



# City of Culver City

Mike Balkman Council  
Chambers  
9770 Culver Blvd.  
Culver City, CA 90232

## Staff Report

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**File #:** 16-632, **Version:** 2

**Item #:** A-8.

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### **CC - Affirm Position in Support of SB 1 (Beall) and AB 1 (Frazier), Transportation Funding Proposals**

**Meeting Date:** February 27, 2017

**Contact Person/Dept:** Helen Chin/Public Works Department;  
Shelly Wolfberg/City Manager's Office

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**Fiscal Impact:** Yes ☐ No ☒

**General Fund:** Yes ☐ No ☒

**Public Hearing:** ☐ **Action Item:** ☐ **Attachments:** ☒

**Commission Action Required:** Yes ☐ No ☒ **Date:**

**Public Notification:** (E-Mail) Meetings and Agendas - City Council (02/22/17);

**Department Approval:** Charles D. Herbertson, Public Works Director (02/15/17)

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### **RECOMMENDATION**

Staff recommends that City Council affirm a position in support of SB 1 and AB 1, transportation funding proposals currently under consideration in the California Assembly and Senate.

### **BACKGROUND/DISCUSSION**

The state gas tax rate has been at its current level since 1994. During this time cars have become more efficient resulting in more miles travelled per gallon and correspondingly less gas tax dollars generated per mile. In addition, the advent of electric vehicles has introduced a class of vehicles that use the roadway system but do not contribute to gas tax revenues. Both of these factors have resulted in a gradual decline in State Gas Tax revenues in terms of buying power to approximately one-half of what it was in 1994. In addition, the percentage of funding for local streets and roads provided by State Gas Tax has shrunk from 62% in 2008 to only 40% today. As a result of this shortfall in funding, street and road maintenance have been deferred and road conditions have continued to deteriorate creating a backlog of system needs totaling nearly \$40 billion dollars. The additional revenue provided by these measures will give California an opportunity to begin to tackle

the backlog of road improvements and stop the current trend toward deteriorating road conditions statewide.

In December 2016, Senator Beall and Assembly Member Frazier introduced SB 1 and AB 1, respective transportation funding proposals that offer transportation reforms and increased funding for the maintenance of local streets, roads, essential components and bridges. It is expected that these bills would generate \$6 billion annually, with about \$2.2 billion earmarked for local street and road maintenance statewide.

Both proposals take the approach of raising revenue over a variety of sources, such as a 12 cent increase to the gas tax to restore some of its purchasing power phased in over three years; ending the Board of Equalization's "true up" process on the price based excise tax on gas; a \$38 increase to the vehicle registration fee; a \$100 vehicle registration fee on zero emission vehicles; a 20 cent increase to the diesel excise tax; \$300 million from existing cap and trade funds; and returning \$500 million in vehicle weight fees phased in over five years.

In addition to raising revenue, the proposal includes a series of reforms to improve efficiency, transparency, and accountability, such as restoring independence to the California Transportation Commission, creating the Office of the Transportation Inspection General with audit and investigation authority over the state's transportation spending, and establishing local reporting requirements on local transportation spending. To streamline roadwork, the bill permanently extends and expands on the limited exemptions to California's Environmental Quality Act (CEQA) for repair, maintenance, and minor alteration projects on existing roadways to cities and counties with populations greater than 100,000. The proposal also creates an advanced mitigation program which authorizes the Natural Resources Agency to establish state and regional transportation mitigation plans and mitigation banks to allow transportation projects to fulfill their environmental requirements in advance.

Locally, SB 1 and AB 1 would generate approximately \$1.4 million annually and about \$200,000 in one time revenues for road maintenance and repair for Culver City. The City's current Pavement Condition Index (PCI) is 69, putting the City's pavement condition in the 'at risk' category according to the League of California Cities' 2016 California Statewide Local Streets and Roads Needs Assessment Report. Culver City's current pavement backlog is \$16.3 million. The money generated from these proposals could fund the following street improvement projects for the City as well as many others in the future:

- Overland Ave between Washington Blvd. and Jefferson Blvd. - \$1 million
- Centinela Ave between Washington Blvd. and Washington Pl. - \$400,000
- Centinela Ave. between Sepulveda Blvd. and Mesmer Ave. - \$400,00
- Robertson Blvd. from Washington Blvd. to northerly City limits - \$250,000
- Washington Blvd. from Ince Blvd. to National Blvd.- \$600,000
- Sepulveda Blvd. from City boundary/north of Greenlawn Ave. to Venice Blvd. - \$2 million

## **FISCAL ANALYSIS**

There is no fiscal impact associated with the discussion of this Agenda item.

**ATTACHMENTS**

1. SB-1 Transportation funding (published December 5, 2016)
2. AB-1 Transportation funding (amended January 26, 2017)

**MOTION**

That the City Council:

Authorize the immediate submission of letters of support for SB1 and AB1; and the submission of subsequent letters of support in the future as the bills move through the Legislative process.