b. State Gas Tax. The state gas tax provides a significant level of funding directly to the City for maintenance and construction of streets. These funds are being augmented by the five cent increase in the gas tax approved in 1990 with the passage of Proposition 111. In addition, a one cent increase annually will continue over the next four years for a total increase of nine cents. Currently, the City receives approximately $470,000 annually from state gas taxes. The State of California provides limited funding for the maintenance and improvement of State Highways within Tulare County. The State uses both federal and state gas tax revenues to develop capacity enhancing projects. Over the life of this element, the State of California is projected to provide over $53 million toward the improvement of State Highways 63 (Mooney), 137 (Inyo and Tulare) and State Highway 99. The draft Regional Transportation Plan for Tulare County includes long range commitments to fund capacity enhancing projects along all three state highways in Tulare.

c. State Sales Tax. The City also receives approximately $700,000 annually from Transportation Development Act funds. These funds which are collected by the State of California from sales taxes generated within Tulare. The funds are returned to Tulare for the development of public transit service. The act allows a City to spend state sales tax funds on street projects, provided that all transit needs are being met. Currently, Tulare uses approximately $500,000 annually for operation of the Tulare Transit and DART services and the balance is used for street improvement and maintenance purposes.

d. General Fund. The City of Tulare has historically budgeted approximately $1,000,000 annually from the City's general fund for street maintenance. This funding source has provided the city the opportunity to use the federal and state gas tax funds for other maintenance and capacity enhancing projects.

e. Development Impact Fee. In 1991, the City of Tulare adopted a comprehensive development impact fee structure which included transportation fees. These transportation impact fees were developed to address the long-range capacity needs in the developing areas of the city. This program is projected to generate over $93 million dollars when all development anticipated by the *Land Use Element* is completed. This revenue will insure the completion of the planned roadway system.

In addition, one of the largest participants in the development of the future street system for this *Circulation Element* is the private development industry. Current City policy requires development adjacent to an existing or planned street to construct the curbs, gutters and sidewalks plus the equivalent of half of collector streets. The application of this policy is expected to provide for many of the necessary street improvements over the life of this *Circulation Element.*

f. Summary. An estimate of the existing City funding sources that can be expected by 2005 has been completed to provide an understanding of the capabilities of the current

Table 11
PRE-2005 REVENUES VS. EXPENSES CALCULATIONS

City-Funded Projects	
City Revenues	$ 1,731,000
City Funded Project Costs	- 10,639,000
Shortfall in City Revenues	($ 8,908,000)
Transportation Impact Fee Funded Projects	
Transportation Impact Fee Revenues	$ 70,063,000
New Projects Costs	- 78,048,000
Transportation Impact Fee Funding Shortfall	($ 7,985,000)

SOURCE: Transportation Planning Group.

Since Tulare has no outstanding remedial projects all of the available revenue from the federal Combined Road Program (CRP) and the Transportation Development Act funds not used for transit can be used for capacity enhancing projects. However, the City of Tulare is committed to provide funding totaling over $10.6 million for future projects before 2005 and has available only $1.7 million with a resulting shortfall of nearly $9 million.

The transportation impact fee fund program is projected to generate approximately $70 million by 2005. However, necessary projects including the expansion of the State Highway 99 interchanges, have projected costs to be paid by these fees of over $78 million resulting in an additional shortfall of nearly $8 million.

With the shortfalls identified above and summarized in Table 11, the city will need to develop additional funding of nearly $17 million in order to deliver the necessary road improvement projects.

funding and building the necessary street system to accommodate future population and employment growth. The transportation impact fee program has eliminated limits on development due to inadequate capacity in the existing or planned street system. It also represents a commitment to maintaining the city's interface with the regional roadway system. The required annual review and updating of the fee structure will provide the city with an ongoing mechanism to insure that projects are developed and constructed in a timely manner.

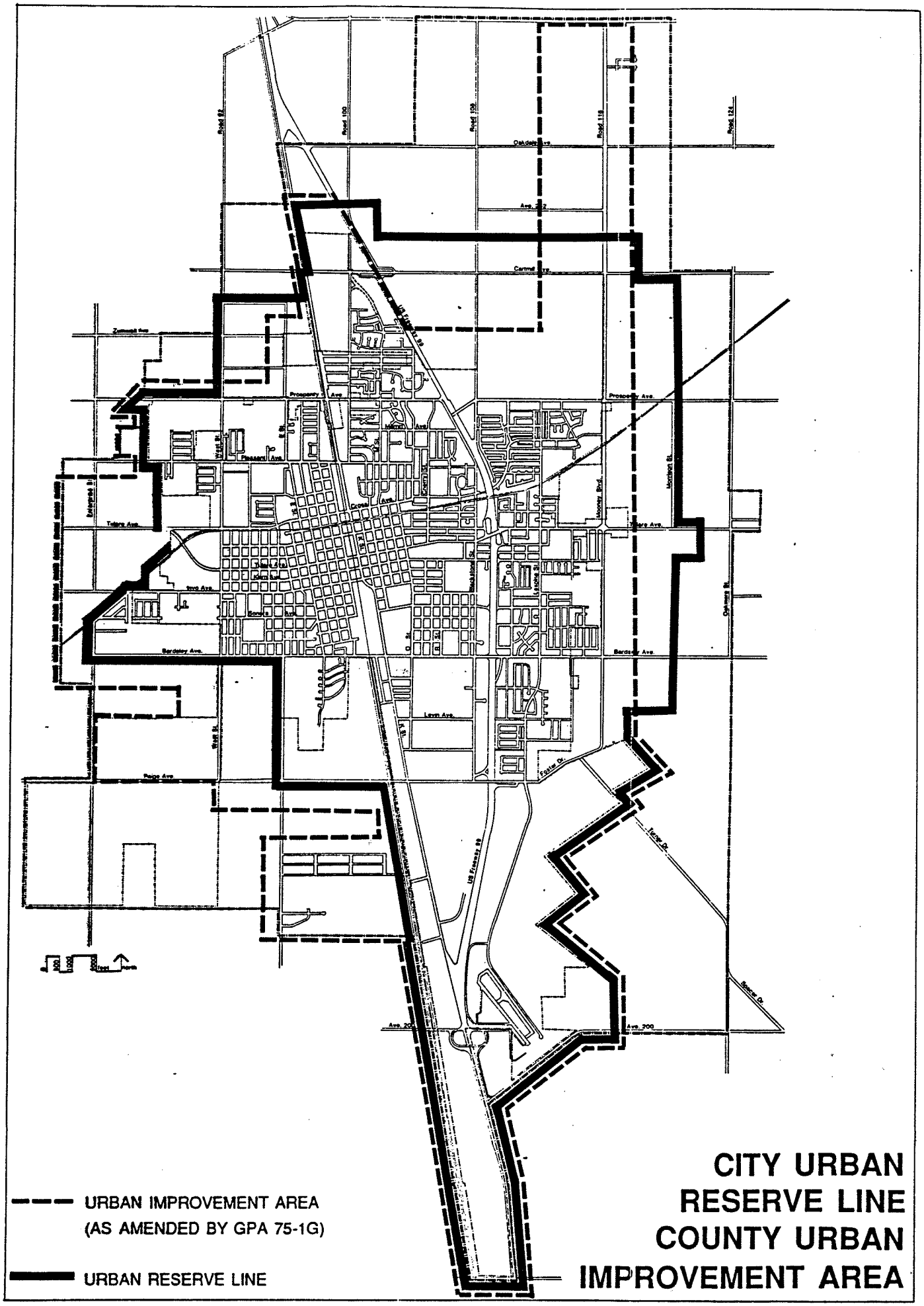
f. Development Sponsored Improvements. Another alternative for delivering the necessary projects would be to increase the required developer assistance in the funding for improvements to the transportation network. Currently, developers are required to install curbs, gutters, sidewalks, and half of all collector streets adjacent to their projects. This alternative would increase the role of development in construction of collectors, arterials, and major arterials. Adjacent development would be asked to complete larger portions of the new streets and thereby reduce the public cost of new construction. Policy options include requiring the adjacent development to construct half of the collectors and the arterials and to pay for all oversizing necessary for development, or to require development to "fully" mitigate impacts to adjacent and surrounding streets as part of development. With the introduction of the transportation impact fee, development projects are already participating in street improvements at a significantly higher level than before adoption of the fee.

g. County Wide Sales Tax. The state allows for the imposition of sales tax increases of up to one percent in a county for the purpose of generating funding for transportation. Numerous valley counties have implemented this method of generating additional funds for street projects including Fresno, Madera and Sacramento Counties. In 1988, a one percent sales tax initiative was placed on the ballot and was defeated by the voters. Again in 1990, a one-half percent sales tax initiative was placed on the ballot and as in 1988, the measure was defeated (by 60 percent of the voters). The 1990 measure would have generated approximately $25 million for Tulare over the 20-year life of the measure. Those funds were to be dedicated exclusively to transportation projects within the city.

h. County Wide Gas Tax. Similar to the County sales tax option, State law allows for the county to impose a gasoline tax for the purposes of funding transportation projects. A countywide gas tax would be collected by the State through the current collection system and returned under the current gas tax distribution method. A countywide gas tax has never been implemented in California. This is primarily due to the anticipated revenue lost to adjacent counties without the tax which would offset the revenue gains from the tax.

i. City General Funds. City general funds are another available source form which to make up revenue shortfalls. Historically, cities have received significant general fund revenues from Vehicle In-Lieu Fees (registration fees) collected by the State and returned to

APPENDIX A



URBAN IMPROVEMENT AREA
(AS AMENDED BY GPA 75-1G)

URBAN RESERVE LINE

CITY URBAN RESERVE LINE COUNTY URBAN IMPROVEMENT AREA

General Plan Update City of Tulare