



# CITY OF WHEATLAND

## CITY COUNCIL MEETING STAFF REPORT

February 27, 2018

**SUBJECT:** Adopt Resolution in Support of Prop 69 and in Opposition of the Repeal of SB1

**PREPARED BY:** Greg Greeson, City Manager

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### **Recommendation**

Staff recommends Council adopt the attached resolution in support of Prop 69 and in opposition of the repeal of SB1.

### **Background/Discussion**

The California League of Cities is seeking support resolutions for the Prop 69 ballot measure which will be on the June ballot and would offer additional protections to the transportation funding. The League would also like cities to consider opposing the proposed SB 1 repeal ballot measure which may be on the November Ballot and which would reduce city transportation related revenue.

Attached you will find a sample resolution for the support of Prop 69 and opposition of the repeal of SB 1. In addition, there is an attached spreadsheet showing what the City of Wheatland can expect to receive in transportation funding over the next 10 years not including competitive grants which will also be available and a fact sheets on the "Prop 69 and SB 1 Repeal Coalition" and on "SB 1 – Myths vs. Facts".

### **Attachments**

1. Resolution in support of Prop 69 and in opposition of the repeal of SB1
2. Spreadsheet showing expected transportation over the next 10 years for the City of Wheatland
3. "Prop 69 and SB 1 Repeal Coalition" Fact Sheet
4. "SB 1 – Myths vs. Facts" Fact Sheet

Sample Resolution Prop 69 Support and Opposition to SB 1 repeal

**WHEREAS**, California’s cities, counties and transportation agencies face a statewide backlog of over \$130 billion in needed funds to make transportation infrastructure improvements; and

**WHEREAS**, “The Road Repair and Accountability Act” (SB 1 – Beall) passed by the Legislature and signed by the Governor last year will raise \$5 billion annually in long-term, dedicated transportation funding to make road safety improvements, fill potholes and repair local streets, highways, bridges and overpasses, with the revenues split equally between state and local government projects; and

**WHEREAS**, SB 1 provides critically-needed funding in **City/County [NAME]** that will be used for:

- **(add in list of local projects)**; and

**WHEREAS**, SB 1 contains strong accountability provisions to streamline projects by cutting bureaucratic redundancies and red tape to ensure transportation funds are spent efficiently and effectively, while also establishing the independent office of Transportation Inspector General to perform audits, improve efficiency and increase transparency; and

**WHEREAS**, Proposition 69 on the June 2018 ballot would add additional accountability for taxpayers by preventing the State Legislature from diverting or raiding any new transportation revenues for non-transportation improvement purposes; and

**WHEREAS**, there is also a proposed ballot measure aimed for the November 2018 ballot (Attorney General #17-0033) that would repeal the new transportation revenues provided by SB 1 and make it more difficult to increase funding for state and local transportation improvements in the future; and

**WHEREAS**, this proposed November proposition would raid **\$\$\$** annually dedicated to **City/County NAME**, and halt critical investments in future transportation improvement projects in our community;

**THEREFORE BE IT RESOLVED** that the **City/County of [NAME]** hereby supports Proposition 69, the June 2018 constitutional amendment to prevent new transportation funds from being diverted for non-transportation purposes; and

**THEREFORE BE IT RESOLVED** that the **City/County of [NAME]** hereby opposes the proposed November ballot proposition (Attorney General #17-0033) that would repeal the new transportation funds and make it more difficult to raise state and local transportation funds in the future; and

**THEREFORE BE IT FURTHER RESOLVED** that the **City/County of [NAME]** supports and can be listed as a member of the Coalition to Protect Local Transportation Improvements, a diverse

coalition of local government, business, labor, transportation and other organizations throughout the state, in support of Proposition 69 and opposing the repeal of SB 1.

We direct staff to email a copy of this adopted resolution to Kyle Griffith of the Coalition to Protect Local Transportation Improvements campaign at [kgriffith@bcfpublicaffairs.com](mailto:kgriffith@bcfpublicaffairs.com).

APPROVED AND ADOPTED by the (Council or Board) on \_\_\_\_ \_\_, 2018.

# SB1 Road Repair and Accountability Act of 2017 - New Local Streets & Roads Funding - Ten Year Projections

Estimated: 11-Jan-18

	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	Ten Yr. Total
<b>YUBA COUNTY</b>											
MARYSVILLE	82,573	214,192	303,405	343,253	363,624	380,063	396,840	415,191	433,127	451,866	3,393,874
WHEATLAND	24,002	62,260	88,191	99,774	105,696	110,456	115,351	120,885	125,898	131,287	983,600
County of Yuba	916,168	2,381,710	3,400,000	3,790,000	4,000,000	4,170,000	4,340,000	4,520,000	4,700,000	4,890,000	37,109,878
Total Cities & County: Yuba	1,024,742	2,658,162	3,791,596	4,233,028	4,469,319	4,660,459	4,852,191	5,055,876	5,255,025	5,472,953	41,477,352
Statewide Total	\$ 451,257,000	\$ 1,170,552,001	\$ 1,666,938,049	\$ 1,868,134,082	\$ 2,000,186,156	\$ 2,090,280,872	\$ 2,182,889,194	\$ 2,273,843,428	\$ 2,382,502,508	\$ 2,464,460,029	\$ 18,603,073,520



# Support Safer Roads and Protect Local Transportation Improvements

Californians depend on a safe and reliable transportation network to support our quality of life and a strong economy. In April 2017, California passed Senate Bill 1 (SB 1) – which will provide more than \$5 billion annually to make road safety improvements, fill potholes, repair local streets, freeways, tunnels, bridges and overpasses and invest in public transportation in every California community. Road safety and transportation improvement projects are already underway or planned in every community, but this long-awaited progress could come to a halt unless voters take action in 2018.

**The Coalition to Protect Local Transportation Improvements has formed to support the June 2018 constitutional amendment protecting transportation funds from being diverted and to oppose the November 2018 measure to repeal transportation funds. Here's how you can help:**

## **SUPPORT Prop 69:**

**June 2018 ballot measure: Prohibits the Legislature from raiding new transportation funds and ensures funds can only be used for transportation projects.**

- ✓ Prop 69 extends constitutional protections to the new revenues generated by SB 1 that aren't currently protected and ensures these funds can only be used for transportation improvement purposes.
- ✓ The measure would prohibit the Legislature from borrowing or diverting these revenues for non-transportation purposes. This will ensure that all revenues from SB 1 can only be used for transportation improvement purposes.

## **OPPOSE SB 1 Repeal:**

**November 2018 ballot measure: Would repeal SB 1 and rob our communities of vital local road safety and transportation improvement funds.**

Certain politicians are currently collecting signatures to try to repeal the Road Repair and Accountability Act of 2017 (SB 1) and stop critical investments in future transportation improvement projects. We need to build a strong coalition to oppose this measure now because its passage would:

- ✗ **Jeopardize public safety.** According to the National Highway Traffic Safety Administration, poor roadways were a contributing factor in more than half of the 3,623 roadway fatalities on California roads in 2016. Currently, 89% of California counties have roads that are in poor or at-risk condition, and 25% of local bridges show significant deterioration. Roadway improvements at the state and local level will save lives and increase safety for the traveling public. This measure will cut funding currently dedicated to fixing roads and upgrading freeways, bridges, tunnels and overpasses to make them safer.



**OPPOSE the November 2018 ballot measure that would repeal SB 1 and rob our communities of vital local road safety and transportation improvement funds.**

- X Take away road improvement funds dedicated to every community.** SB 1 guarantees funds to every city and county to fix potholes, make safety improvements, ease traffic congestion and improve public transportation. These funds are already being put to use and California cities and counties have already identified 4,000 local projects for funding in 2017-18 and into the future. This measure would rob funding currently benefiting every California community and stop thousands of local road improvement projects from moving forward. Our local roads, streets and state highways already face a backlog of \$132 billion and this measure will only worsen the crisis.
- X Make traffic congestion worse.** Our freeways and major thoroughfares are among the most congested in the nation, and Californians spend too much time stuck in traffic away from family and work. This measure would make our traffic worse by repealing SB 1 funds that are dedicated to reducing traffic congestion.
- X Cost drivers and taxpayers more money in the long-run.** Repealing the gas tax and vehicle fee will only save the average driver \$10 per month. But it will cost drivers much more in the long-run because of the wear and tear on our vehicles caused by bad roads. The average driver spends \$762 per year on front end alignments, body damage, shocks, tires and other repairs because of bad roads. It is important to fix our roads now vs. later as it costs 8 times more to fix a road than to maintain it.
- X Would hurt job-creation and our economy.** A reliable transportation infrastructure is critical to get people to work, to move goods and services to the market and to support our economy. Furthermore, every \$1 billion invested in transportation infrastructure supports 13,000 jobs a year. By repealing funding for road repairs and transportation improvements, this measure would eliminate 650,000 good-paying jobs and \$100 billion dollars in economic growth that will be created fixing our roads over the next decade.

Paid for by the Coalition to Protect Local Transportation Improvements, sponsored by business, labor, local governments, transportation advocates and taxpayers

Committee Major Funding from  
California Alliance for Jobs

Funding details at [www.fppc.ca.gov](http://www.fppc.ca.gov)



## SB 1: Debunking the Myths

The Road Repair and Accountability Act of 2017 (SB 1) is a long-term transportation solution that will provide new revenues for road safety improvements, fill potholes and repair local streets, highways, and bridges. SB 1 will provide transportation investments in **every** community, improving the quality of life for all Californians. SB 1 includes strict accountability provisions to reduce waste and bureaucracy and dedicates all funds to transportation improvements. Opponents of SB 1 are spreading false information and flat-out untruths full of potholes.

**We want to cement the facts.**

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1. MYTH— *Practically none of the SB 1 funds will be used to fix our roads.*



**SB 1 invests more than \$5 billion annually directly for maintenance, repair, and safety improvements on state highways, local streets and roads, and bridges. SB 1 also provides investments in mass transit to help relieve congestion. In total, SB 1 will provide:**

- \$1.5 billion for the State Highway Operations and Protection Program
- \$1.5 billion for local streets and roads
- \$400 million for bridge maintenance and repairs
- \$300 million for goods movement and freight projects
- \$275 million for congested corridors and relief management
- \$200 million for the Local Partnership Program to match locally generated transportation funds
- \$100 million for the Active Transportation Program to improve safety and expand access on streets, roads and highways for bicyclists and pedestrians.
- \$750 million for mass transit

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2. MYTH— *SB 1 will cost California families upwards of \$700 a year*



The California Department of Finance calculated that **the average cost to motorists is roughly \$10/month. Here's the math:**

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- **Registration:** Nearly 50% of all registered vehicles in California are valued at less than \$5,000. Forty percent are valued at less than \$25,000. Thus, the average annual amount for vehicle registration is approximately \$48.
- **Fuel:** California's 26 million licensed drivers consume 15.5 billion gallons per year. That is 577 gallons per driver, multiplied by 12 cents per gallon is \$69.24 each.

The annual average cost per driver is:

Vehicle Registration	\$47.85
Fuel	\$69.24
<b>Total</b>	<b>\$117.09 per year OR \$9.76 per month</b>

3. MYTH— *SB 1 funds go directly into the state's General Fund, meaning there's zero guarantee the money will be used to fund transportation improvement projects.*



**Revenues go directly into transportation accounts and are constitutionally protected.**

Article XIX of the California Constitution already protects the gasoline excise tax and vehicle registration fees, and a portion of the sales tax on diesel, and dedicates them to transportation purposes. This accounts for about 70% of the revenues generated by SB 1. Prop 69, a constitutional ballot measure which will go before the voters in June 2018, extends these same constitutional protections to the remaining 30% of new revenues generated by SB 1. It's also important to remember, all gas tax moneys that were loaned in prior decades to the General Fund will have been repaid under SB 1.

4. MYTH— *There is no oversight.*



**SB 1 creates a new Office of the Inspector General (IG) charged with overseeing projects and programs to ensure all SB 1 funds are spent as promised and to reduce bureaucracy, waste and red tape. The IG is required to report annually to the state Legislature.**

Furthermore, SB 1 has significant accountability and transparency provisions designed to ensure the public has full access to information on how their tax dollars are being invested. Cities and counties must publicly adopt and submit to the state a planned list of projects and year-end reporting that accounts for every single dollar of SB 1 revenue they receive. Bottom line: SB 1 includes provisions to streamline projects by cutting red tape to ensure transportation funds are spent efficiently and effectively.



5. MYTH— *None of the new funds can be used to build new roads.*

**FACT**

**SB1 funds can and will be used to build new roads and increase capacity on our roads and highways.**

- SB 1 funds will be used to restore the State Transportation Improvement Program (STIP). The CTC previously cut and delayed \$1.5 billion in projects from STIP, including new capacity projects, which are now eligible to move forward.
  - There is \$200 million annually in SB 1 for self-help counties that can be used on new roads and capacity increasing projects.
  - SB 1 includes \$250 million annually for congested road and highway corridors and \$300 million for the trade corridor programs, which can both fund increased capacity.
  - Lastly, while cities and counties will primarily (initially) be using local funds on “fix it first” projects to repair roads in bad shape, local governments can use these funds for new roads and capacity enhancements, **especially once their road conditions are brought up into a state of good repair.**
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6. MYTH— *California can dedicate existing General Fund revenues to fix transportation.*

**FACT**

**California has a combined need of over \$130 billion over the next 10 years just to bring the state highway and local street and road systems into a good and safe condition. If we were to use funds from the General Fund, we would need to pull \$130 billion from important areas like education, healthcare, public safety, and other programs that Californians rely upon.**

SB 1 follows the user-pay model where everyone pays their fair share and all drivers pay a little more to fix the roads they drive on. It’s a responsible, accountable way to fix our roads.

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7. MYTH— *California already has the highest gas tax in the nation.*

**FACT**

**Figures from the Tax Foundation and the American Petroleum Institute show Pennsylvania tops out as the highest in the nation. California’s gas taxes haven’t been raised in more than 20 years and, as a result, transportation improvement funding simply hasn’t kept pace with inflation, leading to the backlogs of unfunded infrastructure. SB 1 changes that.**

Since 2013, 26 states have increased gas taxes and other transportation revenues to fix their roads and bridges. In fact, of those 26 states, 17 are governed by Republicans.

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8. MYTH— *SB 1 impacts on our economy are minimal.*

**FACT**

**SB 1 is a job creator.** The White House Council of Economic Advisors found that every \$1 billion invested in transportation infrastructure supports 13,000 jobs a year. With the \$5 billion annually planned from SB 1, this measure will put 650,000 people to work rebuilding California over the next decade.

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9. MYTH— *California's working families and businesses cannot afford this tax increase.*

**FACT**

**California motorists currently pay \$763 per year, on average, in extra vehicle repair costs due to wear and tear because of the poor condition of our roads.** With SB 1, CA drivers will save money by driving on improved roads and will need fewer vehicle repairs.

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10. MYTH— *SB 1 funds are being diverted to CSU and UC for research.*

**FACT**

**SB 1 directs \$7 million (one-tenth of one percent of total SB 1 revenues) to CSU and UC transportation research institutions for research directly related to improving transportation technology, practices, materials, and impacts to the environment.**

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11. MYTH— *According to polling, Californians oppose the gas tax increase. They will support a ballot measure to repeal SB 1.*

**FACT**

**Polls consistently show voters are fed up with California's bad roads and will support new revenues to get them fixed. If a repeal measure makes it on the November 2018 ballot, we are confident voters will want to want to preserve funding to provide safer roads and bridges, improve congestion, and fix potholes.**

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12. MYTH— *California Gov. Jerry Brown has proposed "diverting 30 percent of the funding" from the state's gas tax increase "to non-road related projects like building parks and lifeguards."*

**FACT**

**A percentage of the existing gas tax revenue related to fuel sales from boats, agricultural equipment, and other off-highway vehicles (quads, dirt bikes) has always gone toward supporting infrastructure related to these economic and recreational activities. The percent of gas tax revenues collected from these sources is two-percent (2%).**

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13. MYTH— *Some of the funds raised by SB 1 will be used to repay outstanding loans from certain transportation funds.*

**FACT**

**All outstanding transportation loans are being repaid by the General Fund. In fact, the FY 2016-17 state budget already started to repay those loans. SB 1 requires all loans to be repaid by 2020.**

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14. MYTH— *According to the state legislative analyst, Caltrans is overstaffed by 3,500 positions.*

**FACT**

**Caltrans staffing levels are currently at the lowest they've been in a decade. Additionally, SB 1 mandates that the California Department of Transportation "shall implement efficiency measures with the goal to generate at least one hundred million dollars (\$100,000,000) per year in savings to invest in maintenance and rehabilitation of the state highway system."**

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15. MYTH— *SB 1 dollars will be diverted to fund high-speed rail.*

**FACT**

**No funds raised from SB 1 will be used to fund high-speed rail. 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. There is no remaining balance that could be used for the high-speed rail project. A full overview of how the funds are allocated [can be found here](#).**