MEASURE "I"
ORDINANCE NO. 26-1

AN ORDINANCE OF THE SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY, AND THE PEOPLE OF SAN BERNARDINO COUNTY, CALIFORNIA ESTABLISHING A TRANSACTIONS AND USE TAX (SALES TAX) AT THE RATE OF ONE-HALF PERCENT (1/2%) TO FUND COUNTYWIDE TRANSPORTATION IMPROVEMENTS AND ADOPTING AN EXPENDITURE PLAN DIRECTING THE SPENDING OF REVENUES GENERATED FROM SAID TAX MEASURE

WHEREAS, the San Bernardino County Transportation Authority ("Authority") is authorized to levy a retail transactions and use tax/sales tax ("TUT") in the incorporated and unincorporated territory of San Bernardino County for transportation improvements and projects pursuant to California Constitution Article XIIIC §2(d), California Public Utilities Code §§180000 et. seq. and Revenue and Taxation Code §§7251 et. seq., subject to adoption of an ordinance/measure imposing the tax and adopting an Expenditure Plan (defined herein) by two-thirds (2/3) of the Authority Board of Directors and subsequent approval of the ordinance/measure by a two-thirds (2/3) vote of the San Bernardino County electors voting on it at a special election called for that purpose; and

WHEREAS, pursuant to voter approval of Measure "I" in 2004, the Authority, as the successor agency of the San Bernardino County Transportation Commission, currently levies a TUT of one-half percent (½%) on the sale and/or use of all tangible personal property sold at retail in the incorporated and unincorporated territory of San Bernardino County, as more specifically set forth in current Commission/Authority Ordinance No. 04-01; and

WHEREAS, the current TUT has a sunset of March 31, 2040, which is 30 years from the operative date of the tax; and

WHEREAS, by its adoption of this Ordinance/Measure (hereinafter referred to as the "Measure"), the Authority intends to propose to voters continuing the current TUT, imposed by Measure "I" in 2004, at the rate of one-half percent (1/2%) on the sale and/or use of all tangible personal property sold at retail in the incorporated and unincorporated territory of San Bernardino County until repealed by the voters in order to fund Countywide transportation improvements, programs, and services described in the Transportation Expenditure Plan; subject to subsequent approval of the Measure by two-thirds (2/3) of San Bernardino County electors voting on it at a special election called for that purpose; and

WHEREAS, Public Utilities Code §§180201 and 180206 require that a TUT ordinance contain an adopted Expenditure Plan "for the expenditure of the revenues expected to be derived from the tax imposed pursuant to this chapter, together with other federal, state, and local funds expected to be available for transportation improvements, for the period during which the tax is to be imposed"; and

WHEREAS, this Ordinance includes a Transportation Expenditure Plan that meets the requirements of Public Utilities Code §§180201 and 180206 and which is hereby incorporated by this reference; and

WHEREAS, the Authority, the San Bernardino County Board of Supervisors, and all of the City/Town Councils representing both a majority of the cities/towns in San Bernardino County and a majority of the population residing in the incorporated areas of San Bernardino County adopted the Expenditure Plan in accordance with Public Utilities Code §180206; and

WHEREAS, this Measure and the Transportation Expenditure Plan include provisions that dedicate revenues from this tax for transportation planning, design, construction, operation, and maintenance only to the benefit of San Bernardino County and cannot be used for other governmental purposes or programs, and provide that funding from this tax is used in accordance with the specified voter-approved Transportation Expenditure Plan. These provisions include:

- The specific projects and programs included in the Transportation Expenditure Plan will be funded by revenue raised by the TUT. The Transportation Expenditure Plan can be changed only after the TUT has been in effect for 10 years (2050) and thereafter in accordance with state law.

- An Independent Taxpayer Oversight Committee was originally created under Measure "I" and will continue to provide for citizen review to verify that all Measure funds are spent in accordance with provisions of the Expenditure Plan and Measure.

- San Bernardino County's ½% TUT is for transportation programs only and is not intended to replace traditional revenues generated through locally adopted development fees and assessment districts.

- The Authority will continue to seek maximum funding for transportation improvements through State and federal programs. The Authority will not provide TUT revenue to any city or to the County unless all federal, state, and local revenues currently used by that agency for transportation purposes continue to be used for transportation purposes; and

WHEREAS, the Authority, by separate resolution, intends to submit the Measure to the voters at a Special Election to be consolidated with the November 3, 2026 Statewide General Election.

NOW, THEREFORE, THE SAN BERNARDINO COUNTY TRANSPORTATION AUTHORITY AND THE PEOPLE OF SAN BERNARDINO COUNTY HEREBY ORDAIN AS FOLLOWS:

ARTICLE I. INCORPORATION OF RECITALS. The foregoing recitals are true and correct and are hereby incorporated and made an operative part of this Ordinance.

ARTICLE II. AUTHORITY ADOPTION OF A TRANSPORTATION RETAIL TRANSACTIONS AND USE TAX (TUT) AND TRANSPORTATION EXPENDITURE PLAN. By a two-thirds (2/3) vote, the San Bernardino County Transportation Authority and the People of San Bernardino County hereby adopt the following Measure:

SECTION 1. PURPOSE. This Measure authorizes the Authority to continue levying a TUT tax at the rate of one-half percent (1/2%) in the incorporated and unincorporated territory of San Bernardino County for transportation improvements and programs pursuant to California Public Utilities Code §§18000 et. seq. Pursuant to Public Utilities Code §180250, this Measure also authorizes the Authority to issue bonds secured by said tax revenues, and by Measure I revenues to the extent projects funded by the bonds are in both the Expenditure Plan and the Measure I Expenditure Plan, provides for the collection and administration of the tax by the California Department of Tax and Fee Administration ("CDTFA"), and adopts a Transportation Expenditure Plan allocating tax revenues to transportation improvements, programs, and services to the benefit of San Bernardino County.

SECTION 2. DEFINITIONS. The following definitions shall apply in this Measure:

A. "Authority" means the San Bernardino County Transportation Authority. The Legislature created the Authority, effective January 1, 2017 (Public Utilities Code Sections 130800 et seq.), consolidating the San Bernardino County Transportation Commission and other transportation-related entities into one agency, which shall be known as the Authority. In 1989, the San Bernardino County Transportation Commission was designated by the San Bernardino County Board of Supervisors to serve as the Local Transportation Authority pursuant to the provisions of Public Utilities Code §§ 180050 et seq.

B. "Bonds" means bonds, notes, contracts or other forms of indebtedness issued or entered into in accordance with this Measure.

C. "Committee" means the Independent Taxpayer Oversight Committee established herein.

D. "County" means San Bernardino County.

E. "Existing Tax" means the current ½% TUT levied by the Authority, as the successor agency to the San Bernardino County Transportation Commission, pursuant to Ordinance No. 89-01, Ordinance No. 90-01, and Ordinance No. 04-01.

F. "Expenditure Plan" or "Transportation Expenditure Plan" means the San Bernardino County Transportation Authority Transportation Expenditure Plan (attached as Exhibit "A" and incorporated herein by this reference) outlining transportation improvements, programs and services for which tax revenues may be expended, which is hereby expressly adopted as part of this Measure pursuant to California Public Utilities Code section 180206, including any future amendments thereto which are authorized by law.

G. "Local Jurisdiction" means a city or town in the County or the County.

H. "Measure" or "Ordinance" means this ordinance/ballot measure presented to voters seeking authorization to levy the tax and the approval of the Expenditure Plan.

SECTION 3. CONTINUED LEVY OF ONE-HALF PERCENT (1/2%) RETAIL TRANSACTIONS AND USE TAX (TUT). Upon approval of two-thirds (2/3) of the local voters casting votes on this Measure, the Authority shall continue to levy, in the incorporated and unincorporated territory of San Bernardino County, a retail transactions and use tax (TUT) at the rate of one-half percent (1/2%). The tax shall be collected until it is repealed by a subsequent ballot measure approved by County voters and until all debt is satisfied and committed contracts are fulfilled. The tax shall be imposed by the Authority in accordance with Section 180201 of the Public Utilities Code and Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code. The provisions of Revenue and Taxation Code Sections 7261 and 7262 are incorporated herein by reference as though fully set forth herein. This tax shall be in addition to any other taxes authorized by law, including any existing or future State or local sales tax or transactions and use tax.

SECTION 4. RETURN TO SOURCE. After deduction of required California Department of Tax and Fee Administration fees and authorized administrative costs, revenues generated from each specified Subarea within San Bernardino County as outlined in the Expenditure Plan will be expended on projects with direct benefit to that Subarea, except as set forth herein. Revenues will be accounted for separately for each Subarea and then allocated to specified project categories in each Subarea. Decisions on how revenues are expended within the Subareas for certain project categories, as defined in the Expenditure Plan, will be made by the Authority Board of Directors, based upon recommendations of local representatives. Other than the projects identified in the Interregional Mobility Expenditure Plan, revenues generated within a Subarea shall not be expended on projects without direct benefit to that Subarea except with approval of two-thirds (2/3) of the jurisdictions within the affected Subarea. Notwithstanding the foregoing, revenues shall be available as required to pay debt service on bonds regardless of the subarea in which the revenue was collected.

SECTION 5. TRANSPORTATION PURPOSES/EXPENDITURE PLAN.

A. Pursuant to Public Utilities Code §§180205 and 180206, revenues from this tax shall be used for transportation purposes only and may include, but are not limited to, administration of the tax and its revenues, including legal actions related thereto and costs of the initial preparation of this Ordinance and the election thereon; the construction, maintenance, improvements, and operation of local streets, roads, and highways, state highways and freeways; the construction, maintenance, improvements, and operation of public transit systems including rail and bus facilities and service; transportation technologies; and related purposes. These purposes include expenditures for planning, environmental reviews, engineering and design costs, and related right-of-way acquisition. Expenditures also include, but are not limited to, debt service on bonds and expenses in connection with the issuance of bonds. The Authority shall allocate revenues from this tax in accordance with the Expenditure Plan adopted herein and for any other purposes authorized by law.

B. Commencing in 2050 and at least every ten years thereafter, the Authority shall review and, where necessary, propose revisions to the Expenditure Plan. Such proposed revisions shall be submitted for approval according to the procedures set forth in this Subsection. Until approved, the then existing Expenditure Plan shall remain in full force and effect.

1. Such review shall consider recommendations from local jurisdictions, transportation agencies and interest groups, and the general public.
2. The Authority shall notify all local jurisdictions and the Board of Supervisors in writing of the proposed revision, reciting reasons and findings for the revision.
3. The revision(s) to the Expenditure Plan shall become effective 45 days after the notice referenced in 2, above, is given.
4. The boundaries of Subareas shall be revised only by unanimous approval of all local jurisdictions in the Subareas whose boundaries would be revised.

SECTION 6. BONDING AUTHORITY. The Authority shall have the power to sell or issue, from time to time, on or before the collection of taxes, Bonds, notes, contracts, or other evidence of indebtedness, including, but not limited to, capital appreciation bonds, in the aggregate principal amount at any one time outstanding of not to exceed the estimated proceeds of the tax, as determined by the Expenditure Plan, and to secure such indebtedness solely by way of future collection of taxes, for capital outlay expenditures for the purposes set forth in Section 5 above, including the carrying out of transportation projects described in the Expenditure Plan. To the extent Bond proceeds are to be spent on projects identified in both the Measure I Expenditure Plan and the Expenditure Plan, the Authority shall have the power to issue bonds secured by the Existing Tax revenues and the Measure's tax revenues. The Authority shall have a debt policy that will identify debt affordability limits, which are the maximum amounts that can be used to pay debt service.

SECTION 7. MAINTENANCE OF EFFORT. The Authority, by enactment of this Ordinance, intends that the additional funds provided to local jurisdictions and transit agencies pursuant to this Measure shall supplement existing federal, state, and local revenues used for street, highway, and public transit purposes as of Fiscal Year 2038-39. Transactions and use tax revenue shall not be used to replace requirements for new development to provide for its own transportation facilities. Under this Measure, funding priorities should be given to addressing road and transit needs, easing congestion, improving roadway safety, increasing mobility services, and implementing active transportation solutions where feasible. Local jurisdictions and transit operators shall maintain their existing commitment of transportation funds for street, highway, and public transit purposes pursuant to this Measure, and the Authority shall enforce this Section by appropriate actions including fiscal audits of the local jurisdictions and adoption of implementing policies.

SECTION 8. CONTRIBUTIONS FROM NEW DEVELOPMENT. No revenue generated from the tax shall be used to replace the fair share contributions required from new development. The methodology to determine the local fair share contributions shall be established by the Authority Board of Directors.

SECTION 9. INDEPENDENT TAXPAYER OVERSIGHT COMMITTEE. The extant Independent Taxpayer Oversight Committee ("Committee") shall continue in place up to and after April 1, 2040, to provide citizen review and to ensure that all funds generated by this tax are spent in accordance with the Expenditure Plan and this Ordinance as specified in Exhibit B of this Ordinance, which contains the specific terms and conditions for an Independent Taxpayer Oversight Committee and its review of periodic independent financial audits.

SECTION 10. LIMITATION ON EXPENDITURE FOR ADMINISTRATIVE COSTS AND OTHER PURPOSES. The Authority shall establish an Administration fund, and one percent (1%) of the annual net amount of revenue raised by the tax shall be credited to this fund. Pursuant to Public Utilities Code §180109, the salary and benefits of staff required to administer the TUT shall not exceed the revenues in the Administration fund.

SECTION 11. ANNUAL APPROPRIATIONS LIMIT. Pursuant to Article XIIIB §4 of the California Constitution and Public Utilities Code §180202, the appropriations limit for the Authority will be increased by the maximum projected aggregate collection authorized by the levy of this tax, as indicated in Section 3, in each of the years covered by this Measure plus the amount, if any, by which the appropriation limit is decreased by law as a result of the levy of the tax set forth in this Measure. The appropriations limit has and shall be subject to adjustment as provided by law.

SECTION 12. ADOPTION DATE OF MEASURE AND OPERATIVE DATE OF TAX. This Measure shall take effect at the close of the polls on the day of election at which this Measure is adopted by a vote of the electorate. Collection of the tax under this Measure shall commence on April 1, 2040.

SECTION 13. DURATION/TERM OF TAX. The tax enacted by this Measure shall continue to be levied until this Measure is repealed by the voters; provided that the tax shall continue to be collected while Bonds are outstanding and until committed contracts are fulfilled.

SECTION 14. TECHNICAL PROVISIONS FOR COLLECTION AND ADMINISTRATION OF TAX. By their adoption of this Ordinance, the Authority and the voters of San Bernardino County hereby expressly incorporate the technical provisions for the collection and administration of this tax by the CDTFA, which are required by State law and are specifically set forth in Ordinance No. 26-1 , which was adopted by the Authority on June 3, 2026.

<u>SECTION 15.</u> CONFLICT BETWEEN ORDINANCE AND EXPENDITURE PLAN. In the event of any conflict between the terms of this Ordinance and the terms of the Expenditure Plan, the terms of this Ordinance shall control.

<u>SECTION 16.</u> THE EXISTING TAX. Nothing in the Ordinance is intended to modify, repeal, alter, or increase the Existing Tax. The provisions of this Ordinance shall apply solely to the retail transactions and use tax adopted herein and not to the collection or administration of the Existing Tax.

<u>ARTICLE III.</u> CEQA COMPLIANCE. The Authority finds that the approval of this Ordinance is not a "project" and, alternatively, is exempt from the California Environmental Quality Act ("CEQA"). The Ordinance is intended to provide a funding mechanism for potential future projects and programs related to the Authority's provision of transportation services. The Ordinance does not commit the Authority to any particular project, program, or capital improvement. Accordingly, the Authority finds that, under CEQA Guidelines Section 15378(b)(4), adoption of this Ordinance is not a project subject to the requirements of CEQA because the Ordinance is merely "[t]he creation of [a] government funding mechanism[] or other government fiscal activit[y], which do[es] not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment." (CEQA Guidelines § 15378, subd. (b)(4); see also *Sustainable Transportation Advocates of Santa Barbara v. Santa Barbara County Association of Governments*, 179 Cal.App.4th 113, 123.) Additionally, the timing, design, and approval of individual projects to be funded by the Ordinance are dependent on future funding availability, need, feasibility, CEQA review, future Expenditure Plan review and amendments, and numerous other factors. Thus, the timing and design of future projects, which may not be brought forward for many years, are unknown, and insufficient information is available to enable meaningful environmental review. (CEQA Guidelines § 15004.) Further, because the Ordinance does not approve the construction of any projects that may result in any direct or indirect physical change in the environment, and because future voter approval is required as set forth in PUC Sections 180201 and 180203, approving the Ordinance is not an approval that commits the Authority to a definite course of action. (CEQA Guidelines § 15352.) Thus, it can also be seen with certainty that the Ordinance has no potential for causing a significant effect on the environment and is exempt from any further review under CEQA. (CEQA Guidelines § 15061(b)(3).)

<u>ARTICLE IV.</u> SEVERABILITY. If any provision of this Ordinance/Measure or the application thereof to any person or circumstance is held invalid or unenforceable by a court of competent jurisdiction, that holding shall not affect the validity or enforceability of the remaining provisions, and the Authority and the People of San Bernardino County declare that they would have passed each part of this Ordinance irrespective of the validity of any other part.

<u>ARTICLE V</u>. CERTIFICATION. The Clerk of the Board shall certify the adoption of this Measure as an ordinance and shall record it in the official records of the Authority.

PASSED AND ADOPTED by the San Bernardino County Transportation Authority this 3rd day of June, 2026 by the following vote of the Authority Board and approved by a two-thirds vote of San Bernardino County voters at a Special Election consolidated with the Statewide General Election held on November 3, 2026:

AYES:	24
NOES:	0
ABSTAIN:	0
ABSENT:	5

Rick Denison, Board President
San Bernardino County Transportation Authority

ATTEST:

Marleana Roman, Clerk of the Board
San Bernardino County Transportation Authority

APPROVED AS TO FORM:

for

Julianna K. Tillquist, General Counsel
San Bernardino County Transportation Authority

Exhibit A

Transportation Expenditure Plan

Revenue Estimates and Distribution. Allocation of revenue authorized by Ordinance No. 26-1 is established within this Expenditure Plan. Funds shall be allocated by percentage of the actual revenue received. An estimate of revenues and allocation among categories for the first 30 years is $7.5 billion. The estimated revenue is based upon 2026 value of money and is not binding or controlling.

Return to Source. After deduction of required CDTFA fees, funds dedicated for the Interregional Mobility Expenditure Plan and authorized administrative costs, revenues generated from each specified Subarea within San Bernardino County will be expended on projects of direct benefit to that Subarea. Revenues will be accounted for separately for each Subarea and then allocated to specified project categories. Decisions on how revenues for certain project categories are expended within the Subareas will be made by the Authority Board of Directors, based upon recommendation of local representatives.

Subarea Identification. The San Bernardino Valley Subarea will include the cities of Chino, Chino Hills, Colton, Fontana, Grand Terrace, Highland, Loma Linda, Montclair, Ontario, Rancho Cucamonga, Redlands, Rialto, San Bernardino, Upland and Yucaipa and unincorporated areas in the east and west portions of the San Bernardino valley urbanized area. The Mountain/Desert area will include the following subareas: (1) The North Desert Subarea, which includes the City of Barstow and surrounding unincorporated areas; (2) The Colorado River Subarea, which includes the City of Needles and the surrounding unincorporated areas of the East Desert; (3) The Morongo Basin Subarea, which includes the City of Twentynine Palms, Town of Yucca Valley, and surrounding unincorporated areas; (4) The Mountain Subarea, which includes the City of Big Bear Lake and surrounding unincorporated areas of the San Bernardino Mountains; and (5) the Victor Valley Subarea, which includes the Cities of Adelanto, Hesperia, and Victorville; the Town of Apple Valley; and surrounding unincorporated areas including Wrightwood.

Contribution from New Development. No revenue generated from the tax shall be used to replace the fair share contributions required from new development as further described in Section 8 of the Ordinance.

Requirement for Annual Financial and Compliance Audits of Measure Funds. The San Bernardino County Transportation Authority shall undergo a biennial financial audit, and each local jurisdiction receiving an allocation of Measure revenue authorized in this Expenditure Plan shall undergo an annual financial audit, with all audits to be performed in accordance with generally accepted auditing standards and government auditing standards issued by the Comptroller General of the United States. Compliance audits also shall be conducted to ensure that each agency is expending funds in accordance with the provisions and guidelines established for Measure revenue including compliance with Maintenance of Effort provisions

The Interregional Mobility Expenditure Plan. Upon initial collection of revenue, 3% of the revenue generated across all San Bernardino County subareas will be reserved in advance of other allocations specified in this plan, in an account for the Interregional Mobility Expenditure Plan. The Interregional Mobility Expenditure Plan will provide resources for the planning and implementation of projects and programs that provide critical infrastructure to communities impacted by regional motorist, tourism, interregional travel, and goods movement. This program will help plan and deliver critical infrastructure improvements, such as enhancements in the Cajon Pass and other key corridors, that address congestion, enhance mobility, improve safety, and strengthen resilience. It will also support evacuation planning, bolster emergency response capabilities, improve primary evacuation routes, and fund transit-related evacuation needs. In addition, the program will be available to address unexpected infrastructure damage resulting from natural or human-caused disasters, ensuring rapid recovery and the restoration of essential interregional mobility.

San Bernardino Valley Subarea Expenditure Plan. In that area described as the San Bernardino Valley Subarea, and referred to herein as the Valley Subarea, project categories shall be established as specified below. The San Bernardino Valley Subarea Expenditure Plan is illustrated in Figure A.

A. **State and Federal Transportation Funds.** A proportional share of projected state and federal transportation funds shall be reserved for use solely within the Valley Subarea.

B. **Local Mobility 25%.** Local priorities that focus on local roadway, bikeway, and sidewalk construction, repair, and maintenance for improved localized movement. Includes pass through for local priorities such as: local street widening & rehabilitation, potholes, grade separations, sidewalks, bike lanes, streetlights, and quiet zones. Allocations to local jurisdictions shall be on a per capita basis using the most recent State Department of Finance population estimates for January 1, with the County's portion based upon unincorporated population in the Valley Subarea. Estimates of unincorporated population within the Valley Subarea shall be determined by the County Planning Department, reconciled with the State Department of Finance population estimate for January 1 of each year.

   Upon initial collection of revenue, each local jurisdiction shall reserve 5% of allocated revenue in a special account to be expended on active transportation projects. Eligible active transportation projects may include, at the discretion of the local jurisdiction, bicycle and pedestrian projects and costs for associated studies or plans. If, after at least ten years of revenue collection, the local jurisdiction's governing body makes a finding that the reserve for active transportation projects is no longer necessary, and the Authority Board of Directors subsequently approves the finding, then all Local Mobility funds allocated to the local jurisdiction may be used for any eligible purpose.

   Local Mobility projects are defined as local street and road construction, repair, and maintenance and other eligible local transportation priorities. Except as set forth herein, Local Mobility funds can be used flexibly for any eligible transportation purpose determined to be a local priority, including local streets, major highways, state highway improvements, transit, and other improvements/programs to maximize use of transportation facilities. Expenditure of Local Mobility funds shall be based upon a Five-Year Plan adopted annually by the governing body of each local jurisdiction after being made available for public review and comment. Local Mobility funds shall be disbursed to local jurisdictions upon receipt of the annually adopted Five-Year Plan. The locally adopted Five-Year Plan shall be consistent with local, regional, and state transportation plans.

C. **Regional Mobility 50%.** Regional priorities that focus on goods movement, transit, managed lanes, congestion management, and emerging transportation technologies to enhance regional movement and include: highway improvements, bus and passenger rail (capital and rehabilitation), corridors, interchanges, environmental mitigation, traffic management systems (freeway service patrol and air quality strategies), quiet zones, planning and project development, and emerging transportation technology.

   Regional Mobility projects are defined as congestion relief and safety improvements to corridors that connect communities, serve major destinations, and provide freeway access. Decisions on how Regional Mobility funds are expended will be made by the Authority Board of Directors, based upon recommendation of local jurisdiction representatives. Funding priorities shall be given to improving roadway safety, relieving congestion, and street improvements at rail crossings and shall take into account equitable geographic distribution over the life of the program. Eligible projects also include, but are not limited to, signal synchronization, systems to improve traffic flow, commuter assistance programs, freeway service patrol, and projects that contribute to environmental enhancement associated with transportation facilities.

D. **Operations 25%.** Resourcing the operational costs for providing mobility services via rail, transit, senior and specialized services, first/last mile connections, ridesharing, and safety support functions. Decisions on how Operations funds are expended will be made by the Authority Board of Directors, based upon recommendations of local jurisdiction representatives. Funding priorities shall be given to maintaining core services across all modes of mobility.

Mountain/Desert Expenditure Plan. In that area described as the Mountain/Desert area, the following Expenditure Plan requirements shall apply. The Mountain/Desert Subarea Expenditure Plan is illustrated in Figure B.

A. **State and Federal Transportation Funds.** A proportional share of projected state and federal transportation funds shall be reserved for use solely within the Mountain/Desert Subareas.

B. **Local Mobility 70%.** Local priorities that focus on local roadway, bikeway, and sidewalk construction, repair, and maintenance for improved localized movement. Includes pass through for local priorities such as: local street widening & rehabilitation, potholes, grade separations, sidewalks, bike lanes, and streetlights. Allocations to local jurisdictions shall be based upon population (50 percent) and tax generation (50 percent). Population calculations shall be based upon the most current State Department of Finance estimates for January 1 of each year. Estimates of unincorporated population within each Subarea shall be determined by the County Planning Department, reconciled with the State Department of Finance population estimate. Tax generation calculations shall be based upon CDTFA data.

   Upon initial collection of revenue, each local jurisdiction shall reserve 5% of allocated revenue in a special account to be expended on active transportation projects. Eligible active transportation projects may include, at the discretion of the local jurisdiction, but are not limited to, bicycle and pedestrian projects and costs for associated studies or plans. If, after at least ten years of revenue collection, the local jurisdiction's governing body makes a finding that the reserve for active transportation projects is no longer necessary, and the Authority Board of Directors subsequently approves the finding, then all Local Mobility funds allocated to the jurisdiction may be used for any eligible purpose.

   Local Mobility projects are defined as local street and road construction, repair, and maintenance and other eligible local transportation priorities. Except as set forth herein, Local Mobility funds can be used flexibly for any eligible transportation purpose determined to be a local priority, including local roads, major streets, state highway improvements, transit, including but not limited to, fare subsidies and service enhancements for seniors and persons with disabilities, and other improvements/programs to maximize use of transportation facilities. Expenditure of Local Mobility funds shall be based upon a Five-Year Plan adopted annually by the governing body of each local jurisdiction after being made available for public review and comment. Local Mobility funds shall be disbursed to local jurisdictions upon receipt of the annually adopted Five-Year Plan. The locally adopted Five-Year Plans shall be consistent with other local, regional, and state transportation plans.

C. **Regional Mobility 20%.** Regional priorities that focus on goods movement, transit, managed lanes, congestion management, and emerging transportation technologies to enhance regional movement and include: highway improvements, bus and passenger rail (capital and rehabilitation), corridors, interchanges, environmental mitigation, traffic management systems (freeway service patrol and air quality strategies), planning and project development, and emerging transportation technology.

Revenue collected within each Subarea shall be reserved in a special account to be expended on Regional Mobility projects of benefit to the Subarea. Regional Mobility projects are defined as major streets and highways serving as primary routes of travel within the Subarea, which may include State highways and freeways, where appropriate. Regional Mobility Projects funds can be used to leverage state and federal funds for transportation projects and to perform advance planning/project reports. Expenditure of Regional Mobility funds shall be approved by the Authority Board of Directors, based upon a recommendation of Subarea representatives and the Mountain/Desert Policy Committee. If, after five years of revenue collection and every five years thereafter, the local representatives and the Mountain/Desert Policy Committee make a finding that Regional Mobility funds are not required for improvements of benefit to the Subarea, then revenue in the Regional Mobility category may be returned to local jurisdictions within the Subarea. Such return shall be allocated and expended based upon the formula and requirements established in the Local Mobility category.

D. **Operations 10%**. Resourcing the operational costs for providing mobility services via rail, transit, senior and specialized services, first/last mile connections, ridesharing, and safety support functions. Decisions on how Operations funds are expended will be made by the Authority Board of Directors, based upon recommendation of Subarea representatives and the Mountain/Desert Policy Committee and/or Transit Committee. Funding priorities shall be given to maintaining core services across all modes of mobility services.

The Authority Board of Directors, based upon recommendation of Subarea representatives and the Mountain/Desert Policy Committee, may provide additional funding beyond 10% upon a finding that such increase is required to address unmet transit needs of the Subarea. All increases above the 10% initial revenue collected for the Operations category shall come from the Local Mobility category of the Subarea.

E. **Mountain/Desert Policy Committee.** The Mountain/Desert Policy Committee of the Authority shall remain in effect and provide oversight of the implementation of the Mountain/Desert Expenditure Plan.

Measure "I"
Transportation Expenditure Plan

FIGURE A
San Bernardino Valley Subarea Expenditure Plan

Local Mobility 25%

Local priorities that focus on local roadway, bikeway, and sidewalk construction, repair and maintenance for improved localized movement. Includes pass through for local priorities.

- Local Street Widening & Rehabilitation
- Potholes
- Grade Separations
- Sidewalks
- Bike Lanes
- Streetlights
- Quiet Zones

Regional Mobility 50%

Regional priorities that focus on goods movement, transit, managed lanes, congestion management, and emerging transportation technologies to enhance regional movement.

- Highway Improvements
  - Managed Lanes
- Bus and Passenger Rail
  - Capital and Rehabilitation
- Corridors
  - Roadway, Transit, ATP
- Interchanges
- Environmental Mitigation
- Traffic Management Systems
  - Freeway Service Patrol
  - Air Quality Strategies
- Planning and Project Development
- Emerging Transportation Technology
- Quiet Zones

Operations 25%

Resourcing the operational costs for providing mobility services via transit, senior and specialized services, first/last mile connections, and safety support functions.

- Transit Operations
  - Bus, Rail, Innovative Technology
  - Student, Senior and Disabled Transit
- Traveler Emergency Network
- Vanpool/Ride Share
- First/Last Mile

FIGURE B
Mountain Desert Expenditure Plan

Local Mobility 70%

Local priorities that focus on local roadway, bikeway, and sidewalk construction, repair and maintenance for improved localized movement. Includes pass through for local priorities.

- Local Street Widening & Rehabilitation
- Potholes
- Grade Separations
- Sidewalks
- Bike Lanes
- Streetlights
- Quiet Zones

Regional Mobility 20%

Regional priorities that focus on goods movement, transit, managed lanes, congestion management, and emerging transportation technologies to enhance regional movement.

- Highway Improvements
  - Managed Lanes
- Bus and Passenger Rail
  - Capital and Rehabilitation
- Corridors
  - Roadway, Transit, ATP
- Interchanges
- Environmental Mitigation
- Traffic Management Systems
  - Freeway Service Patrol
  - Air Quality Strategies
- Planning and Project Development
- Emerging Transportation Technology
- Quiet Zones

Operations 10%

Resourcing the operational costs for providing mobility services via transit, senior and specialized services, first/last mile connections, and safety support functions.

- Transit Operations
  - Bus, Rail, Innovative Technology
  - Student, Senior and Disabled Transit
- Traveler Emergency Network
- Vanpool/Ride Share
- First/Last Mile

Exhibit “B“

Independent Taxpayer Oversight Committee (ITOC)

ITOC Goal and Function. Voter approval of this Measure shall result in the continuation of the existing Independent Taxpayer and Oversight Committee (ITOC) as follows:

The ITOC shall provide citizen review to ensure that all Measure funds are spent by the San Bernardino County Transportation Authority (hereby referred to as the Authority) in accordance with provisions of the Expenditure Plan and Ordinance No. 26-1, Measure I and the Measure I Expenditure Plan.

Audit Requirement. A biennial fiscal and compliance audit shall be performed in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General of the United States. The audit shall review the basic financial statements of the Authority as defined by the Governmental Accounting Standards Board and the financial and compliance audits of the member jurisdictions.

Role of Financial and Compliance Audit and the ITOC. The ITOC shall review the annual audits of the Authority; report findings based on the audits to the Authority; and recommend any additional audits for consideration that the ITOC believes may improve the financial operation and integrity of program implementation.

The Authority shall hold a publicly noticed meeting, which may or may not be included on the agenda of a regularly scheduled Authority Board of Directors meeting, with the participation of the ITOC to consider the findings and recommendations of the audits.

Membership and Selection Process. The Authority shall have an open process to select five committee members, which shall include solicitation of trade and other organizations to suggest potential nominees to the committee. The committee members shall possess one of the following credentials:

- Professional in the field of municipal audit, finance and/or budgeting with a minimum of five years in a relevant and senior decision-making position in the public or private sector.

- Licensed civil engineer or trained transportation planner with at least five years of demonstrated experience in the fields of transportation and/or urban design in government and/or the private sector. No member shall be a recipient or sub-recipient of Measure funding.

- Three public members who possess knowledge and skills that will be helpful to the work of the ITOC.

The Chair and the Executive Director of the Authority shall serve as ex-officio members of the ITOC.

Terms and Conditions for Committee. Committee members shall serve staggered four-year terms. In no case shall any voting committee member serve more than twelve years on the ITOC.

- Committee members shall serve without compensation, except they shall be reimbursed for authorized travel and other expenses directly related to the work of the ITOC.
- Committee members cannot be a current local elected official in the County or a full-time staff member of any city/town, the County government, local transit operator, or state transportation agency.
- Non-voting ex-officio committee members shall serve only as long as they remain incumbents in their respective positions and shall be automatically replaced by their successors in those positions.
- If vacancies on the ITOC occur, for any reason, Authority staff will collaborate with Authority Board members to find an appropriate replacement, within 90 days of the vacancy or as soon thereafter as possible, to fill the remainder of the term.
- When more than one application is received for a vacancy, the General Policy Committee will make a recommendation to the Authority Board of Directors to appoint an applicant to the ITOC.
- When only one application is received, the Board President will recommend to the Board the applicant's appointment to the ITOC.

ITOC Operation Protocols.

- The ITOC shall continue as long as Measure revenues are collected.
- Authority Board of Directors and staff shall fully cooperate with and provide necessary support to ensure the ITOC successfully carries out its duties and obligations.

Conflict of Interest. ITOC voting members shall have no legal action pending against the Authority and are prohibited from acting in any commercial activity directly or indirectly involving the Authority, such as being a consultant during their tenure on the ITOC. ITOC voting members shall not have direct commercial interest or employment with any public or private entity that receives the transportation tax funds authorized by the voters in this Ordinance.

Exhibit C (Ballot Question)

Measure "I" Local Transportation Improvement Program

San Bernardino County Road Repair/Traffic Relief Extension
Without raising tax rates, shall an ordinance to fund repairing potholes; keeping local roads in good condition; completing freeway/highway projects to improve traffic flow/safety, reduce traffic bottlenecks; upgrading aging bridges/overpasses; creating local jobs; keeping student/senior/disabled/veteran transit fares low be adopted, extending the ½¢ voter-approved transportation sales tax, providing approximately $250,000,000 annually until ended by voters, requiring audits, oversight, spending disclosure, local control?