



ANNUAL ROAD REPORT

FY 2021-2022



Prepared by:

Greg Hamblet
Operations Administrator

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Introduction

This annual report will serve as an update of completed projects each fiscal year regarding the city's transportation system. The report will reflect the projects that were completed during the described budget cycle and what projects were started during that same time period.

The city's transportation system consists of 130 lane miles of asphalt roads 14 lane miles of concrete roads, 23 lane miles of gravel roads (including alleys); 57.1 lane miles of roads that are classified as local or collector roads and 9.9 miles of arterial classification. The fiscal year 2021/2022 construction saw the completion of two major road rehabilitation projects and several smaller rehabilitation projects that have improved the city's transportation services to the citizens and visitors to our city.

At the February 19, 2013, City Council meeting, the Streets Task Force was formed, and a task list was created, as well as the composition of the group was developed, resulting in a group of thirteen stakeholders, four subject matter experts, and five members-at-large. This group's first task was undertaking a pavement condition survey and development of asset management plan, following a newly developed assessment index, the Pavement Condition Index (PCI). The group then spent time evaluating possible funding strategies which resulted eventually in the creation of the TUF as well as increasing the electric utility franchise fee by 2% and dedicating those revenues for street improvement projects. In September 2014 a consulting firm was hired to complete the pavement condition survey and asset management plan. The final survey and plan were presented to City Council for approval in June 2015. Since that time, staff have used this plan and PCI to develop recommended road projects for each annual budget.

Annual budgets begin development in December and January of each fiscal year, with final preparations for presentation to the budget committee in May for approval and recommendation to City Council for adoption in June. This annual budget process must conclude by June 30th each year, to establish legal spending authority prior to the start of each fiscal year on July 1st.

Funding for transportation projects comes from several sources:

Oregon Gas Tax – The gasoline tax is the largest resource for road maintenance. These funds are used by the City for right-of-way (ROW) related operations and maintenance which includes equipment, materials, and personnel. Over the years, gasoline tax revenue has decreased as vehicles have become more fuel efficient and more hybrid or electric vehicles have entered the market. The result of decreased gasoline tax revenue is a shortage of funds to cover the regular operations and maintenance of the existing transportation system. The below table shows the revenue shortfall for the most recently completed fiscal year (FY) and the prior fiscal year.

	<u>FY 22</u>	<u>FY21</u>
State Gas Tax	\$ 1,295,166	\$ 1,234,156
Street Division Operational Expenses	<u>(1,409,268)</u>	<u>(1,459,287)</u>
Revenue Shortfall	<u>\$ (114,101)</u>	<u>\$ (225,131)</u>

Transportation Utility Fee (TUF) – The City Council implemented the transportation utility fee in April of 2019, following months of public meetings and deliberation. The TUF is \$10 for every residence and \$20 for every business, included with the monthly water/sewer billing produced by the Coos Bay/North Bend Water Board. Annual revenue projected to be received is approximately \$975,000.

Dedicated franchise fees – During FY15, City Council enacted an ordinance increasing the electric utility franchise fee by 2% and dedicating those fees to street maintenance. These franchise fees provide roughly \$300,000 annually.

Surface Transportation Block Grant (STBG) – Surface Transportation Block Grant (formally Surface Transportation Program, STP) funds are from the Federal Government and are administered by the State of Oregon. The state has recently expanded the allowed uses for these funds. These funds may now be used on all work in the public right-of-way for which state gas tax funds may be expended. These funds are eligible to accumulate over more than one fiscal year. These funds were last used in FYE 2021 for the Safe Routes to Schools project in Eastside. It is estimated there is nearly \$450,000 accumulated in available funds.

Urban Renewal Agency (URA) special levy taxes - The Special Levy option was first exercised in FY18 for street improvements in the Downtown Urban Renewal district and generates approximately \$490,000 in tax revenue each fiscal year. This resource must be used for capital projects such as reconstruction of streets, curbs, and sidewalks and cannot be used for pothole maintenance.

Urban Renewal tax-exempt bond issuance – Previous bond issuances have been \$3.4M in the Downtown District and \$2.85M in the Empire District, with repayment in full expected in FY28. Additional bond issuances could be contemplated in future years.

Grant opportunities – Previously awarded grants have been used for projects such as the Safe Routes to School program in Eastside, with a \$2.0M grant. Grant opportunities are always sought, with the most recent applications currently under review for potential grant awards to support improvements to Coos River Highway and Coos Bay Blvd.

Jurisdictional Exchange Fund - The \$4.8 million in the Jurisdictional Exchange Fund (JE) can only be used to maintain the 23 lane miles of streets transferred to the City from ODOT in 2000. The streets are South Empire Blvd. Newmark Avenue, Ocean Blvd. Central Avenue, Anderson from 7th to 4th Street, Commercial Ave from Bayshore to 7th Street, 6th Avenue and Coos River Highway. The City Charter further restricted the use of this resource whereby only the interest generated by the \$4.8 million (held in trust in its own interest-bearing account) can be used for the repair and maintenance of the aforementioned streets. Depending on financial markets, annual interest earnings could reach \$300,000.

The table below represents revenues received during the current FY22 report period and the prior FY21 period:

	<u>FY 22</u>	<u>FY21</u>
Oregon Gas Tax	\$ 1,295,166	\$ 1,234,156
Transportation Utility Fee	1,030,278	1,038,757
Electric Utility Franchise Fee	303,582	318,053
STBG Funds	250,532	-
Special Levy Taxes	509,355	457,915
URA Tax-Exempt Bonds	1,051,207	2,524,423
Grants	-	-
Jurisdictional Exchange - Interest	28,831	40,325
	<u>\$ 4,468,951</u>	<u>\$ 5,613,628</u>

The table below represents expenses during the current FY22 report period and the prior FY21 period:

	<u>FY 22</u>	<u>FY21</u>
Street Division Operational Expenses	\$ 1,409,268	\$ 1,459,287
Road Construction	1,963,572	4,116,472
Sidewalk Improvements	14,756	2,285,161
	<u>\$ 3,387,595</u>	<u>\$ 7,860,920</u>

During a recent fiscal year, the city purchased a pavement grinder that would allow staff to make repairs to certain sized potholes. These repairs are performed by staff within our capabilities and equipment limitations throughout the city. Each year, city staff repairs approximately 10 potholes per month on an as needed basis and weather dependent, both reactively & proactively. Larger pothole projects such as the 2021 Pothole Repair Project are contracted out via the competitive bid process.

Below are listings of FY22 completed projects, FY22 completed project designs, and projected FY23 projects:

FY 21/22 Completed Project List

1. Eastside Safe Routes to School
2. 4th Street Roadway Safety Improvements
3. 2021 Spring Street Projects
4. S. 7th Street and Minnesota Ave. Road Rehabilitation
5. 2021 Pothole Repairs
6. Taylor & Main Emergency Repair

FY 21/22 Design projects

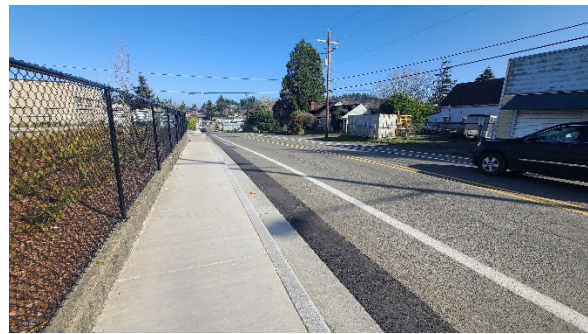
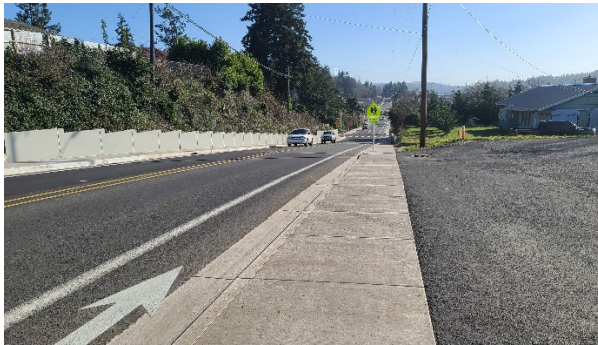
1. 2022 Spring Street Project Design
2. Central Ave. Design

FYE 22/23 Projected projects

1. 2022 Spring Street Project
2. Central Ave. Construction
3. 2022 Pothole Repairs Project
4. Front Street 30% Design
5. Front Street Parking Lot Design
6. Future Newmark /Empire Roundabout Design

The following provides FY22 project details and photos:

Project 1: Eastside Safe Routes to School



Coos Bay School District # 9, ODOT, and the city partnered on a Safe Routes to School project in Eastside to provide better access to and from both Eastside and Millicoma schools. These improvements included storm infrastructure, sidewalks, ADA Ramps, marked crosswalks, and rapid flashing beacons (RFB). This project was over budget. The budget for this project was \$2,925,738.00 and the total final cost was \$2,959,912.54, just a little over 1% over budget. The overage were for quantity changes, design changes, and value engineering.

Project 2: 4th Street Roadway Safety Improvements



The Coos Bay-North Bend Water Board partnered with the city on the 4th Street Roadway Safety Improvements, by covering the costs for all water infrastructure improvements within the project area. This project included costs for all labor, equipment, and materials necessary for surface and storm improvements, PVC storm drainpipe, catch basins/curb inlets, ductile iron water main and appurtenances, asphalt, aggregate base, curb and gutter, pedestrian ramps, sidewalks, traffic signal masts with lamps, flashing beacons, signs, excavation, striping, relocation of hydrant, waterline adjustment, landscaping, etc. The bid price for this project was \$2,409,969.00, the total final cost was \$2,612,257.90 which was \$202,288.90 over the bid price. Several reasons for the overages have been identified, such as: regrading, additional concrete work, removal, and replacement of streetlights due to grade changes, placement of new electrical conduits, over excavation of unexpected buried fill materials such as concrete and tree stumps.

Project 3: 2021 Spring Streets Projects



This project encompassed the reconstruction of 100 linear feet (LF) of 2nd Ave, 275 LF of A Street, 960 LF of 1st Ave., the reconstruction of 9th Ave between F St & D St, as well as E St between 6th & 9th, a 2" grind and inlay of Prefontaine Dr. between Fulton & Nautical, and a 2" grind and inlay of Kentucky Ave. between Zanna Place & Prefontaine Dr. The bid amount for this project was \$728,900, the total final cost was \$820,919.25 The project was over bid \$92,019.25. The overages were due to a change in condition, where the assumed depths of pavement were 4 inches. Several roads had a paved thickness of only 2 inches, therefore additional materials were required to bring the roads to city standards.

Project 4: S. 7th Street and Minnesota Ave. Road Rehabilitation



The fourth project was the complete reconstruction of S. 7th Street between Kruse & Lockhart and spot repairs and resurfacing of portions of Minnesota Ave. S.7th Street reconstruction included replacement of the road substructure and stabilization, placement of 600 LF of new curb and gutter as well as two new catch basins. Minnesota Ave. consisted of several spot repairs along with approximately 150 LF of new curb and gutter to improve drainage. The bid amount for this project was \$454,332.00, the total final cost was \$454,525.25. The project was over the bid price \$193.25, the overage was due to additional foundation stabilization and value engineering.

Project 5: 2021 Pothole Repairs Project



There were 16 potholes repaired with this project at several locations within city limits. These potholes were identified by staff as being larger than our resources could manage in house, so we contracted these out for repairs. The bid price for this project was \$99,964. The project came in on budget.

Project 6: Taylor & Main Emergency Repair



This project was the result of a citizen concern reporting a portion of Taylor Ave. had washed away. Staff responded and discovered that indeed a portion of the road had eroded away due to heavy rains and a blocked catch basin. Staff contracted with Johnson Rock Products to make the repair and the Water Quality Division cleared the obstruction from the catch basin. This repair cost for this project was \$4,979.00.

Other projects started in FY 21/22 with completion scheduled for FYE 22/23

- 2022 Spring Street Project construction bid amount of \$1,386,844.25.
 - This project will rehabilitate the following roads and reconstruct N. 14th St. between Myrtle Ave. & Nutwood Ave which will add 6 ADA compliant ramps.
 - Michigan Ave between Marple St & Cammann St. that will add 6 ADA compliant ramps.
 - N. Wasson St. between Newmark Ave. & Schetter Ave. with 4 ADA compliant ramps added.
 - LaClair St. between South of Newmark Ave. & Ocean Blvd. with 1 ADA compliant ramp addition
- Central Ave. Construction Bid Amount of \$249,982.00
 - This project will include several spot repairs along the west bound Central Ave. from N.11th St to Ocean Blvd. as well as the addition of 1 ADA compliant ramp.
- 2022 Pothole Repair was not bid at the writing of this report although the estimate for the work is \$200,000.00.
 - This project will repair 28 potholes at several locations throughout the city.