

Report to Mayor and City Council

Tuesday, July 03, 2018 Consent

SUBJECT:

CONSIDER RESOLUTION NO. 18-094 OPPOSING REPEAL BALLOT MEASURE SENATE BILL 1 - ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017 (CITY COUNCIL)

I. SUMMARY

Senate Bill 1 is a landmark transportation investment measure to rebuild California's crumbling roads, highways and bridges, including much needed repairs to local streets, highways and bridges. The measure provides over \$5.2 billion annually in funding for the State of California, of which Carson received a portion of this allocation in a local return. These repair revenues come from a gas tax increase of 12 cent per gallon, a diesel tax increase of 20 cents per gallon and a \$100 annual fee per electric vehicle. The last time the State increased the gas tax was in 1985 and there has been no road repair fee for electrical vehicles. Opponents of SB 1 have qualified an initiative petition to repeal the gas/diesel tax increases, as well as the \$100 annual fee charged to an electric vehicle. The initiative is now scheduled to be voted upon at the November 6, 2018 Statewide election.

II. <u>RECOMMENDATION</u>

WAIVE further reading and ADOPT Resolution No. 18-094, "A RESOLUTION OF THE

CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, OPPOSING THE BALLOT MEASURE TO REPEAL SENATE BILL 1 - ROAD REPAIR AND ACCOUNTABLITY ACT OF 2017."

III. ALTERNATIVES

None.

IV. BACKGROUND

In November 2017, the California Legislature and the Governor approved Senate Bill 1 (SB1), known as the Road Repair and Accountability Act of 2017. SB 1 was a landmark transportation funding package focused to improve local roadway systems. Money coming largely from a 12-cent increase in the base gasoline excise tax, a 20 cent per gallon increase in the diesel excise tax and a new \$100 fee per electric vehicle for road repairs.

Carson's Roads Require \$8 Million in Annual Investments to maintain their current condition

Carson is responsible for the repair and maintenance of 203.1 centerline miles of streets. Specifically the City's road network includes 49.2 miles of major arterials, 5.7 miles of minor arterials, 18.1 miles of collectors and 130.1 miles of residential streets. These assets are currently valued at \$257 million.

The City of Carson recently completed an update to its Pavement Management Systems Report in January of 2017. This report documented a need for over \$110 million in street repairs and maintenance over the next decade. The report estimated that the City will require \$60 million over this same ten year period to address deteriorating truck routes and corridors.

The report revealed that Carson's overall paving score is 67 Paving Condition Index (PCI). This PCI in Long Beach is 57 and the PCI in Torrance is 62. Manhattan Beach has a PCI of 76 and Santa Monica has a PCI of 84 in ways of comparison. Generally our residential streets are in better condition than our arterial streets and industrial streets. Unfortunately, Cason does have some street segments that are in poor condition and failing. The Pavement Management Report estimates that Carson's PCI will drop to 55 by the Year 2023, based on the 2017 level of annual funding of \$1.5 million for repairs.

Carson has budged approximately \$1.74 million this year from several sources of funds for our street maintenance program. The City funds \$500,000 annually in slurry seal and overlay from the State Gas Tax Fund. The remaining balance of \$1.2 million is funding from METRO funds. SB 1 funds would return the City to pre-2013 funding levels. We are estimating that we will receive \$ 3.7 million annually in State Gas Tax funds if SB 1 is fully implemented and not repealed by the voters. It should be noted that portions of the Gas Tax are used for compensation for the street crew, street tree trimming, traffic signal maintenance costs and for street sweeping.

SB 1 provides critically-needed funding in the City of Carson that will be used for maintaining, repairing, and rehabilitating pedestrian and bicycle infrastructure including sidewalks, replacing and updating traffic signal systems and traffic signs citywide; fixing local streets in need of total reconstruction; and adding active transportation infrastructure. According to Michael Coleman, fiscal policy advisor to the League of California Cities, the City of Carson would receive an annual allocation amount of \$1,572,302. For FY 2017-18, our allocation is expected to be \$546,980. Thus far, the City has received \$258,518 of that amount. The City will continue to accrue payments to FY2017-18 made through August of 2018. The first year (FY 2017-18) was less due to the start-up year and the Senate Bill not being approved until November of 2017.

While SB1 is the law, a petition to get voters to overturn the Senate Bill has been formalized and will appear on this November's ballot. The City of Carson along with the California Association of Highway Patrolmen, the American Society of Civil Engineers, Firefighters, Paramedics, local transportation agencies, Cities, Counties, the California Chamber of Commerce, environmental groups and business and labor organizations are members of the Coalition to Protect Local Transportation Improvements and are opposing the measure.

V. FISCAL IMPACT

The amount of funding generated by Senate Bill 1 that will be distributed to the City of Carson is approximately \$550,000 which is a partial year. An amount of \$1.6 million is expected annually which would be taken away with the proposed measure.

VI. <u>EXHIBITS</u>

- 1. Resolution No. 18-094, Page 4
- 1.

Prepared by: David C. Roberts, Jr., Assistant City Manager