



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 23, 2010
Placement: Set Hearing
Estimated Tme: 30 Minutes (15 min Staff)
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 FY 2010/11; 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:

Set a hearing to consider recommendations regarding the 2010/2011 through 2015/2016 Measure “A” Five-Year Local Program of Projects (Set Hearing for April 13, 2010) (Est. Time: 15 minutes staff; 30 minutes total)

- A. Adopt the attached Resolution for the Measure "A" Five-Year Local Program of Projects for Fiscal Years 2010/11 through 2015/2016, for submittal to the Santa Barbara County Local Transportation Authority for acceptance;
- B. Adopt the attached Resolution which establishes 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. Consider recommendations for the distribution of Measure “A” revenues within Supervisorial Districts;
- E. Direct staff to prepare Fiscal Year 2010/11 Road Maintenance Annual Plan (RdMap) based upon approved Measure “A” distribution formula.

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".

Each year, the Board has reaffirmed Resolution 89-465, which established priorities and policies for the use of Measure "D" funds, prior to the vote of the people in 1989. With the passage of Measure "A", Public Works' staff recommends that the Board adopt a new Resolution establishing the priorities and policies for the use of Measure "A" funds. Measure "A" requires that 10% of the funding be spent 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).

Background:

On November 4, 2008, the voters of the County of Santa Barbara approved Measure "A", the Santa Barbara Transportation Improvement Program, with 79% of the votes. As a result of the passage of Measure "A", the ½ cent local sales tax will remain the same as it was under Measure "D". Measure "A" will take effect 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" will be distributed according to the voter approved investment plan. A portion of the total Measure "A" revenues were dedicated to the Highway 101 widening and the remaining revenues are to 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 County 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.

On an annual basis, the County of Santa Barbara is required to develop a program of proposed projects to be funded with Measure "A" sales tax monies. The Department of Public Works presents this program to the Board every spring for consideration and approval. The voter approved investment plan clearly separated Measure "A" funding between the South Coast and the North County. Therefore, the County must develop two distinct Programs of Projects for the Board's approval, one strictly for the use of Measure "A" funds that are dedicated to the South Coast, and one strictly for the use of the North County Measure "A" funds. Upon approval, the programs will be sent to the Santa Barbara County Association of Governments (SBCAG) for approval and incorporation into the countywide plan.

The County's approved Five-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 "A" is one of the County's sources of revenue for preventive maintenance, which 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, \$102 million of which is pavement alone. This estimate is based on an annual pavement re-evaluation conducted in 2009, and consists of all four components of the Transportation Infrastructure System (pavement, concrete, bridges and drainage).

Unfunded Backlog by Supervisorial District

Infrastructure Component	Supervisorial District					Totals by Component
	First	Second	Third	Fourth	Fifth	
Pavement	\$11,422,033	\$12,388,278	\$47,966,436	\$13,435,891	\$16,497,362	\$101,710,000
Concrete	\$1,771,500	\$10,951,238	\$15,003,901	\$10,780,959	\$1,167,402	\$39,675,000
Bridge Maintenance	\$21,020,000	\$310,000	\$23,540,000	\$1,150,000	\$110,000	\$46,130,000
Drainage	\$3,240,090	\$3,516,480	\$14,765,220	\$5,790,870	\$5,987,340	\$33,300,000
Totals of Unfunded Backlog Need by District	\$37,453,623	\$27,165,996	\$101,275,557	\$31,157,720	\$23,762,104	\$220,815,000
Percent of Unfunded Backlog Need by District	16.96%	12.30%	45.86%	14.11%	10.76%	100%

This backlog has decreased by \$6 million since last year. This year's decrease is due to the influx of ARRA funds and the fact that oil prices have dropped on the worldwide market and the Department continues to research and utilize cost effective pavement treatments to keep as much of our system in a state of pavement preservation as possible. However, we continue to see a decrease in available State and Federal revenues for Pavement Preservation. 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 67 for FY 2009/2010. On average, the Department spends between \$2.5 and \$3.0 million on pavement preservation annually, which is less than what is needed to maintain the system at a PCI of 67. The Countywide PCI will continue to drop even with the current level of funding. Further delays or any reductions in non-local 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 year; it is uncertain how long these lower costs will remain. If 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.

According to the Statewide Local Streets and Roads Needs Assessment Report that the Department presented to the Board in January 2010, Santa Barbara County roads are "At Risk", with a PCI of 67. Our roads are on the edge of a cliff; if we continue with the current level of funding, the roads will continue to deteriorate. However, 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 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. Currently, the State is withholding the first two quarters, approximately \$1.85 million, of the County's Proposition 42 revenues for Fiscal Year 2009/10. The Department has been informed that these funds will be dispersed at the end of April 2010, and that we

should receive the last two quarters of Proposition 42 payments on time. There are proposals by both the Governor and the State Assembly to abolish Proposition 42, which is a sales tax on gasoline, and replace it with an excise tax on gasoline. We understand that these proposals are receiving favorable support from the Legislators. Under both the Governor's and the State Assembly's proposals, cities and counties would receive the same amount of funding from the new excise tax that they previously received from Proposition 42; however, the constitutional protections that are afforded to Proposition 42 through Proposition 1A would be lost if either proposal is approved. The main difference between the Governor's proposal and the State Assembly's proposal is the amount of funding transit would receive from the State. At this time, it is unclear as to how much revenue the County will receive from Proposition 42 or a new excise tax in Fiscal Year 2010/2011.

In June 2009, the Department submitted to the State Controller, a Board approved plan for approximately \$760,000 for Fiscal Year 2009/10. The plan was approved by the State Controller in January 2010 and the funds were finally dispersed to the County on March 4, 2010. The delay in receiving approval and the delay in receiving the funds was due to the State's inability to sell bonds to fund the program. In February 2010, the County was informed that we could begin to submit to the State Controller's office, a Board approved plan for an additional \$5.4 million in Proposition 1B funds to be dispersed in Fiscal Year 2010/11. The State is requesting that the approved plans be submitted by July 2010, and the funding must be expended by July 2013. The approximately \$5.4 million is the last remaining amount of funding available from Proposition 1B for Local Streets and Roads. The Department will approach the Board in early June with a list of projects for this funding. However, given the State's financial situation and past inability to sell bonds to fund Proposition 1B, the Department is unsure about the timing of receiving the \$5.4 million of Proposition 1B funds.

Both Propositions 42 and 1B cannot be relied upon to fund ongoing operations within the Transportation Division due to the fact that the State may either borrow this funding, convert it to an excise tax without constitutional protections and take it, or the Proposition 1B revenue will eventually expire and no longer be available for our agency to utilize. In addition, over the last two years the State has deferred a portion of our Highway Users Tax Account (HUTA) funds, which is a vital funding source for the Transportation Division's daily operations. The deferrals of HUTA have resulted in construction projects being delayed and we have held off on programming other funding towards pavement preservation projects, as it has been needed to cover the deferrals of HUTA. With the instability of our State funding, 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 decline 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 2010/11 Measure "A" revenues have been reduced by approximately \$1,000,000 over the estimate for Fiscal Year 2009/10, which will result in less available funding for our Preventive Maintenance Program.

The approved Measure "A" Ordinance states that a Maintenance of Effort (MOE) is required. The Ordinance states, "Each local agency receiving revenues pursuant to the Investment Plan shall annually maintain an expenditure of local discretionary funds for street and road purposes which is no less than that reported in the State Controller's Annual Report of Financial Transactions for the Fiscal Year 2007-2008...." Based on the Ordinance, the MOE for Measure "A" for Fiscal Year 2010/11 would be \$1,443,401, an increase of \$592,212 over the MOE for Measure "D". This increase in MOE has been

included in the Public Works and General County Programs recommended Fiscal Year 2010/11 budgets. The Ordinance also states that if the County does not meet the MOE requirement, the amount of Measure "A" that is received will be reduced equal to the reduction in MOE contribution.

County Measure "A" Distribution Formula:

The County will receive 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 portions of the Third Supervisorial District that are within the South Coast will receive the South Coast Measure "A" revenues. The Fourth, Fifth and the portion of the Third Supervisorial District that are within the North County will receive North County Measure "A" revenues. Like Measure "D", Measure "A" will be distributed to each local agency based on population. The Board has been distributing the County's share of Measure "D" revenues according to a formula based on 50% population and 50% lane miles within each Supervisorial District. Because the Measure "A" revenues must be kept separate between the South Coast and the North County, the Department is requesting that the Board approve new distribution formulas for the Measure "A" funds. The entire Board will need to approve a distribution formula for both the South Coast and North County revenues. These distribution formulas can be the same for the South Coast and the North County, or they can be different. Attachments 4 and 5 show the percentage of funding for each Supervisorial District for three options of distribution. The three options shown are the existing Measure "D" distribution formula, a distribution formula based solely on the unincorporated population, and a distribution formula based on lane miles.

While the Second and Third Supervisorial Districts benefit from a 100% Population Distribution on the South Coast and the Third and Fifth Supervisorial Districts benefit from a 100% Lane Mile Distribution in the North County; at this time the Department recommends continuing with the distribution formula based on 50% Population and 50% Lane Miles for Fiscal Year 2010/11. The results of the 2010 Census will be available to the Department prior to the development of the FY 2011/12 Measure "A" Program of Projects. These updated population numbers from the census results will allow a more accurate analysis of the distribution options available to the Board next fiscal year.

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 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

Narrative:

The Measure "A" Five-Year Local Program of Projects will bring a total of \$30,360,685 of revenue to maintain the County's Transportation Infrastructure over the five year period. Of this amount, the South Coast is estimated to receive \$15,009,328 and the North County is estimated to receive \$15,351,357 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 we 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:

The notice of hearing for the Measure "A" ½ Cent Sales Tax 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 "A" Five-year Local Program of Projects for Fiscal Years 2010/11 to 2015/16
2. Resolution to establish 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. Measure A Local Program of Projects – South County
7. Measure A Local Program of Projects – North County

Authored by:

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