



BOARD OF SUPERVISORS
AGENDA LETTER

Agenda Number:

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Department Name: Public Works
Department No.: 054
For Agenda Of: March 13, 2007
Placement: Departmental
Estimated Tme: 45 Minutes
Continued Item: No
If Yes, date from:
Vote Required: Majority

TO: Board of Supervisors
FROM: Department Director Phillip M. Demery, Public Works Director 568-3010
Contact Info: Scott D. McGolpin, Deputy Director-Transportation 568-3064

SUBJECT: Measure "D" ½ Cent Sales Tax for Transportation for all Supervisorial Districts

County Counsel Concurrence

As to form: Yes

Auditor-Controller Concurrence

As to form: Yes

Other Concurrence: Risk Management

As to form: Yes

Recommended Actions:

- A. Adopt the attached Resolution for the Measure "D" Three-Year Local Program of Projects for Fiscal Years 2007/08 through 2009/10, for submittal to the Santa Barbara County Local Transportation Authority for acceptance;
- B. Reaffirm Resolution 89-465, which established priorities and policies for the use of the local portion of the one-half cent sales tax for the transportation needs in Santa Barbara County;
- C. Approve Notice of Exemption pursuant to the County's California Environmental Quality Act (CEQA) guidelines for the above; (Post);
- D. Reaffirm or consider revision to the Measure "D" distribution formula for allocation of revenues within Supervisorial Districts;
- E. Direct staff to prepare Fiscal Year 2007/08 Road Maintenance Annual Plan (RdMap) based upon approved Measure "D" distribution formula;
- F. Set Hearing for March 27, 2007 for approval of the Fiscal Year 2007/08 Road Maintenance Annual Plan (Est. Time: 30 minutes staff; 45minutes total).

Summary Text:

As part of the local guidelines of the Measure "D" one-half cent sales tax, the Board of Supervisors must annually adopt a resolution indicating the program of projects and certifying the intent to allocate the required local discretionary funds to satisfy the "Maintenance of Efforts" provision of Measure "D".

Each and every year your Board reaffirms Resolution 89-465, which established priorities and policies for the use of Measure "D" funds, prior to the vote of the people in 1989. Public Works' staff recommends reaffirmation of the Resolution again for this year. The eligible use of Measure "D" funds is defined by ordinance and jurisdictional Measure "D" expenses, which are audited by the Santa Barbara County Association of Governments (SBCAG).

Background:

On November 7, 1989 the voters of the County of Santa Barbara approved Measure "D", the Santa Barbara Transportation Improvement Program, with a 55% majority vote. As a result of the passage of Measure "D", the local sales tax was increased countywide by one-half cent, effective April 1, 1990. The transportation sales tax will remain in effect for 20 years, with the revenues being allocated for transportation improvements. Measure "D" is currently scheduled to sunset in June, 2010.

The revenues generated countywide by this transportation sales tax are currently distributed with 70 percent going to local agencies to meet their local needs. The remaining 30 percent are allocated to state and regional highway projects. The County of Santa Barbara is required on an annual basis to develop a program of proposed projects to be funded with these sales tax monies. The Department of Public Works presents this program to your Board every spring for consideration and approval. Upon approval, the program is sent to the Santa Barbara County Association of Governments (SBCAG) for approval and incorporation into the countywide plan.

The County's approved three-year program of projects is the basis by which the Department constructs the Road Maintenance Annual Plan (RdMap). This plan is the Public Works Department's road maintenance strategy for the coming fiscal year. In the plan, needed maintenance work, both corrective and preventive, is identified. Measure "D" is currently the County's primary source of revenue for preventive maintenance that includes overlays, seal coats and hardscape repairs. Preventive maintenance work is the majority of the County's unfunded road maintenance backlog that in total is a \$155 million need at this time; almost \$78 million alone is pavement. This estimate is based on a pavement re-evaluation conducted in 2006 and consists of all four components of the Transportation Infrastructure System (pavement, concrete, bridges and drainage). This backlog has increased by \$20 million since last year due in part to the non-local revenue that has been decreased or delayed over the last four fiscal years as well as normal degradation of the system at a rate of 3% annually. Also, asphalt prices continued to rise and have risen over 85% since 2005. The Department estimates that the County's Transportation Infrastructure System, pavement portion, requires an annual expenditure of \$12 million to maintain the system's current condition. The Department recently met with the County Executive Officer (CEO) on this Measure "D" item and the proposed RdMap. The CEO has requested that the Department meet again with his office to discuss this backlog in detail and we will be doing that in the very near future.

State Transportation Improvement Plan (STIP) revenue, is another source of maintenance funding, which is significantly lower than was projected when the 2002 STIP was adopted by the California

Transportation Commission (CTC). As such, many projects in California have been delayed and placed on a waiting list for funding. Unfortunately, due to the log jam created at the State level for funding STIP projects, the CTC created a priority system for allocating projects. Under the priority system, road rehabilitation projects were determined to be "tier 3" projects and were not likely to receive funding until sometime in the future. This decision had two negative implications for the County's Transportation Infrastructure System: a delay in much needed surface treatments is experienced by the County; and by the time this funding becomes available for our use, the proposed strategies will more than likely change, requiring additional revenue to complete the plan.

In 2001, the Governor signed AB 2928 which later became voter approved Proposition 42, approximately \$1 billion was distributed directly to cities and counties for preservation of the local road system. The County's portion of this bill was based on an allocation formula of 75% registered vehicles and 25% maintained road miles. State Budget shortfalls caused these revenues for Fiscal Years 2003/04 and 2004/05 to be suspended. This partial early payback for the two suspended fiscal years mentioned above will bring approximately another \$1.4 billion to the state. To date, the County has received all of the partial early payback for the two suspended fiscal years and this equates to approximately \$2.7 million. Your Board programmed these revenues to specific projects on September 26, 2006. Proposition 42 revenues for Fiscal Years 2006/2007 and 2007/2008 are not available for local agencies. However, Proposition 1B revenues will be available to our County and will be discussed below.

As a result of the revenue losses described above over the last few fiscal years, the Department and the Transportation Division has had to make budgetary reductions due to the timing of the State's impacts on local transportation. The Public Works Department was forced to prepare a budget for Fiscal Year 2004/05 based on a release of approximately \$3 million reserves, in turn, the Department worked diligently to reduce expenditures and capture additional revenue in Fiscal Year 2005/06 and 2006/07. First, the overall organization within the Transportation Division was reviewed to develop a plan to streamline positions that would still allow fulfillment of the overall mission. This exercise resulted in the Department recommending the reduction of 20 full-time positions in the Division as well as unfunding an additional 6 positions into the future. Overall, this was a reduction of 15.2% for your Board to consider from our overall budgeted staff for Transportation. As the resource need arises and the outside revenue becomes available, our plan is to fund the unfunded positions. Secondly, the Department actively sought all opportunities to perform reimbursable work with our existing staff allowing us to bring unanticipated revenues into the road fund to assist in minimizing the use of reserves. To date, the Division has performed in-house asphalt leveling operations, an in-house fog/rejuvenating seal projects, and re-vegetation mitigation work has been completed for both Transportation and Flood Control District projects. We are committed to continue searching for, and completing any and all reimbursable work to assist us through the State's financial troubles.

Also this past November the voters approved Proposition 1B, a transportation bond that includes funding for local agencies to maintain their transportation infrastructure system. The County of Santa Barbara will receive approximately \$3.7 million in this State funding for Fiscal Year 2007/08 that can be used for preventive maintenance operations. This funding is included in the Measure "D" Three-Year Local Program of Projects before your Board today and will be associated with specific streets when the RdMap comes before you later this month.

Unfortunately, both Propositions 42 and 1B can not be relied upon to fund ongoing operations within the Division due to the fact that the State may borrow this funding or the revenue will eventually expire and no longer be available for our agency to utilize. Measure “D” is a vital maintenance funding source for the County of Santa Barbara to conduct our Pavement Preservation Program and to maintain our Transportation Infrastructure System. Without a renewed Measure D or an alternative funding source to replace it in the future the County’s Transportation Infrastructure System will deteriorate at a rapid pace.

County Measure “D” Distribution Formula:

After the approval of Measure “D” by the voters of this County in 1989, your Board distributed the revenues to each Supervisorial district based on a formula that was solely based on unincorporated population. In Fiscal Year 1999-2000 the Grand Jury published a report titled, “Our County Roads” in which they stated that the County’s rural road system was in a state of disrepair due in part to the original distribution formula. The Grand Jury went on to say; “To correct the imbalance of Measure “D” funding allocated among the County Districts, the Board of Supervisors and PWD should consider allocating funds by road lane-miles...” After this report was published, your Board revised the formula to one based on a 75% population and 25% lane mile distribution.

This revision of the original distribution formula provided additional funding to the Third and Fifth Supervisorial Districts where there are more rural areas thus more lane miles for similar populations. Your Board again revised this distribution formula to one based on 50% population and 50% lane miles within each District. Staff requests that your Board reaffirm or revise the Measure “D” distribution formula for allocation of revenues within Supervisorial Districts.

	<i>Supervisorial District</i>					
	<i>1</i>	<i>2</i>	<i>3</i>	<i>4</i>	<i>5</i>	<i>Totals</i>
<i>Distribution Percentage by 50% Population/50% Lane Miles</i>	<i>12.29%</i>	<i>16.42%</i>	<i>37.27%</i>	<i>26.24%</i>	<i>7.79%</i>	<i>100.00%</i>

Pursuant to the County’s CEQA guidelines, the Department of Public Works has determined this project to be exempt from further environmental review. Approval of this Notice of Exemption shall indicate the Board of Supervisors approval and shall commence the appeal period.

Performance Measure:

RPM 0025 - Maintain a ride quality of “good” (Pavement Condition Index of 70 or better) on 40% of the 374 lane miles of Arterial, Collectors and Major Rural roads.

RPM 0027 - Limit the 5 year backlog of Road maintenance Pavement needs to no more than the current \$80,000,000 to protect the communities investment in the transportation infrastructure system.

RPM 0041 - Re-evaluate the pavement condition of 33% of the 834 center lane miles of county maintained road system annually.

RPM 0186 - Maintain an average Pavement Condition Index (PCI) of 65 or better on the 1667 lane miles within the County maintained system to protect the communities investment in transportation infrastructure.

Fiscal and Facilities Impacts:

Budgeted: Select_Budgeted

Fiscal Analysis:

<u>Funding Sources</u>	<u>Current FY Cost:</u>	<u>Annualized On-going Cost:</u>	<u>Total One-Time Project Cost</u>
General Fund			
State			
Federal			
Fees			
Other:			
Total	\$ -	\$ -	\$ -

Narrative:

The Measure "D" Three-Year Local Program of Projects will bring in \$23,218,527 of revenue to maintain the County’s Transportation Infrastructure. Measure “D” is a vital maintenance funding source for the County of Santa Barbara to conduct our Pavement Preservation Program and to maintain the Transportation Infrastructure System. Without a renewed Measure D or an alternative funding source to replace it in the future the County’s Transportation Infrastructure System will deteriorate at a rapid pace.

Staffing Impacts:

Legal Positions:

FTEs:

Special Instructions:

The Department noticed the hearing for the Measure “D” ½ Cent Sales Tax. The notice has been published for one week in the Santa Maria Times and the Santa Barbara Newspress. Please return one copy of the executed resolution and a certified stamped Minute Order to the attention of Gena Valentine Felix, Public Works Transportation Division.

Attachments:

1. Resolution for the measure “D” Three-year Local Program of Projects for Fiscal Years 2007-08 through 2009/10
2. Resolution 89-465
3. Notice of Exemption
4. Options for Measure “D” Distribution Methods-FY 07/08

Authored by: Scott D. McGolpin, Deputy Director, Public Works – Transportation, 568-3064