



STAFF REPORT
Board Meeting of January 20, 2021

AGENDA ITEM: 10-S

PREPARED BY: Troy McNeil, Deputy Director/Fiscal Supervisor

SUBJECT:

Efforts to Renew and Extend Measure T

Enclosure: No

Action: Authorize Efforts to Renew and Extend Measure T

SUMMARY:

In 1990, the voters of Madera County approved the original 15-year Measure A program which provided a ½ cent sales tax dedicated to local transportation improvements. The original Measure A program ended in 2005 and provided approximately \$65 million in regional and local street and highway projects.

In 2006 the voters passed Measure T, a 20-year sales tax measure. The new Measure T has a multimodal approach, and it reflects community values which includes a vibrant economy, clean air, accountability, leveraging funds, and local control. The Measure T funds are distributed based on the following percentages:

- 51%-Regional Transportation Program
- 44%-Local Transportation Program
- 2%-Public Transportation Program
- 2% Environmental Enhancement Program
- 1%-Administration

The Measure also requires that development pay its fair share to mitigate impacts to transportation facilities through Developer Impact Fees.

When complete in 2027, Measure T will have provided over \$197 million in multimodal transportation improvements for Madera County plus at least an additional \$216 million in leveraged state and federal funds. Both Measure A and T will have funded a substantial number of state and local transportation projects. Much has been accomplished but much remains.

A renewal of Measure T has the potential to raise from \$345 million to \$872 million, depending on whether it is renewed for 20 or 30 years and what escalation rates are assumed.

The renewed Measure T would continue the region's commitment to cleaning our air, controlling congestion, and providing mobility to all Madera County residents through funding programs such as:

- Transit facilities, equipment, and operations
- Trails and bicycle facilities
- New technology
- Other forms of multimodal transportation facilities

The 2006 effort clearly demonstrated that for a transportation measure to meet the two-thirds majority vote required by enabling legislation, all stakeholders must be represented in the formation of the new measure. That same approach is proposed for a renewal effort.

A renewal could be pursued as a part of the 2022, 2024, and 2026 election cycles. Each election has its unique advantages and disadvantages. Staff believes 2022 makes the most sense and is recommending the Policy Board adopt that recommendation.

Arguments for a 2022 Renewal

1. Identifying future Measure T transportation funding will allow for a continuous revenue stream beyond 2027 to fund early environmental work/preliminary engineering on existing Measure T Tier I & II projects while the existing Measure T is still in place. "Faster delivery" equals project savings.
2. Establishing a dedicated source of transportation funding for the long term will allow for the early development of scoping documents and cost estimates for major transportation projects. The sooner a project's scope and cost are identified, the sooner a project can begin preliminary engineering & design work, environmental clearance, right of way acquisition, and ultimately construction. Faster project delivery translates into less expensive projects being enjoyed by the public sooner rather than later. In addition, 2022 renewal of Measure T would allow for the possible bonding of future revenue to fund early starts if the MCTA/MCTC Board decides that bonding future revenue is fiscally prudent.
3. The effects of inflation perpetually erode purchasing power and inherently leads to higher construction costs in future years. Any steps that can be taken to speed up construction would arguably bring down the overall cost. Earlier project delivery means earlier benefits to taxpayers.
4. The poor Pavement Condition Index (PCI) for Madera County roads and city streets within incorporated communities warrants timely investments. The value of early preventative repairs to our transportation system cannot be overstated. The longer the repair is delayed, the more expensive the repair will

become. SB-1 should provide substantial assistance to Madera County agencies to begin clearing the backlog of major rehabilitation projects. However, without a Measure T extension, SB-1 funding may do little more than replace lost Measure T money. A 2022 renewal will allow local agencies to plan their road rehabilitation projects with a secure source of funding beyond 2027.

5. Reauthorizing Measure T in 2022 will create continuity and certainty of funding for public transit operators and will allow urban and rural transit providers to plan for long term operational and capital needs for an ever-growing population. This is a critical element for 2022 renewal; how can transit agencies plan better and beyond 2027 without Measure T revenues?
6. Several of the SB-1 funding programs (Local Partnership Programs, Trade Corridor Enhancement) for large regional transportation projects require significant local matches. With an approved sales tax extension in place, our region would have a continuing source for providing the local match for these programs. This approach ensures the leveraging of additional outside state and federal funds.
7. The 2022 ballot will likely be less crowded than 2024 as it is an off-year election.
8. If the 2022 Measure T reauthorization is unsuccessful, this 2022 renewal strategy would allow for a second opportunity before the existing Measure T expires. If the initial renewal effort does not occur until 2024 and it fails, a second attempt to reauthorize would only allow two years for a second effort. Under the 2022 renewal strategy proposed, the region would have four years to develop a second effort should 2022 fail.
9. Utilizing a 2022 renewal strategy allows the ability to “opt out” and delay moving forward if there are perceived to be “political roadblocks” to obtaining the requisite 2/3 voter support.
10. Renewal prior to the 2027 expiration is critical. It is much more difficult to pass a new tax than it is to renew an existing one, even if the amount is the same.

Arguments Against a 2022 Renewal

1. The current Measure T sales tax does not expire until March 2027. Many things can change (politics, economy, social conditions, etc.) between now and then. Delaying a vote on an extension of Measure T until closer to the current expiration date of 2027 ensures the new Measure T Expenditure Plan will more closely align with those conditions and values.
2. Few of the local and regional transportation projects that are scheduled to be delivered by SB-1 have yet to be built. Voters have not yet been able to enjoy the transportation benefits that will arise from the promised improvements. This issue can be mitigated by explaining the difference between how SB-1 revenues must be used (maintenance) and how renewed Measure T revenues can be used (virtually any transportation need, as approved by the voters).

3. Community leaders (elected and otherwise) may be risking “political capital” supporting a reauthorization of Measure T. This will require convincing Madera County voters that reauthorizing Measure T is a fiscally responsible and prudent step to take and is in the Madera County region’s best long-term mobility interest. This risk exists regardless of when renewal is pursued.
4. 2022 is an “off- year” election which historically have shown a higher turnout of conservatives who tend to be opposed to taxes. Although it is not a certainty, higher turnout on the part of the conservatives could make reaching the required two-thirds threshold for passage difficult or problematic? This risk exists in any election but may be more acute in 2022 or 2026. It should be noted that the previous measure enjoyed broad support across the political spectrum with the 2006 Measure gaining 73% approval.

MEASURE T RENEWAL PROCESS

Assuming the Board concurs with staff’s recommendation to proceed with efforts towards a renewal, the next steps would be:

- Issue an RFP to seek professional consultant services to develop and implement a Measure T renewal plan.
- Engage the community organizations to champion renewal efforts. Staff cannot advocate for or against any ballot measure. The support of community organizations was critical in both past successful measure initiatives.
- Perform focused polling to gauge the public’s understanding of Measure T and their perceived need for an extension of the measure. Polling should also attempt to ascertain what kinds of transportation improvements and systems the public values.
- Conduct agency and stakeholder meetings to identify the transportation and mobility needs within Madera County.
- Formation of a Steering Committee that would be tasked with developing a draft Expenditure Plan for the Extension.
- Seek proposals and identify a Measure T Extension facilitator who would guide the Steering Committee effort.
- Develop and participate in consensus building and public outreach programs.
- Prepare a draft expenditure plan for consideration by the MCTC Policy Board.
- Adopt a final expenditure plan.
- Seek Madera County Board of Supervisor’s approval to place the Measure T Renewal on the November 2022 ballot.

It is anticipated that these efforts would be complete by May of 2022 with a target of placing the Measure on the ballot in November of 2022.

FISCAL IMPACT:

If renewal efforts are authorized, potential impact to the approved 2020-21 Overall Work Program and Budget to retain a consultant. Amount to be determined.