



Legislation Text

File #: 18-1678, Version: 1

**AGENDA REPORT
REQUEST FOR CITY COUNCIL ACTION**

DATE: 4/18/2018

TO: Honorable Mayor and City Council Members

FROM: Public Works Department

SUBJECT:

City Council consideration to adopt Resolution No. 2018-019, authorizing the City Manager to receive and accept Senate Bill-1 (SB1) Road Repair and Accountability Act of 2017 revenue for Fiscal Year 2018-19 in an estimated amount of \$2,785,814 for the eligible Rubberized Asphalt Concrete (RAC) Rehabilitation Project, No. 2017-22, and the 2018 Local Streets Pavement Rehabilitation Project, No. 2017-13; appropriate \$2,785,814 from the unappropriated Road Maintenance and Rehabilitation Account (RMRA) Fund to the Rubberized Asphalt Concrete (RAC) Rehabilitation Project, No. 2017-22, and to the 2018 Local Streets Pavement Rehabilitation Project, No. 2017-13; and authorize a revenue increase of \$2,785,814 in the Road Maintenance and Rehabilitation Account (RMRA) Fund.

RECOMMENDED ACTION:

That the City Council:

1. Adopt Resolution No. 2018-019, authorizing the City Manager to receive and accept Senate Bill-1 (SB1) Road Repair and Accountability Act of 2017 revenue for Fiscal Year 2018-19 in an estimated amount of \$2,785,814 for the eligible Rubberized Asphalt Concrete (RAC) Rehabilitation Project, No. 2017-22, and the 2018 Local Streets Pavement Rehabilitation Project, No. 2017-13.
2. Accept and appropriate \$2,785,814, in Fiscal Year 2018-19, as awarded by the State, from the unappropriated Road Maintenance and Rehabilitation Account (RMRA) Fund to the Rubberized Asphalt Concrete (RAC) Rehabilitation Project, No. 2017-22, and to the 2018 Local Streets Pavement Rehabilitation Project, No. 2017-13.
3. Authorize an estimated revenue increase of \$2,785,814, in Fiscal Year 2018-19, in the Road Maintenance and Rehabilitation Account (RMRA) Fund for reimbursement by the State, per the Road Repair and Accountability Act of 2017 - Local Streets and Roads Funding Amended Annual Reporting Guidelines.

ANALYSIS:

On April 28, 2017, the Governor signed Senate Bill-1 (SB1) (Beall, Chapter 5, Statutes of 2017), which is known as the Road Repair and Accountability Act of 2017. To address basic road maintenance, rehabilitation, and critical safety needs on both the state highway and local streets and road system, SB1 increases per gallon fuel excise taxes; increases diesel fuel sales taxes and vehicle registration fees; and provides for inflationary adjustments to tax rates in future years.

Beginning November 1, 2017, the State Controller (Controller) will deposit various portions of this new funding into the newly created Road Maintenance and Rehabilitation Account (RMRA). A percentage of this new 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 streets and roads system. For a detailed breakdown of RMRA funding sources and the disbursement of funding, please see Exhibit B. Streets and Highways Code (SHC) Section 2032.5(a) articulates the general intent of the legislation that recipients of RMRA funding be held accountable for the efficient investment of public funds to maintain local streets and roads and are accountable to the people through performance goals that are tracked and reported.

Pursuant to SHC Section 2030(a), the objective of the Local Streets and Roads Program is to address deferred maintenance on the local streets and roads system through the prioritization and delivery of basic road maintenance and rehabilitation projects as well as critical safety projects.

Cities and counties receiving RMRA funds must comply with all relevant federal and state laws, regulations, policies, and procedures. The main requirements for the program are codified in SHC Sections 2034, 2036, 2037, and 2038 and include the following:

- Prior to receiving an apportionment of RMRA funds from the Controller in a fiscal year, a city or county must submit to the Commission a list of projects proposed to be funded with these funds. All projects proposed to receive funding must be adopted by resolution by the applicable city council or county board of supervisors at a regular public meeting [SHC 2034(a)(1)].
- 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 [SHC 2034(a)(1)]. Further guidance regarding the scope, content, and submittal process for project lists prepared by cities and counties is provided in Sections 9-10.
- The project list does not limit the flexibility of an eligible city or county to fund projects in accordance with local needs and priorities so long as the projects are consistent with RMRA priorities as outlined in SHC 2030(b) [SHC 2034(a)(1)].
- The Commission will submit an initial report to the Controller that indicates the cities and counties that have submitted a list of projects as described in SHC 2034(a)(1) and that are therefore eligible to receive an apportionment of RMRA funds for the applicable fiscal year [SHC 2034(a)(2)].
- The Controller, upon receipt of an initial report from the Commission, shall apportion RMRA

funds to eligible cities and counties pursuant to SHC 2032(h) [SHC 2034(a)(3)].

- The Controller will retain the monthly share of RMRA funds for cities and counties not included in the Commission's initial report that would otherwise be apportioned and distributed to those cities and counties [SHC 2034(a)(4)(A)]. Pursuant to SHC 2034(a)(4)(B), the monthly share of RMRA funds for each of these cities and counties will be retained by the Controller for 90 days.
- Upon receipt of a list of projects from a city or county after the Commission has submitted its initial report to the Controller, the Commission will submit a subsequent report to the Controller that specifies all newly eligible cities and counties [SHC 2034(a)(2)].
- After 90 days, the Controller will apportion to all newly eligible cities and counties the RMRA funds that were retained but not previously apportioned and distributed pursuant to SHC 2304 (a)(4)(B).
- Any RMRA funds held by the Controller for a city or county that still remains ineligible after 90 days will be reapportioned to all other eligible cities and counties [SHC 2034(a)(4)(C)].
- For each fiscal year in which RMRA funds are received and expended, cities and counties must submit documentation to the Commission that details the expenditure of all RMRA funds, including a description and location of each completed project, the amount of funds expended on the project, the completion date, and the estimated useful life of the improvement [SHC 2034(b)]. Further guidance regarding the scope, content, and submittal process for program expenditure reports is provided in Sections 12-13.
- Eligible cities and counties may expend other funds on eligible projects prior to receiving an apportionment of RMRA funds from the Controller and may reimburse the original source of funds expended when a RMRA apportionment is received from the Controller [SHC 2034(c)].
- A city or county receiving an apportionment of RMRA funds 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 or county's general fund [SHC 2036]. Monitoring and enforcement of the maintenance of effort requirement for RMRA funds will be carried out by the Controller and is addressed in more detail in Section 15.
- A city or county may spend its apportionment of RMRA funds on transportation priorities other than priorities outlined in SHC 2030(b) if the city or county's average Pavement Condition Index (PCI) meets or exceeds 80 [SHC 2037].
- By July 1, 2023, cities and counties receiving RMRA funds must follow guidelines developed by the California Workforce Development Board (Board) that address participation and investment in, or partnership with, new or existing pre-apprenticeship training programs [SHC 2038]. Further information regarding the forthcoming Board Guidelines and future Board-sponsored grant opportunities is available in Section 16.

The greatest impact for the City of Corona will be increased funding through the Local Streets and Road (LSR) program. SB1 prescribes certain uses for these funds, including:

- 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 allowable project)
- Traffic Control Devices

SHC Section 2030(b)(2) states that funds made available by the program may also be used to satisfy a match requirement in order to obtain state or federal funds for projects authorized by this subdivision.

Additionally, to the extent possible and cost effective, and where feasible eligible projects will incorporate the following elements:

- Technologies and material recycling techniques that lower greenhouse gas emissions and reduce the cost of maintaining local streets and roads through material choice and construction method.
- Systems and components in transportation infrastructure that recognize and accommodate technologies including but not limited to Zero Emission Vehicle (ZEV) fueling or charging and infrastructure-vehicles communications for transitional or fully autonomous vehicles.
- Project features to better adapt the transportation asset to withstand the negative effects of climate change and promote resiliency to impacts such as fires, floods, and sea level rise (where appropriate given a project's scope and risk level for asset damage due to climate change).
- Incorporate complete streets elements.

City staff has reviewed the detailed SB1 requirements, and is proposing to expend the Fiscal Year 2018-19 SB1 apportionment on the Rubberized Asphalt Concrete (RAC) Rehabilitation Project, No. 2017-22, and the 2018 Local Streets Pavement Rehabilitation Project, No. 2017-13. The Rubberized Asphalt Concrete (RAC) Rehabilitation Project, No. 2017-22 consists of pavement rehabilitation of major streets: Foothill Parkway from Trudy Way to Interstate 15 southbound Freeway; Green River Road from City's westerly limits to State Route 91 westbound off-ramp; Crestridge Drive from Green River Road to Prado Road; and Prado Road from Crestridge Drive to terminus. The project will use rubberized pavement products derived from 100 percent recycled California-generated waste tires, which is one of the elements listed above.

The 2018 Local Streets Pavement Rehabilitation Project, No. 2017-13 consists of pavement rehabilitation of local streets: Area 1 includes local streets between Green River Road, Palisades Drive, and Serfas Club Drive. Area 2 are local streets between Border Avenue, Avenida Del Vista Avenue, Via Del Rio Avenue, and Ontario Avenue. Area 3 are local streets between Rimpau Avenue, Kellogg Avenue, Ontario Avenue, and Ridgewood Drive (Exhibits A and C). These projects are anticipated to be complete by June 2019 and the rehabilitated roads will have an estimated useful life of fifteen to twenty years. The project list and support documentation must be submitted to the

Commission by May 1, 2018.

A list of proposed projects to be funded through future SB1 is expected to be included in the upcoming Fiscal Year 2018-19 and future Capital Improvements Program Budget.

COMMITTEE ACTION:

Not applicable.

STRATEGIC PLAN:

Not applicable.

FISCAL IMPACT:

The recommended action will result in a budget appropriation in Fiscal Year 2018-19, of \$2,785,814 from the unappropriated RMRA Fund 221 to the Rubberized Asphalt Concrete (RAC) Rehabilitation Project, No. 2017-22, and the 2018 Local Streets Pavement Rehabilitation Project, No. 2017-13; and a revenue estimate increase, in Fiscal Year 2018-19, in the RMRA Fund 221 in the amount of \$2,785,814.

Beginning November 1, 2017, it is expected that the State Controller will apportion RMRA funds on a monthly basis to eligible cities and counties using a process and system similar to that of Highway Users Tax Account apportionments.

The estimated construction costs for the two projects are outlined as follows:

Construction	\$4,450,000.00
Design and Construction Support	\$450,000.00
Contingency.....	\$100,000.00
Total Construction Cost	\$5,000,000.00

Funding for the difference in cost will be available in the Fiscal Year 2018-19 Capital Improvements Budget, within the Gas Tax and Measure A funds.

Account Name	Fund	Account	Amount	Local Match
RMRA Fund	221		\$2,785,814	
Gas Tax	222			\$1,000,000
Measure A	227			\$922,481
California Department of Resources Recycling and Recovery Grant				\$291,705
Total:			\$2,785,814	\$2,214,186

ENVIRONMENTAL ANALYSIS:

This action is categorically exempt pursuant to Section 15301(c) of the Guidelines for the California Environmental Quality Act (CEQA), which states that a project which consists of minor repairs and maintenance to existing facilities does not have a significant impact on the environment, and is therefore exempt from CEQA. This action involves minor repairs, maintenance and alteration of existing streets, sidewalks, and similar features involving negligible or no expansion of use beyond that currently existing from the requirements of CEQA. Therefore, no environmental analysis is

required.

PREPARED BY: LINDA BAZMI, SENIOR ENGINEER

REVIEWED BY: TOM KOPER, P.E., ASSISTANT PUBLIC WORKS DIRECTOR

REVIEWED BY: NELSON D. NELSON, P.E., PUBLIC WORKS DIRECTOR

REVIEWED BY: KIM SITTON, FINANCE MANAGER

REVIEWED BY: PATRICIA SONG, FINANCE MANAGER

REVIEWED BY: KERRY D. EDEN, ASSISTANT CITY MANAGER/ADMINISTRATIVE SERVICES
DIRECTOR

SUBMITTED BY: DARRELL TALBERT, CITY MANAGER