

MEASURE V

2018 Implementation Plan

ATWATER | DOS PALOS | GUSTINE | LIVINGSTON | LOS BANOS | MERCED | MERCED COUNTY



PRE-DRAFT: AUGUST 8, 2018

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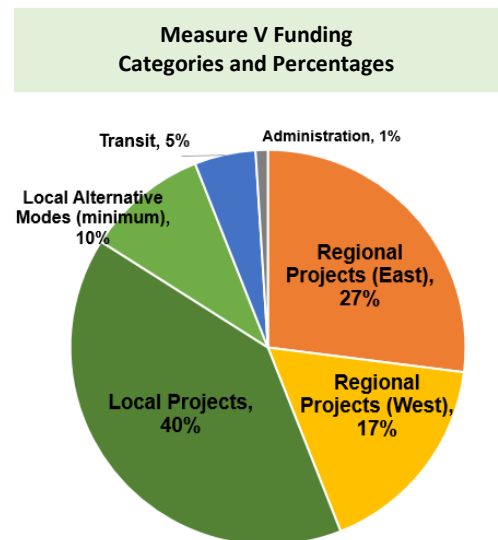
Introduction

Measure V, Merced County’s 30-year ½ cent transportation sales tax, was passed by Merced County voters with 71% approval in November 8, 2016 and went into effect April 1, 2017. The Measure V Expenditure Plan, as passed by voters, specifies how the \$15 million in projected revenue must be spent across four funding categories: Local Projects, Regional Projects, Transit and Administration. The Expenditure Plan does not specify projects or specific expenditures within any of the funding categories, but instead identifies general eligible uses and the decision-making authorities and processes for project selection.

Over the 30-year program, Measure V is projected to generate \$450 million in new revenue for transportation purposes in Merced County. The Expenditure Plan outlines the distribution of revenue across the four funding categories as described below.

- **50% Local Projects**

Half of the revenue generated by the transportation sales tax is allocated directly by formula to each of the seven jurisdictions in Merced County: City of Atwater, City of Dos Palos, City of Gustine, City of Livingston, City of Los Banos, City of Merced, County of Merced. The governing bodies of the local jurisdictions have complete authority over how these funds are spent so as long as the funds are spent on local transportation purposes. The Expenditure Plan does require, however, that each jurisdiction spend at least 20% of their local measure funding on alternative modes projects such as bicycle and pedestrian projects, or any other mode of transportation that reduces single-occupant vehicle use.



- **44% Regional Projects**

Forty-four percent of the revenue generated by the sales tax is allocated to unspecified regional projects. Per the Expenditure Plan, 27% of the annual revenue must be spent on projects east of the San Joaquin River, and 17% must be spent on projects west of the San Joaquin River. The Plan does not identify specific regional projects to be funded by the measure, however, it does delegate the authority for recommending regional project expenditures to the East Side Regional Projects Committee and the West Side Regional Projects Committee. The composition of those committees and the regional project selection process is discussed further in the “Implementation Plan Development” section of this document.

- **5% Transit**

Five percent of the revenue generated by the sales tax is directed to support transit services in Merced County. The Expenditure Plan identifies the Governing Board of the Merced County

Association of Governments as the decision-maker for authorizing expenditures for this funding.

- **1% Administration**

The remaining one percent of the total revenue generated by the sales tax is provided to Merced County Association of Governments as the Local Transportation Authority for program implementation activities such as the development of the Implementation Plan.

Purpose of Implementation Plan

In the role of program administrator, MCAG is required to develop a bi-annual Measure V Implementation Plan. The Expenditure Plan states:

At a minimum of once every two years, MCAG will prepare and adopt a Transportation Measure Implementation Plan. This will include a financial plan consistent with the Regional Transportation Improvement Program (RTIP) and the State Transportation Improvement Program (STIP).

- *MCAG staff working with member agencies and affected stakeholders will develop the Draft Implementation Plan and will update it every two years.*
- *The MCAG Governing Board receives the Draft Implementation Plan and its updates and schedules public hearings to review the Plan.*
- *The MCAG Governing Board adopts the Implementation Plan.*

As described in the Introduction, the MCAG Governing Board does not have decision-making authority over Local Projects expenditures as that authority is prescribed in the Expenditure Plan to local governing bodies. The Expenditure Plan also provides MCAG as the Local Transportation Authority with the authority to utilize the 1% of funding for administration purposes. Therefore, this Implementation Plan does not program expenditures for either of those accounts. Instead, the focus of this document is to address the two funding accounts for which the MCAG Governing Board holds decision-making authority related to expenditures – Regional Projects and Transit.

The primary purpose of this Implementation Plan is to program Measure V funding to regional projects in Merced County. It is the primary financial document that provides an analysis of Measure revenue and programs project expenditures over a specific period of time as authorized by the MCAG Governing Board. It includes a cash flow model that highlights when cash flow is adequate and when shortfalls are projected to occur. This data helps inform decisions related to project delivery strategies such as Pay-As-You-Go and bonding to advance the delivery of projects. This analysis of revenue availability and project expenditures also encourages MCAG and regional project sponsors to reach a consensus on which projects will apply for competitive state and federal funding sources and in what cycles.

Secondarily, the MCAG Governing Board holds decision-making authority in the use of the 5% of annual revenue dedicated to transit purposes. The goal of this funding category, per the Expenditure Plan, is to expand or enhance public transit services and programs in Merced County. This document will provide a summary of actions taken by the MCAG Governing Board related to providing revenue to current and future projects and programs aimed at accomplishing this goal.

Implementation Plan Development

REGIONAL PROJECT FUNDING

The Transportation Expenditure Plan required the formation of the East Side Regional Projects Committee and the West Side Regional Projects Committee for the purpose of making recommendations to the MCAG Governing Board for regional projects expenditures. Formed in May 2017, the West Side Regional Projects Committee is comprised of one council person from the cities of Gustine, Los Banos and Dos Palos, and the County Supervisors whose districts are located either completely or partially on the west side of the San Joaquin River. The East Side Regional Projects Committee is comprised of one council person from the cities of Livingston, Atwater and Merced, and the County Supervisors whose districts are either completely or partially located on the east side of the San Joaquin River.

The first meetings of the East Side and West Side Regional Projects Committees were held in August 2017, at which time committee members brainstormed potential candidate regional projects for the Measure V Regional Projects revenue. Those projects were further refined by the member agency project sponsors and evaluation criteria was developed at subsequent committee meetings in November 2017. In February 2018, the committees reviewed the candidate projects against the evaluation criteria and directed staff to create technical working groups on the east and west sides of the county to assist with the further development of the candidate project information with the goal to begin the project prioritization process in May. This process culminated with the May 15, 2018 committee meetings at which time final lists of candidate regional projects were presented for consideration to include in the first Measure V Implementation Plan.

At the May 15, 2018 meetings, the East and West Side Regional Projects Committees each recommended a set of project expenditures for Measure V Regional Projects funding. Per the Expenditure Plan, the MCAG Governing Board adopted the recommended set of regional projects expenditures for inclusion in the first Measure V Implementation Plan.

TRANSIT FUNDING

Measure V is projected to generate \$750,000 annually in new revenue to enhance or expand public transit programs and services in Merced County. At the April 20, 2017 meeting, the MCAG Governing Board acted to allocate \$150,000 annually to the Transit Joint Powers Authority for Merced County to operate a free fare program for veterans, seniors and individuals with disabilities. The action also specified that it was the intention of the Board to reassess options at an unspecified later date when actual sales tax revenue data was available.

Implementation Plan Approach

REGIONAL PROJECT FUNDING

While the East and West Side Regional Projects Committees are independent committees responsible for making region-specific project recommendations to the MCAG Governing Board, MCAG is required to produce a consolidated Implementation Plan. The decision of the Governing Board was to develop a two-year Implementation Plan for fiscal years 2017-18 and 2018-19 with a target adoption date of

October 18, 2018. It is the intention of MCAG and the Governing Board to adopt a longer-term Implementation Plan by June 2019 which will align the Implementation Plan schedule with next the State Transportation Improvement Program (STIP) cycle.

Both the East and West Side Regional Projects Committee recommended a pay-as-you-go approach to the 2018 Implementation Plan, with each committee also recommending a 20% set aside within the regional accounts for future leveraging opportunities. The set-aside calculation is based on the annual total revenue projection of \$15 million and the estimated annual revenue totals for each of the regional accounts as per the Expenditure Plan.

TRANSIT FUNDING

Following the decision to allocate \$150,000 of transit revenue to the Transit Joint Powers Authority for Merced County to operate a free fare program for seniors, veterans and individuals with disabilities, no additional action has been taken. The free fare program will continue through the term of this plan at the current funding level. The remaining funds in the Transit account may be allocated to transit providers in Merced County, including but not limited to, the bus system or rail services, at the discretion of the MCAG Governing Board.

Financial Plan

REGIONAL PROJECT FUNDING

Measure V is estimated to generate \$15 million annually with 44% allocated to Regional Projects. 27% of the annual total is directed to regional projects located to the east of the San Joaquin River, and 17% of the annual total is directed to regional projects located to the west of the San Joaquin River. Therefore, the East Side Regional Projects account should generate \$4.05 million annually, while the West Side Regional Projects account should generate \$2.55 million annually. With these estimates, the East and West Side Regional Projects Committees recommended a set of regional project expenditures and a 20% set aside for future leveraging opportunities based on a pay-as-you-go strategy for fiscal years 2017-18 and 2018-19.

MEASURE V REGIONAL PROJECTS FUNDS PROJECTED REVENUE AND EXPENDITURES FY 2017/18 - 2018/19					
ACCOUNT	ESTIMATED REVENUE	20% SET ASIDE	REVENUE FOR PROJECTS	PROGRAMMED EXPENDITURES	REMAINING BALANCE
East Side Regional Projects Account (27%)	\$8,100,000	\$1,620,000	\$6,480,000	\$6,480,000	\$0
West Side Regional Projects Account (17%)	\$5,100,000	\$1,020,000	\$4,080,000	\$4,080,000	\$0

TRANSIT FUNDING

Measure V is estimated to generate \$15 million annually with 5% allocated to Transit. Of the projected \$750,000 in annual revenue, \$150,000 is programmed to the Transit Joint Powers Authority for Merced County for the free fare program for seniors, veterans and individuals with disabilities for fiscal years 2017-18 and 2018-19.

MEASURE V TRANSIT FUNDS PROJECTED REVENUE AND EXPENDITURES FY 2017/18 - 2018/19			
ACCOUNT	ESTIMATED REVENUE	PROGRAMMED EXPENDITURES	REMAINING BALANCE
Transit (5%)	\$1,500,000	\$300,000	\$1,200,000

Project Expenditures

EAST SIDE REGIONAL PROJECT EXPENDITURES - \$6,480,000

Winton Way Reconstruction Project Phase 1

\$1,000,000 towards the reconstruction of Winton Way in Atwater beginning at Broadway Avenue to include ADA sidewalks and relocated crosswalks. The total cost of the project is estimated at \$1,500,000. The City of Atwater has committed local funding to complete this project.

Highway 99 Winton Parkway On-Ramp Widening Project

\$840,000 for the environmental, design and construction phases to widen Winton Parkway in Livingston to include a dedicated turn lane for the State Highway 99 southbound on-ramp. The total cost of the project is estimated at \$1,240,000. The City of Livingston has committed Local Transportation Funds, SB 1 funds and Measure V Local Project funds to complete this project.

Highway 59 Black Rascal Bridge Project

\$460,000 for the project study, environmental and design phases to widen Black Rascal Bridge on State Highway 59 in Merced to a four-lane structure. The total project cost is estimated at \$4,090,000. The City of Merced will pursue additional funding through the Federal Highway Bridge program to complete this project.

Highway 59 Phase 1

\$764,580 for the project development phases to widen State Highway 59 from 16th Street to Olive Avenue/Santa Fe Drive in Merced and construct new sidewalks. The total project cost is estimated at \$5,944,300. The City of Merced will pursue additional funding to complete this project.

Bradbury Road Project

\$950,000 for the design and construction phases of the Bradbury Road rehabilitation project from State Highway 165 to State Highway 99 in Merced County. The total project cost is estimated at \$950,000.

Sandy Mush Road Phase 1

\$2,465,420 towards the design and construction phases of the Sandy Mush Road rehabilitation project from State Highway 59 to Nickel Road in Merced County. The total project cost is estimated at \$2,465,420.

WEST SIDE REGIONAL PROJECT EXPENDITURES - \$4,080,000

Center Avenue North Project

\$200,000 towards the environmental, design and construction phases of the rehabilitation of Center Avenue and Loraine Street in Dos Palos and Center Avenue in Merced County. The project includes complete street rehabilitation including a bike path, ADA ramps and new transit stop. The total project cost is estimated at \$936,000. The City of Dos Palos has committed local funding and will be pursuing grant opportunities to complete this project.

Blossom Street East Project

\$400,000 towards the environmental, design and construction/rehabilitation of East Blossom Street and portions of Lucerne Avenue, Leonard Avenue and Harris Avenue including ADA compliant sidewalks. The total project cost is estimated at \$2,488,310. The City of Dos Palos has committed local funding and will be pursuing other public and private funding opportunities to complete this project.

Highway 33/Highway 140 Roundabout Project

\$310,000 towards the construction of a new roundabout on State Highway 33/140 at the intersection of 4th Street and 6th Avenue in Gustine. The total project cost is estimated at \$2,800,000. Other funding sources being used to complete this project include a Congestion Mitigation Air Quality grant.

Eastside Storm Drainage Project

\$68,888 towards the construction of a renovated storm drainage system at Gustine Municipal Airport. The total project cost is estimated at \$763,388. Other funding sources being used to complete this project include the Federal Aviation Administration and Turlock Airport.

Airport Security Project

\$75,000 towards the installation of new safety perimeter fencing and security gates at Gustine Municipal Airport. The total project cost is estimated at \$115,000. Other funding sources being used to complete this project include the Local Partnership Program.

Pacheco Boulevard (SR 152) Regional Path

\$600,000 towards the project development and construction phases for a class 1 bike path along the northside of State Highway 152 between the City of Los Banos and Merced College Los Banos Campus (from Merced College easterly to Badger Flat Road). The total project cost is estimated at \$2,221,000. The City of Los Banos is pursuing a state Active Transportation Program grant to complete this project.

Henry Miller Avenue Project

\$2,426,112 towards the design and construction phases of the rehabilitation of Henry Miller Road from State Highway 165 to Turner Island Road in Merced County. The total project cost is estimated at \$2,426,112.

TRANSIT EXPENDITURES - \$300,000

Free Service for Seniors, Veterans and ADA Eligible Passengers

\$300,000 to provide free service on The Bus fixed route to veterans, seniors, and ADA eligible passengers throughout Merced County. This program began on July 1, 2017 and is operated by the Transit Joint Powers Authority for Merced County. This program does not have a sunset date.