

CITY OF ORINDA

10 Year Road and
Drainage Repairs
Plan



ADOPTED BY THE CITY COUNCIL JULY 17, 2012

CITY OF ORINDA

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10 YEAR ROADS AND DRAINAGE REPAIRS PLAN

Background

The City of Orinda has 92.5 miles of paved roads. Generally the streets are considered to be in poor condition. Over the past ten years the City has spent on average a total of \$2.3 million per year on street maintenance and repairs consisting of \$0.8 million for routine maintenance and \$1.5 million for pavement rehabilitation and reconstruction.

The total cost to bring the public streets and drainage system to a good condition is estimated at approximately \$52 million. This total project costs reflects the dollar values of 2011.

To date the City's policy is to focus the pavement rehabilitation dollars on those streets that affect the greatest number of users, which in Orinda are arterials, collectors and school routes. The policy has meant that essentially no money has been spent on improvements to residential streets.

Current Budget Challenges

The City's overall operating budget is approximately \$9.8 million. Discretionary revenue from the budget is limited after funding for primary services such as Police, Engineering, Legal, Maintenance and Administration are allocated. The City has continued to reduce expenses in these areas to meet the drop in revenue the City has realized in recent years. Further, service fees generated from program areas such as Planning and Parks and Recreation are committed to provide services in those areas. Consequently, the revenue available to address the City's infrastructure problem continues to be the biggest obstacle in fixing the City's roads and storm drains. The City has reduced expenses while maintaining essential services, and at this point the City is seeking new revenue options, in the immediate form of an increase in sales tax revenue, to increase General Fund revenues. This additional revenue could then be annually allocated from the General Fund to help pay for the roads. The longer term approach includes future revenues which must be approved by the voters.

Multi-Phase Approach

The City Council and staff recognize that the magnitude of the investment needed to bring the City's roads and drainage infrastructure into full repair will require a multi-phased approach over several years. Consideration has been given not only to the fiscal need to repair the roads and drains, but also how to manage such a large number of projects. Given both of these considerations, it is recommended that a 10-year approach be taken to address the City's infrastructure issues.

The 10-year plan consists of four phases in which the City will fund, plan and manage the construction and repair of public roads and drains. The final phase of the plan is for the ongoing maintenance of the newly constructed roads and drains system. The plan depends on City Council and voter approval of several new revenue sources.

As part of the 10-year plan, the City will continue to fund the current annual Pavement Management Program with a focus on arterials, collectors and school routes from the current funding sources. Additionally, the Director of Public Works and Engineering, in conjunction with the Citizens' Infrastructure Oversight Commission, will recommend an annual plan to the City Council on how and where the new revenue should be spent on infrastructure. The phased plan is an attempt to move forward with repairing the City's public residential streets. (See Table 1 below.)

Table 1 Multi-Phase Approach to fund Orinda's Roads Drains Repairs

Phase 1	2012	Half-Cent Sales Tax Measure with a 10-year sunset - To be Appropriated Annually from the General Fund by the City Council
Phase 2	2016	\$19.8 Million Bond or Parcel Tax
Phase 3	2020	\$19.8 Million Bond or Parcel Tax
Phase 4	2022	Extension of the Half-Cent Sales Tax for Ongoing Maintenance -To be Appropriated Annually from the General Fund by the City Council

Phase 1 of the plan includes the passage of a half-cent sales tax increase. If passed the revenue generated from the increase would be available in the General Fund to be appropriated towards roads annually by the City Council. As the sales tax is a general tax, requiring a simple majority, the revenue generated by the tax is not committed to roads and must be available for all general City services. However, it is the desire of the current City Council to annually allocate this revenue to fund improvements of the City's road and drainage infrastructure.

Phase 2 of the plan includes the passage of a 2/3 required vote for a bond or parcel tax of \$19.8 million. This measure would be placed on the 2016 ballot. If passed by the voters, the City would draw down \$4.95 million annually for four years to expend on road and drain repairs and reconstructions beginning in Fiscal Year 2017.

Phase 3 of the plan includes the passage of a second 2/3 required vote for a bond or parcel tax of \$19.8 million. The second measure would be placed on the 2020 ballot. If passed by the voters, the City would draw down \$4.95 million annually for four years beginning in Fiscal Year 2021 to complete the remaining road and drainage repair and reconstruction projects. At the conclusion of phase 3 in the year 2024, the City's overall PCI condition will be raised to good. (PCI 70)

Phase 4 of the plan would require a voter approved extension of the half-cent sales tax. This measure will continue to require the City Council to appropriate the revenue from the General Fund on an annual basis and could be expended on the ongoing maintenance of the newly repaired and reconstructed infrastructure.

Total Project Costs

If the sales tax measures are successful, the new revenue will be available for the City Council to annually appropriate to the roads and drains repair budget. If the bond, or parcel tax measures are successful, this revenue will be dedicated to bringing the public roads system to PCI 70 and for under-road drainage repair. The existing revenue sources are currently being utilized for limited road and drain repair and maintenance. After the roads system has been elevated to a PCI of 70 (Good), these funding sources will be dedicated to sustaining the newly achieved level. At today's current dollar value the cost to maintain City roads and drains at the current level is \$2.2 million annually.

Current estimated revenue required to bring the Roads system to a PCI of 70 are predicated on the value of today's dollar. Construction costs and revenues may fluctuate. The City has taken into consideration the Engineering News-Record (ENR) index of 2.2% for the projected project costs in future years. (See Table 2 on the following page.)

Roads and Drains Maintenance

The existing revenue sources are currently being utilized for limited road and drain repairs and maintenance. After the roads systems has been elevated to a PCI of 70 (Good), these funding sources will be dedicated to sustaining the newly achieved level.

Attachments

- Table 2 - City of Orinda 10-Year Roads and Drains Repair and Maintenance Plan Estimated Revenue Forecast
- Images - City of Orinda Road Conditions and varying PCI ratings

Table 2 10-Year Roads and Drains Repair and Maintenance Plan Estimated Revenues Forecast

1) **Existing Revenue Sources for Roads and Drains** - The existing revenue sources are currently being utilized for limited road and drain repair and maintenance. After the roads systems has been elevated to a PCI of 70 (Good), these funding sources will be dedicated to sustaining the newly achieved level. At today's current dollar value the cost to maintain City roads and drains at the current level is \$2.2 million annually. Revenue sources include Transportation Impact Fees, Drainage Impact Fees, Gas Tax and Measure J return to source funds.

Table 2a - Existing Revenue Sources for Roads and Drains

FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	Existing Revenue Total
\$ 878,000	\$ 890,000	\$ 901,000	\$914,000	\$926,000	\$939,000	\$952,000	\$965,000	\$978,000	\$ 991,000	\$1,005,00	\$1,019,000	<u>\$11.4 million</u>

2) **New Revenue Sources for Road and Drainage Repairs and Construction** – If the sales tax measures are successful, the new revenue will be available for the City Council to annually appropriate to bring the public roads system to PCI 70 and for under-road drainage repair. If the bond measures are successful, this revenue will be dedicated to bringing the public roads system to PCI 70 and for under-road drainage repair. Additionally, new revenue would be available to contribute to the ongoing maintenance efforts to reach the required \$2.2 million annually.

Table 2b - New Revenue Sources for Road and Drainage Repairs and Construction

	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23	FY 24	TOTAL
1/2 Cent Sales Tax (1)	\$540,000	\$ 655,000	\$661,000	\$668,000	\$675,000	\$681,000	\$688,000	\$695,000	\$702,000	\$709,000			\$6.7 million
\$19.8 Million Bond or Parcel Tax					\$4.95 million	\$4.95 million	\$4.95 million	\$4.95 million					\$19.8 million
\$19.8 Million Bond or Parcel Tax									\$4.95 million	\$4.95 million	\$4.95 million	\$4.95 million	\$19.8 million
1/2 Cent Sales Tax Extension												\$716,000	\$0.7 million

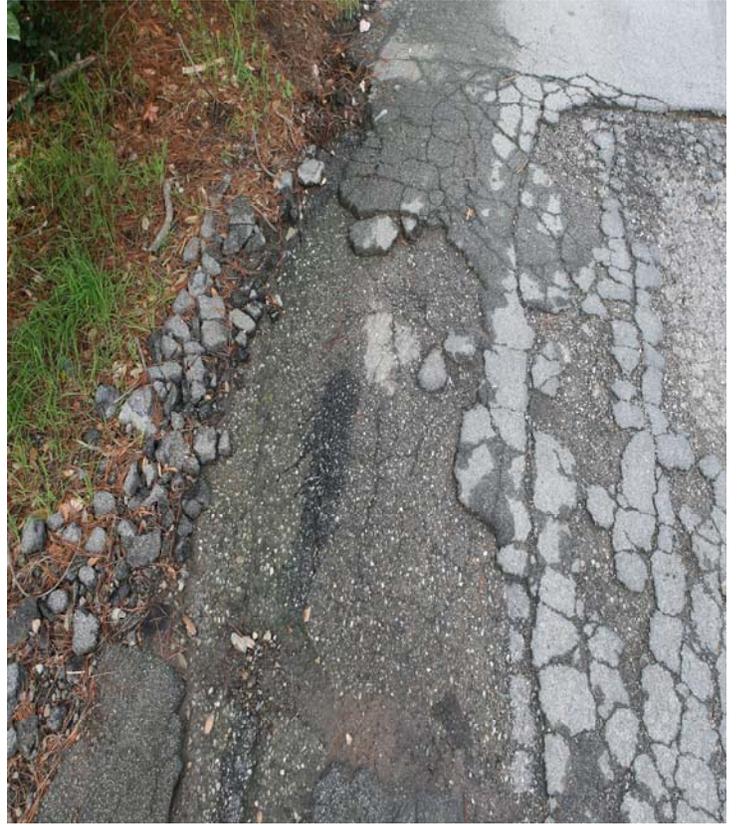
New Revenue Total
\$47 million

- (1) The City will not receive funds from the new tax measure until September 2013.
- (2) Amount includes the totals from the existing and new revenue sources and also includes an annual ENR index of 2.2% for the projected project costs in future years.

Total Revenue (Existing & New)
\$58.4 million
(2)



Greenwood Court
PCI 10



Keith Drive
PCI 35



Charles Hill Road
PCI 40



Ardith Drive at Darnby
PCI 47



Rheem Blvd
PCI 70



Clarmount Avenue
PCI 80