Appendices

Appendix A: County Road Improvement Policy

TO: BOARD OF SUPERVISORS

FROM: SUPERVISORS TOM TORLAKSON AND ROBERT SCHRODER
TRANSPORTATION COMMITTEE

DATE: MAY 9, 1989

SUBJECT: ADOPTION OF THE COUNTY ROAD IMPROVEMENT POLICY

Specific Request(s) or Recommendation(s) & Background & Justification

I. RECOMMENDATION

Adopt the attached County Road Improvement Policy and direct the Public Works Director and the Director of Community Development to start developing the five year County Road Improvement Program for the Board's consideration in time for the 1990/91 fiscal year budget process.

II. FINANCIAL IMPACT

Public Works and Community Development staff time will be needed to prepare the County Road Improvement Program Annual Report and Recommendations.

III. REASONS FOR RECOMMENDATION/BACKGROUND

This policy is developed to guide the development of the Contra Costa County Road Improvement Program.

The County Road Improvement Program (CRIP) is needed for the following reasons:

1. The Growth Management Program of Measure "C" requires each participating local agency to develop a Growth Management Element of its General Plan to be applied in the development review process and to develop a five year CRIP to meet and/or maintain Traffic Services and Performance Standards.

Continued on attachment: __X__ yes Signature:

____ Recommendation of County Administrator
____ Recommendation of Board Committee
____ Approve ____ Other:

Signature(s): __________

Action of Board on: May 9, 1989
Approved as Recommended __X__ Other____

Vote of Supervisors

__X__ Unanimous (Absent __—__)
Ayes:____ Noes:____
Absent:____ Abstain:____

I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT COPY OF AN ACTION TAKEN AND ENTERED ON THE MINUTES OF THE BOARD OF SUPERVISORS ON DATE SHOWN.

Attested May 9, 1989
PHIL BATCHELOR,
CLERK OF THE BOARD
OF SUPERVISORS AND
COUNTY ADMINISTRATOR

By Jolene Edwards
DEPUTY CLERK

Orig. Div.: Trans. Comm.
cc: County Administrator
Public Works Director
Director of Community Development
County Counsel

2. Government Code Section 66002 authorizes a local agency, such as the County, to adopt a transportation capital improvement plan to identify the use of developer fees.

3. Development of stable funding sources for transportation and project delivery are of interest to the Board of Supervisors. The CRIP, and the process in developing the CRIP will allow the Board to focus on these issues.

The County Transportation Committee approved the adoption of the CRIP on April 25, 1989.

IV. CONSEQUENCES OF NEGATIVE ACTION

Assuming that the Board will develop and adopt the Growth Management Element of the General Plan, without this policy, there will not be any directions to staff as to the development of the five year CRIP.

THE BOARD OF SUPERVISORS OF CONTRA COSTA COUNTY, CALIFORNIA

Adopted this Order on May 9, 1989 by the following vote:

AYES: Supervisors Powers, Fahden, Schroder, McPeak, Torlakson

NOES: None

ABSENT: None

ABSTAIN: None **RESOLUTION NO.** 89/306

SUBJECT: COUNTY ROAD IMPROVEMENT POLICY

This policy shall be known as the County Road Improvement Policy. It will guide the development of the Contra Costa County Road Improvement Program (CRIP) as authorized by Government Code Section 66002 and as required under the Growth Management Element of the Contra Costa Transportation Improvement and Growth Management Program ordinance approved by the voters in November 1988 (Measure "C").

Under Section 15061(b)(3) of the California Environmental Quality Act (CEQA), it can be seen with certainty that there is no possibility that the approval of this policy may have a significant effect on the environment and therefore, the approval of this policy is not subject to CEQA.

The Board of Supervisors FINDS and DECLARES as follows:

1. A shortfall in road maintenance funding in the past has created a $20 million backlog of road reconstruction and rehabilitation, and this backlog is increasing at a rate of several million dollars a year.

2. The existing revenue from gasoline tax only provides about 50 percent of the funding needed to adequately maintain the County's road system.

3. The existing urban traffic congestion has substantially reduced the quality of life in Contra Costa County.

4. This urban traffic congestion degrades the air quality of Contra Costa County and wastes scarce energy resources.

5. Solutions to the urban traffic congestion problem require coordination and cooperation between the State, regional, and local governments as well as the transit providers. It is the intent of the Board of Supervisors to work closely with the cities in the County, the transit providers, the Metropolitan Transportation Commission, and the State so that the CRIP will become part of the region's effort to solve the congestion problems in the region.

6. The intent of the funds set aside for local streets and roads from Measure "C" is to correct existing maintenance and capacity problems.

7. The Growth Management Program of Measure "C" requires each participating local agency to develop a Growth Management Element of its General Plan to be applied in the development review process and to develop a five year CRIP to meet and/or maintain Traffic Service and Performance Standards.

8. The 1979 Bridge and Thoroughfare Policy of the Board of Supervisors requires new development to mitigate traffic impacts created by the development.

9. Government Code Section 66002 authorize a local agency, such as the County, to adopt a transportation capital improvement plan to identify the use of developer fees.

10. There is a need to develop additional and stable funding sources for County road maintenance, reconstruction and capital improvement needs.

11. Road improvement projects require years of advance planning, coordination and cooperation between various agencies before construction.

12. The Contra Costa CRIP and the transportation systems management efforts of the County are intended to compliment each other to improve the quality of life, air quality and safety, and to reduce traffic congestion in the County.

NOW, THEREFORE, the Board of Supervisors RESOLVES as follows:

The Board of Supervisors hereby adopts the County Road Improvement Policy set forth in this Resolution. The Policy shall consist of the following elements: I) Program Priority, II) Program Level and III) Program Procedure.

I. <u>PROGRAM PRIORITY</u>

Road funds shall be budgeted and expended to maximize the use of Federal and State funds and shall be based on the following order of priorities.

A. Maintenance of streets and roads.

B. Construction and installation of traffic safety improvements.

C. Reconstruction and rehabilitation of roads.

D. Relief of traffic congestion which developed prior to November 1988.

E. Relief of traffic congestion resulting from development after November 1988.

II. <u>PROGRAM LEVELS</u>

Road funds are derived from many sources, and the Board of Supervisors intends that the following priorities shall be used in expending the different sources of road funds:

A. Highway User Fees (Gas Tax)

1. Road operation and maintenance

3. Traffic safety and hazard elimination projects

Sufficient funds shall be budgeted for operation and maintenance at a level not falling below that of FY 1988. If funds are available after operation, and maintenance, they shall be budgeted for safety and hazard elimination projects.

In the event that additional user fees become available, either from State or Federal pass-through or from a locally or regionally imposed user fee, the additional revenue shall be used first to remove the shortfall in maintenance funding, then it shall be used to fund other programs in accordance with the priorities set forth in Section I.

B. Measure "C" Revenue Priorities.

1. A minimum program level of $300,000 a year for road safety and hazard elimination projects less any funds from gasoline tax, federal and state grants.

2. Reconstruction of County roads.

3. Rehabilitation of County roads.

4. Traffic congestion relief of problems which existed before November 1988.

Priority shall be given to low cost system management projects that will improve air quality and encourage the use of carpools, van pools, and mass transit.

C. Area of Benefit Revenues.

Developer fees generated through areas of benefit shall be used to fund projects designed to mitigate the traffic impact of developments as identified in the area of benefit program report and as mandated in the growth management program of Measure "C".

D. Additional Funding Sources.

The Board of Supervisors recognizes that existing funding is inadequate to address the County's road maintenance and capital needs. The Public Works Director is hereby directed to develop additional stable funding sources for maintenance, to reduce the reconstruction and rehabilitation backlog, and to improve the County's road system. The Public Works Director is further directed to maximize the use of Federal and State funds. The Public Works Director shall report to the Board periodically on progress in developing additional funding sources.

III. PROGRAM PROCEDURE

A. As specified in Section 913 of the County Ordinance Code, the Director of Community Development and the Public Works Director shall jointly develop areas of benefit to require payments by developments into trust accounts for improvements to major thoroughfares and bridges as mitigation for their traffic impacts. The areas of benefit shall be developed to implement the circulation element of the County's General Plan. The circulation element of the General Plan is hereby considered to be the long range CRIP.

B. The following procedure shall be used to develop the five year CRIP.

1. The five year CRIP is a short range implementation plan of the Circulation Element and Growth Management Element of the General Plan.

2. Each year no later than June 15, the Director of Community Development shall provide the Public Works Director with a forecast of development trends in the unincorporated areas in Contra Costa County for the five succeeding years.

3. The Public Works Director and the County Administrator shall compile information on fund estimates from State gasoline tax, local funds, State and Federal grants, developer fees and other sources.

4. The fund estimate shall be presented to the Transportation Committee of the Board of Supervisors for review and approval by September 15 of each year.

5. After fund estimate approval, the Public Works Director shall prepare, with input from the Director of Community Development and communities in the County, the fifth year additions to the CRIP. All new project additions and revisions will take into consideration this policy, funding limitations, development trends, and the Growth Management Program of Measure "C".

6. Before January 1 of every year the Public Works Director shall prepare a report to the Transportation Committee which will include the following:

   a. The draft five year CRIP.

   b. Comparison of the current year's project delivery schedule against the current CRIP.

   c. Identification of the shortfalls in funding by program categories.

   d. Information about the progress in development of additional funding sources.

7. The Director of Community Development shall provide an analysis of the proposed CRIP with respect to any applicable Growth Management Program of Measure "C" and the General Plan.

8. Upon approval of the draft report by the Transportation Committee, it shall be circulated for comment and review.

9. The Transportation Committee shall hold a public hearing on the draft CRIP at the conclusion of the public review period.

10. The Transportation Committee shall present the CRIP findings and recommendations to the Board of Supervisors for their action no later than March 1 of each year.

The Board of Supervisors hereby directs the Community Development Department to file a Notice of Exemption with the County Clerk.

This policy was reviewed by the County Transportation Committee on February 27 and approved for adoption on April 25, 1989.

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: May 9, 1989

PHIL BATCHELOR, Clerk of the Board of Supervisors and County Administrator

By Jolene Edwards, Deputy

RESOLUTION NO. 89/306

Appendix B: Guidelines for Expenditure of Gas Tax Revenue (Proposition 111 Funds)

TO: BOARD OF SUPERVISORS

FROM: TRANSPORTATION COMMITTEE

DATE: December 3, 1991

SUBJECT: Report on Additional Revenue from Proposition 111

SPECIFIC REQUEST(S) OR RECOMMENDATION(S) & BACKGROUND AND JUSTIFICATION

I. Recommended Action:

1. Accept the following report from the Transportation Committee on the additional local gas tax revenue from Proposition 111.

2. Approve expenditure of the local gas tax revenue from Proposition 111 according to the following guidelines:

   - 70 percent of Proposition 111 revenue for pavement maintenance;
   - 20 percent of Proposition 111 revenue for capital improvements; and
   - 10 percent of Proposition 111 revenue for safety projects

3. Direct the County Administrator to review the funding of the Congestion Management Program and Growth Management Program with any future updates of the Countywide Fee Study, and, if appropriate, to recommend adjusting development fees to include the Congestion Management and Growth Management compliance costs.

II. Financial Impact:

No overall impact to the General Fund with this recommendation. There are "maintenance of effort" requirements included in Proposition 111 which requires maintaining General Fund appropriation for transportation related programs at the same level as the past several years.

Continued on Attachment: X SIGNATURE:

___ RECOMMENDATION OF COUNTY ADMINISTRATOR
_X_ RECOMMENDATION OF BOARD COMMITTEE
___ APPROVE ___ OTHER

SIGNATURE(S): Tom Torlakson

ACTION OF BOARD ON December 3, 1991 APPROVED AS RECOMMENDED _X_ OTHER ___

VOTE OF SUPERVISORS
_X_ UNANIMOUS (ABSENT III)
AYES: ___ NOES: ___
ABSENT: ___ ABSTAIN: ___

RMA:cl:fp
c:bop111.t12

attachments

Orig. Div: Public Works (RE)
cc: County Administrator
GMEDA Director
Community Development Depart.
Accounting } via CDD
Maintenance

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.
ATTESTED: December 3, 1991
PHIL BATCHELOR, Clerk of the Board of Supervisors and County Administrator

By J. O. [signature], Deputy

III. Reasons for Recommendations and Background:

PROPOSITION 111 WILL GENERATE AN ADDITIONAL $2 MILLION IN REVENUE FOR FISCAL YEAR 1990-1991 AND 2.5 MILLION IN 1991-1992.

Proposition 111, in conjunction with AB 471 (1990) and SB 300 (1990), increased the gas tax by five cents on August 1, 1990 and will add an additional one cent each year for the next four years beginning January 1, 1991. In addition, Proposition 111 increased commercial vehicle weight fees by 40 percent beginning in August 1, 1990 with an additional 10 percent increase on January 1, 1995.

It is estimated that we will receive an additional $2,000,000 in gas tax revenue in fiscal year 1990/91. That will increase to $2,500,000 in fiscal year 91/92, $3,000,000 in fiscal year 92/93, $3,500,000 in fiscal year 93/94 and $4,000,000 in fiscal year 94/95. Fiscal year 94/95 will see the last increase in the gas tax which will bring it up to a full 18 cents per gallon. Proposition 111 will provide the County's road program with a significant increase in revenue in the years to come. This report analyzes the impacts of Proposition 111 and recommends guidelines for the use of the funds.

THE COUNTY MUST COMPLY WITH NEW PLANNING REQUIREMENTS IN ORDER TO RECEIVE PROPOSITION 111 FUNDS.

As a requisite to receiving the increased gas tax revenue, Proposition 111 requires preparation of a Congestion Management Program (CMP) for each county that has an urbanized area of 50,000 in population. Contra Costa County qualifies under this definition. The CMP for the County must include each city in the County and be updated annually. The CMP is similar to the Growth Management Program under Measure "C" (1988) which is administered by the Contra Costa Transportation Authority (CCTA). As a result, the County, along with the Cities, has designated the Contra Costa Transportation Authority as the CMP Agency. This way, the CMP for Contra Costa County can be prepared with very little additional cost.

Measure "C" allows the County to use the return to source revenues to administer, monitor and report on the Growth Management program of the Measure. The Board has approved the use of Measure "C" funds for that purpose. Proposition 111 is silent on the funding of CMP compliance costs. This funding void may be corrected by AB 434 which would increase vehicle registration fees to implement certain transportation control projects and provide funding for related planning and technical studies necessary to implement the Clean Air Act. Whether AB 434 gets approved and whether local governments will receive any funding to cover congestion management compliance costs remains to be seen. Any costs to comply with the congestion management planning requirements of Proposition 111, not covered by AB 434 or other proposed legislation, should be incorporated into any future updates of the Countywide Fee Study. The Measure C compliance costs were not included in the Countywide Fee Study recently adopted by the Board. These compliance costs, which are incurred as a result of development in the County, should also be included in any future updates of the Fee Study.

WITHOUT THE PASSAGE OF PROPOSITION 111, OUR ROAD MAINTENANCE AND ROAD ENGINEERING EXPENDITURES WOULD HAVE EXCEEDED OUR GAS TAX REVENUES IN 1994.

The first thing to look at when considering the use of the increased gas tax, is the relationship between our current road fund expenditures and our current road fund revenues, along with the growth projections for each of them. Our current maintenance budget is about 8.3 million dollars per year, while our road engineering budget (including Traffic) is about 1.1 million dollars per year. Both of these budgets have been increasing at about five percent per year over the past several years. On the revenue side, things are a little different in terms of growth. The gas tax is apportioned to the County under Streets and Highways Code Sections 2104, 2105 and 2106. Sections 2104 and 2106 apportion the "historic" gas tax, which is the gas tax revenue prior to the passage of Proposition 111. Section 2105 will apportion the increased gas tax revenue from Proposition 111. The 2106 apportionment, which makes up about 10 percent of our historic gas tax revenue, has remained more or less constant over the last several years. The increases in 2106 funds have been offset by fund reductions due to City annexations in County areas and the resultant reduction in the Countys assessed valuation. The 2104 apportionment, which makes up about 90 percent of our current gas tax revenue, has increased slightly over the last several years. The average increase was 1.04 percent over the last three years. The bulk of our revenue, therefore, has been increasing at one percent per year, while our expenditures have been increasing at five percent per year. Prior to Proposition 111 we estimated that by 1994, our maintenance and engineering expenditures would equal our revenue projection, leaving no money for our small capital and safety improvements program. Beyond 1994 we would be in the negative column. This gloomy forecast however has changed now with the passage of Proposition 111.

OUR GAS TAX REVENUE INCREASES ONE PERCENT PER YEAR WHILE OUR EXPENDITURES INCREASE FIVE PERCENT PER YEAR.

For our revenue estimates we have assumed the gas tax will continue to grow at one percent per year. We have also assumed our maintenance and engineering budgets will continue to grow at five percent per year to keep up with inflation. The difference between our total revenue and our expenditures on general road maintenance, road engineering and compliance costs, is the amount available to program for preventative pavement maintenance and capital and safety projects. Table 1 shows our revenue stream, expenditure stream and the resultant amount available for programming for the next 10 years. The revenue side is made up of three components; the historical road fund, Proposition 111 funds and Measure "C" return to source monies. The "historical" road fund includes the revenue from the tax rate imposed on the sale of gasoline and diesel fuel prior to Proposition 111 (historic gas tax), plus future revenue from traffic fines and forfeitures, rental income, and interest income. The bulk of the historic road fund and Proposition 111 funds are estimated assuming a one percent per year increase, which is what we experienced the last three years. Measure "C" is estimated to keep up with an assumed inflation rate of five percent plus three percent actual growth. The Measure "C" forecasts, however, may change in the future as a result of annexations or incorporation.

The expenditure side shows the cost of general road maintenance and road engineering. General road maintenance does <u>not</u> include any preventative maintenance work but provides for routine maintenance to keep the County's 750 miles of roads and 90 bridges safe and functional. Road engineering includes traffic engineering and operations, preparation of the road budget, project programming, alignment studies, project development, project coordination with interested and impacted entities, grant applications, and traffic studies. Planning compliance costs are also shown in Table 1 as an expenditure. These are the costs associated with meeting the Measure "C" growth management requirements and Proposition 111 congestion management requirements, in order to receive Measure "C" return to source monies and Proposition 111 funds. This compliance effort includes maintaining and refining the Circulation/Transportation Element and the County Transportation database, transit planning, TSM, project planning, project development, project programming/prioritization, and monitoring intersection service levels on regional routes. Total expenditures would be reduced if the planning compliance costs were funded by developer fees.

The amount available for programming shown in Table 1 reflects <u>total</u> funds available for preventative pavement maintenance, capital and safety improvements. It does <u>not</u> show anything deducted specifically for safety or capital improvement programs. The data in Table 1 is also shown on Figure 1 in the form of a graph. The dashed lines represent general road maintenance, road engineering and compliance cost expenditures. The solid lines represent revenues from the historic road fund, Proposition 111 funds and Measure "C" return to source monies. The shaded area between the total expenditures and total revenues represents the total funds available for programming. Figure 1 graphically shows that the rate of increase of our revenue is less than the rate of increase of our expenditures.

There has been recent legislative action that will impact our road related revenue stream. The State legislature recently approved a realignment in the State budget that will divert the "fines and forfeitures" revenue that historically went to the Countys. In exchange, the State will be supporting the court system. This can be seen on Table I where after fiscal year 1991/92 the revenue is reduced by the $500,000 we received each year as "fines and forfeitures."

TO ELIMINATE OUR CURRENT BACKLOG OF ROADS THAT ARE BEYOND PREVENTATIVE MAINTENANCE WOULD COST $32 MILLION DOLLARS.

The passage of Proposition 13 in 1978 reduced the amount available for our preventative pavement maintenance program. As a result, we had to prioritize the expenditure of our maintenance dollars for preventative maintenance. Some roads were treated and some were not. Several years after Proposition 13 we began to keep track of the deficiencies in our pavement management program and identified a backlog of roads that were beyond preventative maintenance. This was the subject of a report produced in March 1985, which identified aback log of $5,800,000. The report also projected a backlog in fiscal year 89/90 of $35,000,000 (in 1985 dollars), if the annual road maintenance funding was not increased. The pavement maintenance funding in 1985 was $2,000,000 per year, which is roughly what we spend today on preventative maintenance. The $35,000,000 backlog for fiscal year 1989/90 projected in the 1985 report would equate to $45,000,000 in todays dollars. Information gathered for the 1989-90 Grand Jury investigation of our maintenance program revealed that our 1989-90 backlog was $32 million. This is less than the projected estimate in our 1985 report, which is due to a reduction in maintained road mileage (853 miles in 1985 vs. 745 in 1989), with the incorporation of Orinda in 1986, and some annexations between then and now. In addition, the passage of SB 300 (1986) several years ago provided a one time windfall of about $3,000,000 for our pavement maintenance budget.

OUR BACKLOG PROJECTED TO THE YEAR 2000 COULD BE REDUCED TREMENDOUSLY IF MEASURE "C" RETURN TO SOURCE MONIES AND PROPOSITION 111 FUNDS ARE USED TO BOLSTER OUR PAVEMENT MAINTENANCE PROGRAM.

Table 2 shows our annual maintenance backlog with the allocation of 70% of Proposition 111 revenues towards pavement maintenance funding, in conjunction with Measure "C" return to source monies. This shows that by fiscal year 1999/2000, our backlog will be $275,000,000. Obviously, this size of backlog in the year 2000 is unacceptable and we will need to look for additional funding sources to further reduce the backlog to an acceptable level. However, if no Proposition 111 revenue or Measure "C" return to source monies are infused into our pavement maintenance program at this time, then our backlog in the year 2000 would be $370,000,000; an increase of approximately 35%.

The revenue estimates shown in Table 2 assume a one percent growth in the gas tax each year and a eight percent growth in the sales tax (Measure "C"). As can be seen, the new source of revenues will not solve our backlog problem. However, it is also evident that if none of the Proposition 111 revenues or Measure "C" monies are spent on our pavement maintenance program, then our backlog will grow tremendously.

WHAT ARE THE CONSEQUENCES OF NOT INVESTING IN OUR PAVEMENT MAINTENANCE PROGRAM?

Most roads are designed for a twenty year life. If no maintenance is performed on a new road, it will, in general, provide good service for ten to fifteen years, at which time failure of the pavement section begins. Between fifteen and twenty years the pavement deteriorates at a rapid rate. By the 20th year the road will have to be repaved or reconstructed, at which time the life/deterioration cycle starts all over again if no maintenance is performed. Our pavement management system is set up to recognize when various roads need a seal coat. Seal coats are applied just prior to the beginning stages of pavement deterioration. When the seal coat is applied prior to the initial stages of pavement deterioration, the pavement life is extended for another five to seven years, at which time another seal coat is applied. By performing these preventative treatments to the pavement, the pavement life can be extended ten to twelve years before the road needs to be repaved. A newly paved road therefore, could last thirty years with preventative maintenance instead of twenty years without maintenance. It costs 50% more to overlay or reconstruct a road every twenty years with no intervening preventative maintenance, than it does to perform preventative maintenance and extend its useful life to thirty years. The consequences, therefore, of not investing in our preventative pavement maintenance program is to incur major capitol investment needs to rebuild our road system, rather than a continuous reduced level of funding for preventative maintenance.

THE RECENT GRAND JURY REPORT RECOMMENDS USING MEASURE "C" RETURN TO SOURCE MONIES FOR PAVEMENT MAINTENANCE.

The Board considered the expenditure of Measure "C" return to source monies with the County Road Improvement Policy. This policy, adopted by the Board on May 9, 1989, prioritizes the expenditure of Measure "C" monies as follows:

1. A minimum program level of $300,000 a year for road safety and hazard elimination projects, less any funds from gasoline tax, federal and state grants.

2. Reconstruction of County roads.

3. Rehabilitation of County roads.

4. Traffic congestion relief of problems which existed before November 1988.

As long as a minimum budget is maintained for safety projects, then the emphasis for expenditure of Measure C funds lies in the pavement maintenance program to reduce the backlog.

The 1989-90 Contra Costa County Grand Jury submitted a report entitled "County Road Preventative Maintenance." This report reveals that the road system in the County is deteriorating at an alarming rate due to declining road maintenance, which has been brought on by escalating maintenance costs and lack of adequate maintenance funding. Their report recommends that the Board of Supervisors pursue ways to generate additional revenue for road maintenance including "priority use of the County's Measure "C" allocation".

PROPOSITION 111 FUNDS, SHOULD BE USED ALONG WITH MEASURE "C" RETURN TO SOURCE MONIES TO BOLSTER OUR PAVEMENT MANAGEMENT SYSTEM AND REDUCE OUR BACKLOG.

The Transportation Committee has discussed the expenditure of Proposition 111 funds and urges the Board to adopt a guideline for expending the new Proposition 111 revenues. For the greatest return on the dollar, the bulk of the revenue should be spent on the pavement maintenance program, however, there is also a desire that some should be expended for safety improvements and for capital improvements. As a result, the Transportation Committee recommends that Proposition 111 funds be spent in the following manner:

1. 70 percent of Proposition 111 revenue for pavement maintenance

2. 20 percent of Proposition 111 revenue for capitol improvements

3. 10 percent of Proposition 111 revenue for safety projects

First priority for the additional maintenance revenue will go to arterials and major thoroughfares. Second priority for the additional maintenance revenue is to prevent roads not on the backlog from deteriorating to a backlog condition. The third priority is to remove roads from the backlog.

Currently, we budget approximately $300,000 for safety projects and $300,000 for capital projects from the road fund. The expenditure guideline recommended above would increase our safety projects budget to approximately $500,000 and our capital budget to approximately $660,000 for fiscal year 90/91. Table 3 shows the breakdown of funding that would be provided for each of these three programs over the next 10 years if our Proposition 111 revenue was distributed as recommended above. It should be noted that these recommendations go hand in hand with the Grand Jury report on County Road Maintenance.

The above expenditure recommendations combine the gas tax and Measure "C" resources, which together will satisfy the list of improvements identified separately in the County Road Improvement Policy as gas tax expenditure priorities and Measure "C" expenditure priorities. In other words, the combined Proposition 111 and Measure "C" expenditures shown in Table 3 will satisfy the intent of the County Road Improvement Policy, which had identified separate expenditures for Measure "C" revenues and gas tax revenues.

SPENDING PROPOSITION 111 FUNDS AND MEASURE "C" RETURN TO SOURCE MONIES ON REBUILDING OUR ROAD SYSTEM WILL GIVE THE PUBLIC THE GREATEST AMOUNT OF ROADWORK FOR THE DOLLAR.

Not only is expending revenue on our pavement maintenance program a sound investment in our road system, but it is also highly visible to the public and will significantly improve the appearance, durability, and the ride quality of roads in each Supervisorial District. The recommendations made in this report would improve ninety-eight miles of County roads in the form of chip seals and slurry seals, and six miles in the form of overlays or reconstruction over the next two years, if two thirds of the funds were allocated to surface treatments and one third to overlays and reconstruction.

Discussions these days often center around the level of service of our roads in terms of capacity. Nobody discusses the level of service of our roads in terms of maintenance or serviceability. A road that is not maintained and is allowed to deteriorate will effectively have its capacity reduced as cars are forced to reduce their speed due to a broken and rough pavement surface. As the road deteriorates, the safe speed and the capacity of the road decreases. Several years ago MTC did a study which revealed that poor pavement conditions cost the public $60 per vehicle per year in terms of additional wear and tear. With the County's 640,000 registered vehicles, that equates to a total cost of $38,400,000.

IV. Consequences of Negative Action:

There would be no guidelines established for the expenditure of revenue from Proposition 111 and the level of service of our road system would suffer.

TABLE I
REVENUE

DESCRIPTION	Fiscal Year										
	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/2000
1) Historic Road Fund											
a. Historic Gas Tax	9,278	9,400	9,480	9,570	9,650	9,740	9,837	9,935	10,035	10,135	10,237
b. Fines & Forfeitures	500	500	0	0	0	0	0	0	0	0	0
c. Road & State Rentals	63	65	67	69	71	73	75	77	79	81	83
d. Interest Earnings	75	75	75	75	75	75	75	75	75	75	75
SUBTOTAL	9,916	10,040	9,622	9,714	9,796	9,888	9,987	10,087	10,189	10,291	10,395
2) Proposition 111	-----	2,000	2,500	3,000	3,500	4,000	4,040	4,080	4,120	4,160	4,200
3) Measure C	1,400	1,512	1,633	1,764	1,905	2,057	2,222	2,399	2,591	2,798	3,022
TOTAL	11,316	13,552	13,755	14,478	15,201	15,945	16,249	16,566	16,900	17,249	17,617

EXPENDITURES

DESCRIPTION	Fiscal Year										
	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/2000
1) General Road Maintenance	7,056	7,409	7,779	8,168	8,576	9,005	9,455	9,928	10,425	10,946	11,494
2) Road Engineering	1,100	1,160	1,210	1,270	1,340	1,400	1,470	1,543	1,620	1,701	1,786
3) Planning Compliance Costs	50	155	355	275	289	303	318	334	351	369	387
TOTAL	8,206	8,724	9,344	9,713	10,205	10,708	11,243	11,805	12,396	13,016	13,667

AMOUNT AVAILABLE FOR PROGRAMMING (REVENUE - EXPENDITURES)

Fiscal Year	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/2000
Programmable Funds	3,110	4,828	4,411	4,765	4,996	5,237	5,006	4,761	4,504	4,233	3,950

NOTE:
- All figures in $1000
- Historic gas tax represents the gas tax revenue prior to Proposition 111 (2104 & 2106).
- Planning compliance costs include those required by both Measure "C" and Proposition 111.

RMA:cl:fp
c:revenues.t10
November 5, 1991

TABLE II
CONTRA COSTA COUNTY
PAVEMENT MAINTENANCE FUNDING

FISCAL YEAR	ANNUAL NEEDS	BACKLOG	TOTAL NEEDS	HISTORIC ROAD FUND	MEAS "C" FUNDS	PROP 111 FUNDS	TOTAL FUNDS	UNMET NEEDS
89/90	5000	32,000	37,000	1200	1350	-----	2,550	34,450
90/91	5250	41,340	46,590	911	1357	1400	3,668	42,920
91/92	5512	51,510	57,020	681	1278	1750	3,209	53,810
92/93	5788	64,570	70,360	466	1489	2100	3,589	66,772
93/94	6077	80,130	86,200	228	1616	2450	3,946	82,260
94/95	6381	98,710	105,090	0	1737	2800	4,037	101,050
95/96	6700	121,260	127,960	0	1466	2828	3,794	124,170
96/97	7035	149,000	156,040	0	1181	2856	3,537	152,500
97/98	7387	183,000	190,390	0	884	2884	3,268	187,120
98/99	7756	224,540	232,300	0	573	2912	2,985	229,320
99/2000	8144	275,180	283,320	0	250	2940	2,690	280,630

NOTES:

- Assumes 70% of Proposition 111 revenues and all available Measure C return to source monies spent on pavement maintenance, while maintaining a safety program and capitol program as recommended in this report (see Table III).
- Backlog equals 1.2 x previous years carryover ("unmet needs")
- Assumes inflation at 5%
- Assumes 5% inflation in Measure C funding each year plus 3% growth (8% total)
- Assumes 1% growth in Proposition 111 funding each year
- All figures in $1000

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<u>TABLE III</u>

Expenditure By Program Over The Next Ten Years

FISCAL YEAR	PAVEMENT MANAGEMENT PROGRAM				SAFETY PROGRAM			CAPITAL PROGRAM			TOTAL
	Historic Road Funds	Proposition 111	Measure C	TOTAL	Historic Road Funds	Proposition 111	TOTAL	Historic Road Funds	Proposition 111	TOTAL	
89/90	1200	---	1350	2,550	300	---	300	260	---	260	3,110
90/91	911	1400	1357	3,668	300	200	500	260	400	660	4,828
91/92	181	1750	1278	3,209	226	250	476	226	500	726	4,411
92/93	---	2100	1489	3,589	138	300	438	138	600	738	4,765
93/94	---	2450	1496	3,946	---	350	350	---	700	700	4,996
94/95	---	2800	1237	4,037	---	400	400	---	800	800	5,237
95/96	---	2828	966	3,794	---	404	404	---	808	808	5,006
96/97	---	2856	681	3,537	---	408	408	---	816	816	4,761
97/98	---	2884	384	3,268	---	412	412	---	824	824	4,504
98/99	---	2912	73	2,985	---	416	416	---	832	832	4,233
99/2000	---	2690	---	2,690	---	420	420	---	840	840	3,950

<u>NOTE:</u>

- All figures in $1000
- The amount of Proposition 111 revenues available for programming is shown apportioned 70% to the pavement management program, 10% to the safety improvements program, and 20% to the capital program. To show the impact of Proposition 111 funds, all expenditures shown in Table I are deducted from the Historic Road Funds and from Measure C. Compliance costs are deducted from Measure C only.

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c:tableIII.t10
November 5, 1991

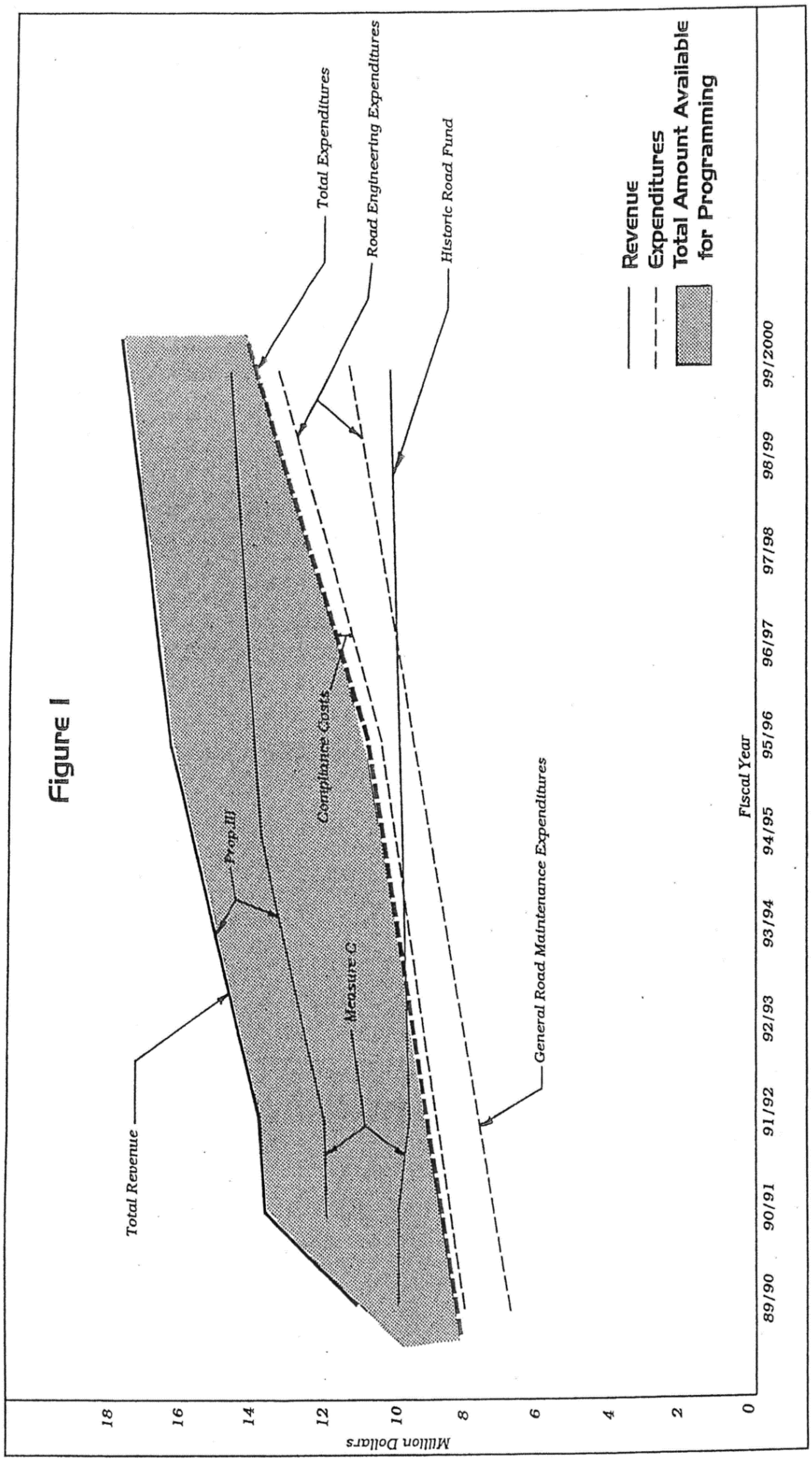
Figure I
Total Revenue
Prop.III
Measure C
Compliance Costs
Total Expenditures
Road Engineering Expenditures
Historic Road Fund
General Road Maintenance Expenditures
Revenue
Expenditures
Total Amount Available for Programming
Million Dollars
0
2
4
6
8
10
12
14
16
18
Fiscal Year
89/90
90/91
91/92
92/93
93/94
94/95
95/96
96/97
97/98
98/99
99/2000

Appendix C: Board Order Approving the 2015 Capital Road Improvement and Preservation Program and the April 2016 TWIC Report

(This page is intentionally left blank until the Board of Supervisors approves the 2015 CRIPP)

TRANSPORTATION, WATER & INFRASTRUCTURE COMMITTEE **6.**

Meeting Date:	04/14/2016
Subject:	REVIEW reduction in State Gas Tax and the Impact to County of Contra Costa Streets and Roads.
Submitted For:	Julia R. Bueren, Public Works Director/Chief Engineer
Department:	Public Works
Referral No.:	1
Referral Name:	REVIEW legislative matters on transportation, water and infrastructure.
Presenter:	Steve Kowalewski, Department of Public Works
Contact:	Steve Kowalewski (925)313-2225

Referral History:

State legislative and financial issues related to transportation are a standing item on the TWIC agenda. The Committee regularly considers and provides recommendations to the BOS on these matters.

Referral Update:

State gas tax is the primary funding source used by Contra Costa County to fund the operations, maintenance, and improvement of the unincorporated transportation network.

What does it pay for?

• Operations and Maintenance – Gas tax revenues are used to operate and maintain pavements, road drainage (underground and above ground facilities), culvert inspection and replacement, signs, striping, vegetation control, bike lanes, pedestrian facilities, trails, traffic signals, safety lighting, shoulder grading, slope maintenance, storm response (clean-up, downed trees, clogged drains, etc), hydrauger maintenance, curbs, bike lane sweeping, storm drain debris removal, pothole repair, surface treatment program (slurry seal, chip seal, cape seal, micro-surface, overlays), road reconstruction, bridge maintenance, local bridge inspections, illegal dumping clean-up, clean water treatment facilities, and guardrails.

• Capital Projects – Used to construct capital transportation projects such as bike lanes, pedestrian facilities, curb ramps (ADA compliance), safety improvements, shoulder improvements, complete streets, green streets (green infrastructure), traffic calming, and bridge replacement. Local gas tax is also used to leverage local, state and federal grant funds. Last year for every $1 dollar we spent on staff time to prepare grant applications, we were able to get $17 dollars in return. This resulted in successfully securing $5,080,000 at a cost of $300,900.

Without having gas tax as required local match money to go after grants, the County would miss an opportunity to obtain additional outside funding to help construct much needed safety, maintenance, and multi-modal transportation improvements.

• Traffic Operations – Gas tax fully funds the Traffic Operations Section. This section is responsible for traffic safety investigations, traffic operational improvements, traffic signal timing, traffic signal maintenance and upgrades, traffic data collection, Neighborhood Traffic Calming Program, traffic collision evaluations, encroachment investigations, speed surveys, traffic resolutions, parking restrictions, traffic impact evaluations from new development, CHP coordination, truck restrictions, permit load requests, State coordination, and public assistance.

• Road Administrative Functions – The gas tax funds several administrative functions that support the County's road program. These include the Development Impact fee program, self-insurance (Risk Management), Road Finance Functions, Transportation Planning (Department of Conservation and Development), Utility Undergrounding Program (Rule 20A Funds), transportation planning studies, interagency coordination, state coordination, public meetings, project development, alignment studies, Road Records, County Counsel, claim investigations, and Public Assistance.

What's currently going on with the gas tax?

Two parts to the gas tax exist: Gas Excise Tax (volume based) and Price-Based Excise Tax (price based):

• Gas Excise Tax (volume based) – has not been raised since 1993. The Construction Cost Index has increased 71% from 1993. The purchasing power of the 18 cent gas tax in 1993 has been reduced to 9 cents in 2016 due to inflation. The gas excise tax is based on the amount (gallon) of gas purchased and is not based on the price of gas. Although there are more vehicles on the road, the gas tax generated has remained relatively flat due to the improvement in fuel economy in vehicles and more electric vehicles on the road. Electric vehicles are essentially using the road network for free. Although great for the environment, this trend has had a major impact on agencies responsible for properly maintaining and improving the transportation network.

• Price-Based Excise Tax – This part of the gas tax is dependent on the price of gas. If the prices are high, the sales tax generated increases. When gas prices drop, so does the sales tax portion of gas tax. So if gas prices have only dropped 50%, why is the County's gas tax show a decline of 81%? This inequality comes from the gas tax swap agreed to several years ago. From the sales tax based gas tax, the State takes $1 billion off the top to pay for General Obligation Transportation Bonds. During the tough economic times, the State was looking for General Fund relief and switched the obligation for paying these General Obligation Transportation Bonds from the General Fund to Gas Tax. When gas prices are high, the impact of removing $1 billion off the top is minimal, but when gas prices are low, the pot of money is small and is even made smaller by continuing to take the $1 billion off the top. The $1 billion is a fixed amount for bond debt service.

The Governor called for a special session of the California Legislature to address transportation funding; however, there has been limited progress in finding a solution. There are currently three proposals to address transportation funding: SBX1 1 (Beall), AB 1591 (Frazier), Governor's Plan as of September 6, 2015. These proposals would generate $24 million (SBX1 1), $27 million (AB1591), and $12.6 million (Governor's Plan). These amounts are in addition to the revenues currently being received. A detailed description of the three proposals is attached.

What are the impacts to unincorporated County roads?

• The County has seen a significant reduction in State gas tax used to operate and maintain our local unincorporated road network. Although we have seen a slight increase in the volume based gas tax, this increase is far short of the drastic reduction we have seen in the sales tax portion of gas tax.

• To address the gas tax revenue reduction, the Public Works Department is proposing a project delay strategy that delays the construction of several projects for one to two years in anticipation that the State Legislature will agree on a transportation funding fix. However, if the State Legislature fails to act within the two year window, the County will likely need to indefinitely delay several projects and lose the already secured grant funds associated with those projects.

• The following are the main projects and road program activities impacted by the proposed project delay strategy:

- Delay construction of **Kirker Pass Road Northbound Truck Lanes** one year with work beginning in 2019; Reduce gas tax allocations for local match starting this fiscal year and next. If State Transportation Improvement Funds (also gas tax) are permanently cut by the California Transportation Commission for this project, the County will not have the capacity to make up the difference and the project will be delayed indefinitely.

- Delay the **Byron Main Street Sidewalk Improvement Project, Pomona Street Pedestrian Safety Enhancements, and Tara Hills Pedestrian Infrastructure Project** one year. Continue funding the completion of the design of the project, but delay construction funding.

- Eliminate seed money for **Vasco Road Safety Improvement Project Phase II**.

- Delay the **Bay Point Asphalt Rubber Cape Seal project**. The bids were recently opened for the project. However, with the new gas tax revenue projections, we did not have the $1.7 million funding to move this project forward. We will move forward with the ADA Curb Ramp Upgrades Project in the same Bay Point neighborhood in preparation for when the delayed Rubber Cape Seal project will be put out to bid in the next couple of years if the State Legislature finds a transportation funding fix.

- Reduce the gas tax allocation for **Orwood Bridge** Construction Engineering overage reserve. Caltrans has been disputing project expenditures for both the Construction Engineering and Environmental expenditures. At this moment, it appears only $600,000 in Environmental expenditures are in dispute. If the Environmental expenditures dispute is resolved, that would free up the $600,000 reserve.

- Reduced insurance reserve to $500,000. This amount is difficult to predict and in the recent past has come in at $1.6 million and $1.8 million.

- Holding off on back-filling vacated positions supported by the State gas tax.

- Will be shifting some County Road Crews from gas tax supported road work to Flood

Control District facilities to reduce gas tax expenditures. Gas tax allocation to Road Maintenance has been reduced by $2.5 million from historic levels.

- Reduce grant match funding and forego applying for some upcoming grants.

• The actions summarized above are the main highlights. With these actions along with other minor budget adjustments, we have balanced the current fiscal year road budget. We are currently short approximately $700,000 for the fiscal year 2016/17 road budget. We will continue to seek additional budget adjustments and funding to make up the difference.

• We realize that these actions will have an impact to motorists, cyclists, pedestrians, transit operations, and goods movement and we will continue to look for efficiencies and strategic allocations of the limited gas tax to keep the unincorporated County road network operating safely, efficiently, and reliably.

[Note from TWIC Staff: Information regarding transportation funding proposals at the state are also addressed under Item 7: Report on Local, State, and Federal Transportation Related Legislative Issues]

Recommendation(s)/Next Step(s):

ACCEPT report on the impacts to County transportation projects from the declining State gas tax; DIRECT the Public Works Director to make modifications to the current draft of the Capital Road Improvement and Preservation Program currently being routed for review to reflect the reduced gas tax revenues; and ACKNOWLEDGE that unless the State approves a transportation funding fix, the projects currently recommended to be delayed, will be deferred indefinitely, road deferred maintenance will continue to increase and our aging transportation infrastructure will cost more to fix in the future.

Fiscal Impact (if any):

If the projects move forward, there will be insufficient funds to pay contractors for work performed.

Attachments

Summary 2016
