



SAN MATEO COUNTY
*Transportation
Authority*

2004 Transportation Expenditure Plan

- Developed with extensive public input
- Approved by the San Mateo County Transportation Authority, San Mateo County Board of Supervisors, each of the 20 cities within San Mateo County and the Metropolitan Transportation Commission

TRANSPORTATION EXPENDITURE PLAN

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I. SUMMARY

Measure A: Effective and Essential

The 1988 voter approval of Measure A, San Mateo County's half-cent transportation sales tax, adopted under provisions of the California Public Utilities Code commencing at Section 131000, has provided the County with a resource to meet its multi-faceted transportation challenges during the past 16 years. The measure also marked the development of the San Mateo County Transportation Authority (hereafter referred to as the TA), the agency created to administer the sales-tax funds. Because the measure ends in 2008, its extension is at the heart of the County's ability to continue meeting its growing transportation needs.

Growth in employment during the 1990s has increased traffic congestion along several highway segments in the County. Significant progress has been achieved in the County through investments in Caltrain and highway improvements; however, the task is not yet complete. As the economy rebounds and then continues to grow, we need to maintain our infrastructure to accommodate the accompanying traffic congestion in commute corridors and on local streets and roads.

Continuing traffic growth also has underscored the importance of additional safety measures, particularly grade separations along the Caltrain rail line and safe bicycle and pedestrian facilities. Local transit service, especially for the elderly and people with disabilities, has become increasingly important in communities throughout the County.

The extension of Measure A will provide San Mateo County with the resources to continue shaping the transportation program to best meet the needs of County residents. In nearly 20 years since the drafting of the current Transportation Expenditure Plan, the County has seen the emergence of a new set of challenges, which must be met if the quality of life in the County is to be preserved.

Developing the Next Transportation Expenditure Plan

The Transportation Expenditure Plan for the extension of Measure A began with a blank sheet of paper and was assembled through a process which embraced the many and varied constituencies that make up San Mateo County. Beginning in the Spring of 2003, we embarked on a process that included melding technical evaluations with the feedback from the public and elected officials throughout the County.

The TA provided an important forum for public input into the Transportation Expenditure Plan by sponsoring focus groups, three public workshops and hosting more than 30 outreach events to civic organizations, service groups and neighborhood associations. Through this public process, the TA gained perspectives of residents

representing both the general public and groups with special needs. The opinions and suggestions heard at these public outreach events were evaluated by professional staff from the TA, cities and local agencies who worked together to recommend a program which addresses both current and anticipated congestion needs.

While all projects were considered for the Transportation Expenditure Plan, not every project could be included because the total estimated cost of all the suggested projects was more than the current estimated income of an extended Measure A.

The Transportation Expenditure Plan reflects programs and projects identified by cities and local agencies plus additions from public workshops.

When creating the Transportation Expenditure Plan, the TA focused on building a balanced plan, consistent with the Countywide Transportation Plan, reflecting the wants and needs of the public combined with the recommendations of engineers and the support of elected officials.

Plan Vision

Through this multi-party process, a strategy has emerged.

- Target key, congested corridors for highway and transit improvements
- Continue to improve connections with regional transportation facilities
- Enhance safety in all aspects of the transportation system.
- Meet local mobility needs, especially those of seniors and people with disabilities
- Meet the Cities' and County's unique local transportation needs
- Leverage local, state and federal funds
- Encourage transportation projects that support transit-oriented development

These broad themes have been translated into a balanced plan which provides for the multi-faceted needs of San Mateo County. Specific programs and projects have emerged as components in a countywide strategy.

Transportation Expenditure Plan Program Categories

The Transportation Expenditure Plan provides for investment in six program categories. Each program category receives a percentage share of sales tax revenues, currently estimated at \$1.5 billion (in 2004 dollars) over a 25-year period.

	<u>Program Category</u>	<u>Percent Share</u>	<u>25-Year Estimated Revenue</u>
1.	Transit	30%	\$450 Million
2.	Highways	27.5%	\$412.5 Million
3.	Local Streets/Transportation	22.5%	\$337.5 Million
4.	Grade Separations	15%	\$225 Million
5.	Pedestrian and Bicycle	3%	\$ 45 Million
6.	Alternative Congestion Relief Programs	1%	\$ 15 Million

Up to one percent of the revenues is allocated for TA staff salaries and benefits.

Further detail on the specific program within each category is provided in the Transportation Expenditure Plan Summary and Project Description sections of this plan.

Oversight and Administration

The implementation of the Transportation Expenditure Plan will be the continuing responsibility of the current San Mateo County Transportation Authority. The TA is composed of seven elected officials representing the Cities in the County, the County of San Mateo and the San Mateo County Transit District.

The TA will be responsible for developing and updating a strategic plan to guide allocation decisions. The TA will develop the initial strategic plan by December 31, 2008, and prepare and update it at least every five years during the term of the Measure.

The Citizens Advisory Committee established under the original Measure A will continue to advise the TA. The TA also will work closely and cooperatively with the California Department of Transportation (Caltrans), the Metropolitan Transportation Commission (MTC) and the San Mateo City and County Association of Governments (C/CAG) on the programming of grant funding for Transportation Expenditure Plan programs and projects.

II. GOALS AND OBJECTIVES

The programs and projects contained in the Transportation Expenditure Plan are based upon the Countywide Transportation Plan and are essential to meeting the mobility requirements of San Mateo County. Four broad goals for the plan are supported by 15 more specific objectives, many of which are reflective of public feedback heard in workshops and at outreach events. Taken together, these Goals and Objectives are the strategy through which San Mateo County can shape its transportation future.

Goal 1. Reduce Commute Corridor Congestion

- A. Improve mass transit serving the County through investments in Caltrain, BART, ferries and local shuttle services.
- B. Construct key highway projects which remove bottlenecks in the most congested commute corridors as indicated by engineers and confirmed by public opinion.
- C. Provide funding for supplemental countywide highway projects determined to be critical for congestion reduction.
- D. Implement information technologies to optimize the efficiency of the transportation system.
- E. Provide incentives for employers to continue and expand their financial support for commute alternatives.

Goal 2. Make Regional Connections

- A. Improve Caltrain's Baby Bullet service as an alternative to driving on Highway 101 along the Peninsula.
- B. Provide San Mateo County's station and route improvements for the Dumbarton rail line connection with Alameda County.
- C. Provide financial assistance as SamTrans' local match for capital investments and operating expenditures associated with the existing San Mateo County/SFO BART Extension.
- D. Provide financial assistance as local match funds for cost-effective ferry service to South San Francisco and Redwood City.

Goal 3. Enhance Safety

- A. Construct roadway under and overcrossings (grade separations) along the Caltrain and Dumbarton rail lines in San Mateo County.
- B. Provide safe paths for bicyclists and pedestrians.
- C. Improve or maintain local streets, roads and other transportation facilities.

Goal 4. Meet Local Mobility Needs

- A. Provide adequate paratransit service for eligible seniors and people with disabilities through the Redi-Wheels and other accessible services administered by SamTrans.
- B. Improve local shuttle services to provide a viable option to the private automobile for local trips, and to meet the needs of transit dependents.
- C. Provide an assured source of funding to Cities and the County for local street and road improvement and maintenance and to meet the unique transportation needs of each community.

III. TRANSPORTATION EXPENDITURE PLAN SUMMARY

The Transportation Expenditure Plan contains six transportation program categories providing a balanced approach to meeting the mobility needs of San Mateo County. This summary lists the six program categories along with the major projects within each category. The percentage distribution of Measure A sales tax funding for each program category and project is listed along with the estimated dollars of Measure A, other funding and total cost. All dollar estimates are in 2004 dollars.

	Percent Share	Estimated Measure A Funding	Estimated Other Funding	Estimated Total Cost
A. <u>Transit</u>				
1. Improve Caltrain service through a combination of capital investments and operational expenditures.	16%	\$240M	\$250M	\$490M
2. Provide local shuttle services to meet local mobility needs and access to regional transit services.	4%	\$60M	\$60M	\$120M
3. Annually, 4 percent of the total revenue will be allocated to meet the special mobility needs of county residents through paratransit and other accessible services.	4%	\$60M	\$228M	\$288M
4. Provide financial assistance as local match funds for cost-effective ferry service to South San Francisco and Redwood City.	2%	\$30M	\$92M	\$122M
5. Provide financial assistance as SamTrans' local match for capital investments and operating expenditures associated with the existing San Mateo County/SFO BART Extension.	2%	\$30M	\$120M	\$150M
6. Provide station facilities and enhancements for the Dumbarton rail corridor through East Palo Alto, Menlo Park and Redwood City.	2%	\$30M	\$415M	\$445M
Transit Total	30%	\$450M	\$1,165M	\$1,615M

B. <u>Highways</u>		Percent Share	Estimated Measure A Funding	Estimated Other Funding	Estimated Total Cost
1.	Funding for projects in key congested corridors throughout the County.	17.3%	\$260M	\$260M	\$520M
2.	Funding for supplemental roadway projects throughout the County.	10.2%	\$153M	\$65M	\$218M
Highway Total		27.5%	\$413M	\$325M	\$738M
C. <u>Local Streets/Transportation</u>					
1.	Annually, 22.5 percent of the total revenue will be allocated to the 20 Cities and the County for the improvement and maintenance of local transportation, including streets and roads.	22.5%	\$338M	\$527M	\$865M
D. <u>Grade Separations</u>					
1.	Construction or upgrade of underpasses or overpasses at key road crossings along the Caltrain and Dumbarton rail lines.	15%	\$225M	\$125M	\$350M
E. <u>Pedestrian and Bicycle</u>					
1.	Provide safe paths for bicyclists and pedestrians.	3%	\$45M	\$25M	\$70M
F. <u>Alternative Congestion Relief Programs</u>					
1.	One percent of the total revenue will be allocated to fund traffic management projects and creative congestion relief programs.	1%	\$15M	\$15M	\$30M
		TOTAL	\$1,486M	\$2,182M	\$3,668M

Although the Transportation Expenditure Plan contains projects with inter-county implications, seeking the support of adjacent counties, as outlined in Section 131051(i) of the California Public Utilities Code, is unnecessary because Alameda, San Francisco and Santa Clara counties all have approved Transportation Expenditure Plans, which have been coordinated with San Mateo County.

IV. PROJECT DESCRIPTIONS

A. **Transit** Each of these projects is deemed to be of equal importance and they are not expressed in any priority order.

Project: *1. Caltrain Improvements*
Cost: \$490 million. Sales tax contribution estimated at \$240 million, Federal \$125-million and State \$125-million.
Sponsor: SamTrans, Peninsula Corridor Joint Powers Board
Description: Continue the current program to rebuild and upgrade Caltrain. Funding would be provided for San Mateo County's share of the capital cost of system wide improvements, including conversion of the line from diesel to electric operation. Funding would also be provided for existing stations upgrades, including expanded parking. Up to one-half of the available funding may be utilized to support operating costs.

Project: *2. Local Shuttle Service*
Cost: \$120 million. Sales tax contribution estimated at \$60 million. Other public and private \$60 million.
Sponsor: SamTrans
Description: This project sponsored by SamTrans would provide matching funding for the operation of local shuttle services.

Priority will be given to shuttle services which include a portion of the funding from businesses, employers and other private sector sources. Priority shall also be given to local services which connect with Caltrain, BART and future Ferry Terminals.

Project: *3. Accessible Services for Eligible Seniors and People with Disabilities*
Cost: \$288 million. Sales tax contribution estimated at \$60 million. Other funding of \$228 million from existing sources and fare revenues.
Sponsor: SamTrans
Description: Annually, 4% of the tax revenue will be allocated to support the operating and capital needs of providing paratransit or other accessible services to eligible seniors and people with disabilities.

Project: *4. San Mateo County Ferry Service*
Cost: \$122 million. Sales tax contribution estimated at \$30 million, \$91 million from bridge tolls, \$1 million from federal grants.
Sponsors: South San Francisco and Redwood City
Description: Provide financial assistance as local match funds for cost-effective ferry service to South San Francisco and Redwood City.

Project: *5. Existing San Mateo County/SFO BART Extension*
Cost: \$150 million. Sales tax contribution estimated \$30 million, \$120 million from federal grants.
Sponsor: SamTrans
Description: Provide financial assistance as SamTrans' local match for capital investments and operating expenditures associated with the existing San Mateo County/SFO BART Extension.

Project: *6. Dumbarton Rail Corridor*
Cost: \$445 million. Sale tax contribution estimated at \$30 million, \$415 million from bridge tolls and existing sales tax funding in Alameda, San Mateo and Santa Clara counties.
Sponsor: SamTrans
Description: Funding provided for station facilities and rail corridor improvements in the communities of Redwood City, Menlo Park and East Palo Alto in conjunction with the Dumbarton Rail Corridor.

B. Highways The Highway Program is divided into two components; funding for highway projects in key congested areas as designated by city, county and TA engineers and confirmed by public input; and funding for supplemental projects for all types of roadways (local-collector-arterial-state route) anywhere in the County.

1. Key Congested Areas Each of these projects is deemed to be of equal importance and they are not expressed in any priority order

Project: *a. Highway 280 North Improvements*
Cost: \$154 million. Sales tax contribution estimated at \$77 million. State \$77 million.
Sponsor: Caltrans, Daly City
Description: 1) Reconstruct I-280/Route 1 Interchange;
2) Construct Auxiliary Lanes between I-380 and Hickey Blvd.;

Project: *b. Coastside Highway Improvements*
Cost: \$48 million. Sales tax contribution estimated at \$24 million. State \$24 million.
Sponsors: Pacifica, Caltrans, Half Moon Bay
Description: 1) Route 1 /San Pedro Creek Bridge Replacement;
2) Route 1/ Manor Drive overcrossing improvement and widening;
3) Route 1 and 92 safety and operational improvements within and in the proximity of Half Moon Bay

Project: *c. Highway 92 Improvements*
Cost: \$100 million. Sales tax contribution estimated at \$50 million. State \$50 million.
Sponsors: City of San Mateo, Caltrans, Foster City
Description: Auxiliary lanes and interchange improvements between I-280 and the San Mateo Hayward Bridge.

Project: *d. Highway 101 Mid-County Improvements*
Cost: \$98 million. Sales tax contribution estimated at \$49 million. State \$49 million.
Sponsors: Caltrans, Burlingame, San Mateo
Description: 1) Reconstruction of the Highway 101-Broadway Interchange;
2) Modification of the Highway 101/Peninsula Avenue Interchange;
3) Operational improvements on Highway 101 from Hillsdale to Route 92.

Project: *e. Highway 101 South Improvements*
Cost: \$120 million. Sales tax contribution estimated at \$60 million. State \$60 million.
Sponsor: Caltrans
Description: 1) Reconstruct the Highway 101/Woodside Road Interchange;
2) Highway 101 improvements between Highway 84 and the Santa Clara county line and access improvements to the Dumbarton Bridge.

Project: *2. County-wide Supplemental Roadway Projects*
Cost: \$218 million. Sales tax contribution estimated at \$153 million. State \$65 million.
Sponsors: Caltrans, Cities and San Mateo County
Description: This project provides funding for supplemental roadway projects critical for congestion reduction in addition to those identified in the key congested areas. Supplemental roadway projects may include any type of roadway (local-collector-arterial-state route) anywhere in the County. A partial list of Candidate Projects is included below. Additional Candidate Projects may be submitted to the TA for

consideration to account for changing needs during the 25-year term. Funds will not be adequate to construct all Candidate Projects. The TA will determine Candidate Project selection criteria and prioritization in the Strategic Plan as provided in the Implementation Guidelines.

PARTIAL LIST OF CANDIDATE SUPPLEMENTAL ROADWAY PROJECTS

Route 35 (I-280-Sneath Lane) widening
US 101/Produce Avenue Interchange
Route 92 (I-280-Route 35) truck climbing lane
Willow Road adaptive signal control system
US 101 (Sierra Point Parkway – SF/SM County Line) auxiliary lanes
Geneva Avenue extension
I-280/John Daly Boulevard-Overcrossing (north side) widening
Junipero Serra Boulevard Improvements in Daly City, Colma and South San Francisco
US 101/Candlestick Point Interchange
US 101 (Sierra Point Parkway – San Bruno Avenue) auxiliary lanes
I-280/I-380 local access improvement
Highway 101/Sierra Point Pkwy Interchange replacement and Lagoon Way extension
Triton Drive widening (Foster City)
Sand Hill Road signal coordination
Woodside Road Widening (US 101-El Camino Real)

C. Local Streets/Transportation

Project: *1. Local Streets/Transportation*
Cost: \$865 million. Sales tax contribution estimated at \$338-million, Local and State sources \$527 million.
Sponsors: Cities and County of San Mateo
Description: Annually, 22.5% of the tax revenue will be allocated to Cities and the County to fund the improvement or maintenance of local transportation, including streets and roads. The County and Cities may use funding to: maintain or improve local streets and roads by paving streets and sidewalks and repairing potholes; promote or operate alternative modes of transportation, which may include funding shuttles or sponsoring carpools, bicycling and pedestrian programs, and develop and implement traffic operations and safety projects including signal coordination, bike/pedestrian safety projects, eliminating hazardous conditions or acquiring right-of-way.

The annual distribution shall be based 50% on population and 50% on road miles, which will be adjusted annually.

Estimated annual distribution percentage (based on 2004) and dollars to each City and the County are shown below:

	<u>Allocation Percentage</u>	<u>Estimated Funding</u>
Atherton	1.886	\$ 6,365,250
Belmont	3.543	\$ 11,957,625
Brisbane	0.818	\$ 2,760,750
Burlingame	4.206	\$ 14,195,250
Colma	0.299	\$ 1,009,125
Daly City	10.413	\$ 35,143,875
East Palo Alto	3.215	\$ 10,850,625
Foster City	3.364	\$ 11,353,500
Half Moon Bay	1.596	\$ 5,386,500
Hillsborough	3.000	\$ 10,125,000
Menlo Park	4.851	\$ 16,372,125
Millbrae	2.917	\$ 9,844,875
Pacifica	5.174	\$ 17,462,250
Portola Valley	1.488	\$ 5,022,000
Redwood City	9.612	\$ 32,440,500
San Bruno	5.034	\$ 16,989,750
San Carlos	4.271	\$ 14,414,625
San Mateo	11.797	\$ 39,814,875
South San Francisco	7.649	\$ 25,815,375
Woodside	1.683	\$ 5,680,125
County of San Mateo	13.184	\$ 44,496,000
County Total	100.000	\$337,500,000

D. Grade Separations

Project: *1. Rail Grade Separations*

Cost: \$350 million. Sales tax contribution estimated at \$225 million, State \$125 million.

Sponsors: SamTrans, San Mateo County, Cities and Peninsula Corridor Joint Powers Board

Description: This project provides funding for the construction or upgrade of overpasses and underpasses (grade separations) along the Caltrain and Dumbarton rail lines. The Candidate Projects are listed below. Funds will not be adequate to construct or upgrade all Candidate Projects. The TA will determine Candidate Project selection and prioritization in conjunction with the project sponsors, based upon the California Public Utilities Commission formula and the desire of the City involved.

CANDIDATE GRADE SEPARATION PROJECTS

City	Street	City	Street
South San Francisco	Linden Avenue	San Mateo	25 th Avenue
San Bruno	Scott Street	Redwood City	Whipple Avenue
San Bruno	San Bruno Avenue	Redwood City	Brewster Avenue
San Bruno	San Mateo Avenue	Redwood City	Broadway
San Bruno	Angus Avenue	Redwood City	Maple Street
Millbrae	Center Street	Redwood City	Main Street
Burlingame	Broadway	Redwood City	Chestnut Street
Burlingame	Oak Grove Avenue	Redwood City	Middlefield Road
Burlingame	North Lane	Redwood City	2 nd Avenue
Burlingame	South Lane	Redwood City	5 th Avenue
Burlingame	Howard Avenue	Atherton	Fair Oaks Lane
Burlingame	Bayswater Avenue	Atherton	Watkins Avenue
Burlingame	Peninsula Avenue	Menlo Park	Encinal Avenue
San Mateo	Villa Terrace	Menlo Park	Glenwood Avenue
San Mateo	Bellevue Avenue	Menlo Park	Oak Grove Avenue
San Mateo	1 st Avenue	Menlo Park	Ravenswood
San Mateo	2 nd Avenue	Menlo Park	Marsh Road
San Mateo	3 rd Avenue	Menlo Park	Chilco Street
San Mateo	4 th Avenue	Menlo Park	Willow Road SR 84
San Mateo	5 th Avenue	East Palo Alto	University Avenue
San Mateo	9 th Avenue		

CANDIDATE UPGRADE OF EXISTING GRADE SEPARATION PROJECTS

San Mateo	Poplar Avenue	San Mateo	Mt. Diablo Ave.
San Mateo	Santa Inez Avenue	San Mateo	Tilton Avenue
		Menlo Park	Highway 101

E. Pedestrian and Bicycle

Project: *1. Pedestrian and Bicycle Facilities*

Cost: \$70 million. Sales tax contribution estimated at \$45 million. State \$25 million.

Sponsors: Cities and County of San Mateo

Description: This project provides funding for the construction of facilities for bicyclists and pedestrians. Eligible projects include paths, trails and bridges over roads and highways. A partial list of Candidate Projects is included below. Additional Candidate Projects may be submitted to the TA for consideration to account for changing needs during the 25-year term. Funds will not be adequate to construct all Candidate Projects. The TA will determine Candidate Project selection criteria and prioritization in the Strategic Plan as provided in the Implementation Guidelines.

PARTIAL LIST OF CANDIDATE BICYCLE AND PEDESTRIAN PROJECTS

Route 1/Santa Rosa Avenue Pedestrian Overcrossing
Route 1 pedestrian/bike trail from Montara through Half Moon Bay
Route 35/Route 1 pedestrian/bike overcrossing
Millbrae Avenue/US 101 pedestrian/bike overcrossing
Hillcrest Blvd./US 101 pedestrian/bike overcrossing to Bay Trail
US 101 near Hillsdale pedestrian/bike overcrossing
Ralston Avenue/US 101 pedestrian/bike overcrossing
Willow Road/Bayfront Expressway pedestrian/bike tunnel upgrade
Willow Road/US 101 pedestrian/bike overcrossing
Portola Road pedestrian/bike path paving

F. Alternative Congestion Relief

Project: *1. Alternative Congestion Relief Projects*
Cost: \$30 million. Sales tax contribution estimated at \$15 million. \$15 million from local sources.
Sponsors: Cities and San Mateo County
Description: This program category provides 0.8 percent of the tax revenue to encourage efficient use of the transportation network through ride sharing, flexible work hours and other commute alternatives. It also provides 0.2 percent of the tax revenue for the planning and design of information systems and Intelligent Transportation Systems, which facilitate more efficient use of available highway and transit capacities.

V. GOVERNING BOARD/ORGANIZATIONAL STRUCTURE

The Transportation Expenditure Plan recommends:

- A. That the voters authorize the Transportation Authority to continue administering the funds. The make up of the Transportation Authority shall continue to be as follows:

Two members of the County Board of Supervisors.

Four representatives selected by the City Selection Committee (one representative from each Judicial Division and one at-large representative).

One member of SamTrans (elected city official) selected by SamTrans prior to City Selection Committee selections.

All representatives shall be elected officials.

- B. That the Transportation Authority be authorized to continue to contract its administrative duties to SamTrans or to the County, MTC, or other qualified agency.
- C. That the Citizens Advisory Committee shall continue to advise the Transportation Authority on the administration of the Transportation Expenditure Plan. The membership of this committee will reflect a broad spectrum of interests and geographic areas of the County.

VI. IMPLEMENTATION GUIDELINES

- A. The duration of the tax will be 25 years, beginning on January 1, 2009 and expiring on December 31, 2034.
- B. Environmental reporting, review and approval procedures as provided for under the National Environmental Policy Act, the California Environmental Quality Act, or other applicable laws will be adhered to as a prerequisite to the implementation of any project.
- C. Upon expiration of the 1988 Measure A tax, the Transportation Authority will bear responsibility for any outstanding debt incurred under the 1988 Measure A program and all remaining assets under that program will remain assets of the Transportation Authority to be administered under this Transportation Expenditure Plan. In the event that any funds from the 1988 Measure A program remain unexpended as of the expiration of the 1988 Measure A tax, the Transportation Authority will reallocate such funds to complete any project that was commenced under any category in the 1988 Measure A program. If any funds remain unexpended after reallocation to complete projects under the 1988 Measure A program, the funds will be allocated in accordance with the percentage distributions to the Program Categories contained in this Transportation Expenditure Plan.
- D. Use of the retail transactions and use tax under this Transportation Expenditure Plan will be subject to the following restrictions:
 - 1. The tax proceeds must be spent for the purposes of funding the transportation programs and projects as allowed in this Transportation Expenditure Plan and may not be used for other purposes.
 - 2. In accordance with California Public Utilities Code Section 131100, the tax proceeds will be used to supplement, and may not be used to replace, existing local property tax or other local revenues used for transportation purposes.
 - 3. The tax proceeds will be expended in San Mateo County, except that any expenditure for the Caltrain Improvement Project under the Transit Program Category may be made for systemwide costs and expenditures for the Highway Program Category may be made for projects that reasonably include project costs that minimally extend into adjacent counties.

4. The Transportation Authority is charged with a fiduciary duty in administering the tax proceeds in accordance with the applicable laws and this Transportation Expenditure Plan. Receipt of tax proceeds may be subject to appropriate terms and conditions as determined by the Transportation Authority in its reasonable discretion, including, but not limited to, the right to require recipients to execute funding agreements and the right to audit recipients' use of the tax proceeds.
- E. Actual tax proceeds may be higher or lower than estimated in this Transportation Expenditure Plan over the 25-year term. This Transportation Expenditure Plan is based on the percentage distributions to each Program Category and Project and the dollar values included are estimates only. Actual tax proceeds will be programmed annually in accordance with the percentage distributions in this Transportation Expenditure Plan.
- F. The Transportation Authority will prepare a Strategic Plan prior to January 1, 2009, which will identify funding prioritization criteria consistent with the goals and objectives of the Countywide Transportation Plan and this Transportation Expenditure Plan. The Strategic Plan will include general procedures for project sponsors to initiate a project and identify an implementation schedule and the programming of funds for each listed project. Criteria will include priority for transportation projects which support transit-oriented development. For those projects which include a list of Candidate Projects (the County-wide Supplemental Project under the Highway Program Category, the Grade Separation Program Category, and the Pedestrian and Bicycle Program Category), the Strategic Plan will also include the evaluation criteria and prioritization for selection of Candidate Projects. Once a Candidate Project is selected, it will become a listed project in the Strategic Plan. Lastly, the Strategic Plan will include the evaluation criteria for reallocation of tax proceeds that become available pursuant to Section VI.G below. The Strategic Plan will be updated at least every five years during the term of the Measure.
- G. The ability to fully fund or complete all programs or projects in this Transportation Expenditure Plan may be impacted by changing circumstances over the duration of the tax. Tax proceeds originally allocated to a listed project may become available for reallocation due to any of the following reasons:
1. a listed project is completed under budget;

2. a listed project is partially or fully funded by funding sources other than tax proceeds;
3. a Project Sponsor requests deletion of a listed project because of unavailability of matching funds;
4. a listed project cannot be completed due to an infeasible design, construction limitation or substantial failure to meet specified implementation milestones;

Upon a finding that tax proceeds are available for reallocation due to one of the conditions above, the Transportation Authority may reallocate such tax proceeds subject to the following guidelines:

1. Available tax proceeds can be reallocated only to project(s) within the same Program Category as the original listed project.
2. Reallocation of tax proceeds within a Program Category will be based on criteria specified in the Strategic Plan, which may include impact on congestion, cost-effectiveness, availability of matching funds, project readiness and schedule adherence as determined by the Transportation Authority; provided, however, that in the case of the Highway Program, proceeds made available from any County-wide Supplemental listed project must be reallocated within the County-wide Supplemental component and may not be reallocated to the listed projects in the Key Congested Areas component of the Highway Program Category.
3. Reallocation of tax proceeds within the Transit Program Category only will also require the approval of a majority of the County Board of Supervisors and a majority of the cities representing a majority of the population in the incorporated area of the County by a majority vote of their respective City Councils.

H. The Transportation Authority may take the following actions administratively in accordance with these Implementation Guidelines and such actions will not be considered an amendment to the Transportation Expenditure Plan, which adds or deletes a project or is of major significance under California Public Utilities Code Section 131304:

1. The reallocation of tax proceeds.

2. The addition of a new project to the list of Candidate Projects in the County-wide Supplemental Roadway project or Pedestrian and Bicycle Program Category.
- I. The Transportation Authority is authorized to bond for the purposes of advancing the commencement of or expediting the delivery of transportation programs or projects. The Transportation Authority may issue limited tax bonds, from time to time, to finance any program or project in this Transportation Expenditure Plan as allowed by applicable law and as approved by the Transportation Authority, and the maximum bonded indebtedness shall not exceed the total amount of proceeds of this retail transactions and use tax, estimated to be \$1.5 Billion in 2004 dollars. Such bonds will be payable solely from the proceeds of the retail transactions and use tax and may be issued prior to the collection of such taxes beginning January 1, 2009.