

Attachment No. 1 to Agenda Item No. 6 - Measure I Revenue Estimates for FY 2021-2022

**Date:** April 1, 2021

**Subject:**

Revised Measure I Revenue Estimate for Fiscal Year 2021/2022 Allocation Planning

**Background:**

San Bernardino County Transportation Authority (SBCTA) staff is recommending revising the Measure I revenue estimate from \$186 million to \$196 million for the Fiscal Year (FY) 2021/2022 Budget. SBCTA's Sales Tax Consultant, HdL Companies (HdL), provided an updated sales tax estimate of \$196 million for FY 2021/2022. The original estimate understated sales tax revenue. Sales tax revenues have increased mainly due to continuing acceleration in online shopping in addition to last year's implementation of the Wayfair v. South Dakota Supreme Court decision that requires out-of-state vendors to collect and remit sales and use taxes. HdL is projecting sales tax for current FY 2020/2021 at \$190.8 million, which is a 36.2% increase in Measure I sales tax revenue from the current year estimate of \$143.9 million. The sales tax estimate is based on current economic trends which projects that the impact of the COVID-19 pandemic is not as extreme as was anticipated in the development of the FY 2020/2021 Budget, but continues to remain uncertain. SBCTA staff continues to monitor the impact of the pandemic on sales tax revenue.

Distribution of Measure I revenues to subareas for FY 2021/2022 is net of the administration fee of 1%. The net amount is allocated to subareas based on the percentage of sales tax revenue generated by each area. Then, the amount of each subarea is further allocated based on the allocation described in the transportation expenditure plan as shown in Table 1.

**Table 1**

<u>Valley Subarea</u>	
Freeway projects	29%
Freeway interchange projects	11%
Major street projects	17%
Local street projects	20%
Metrolink/rail service	8%
Senior and disabled transit service	8%
Express bus/bus rapid transit service	5%
Traffic management systems	2%
<u>Mountain/Desert Subareas excluding Victor Valley</u>	
Local street projects	68%
Major local highway projects	25%
Senior and disabled transit service	5%
Traffic management systems	2%
<u>Victor Valley Subareas</u>	
Local street projects	67%
Major local highway projects	25%
Senior and disabled transit service	6%
Traffic management systems	2%

The distribution of the estimated FY 2021/2022 Measure I revenue of \$194.04 million (\$196.0 million less 1% for administration), is provided in Table 2.

**Table 2**  
**Estimate of Measure I Revenue by Subarea**  
**For Fiscal Year 2021/2022**

Subarea	Estimated Revenues (In Thousands)	Percentage of Total Subarea
Cajon Pass *	\$ 5,555,600	2.8%
Valley	157,899,500	81.4%
Victor Valley	21,732,200	11.2%
Colorado River	447,600	0.2%
Morongo Basin	2,810,100	1.5%
Mountain	2,541,000	1.3%
North Desert	3,054,000	1.6%
Total Subarea	\$ 194,040,000	100%

\* Cajon Pass is funded with 3% of Valley and Victor Valley Measure I funds

The numbers in Table 2 represent estimates for apportionment/allocation planning purposes only. Each subarea will receive the actual revenue collected according to the provisions of the Measure I 2010-2040 Expenditure Plan. Current trends indicate slow growth, and may result in actual distributions that are different than displayed in Table 2.

The estimated local pass through funds for each jurisdiction is provided in Table 3 based on the revised Measure I estimate for Fiscal Year 2021/2022.

**Table 3**  
**MSI estimate by Jurisdiction FY 2021/2022:**

Adelanto	984,600
Apple Valley	2,549,200
Hesperia	3,566,400
Victorville	5,785,300
Twentynine Palms	588,350
Yucca Valley	927,600
Big Bear Lake	552,000
Barstow	1,183,700
Needles	223,300
Chino	1,779,800
Chino Hills	1,645,950
Colton	1,080,900
Fontana	4,254,250
Grand Terrace	248,200
Highland	1,105,000
Loma Linda	490,000
Montclair	789,000
Ontario	3,652,500
Rancho Cucamonga	3,505,700
Redlands	1,417,100
Rialto	2,088,200
San Bernardino	4,353,000
Upland	1,574,100
Yucaipa	1,112,700
County of San Bernardino	6,703,350

***Responsible Staff:***

Hilda Flores, Chief Financial Officer