

Strategy To Rehabilitate Santa Ana's Roadway System

A guide to a smooth ride

Com-Link Meeting
January 25, 2007



A Glance at Santa Ana's Roadway System

The City owns and maintains 412 miles of streets:

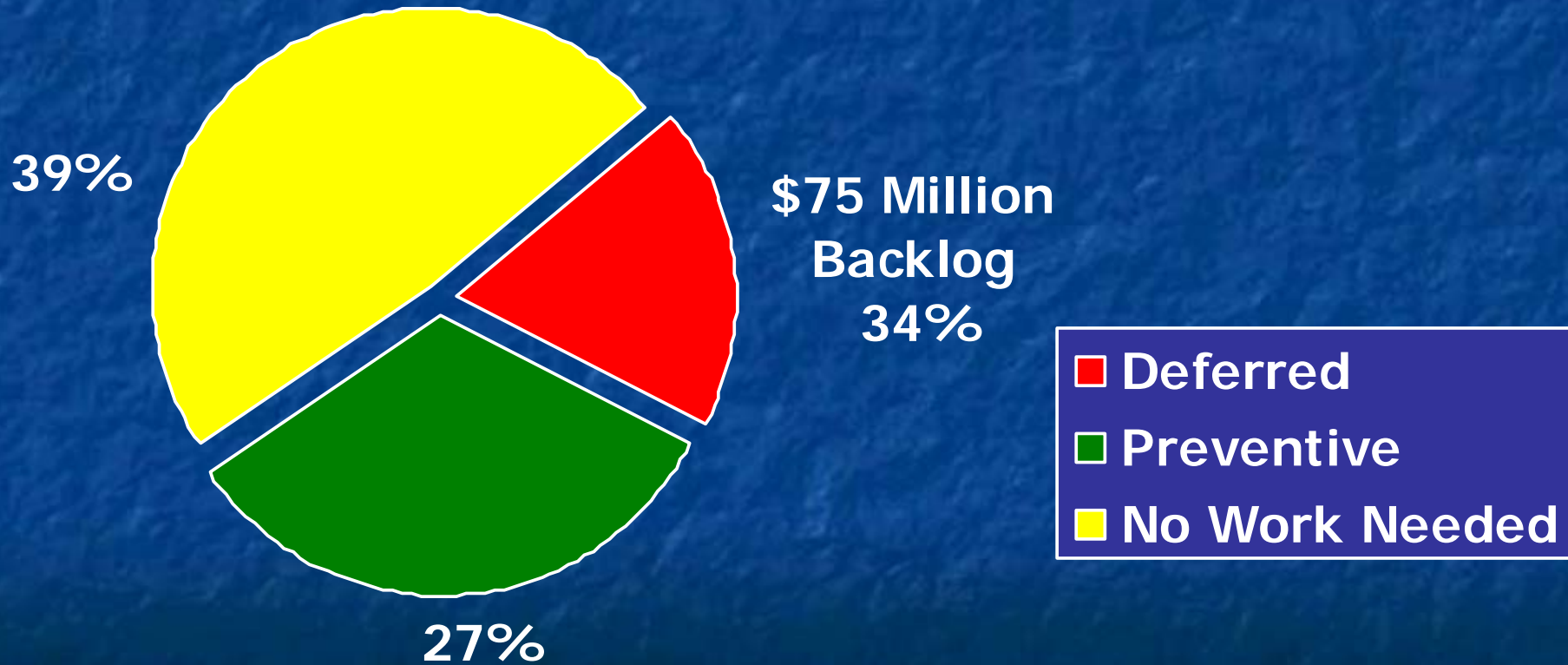
- 112 miles of arterial streets
- 300 miles of local streets

Overall condition of local streets is a significant concern



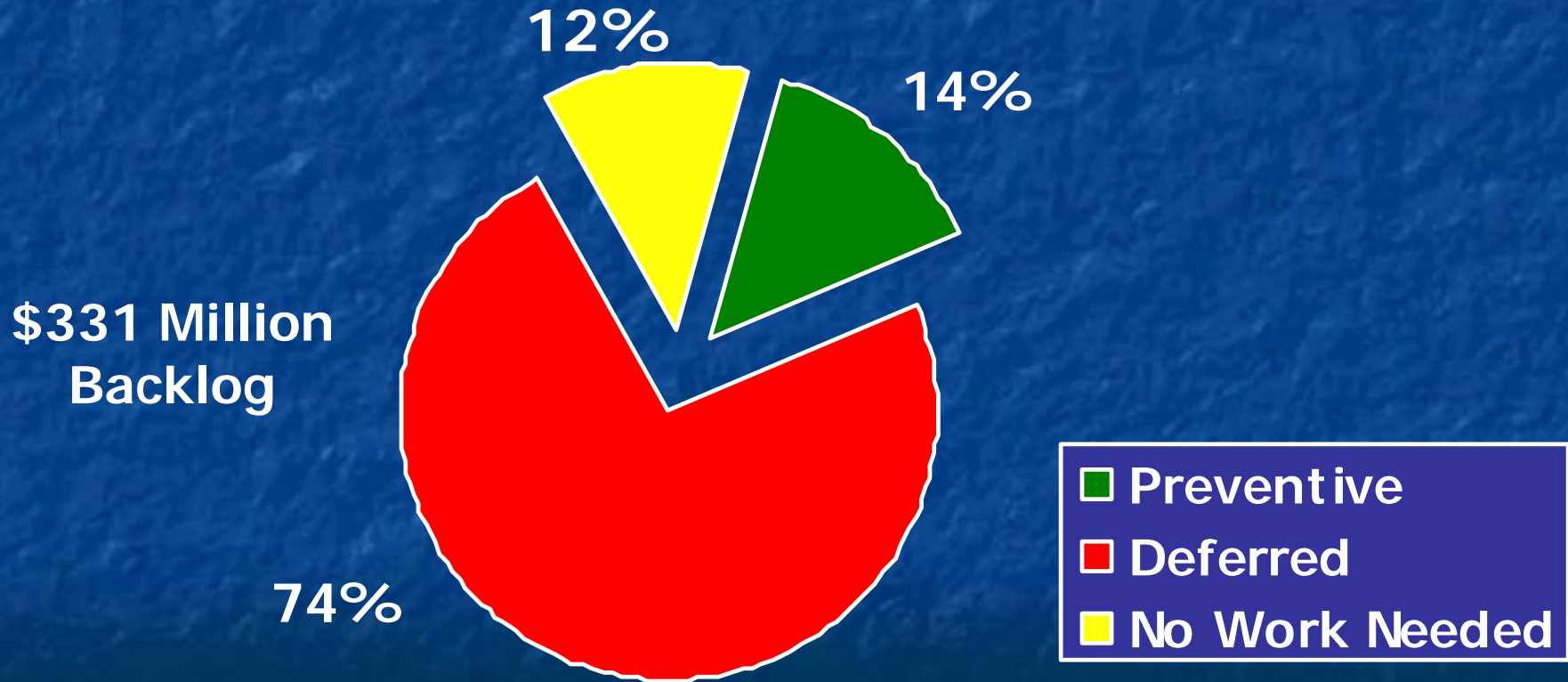
Arterial Streets Today

Average Condition Fair



Local Streets Today

Average Condition Poor



Santa Ana's Street System Constraints

- Older street system – Streets constructed in 1950's
- Historical lack of reliable and consistent funding sources, particularly for residential streets
- Loss of revenue due to:
 - Tax increment (Housing set aside funds) determined not eligible for public improvements
 - Reduction in CDBG Funds
 - 1994 Bankruptcy
 - State freeze on release of Proposition 42 funds

Current Annual Funding Sources for Street Rehabilitation

- Arterial - \$7.5 Million
 - Arterial Highway Rehabilitation Program Federal (AHRP) Funds
 - Gas Tax
 - Measure M Turn Back
 - Proposition 42
- Local - \$1.0 Million
 - Community Development Block Grant (CDBG)
 - Gas Tax
 - Measure M Turn Back
 - Proposition 42

City's Pavement Management System

What it does...

- Identifies preventive maintenance needs
- Prioritizes Capital Improvement needs
- Provides preliminary cost estimates to bring the pavement to an acceptable level
- Identifies most cost effective use of available funds
- Forecasts the pavement condition for different levels of funding

Pavement Condition Index (PCI)

<u>PCI Range</u>	<u>Rating</u>	<u>Recommended Improvement</u>
84-89	Excellent	Slurry Seal
73-83	Good	Thin Overlay
60-72	Fair	Thick Overlay (Structural Overlay)
Critical Level for Structural Maintenance		
41-59	Poor	Reconstruction (Partial)
0-40	Failed	Reconstruction (Full)

Examples of Pavement Treatment

- Pothole Repair (Temporary)
- Crack Seal (Preventive)
- Slurry Seal (Preventive)
- Thin Overlay
- Reconstruction

Pothole Repair

- Purpose: Immediate repair for damaged pavement
- Number of potholes repaired per year = 25,000
- Response time: 24 hours
- Annual cost = \$465,000



Timely Maintenance Can Save Money

- Every **\$1.00** spent early on preventive maintenance (crack seal, slurry seal) saves **\$6.00** later in deferred maintenance costs (overlays and reconstruction)

Countywide Competition for Funding Arterial Streets

- A certified Pavement Management System is required to determine the condition of the existing streets
- City submits candidate arterial streets based on minimum condition requirements set by OCTA; Average Daily Traffic Counts (ADT's), pavement condition
- Funding award based on comparing the conditions of our candidate streets in relation to other cities

Citywide Process for Funding Local Streets

- Determine the funds available to invest for preventive maintenance and construction
- Recommend prioritization based on the most efficient use of annual funds available
- Balance between prevention and deferred maintenance

Good News!

New Revenues Available for Local Streets

- Governor's Proposed Infrastructure Bonds – **\$11.2 million** to Santa Ana over the next 5 years.
- Measure M Extension – increase in Measure M Turn Back will provide an additional **\$3.4 million** annually beginning in 2011.
- New Measure M Extension will also reduce local match for grant funding from 50% to 25%.

New Revenues Available for Local Streets (cont'd)

- Proposition 42 - In 2008 expect + **\$5.7 million per year** – Revenues constitutionally protected
- CDBG Funds – Police Facility loan paid off in Fiscal Year 06/07 provides potential for new loan of up to **\$13.0** million (lump sum)

Local Street Enterprise Revenue and Expenditure of Anticipated by 2010

Potential Revenue:
Over the next 5 years **\$50 Million**

Estimated Annual Revenue (2011):
(Current plus future anticipated increases) \$12 Million

Estimated Annual Expenditure:
Deferred Maintenance -
Overlay & Reconstruction: \$10 Million
(Fund 8 miles of improvements)

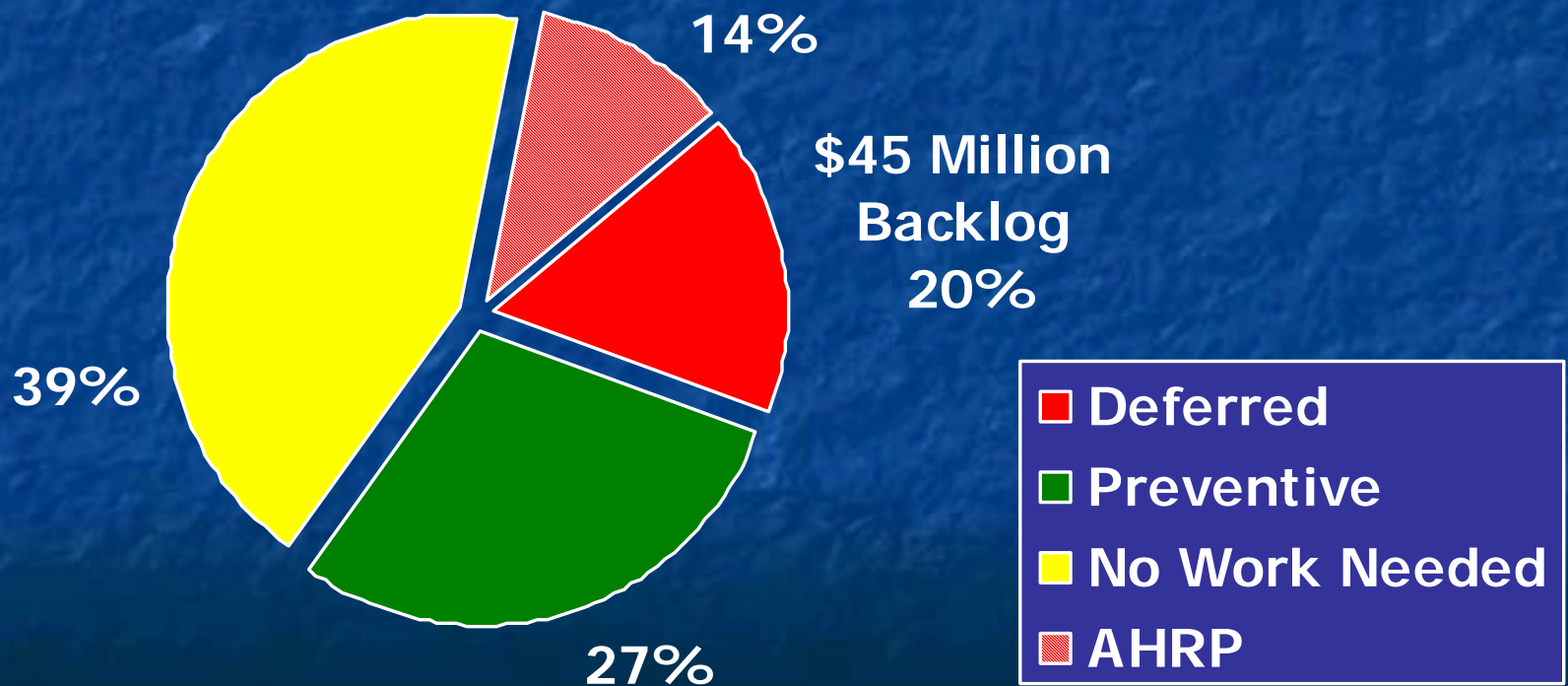
Preventive Maintenance: \$ 2 Million
Slurry, crack seal, fog seal
(7 miles)

What will this accomplish?

- \$80 million investment in Santa Ana Street System over the next 5 years
- Funds street improvements in **12-15** neighborhoods over the next 5 years
- Funds improvements in **3-4** neighborhoods each year thereafter
- **Stops the decline** in the condition of our local streets
- Provides possible future bonding opportunities
- Continues to improve arterial streets

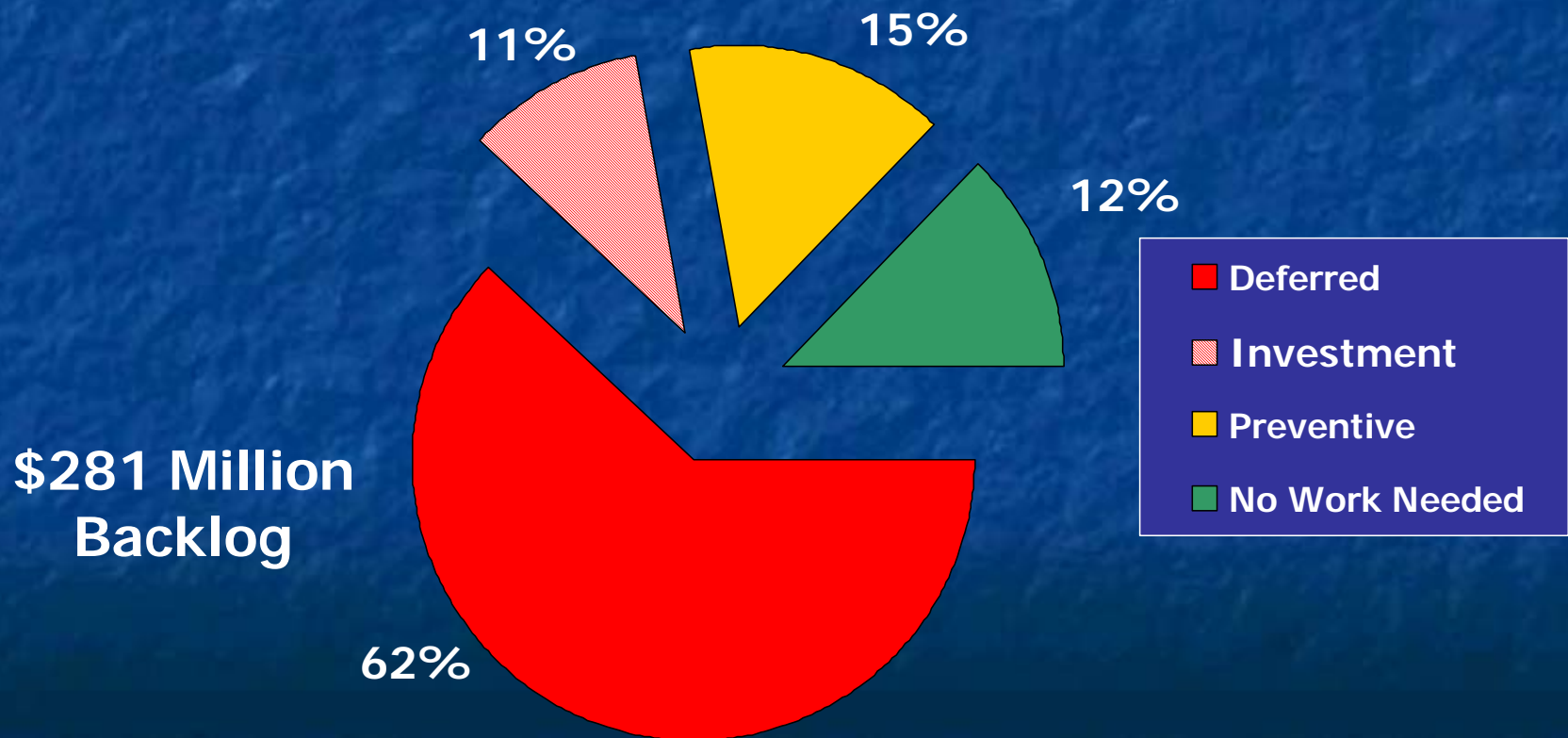
Arterial Street Improvements with New Revenues

\$30 Million AHRP Investment Next 2 yrs.



Local Street Improvements with New Revenues

\$50 Million Local Street Investment Next 5 years



The Bottom Line

- Santa Ana will realize a significant increase in funding for local roads over the next several years
- Will cause a significant increase in local street projects over the next few years
- However, to address City's overall backlog of deferred maintenance in residential streets, more funding will be needed

Options to Consider

- “Pay as you go” with existing revenues anticipated
- Bond to accelerate construction using anticipated future revenues from Gas Tax, Proposition 42, Measure M street funds
- Use CDBG revenues to borrow \$13 million to accelerate construction once Police Facility Loan is paid off
- Push legislation for more flexibility in using Housing Set Aside money for street improvements
- Attempt to share in County’s surplus Gas Tax and Proposition 42 revenues
- Consider Citywide revenue measures dedicated to street improvements

Recommendations

- Retain Financial and Engineering Consultants to evaluate the feasibility of revenue and bonding options for neighborhood streets
- Consider the option of \$13 million CDBG loan for streets
- Work with State Legislators in an effort to utilize Housing set aside funds for street repair in low-income eligible neighborhoods
- Work with other Orange County cities, the Board of Supervisors and State Legislators to enable cities to share in County's surplus Gas Tax and Proposition 42 revenues

Questions / Answers

