



**Contra
Costa
County**

To: Board of Supervisors
 From: Brian M. Balbas, Public Works Director/Chief Engineer
 Date: September 25, 2018
 Subject: ACCEPT report on implementation of Senate Bill 1

RECOMMENDATION(S):

ACCEPT report on implementation of Senate Bill 1 (SB1) Road Maintenance and Rehabilitation Account (RMRA) funded projects and possible impacts to the County's Road Program if Proposition 6 is successful.

FISCAL IMPACT:

If Proposition 6 passes in November, the estimated revenue loss to the County's Road Program is the following:

FY	18/19	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27
Contra Costa County	\$15,460,000	\$21,820,000	\$24,870,000	\$26,400,000	\$27,630,000	\$28,900,000	\$30,280,000	\$31,620,000	\$33,010,000

The table shows ALL new revenues from SB1 (gas tax and vehicle registration fees) and what would be at risk if SB1 is repealed.
 Source: California State Association of Counties.

☒ APPROVE

☐ OTHER

☒ RECOMMENDATION OF CNTY ADMINISTRATOR

☐ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **09/25/2018** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

VOTE OF SUPERVISORS

AYE: John Gioia, District I
 Supervisor
 Candace Andersen, District II
 Supervisor
 Karen Mitchoff, District IV
 Supervisor

ABSENT: Diane Burgis, District III
 Supervisor
 Federal D. Glover, District V
 Supervisor

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: September 25, 2018

David Twa, County Administrator and Clerk of the Board of Supervisors

By: June McHuen, Deputy

Contact: Brian Balbas,
 925-313-2201

cc:

FISCAL IMPACT: (CONT'D)

Additional revenue loss will be realized beyond what is shown in the table. The additional loss will come from lost opportunities from grant programs which rely on SB1 as local match funds. If Proposition 6 passes in November, the revenue received by the County up to February 2019 does not need to be reimbursed. Therefore, there is no fiscal impact to the projects already constructed. There are some existing projects currently in design that have secured grant funds with a local match of RMRA funds in the next few fiscal years. In this circumstance, the County may be required to return the grant funds because it is anticipated that we will not have sufficient funds to backfill the loss of SB1 funds.

BACKGROUND:

On April 28, 2017, the Governor signed Senate Bill 1 (SB1), which is known as the Road Repair and Accountability Act of 2017. SB1 invests more than \$5 billion annually directly for maintenance, repair, and safety improvements on state highways, local streets and roads, bridges, tunnels and overpasses. SB1 also provides investments in mass transit to help relieve congestion.

SB1 has significant accountability and transparency provisions designed to ensure the public has full access to information on how their tax dollars are being invested. Cities and Counties must publicly adopt and submit to the California Transportation Commission a planned list of projects and year-end reporting that accounts for every single dollar of SB1 revenue.

During the approval of the Fiscal Year 18/19 SB1 Road Maintenance and Rehabilitation Account (RMRA) project list, the Board of Supervisor's Transportation Water and Infrastructure Committee (TWIC) recommended that staff provide the full Board of Supervisors an update on the implementation of the RMRA projects at their September 25, 2018 Board meeting. In addition, at the time of the TWIC meeting, it was unknown if the effort to repeal the SB1 gas tax would make the ballot in November. The Committee recommended that staff inform the full Board of Supervisors on the impacts the repeal effort would have on the County's Road Program. The repeal effort has since qualified for the November 2018 ballot and is known as Proposition 6.

The purpose of this staff report is to provide the Board of Supervisors an update on the implementation of the approved RMRA projects for the County and to provide information on the possible impacts of Proposition 6 on the County's Road Program.

SB1 RMRA Project Implementation Update

The County has now submitted two lists to the California Transportation Commission, as reviewed and approved in public meetings by the Board of Supervisors, for projects funded with RMRA revenues.

The following is a summary of the projects from each of the first two RMRA lists approved by the Board of Supervisors. Also noted is the current status of each of these projects (note that some of the projects are listed in both years as each fiscal year allocation funded different phases of the project):

Fiscal Year 17/18 RMRA Project List

- Morgan Territory Road Slide Repair (2017 Storm Damage Project) – CONSTRUCTION COMPLETE
- Alhambra Valley Road Washout Repair (2017 Storm Damage Project) – CONSTRUCTION COMPLETE
- Pomona Street Pedestrian Safety Improvement Project – Phase II – SEE FY 18/19
- Bay Point Asphalt Rubber Cape Seal – SEE FY 18/19
- Tara Hills Pedestrian Infrastructure Project – SEE FY 18/19
- Pedestrian Crossing Enhancements – Central & East County – SEE FY 18/19
- Blackhawk Road Bikeway Project – SEE FY 18/19

Fiscal Year 18/19 RMRA Project List

- Road Drainage Maintenance (Ditch Cleaning, Catch Basin Cleaning, Catch Basin inspection) – ON-GOING ACTIVITY
- Traffic Safety Devices Maintenance (Traffic Signing, Traffic Striping) – ON-GOING ACTIVITY and Bay Point Sign Upgrade Project – PROJECT COMPLETE
- Pavement Repairs and Preparation (Pot Hole Patching, Pavement Fabric Patching, Pavement Failure Repair, Pull Box Paving, Hand Patching, Crack Sealing, Leveling, Grinder Follow-up Paving, Pavement Failure Repair – Grinder, Pavement Grinding. – ON-GOING ACTIVITY and work done in preparation for the County-Wide Surface Treatments - COMPLETE
- County-Wide Surface Treatments (Double Chip Seal Project, Slurry Seal Project, Single Chip Seal Project) – CONSTRUCTION COMPLETE
- Asphalt Rubber Cape Seal - 2018 (Unincorporated areas of Walnut Creek and Martinez were added to Bay Point Asphalt

- Rubber Cape Seal Project listed in Fiscal Year 17/18) – CONSTRUCTION COMPLETE
- Pomona Street Pedestrian Safety Improvement Project – Phase II – CONSTRUCTION NEARING COMPLETION
- Tara Hills Pedestrian Infrastructure Project – ADVERTISED FOR CONSTRUCTION BIDS
- Pedestrian Crossing Enhancements Project – Central & East County – CONSTRUCTION NEARING COMPLETION
- Blackhawk Road Bikeway Project – PROJECT COMPLETE
- Alhambra Valley Road Creek Embankment Repair – PROJECT IN DESIGN (expected construction 2020)

The projects completed to date are consistent with the criteria for SB1-RMRA funds which include, but are not limited to: 1) Road Maintenance and Rehabilitation; 2) Safety Projects; 3) Railroad Grade Separations; 4) Complete Streets Components; 5) Traffic Control Devices. The County projects are spread over the entire county providing benefits to residents and the traveling public in all parts of the County.

Prior to the passage of SB1, many of the projects listed above were delayed because of insufficient gas tax funds. Public Works on two occasions made presentations to the TWIC and the Board of Supervisors highlighting the need to delay projects due to the gas tax being a declining revenue source and insufficient funds to meet minimum maintenance operational needs. With the passage of SB1, we have been able to clear the queue of delayed projects. If SB1 survives the recall vote, staff will focus our attention on future years, making sure the County's unincorporated road network is well maintained and safe and enjoyed by the various users of the system.

Proposition 6 – Impacts to the County's Road Program

What's at Risk?

Due to Proposition 6 being on the ballot, staff must concurrently prepare for next year's SB1-RMRA project list submittal, AND plan for cutting and/or delaying maintenance and capital improvement projects in the queue in the event the SB1 recall is successful.

The estimated revenue impact by fiscal year is shown in the Fiscal Impact section of this report. Over nine years, the impact to unincorporated Contra Costa County is \$239,990,000 or an average of \$26.7 million per year (not including lost grant opportunities). SB1 revenues are planned to fund our maintenance and operations to improve the condition of our existing road assets, improve road safety and reduce fatal and major injury collisions, relieve congestion, and improve mobility for vehicles, bicycles, and pedestrians.

There are large multi-year projects currently in the development process. This includes the Kirker Pass Road Truck Climbing Lanes project and others that require SB1 revenues to go to construction. The Kirker Pass Road project is funded with a combination of secured grant funds and SB1 local match funds. If Proposition 6 is successful, the County will not have the capacity to make up the local match funds. This will put the project and grant funds at risk requiring the County to pay back any grant monies used to date. Because of the complexity of this project, some pre-construction work has started such as clearing of vegetation and utility relocation work. Not only is the loss of grant funding at risk, but also our ability to deliver this important safety project in the foreseeable future. Kirker Pass Road is on the County's High Injury Network and this project would separate slow moving trucks from the higher speed vehicles. The separation would improve safety and help reduce collisions on the road.

Public Works has developed a 3-year outlook for road network improvement projects. Many of these projects rely on gas tax funds, and in particular SB1-RMRA funds to move to construction. Although staff is still working on a recommendation to the Board pending the outcome of Proposition 6, the following list of projects are all considered to be at risk of being delayed and/or cancelled if Proposition 6 is successful:

Projects at Risk (3-year outlook)

- Kirker Pass Road Truck Climbing Lane
- Vasco Road Improvements
- Byron Highway Improvements
- Appian Way Complete Streets
- San Pablo Dam Road Improvements
- Norris Canyon Road Safety Improvements
- Route 239 – Vasco Road/Byron Highway Connector Project
- Baily Road/SR4 Interchange Improvements
- Marsh Creek Road Safety Improvements
- Camino Tassajara Bike Lane Gap Closure
- Countywide Guardrail Upgrade
- Parker Avenue Sidewalk and Pedestrian Crossing
- Marsh Creek Road Bridge Replacement (Bridges 143 & 145)
- Bel Air Trail Crossing Safety Improvements
- Marsh Drive Bridge Replacement Project
- Fred Jackson Way, First Mile/Last Mile Connection Project
- Byron Highway Bridge Replacement
- Ability to respond to **emergencies** – slides, sinkholes, etc. (e.g. Morgan Territory Rd. and Alhambra Valley Rd.)

Programs at Risk (3-year outlook)

- Annual Surface Treatment Program (we cancelled our surface treatment program the year prior to SB1 being approved due to insufficient revenue)
- Annual Culvert Replacement Program
- Bridge Repair and Replacement Program
- Complete Streets Implementation
- Neighborhood Traffic Management Program
- Traffic Safety Investigations
- Curb Ramp Program
- Grant Program
- Developer Impact Fee Program

The projects and programs above are related to the 663 miles of unincorporated County roads. Contra Costa residents will experience additional impacts if Proposition 6 is successful from delayed and/or cancelled projects being implemented by the County's 19 Cities, Contra Costa Transportation Authority, Caltrans for the State freeways and highways, and transit agencies. The funding amounts and projects at risk are the following:

- SB1 funding for Contra Costa Cities
 - Contra Costa's 19 Cities: \$272,041,000 loss over the next 10 years
- SB1 Formula Funds
 - Caltrans – I-80 Repaving \$76.8 million
 - CCTA – SR4/680 Interchange \$20.5 million
 - BART with AC Transit \$21.4 million
 - Tri Delta, West CAT, County Connection \$815k
 - State Transportation Improvement Program \$1.9 million/year
 - Local Partnerships for "self help" counties and cities \$2.4 million/year CCTA, \$100k each to Orinda, El Cerrito, Martinez
- SB1 Competitive Funds
 - 680/4 Phase 3 \$33.6 million
 - Bike/Ped Projects \$1.5 million
 - Planning Studies \$800k
- Total Contra Costa Funding at Risk over the next 10 years is approximately \$710 million.

Without adequate revenues, our ability to properly maintain, operate, and improve the County's road network will be at risk. This will lead to additional potholes, safety issues, congestion, sink holes, and impact the efficient mobility of people and goods movement. In addition, if Proposition 6 is successful, the problems listed don't go away. In fact, the problem becomes more expensive to resolve. For example doing preventative maintenance when a road is still in good shape will extend the life of the pavement and cost approximately \$2-\$4/square yard. If revenues are insufficient to do preventative maintenance and we let the roads continue to deteriorate, the cost to repair them in as short as 10-15 years could escalate to \$30-\$100/square yard, adding to our current maintenance backlog of \$88 million.

In summary, the passage of Proposition 6 will 1) directly reduce the amount of gas tax revenue available for transportation projects, 2) indirectly reduce funds available due to loss of grants, and 3) reduce the cost effectiveness of the remaining transportation fund expenditures due to the compromised preventative maintenance program.

Options to consider if Proposition 6 is successful

If Proposition 6 is successful in November, staff will be putting together recommendations on which projects will be delayed and/or cancelled (projects listed above are all considered at risk). In addition, staff will be proposing changes to how the road program is managed which includes reducing level of service expectations. The following list is a preliminary brainstorm of possible options for the Board of Supervisors to consider in managing the County's road program should Proposition 6 be successful.

- Eliminate network "improvements" (adding assets like bike lanes, sidewalks, additional lanes, etc.). Any capital improvement project that would "add" to the cost of basic maintenance operations would not be considered unless it is a well-documented safety issue.
- Focus maintenance on roads currently in good condition. Don't invest in failed roads (reduce service level expectation).
- No congestion relief projects (typically require expanding the network and adds future operational costs)
- Safety projects will be reduced (inability to fund the local Highway Safety Improvement Program project match)
- Reversion to gravel roads for select roads
- Reactive versus Proactive culvert repair – sinkholes

- We will not fill the Traffic Safety Investigator second position
- Longer time to restore storm damage to roads – one lane sections to remain for years (reduced service level expectation)
- Grant Program scaled back. Loss of additional revenue.
- Do not invest road funds into the Clean Water Program (impacts to street sweeping, trash capture, and cleanups).
- Possible fines of \$10,000 per day.

Other Information

The issue of SB1 funding and Proposition 6 is a complicated one. We have provided the Board of Supervisors information on what we have been able to accomplish in the 1 ½ years since SB1 has been implemented. Public Works continues to gear up the process to push the SB1 funds out to construction as fast as possible. As the program matures, the growing number of improvements will provide benefits to the public in terms of better pavements, less congestion, safer roads, and more options in travel modes. There are many questions that are being debated. We have attached a Frequently Asked Questions and Answers document provided by the California Engineers Association of California and the California State Association of Counties. In addition to this document, we are including the following information for your use:

1. PowerPoint Presentation: Update on SB1 Project Implementation and Possible Impacts of Prop 6 on the Road Program (BOS September 25, 2018 meeting).
2. SB1: The Road Repair & Accountability Act of 2017 Frequently Asked Questions & Answers
3. Estimated Revenues for the 58 Counties from SB1 and subset of RMRA funds.
4. American Road & Transportation Builders Association article on economic impact of SB1
5. Maintaining and Operating the Local Streets and Roads Network – It's not just about pavement
6. Proposition 6: Voter Approval for Increases in Gas and Car Tax (SB1 Repeal) County Educational Tool Kit Analysis
7. The Why and How SB1 Funds Are Guaranteed for Transportation – A Brief History on Constitutional Protection for Transportation Funding
8. County of Contra Costa Impacts of Prop. 6 on Pavement Conditions – prepared by NCE

CONSEQUENCE OF NEGATIVE ACTION:

If the Board of Supervisors does not accept the report, the public will have less information on the progress the County has made to date with SB1 – RMRA funds and the knowledge of what County projects and programs are at risk should Proposition 6 pass in November.

CHILDREN'S IMPACT STATEMENT:

If Proposition 6 passes, it will be more difficult to fund implementation of Safe Routes to School projects and address the safety issues of children riding their bikes and walking to school using the County road network. (Children's Report Card Outcome #2 – Youth Are Healthy and Preparing for Adulthood; Physical Fitness, and Outcome #4 – Families and Communities Are Safe: Injury Hospitalizations)

ATTACHMENTS

SB1 BOS Presentation

SB1 Road Repair & Accountability Act of 2017

Estimated Revenue for 58 Counties

Economic Impact of SB1 article

Maintaining & Operating the Local Streets & Road Network

Prop 6 - County Educational Took Kit Analysis

Why & How SB1

CCC impacts of Prop 6 on pavement conditions