

AGENDA: JUNE 16, 1998

DEPARTMENT OF
PUBLIC WORKS



COUNTY OF SANTA CRUZ

GOVERNMENTAL CENTER

701 OCEAN STREET, SANTA CRUZ, CALIFORNIA 950604070

JOHN A. FANTHAM
DIRECTOR OF PUBLIC WORKS

(408) 454-2160

FAX (408) 454-2385

June 4, 1998

SANTA CRUZ COUNTY BOARD OF SUPERVISORS
701 Ocean Street
Santa Cruz, CA 95060

SUBJECT: ROAD RECONSTRUCTION, DRAINAGE IMPROVEMENTS
AND STORM DAMAGE REPAIR FUNDING ALTERNATIVES

Members of the Board:

In conjunction with your Board's directive of May 5, 1998, in which you approved the creation of a task force consisting of representatives of the Public Works Department, the County Administrative Office, the Santa Cruz County Regional Transportation Commission, County Counsel, each of the four cities, the Transit District, the Santa Cruz Business Council, the California Service Station and Auto Repair Association, and a Board member, a preliminary committee meeting was held on May 12, 1998, in the offices of the Transportation Commission to discuss the subject issues and to schedule the first formal meeting of this regional task force.

The meeting, which was called by Supervisor Almquist, was attended by staff representatives of each of the above agencies (except the Business Council representative, who was unable to make the meeting) with Councilperson Mike Rotkin attending in an unofficial capacity representing both the City of Santa Cruz and the Transit District. We have attached a copy of the meeting agenda and attendance sheet.

County and city public works representatives presented rough estimates of their unfunded road maintenance and storm damage repair needs (refer to the May 5, 1998, Board letter on this subject). Transit needs related to bus turnouts and related road congestion relief improvements were also mentioned. It was noted that having such local road funds would also serve to increase each agency's chances of qualifying for various state and federal grants where matching local shares are often needed. There was also some discussion about how the various road rehabilitation projects would be integrated into the Transportation Commission's update of the Regional Transportation Plan.

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The committee also discussed various issues related to a gas tax versus a sales tax. County Counsel noted that while a sales tax submitted to the voters as a general tax could be approved by a simple majority vote, it is undetermined whether an advisory measure could be joined with the general tax measure regarding the preferred use of the tax revenues. (The legality of such dual ballot measures is still being considered by the courts in relation to a recent sales tax measure approved by Santa Clara County voters). Counsel noted that if a sales tax is to be submitted to the voters as a special tax, a joint powers authority must first be appointed and a specific spending plan created for the County and each city. Authority now exists in state law for a county-wide gas tax, which would require a two-thirds vote of approval, but there may be a significant advantage in timing such an election to coincide with a measure now being considered by the Metropolitan Transportation Commission (MTC) for the nine San Francisco Bay Area counties, scheduled for November 2000.

Committee members were generally of the opinion that the distribution of funds from a new gas or sales tax should not be made strictly on the basis of maintained road mileage. It was generally agreed that, in order to insure a more equitable funding distribution, other factors such as vehicle license fee distributions or vehicle registration and population should also be factored into the equation.

The representative from the Service Station and Auto Repair Association noted that local gas station dealers would most likely oppose a local gas tax increase, particularly if it were not done in conjunction with a similar measure in the Bay Area. The committee recognized that the timing for preparation and formation of the joint powers authority or other necessary formal agency actions, as well as garnering strong public support and publicizing the measure, would be very short if we were to try to place it on this year's ballot. The general consensus of the group was that some sort of local tax proposal was definitely needed to maintain the existing transportation infrastructure given the present funding shortages, but for it to have a real chance of passing, a well-planned voter poll, coordinated with both the Bay Area and Monterey County proposals, could not be implemented in time for placing a tax increase on the November 1998 ballot.

As part of your Board's actions of May 5, 1998, you also directed that plans for ongoing Parks funding be provided in the context of any tax recommendations. As indicated above, no specific recommendations relative to a tax are being made at this time. I have been in contact with the Parks Director, and he indicates that he will include further discussion of this issue during his presentation to your Board at budget hearings.

It is therefore recommended that the Board of Supervisors take the following action:

1. Authorize the Chairperson to send formal requests to each of the four city councils, the Transportation Commission, and the Transit District, as well as the Santa Cruz Business Council and Chamber of Commerce, and the Service Station and Auto Repair Association, to appoint an official representative to the regional task force.

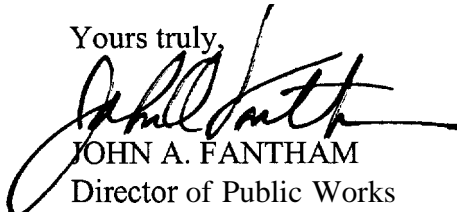
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2. Direct County Counsel to provide the task force with a report on the legal procedures required to implement either a local gas tax or a sales tax, together with a report on the lawsuit involving Santa Clara County's sales tax proposal.
3. Direct Public Works, in conjunction with the other members of the task force, to prepare an agenda and related materials for the initial meeting of the task force.
4. Direct the Public Works Department to notice the regional task force's meeting, now scheduled for 10:00 a.m., July 29, 1998, in the Transportation Commission conference room.

Yours truly,

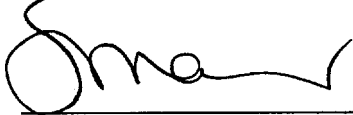


JOHN A. FANTHAM
Director of Public Works

TLB:rw

Attachments

RECOMMENDED FOR APPROVAL:



County Administrative Officer

Copy to: City of Capitola
 City of Santa Cruz
 City of Scotts Valley
 City of Watsonville
 Santa Cruz Co. Regional Transportation Comm.
 Santa Cruz Business Council

Service Station Repair Association
 Santa Cruz Chamber of Commerce
 Santa Cruz Metropolitan Transit Dist.
 County Administrative Office
 County Counsel
 Public Works Department

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Regional Task Force - Preliminary Committee Meeting
Location: Regional Transportation Commission Conference Room
10:00 A.M., Tuesday, MAY 12, 1998
1523 Pacific Avenue

1. Introductions - (See Sign-in Sheet)
2. Discussion of Local Agency Priority Projects
 - a. Storm Damage Repairs
 - b. Pavement Management and Drainage/Culvert Repair Work
 - c. Roadway Improvements (e.g., funding for guardrail projects, roadway geometric improvements, & other highway safety jobs)
 - d. Traffic Congestion Issues
 - e. Other Transportation Infrastructure Needs
3. Gas Tax vs. Sales Tax
 - a. Pros and Cons
(Reference: MTC 1998 Regional Transportation Plan Overview)
 - b. Allotment of funds to local agencies - Alternative formulas
 - c. Possible election timetables, deadlines and coordination with other counties and agencies
4. Next Steps
 - a. Report back to the Board of Supervisors on June 9, 1998.
 - b. Report to the various City Councils, Transit District & Transportation Commission
 - c. Committee Recommendations
5. Proposed Task Force Meeting Date - 10 a.m., Weds. July 29, 1998
6. Conclusion

PRELIMINARY

REGIONAL "TASK FORCE" MEETING
MAY 12, 1998

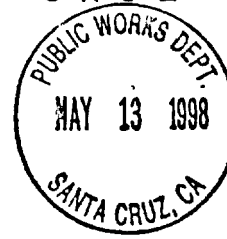
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<u>NAME</u>	<u>REPRESENTING</u>	<u>PHONE NO.</u>
Ken Anderson	City of S.V.	438 5854
Fred Braun	City of Capitola	475-7300
Peter Cota-Robles	County of S.C. Admin Office	454-3403
CHRIS SCHNEITER	CITY OF SANTA CRUZ PW	429-3614
Tan Bolich	County of Santa Cruz DPW	454-2160
Pat Dellin	SCCRT	460-3202
Debbie Hale	SCCRT	460-3209
David Koch	City of Watsonville	728-6046
Susan Mauriello	CAO, County of SC	454-3400
Dwight Herr	County Council of SC	454-2040
John A. FANTHAN	" P/W	454 2160
JEFF ALMQUIST	SC COUNTY BD.	454 2200
Larry Heiman	Petroleum Consultant	353-2228
+ Mike Rotkin	(unofficially - on behalf of Transit Dept.)	=====

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COUNTY OF SANTA CRUZ

STATE OF CALIFORNIA



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AT THE BOARD OF SUPERVISORS MEETING

On the Date of May 5, 1998

REGULAR AGENDA Item No. 045.2

(APPROVED creation of a task force consisting of (representatives of the Public Works Department, the (County Administrative Office, the Santa Cruz County (Regional Transportation Commission, County Counsel, (each of the cities, the Transit District, the Santa (Cruz Business Council, the California Service Station (and Auto Repair Association and a Board member to (report back to the Board on' June 9, 1998, with a (recommendation to develop a gas tax increase, or other (tax increase proposal to address the County's road (repair, drainage, and resurfacing funding needs for (consideration by the voters of Santa Cruz County for (the November, 1998 election ballot; directed County (Counsel to report back June 9, 1998 on the legal (authority regarding authorization for this kind of (measure; additionally directed the County (Administrative Officer to report back on June 9, 1998 (regarding deadlines by which various legal steps would (need to be accomplished as well as deadlines for (ballot arguments, plans for Park funding and the (status of the initiative campaign in relation to the (Utility Tax.

Upon the motion of Supervisor Almquist, duly seconded by Supervisor Belgard, the Board, with Supervisors Symons and Wormhoudt voting "no", approved creation of a task force consisting of representatives of the Public Works Department, the County Administrative Office, the Santa Cruz County Regional Transportation Commission, County Counsel, each of the cities, the Transit District, the Santa Cruz Business Council, the California Service Station and Auto Repair Association and a Board member to report back to the Board on June 9, 1998, with a recommendation to develop a gas tax increase or other tax increase proposal to address the County's road repair, drainage, and resurfacing funding needs for consideration by the voters of Santa Cruz County for the November, 1998 election ballot; directed County Counsel to report back June 9, 1998 on the legal authority regarding authorization for this kind of measure; additionally directed the County Administrative Officer to report back on June 9, 1998 regarding deadlines by which various legal steps would need to be accomplished as well as deadlines for ballot arguments, plans for Park funding and the status of the initiative campaign in relation to the Utility Tax

State of California, County of Santa Cruz-ss.

I, Susan A. Mauriello, Ex-officio **Clerk of the Board of Supervisors of the County of Santa Cruz, State of California, do hereby certify that the foregoing is a true and correct copy of the order made and entered in the Minutes of said Board of Supervisors. In witness thereof I have hereunto set my hand and affixed the seal of said Board of Supervisors.**

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COUNTY OF SANTA CRUZ
STATE OF CALIFORNIA



AT THE BOARD OF SUPERVISORS MEETING
On the Date of May 5, 1998

REGULAR AGENDA Item No. 045.2

cc:

Director of Public Works
County Administrative Officer
Santa Cruz County Regional Transportation Commission
County Counsel
City of Santa Cruz
City of Scotts Valley
City of Capitola
City of Watsonville

NO.	ROUTE DATA	COPY	ATT
1	DIRECTOR	✓	✓
2	ASST DIR. CPR	✓	✓
	CSA/CLAIMS		
	OPR. PROJ/PPKG		
	PERMITS/ENCR		
	RDS/DRAIN/ECP		
	SANIT/LANDF		
3	ASST DIR. PS.	✓	✓
	CONSTRUCTION		
	DRAINAGE		
	SANIT. ENG		
	SOLID WASTE		
4	ASST DIR. RE.	✓	✓
	DESIGN		
	R.D.A.		
	RD. PLAN/TRAFF		
	SURVEY		
5	CHIEF OF DIV.	✓	✓
	REG. SERV.		

State of California, County of Santa Cruz-ss.

I, **Susan A. Mauriello**, Ex-officio Clerk of the Board of Supervisors of the County of Santa Cruz, State of California, do hereby certify that **the foregoing is a true and correct copy of the order made and entered in the Minutes of said Board of Supervisors.** In witness thereof I have hereunto set my hand and affixed the seal of said Board of Supervisors, on May 11, 1998.

by Julia Sullivan, Deputy Clerk

BOARD OF SUPERVISORS



COUNTY OF SANTA CRUZ

GOVERNMENTAL CENTER

701 OCEAN STREET SANTA CRUZ, CALIFORNIA 95060-4069
(408) 454.2200 ATSS 564-2200 FAX (408) 454-3262 T D D (408) 454-2123

JANET'K. BEAUTZ
FIRST DISTRICT

WALTER J. SYMONS
SECOND DISTRICT

MARDI WORMHOUDT
THIRD DISTRICT

RAYBELGARD
FOURTH DISTRICT

JEFF ALMQUIST
FIFTH DISTRICT.

AGENDA: 5/5/98

April 30, 1998.

BOARD OF SUPERVISORS
County of Santa Cruz
701 Ocean Street
Santa Cruz, CA 95060

RE: ROAD RECONSTRUCTION, DRAINAGE IMPROVEMENTS
AND STORM DAMAGE REPAIR FUNDING

Dear Members of the Board: .

Over the past three years, our County's road system sustained more than \$8.6 million in storm damage. This winter, as a result of the 1998 El Niño storms, our road system has suffered further impacts, with an estimated additional \$4.6 million in damage. Of this four-year damage total of more than \$13.2 million, Public Works estimates that a little more than \$8 million will be provided through the Federal Emergency Management Agency (FEMA) and the State Office of Emergency Services (OES), leaving nearly \$5 million to be financed with local funds.

The Public Works Pavement Management' System indicates that in addition to the road repair costs associated with these four years of storms, it will take at least another \$14 million of road resurfacing, reconstruction work, and drainage improvements over the next five years just to maintain our 607 miles of roads at minimum acceptable standards. Drainage systems associated with our roads, if left unrepaired, will continue to create enormous liability exposure for the County.

It is easy to find examples of significant road projects that do not presently have any identifiable source, or inadequate sources, to provide full repairs. These include major slide damage projects on El Rancho Drive, White Road, Highland Way, Amesti Road, Eureka Canyon, Smith Grade, Kings Creek Road, and Mt. Bache Road, and a major culvert failure on San Andreas Road at Manresa Road.

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BOARD OF SUPERVISORS
April 30, 1998
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According to a Public Works evaluation prepared prior to the December, 1996 and January, 1997 storm events, the County's road system was rated overall at a pavement rating of 63 on a 100 point scale. 'A rating of 63 represents the mid point of the "fair condition" category. It has obviously deteriorated since then. If new funding is not made available, a large percentage of the road system will continue to deteriorate to an overall "poor" rating and will require major reconstruction to repair, making the cost of the deferred maintenance that much greater.

The gradual disintegration of the County road system and its related drainage system continues to have a major impact on the environment, another unintended result of our inability to appropriate sufficient maintenance funds. Culverts that are undersized or that have deteriorated due to age and poorly maintained road surfaces will continue to wash out, contributing substantially to the unnatural sediment loading our County's streams, creeks, and rivers. It is this sediment load that is the principle obstacle to restoration of our coastal rivers and streams as viable fish habitats. If we do not address these sources in places like Kings Creek, the extraordinary funds we are receiving and spending through grants to restore our streams will be wasted.

When factored together, the estimated overall cost to restore the, County's road and drainage system to the point where it can adequately meet current transportation needs is at least \$19 million over the next five years. Without this funding, many of our roads may never be repaired, and the County will have to spend virtually all of its available road budget revenue just trying to maintain our critical arterial and collector routes at minimal levels. Ultimately, some minor roads may have to be abandoned or returned to unpaved, dirt routes, and our resurfacing program would be reduced to no more than slurry sealing and pothole repairs. There are insufficient funds in the road and drainage district budgets to adequately address the failing culvert and road drainage systems.

Clearly, this result must be avoided if at all possible. We therefore propose that the Board should initiate a process to study the feasibility of placing a County gas tax measure on the ballot. Passage of a gas tax by the voters of the County would generate badly needed funding to use in the maintenance and repair of our road and road drainage system.

Such a tax would best be collected County-wide, requiring that the issue of a sharing formula with the cities be addressed. One possible way of apportioning such a tax would be to base it on the relative proportion of miles of road maintained by the

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various jurisdictions. Using such a formula, it would require a tax of about \$.05 per gallon to raise the funds needed to address these problems over a five year period.

Information obtained from the California Energy Commission indicates that an estimated 113,589,000 gallons of gasoline were sold at retail in this County in 1995. Presumably, that amount has increased somewhat as statewide consumption increased about 1 percent per year.

The Public Works Department indicates that the cities and County maintain the length of road miles shown on the chart below. A five cent tax, using the Energy Commission estimate, would generate about \$5.679 million annually, which would be allocated as shown below if this formula were used:

<u>Jurisdiction</u>	<u>Road Miles</u>	<u>Percent</u>	<u>Millions</u>
Watsonville	83	9.4%	\$.535 million
Santa Cruz	136	15.4%	. 877 million
Scotts Valley	33	3.8%	. 213 million
Capitola	22	2.5%	. 142 million
county-unincorporated	<u>6 0 7</u>	<u>68.9%</u>	<u>3.913</u> million
Total	881	100%	\$5.679 million

We are not inclined to propose tax increases as the means to solve governments' problems. We believe that such a tax should sunset when it is **no** longer needed; i.e., at the end of the fifth year, or at any sooner time that the State restores to us a sufficient portion of our property taxes to allow us to address these issues. We believe that such a measure should contain restrictions which ensure that the funds will supplement, rather than supplant, existing resources dedicated to road maintenance. However, given the enormity of the problems the County faces, we feel that we are obliged to take the steps necessary to make the public aware of the seriousness of the problem and give voters the opportunity to consider and vote on a solution. If the State Legislature and Governor were to return to the County the right to collect and use all of the property tax revenues that they have taken over recent years, we would have the resources to begin to address this problem; however, as things stand, we clearly do not have the ability to meaningfully address this problem.'

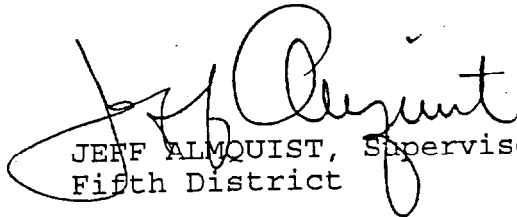
We therefore recommend that the Board create a task force consisting of representatives of the Public Works Department, the County Administrative Office, the Santa Cruz County Regional Transportation Commission, County Counsel, City representatives, and a Board member to report back to our Board on June 9, 1998, with a recommendation to develop a gas tax increase proposal to

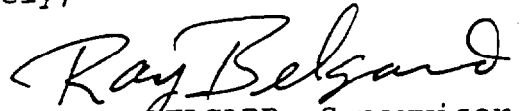
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BOARD OF SUPERVISORS
April 30, 1998
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address the County's road repair, drainage, and resurfacing funding needs for consideration by the voters of the County for the November, 1998 election ballot.

Sincerely,


JEFF ALMQUIST, Supervisor
Fifth District


RAY BELGARD, Supervisor
Fourth District

JA/RB:ted

cc: Director of Public Works
County Administrative Officer
Santa Cruz County Regional Transportation Commission
County Counsel
City of Santa Cruz
City of Scotts Valley
City of Capitola
City of Watsonville

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INSERT ADDRESS FOR EACH TASK FORCE AGENCY:

City Councils of Capitola, Santa Cruz, Scotts Valley and Watsonville; the Santa Cruz County Regional Transportation Commission; the Santa Cruz Metropolitan Transit District; the Santa Cruz Business Council and the Chamber of Commerce, and the Santa Cruz Area Service Stations and Auto Repair Association

SUBJECT: REPRESENTATION ON THE REGIONAL TASK FORCE
FOR ROAD RECONSTRUCTION FUNDING ALTERNATIVES

Following our initial discussions last month concerning funding shortfalls for critical road reconstruction, roadway drainage and storm damage repair work, at its meeting on June 9, 1998, our Board directed me as Chairperson to formally request that your agency appoint one of its members to represent you on the Santa Cruz County Regional Task Force. Each city is also encouraged to include a representative from their public works department at the Task Force meetings. The first meeting of the Task Force is now scheduled for July 29, 1998 at 10 am in the offices of the Transportation Commission (agendas will be circulated in advance by the Clerk of the Board).

We all recognize the impact that the past four years of storm-related disasters has had on our transportation system, and the problems each city, the County and the Transit District have in maintaining their present infrastructure. It would be the goal of this Task Force to determine whether it would be feasible to raise additional funding needed to address these problems either through a local gas tax or an increase in the sales tax sometime in the next two years (most likely on the November, 2000 ballot).

We hope you will agree that these are issues that need to be addressed and that your agency will participate in these discussions. Without your support it is unlikely that any kind of tax increase would ever garner the voter necessary to pass!

Sincerely,

Jan Beautz, Chairperson
Santa Cruz County
Board of Supervisors

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CITY OF SCOTTS VALLEY
701 LUNDY LANE
SCOTTS VALLEY, CA 95066

CITY OF CAPITOLA
420 CAPITOLA AVENUE
CAPITOLA, CA 95010

CITY OF SANTA CRUZ
809 CENTER STREET
SANTA CRUZ, CA 95060

REGIONAL TRANSPORTATION
COMMISSION
1523 PACIFIC AVENUE
SANTA CRUZ, CA 95060

CITY OF WATSONVILLE
P. O. BOX 50000
WATSONVILLE, CA 95077-5000

SERVICE STATION REPAIR ASSN
190 - 12th AVENUE
SANTA CRUZ, CA 95062

SANTA CRUZ METROPOLITAN
TRANSIT DISTRICT
230 WALNUT AVENUE
SANTA CRUZ, CA 95060

SANTA CRUZ BUSINESS COUNCIL
740 FRONT STREET
SANTA CRUZ, CA 95060

SANTA CRUZ CHAMBER OF
COMMERCE
725 FRONT STREET
SANTA CRUZ, CA 95060

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