



Office of the City Manager

CONSENT CALENDAR
October 31, 2017

To: Honorable Mayor and Members of the City Council
From: Dee Williams-Ridley, City Manager
Submitted by: Phillip L. Harrington, Director, Department of Public Works
Subject: Approving Proposed Projects Anticipated to be Paid for by the State's Road Maintenance and Rehabilitation Account (RMRA) Funds for FY 2018

RECOMMENDATION

Adopt a Resolution approving a proposed list of projects that will utilize funding from the State of California's new Road Maintenance and Rehabilitation Account, and authorizing the City Manager to submit the project list to the California Transportation Commission. In order to receive RMRA funding, the City must submit a list of projects to the State annually it anticipates will be completed within the fiscal year.

FISCAL IMPACTS OF RECOMMENDATION

Based on information provided by CaliforniaCityFinance.com and the League of California Cities, the City of Berkeley is estimated to collect an estimated \$677,531 in Road Maintenance and Rehabilitation Account (RMRA) allocated funding in FY 2018. No budgetary action is required at this time. RMRA appropriations will be addressed in future amendments to the Annual Appropriations Ordinance.

CURRENT SITUATION AND ITS EFFECTS

California Senate Bill 1 (SB1), signed into law on April 28, 2017, increased certain vehicle fuel and registration taxes and fees, and those funds were used to create RMRA, a portion of which will be distributed to certain jurisdictions. As SB1 was approved late in the city's budget adoption process prior to full information on reporting requirements, RMRA funds were not included in the biennial budget adopted June 2017, and it was not possible to specifically identify the intended uses of RMRA funds from existing budget documents. The California Transportation Commission (CTC) requires jurisdictions to submit documentation annually confirming that RMRA funds were specifically adopted for permissible local street and road purposes. Further, by October 16, 2017, the CTC also requires submission of a list of projects proposed to be funded with RMRA during fiscal year. Adoption of the attached resolution by Council will complete the CTC's requirements for Berkeley's RMRA project list submittal.

BACKGROUND

On April 28, 2017, the Governor signed SB1 to address basic road maintenance, rehabilitation and critical safety needs on the state highway, and local streets and roads system. SB1 provides for the deposit of various funds for the program in RMRA, which SB1 created in the State Transportation Fund, including the following:

- Revenues attributable to a \$0.12 per gallon increase in the motor vehicle fuel (gasoline) tax imposed by the bill with an inflation adjustment;
- 50% of a \$0.20 per gallon increase in the diesel excise tax, with an inflation adjustment;
- A portion of a new transportation improvement fee imposed under the Vehicle License Fee Law with a varying fee between \$25 and \$175 based on vehicle value and with an inflation adjustment; and
- A new \$100 annual vehicle registration fee applicable only to zero-emission vehicles model year 2020 and later, with an inflation adjustment.

SB1 provides that fuel excise tax increases take effect on November 1, 2017, the transportation improvement fee takes effect on January 1, 2018, and the zero-emission vehicle registration fee takes effect on July 1, 2020.

The first apportionments to cities are expected to begin in mid-January 2018. Similar to the Highway Users Tax Account (HUTA), the RMRA is continuously appropriated, and apportioned on a monthly basis. There is not a set monthly amount as it is based on actual fuel consumption and vehicle registrations.

According to the applicable California Streets and Highways Code, eligible projects "shall be prioritized for expenditure on basic road maintenance and road rehabilitation projects, and on critical safety projects"¹. There is no use-it-or-lose-it requirement in SB1, so multi-year projects are eligible, including, but not limited to

- Road maintenance and rehabilitation
- Safety projects
- Railroad grade separations
- Complete streets components, including active transportation, bike/pedestrian, transit facilities, and stormwater capture projects
- Traffic control devices
- Match for state/federal funds for eligible projects

SB1 requires cities and counties to provide basic annual project reports to the CTC for projects to be funded through the RMRA. On August 16, 2017, the CTC adopted annual reporting guidelines for this funding. Those guidelines require jurisdictions to submit documentation annually to show RMRA funds were specifically adopted for allowed

¹ Streets and Highways Code – SHC Division 3. Apportionment And Expenditure Of Highway Funds Chapter 2. Road Maintenance And Rehabilitation Program Section 2030(A)

local streets and roads purposes, and also requires the submission of a list of projects proposed to be funded with RMRA during the fiscal year. Further, this legislation also requires annual reporting on work completed during the previous fiscal year. The annual reporting period runs from November 1st through October 31st, thus FY 2018 reporting will cover expenditures through October 31, 2018.

For the FY 2018 project list submittal to the CTC, staff has selected the pavement of two streets be reconstructed with the FY 2018 RMRA funds as part of the FY 2018 Street Rehabilitation project (18ST01). That project list is attached as Exhibit A to the Resolution. In future years, the RMRA project list will be presented to Council for consideration as part of the annual Capital Improvement Plan (CIP) budgeting process.

ENVIRONMENTAL SUSTAINABILITY

RMRA funds will benefit all modes of transportation, improving road surfaces for bicyclists and transit riders as well as for auto riders. Complete streets improvements such as bike lanes, curb ramps, and pedestrian crossing improvements are allowable uses of RMRA funds.

RATIONALE FOR RECOMMENDATION

A project list is required to be adopted by the City Council in order for the City to receive RMRA disbursements from the State Controller's office. Staff propose use of RMRA funds for rehabilitation or reconstruction of local streets as part of the FY 2018 Street Rehabilitation Project (18ST01). For FY 2018 staff selected Panoramic Way (entire street), and Prospect Street from the University of California at Berkeley Campus to Hillside Avenue. Since the street paving design is 65% complete at this time, we are on schedule to complete construction of that project before October 31, 2018. It should be noted that the project list provided is a plan. In the end of year reporting on actual spending of RMRA funds, the CTC allows for the completion of projects not included on this list, as long as they meet the requirements for RMRA funding.

ALTERNATIVE ACTIONS CONSIDERED

No reasonable alternative exists as the City's pavement condition is in need of continued maintenance and rehabilitation.

CONTACT PERSON

Phillip L. Harrington, Director, Department of Public Works (510) 981-6303
Sean O'Shea, Manager, Administration and Fiscal Services (510) 981-6306

Attachments:

- 1: Resolution
- Exhibit A: Streets List

RESOLUTION NO. ##,###-N.S.

APPROVING PROPOSED PROJECTS ANTICIPATED TO BE PAID FOR BY THE STATE'S ROAD AND MAINTENANCE AND REHABILITATION ACCOUNT (RMRA) FUNDS FOR FISCAL YEAR 2017-18

WHEREAS, on April 28, 2017, the Governor signed Senate Bill 1 (SB1), known as the Road Repair and Accountability Act of 2017; and

WHEREAS, the City of Berkeley will receive funding from this act from a newly created Road Maintenance and Rehabilitation Account (RMRA), beginning in FY 2018; and

WHEREAS, RMRA funds may be used by the City for basic road maintenance, rehabilitation, and critical safety projects on local roadways; and

WHEREAS, SB1 requires cities and counties to provide basic annual RMRA project reporting to the California Transportation Commission (CTC); and

WHEREAS, in order for the City to receive anticipated RMRA funds from the State of California pursuant to SB1 in a given fiscal year, a city or county must submit to the CTC an annual list of projects proposed to be funded with RMRA funds; and

WHEREAS, the list of projects proposed to receive funding must be adopted at a regular public meeting.

NOW THEREFORE, BE IT RESOLVED by the Council of the City of Berkeley that the proposed list of street maintenance projects shown in Exhibit A is approved for FY 2018 and the City Manager is authorized to submit the California Transportation Commission as required by Senate Bill (SB) 1, Road Repair and Accountability Act of 2017.

Exhibit A

Road Maintenance and Rehabilitation Account (RMRA)

Planned Project List - FY 2017-18

FY 2018 Street Rehabilitation

- Panoramic Way – For the entire street (Canyon Road to east city limit), approximately 3591 LF (0.68 miles), reconstruct the pavement. This work will provide a 20 year useful life. Work is anticipated to start construction in May 2018 and be completed by October 31, 2018.
- Prospect Street – From UC Berkeley Campus to Hillside Avenue, approximately 686 LF (0.13 miles), reconstruct the pavement. This work will provide a 20 year useful life. Work is anticipated to start construction in May 2018 and be completed by October 31, 2018.

