

STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL
FROM: GREGORY A. RAY, P.E. PUBLIC WORKS DIRECTOR/CITY ENGINEER
SUBJECT: STATUS REPORT: SHORT- AND LONG-TERM STRATEGY FOR STREET REHABILITATION

BACKGROUND

The City has historically funded street maintenance from a number of sources, including the General Fund; Redevelopment Agency funds, where appropriate; Sewer or Water Enterprise Funds, when sewer or waterlines were included in the work; Traffic Congestion Relief Funds; State Highway Account Funds-Urban Apportionment (USHA); and the Gas Tax Fund.

Annual street maintenance appropriations as high as \$700,000 were approved as recently as 2012. Unfortunately, the City has seen a steady decline in General Fund revenue. In addition, the Redevelopment Agency no longer exists and Traffic Congestion Relief Funds no longer exist. As a result, the City is currently unable to fully fund a long-term rehabilitation strategy.

In 2010, staff presented the City Council with updated cost estimates for comprehensive street improvements and the estimated annual expenditures necessary to maintain streets at an acceptable level. Based on funding predictions at the time, staff recommended, and the City Council approved, a short-term strategy aimed at achieving a sustainable network of primary streets.

In February of 2011, a short-term street rehabilitation program was adopted by the City Council. Both a short- and a long-term strategy are needed in order to sustain the City's entire network of streets at an acceptable level. This report discusses street maintenance costs and potential methods for funding short- and long-term street rehabilitation needs.

DISCUSSION

Street Maintenance Costs

The City has approximately 9.6 million square feet of asphalt paved streets. Existing pavement conditions range from "severely deteriorated" to "new". A rating index from 0 to 100 called the "Pavement Condition Index" (or PCI) is used to identify the condition of City streets. A PCI of 100 is a new street.

APPROVED FOR FORWARDING



ROBERT PERRAULT
CITY MANAGER

Please Review for the Possibility of a Potential Conflict of Interest:

- None Identified by Staff
- Shoals
- Nicolls
- Bright
- Molnar
- Peterson

In 2006, the City updated the Pavement Management System, which included an assessment of the condition of City streets. In 2010, the assessment was updated based on a very limited sample of streets. At that time, approximately 85 percent of all City streets had a PCI below 60. Approximately 50 percent of the City's major connecting streets had a PCI below 60. A PCI of 60 is roughly the breaking point where the appropriate asphalt maintenance strategy changes from preventative maintenance to major removal and replacement and the associated long-term maintenance costs escalate dramatically. The most cost effective long-range street maintenance program is achieved when streets are maintained at a PCI of 60 and above.

In general terms, placing new asphalt pavement costs significantly more than maintaining existing asphalt pavement. For example, over a thirty-year period, the difference between preventative maintenance on all of the City's major connecting streets versus overlaying the same streets with new asphalt each time they become completely deteriorated is approximately \$5 million. Unfortunately, to realize these savings the entire street network must begin the thirty-year period in good condition. If the City were to begin a long-range maintenance program with the streets in good condition, staff has estimated the cost to maintain all of the City's major connecting streets for 30 years to be \$18.5 million or \$617,000 per year. In order to achieve this starting condition, the City would need a one-time large funding source to elevate the condition of the major connecting streets to a PCI above 60.

Using generic pavement lifecycle models, staff has estimated that if the street program were funded at \$700,000 per year, in the long-term only about 80% of the City's major connecting streets could be adequately maintained. A reasonable estimate of the cost to maintain all of the City's streets for 30 years is \$48 million or \$1.6 million per year. This assumes that all of these streets would be maintained to have a PCI between 60 and 100.

In recent years and at Council direction, the City has focused much of its effort and combined resources to either concentrate rehabilitation on major collectors / arterials or complete projects that had a special focus. (For example, the Safe Routes to Schools projects and the Ramona Transit Hub Phases I and II.) In addition to a variety of grant funds, the following local funds were used:

- Street Rehabilitation Fund Project #283
- Redevelopment Agency Funding
- Water Funds
- Sewer Funds &
- Local Transportation Funds (LTF)

Using these combined resources, the following projects have been completed:

- North 12th Street - from El Camino Real to Atlantic City Avenue
- Atlantic City Avenue - from east of Oak Park Boulevard to Charles Street
- North 4th Street
- South 4th Street
- North 10th Street - from Ramona Avenue to Brighton Avenue
- Longbranch Avenue - from South 10th Street to South 13th Street
- West Grand Avenue Enhancement Project Phase I – from the railroad to 4th Street
- West Grand Avenue Repair - various locations

Current Short-term Strategy

In February of 2011, the City Council recognized the need to complete portions of Brighton Avenue and Nice Avenue. Brighton and Nice Avenues were the two streets remaining from the previous priority list. The City Council then adopted a revised priority listing of streets to be repaired. *(Please see Attachment #1.)* As noted from the attachment, the adopted strategy continues to prioritize the repair of major connecting streets.

This fiscal year, the City is scheduled to complete the portions of Brighton Avenue between North 13th Street and Oak Park Boulevard and Nice Avenue between South 12th Street and South 13th Street with the remaining funds from Capital Improvement Project #283. The estimated balance in this fund is \$259,000. In addition to completing Brighton and Nice Avenues, the West Grand Avenue Phase II Project, from 8th Street to 11th Street, will be completed and the preliminary engineering for the repair of Oak Park Boulevard will also be completed.

Funding for short-term street repair is expected to remain limited. *(Please see Attachment #2 CIP #283.)* Next year, the Capital Improvement Project continues to use approximately \$200,000 in Gas Tax Funds. In FY 15, the budget contemplates the return of the use of General Funds. Staff will continue to maximize resources available for street repair. For instance, we are aware of the additional \$90,000 in TDA funds the City will receive as a result of the Urban Designation for the area. These funds will be available for street repair. Some residual Gas Tax Funds may also be available at year's end that could be dedicated to street repair. Staff will continue to seek out grant funding where appropriate.

Staff is aware of a number of intersections and small street sections that are in serious need of repairs. The current pothole patching program is not expected to be an effective solution to these areas. In addition to the recommendations above for a short-term strategy, staff is recommending identifying a very limited list of the street areas that need immediate repair. If additional funds remain at the end of the fiscal year, either due to projects being completed under budget or unexpected street maintenance income, some or all of the street areas identified on the list could be repaired.

Long-term Funding Strategies

In order to plan for a sustainable street system, the City needs a long-term strategy that includes additional annual street maintenance funding, large one-time funding allocations, and strategies to reduce the cost and amount of pavement maintenance. Long-term street rehabilitation strategies previously considered by the City Council should continue to be pursued. These include:

1. Seek additional grant funding opportunities for street rehabilitation;
2. Seek low-interest infrastructure loans;
3. Consider bond financing to fund system wide improvements; and
4. Continue to implement strategies to reduce the amount of pavement maintained by the City.

There are a number of additional funding sources that could be considered as part of a multi-faceted long-range approach. These include:

1. *Street Maintenance Assessment Districts* – The City could solicit interest in forming districts to privately fund street maintenance. These could be formed by neighborhood, by area or citywide. Note that larger districts are typically more feasible because start-up costs are distributed over a larger group of properties, but smaller districts are typically easier to form.
2. *Public/Private Partnerships* – Public/private partnerships could include offering City matching to private funds to implement street repairs relative to a single property or group of properties.

Current economic development strategies and economic recovery are expected to eventually result in increased General Fund income. In the future, this will provide additional funding that could be used directly on street maintenance or as a funding source for bonding or loans.

ALTERNATIVES

The City Council has the following alternatives to consider:

1. The Council could confirm the current short-term and long-term strategy for street repair;
or
2. The Council could direct that changes be made to the short-term and long-term strategy for street repair; or
3. Provide alternate direction to staff.

RECOMMENDATION

Staff recommends that the City Council by motion confirm the existing short- and long-term strategy for street repair.

FISCAL IMPACT

Confirming the existing short- and long-term strategy would mean dedicating a minimum of \$200,000 to \$300,000 to street repair annually. Additionally, staff would be directed to maximize other existing resources for street repair as they become available. Staff will work with the City Council to develop a long-term funding mechanism that will inject a significant amount of funding into the Street Rehabilitation Program. Most likely this mechanism will require a vote of the people.

PUBLIC NOTIFICATION

The agenda was posted in accordance with the Brown Act.

Attachments

1. Staff Report regarding Street Rehabilitation Program and adopted Resolution, dated February 7, 2011
2. Capital Improvement Program Project #283 Budget

STAFF REPORT

TO: HONORABLE MAYOR AND CITY COUNCIL

FROM: GREGORY A. RAY, P.E. PUBLIC WORKS DIRECTOR/CITY ENGINEER

SUBJECT: ADOPTION OF THE LOCAL STREET REHABILITATION PROGRAM SHORT-TERM STRATEGY AND PRIORITIZED LIST OF MAJOR CONNECTING STREETS

BACKGROUND

At the January 8, 2011 City Council meeting, staff presented the City Council with a short-term street rehabilitation strategy that focuses on rehabilitation of major connecting streets. The City Council also reviewed the remaining streets on the FY 10 Local Street Rehabilitation Program priority list and a plan for the development of a long-term strategy.

DISCUSSION

The City Council directed staff to complete two of the remaining streets listed on the FY 10 Local Street Rehabilitation Program list prior to implementing the new short-term strategy. Except for South 7th Street, which has been eliminated due to continual damage caused by the access to a nearby development, all streets previously programmed, including Brighton Avenue from North 13th Street to Oak Park Boulevard and Nice Avenue from South 12th Street to South 13th Street, will remain in the Local Street Rehabilitation Project until completed.

During discussion of staff's recommendation to focus on the rehabilitation of major connecting streets, the City Council directed staff to return with a Resolution repealing Resolution No. 07-75 and establishing a prioritized list of major connecting streets, which is attached as Exhibit A. The short-term strategy also included maintaining the major connecting streets within the recommended 60 – 100 Pavement Condition Index (PCI) and to allocate, if available, an additional \$50,000 for the pothole patching, striping, sign, and sidewalk repair program in future fiscal years.

Lastly, the City Council directed staff to take the necessary steps to implement a long-term street rehabilitation strategy that includes identifying and securing additional funding sources, the reduction of pavement rehabilitation costs via new technologies, and the reduction in pavement widths.

APPROVED FOR FORWARDING



ROBERT PERRAULT
CITY MANAGER

Please Review for the Possibility of a Potential Conflict of Interest:

- | | |
|--|-----------------------------------|
| <input checked="" type="checkbox"/> None Identified by Staff | <input type="checkbox"/> Bright |
| <input type="checkbox"/> Shoals | <input type="checkbox"/> Molnar |
| <input type="checkbox"/> Nicolls | <input type="checkbox"/> Peterson |

Meeting Date: February 7, 2011

Agenda Item No. 10

ALTERNATIVES

The following alternatives are presented to the City Council for consideration:

1. Adopt the Resolution identifying the Local Street Rehabilitation Program short-term strategy and prioritized list of major connecting streets; or
2. Provide alternate direction to staff.

RECOMMENDATION

It is recommended the Council adopt the Resolution identifying the Local Street Rehabilitation Program short-term strategy and prioritized list of major connecting streets.

FISCAL IMPACT

The recommended short-term strategy can be implemented using funds currently identified for allocation to the Local Street Rehabilitation Program, CIP Project 283, in current and future fiscal years.

PUBLIC NOTIFICATION

The agenda was posted in accordance with the Brown Act.

ATTACHMENTS

1. Draft Resolution

RESOLUTION NO. 11-15

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GROVER BEACH,
CALIFORNIA, ADOPTING THE SHORT-TERM LOCAL STREET
REHABILITATION PROGRAM AND PRIORITIZED LIST OF STREETS AND
REPEALING RESOLUTION NO. 07-75 THE LOCAL STREET
REHABILITATION PROGRAM STREET SELECTION CRITERIA**

WHEREAS, the City Council on July 16, 2007 adopted Resolution No. 07-75 amending the Local Street Improvement Program street selection criteria; and

WHEREAS, in recognition of the short-term funding shortfall for street rehabilitation, the City Council wishes to establish a short-term strategy to maintain the major connecting streets within the recommended 60 – 100 Pavement Condition Index (PCI); and

WHEREAS, on January 18, 2011 the City Council unanimously approved a prioritized list of said major connecting streets (Exhibit A); and

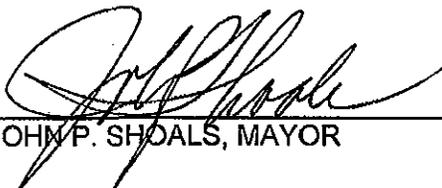
WHEREAS, the City Council agrees to allocate, as funds become available in future fiscal years, an additional \$50,000 towards the pothole patching, sign, striping and sidewalk repair program budget.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Grover Beach does hereby repeal Resolution No. 07-75 and adopts the Short-Term Local Street Rehabilitation Strategy and prioritized list of streets. The list and corresponding map are attached as Exhibit A and incorporated by this reference.

On motion by Council Member Peterson, seconded by Mayor Shoals, and on the following roll-call vote, to wit:

AYES: Council Members Molnar, Peterson, Mayor Pro Tem Nicolls, and Mayor Shoals.
NOES: Council Members – None.
ABSENT: Council Member Bright.
ABSTAIN: Council Members – None.

the foregoing Resolution was **PASSED, APPROVED, and ADOPTED** at a regular meeting by the City Council of the City of Grover Beach, California this 7th day of February, 2011.



JOHN P. SHOALS, MAYOR

Attest:



DONNA L. McMAHON, CITY CLERK

**CITY OF GROVER BEACH
SHORT-TERM LOCAL STREET REHABILITATION PROGRAM PRIORITY LIST:
MAJOR CONNECTING STREETS**

PRIORITY	NAME
1	West Grand Avenue
2	4th Street
3	Oak Park Boulevard
4	13th Street
5	Longbranch Avenue Oak Park Boulevard to South 4 th Street
6	8th Street
7	Farroll Road
8	North 12th Street
9	Atlantic City Avenue
10	The Pike
11	El Camino Real
12	Newport Avenue
13	Mentone Avenue

CITY OF GROVER BEACH SHORT-TERM LOCAL STREET REHABILITATION PROGRAM PRIORITY LIST: MAJOR CONNECTING STREETS

