



Monterey County

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Capital Improvement Committee

Legistar File Number: 17-0527

June 12, 2017

Introduced: 5/18/2017

Version: 1

Current Status: Agenda Ready

Matter Type: General Agenda Item

- a. Consider a draft 5-year priority list of projects utilizing Measure X, Senate Bill 1, and Transient Occupancy Tax funds.
- b. Provide direction to staff relative to any changes in the priority project list.

RECOMMENDATION:

It is recommended that the Capital Improvement Committee:

- a. Support the recommended 5-year priority list of projects utilizing Measure X, Senate Bill 1, and Transient Occupancy Tax funds.
- b. Provide direction to staff relative to any changes in the priority project list.

SUMMARY:

With the recent passage of the Transportation Agency for Monterey County's (TAMC) sales tax measure (Measure X) in November 2016 and the Governor's approval of Senate Bill 1 (SB1) in April 2017, the Resource Management Agency (RMA) has prepared a list of priority projects for the next five (5) years. Funding for FY17/18 is based on estimates with funding for Measure X that should start to be realized August 2017 and SB1 funding that should start around November 2017. Measure X funding is based on sales tax so can vary depending on sales receipts. Monterey County sales receipts will be impacted by fires and floods in 2017.

To receive allocation from these funding sources, cities and counties must submit a list to TAMC and the California Transportation Committee (CTC) of proposed projects. Staff prepared a list for consideration that will utilize these funds along with Transient Occupancy Tax (TOT) funds (Attachment A). This list would work similar to the Capital Improvement Program (CIP) where the first year is programmed in the current year budget. The remaining list is conceptual pending funding and changing priorities. As such, this list will be updated each year in conjunction with the CIP and the County's Pavement Management Plan.

DISCUSSION:

In April 2017, Senate Bill 1 was approved, making funds available for road repair and maintenance state wide. It is estimated that Monterey County's share would be \$10 million annually, no end date. The revenue allocations to the counties will come through the Road Maintenance and Rehabilitation Account (RMRA). Eligible uses under this account include, but are not limited to: road maintenance and rehabilitation; safety projects; railroad grade separations; complete street components, including active transportation purposes, pedestrian and bicycle safety projects, transit facilities, and drainage and stormwater capture project in conjunction with any other allowable project; traffic control devices; and to satisfy a match

requirement to obtain state or federal funds for projects.

Prior to receiving an allocation of funds, cities and counties are required to provide to the CTC a list of projects to be financed by these funds, pursuant to an adopted city or county budget approved at a public meeting. Once submitted, the funds will not be limited to the list of projects. The cities and counties will have the flexibility to fund projects based on their needs and priorities as long as the projects are consistent with the eligible uses.

Similarly, Measure X's approval last fall, made funds available for local road repair, maintenance, and safety projects. The County's share under Measure X is estimated to be \$5 million annually, over a 30-year period. A list of projects is also required to be submitted to TAMC to receive appropriations through this funding source. Some of these projects listed were identified in the materials distributed with Measure X. In addition, the County's adopted Pavement Management Plan establishes a priority list for road maintenance. Other projects are identified as a result of grant funding opportunities.

Given these new funding streams (Measure X and SB1) for road maintenance and repair, staff has prepared a priority list of projects for the next five (5) years that will utilize these funding streams in conjunction with the current Transient Occupancy Tax contribution (attached). If actual costs for a planned year are greater than estimated, then any projects remaining after the appropriation limits are reached may be deferred until the total amount can be funded. However, if actual costs are lower and a portion of the appropriation remains, then projects listed in the following year may be accelerated.

FINANCING:

Staff anticipates the new funding sources, Measure X and SB1, along with existing TOT will provide approximately \$17 million annually for road maintenance and repair when in full effect. However, with SB1 funding not beginning until December 2017, the FY 2017-18 estimate is \$10.7 million; \$5 million Measure X, \$3.7 million SB 1, and \$2 million TOT. The FY 2017-18 Recommended Budget includes \$3 million of the \$10.7 million estimate; \$1 million in Measure X and \$2 million in TOT funds. If funding comes in as anticipated, staff may return to the Board to request appropriating the additional revenue for projects. In addition, staff intends to use these funds as leverage/matches for federal and/or state grants to extend our dollars.

BOARD OF SUPERVISORS STRATEGIC INITIATIVES:

A key objective has been to find funding sources for much needed transportation maintenance. Measure X and SB1 help to fulfill this objective. Combining these funds with grants will extend funding even further. This project list prioritizes projects needed to maintain and repair the County's transportation infrastructure. The recommended action supports the following Board of Supervisors' Strategic Initiative below:

- ___ Economic Development
- ___ Administration
- ___ Health & Human Services
- X Infrastructure
- X Public Safety

Prepared by: Jonathan L. Pascua, P.E., Senior Civil Engineer, (831) 755-8963
Approved by: Enrique M. Saavedra, P.E., Acting Chief of Roads & Bridges
Approved by: Carl P. Holm, AICP, RMA Director

Attachment:

Attachment A - Transportation Priority List