



Board Agenda Item 50

DATE: April 17, 2018

TO: Board of Supervisors

SUBMITTED BY: Steven E. White, Director
Department of Public Works and Planning

SUBJECT: Senate Bill 1 Project List for FY 2018-19

RECOMMENDED ACTION:

Approve and authorize Chairman to execute a Resolution establishing and adopting a list of identified road and bridge projects to be performed using approximately \$17,067,000 in Road Maintenance and Rehabilitation Account funds for FY 2018-19.

Approval of the recommended action will authorize the approval of a resolution that identifies projects to be performed with Road Maintenance and Rehabilitation Account (RMRA) funding for FY 2018-19. The initial Project List must be submitted by May 1, 2018, but your Board can add, delete, or revise the list at any time and as often as necessary. This item is countywide.

ALTERNATIVE ACTIONS:

Your Board may elect not to approve the recommended action, in which case County Road Fund 0010 would not receive approximately \$17,067,000 in funds from the RMRA for FY 2018-19.

Your Board may approve the recommended action in its original form or in modified form and direct the Department to return at a later date to modify the Project List. As long as the initial list is adopted by your Board and submitted to the California Transportation Commission (CTC) by May 1, 2018, your Board may direct the Department to return at any time and as often as necessary to modify the Project List by adding, deleting, or revising projects.

FISCAL IMPACT:

There is no Net County Cost associated with the recommended action. Revenues received from the RMRA will be deposited in the County Road Fund 0010, and will be utilized for design, right-of-way purchase, construction, and construction inspection of the identified road and bridge projects. Sufficient appropriations and estimated revenues will be included in the Public Works and Planning - Roads Org 4510 FY 2018-19 budget request.

DISCUSSION:

On April 28, 2017, the Governor signed Senate Bill 1 (SB 1) the Road Repair and Accountability Act of 2017, (Chapter 5, Statutes of 2017), to address basic road maintenance, rehabilitation and critical safety needs on both the State highways and local street and road systems. SB 1 increases per gallon fuel excise taxes, diesel fuel sales taxes, vehicle registration fees, and provides for inflationary adjustments to tax rates in future years.

Beginning November 1, 2017, the State Controller (Controller) began depositing various portions of SB 1 funding into the newly created RMRA. A percentage of RMRA funding will be apportioned by formula to eligible cities and counties pursuant to Streets and Highways Code (SHC), section 2032(h) for basic road maintenance, rehabilitation, and critical safety projects on the local street and road systems.

The Local Streets and Roads Funding Program, administered by the CTC in partnership with the Controller, is supported by RMRA funding which includes portions of revenues pursuant to SHC, section 2031 from the following sources:

- An additional 12 cent per gallon increase to the Gasoline Excise Tax, effective November 1, 2017.
- An additional 20 cent per gallon increase to the Diesel Fuel Excise Tax, effective November 1, 2017.
- An additional vehicle registration tax called the "Transportation Improvement Fee" with rates based on the value of the motor vehicle, effective January 1, 2018.
- An additional \$100 vehicle registration tax on zero emissions (ZEV) vehicles of model year 2020 or later, effective July 1, 2020.
- Annual rate increases to each of these taxes beginning on July 1, 2020 (July 1, 2021 for the ZEV fee) and every July 1 thereafter, equal to the change in the California Consumer Price Index (CPI).

The County's share of Gasoline Excise Tax is calculated using a formula, which considers the number of registered vehicles and the number of maintained miles of roadway. The formula assigns greater significance to the number of registered vehicles by assigning weighting factors of 75% and 25%, respectively, to the number of registered vehicles and to the number of maintained miles. The Gasoline Excise Tax is distributed on a monthly basis, based on projected gasoline sales. Because it is paid on an estimate of gasoline sales, the actual amount being collected and disbursed may be greater than or less than the actual amounts that should have been collected based on actual sales. If the actual sale of gasoline is greater than the original estimate, the Controller will distribute any additional Gasoline Excise Tax collected in the following year. If the Gasoline Excise Tax comes in below the original estimate, the following year, the Controller will reduce the amount of Gasoline Excise Tax from that year's estimate. For this reason, the Gasoline Excise Tax revenue is volatile and difficult to project year to year. These protocols also apply to the Diesel Excise Tax.

SB 1 emphasizes the importance of accountability and transparency in the delivery of California's transportation programs. Therefore, in order to be eligible for RMRA funding, the statute requires cities and counties to provide basic RMRA project reporting to the CTC. It is projected that the County will receive approximately \$17,067,000 for FY 2018-19.

For FY 2017-18, a list of overlay projects to be performed using RMRA funding was adopted by your Board and is attached as Exhibit A. In order to ensure that sufficient projects were eligible for funding pursuant to the list, the estimated total cost of the projects exceeded the amount of funding that was anticipated to be available, and this was noted on the list. Anticipated completion dates for the projects were identified as of September 2018.

Last year, the California State Association of Counties (CSAC) projected that the County would receive approximately \$7,043,000 in RMRA funds for FY 2017-18; however, it has recently been determined that the estimate of revenues provided last year by the CSAC did not fully reflect the methodology that would be employed by the Controller in determining funds to be provided to Cities and Counties. Certain set-aside funds for various transportation programs are taken from RMRA revenue at predetermined rates. After these funds are taken "off the top", remaining funds are distributed to Counties and Cities by a formula. For FY 2017-18, collection of RMRA funds only occurred for eight months, and CSAC assumed that amount of the set-aside funding taken would be reduced proportionally; however, the set aside programs were allocated the funding they would have been due had collections been made over the entire fiscal year. Consequently, remaining revenues for distribution were decreased. The County is expected to receive

approximately \$5,860,000 instead of the \$7,043,000 that was projected for the current fiscal year.

After this reduction in funding was taken into account and after project estimates were refined, it was determined that the following overlay projects could be performed with the available FY 2017-18 funding:

- Fowler Avenue from South Avenue to Elkhorn Avenue
- Burrough Valley Road from 0.0 Miles East of Tollhouse Road to Sandpiper Lane
- Jayne Avenue from El Dorado Avenue to State Route 33
- Huntington Lake Road from State Route 168 to 2.7 miles Northeast of State Route 168.
- Jayne Avenue From Siskiyou Avenue to State Route 269

It is anticipated that these projects will be constructed during the summer of 2018. Additionally, the following projects will be identified as “additive” locations, to be awarded with the construction contract if bids are low enough so that sufficient funds are available:

- Nees Avenue from the Brannon Alignment to Fairfax Avenue
- Huntington Lake Road from 2.7 miles Northeast of State Route 168 to 3.8 miles Northeast of State Route 168.
- Nees Avenue from the Brannon Alignment to the Millux Alignment

If funding is not adequate to include these alternate bid locations in the awarded construction contract, they will be carried over as projects to be constructed using RMRA funding from FY 2018-19.

The Project List for FY 2018-19 is attached as Exhibit B and includes:

- Funds for eleven overlay projects that are carryovers from FY 2017-18.
- Funds for eight additional overlay projects.
- Matching funds for the Federally-funded Copper and Auberry traffic signal project.
- Funds for reconstruction projects of Mt. Whitney, Cerini, and Jensen Avenues.
- Funds for the Fig and North Project which will reconstruct Fig and North Avenue adjacent to the Cargill processing facility. RMRA funds will be used to provide matching funds pursuant to a Cooperative Agreement between the County and the Fresno Metropolitan Flood Control District (FMFCD). FMFCD is the lead agency and is administering an Economic Development Grant that funds the majority of the project.
- Funds for an engineering analysis of various intersections on Ashlan Avenue to determine if geometric or pedestrian improvements are necessary.
- Funds for the repair of rockslide damage and to mitigate rockslide hazards along Big Creek Road.
- Matching funds for nine federally funded bridge replacement projects. RMRA funds will be used to provide matching funds for various phases of these projects, which are scheduled for construction over the next several years.
- Matching funds for the federally funded American Avenue reconstruction project from State Route 99 to Temperance Avenue.
- Matching funds for the federally funded Fowler Avenue and Olive Avenue Traffic Signal Project.
- SB 1 also will provide matching funds for three Congestion Mitigation and Air Quality shoulder improvement projects. The American Avenue project also includes the federally non-participating addition of a turn lane for the American Avenue Disposal Site entrance.

As shown on Exhibit B, not all of the listed projects will be constructed during FY 2018-19. In some cases, the funding is used only to cover the engineering and/or right-of-way phases for the projects. Furthermore, it is anticipated that the cost of the various projects to be funded pursuant to Exhibit B will significantly exceed the available funding, and several projects may be deferred or deleted from the list at a later date.

It is important to note that, while it is critical that a Project List be adopted by your Board and submitted to the CTC by May 1, 2018 to secure RMRA funding for FY 2018-19, your Board may direct the Department to return at any time and as often as necessary to modify the list by adding, deleting, or revising projects. RMRA revenues were estimated based on the California Association of Counties' projections published on January 11, 2018 and the projections are attached as Exhibit C.

OTHER REVIEWING AGENCIES:

The resolution will be submitted to the CTC by May 1, 2018.

REFERENCE MATERIAL:

BAI #52, December 5, 2017
BAI #49, November 14, 2017
BAI #7, August 22, 2017
BAI #47, August 8, 2017
BAI #44, October 11, 2016
BAI #54, September 3, 2016
BAI #52, August 19, 2014
BAI #30, December 10, 2013
BAI #37, July 19, 2011
BAI #61, November 18, 2008

ATTACHMENTS INCLUDED AND/OR ON FILE:

Exhibit A
Exhibit B
Exhibit C
On file with Clerk - Resolution

CAO ANALYST:

Sonia M. De La Rosa