

RESOLUTION NO. 2015-111

CITY COUNCIL CONSIDER ADOPTING RESOLUTION NO. 2015- , RECEIVING INFORMATION ON STATE AND COUNTY TRANSPORTATION AND ROAD MAINTENANCE FUNDING INITIATIVES AND PROVIDE STAFF WITH ANY FURTHER DIRECTION

WHEREAS, Mayor Bruce Delgado attended the August 7, 2015, Monterey County Mayors Assoc. meeting and concluded Marina City Council and the City of Marina community would benefit from an organized provision of information regarding one Monterey County transportation funding initiative and one State funding initiative, both of which would include significant funding for City of Marina road maintenance and,

WHEREAS, The City of Marina staff estimates a City-wide need of \$17M to maintain 156 miles of road lanes and,

WHEREAS, The Self-Help Counties Coalition (www.selfhelpcounties.org) of 19 California counties encourages County transportation agencies such as TAMC to pass a voter-approved transportation "self-help" sales tax. Such county sales taxes provide funding for a variety of transportation projects and enable self-help counties to apply for Calif. Transportation Commission funding not available to non-self-help counties and,

WHEREAS, TAMC is considering placing a 20- or 30-year, 3/8 cent or 1/2 cent, county-wide transportation sales tax on the November 8, 2016 election ballot. Currently, this proposed tax would allocate 25% of collected revenue directly to local-county and cities and 75% to TAMC for county regional projects. The 3/8 cent and 1/2 cent proposals are estimated to bring in \$19M or \$26M respectively, of which the 25% local allocations would include an estimated \$195K or \$260K to the City of Marina and,

WHEREAS, The California League of Cities and many other organizations have formed the Fix-Our-Roads Coalition which is advocating that Governor Brown and the state legislature pass a State-wide funding initiative in a special legislative session this fall that would provide \$3B annually. This \$3B would be split 50/50 between cities and counties and would include approx. \$1.3M (population-based allocation) for the City of Marina's road maintenance and infrastructure projects and,

WHEREAS, the California State Senate and State Assembly plan to process some form of legislation this fall to potentially fund state-wide transportation infrastructure needs and,

WHEREAS, no City funds would be expended to receive this information and only limited funds would be used to support staff time as the City Manager finds appropriate,

NOW, THEREFORE IT BE RESOLVED that the City Council of the City of Marina does hereby:

1. Adopting Resolution No. 2015-, approving 1) receipt of information regarding 1) Self-Help Counties Coalition and Transportation Agency of Monterey County (TAMC) proposal for 2016 transportation tax and 2) Fix-Our-Roads Coalition information supporting State funding for annual road maintenance for California cities and counties.

2. Direct staff to negotiate with TAMC to achieve maximum benefit to the City of Marina.

Motion

Morton amadeo direct cm as he cont to expl with tamc 3/8 that percentate utiilixrd for city of marina be city of marina or more and provide additional communication withthm
Staff to decide on approp communication

Layne the other part we will cont with neg need more detail on per

Fraank.

Stress the need for oversight committee

Motion holds

Unanimous

PASSED AND ADOPTED by the City Council of the City of Marina at a regular meeting duly held on the 18th day of August, 2015 by the following vote:

AYES: COUNCIL MEMBERS: Amadeo, Morton, O'Connell, Delgado

NOES: COUNCIL MEMBERS: None.

ABSENT: COUNCIL MEMBERS: Brown

ABSTAIN: COUNCIL MEMBERS: None.

Bruce C. Delgado, Mayor

ATTEST:

Anita DeAmaral, Deputy City Clerk

August 17, 2015

Item No. ~~8f(1)~~ -11a

Honorable Mayor and Members
of the Marina City Council

AMENDED

City Council Meeting
of August 18, 2015

**CITY COUNCIL CONSIDER ADOPTING RESOLUTION NO. 2015-
RECEIVING INFORMATION ON STATE AND COUNTY TRANSPORTATION
AND ROAD MAINTENANCE FUNDING INITIATIVES AND PROVIDE STAFF
WITH ANY FURTHER DIRECTION**

REQUEST:

It is requested that the City Council consider:

1. Adopting Resolution No. 2015-, approving 1) receipt of information regarding a) Self-Help Counties Coalition and Transportation Agency of Monterey County (TAMC) proposal for 2016 transportation tax and b) Fix-Our-Roads Coalition information supporting State funding for annual road maintenance for California cities and counties.
2. Provide staff with any further direction in the matter.

BACKGROUND:

Mayor Bruce Delgado attended the Aug. 7, 2015, Monterey County Mayors Assoc. meeting and concluded Marina City Council and the City of Marina community would benefit from an organized provision of information regarding one Monterey County transportation funding initiative and one State funding initiative, both of which would include significant funding for City of Marina's road maintenance program.

The City of Marina staff estimate (most recent Pavement Mgt. Inspection Report) and as reported at the July 21, 2015, City Council meeting, there is a City-wide need of \$17M to maintain 156 miles of road lanes during the next 10 years or approximately \$1.7M annually. (see **EXHIBIT A-** Monterey County Summary of Road Maintenance Needs)

There are two new proposed funding initiatives being considered, one by TAMC and one by the Calif. State Legislature. These are discussed below.

TAMC Proposed 2016 Transportation Ballot Measure

The Self-Help Counties Coalition (www.selfhelpcounties.org) of 19 California counties encourages County transportation agencies such as TAMC to pass a voter-approved transportation "self-help" sales tax. Such county sales taxes provide funding for a variety of transportation projects (see **EXHIBIT B-** Coalition info sheet) and enable self-help counties to better compete for Calif. Transportation Commission (CTC) and other funding. According to TAMC Executive Director, Debbie Hale, "there are tremendous opportunities for matching funds and right now there are several pots of funding, not just one that the CTC has. As with city projects, most grantors of regional transportation projects a) don't grant 100% of funds, they want recipients to put up their own money first (tough to do for MoCo because we don't have much of that) , and 2) they just want to pay for construction, not design and environmental review. Having regional funding via "self-help" will give MoCo a leg up in getting several different pots of state and federal funds."

TAMC is considering placing a 20- or 30-year, 3/8 percent or 1/2 percent, county-wide transportation sales tax on the November 8, 2016 election ballot. Currently, this proposed tax would allocate 25% of collected revenue directly to local-county and cities and 75% to TAMC for county regional projects. The 3/8 percent and 1/2 percent proposals are estimated to bring in \$19M or \$26M respectively, of which the 25% local allocations would include an estimated \$195K or \$260K to the City of Marina (see **EXHIBIT C**-2016 Transportation Measure Return to Source Estimates.) A \$260K annual allocation to Marina would represent 15% of Marina's \$1.7M annual need for road maintenance (See Exhibit A.)

According to City of Marina Finance Dept. Director, Lauren Lai, “the California state sales tax rate is **7.5%**, Total sales tax in the City of Marina is 8.625%. This includes the following:

State of California	7.50% (1% or 0.75% comes directly to the City)
MST	0.125 %
<u>City of Marina</u>	<u>1.00% (Measure E)</u>
Total Marina tax	8.625%

The cap is 2% for local add-on transaction & use tax (aka “sales tax”). Given that the total sales tax charged in Marina is 8.625% (1.125 above the 7.5% State sales tax), there is a potential remaining sales tax space in the City of Marina of 0.875% (aka 7/8 of a percent).

To determine how much is available within the 2% cap for the City of Marina, this is the approach:

Cap of 2%
Less MST 0.125%
Less City of Marina (Measure E) 1%
Equals City of Marina available amount of 0.875(aka 7/8)%”

If TAMC were to pass a 3/8% sales tax the City of Marina would be able to pass up to 4/8% of other City sales tax measures until such time as either the MST or TAMC taxes were to sunset.

Fix-Our-Roads Coalition support for State funding to fix entire transportation infrastructure including local roads.

The California League of Cities and many other organizations have formed the Fix-Our-Roads Coalition (see **EXHIBIT D**-July 30, 2015, letter to Governor Jerry Brown) which is advocating that Governor Brown and the state legislature pass a State-wide funding initiative in a special legislative session this fall that would provide \$6B annually for ten years. This \$6B would be split 50/50 between State and local. The \$3B local would be split 50/50 between cities and counties and would include approx. \$1.3M (population-based allocation) for the City of Marina's road maintenance and infrastructure projects (see **EXHIBIT E**- Proposed New Local Streets & Roads Funding, July 2, 2015).

The California State Senate Transportation & Infrastructure Committee in the Special Session is anticipated to schedule the initial bill hearing during the week of August 17th to consider measures introduced Assembly

The California State Assembly Speaker's Office is working with leadership to schedule a series of three local "road show" events that will include editorial board meetings, press conferences and community "round tables" in support of addressing the transportation crisis. The events being scheduled are being considered in the last two weeks of August with one in the north, one in the south, and one in the Central Valley. It is anticipated the leadership will share the framework of their proposed bill during this period.

ANALYSIS:

City Manager Layne Long is meeting on occasion with other Monterey County City Managers to discuss the potential TAMC ballot measure. If City Council has any specific direction or preference on whether the City of Marina supports or opposes this proposed ballot measure it is the council's discretion to choose the form in which to express this. City Council could also consider the following:

- 1) Is there a preference for a 3/8 or a 1/2 cent county sales tax?
- 2) Does Council support the proposed 75/25% split between TAMC and local jurisdictions?

Regarding the potential state-wide transportation funding initiative City Council could consider the following:

- 1) In addition to the support letter City Council authorized recently and sent by City Manager, individual City Council members could sign and mail in the Fix-Our-Roads support form (see **EXHIBIT F**)

FISCAL IMPACT:

No City funds would be expended to receive this information and only limited funds would be used to support staff time to address these matters as the City Manager finds appropriate.

CONCLUSION:

This request is presented for City Council consideration and possible action.

Respectfully submitted,

Bruce Delgado
Mayor
City of Marina