



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 25, 2008  
Placement: Set Hearing  
Estimated Tme: 45 Minutes (30 min  
Staff)  
Continued Item: No  
If Yes, date from:  
Vote Required: Majority

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

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

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**County Counsel Concurrence**

As to form: Yes

**Auditor-Controller Concurrence**

As to form: Yes

**Other Concurrence:** Risk Management

As to form: Yes

**Recommended Actions:**

Set a hearing to consider recommendations regarding 2008/09 through 2009/2010 Measure "D" Two-Year Local Program of Projects (Set Hearing for April 8, 2008) (Est. Time: 30 minutes staff; 45minutes total)

- A. Adopt the attached Resolution for the Measure "D" Two-Year Local Program of Projects for Fiscal Years 2008/09 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 2008/09 Road Maintenance Annual Plan (RdMap) based upon approved Measure "D" distribution formula:

**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 two-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 \$214 million need at this time; \$104 million alone is pavement. This estimate is based on an annual pavement re-evaluation conducted in 2007 and consists of all four components of the Transportation Infrastructure System (pavement, concrete, bridges and drainage). This backlog has increased by \$59 million since last year due in part to the continued increase in asphalt prices (which have risen over 270% since 2002) and corresponding increases in construction costs, and non-local revenue that has been decreased or delayed over the last five fiscal years which has resulted in more of our roads requiring more costly treatments. The Department estimates that the County's Transportation Infrastructure System, pavement portion, requires an estimated annual expenditure of \$5.1 million to maintain the system's current condition of "Good" (PCI 69) for FY 2008/2009. Further increases in asphalt / construction costs and delays in non-local revenues will continue to increase the County's unfunded road maintenance backlog in future years.

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. According to the Governor's proposed budget Proposition 42 revenues for Fiscal Year 2008/2009 should be available for local agencies. The County did receive Proposition 1B revenues for Fiscal Year 2007/08, which your Board reprogrammed on January 22, 2008; however, local agencies will not receive their 2008/2009 allocation of Proposition 1B funds, which would have brought approximately an additional \$1.8 million to the County for preventive and corrective maintenance.

As your Board heard during the Second Quarter Financial Status Report on February 19, 2008, the Road Fund does have an ongoing structural deficit, which it is currently working to close. The increased flexibility of the voter approved Proposition 1B funds for Fiscal Year 2007/08 so that it can be used for corrective maintenance, and the deferral of a majority of the work programmed in the FY2007/08 RdMap assisted the Department in closing this structural deficit. In addition to the Proposition 1B funds and the deferral of the preventive maintenance work, the Department has implemented strategies to close this gap by reducing 9 FTE's from our budget by transferring positions to other Divisions within the Department, as well as implementing administrative reductions. Based on the Fiscal Year 2008/09 Recommended budget, the structural deficit has been closed at this time.

Unfortunately, both Propositions 42 and 1B cannot 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.

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

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 lane miles of Arterial, Collectors and Major Rural roads.
- RPM 0041** - Re-evaluate the pavement condition of 33% of the center lane miles of Arterials, Collectors and Major Rural roads 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 community’s investment in transportation infrastructure.

**Fiscal and Facilities Impacts:**

Budgeted: N/A

**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" Two-Year Local Program of Projects will bring in \$15,630,815 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. 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” Two-year Local Program of Projects for Fiscal Years 2008/09 through 2009/10
2. Resolution 89-465
3. Notice of Exemption
4. Options for Measure “D” Distribution Methods-FY 08/09
5. Local Program of Projects

**Authored by:** Dacé Morgan, Deputy Director, Public Works – Transportation, 568-3064