacity, with substantial delays and safety concerns, particularly during special events on the Monterey Peninsula. This congestion affects travel to and from the Peninsula as well as travel between US 101 and Highway 1 for local residents. In addition, the traffic impedes access to the Oak Hills neighborhood. This project will direct truck traffic away from Merritt Street in Castroville and from the accident-ridden Highway 183/156 interchange. It will also help relieve traffic congestion on Highway 156 while improving safety and local traffic circulation in North Monterey County.

### Benefits

Provides traffic congestion relief for 32,000 vehicles per weekday; Improves safety for Oak Hills and other local communities; Improves safety at intersections; Supports our \$2 billion per year visitor economy; Improves movement of valuable goods to market

### Location

North Monterey County

### Sponsor

Caltrans

### Project Manager

David Silberberger

### Phone

(805) 549-3798

### Email

david.silberberger@dot.ca.gov

### Project Schedule and Funding (\$1,000s)

Phase	Schedule	Total	Measure X	STIP	RSTP	TDA 2%	RDIF	Match	Tolling	FORA
PS&E / ROW	FY 19/20	\$ 17,825	\$ -	\$ 17,825	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CON	FY 21/22	\$ 25,125	\$ 2,150	\$ 1,975	\$ -	\$ -	\$ 5,000	\$ 16,000	\$ -	\$ -
		\$ 42,950	\$ 2,150	\$ 19,800	\$ -	\$ -	\$ 5,000	\$ 16,000	\$ -	\$ -

## Highway 1 Rapid Bus Corridor



### Description

Create a new rapid bus corridor along Highway 1 between Monterey and Marina, with possible extensions to Castroville, utilizing the shoulder of the highway and / or portions of the parallel rail right-of-way, to provide a way for commuters to spend less time in traffic.

### Purpose

Rapid bus corridors, also known as “bus rapid transit”, are an innovative concept to build improvements to that allow buses to travel more rapidly than cars in a corridor. This project is a low cost way to reduce travel times on the busy Highway 1 corridor.

### Benefits

Increases transit service; Reduces bus and automobile travel times; Improves air quality

### Location

Highway 1 Seaside to Marina

### Sponsor

Monterey-Salinas Transit

### Project Manager

TBD

### Phone

### Email

### Project Schedule and Funding (\$1,000s)

Phase	Schedule	Total	Measure X	STIP	RSTP	TDA 2%	RDIF	Match	Tolling	FORA
PID	FY 17/18	\$ 234	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 234	\$ -	\$ -
PA&ED	FY 18/19	\$ 750	\$ 750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PS&E	FY 19/20	\$ 1,500	\$ 1,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CON	FY 22/23	\$ 6,375	\$ 6,375	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CON	FY 23/24	\$ 31,375	\$ 6,375	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -
		\$ 40,234	\$ 15,000	\$ -	\$ -	\$ -	\$ -	\$ 25,234	\$ -	\$ -

## Holman Highway 68 Safety & Traffic Flow - Pacific Grove



### Description

Make road, bike and pedestrian safety improvements on Holman Highway 68 between Highway 1 and Asilomar.

### Purpose

With its present narrow configuration, Holman Highway currently is very congested during peak commute periods and during special events on the Monterey Peninsula. And within the Pacific Grove City Limits, the highway is not conducive to safe pedestrian and bicycle travel. This project will reduce highway congestion, improve emergency access to the hospital, and make it safer for biking and walking in business districts, school zones and residential neighborhoods.

### Benefits

Provides safety improvements; Improves emergency access for patients going to the hospital; Facilitates commuter and other travel to and from Pacific Grove, Pebble Beach and Monterey; Reduces congestion on Highway 68 leading to the Highway 1 interchange

### Location

Monterey through Pacific Grove – Holman Highway

### Sponsor

Caltrans

### Project Manager

TBD

### Phone

### Email

### Project Schedule and Funding (\$1,000s)

Phase	Schedule	Total	Measure X	STIP	RSTP	TDA 2%	RDIF	Match	Tolling	FORA
PID	FY 18/19	\$ 150	\$ -	\$ -	\$ 150	\$ -	\$ -	\$ -	\$ -	\$ -
PA&ED	FY 19/20	\$ 502	\$ 150	\$ -	\$ 352	\$ -	\$ -	\$ -	\$ -	\$ -
PS&E	FY 21/22	\$ 1,300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,300	\$ -	\$ -
CON	FY 22/23	\$ 2,425	\$ 2,425	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CON	FY 23/24	\$ 2,425	\$ 2,425	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 6,802	\$ 5,000	\$ -	\$ 502	\$ -	\$ -	\$ 1,300	\$ -	\$ -



## Highway 68 - Safety & Traffic Flow



### Description

Make intersection and other capacity & operational improvements to increase safety and improve traffic flow between Blanco Road and Highway 1.

### Purpose

Highway 68 is the main connector between Monterey County's two principal urbanized areas, Salinas and the Monterey Peninsula, serving commuters and the residents, schools and business parks along the corridor. Traffic congestion along Highway 68 is currently at gridlock during the morning and afternoon commute periods. This project will provide relief to commuters in the Highway 68 corridor in a manner that is cost-effective and environmentally sensitive. A team of planners, engineers and community representatives is currently developing the proposed corridor improvements.

### Benefits

Improves safety; Reduces congestion and delays on Highway 68; Supports regional travel between Monterey Peninsula and Salinas; Improves access for local residents

### Location

Salinas to Monterey

### Sponsor

Caltrans

### Project Manager

TBD

### Phone

### Email

### Project Schedule and Funding (\$1,000s)

Phase	Schedule	Total	Measure X	STIP	RSTP	TDA 2%	RDIF	Match	Tolling	FORA
PA&ED	FY 18/19	\$ 3,400	\$ -	\$ 3,400	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PS&E	FY 20/21	\$ 5,000	\$ -	\$ 5,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
ROW	FY 21/22	\$ 1,000	\$ 1,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CON	FY 22/23	\$ 50,000	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -
CON	FY 23/24	\$ 24,000	\$ 24,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 83,400	\$ 50,000	\$ 8,400	\$ -	\$ -	\$ -	\$ 25,000	\$ -	\$ -

## Fort Ord Regional Trail and Greenway



### Description

Create a new paved regional active transportation route to serve as a safe pedestrian and bicycle corridor connecting Seaside, Marina, Del Rey Oaks, Monterey, and unincorporated county residents to California State University Monterey Bay, Fort Ord National Monument, and the Monterey Bay Sanctuary Scenic Trail transportation corridor.

### Purpose

The project is a continuous 12-ft wide paved bikeway with an open space buffer on both sides incorporating habitat, parks, playing fields, developed outdoor recreation sites and associated amenities. The northern loop of FORTAG encircles Marina, following a 13 mile route that includes 3 miles of the existing Coastal Rec Trail. The southern loop of FORTAG encircles Seaside and bisects Del Rey Oaks, following a 15 mile route that includes 4 miles of the existing coastal trail system. The route includes spurs connecting with existing and planned bike/pedestrian infrastructure. Several sections of the paved trail will link to nearby unpaved trails.

### Benefits

Provides a safe connection between residential areas, schools, workplaces, regional parks, and city services; Enhances property values along the greenway corridor; Provides community health benefits from active transportation routes; Creates economic benefits from associated retail, hospitality, and competitive events

### Location

Fort Ord National Monument

### Sponsor

TBD

### Project Manager

### Phone

### Email

### Project Schedule and Funding (\$1,000s)

Phase	Schedule	Total	Measure X	STIP	RSTP	TDA 2%	RDIF	Match	Tolling	FORA
PA&ED	FY 18/19	\$ 1,000	\$ -	\$ -	\$ -	\$ 500	\$ -	\$ 500	\$ -	\$ -
PS&E	FY 19/20	\$ 1,200	\$ 600	\$ -	\$ -	\$ -	\$ -	\$ 600	\$ -	\$ -
ROW		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CON	FY 20/21	\$ 13,200	\$ 6,000	\$ -	\$ -	\$ -	\$ -	\$ 7,200	\$ -	\$ -
CON	FY 27/28	\$ 7,769	\$ 7,769	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CON	FY 28/29	\$ 5,631	\$ 5,631	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		\$ 28,800	\$ 20,000	\$ -	\$ -	\$ 500	\$ -	\$ 8,300	\$ -	\$ -