



Grass Valley • Nevada City

Nevada County • Truckee

COMMISSION

TO: Nevada County Transportation Commission
FROM: Daniel B. Landon, Executive Director
SUBJECT: Executive Director's Report for the January 17, 2018 Meeting
DATE: January 5, 2018

1. THE ROAD REPAIR AND ACCOUNTABILITY ACT OF 2017 (SB 1)

California counties will soon see a significant influx of new revenue to invest in the local street and road system from Senate Bill 1, a transportation funding package that was signed by Governor Brown in April 2017. SB 1 will generate \$54 billion over the next decade and California's state maintained transportation infrastructure will receive roughly half of SB 1 revenue, \$26 billion. The other half will go to local roads, transit agencies and an expansion of the state's growing network of pedestrian and cycle routes.

The 2016 California Statewide Local Streets and Roads Needs Assessment found that the condition of local streets and roads on average was "at risk", meaning that without an infusion of new funding, the infrastructure was on its way to failure.

SB 1 will generate over \$5 billion annually for state and local transportation improvements. Cities and counties are slated to receive 1.5 million at full implementation of SB 1.

A listing of the estimated revenue to be generated from SB 1 and the effective dates is shown below:

- \$1.8 billion from a \$0.12 increase to gasoline excise tax (November 1, 2017)
- \$730 million from a \$0.20 increase to diesel excise tax (November 1, 2017)
- \$300 million from a 4% addition to diesel sales tax (November 1, 2017)
- \$704 million from a one time loan repayment (2017-2020)
- \$1.6 billion from a \$25-\$175 transportation improvement fee (January 1, 2018)
- \$1.1 billion from a 17.3 cent reset of price based gas tax (July 1, 2019)
- \$20 million from a \$100.00 emission free vehicle registration fee (July 1, 2020)

Article XIX of the California Constitution protects 70% of the revenues generated by SB 1. A constitutional ballot measure, ACA 5, will go before the voters in June 2018, to extend the same constitutional protections to the remaining 30% of new revenues generated by SB 1.

Under SB 1 a new office of the Inspector General (IG) is created and charged with overseeing projects and programs to ensure all SB 1 funds are spent as promised. The IG is required to report annually to the state legislature. Cities and counties must publicly adopt and submit to the state a planned list of projects and year-end reporting that accounts for the use of SB 1 revenue that they receive.

Once fully implemented, approximately \$1.5 billion per year in new revenue is earmarked for local streets and roads maintenance and rehabilitation and other eligible uses, including traffic signals and drainage improvements. California's counties will share approximately \$750 million annually and the same amount will be allocated to cities.

Annual funding under SB 1 includes:

- Maintenance and Rehabilitation of the State Highway System: \$1.8 billion.
- Repairs to Local Streets and Roads: \$1.5 billion.
- New Funding to Transit Agencies: \$750 million.
- Trade Corridor Enhancement Program: \$300 million. (Money from this program will fund freight projects along important trade corridor routes.)
- Congested Corridors Program: \$250 million. (Money from this program will go to projects from regional agencies and the state that will improve traffic flow and mobility along the state's most congested routes, while also seeking to improve air quality and health.)
- Matching funds for local agencies: \$200 million. (This money will go to local agencies who are already making extra investment in transportation through voter approved transportation tax measures.)
- Local planning grants: \$25 million. (Provides support for local planning efforts to improve transportation investments.)
- 2% of the gas tax revenues collected from fuel sales for boats, agricultural equipment, and other off-highway vehicles will be used toward supporting infrastructure related to these economic and recreational activities.
- SB 1 directs \$7 million (1/10 of 1% of the total SB 1 revenues) to the California State University and University of California transportation research institutions for research related to improving transportation technology, practices, materials, and impacts to the environment.

Under the SB 1, Road Maintenance and Rehabilitation Account, local agencies in Nevada County will receive the following funds over the next 10 years:

- Nevada County \$47,351,103
- Grass Valley \$3,700,800
- Truckee \$4,622,072
- Nevada City \$931,270
- Countywide Total \$56,605,245

Caltrans will use SB 1 funds to complete a \$6 million drainage project that will repair culverts along State Route 49 from the Nevada-Placer County line to Kenwood Drive, south of Grass Valley.

Funding from SB 1 could stop flowing if either of two initiatives to repeal SB 1 qualify for the ballot and is approved by voters in November 2018. One measure is a statutory repeal of the provisions of SB 1. This initiative would eliminate SB 1's taxes and transportation program revenues, and also its accountability and oversight requirements.

The second initiative would seek to repeal SB 1's revenue streams by retroactively requiring a vote of the people to affirm any transportation or fuel related taxes approved by the legislature after January 1, 2017. The language of the initiative appears to apply to any future vehicle-related or fuel-related taxes or fees.

2. SR 49 CORRIDOR SYSTEM MANAGEMENT PLAN

The SR 49 corridor is an important route that serves local, regional, and interregional traffic. The route is a major connector for both automobile and truck traffic originating from the I-80 corridor in the Auburn area and the SR 49/20 corridor in the Grass Valley and Nevada City areas. SR 49 is a critical goods movement corridor and serves as a vital link to regional employment centers in Placer and Sacramento Counties. Safety, mobility, and capacity are major issues on the SR 49 corridor.

With the construction of California's State Highway System virtually complete in the Sacramento region, Caltrans' major emphasis on highway projects has largely shifted from new construction to operation, maintenance, and rehabilitation of existing facilities, with focused capacity expansions.

The first Corridor Management Plan for SR 49 was developed by NCTC in 1992. The purpose of that corridor management plan was to develop concepts and strategies to increase capacity and preserve operational function of SR 49. Following the passage of Proposition 1B in November 2006, Caltrans and its partners took a dynamic turn in transportation planning and systems operations, with the creation of Corridor System Management Plans (CSMPs). CSMPs are foundational documents supporting a partnership-based, integrated management of all travel modes (cars, trucks, transit, bicycles, and pedestrians) and infrastructure (highways, roads, rail tracks, information systems and bike routes) so that mobility along the corridor is provided in the most efficient and effective manner possible.

Caltrans' first CSMP for SR 49 was completed in 2009 and "State of the Corridor" reports were issued in 2010, 2011, and 2012. The 2009 CSMP was unique because two large major capital projects located between Wolf/Combie and Lime Kiln Roads in Nevada County were redefined into eight smaller projects based on a phasing plan developed by Caltrans and NCTC.

As part of the regional transportation planning process in FY 17/18, NCTC in coordination with Caltrans, is seeking proposals from consulting firms to assist with an update of the SR 49 CSMP. This update will identify operational deficiencies, bicycle route gaps, user safety enhancements, and operational improvements within the corridor from the Nevada/Placer County line to McKnight Way Overcrossing in Grass Valley. Through data analysis the consultant will develop a list of projects that improve safety on the transportation system, reduce travel time or delay on all modes, reduce traffic congestion, improve connectivity between modes and facilities, improve travel time reliability, and expand mobility options along the corridor in a cost-effective manner.

Responses to the Request for Proposals are due January 12, 2018. Consultant selection is scheduled for January 30, 2018, with contract execution on February 7, 2018.