



STAFF REPORT

SAUSALITO CITY COUNCIL

AGENDA TITLE:

Proposition 1B – Project Approval

RECOMMENDED MOTION:

Adopt Resolution approving the Project Proposal for Proposition 1B Funding

SUMMARY

In November of 2006, California voters approved Proposition 1B, a twenty billion dollar bond authorization. Included in the Proposition are funds for local agency transportation programs. Sausalito is eligible to receive \$400,000. The California Department of Finance (DOF) recently announced procedures for agencies to obtain the funds. The DOF requires that local agencies define specific projects for the funds. The DOF also requires that the local governing board approve the project list.

The purpose of this item is to review and approve two projects that will be identified for State Fiscal Year 2007-08 Prop 1B funding. Staff recommends the City Council adopt a resolution approving projects for Proposition 1B funding. Staff further recommends that the projects proposed for funding are the 1) Reconstruction of Bee Street from Caledonia to Bonita, and 2) Annual Street Repair Program.

BACKGROUND

Proposition 1B was approved as Senate Bill 1266 in May 2006. The measure authorizes the State to sell \$19.9 billion of general obligation bonds to fund transportation projects. The major categories of funding are:

- Congestion Reduction, Highway, and Local Road Improvements (\$11.3 billion)
- Public Transportation (\$4 billion)
- Goods Movement and Air Quality (\$3.2 billion)
- Safety and Security (\$1.5 billion)

Proposition 1B was approved by California voters in November of 2006. After analysis it was determined that cities, such as Sausalito, can obtain \$400,000 per year while the Bond Fund proceeds remain. The Department of Finance released procedures for claiming Proposition 1B proceeds. They require that the funds be tightly linked to

specific transportation projects by further requiring Cities to adopt formal funding plans for the resources.

In April, the City Engineer solicited project ideas from Councilmembers. This solicitation was done via e-mail. No responses were received. The City Engineer met with the Council Budget Committee and suggested that the reconstruction of Bee Street be done with the funds. The Committee supported that proposal. Any remaining funds would be used in the City's annual roadway repair program.

ISSUES

Proposition 1B funds are new money. The \$400,000 allocation is nearly triple the amount of revenue the City gets from conventional gas tax revenue disbursements. The funds are available this year. There is uncertainty if the funds will be made available in Fiscal year 2008-09.

Bee Street is proposed for reconstruction because it is the vehicle entrance to City Hall. The pavement is severely damaged and sinkholes exist due to failing subsurface storm drains. City Hall is not just administrative offices, it is one of the busiest, if not the busiest, cultural center in the City. Community members often to go to the Library, to use recreation services, to attend to Senior Center Events and programs, to attend special events, and to learn about the Historical aspects of the City. Reconstructing this street will improve the visiting experience for many people. Costs for such a project are not well defined at this time, but staff believes that, at the moment, the pavement, the storm drain and uplifted curbs can be replaced for an amount slightly less than the Prop 1B Allocation. Given that prices for energy and other commodities are fluctuating rapidly, more accurate estimates will need to be developed. Should remaining funds exist then staff recommends the balance of funds be used in the Street Repair Program.

Staff is aware of a request to allocate funds for the Vision Sausalito. Staff is not recommending that Proposition 1B funds be used for that effort, as it is uncertain whether the funds can be used for Planning activities and because a major goal of the Proposition is to provide more funds for the repair of existing transportation systems in the City. Vision Sausalito seeks to expand services.

FISCAL IMPACT

None. Revenues received are proposed to be used for Capital Improvement Projects. The revenue is not expected to negatively impact the General Fund.

Not approving a plan will result in the forfeiture of the Prop 1B Funds.


STAFF RECOMMENDATIONS

Adopt a resolution approving projects for Proposition 1B Funds and authorizing the City Engineer to submit the resolution and plan to the California Department of Finance.

ATTACHMENTS

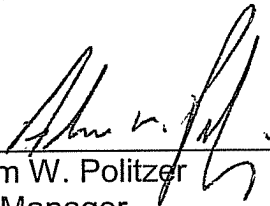
Resolution
Funding Plan (DOF spreadsheets)

PREPARED BY:



Todd Teachout, City Engineer

SUBMITTED BY:



Adam W. Politzer
City Manager

CONFIDENTIAL

MEMORANDUM FOR THE DIRECTOR, CALIFORNIA DEPARTMENT OF FINANCE

SUBJECT: [Illegible]

DATE: [Illegible]

BY: [Illegible]

TO: [Illegible]

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6/1/08
[Illegible]

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAUSALITO APPROVING
THE 2007-08 PROPOSITION 1B PROJECT PLAN**

WHEREAS, the voters of California approved Proposition 1B in November of 2006 authorizing the sale of Bonds to fund Transportation Projects, and

WHEREAS, the California Department of Finance has issued procedures and forms for claiming proceeds from Proposition 1B, and

WHEREAS, to enable claim of up to \$400,000 the City of Sausalito must identify projects for the use of the Proposition 1B proceeds, and

WHEREAS, Proposition 1B proceeds are needed for transportation services in the City including the reconstruction of Bee Street (between Caledonia and Bonita) and enhancement of the Annual Street Repair Program project, and

WHEREAS, the proceeds will significantly enhance programs established to maintain the City's transportation system.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Sausalito:

1. Approves the use of 2007-08 Proposition 1B funds to reconstruct Bee Street (between Caledonia and Bonita). Any remaining funds shall then be used to enhance the Annual Street Repair Program Project.
2. Authorizes the City Engineer or Director of Finance to submit Claim Forms to the Department of Finance on behalf of the City.

PASSED AND ADOPTED at a regular meeting of the City Council of the City of Sausalito on the _____ day of _____, 2008.

AYES: **Councilmembers:**
NOES: **Councilmembers:**
ABSTAIN: **Councilmembers:**

Mayor of the City of Sausalito

ATTEST:

Deputy City Clerk

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Meeting Date: 5-20-08
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