

**FINAL ANNUAL REPORT
FISCAL YEAR 2018-2019**

**CONTRA COSTA COUNTY SERVICE AREA T-1
(Public Transit)**

July 24, 2018



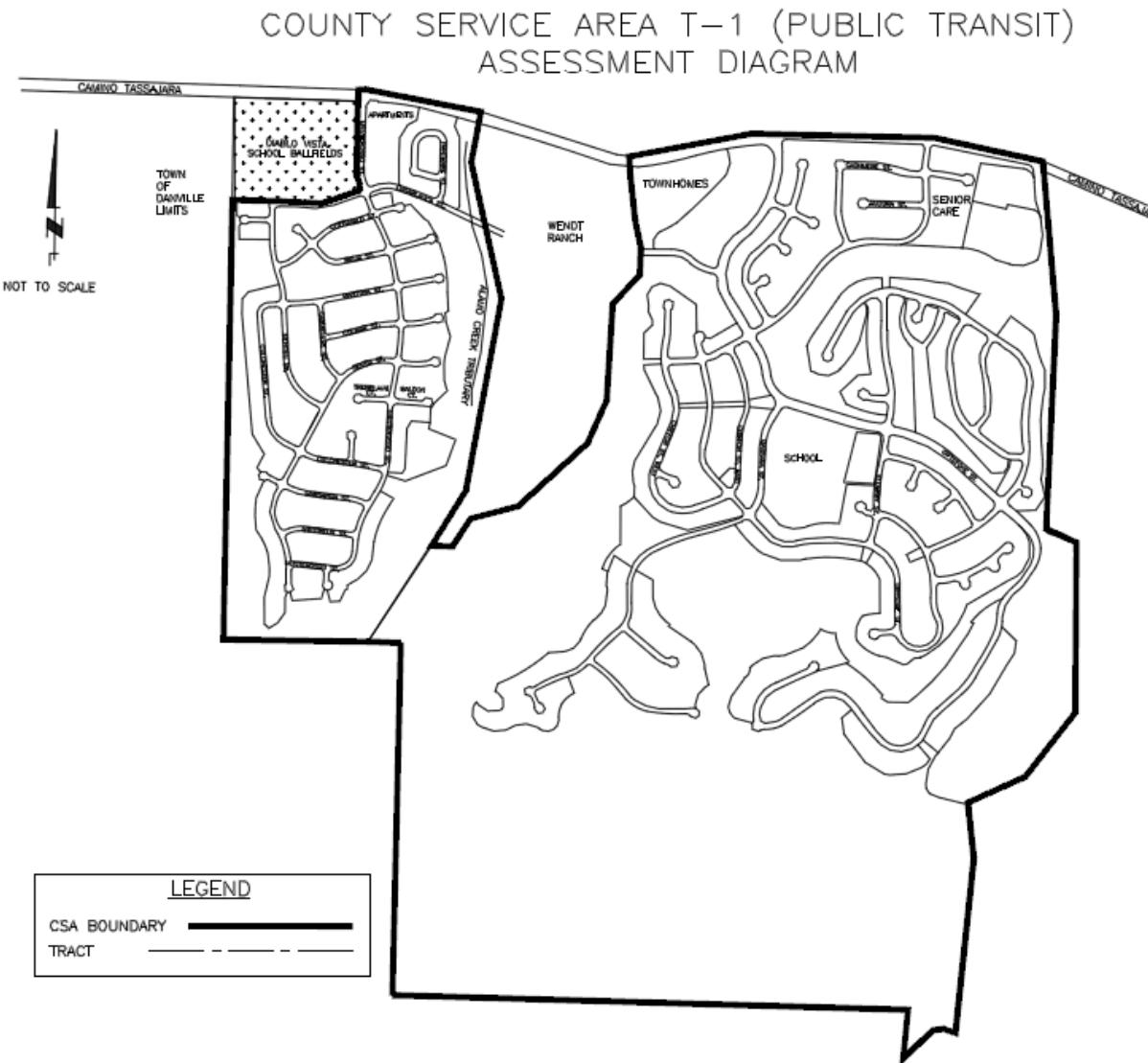
Board of Supervisors

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BACKGROUND INFORMATION

In 2008 a development project commonly known as the Integrated Project (“Project”) was permitted in the unincorporated area of Contra Costa County, just east of the Town of Danville. The project is also known as Alamo Creek/Intervening Properties Development and constitutes approximately 767 acres located south of Camino Tassajara between Hansen Lane and Finley Road. A map of the general location of this development is shown below:



Wilbur Smith Associates (WSA) completed a Transit Improvements Study of the Project in March 2005. The study acknowledged that a limited market for transit services and consequently a limited transit service is offered in the study area. The study concluded that a latent demand for transit could be satisfied if a regular commuter service were provided. Given the size of the Integrated Project and the workplace destination and commuting behavior of the adjacent census tracts as outlined by a census-based demographic analysis, a weekday rush-hour commuter service would provide the greatest benefit of transit services under consideration. Specifically, the report recommended that the proposed transit service include the Walnut Creek

Bay Area Rapid Transit (BART) station and Bishop Ranch business park as destinations. The desired level of service was based on an analysis of demand performed by WSA. Based on census information and a rider survey performed by BART in 1998, approximately 77 transit trips per day may be expected when the project development is completed. The transit trip total was calculated by WSA as follows:

- As presented in the final Environmental Impact Report (EIR) for the Project, 10,048 daily vehicle trips would be generated at the development;
- Assuming an average vehicle occupancy of 1.05 persons per vehicle and a 92.5% vehicle mode share (automobiles constitute 92.5% of transit trips to and from the households), 13,338 person trips would be generated daily by the development;
- Based on census information, 5.37% of commuter trips to and from adjacent census tracts used public transit (716 trips);
- Approximately 97% of public transit trips used rail (assumed to be exclusive to BART; 694 trips);
- Approximately 7% of BART riders at stations nearest to the project (Dublin/Pleasanton, Walnut Creek, Lafayette) used public transit to travel to and from the station (48 trips);
- Approximately 4% of transit-based commuter trips used bus service as the primary means of transportation (29 trips); and
- Total bus demand (77 trips) includes the sum of transit trips to BART stations (48 trips) and bus trips to work (29 trips).

On June 14, 2005, the Board of Supervisors approved Resolution No. 2005/357 which recommended to Local Agency Formation Commission of Contra Costa County (LAFCO) the formation of County Service Area (CSA) T-1, Public Transit in the Danville Area.

The services provided by CSA T-1 are:

1. Extended public transit services.
2. Implementation of Transportation Demand Management programs as discussed in this report and in the Plan for Providing Services for CSA T-1 which is on file with LAFCO.

On September 14, 2005, LAFCO conducted a public hearing and subsequently approved Resolution 05-15 which formed CSA T-1.

On October 18, 2005, Resolution 2005/674 stated that the transit services should be supported by a benefit assessment on parcels that receive this special and distinct benefit.

On January 17, 2006, the Board of Supervisors conducted a public hearing and subsequently approved Resolution 2006/21 which authorized the annual levy of assessments on the parcels located within CSA T-1 to fund extended public transit services.

CURRENT ANNUAL ADMINISTRATION

Pursuant to County Ordinance Section 1012-2.6, former County Service Area Law (California Government Code Section 25210.77a), and current County Service Area Law (California Government Code Section 24210.3, subd. (d)), the Tentative Annual Report has been filed with the Clerk of the Board of Supervisors, public notice has been given as required, and the Board conducted a Public Hearing and then made a determination on each estimated service charge in the tentative report. Contra Costa Board of Supervisors reviewed the Tentative Annual Report in accordance with Resolution No. 2018/139, on June 5, 2018, and conducted a Public Hearing in connection with the proceedings for CSA T-1.

Upon adoption of the Final Annual Report by the Board of Supervisors, the charges contained herein will be collected on the property tax roll of Contra Costa County in the same manner, by the same persons, at the same time as, and together with the County's property taxes.

Legal Authority

As required by County Ordinance Section 1012-2.6, former County Service Area Law (California Government Code Section 25210.77a), and current County Service Area Law (California Government Code Section 24210.3, subd. (d)), the Tentative Annual Report includes the following minimum information as shown in the Service Charge Roll:

1. A description of each parcel of real property receiving the miscellaneous extended service;
2. The basic service charge;
3. The estimated amount of the service charge for each parcel for such year; and
4. A parcel list identifying each parcel receiving services that allows parcel owners to find their property on the list and determine the proposed charge.

This annual report also includes an estimate of annual costs and the method of apportionment as additional information to allow the reader to better understand what services are being paid for, what is the total annual cost for the services provided, and how the cost of services is spread to each individual parcel.

Transit Service Implementation

Two transportation studies were previously conducted to understand potential transit usage and travel patterns in CSA T-1. The transportation studies are Alamo Creek/Intervening Properties Transit Improvement Study by WSA in 2005 and Transit Service Survey and Report for CSA T-1 Transit District by DKS Associates in 2010.

Based on these studies, the following transit service plan is to be implemented in three phases as summarized below:

1. **Short – Term (completed in 2012): Community Outreach**

The short-term strategy focused on community outreach to educate the residents about existing transportation options in Contra Costa County, and to seek their feedback. The community outreach program involved flyer preparation, flyer distribution, and resident feedback. This outreach effort attempted to identify commuter destinations for potential vanpools, in advance of a vanpool/shuttle transit program.

2. Mid-Term: Vanpool/Shuttle Transit Program

Based on the feedback provided by the residents, the mid-term strategy would involve a vanpool and/or shuttle service since the market for a full scale fixed route Central Contra Costa Transit Authority (County Connection) bus is not warranted at this time.

CSA T-1's plan is to engage the residents to try public transit and build up the necessary public transit demand for a full scale fixed route bus. In response to CSA T-1's plan, County Connection agreed to provide a demand response, flexible shuttle for CSA T-1 residents during the commute hours. The exact routes were to be determined by demand. Riders must be traveling from or to CSA T-1. The service area is limited to the 1.5 mile corridors along Camino Tassajara (between CSA T-1 and I-680) and I-680 (between Walnut Creek and Pleasant Hill BART stations). Riders contact County Connection to request and reserve services. Based on the demand, County Connection will determine the most efficient route for the shuttle. County Connection collects and provides ridership data. This service began on January 24, 2014. For 2014, about 16 riders per day used this service. This is the equivalent of removing approximately 32 peak hours and daily trips from local and regional roadways. For 2015, about 17 to 18 riders per day used this service. This is the equivalent of removing approximately 34 to 36 peak hours and daily trips from local and regional roadways. For 2016, 19 riders per day used this service. This is the equivalent of removing approximately 38 peak hours and daily trips from local and regional roadways. The riders get picked up from their home in the CSA T-1 service area during the morning period and get picked up from the Walnut Creek BART station during the evening period. The average operating cost per passenger in 2016 was comparable to the average cost for County Connection's Paratransit (LINK) service. CSA T-1 has observed the ridership has increased overtime, and more residents are utilizing the public transit service provided by CSA T-1. However, the ridership demand has not achieved the level that warrants a full scale fixed route bus. CSA T-1 will continue this mid-term program to provide the shuttle service until there is enough public transit demand for a full scale fixed route bus. CSA T-1 has amended the service agreement with County Connection to continue the shuttle service.

In Fiscal Year 2017-2018 CSA T-1 experienced an increase in ridership by the implementation of a ridership "app". While there have been challenges in making the app fully operational, it continues to show promise in more effectively connecting riders with the shuttle service.

In addition to County Connection's shuttle, CSA T-1 will also fund another service with the Measure J Traffic Congestion Relief Agency (TRAFFIX). TRAFFIX is a traffic congestion relief program implemented in 2009 and operated cooperatively by Contra Costa County, City of San Ramon, San Ramon Valley Unified School District, and Town of Danville to reduce traffic congestion caused by children being driven to and from school in the San Ramon area. As mentioned above, although the demand for a full scale fixed route County Connection bus is not warranted at this time, CSA T-1 recognized there is already a demand for school bus services. While awaiting for transit demand to increase, CSA T-1's interim plan is to participate in providing school bus services as an interim method to reduce congestion. TRAFFIX provided data indicating there are approximately 205 students residing within CSA T-1 who attend Monte Vista High School. TRAFFIX considers 50 students as a full bus. If approximately 25 percent of the eligible students participated, a bus would be full. It was anticipated that at least 50

students would participate; resulting in a full bus. This service began in the Fall of 2014 for the 2014/15 school year. TRAFFIX reported 70 passes were sold for both the 2014/15 and 2015/16 school years. This is equivalent of removing approximately 280 trips from the roadway each school day. In 2017, funds were allocated to fund a second TRAFFIX bus to provide services to the CSA T-1 area. This decision was based on the increased demand for seats in the route.

3. Long-Term Goal (2018 and beyond): County Connection Service

The long-term strategy would involve expanding the vanpool/shuttle service and providing full-scale County Connection bus service, if the existing service proves successful and more commuter transit demand is demonstrated. An approximate yearly operating cost of running a full-length bus service with County Connection is estimated to be \$204,000 per bus. This estimate is based on \$100 per hour for 8 hours a day during morning and evening peak commute hours for 255 days a year.

ESTIMATE OF ANNUAL COST

The Fiscal Year 2017-18 projected and Fiscal Year 2018-19 proposed revenues and expenditures are shown below. A special fund has been set up for the collection of revenues and expenditures for CSA T-1. Incidental expenses including administration, engineering fees, legal fees and all other costs associated with the Public Transit services may be included.

When CSA T-1 was formed, a financial analysis was performed to provide the framework for an operating budget for the proposed transit service. This was based on the estimated expenses for continuing operations provided by WSA. In preparation of the budget, several factors were considered including:

- Level of Transit Service
- Phasing of Service
- Equal benefit (and equal assessment level) to residents based on projected resident population

In order to establish a reasonable reserve in the early years following formation of the CSA, revenues have been collected since Fiscal Year 2006-07.

For Fiscal Year 2018-19, it is estimated there will be a surplus of funds. These funds are being set aside into Capital Reserves to purchase vehicles or fund a full-scale fixed route County Connection bus to provide the services to this area when applicable.

Revenues collected from the charge shall be used only for the expenditures represented in this report. Any balance remaining on July 1 at the end of the fiscal year must be carried over to the next fiscal year.

CSA T-1 Public Transit Tentative Annual Report
Fiscal Year 2018-19

CSA T-1 Danville Public Transit Fund 248000 Org 7480	FY 2017-18	FY 2018-19
	Projected	Proposed
Beginning Fund Balance	\$ 2,482,415.17	\$ 2,610,647.45
Revenue:		
Taxes and Assessment	513,902.28	547,974.26
Earnings on Investment	8,000.00	20,000.00
TOTAL CURRENT REVENUE	\$ 521,902.28	\$ 567,974.26
Total Revenue + Carryover:	\$ 3,004,317.45	\$ 3,178,621.71
Expenditures:		
Publications & Legal Notices	150.00	200.00
Professional/Specialized Svcs (Non-County)	20,000.00	10,000.00
County Connection (CCCTA)	200,000.00	200,000.00
TRAFFIX	160,000.00	200,000.00
Special Dept Expense (Capital Replacement)	-	2,741,301.71
Tax & Assessment Fees	1,200.00	2,000.00
County Counsel	2,200.00	5,000.00
Investment Fees	120.00	120.00
Public Works Labor	10,000.00	20,000.00
Total Expenditures	\$ 393,670.00	\$ 3,178,621.71
FUND BALANCE AVAILABLE	\$ 2,610,647.45	-

METHOD OF APPORTIONMENT

Special vs. General Benefit

On November 5, 1996 California voters approved Proposition 218 entitled "Right to Vote On Taxes Act" which added Articles XIIIIC and XIIID to the California Constitution. While its title refers only to taxes, Proposition 218 establishes new procedural requirements for fees, charges and benefit assessments.

Proposition 218 procedures stipulate that even if charges or benefit assessments are initially exempt from Proposition 218, future increases in the charges or benefit assessments must comply with the provisions of Proposition 218. However, if the future increase in the charge or benefit assessment were anticipated in the charge or benefit assessment formula when approved by property owners (e.g., consumer price index increases or a predetermined cap) then the future increase in the charge or benefit assessment would be in compliance with the intent and provisions of Proposition 218.

Proposition 218 provides that "only special benefits are assessable" and defines a special benefit as a particular and distinct benefit conferred on real property and not a general benefit received by the public at large. Parcels located within the boundaries of the CSA will be assessed for the operation and services associated with the transit services provided as described herein within

the report, if they receive a special and direct benefit from the services. Furthermore, the identification and separation of general benefits from the special benefits follows for CSA T-1.

Special Benefits are conferred on property within the CSA from transit services by enhancing the desirability of property within the CSA due to the additional methods of vehicular and pedestrian access available to and from property, by providing increased access to transit related services, providing economic opportunities, driving community growth and revitalization, and by reducing levels of traffic congestion within the CSA.

Properties outside of CSA T-1 in other parts of the County may not enjoy the transit services made available by the CSA and therefore property outside the boundaries of the CSA do not receive the special benefits. The services within the CSA was specifically designed and created to provide additional and improved public resources for the direct advantage of property inside the CSA, and not the public at large.

In addition to the special and direct benefits the property owners receive within the CSA from the services, it has been determined that no general benefits are associated with the transit services provided within CSA T-1 because the conferred special benefits that are provided to the assessed property are not provided to the public at large.

The annual assessment pays for the transit related services provided within CSA T-1. The enhanced public services provided within CSA T-1 confer a special benefit and only serve the parcels with the ability to utilize the transit related services provided. Without the services, the property located in the unincorporated area would not receive any transit services. Therefore, the services in CSA T-1 are 100 percent special benefit to the parcels within the CSA.

Methodology

The total operation, maintenance and servicing cost for Public Transit are apportioned in accordance with the methodology that is consistent with standard assessment engineering practices. The method for distributing the costs to each parcel is based on the Equivalent Dwelling Unit (EDU) factor.

Since the assessment is levied on the owners of properties as shown on the tax rolls, the final charges must be assigned by Assessor's Parcel Number. If assessments were to be distributed by parcel, not considering land use, this would not be equitable because a single-family parcel would be paying the same as a 50-unit apartment parcel or a large commercial establishment. Therefore, as previously stated, the total assessment costs are distributed to each parcel of land based on the number of EDUs associated with each particular parcel.

No commercial or industrial parcels are planned be included in within CSA T-1, therefore an assessment methodology has not been created for those uses.

The methodology used to assign EDUs to other land uses in proportion to the benefit they receive relative to the single family residential parcel is shown below.

Developed Single Family Residential - The developed single family parcel has been selected as the basic unit for calculation of the benefit assessments. This basic unit shall be called an **Equivalent Dwelling Unit (EDU)**. Parcels designated as developed single family residential

uses per the Contra Costa County land use code are assessed one (**1.00**) EDU. In addition, those parcels that are designated as “vacant” single family residential per the Contra Costa County land use code, but have a building permit issued prior to April 30 are assessed one (1.00) EDU.

Developed Multiple Residential – The developed multi-family designation includes parcels designated as apartments, townhomes, and condominiums per the Contra Costa County land use code. Apartments are assessed a factor of **0.723270448** EDU per dwelling unit. For example, a parcel with a 100-unit apartment would be assessed 72.33 EDUs. Townhomes and condominiums are assessed a factor of **0.795597484** EDU per dwelling unit. In addition, those parcels that are designated as “vacant” multi-family residential per the Contra Costa County land use code, but have a building permit issued prior to April 30, are assessed on a per unit basis as shown above.

Exempt Property - Consists of property not classified as developed residential property and includes: commercial, industrial, recreational and institutional property; parking lots; parking garages; roadways; open space and undeveloped property on which a building permit has not been issued prior to April 30. In addition, Senior Housing is classified as exempt. Residents of Senior Housing will be provided with separate shuttle service not included within the scope of the CSA.

In Fiscal Year 2006-07 the maximum annual assessment was set at \$318.00 per EDU. To determine the cost per parcel, the total budget for providing service to the current total service area was divided by the total number of EDU's within the service area. Please refer to Contra Costa County Resolution 2006-21 for a detailed report that includes the initial calculation of this rate.

The maximum assessment rates may be adjusted annually to reflect 2% or the prior year's change in the Consumer Price Index (CPI) for All Urban Consumers for the Bay Area: San Francisco-Oakland-San Jose, whichever is greater. The base CPI index to be used for future calculations is February 2006 (207.1). Any change in the assessment rate per EDU, which is the result of the change in the CPI shall not be deemed an increase in the assessment subject to the requirements of Proposition 218.

For Fiscal Year 2018-19 the allowed maximum rate is \$437.74/EDU. This rate has been calculated as follows:

$$\begin{aligned} &\$422.68 \text{ per developed EDU in Fiscal Year 2017-18} \\ &+3.56\% \text{ increase for FY 2018-19} = \$437.74 \end{aligned}$$

In Fiscal Year 2018-19, it is recommended based upon projected expenditures, that the maximum rate of \$437.74 be collected. It is estimated \$547,974.26 in revenue will be needed to provide the services referenced above in Fiscal Year 2018-19. There are 1,251.82 EDUs that have had a building permit issued. If you divide \$547,974.26 by 1,251.82 EDUs, the service charge per parcel is \$437.74.

SERVICE CHARGE ROLL

A list, of those parcels to be charged for Fiscal Year 2018-19, including a description of each parcel to be charged is included on the following pages.

