



**R-60**

**Date:** November 17, 2020

**To:** Honorable Mayor and Members of the City Council

**From:** Councilwoman Stacy Mungo Flanigan, Fifth District  
Councilwoman Mary Zendejas, First District  
Councilmember Daryl Supernaw, Fourth District  
Councilmember Al Austin, Eighth District

**Subject:** **Bonding Future Revenue for Repairing Our Worst Streets & Alleys**

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**RECOMMENDATION:**

Recommendation to direct the City Manager and all appropriate departments to report back within 90 days on the potential use of revenue bonds or any other instrument that would accelerate our street and alley improvements with a plan to tackle the list of worst streets and alleys in the City.

**DISCUSSION:**

In 2016, Long Beach voters approved Measure A, an additional one percent sales tax on taxable items sold in Long Beach. The purpose of measure A was to provide an additional revenue stream to maintain and enhance public safety services and invest in City infrastructure over the next 10 years.

On March 3, 2020, Long Beach voters approved extending the provisions of Measure A indefinitely, which will generate approximately \$60 million in revenue each year for public safety and infrastructure improvements.

Thanks to Measure A revenue, in the past four years, Fire Engine 8, Fire Engine 17, Paramedic Rescue 12, South Division, and Police Academy operations have been restored, enhancing public safety citywide. The City is also making a historic investment in revitalizing heavily utilized public spaces such as streets, libraries, community centers, and parks. The bottom line is that Measure A has and will continue to make a difference for Long Beach residents for years to come.

But what if we could do even more, and get it done faster?

Like all cities, Long Beach has infinite needs and limited resources. While Measure A has gone a long way in providing additional resources to meet those needs, we still have a backlog of needed road improvements that have been unmet for decades. We currently have streets and alleys that have not been touched outside of patchwork and pothole repairs since they were originally installed in the 1950s. There is no improvement plan in place to address what can be considered the worst streets and alleys in the City.

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Following the passage of Measure A, there have been a total of 384 streets and alleys (1,361 segments) reconstructed and repaved with 298 streets (or 78%) of those improvement projects utilizing Measure A dollars. Even with all that has been done, there are still 187.3 miles of poor and very poor rated streets and 43 miles of poor and very poor rated alleys still waiting to be redone citywide. That is a total of 230.3 miles of our worst streets and alleys waiting to be redone, with no plan in place to keep them from further disrepair. The longer we wait, the more costly each construction project will be.

We now have an opportunity to change that and finally fix our broken streets and sidewalks across the City through revenue bonds. Cities issue revenue bonds to finance public projects all the time. The bonds are sold to investors, and the city pays the principal and interest on the bond through a dedicated revenue stream, such as Measure A. By bonding a portion of future Measure A revenues for street improvements, we can fast forward to fixing our streets over the next 10 years instead of the next 30 years. The benefits are clear — roads get fixed faster and cheaper using today's dollars instead of future dollars subject to inflation.

I therefore move that this Council direct the City Manager and all appropriate departments to report back within 90 days on the potential use of revenue bonds or any other instrument that would accelerate our street improvements.

This matter has been reviewed by Budget Manager Grace H. Yoon on November 5, 2020.

### **FISCAL IMPACT**

This recommendation requests a report within 90 days on the potential use of revenue bonds or any other instrument that would accelerate street and alley improvements with a plan to tackle the list of worst streets and alleys in the City. Preparing this report is anticipated to require a moderate level of staff hours beyond normal budgeted scope of duties and is expected to have a moderate impact on existing City Council priorities. This recommendation may result in difficult prioritization decisions due to staff diversion from other critical citywide priorities such as the pandemic response, and the budget situation where resources, regardless of funding, are severely constrained. Any additional fiscal impact associated with the implementation of any plan to accelerate street and alley improvements will be noted in the requested report. There is no local job impact with this recommendation.