

# 2013

## MEASURE K RENEWAL STRATEGIC PLAN



San Joaquin Council of Governments  
November 2013



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## *Executive Summary*

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The 2013 Measure K Renewal Strategic Plan update has been focused on the feasibility of programming additional projects beyond the SJCOG Board adopted 2011 Strategic Plan. During the recession when the sales tax revenues in San Joaquin County had dramatically declined, the outcome of the 2011 Strategic Plan update identified a 10-year priority for programming and project allocations on the delivery of Early Action Program (EAP) capital projects and deferred any other Congestion Relief capital projects until 2021.

Since then, the general direction from the SJCOG Board has been to maintain the policies and to “stay the course” of the adopted 2011 Measure K Strategic Plan. However, during the annual Measure K Ordinance and Expenditure Plan Amendment process for Fiscal Year 2013/14, a potential funding opportunity through another bond issuance was identified because of lower interest rates and modestly higher than expected sales tax receipts in Fiscal Year (FY) 2012-13.

As stated in Chapter 2, Financial Plan, of this 2013 Strategic Plan update, there is additional borrowing capacity in 2014 of approximately \$57 million. Unchanged from the 2011 Strategic Plan update, this additional borrowing is constrained by the amount of sales tax revenues that can be leveraged to the 35% capital program and SJCOG’s legal bond indenture. This bonding capacity is not additional revenue but a funding opportunity to advance projects currently programmed for beyond 2021. The non-capital (or non-borrowing) program is maintained and receiving its total revenue allocation through 2041 as identified in the Expenditure Plan.

Proceeds from this additional borrowing could be available for project allocations in the spring of 2014. Therefore in taking advantage on this new bonding capacity and responding to various member agencies that expressed interest to explore additional funding opportunities to advance

projects, SJCOG staff began identifying “shovel ready” projects that could be potentially advanced with the 2014 bond proceeds. For this purpose, shovel ready projects mean that the project must be in construction phase within three (3) years from the date of bond issuance.

The SJCOG Board adopted policies of the 2011 Strategic Plan will continue to be used to provide guidance in the development of the program of projects that could benefit the 2014 bond financing. However, recognizing that the opportunity to leverage other State transportation funds is now limited with the ending of the Proposition 1B program, the SJCOG Board provided direction to staff to waive the requirement of maximizing outside funding sources for the purpose of this 2013 Strategic Plan update. The other policies will remain applicable and these specifically include:

- Maximize the cost-effective use of sales tax dollars.
- Support timely and cost-effective project delivery, with the objective that all strategies result in the achievement of measurable improvements.
- Promote a balanced use of funds throughout the County.

SJCOG staff will continue to work with the member agencies in the programming of projects that could benefit the bond financing. The final program of projects will be developed and completed in conjunction with the 2014 bond issuance. Any projects that will be advanced through the bond financing will be amended in the 10-year priority period of the Strategic Plan.

As previously stated, project allocations for the Local Street Repair, Transit, and Smart Growth categories will continue to be made available on a “pay-go” basis according to actual revenues also for the first 10 years. For example, the Smart Growth Incentive

Program is still to be funded with \$65 million of the total Measure K Renewal funds “off the top”; however, these funds will be made available as a proportionate share of annual revenues.

all individual members of public agencies and transit operators who have been involved in the update of this Strategic Plan.

Appendix A of this Strategic Plan provides the list of the first 10-year project fact sheets. The Strategic Plan serves as the guiding document for delivery of the Measure K Renewal projects and programs. It is prepared at least every two years and can be updated at any time. The purposes of the Strategic Plan are maintained as follows:

- Explain roles and responsibilities for development and maintenance of the Measure K Renewal program; Describe the policies and procedures of the Measure K Renewal program;
- Detail the financial plan for the Measure K Renewal program, including categorical allocations, revenue projections, and financing approaches;
- Define each of the Measure K Renewal projects, including scope, cost and schedule; and
- Identify accomplishments and critical issues.

The Strategic Plan will continue to be reviewed on an on-going basis with full updates every two years. Funding prioritization will still be focused on leveraging outside funds, but with recognition of balancing equity and project readiness, such as the case like this 2013 Strategic Plan update for consideration by the SJCOG Board.

SJCOG staff would like to acknowledge the SJCOG Board of Directors for its oversight and direction; and the recommendations from the SJCOG standing committees, and

*Section 1: Background of 2013 Measure K  
Renewal Program Strategic Plan*

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## 1.1. INTRODUCTION

The 2013 Measure K Renewal Strategic Plan update has been focused on the feasibility of programming additional projects beyond the SJCOG Board adopted 2011 Strategic Plan. During the recession when the sales tax revenues in San Joaquin County had dramatically declined, the outcome of the 2011 Strategic Plan update identified a 10-year priority for programming and project allocations on the delivery of Early Action Program (EAP) capital projects and deferred any other Congestion Relief capital projects until 2021.

Since then, the general direction from the SJCOG Board has been to maintain the policies and to “stay the course” of the adopted 2011 Measure K Strategic Plan. However, during the annual Measure K Ordinance and Expenditure Plan Amendment process for Fiscal Year 2013/14, a potential funding opportunity through another bond issuance was identified because of lower interest rates and modestly higher than expected sales tax receipts in Fiscal Year (FY) 2012-13.

Bond proceeds could be available for project allocations in the spring of 2014. Therefore in taking advantage of this new bonding capacity and responding to various member agencies that expressed interests in exploring funding opportunities to advance projects, SJCOG staff began identifying “shovel ready” projects that could be potentially advanced with the 2014 bond proceeds. Shovel ready projects mean that the project must be in construction phase within three (3) years from the date of bond issuance.

The SJCOG Board adopted policies of the 2011 Strategic Plan will continue to be used to provide guidance in the development of the program of projects that could benefit the 2014 bond financing. However,

recognizing that the opportunity to leverage other State transportation funds is now limited with the ending of the Proposition 1B program, the SJCOG Board provided direction to staff to waive the policy requiring to maximize leveraging of outside funding sources for construction-ready projects. The other policies will remain applicable and these specifically include:

- Maximize the cost-effective use of sales tax dollars.
- Support timely and cost-effective project delivery, with the objective that all strategies result in the achievement of measurable improvements.
- Promote a balanced use of funds throughout the County.

SJCOG staff will continue to work with the member agencies in the programming of projects that could benefit the bond financing. The final program of projects will be developed and completed in conjunction with the 2014 bond issuance. Any projects that will be advanced through the bond financing will be amended in the 10-year priority period of the Strategic Plan.

Project allocations for the Local Street Repair, Transit, and Smart Growth categories will continue to be made available on a “pay-go” basis according to actual revenues also for the first 10 years. For example, the Smart Growth Incentive Program is still to be funded with \$65 million of the total Measure K Renewal funds “off the top”; however, these funds will be made available as a proportionate share of annual revenues.

The categorical funding does not change from the 2007 and 2011 Strategic Plan updates. This 2013 Strategic Plan of the Measure K Renewal program will continue to provide priority funding for 10 years of



identified projects across a range of transportation modes in San Joaquin County. The funding is still to be allocated within the following categories:

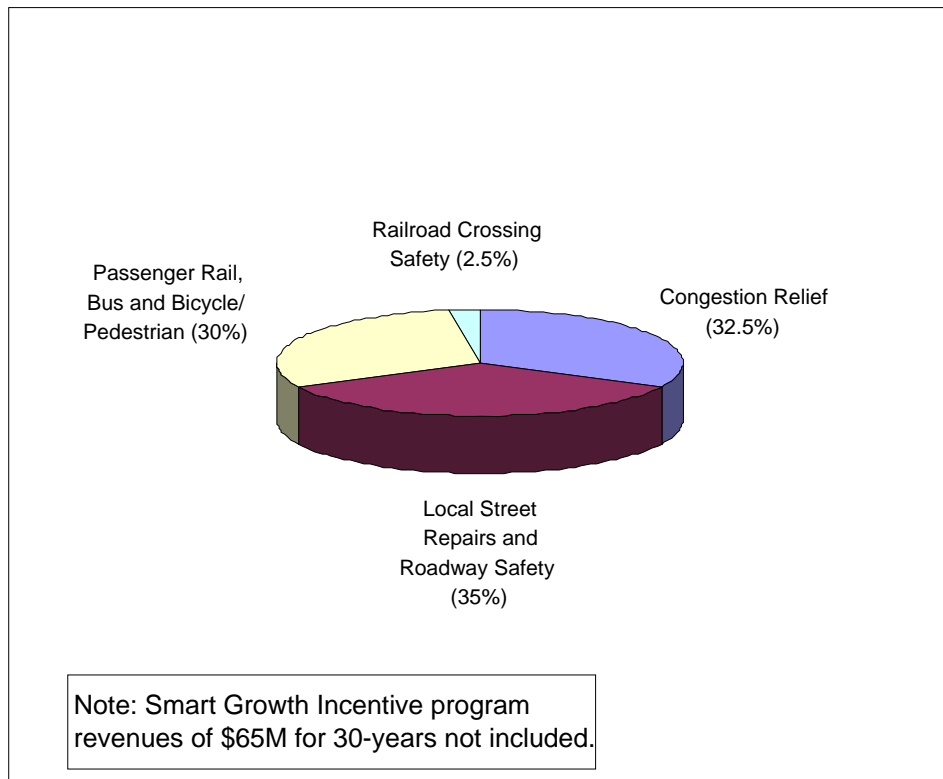
- **Congestion Relief (32.5%)**
  - State Highways (60%)
  - Regional Arterials (40%)
- **Local Street Repair and Roadway Safety Programs (35%)**
- **Passenger Rail, Bus and Bicycle/Pedestrian Projects (30%)**
  - Passenger Rail Transit (39%)
  - Bus Transit (49%)
  - Bus Rapid Transit (BRT) Capital (5%)
  - Bicycle and Pedestrian Facilities (7%)

- **Railroad Crossing Safety Improvement Projects (2.5%)**

As identified in the 2007 Strategic Plan and 2011 update, the Smart Growth Incentive Program is still to be funded with \$65 million of the total Measure K Renewal funds, which will be taken “off the top” prior to the categorical allocations. By law, the SJCOG can take no more than one percent (1%) of gross revenues for administrative salaries and benefits.

Figure 1 shows the percentage of net program revenues allocated to each category.

**Figure 1: Measure K Renewal -Categorical Allocations**



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### ***Funding Allocations***

Funding allocations by project category, program descriptions, and lists of projects anticipated to be funded were provided in the 2006 MK Renewal Expenditure Plan. The 2007 Strategic Plan fully allocated the projected MK Renewal revenues of the 2007 Financial Plan over the 30-year period, by project for certain categories. However, with the reduction of sales tax since 2007, this 2013 Strategic Plan will continue the adopted 2011 Strategic Plan that will only allocate funding to priority projects for the first 10 years of the program (2011 to 2021). As in previous Strategic Plan, Appendix A of this Strategic Plan 2011 identifies and describes the projects and/or programs to be funded with MK Renewal revenues in each funding category but is now prioritized only for those projects to be funded in the first 10-years of the program. The remaining projects, as identified in the 2007 Strategic Plan are included in Appendix B for historical purposes and will be addressed in subsequent Strategic Plan update processes. All the projects in Appendix B are outside of the current Financial Plan and do not represent actual funding commitments.

### ***Congestion Relief***

The 2007 Strategic Plan identified that the State Highways portion of the Congestion Relief category would be fully allocated to projects. Within the Regional Arterial Program, eighty percent (80%) of available funding has been programmed with twenty percent (20%) retained as a contingency for future allocation based on population growth within the county that will occur between 2011 and 2040. In the 2011 Strategic Plan, the first 10-years of the Congestion Relief category is prioritized based upon the existing list of projects from the EAP that are leveraging substantial third party funds

such as the State of California's Proposition 1B funds and other federal transportation funds. Measure K Renewal funds would be dedicated to the delivery of the priority EAP projects up to the total funding capacity in the Congestion Relief category within the 10-year period. While maintaining these policies for the 2013 Strategic Plan and to advance projects currently programmed beyond 2021, the opportunity to leverage other State transportation funds is now limited with the ending of the Proposition 1B program. Therefore the SJCOG Board provided direction to staff to waive the policy requiring in maximizing leveraging of outside funding sources for construction-ready projects. The other policies will remain applicable.

### ***Railroad Crossing Safety***

The 2007 Strategic Plan identified ninety percent (90%) of the Railroad Crossing Safety category to be allocated to projects with the remaining ten percent (10%) set aside as a reserve. That reserve was established to provide a means to address potential changes in both railroad and roadway development over the 30-year life of the program that may result in railroad crossing impacts that currently do not exist.

In October 2010, the SJCOG Board approved to equally reduce the programming to all railroad crossing safety projects to match projected revenues while maintaining the 10% reserve. The SJCOG Board also approved a revised project delivery performance policy to allow projects to be delivered beyond 2021 will be based upon pay-go revenues and on a first come/first serve prioritization.

### ***Local Street Repair***

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Unchanged from the 2007 Strategic Plan, funds in the Local Street Repair and Roadway Safety category are still distributed to local jurisdictions by formula on pay-go funding availability.

### ***Passenger Rail, Bus and Bicycle/ Pedestrian***

The 2007 Strategic Plan identified that project allocations for this category would then be divided into ten-year increments for the Passenger Rail Transit, Bus Transit, Bus Rapid Transit (BRT) Capital, and the Pedestrian and Bicycle Facilities and Safety programs. The ten-year targets would correspond to the periods 2011-2020, 2021-2030 and 2031-2040. The funding targets assumed programming of eighty percent (80%) of available funding, with twenty percent (20%) retained as a contingency for future allocation based on population and transit service growth within the county that will occur between 2011 and 2040. Only projects in the Passenger Rail transit projects were identified for the first ten years of funding due to the need for additional work to coordinate local/regional bus transit plans.

This 2013 Strategic Plan will continue to provide for the allocation of all Bus Transit funds to priority projects in the first 10-year increment as well as updates the previously identified Passenger Rail projects. During the 2011 update, funding targets were increased from 80% to 90% to compensate for the decreased Measure K Renewal revenue estimates. The decrease in contingency reserves frees up additional transit funding in the early years of the program. Additionally, the 2011 update Plan included a policy which will be continued in this 2013 Strategic Plan to guide the first 10-year implementation of the Bicycle/Pedestrian element of the category.

### ***Smart Growth***

The 2013 Strategic Plan continues to identify that funds would be available for infrastructure enhancements, such as street calming, walkable community projects, transit amenities and alternative modes of transportation that will assist local agencies in better integrating transportation and land use. These funds would be available to support infill development, neighborhood revitalization and downtown improvements. Some or all of the funding available for the Smart Growth Incentive program would be allocated via a competitive allocation process. To date, a total of \$1.5 million of Measure K Renewal funds has been allocated for various Smart Growth Incentive projects. The list of these projects is included in Appendix A.

Detailed information on allocation policies and procedures for all MK Renewal funding categories is provided in Section 3 and Section 4.

#### **1.1.1 Coordination with Other Plans and Programs**

This 2013 Strategic Plan continues to be coordinated with the Regional Transportation Plan (RTP) and the adopted Regional Congestion Management Plan for San Joaquin County. The MK Renewal Program will also continue to be coordinated with the future development of the long-range transit plan for San Joaquin County, and other transportation funding documents and planning efforts.

#### **1.2. PROGRAM ADMINISTRATION**

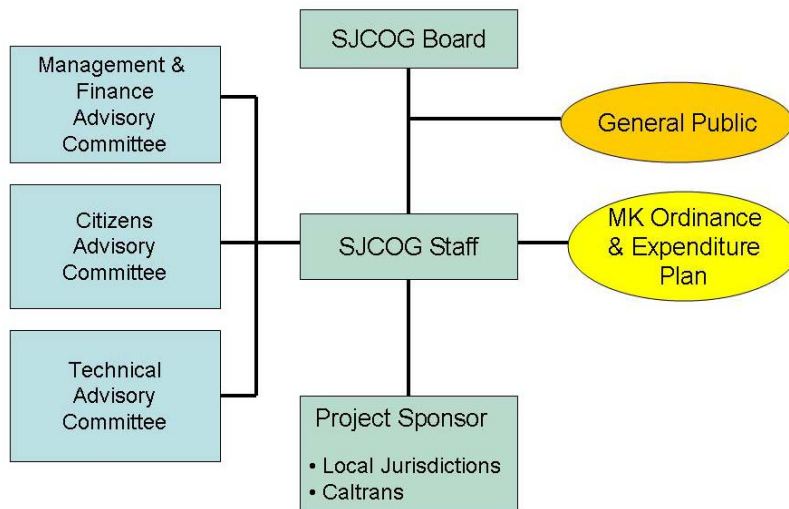
This 2013 Strategic Plan continues the guidelines identified in the 2007 Strategic Plan and the 2011 update that, in general, the local jurisdictions (e.g., cities, the County of San Joaquin, SJRTD and the Rail Commission) and Caltrans would update their previously submitted lists of projects to SJCOG for potential funding or amendment. Each project and its accompanying scope, schedule and budget will then be reviewed

by the SJCOG’s Technical, Citizens and Management and Finance Advisory Committees for consistency with now the 10-year priority programming and/or current Measure K Ordinance and Expenditure Plan. Based on this committee review, agency staff will recommend to the SJCOG Board for review and approval projects for program funding or amendment. Similarly, all amendments to the Measure K

Ordinance and Expenditure Plan are formally noticed to the general public for review and comment with public hearings held prior to SJCOG Board action.

Figure 2 illustrates how the MK Renewal Program is to be administered. The SJCOG levies a 1% fee for its administration of the sales tax program.

**Figure 2: Measure K Renewal Program Administration**



### 1.3. GUIDING PRINCIPLES

Except for the policy to maximize leveraging of outside funds, This 2013 Strategic Plan continues the previously identified guiding principles. These general principles have guided the development of the policies and specific programming and scheduling recommendations, and the delivery of the Early Action Program (EAP) projects to date.

- Maximize the cost-effective use of sales tax dollars.

- Support timely and cost-effective project delivery, with the objective that all strategies result in the achievement of measurable improvements.
- Promote a balanced use of funds throughout the County.

### 1.4. REMAINDER OF THE PLAN

The remaining sections of the Strategic Plan and their contents are listed below.

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#### **1.4.1 Discussion of 10-year Financial Plan**

Section 2 of the Strategic Plan provides a description of the 10-year financial capacity of program categories. This section includes a description of the assumptions, revenue and bonding estimates, and program and project allocations on an annual basis for the first 10-year period, including previous allocations for the Early Action Program (EAP) projects.

#### **1.4.2 Description of Policies and Procedures**

Consistent with the 2007 Strategic Plan and 2011 update, the policies and procedures supporting the administration of this MK Renewal Program are identified in Section 3. The SJCOG Board, the Strategic Plan Working Group, the regional bicycle/pedestrian, safe routes to school, and park and ride advisory group, the Transit and the Smart Growth subgroups, provided continued assistance in the development of these policies and procedures.

#### **1.4.3 Description of Program Categories**

Consistent with the 2007 Strategic Plan and 2011 update, the MK Renewal Program categories are described in Section 4. This section identifies the funding allocation and revenue stream for each category as well as the policies and project allocation criteria pertaining to each of the categories.

#### **1.4.4 Appendices**

Appendix A includes a project description, including cost estimate, revenue sources and schedule, for each of the projects to be funded with MK Renewal revenues for the first 10 years, including EAP projects. Each of the project descriptions includes a map showing the project location.

Appendix B includes a project description and map showing the project location for all of those original 2007 Strategic Plan Congestion Relief and Railroad Crossing Safety projects that are not prioritized for funding within the first 10 years of the MK Renewal program. The cost estimate, revenue sources and schedule for each of these projects have not been updated from the 2007 Strategic Plan as they are only identified for historical purposes.

### **1.5. ACKNOWLEDGEMENTS**

A number of individuals and public agencies participated in the development of this Strategic Plan. These individuals and agencies are recognized below.

#### ***San Joaquin Council of Governments (SJCOG) Board of Directors***

##### City of Escalon

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##### City of Lodi

Larry Hansen, Council Member

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Steve DeBrum, Council Member

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##### City of Stockton

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## *Section 2: Financial Plan*

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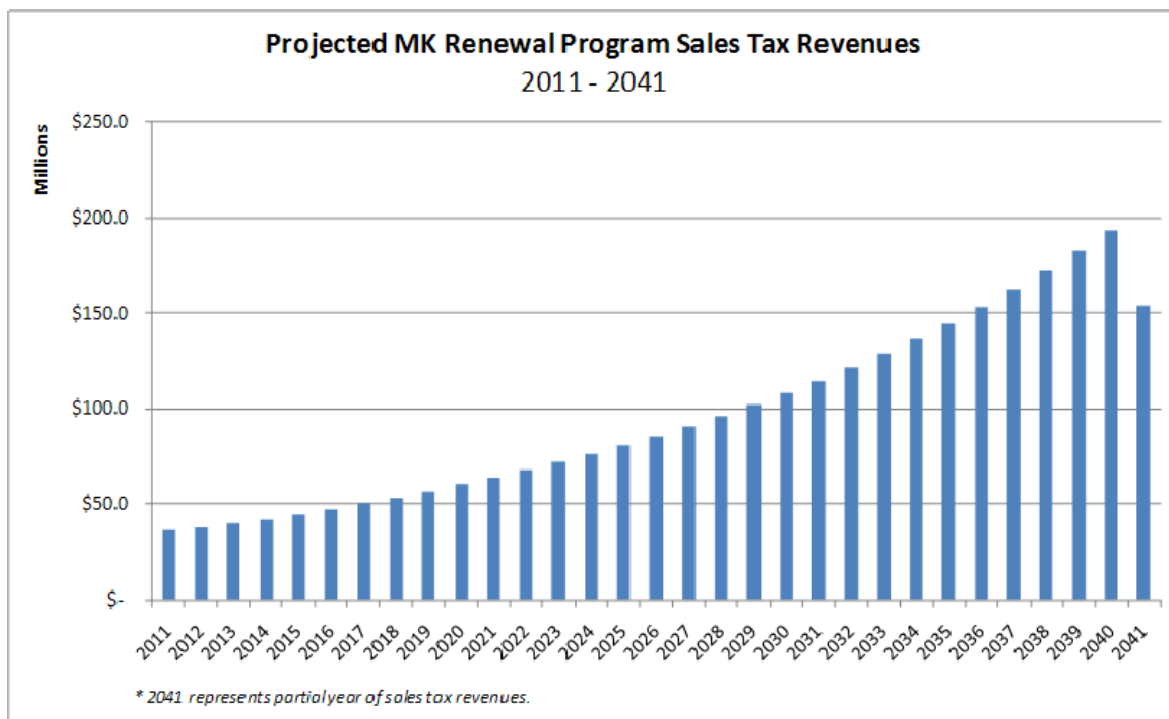
## 2.1 FINANCIAL PLAN

The purpose of this Financial Plan is to provide an updated plan of finance and project delivery schedule based upon the current economic environment. This update accounts for sales tax revenues through 2013, forecasts through 2041, updated project costs and delivery schedules, as well as current bonding capacity based on existing market conditions.

## 2.2 SALES TAX REVENUES

While the region's sales tax revenues indicated modest increase since 2010, sales tax revenues for the MK Renewal Program for this Financial Plan update remain unchanged from the 2011 Strategic Plan at a total of \$2.97 billion through the life of the MK Renewal Program. A graph depicting projected sales tax revenues through 2041 is presented below.

**Figure 3: Projected MK Renewal Program Sales Tax Revenues**



## 2.3 CAPITAL PROGRAM BORROWING

Consistent with the sales tax revenues, the revenue allocation formula remains unchanged from the 2011 update. Currently, 35% of annual revenue supports major capital projects and may be used to pay debt service on bonds issued to pay for those projects. The table below illustrates the allocation.

<u>Program Category (Current)</u>	<u>Revenue Allocation (Current)</u>
• State Highways	• 19.5%
• Regional Arterials	• 13.0%
• Railroad Crossing Safety	• 2.5%
• Total Allocation	• 35.0%



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## 2.4 CAPITAL PROGRAM BORROWING CAPACITY

This section provides an overview of the MK Renewal Program's current borrowing capacity to leverage future sales tax revenues to fund projects.

The total bonding capacity of the MK Renewal Program is subject to both a cashflow constraint and a legal coverage constraint. First, the capital program can only borrow to accelerate projects if it has sufficient annual revenues to pay debt service over the duration of the financing. By constraining the amount of sales tax revenues that can be leveraged to the 35% capital program allocation, total program equity is maintained with each non-capital (or non-borrowing) program receiving its total revenue allocation through 2041 according to the Expenditure Plan.

Second, the amount of bonds that can be issued by SJCOG is limited to coverage requirements as specified in the SJCOG's legal Bond Indenture. Specifically for the Series 2011A Bonds and all subsequent parity debt obligations, the maximum annual debt service coverage on the previous fiscal year sales tax revenues must be at least 1.50 times in order to maintain strong credit ratings.

### 2.4.1 Bond Financing Results

On May 7, 2008, SJCOG issued \$203.3 million of Measure K Senior Sales Tax Revenue Notes, Series 2008 (the "Series 2008 Notes") for the purpose of funding priority capital projects; the entire amount of the Series 2008 Notes was due to be repaid on April 1, 2011. SJCOG refunded the Notes by issuing senior lien long-term sales tax revenue bonds on March 1, 2011 in the par amount of \$212.1 million (the "Series 2011A Bonds"). This amount was sufficient to fully refund both the Series 2008 Notes and fund a debt service reserve fund in the

amount on \$8.2 million. In tandem to the issuance of the Series 2011A Bonds, SJCOG also used cash on hand to repay a portion of its Commercial Paper program in the amount of \$92 million, reducing the total outstanding amount from \$167 million to \$75 million.

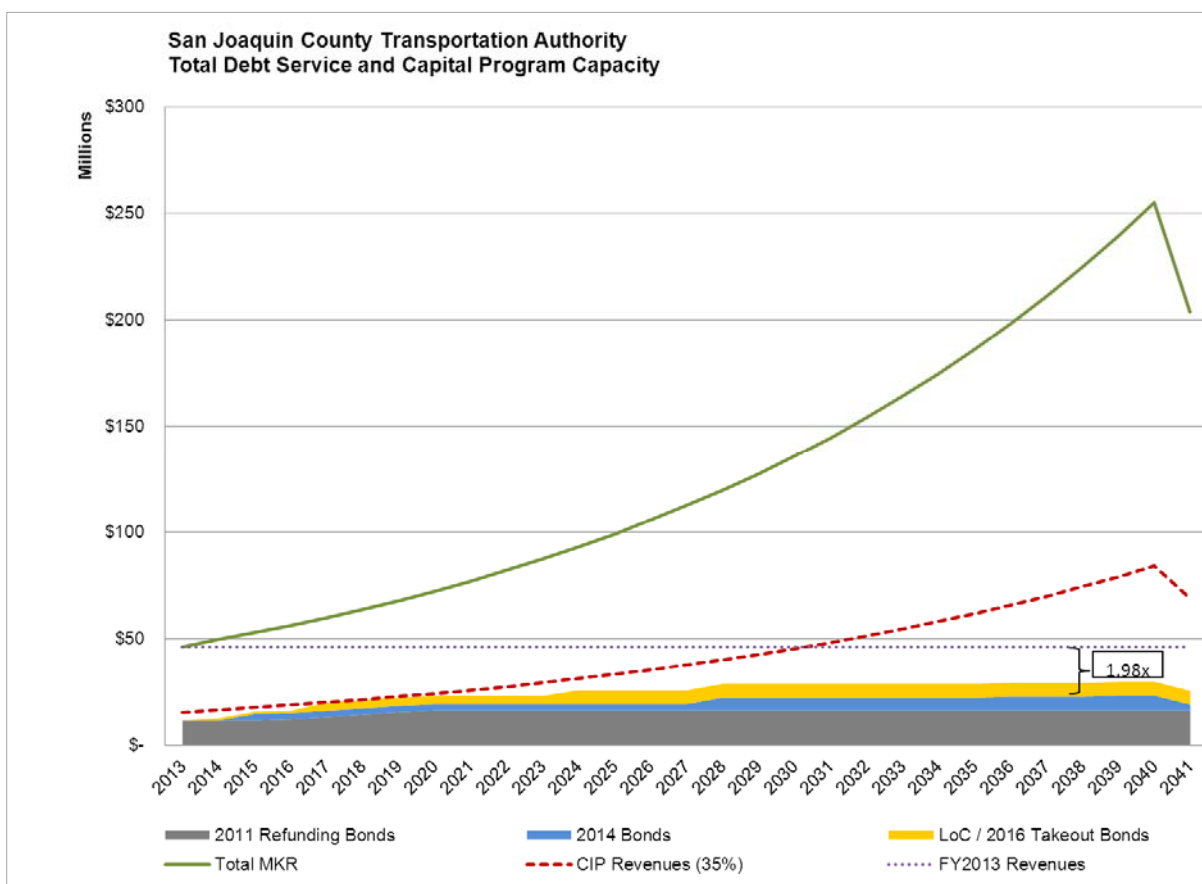
On March 1, 2013, SJCOG opened a Line of Credit for \$75 million to replace its Commercial Paper program. Like the Commercial Paper program, the Line of Credit is subject to variable short-term rates. Unlike the Commercial Paper program, however, the Line of Credit is not subject to either annual facility fees or remarketing agent fees.

SJCOG - Summary of Outstanding Debt	
Debt Obligation	Amount
Series 2011A Bonds	\$212,175,000
Line of Credit	\$75,000,000
<b>Total</b>	<b>\$287,175,000</b>

The Series 2011A Bonds, and any subsequent parity financings, are supported by a senior lien pledge, and the Line of Credit is supported by a subordinate lien pledge, against 100% of the gross annual sales tax revenues. Any additional debt and debt service that SJCOG can take on is constrained to the 35% annual capital program debt service allocation.

The SJCOG has additional borrowing capacity in 2014 of approximately \$56.9 million. Aggregate bond debt service has been structured in a gradually ascending structure to meet the flow of available sales tax revenues allocated to the capital program. Debt service has been constrained to the revenue of those programs advancing projects: State Highways, Regional Arterial, and Railroad Crossing Safety. A graphical depiction of the cumulative debt service in relation to MK Renewal capital program revenues is provided below.

**Figure 4: SJCOG Total Debt Service and Capital Program Capacity**



The 2013 Strategic Plan considers the 2011 bonds, a 2016 bond issuance to replace the Line of Credit with long-term debt, and a 2014 bond issuance which would absorb the remaining near-term capacity. Annual debt service gradually rises from \$11.7 million in 2013 to \$28.8 million in 2028, peaking in 2040 at \$29.8 million. Debt service is constrained by available cash (under the 35% constraint) through 2021, after which there is room for pay-go and additional bonding for future projects.

\$57.4 million in 2014, \$56.7 million in 2015, and \$24.8 million in 2016. The potential 2014 bond issuance would finance an additional \$56.9 million in capital projects between 2014, 2015, and 2016.

### 2.4.2 Capital Project Delivery

The 2013 Strategic Plan includes MK Renewal funding for \$257 million in identified projects as part of the Early Action Program. Annual expenditures consist of

Table 1: Measure K Renewal Cash Flows

MKR Cashflows with 2014 Bond Issuance		2008	2009	2010	2011	2012	2013	2014	2015	2016	TOTAL 2014 - 2016
BEGINNING BALANCE		\$ 162,103,944	\$ 337,552,115	\$ 332,311,012	\$ 330,352,382	\$ 323,321,110	\$ 306,097,975	\$ 175,299,406	\$ 144,914,937	\$ 82,539,252	
<b>REVENUES</b>											
SALES TAX REVENUES	MK Sales Tax Revenues	\$ 45,580,925	\$ 40,960,872	\$ 35,549,764	\$ 26,662,323	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	MKR Sales Tax Revenues	\$ -	\$ -	\$ -	\$ 12,451,195	\$ 43,091,526	\$ 46,235,570	\$ 49,610,767	\$ 52,835,467	\$ 56,269,772	\$ 158,716,005
	<b>TOTAL SALES TAX REVENUES</b>	<b>\$ 45,580,925</b>	<b>\$ 40,960,872</b>	<b>\$ 35,549,764</b>	<b>\$ 39,113,518</b>	<b>\$ 43,091,526</b>	<b>\$ 46,235,570</b>	<b>\$ 49,610,767</b>	<b>\$ 52,835,467</b>	<b>\$ 56,269,772</b>	<b>\$ 158,716,005</b>
LOAN RECEIPTS	County of San Joaquin - MK Advance	\$ -	\$ 1,607,948	\$ 1,607,948	\$ 1,658,273	\$ 1,770,535	\$ 1,708,597	\$ 1,379,485	\$ -	\$ -	\$ 1,379,485
	City of Stockton - MK Advance	\$ -	\$ 1,090,540	\$ 1,090,540	\$ 1,124,671	\$ 1,200,810	\$ 1,158,802	\$ 935,593	\$ -	\$ -	\$ 935,593
	City of Stockton - Otto Dr	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 752,924	\$ -	\$ -	\$ 752,924
	City of Stockton - Sperry Rd Advance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,391,856	\$ -	\$ 3,391,856
	City of Stockton - French Camp Rd	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 253,836	\$ 253,836
	Port of Stockton Loan	\$ -	\$ -	\$ -	\$ -	\$ 423,527	\$ 1,694,460	\$ 548,194	\$ 498,880	\$ 523,390	\$ 1,570,464
	Regional Rail Commission Promissory Note	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,266,254	\$ 1,266,254	\$ 2,532,508
	Regional Rail Commission Line of Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,073,407	\$ 1,937,205	\$ -	\$ 3,010,612
	SJRTD Line of Credit	\$ -	\$ -	\$ 7,736,425	\$ -	\$ -	\$ -	\$ -	\$ 3,333,333	\$ 3,333,333	\$ 6,666,667
<b>TOTAL LOAN RECEIPTS</b>	<b>\$ -</b>	<b>\$ 2,698,488</b>	<b>\$ 10,434,913</b>	<b>\$ 2,782,944</b>	<b>\$ 3,394,872</b>	<b>\$ 4,561,860</b>	<b>\$ 4,689,602</b>	<b>\$ 10,427,529</b>	<b>\$ 5,376,814</b>	<b>\$ 20,493,945</b>	
STATE & FEDERAL REVENUES	AB 3090 Reimbursement SR 99	\$ -	\$ 19,476,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	AB 3090 Reimbursement I-205	\$ -	\$ 22,300,000	\$ 22,300,000	\$ 22,400,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>TOTAL STATE REIMBURSEMENTS</b>	<b>\$ -</b>	<b>\$ 41,776,000</b>	<b>\$ 22,300,000</b>	<b>\$ 22,400,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
INTEREST EARNINGS	Fund Balance Earnings	\$ 9,823,179	\$ 5,279,373	\$ 5,029,375	\$ 5,374,534	\$ 9,699,633	\$ 9,182,939	\$ 438,249	\$ 724,575	\$ 619,044	\$ 1,781,868
	BANs Proceeds Earnings	\$ 1,343,210	\$ 1,139,373	\$ 671,094	\$ 78,842	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>TOTAL INTEREST EARNINGS</b>	<b>\$ 11,166,390</b>	<b>\$ 6,418,746</b>	<b>\$ 5,700,469</b>	<b>\$ 5,453,376</b>	<b>\$ 9,699,633</b>	<b>\$ 9,182,939</b>	<b>\$ 438,249</b>	<b>\$ 724,575</b>	<b>\$ 619,044</b>	<b>\$ 1,781,868</b>
FINANCING PROCEEDS	Bond Proceeds	\$ -	\$ -	\$ -	\$ 204,903,437	\$ -	\$ -	\$ 56,876,190	\$ -	\$ 75,000,000	\$ 131,876,190
	Commercial Paper Proceeds/Line of Credit	\$ -	\$ 22,300,000	\$ 22,300,000	\$ 75,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	BANs Proceeds	\$ 210,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	BANs Interest Paid by Takeout Escrow	\$ -	\$ -	\$ -	\$ 3,114,378	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>TOTAL FINANCING PROCEEDS</b>	<b>\$ 210,000,000</b>	<b>\$ 22,300,000</b>	<b>\$ 22,300,000</b>	<b>\$ 283,017,815</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 56,876,190</b>	<b>\$ -</b>	<b>\$ 75,000,000</b>	<b>\$ 131,876,190</b>
<b>TOTAL REVENUES</b>	<b>\$ 266,747,314</b>	<b>\$ 114,154,106</b>	<b>\$ 96,285,146</b>	<b>\$ 352,767,652</b>	<b>\$ 56,186,031</b>	<b>\$ 59,980,369</b>	<b>\$ 111,614,808</b>	<b>\$ 63,987,570</b>	<b>\$ 137,265,630</b>	<b>\$ 312,868,008</b>	
<b>COSTS</b>											
FINANCING COSTS	Bond Debt Service	\$ -	\$ -	\$ -	\$ -	\$ (11,697,863)	\$ (11,697,863)	\$ (11,697,863)	\$ (14,696,450)	\$ (15,171,450)	\$ (41,565,763)
	BANs Debt Service	\$ -	\$ (8,025,098)	\$ (9,319,469)	\$ (9,319,469)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	BANs Takeout	\$ -	\$ -	\$ -	\$ (203,355,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Commercial Paper Fees & Interest	\$ (7,114,200)	\$ (6,639,210)	\$ (6,639,210)	\$ (1,766,600)	\$ (1,507,500)	\$ (2,359,353)	\$ (1,017,884)	\$ (1,017,884)	\$ (1,017,884)	\$ (3,053,651)
	Commercial Paper Principal Repayment	\$ -	\$ (22,300,000)	\$ (22,300,000)	\$ (92,000,000)	\$ -	\$ -	\$ -	\$ -	\$ (75,000,000)	\$ (75,000,000)
	<b>TOTAL FINANCING COSTS</b>	<b>\$ (7,114,200)</b>	<b>\$ (36,964,308)</b>	<b>\$ (38,258,679)</b>	<b>\$ (306,441,069)</b>	<b>\$ (13,205,363)</b>	<b>\$ (14,057,215)</b>	<b>\$ (12,715,746)</b>	<b>\$ (15,714,334)</b>	<b>\$ (91,189,334)</b>	<b>\$ (119,619,413)</b>
PROJECT COSTS/ ALLOCATIONS	City of Stockton - Otto Dr	\$ -	\$ (863,589)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Port of Stockton Loan	\$ -	\$ (900,000)	\$ (1,300,000)	\$ (1,500,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Regional Rail Commission Line of Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10,000,000)	\$ -	\$ -	\$ (10,000,000)
	SJRTD Line of Credit	\$ -	\$ -	\$ (7,600,000)	\$ -	\$ -	\$ -	\$ (10,000,000)	\$ -	\$ -	\$ (10,000,000)
	MK Project Costs	\$ (80,990,057)	\$ (71,170,615)	\$ (31,214,560)	\$ (27,496,685)	\$ (5,423,200)	\$ -	\$ -	\$ -	\$ -	\$ -
	Bond Proceeds Spend Down	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (18,958,730)	\$ (18,958,730)	\$ (18,958,730)	\$ (56,876,190)
	MKR Capital Costs (RA, SH, RX)	\$ (3,194,887)	\$ (7,996,696)	\$ (19,870,537)	\$ (16,052,281)	\$ (26,223,367)	\$ (44,820,157)	\$ (57,436,802)	\$ (56,657,551)	\$ (24,798,602)	\$ (138,892,955)
	MKR Project Costs (FORMULA, SG, Admin)	\$ -	\$ (1,500,000)	\$ -	\$ (8,308,889)	\$ (28,557,237)	\$ (30,645,563)	\$ (32,887,999)	\$ (35,032,640)	\$ (37,317,532)	\$ (105,238,171)
<b>TOTAL PROJECT COSTS</b>	<b>\$ (84,184,944)</b>	<b>\$ (82,430,900)</b>	<b>\$ (59,985,097)</b>	<b>\$ (53,357,856)</b>	<b>\$ (60,203,804)</b>	<b>\$ (75,465,720)</b>	<b>\$ (129,283,531)</b>	<b>\$ (110,648,921)</b>	<b>\$ (81,074,864)</b>	<b>\$ (321,007,317)</b>	
<b>TOTAL COSTS</b>	<b>\$ (91,299,144)</b>	<b>\$ (119,395,208)</b>	<b>\$ (98,243,776)</b>	<b>\$ (359,798,924)</b>	<b>\$ (73,409,166)</b>	<b>\$ (89,522,935)</b>	<b>\$ (141,999,277)</b>	<b>\$ (126,363,255)</b>	<b>\$ (172,264,198)</b>	<b>\$ (440,626,730)</b>	
<b>ANNUAL NET REVENUE</b>		<b>\$ 175,448,171</b>	<b>\$ (5,241,102)</b>	<b>\$ (1,958,631)</b>	<b>\$ (7,031,272)</b>	<b>\$ (17,223,135)</b>	<b>\$ (29,542,566)</b>	<b>\$ (30,384,469)</b>	<b>\$ (62,375,685)</b>	<b>\$ (34,998,568)</b>	
<b>ENDING BALANCE</b>		<b>\$ 337,552,115</b>	<b>\$ 332,311,012</b>	<b>\$ 330,352,382</b>	<b>\$ 323,321,110</b>	<b>\$ 306,097,975</b>	<b>\$ 276,555,409</b>	<b>\$ 144,914,937</b>	<b>\$ 82,539,252</b>	<b>\$ 47,540,684</b>	

Table 1: Measure K Renewal Cash Flows - Continued

MKR Cashflows with 2014 Bond Issuance		2017	2018	2019	2020	2021	TOTAL 2014 - 2021
BEGINNING BALANCE		\$ 47,540,684	\$ 53,673,567	\$ 56,849,911	\$ 60,326,558	\$ 64,531,795	
<b>REVENUES</b>							
SALES TAX REVENUES	MK Sales Tax Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	
	MKR Sales Tax Revenues	\$ 59,927,307	\$ 63,822,582	\$ 67,971,050	\$ 72,389,168	\$ 77,094,464	\$ 499,920,577
	<b>TOTAL SALES TAX REVENUES</b>	<b>\$ 59,927,307</b>	<b>\$ 63,822,582</b>	<b>\$ 67,971,050</b>	<b>\$ 72,389,168</b>	<b>\$ 77,094,464</b>	<b>\$ 499,920,577</b>
LOAN RECEIPTS	County of San Joaquin - MK Advance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,379,485
	City of Stockton - MK Advance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 935,593
	City of Stockton - Otto Dr	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 752,924
	City of Stockton - Sperry Rd Advance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,391,856
	City of Stockton - French Camp Rd	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 253,836
	Port of Stockton Loan	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,570,464
	Regional Rail Commission Promissory Note	\$ 1,266,254	\$ 1,266,254	\$ 1,266,254	\$ 1,266,254	\$ 1,266,254	\$ 8,863,777
	Regional Rail Commission Line of Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,010,612
	SJRTD Line of Credit	\$ 3,333,333	\$ -	\$ -	\$ -	\$ -	\$ 10,000,000
	<b>TOTAL LOAN RECEIPTS</b>	<b>\$ 4,599,587</b>	<b>\$ 1,266,254</b>	<b>\$ 1,266,254</b>	<b>\$ 1,266,254</b>	<b>\$ 1,266,254</b>	<b>\$ 30,158,547</b>
INTEREST EARNINGS	Fund Balance Earnings	\$ 1,426,221	\$ 1,610,207	\$ 1,705,497	\$ 1,809,797	\$ 1,935,954	\$ 10,269,543
	BANs Proceeds Earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>TOTAL INTEREST EARNINGS</b>	<b>\$ 1,426,221</b>	<b>\$ 1,610,207</b>	<b>\$ 1,705,497</b>	<b>\$ 1,809,797</b>	<b>\$ 1,935,954</b>	<b>\$ 10,269,543</b>
FINANCING PROCEEDS	Bond Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 131,876,190
	Commercial Paper Proceeds/Line of Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	BANs Proceeds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	BANs Interest Paid by Takeout Escrow	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>TOTAL FINANCING PROCEEDS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 131,876,190</b>
	<b>TOTAL REVENUES</b>	<b>\$ 65,953,115</b>	<b>\$ 66,699,043</b>	<b>\$ 70,942,801</b>	<b>\$ 75,465,219</b>	<b>\$ 80,296,672</b>	<b>\$ 672,224,857</b>
<b>COSTS</b>							\$ -
FINANCING COSTS	Bond Debt Service	\$ (20,068,338)	\$ (21,177,138)	\$ (22,357,138)	\$ (23,206,538)	\$ (23,205,288)	\$ (151,580,200)
	Commercial Paper Fees & Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,053,651)
	Commercial Paper Principal Repayment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (75,000,000)
	<b>TOTAL FINANCING COSTS</b>	<b>\$ (20,068,338)</b>	<b>\$ (21,177,138)</b>	<b>\$ (22,357,138)</b>	<b>\$ (23,206,538)</b>	<b>\$ (23,205,288)</b>	<b>\$ (229,633,851)</b>
PROJECT COSTS/ ALLOCATIONS	Regional Rail Commission Line of Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10,000,000)
	SJRTD Line of Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10,000,000)
	MK Project Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Bond Proceeds Spend Down	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (56,876,190)
	<b>TOTAL PROJECT COSTS</b>	<b>\$ (39,751,895)</b>	<b>\$ (42,345,561)</b>	<b>\$ (45,109,016)</b>	<b>\$ (48,053,445)</b>	<b>\$ (51,190,774)</b>	<b>\$ (547,458,008)</b>
	<b>TOTAL COSTS</b>	<b>\$ (59,820,232)</b>	<b>\$ (63,522,699)</b>	<b>\$ (67,466,154)</b>	<b>\$ (71,259,982)</b>	<b>\$ (74,396,062)</b>	<b>\$ (777,091,859)</b>
ANNUAL NET REVENUE		\$ 6,132,882	\$ 3,176,344	\$ 3,476,647	\$ 4,205,236	\$ 5,900,610	
ENDING BALANCE		\$ 53,673,567	\$ 56,849,911	\$ 60,326,558	\$ 64,531,795	\$ 70,432,404	

**Figure 6: Measure K Renewal Funds Disbursement Schedule: State Highway Projects**

Project Sponsor	Proj. No.	Proj. Location	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Stockton/SJCOG	SH02	I-5: Country Club Blvd to Eight Mile Rd	Pre-construction				Construction										
Caltrans/SJCOG	SH01	I-205: Auxiliary Lanes Mountain House to Tracy Blvd.	Pre-construction				Construction										
Caltrans/SJCOG	SH11	SR 99: Arch Road to SR 120	Pre-construction				Construction										
Caltrans/SJCOG	SH10	SR 99: Crosstown to Arch Road	Pre-construction				Construction										
Caltrans/SJCOG	SH13	Port of Stockton Access	Pre-construction				Construction										
Caltrans/SJCOG	SH08	SR 12 and SR 88	Pre-construction				Construction										
Caltrans/SJCOG	SH07	SR 12: I-5 to Bouldin Island					Construction										
KEY:			Pre-construction				Construction										

**Figure 7: Measure K Renewal Funds Disbursement Schedule: Regional Arterial Projects**

Project Sponsor	Proj. No.	Project Location	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Escalon	RA04	McHenry Avenue: Catherine Way to First Street		Pre-construction				Construction									
Lodi	RA12	Harney Lane: Lower Sacramento Rd to SR 99		Pre-construction				Construction									
Lodi	RA14	SR 99/Harney Lane Interchange	Pre-construction				Construction										
Stockton	RA40	I-5 Widening & Improvements (French Camp Road Interchange)					Construction										
Stockton	RA55	Arch-Sperry Road Extension					Construction										
KEY:			Pre-construction				Construction										

**Figure 8: Measure K Renewal Funds Disbursement Schedule: Railroad Crossing Safety Projects**

Project Sponsor	Proj. No.	Project Location	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	
Lathrop	RC20	Lathrop Road/UPRR (Westerly)*	Pre-construction				Construction										
Stockton	RC10	Eight Mile Road/UPRR (Westerly)				Construction											
Stockton	RC11	Eight Mile Road & UPRR/SPRR (Easterly)				Construction											
Stockton	RC14	Lower Sacramento Road/UPRR (Bear Creek)				Construction											
KEY:			Pre-construction				Construction										

\* Project fully funded in State Transportation Improvement Program (STIP)

**Figure 9: Measure K Renewal Funds Disbursement Schedule: Original Measure K Projects**

Project Sponsor	Proj. No.	Project Location	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
County	N/A	Lower Sacramento Road Improvements Segment 3A - Phase 2			Construction											
County	N/A	Lower Sacramento Road Improvements - Pixley Slough to Harney Curve		Pre-construction				Construction								
Stockton	N/A	Lower Sacramento Road Improvements - Bear Creek to Pixley Slough	Pre-construction				Construction									
Stockton	RA54	Hammer Lane Widening Phase 3B	Pre-construction				Construction									
County	N/A	Pershing Avenue Widening	Pre-construction				Construction									
Manteca	N/A	Airport Way Widening					Construction									
Manteca	N/A	Manteca Multi-modal Station					Construction									
KEY:			Pre-construction				Construction									

**Figure 10: Measure K Renewal Funds Disbursement Schedule: Passenger Rail Transit Projects**

Project Sponsor	Proj. No.	Project Location	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SJRRRC/ACE	PR01	ACE Maintenance and Layover Facility Debt Service														
SJRRRC/ACE	PR02	Capital Spares														
SJRRRC/ACE	PR03	UPRR Capital Access Fee														
SJRRRC/ACE	PR04	SJRRRC and ACE Operations														
KEY:			= Pre-construction = Construction = Operations & Maintenance													

**Figure 11: Measure K Renewal Funds Disbursement Schedule: Bus Transit Projects**

Project Sponsor	Proj. No.	Project Location	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
SJCOG	TR01	Commute Connection														
SJCOG	TR02	Park & Ride Program														
SJCOG	TR03	Regional Transit Systems														
Various	TR04	Pedestrian/Bicycle Facilities & Safety														
SJRTD	TR05	SJRTD BRT Express Operations														
SJRTD	TR06	SJRTD Intercity Service Operations														
SJRTD	TR07	SJRTD Interregional Service Operations														
SJRTD	TR08	SJRTD Fleet Engine Replacement														
SJRTD	TR09	SJRTD Passenger Amenities														
SJRTD	TR10	SJRTD BRT Capital - Fleet Replacement														
SJRTD	TR11	SJRTD BRT Capital - Passenger Amenities and Stations														
SJRTD	TR12	SJRTD BRT Capital - BRT Maintenance Facilities - RTC														
SJRTD	TR13	Park & Ride Lease Lots														
Lodi	TR14	Grapeline Transit Services														
Ripon	TR15	Ripon Weekday Service to Modesto														
Ripon	TR16	Ripon Transit Bus Purchase														
Ripon	TR17	Ripon Transit Maintenance Facility														
Escalon	TR18	eTrans Weekday Service to Modesto														
KEY:			= Pre-construction = Construction = Operations & Maintenance													

## *Section 3: General Policies and Procedures*

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This section of the Strategic Plan records the existing policies of the San Joaquin Council of Governments (SJCOG) in administering the Measure K (MK) Renewal program. These policies were either officially adopted by the SJCOG's Board or used in practice by Agency staff. These policies and procedures apply to both Measure K Renewal projects and those projects from the original Measure K program being delivered within the Measure K Renewal period.

### **3.1 COOPERATIVE AGREEMENTS**

A project sponsor can receive MK Renewal money if the project is listed in the Strategic Plan. The amounts of funds available are those listed in the project spreadsheet for that fiscal year. A cooperative agreement must be signed by the SJCOG and the project sponsor before funds are available for the project. The procedure for obtaining a cooperative agreement is as follows:

#### **1. File Application.**

The project sponsor contacts the SJCOG and requests an "application" for a MK Renewal cooperative agreement. The application asks for a description of the project task that the MK Renewal funds will pay for, schedule and cost information for the entire project, and other funds that will match the MK Renewal allocation. The sponsor completes the application, and turns it into the SJCOG. Agency staff uses the information in the application to complete the cooperative agreement—how much is being requested, etc. The application then becomes an attachment to the agreement.

#### **2. Review Time: Standard and Non-Standard Agreements.**

If an application for a standard MK Renewal contract is received by the end of the month, it will be acted on at the next month's committee mailings. If a non-standard agreement is needed (one that

does not use an existing MK Renewal boilerplate), Agency staff will need at least one month to review the draft, negotiate with the sponsor, and have each party's attorney review the language.

#### **3. Get Approval by Sponsor's Governing Body.**

The cooperative agreement should be approved by the sponsor's governing body before it is presented to the SJCOG Board.

#### **4. Get Approval by the SJCOG Board.**

Upon approval by the SJCOG Board the cooperative agreement will be routed for signatures by the sponsor and SJCOG.

#### **5. SJCOG Reimbursement Procedure.**

Once a cooperative agreement has been signed by both parties, the project sponsor is required to submit monthly progress reports to the SJCOG. Also, monthly invoices may be submitted. Expenses are reimbursed in arrears, with the exception of a one-month advance for construction projects and a three-month advance for operating projects (upon request of the sponsor). Expenses incurred prior to the execution of a MK Renewal contract are not reimbursable. By the last day of each month, the SJCOG will pay all invoices received by the 10th of that month. The following items are not eligible for MK Renewal reimbursement under a cooperative agreement:

- Activities relating to obtaining matching funds for a project.
- Activities related to general MK Renewal administration (not specific to the project), education or preparation performed by the project sponsor or contractor.
- Activities relating to another project not covered in the cooperative



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agreement, even if it is a MK Renewal project.

- Activities conducted prior to executing a MK Renewal agreement.

### **3.2 MEASURE K COORDINATION WITH MEASURE K RENEWAL**

In December 2006 the SJCOG Board approved that the Measure K Renewal Strategic Plan be developed as an integrated extension of the existing Measure K program Strategic Plan. Such integration would result in a Financial Plan that combines revenues from the remaining four years of the existing program and the thirty years of the renewal program. The combined Financial Plan and subsequent Strategic Plan would allow for advanced project delivery activities on Measure K Renewal projects to occur prior to 2011 while meeting the ongoing funding needs of projects in the existing program. In July 2007, the SJCOG Board approved the amended Measure K Ordinance and Expenditure Plan to add a provision in the existing Measure K Ordinance to allow for the expenditure of Measure K funds to advance the delivery of Measure K Renewal projects. This provision enables SJCOG full flexibility to allocate funds between the existing Measure K program and the Measure K Renewal program.

### **3.3 MAINTENANCE OF EFFORT REQUIREMENTS**

At the beginning of each fiscal year, jurisdictions will be asked to demonstrate compliance with maintenance of effort requirements. The SJCOG may call for an independent audit to verify compliance. Exceptions to this policy, for larger size projects, for example, will be clearly defined.

Each jurisdiction must comply with these requirements.

### **3.4 MANDATORY DEVELOPMENT FEES**

All communities in San Joaquin County must have adopted both a local development fee program for traffic mitigation and the Regional Transportation Impact Fee. Should a jurisdiction not have a local traffic impact mitigation fee and the Regional Transportation Impact Fee in place by the last day of the fiscal year, then all revenue apportioned to that community under the Local Street Repair Program will be reapportioned for the following fiscal year among all the eligible jurisdictions based on the adopted formula.

### **3.5 CHANGES IN PROJECT SCOPE, ALLOCATION AND SCHEDULE**

The MK Renewal Strategic Plan is only as useful as it is accurate. Biennial updates of the Strategic Plan will reflect changes in project scope, cost and schedule. However, the following items require a Strategic Plan amendment to be approved by the SJCOG's Board:

- Adding a new MK Renewal project.
- Deleting a MK Renewal project.
- Segmenting a project.
- Changing the basic scope of a project, as defined in the Strategic Plan.
- Changing the scheduled year of a project.
- Changing the MK Renewal funds allocated to a project.

**3.6 DELAY OR ADVANCEMENT OF PROJECTS**

It is the intent of the SJCOG to spend MK Renewal funds in a timely manner. Projects that fall behind schedule by at least one year may lose their place in line for receiving MK Renewal funds. These delayed projects will be moved back to the next available space in the schedule based on cash flow. Projects that are ready to go ahead of schedule may move to the front of the line if unspent MK Renewal funds are available. As noted below, any rescheduling of projects will be proposed in the Strategic Plan update or in a Strategic Plan amendment.

Any project sponsor or SJCOG staff may propose an amendment to the Strategic Plan at any time. New projects or changes in existing project scope, schedule or MK Renewal allocation require a Strategic Plan amendment. Minor or simple editing changes in the plan can be made administratively by SJCOG staff in consultation with the project sponsor. SJCOG staff is responsible for analyzing the proposed amendment and identifying its impact on the program. The Technical Advisory Committee, the Citizens Advisory Committee and the Management and Finance Committee will have the opportunity to review all proposed amendments.

**3.7 ADDING NEW MEASURE K RENEWAL PROJECTS**

Adding a new MK Renewal project will require amendments to both the MK Renewal Strategic Plan and the MK Renewal Expenditure Plan. The expenditure plan may be amended only once a year. If projects are proposed to be added to the plan, they are to be considered as a group of projects and acted on annually by the SJCOG’s Board before the end of the fiscal year.

**3.9 UPDATE OF THE STRATEGIC PLAN**

The Strategic Plan will be updated every two years. The update will evaluate the scope, cost and schedule of all projects in the plan. In addition, the need to segment projects will also be considered. Unless indicated, all dollars will be expressed in constant dollars for the year in which the Strategic Plan is updated. Table 5 identifies the schedule that is to be followed for the periodic review and update of the Strategic Plan and its categorical programs.

**3.8 AMENDMENTS TO THE STRATEGIC PLAN**

**Table 5: Measure K Renewal Program Review Cycle**

Activity	Measure K Renewal Program Review Cycle									
	YR 1	YR 2	YR 3	YR 4	YR 5	YR 6	YR 7	YR 8	YR 9	YR 10
Ordinance Expenditure Update/Amendment - Annually	•	•	•	•	•	•	•	•	•	•
Ordinance Expenditure Plan Update - every ten years										•
Strategic Plan Update - every two years		•		•		•		•		•
Railroad Crossing Safety Category - every five years					•					•
Passenger Rail, Bus and Bicycle/Pedestrian Category - every five years					•					•
Smart Growth Incentive Program - every two years		•		•		•		•		•

## *Section 4: Program Category Policies*

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This section describes the allocation of funds to the MK Renewal program categories and explains the policies that apply to each category.

#### **4.1 CONGESTION RELIEF IMPROVEMENTS**

Thirty-two and one-half percent (32.5%) of the net sales tax revenues generated under the MK Renewal program is to be allocated to regional capacity improvement projects. For the purposes of this Plan, “capacity improvement projects” are those capital projects which add lanes to roadways, improve traffic operations, or expand transit capabilities. The cost of these congestion relief projects can include such items as traffic signals, channelization, curbs and gutters, shoulders, bus rapid transit infrastructure, capital improvements at the Stockton Metropolitan Airport, project development, etc., as long as these costs are directly related to the project.

The Congestion Relief Category is divided into two programs -- State Highway Projects and Regional Arterial Projects. Table 6 shows the allocation of funds for Congestion Relief projects.

Specific policies guiding the allocation of funds for the Congestion Relief Category include the following:

##### **4.1.1 State Highway Projects**

Of the total funds available in the Congestion Relief Category, sixty percent (60%) of the funds are to be used to match federal and state revenues to complete projects of benefit to the state highway system for projects identified in the MK Renewal Expenditure Plan. SJCOG staff will work with local jurisdictions and the California Department of Transportation to prioritize projects identified in the Expenditure Plan for funding requests by the SJCOG Board of Directors.

##### **4.1.2 Regional Arterial Projects**

Forty percent (40%) of the Congestion Relief Category funding may be used to match state and local revenues as well as regional transportation impact fee funding to provide capacity improvements to regional arterials in each of the cities and County of San Joaquin. These funds are apportioned to the local jurisdictions according to their proportionate share of the total incorporated and unincorporated population. The local jurisdictions will identify and prioritize projects for funding requests by the SJCOG.

The SJCOG will allocate funds consistent with the most recently adopted revenue projections. Funding prioritization will be focused on leveraging outside funds, but with recognition of balancing equity when such a case is presented by local jurisdictions for consideration by the SJCOG Board.

##### ***Funding Targets***

Within the Regional Arterial Program, no more than eighty percent (80%) of available funding will be programmed in the first 10 years of the program, with twenty percent (20%) retained as a contingency for future allocation based on population growth within the county that will occur between 2011 and 2040. Actual programming to individual projects has been based on prioritization.

##### ***Allocation Criteria***

1. As with the other MK Renewal categories, sales tax funds should be used to fund the least expensive design alternative that can meet the project purpose and need and other applicable requirements.

**Table 3: Congestion Relief Category Programming Targets**

Year	Congestion Relief (32.5%)	State Highways (60%)	Regional Arterials (40%)	Escalon		Lathrop		Lodi		Manteca		Ripon		Stockton		Tracy		SJ County	
				Population Share (1.03%)	Programming Target (80%)	Population Share (2.59%)	Programming Target (80%)	Population Share (9.15%)	Programming Target (80%)	Population Share (9.92%)	Programming Target (80%)	Population Share (2.23%)	Programming Target (80%)	Population Share (42.08%)	Programming Target (80%)	Population Share (11.83%)	Programming Target (80%)	Population Share (21.18%)	Programming Target (80%)
2011	\$2,806,000	\$1,684,000	\$1,122,000	\$12,000	\$10,000	\$29,000	\$23,000	\$103,000	\$82,000	\$111,000	\$89,000	\$25,000	\$20,000	\$472,000	\$378,000	\$133,000	\$106,000	\$238,000	\$190,000
2012	\$11,796,000	\$7,078,000	\$4,718,000	\$49,000	\$39,000	\$122,000	\$98,000	\$432,000	\$346,000	\$468,000	\$374,000	\$105,000	\$84,000	\$1,985,000	\$1,588,000	\$558,000	\$446,000	\$999,000	\$799,000
2013	\$12,379,000	\$7,427,000	\$4,952,000	\$51,000	\$41,000	\$128,000	\$102,000	\$453,000	\$362,000	\$491,000	\$393,000	\$110,000	\$88,000	\$2,084,000	\$1,667,000	\$586,000	\$469,000	\$1,049,000	\$839,000
2014	\$13,159,000	\$7,895,000	\$5,264,000	\$54,000	\$43,000	\$136,000	\$109,000	\$482,000	\$386,000	\$522,000	\$418,000	\$117,000	\$94,000	\$2,215,000	\$1,772,000	\$623,000	\$498,000	\$1,115,000	\$892,000
2015	\$13,988,000	\$8,393,000	\$5,595,000	\$58,000	\$46,000	\$145,000	\$116,000	\$512,000	\$410,000	\$555,000	\$444,000	\$125,000	\$100,000	\$2,354,000	\$1,883,000	\$662,000	\$530,000	\$1,185,000	\$948,000
2016	\$14,869,000	\$8,921,000	\$5,948,000	\$61,000	\$49,000	\$154,000	\$123,000	\$544,000	\$435,000	\$590,000	\$472,000	\$133,000	\$106,000	\$2,503,000	\$2,002,000	\$704,000	\$563,000	\$1,260,000	\$1,008,000
2017	\$15,805,000	\$9,483,000	\$6,322,000	\$65,000	\$52,000	\$164,000	\$131,000	\$578,000	\$462,000	\$627,000	\$502,000	\$141,000	\$113,000	\$2,660,000	\$2,128,000	\$748,000	\$598,000	\$1,339,000	\$1,071,000
2018	\$16,799,000	\$10,079,000	\$6,720,000	\$69,000	\$55,000	\$174,000	\$139,000	\$615,000	\$492,000	\$667,000	\$534,000	\$150,000	\$120,000	\$2,828,000	\$2,262,000	\$795,000	\$636,000	\$1,423,000	\$1,138,000
2019	\$17,856,000	\$10,714,000	\$7,142,000	\$74,000	\$59,000	\$185,000	\$148,000	\$653,000	\$522,000	\$708,000	\$566,000	\$159,000	\$127,000	\$3,005,000	\$2,404,000	\$845,000	\$676,000	\$1,513,000	\$1,210,000
2020	\$18,978,000	\$11,387,000	\$7,591,000	\$78,000	\$62,000	\$197,000	\$158,000	\$695,000	\$556,000	\$753,000	\$602,000	\$169,000	\$135,000	\$3,194,000	\$2,555,000	\$898,000	\$718,000	\$1,608,000	\$1,286,000
2021	\$20,170,000	\$12,102,000	\$8,068,000	\$83,000	\$66,000	\$209,000	\$167,000	\$738,000	\$590,000	\$800,000	\$640,000	\$180,000	\$144,000	\$3,395,000	\$2,716,000	\$954,000	\$763,000	\$1,709,000	\$1,367,000
2022	\$21,436,000	\$12,862,000	\$8,574,000	\$88,000	\$70,000	\$222,000	\$178,000	\$785,000	\$628,000	\$851,000	\$681,000	\$191,000	\$153,000	\$3,608,000	\$2,886,000	\$1,014,000	\$811,000	\$1,816,000	\$1,453,000
2023	\$22,780,000	\$13,668,000	\$9,112,000	\$94,000	\$75,000	\$236,000	\$189,000	\$834,000	\$667,000	\$904,000	\$723,000	\$203,000	\$162,000	\$3,834,000	\$3,067,000	\$1,078,000	\$862,000	\$1,930,000	\$1,544,000
2024	\$24,208,000	\$14,525,000	\$9,683,000	\$100,000	\$80,000	\$251,000	\$201,000	\$886,000	\$709,000	\$961,000	\$769,000	\$216,000	\$173,000	\$4,075,000	\$3,260,000	\$1,145,000	\$916,000	\$2,051,000	\$1,641,000
2025	\$25,724,000	\$15,434,000	\$10,290,000	\$106,000	\$85,000	\$267,000	\$214,000	\$942,000	\$754,000	\$1,021,000	\$817,000	\$229,000	\$183,000	\$4,330,000	\$3,464,000	\$1,217,000	\$974,000	\$2,179,000	\$1,743,000
2026	\$27,334,000	\$16,400,000	\$10,934,000	\$113,000	\$90,000	\$283,000	\$226,000	\$1,000,000	\$800,000	\$1,085,000	\$868,000	\$244,000	\$195,000	\$4,601,000	\$3,681,000	\$1,293,000	\$1,034,000	\$2,316,000	\$1,853,000
2027	\$29,044,000	\$17,426,000	\$11,618,000	\$120,000	\$96,000	\$301,000	\$241,000	\$1,063,000	\$850,000	\$1,153,000	\$922,000	\$259,000	\$207,000	\$4,889,000	\$3,911,000	\$1,374,000	\$1,099,000	\$2,461,000	\$1,969,000
2028	\$30,858,000	\$18,515,000	\$12,343,000	\$127,000	\$102,000	\$320,000	\$256,000	\$1,129,000	\$903,000	\$1,224,000	\$979,000	\$275,000	\$220,000	\$5,194,000	\$4,155,000	\$1,460,000	\$1,168,000	\$2,614,000	\$2,091,000
2029	\$32,784,000	\$19,670,000	\$13,114,000	\$135,000	\$108,000	\$340,000	\$272,000	\$1,200,000	\$960,000	\$1,301,000	\$1,041,000	\$292,000	\$234,000	\$5,518,000	\$4,414,000	\$1,551,000	\$1,241,000	\$2,778,000	\$2,222,000
2030	\$34,829,000	\$20,897,000	\$13,932,000	\$143,000	\$114,000	\$361,000	\$289,000	\$1,275,000	\$1,020,000	\$1,382,000	\$1,106,000	\$311,000	\$249,000	\$5,863,000	\$4,690,000	\$1,648,000	\$1,318,000	\$2,951,000	\$2,361,000
2031	\$36,998,000	\$22,199,000	\$14,799,000	\$152,000	\$122,000	\$383,000	\$306,000	\$1,354,000	\$1,083,000	\$1,468,000	\$1,174,000	\$330,000	\$264,000	\$6,227,000	\$4,982,000	\$1,751,000	\$1,401,000	\$3,134,000	\$2,507,000
2032	\$39,301,000	\$23,581,000	\$15,720,000	\$162,000	\$130,000	\$407,000	\$326,000	\$1,438,000	\$1,150,000	\$1,559,000	\$1,247,000	\$351,000	\$281,000	\$6,615,000	\$5,292,000	\$1,860,000	\$1,488,000	\$3,329,000	\$2,663,000
2033	\$41,743,000	\$25,046,000	\$16,697,000	\$172,000	\$138,000	\$432,000	\$346,000	\$1,528,000	\$1,222,000	\$1,656,000	\$1,325,000	\$372,000	\$298,000	\$7,026,000	\$5,621,000	\$1,975,000	\$1,580,000	\$3,536,000	\$2,829,000
2034	\$44,335,000	\$26,601,000	\$17,734,000	\$183,000	\$146,000	\$459,000	\$367,000	\$1,623,000	\$1,298,000	\$1,759,000	\$1,407,000	\$395,000	\$316,000	\$7,462,000	\$5,970,000	\$2,098,000	\$1,678,000	\$3,756,000	\$3,005,000
2035	\$47,083,000	\$28,250,000	\$18,833,000	\$194,000	\$155,000	\$488,000	\$390,000	\$1,723,000	\$1,378,000	\$1,868,000	\$1,494,000	\$420,000	\$336,000	\$7,925,000	\$6,340,000	\$2,228,000	\$1,782,000	\$3,989,000	\$3,191,000
2036	\$49,998,000	\$29,999,000	\$19,999,000	\$206,000	\$165,000	\$518,000	\$414,000	\$1,830,000	\$1,464,000	\$1,984,000	\$1,587,000	\$446,000	\$357,000	\$8,416,000	\$6,733,000	\$2,366,000	\$1,893,000	\$4,236,000	\$3,389,000
2037	\$53,089,000	\$31,853,000	\$21,236,000	\$219,000	\$175,000	\$550,000	\$440,000	\$1,943,000	\$1,554,000	\$2,107,000	\$1,686,000	\$474,000	\$379,000	\$8,936,000	\$7,149,000	\$2,512,000	\$2,010,000	\$4,498,000	\$3,598,000
2038	\$56,366,000	\$33,820,000	\$22,546,000	\$232,000	\$186,000	\$584,000	\$467,000	\$2,063,000	\$1,650,000	\$2,237,000	\$1,790,000	\$503,000	\$402,000	\$9,487,000	\$7,590,000	\$2,667,000	\$2,134,000	\$4,775,000	\$3,820,000
2039	\$59,839,000	\$35,903,000	\$23,936,000	\$247,000	\$198,000	\$620,000	\$496,000	\$2,190,000	\$1,752,000	\$2,374,000	\$1,899,000	\$534,000	\$427,000	\$10,072,000	\$8,058,000	\$2,832,000	\$2,266,000	\$5,070,000	\$4,056,000
2040	\$63,520,000	\$38,112,000	\$25,408,000	\$262,000	\$210,000	\$658,000	\$526,000	\$2,325,000	\$1,860,000	\$2,520,000	\$2,016,000	\$567,000	\$454,000	\$10,692,000	\$8,554,000	\$3,006,000	\$2,405,000	\$5,381,000	\$4,305,000
<b>Total =</b>	<b>\$899,874,000</b>	<b>\$539,924,000</b>	<b>\$359,950,000</b>	<b>\$3,709,000</b>	<b>\$2,967,000</b>	<b>\$9,323,000</b>	<b>\$7,458,000</b>	<b>\$32,936,000</b>	<b>\$26,345,000</b>	<b>\$35,706,000</b>	<b>\$28,565,000</b>	<b>\$8,026,000</b>	<b>\$6,421,000</b>	<b>\$151,465,000</b>	<b>\$121,172,000</b>	<b>\$42,581,000</b>	<b>\$34,063,000</b>	<b>\$76,238,000</b>	<b>\$60,988,000</b>

\*Population based on 2010 Department of Finance estimates

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2. Sales tax funds are generally intended to be used for planning, design, environmental clearance, construction management and construction. Sales tax funds may be used for right-of-way acquisition upon approval by the SJCOG Board on a case-by-case basis with consideration of both legal and financing constraints.
  3. A full funding plan and detailed schedule through construction will be a part of the cooperate agreement for all capital project components, including right-of-way and construction.
  4. Cost savings from construction bids will be returned to the jurisdiction for use on other MK Renewal eligible projects.
  5. Under the Strategic Plan, each Regional Arterial Project includes a minimum MK Renewal funding commitment, based upon the full funding of project development activities through preliminary engineering and preparation of environmental documentation (PSR and PA&ED for interchange projects on the state highway system). The funding commitment through the environmental document milestone is intended to ensure that each project can be developed to the point where all project risks are known and the project is “shelf ready” to compete for other state and federal funding sources.

The MK Renewal minimum funding commitment is 8% of the estimated construction cost of the project. This represents 3% of the construction cost for preliminary engineering and 5% for environmental documentation. The actual programming of the MK Renewal minimum funding commitment to projects will take into consideration circumstances where either preliminary engineering or environmental evaluation have been previously completed. If preliminary engineering is completed, the minimum funding commitment is

only for the remaining environmental documentation (5% of the estimated construction cost of the project).

6. While the intent of the MK Renewal minimum funding commitment is to afford every project opportunity to be delivered 30-year life of the program, it is understood that local jurisdictions may desire the flexibility to have some projects funded with more MK funds and some projects funded by other sources. To address this issue, the Strategic Plan shall allow local jurisdictions the ability to move the MK Renewal minimum funding commitment off of a project provided that the local jurisdictions present to the SJCOG Board a formal commitment to the full funding of the project with other sources along with a committed delivery schedule. These projects would continue to be included in the MK Renewal Strategic Plan.

### ***Regional Collaboration***

Local jurisdictions and San Joaquin County will utilize the SJCOG’s Technical Advisory Committee as the forum for providing advice and recommendations on the future allocation of MK Renewal congestion relief revenues to the Board of Directors.

## **4.2 LOCAL STREET REPAIRS AND ROADWAY SAFETY IMPROVEMENTS**

Cities and the County will share thirty-five percent (35%) of the net sales tax revenue for local street repairs, roadway safety and operations improvements as determined by the local jurisdiction. Local jurisdictions will receive an annual funding allocation on a formula basis according to a baseline allocation and the sales tax revenue increase over the baseline allocation. Figure 3 shows the estimated annual allocations to the Local Street Repair and Roadway Safety program.

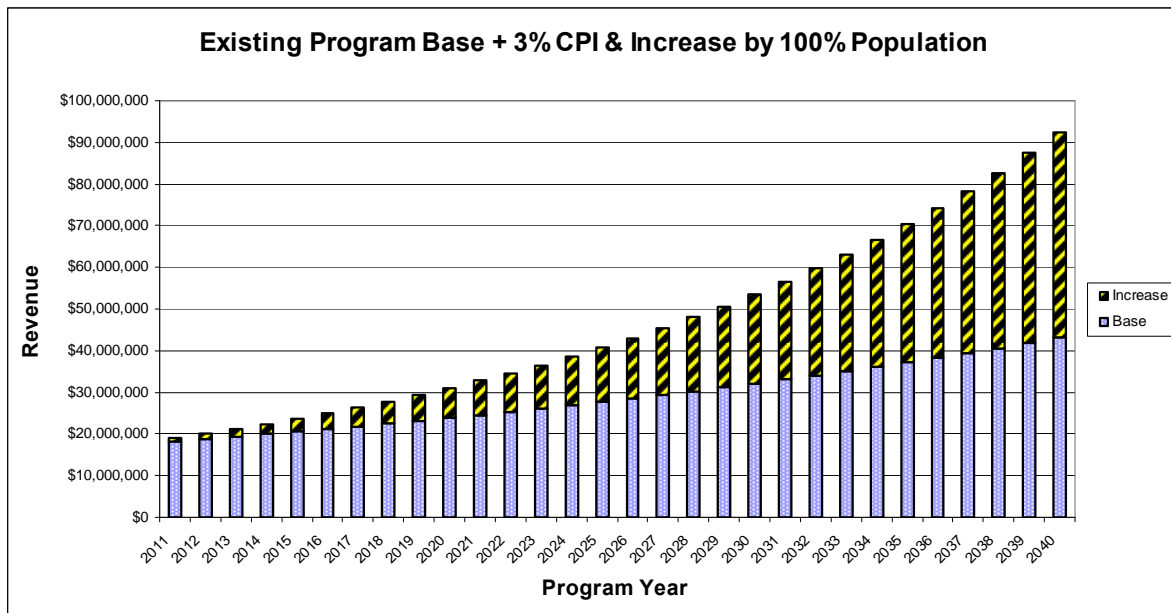
The baseline allocation is the highest annual total of Local Street Repair funding collected in either 2008, 2009, or 2010 divided fifty percent (50%) to San Joaquin County, and fifty percent (50%) to the incorporated cities. Individual city allocations are determined by their proportionate share of the total incorporated population. The baseline allocation will be increased annually for inflation by three percent (3%) or the actual annual growth in sales tax revenue if the actual annual sales tax growth rate is below three percent (3%). The increase over baseline allocation will be divided between all jurisdictions by population percentage of the total incorporated and unincorporated population. The County of San Joaquin is guaranteed an annual minimum of forty percent (40%) of the combined Local Street Repair and Roadway Safety funding. An annual minimum of \$300,000 is guaranteed to each jurisdiction. This formula will be reviewed and, if necessary, revised after fifteen years. These funds must be used to augment current transportation spending and cannot be used to replace general fund expenditures.

#### 4.3 PASSENGER RAIL, BUS AND BICYCLE/PEDESTRIAN IMPROVEMENTS

Thirty percent (30%) of the net sales tax revenues generated in the MK Renewal program is to be allocated for passenger rail transit, bus transit, and pedestrian/bicycle projects. The objective of this category is to provide alternatives to the use of automobiles as a means of intercity and commute transportation.

Table 7 shows the allocation of funds and programming targets in ten-year increments for passenger rail transit, bus transit, and pedestrian/bicycle projects. Ten percent (10%) of the funds, with the exception of the Bus Transit subcategories for the Commute Connection, Park and Ride, Regional Transit Systems programs, and the Pedestrian and Bicycle Facilities and Safety category, are set-aside in a contingency account and will be available for possible reallocation within the MK Renewal Transit Category as additional transit operators become eligible; a significant funding issue arises within the transit category; or at the end of each ten year programming period.

Figure 12: Local Street Repair and Roadway Safety



**Table 4: Passenger Rail, Bus and Bicycle/Pedestrian Category Programming Targets**

	Passenger Rail (39%)		Bus Transit (49%)		BRT Capital (5%)		Bicycle/Pedestrian Facilities and Safety (7%)
Year	Allocation	Revenues Available for Projects (90%)	Allocation	Revenues Available for Projects (90%)	Allocation	Revenues Available for Projects (90%)	Allocation
2011	\$1,010,061	\$909,055	\$1,269,051	\$1,154,306	\$129,495	\$116,546	\$181,293
2012	\$4,246,494	\$3,821,845	\$5,335,339	\$4,852,929	\$544,422	\$489,980	\$762,191
2013	\$4,456,505	\$4,010,855	\$5,599,199	\$5,092,932	\$571,347	\$514,212	\$799,886
2014	\$4,737,379	\$4,263,641	\$5,952,091	\$5,413,916	\$607,356	\$546,621	\$850,299
2015	\$5,035,828	\$4,532,245	\$6,327,066	\$5,754,987	\$645,619	\$581,057	\$903,867
2016	\$5,352,938	\$4,817,644	\$6,725,486	\$6,117,383	\$686,274	\$617,647	\$960,784
2017	\$5,689,858	\$5,120,872	\$7,148,796	\$6,502,418	\$729,469	\$656,522	\$1,021,257
2018	\$6,047,805	\$5,443,024	\$7,598,524	\$6,911,483	\$775,360	\$697,824	\$1,085,503
2019	\$6,428,070	\$5,785,263	\$8,076,293	\$7,346,053	\$824,112	\$741,200	\$1,153,756
2020	\$6,832,019	\$11,132,513	\$8,583,819	\$7,807,689	\$875,900	\$1,427,245	\$1,226,260
<b>Totals 2011-2020</b>	<b>\$49,836,956</b>	<b>\$49,836,956</b>	<b>\$62,615,663</b>	<b>\$56,954,097</b>	<b>\$6,389,353</b>	<b>\$6,389,353</b>	<b>\$8,945,095</b>
Year	Allocation	Revenues Available for Projects (80%)	Allocation	Revenues Available for Projects (80%)	Allocation	Revenues Available for Projects (80%)	Allocation
2021	\$7,261,100	\$5,808,880	\$9,122,920	\$7,298,336	\$930,910	\$744,728	\$1,303,274
2022	\$7,716,844	\$6,173,476	\$9,695,523	\$7,756,418	\$989,339	\$791,471	\$1,385,075
2023	\$8,200,875	\$6,560,700	\$10,303,663	\$8,242,930	\$1,051,394	\$841,115	\$1,471,952
2024	\$8,714,906	\$6,971,925	\$10,949,498	\$8,759,598	\$1,117,296	\$893,837	\$1,564,214
2025	\$9,260,754	\$7,408,603	\$11,635,307	\$9,308,245	\$1,187,276	\$949,821	\$1,662,187
2026	\$9,840,338	\$7,872,270	\$12,363,501	\$9,890,801	\$1,261,582	\$1,009,265	\$1,766,214
2027	\$10,455,686	\$8,364,549	\$13,136,631	\$10,509,305	\$1,340,473	\$1,072,378	\$1,876,662
2028	\$11,108,941	\$8,887,153	\$13,957,388	\$11,165,910	\$1,424,223	\$1,139,379	\$1,993,913
2029	\$11,802,369	\$9,441,895	\$14,828,618	\$11,862,894	\$1,513,124	\$1,210,499	\$2,118,374
2030	\$12,538,359	\$29,410,722	\$15,753,323	\$36,951,932	\$1,607,482	\$3,770,605	\$2,250,475
<b>Totals 2021-2030</b>	<b>\$96,900,172</b>	<b>\$96,900,172</b>	<b>\$121,746,371</b>	<b>\$121,746,371</b>	<b>\$12,423,099</b>	<b>\$12,423,099</b>	<b>\$17,392,339</b>
Year	Allocation	Revenues Available for Projects (80%)	Allocation	Revenues Available for Projects (80%)	Allocation	Revenues Available for Projects (80%)	Allocation
2031	\$13,319,434	\$10,655,547	\$16,734,673	\$13,387,738	\$1,707,620	\$1,366,096	\$2,390,668
2032	\$14,148,253	\$11,318,603	\$17,776,010	\$14,220,808	\$1,813,879	\$1,451,103	\$2,539,430
2033	\$15,027,622	\$12,022,098	\$18,880,859	\$15,104,687	\$1,926,618	\$1,541,295	\$2,697,266
2034	\$15,960,496	\$12,768,397	\$20,052,931	\$16,042,345	\$2,046,217	\$1,636,974	\$2,864,704
2035	\$16,949,985	\$13,559,988	\$21,296,135	\$17,036,908	\$2,173,075	\$1,738,460	\$3,042,305
2036	\$17,999,363	\$14,399,490	\$22,614,584	\$18,091,667	\$2,307,611	\$1,846,088	\$3,230,655
2037	\$19,112,072	\$15,289,657	\$24,012,603	\$19,210,082	\$2,450,266	\$1,960,212	\$3,430,372
2038	\$20,291,727	\$16,233,382	\$25,494,735	\$20,395,788	\$2,601,504	\$2,081,203	\$3,642,105
2039	\$21,542,127	\$17,233,701	\$27,065,749	\$21,652,599	\$2,761,811	\$2,209,449	\$3,866,536
2040	\$22,867,251	\$53,737,467	\$28,730,648	\$67,516,304	\$2,931,699	\$6,889,419	\$4,104,378
<b>Totals 2031-2040</b>	<b>\$177,218,329</b>	<b>\$177,218,329</b>	<b>\$222,658,926</b>	<b>\$222,658,926</b>	<b>\$22,720,299</b>	<b>\$22,720,299</b>	<b>\$31,808,418</b>
<b>Totals 2011-2040</b>	<b>\$323,955,458</b>	<b>\$323,955,458</b>	<b>\$407,020,960</b>	<b>\$401,359,394</b>	<b>\$41,532,751</b>	<b>\$41,532,751</b>	<b>\$58,145,851</b>

Note: The release of the accrued contingency funds are identified in every 10th year of the program, however, actual releases of funds may occur within each 10-year programming period.



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General policies guiding the allocation of funds for passenger rail transit, bus transit, and pedestrian/bicycle projects include the following:

### ***Funding Targets***

Within the Passenger Rail, Bus and Bicycle/Pedestrian Category, ten-year transit funding targets have been identified for the Passenger Rail Transit, Bus Transit, Bus Rapid Transit (BRT) Capital, and the Pedestrian and Bicycle Facilities and Safety programs. The ten-year targets correspond to the periods 2011-2020, 2021-2030 and 2031-2040. The funding targets assume programming of ninety percent (90%) of the available funding during the 2011-2020 period. The ten percent (10%) retained as a contingency will be reserved for future allocation based on population and transit service growth within the county. The exception to the ten percent contingency is the Bus Transit subcategories of the Commute Connection, Park and Ride programs, Regional Transit Systems, and Pedestrian and Bicycle Facilities and Safety category.

The contingency for the 2021-2030 and 2031-2040 programming periods will default to 20 percent (20%) and will be re-assessed during a subsequent Strategic Plan update. The accrued contingency funds will be available for possible reallocation within the MK Renewal Transit Category as additional transit operators become eligible, a significant funding issue arises within the transit category, or at the end of each ten year programming period. An initial review of contingency funding levels will occur within five years following initiation of the MK Renewal program, or by the end of 2016.

As a goal, transit capital projects are to be funded based on a MK Renewal match of up to twenty percent (20%), with the remaining eighty percent (80%) to be funded through other revenue sources.

Operating funds (including funds for transit planning) for passenger rail, bus transit services, including the provision of interregional/ intra-city commute services and inter-city and paratransit services, are to be funded with a MK Renewal match of up to seventy-five percent (75%).

### ***Regional Services and Collaboration***

Local jurisdiction transit providers will utilize the SJCOG's Interagency Transit Committee (ITC) as the forum for advising and recommending to the Board of Directors, through its standing committees, the future allocation of MK Renewal transit revenues. The committee will also encourage the development and coordination of planning activities for implementation of short- and long-range transit plans, particularly for intercity, interregional and paratransit bus services, as well as implementation of BRT and rail services.

#### **4.3.1 PASSENGER RAIL**

Thirty-nine percent (39%) of the Passenger Rail, Bus and Bicycle/Pedestrian Category funds is to be allocated to passenger rail. These projects include track and infrastructure improvements, locomotives or rail passenger car procurement/replacement, connectivity with other transit systems, service enhancements, and operations. Specific policies guiding the allocation of funds for bus transit projects consist of the following:

### ***Funding Targets***

1. Ten percent (10%) of the funds retained as a contingency will be reserved for future allocation
2. The San Joaquin Regional Rail Commission is the sole eligible recipient of funding from the Passenger Rail Category at this time.

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### ***Project Identification and Allocations***

1. Passenger rail projects identified in this Strategic Plan and eligible for capital improvements and operating funds under this program include, but are not limited to:
  - a. ACE Maintenance and Layover Facility Debt Service
  - b. Capital Spares
  - c. UPRR Capital Access Fee
  - d. SJRRC and ACE Operations
  - e. Ripon Multimodal Station

### **4.3.2 BUS TRANSIT**

Forty-nine percent (49%) of the Passenger Rail, Bus and Bicycle/Pedestrian Category funds is to be allocated to bus transit projects. These projects include interregional/intra-city commute, inter-city, and elderly/persons with disabilities bus service. Inter-city and elderly/persons with disabilities service promotes both bus services between the cities within San Joaquin County for all trip purposes and specialized elderly/persons with disabilities bus services throughout San Joaquin County. Interregional/intra-city commute service includes bus programs to promote peak hour and commute services. Specific policies guiding the allocation of funds for bus transit projects consist of the following:

#### ***Funding Targets***

1. A weighted formula based on transit ridership (50%), vehicle revenue hours (25%), and vehicle revenue miles (25%) shall be used to allocate Measure K Renewal Bus Category funding.
2. An amount equal to fifty percent (50%) of the City of Ripon's and City of Escalon's share of the transit category based upon population will be made available for transit service to the

Modesto area from those communities. Any funds not used by the Cities of Ripon and Escalon will be made available for regional transit purposes.

3. The Bus category contains funding for the SJCOG Commute Connection, Park and Ride, and Regional Transit System programs. Funding will be made available for the Commute Connection program in FY 2014/2015 and Regional Transit Systems in 2016/2017.
4. Funding for competitive allocation cycles for the Park & Ride Lease Lot program will be identified every two years. The Capital Lot call for projects will commence in FY 2016/2017.

### ***Project Identification and Allocations***

1. The allocation of MK Renewal funds for bus transit capital projects and services will ensure that program funds are allocated consistent with adopted short-range bus transit plans and the SJCOG 20-year Regional Transit Systems Plan.
2. Local jurisdiction transit programs are eligible to apply for funding provided that, with the exception of local jurisdictions with less than 75,000 population, the San Joaquin Regional Transit District and the San Joaquin Regional Rail Commission, none of their Transportation Development Act (TDA) local transportation funding (LTF) is claimed or reclaimed under State law for local streets and road purposes, excluding pedestrian and bicycle facilities. The City of Manteca elected not to receive Measure K Renewal funding during the 2011-2020 period.
3. Under the Passenger Rail, Bus and Bicycles Category, \$1.6 million is allocated within the 2011-2020 period for SJCOG's Park-and-Ride Lot Program and \$4 million is allocated for its Commute Connection Ridesharing Program. An additional \$400,000 is

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allocated for programs that promote regional initiatives, consistent with SJCOG's adopted 20-year regional transit plan. Regional Initiatives could include, for example, development of a San Joaquin County regional transit services map, a universal fare card system, activities in support of implementing intelligent transportation system (ITS) technology that encourages transit use, and implementation of transit security awareness programs and measures. These funds are intended to match state and federal funds. Should unallocated funds exist at the end of the first ten-year planning period, the funds will become available for use during the following ten year period.

5. Consistent with the funding distribution formulas, the eligible recipients shall receive the following shares of the Measure K Renewal Bus subcategory funding less the allocations to the Commute Connection, Park and Ride, and Regional Transit Systems subcategories: San Joaquin Regional Transit District (~90%), City of Lodi (~9%), City of Ripon (1.11%), and City of Escalon (0.52%).
6. Bus Transit projects identified in this Strategic Plan and eligible for operating funds and capital improvements under this program include, but are not limited to:
  - SJRTD BRT Express Operations
  - SJRTD Intercity Service Operations
  - SJRTD Interregional Service Operations
  - SJRTD Fleet Engine Replacement
  - SJRTD Passenger Amenities
  - Lodi Grapeline Transit Services

- Ripon Weekday Service Operations to Modesto
- Ripon Transit Capital Project
- Escalon Weekday Service Operations to Modesto

#### **Park & Ride Lots**

Projects eligible for Measure K Park & Ride Lot funds under Bus Transit will be identified through a Park & Ride Master Plan that will be updated every five years. Specific guidelines include:

- Funding is one hundred percent (100%) competitive with prioritization based upon demand, project readiness, and consistency with priority locations in the Master Plan;
- Funding is eligible for project development, construction and parking lot amenities (lighting, security, etc.);
- Eighty-four percent (84%) of the funding is available for capital lots with a twenty-five percent (25%) match, fifteen percent (15%) of the funding is available for leased lots, and one percent (1%) of the funding is available for amenities.

A cooperative agreement will be required within sixty (60) days for all projects following approval of funding. Capital projects will be required to be completed within three years.

#### **4.3.3 BRT Capital**

Seven (7%) percent of the Passenger Rail, Bus and Bicycle/Pedestrian Category funds is to be allocated to the BRT Capital projects. These projects include, but are not limited to: corridor improvements such as traffic signal controller upgrades and signal preemption, passenger shelters and off-board fare vending machines, bus turn outs, vehicle procurement/replacements, and

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maintenance facilities to store and maintain BRT vehicles. Specific policies guiding the allocation of funds for bus transit projects consist of the following:

**Funding Targets**

1. Ten percent (10%) of the funds retained as a contingency will be reserved for future allocation.
2. BRT Capital funding is available to eligible BRT systems.
3. The SJRTD is the sole eligible recipient of funding from the BRT Capital category at this time.
4. As a goal, BRT capital projects are to be funded based on a MK Renewal match of up to twenty percent (20%), with the remaining eighty percent (80%) to be funded through other revenue sources.

**Project Identification and Allocations**

1. BRT Capital projects identified in this Strategic Plan and eligible for capital improvements under this program include, but are not limited to:
  - SJRTD BRT Fleet Replacement
  - SJRTD BRT Passenger Amenities and Stations
  - SJRTD Maintenance Facilities

**4.3.4 BICYCLES, PEDESTRIANS, AND SAFE ROUTES TO SCHOOL**

Seven percent (7%) of the Passenger Rail, Bus and Bicycle/Pedestrian Category funds is to be allocated to pedestrian/bicycle projects. These projects are to expand and enhance pedestrian and bicycle safety and facilities within San Joaquin County. Specific policies guiding the allocation of

funds for pedestrian/bicycle projects include the following:

**Program Vision**

The Bicycle / Pedestrian & Safe Routes to Schools (PB~SRtS) program builds upon current successes to meet the mobility needs for people of all ages and abilities in San Joaquin County by improving and enhancing the existing bicycle and pedestrian network.

Improving and enhancing the bicycle and pedestrian network is realized through better connectivity, accessibility, and safety measures between specific origins and destinations referred to as Community Activity Centers (CACs). CACs include, but are not limited to, the following:

- Employment
- Shopping
- Key neighborhood attractors
- Urban & rural schools
- Regional Transit Centers
- Special regional / community events

**Funding Targets**

1. Forty percent (40%) of the funds will be allocated to the local jurisdictions according to their proportionate share of the total incorporated and unincorporated population.
2. Sixty percent (60%) of the funds will be allocated according to a competitive grant process. Funding levels for competitive allocation cycles for the Bicycles, Pedestrians, Safe Routes to School program will be identified every five years as part of the update of the Regional Bicycle, Pedestrian, and Safe Routes to School (BP-SRtS) Master Plan.

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**Project Identification and Allocations**

**Non-Competitive Program**

1. Based on the most recent census population figures available, Measure K non-competitive 40% funds are allocated by population with a \$5,000 minimum available per jurisdiction.
2. These funds are to be used to deliver eligible bike, pedestrian, and safe routes to schools related projects.
3. The status of non-competitive funds available will be reported every other year beginning after the completion of two full years of MK renewal have passed. Each jurisdiction will have the opportunity to claim all or a portion of the funds to deliver eligible projects. The reported allocation must be claimed within three years. This means a recipient has a full funding cycle plus a one-year grace period to claim the funds. If funds are not claimed within this time period, it is assumed that no projects are ready to go. At that time, funds will be shifted to the competitive program unless an extension is granted by SJCOG. Approved claims will be paid with 30 days of receipt. To make a claim, a jurisdiction must comply with the following:
  4. Complete a Non-Competitive Funding Claim Form.
  5. Submit with the Claim Form a project specific resolution from the jurisdiction's Governing Board. The resolution needs to authorize the contact person identified in the Assurances section to act on behalf of the project. The resolution needs to confirm compliance with the following Assurances:

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ASSURANCES

*I hereby certify, and am authorized to make, the following assurances on behalf of the agency claiming Measure K Bicycle Program (PROGRAM) non-competitive funds.*

*This project lies entirely within San Joaquin County, and does not duplicate an existing bicycle facility and that the project(s) is, or will be, contained in an adopted local or regional bicycle plan.*

*The claim for the project has been authorized by the governing board of my agency in a resolution that includes all stipulated understandings and assurances as defined in this claim.*

*The project is not by nature a maintenance or rehabilitation project, and this agency certifies that it will bear responsibility for the maintenance and operation of the facility presented in the claim.*

*Measure K funds identified in this claim are not being used in place of developer funds.*

*This agency, as a condition of eligibility for PROGRAM funds for this project and can finance, acquire, and construct it.*

*The agency will cause work to be commenced on the project within a reasonable time after approval of a Measure K Non-Competitive BP~SRtS Program claim form. The claim form will be used in lieu of a contract. Successful claimants will encumber allocated (claim approved) program funds prior to the following claim cycle. Extensions for unclaimed funds must be requested in writing by the end of the grace period.*

*The agency will comply where applicable with provisions of the California Environmental Quality Act, the American with Disabilities Act, and any other applicable federal, state and/or local laws and/or regulations.*

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*I certify that the information contained in the PROGRAM claim, including attachments, is accurate to the best of my knowledge that I have read and understand the information contained in the claim, and agree to the assurances on this form.*

6. All projects (except for planning efforts) must be in a pending or adopted local or regional bicycle plan. Projects must lie entirely within the San Joaquin County.
7. Transportation Development Act (TDA): Jurisdiction using TDA pedestrian/bike money for other than BP~SRtS project cannot claim Program funds. If TDA pedestrian/bike monies are spent on road and street projects in any year after funds have been claimed, the jurisdiction cedes its next Program cycle funds for the other jurisdictions to claim.
8. Non-competitive funds cannot be used for maintenance efforts.
9. Developer Funds: Measure K funds may not substitute for developer funds.
10. Jurisdictions must submit to SJCOG a semiannual project delivery status reports. Report would include, for example, percentage of project completed, project phase, amount of funds expended, challenges, successes, anticipated time when for project completion.
11. After the project is complete, jurisdiction will submit a project completion report to SJCOG. This report is intended to summarize, for example, project completion date and final cost. Future allocations will be made only after reports on completed projects have been submitted.
12. Eligible non-competitive projects include:

- Class I Bikeway (Bicycle Path or Trail) that includes exclusive right-of-way for bicycles.
- Class II Bikeways (Bike Lanes) within the paved area of highways.
- Class III Bikeways (Bike Routes) established along through routes not served by Class I or II bikeways, or connecting discontinuous segments of bikeway.
- Safe Routes to School needs assessments, new planning, implementation studies or educational programs.
- Auxiliary facilities including but not limited to: bicycle lockers or other storage facilities, bicycle- actuated traffic signals, traffic calmers, landscaping, signage, lighting, bicycle-related roadway widening, restriping, parking removal, bridges.
- Within a 2-mile radius of a school, Class I, II, III and auxiliary facilities projects that clearly support in-school youth to safely walk and bike to and from school.

13. Up to 10% of non-competitive funds claimed may be used for administration and other in-house related costs.

### **Competitive Program**

A Regional BP-SRtS Master Plan (Plan) will to identify key projects to be programmed and funded, at minimum, with the use of competitive 60% funds to ensure that all projects will advance regional goals and address areas having the greatest need.

The Plan:

- Builds upon local bike/pedestrian plans.
- Establishes regional priorities and performance measures.

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- Improves bike and pedestrian connectivity (regional, inter- & intra-city).
  - Identifies regional CACs.
  - Fosters planning between jurisdictions and schools.
  - Improves access to schools from local neighborhoods by improving walking and biking access and the deployment of strategic safety measures such as traffic calming measures.
  - Formulates a list of projects to pursue.
  - Enables individual jurisdictions to leverage federal, state, and private funding for bike, pedestrian, and safe routes to school purposes.
1. Projects included in the Plan are intended to provide regional benefit. Regional benefit can be derived from projects at the local as well as the multi-jurisdictional level. The Plan's outcomes will be incorporated into the Measure K Strategic Plan for funding purposes.
  2. All projects funded under the program must demonstrate a nexus that promotes biking and/or walking and supports travel to and from a defined community activity center.
  3. Eligible projects identified under the Plan include pre-construction (e.g., planning, design, and environmental clearance) and construction activities (e.g., construction management and construction) required for delivering capital projects. These capital projects are expected to command the majority of available funding under the BP-SRtS program and must improve safety and the ability to walk and bike to identifiable CACs.
  4. Funds may be used for right-of-way acquisition upon approval by the SJCOG Board of Directors on a case-by-case basis with consideration of both legal and financing constraints. BP-SRtS funds cannot be used for on-going maintenance and operation of existing and/or future facilities. All competitive funds expended for preconstruction activities that do not result to the delivery of a capital project must be reimbursed back to the BP-SRtS program by the sponsoring agency.
  5. All projects funded under the competitive program involving improvements on the local transportation system must be fully supported and submitted by the appropriate incorporated city or the County of San Joaquin. Any project involving the state highway system must have full support from the State Department of Transportation.
  6. Many of the BP~SRtS capital projects are expected to involve a combination of strategies that support biking and walking to and from CACs. Types of bike/pedestrian projects identified in the Plan can include:
    - Bicycle
      - Class I off-street paved bike paths.
      - Class II on-street striped and signed bicycle lanes.
      - Class III on-street shared-lane signed bicycle routes separate that facilitate regional bike network connectivity.
    - Pedestrian
      - Cross walks supported with latest safety Intelligent Transportation System (ITS) technology.
      - Barrier overcrossings (bike & pedestrian).

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### Safe Routes to Schools

These are bicycle/pedestrian projects that will enhance the safety of in-school youth going to and from their school as an identified CAC. These projects must be made on public property and at a minimum, must be within a two (2) mile radius from a public school. Projects would involve, for example:

- Bicycle facilities.
  - Pedestrian facilities.
  - Strategic traffic calming strategies (e.g., traffic control devices, speed bumps, sidewalk extensions, widening sidewalks and narrowing streets, traffic circles, raised medians, traffic diverters).
7. The Strategic Project Programming (SPP) process will determine the amount of competitive funding available for project delivery. As a “Pay Go” program, this will establish the ceiling of funding commitments that can be made on an annual basis.
  8. SPP process is based on the amount of funds projected to be realized within the 5-year window relative to the total annual amount available for use in any given year. In addition to the competitive funds, a jurisdiction can advance up to five (5) years of non-competitive funds to be coupled with competitive funds to accelerate project delivery. The amount of non-competitive funding that can be advanced will be dependent on available capacity within the year(s) the project is intended to be delivered.
  9. As a component of the competitive program, the Regional BP~SRtS Master Plan will identify ancillary support needs to be built into the Measure K Strategic Plan. These are individualized community-based needs that are not

part of a larger project. Examples include:

- Bike racks and enclosed bike storage facilities.
  - Lighting & signage.
  - Bike and pedestrian education and promotion efforts.
  - School site specific safe routes to school assessments.
10. Total amount of funds available in a given year for ancillary support will be determined as part of the SPP programming process.
  11. Applications detailing, at minimum, need and cost are to be submitted to SJCOG by a qualifying public school district or 501 (c)(3) organization. Ability to match the funding request up to a minimum of 10% is desired. Use of Measure K BP~SRtS 40% funds or LSR funds could be used to meet the matching fund requirement. The application must be accompanied by a letter of support from the jurisdiction where the need is located indicating that use of these funds to meet the matching requirement is confirmed. Other non-Measure K funds used to meet the matching fund requirement can include private or public funds that are at the discretion of the applicant agency. Applications will be processed and scored by SJCOG along with input from the BP~SRtS Advisory Group. Results will be reported to the SJCOG Board of Directors.
  12. Use of competitive funds for non-ancillary purposes must be matched with funds from another source. Ability to match the funding request up to a minimum of 20% is desired. The matching requirement can be met with Measure K BP~SRtS non-competitive funds and/or Local Street and Repair funds. Non-Measure K funds can



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include other local funds or appropriate federal and state funds.

13. All competitive project delivery parameters and expectations (e.g., tasks, costs, delivery schedules, reporting requirements) will be captured in a Measure K Cooperative Agreement or other formally executed document. SJCOG's Executive Director reserves the right to administratively enter into contract with an agency if the amount of the competitive project is under \$25,000.
14. Should a project sponsor be unable to deliver a project based on their commitment, the sponsor shall forfeit their Measure K allocation back to the origin category funding pool. The funds will be used for funding other BP-SRtS projects.
15. Any savings from a successful planning activity can be used to further the delivery of that project through its phases when approved. All cost savings from projects that involve bids must be returned back to the BP-SRtS program.

### ***Use and Leveraging of Outside Funding Sources***

Measure K funds under this program are intended to leverage non-Measure K funding sources. Each BP-SRtS project sponsor will be required to apply to alternative grant funding sources when available, including the State Bicycle Transportation Account (BTA), State and federal Safer Routes to Schools (SRTS/SR2S), San Joaquin Valley Air Pollution Control District, etc. BP-SRtS funds can be used to meet any required matching fund requirements associated with the outside funding application processes.

### ***Eligible Applicants***

Eligible applicants under competitive BP-SRtS program funding include all incorporated cities and the County of San Joaquin, the San Joaquin Regional Transit District (SJRTD), and the San Joaquin Regional Rail Commission (SJRRRC). Individual schools districts and 501 (c)(3) organizations are eligible to submit funding requests for eligible ancillary support need projects.

### ***Regional Collaboration***

A BP-SRtS advisory committee consisting of representatives from local jurisdictions and key public and private stakeholders will be maintained to support the development of the Regional BP-SRtS Master Plan, monitor and further the program's success, and update the program's implementation guidelines/standards as needed.

## **4.4 RAILROAD CROSSING SAFETY PROGRAM**

Two and one-half percent (2.5%) of the net sales tax revenues generated under the MK Renewal program is to be allocated to railroad crossing safety projects. Railroad crossing safety projects include grade separation facility projects, meant to separate local roads and streets from railroads, as well as at-grade improvements. Funds are to be used to match state and local revenues to fund eligible railroad crossing safety projects as identified in the MK Renewal Expenditure Plan. Specific policies guiding the allocation of funds for Railroad Crossing Safety projects include the following:

### ***Allocation Criteria***

1. Improving safety for vehicle occupants, pedestrians and bicyclists shall be a higher priority than

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- reducing vehicle delays at existing at-grade crossings.
2. In general, new railroad crossing safety projects shall be funded prior to improving existing grade separations.
  3. For grade crossing projects that would benefit passenger rail service, the SJCOG shall consider using sales tax funding provided through both the Passenger Rail Transit and Railroad Crossing Safety categories.
  4. Project sponsors shall submit all grade crossing projects for California Public Utilities Commission funding.
  5. Should total sales tax revenues increase over time or should there exist funds that have been previously allocated but unused within a ten year programming period, the SJCOG may consider funding other railroad crossing safety projects identified in the MK Renewal Expenditure Plan.
  6. As with the other MK Renewal Categories, sales tax funds should be used to fund the least expensive design alternative that can meet the project purpose and need and other applicable requirements.
  7. Sales tax funds are generally intended to be used for planning, design, environmental clearance, construction management and construction. Sales tax funds may be used for right-of-way acquisition upon approval by the SJCOG Board on a case-by-case basis with consideration of both legal and financing constraints.
  8. A full funding plan and detailed schedule through construction will be a part of the cooperate agreement for all capital project components,

including right-of-way and construction.

9. Cost savings from construction projects will be returned to the program for use on other MK Renewal eligible projects, except for earlier phases of multi-phase projects and in cases where the local jurisdiction is using their full project allocation towards the cost of debt service.

### ***Funding Targets***

Railroad crossing safety project allocations assume the programming of ninety percent (90%) of the available funding in the category, with ten percent (10%) retained as a contingency for future allocation based upon the application of approved screening criteria. The ten percent (10%) contingency is established to provide a means to address potential changes in both railroad and roadway development over the 30-year life of the program that may result in railroad crossing impacts that currently do not exist. The SJCOG Board will periodically review the programming of the contingency.

### ***Project Identification and Allocations***

1. Based on the application of screening criteria, eight projects are eligible to receive initial MK Renewal funding allocations from the ninety percent (90%) programming available under this category. These projects include:
  - a. City of Escalon, which could consist of a project at one of four locations: State Route 120/Yosemite/BNSF, Bellota/BNSF, St. Johns Road/BNSF, or First Street/BNSF.
  - b. San Joaquin County/City of Stockton – West Lane/UPRR
  - c. City of Stockton – Lower Sacramento Road/UPRR (Bear Creek)

- d. City of Stockton – Eight Mile Road/UPRR
  - e. City of Stockton – Eight Mile Road/UPRR/SPRR
  - f. City of Lodi - Harney Lane/UPRR
  - g. City of Manteca – Airport Way/UPRR
  - h. City of Stockton – Alpine Road and UPRR/SPRR
2. Each of the eight projects identified for funding will receive a maximum allocation of approximately \$7.7 million (2011\$) in MK Renewal Railroad Crossing Safety funds subject to actual debt service costs identified in the MK Renewal Financial Plan. Funding allocations will be based upon “pay-go” funding availability and a first-come, first-serve prioritization.
  3. MK Renewal Crossing Safety funds will not be used by project sponsors to determine which location of the previously identified possible locations will be constructed. No MK Renewal funds will be authorized for expenditure by the SJCOG until a single project has been identified by the project sponsor.

***Project Delivery Performance***

It is the intent of the Railroad Crossing Safety Category to address critical existing railroad crossing safety needs. With the advancement of the three City of Stockton grade crossing projects as part of the Early Action Program (Lower Sacramento Road/UPRR, Eight Mile Road/UPRR, and Eight Mile Road/UPRR/SPRR) the remaining projects will be funded based upon “pay-go” funding availability on a first-come, first-serve prioritization. In recognition that current revenue projections do not allow for a fourth grade crossing to be funded until beyond the current 10-year

programming horizon, project delivery performance policies will identified in a future update of the Strategic Plan when additional Railroad Crossing Safety projects are programmed.

***Regional Collaboration***

Local jurisdictions in San Joaquin County will utilize the SJCOG’s Technical Advisory Committee as the forum for advising and recommending to the Board of Director’s the future allocation of MK Renewal railroad crossing safety revenues.

**4.4 SMART GROWTH INCENTIVE PROGRAM**

Sixty-five million (\$65 million) of MK Renewal funding will be made available during the life of the MK Renewal program for smart growth incentives to local jurisdictions in San Joaquin County. These funds will be available for infrastructure enhancements, such as street calming, walkable community projects, transit amenities and alternative modes of transportation that will assist local agencies in better integrating transportation and land use. These funds will be available to support infill development, neighborhood revitalization and downtown improvements.

Specific policies guiding the allocation of funds for the Smart Growth Incentive Program include the following.

***Funding Targets***

1. \$65 million is to be allocated for smart growth incentives. Coupled with revenues from other transportation programs, it is estimated that between \$65 million and \$100 million in funding will likely be available to local jurisdictions under this program.
2. All of the funding available under this program will be allocated via a competitive allocation process.

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3. The SJCOG Board should consider opportunities to use Regional Surface Transportation Program (RSTP) funds to support the Smart Growth Incentive Program as an exchange for the \$65 million in MK Renewal funds. Implementation of a RSTP/MK Renewal funding exchange policy would occur on a RSTP cycle-by-cycle programming basis.

***Project Identification and Allocations***

1. Program applicants must be public agencies eligible to receive federal funds. To be successful, applicants are encouraged to partner with other agencies/groups, including private and non-profit organizations, in applying for funds.
2. The maximum MK Renewal Smart Growth Incentive Program match is fifty percent (50%), with the remaining fifty percent (50%) to be provided through other funds, including funding from other Measure K Renewal categories. Higher matches of other funds (i.e., greater than 50%) are encouraged.
3. For individual projects, total MK Renewal Smart Growth Incentive Program contributions would range between a minimum of \$50,000 and a maximum of \$2 million.
  - a. For project planning, the contribution would be capped at \$250,000 per project.
  - b. For environmental analysis, design and engineering, the contribution would be capped at \$250,000 per project.
  - c. For project construction, the contribution would be the difference between funds already spent and an allocation limitation not to exceed \$2 million.

- d. Construction funds are only to be used on Smart Growth project elements (i.e., not for utility relocation, etc.).

4. Of the \$65 million to be allocated during the 30 year period, \$5 million is to be spent for planning purposes, with the remaining \$60 million to be spent for design, engineering and construction
5. During the initial years of the program, a larger percentage of MK Renewal Smart Growth Incentive Program funds shall be used to support planning activities. MK Renewal funds used for planning may be allocated based on a 50 percent match. Over time, the percentage for planning activities would decrease, with a larger share of the funds to be used for design, engineering and construction purposes.
6. Smart Growth Incentive program funds can be used for project planning, design, environmental clearance, construction management and construction. It is expected that the local sponsor (or other non-MK Renewal revenue source) will provide a significant portion of funds needed to acquire any right-of-way. Applicants will be required to provide funds for ongoing project maintenance and/or operation.
7. Cost savings from construction bids will be returned to the program for use on other MK Renewal Smart Growth projects, except for earlier phases of multi-phase projects.
8. As with the other MK Renewal categories, sales tax funds should be used to fund the most cost-effective design alternative that can meet the project purpose and need and other applicable requirements.
9. Should MK Renewal funds allocated for a project remain unspent at the end of

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any five-year planning period (e.g., 2016, 2021, etc.), the funds will become available for funding other Smart Growth Incentive projects. Sponsors with unspent MK Renewal funds are eligible to reapply for Smart Growth Incentive Program funding for their projects.

10. A full funding plan and detailed schedule through construction will be a part of the cooperative agreement for all capital project components, including right-of-way and construction. Each project sponsor shall adhere to its adopted project schedule and report to the SJCOG at least annually its progress in achieving schedule milestones. Should a sponsor be unable to deliver a project

based on their commitment, the sponsor shall forfeit their MK Renewal allocation back to the categorical funding pool.

### ***Regional Collaboration***

Every two years, a Smart Growth Committee will be created to review and update the program criteria as needed, evaluate and rank projects, and make funding recommendations to the SJCOG Technical Advisory Committee (TAC). Based on the work of the Smart Growth Committee, the TAC would then forward its own recommendations to the Board of Directors for the allocation of MK Renewal revenues in support of the Smart Growth Incentive Program.