



City of Palo Alto

City Council Staff Report

(ID # 8025)

Report Type: Action Items

Meeting Date: 5/8/2017

Summary Title: Transportation Tax Stakeholder Process

Title: Discussion and Approval to Defer to a Future Date the Consideration of the Formation of a Stakeholder Committee to Address Potential Local Business Tax for Transportation

From: City Manager

Lead Department: City Manager

Recommendation:

Staff recommends the City Council defer the formation of a transportation tax stakeholder advisory committee and reconsider the need, purpose and specific tasks associated with such a committee at a future date.

Discussion:

At its October 24, 2016 meeting, the City Council considered the formation of a stakeholder committee to advise the Council on a potential local tax to raise funds for transportation programs and projects. At that meeting, the specific direction from the Council was as follows:

“The Transportation Funding Stakeholder Advisory Committee will be working to advise the City Council regarding a potential future ballot measure seeking voter approval for a general tax on businesses, as well as other potential funding sources that the City could use to fund transportation programs and projects. The Stakeholder Committee will be asked to explore transportation needs, identify funding requirements and assist staff with development of a timeline for a potential future ballot measure. It is expected this Committee will complete its work by November 2017.”

The original committee application submission process was conducted similarly to those for boards and commissions with a submission deadline at the end of January 2017. The Council had also identified specific organizations that would be asked to provide a representative on the advisory group. Given the small initial response, the deadline was extended for several weeks with a total of 39 applications submitted by the final deadline for 12 open committee slots and four organization specific representatives. The outreach process had some challenges, and there were a number of questions from potential applicants regarding the

scope, purpose and portfolio of responsibilities of the committee.

Since that time, no further action has been taken on the formation of a committee due to a number of circumstances, and there has also been several key transportation developments that factor in the recommendation. Staff did advise applicants of the recommendation contained in this report and advised applicants of the date this would be on the Council agenda.

One of several reasons for exploring this potential tax initially was to develop a funding source for the downtown TMA and other future TDM implementation strategies. However, other important revenue raising possibilities have surfaced since then, including in the Downtown Parking Management Study, that could provide needed funding towards those programs with a clear geographic nexus. The staff report on the Downtown Parking Management Study anticipated the potential to loan the program funds in the near term to accelerate TMA funding support, which will be a topic discussed in more detail with the Finance Committee during the budget process.

Also, the directive from Council was expansive in its scope, reaching beyond a business tax to fund TDM to explore “other potential funding sources” and to “explore transportation needs, identify funding requirements” . . . etc.

Most importantly, however, is the available bandwidth of staff to support a meaningful process to form and support the stakeholder process. The City already has numerous transportation initiatives underway including:

- Finalizing RPP district planning and implementation
- Numerous bike and pedestrian plan improvements
- Downtown and Cal Ave parking garage design and policies
- Rail Committee support, Caltrain electrification and grade separation public process
- High Speed Rail regional engagement and advocacy
- Downtown Parking Management Study – wayfinding, access control, new parking fees/paid parking recommendations and design
- Palo Alto Shuttle recommendations and action related to VTA bus system changes
- Manager’s Mobility Partnership: regional bikeways and bike share
- Comp Plan support
- Strategy and engagement with VTA on Measure B funding
- Mobility recommendations in the S/CAP implementation plans
- Various TDM related research and testing/deployment

Most of these projects have demanding technical requirements and usually even more demanding community engagement requirements. The same transportation staff who would be most involved in any transportation stakeholder group process are already heavily involved in these projects, and couldn’t realistically support this transportation tax process

without seriously compromising these other important initiatives. In particular, staff will be severely stretched to support an emerging and demanding engagement process regarding Caltrain, grade separations, and Measure B funding using the Context Sensitive Solution (CSS) approach.

The listed initiatives, among others, are already included on the Council's work plan and support the priorities agreed upon for 2017. Council may wish to revisit the need for a potential tax in 2018 or subsequent years, when staff can effectively support a demanding public engagement process. There should also be more specificity about funding needs, potential uses of revenues and identification of gaps in the City's overall transportation strategy by the beginning of next year that could inform the Council's decision and bring more initial clarity to any tax stakeholder process.

In addition, there could be other funding matters that could need voter approval in coming years that should be factored into the City's strategic thinking. These include potential additional funding for grade separations, implementation of the Cubberley master plan process recommendations, and other potential issues.

Resource Impact: The staff recommendation reduces the resource impact.