



Agenda Submittal

Agenda #: 33 **Status:** Received and Filed
Type: Report **Department:** Resource Management
File #: 17-395 **Contact:** Bill Emlen, 784-6062
Agenda date: 9/12/2017 **Final action:** 9/12/2017
Title: Receive and approve Solano County’s Amended Public Works Five Year Capital Improvement Plan for FY2017/18 through FY2021/22 from the Department of Resource Management; and Approve an Appropriation Transfer Request (ATR) of \$2,590,000 to recognize new Senate Bill 1 revenues and expenditures on the Amended Capital Improvement Plan (4/5 vote required)
Governing body: Board of Supervisors
District: All
Attachments: 1. A - Original Capital Improvement Plan, 2. B - Amended Capital Improvement Plan, 3. Minute Order, 4. Presentation

Date	Ver.	Action By	Action	Result
9/12/2017	1	Board of Supervisors	Approved	

Published Notice Required? Yes ___ No X
Public Hearing Required? Yes ___ No X

DEPARTMENTAL RECOMMENDATION:

The Department of Resource Management recommends that the Board of Supervisors:

1. Receive and approve Solano County’s Amended Public Works Five Year Capital Improvement Plan for FY2017/18 through FY2021/22 from the Department of Resource Management; and
2. Approve an Appropriation Transfer Request (ATR) of \$2,590,000 to recognize new Senate Bill 1 (SB 1) revenues and expenditures on the Amended Capital Improvement Plan (4/5 vote required).

SUMMARY:

The County Public Works Five Year Capital Improvement Plan (CIP) is updated annually by the Department of Resource Management, and was last approved by the Board on January 24, 2017. The CIP reflects a prioritized list of road and bridge projects that would maintain the County’s road and bridge infrastructure at a higher level than in the past three years, with advanced improvements to various roads and bridges.

The recent passage of State Senate Bill 1 (SB 1), known as the Road Repair and Accountability Act of 2017, establishes a new statewide gas tax that will be phased in over the next 3 years. Funding through SB 1 will now augment current road project funding and allow agencies to maintain and improve road infrastructure to meet demands. Predominately, the tax revenue is distributed formulaically in the same fashion as the existing Highway Users Tax Account (HUTA or “Gas Tax”). SB 1 establishes new requirements for expenditure of the SB 1 revenue, including project submission to the California Transportation Commission (CTC), limitations on the types of projects that may be funded under SB 1, and annual reporting. SB 1 also requires the Board of Supervisors to review and approve the County’s SB 1 projects for FY2017/18 during consideration of the County’s budget. This can be accomplished by amending the CIP and budget, and through the Department’s recommendation for approval of the appropriation transfer request (4/5 vote). The FY2017/18 SB 1 projects that will be reported to the CTC are shown highlighted in the Amended CIP that is attached. The Department

will return to the Board in June of 2018 with a new CIP that will have more detailed long term estimates on SB 1 funding, and a more comprehensive project list for FY2018/19 and beyond.

With the Board's approval of the Amended CIP, the Department will submit the SB 1 projects listed in the CIP to the CTC in anticipation of new revenues being utilized for these projects near the beginning of 2018.

FINANCIAL IMPACT:

The California State Association of Counties (CSAC) latest estimate for SB 1 revenue in FY2017/18 for Solano County is \$2,590,000, which is in addition to the estimated \$7,903,024 of HUTA gas tax revenue. While the SB 1 revenue must be spent on Road Fund related projects, there is no local match commitment for these funds. Therefore, there is no potential Road Fund or General Fund impact in receiving these new revenues.

The appropriation transfer request (ATR) for \$2,590,000 being considered with this item (budget action with 4/5 vote) increases appropriations for project expenditures in FY2017/18 that were not anticipated in the County's adopted budget and recognizes the revenues that are to be received when the State begins to allocate SB 1 funds in December, 2017. The Department will still need to bring project construction contracts (solicitation, award, and execution) to the Board for consideration.

The Department will be reviewing staffing levels in anticipation of the new project delivery plans and may include recommendations at Mid-Year budget review, or for FY2018/19, based on this evaluation. The Department is taking a cautious approach, though, to ensure that SB 1 funding is secure.

DISCUSSION:

SB 1 establishes specific requirements for Solano County to properly expend the new revenues and to make project expenditures more transparent to the public, including annual reporting and life cycle analysis to gauge the success of the new measure. On August 16, the CTC adopted guidelines to assist agencies with interpretation of SB 1. Based on the law and CTC's guidelines, it is understood that:

1. Revenue for the Local Streets and Roads Funding Program must be prioritized for basic road maintenance and rehabilitation projects and on critical safety projects.
 - a. Specifically, SB 1 funded projects can be for road maintenance and rehabilitation, safety projects; railroad grade separations; Complete Streets components (including active transportation purposes, pedestrian and bicycle safety projects, transit facilities, and drainage and stormwater capture projects in conjunction with any other Road Fund eligible project), and traffic control devices.
2. Funds can be spent on other transportation priorities typically funded by the Road Fund can be utilized, because Solano County's Pavement Condition Index (PCI) exceeds 80 (currently at an 81).
3. Per SB 1, Solano County also needs to consider plans to incorporate technologies and material recycling techniques into projects, where feasible, that lower greenhouse gas emissions and reduce the cost of maintaining local streets and roads.
4. The project list must be included in the County's budget adopted by the Board (section 2034(a)(1)). For FY2017/18 this requires amending the CIP and budget to include the new list of projects to be covered by SB 1 funding in year 1. Solano County must submit its project list to the CTC each fiscal year prior to obtaining funds. The current deadline to submit the project list to the CTC for FY2017/18 projects is October 16, 2017.
5. The County must submit an annual report each fiscal year that includes a description and location of each completed project, the amount of funds expended, the completion date, and the estimated useful life of the improvement (section 2034)

Prior to SB 1, the CIP contained a relatively large list of deferred and unfunded projects due to the depressed tax revenues resulting from the lower price of fuel. The revenues from SB 1 will allow the Amended CIP

(attached) to fund more projects in FY2017/18 that maintain or improve the County's roads, bridges, culverts, sidewalks, signage, striping, and signalized intersections. In compiling this year's CIP, the Department began with last year's Plan and advanced projects that had been deferred or which remained unfunded due to lack of available funding. Projects included in the Amended CIP over the next couple years include:

1. FEMA Storm Damage Repair Project 2018 to address the permanent and final repairs that will be completed by contract in Spring of 2018, including Cantelow Road, Delhi Road, Gates Canyon Road, and Steiger Hills Road. The Department is currently working on the emergency and temporary repairs countywide in preparation for this coming winter.
2. Culvert Repair Project 2018 to replace the aged large culverts on Cherry Glen Road.
3. Hawkins Road Shoulder Improvements to improve the remaining portion of Hawkins Road out to Highway 113.
4. Farrell Road Intersection Improvements at Gibson Canyon Road to improve intersection approaches.
5. Culvert Repair Project 2019 to replace aged large culverts on Cantelow Road.
6. Various right of way acquisitions were added to potentially create better design options and enhance upcoming projects.

Long Term Plans and Projects

Prior to SB 1, many agencies had difficulty planning large and longer term projects without having federal grant funds to support "front end" project costs related to environmental clearance, design, and right of way. The fluctuations of HUTA funds in the past also created risks that projects that were planned today may have no future funding. A significant benefit of SB 1 is that agencies now have stable funding that allows for long term planning for larger multi-year and regionally coordinated projects. The Department included some larger projects to the Amended CIP that can be planned over the next 5 years:

1. Benicia Road improvements, which includes sidewalk, striping, light pole relocation, and transit stop improvements from Beach Street to Interstate 80. The Department will work with the City of Vallejo to coordinate the City/County interfaces.
2. Fairgrounds Drive Improvements, which includes pedestrian, bike, transit, and signalized intersection improvements at the interface with Highway 37 and the County fairgrounds. This project will also be coordinated with the City of Vallejo and Caltrans.
3. McCormack Road reconstruction, which will convert this 4 mile regionally significant gravel road into a paved road meeting standards.
4. Improvements to modernize signaled intersections up to current standards.
5. Putah Creek Road shoulder improvements, which will provide fully connected bike lanes from Winters to Stevenson Bridge Road.

Projects which are listed with unfunded amounts remain candidates for other state and federal grants. SB 1 is anticipated to generate significant increases to competitive grants, such as the Congested Corridors Program (freeway and highway relievers) and Active Transportation Program (bike/pedestrian). The Department will continue to seek all appropriate grants to enhance project budgets and reserve SB 1 and Road Funds.

Over the next year, the Department will work with the Solano Transportation Authority, the seven Cities and other interested partner agencies to plan longer term projects over the next decade, including the Suisun Parkway connection to Highway 12/29, Suisun Valley Road regional traffic improvements (traffic flow from Napa County), and other impacted regionally significant routes. The Department will return to the Board in June of 2018 for the next full CIP after more comprehensive planning is done for projects in FY2018/19 and beyond to reflect the higher levels of funding that is slated to be available under SB-1..

The Amended CIP strives to provide a balanced approach to maintaining and improving the County's infrastructure in FY2017/18, with enhancements provide by the SB 1 funding stream. The Department will continue its goal to deliver as much project work and road maintenance within available existing engineering

and operations staffing. With the Board's approval of the Amended CIP, the Department will work to construct those projects listed for FY2017/18, and plan projects listed in the years following.

ALTERNATIVES:

The Board could choose to revise the CIP within the limitations of available revenues from local, state and federal sources as it wishes. This is not recommended as the Amended CIP provided by the Department provides a recommended list of priorities for the maintenance and construction of County roads and bridges in FY2017/18, in compliance with SB 1 requirements.

OTHER AGENCY INVOLVEMENT:

County Counsel's Office has reviewed and approved this item as to form.

CAO RECOMMENDATION:

APPROVE DEPARTMENTAL RECOMMENDATION