

Date of Hearing: July 1, 2019

ASSEMBLY COMMITTEE ON TRANSPORTATION

Jim Frazier, Chair

SB 628 (Caballero) – As Introduced February 22, 2019

SENATE VOTE: 38-0

SUBJECT: Prunedale Bypass: disposition of excess properties: relinquishment: State Route 183

SUMMARY: Directs proceeds from the sale of surplus property originally purchased for the Prunedale Bypass replacement alignment for State Route (SR) 101 corridor to other highway projects in Monterey County and authorizes the California Transportation Commission (CTC) to relinquish to the City of Salinas the portion of SR 183 within its city limits. Specifically, **this bill:**

- 1) Directs proceeds from the sale of surplus property originally purchased for the Prunedale Bypass, less any reimbursements and sale costs, to other highway projects in Monterey County, including the construction of four express lanes on SR 156 and improvements to the SR 101 corridor.
- 2) Exempts the sale proceeds from the north/south split and county share formulas.
- 3) Authorizes CTC to relinquish to the City of Salinas the portion of SR 183 within its city limits, upon terms and conditions CTC finds to be in the best interest of the state.
- 4) Provides that the relinquishment will become effective immediately following recordation of the relinquishment resolution.
- 5) Specifies that following the effective date of relinquishment, the relinquished segment will no longer be a state highway and may not be considered for future adoption as a state highway.

EXISTING LAW:

- 1) Defines a "state highway" as any roadway that is acquired, laid out, constructed, improved, or maintained as a state highway pursuant to constitutional or legislative authorization.
- 2) Authorizes the California Department of Transportation (Caltrans) to acquire any real property that it considers necessary for state highway purposes.
- 3) Authorizes 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 real property in the manner and upon terms, standards, and conditions established by CTC.
- 4) 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.

- 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.
- 6) Statutorily identifies state highway system routes.
- 7) Provides for a two-step state highway relinquishment process beginning with the Legislature amending existing law to allow for the state highway segment to be deleted and culminating with the CTC making a finding that it is in the best interest of the state to delete a specified portion of roadway from the system.

FISCAL EFFECT: According to the Senate Appropriations Committee, redirection of \$8 to \$16 million to other transportation projects in Monterey County, and unknown one-time costs ranging from minor up to potentially over \$1 million to Caltrans prior to the relinquishment of the designated segment of SR 183 to Salinas.

COMMENTS: *Prunedale Bypass.* Since the 1950s, Caltrans has been developing plans for the Prunedale Bypass, a project to re-route SR 101 around the community of Prunedale. In an effort to preserve right-of-way related to the planned project, Caltrans has purchased over 140 parcels totaling 353 acres. By the early 2000s, Caltrans had set aside the bypass concept due to a lack of funding, and the Prunedale Bypass project is no longer in the region's long-range plans. Alternatively, Caltrans and the region have pursued a series of incremental improvements to address safety and traffic operational needs along SR 101 in the area.

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 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 Monterey County. This enables the transportation dollars originally dedicated to projects in this county to be used in this county and not redirected for the state's General Fund benefit.

SR 183 relinquishment. Each session, numerous bills authorizing CTC to relinquish segments of the state highway to local jurisdictions are passed by the Legislature and signed by the Governor. Relinquishment transactions are generally preceded by a negotiation of terms and conditions between the local jurisdiction and Caltrans. Once an agreement has been established, the Legislature authorizes CTC to relinquish the segment and CTC then approves the relinquishment and verifies its approval via resolution. The final step is for the Legislature to delete these segments from current law.

This bill is consistent with Caltrans' policy encouraging the relinquishment of state highways that do not serve regional or statewide transportation needs. Recipient agencies often seek relinquishment of state highways so that they can have greater control over the facility, which often serves as a local street.

According to the author, "It is the intent of SB 628 to re-dedicate the revenues from the Prunedale Bypass right-of-way to serve their original purpose, which was to make transportation safety and congestion relief improvements in Monterey County. If signed into law, this measure would provide much needed funding for long-deferred highway projects in Monterey County."

The City of Salinas writes in support of this bill because "existing priority projects in the SR 101 corridor in Monterey County face significant funding shortfalls, and this bill will help address this problem."

Previous legislation: The portion of this bill related to the Prunedale Bypass is identical to AB 696 (Caballero, 2017), and virtually identical to AB 2730 (Alejo, 2016). Both prior bills passed the Legislature but were 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

Association of Monterey Bay Area Governments
City of Carmel-By-The-Sea
City of Gonzales
City of Marina
City of Monterey
City of Pacific Grove
City of Soledad
City of Salinas
County of Monterey
Fort Ord Reuse Authority
Grower-Shipper Association of Central California
King City
Monterey Bay Aquarium
Monterey Bay Central Labor Council, Afl-Cio
Monterey County Farm Bureau
Monterey County Hospitality Association
Monterey Peninsula Chamber of Commerce
Monterey-Salinas Transit
Transportation Agency for Monterey County

Opposition

None on file

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