



City of Woodland

REPORT TO MAYOR AND CITY COUNCIL

AGENDA ITEM

TO: THE HONORABLE MAYOR
AND CITY COUNCIL

DATE: November 18, 2008

SUBJECT: Approve Proposition 1B 2008/09 Allocation Request and Add Project 08-67, Prop 1B Road Maintenance Project to the Capital Budget

Report in Brief

The Highway Safety, Traffic Reduction, Air Quality, and Port Security Bond Act of 2006, approved by California voters as Proposition 1B on November 7, 2006, authorized the state to sell approximately \$20 billion in general obligation bonds. The bond proceeds are for the Local Street and Road Improvement, Congestion Relief and Traffic Safety Account and allocated \$2 Billion to cities and counties.

With the passage of the FY 2008/09 state budget, an additional \$187 million allocation of Proposition 1B funds was authorized as AB 88 (Budget Trailer Bill). This appropriation is available on a first-come, first-served basis to cities that have already received their full allocation in FY 2007/08.

Staff recommends that the City Council authorize the request of Proposition 1B 2008/09 allocations up to the amount of \$822,247; authorize staff to submit the request to the State Department of Finance and amend the capital budget to include project 08-67, Prop 1B Road Maintenance Project as described herein.

Background

The language in the proposition is very broad with respect to the eligible uses for the Local Streets and Roads funding. The bond language states that the proceeds can be used for “projects that will assist in reducing local traffic congestion and further deterioration, improving traffic flows, or increasing traffic safety that may include but is not limited to, street and highway pavement maintenance, rehabilitation, installation, construction and reconstruction of necessary associated facilities such as drainage and traffic control devices, or the maintenance, rehabilitation, installation, construction and reconstruction of facilities that expand ridership on transit systems, safety projects to reduce fatalities, or as a local match to obtain state or federal transportation funds for similar purposes.”

These potential revenues are intended to supplement existing investments in local streets and roads. The total appropriation to the City of Woodland is \$1,692,170 in the Local Streets and Roads category. The City was allocated \$869,518 for FY 2007/08 which was applied to the Lincoln Avenue Rehabilitation Project. The remaining \$822,247 can be requested from the state during this round of allocation requests.

The Department of Finance intends to have the allocation plan online in November which will allow cities to apply for this first-come, first-served funding. Staff intends to obtain authorization to request the funding now, so that as soon as the forms are available, staff can immediately submit the City's request for allocation.

Discussion

This allocation from the State is intended to fund projects that currently do not have dedicated funding. As such, staff is recommending that a new project be added to the capital budget. This capital project will be fully funded by the Proposition 1B 08/09 allocation.

At this time, the amount of funding the City will receive is uncertain. Staff believes that the City is early enough in the process and that Woodland may potentially receive the entire remaining Prop 1B balance. However, because the funding is being distributed on a first-come, first-served basis, there is a chance that Woodland will not receive any funding.

The treatments applied are dependent upon the amount of funding received. Regardless of funding amounts, the project will include surface seal work according to the pavement maintenance plan and the 2008 Road Report. If a substantial amount of the remaining balance is allocated to the City, work will be focused on Zones 1 and 3 as defined by the 2008 Road Report - the area bounded by West Street, CR 98, Gibson Road and the north City limits.

This work, as with any preventative maintenance, is important for the life of City streets as it maintains good streets before they deteriorate. Preventative maintenance also does whatever possible to bring deteriorated streets back to serviceable condition. The focus for the program is selecting the right treatment, at the right time, for the right street. This makes maintenance project design highly variable and time dependent, which also makes it difficult to state much in advance of a project, specifically what will be done and where. However, staff will be accomplishing this work through a contact and more precise information will be forthcoming prior to and at the time of bid award.

Proposition 1B funds do not require a local match and can be used on all phases of the project. The State requires that this funding is encumbered by June 30, 2009. Staff is planning to design this project during the winter and bid/award the project in early spring in order to meet this deadline.

It is important that the City obtain this funding this year as it does not accrue interest. As such, the net present value of the funding is greater than the future value of requesting allocations at a later

time or requesting partial allocations annually. Additionally, staff anticipates a favorable bidding climate this next year which increases the value of these funds to the program.

Fiscal Impact

There are no impacts to the current Capital or Operating Budgets as this project will be fully funded with State funds.

If the City receives this funding, Project 08-67 will be shown in the mid-year Capital Budget adjustment with all funding authorized in the 08/09 fiscal year.

Public Contact

Posting of the City Council agenda.

Alternative Courses of Action

1. Authorize staff to request Proposition 1B 2008/09 allocations up to the amount of \$822,247; authorize staff to submit the request to the State Department of Finance and amend the Capital Budget to include Project 08-67, Prop 1B Road Maintenance Project as described herein.
2. Direct staff not to request funding at this time.

Recommendation for Action

Staff recommends that the City Council approve Alternative No. 1.

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