



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: April 12, 2011
Placement: Departmental
Estimated Tme: 1 Hour
Continued Item: No
If Yes, date from:
Vote Required: Majority

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 A Program of Projects for Fiscal Year 2011/2012, and Statewide Local Streets and Roads Needs Assessment 2010 Report; 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:

That the Board of Supervisors:

- A. Approve and authorize the Chair to adopt the attached Resolution for the Measure A Five-Year Local Program of Projects for Fiscal Years 2011/2012 through 2016/2017, for submittal to the Santa Barbara County Local Transportation Authority for acceptance;
- B. Reaffirm Resolution 10-101, 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 the filing of a Notice of Exemption pursuant to the County's California Environmental Quality Act (CEQA) guidelines section 15301 (c), pertaining to maintenance and operation of existing facilities for the above; (Post);
- D. Consider recommendations for the distribution of Measure A revenues within Supervisorial Districts of the North County and South Coast;
- E. Direct staff to prepare Fiscal Year 2011/2012 Road Maintenance Annual Plan (RdMAP) based upon approved Measure A distribution formula;
- F. Approve and authorize the Chair to adopt the attached Resolution supporting the findings of the 2010 California Statewide Local Streets and Roads Needs Assessment, and urging the Legislature and Governor to reject any future cuts that are to vital transportation funding;
- G. Approve and authorize the Chair to sign the attached letters to the Governor and local state Legislators expressing opposition to future cuts to vital transportation funding.

Summary Text:

As part of the local guidelines of the Measure A 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 A.

After the Santa Barbara County voters passed Measure A in 2008, your Board adopted a new Resolution (Resolution No. 10-101) on April 13, 2010, to establish the priorities and policies for the use of Measure A funds. Measure A requires that the County spend a minimum of 10% of the funding on eligible Alternative Transportation costs. The eligible use of Measure A funds is defined by the voter approved investment plan and jurisdictional Measure A expenses, which are audited by the Santa Barbara County Association of Governments (SBCAG).

In February 2011, the CSAC and the League of Cities completed the 2010 update to the California Statewide Local Streets and Road Needs Assessment. This report was first published in October 2009 and the findings were presented to your Board in January 2010. The comprehensive 2010 update provides an updated look at the condition of local streets and roads. The results of the 2010 update show that our local streets and roads continue to deteriorate and the funding shortfall continues to grow.

City streets and county roads are where every trip begins and ends. Whether traveling by bike, bus, rail, truck or family automobile, Californians and Santa Barbara County residents rely on the local streets network to start and end their trips.

Local Agencies are the owners and operators of 82 percent of the State's roads – in most cases this is a local agency's most costly asset. As such, cities and counties determined that a study to evaluate the current condition and the needs of our local street network was of critical importance for several reasons. While federal and state governments regularly assess their system needs, no such data existed for the local street component of the State's transportation network. Historically, transportation funding investment decisions have not been based on local pavement condition data, or adequate recognition of the local street system.

The objective of Statewide Local Streets and Road Needs Assessment Report was to fully analyze the condition of the local street system and complete the overall transportation funding picture for California's transportation network. The 2010 update surveyed all of California's 58 counties and 478 cities. The response from the local agencies was outstanding. The results of the study are based on data collected from more than 97% of the State's local streets and roads. The County of Santa Barbara's data was included in this document as well.

The 2010 Update to the California Statewide Local Streets and Roads Needs Assessment Report shows that the statewide average PCI deteriorated from a 68 in 2008 to a 66 in 2010, which means that the average local street and road is classified as being "At Risk". If current funding remains the same, the statewide condition is projected to deteriorate to a PCI of 54 in 2020 and the County's PCI would drop to a PCI of 52 in that timeframe. Even more critical, the unfunded backlog for California's local streets and roads will almost double from \$38.1 billion to \$63.6 billion in 2020. Our roads are on the edge of a cliff. If additional funding were to be infused into the road system each year, our roads could be maintained with a PCI above 70, and be in a state of "Good" condition. In order to stop any further decline and deterioration of our local streets and roads statewide, it would require an addition of \$7.9 billion annually.

The conclusions from this study are inescapable. Given existing funding levels available to cities and counties for maintaining the local transportation system, California's local streets and roads will continue to deteriorate rapidly within the next 10 years. Unless this condition is addressed, costs to maintain the local transportation system will only continue to grow, while the quality of California's local transportation network deteriorates.

Background:

On November 4, 2008, the voters of the County of Santa Barbara approved Measure A, the Santa Barbara Transportation Improvement Program, which essentially continues the one-half cent local sales tax, as it was under Measure D. Measure A took effect on April 1, 2010, and will remain in effect for 30 years, with the revenues being allocated for transportation improvements.

The revenues generated countywide by Measure A are distributed according to the voter-approved investment plan - a portion being dedicated to the Highway 101 widening the regions highest priority project, and the rest will be split equally between the South Coast and the North County. Several special interest groups participated in the development of the Measure A investment plan and SBCAG made many concessions. As a result of these concessions, local agencies will receive 65% of the total amount of revenue from the North County expenditure plan for local streets and roads, and 52% of the total amount of revenue from the South Coast expenditure plan for local streets and roads. For comparison, under Measure D 70% of the total revenue went to local agencies to meet their needs for local streets and roads, and the remaining 30% was allocated to state and regional highway projects. On average, the County will receive approximately 20% less revenue for local streets and roads with Measure A than we received under the Measure D distribution.

The voter-approved investment plan for Measure A requires that the County develop two distinct Programs of Projects for your Board's approval annually: one strictly for the use of Measure A funds on the South Coast, and one strictly for the use of the North County Measure A funds. Upon your Board's approval, the Department will submit the programs to SBCAG for approval and incorporation into the countywide plan.

The County's approved Five-Year Program of Projects is the basis for the Department's Road Maintenance Annual Plan (RdMAP), which identifies corrective and preventive maintenance needs. Measure A is one of the County's sources of revenue for corrective and preventive maintenance. Corrective maintenance is the work our maintenance staff performs on a daily basis such as pot hole patching, crack sealing, thin lift overlays, sidewalk ramping, tree trimming, and culvert cleaning. Preventive maintenance, also known as the County's Pavement Preservation Program, includes overlays, seal coats, and hardscape repairs. Preventive maintenance work is the majority of the County's unfunded road maintenance backlog that is currently a \$220 million need, \$110 million of which is pavement alone. The Department estimates that the pavement portion of the County's Transportation Infrastructure System requires an estimated annual expenditure of \$10 million to maintain the system's current condition of a Pavement Condition Index (PCI) of 64 for Fiscal Year 2011/2012. On average, the Department spends between \$3.0 and \$3.5 million on pavement preservation annually, which is less than what is needed to maintain the system at a PCI of 64.

The Countywide PCI continues to drop with the current level of funding. Our local road system is on the severe slope of the standard pavement deterioration curve which is resulting in a more substantial decrease in our roadway systems PCI. Any reductions in revenues will continue to increase the County's unfunded road maintenance backlog in future years. The County has been fortunate that oil prices and construction costs have decreased in the last few years; however, oil prices are rising and construction costs are starting to increase. As oil prices on the world market and construction costs increase, the unfunded backlog for our County's Transportation Infrastructure will continue to grow at a more rapid pace and less work will be performed with limited available funds.

In March 2010, the State Legislature and the Governor passed a transportation tax swap. The tax swap exchanged the sales tax on gas, formerly known as Proposition 42, with an indexed excise tax of 17.3 cents per gallon on gasoline. This new excise tax, commonly referred to as "new HUTA", would be indexed, unlike the current flat rate of 18 cents per gallon Highway Users Tax Account (HUTA), or State Gas Tax. However, both Propositions 22 and 26 threatened to repeal this decision and the new HUTA funds would not be received beyond November 2011. This would have resulted in a loss of approximately \$3.8 million to the Department annually. Fortunately, on March 16, 2011 the Legislature passed AB105 – a budget trailer bill containing the fix to restore the new HUTA funds. While Proposition 22 did have a negative effect on local agencies new HUTA funds, it had a positive effect on our old HUTA funds. Once Proposition 22 was passed, the State was required to pay back all of the old HUTA funds that were being deferred, which they promptly did.

The Department is cautiously optimistic regarding the transportation funding we receive from the State. The County did receive our last allocation of Proposition 1B funds this past year. With the instability of our State funding and the sunset of Proposition 1B funds, Measure A is a vital maintenance-funding source for the County of Santa Barbara to conduct our nationally recognized Pavement Preservation Program and to maintain our Transportation Infrastructure System.

Due to the downturn in the nation's economy, the revenues from sale taxes are declining and are expected to continue for the foreseeable future. As a result, the estimates for Fiscal Year 2011/12 Measure A revenues have decreased by approximately \$500,000 over the estimate for Fiscal Year 2010/11. This loss of revenue has a direct impact to our Preventive Maintenance Program. The reason that the impact is on our Preventive Maintenance Program is because we need to continue to fund our Corrective Maintenance Program to ensure the safety of the traveling public on a daily basis. We also have made local matching funding commitments to our Capital Improvement Program, and if these projects are not completed in a timely manner, the County could lose State and Federal Grant funds.

Our Transportation infrastructure system suffered approximately \$405,000 in damage as a result of the March 2011 storms. The damage ranged from downed trees to mud and debris on the roadway to slip outs in which the shoulder or part of the pavement was lost. While the entire County experienced damage, the majority of the repairs are in the North County. The cost to respond to emergency calls, clean up the debris, repair, and monitor these damage sites is included as part of the Fiscal Year 2011/12 expenditures in the Measure A Program of Projects for both the South Coast and the North County.

The approved Measure A Ordinance states that a Maintenance of Effort (MOE) is required. On October 21, 2010, the SBCAG Board voted to amend the Measure A Ordinance to reduce the baseline MOE by 17.62% due to the severe decline in revenues from the original baseline of Fiscal Year 2007/08 to Fiscal Year 2010/11. Based on SBCAG's decision, the County's baseline MOE is \$1,189,218.08, which is a

\$254,182.92 reduction. This reduction in MOE will provide your Board with additional General Funds to manage the FY 2011/2012 overall County budget deficit. The Ordinance does state that the MOE will be "... adjusted annually by the percentage change in the amount of retail transaction and use tax receipts collected through the imposition of this measure." However, because Measure A tax receipts have not yet been collected for an entire year, SBCAG does not have sufficient information on the change in tax receipts to revise the amount of MOE required for Fiscal Year 2011/12. Consequently, the County's Measure A MOE will remain at \$1,189,218.08 for Fiscal Year 2011/12. There will likely be a revision to the County's required Measure A MOE for Fiscal Year 2012/13. The Department will continue to work with the CEO's Office to ensure that funds are available to meet the Measure A MOE in the future.

County Measure A Distribution Formula:

The County receives Measure A revenues separately for the South Coast and the North County, and the two revenues cannot be combined and must be used within their specified portions of the County. The First, Second, and the South Coast portions of the Third Supervisorial District receive the South Coast Measure A revenues. The Fourth, Fifth, and the North County portion of the Third Supervisorial District receive North County Measure A revenues, which will be distributed to each local agency based on population. On April 13, 2010, your Board approved a formula to distribute Measure A funds, based on 50% population and 50% lane miles within each Supervisorial District, which was the same distribution formula used under Measure D. Since Measure A revenues are kept completely separate between the South Coast and the North County, the County has flexibility in how each respective area distributes these revenues. The distribution formulas can be the same for the South Coast and the North County as they were this past fiscal year, or they can be different based on the transportation system need within each area. The entire Board of Supervisors needs to approve both distribution formulas. Attachments 4 and 5 show the percentage of funding each Supervisorial District would receive based on the three proposed options of distribution. The three proposed options are: 1. the existing Measure A distribution formula, 2. 100% of the unincorporated population in each district, and 3. 100% of the lane miles in each district.

The Department anticipated having the 2010 census data for this year's Measure A Program of Projects hearing; however, this data is not yet available. Therefore, we continue to use population estimates from SBCAG to determine our recommendations. Revised population numbers should be available for this effort in FY 2012/13. For the South Coast, Public Works recommends that your Board retain the same distribution formula as in years past, which is based 50% on lane miles and 50% on population. For the North County, we recommend a distribution formula based 100% on lane miles.

In determining our recommendations for the distribution formula for Measure A funds, we reviewed the current Pavement Condition Index (PCI) for each Supervisorial District. On the South Coast, we determined that the percent of funding to each District under the current distribution formula was consistent with the needs of our pavement based on PCI.

In the North County, our system's PCI indicates that the Third and Fifth Districts would benefit from an additional percentage of funding. Therefore, we are recommending a distribution formula based on 100% lane miles, which is truly a needs-based distribution.

Measure A funds are divided into South Coast and North County before they are received by the County. This allows the County to use separate distribution formulas for the South Coast and North County. For other discretionary transportation funding, such as Proposition 1B and Economic Stimulus funds, the Department recommends that these types of transportation funding be dispersed Countywide based solely on lane miles. This will ensure that the discretionary funds that the Department uses for our pavement preservation program are distributed based purely on the needs of our pavement infrastructure. See Attachment 6 for the percentage of funding for each Supervisorial District.

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.

Fiscal and Facilities Impacts:

Budgeted: N/A

Narrative:

The Measure A Five-Year Local Program of Projects will bring a total of \$27,036,993 of revenue to maintain the County's Transportation Infrastructure over the five year period. Of this amount, the South Coast is estimated to receive \$13,367,644 and the North County is estimated to receive \$13,669,349 over the five-year period.

In future years, more Measure A will be used for our Pavement Preservation program and will be the sole funding source for large Roadway Capital Improvement projects due to the reprogramming of all future RSTP and STIP funds outlined in the SBCAG approved 30-year Measure A Strategic Plan. RSTP and STIP funding were funding sources that the Department utilized to supplement Measure A for our Pavement Preservation program and were able to leverage STIP dollars with Measure A to complete large Capital Improvement Projects, such as the Summerland Circulation Improvements.

Staffing Impacts:

Legal Positions:

FTEs:

Special Instructions:

Please return one copy of each of the executed documents, including the two Resolutions and the five letters, as well as a certified stamped Minute Order to Gena Valentine Felix, Public Works Transportation Division, x3064.

Attachments:

1. Resolution for the Measure A Five-year Local Program of Projects for Fiscal Years 2011/2012 to 2016/2017
2. Resolution 10-101 establishing 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
3. Notice of Exemption

4. Options for Measure A Distribution Formula – South Coast
5. Options for Measure A Distribution Formula – North County
6. Discretionary Funding Distribution Formula - Countywide
7. Measure A Local Program of Projects – South Coast
8. Measure A Local Program of Projects – North County
9. Resolution supporting the findings of the 2010 California Statewide Local Streets and Roads Needs Assessment, and urging the Legislature and Governor to save Transportation Funding
10. Letters to the Governor and local state Legislators, urging their support for an immediate and comprehensive Transportation Tax Swap Solution

Authored by:

Dacé Morgan, Deputy Director, Public Works – Transportation, 568-3064