



**CITY OF SALINAS
COUNCIL STAFF REPORT**

DATE: MARCH 6, 2018
DEPARTMENT: PUBLIC WORKS
FROM: DON REYNOLDS, ACTING DIRECTOR OF PUBLIC WORKS
TITLE: SUPPORT TRANSPORTATION FUNDING PROTECTION
("PROPOSITION 69")

RECOMMENDED MOTION:

A motion to approve a Resolution indicating the City's desire to protect Transportation Funding.

RECOMMENDATION:

It is recommended that the City Council approve a Resolution intended to protect transportation funding ("Proposition 69"), and oppose attempts to appeal the Road Repair and Accountability Act ("SB-1").

BACKGROUND:

Over the past five years, the City saw its Gas Tax revenues decline 62%. Street repairs were reduced to the minimum emergency response, except when grant funding could be secured. With the passage of Measure G, the City was able to re-invest in its street and sidewalk infrastructure. Last fiscal year Measure G investments were replaced with Measure X funding.

In the Fall of 2016, Measure X (MX) was approved. Public Works spent \$282,000 of its first MX monies on the Laurel Extension, street calming, and sidewalk repairs. Another \$2 million is being spent this year that includes Boronda Road improvement design, Circle Drive, Bardin Road design, Laurel Heights and the Main Street Master Plan design. On February 20, 2018, the Mid-Year Budget amendment included another \$500,000 to design six new traffic signals. Over the five past years, the City has averaged \$1.5 million in expenses for street rehabilitation and repairs.

A Pavement Condition Assessment was recently reported and shared with the City Council. This tool sets forth the basic street maintenance and repair strategy for the City, referred to as the Pavement Management System or "PMS." In summary, the City has 290.2 miles of streets, 52.5% are residential, 33.5% arterial and 14.5% are connector streets. Of these, 53.5% are rated a good or better, and 46.5% are rated as poor or lower. The bottom line is a "Pavement Condition Index" ("PCI") of 54%. It is every city's goal to have a PCI of 85%. By continuing to invest at \$1.5 million a year, in five years, the PCI will continue to decline to 45%. To invest \$9 million per year for five years, the PCI will stabilize and slightly increase to 59%. An unconstrained

investment of \$11.64 million per year would get the City to an 84% PCI in five years. Four scenarios are presented below.

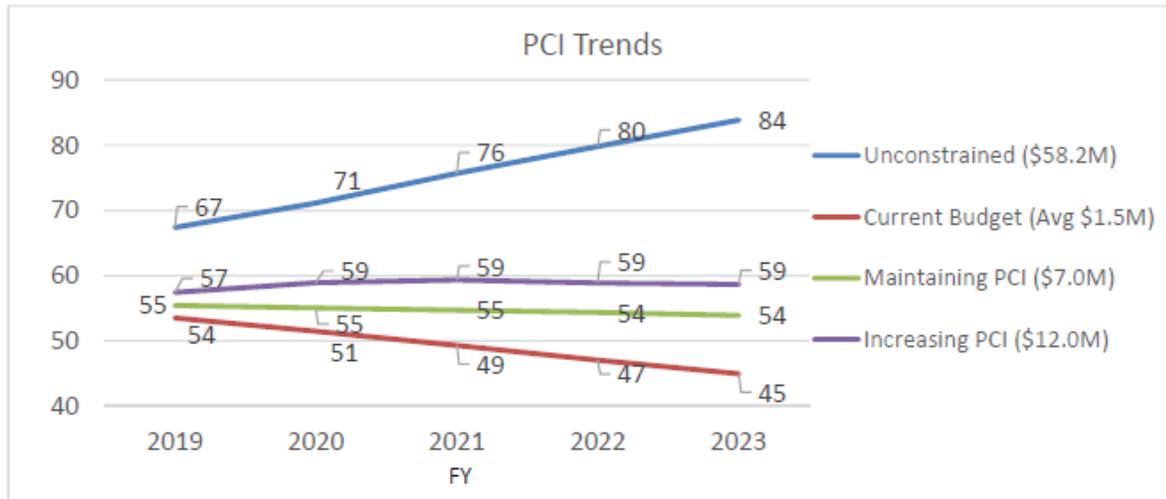


Figure 9.1 PCI Trends by scenarios and years

The projects listed above are all part of a three-year \$84.9 million list of street improvements, rehabilitation, and maintenance projects, first presented to the City Council last January. Council approved bonding Measure X funds and approximately \$33.5 million will become available this May to address a portion of these needs. PMS is a part of the list of projects, with funding needs estimated at \$10 million per year (\$30 million). It is clear that Measure X funding cannot pay for all of these needs.

SB-1 Summary

The “Fix Our Roads Coalition,” a broad coalition of cities, counties, labor, businesses and transportation advocates, is responsible for supporting the passage of the Road Repair and Accountability Act (“SB-1”). The Coalition supports seven core principles:

- Make significant investment in transportation infrastructure;
- Focus on maintaining and rehabilitating the current system;
- Invest a portion of diesel tax and/or Cap-and-Trade revenue to high priority goods movement projects;
- Raise revenues across a broad range of options;
- Equal spilt between state and local projects;
- Strong accountability requirements to protect the taxpayers’ investment; and
- Provide consistent annual funding levels.

SB-1 is the permanent fix for Salinas streets, and is necessary to reverse the decline. It will more than compensate for this loss of Gas Tax, and insure incremental increases over the next thirty years. It has the potential to be bonded like Measure X. It has additional sources of funds that are designated to help match local “self-help” counties like Monterey and its Measure X. It requires

annual reporting and includes reasonable audit requirements, but is otherwise a simple program to use.

Those opposing SB-1 are mainly from the agricultural industry and include the Western Growers Association, California Cattleman's Association, California Fresh Fruit Association, the Association of California Egg Farmers and the California Farm Bureau. The common thread amongst them is the increase cost the new fee structure causes for transportation, and the new methods by which they are being assessed. The cost of SB-1 is not easily passed to the consumer (LA Times Report, April 4, 2017). These organizations have successfully placed a matter on the ballot to repeal the measure. Fix Our Roads has countered with Proposition 69 to protect those revenues created by SB-1.

The capability to maintain and repair City streets is one of several positive actions the City is taking to increase pedestrian safety. Like many other cities, Salinas is relying on SB-1 to help increase safety and relieve the tension between need and capacity and begin to at least stabilize the current condition of the City streets. Street rehabilitation, maintenance and repair is all about safety.

CEQA CONSIDERATION:

Not a Project. The City of Salinas has determined that the proposed action is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

STRATEGIC PLAN INITIATIVE:

By approving the attached Resolution, the City will show its support for Excellent Infrastructure.

FISCAL AND SUSTAINABILITY IMPACT:

This action has no immediate or direct fiscal impact. It could however, help to stabilize the current decline of the City's streets.

ATTACHMENTS:

Resolution

RESOLUTION NO. _____ (N.C.S.)

**A RESOLUTION IN SUPPORT OF TRANSPORTATION FUNDING PROTECTION
("PROPOSITION 69") AND OPPOSING ATTEMPTS TO APPEAL THE ROAD
REPAIR AND ACCOUNTABILITY ACT ("SB 1")**

WHEREAS, the City of Salinas with a population of 161,000, includes 290.2 miles of roadways (centerline measure), where 52.5% serve residential neighborhoods, 33.5% are arterials streets and 14% serve as collector streets; and

WHEREAS, starting on New Year's Day in 2018, the City began a tragic year of pedestrian/vehicle collisions that seem now to occur weekly in Salinas, this is a dramatic increase over the same three month period in 2017, and in prior years, making pedestrian safety on City streets, the top priority for its residents; and

WHEREAS, the recent completion of the Pavement Condition Assessment (resulting in the Pavement Management System or "PMS") describes 53.5 % of City Streets to be in a condition of good or higher, while 46.5% of City streets are rated in poor condition or worse, with an average Pavement Condition Index ("PCI") of only 54%; and

WHEREAS, if the City continues to fund street improvements and maintenance repairs at the same level of \$1.5 million per year for the next five years, the "PCI" will continue to decline rapidly from 54% to 45%, and if it can budget \$9 million per year over the next five years, it will stabilize this decline and increase the PCI to from 54% to 56%; and

WHEREAS, the purpose of having a PMS is to strategize the best use of investment in future street repair and maintenance, including those revenues received from the State of California; and

WHEREAS, Salinas is not alone in this struggle, where in other California's cities, counties and transportation there is a statewide backlog of over \$130 billion in needed funds to make transportation infrastructure improvements; and

WHEREAS, State's primary source of support for local street repairs is known as the "Gas Tax" and this source of revenue has declined 62% over the past five years; and

WHEREAS, "The Road Repair and Accountability Act" (SB 1 – Beall) passed by the Legislature and signed by the Governor last year will raise \$5 billion annually in long-term, dedicated transportation funding to make road safety improvements, fill potholes and repair local streets, highways, bridges and overpasses, with the revenues split equally between state and local government projects; and

WHEREAS, Salinas anticipates receiving \$926,597 from SB-1 funds beginning in November of 2017, and anticipates receiving at least \$2,667,985 million annually beginning in FY 18/19 for the next 30 years; and

WHEREAS, SB 1 will provide the critically-needed funding in Salinas that will be used to pay for the roadway maintenance and rehabilitation based on the PMS program moving forward, and be used to leverage local Measure X funding to make up the difference and prevent the City's PCI from further decline: and

WHEREAS, without SB-1, new improvements including the current sidewalk repair program, the safety and traffic calming at Boronda Road, East Laurel Drive extension, Bardin Road safe routes to school improvement program, six new traffic signals and various other traffic calming projects proposed to be funded by the local tax Measure X would have to be delayed or reconsidered; and

WHEREAS, SB 1 contains strong accountability provisions to streamline projects by cutting bureaucratic redundancies and red tape to ensure transportation funds are spent efficiently and effectively, while also establishing the independent office of Transportation Inspector General to perform audits, improve efficiency and increase transparency; and

WHEREAS, Proposition 69 on the June 2018 ballot would add additional accountability for taxpayers by preventing the State Legislature from diverting or raiding any new transportation revenues for non-transportation improvement purposes; and

WHEREAS, there is also a proposed ballot measure aimed for the November 2018 ballot (Attorney General #17-0033) that would repeal the new transportation revenues provided by SB 1 and make it more difficult to increase funding for state and local transportation improvements in the future; and

WHEREAS, this proposed November proposition would raid \$2.7 million annually dedicated to Salinas, hindering the City's ability to improve its pedestrian safety, stabilize the further decline of its PCI, and halt critical investments in future transportation improvement projects in our community;

NOW, THEREFORE BE IT RESOLVED that the City of Salinas hereby supports Proposition 69, the June 2018 constitutional amendment to prevent new transportation funds from being diverted for non-transportation purposes; and

BE IT FURTHER RESOLVED that the City of Salinas hereby opposes the proposed November ballot proposition (Attorney General #17-0033) that would repeal the new transportation funds and make it more difficult to raise state and local transportation funds in the future; and

BE IT FURTHER RESOLVED that the City of Salinas supports and can be listed as a member of the Coalition to Protect Local Transportation Improvements, a diverse coalition of local government, business, labor, transportation and other organizations throughout the state, in support of Proposition 69 and opposing the repeal of SB 1.

PASSED AND ADOPTED this 6th day of March 2018 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

APPROVED:

Joe Gunter, Mayor

ATTEST:

Patricia M. Barajas, City Clerk