

# City of Hesperia

## STAFF REPORT



**DATE:** August 6, 2019

**TO:** Mayor and Council Members

**FROM:** Nils Bentsen, City Manager

**BY:** Michael Blay, Assistant City Manager  
Jamie Carone, Administrative Analyst

**SUBJECT:** Fiscal Year 2019/20 – 2023/24 Five Year Measure I Capital Improvement Plan

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### RECOMMENDED ACTION

It is recommended that the City Council adopt Resolution No. 2019-042 approving the Measure I Five Year Capital Improvement Plan and Expense Strategy for Fiscal Years 2019/20 – 2023/24.

### BACKGROUND

In November 2004, voters in San Bernardino County approved Ordinance 04-01, a second 30 year term to impose a one half of one percent retail transaction and sales tax to fund transportation related improvements and traffic management programs. Originally established in 1989 as Measure I, currently referred to as Measure I 2010-2040, revenue collected are to be utilized as follows:

- 70% Local Street Program (2% of the revenue is to be reserved for Project Development and Traffic Management Systems)
- 25% Major Local Highway Program (used to leverage against State/Federal funds)
- 5% Senior and Disabled Transit Program

### ISSUES/ANALYSIS

Jurisdictions receiving Measure I tax revenue from the San Bernardino County Transportation Authority (SBCTA) Local Street Program must annually adopt, by action of their governing body, a Five Year Capital Improvement Plan (CIP) which outlines the projects upon which the Measure I pass-through funds will be expended. Only projects identified in the current CIP are eligible for use of Measure I revenue and only 50% of the estimated revenue can be programmed for use on general maintenance and city overhead. The other 50% of revenue should be programmed to specific road projects which identify projects by street name and project type. The Measure I Five Year (CIP) should also include an Expense Strategy, which explains the City's policy approach and expenditure method in identifying projects to be funded by Measure I. At the end of the year, SBCTA audits the City's Measure I expenditures to ensure they are consistent with the projects programmed in the Measure I Five Year (CIP). The Fiscal Year 2019/20 – 2023/24 Measure I CIP is due to SBCTA this year on September 1, 2019.

- Beginning in Fiscal Year 2018/19, the first payment of the Ranchero Road Interchange Public Share Reimbursement was due to SBCTA. This 10-year payback agreement between the City and SBCTA allowed the advancement of the Ranchero Road interchange project whereby the City borrowed its local share of the project funding from SBCTA. The City obligated Development Impact Fees (DIF) as the source of this

repayment, and City Staff anticipates the City will be able to make reimbursement payments from DIF for fiscal years 2019/20 and 2020/21; however, the repayment is included in the MICIP for future years past FY 2020/21 as a placeholder to prepare for the possibility of a reduction in DIF fees which would result in payments made from Measure I funding.

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**FISCAL IMPACT**

There is no direct fiscal impact as a result of the subject item. This action simply adopts the FY 2019/20 - 2023/24 Five Year Measure I Capital Improvement Plan for the purpose of expending Measure I revenues. Any changes in financial condition can be clarified with an amendment to the plan.

**ALTERNATIVE(S)**

1. Provide alternative direction to staff.

**ATTACHMENT(S)**

1. Resolution No. 2019-042
2. Measure I Five Year CIP 2019/20 - 2023/24 Spreadsheet
3. Measure I Five Year CIP 2019/20- 2023/24 Expenditure Strategy
4. Measure I Five Year CIP 2019/20 - 2023/24 Revenue Forecast