

Date of Hearing: March 20, 2017

ASSEMBLY COMMITTEE ON TRANSPORTATION

Jim Frazier, Chair

AB 696 (Caballero) – As Introduced February 15, 2017

SUBJECT: Department of Transportation: Prunedale Bypass: County of Monterey: disposition of excess properties

SUMMARY: Directs proceeds from the sale of surplus property originally purchased for the Prunedale Bypass to the State Highway Account for highway projects in the State Highway 101 corridor in Monterey County, and exempts these proceeds from the north/south split and county share formulas.

EXISTING LAW:

- 1) Allows the California Department of Transportation (Caltrans) to acquire any real property that it considers necessary for state highway purposes.
- 2) Allows Caltrans, whenever it determines that any real property acquired by the state for highway purposes is no longer necessary for those purposes, to sell or exchange it in the manner and upon terms, standards, and conditions established by the California Transportation Commission (CTC).
- 3) Requires Caltrans, to the greatest extent possible, to offer to sell or exchange excess real property within one year from the date that it determines the property is excess.
- 4) Generally requires state and local agencies, prior to disposing of excess lands, first to offer property for sale or lease to local public agencies, housing authorities, or redevelopment agencies within whose jurisdiction the property is located. Requires Caltrans to give priority first to entities agreeing to use the land for low- or moderate-income housing then to entities for open-space purposes, school facilities construction, enterprise zone purposes, and infill opportunities, in that order.
- 5) Directs the proceeds from the sale of excess property to be deposited first to the State Highway Account and then transferred to the Transportation Debt Service Fund to pay debt service on general obligation transportation bonds.

FISCAL EFFECT: AB 696 is identical to last session's AB 2730 (Alejo), which was vetoed by Governor Brown. According to the Appropriations Committee analysis of AB 2730, the bill would have one-time revenue from the property sales, earmarked for projects on the State Highway 101. Caltrans indicates that there 112 parcels, totaling 304 acres, that would be disposed. The estimated value of these properties is between \$5 million and \$12 million.

COMMENTS: The author introduced this bill on behalf of Transportation Agency for Monterey County (TAMC). TAMC is responsible for developing and maintaining a multimodal transportation system in Monterey County. TAMC is sponsoring this bill in the hopes that the proceeds from the sale of properties related to the Prunedale Bypass can be directed to "much-needed and long-deferred highway improvements."

The Prunedale Bypass, a project to re-route State Highway 101 around the community of Prunedale, has been on the books since the 1950s. In an effort to preserve right-of-way related to the planned project, Caltrans bought over 140 parcels totaling 353 acres. The Prunedale Bypass has since been abandoned and is no longer in the area's long-range plans.

In the meantime, the area has moved forward with incremental improvements to address growing congestion and safety concerns. The Prunedale Improvement Project is the most ambitious of these incremental improvements. The purpose of the project is to improve safety along State Highway 101 and intersecting local roadways, improve traffic flow along the corridor, and improve accessibility to area homes, businesses, and services. The Prunedale Improvement Project represents only a portion of the broader improvements envisioned in the Prunedale Bypass project.

Like the bypass project, other projects elsewhere in the state have similarly languished and similarly left property unused for decades. In two of these cases, legislation was enacted to facilitate the sale of the property and the return of the proceeds to the corridor for which the properties were originally purchased. Specifically, SB 791 (Corbett), Chapter 705, Statutes of 2008, authorized the use of revenues from sales of excess properties for projects in a local alternative transportation improvement program that replaced the long-planned Hayward Bypass on State Route (SR) 238 and improvements to SR 84. More recently, SB 416 (Liu), Chapter 468, Statutes of 2013, directed the revenue from the sale of surplus properties in the SR 710 corridor in Los Angeles County to local transportation improvements.

This bill gives Caltrans the opportunity to fully vet the potential use of unused properties and to hold on to properties that it may use in the near future. Furthermore, this bill directs the proceeds from any of the Prunedale Bypass properties it does sell to improvement projects within the State Highway 101 corridor, similar to situations presented in SB 791 and SB 416. This will ensure that this bill does not set precedent beyond closing the books on these decades' old projects.

Previous legislation: This bill is identical to last year's AB 2730 (Alejo). AB 2730 passed the Legislature but was vetoed by Governor Brown. In his veto message, the Governor stated, "These revenues are used to pay existing debt service on transportation construction projects statewide, which is an important purpose. Maintaining this funding stream to the General Fund is even more necessary when the state's budget remains precariously balanced."

REGISTERED SUPPORT / OPPOSITION:

Support

Transportation Agency for Monterey County (Sponsor)
Association of Monterey Bay Area Governments
City of Carmel-by-the-Sea
City of Gonzales
City of King
City of Monterey
City of Sand City
City of Seaside
County of Monterey
Fort Ord Reuse Authority
Grower-Shipper Association of Central California

Monterey Bay Aquarium
Monterey County Farm Bureau
Monterey County Hospitality Association
Monterey Peninsula Chamber of Commerce
Monterey-Salinas Transit District
Salinas Valley Chamber of Commerce

Opposition

None on file

Analysis Prepared by: Janet Dawson / TRANS. /