

for the long haul

Kern Transportation Foundation

We're Moving Forward

April 2006

Half-Cent Sales Tax Draft EIR Available for Study Review Period Closes June 1, 2006

Readers of this newsletter should be well aware that a November 2006 ballot measure for a local half-cent sales tax to provide dependable funding for transportation projects has been shaping for many months. Attendees at the KTF Forum 2005 event last fall were actually treated to a discussion of the proposed measure as it was being formulated. Now interested citizens can study the entire proposal and its ramifications in detail by accessing the KernCOG website (<http://www.kerncog.org/>) and perusing the 318-page Draft Environmental Impact Report (DEIR) document featured there entitled *Kern County Transportation Expenditure Plan and Retail Transactions and Use Tax Ordinance* (No. 06-01). The document is dated April 14, 2006 and carries State Clearing House number 2006031007. The CEQA-mandated 45-day period began on April 15 and will end on June 1—upon its conclusion, the document will grow even longer as it is amended to address changes or additions required to clarify or supplement the original draft.

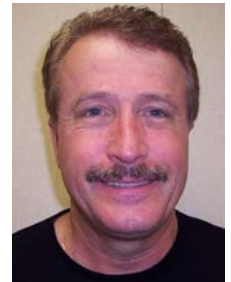
Should the measure be approved by Kern County voters in November, the Expenditure Plan and Ordinance would set in place the proposed local sales tax dedicated to transportation planning, design, construction, operation and maintenance within county boundaries. Specific safeguards built into the Ordinance are intended to assure that the available funding would be used in strict accord with defined voter-approved transportation projects and programs, and that it could not be diverted for other governmental uses. Several layers of process review and change management have been incorporated into the Expenditure Plan and Ordinance, including an Independent Taxpayer Oversight Committee to be charged with ensuring that all sales tax funds are spent as intended.

The Kern Transportation Authority (the KernCOG Board

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This Newsletter feature is being initiated with the current issue as a vehicle for the KTF president to raise or report on items of general interest.

The President's Corner



Greetings! This edition of our newsletter contains articles on two topics of significant interest to our readers, the proposed local half-cent sales tax measure and the state's GoCalifornia initiative. Both have the potential for major impacts on transportation resources in Kern County, and we will provide you with as much useful information as possible regarding them as events shape over the months ahead. However, we have also continued to track a third topic of similar importance to this region, the California High Speed Rail initiative. By way of a status report on that subject, we are copying below a letter I sent to the Governor in March on behalf of KTF reminding him of our continued support for HSR.

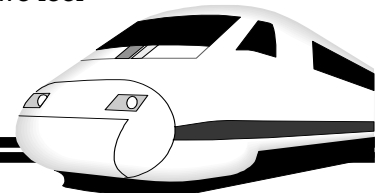
Regards,

Gary Blackburn

Dear Governor Schwarzenegger:

I am writing this letter on behalf of the Kern Transportation Foundation to urge you to include support for continued planning of the California High Speed Rail (HSR) system as part of the state's FY 2006/07 budget. We understand that California's financial circumstances remain difficult and that there are many other pressures for transportation expenditures—including the GoCalifornia initiative; however, we feel

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entity continued to be used for transportation purposes.

Figure 1*
 Transportation Improvement Revenue
 Total Countywide Transportation Measure “_” Revenues

Countywide Funding Programs	Amount
Estimated Countywide Measure “_” Revenue	\$947 million
(Less 1% Administrative Fee, 2% Board of Equalization Collection Charge)	\$27 million
Countywide Measure “_” Revenue Available for Transportation Projects	\$920 million
Estimated State and Federal Revenues	\$926 million
Estimated Contributions from New Development	\$500 million
Estimated Contributions from New Development	\$740 million
Total Estimated Revenue Available for Transportation Projects	\$3.09 billion

*Source: DEIR Table 2-2

serves in that role) hopes to receive authorization to implement the Ordinance for a 20-year period beginning on April 1, 2007 and ending March 30, 2027. It should be noted that the Authority is vested with several related powers and responsibilities: it may administer the tax proceeds, issue limited tax bonds secured by such proceeds, and prepare the County Transportation Expenditure Plan.

Figures 1 and 2 are drawn from tabulations included in the DEIR; they summarize the projected 20-year income streams and expenditures for transportation projects in Kern County should the proposed sales tax measure be approved. Figure 1 depicts anticipated transportation improvement revenues from all sources, local, state and federal, for the two decades in question. As the DEIR emphasizes, some \$3.09 billion should be available, representing an increase of \$920 million over previous projections (not including \$27 million in sales tax revenue required to support the tax program’s administration). Perhaps the key point is that all revenues shown in Figure 1 other than those from the proposed sales tax measure have already been committed to projects contained in the Destination 2030 Regional Transportation Plan and are not readily available to address the numerous Kern County transportation issues currently outside the RTP. Also, it has often been asserted that a source of funding from a self-imposed tax program at the local level would provide transportation planners in Kern County an invaluable tool for pursuing state, federal and private funding dependent upon matching monies—the proposed measure presumably should open that door (e.g., access to Governor Schwarzenegger’s GoCalifornia initiative—see accompanying article) .

Figure 2 illustrates the estimated distribution of project expenditures by defined sub-regions within Kern County. An important stipulation in the proposed Expenditure Plan and Ordinance is that the Kern Transportation Authority would not provide sales tax funding to any city or to the County unless all transportation revenues currently employed by that

It is obviously impossible to explore the contents of the DEIR in any depth in this brief introductory article, but it is certainly true that the full document addresses a wide variety of possible impacts from the implementation of the sales tax measure. In addition to much more detail on all aspects of the Expenditure Plan and Ordinance, the interested reader will find lengthy impact analyses in the document regarding the following environmental issue areas:

- Aesthetics;
- Agricultural Resources;
- Air Quality;
- Biotic Resources;
- Cultural Resources;
- Geology/Soils;
- Hazards & Hazardous Materials;
- Hydrology/Water Quality;
- Land Use Planning;
- Noise;
- Population/Housing;
- Public Utilities, Other Utilities and Services Systems; and
- Transportation/Traffic.

All *KTF Newsletter* readers are urged to avail themselves of the current opportunity for in-depth study of and active involvement in the issues surrounding the proposed sales tax measure. Please take time to help shape it into a ballot package that is fully understood by the Kern County electorate, with all alternatives and options clearly delineated. Many of us wish to create a local transportation planning environment conducive to a future role as a significant, progressive and productive keystone county—and that goal may well be at stake.

Figure 2*
 Countywide Measure “_” Revenue Distribution
 Estimated Countywide Expenditure Measure “_” Distribution

Region Name	Amount
Arvin Lamont Sub-region	\$48.5 million
Frazier Park Sub-Region	\$10.6 million
Indian Wells Valley Sub-Region	\$44.1 million
Lake Isabella Sub-Region	\$27.6 million
Metro Bakersfield Sub-Region	\$484.5 million
North Valley Sub-Region	\$157.5 million
Southeast Kern Sub-Region	\$53.3 million
Taft-Maricopa Sub-Region	\$35.3 million
Tehachapi Sub-Region	\$38.7 million
Total Countywide Estimated Expenditures	\$900 million

*Source: DEIR Table 2-1

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(Gov. Schwarzenegger's Letter—continued from Page 1)

strongly that a curtailment or indefinite deferral of the HSR program would severely reduce this great state's options for balanced development of its transportation infrastructure.

The Kern Transportation Foundation (KTF) was formed in 1992, and its membership is composed of active citizens and representatives of local public entities particularly dedicated to the pursuit of transportation issues impacting on our region. However, we actually tend to maintain a broader perspective, seeing transportation facilities and services as a key realm of interest extending far beyond the borders of Kern County and obviously affecting all citizens of this state. Further, we are committed to the idea that that realm embraces all transportation modes—highway, rail, air and water—and that long-range transportation planning in California should be designed to integrate the best features of each of those modes. In consideration of the incredible growth pressures faced by our state during an era of tightening budgets, declining energy resources and growing environmental concerns, we feel we can do no less. Your own commitment to GoCalifornia suggests that you share such views.

As mentioned above, the specific purpose of this letter is to express our extreme concern over what seems to be a retreat by state leadership from support of HSR development. It is our understanding that no funding for continued HSR planning has been included in the proposed FY 2006/07 state budget. KTF has provided significant leadership in the Southern San Joaquin Valley for that program, working with state representatives in advance planning and route analysis. We believe we are in a strong position to assert that the movement of people and goods across our region cannot be facilitated in a cost-effective manner solely by improvements in our highway infrastructure. Our viewpoint is that the present seemingly extreme concentration on highway development to resolve California's current and projected transportation problems appears somewhat short-sighted, not to mention a violation of established transportation planning principles.

We know that our state leadership, and your administration in particular, is struggling with numerous critical pressures for transportation infrastructure improvements at a time of severe ongoing funding limitations. Even so, we feel impelled to urge your consideration of a more balanced program of improvements—not a too-great dependence upon one already over-stressed mode—in addressing those pressures. Therefore, we ask again that High Speed Rail not be forgotten in the coming fiscal year.

Should you be interested in further discussion of this matter, we would be pleased to send a delegation to your office at a time suited to your convenience.

Yours most sincerely,

Gary Blackburn, President

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**California's Strategic Growth Plan
Investments for Mobility
GoCalifornia**

In his January 2006 annual State of the State address, Governor Arnold Schwarzenegger proposed a sweeping long-term investment program for updating California's transportation, public safety and public service infrastructures, terming it a Strategic Growth Plan (SGP) for a "New California." He stated that the state's population is projected to increase by as much as 30 percent over the next 20 years, and that its composite infrastructure needs may exceed \$500 billion over that same period. The Governor indicated that the SGP is designed to leverage \$68 billion dollars in bonds over the coming decade to invest more than \$222 billion in infrastructure improvements without raising taxes. This article is intended to provide KTF *Newsletter* recipients with a summary of the elements incorporated in the "Transportation and Air Quality" section of the SGP.

In presenting his proposals for transportation improvements, the Governor cited various key statistics to emphasize the critical nature of the underlying issues. He pointed out that the number of registered vehicles in California has increased from 9 million to 30 million since the 1960s, and that the annual vehicle-miles traveled in the state have increased from 33.3 billion to 183.7 billion in that same time span. Without intervention, the Department of Transportation forecasts a 35 percent increase in congestion over the next ten years (typically measured in estimated daily vehicle hours of delay). The SGP is intended to address these problems through an 18 percent congestion reduction, created in part by the construction of 1,200 miles of new highway and HOV lanes and by the addition of 600 miles of mass transit. The proposed package is nicknamed "GoCalifornia."

Funding and investment protection provisions incorporated in the SGP include:

- Developing a \$107 billion total investment in transportation infrastructure over the next decade --
 - ◇ \$47 billion from existing funding sources such as Proposition 42 and federal funds
 - ◇ \$48 billion in new monies created by leveraging ex-

isting funds

- ◇ \$12 billion in new bond income to attract increased federal, local and private funding, to be approved by California voters in two \$6 billion ballot measures planned for 2006 and 2008
- Protecting Proposition 42 permanently by means of a constitutional amendment
- Using design-build contracting and design-sequencing construction for improved project efficiency
- Pursuing public/private partnerships to complete projects such as toll and other special-purpose traffic lanes and freight movement facilities, where a predictable income stream can offset capital costs
- Reducing goods-movement-related pollution through a \$1 billion bond investment to be matched by the same amount from other sources

tion reduction:

- Accessibility
- Economic Development
- Environmental Quality
- Equity
- Mobility
- Productivity
- Reliability
- Return on Investment
- Safety
- System Preservation

It is important to note that the California Transportation Commission (CTC) has incorporated into the 2006 State Transportation Improvement Program (STIP) the application of these performance measures. Caltrans has already been applying the performance measures to State Highway Operations and Protection Program (SHOPP) projects, and expects to increase such efforts in implementing the 2006 SHOPP.

Figure 1: *GoCalifornia* Strategic Elements



Governor Schwarzenegger's team has developed a pyramidal graphic to illustrate the interrelation of strategic elements in the proposed *GoCalifornia* initiative, portrayed in Figure 1. The accompanying discussion asserts:

"The base of the pyramid is as important as the apex. System monitoring and maintenance and preservation are the basic foundation upon which the other strategies are built. System expansion and completion will provide the desired mobility benefits to the extent that investments in and implementation of the strategies below it establish a solid platform."

The same discussion emphasizes that the *GoCalifornia* initiative is intended to address and improve a number of transportation system outcomes in addition to conges-

tion reduction. Figure 1 also provides one framework for tabulating the proposed \$105 B in "Improved Mobility" investments (does not include air quality provision); they can be related to the pyramid's strategic elements. While it is not feasible to discuss here the complete scope of each of those elements, those involving the largest projected expenditures will be outlined in the following paragraphs.

System Completion and Expansion (\$45.5 B)

Projects included in this category have to do with increasing California's basic transportation capacity. Presentations on the *GoCalifornia* initiative suggest that elements of lesser cost to the public, such as smart land use and ITS, may actually have more impact in congestion delay reduction, but increased capacity is obviously essential to meeting the transportation demands of the state's burgeoning population. The numerous components of proposed capacity augmentation include:

- Completion of the urban HOV (High Occupancy Vehicle) system
- Completion of State priority routes
- Expansion of border-to-border freight corridors
- Expansion of existing local transit and rail, urban commuter rail and intercity passenger rail services
- Expansion of park and ride programs

Operational Improvements (\$27.2 B)

It is suggested in *GoCalifornia* presentations that opera-

tional improvements may seem of only modest value—until their benefit-cost ratios are considered. Such improvements as auxiliary lanes, ramp metering and other ramp upgrades, weigh stations, signs and lighting, and ITS, when summed together, are estimated to have the potential for generating a five percent congestion reduction. Many such efforts tend to overlap with other Figure 1 elements, but the list includes:

- Fully funding and implementing the SHOPP
- Implementing Safety improvements
- Implementing ITS as a component of the SHOPP
- Ensuring continuation and enhancement of rail and transit services

Maintenance and Preservation (\$28.9 B)

This is a *GoCalifornia* element that may seem mundane to many; the example cited is that pavement preservation seems much less exciting than construction of a new interchange. Further, such preservation is so fundamental that it is often taken for granted. A Caltrans rule offered for understanding the importance of preservation is that one dollar invested in preventive roadway maintenance may avoid six dollars of rehabilitation or twenty dollars of reconstruction. Another Caltrans axiom is that good highway conditions can save the individual motorist \$558 annually in vehicle wear and maintenance. Activities included in this category (again involving some overlap with other *GoCalifornia* elements) include:

- Fully funding and implementing the SHOPP, particularly through full funding of Proposition 42
- Increasing revenues for local roads and streets—again through full funding of Proposition 42

With regard to other *GoCalifornia* elements, proponents assert that local jurisdictions should more closely tie land-use decisions to their impact on potential transportation capacity, as well as attempt to apply accepted strategies such as demand management and

Figure 2: Projected *GoCalifornia* Funding

Source	Dollars (Billions)
Base funding from existing	26.4
Gaming Compact Bond revenues	1.0
Caltrans efficiencies of \$500 million (less Bay Bridge)	.4
Increased federal funding	10.0
Proposition 42 (including loan repayments)	8.6
GARVEE (federal "grant-anticipated revenue vehicles") bonding	3.1
Existing and planned local sales tax measures	9.0
Design-build and design-sequencing	.9
Public-private partnerships for High Occupancy Toll (HOT) lanes and new expressways	2.0
Public-private partnerships for trade corridors and goods movement infrastructure	14.0
Additional federal investment in national trade priority routes	5.0
Revenue Bonding beginning in 2015	14.0
General Obligation Bonds in 2006 and 2008	12.0

value pricing in transportation resource planning. Strong arguments are likewise made on behalf of the increasing importance of technology-based approaches to system monitoring and congestion relief, approaches that facilitate traffic flow, manage available information and speed accident recovery.

The funding sources projected by the Governor's team to provide the \$107 billion required over the next decade for full implementation of the *GoCalifornia* initiative are summarized in Figure 2. As can be seen, the availability of the dollars in question is contingent upon contributions from a wide variety of sources, some not known for their absolute dependability (e.g., federal funding, public-private partnerships, local sales tax measures, etc.). A keystone component of the projected funding plan is voter approval of \$12 billion in General Obligation Bonds currently scheduled for balloting in 2006 and 2008. The anticipated bond funding is important not only in terms of its direct impact on specific project implementation but also as a tool for leveraging other contributions. Figure 3 summarizes by category of investment the relationship between the \$12 billion in bond monies and the overall *GoCalifornia* requirement of \$107 billion.

Because bond funding is an essential feature both of the Governor's overall Strategic Growth Plan and of the "Transportation and Air Quality" section of the SGP, an obvious concern for the California electorate is the long-

Figure 3: Bond Funding and *GoCalifornia*

General Obligation Bond Funding for Transportation and Air Quality Improvements

Category of Investment	Total 10-Year Need (Billions)	First 5 Years \$6 Billion Bond	Second 5 Years \$6 Billion Bond	Total Bond (Billions)
Transportation and Air Quality Improvements – <i>GoCalifornia</i>				
Highways	53.3	2.0	3.6	5.6
Corridor Mobility Projects		0.3		0.3
Performance Projects (State Inter-Regional Focus Routes and Regional Priorities)		1.7	3.6	5.3
Transit/Rail	4.5	0.5	0.2	0.7
Inter-City Passenger Rail		0.4	0.1	0.5
Pedestrian/Bike Paths and Park and Ride Facilities		0.1	0.1	0.2
Technology – ITS	3.3	0.2		0.2
Safety and Preservation	28.9	1.3	0.2	1.5
Trade Infrastructure	17.0	2.0	2.0	4.0
Air Quality Improvements:	2.0	1.0		
Port-Related Mitigations		(matched 1:1)		
Trade Infrastructure for Goods Movement	15.0	1.0	2.0	
		(matched 1:4)	(matched 1:4)	
Total	107.0	6.0	6.0	12.0

term fiscal solvency of the proposed infrastructure investments. To address such concerns, the SGP documentation contains a comprehensive year-by-year analysis of the State's debt service ratio through the year 2025-26,



showing the impact of the projected bond sales. The ratio (usually expressed as a percentage) being considered is that of annual debt service cost to annual General Fund revenue; in general public service practice, one accepted guideline for prudent management is a maximum of six percent (6%). As mentioned earlier, the SGP includes a statement of intent to pursue a constitutional amendment that would establish a six percent cap on such bonded indebtedness. In the specific realm of transportation infrastructure and services, the Governor's team also proposes another constitutional amendment to permanently protect Proposition 42 funds from legislative or gubernatorial inroads for other uses.

This article is obviously a very abbreviated summary of a most complex initiative affecting all Californians state-wide. Interested readers may wish to visit the Department of Transportation website (<http://www.dot.ca.gov/>) to gain access to much more detailed information on the subject. A particularly pertinent item to be found there is a preliminary list of the projects proposed for funding by the \$12 billion General Obligation Bond issuance, grouped by location and including a brief description and estimated cost—the several entries for Kern County are primarily along

the Highway 99 Corridor.

Readers interested in transportation planning for California should probably make an effort to review available reference materials on the SGP and *GoCalifornia* and to attempt to develop their own assessment regarding the quality and probable effectiveness of the proposed infrastructure investment program. Some observers might view that program as simply a bureaucratic re-packaging of an existing project list to stir voter interest in approving major bond financing and the protection of Proposition 42, complete with STIP and SHOPP policy tweaking to mobilize available dollars in support of the favored list. The fundamental question really is whether or not Governor Schwarzenegger's proposals constitute comprehensive transportation planning in the best sense of that term, presenting innovative and effective long-term strategies in response to our state's urgent needs for the movement of people and goods. Perhaps one clue to the answer is the fact that neither the Governor's proposed General Fund budget for 2006-07 nor the *GoCalifornia* bond package includes any provision for continuing the development of High Speed Rail.

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