

REBUILDING CALIFORNIA

THE ROAD REPAIR AND ACCOUNTABILITY ACT



CALIFORNIA IS INVESTING \$52 BILLION OVER THE NEXT DECADE TO INCREASE SAFETY AND FIX ROADS, FREEWAYS AND BRIDGES IN COMMUNITIES ACROSS THE STATE — INCLUDING THE **GREATER SACRAMENTO AREA.**

The Road Repair and Accountability Act:



Paving the Way for California's Success

BY RODNEY OROSCO

California's economic success runs on its freeways, over its bridges and across its local streets. That is why keeping the world's sixth-largest economy healthy depends on keeping the Golden State's infrastructure healthy.

In April 2017, the state Legislature passed Senate Bill 1 — the Road Repair and Accountability Act — creating more than \$52 billion in funding over the next decade to fix roads, freeways and bridges. This investment will ensure California's economy continues to lead in the world.

"Business will be able to move goods to market more efficiently; employees will have faster and less congested commutes," said Alice Huffman, president of the California State Conference of the NAACP.

Before this funding was created, the outlook was not so rosy. In its 2017 Infrastructure Report Card, the American Society of Civil Engineers warned that "deteriorating infrastructure impedes California's ability to compete in an increasingly global marketplace." The report card listed some shocking statistics: Fifty percent of California's roads were in poor condition and 1,388 bridges were structurally deficient.

The good news: SB 1 is tackling these problems.

SB 1 funding supports the maintenance of our state's sprawling highway system, with more than 50,000 lane miles of interstate, according to Caltrans.

SB 1 takes care of our local roads as well. When fully implemented, SB 1 will send more than \$1.5 billion a year to cities and counties for road maintenance and rehabilitation.

This work is happening now — more than 4,000 local transportation projects are already underway.

What does this mean when the rubber hits the road? It means Californians will save money.

"The Road Repair and Accountability Act will actually save the average California household nearly \$300 [per year] by reducing congestion and preventing vehicle repairs caused by [bad] roads," Huffman said.

For fixed and low-income Californians, these savings will go a very long way, Huffman pointed out.

The benefits of road maintenance and rehabilitation are not limited to vehicles. SB 1 will also expand commuter and intercity rail, which improves service while reducing congestion on roads. It will invest in trade corridors so the

goods we create can reach their markets via port, rail or truck. Funding will help cities, counties and regional transportation agencies build more bike paths, crosswalks and sidewalks.

California's future will be one of a state in motion — by road or by rail. SB 1 ensures the state's economic journey is a smooth one.

"BUSINESS WILL BE ABLE TO MOVE GOODS TO MARKET MORE EFFICIENTLY; EMPLOYEES WILL HAVE FASTER AND LESS CONGESTED COMMUTES."



Alice Huffman
President of the California State
Conference of the NAACP



CRITICAL NEEDS MET BY SB 1

Road Rehabilitation

- Pays for repair and resurfacing on thousands of miles of highways, extending the service life of California roads
- Improves lane-line visibility and motorist safety by restriping all 50,000-plus lane miles of the state highway system over the next decade
- Provides \$200 million each year in matching funds to local agencies to support road maintenance and rehabilitation projects

Improved Transit/Rail Travel

- Provides \$350 million each year in public transit funding for major projects
- Provides \$300 million annually in additional annual funding for the Transit and Intercity Rail Capital Program (TIRCP)
- Expands commuter and intercity rail
- Expands services using zero-emission buses in urban areas and on longer distance commutes

Congestion Relief

- Provides \$250 million annually for funding more transportation choices for commuters and residents
- Provides \$200 million annually for community solutions to ease congestion on both state and local roads
- Improves traffic flow while improving air quality and taking on environmental/health challenges

Trade Corridor Improvements

- Provides \$300 million annually to move freight by making improvements to roads, rail and ports
- Makes truck corridor improvements, such as dedicated truck facilities
- Improves local roads and connector roads to help move goods from California's ports

Better Roads, Better COMMUNITIES

SB 1 FUNDING MEANS SMOOTHER, SAFER STREETS IN SACRAMENTO

BY RODNEY OROSCO

Sacramento County's manager in charge of public works made his department's infrastructure dilemma very clear with an apt metaphor.

"We were looking at our budget driving off a cliff," said Mike Penrose, Deputy County Executive for Public Works & Infrastructure.

He was staring at a \$6 million funding shortfall to complete much-needed road rehabilitation in Sacramento County. That meant "projects went unfunded, and potholes went unfilled," he said. But not just potholes — signage, striping and road drainage moved down the priority list, too. All Penrose could manage was regular road maintenance, and even that suffered from delays.

Those frustrating struggles are over.

Next year, Sacramento County is looking at a \$21 million windfall from the Road Repair and Accountability Act (SB 1), Penrose said, and he has already received \$5 million in funding this year from SB 1.

"The money is fantastic, and we are using it," he said.

One example: Sacramento County's Pavement Condition Index (PCI) will be moving to a more comfortable level as SB 1 funded street improvements are made. The PCI is a numerical index between 0 and 100 that public works departments use to indicate the general condition of roads.

"Zero is a road in rubble, 100 is a brand new road," he said. "Our current PCI is under 50, we want it at over 70."

Because the county now has the money for once mothballed projects, streets will now get paved, and that can make a run-down road feel like a new pair of sneakers.

Tackling projects early has the added benefit of saving money.

"The decline of a road is more rapid as it gets older," Penrose explained, "and the older it gets, the extent of the repairs gets more and more expensive."

While Penrose appreciates the increase in road repair funds, the impact is bigger.

"The money from SB 1 funding is making Sacramento a better place to live," he said. "The feel of a neighborhood is more vibrant with a facelift of the road. People tell us,

"THE MONEY FROM SB 1 FUNDING IS MAKING SACRAMENTO A BETTER PLACE TO LIVE."



Mike Penrose

Sacramento Deputy County Executive for Public Works & Infrastructure

"Our neighborhoods look so good after we have completed a street restoration project in their neighborhood."

Better roads also mean safer roads. As crash, injury and fatality rates decline, there will be fewer costs associated with injuries, fatalities and property damage. Statewide, these savings will average \$58 million per year over the next 10 years.

"Citizens are incrementally safer now as street repairs and upgrades are being made right now and going forward that make the roadways and traveling on them safer," Penrose said.

As required by the law, Sacramento County creates a yearly project list to document the use of SB 1 funds and then submits it to the state. The process is overseen by an independent state office that ensures the money is spent as intended, he said.

"The transparency of the process makes us feel better," he said, adding that the attention means the state cares about what goes on at the local level while ensuring that local jurisdictions have a voice. "The state has been very helpful in developing the reporting process required by SB 1. It has been a very collaborative process."



SB 1 funding was used for the Fulton Avenue Overlay Project, which replaced failing asphalt pavement and installed curbs, gutters and sidewalks on Fulton Avenue from Arden Way to Auburn Boulevard in Sacramento.

PHOTO BY ANNE STOKES



KEEPING THE MONEY LOCAL

City and county agencies in California will get an even split of SB 1 funding — \$26 billion — over the next decade. Here's where some of that money will be invested:

- **Local streets and roads:** Addresses years of unfunded road maintenance, rehabilitation and critical safety projects. Invests in "Complete Streets" projects that are uniquely tailored to the needs, preferences and functions of the people who live in the surrounding community. **(\$1.5 billion annually)**
- **Land planning:** Grants for regional land use planning projects will help achieve greenhouse gas reduction targets. **(\$25 million in annual grants)**
- **Sustainability:** Adaptation planning grants will go to help local and regional agencies conduct adaptation planning to ensure transportation can keep up with climate change. **(\$20 million over three years)**

Sacramento Regional Transit's light-rail trains are cleaner and safer with new funding from SB 1.
PHOTO COURTESY SACRAMENTO REGIONAL TRANSIT

FIRST-CLASS

Transit

SB 1 IS MAKING SACRAMENTO TRANSIT SAFER

BY RODNEY OROSCO



Sacramento Regional Transit General Manager Henry Li is a happy man. Getting a yearly influx of up to \$7 million from the Road Repair and Accountability Act (SB 1) would make any transportation agency manager pleased.

Li has already been putting these SB 1 funds to good use on improvements that provide better security, enhanced safety and cleaner vehicles, he said.

"Transit improvements make our customers happy, and that makes me happy," he added.

The yearly SB 1 funds will not solve every problem, Li admitted, but it is enough to make a difference.

He listed off items already purchased with the funds: A new light-rail vehicle washing rack, new security cameras at light-rail stations, the hiring of 15 customer service employees including uniformed transit agents, and setting aside \$1 million to replace two old elevators at the Watt and Interstate 80 light-rail station.

The new wash rack is especially important because it replaces one that has been in use for 30 years. The new rack will do a better job of keeping the light-rail cars clean.

"Clean cars make people happy and proud," Li said.

Li appreciates the yearly funding, but he has eyes on an even bigger plan that will take big money to achieve.

"Together with the Sacramento Area Council of Governments and Caltrans, we are applying for \$300 million in discretionary funds," he said.

The funding would come from two programs: Transit and Intercity Rail Capital Program (an existing program that

is being infused with additional funding from SB 1) and the Solutions for Congested Corridors Program (an SB 1 initiative to provide more choices for commuters). Applying with other local agencies, Li explained, will make their application more competitive and more likely to get awarded.

And that \$300 million will go a long way to making the region's commuters happy.

"If we get that money, we will buy 10 new light-rail cars," he said. He will also replace the 36 cars that have been in service for nearly three decades.

Add to his list building two light-rail stations and improving disabled access at stations, and Li can't stop smiling.

Sacramento Area Council of Governments Chief Executive Officer James Corless is also positive about the area's transit future.

"SB 1 is the next major step to building a modern, 21st century passenger rail and public transportation system," he said.

The dividends of such a system are clear.

"Had the area possessed a stronger rail connection to the Bay Area and Silicon Valley," he said, "we would have been in the running for Amazon's new headquarters."

Making Sacramento's transportation system first class is Li's focus as well.

"If we get this money, we are going to put in a double track to Folsom and decrease wait times by half," he said.

"SB 1 IS THE NEXT MAJOR STEP TO BUILDING A MODERN 21ST CENTURY PASSENGER RAIL AND PUBLIC TRANSPORTATION SYSTEM."



James Corless
 Chief Executive Officer, Sacramento Area Council of Governments



FREIGHT DRIVES CALIFORNIA'S GROWTH

Why focus on freight?

- California is the nation's largest gateway for international trade and commerce
- Freight generates about one-third of California's \$2.2 trillion economy
- \$740 billion of California's GDP is from freight-dependent industries
- More than 5 million California jobs are in freight-dependent industries

California's freight system: By the numbers

3 

International commercial land ports of entry (Los Angeles, Long Beach, Oakland)

12 

Airports with major cargo operations (including Sacramento International Airport)

12 

Deep-water seaports (including West Sacramento)

5,300 

Miles of freight railroad tracks



Sacramento residents can expect to see more road construction, like this road resurfacing, as SB 1 funds are put to use on needed transportation projects.
PHOTO COURTESY TEICHERT

Help Wanted:

BUILD CALIFORNIA'S ECONOMY

INVESTMENT IN ROADS WILL MEAN MORE JOBS AND ECONOMIC GROWTH

BY RODNEY OROSCO

SB 1, the Road Repair and Accountability Act, means a steady stream of infrastructure funding, and that means officials can begin dusting off much-needed projects.

Who will be doing this work? Californians.

California's businesses, and the people employed by them, stand to benefit from this infrastructure spending. One example: Teichert Construction based in Sacramento could dramatically increase its workforce depending on the number and types of projects the company may be awarded, said Teichert Chief Operating Officer Mary Teichert.

"As new projects come out, we will absolutely be adding jobs to our workforce," she said. "We think that when SB 1 is fully ramped up, it could double our public work."

The people hired to do that work will be paid good wages, she added, which stimulates the economy. As jobs are created or sustained, these employees earn more and spend more at local businesses, like restaurants and shops. This results in both more payroll taxes and more sales tax, providing the state and local municipalities with an additional \$738.3 million in tax revenue each year to reinvest in California.

If Proposition 69 passes this June, all transportation funding will be constitutionally mandated to be used only for transportation projects. Dedicated transportation funding gives Teichert the confidence that the surge in spending is not a one-time blip.

"The stability in funding means we can invest in heavy equipment," she said.

When businesses invest in materials, it creates another

economic ripple effect. Highway, street, bridge and transit contractors purchase equipment and other materials from California businesses, in addition to other firms outside of the state, as they complete work on projects. These suppliers then purchase items from other businesses, creating an indirect effect.

The economic benefits of SB 1 are clear: More people can spend more money on more things that are being shipped on more, and better, roads.

Teichert is excited about this part: "We will hire more people, with better wages which means more money spent across the economy."

That money, in the form of Amazon Prime boxes and fresh-picked produce, travels on local roads. If those roads are lousy, it means shippers pay more for maintaining their vehicles, and that can mean added costs to the consumer, Teichert explained. "Road maintenance is so important to our economy," she said.

SB 1 will improve freight-critical junctures on Interstate 80 and Interstate 5, and connect California's ports to highways, moving goods across the country and

allowing business to access more markets. Why is this important? Freight movement generates about a third of California's \$2.2 trillion economy.

With 300-400 active construction projects in northern California, Teichert is excited at the prospect of building California's future.

"We want to be part of something that lasts decades, something we can be proud of," she said.

"WE WANT TO BE PART OF SOMETHING THAT LASTS DECADES, SOMETHING WE CAN BE PROUD OF."

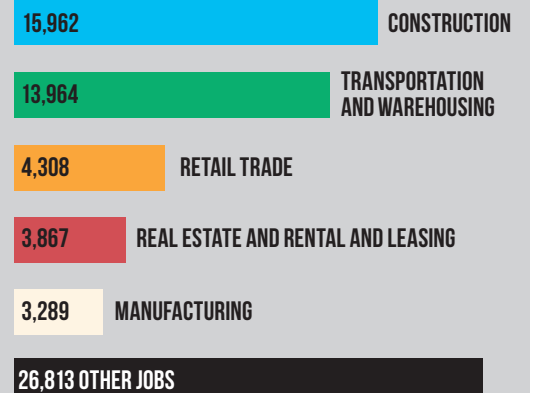


Mary Teichert
Teichert Chief Operating Officer



PUTTING CALIFORNIA TO WORK

SB 1 is a job creator. The American Road & Transportation Builders Association estimates that funding will support or create an additional 68,203 jobs on average each year over the next 10 years with 77 percent of them from outside the construction industry.



TOTAL: 68,203 JOBS

Why We Need More Funding for Roads

THE LAST TIME TRANSPORTATION FUNDING WAS INCREASED WAS 1994. LET'S LOOK BACK AT HOW CALIFORNIA'S DRIVING HABITS HAVE CHANGED BETWEEN THEN AND NOW.

1. We have more cars driving on our roads, causing more wear and tear¹

1994: 24,189,103 vehicles



2017: 34,721,195 vehicles

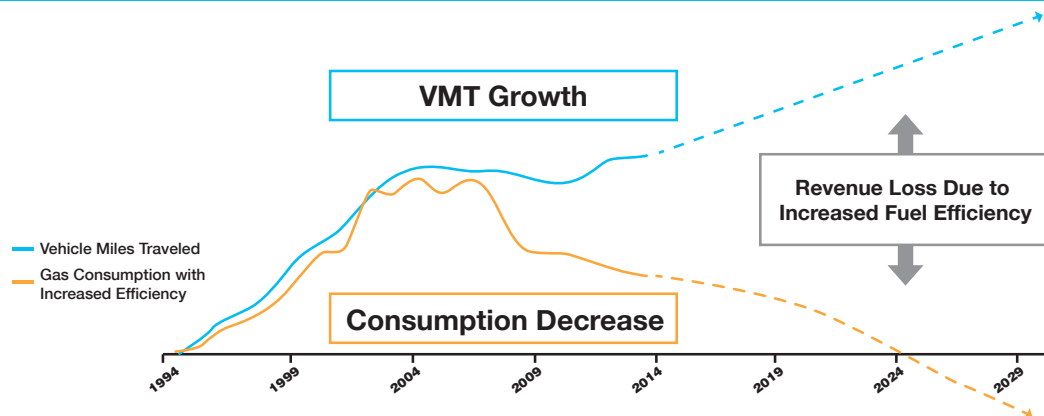


2. Our purchasing power has decreased as inflation has gone up²

71% more



3. We are driving more miles but consuming less gas due to more efficient vehicles³



What does this mean?

Our transportation maintenance spending has not kept pace with the heavier use of our roads and inflation. **DOING NOTHING ONLY MAKES THE PROBLEM WORSE**, as roads become more costly to repair the worse shape they are in. SB 1 will bring this funding back in line with our current infrastructure needs.



Sources: 1 – CA DMV.

2 – U.S. Bureau of Labor Statistics, CPI calculator

3 – Transportation California,

Keeping the process **TRANSPARENT**

SB 1 IS DESIGNED TO HOLD AGENCIES ACCOUNTABLE

Who will ensure the improvements get done?

The California Transportation Commission.

SB 1 empowers the California Transportation Commission (CTC) to hold state and local governments accountable for making the transportation improvements they commit to delivering. SB 1 also provides authorization for the CTC to review and allocate Caltrans funding and staffing for highway maintenance to ensure those levels are reasonable and responsible.

Who will guarantee project money is spent as promised?

The Independent Office of Audits and Investigations.

SB 1 created the Independent Office of Audits and Investigations, which will be led by a Governor-appointed Inspector General. The Inspector General shall report all audit investigation findings and recommendations to the Secretary of Transportation and Caltrans director on a regular basis. Additionally, SB 1 requires an annual report by the Inspector General to the Governor, the Legislature, and the California Transportation Commission with a summary of investigation and audit findings, recommendations, and status of previous recommendations. The report shall be a public document.

What is Proposition 69?

A transportation funding Lockbox.

Proposition 69, which was part of SB 1 legislation, would amend the California Constitution to require the Legislature to spend the transportation funding on transportation projects. A yes vote on Proposition 69 would also prohibit the state from loaning out these revenues, and prohibit using transportation improvement fee revenues to repay state transportation bonds without voter approval.

Can the money be used for non-transportation projects?

No.

SB 1 revenues go directly into transportation accounts and will be completely protected if Proposition 69 passes in June.

How will funding help other transportation programs?

Restores cut and delayed projects.

SB 1 funds will be used to restore the State Transportation Improvement Program (STIP). Projects funded by the STIP include future state highways, intercity rail construction and transit improvements throughout California. Prior to SB 1, the California Transportation Commission had to cut or delay \$1.5 billion in projects from the STIP.

How will local jurisdictions be held accountable?

Public audit.

Cities and counties must publicly adopt and submit to the state a planned list of projects and year-end reporting that accounts for every dollar of SB 1 revenue they receive. Bottom line: SB 1 includes provisions that streamline projects by cutting red tape and ensuring transportation funds are spent efficiently and effectively.

Will the money go to local projects?

Yes.

Local cities and counties will absolutely get their share with \$1.5 billion designated to local projects each year. In fact, more than 4,000 local projects are already underway. Local jurisdictions will also be eligible for \$200 million in matching funds each year, encouraging further investment in local infrastructure.



TRANSPARENCY: HOW IT WORKS



County or city creates a **project list** with public input



The California Transportation Commission **reviews** the list



County or city **completes** the projects



The Independent Office of Audits and Investigations **oversees** project expenditures and generates a report



The public can **review** the report

YOUR Money

Your ROADS

SB 1 IS IMPROVING YOUR RIDE BY INVESTING IN SACRAMENTO COUNTY
ROADS AND TRANSIT INFRASTRUCTURE

FOR MORE INFO GO TO:

WWW.REBUILDINGCA.CA.GOV

WWW.TRANSPORTATIONCA.COM



FIND PROJECTS IN YOUR AREA USING
THE INTERACTIVE MAP AT

WWW.REBUILDINGCA.CA.GOV/MAP.HTML

FIND THE FULL PROJECTS LIST AT

WWW.REBUILDINGCA.CA.GOV/LOCAL-FUNDING.HTML

HIGHLIGHTED FIRST- YEAR PROJECTS

Cities, counties and transit agencies will share an even split of SB 1 funding over the next decade. Here is just a sample of greater Sacramento area projects that will be accomplished in the first year of SB 1:



State highway projects

- **Pavement preservation project** to improve 56 miles on Highway 50 from I-5 to Watt Avenue overcrossing in Sacramento
- **Bridge project** to improve truck carrying capacity along the south connector undercrossing on I-5 from Highway 50 to I-80, and the American River Viaduct in Sacramento
- **Bridge project** to revamp nine bridges on I-5, I-80 and State Routes 20, 99 and 65 in Colusa, Glenn, Sacramento, Sutter and Yuba counties
- **Project to repair and replace various sections of pavement** of I-5 from Hammer Lane in Stockton to the San Joaquin/Sacramento County line
- **Project to resurface 10 miles** of I-505 from Winters to Vacaville



Local projects

**Sacramento
Transportation Authority**
Projects: 8

Sacramento County:
Projects: 25

City of Davis
Projects: 9

City of Folsom
Projects: 3

City of Rancho Cordova
Projects: 2

City of Sacramento
Projects: 11

City of West Sacramento
Projects: 3



Bike and Pedestrian Projects

Placer County
Projects: 1

Sacramento County
Projects: 3

Yolo County
Projects: 1

Yuba
Projects: 2



Transit projects

Sacramento Regional Transit
Number of Projects: 8

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