REPORT TO SHASTA COUNTY RTPA

SUBJECT		MEETING DATE	ITEM NUMBER
Receive Presentation on Transportation Needs and Funding Sources		07/22/03	4

RECOMMENDATION

After receiving a presentation on transportation funding needs and revenues it is recommended that the Agency:

1. Authorize staff to complete an assessment of pavement conditions region wide.
2. Direct staff to prepare a letter to be signed by the Agency Chairman encouraging local agencies to review and update their traffic impact fees.
3. Direct staff to revisit transportation funding issues upon completion of the pavement assessment.

DISCUSSION

As part of preparing the 2001 Regional Transportation Plan (RTP) approximately $680 million of capacity increasing improvements were identified region wide. Also, due to State and Federal budget deficits, it appears very unlikely that the local agencies and Caltrans will be able to keep up with the demand for increased transportation facilities - due to lack of funding. As a result of these two issues, staff has performed a more comprehensive needs assessment region wide, with the purpose of beginning a dialogue or discussion about enhancing revenues for transportation. A discussion paper regarding this study is attached.

This review differs from earlier review in that it includes transit as well as streets and highways, maintenance costs, and revenue streams. Very high-level results of the study indicate that through the year 2025 there will be approximately $4 billion in transportation needs. In that same time period we have only been able to identify approximately $1.7B in revenues, leaving a shortfall of approximately $2.3 billion.

A presentation has been prepared to demonstrate to the Agency the impacts of projected traffic volumes on our facilities versus the current conditions. Currently the transportation systems throughout the region function very well, with very short periods of congestion. However, as we continue to utilize excess capacity on our roadways, motorists in Shasta County will begin to experience longer and longer periods of congestion. Additionally, the condition of the pavement throughout the region will continue to require periodic maintenance. It is apparent that motorists in the future will spend more time in congestion on poorer quality roads.

Staff does not believe the time is right now to present a sales tax measure to the voters. This presentation and any Agency action or direction should be considered as a start at looking at the problem. There are no easy solutions to this problem; however, it will certainly not be solved if we do not take the first step.

SHASTA COUNTY
REGIONAL TRANSPORTATION PLANNING AGENCY

DANIEL J. KOVACICH
EXECUTIVE OFFICER

1855 PLACER STREET • REDDING, CA 96001
(530) 225-5661 • FAX (530) 225-5667
E-MAIL shasroad@snowcrest.net
HOME PAGE www.scrtpa.org

DISCUSSION PAPER

TRANSPORTATION NEEDS AND PROJECTED FUNDING WITHIN SHASTA COUNTY

INTRODUCTION:

Two events occurred recently that have led to the conclusion that the current system of transportation funding will not meet the needs of Shasta County residents in the future.

The first event was during the preparation of the 2001 Regional Transportation Plan (RTP). Over $680M of transportation projects was identified by four local Agencies and Caltrans to compete for limited State Transportation Improvement Plan (STIP) funding.

The second event is that State and Federal budget deficits have delayed the receipt of revenues needed for highway improvements. As of this writing, it appears that the earliest Shasta County would be able to access new State and Federal STIP dollars will not be earlier than 2008. Even for those projects already programmed, funds may not be allocated until 2005 or 2006. It is apparent that additional revenue sources beyond gas tax revenues will need to be identified to fund projected future needs. To obtain a clearer picture of exactly what transportation funding looks like, it seemed appropriate to expand the work done as part of the Regional Transportation Plan to include maintenance activities performed by the local Agencies and by Caltrans.

The goal is to get a comprehensive view of transportation needs and revenues available to meet those needs.

WHY IS GAS TAX NOT KEEPING UP WITH THE COST OF TRANSPORTATION?

The current gas tax levy is 36.4 cents per gallon. This is not indexed for inflation and has remained fixed since the early 1990's. This 36.4 cents is broken down into 18.4 cents Federal and 18 cents California State gas tax. On an aggregate basis, the Federal Gas Tax reached its highest point of $21.2B in 1999. This amount decreased to $20.8B in 2001.

Several factors have contributed to this leveling off of gas tax. Cars averaged 14 miles per gallon in 1974; today it is over 28 miles per gallon. Some vehicles are getting 70 miles per gallon. Although more of us are driving more cars more miles, we are buying less gas per miles driven.

taxes, and their broad tax base enables large amounts of revenue to be raised with relatively low tax rates.

CURRENT CONDITIONS WITHIN SHASTA COUNTY

Staff has worked with local partners and Caltrans to identify various road maintenance costs and facilities needs. The work done as part of the Regional Transportation Plan was used as a starting point for future needed improvements. Road maintenance needs have been developed using various techniques, such as cost per mile and using estimated useful life of various improvements. Costs identified in the base-year 2002, have been escalated by 3 percent per year. Various escalation factors were discussed ranging from 2 percent to as high as 3.5 percent. Three percent seemed to be the most reasonable cost escalation factor. This is identical to the inflation factor used by Redding for planning purposes.

The future needs of the region include road expansion and improvements, new lanes, roads and signals, maintenance and rehabilitation costs associated with keeping the pavement in good condition. An assumption has been made that overlays generally have a ten-year life. Other needs examined include general public transit and transit oriented toward senior citizens.

It should be noted that the transportation system in Shasta County, while under some stress, still functions quite well. The area in and around Redding experiences congestion at predictable locations around major commute times and at lunchtime. However, given our pattern of development and growth, these periods of congestion are predicted to increase in intensity and duration absent improvements. The key question is "Are we willing to fix our transportation problems before they get worse"?

Maintenance needs within the region continue to grow. Generally, the three Cities and the County perform as much road maintenance as the budget will allow. The County has historically used only funds specifically earmarked for road purposes and received no subsidy from the General Fund. Redding has not added a street maintenance worker since 1978, due to limited resources. Street maintenance workers at Anderson and Shasta Lake perform road maintenance as well as maintain water and sewer facilities. These examples are not intended as criticism of these agencies, but are used to present a picture that the transportation network is functioning fairly well; therefore, it is easy to put off addressing problems when there are more pressing priorities.

RESULTS OF THIS STUDY:

Based upon input from the three Cities, Shasta County, RABA, the CTSA and Caltrans, total costs to maintain our road network and to provide transit services will total nearly $4B through 2025. Total resources available total approximately $1.7B, resulting in a deficit of about $2.3B. Although this is a staggering figure, it is consistent with needs studies conducted in other regions throughout the State. For will require a 2/3 vote to implement. Obviously, this measure will require strong support from all segments of our region to achieve success.

If this long-term option is selected by the Agency, two specific actions are suggested. First, a consultant should be engaged by the Agency to conduct an evaluation of the pavement conditions throughout the region. The purpose of this evaluation will be to get an objective evaluation of the condition of our street and road network. To the extent that existing studies exist (such as at Shasta Lake) they would be incorporated.

Second, letters should be sent to the three Cities and the County encouraging them to examine their traffic impact fees, to determine that they are set at levels high enough to support the cost of improvements generated by that development. The Agency should also offer to fund such efforts. The voters of Shasta County likely will not vote for a sales tax increase if they believe it is subsidizing new development.

After these two events are complete, the issue should be brought back for future consideration by the Agency. At that time it would seem appropriate to engage the public in this dialogue, establish a citizens committee to develop an expenditure plan, make a decision on how such a measure would be administered, then present this item to the Cities and the County for their consideration of the measure. Perhaps by then the state will have lowered the approval requirement to something less than 2/3.

Exhibit A

Shasta County RTPA

Summary of Costs and Revenues

	Anderson	Redding	Shasta County	Shasta Lake	Caltrans	RTPA	RABA	CTSA	Total
Total of Maintenance and Operations Costs through 2025	54,620,128	319,538,110	526,301,408	45,326,731	1,757,500,000		144,842,874	10,873,101	2,859,002,353
Total Project Costs to Expand Road Systems	43,273,432	562,299,094	126,592,091	14,128,702	304,500,000		44,493,617		1,095,286,936
Total Needs through 2025	97,893,560	881,837,205	652,893,499	59,455,432	2,062,000,000	0	189,336,491	10,873,101	3,954,289,290
Revenues to be generated	25,644,741	115,175,950	386,053,177	18,754,164	927,900,000	64,000,000	171,714,715	10,873,101	1,720,115,850
Shortfall Projected	72,248,819	766,661,254	266,840,322	40,701,268	1,134,100,000	-64,000,000	17,621,776	0	2,234,173,440