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Attachments: 1. Ex 1 Map - Truck Routes, 2. Ex 2 Memo - Truck Routes

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Report to Mayor and City Council

Tuesday, February 06, 2018

Discussion

SUBJECT:

UPDATE ON GRANT FUNDING FOR TRUCK IMPACTED STREETS (CITY COUNCIL)

I. SUMMARY

This report provides and update on the City’s efforts to identify and secure funding to repave Carson’s truck routes and truck impacted streets. A map of the City’s trucks routes is attached as Exhibit No. 1. The City has a \$92.9 million backlog in street repairs, with \$6 million needed annually to repair truck routes and truck impacted streets. The Council directed staff to work with logistics and goods movement organizations and companies, known as the Carson Logistics Coalition, to develop a strategy to secure grant funding and to apply for grant funding. The current strategy focusses on working with the South Bay Cities Council of Governments to secure grant funding (Exhibit No. 2). It should also be noted that a major source of road repair funding in SB 1 will be subject of voter initiatives in November of 2018 designed to repeal SB 1 funding.

II. RECOMMENDATION

Staff will continue to work with the Carson Logistics Coalition on projects to identify and secure funding to repave the City’s truck routes and truck impacted streets.

III. ALTERNATIVES

TAKE any other action the City Council deems appropriate.

IV. BACKGROUND

Logistics Moratorium and the Need for Funding for Truck Impacted Streets

On February 7, 2017, the City Council directed staff to provide solutions to the City's concerns regarding industrial developments and the impacts these developments have on the community. The logistics moratorium was extended on May 7, 2017 and staff is scheduling the extension of the moratorium in March. The City Council formed several stakeholder groups to discuss and work on various projects that stemmed from the logistics moratorium. One major project was to understand the magnitude of the damage created by trucks to Carson's streets and recommend programs to address this problem.

Pavement Management Issues

Prior to the logistics moratorium, staff had begun the ten-year update of assessing the condition of paving in the City through a pavement management systems report (the "NCE report"). In May of 2017 the City Council reviewed and adopted the NCE report. This report inventoried the paving condition of all 203.1 miles of streets in Carson. Within this total, the street network contains 49.2 miles of major arterials and 5.7 miles of minor arterials. The report found that overall Carson's paving score was 67, which is considered good.

However, the pavement study found that Carson has a \$92.9 million backlog in street repairs. If you break the NCE report down further, it found that the City's arterial streets score a 61 (fair condition) and secondary arterial streets score a 50 (poor condition). Carson's residential streets score a 75 (good condition). Staff has concluded that the City's overall paving score of 67 is due to the condition of residential streets raising the average. It is also clear from the NCE report that trucks using Carson's streets create an outsized impact on our streets. Research indicates that a single truck trip is equivalent to 10,000 automobile trips regarding pavement wear-and-tear and damage.

Without significant sustainable annual investment Carson's paving condition will fall to 55 (poor) in the next five years (FY2022-2023). The consultant estimated that Carson will require an investment of \$8 million annually to keep the streets from deteriorating further and that the City should invest \$9 million annually to improve street conditions. The consultant also estimated that \$6 million annually is needed for repairs to the City's truck routes and truck impacted streets.

Current City Funding for Streets

Carson currently budgets \$1.74 million annually for street maintenance. The City funds \$500 thousand annually in slurry seal and overlay from the State Gas Tax Funds. The remaining balance of \$1.7 million is funded from METRO funds. The City will receive \$2.6 million in State Gas Tax Funds this year. It should be noted that portions of the Gas Tax are used for compensation of the street crew, street tree trimming, traffic signal operational costs and for street sweeping. It is unknown how the City will fund \$7 million to \$8 million

annually in street repairs.

SB 1 - Road Repair and Accountability Act

State Gas Tax revenues have been dropping over the last decade due to a variety of factors. Carson receives a local return on Gas Tax Funds based on population (a per capita formula) and not based on actual needs. In April of 2017, to deal with the decades long decline in Gas Tax Revenue, the Governor signed the Road Repair and Accountability Act of 2017 (SB 1, Beall) and ACA 5 (Frazier). SB 1 increased fuel taxes and new vehicle fees estimated to raise \$5.2 billion annually for road and bridge repairs and improvements to mass transit. Below is a listing of the estimated revenues generated from SB 1:

\$1.8 billion - 12 cent increase to the gasoline excise tax

\$730 million - 20 cents increase to the diesel excise tax

\$300 million - 4% addition to the diesel sales tax

\$704 million - Onetime loan repayment (2017-2019)

\$1.6 billion - \$25 -\$175 transportation improvement fee

\$1.1 billion - 17.3 cent reset of price-based gas tax (July 1, 2019)

\$20 million - \$100 per zero emission vehicle registration fee (July 1, 2020)

For cities and counties, SB 1 restored gasoline tax revenues to pre- 2011 levels. Carson is estimating \$3.7 million in Gas Tax Revenues for FY2018-2019, which is slightly more than the City's Gas Tax revenues in FY2011-2012. The majority of new revenues for cities will come out of the newly created Road Maintenance and Rehabilitation Account (RMRA) where cities must prioritize fixing their existing infrastructure first before having additional flexibility for those funds for other transportation needs. The recently completed pavement management system review fulfills this requirement for Carson.

Carson Logistics Coalition

The City is working with a group of ten companies and organizations in a group called the Carson Logistics Coalition. Coalition members include Harbor Trucking Association, the California Trucking Association, the California Delivery Association, Watson Land Company, Carson Companies, Price Transfer, Alpert Properties, Proglis, the commercial real estate development association NAIOP and the warehouse logistics organization IWLA. The City and the Coalition retained Emerson and Associates to assist the group in developing a multi-agency grant application strategy and in applying for these grants (Exhibit No. 1).

Trade Corridor Enhancement Program (TCEP)

SB 1 authorized funding for a Trade Corridor Enhancement Program (TCEP). The City and the Coalition met to develop a strategy to apply for TCEP funding for Carson's truck routes. Part of the strategy included partnering with METRO in their TCEP grant application, which was being submitted to the California Transportation Commission (CTC). METRO informed our consultant that they could not meet the grant deadline, so METRO did not submit.

The Coalition also reached out to the Port of Los Angeles and the Port of Long Beach to assess funding for Carson in the State TCEP grant. After meeting with the Ports, they

suggested that the City and the Coalition explore potential funding opportunities and sources managed by the South Bay Cities Council of Governments (COG) and METRO.

The South Bay Cities Council of Governments (COG) has been allocated \$1.5 billion in Measure R Highway Program funds. In addition to the Highway Program, Measure M contains a Multi-Year subregional funding program of \$1.143 billion, to be administered by the COG and METRO. Measure M also has \$130 million of COG subregional funding. In the next two months METRO and the COG will be making a number of key decision relating the allocation of revenues to address Subregional transportation needs and priorities. Carson as a member of the COG has a direct decision-making role associated with the allocation of the Measure M revenues. Key to the COGs decision process will be the amount of funding they allocate to the Subregion's "Strategic Truck Arterials" element. The City needs to be actively engaged, in cooperation with the Carson Logistics Coalition, at the committee and Board levels to request funding for Carson's truck routes.

Measure R Highway Funds

The COG is scheduled to receive \$1.5 billion in Measure R Highway Program funds. The goal of the South Bay Measure R Highway Program (SBHP) is to improve the operation and safety of the South Bay freeways and highways by reducing vehicular delays and improving safety. This 30-year funding program for the South Bay was included in the Measure R Expenditure Plan adopted by the voters. This program may help truck impacted intersections in Carson, but it is not intended for general repairs of streets. It is also important to note that the current project needs exceed the funding capacity of the program.

METRO's Freight Working Group

The Coalition reached out the COG to requests that they participate in METRO's Freight Working Group. The working group will help to guide METRO's in the development of key freight related plans and policies target to addressing Subregional transportation needs. Both the COG and the members of the Coalition are now members of METRO's Freight Working Group.

SB 1 Repeal Efforts

There are two SB 1 repeal efforts cleared for circulation by the California Secretary of State for the 2018 statewide ballot.

- Voter Approval for Increase in Gas and Car Tax - A constitutional amendment that would require voter approval for SB 1 and all future vehicle tax increases. The measure is sponsored by Carl de Maio, a former San Diego Council Member and conservative talk show host.
- Repeal the Gas Tax - A statutory measure that repeals SB 1. This measure is sponsored by Assembly Member Travis Allen, who is also a Republican candidate for Governor.

V. FISCAL IMPACT

None

VI. EXHIBITS

- 1) Map of Truck Routes and Truck Impacted Streets. (pg. 5)
- 2) January 18, 2018 Update Memo from Emerson & Associates. (pgs. 6-16)

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