

DATE SUBMITTED 08/13/15
SUBMITTED BY City Manager
DATE ACTION REQUIRED 08/19/15

COUNCIL ACTION (x)
PUBLIC HEARING REQUIRED ()
RESOLUTION (x)
ORDINANCE 1ST READING ()
ORDINANCE 2ND READING ()
CITY CLERK'S INITIALS ()

**IMPERIAL CITY COUNCIL
AGENDA ITEM**

SUBJECT: Resolution of Support for Local Transportation Funding In Development of New State Transportation Funding Package

1. Approve Resolution No. 2015-52.

DEPARTMENT INVOLVED: City Manager

BACKGROUND/SUMMARY: The State of California is preparing for an Extraordinary Session of the Legislature to review options for a Transportation Funding Package due to be approved possibly within the next few weeks. The League of California Cities and the Fix Our Roads Coalition are encouraging cities to support a resolution encouraging the Legislature and the Governor to ensure that the funding package approved includes fund to local agencies to fix and improve local roadways. Currently 22 bills and one constitutional amendment are under consideration with many variables as to the source and use of transportation funds. It is hoped that a coordinated effort will encourage that funds are balanced for statewide, regional and local highways, streets and roads.

FISCAL IMPACT: None at this time. If local funds are approved on a state level, then additional funds for transportation could flow to the City. F.O. INITIALS _____

STAFF RECOMMENDATION: Approve the sample resolution provided by the League of California Cities.

MANAGER'S RECOMMENDATION: MANAGER'S INITIALS _____
Approve the attached resolution and direct staff to forward to the League and our State Senator and Assemblyman.

MOTION:

SECONDED: APPROVED () REJECTED ()
AYES: DISAPPROVED () DEFERRED ()
NAYES:
ABSENT: REFERRED TO:

Problem: California lacks adequate funding to fix crumbling roads, highways, bridges and transportation infrastructure.

California's network of roads and highways are critical to our quality of life and economy. Yet the condition of our deteriorating network of roads is staggering:

- Our crumbling roads cost motorists nearly \$600 a year per driver for vehicle maintenance.
- California has the second highest share of roads in "poor condition" in the nation.
- 58% of state roads need rehabilitation or pavement maintenance.
- California has 6 of 10 cities with the worst road conditions in the nation.
- 55% of local bridges require rehabilitation or replacement.
- Nearly 70% of California's urban roads and highways are congested.
- Without additional funding, 1/4 of local streets and roads will be in failed condition by 2024.

Our state lacks adequate funding to address these critical deficiencies:

- Local streets and roads face an estimated shortfall of \$78 billion in deferred maintenance and an annual shortfall of \$7.8 billion.
- CalTrans faces a \$59 billion backlog in deferred maintenance and an annual shortfall in the State Highway Operation and Protection Program (SHOPP) of \$5.7 billion.

Solution: A responsible, accountable solution to fix our roads.

A broad coalition of cities, counties, labor, business, public safety and transportation advocates has formed to meet the Governor's call to address California's chronic transportation infrastructure funding shortfall. During the 2015 special session on transportation, we support the following priorities:

1. Make a significant investment in transportation infrastructure.

If we are to make a meaningful dent that demonstrates tangible benefits to taxpayers and drivers, any package should seek to raise at least \$6 billion annually and should remain in place for at least 10 years or until an alternative method of funding our transportation system is agreed upon.

2. Focus on maintaining and rehabilitating the current system.

Repairing California's streets and highways involves much more than fixing potholes. It requires major road pavement overlays, fixing unsafe bridges, providing safe access for bicyclists and pedestrians, replacing storm water culverts, as well as operational improvements that necessitate, among other things, the construction of auxiliary lanes to relieve traffic congestion choke points and fixing design deficiencies that have created unsafe merging and other traffic hazards.

Efforts to supply funding for transit in addition to funding for roads should also focus on fixing the system first.

3. Invest a portion of diesel tax and/or cap & trade revenue to high-priority goods movement projects.

While the focus of a transportation funding package should be on maintaining and rehabilitating the existing system, California has a critical need to upgrade the goods movement infrastructure that is essential to our economic well-being. Establishing a framework to make appropriate investments in major goods movement arteries can lay the groundwork for greater investments in the future that will also improve air quality and reduce greenhouse gas emissions.

4. Raise revenues across a broad range of options.

Research by the California Alliance for Jobs and Transportation California shows that voters strongly support increased funding for transportation improvements. They are much more open to a package that spreads potential tax or fee increases across a broad range of options rather than just one source. Additionally, any package should move California toward an all-users pay structure in which everyone who benefits from the system contributes to maintaining it - from traditional gasoline-fueled vehicles, to hybrids, alternative fuel and or electric vehicles, to commercial vehicles. Our coalition supports:



- Reasonable increases in:
 - Gasoline and diesel excise taxes.
 - Vehicle registration and vehicle license fees.
- Dedicating a portion of the cap and trade revenue paid by motorists at the pump to transportation projects that reduce greenhouse emissions.
- Ensuring existing transportation revenues are invested in transportation-related purposes (i.e. truck weight fees and fuel taxes for off-road vehicles that are currently being diverted into the general fund).
- User charge for electric and other non-fossil fuel powered vehicles that currently do not contribute to road upkeep.

5. Equal split between state and local projects.

We support sharing revenue for roadway maintenance equally (50/50) between the state and cities and counties. Funding to local governments should be provided directly (no intermediaries) to accelerate projects and ensure maximum accountability.

6. Strong accountability requirements to protect the taxpayers' investment.

Voters and taxpayers must be assured that all transportation revenues are spent responsibly.

Authorizing legislation should:

- Constitutionally protect transportation revenues for transportation infrastructure only. Time and again (Prop 42, 2002; Prop 1A, 2006; Prop 22, 2010), voters have overwhelmingly supported dedicating and constitutionally protecting transportation dollars for those purposes. We strongly support protections that prohibit using transportation dollars for other purposes.
- Repay existing transportation loans and end ongoing diversions of transportation revenues, including approximately \$850 million in loans to the general fund and the annual loss of approximately \$140 million in off-highway vehicle fuel taxes.
- Establish performance and accountability criteria to ensure efficient and effective use of all funding. All tax dollars should be spent properly, and recipients of new revenues should be held accountable to the taxpayers, whether at the state or local level. Counties and cities should adopt project lists at public hearings and report annually to the State Controller's Office regarding all transportation revenues and expenditures. Local governments should also commit to ensuring any new revenues supplement revenues currently invested in transportation projects. Both Caltrans and local governments can demonstrate and publicize the benefits associated with new transportation investments.
- Caltrans reform and oversight. To increase Caltrans effectiveness, provide stronger oversight by the state transportation commission of the programs funded by new revenues and establish an Inspector General office to provide accountability. Reduce Caltrans administrative budgets through efficiency reviews with all savings to be spent on road improvements.
- Expedite project delivery. More should be done to streamline project delivery, including but not limited to:
 - Establishing timelines for actions required by state agencies and eliminating other permit delays.
 - Increased implementation of alternative delivery systems that encourage more investment from the private sector.
 - Reforms to speed project completion.

7. Provide Consistent Annual Funding Levels.

Under current statute, the annual gas tax adjustment by the Board of Equalization is creating extreme fluctuations in funding levels -- a \$900 million drop in this budget year alone. A transportation funding package should contain legislation that will create more consistent revenue projections and allow Caltrans and transportation agencies the certainty they need for longer term planning. While this change would not provide any new revenue to transportation, it would provide greater certainty for planning and project delivery purposes.

I Support the Fix Our Roads Coalition Principles for New Transportation Funding in the Legislative Special Session



Yes, I/my organization support(s) efforts to secure new sources of stable, accountable funding to fix California’s highways and road infrastructure. I/we sign-on to join the “Fix our Roads” coalition and in support of the following principles that should guide the legislative special session on transportation.

- 1. Make a significant investment in transportation infrastructure.**
- 2. Focus on maintaining and rehabilitating the current system.**
- 3. Invest a portion of diesel tax and/or cap & trade revenue to high-priority goods movement projects.**
- 4. Raise revenues across a broad range of options.**
- 5. Equal split between state and local projects.**
- 6. Strong accountability requirements to protect the taxpayers’ investment.**
- 7. Provide consistent annual funding levels.**

Please select a category: Organization Company Elected official

Company or Organization Name

Name Title/Occupation

Street address

City State Zip County

Phone number Fax number

E-mail Address

Signature (Required) Date

Email or fax this form to: acelesius@bcfpublicaffairs.com or 916-442-3510 (fax)



1400 K Street, Suite 400 • Sacramento, CA 95814
Phone: 916.658.8200 Fax: 916.658.8240
www.cacities.org

A RESOLUTION URGING THE STATE TO PROVIDE NEW SUSTAINABLE FUNDING FOR STATE AND LOCAL TRANSPORTATION INFRASTRUCTURE

WHEREAS, Governor Edmund G. Brown, Jr. has called an extraordinary session to address the immense underfunding of California's transportation infrastructure; and

WHEREAS, cities and counties own and operate more than 81 percent of streets and roads in California, and from the moment we open our front door to drive to work, bike to school, or walk to the bus station, people are dependent upon a safe, reliable local transportation network; and

WHEREAS, the League of California Cities has participated in efforts with the California State Association of Counties and California's Regional Transportation Planning Agencies to study unmet funding needs for local roads and bridges, including sidewalks and other essential components; and

WHEREAS, the resulting 2014 California Statewide Local Streets and Roads Needs Assessment, which provides critical analysis and information on the local transportation network's condition and funding needs, indicates that the condition of the local transportation network is deteriorating as predicted in the initial 2008 study; and

WHEREAS, the results show that California's local streets and roads are on a path of significant decline. On a scale of zero (failed) to 100 (excellent), the statewide average pavement condition index (PCI) is 66, placing it in the "at risk" category where pavements will begin to deteriorate much more rapidly and require rehabilitation or rebuilding rather than more cost-effective preventative maintenance if funding is not increased; and

WHEREAS, if funding remains at the current levels, in 10 years, 25 percent of local streets and roads in California will be in "failed" condition; and

WHEREAS, cities and counties need an additional \$1.7 billion just to maintain a status quo pavement condition of 66, and much more revenue to operate the system with Best Management Practices, which would reduce the total amount of funding needed for maintenance in the future; and

WHEREAS, models show that an additional \$3 billion annual investment in the local streets and roads system is expected to improve pavement conditions statewide from an average "at risk" condition to an average "good" condition; and

WHEREAS, if additional funding isn't secured now, it will cost taxpayers twice as much to fix the local system in the future, as failure to act this year will increase unmet funding needs for local transportation facilities by \$11 billion in five years and \$21 billion in ten years; and

WHEREAS, modernizing the local street and road system provides well-paying construction jobs and boosts local economies; and

WHEREAS, the local street and road system is also critical for farm to market needs, interconnectivity, multimodal needs, and commerce; and

WHEREAS, police, fire, and emergency medical services all need safe reliable roads to react quickly to emergency calls and a few minutes of delay can be a matter of life and death; and

WHEREAS, maintaining and preserving the local street and road system in good condition will reduce drive times and traffic congestion, improve bicycle safety, and make the pedestrian experience safer and more appealing, which leads to reduce vehicle emissions helping the State achieve its air quality and greenhouse gas emissions reductions goals; and

WHEREAS, restoring roads before they fail also reduces construction time which results in less air pollution from heavy equipment and less water pollution from site run-off; and

WHEREAS, in addition to the local system, the state highway system needs an additional \$5.7 billion annually to address the state's deferred maintenance; and

WHEREAS, in order to bring the local system back into a cost-effective condition, at least \$7.3 billion annually in new money going directly to cities and counties; and

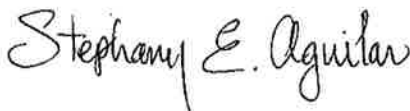
NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE LEAGUE OF CALIFORNIA CITIES strongly urges the Governor and Legislature to identify a sufficient and stable funding source for local street and road and state highway maintenance and rehabilitation to ensure the safe and efficient mobility of the traveling public and the economic vitality of California.

RESOLVED FURTHER, that the LEAGUE OF CALIFORNIA CITIES strongly urges the Governor and Legislature to adopt the following priorities for funding California's streets and roads.

1. **Make a significant investment in transportation infrastructure.** Any package should seek to raise at least \$6 billion annually and should remain in place for at least 10 years or until an alternative method of funding our transportation system is agreed upon.
2. **Focus on maintaining and rehabilitating the current system.** Repairing California's streets and highways involves much more than fixing potholes. It requires major road pavement overlays, fixing unsafe bridges, providing safe access for bicyclists and pedestrians, replacing storm water culverts, as well as operational improvements that necessitate the construction of auxiliary lanes to relieve traffic congestion choke points and fixing design deficiencies that have created unsafe merging and other traffic hazards. Efforts to supply funding for transit in addition to funding for roads should also focus on fixing the system first.
3. **Equal split between state and local projects.** We support sharing revenue for roadway maintenance equally (50/50) between the state and cities and counties, given the equally-pressing funding needs of both systems, as well as the longstanding historical precedent for collecting transportation user fees through a centralized system and sharing the revenues across the entire network through direct subventions. Ensuring that funding to local governments is provided directly, without intermediaries, will accelerate project delivery and ensure maximum accountability.

4. **Raise revenues across a broad range of options.** Research by the California Alliance for Jobs and Transportation California shows that voters strongly support increased funding for transportation improvements. They are much more open to a package that spreads potential tax or fee increases across a broad range of options, including fuel taxes, license fees, and registration fees, rather than just one source. Additionally, any package should move California toward an all-users pay structure, in which everyone who benefits from the system contributes to maintaining it – from traditional gasoline-fueled vehicles, to new hybrids or electric vehicles, to commercial vehicles.
5. **Invest a portion of diesel tax and/or cap & trade revenue to high-priority goods movement projects.** While the focus of a transportation funding package should be on maintaining and rehabilitating the existing system, California has a critical need to upgrade the goods movement infrastructure that is essential to our economic well-being. Establishing a framework to make appropriate investments in major goods movement arteries can lay the groundwork for greater investments in the future that will also improve air quality and reduce greenhouse gas emissions.
6. **Strong accountability requirements to protect the taxpayers' investment.** Voters and taxpayers must be assured that all transportation revenues are spent responsibly. Local governments are accustomed to employing transparent processes for selecting road maintenance projects aided by pavement management systems, as well as reporting on the expenditure of transportation funds through the State Controller's Local Streets and Roads Annual Report.
7. **Provide Consistent Annual Funding Levels.** Under current statute, the annual gas tax adjustment by the Board of Equalization is creating extreme fluctuations in funding levels -- a \$900 million drop in this budget year alone. A transportation funding package should contain legislation that will create more consistent revenue projections and allow Caltrans and transportation agencies the certainty they need for longer term planning. While this change would not provide any new revenue to transportation, it would provide greater certainty for planning and project delivery purposes.

ADOPTED this 16th day of July, 2015.



Stephany Aguilar, President
Council Member, City of Scotts Valley



Christopher McKenzie
Executive Director

Proposed New Local Streets&Roads Funding

Estimated 2 July 2015

Allocation: half of total among cities on a population basis, half of total among counties proportionate to registered vehicles and maintained miles.

\$3 Billion / yr = \$1.5B cities, \$1.5B counties

IMPERIAL COUNTY	
BRAWLEY	\$ 1,269,290
CALEXICO	\$ 1,855,873
CALIPATRIA	\$ 376,674
EL CENTRO	\$ 2,075,527
HOLTVILLE	\$ 303,837
IMPERIAL	\$ 1,312,160
WESTMORLAND	\$ 111,817
SAN DIEGO COUNTY	
CARLSBAD	\$ 5,040,422
CHULA VISTA	\$ 11,718,802
CORONADO	\$ 1,234,061
DEL MAR	\$ 213,203
EL CAJON	\$ 4,632,637
ENCINITAS	\$ 2,981,686
ESCONDIDO	\$ 6,749,021
IMPERIAL BEACH	\$ 1,220,427
LA MESA	\$ 2,688,783
LEMON GROVE	\$ 1,195,538
NATIONAL CITY	\$ 2,917,725
OCEANSIDE	\$ 8,376,913
POWAY	\$ 2,381,652
SAN DIEGO	\$ 62,962,294
SAN MARCOS	\$ 4,125,845
SANTEE	\$ 2,655,613
SOLANA BEACH	\$ 630,596
VISTA	\$ 4,461,388

San Diego County & Imperial County

Catherin Hill

RESOLUTION NO. 2015-52

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF IMPERIAL, CALIFORNIA,
URGING THE STATE TO PROVIDE NEW SUSTAINABLE FUNDING FOR STATE AND
LOCAL TRANSPORTATION INFRASTRUCTURE**

WHEREAS, Governor Edmund G. Brown, Jr. has called an extraordinary session to address the immense underfunding of California's transportation infrastructure; and

WHEREAS, cities and counties own and operate more than 81 percent of streets and roads in California, and from the moment we open our front door to drive to work, bike to school, or walk to the bus station, people are dependent upon a safe, reliable local transportation network; and

WHEREAS, the City of Imperial has participated in efforts with the California State Association of Counties, League of California Cities, and California's Regional Transportation Planning Agencies to study unmet funding needs for local roads and bridges, including sidewalks and other essential components; and

WHEREAS, the resulting 2014 California Statewide Local Streets and Roads Needs Assessment, which provides critical analysis and information on the local transportation network's condition and funding needs, indicates that the condition of the local transportation network is deteriorating as predicted in the initial 2008 study; and

WHEREAS, the results show that California's local streets and roads are on a path of significant decline. On a scale of zero (failed) to 100 (excellent), the statewide average pavement condition index (PCI) is 66, placing it in the "at risk" category where pavements will begin to deteriorate much more rapidly and require rehabilitation or rebuilding rather than more cost-effective preventative maintenance if funding is not increased; and

WHEREAS, the results show that the City of Imperial's local streets have a statewide average pavement index of 61, placing them in the "at lower risk" category; and

WHEREAS, if funding remains at the current levels, in 10 years, 25 percent of local streets and roads in California will be in "failed" condition; and

WHEREAS, cities and counties need an additional \$1.7 billion just to maintain a status quo pavement condition of 66, and much more revenue to operate the system with Best Management Practices, which would reduce the total amount of funding needed for maintenance in the future; and

WHEREAS, models show that an additional \$3 billion annual investment in the local streets and roads system is expected to improve pavement conditions statewide from an average "at risk" condition to an average "good" condition; and

WHEREAS, if additional funding isn't secured now, it will cost taxpayers twice as much to fix the local system in the future, as failure to act this year will increase unmet funding needs for local transportation facilities by \$11 billion in five years and \$21 billion in ten years; and

WHEREAS, modernizing the local street and road system provides well-paying construction jobs and boosts local economies; and

WHEREAS, the local street and road system is also critical for farm to market needs, interconnectivity, multimodal needs, and commerce; and

WHEREAS, police, fire, and emergency medical services all need safe reliable roads to react quickly to emergency calls and a few minutes of delay can be a matter of life and death; and

WHEREAS, maintaining and preserving the local street and road system in good condition will reduce drive times and traffic congestion, improve bicycle safety, and make the pedestrian experience safer and more appealing, which leads to reduce vehicle emissions helping the State achieve its air quality and greenhouse gas emissions reductions goals; and

WHEREAS, restoring roads before they fail also reduces construction time which results in less air pollution from heavy equipment and less water pollution from site run-off; and

WHEREAS, in addition to the local system, the state highway system needs an additional \$5.7 billion annually to address the state's deferred maintenance; and

WHEREAS, in order to bring the local system back into a cost-effective condition, at least \$7.3 billion annually in new money going directly to cities and counties; and

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF IMPERIAL strongly urges the Governor and Legislature to identify a sufficient and stable funding source for local street and road and state highway maintenance and rehabilitation to ensure the safe and efficient mobility of the traveling public and the economic vitality of California.

RESOLVED FURTHER, that the CITY OF IMPERIAL strongly urges the Governor and Legislature to adopt the following priorities for funding California's streets and roads.

1. **Make a significant investment in transportation infrastructure.** Any package should seek to raise at least \$6 billion annually and should remain in place for at least 10 years or until an alternative method of funding our transportation system is agreed upon.
2. **Focus on maintaining and rehabilitating the current system.** Repairing California's streets and highways involves much more than fixing potholes. It requires major road pavement overlays, fixing unsafe bridges, providing safe access for bicyclists and pedestrians, replacing storm water culverts, as well as operational

improvements that necessitate the construction of auxiliary lanes to relieve traffic congestion choke points and fixing design deficiencies that have created unsafe merging and other traffic hazards. Efforts to supply funding for transit in addition to funding for roads should also focus on fixing the system first.

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4. **Raise revenues across a broad range of options.** Research by the California Alliance for Jobs and Transportation California shows that voters strongly support increased funding for transportation improvements. They are much more open to a package that spreads potential tax or fee increases across a broad range of options, including fuel taxes, license fees, and registration fees, rather than just one source. Additionally, any package should move California toward an all-users pay structure, in which everyone who benefits from the system contributes to maintaining it – from traditional gasoline-fueled vehicles, to new hybrids or electric vehicles, to commercial vehicles.
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6. **Strong accountability requirements to protect the taxpayers' investment.** Voters and taxpayers must be assured that all transportation revenues are spent responsibly. Local governments are accustomed to employing transparent processes for selecting road maintenance projects aided by pavement management systems, as well as reporting on the expenditure of transportation funds through the State Controller's Local Streets and Roads Annual Report.
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PASSED, APPROVED AND ADOPTED at a Regular Meeting of the City Council held on the 19th day of August, 2015.

Mark T. Gran, Mayor

ATTEST:

Debra Jackson, City Clerk