


CITY COUNCIL ACTION REQUEST

Department(s): DOT	Date: 9/5/18	Coordination: City Attorney's Office, City Manager's Office	Dept. Approval: /s/ John Ristow CMO Approval: 
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SUBJECT: Proposition 6, Transportation Tax Repeal Initiative

RECOMMENDED POSITION: Oppose

RECOMMENDED ACTION:

1. Adopt an oppose position for Proposition 6 on the November 6, 2018 statewide ballot.
2. Recommend this item be agendaized for the September 18, 2018 City Council Meeting.

PROPOSITION SYNOPSIS:

Senate Bill 1, also known as the Road Repair and Accountability Act, was passed by the California State Legislature, and signed into law by the Governor in April 2017. SB 1 dedicates \$5.2 billion every year to improve roads and transportation infrastructure across the state. These funds are prioritized towards maintenance and rehabilitation and safety improvements on state highways, local streets and roads, and bridges and to improve the state's trade corridors, transit, and active transportation facilities. These funds are split equally between state and local investments. Additionally, revenues also go towards transit operations, transit capital projects, and bicycle/pedestrian projects through the Active Transportation Program.

Proposition 6 would repeal any gas or vehicle tax passed by the legislature since January 1, 2017, including SB 1. It would require that any new gas or vehicle taxes be brought for a statewide vote before they can be enacted. In addition, Proposition 6 would require any future state gas and vehicle taxes to be approved by a two-thirds vote of the State Legislature.

IMPACTS TO CITY OF SAN JOSE:

SB1 is set up to fund roadway maintenance, major transit improvements and operating funds, and a host of grant programs that are important to the City of San José. For the City of San José, SB 1 generated \$6.1 million in FY17-18 for roadway maintenance and repair and will provide ongoing revenues of \$17.5 million annually. Attachment A details the streets that have been paved and those that are in progress. As of the last pavement report in 2017, the City of San José's 2,434-mile street network had a pavement maintenance backlog of \$453.4 million that will grow to approximately \$711 million by 2022 unless significant additional investment occurs. The City's pavement network is currently in "fair" condition with an overall Pavement Condition Index (PCI) Rating of 67 on a 100-point scale. To raise the PCI back to "good" condition (PCI 70), the City must invest approximately \$92.8 million annually over the next 10 years. The City's annual ongoing funding amount for pavement maintenance including SB1 is \$51.2 million, leaving an annual shortfall of approximately \$41.6 million to restore good pavement conditions.

If voters pass Proposition 6 and repeal SB 1, the annual funding gap will increase from \$41.6 million to \$59.1 million, leaving the City of San José with an annual ongoing pavement budget of \$33.7 million. The longer the City waits to maintain streets, the more expensive the problem gets. Spending \$1 on pavement maintenance today typically avoids the need to spend at least \$5 in future years to attain the same road conditions.

SB 1 provides new funding to programs which contribute to projects that serve San José residents, workers, and visitors:

- \$233 million for congestion relief programs on Highway 101.
- \$16 million annually for VTA transit operations.

SB 1 also allocates funding for capital and planning programs which could or currently provide state dollars towards sustainable planning programs, improved trade corridors, enhanced transit, upgraded rail services, and repaired roads. San José projects that have received additional investments through SB 1 include:

- Phase 2 of the Silicon Valley BART Extension to Alum Rock/28th Street, downtown San José, and Diridon Stations.
- Caltrain extensions and electrification upgrades for capacity and service improvements.

POLICY ALIGNMENT:

An oppose position on Proposition 6 aligns with the Council-approved 2018 Legislative Guiding Principles and Priorities to support legislation and policies that protect and increase transportation funding necessary for a safe, efficient, and well-maintained transportation system.

Additional statewide ballot propositions will be brought before the City Council for consideration in October.

SUPPORTERS/OPPONENTS:

Supporters of Proposition 6:

Howard Jarvis Taxpayers Association
National Federation of Independent Business

Opponents of Proposition 6:

American Traffic Safety Services Association – California Chapter
Association of Bay Area Governments
California Chamber of Commerce
California Labor Federation AFL-CIO
California Transit Association
Cities Association of Santa Clara County
City of Alameda
City of Santa Cruz
Coalition for Sustainable Transportation
Santa Clara Chamber of Commerce
Santa Clara and San Benito Counties Building & Construction Trades Council
League of California Cities
Metropolitan Transportation Commission (MTC)
Peninsula Corridor Joint Powers Board (Caltrain)
San Francisco Bay Area Rapid Transit District (BART)
Silicon Valley Leadership Group
Transform

STATUS OF PROPOSITION:
The California Attorney General issued a title and summary for the initiative on November 20, 2017. On June 25, 2018 the California Secretary of State certified the initiative had met the required signature thresholds, qualifying the measure to be included on the statewide November 6, 2018 General Election ballot.
FOR QUESTIONS CONTACT: Kevin Hefner, Associate Transportation Specialist, 408-535-8270.

Attachment A: 2018 SB-1 PAVEMENT PROJECTS

2018 ARTERIAL RESURFACING PROJECT (8756)

COUNCIL DISTRICT	STREET NAME	BEGINNING LOCATION	END LOCATION	STATUS
3	16TH ST	SAN CARLOS ST	MARGARET ST	complete
3	17TH ST	SANTA CLARA ST	SAN CARLOS ST	complete
6	CANOAS GARDEN AV	ALMADEN RD	ALMADEN EX	complete
8	NORWOOD AV	WHITE RD	GURDWARA AV	complete
1	PAYNE AV	SARATOGA AV	CITY LIMIT	complete
6	WILLOW ST	LINCOLN AV	1360'SMERIDIAN AV	complete
1	BLANEY AV	PROSPECT RD	BOLLINGER RD	paving complete, with striping to follow
4	RINGWOOD AV	TRADE ZONE BL	MURPHY AV	paving complete, with striping to follow
3,6	BIRD AV	SAN CARLOS ST	WILLOW ST	in-progress
10	MCKEAN RD	ALMADEN RD	MCKEAN CT	in-progress
10	MCKEAN RD	HARRY RD	CITY LIMIT	in-progress
10	MCKEAN RD	BAILEY AVE	S CITY LIMIT	in-progress
5	MCKEE RD	WHITE RD	VALLEY VIEW AV	in-progress
4	PLUMERIA DR	1ST ST	MONTAGUE EX	in-progress
9	SAMARITAN DR	BASCOM AV	UNION AV	in-progress
3	SAN SALVADOR ST	MARKET ST	10TH ST	in-progress
3	VIOLA ST	S MARKET ST	ALMADEN AV	in-progress
8	YERBA BUENA RD	SILVER CREEK RD	DEANS PLACE WAY	in-progress