



DATE: October 13, 2020

CATEGORY: Consent

DEPT.: Public Works

TITLE: **Support Ballot Measure RR to Preserve Caltrain**

RECOMMENDATION

1. Waive the City Council Policy A-16 requirement that ballot measures be referred to staff for analysis by majority vote of the City Council before the Council takes a position on a measure in order to consider Measure RR.
2. Adopt a Council policy position of support for Measure RR, a sales tax measure to preserve Caltrain.

BACKGROUND

California Senate Bill 797 (SB 797, 2017) allowed the Peninsula Corridor Joint Powers Board (JPB or Caltrain) to place a 30-year, one-eighth-cent sales tax for Caltrain improvements and operations on the ballot in the counties of Santa Clara, San Mateo, and San Francisco, if approved by the transportation agencies and boards of supervisors in all three counties. This seven-agency approval process (involving the JPB, San Francisco Municipal Transportation Authority (SFMTA), San Mateo County Transportation District (SamTrans), Santa Clara Valley Transportation Authority (VTA), and Boards of Supervisors of Santa Clara, San Mateo, and San Francisco counties) was achieved in August 2020. As a result, Measure RR, a 30-year, one-eighth-cent sales tax to provide Caltrain with a dedicated revenue source, will appear on the November 3, 2020 ballot. This sales tax will provide approximately \$100 million annually in order to continue and expand Caltrain operations.

Mountain View City Council Policy A-16 states that Council may take a position on a ballot measure if it would directly impact the City's finances, responsibilities, legal authority, or operations and the ballot measure has been referred to staff for analysis by majority vote of the City Council before Council takes a position on the measure.

According to the policy, Council's consideration of whether to refer the measure to staff for analysis shall be guided by certain guiding principles, including:

- The ballot measure would directly impact the City's finances, responsibilities, legal authority, or operations, or a significant portion of the residential or business communities of Mountain View that could, in turn, impact City government finances, responsibilities, legal authority, or operations; and
- The ballot measure is intended to protect or increase funding or otherwise benefit specific programs or services utilized in Mountain View; or
- The ballot measure is consistent with existing City policy, past action, or current City Council major goals; and
- The ballot measure has been reviewed by the City Manager or his/her designee.

ANALYSIS

Waive Requirement for Referral to Staff

Mail-in ballot voting for the November 3, 2020 election began on Monday, October 5, 2020. Staff recommends that Council waive Policy A-16's requirement that ballot measures be referred to staff for analysis by majority vote of the City Council before a staff recommendation is brought to Council. This will allow the Council to consider supporting the ballot measure at its meeting on October 13, 2020, early in the voting period.

This ballot measure has been reviewed by City staff as directed by the City Manager. Staff has determined it is consistent with the guiding principles specified in Council Policy A-16 for Council's consideration of whether to refer a measure to staff for analysis as the following apply:

- The measure will increase funding for Caltrain, which provides a valuable transit service for Mountain View. The reduction or loss of Caltrain service due to a lack of funding would lead to an increased use of motor vehicles for commuting. This in turn would result in more traffic congestion in the City and higher levels of greenhouse gas emissions, which will affect the residential and business communities of Mountain View. This will directly impact City responsibilities and operations related to the transportation system and achieving the City's sustainability goals.

- Preserving and enhancing Caltrain service is consistent with the City General Plan, past City Council actions, and City Council major goals. Specifically, General Plan Policy MOB-5 promotes local and regional transit that is efficient, frequent, convenient, and safe. Additionally, Council direction on the Caltrain Business Plan on April 9, 2019 included the principle that the City of Mountain View strongly supports Caltrain service.

Caltrain Service and Revenue Sources

Caltrain provides rail service between Santa Clara, San Mateo, and San Francisco counties. After Caltrain introduced Baby Bullet services in 2004, peak-hour travel speeds dramatically improved between San Francisco and San Jose, and ridership grew substantially. By 2019, Caltrain had an average weekday ridership of 65,000 passengers, including 5,500 daily boardings in Mountain View. The service provides high-quality regional transit access, which represents considerable savings in local and regional traffic congestion, air pollution, and demand on the roadway network.

Unlike most transit agencies, Caltrain lacks a dedicated revenue source to fund its operations. Even without a dedicated funding source, the system has become the seventh largest commuter railroad in the country, with a farebox recovery ratio of approximately 70 percent (meaning that 70 percent of operating costs were covered by passenger fares). This is the highest farebox recovery ratio of any rail transit agency in the United States. The remaining Caltrain funding comes from voluntary contributions from the three county partner transit agencies (SFMTA, SamTrans, and VTA).

With the COVID-19 Shelter-in-Place Orders issued in March 2020, residents reduced their movements and their use of public transit, and local companies instituted work-from-home practices. As a result of this situation, Caltrain ridership dropped by 95 percent in March 2020, which triggered a financial crisis for their continued operations. Currently, Caltrain service is supported by the Federal Coronavirus Aid, Relief, and Economic Security (CARES) Act funds; however, these funds are not expected to last through the end of 2020. Without new sources of funding or a significant increase in ridership, Caltrain will need to reduce or suspend service. Due to the nature of rail transit and its fixed costs, a reduction of service would not produce a commensurate reduction in costs. For this reason, suspension of service is a potential option if new revenue sources are not identified. Service suspension could be measured in years, rather than months.

Measure RR Ballot Language

The impartial analysis for Measure RR can be found in Attachment 1. Below is the ballot question for Measure RR as it will appear on the November 2020 ballot:

“To preserve Caltrain service and support regional economic recovery, prevent traffic congestion, make Caltrain more affordable and accessible, reduce air pollution with cleaner and quieter electric trains, make travel times faster, and increase Caltrain frequency and capacity between Santa Clara, San Mateo, and San Francisco counties, shall the Peninsula Corridor Joint Powers Board’s resolution levying a 30-year, one-eighth-cent sales tax with oversight and audits, providing approximately \$100 million annually for Caltrain that the State cannot take away, be adopted?”

Measure RR would provide a stable, dedicated revenue source to maintain Caltrain operations through the current COVID-19 pandemic. In the longer term, once Caltrain ridership returns to pre-COVID-19 levels, the sales tax revenue would help fund implementation of Caltrain Business Plan's 2040 Service Vision, including more frequent service, better midday service, and better timed connections with other local and regional services

Caltrain is an essential component of the Bay Area's regional rapid transportation network, providing access to jobs, reducing traffic congestion, and allowing for a sustainable path forward for future development. High-quality Caltrain service is one of the foundations of Mountain View's transportation and land use strategy as laid out in the General Plan. The City has planned future growth around this important transit service and based assumptions relating to trip generation and travel options on its availability. Consistent with Council Policy A-16 and the measure’s direct impact on the City’s responsibilities and operations, staff recommends Council support the Caltrain sales tax Measure RR to keep this vital regional rail system operating and provide future opportunities to enhance the service.

FISCAL IMPACT

Support for Measure RR would not have any fiscal impact on the City of Mountain View.

It is estimated that a one-eighth-cent transaction and use tax in the three counties of San Francisco, San Mateo, and Santa Clara would generate approximately \$100 million per year.

ALTERNATIVES

1. Do not support Measure RR.
2. Provide other direction.

PUBLIC NOTICING

The meeting agenda and Council report have been posted on the City's website. Notices have been sent to the Chamber of Commerce and other interested parties, and the meeting was promoted using social media.

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- Attachment:
1. County Counsel's Impartial Analysis for Measure RR
 2. Council Policy A-16