

AGENDA: May 7, 2020

TO: Regional Transportation Commission
FROM: Guy Preston, Executive Director
RE: Director's Report

THIS ITEM FOR INFORMATION ONLY

COVID-19 Economic Impacts on RTC's Budget

RTC staff continues to monitor the economic impacts of COVID-19. RTC's budget includes several revenue sources, including federal funding, state funding, and local funds. Our biggest concern for revenue decreases continues to be sales, use, transaction and gas taxes, particularly Transportation Development Act (TDA) funding and Measure D.

RTC employs the services of Hinderliter, de Llamas & Associates (HdL) for revenue projections of Measure D, our transaction and use tax dedicated to transportation. RTC staff has attended several meetings with HdL associates over the past month to discuss potential impacts to both statewide sales tax, in general, as well as Measure D specifically. Statewide, HdL projected expected year-to-year revenue decreases for the current and next fiscal year as follows:

- FY19/20: -9.5%
- FY20/21: -1.5%

Locally, HdL projected year-to-year revenue decreases for Measure D as follows:

- FY19/20: -12.2%
- FY20/21: -4.4%

On April 16, 2020, RTC staff met with recipients of Measure D and TDA revenues to review potential impacts of COVID-19 on the RTC's budget and local revenues, including Measure D, TDA, and State grants. Agencies fully understand that the direct allocations of Measure D revenues and payments on TDA claims will be lower than previously projected. Jurisdictions were reminded that Measure D does not have a reserve and payments are based on actual revenue receipts. Although TDA does have a reserve, agencies are aware that the reserve is not expected to cover the full amount of the expected revenue drop. Recipients showed a preference to immediately use the TDA reserve to off-set decreases in revenue, with a full understanding that this action would lead to greater impacts to next year's claims.

Staff has considered the timing for RTC budget amendments. Considering that there is less than 2-months remaining in this fiscal year, the lag in payments from the State, and the relative uncertainty of revenue projections, staff recommends only minor FY19/20 budget amendments needed to account for changes to RTC's management of projects, such as the one included in today's agenda packet. For the recently approved FY20/21 budget, staff will propose a revised budget for an RTC meeting in late June. This timing will provide staff with the time needed to refine the budget impacts and vet proposed budgetary impacts with the Budget and Administration /Personnel Committee. As the impacts of COVID-19 proceed, it will likely be necessary to return to the Budget and Administration/Personnel Committee and the RTC during FY 2020-21 with further budget amendment recommendations.

Santa Cruz Branch Rail Line - 2017 Storm Damage Projects

RTC has made significant progress on the delivery of the 2017 Storm Damage Projects. A construction package for storm damage sites 1 and 2 was advertised on April 3, 2020. Sites 1 and 2 are located adjacent to Harkins Slough and Gallighan Slough near mileposts 5.0 to 5.1, which put the Santa Cruz Branch Rail Corridor out of service north of milepost 5. The repair work includes new cross culverts, wingwalls, grading, drainage improvements, and repair of the embankment and railroad ballast, ties, and rails. The bid opening date was originally set for April 28, 2020, with the intention of awarding a construction contract at today's RTC meeting.

RTC staff received a request to extend the bid opening. After considering the request, staff agreed to extend the bid opening to May 13, 2020. Assuming the RTC receives an acceptable bid, staff plans to request the Commission's authority to award a construction contract at the May 21, 2020 Transportation Policy Workshop. Construction is expected to be completed this summer.

RTC is completing the bid package for storm damage site 3 adjacent to Sumner Avenue in Aptos. The project will repair the damaged slope embankment on the east side of the rail tracks. This project is expected to be advertised and constructed later this year.

RTC plans to advertise a construction package for storm damage sites 4 later this month. Site 4 is located in Aptos near Harriet Avenue and will repair a damaged slope embankment and drainage culvert. RTC plans to request award at a subsequent RTC meeting with construction anticipated this year.

RTC's environmental consultant has started work on environmental studies needed for permit applications for storm damage sites 5 and 6, which are located on the north coast. Due to the environmental sensitivity of these two sites, construction is not expected until next year.

RTC advertised a construction package for storm damage site 7 on May 6, 2020. Site 7 is located at the southern rail bridge overcrossing of Highway 1 in Aptos. The repair work includes replacing the protective railing and fencing on the railroad bridge. The bid opening date is set for May 26, 2020. Assuming RTC receives an acceptable bid, staff plans to request the Commission's authority to award a construction contract at the June 4, 2020 RTC meeting.

Regional Conservation Investment Study (RCIS)

RTC staff is working with the Resource Conservation District of Santa Cruz County to develop the Santa Cruz County Regional Conservation Investment Strategy (RCIS). The RCIS will identify environmental conservation priorities and link potential environmental mitigation for proposed transportation projects to conservation projects. The first meeting of the Stakeholder Group was April 28 via Zoom webinar.

Forty-eight stakeholders with a direct interest in conservation or transportation planning in Santa Cruz County participated in the meeting. These agencies and individuals are either responsible for resource and transportation project oversight or depend on the resource for their livelihood or programs. Stakeholder will provide input on resource inventories, management strategies, conservation goals, objectives, priorities and strategies. The first major RCIS deliverable will be the Existing Conditions Report which is scheduled to be completed in August 2020. Once finalized, the Santa Cruz County RCIS can help to expedite delivery of transportation projects by facilitating regional advance mitigation planning. Additional information on the RCIS can be found at www.sccrtc.org/rcis.

Update on Transit Corridor Alternatives Analysis

The on-line activities for the Transit Corridor Alternatives Analysis (TCAA) is ending on May 11th. Staff has also met with local partners and is already working on analyzing public input in preparation of a final staff recommendation on the screening analysis and short list of alternatives to be presented at the June 4th RTC meeting.