

Road Maintenance and Potential Options for Additional Funding

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Operations – continually working to keep streets safe and usable, but **don't** always add useful life.

PUBLIC WORKS



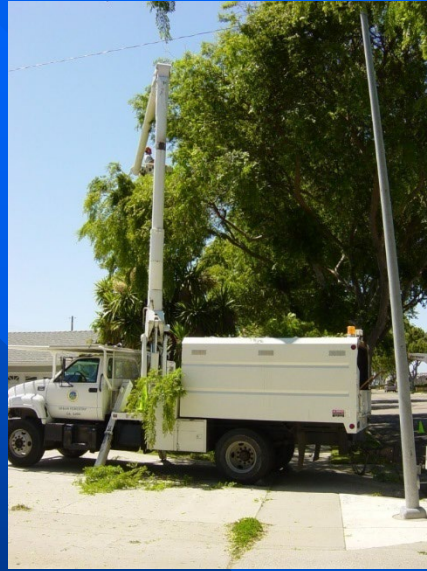
FIRST RESPONDER



Capital projects add useful life, but are limited in timing, location, and contract scope.



Operations + Capital Projects = A Complete Street Program



Size and Condition of City Street Network - updated

- The City's paved street network is nearly 130 centerline miles long, comprised of:
 - 11.0 miles of Arterials (highest traffic volume streets)
 - 21.9 miles of Collectors (2nd highest traffic volume streets)
 - 66.9 miles of Residential/Local Streets
 - 30.1 miles of Alleys
- Arterials average PCI = 77, total ~3,036,000 sf
- Collectors average PCI = 70, total ~5,085,000 sf
- Residential/Local avg PCI = 43, total ~14,104,000 sf
- Alleys average PCI = 29, total ~3,250,000 sf

Updated Funding Estimates 24/25

Total of approx. \$8.7M

Annual Tax Revenue:

- Local Surface Transportation (Federal via County) - \$172k
- Measure A (1/2 cent Sales Tax (County) - \$3.1M
- State Gas Tax (State) - \$1.2M
- Road Maintenance & Rehabilitation Account (RMRA) Revenue (SB1) - \$1.1M

Updated Funding Estimates 24/25

Total of approx. \$8.7M

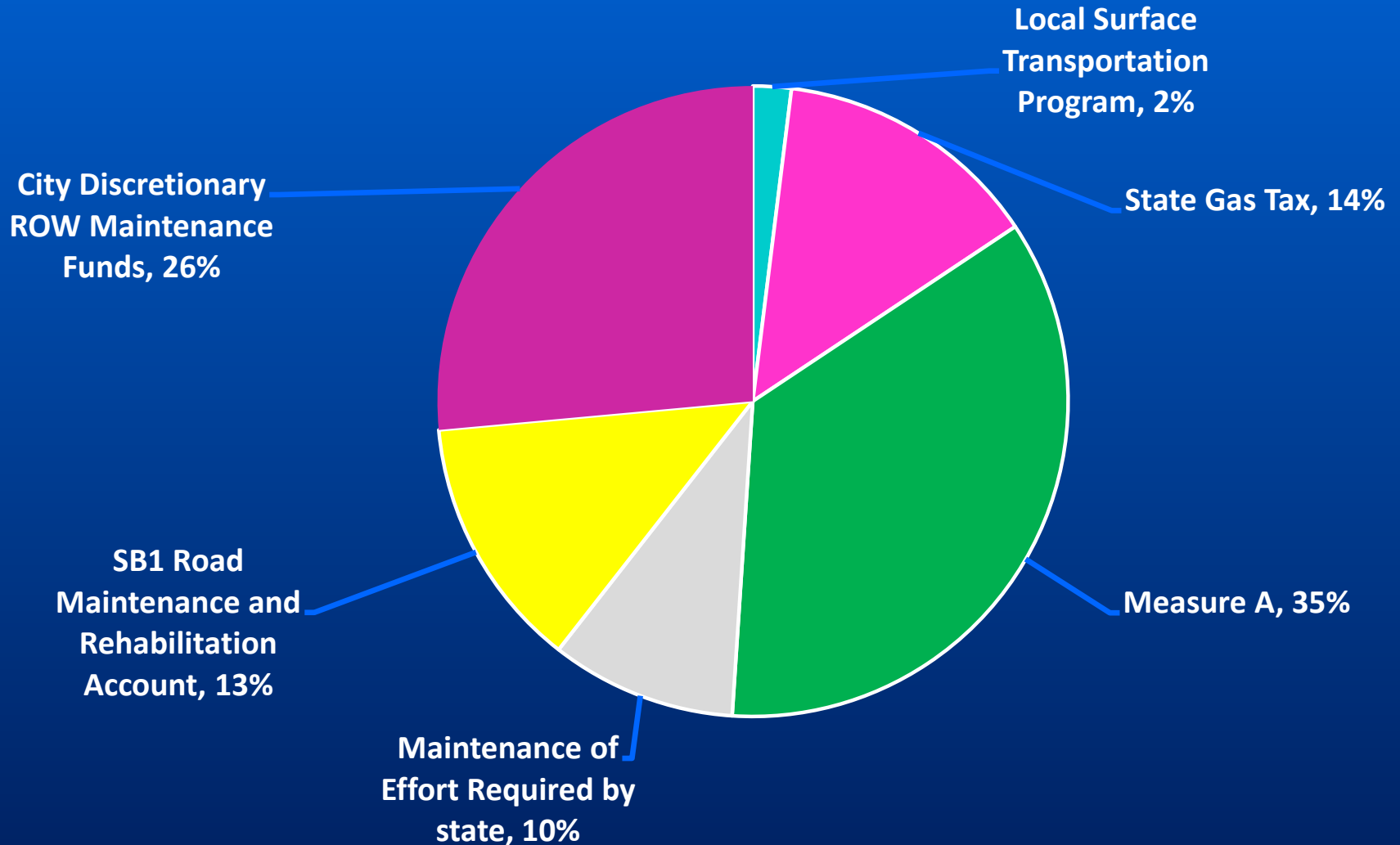
Annual Enterprise Fund Transfers:

- ROW maintenance (City) - \$2.3M
(increased in FY 23/24 due to increased percentage allocated to ROW)

General Fund:

- Maintenance of Effort Required - \$832k

Street/Road Maintenance Revenue - Updated FY 2024-2025



Road Expenditures

- **Operations** require most (approx. \$5.3M) of the City's existing road revenues to keep streets, street trees, roadway drainage courses, etc. **safe and usable**.
- Remainder of the City's road funds (approx. \$3.4M) available for pavement **Capital Projects**

Road Needs Exceed Revenues

- Because road needs exceed available revenues, the City has already significantly reduced Street Operations and Street Capital Projects.
- Without adequate Operations, the daily and immediate needs cannot be met.
- Without adequate Capital Projects, the condition of street pavement and other street infrastructure declines.

Cost Effective Strategies

■ Operations:

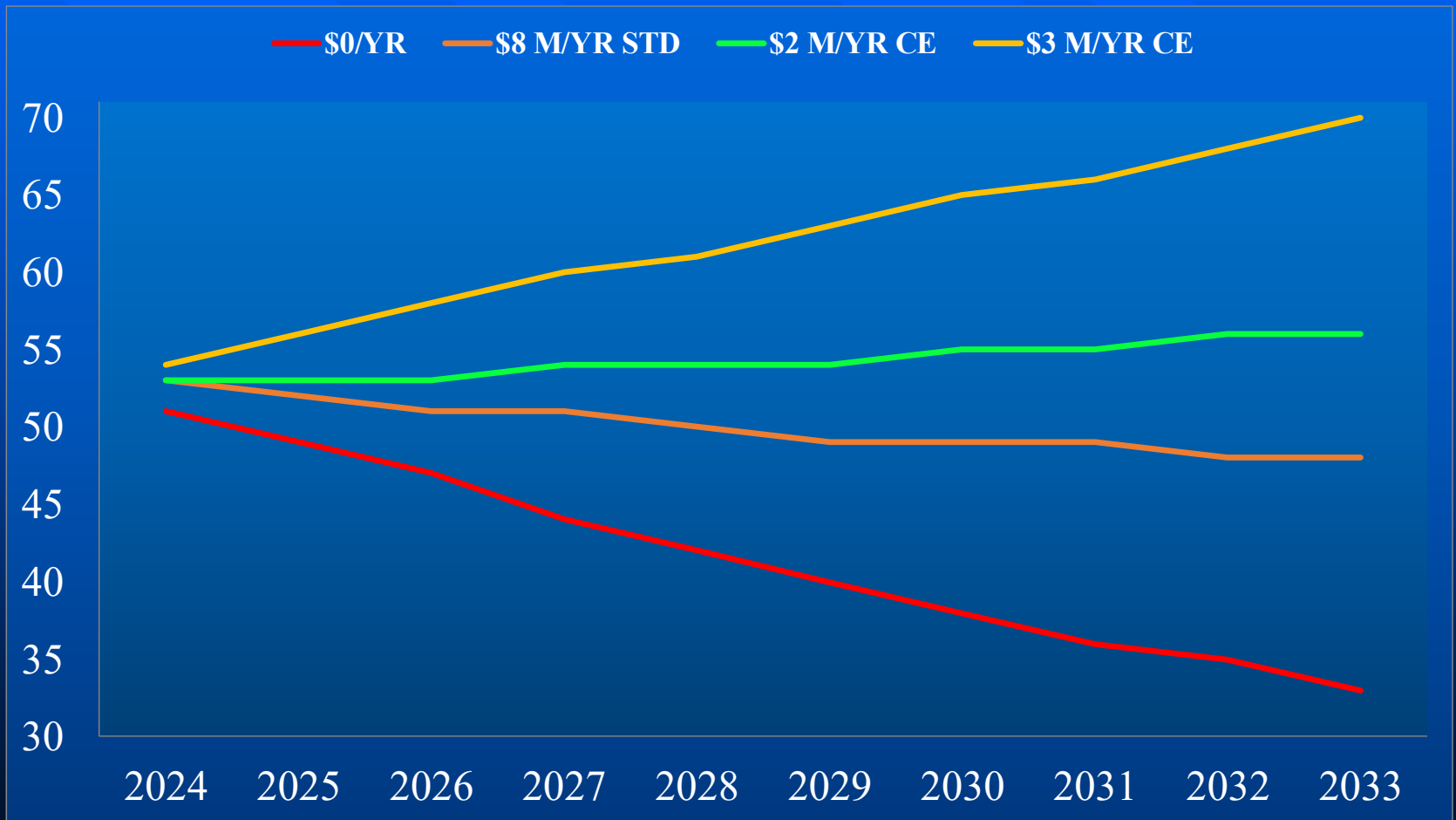
- Staff continually strives to improve the efficiency of the operations which keep City street infrastructure safe and useable.
- Due to declining revenues, many staff positions have been kept vacant to reduce operational costs by ~30%.

■ Capital Projects:

- Staff has utilized, and plans to continue a number of cost-effective pavement maintenance treatments in order to extend the useful life at several times less cost than traditional rehabilitation methods.
- Staff has scheduled different types of cost-effective capital projects sequentially in order to minimize unit costs and accomplish long-lasting pavement rehabilitation.

Next 10 Years, PCI Trend

ANNUAL CAPITAL PROJECT PAVEMENT EXPENDITURES



OPTIONS to Increase Revenue

- OPTIONS – not requirements
- DEPENDS on urgency & input of residents
 - Federal dollars minimal – routed via State
 - Grant funds minimal & for specific goals (not ongoing maintenance & routine capital)
 - State funding maximized & beyond our control
 - County funding significant & beyond our control
- No magic formula

Options to Increase Revenue

- No magic formula
- Someone has to pay more
 - WHO?

Local Residents and visitors end up having to carry the burden... have to choose:

- » Cost Savings, Patience & lower PCI roads - or -
- » Increased Taxes or Fees to move more quickly

Local Taxes and Fees - Options

- Less impactful options (parking fees, tolls, increased transit fares, increased TOT)
- Local Option Sales Tax – sales tax with a specific purpose (ex; transportation) – Measure A is a type of local option sales tax
- General Sales Tax
 - <https://www.cityoforange.org/our-city/departments/city-clerk/sales-tax-measure>
 - [Santa Barbara City Council Votes to Place ½ cent Sales Tax Measure on the November Ballot | City of Santa Barbara \(santabarbaraca.gov\)](#)
 - » General Sales Tax could be coupled with resolution pledging to dedicate x% to transportation

Local Taxes and Fees - Options

- Property tax levies – based on assessed value of properties: often used to fund general obligation bonds for large-scale capital improvements
 - Long-term (30yr) commitment by current & future residents for upfront capital investment
 - » <https://www.santaclaraca.gov/i-want-to/stay-informed/current-city-projects-initiatives/november-2024-local-bond-measure>

Local Taxes and Fees - Options

Currently being evaluated for FUTURE at
State/Federal level:

- Tax on Electricity to Fuel Vehicles
- Vehicle Mileage Fee
- Transportation Networking Companies (TNC) taxes
- eCommerce Delivery Taxes

Important Considerations

- How much revenue is needed?
- How important/urgent are increased revenues?
(Can we manage with incremental/gradual improvements?)
- How complex is implementation of proposed solution?
- Equity among taxpayers vs. those who benefit from the improvements
- Equity among income-levels of taxpayers
- Alignment with city mission, vision & goals

THANK YOU!

References:

- Asha Weinstein Agrawal, Kevin Yong Lee, and Serena Alexander. "How Do California's Local Governments Fund Surface Transportation? A Guide to Revenue Sources" Mineta Transportation Institute (2021). <https://doi.org/10.31979/mti.2021.1938A>
- Measure A Program Update presented to Lompoc City Council March 19, 2024

Road funds serve many uses:

■ Street, Urban Forestry & Engineering Divisions Citywide Operations:

» Keeping things working

- Street pavement, sidewalks
- Street Trees & vegetations
- Traffic Striping, signs & signals
- Street drainage

■ Capital Projects

» Extending useful life

- Pavement rehabilitation
- Major upgrades

Street Revenue & Needs - Updated

FUNDING SOURCE	FY 2022-23	FY 2023-24	FY 2024-25
Local Surface Transportation Program	\$171,000	\$171,000	\$171,000
State Gas Tax	1,120,641	1,178,070	1,197,128
Measure A	3,239,823	3,121,867	3,094,978
Maint. of Effort Required by State	1,091,657	832,019	832,019
City Discretionary ROW Maintenance Funds	750,000	1,899,181	2,313,433
Road Maint. & Rehab. Account from SB1	995,970	1,062,866	1,136,147
Total	\$7,369,091	\$8,265,003	\$8,744,705

STREET MAINTENANCE NEEDS	FY 2022-23	FY 2023-24	FY 2024-25
City Street, Urban Forestry & Engineering Div.s	\$4,500,000	\$5,000,000	\$5,300,000
Street Rehab Projects – Measure A, Gas Tax, Etc	\$3,018,000	\$0	\$3,300,000
Street & Alley Rehab Projects – City ROW Maint	\$1,907,000	\$0	\$1,800,000
Street Rehabilitation Projects – Un-funded	\$4,075,000	\$9,000,000	\$3,900,000
Other Street Related Projects	\$11,000	\$660,000	\$415,000
Contribution to City of Lompoc Transit	\$0	\$25,000	\$25,000
Total	\$13,511,000	\$14,685,000	\$14,740,000

Local Taxes and Fees - Options

Already Doing:

- Development Impact Fees (new development)
- Refuse Vehicle Impact Fee/Franchise Fee/User Utility Tax = +/- Enterprise Reimbursement ROW funds
- Transportation Permit Fees

Local Taxes and Fees - Options

Less impactful or unrealistic:

- Parking Fees
- Tolls
- Increased Transit Fares
- Increased TOT
- Local gas tax