



City of Culver City

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Staff Report

File #: 18-0996, **Version:** 1

Item #: C-6.

CC - (1) Adoption of a Resolution to Incorporate the Paving of Overland Avenue from Washington Boulevard to Ballona Creek in the List of City Projects to be Funded by SB 1 (The Road Repair and Accountability Act).

Meeting Date: April 23, 2018

Contact Person/Dept: Mate Gaspar, Public Works Department

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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 (04/18/18);

Department Approval: Charles D. Herbertson (04/11/18)

RECOMMENDATION

Staff recommends the City Council adopt a Resolution to incorporate the paving of Overland Avenue from Washington Boulevard to Ballona Creek in the list of City projects to be funded by SB1 (The Road Repair and Accountability Act).

BACKGROUND

On April 28, 2017, Governor Brown signed Senate Bill (SB) 1 (The Road Repair and Accountability Act). This measure was in response to California's significant funding shortfall to maintain the State's multimodal transportation network. SB 1 increases several taxes and fees to raise over \$5 billion annually in new transportation revenues. Moreover, SB 1 makes adjustments for inflation every year so that the purchasing power of the revenues does not diminish as it has in the past with other gas tax subvention funds. SB 1 prioritizes funding towards maintenance and rehabilitation and safety improvements on state highways, local streets and roads, and bridges and towards improvement of the state's trade corridors, transit, and active transportation facilities.

The estimated revenues will be phased-in over several years as follows:

- \$1.8 billion - 12 cent increase to gasoline excise tax (Nov. 1, 2017)
- \$730 million - 20 cent increase to diesel excise tax (Nov. 1, 2017)
- \$300 million - 4% addition to diesel sales tax (Nov. 1, 2017)
- \$704 million - One-time loan repayment (2017-2020)
- \$1.6 billion - \$25-\$175 transportation improvement fee (Jan 1, 2018)
- \$1.1 billion - 17.3 cent reset of price-based gas tax (July 1, 2019)
- \$20 million - \$100 zero emission vehicle registration fee (July 1, 2020)

Once fully implemented, approximately \$1.5 billion per year in new revenue is earmarked for local streets and roads maintenance and rehabilitation and other eligible uses, including complete streets projects, traffic signals, and drainage improvements. California's counties will share about \$750 million annually, and the same amount will be allocated to cities.

DISCUSSION

The California Transportation Commission (CTC) is charged with oversight of several SB 1-funded programs, including reporting on the use of local streets and roads funding. A vast majority of the new revenues for cities will come out of the newly created Road Maintenance and Rehabilitation Account (RMRA). Cities receiving RMRA funds must comply with all relevant federal and state laws, regulations, policies, and procedures.

Prior to receiving RMRA funds in a fiscal year, a city must submit to the CTC a list of projects proposed to be funded with these funds. All projects proposed to receive funding must be adopted by resolution of the city council at a regular public meeting. The list of projects must include a description and the location of each proposed project, a proposed schedule for the project's completion, and the estimated useful life of the improvement.

Also a city is required to sustain a maintenance of effort (MOE) by spending at least the annual average of its general fund expenditures during the 2009-10, 2010-11, and 2011-12 fiscal years for street, road, and highway purposes from the city's general fund.

According to the Pavement Management Program, the pavement condition index for Overland Avenue from Washington Boulevard to Ballona Creek is rated very low and considered to be in poor condition. Staff proposes that the City Council approve this segment of Overland Avenue to apply the City's share of RMRA funds for Fiscal Year 2018/19.

The proposed schedule for construction is in March 2019 and the estimated useful life of the resurfacing of the asphalt is about 25 years.

FISCAL ANALYSIS

According to the California Department of Finance, Culver City is projected to receive \$1,680,960 of gas tax funds for Fiscal Year 2018/2019. Of this amount, the additional RMRA gas tax funds is projected to be \$665,952.

As mentioned in the report, the City is required to sustain a maintenance of effort (MOE) by spending at least the annual average of its general fund expenditures during the 2009-10, 2010-11, and 2011-12 fiscal years for street, road, and highway purposes from the city's general fund. The annual average for Culver City is \$3,868,626 and this is the minimum required MOE in order to receive the RMRA gas tax funds. Current eligible expenditures are well above this amount, and staff does not foresee any issue with meeting the MOE requirement.

ATTACHMENTS

1. Proposed Resolution

MOTION

That the City Council:

1. Adopt a Resolution to incorporate the paving of Overland Avenue from Washington Boulevard to Ballona Creek in the City's list of projects to be funded by SB1 (The Road Repair and Accountability Act).