

STANISLAUS COUNCIL OF GOVERNMENTS
Measure _____
Local Roads First Transportation Funding Measure
Ordinance #16-01

The Stanislaus County Transportation Authority ordains as follows:

SECTION 1. TITLE. This Ordinance shall be known and may be cited as, “Measure _____ : Local Roads First Transportation Funding Measure” which shall establish and implement a retail transaction and use tax.

SECTION 2. DEFINITIONS.

2.01. “Authority” means the Stanislaus Council of Governments as the Local Transportation Authority as designated by the Stanislaus County Board of Supervisors, pursuant to the Local Transportation Authority and Improvement Act set forth at California Public Utilities Code Section 180000 et seq.

2.02. “County” means the County of Stanislaus.

2.03. “Expenditure Plan” means the Expenditure Plan attached to this Ordinance as **Exhibit “A”** and incorporated herein.

2.04. “Maintenance of Effort” means a jurisdiction must demonstrate maintenance of a minimum level of local street and road expenditures in order to receive Local Streets and Roads funds.

2.05. “Operative Date” means the first day of the first calendar quarter commencing more than 110 days after the adoption of the ordinance. If the Ordinance is approved by a two-thirds majority of the electors voting on this Ordinance at the election held on November 8, 2016, the Operative Date shall be April 1, 2017.

2.06. “Ordinance” means the Measure _____: Local Roads First Transportation Funding Measure ordinance which establishes and implements the retail transaction and use tax set forth herein.

SECTION 3. EXPENDITURE PLAN PURPOSES.

3.01. This Ordinance provides for the implementation of the Expenditure Plan, as approved and adopted by the Authority, which will result in countywide local street and road improvements, arterial street widening, signalization, pedestrian, bicyclist, and driver safety improvements. These needed improvements shall be funded by a one-half of one percent retail transactions and use tax established for a twenty five year period. The revenues shall be deposited in a special fund, used solely for the transportation projects, improvements and programs described in the Expenditure Plan which is considered a part of this Ordinance and hereby incorporated by reference as if fully set forth herein.

SECTION 4. ADMINISTRATIVE EXPENSES.

4.01. The revenues received by the Authority from this Ordinance, after deduction of the required Board of Equalization costs for performing the functions specified in section 180204 of the Public Utilities Code, reimbursing the County of Stanislaus for its costs in conducting the election if the measure is approved in accordance with section 180203(a) of the Public Utilities Code, and after deduction for the administration of the Expenditure Plan pursuant to the provisions of the Public Utilities Code commencing with section 180200, in an amount not to exceed one-percent (1%), shall be used for the transportation projects, improvements and programs countywide as set forth in the Expenditure Plan and in a manner consistent with the Expenditure Plan developed by the Authority.

4.02. Revenues may be expended by the Authority for salaries, wages, benefits, overhead, auditing and those services including contractual services necessary to administer this Ordinance; however, in no event shall an amount exceeding one-percent (1%) of the annual revenue provided by this Ordinance go towards paying the administrative salaries and benefits of the staff of the Authority. Costs of performing or contracting for project related work shall be paid from the revenues allocated to the appropriate purpose.

4.03. An annual independent audit shall be conducted to assure that the revenues expended by the Authority under this section are necessary and reasonable in carrying out its responsibilities under this Ordinance.

SECTION 5. REQUEST FOR ELECTION.

5.01. The Authority hereby requests the Stanislaus County Board of Supervisors place this Ordinance before the voters for approval on the November 8, 2016 ballot.

5.02. The proposition to be placed on the ballot shall contain a summary of the projects, improvements, and programs and shall read substantially as follows:

To provide funding for local transportation improvements including: fixing potholes/maintaining streets; improving emergency response; providing safe routes to schools; providing senior, veterans and disabled shuttle services; and improving safety/reducing traffic congestion on Highway 99/major streets; shall the Stanislaus County Transportation Authority enact a $\frac{1}{2}$ cent sales tax, generating \$38,000,000 annually for transportation projects, funds that cannot be taken by the State, requiring all money to be spent in Stanislaus County with citizens' oversight for 25 years?

SECTION 6. EFFECTIVE, OPERATIVE AND TERMINATION DATES.

6.01. This Ordinance shall become effective on November 8, 2016 only if a two-thirds majority of the electors voting on this Ordinance at the election held on November 8, 2016 vote to approve the Ordinance. If so approved, the provisions of this Ordinance shall become

operative on April 1, 2017 and shall be imposed and collected for a period of twenty-five (25) years thereafter.

6.02. The authority to levy the tax authorized pursuant to this Ordinance shall expire on March 31, 2042.

SECTION 7. CONTRACT WITH STATE.

7.01. Prior to the Operative Date, the Authority shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this Ordinance; provided, that if the Authority shall not have contracted with the State Board of Equalization prior to the Operative Date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

SECTION 8. TRANSACTIONS AND USE TAX RATE.

8.01. For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated and unincorporated territory of the County at the rate of one-half of one percent (0.5%) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the Operative Date of this Ordinance.

8.02. An excise tax is hereby imposed on the storage, use or other consumption in the incorporated and unincorporated territory of the County of tangible personal property purchased from any retailer on and after the Operative Date of this Ordinance for storage, use or other consumption in said territory at the rate of one-half of one percent (0.5%) of the sales price of the property. The sales price shall include delivery charges when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

SECTION 9. EXPENDITURE PLAN PROCEDURES AND MAINTENANCE OF EFFORT.

9.01. It is the intent of the Legislature and the Authority that revenues provided from this Ordinance be used to supplement existing revenues being used for transportation projects, improvements and programs.

9.02. Pursuant to the intent of the Public Utilities Code section 180001, a jurisdiction cannot redirect monies currently being used for transportation purposes to other uses, and then replace the redirected funds with local street maintenance and improvement dollars from the retail transaction and use tax.

9.03. To meet the requirements of state law, in order to receive Local Streets and Roads funds a jurisdiction must demonstrate maintenance of a minimum level of local street and road expenditures in conformance with the provision below:

9.03.01. Annual expenditures of a local jurisdiction's general funds for transportation purposes shall not be an amount less than the jurisdiction's three-year average of its annual expenditures from its general fund during the prior three fiscal years. In calculating the three-year average annual general fund expenditures, any unrestricted funds which the local jurisdiction may expend at its discretion, expended for transportation purposes are expenditures from the general fund.

9.03.02. Subject to Authority approval, if any local jurisdiction had extraordinary local discretionary fund expenditures during any fiscal year it may determine that year's minimum expenditure base level of local discretionary funds by:

- a) Subtracting those extraordinary expenses (including assessment district contributions, development impact funds, or other non-recurring contributions) from its total expenditures; or
- b) Petitioning the Authority for special consideration. It is possible that a local jurisdiction may need to revise its minimum expenditure base beyond the subtraction of extraordinary expenses. In this instance, the Authority may allow the establishment of a new base for that jurisdiction's Maintenance of Effort requirement. A local jurisdiction petitioning the Authority under this provision must supply evidence of the need for special consideration and the petition must be approved by a majority vote of the Authority.

9.04. An annual independent audit will be conducted to verify that the Maintenance of Effort requirements were met by the local jurisdictions. Any local jurisdiction which does not meet its Maintenance of Effort requirement in any given year may have its Local Streets and Roads fund received pursuant to the Expenditure Plan reduced in the following year by the amount by which the jurisdiction did not meet its required Maintenance of Effort. Such funds shall be redistributed to the remaining eligible jurisdictions.

SECTION 10. ORDINANCE PURPOSES.

10.01. This Ordinance is adopted to achieve the following, among other purposes, and directs the provisions hereof be interpreted in order to accomplish these purposes:

- A. To impose a retail transactions and use tax in accordance with the provisions of Division 19 (commencing with Section 180000) of the California Public Utilities Code, and Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code, which authorizes the Authority to adopt this tax ordinance which shall be operative if two-thirds (2/3) of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.
- B. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the

requirements and limitations contained in Division 19 (commencing with Section 180000) of the California Public Utilities Code, and Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code.

- C. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefor that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.
- D. The funds generated by the transaction and use tax authorized by this Ordinance may only be used for transportation purposes including the administration of the Expenditure Plan, as may be amended, including defense or prosecution of legal actions related thereto, the construction, acquisition, maintenance, and operation of streets, roads, highways, including state highways and public transit systems and for related transportation purposes, including project management and oversight of the projects to be funded using the transaction and use tax, such as coordination with other responsible agencies as well as project delivery and negotiation of project agreements. These purposes include expenditures for planning, environmental reviews, engineering and design costs, and related right-of-way acquisition. Expenditures also include, but are not limited to, debt services on bonds or other indebtedness, and expenses and reserves in connection with the issuance of the same.

SECTION 11. ADOPTION OF PROVISIONS OF STATE LAW.

11.01. Except as otherwise provided in this Ordinance, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the California Revenue and Taxation Code, insofar as they relate to sales taxes and are not inconsistent with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Division 19 (commencing with Section 180000) of the California Public Utilities Code, are hereby adopted and made a part of this Ordinance as though fully set forth herein.

11.02. In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, wherever the State of California is named or referred to as the taxing agency, the name of the Authority shall be substituted therefor. The name of the Authority shall also be substituted for the word "state" in the phrase "retailer engaged in business in this state" in Section 6203 and in the definition of that phrase.

SECTION 12. ADDITIONAL PERMIT NOT REQUIRED.

12.01. If a seller's permit has been issued to a retailer under section 6067 of the California Revenue and Taxation Code, an additional transactor's permit shall not be required by this Ordinance.

SECTION 13. EXEMPTIONS AND EXCLUSIONS.

13.01. The amount subject to tax pursuant to this Ordinance shall not include the amount of sales tax or use tax imposed by the State of California or by any city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law, or the amount of any state-administered transactions or use tax.

13.02. There are exempted from the transactions tax portion of the transactions and use tax authorized pursuant to this Ordinance:

A. The gross receipts from the sale of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the county in which the sale is made and directly and exclusively in the use of the aircraft as common carriers of persons or property under the authority of the laws of this state, the United States, or any foreign government.

B. The sales of property to be used outside the County which are shipped to a point outside the County, pursuant to the contract of sale, by delivery to that point by the retailer or his or her agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point.

1. For purposes of this Ordinance, "delivery" of vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code shall be satisfied by (i) registration to an out-of-County address; and, (ii) by a declaration under penalty of perjury, signed by the buyer, stating that the address is, in fact, his or her principal place of residence.

2. For purposes of this Ordinance, "delivery" of commercial vehicles shall be satisfied by (i) registration to a place of business out of County; and, (ii) a declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

C. The sale of tangible personal property is exempt from the tax authorized by this Ordinance if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the Operative Date of this Ordinance.

D. A lease of tangible personal property which is a continuing sale of that property is exempt from the tax authorized by this Ordinance for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the

Operative Date of this Ordinance.

E. For purposes of Section 13.02 subparagraphs C and D, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not that right is exercised.

13.03. There are exempted from the use tax portion of the transactions and use tax authorized pursuant to this Ordinance:

A. A retailer engaged in business in the County shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the County or participates within the County in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the County or through any representative, agent, canvasser, solicitor, subsidiary, or person in the County under the authority of the retailer.

B. "A retailer engaged in business in the County" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer is required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the County.

C. The storage, use, or other consumption of tangible personal property, other than fuel or petroleum products, purchased by operators of aircraft, and used or consumed by the operators directly and exclusively in the use of the aircraft as common carriers of person or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this state, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the California Revenue and Taxation Code.

D. The storage, use, or other consumption in the County of tangible personal property if the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the Operative Date of this Ordinance.

E. The possession of, or the exercise of any right or power over, tangible personal property under a lease which is a continuing purchase of the property is exempt from tax for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease entered into prior to the Operative Date of this Ordinance.

F. For the purposes of Section 13.03, subparagraphs D and E, the storage, use, or other consumption of, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to

terminate the contract or lease upon notice, whether or not the right is exercised.

G. Any person subject to use tax under this Ordinance may credit against that tax or any transactions tax, or to reimbursement for a transactions tax, paid to a County or retailer in the County imposing a transactions and use tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code.

SECTION 14. PLACE OF SALE.

14.01. For the purposes of this Ordinance, all retail transactions are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the state or has more than one place of business, the place or places at which the retail sales are consummated for the purpose of a transaction tax imposed by this Ordinance shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

SECTION 15. BONDING AUTHORITY.

15.01. The Authority shall have the power to sell or issue, at any time, and from time to time, limited tax bonds payable from and secured by the proceeds from the sales tax authorized by this Ordinance in order to finance and refinance the transportation projects identified in the Expenditure Plan.

15.02. The maximum bonded indebtedness which may be outstanding at any one time shall be an amount equal to the sum of the principal of, and interest on, the bonds, but not to exceed the estimated proceeds of the tax. The amount of bonds outstanding at any one time does not include the amount of bonds, refunding bonds, or bond anticipation notes for which funds necessary for the payment thereof have been set aside for that purpose in a trust or escrow account.

SECTION 16. AMENDMENTS TO EXPENDITURE PLAN.

16.01. The Authority may annually review and propose amendments to the Expenditure Plan to provide for the use of additional federal, state, and local funds, to account for unexpected revenues, or to take into consideration unforeseen circumstances. The Authority may not amend the sales tax revenue allocations by category set forth in the Expenditure Plan as the allocations may be amended only if two-thirds majority of the electors vote to approve.

16.02. Amendments to the Expenditure Plan must be passed by a two-thirds majority vote of the Authority board's total membership by a roll call vote entered in the minutes of the Authority following a noticed, public hearing of the Authority. Notice of the public hearing shall be published pursuant to Government code section 6062. Subsequently, the Authority shall notify the Board of Supervisors, the City Council of each city in the county and

provide each with a copy of the proposed amendment(s). Pursuant to Public Utilities Code section 180207, proposed amendment(s) shall become effective 45 days after notice is given, unless appealed under the process outlined in the following paragraph. Should an appeal be filed, the Authority shall hold a public hearing on the proposed amendment(s) within 45 days of the filing of the appeal.

16.03. In the event that a local jurisdiction does not agree with the Authority's amendment(s), the jurisdiction's governing body must, by a majority vote, determine to formally notify the Authority of its intent, in writing by registered mail, to obtain an override of the Authority's amendment(s). The appealing jurisdiction will have 45 days from the date the Authority adopts the proposed amendment(s) to obtain resolutions supporting an override of the amendment(s) from a majority of the cities representing a majority of the population residing within the incorporated areas of the county and from the Board of Supervisors. If a jurisdiction does not obtain the necessary resolutions supporting the override, the Authority's amendment(s) to the Expenditure Plan will stand. If the necessary resolutions supporting the override are obtained within 45 days from the date the Authority adopts the proposed amendment(s), then the amendment(s) shall not become effective.

16.04. The Expenditure Plan shall be updated by the Authority every ten years that the sales tax is in effect to reflect current and changing priorities and needs in the County, as defined by the duly elected local government representatives on the Authority Board. Any changes to the Expenditure Plan must be adopted with current law in effect at the time of the update and must be based on findings of necessity for change by the Authority.

SECTION 17. AMENDMENTS TO THIS ORDINANCE.

17.01. This Ordinance may be amended to further its purposes. The Authority shall establish a process for proposed Ordinance amendment(s) which ensures that the Authority committees established by this Ordinance participate in the development of the proposed Ordinance amendment(s).

17.02. Upon completion of that process, amendment(s) to this Ordinance must be passed by a two-thirds majority of the Authority board's total membership by a roll call vote entered in the minutes of the Authority. The Authority must hold a noticed, public hearing on the matter before formal adoption of any amendment to the Ordinance. Notice of the public hearing shall be published pursuant to Government Code section 6062.

17.03. In the event that a local jurisdiction does not agree with the Authority's amendment(s), the jurisdiction's policy decision-making body must, by a majority vote, determine to formally notify the Authority of its intent, in writing by registered mail, to obtain an override of the Authority's amendment(s). The appealing jurisdiction will have 45 days from the date the Authority adopts the proposed amendment(s) to obtain resolutions supporting an override of the amendment(s) from a majority of the cities representing a majority of the population residing within the incorporated areas of the county and from the Board of Supervisors. If a jurisdiction does not obtain the necessary resolutions supporting the override, the Authority's amendment(s) to the Ordinance will stand. If the necessary resolutions

supporting the override are obtained within 45 days from the date the Authority adopts the proposed amendment(s), then the amendment(s) shall not become effective.

SECTION 18. AUTHORITY COMMITTEES.

18.01. The following committee structure is established to advise the Authority in the administration of the Expenditure Plan and this Ordinance:

A. A Measure “___” Oversight Committee is established to review the independent fiscal audit of the expenditure of the tax funds and issue an annual report on its findings regarding compliance with the requirements of the Expenditure Plan and the Ordinance to the Board of the Authority. The Measure “___” Oversight Committee is responsible for oversight of the proper use of sales tax funds and implementation of the programs and projects set forth in the Expenditure Plan and making recommendations to the Board of the Authority. The committee is not a policy making body. The Measure “___” Oversight Committee shall consist of one representative from each of the following jurisdictions: City of Ceres, City of Hughson, City of Modesto, City of Newman, City of Oakdale, City of Patterson, City of Riverbank, City of Turlock, City of Waterford and Stanislaus County. Members of the Measure “___” Oversight Committee shall not be members of any other Authority or StanCOG committee(s).

SECTION 19. STATUTORY AMENDMENTS.

19.01. All amendments subsequent to the effective date of this Ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, shall automatically become a part of this Ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this Ordinance.

SECTION 20. CREATION OF SEPARATE ACCOUNT.

20.01. All retail transaction and use tax revenue, plus interest, will be deposited in a special fund for the projects identified in the Expenditure Plan. The fund(s) authorized under this Ordinance will be administered by the Authority.

20.02. The Authority shall allocate funds to projects and programs identified in the Expenditure Plan as necessary to meet contractual and program obligations. The Authority may allocate funds as described but may reserve the right not to disburse monies until needed to meet contractual project or program obligations. Each agency receiving funds from this Ordinance shall deposit said funds in a separate interest bearing account. Any interest earned on funds allocated pursuant to this Ordinance shall be expended only for those purposes for which the funds were allocated or shall be returned to the Authority. The Authority reserves the right to audit such accounts.

SECTION 21. CALIFORNIA ENVIRONMENTAL QUALITY ACT.

21.01. This Ordinance is not a project as defined in Section 15378 of the California Environmental Quality Act (CEQA) Guidelines and is therefore exempt from CEQA requirements. Prior to the commencement of any project included in the Expenditure Plan, any necessary environmental review required by CEQA shall be completed.

SECTION 22. IMPLEMENTING ORDINANCES.

22.01. Upon approval of this Ordinance by the voters, the Authority may, in addition to the local rules required to be provided pursuant to this Ordinance, adopt implementing ordinances, rules and administrative procedures, and take such other actions as may be necessary and appropriate to carry out its responsibilities to implement the Expenditure Plan.

SECTION 23. DESIGNATION OF FACILITIES.

23.01. Each project or program in excess of \$250,000 funded in whole or in part by revenues from this Ordinance shall be clearly designated in writing by signs and/or documents, during its construction or implementation as being funded by revenues from this Ordinance.

SECTION 24. CONTRACTING FOR PROJECT DELIVERY.

24.01. The Authority shall have the power to contract for project delivery of any project or program of the Expenditure Plan if all of the jurisdictions affected by the project agree and if the Authority finds that:

- A. The project could be delivered faster under a contract issued by the Authority; or
- B. A contract by the Authority would provide economies of scale and reduce project costs.

SECTION 25. ANNUAL REPORT.

25.01. An annual report will be prepared by the Authority within 180 days of the end of the fiscal year identifying the actions and accomplishments of the Authority in meeting the adopted Expenditure Plan.

SECTION 26. SEVERABILITY.

26.01. If any section, part, provision, clause or phrase of this Ordinance or the application thereof to any person or circumstances is for any reason held invalid or unconstitutional, the remaining portions of this Ordinance and the application of such provisions to other persons or circumstances shall not be affected but shall remain in full force and effect.

SECTION 27. ANNUAL APPROPRIATIONS LIMIT.

27.01. Article XIIIIB of the California Constitution requires the establishment of an annual appropriations limit for certain governmental entities. The maximum annual appropriations limit for the Authority has been established as \$500 million. The appropriations limit shall be subject to adjustment as provided by law. All expenditures of the retail transaction and use tax revenues authorized pursuant to this Ordinance are subject to the appropriations limit of the Authority.

SECTION 28. ENJOINING COLLECTION FORBIDDEN.

28.01. No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the Authority, or against any officer of the State or the Authority, to prevent or enjoin the collection under this Ordinance, or Part 1.6 (commencing with Section 7251) of Division 2 of the California Revenue and Taxation Code, or Division 19 (commencing with Section 180000) of the California Public Utilities Code, of any tax or any amount of tax required to be collected.

SECTION 29. CAPTIONS.

29.01. The titles and headings to the sections set forth in this Ordinance are not part of this Ordinance and shall have no effect upon the construction or interpretation of any part hereof.

SECTION 30. ADOPTION OF ORDINANCE.

30.01. This Ordinance was introduced and the title thereof read at the regular meeting of the Authority's governing Board on June 15, 2016, and adopted at the regular meeting of the Authority's governing Board on June 22, 2016, with further reading thereof having been waived by a vote of the members present.



VITO CHIESA, CHAIR

ATTEST:



ROSA DE LEÓN PARK, EXECUTIVE DIRECTOR

EXHIBIT "A"

Expenditure Plan

Stanislaus Council of Governments Expenditure Plan

State and federal transportation funding has dropped severely in recent years, with once dependable funds becoming increasingly unreliable. Transportation's primary fund source, the gas tax, hasn't been raised in 20 years and our cars are more fuel-efficient than ever. Therefore, revenues available to operate, maintain and improve our local transportation system have not kept up with the needs of our community. Over the next decade, Stanislaus County's population will continue to grow and our senior population will almost triple. This means without new funding, Stanislaus County will have increased congestion, increasingly deteriorating roadways and fewer and more costly transportation services.

The Modesto-Metro Area currently has the 20th worst roads in the United States.

A new, reliable source of transportation funding is needed to maintain our communities and quality of life.

Stanislaus County voters are being asked to approve a 25-year, $\frac{1}{2}$ cent sales tax to address these needs. Twenty other counties in California have already approved similar ballot measures making them 'Self-Help' Counties. With these voter-approved local transportation funds, Self-Help Counties are able to maintain and improve their transportation systems. They are also more successful in competing for funding and leveraging a larger share of state and federal dollars. Self-Help funds generated must stay local and can only be spent on transportation.

The Stanislaus County Expenditure Plan ("Plan") was developed through a comprehensive public outreach program that asked residents to identify their priorities for future transportation programs and projects. Outreach included over 75 meetings with community organizations and leaders representing diverse viewpoints. Additionally, a series of focus groups were conducted along with a statistically valid telephone poll. The Plan has been unanimously supported and approved by the Stanislaus Council of Governments, all nine cities in the region and the County Board of Supervisors.

Self-Help in Stanislaus County would:

- Generate approximately \$38 million per year based on $\frac{1}{2}$ cent sales tax for an estimated total of \$960 million over the course of the measure's lifetime;
- Be used for LOCAL projects and LOCAL priorities, prohibiting Sacramento from taking possession of these funds;
- Allow Stanislaus County to compete for State and Federal grants and leverage funds, thereby increasing revenues;
- Deliver an Expenditure Plan with a specific list of projects and programs; and
- Include an Oversight Committee to ensure projects and programs in the Plan are actually funded and/or completed.

The Expenditure Plan

Revenue Estimates and Distribution

Over the course of the 25-year plan, it is estimated that \$960 million dollars will be generated for local transportation investments. This amount was calculated based on a five-year average of sales tax revenues throughout the County that was then reduced to reflect a conservative estimate.

Allocation of Self-Help revenues is established within this Plan. The estimated revenue and allocation among categories is based upon 2016 value of money and is not binding or controlling. Transportation sales tax funds shall be allocated by percentage of the actual revenue received.

This funding will serve as an investment that will leverage future local, State and Federal grant opportunities. Funds will be used for all phases of project implementation, including: planning, environmental, permits, and design, right-of-way, and/or construction capital and operations projects. State and federal fund sources that may also be used to implement transportation projects and programs in the next decade include the State Regional Transportation Improvement Program (STIP), Inter-regional Transportation Improvement Program (ITIP), Fixing America's Surface Transportation (FAST) Act Freight and Highway Projects Program, Congestion Mitigation Air Quality (regional-estimate \$15M), Regional Surface Transportation Funds (regional-estimate \$10M), and Local Funding (e.g. developer fees, general funds, and Measure "Local Control").

All revenue estimates and allocations contained in this Plan are for illustrative purposes. Actual net revenues may fall above or below the projections contained in the Expenditure Plan, therefore actual revenue allocations to each category will be based on the percentages contained herein.

Local Control 65% Total (50% Local Streets and Roads, 10% Traffic Management, 5% Bike and Pedestrian)

Local Streets and Roads, 50%, \$480,150,000

Recognizing that streets are the backbone of our transportation system, this Plan provides funds to local cities and Stanislaus County, distributed primarily based on 2015 sales tax revenues generated to support local roads. Each agency will identify specific streets and roads that will be prioritized for repair and/or refurbishment. These funds will be used exclusively for repair and maintenance – no new roads will be funded. These funds must be used to augment current transportation spending and cannot be used to replace a local agency's general fund expenditures.

Jurisdiction	Local Street & Road Program %¹	Total	Total Annual
Ceres	6.36%	30,552,381.79	1,222,095.27
Hughson	1.26%	6,048,075.58	241,923.02
Modesto	35.79%	171,868,971.22	6,874,758.85
Newman	1.26%	6,048,075.58	241,923.02
Oakdale	3.86%	18,528,231.53	741,129.26
Patterson	4.55%	21,840,272.92	873,610.92
Riverbank	3.42%	16,416,205.14	656,648.21
Turlock	15.26%	73,259,503.69	2,930,380.15
Waterford	1.26%	6,048,075.58	241,923.02
Stan County	26.98%	129,540,206.98	5,181,608.28
Total	100.00%	480,150,000.00	19,206,000.00

Traffic Management, 10%, \$96,030,000

These are projects including upgrades to local intersections, road widening, signalization, bridge replacements and/or traffic calming methods.

Jurisdiction	Traffic Management %²	Total	Total Annual
Ceres	6.36%	6,110,476	244,419
Hughson	1.26%	1,209,615	48,385
Modesto	35.79%	34,373,794	1,374,952
Newman	1.26%	1,209,615	48,385

¹ 1% to StanCOG for management of program.

² Less 1% for StanCOG administration for programs.

Oakdale	3.86%	3,705,646	148,226
Patterson	4.55%	4,368,055	174,722
Riverbank	3.42%	3,283,241	131,330
Turlock	15.26%	14,651,901	586,076
Waterford	1.26%	1,209,615	48,385
Stan County	26.98%	25,908,041	1,036,322
Total	100.00%	96,030,000	3,841,200

Bike and Pedestrian Improvements, 5%, \$48,015,000

These projects include local connectivity between communities, local schools, trails and recreation facilities. Each agency will work closely with residents to determine the type, location and priority for new or upgrades to existing facilities.

Jurisdiction	Bicycles and Pedestrians %³	Total	Total Annual
Ceres	6.36%	3,055,238	122,210
Hughson	1.26%	604,808	24,192
Modesto	35.79%	17,186,897	687,476
Newman	1.26%	604,808	24,192
Oakdale	3.86%	1,852,823	74,113
Patterson	4.55%	2,184,027	87,361
Riverbank	3.42%	1,641,621	65,665
Turlock	15.26%	7,325,950	293,038
Waterford	1.26%	604,808	24,192
Stan County	26.98%	12,954,021	518,161
Total	100.00%	48,015,000	1,920,600

Available uses for the Local Control funding category include:

- Maintaining, improving or constructing streets, roads, bridges, and bicycle and pedestrian facilities,
- Community Enhancements, such as downtown streetscapes, transportation enhancements, way finding, and accessibility improvements, street lighting, street furniture and trees,
- Safety Improvements,
- Programs that reduce transportation demand,
- Storm damage repair to transportation facilities
- Roadway drainage facilities,
- Traffic signal coordination, intersection and channelization, and
- Traffic management.

³ Less 1% for StanCOG administration for programs.

Regional Control

Regional Projects, 28%, \$268,884,000

These funds would be used for planning, project development, right-of-way, and/or construction of major corridor, capital projects. Proposed regional projects are at different stages of implementation. The Plan includes a set of projects identified by a combination of public outreach, local agency priorities and StanCOG Board direction based on its adopted 2035 Regional Transportation Plan. Funds will be distributed for projects throughout the County with approximately \$30,000,000 left in reserve to accommodate future regional needs.

Project		Description	Total Budget	Funded thru Plan
SR-132	SR-99 to Gates Road	Construct a four-lane expressway from SR-99 to Gates Road.	\$297,000,500.00	\$74,250,125.00
North County Corridor		Design / Right of Way	\$239,000,000.00	\$59,750,000.00
Faith Home Road		Construction of Faith Home River Crossing / Gap Closure	\$71,700,000.00	\$17,925,000.00
SR 99	Briggsmore Interchange	Reconstruct to 8 Lane Interchange	\$98,679,400.00	\$24,669,850.00
SR 99	Mitchell Service Road	New Interchange Phase 1	\$122,987,400.00	\$30,746,850.00
SR33		Highway and pedestrian safety improvements from Merced County line northward to Yolo Avenue	\$10,000,000.00	\$2,500,000.00
SR-99	Keyes Rd to Taylor Rd	Construct Auxiliary Lane	\$6,226,600.00	\$1,245,320.00
SR-99	Taylor Rd to Monte Vista Ave	Construct Auxiliary Lane	\$6,520,300.00	\$1,304,060.00
McHenry	Ladd Rd to	Widen to 5	\$13,025,000.00	\$2,605,000.00

	Hogue Rd	Lanes		
SR-99	West Main	Construct New Interchange	\$19,091,000.00	\$3,818,200.00
Zacharias Rd	Raines Rd to I-5	Construct new Interchange at I-5	\$75,000,000	\$7,500,000.00
SR-99	San Joaquin County Line to Mitchell Rd	Install Ramp Metering Improvements including Intelligent Transportation Systems (ITS)	\$15,758,300.00	\$1,575,830.00
SR-99	Mitchell Rd to Merced County Line	Install Ramp Metering Improvements including Intelligent Transportation Systems (ITS)	\$2,097,400.00	\$209,740.00
SR108-SR120	Oakdale/ County	Intersection Improvements at Rodeo	\$10,000,000.00	\$1,000,000.00
Signal Improvements	Riverbank	Install Signal Light at Claus & SR-108 and Install Congestion Management Improvements at First Street & SR-108	\$4,201,000.00	\$420,100.00
SR99	SR-99 & Standiford Interchange	Reconstruct to 8 Lane Interchange.	\$78,943,500.00	\$7,894,350.00
			\$1,070,230,400.00	\$228,414,425.00

Transit Providers

Other Transportation Programs and Services 7%

Point-To-Point Services For Seniors, Veterans And Persons With Disabilities **\$20,166,300**

This is for specialized need-based door-through-door transportation services for seniors, veterans and persons with disabilities. These funds will be allocated to the existing MOVE Program, essentially tripling capacity for need-based services for the County's seniors, veterans and people with disabilities.

Community Connections \$20,166,300

Funds will be used for projects providing safer bicycle and pedestrian pathways in cities and the unincorporated areas, increasing bus/van service and upgrading bus stops. Many community members live in areas with limited public transit and/or bike connections to shopping, schools and work. Funds from this category will be used to boost services in these areas making it easier for people to access transit services and bike and pedestrian facilities.

Transit Services \$13,444,200

Funds will be used for operations, maintenance and infrastructure improvements for public transit. They may also be used to supplement local, state and federal funds for cost of transit service. These funds will be allocated to public transit providers to support or enhance public transit service throughout the region. This may include increasing frequency of service, identifying new routes and/or investment in ride sharing services.

Transit Category Estimated Funding Distribution			
	Percentage*	Over 25 Years	Annually
Total Amount to Be Distributed	100%	\$13,444,200	\$537,768
Ceres	7%	\$941,094	\$37,644
Modesto	52%	\$6,990,984	\$279,639
Stanislaus County	33%	\$4,436,586	\$177,463
Turlock	8%	\$1,075,536	\$43,021
<i>Total</i>	<i>100%</i>	<i>\$13,444,200</i>	<i>\$537,768</i>

*Percentage is consistent with the StanCOG Transit Cost Sharing as discussed at the Transit Managers meeting March 14, 2016

Rail Services \$13,444,200

Funds will be used for operations, maintenance and infrastructure improvements for public transit connections to existing rail services. They may be used to supplement local, state, and federal funds for the cost of public transit connections to regional rail services including ACE, BART and Amtrak, and marketing to increase awareness and ridership across all rail services.

StanCOG and the ACE management team believe there is a need to continue to promote ACE in anticipation of future funding which may be allocated for the proposed extension. These may be used to increase ridership and/or fund new AMTRAK service and increase bus/van connections to existing ACE services to the Bay Area. No Funds will be used for high-speed rail.

Safeguards Built Into The Plan

This Expenditure Plan includes strong taxpayer safeguards to ensure that the projects and programs approved by the voters are funded and delivered.

Citizen Oversight

An Oversight Committee will be created to provide an enhanced level of accountability for expenditures made under the Plan to ensure that all voter mandates are carried out and that the financial integrity and performance of the program is maintained. The Committee will include one representative from each municipal agency, selected by the agency.

Annual Independent Audit and Annual Reporting

Annual fiscal and compliance audits will be conducted by a CPA, to assure that the revenues expended are necessary and reasonable. The audits and annual Report must be published and made available to the general public.

Sunset Date

This measure terminates in 25 years.

1% Administrative Expense Cap

Expenditures on staff salaries, wages, benefits and overhead necessary to administer the program will be limited to no more than one percent of the annual gross revenues provided by the measure.

No revenue generated from this tax shall be used to replace fair share contribution

from new development.

Revenues provided from this measure shall not be used to replace private developer funding that has been or will be committed for any project to help alleviate the direct traffic impacts of any new or redeveloped residential, commercial or industrial development in Stanislaus County or its cities.

Eligibility Verification

The cities and County will select transportation projects that meet eligibility criteria as identified in this Plan. The local jurisdictions will certify in the annual verification submitted to the Stanislaus Council of Governments that these transportation funds were used for eligible expenses.

Maintaining Local Transportation Funding Efforts

The local jurisdictions will certify in the annual verification submitted to Stanislaus Council of Governments that these transportation funds will be used to augment and not supplant local resources spent. For purposes of this calculation an average of the prior three (3) years spent for local transportation purposes as defined in the Ordinance will be used.

Strategic Plan

StanCOG will prepare and adopt a Strategic Plan within twelve months of the sales tax taking effect. The Strategic Plan will include project cost estimates, revenue estimates, other matching funds, and a draft timeline for regional project delivery. Its prime purpose is to clarify program and project costs, schedule, financial plans and project readiness to expedite project delivery and to allow projects that are 'ready' to proceed forward within the parameters of the Expenditure Plan.

For additional information about specific projects and programs in your area OR to ask questions, please visit our website at:

www.Stanislaus-LocalRoadsFirst.com