

Date of Hearing: April 18, 2016

ASSEMBLY COMMITTEE ON TRANSPORTATION

Jim Frazier, Chair

AB 2730 (Alejo) – As Introduced February 19, 2016

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

SUMMARY: Declares properties originally purchased for the Prunedale Bypass in Monterey County as excess; directs the California Department of Transportation (Caltrans) to sell the properties and direct the proceeds from the sale of the properties to highway projects in Monterey County. Specifically, **this bill:**

- 1) Declares as excess properties that were originally acquired by Caltrans for the Prunedale Bypass and no longer required by Caltrans for the alternative project undertaken in place of the bypass. These alternative improvements are referred to as the Prunedale Improvement project.
- 2) Directs Caltrans to expeditiously dispose of these excess properties.
- 3) Directs proceeds from the sales of the excess properties, less any reimbursements due to the federal government and all costs associated with selling the properties, to be reserved in the State Highway Account (SHA) for programming and allocation by the California Transportation Commission (CTC), with the concurrence of the Transportation Agency for Monterey County (TAMC), to other state highway projects in Monterey County.
- 4) Exempts these proceeds from north/south split and county share formulas.

EXISTING LAW:

- 1) Allows 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 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 SHA and then transferred to the Transportation Debt Service Fund to pay debt service on general obligation transportation bonds.

FISCAL EFFECT: Unknown

COMMENTS: The author introduced AB 2730 on behalf of TAMC. TAMC is responsible for developing and maintaining a multimodal transportation system in Monterey County. TAMC is hopeful 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.

Committee comments and suggested amendments: Although Caltrans is supposed to declare unneeded properties as surplus as soon as is practicable, it is reportedly holding onto the Prunedale Bypass properties in anticipation that it may be able to use them for future project mitigation purposes. This bill could force Caltrans to sell these properties before fully understanding whether or not they may be needed for future, planned improvements in the State Highway 101 corridor.

Moreover, this bill strays some from situations addressed in SB 791 and SB 416 in that, in those bills, the proceeds from the sale of surplus properties were directed back into the corridor for which they were originally purchased. AB 2730, on the other hand, provides that the proceeds should be reserved for other highway improvement projects anywhere in Monterey County.

AB 2730 could be improved with amendments to delete the requirement that Caltrans declare the properties as surplus and sell them immediately. This will give Caltrans the opportunity to fully vet the potential use of the properties and to hold on to properties that it can potentially use in the foreseeable future. Furthermore, AB 2730 should direct the proceeds from any of the Prunedale

Bypass properties it does sell to improvement projects within the State Highway 101 corridor, similar to the other legislation. This will ensure that AB 2730 does not set precedent beyond closing the books on these decades' old projects.

Related legislation: AB 2411 (Frazier), limits the use of miscellaneous revenue generated by Caltrans, for example, from the sale of surplus property, to transportation purposes only.

Previous legislation: SB 416 (Liu), Chapter 468, Statutes of 2013, among other things, directed the proceeds from the sale of properties in the SR 710 corridor to the SR 710 Rehabilitation Account for the purpose of making required repairs to homes being purchased by income-qualified residents in the corridor.

SB 791 (Corbett) Chapter 705, Statutes of 2008, among other provisions, authorized proceeds from the sale of surplus property to be used to develop the local alternative transportation improvements in the SR 84 and SR 238 corridors.

REGISTERED SUPPORT / OPPOSITION:

Support

Transportation Agency for Monterey County (Sponsor)
Association of Monterey Bay Area Governments
City of Del Rey Oaks
City of Greenfield
City of Marina
City of Pacific Grove
City of Salinas
City of Sand City
City of Seaside
County of Monterey
Grower-Shipper Association of Central California
Monterey County Farm Bureau
Monterey County Hospitality Association
Monterey-Salinas Transit District
Salinas Valley Chamber of Commerce

Opposition

None on file

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