



Memorandum

TO: RULES AND OPEN GOVERNMENT
COMMITTEE

FROM: Hans F. Larsen

SUBJECT: Request to Set Study Session on
Pavement Maintenance

DATE: 06-09-10

Approved

Date

6/9/10

COUNCIL DISTRICT: Citywide

RECOMMENDATION

Approval to set a City Council study session on pavement maintenance conditions and funding strategies:

Date: Tuesday, October 12, 2010

Time: 1:30 – 5:00 p.m.

Location: Council Chambers

PURPOSE OF THE STUDY SESSION

The purpose of the study session is to review current and projected pavement maintenance conditions and to discuss specific funding alternatives and strategies to reduce or eliminate the pavement maintenance backlogs and funding shortfalls.

OUTCOME

As a result of the study session, the Council will have a greater understanding of the current and projected conditions and funding needs of the City's pavement network and the funding alternatives and strategies to reduce or eliminate the maintenance backlogs and funding shortfalls. Based on this understanding, the City Council will provide direction to staff for pursuing the development and implementation of specific funding alternatives and strategies.

BACKGROUND

The City's pavement network is in a perilous position. On-going funding for pavement maintenance has consistently been short of the levels needed to perform adequate

maintenance and rehabilitation work, currently resulting in an overall pavement network condition rating of fair (a 64 rating on a 100 point scale) and a \$250 million backlog of deferred maintenance. Future funding projections paint an even bleaker picture with annual funding levels falling between \$20 and \$30 million short of the \$39 million needed each year.

In the short-term, the seriousness of the pavement maintenance issue is potentially being masked due to recent one-time funding grants from State Proposition 1B and the Federal Recovery Act that have increased pavement maintenance activity both last year and in this current construction season. In addition, the VTA will be pursuing a countywide \$10 vehicle registration fee for the November 2010 ballot that could provide \$5 million annually to San Jose for pavement maintenance. This funding level, although much needed and helpful, would fall well short of closing the \$20 to \$30 million annual funding gap. Nor will it address the existing \$250 million backlog of deferred pavement maintenance.

The consequences of not securing sufficient additional funding for pavement maintenance within the next few years are severe, and include:

- **Steep declines in pavement conditions** with the current rating dropping from 64 to 56 by 2015 and to 45 by 2020, with over half of all San Jose streets in poor condition.
- **Escalation of the deferred maintenance backlog** from a fixable \$250 million today, to an estimated, and possibly untenable \$750 million to \$1 billion by 2020.
- **Blighted roadway appearance**, due to widespread poor pavement conditions, may create **constraints to economic development** and impact community pride. San Jose's roadways are a high visibility part of the community and comprise over 20% of San Jose's urban land area.
- **Continued negative media attention** for San Jose regarding "rough roads". Annual pavement condition reports are now prepared by regional, state and national organizations. The San Jose metro area is currently cited as having the second worst pavement conditions in the nation and San Jose has the worst pavement conditions among jurisdictions in Santa Clara County.

Recognizing the urgency and complexity of this matter, and building upon work previously completed as part of the Transportation Maintenance Master Plan, the Transportation and Environment Committee discussed these issues at their May 3, 2010 meeting and approved staff's recommendation to conduct a special study session with the entire City Council to contemplate specific solutions to these issues.

ANALYSIS

The study session will provide the City Council with an opportunity to review, discuss, and ask questions about the City's pavement network conditions, funding needs, and maintenance activity. Staff will present the most current information on these items, including the level of

investments needed over a multi-year period to reduce and/or eliminate the maintenance backlogs and perform proper maintenance over the long-term.

The study session will also provide the City Council with an opportunity to review, discuss, and ask questions about the various funding alternatives and strategies that have been analyzed and are considered viable options to reduce or eliminate the maintenance backlogs and funding shortfalls. Staff will present analysis of these funding options, including potential funding levels, pavement network impacts, legal requirements and issues, costs to the public, regional policy advocacy and approval and implementation processes and schedules

Finally, staff will recommend an overall strategy and work plan for pursuing new pavement maintenance funding for City Council consideration. This will enable the City Council to provide direction to staff regarding the specific funding alternatives and strategies that should be pursued along with direction regarding the completion of specific work plan elements, such as community education and outreach efforts, public surveys, election schedules and other details.

STUDY SESSION CRITERIA

- Criterion 1:** Due to the nature of the topic area, may report to more than one Committee.
- Criterion 2:** Topic area falls under more than one City Service Area.
- ✓ **Criterion 3:** Topic is a Citywide issue/policy that needs Council's direction and input to proceed
- Criterion 4:** There is a significant amount of public interest and requires a study session to accommodate public input.
- Criterion 5:** There are outside organizations that need to participate or sit on a panel.

COORDINATION

The study session agenda, presentation and materials are being coordinated with the City Manager's Office, Department of Public Works, and City Attorney's Office.

/s/

Hans F. Larsen
Acting Director of Transportation

For questions, please contact Kevin O'Connor, Deputy Director of Transportation at 277-3028.