Meeting Date: **10/6/2015**

Report Type: Consent

Report ID: 2015-00760

City of SACRAMENTO **10**

City Council Report
915 I Street, 1st Floor
www.CityofSacramento.org

Title: Appropriation and Transfer of Funds and Execution of Agreements with Sacramento Transportation Authority

Location: Citywide

Recommendation: Pass a Resolution: 1) appropriating $19,823,000 (Fund 2023) to the Sacramento Intermodal Transportation Facility Project (T15029000); 2) establishing a new Capital Improvement Project (CIP) for the Richards Blvd/I-5 Interchange Project; 3) appropriating $1,500,000 (Fund 2023) to the Richards Blvd /I-5 Interchange Project (T15165100); 4) transferring $4,500,000 (Fund 2001) from the Sacramento Intermodal Transportation Facility Project (T15029000) to the State and Federal Grant Match Project (T15007200); 5) authorizing the City Manager to execute the Memorandum of Understanding with the Sacramento Transportation Authority (STA) for the FY2015/16 New Measure A Ongoing Annual Programs; 6) authorizing the City Manager to execute two Capital Project and Expenditure Contracts with STA; 7) appropriating $26,402 (Fund 2001) in FY2014/15 Measure A Construction interest allocation to the State and Federal Grant Match Project (T15007200); and 8) directing staff to submit the FY2014/15 Measure A Construction interest allocation funding plan to STA.

Contact: Lucinda Willcox, Program Manager, 808-5052; Nicholas Theocharides, Engineering Services Manager, 808-5065, Department of Public Works

Presenter: None

Department: Public Works Department

Division: Engineering Services Admin

Dept ID: 15001111

Attachments:

1-Description/Analysis
2-Background
3-Resolution
4-Exhibit A (Location Map)
5-Exhibit B (Location Map I-5 Richards Blvd)
6-Exhibit C (Contract Cosumnes River)
7-Exhibit D (Richards Blvd)
8-Exhibit E (Signed MOU)

City Attorney Review

Approved as to Form
Gerald Hicks
9/30/2015 10:45:03 AM

Approvals/Acknowledgements

Department Director or Designee: Jerry Way - 9/16/2015 1:43:49 PM

Description/Analysis

Issue: The City is required to enter into various agreements with the Sacramento Transportation Authority (STA) for the expenditure of the Measure A funds (City's share of countywide ½ cent transportation sales tax). This report includes the annual Memorandum of Understanding (MOU) to receive ongoing program funds as well as Capital Allocation and Expenditure Agreements that govern the larger capital projects specifically identified in the voter-approved measure. On August 27, 2015, the STA Board approved the MOU and two capital contracts. These require appropriation of new allocation of funds to capital projects. The City also needs to appropriate the interest allocation for Measure A in order to be able to expend it.

Policy Considerations: The action requested herein is consistent with the City's General Plan goals to expand economic development throughout the City and achieve sustainability and livability.

Economic Impacts: The impacts of funding on transportation projects will be analyzed as projects funded with Measure A come forward for construction.

Environmental Considerations:

California Environmental Quality Act (CEQA): Appropriation of funds and execution of agreements are not subject to the provisions of the California Environmental Quality Act (CEQA) under the general rule (Section 15061 (b) (34)) that CEQA applies only to projects that have the potential for causing a significant effect on the environment. All individual projects funded with Measure A undergo individual environmental review.

Sustainability Considerations: Expenditure of Measure A funds supports numerous programs that support sustainability, including bicycle, pedestrian, and infill development programs.

Other: None.

Commission/Committee Action: None.

Rationale for Recommendation: Appropriation of funds allows the City to continue with major transportation projects; approval of the agreements with STA is required so the City can continue to expend New Measure A funds received in FY2015/16.

Financial Considerations: The MOU for ongoing programs authorizes the City to receive and expend Measure A program funds (Funds 2025 and 2026). These funds have already been budgeted in connection with annual budget and capital improvement program adoption.

The Measure A Capital Expenditure Plan includes funding for three City projects. One contract extends the time frame for reimbursements of expenditures through June 30, 2016 for funds already budgeted in two projects: Cosumnes River Boulevard Interchange and Extension and Sacramento Intermodal Transportation Facility. A second contract provides the next round of Measure A Project funding through June 30, 2018. This includes appropriation of $19,823,000 (Fund 2023) to the Sacramento Intermodal Transportation Facility (T15029000) and appropriation of $1,500,000 (Fund 2023) to the Richards/I-5 Interchange Project (T15165100), consistent with the five-year expenditure plans adopted by STA. With the appropriation of the funds to the Sacramento Intermodal Transportation Facility (T15029000), this allows the return of $4.5 million (Fund 2001) that was transferred into the project as a bridge loan to guarantee the contract for the Sacramento Valley Depot project. This funding is unobligated and therefore $4,500,000 (Fund 2001) can be transferred to the State-Federal Grant Match Project (T15007200).

The Measure A Construction (Fund 2001) interest allocation of $26,402 will be appropriated to the State-Federal Grant Match Project (T15007200).

Local Business Enterprise (LBE): Not applicable.

Background

This report includes three agreements with STA, that were approved by the STA Board at its August 27, 2015, meeting.

Memorandum of Understanding for Ongoing Projects: This is an annual agreement regarding eligible uses of funds for the three ongoing programs: Maintenance, Bike/Ped, and Safety. This funding is already budgeted based on the FY15-16 adopted budget and Capital Improvement Program. Funding is transmitted to the City monthly based on its share of sales tax receipts.

Contracts for Capital Projects: There are two Capital and Expenditure Contracts. The Capital Project and Expenditure Contract for the Downtown Intermodal Station and Cosumnes River Boulevard Interchange and Extension Project will extend the time frame of the agreement to allow reimbursement of project expenditures through June 30, 2016.

The second Capital Project and Expenditure Contract is for the next allocation of funding for the Downtown Intermodal Station and first allocation of funding for the Richards Blvd / I-5 Interchange.

On October 21, 2014, the City Council approved the Change Order to allow construction to commence on the Sacramento Valley Depot contract. In order to ensure adequate funding to guarantee the contract, the City temporarily transferred $4.5 million (Fund 2001) in Original Measure A funding to the project as a bridge loan while awaiting STA's next allocation of New Measure A Project Funds (Resolution 2014-0346). The new contract with STA provides the next $19,823,000 in funding through 2018, consistent with the STA expenditure plan. This allows the $4.5 million (Fund 2001) to be returned to the State-Federal Grant Match Project (T15007200), where it will be used as local match for federally-funded projects.

The new contract with STA also includes the Richards Blvd/I-5 interchange. This project is required to serve future development in the downtown, Railyards, and River District. The environmental review and coordination for this project will take two to three years, so staff is recommending that activities commence now so that lack of progress on this improvement won't hold up development in these areas. The City also applied for federal funding project assistance for this project as part of the Sacramento Area Council of Governments (SACOG)'s recent grant applications.

RESOLUTION NO.

Adopted by the Sacramento City Council

APPROPRIATING FUNDS TO THE SACRAMENTO INTERMODAL TRANSPORTATION FACILITY AND RICHARDS BOULEVARD/I-5 INTERCHANGE PROJECT, APPROPRIATING AND TRANSFERRING FUNDS TO THE STATE-FEDERAL GRANT MATCH PROJECT, AND AUTHORIZING EXECUTION OF VARIOUS FUNDING AGREEMENTS WITH THE SACRAMENTO TRANSPORTATION AUTHORITY

BACKGROUND

A. On August 27, 2015, the Sacramento Transportation Authority (STA) Board approved three agreements with the City of Sacramento and authorized the STA Executive Director to sign the following agreements: a Memorandum of Understanding (MOU) for Measure A Ongoing Programs; and two Capital Project Allocation and Expenditure Contracts.

B. The City is required annually to enter into an MOU with STA in order to receive and expend New Measure A - Construction (Fund 2025) and New Measure A - Maintenance (Fund 2026) funds. This revenue is budgeted in the FY15/16 Operating Budget and Capital Improvement Program.

C. The Capital Project and Expenditure Contract for the Downtown Intermodal Station and Cosumnes River Boulevard Interchange and Extension Project will extend the time frame of the agreement to allow reimbursement of project expenditures through June 30, 2016.

D. The Capital Project and Expenditure Contract for the Downtown Intermodal Station and Cosumnes River Boulevard Interchange and Extension Project will extend the time frame of the agreement to allow reimbursement of project expenditures through June 30, 2016.

E. The Capital Project and Expenditure Contract for the Downtown Intermodal Station and Richards Blvd / I-5 Interchange will allow the City to appropriate funds and incur project expenses.

F. On October 21, 2014, (Resolution 2014-0346), with the approval of the Change Order to allow construction to commence on the Sacramento Valley Depot project, the City Council approved a transfer of $4.5 million (Fund 2001) in Original Measure A funding to the project as a bridge loan to guarantee the contract while awaiting STA's next allocation of New Measure A Funds. The new contract allows the $4.5 million (Fund 2001) to be returned to the State-Federal Grant Match Project (T15007200), where it will be used as local match for federally-funded projects.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The City Manager is authorized to execute the FY2015/16 Memorandum of Understanding for New Measure A On-Going Annual Programs.

Section 2: The City Manager is authorized to execute amendments to the Capital Project and Expenditure Plan for Downtown Intermodal Station and Cosumnes River Boulevard Interchange and Extension

Section 3: The City Manager is authorized to execute a new Capital Project and Expenditure Contract for the Downtown Intermodal Station and Richards Boulevard/I-5 Interchange.

Section 4. The Richards Boulevard/I-5 Interchange Project (T15165100) is established as a new Capital Improvement Project.

Section 5: The FY 15/16 Capital Improvement Program is amended to appropriate $19,823,000 (Fund 2023) to the Sacramento Intermodal Transportation Facility Project (T15029000).

Section 6: The FY 15/16 Capital Improvement Program is amended to appropriate $1,500,000 (Fund 2023) to the Richards/I-5 Interchange Project (T15165100).

Section 7: The FY 15/16 Capital Improvement Program is amended to transfer $4,500,000 (Fund 2001) from the Sacramento Intermodal Transportation Facility Project (T15029000) to the State-Federal Grant Match Project (T15007200).

Section 8: The FY 15/16 Capital Improvement Program is amended to appropriate $26,402 (Fund 2001) in Fund interest allocation to the State-Federal Grant Match Project (T15007200).

Section 9: City staff is directed to submit the FY2014/15 Measure A Construction interest allocation funding plan to the STA.

Section 10. Exhibits A, B, C, D, and E are incorporated into and made part of this Resolution.

Table of Contents:

Exhibit A - Memorandum of Understanding

Exhibit B – Capital Project and Expenditure Contract

Exhibit C – Capital Project and Expenditure Contract
Exhibit D – Location Map, Downtown Intermodal Facility
Exhibit E – Location Map for Richards/I-5 Interchange Project

EXHIBIT A

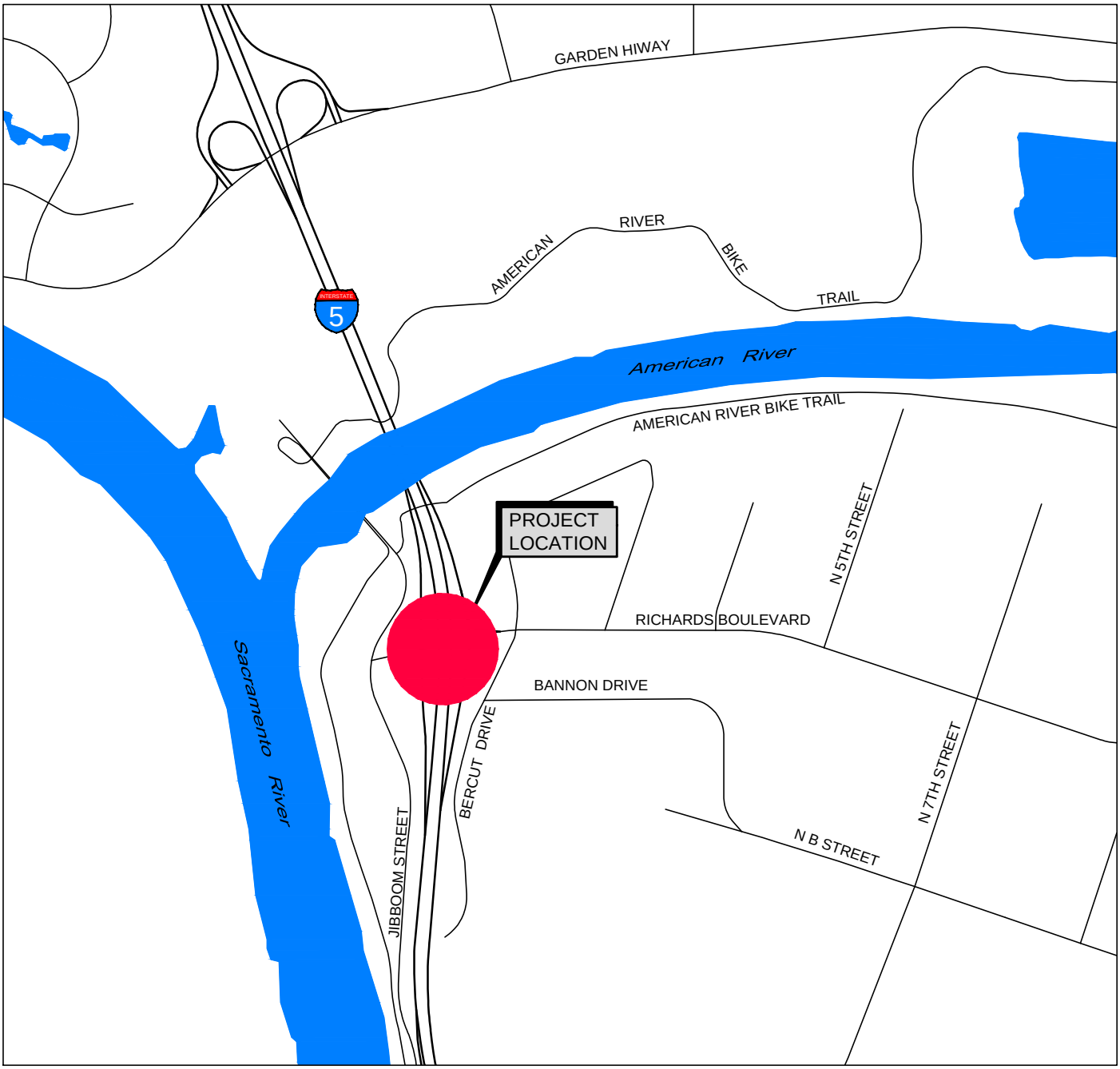
Location Map for

SACRAMENTO INTERMODAL TRANSPORTATION FACILITY (SITF) (T15029000)

EXHIBIT B

Location Map For:

RICHARDS I-5
ULTIMATE INTERCHANGE



City of SACRAMENTO
Department of Public Works

Date: May 27, 2015

SACRAMENTO TRANSPORTATION AUTHORITY
NEW MEASURE A
CAPITAL PROJECT ALLOCATION AND EXPENDITURE CONTRACT

DOWNTOWN INTERMODAL STATION
COSUMNES RIVER BLVD EXTENSION W/ I-5 INTERCHANGE

This Contract made as of August 23, 2012 and previously amended effective August 22, 2013 by and between the ***Sacramento Transportation Authority***, a local transportation authority formed pursuant to the provisions of Public Utilities Code 180000 et seq., hereinafter called "Authority," and the ***City of Sacramento***, hereinafter called "Entity," is amended effective August 27, 2015.

THE PARTIES AGREE AS FOLLOWS:

1. Purpose. The purpose of this Contract is to

   a. Provide for the transfer by the Authority to Entity of sales tax revenue and/or transportation mitigation fee revenue, including both current revenues and proceeds of Authority financings (i.e. proceeds from tax-exempt bonds, hereinafter called "Bonds") for the Capital Projects described in Section 2.

   b. Set forth Entity's obligations with respect to the receipt and expenditure thereof.

2. Description of Capital Project. The Capital Projects funded by this Contract is:

   Right-of-way acquisition, project design, environmental clearance, and construction to ***relocate the inter-city rail tracks, construct new passenger platforms, and restore the historic train station at 5th & I Streets in downtown Sacramento into an intermodal passenger transfer facility***, and to integrate the facility with planned adjacent development.

   Right-of-way acquisition and construction of an ***extension of Cosumnes River Boulevard*** from its current terminus at Franklin Boulevard west over Morrison Creek, the UPRR mainline, and Interstate 5 to Freeport Boulevard. The project includes a ***new interchange at Interstate 5.***

3. Definitions. Unless the context otherwise requires, as used in this Contract, the following terms shall have the following meanings:

   a. "Act" means the Local Transportation Authority and Improvement Act set forth in the provisions of the Public Utilities Code commencing with Section 180000.

   b. "Board" means the Governing Board of the Sacramento Transportation Authority"

c. "Measure A" or "New Measure A" or "Ordinance" means Sacramento Transportation Authority Ordinance No. STA 04-01.

4. Amount of Allocation and Period of Expenditure. The Board has previously allocated the maximum sum of $29,964,000 for expenditure on the Capital Projects, of which $17,337,660 remains unspent. This remaining sum is available for expenditure until June 30, 2016. No additional funds will be provided under this contract.

5. Compliance. The use and expenditure of sales tax revenue and transportation mitigation fee revenue by Entity shall be in full compliance with the provisions of the Act, the Ordinance, applicable resolutions of the Board, this Contract, and all other applicable contractual and legal requirements.

6. Tax Compliance. The Authority specifically advises the Entity that portions of the Capital Project may be financed with proceeds of Bonds issued by the Authority. These Bonds are obligations for which the interest paid to investors is excluded from gross income for federal tax purposes. Under federal tax rules, a number of requirements and restrictions must be met in order for interest on the Bonds to be treated as tax-exempt, including restrictions on the use of Bond-financed property and the investment of Bond proceeds. Such requirements and restrictions continue for the life of the Bonds. In order to ensure such compliance, the Entity hereby agrees to abide by the additional requirements as set forth in Section 7(d) below.

7. Entity Certifications.

   a. Maintenance of Effort. Entity certifies that it is currently in compliance with, and will remain in compliance throughout the term of this Contract with, the maintenance of effort requirements set forth in the Ordinance:

      i. Entity shall not reduce the amount of its non-federal, non-state, non-Measure A transportation expenditure while receiving sales tax revenue.

      ii. Entity shall continue to impose its non-SCTMFP transportation mitigation fees at rates that are not less than the non-SCTMFP transportation mitigation fees imposed by Entity during Fiscal Year 2008-09 unless supported by an engineering-based fee study approved by the City Council.

   b. Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP). Entity certifies that it is implementing the SCTMFP in accordance with STA Resolution STA-06-0006 and related guidelines adopted by the Board.

   c. Routine Accommodations of Bicycles and Pedestrians. Entity certifies that the Capital Projects' design provides for routine accommodation of bicycles and pedestrians.

d. Tax Certifications. Entity agrees that the Capital Project is properly described in Section 2 above, and Entity expects to own all components of the Capital Project for the entire useful lives of such assets. For the same duration, Entity does not expect that any component of the Capital Project will be used by any party other than the general public or by state or local government (including use by operation, management, lease, or any preferential right). Entity shall notify authority in the event of any change to such expectations, and agrees to consult and coordinate in good faith with Authority to preserve the tax-exempt status of any affected Bonds.

8. Disbursement of Revenues.

a. Disbursements of revenue pursuant to this Contract shall be made on a reimbursement basis. If Entity demonstrates a need for advance payments, the STA Executive Director may advance up to 10% of the total allocation after Entity commences work and begins incurring project expenses.

b. Claims for payment shall be submitted no more often than monthly.

c. All claims shall be approved by Entity's Project Manager prior to submission to Authority.

9. Reporting.

d. Entity shall submit quarterly status reports in approved STA format. Information in the status report shall include:
- Total anticipated project cost
- Amount funded to date
- Expenditures by quarter
- Project status

e. Quarterly status reports will be due to the Accounting Manager 30 days after the end of each calendar quarter.

10. Audits.

f. STA staff will review progress payment claims on a selected basis.

g. Annual audits of the STA, as a whole, will be performed by an independent auditor and reviewed by the Independent Taxpayer Oversight Committee (ITOC). As part of that audit, Entity expenditures will also be audited.

h. Claims found to have inadequate supporting documentation may be denied by the STA Executive Director. Funds spent for any expenditures found to be in noncompliance with this Contract may be withheld from future payments. The Board shall reallocate any funds so withheld for other Measure A capital projects.

11. Cost Variations. In the event the actual Measure A cost of the Capital Project is less than the allocation, the excess funds shall be returned to the Authority for reallocation in accordance with the Ordinance. First preference for reallocation shall be other Measure A capital projects being managed by Entity.

12. Designation of Project Manager. Entity shall designate a Project Manager who shall be the responsible representative of Entity to Authority staff in connection with administration of this Contract.

13. Signs. Entity shall post reflective signs at the Capital Project site while open for public use stating that the project is funded with Measure A funds. The signs shall be substantially similar to the sample depicted in Attachment A.

14. Indemnity and Hold Harmless. Entity shall indemnify and save harmless the Sacramento Transportation Authority, its officers, employees, and agents, and each and every one of them, from and against all actions, damages, costs, liability, claims, losses, and expenses of every type and description to which any or all of them may be subjected, by reason of or resulting from, directly or indirectly, the performance of this Contract by Entity whether or not caused in part by passive negligence of a party indemnified hereunder. The foregoing shall include, but not be limited to, any attorney fees reasonably incurred by Authority.

The parties promise and agree to abide by the terms of this Contract as set forth above.

SACRAMENTO TRANSPORTATION AUTHORITY

By _____

Date: SEP 01 2015

APPROVED AS TO FORM:

_____
CITY ATTORNEY

CITY OF SACRAMENTO

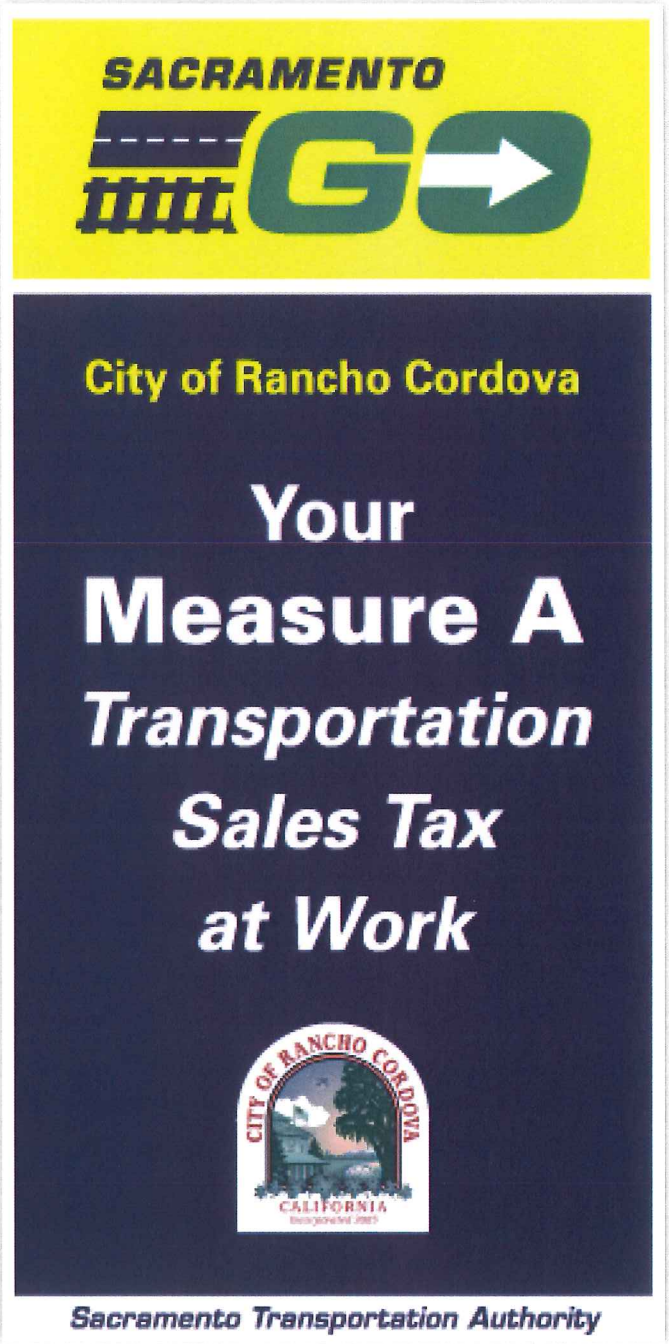
By: _____

JERRY WAY, Director of Public Works
FOR
JOHN SHIREY, City Manager

_____
(Officer's Title)

ATTACHMENT A
Project Signage

ATTACHMENT A
Project Signage



SACRAMENTO TRANSPORTATION AUTHORITY
NEW MEASURE A
CAPITAL PROJECT ALLOCATION AND EXPENDITURE CONTRACT

DOWNTOWN INTERMODAL STATION (II/III)
RICHARDS BLVD / I-5 INTERCHANGE

This Contract is made as of August 27, 2015 by and between the ***Sacramento Transportation Authority***, a local transportation authority formed pursuant to the provisions of Public Utilities Code 180000 et seq., hereinafter called "Authority," and the ***City of Sacramento***, hereinafter called "Entity."

THE PARTIES AGREE AS FOLLOWS:

1. Purpose. The purpose of this Contract is to

   a. Provide for the transfer by the Authority to Entity of sales tax revenue and/or transportation mitigation fee revenue, including both current revenues and proceeds of Authority financings (i.e. proceeds from tax-exempt bonds, hereinafter called "Bonds") for the Capital Projects described in Section 2.

   b. Set forth Entity's obligations with respect to the receipt and expenditure thereof.

2. Description of Capital Project. The Capital Projects funded by this Contract are:

   Project design, environmental clearance, and construction to ***restore the historic train station at 5th & I Streets in downtown Sacramento; construct a modern intermodal passenger transfer facility;*** and integrate the facility with planned adjacent development.

   Project approval, environmental documentation, and preliminary engineering to analyze project concepts and select a preferred alternative ***to re-construct the Richards Boulevard interchange at Interstate 5***. The project will address the circulation, operational and safety improvements needed to address planned local and regional development.

3. Definitions. Unless the context otherwise requires, as used in this Contract, the following terms shall have the following meanings:

   a. "Act" means the Local Transportation Authority and Improvement Act set forth in the provisions of the Public Utilities Code commencing with Section 180000.

   b. "Board" means the Governing Board of the Sacramento Transportation Authority"

   c. "Measure A" or "New Measure A" or "Ordinance" means Sacramento Transportation Authority Ordinance No. STA 04-01.

4. Amount of Allocation and Period of Expenditure. The Board has allocated to Entity the maximum sum of $21,323,000 for expenditure on the Capital Projects during FYs 2016, 2017, and 2018. Said sum shall be expended by Entity prior to June 30, 2018. No additional funds will be provided under this contract.

5. Compliance. The use and expenditure of sales tax revenue and transportation mitigation fee revenue by Entity shall be in full compliance with the provisions of the Act, the Ordinance, applicable resolutions of the Board, this Contract, and all other applicable contractual and legal requirements.

6. Tax Compliance. The Authority specifically advises the Entity that portions of the Capital Project may be financed with proceeds of Bonds issued by the Authority. These Bonds are obligations for which the interest paid to investors is excluded from gross income for federal tax purposes. Under federal tax rules, a number of requirements and restrictions must be met in order for interest on the Bonds to be treated as tax-exempt, including restrictions on the use of Bond-financed property and the investment of Bond proceeds. Such requirements and restrictions continue for the life of the Bonds. In order to ensure such compliance, the Entity hereby agrees to abide by the additional requirements as set forth in Section 7(d) below.

7. Entity Certifications

   a. Maintenance of Effort. Entity certifies that it is currently in compliance with, and will remain in compliance throughout the term of this Contract with, the maintenance of effort requirements set forth in the Ordinance:

      i. Entity shall not reduce the amount of its non-federal, non-state, non-Measure A transportation expenditure while receiving sales tax revenue.

      ii. Entity shall continue to impose its non-SCTMFP transportation mitigation fees at rates that are not less than the non-SCTMFP transportation mitigation fees imposed by Entity during Fiscal Year 2008-09 unless supported by an engineering-based fee study approved by the City Council.

   b. Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP). Entity certifies that it is implementing the SCTMFP in accordance with STA Resolution STA-06-0006 and related guidelines adopted by the Board.

   c. Routine Accommodations of Bicycles and Pedestrians. Entity certifies that the Capital Projects' design provides for routine accommodation of bicycles and pedestrians.

   d. Tax Certifications. Entity agrees that the Capital Project is properly described in Section 2 above, and Entity expects to own all components of the Capital Project for the entire useful lives of such assets. For the same duration, Entity does not expect that any component of the Capital Project will be used by any party other than the general public or by state or local government (including use by operation, management, lease, or any preferential right). Entity shall notify

authority in the event of any change to such expectations, and agrees to consult and coordinate in good faith with Authority to preserve the tax-exempt status of any affected Bonds.

8. Disbursement of Revenues.

   a. Disbursements of revenue pursuant to this Contract shall be made on a reimbursement basis. If Entity demonstrates a need for advance payments, the STA Executive Director may advance up to 10% of the total allocation after Entity commences work and begins incurring project expenses.

   b. Claims for payment shall be submitted no more often than monthly.

   c. All claims shall be approved by Entity's Project Manager prior to submission to Authority.

9. Reporting.

   d. Entity shall submit quarterly status reports in approved STA format. Information in the status report shall include:
      - Total anticipated project cost
      - Amount funded to date
      - Expenditures by quarter
      - Project status

   e. Quarterly status reports will be due to the Accounting Manager 30 days after the end of each calendar quarter.

10. Audits.

   f. STA staff will review progress payment claims on a selected basis.

   g. Annual audits of the STA, as a whole, will be performed by an independent auditor and reviewed by the Independent Taxpayer Oversight Committee (ITOC). As part of that audit, Entity expenditures will also be audited.

   h. Claims found to have inadequate supporting documentation may be denied by the STA Executive Director. Funds spent for any expenditures found to be in noncompliance with this Contract may be withheld from future payments. The Board shall reallocate any funds so withheld for other Measure A capital projects.

11. Cost Variations. In the event the actual Measure A cost of the Capital Project is less than the allocation, the excess funds shall be returned to the Authority for reallocation in accordance with the Ordinance. First preference for reallocation shall be other Measure A capital projects being managed by Entity.

12. Designation of Project Manager. Entity shall designate a Project Manager who shall be the responsible representative of Entity to Authority staff in connection with administration of this Contract.

13. Signs. Entity shall post reflective signs at the Capital Project site while open for public use stating that the project is funded with Measure A funds. The signs shall be substantially similar to the sample depicted in Attachment A.

14. Indemnity and Hold Harmless. Entity shall indemnify and save harmless the Sacramento Transportation Authority, its officers, employees, and agents, and each and every one of them, from and against all actions, damages, costs, liability, claims, losses, and expenses of every type and description to which any or all of them may be subjected, by reason of or resulting from, directly or indirectly, the performance of this Contract by Entity whether or not caused in part by passive negligence of a party indemnified hereunder. The foregoing shall include, but not be limited to, any attorney fees reasonably incurred by Authority.

The parties promise and agree to abide by the terms of this Contract as set forth above.

SACRAMENTO TRANSPORTATION AUTHORITY

By _____

Date: SEP 01 2015

CITY OF SACRAMENTO

By: _____

JERRY WAY, Director of Public Works
FOR
JOHN SHIREY, City Manager

_____
(Officer's Title)

APPROVED AS TO FORM:

_____
CITY ATTORNEY

ATTACHMENT A
Project Signage

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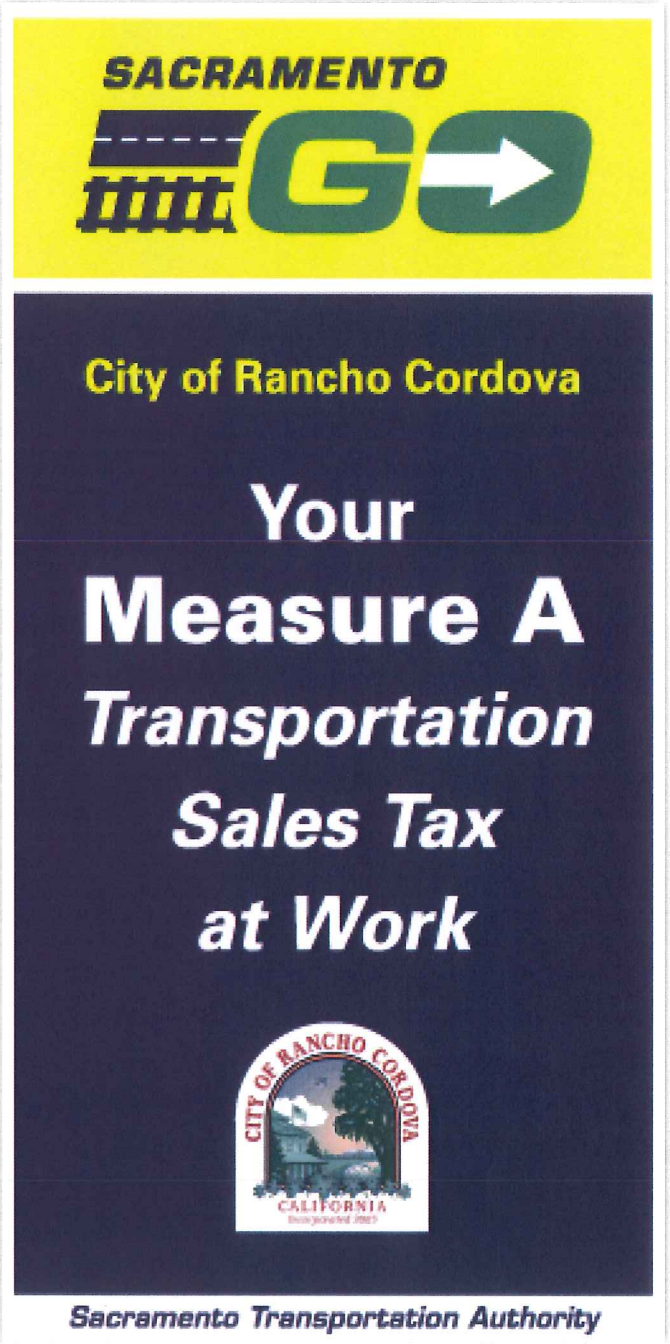


SACRAMENTO TRANSPORTATION AUTHORITY
MEMORANDUM OF UNDERSTANDING

MEASURE A
ON-GOING ANNUAL PROGRAMS

This Memorandum of Understanding is made as of August 27, 2015 by and between the ***Sacramento Transportation Authority***, a local transportation authority formed pursuant to the provisions of Public Utilities Code 180000 et seq., hereinafter called "Authority", and the ***City of Sacramento***, hereinafter called "Entity."

THE PARTIES AGREE AS FOLLOWS:

1. Purpose. The purpose of this Memorandum of Understanding (MOU) is to provide for the allocation by the Authority of sales tax revenue for On-going Annual Programs and the expenditure thereof by Entity.

2. Definitions. Unless the context otherwise requires, as used in this MOU, the following terms shall have the following meanings:

   a. "Act" means the Local Transportation Authority and Improvement Act set forth in the provisions of the Public Utilities Code commencing with Section 180000.

   b. "Board" means the Governing Board of the Sacramento Transportation Authority.

   c. "On-going Annual Programs" means the following programs established by New Measure A as defined in Attachment B to this MOU:
      - City Street and County Road Maintenance
      - Traffic Control and Safety Program
      - Safety, Streetscaping, Pedestrian and Bicycle Facilities

   d. "Distribution Factor" means the percentage of Formula-Based program revenue to be allocated to Entity, set by the Board on an annual basis based on the Ordinance requirement that funding to the County and cities for On-going Annual Programs be distributed based 75% on relative population and 25% on total maintained street/road mileage.

   e. "Measure A" or "New Measure A" or "Ordinance" means Sacramento Transportation Authority Ordinance No. STA 04-01.

3. Revenue Allocations. The amount of revenue allocated to Entity for each of the On-going Annual Programs shall be determined annually by the Board based on gross Measure A revenue projections, requirements of the Ordinance, and, where applicable, the Distribution Factor. Gross Measure A revenues for FY 2015-16 are estimated to be **$110,728,905**.

   In the event that STA subsequently concludes that total revenues for On-going Annual Programs in any fiscal year are likely to be less than originally estimated, STA shall give notice to Entity of the expected change. Entity will be required to adjust its annual expenditures for On-going Annual Programs accordingly.

4. Disbursements. Allocations for On-going Annual Programs shall be disbursed as funds are received from the State Board of Equalization (currently monthly).

5. Entity Obligations.

   a. Allocations for each On-going Annual Program shall be expended by Entity only for purposes that are consistent with the Definitions of Eligible Expenditures set forth in Attachment B.

   b. Entity shall keep a separate account for each On-going Annual Program. Interest earned on unexpended funds in each account shall be retained in the account and expended only on qualified expenditures for that Program.

   c. The use and expenditure of Measure A sales tax revenue by Entity shall be in full compliance with the provisions of the Act, the Ordinance, applicable resolutions of the Board, this MOU, and all other applicable contractual and legal requirements.

   d. Entity shall file a pavement and bridge maintenance system report on a biennial basis with the Authority regarding progress in maintaining local streets and roads.

   e. Entity shall file with the Authority an annually updated five-year program for use of the funds.

6. Entity Certifications

   a. Maintenance of Effort. Entity certifies that it is currently in compliance, and will remain in compliance throughout the term of this Contract, with the maintenance of effort requirements set forth in the Ordinance:

      i. Entity shall continue to make local (non-federal, non-state, non-Measure A) transportation expenditures consistent with baseline performance standards adopted by the STA Governing Board.

ii. Entity shall continue to impose its local (non-SCTMFP) transportation mitigation fees at rates that are not less than the local transportation mitigation fees imposed by Entity during Fiscal Year 2008-2009 unless supported by a Fee Study adopted by the City Council.

b. Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP). Entity certifies that it is implementing the SCTMFP in accordance with STA Resolution STA-06-0006 and the SCTMFP Agreement on Operating Protocols.

7. Reporting. Within 30 days after each calendar quarter, Entity shall submit quarterly status reports in approved STA format for each On-going Annual Program for which Entity receives funding. Reports shall include:

- Amount of funds received
- Amount of funds expended
- Specific listing of expenditures made, including type of expenditure, quantity of work accomplished, and location of work accomplished, if applicable

8. Audits. Annual audits of the Measure A program will be performed by an independent auditor and reviewed by the Independent Taxpayer Oversight Committee (ITOC). As part of that audit, Entity expenditures will also be audited. Expenditures found to be in noncompliance with this MOU shall be disqualified and may be withheld from future payments.

9. Designation of Measure A Manager. Entity shall designate a Measure A program manager who shall be the responsible representative of Entity to Authority staff in connection with administration of this MOU.

10. Signs. When a *capital* project is completed and open for public use, Entity shall post reflective signage stating that the project is funded with Measure A funds. The signs shall be substantially similar to that depicted in Attachment A.

11. Indemnity and Hold Harmless. Entity shall indemnify and save harmless the Sacramento Transportation Authority, its officers, employees, and agents, and each and every one of them, from and against all actions, damages, costs, liability, claims, losses, and expenses of every type and description to which any or all of them may be subjected, by reason of or resulting from, directly or indirectly, the performance of this MOU by Entity whether or not caused in part by passive negligence of a party indemnified hereunder. The foregoing shall include, but not be limited to, any attorney fees reasonably incurred by Authority.

The parties promise and agree to abide by the terms of this Memorandum of Understanding as set forth above.

SACRAMENTO TRANSPORTATION AUTHORITY

By _____

Dated: August 27, 2015

CITY OF SACRAMENTO

By: _____

JERRY WAY, Director of Public Works
FOR
JOHN SHIREY, City Manager

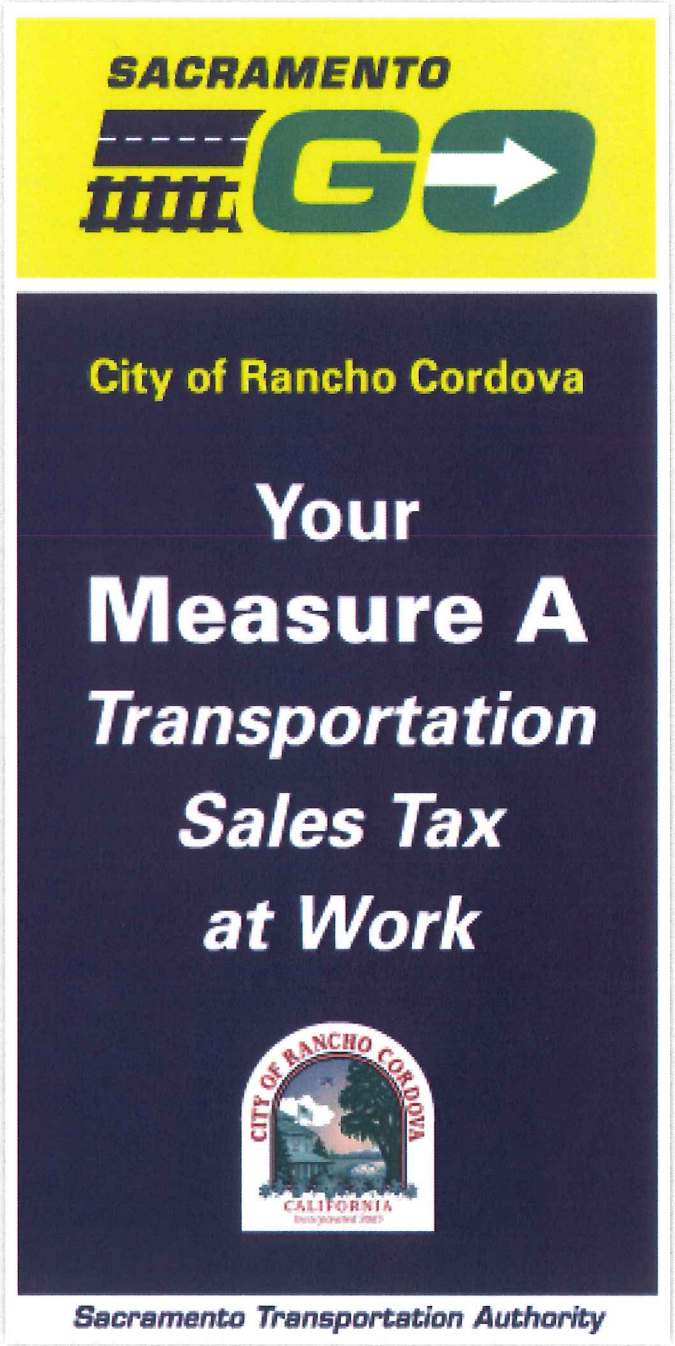
Attachment A: Public informational sign template
Attachment B: Definitions of Eligible Expenditures

APPROVED AS TO FORM:

_____
CITY ATTORNEY

ATTACHMENT A
Project Signage

ATTACHMENT A
Project Signage



ATTACHMENT B

Measure A Expenditure Categories
DEFINITIONS OF ELIGIBLE EXPENDITURES

Adopted March 8, 2007
Reconfirmed February 26, 2015

City Street and County Road Maintenance Program

The preservation and keeping of public street and road rights-of-way and each type of structure, safety device, planting, illumination equipment and associated facilities in the safe and useable condition to which it has been constructed or improved. Upgrades to appurtenances such as bicycle lanes, curbs, gutters, and sidewalks to currently accepted community standards may be performed in association with the repair of public streets and roads.

Includes roadway reconstruction, patching, repairing, surface treating, joint filling, scarifying, reshaping, and restoring material losses; cleaning, painting, and repairing bridges and structures (including those reserved for the exclusive use of non-motorized transportation); pavement sweeping; repainting of pavements, striping, and markings to equivalent standards; patching operations including base restoration; applying dust palliatives; jacking concrete pavements; resealing street or road shoulders and side street and road approaches; reshaping of drainage channels and side slopes; restoration of erosion controls; cleaning culverts and drains; removing slides and restoring facilities damaged by slides; routine landscape maintenance; replacing top soil, sod, plantings, and irrigation facilities on street and roadside; repairing curb, gutter, sidewalk, rip-rap, culverts, and drains; repainting, repairing, and servicing of signs, guardrails, traffic signals, lighting standards, and associated traffic control and safety devices; furnishing power for street and road lighting and traffic control devices.

Associated Measure A revenues are distributed annually to the County and to the Cities of Citrus Heights, Elk Grove, Folsom, Rancho Cordova, and Sacramento: 75% according to relative population and 25% according to relative street and road mileage within each jurisdiction. The data source for relative population is the annual population estimates for cities and counties published by the California Dept. of Finance. Relative street and road mileage is determined by the cumulative number of lanes miles on the city or County street/road system as reported annually by each affected local entity.

Local Arterial Program

The construction, improvement and/or upgrading of specified arterial streets and roads into multi-modal transportation corridors consistent with contemporary urban design standards to facilitate the safe and efficient movement of high volumes of local and sub-regional motor vehicle, bicycle, and pedestrian traffic.

Includes environmental review and mitigation, engineering, design, inspection, and construction; acquisition of rights-of-way or other property interests; installation, improvement, or upgrades to associated traffic signs and traffic signals, medians, landscaping, incidental drainage, bicycle lanes or pathways, curbs, gutters, and sidewalks; labor, paving, materials and supplies for the construction of specified arterials (including new structures) and for the addition of lanes to or other expansion, upgrading, reconstruction, and implementation of operational improvements of specified arterial streets and roads.

Traffic Control & Safety Program
The installation or implementation of physical features and operational programs to improve the operation and safety of the local street and road network for motor vehicles, bicycles, pedestrians, and persons with disabilities. Such improvements may involve an expansion of vehicle capacity at intersections.

Includes assessment and evaluation of operational deficiencies, needs, and opportunities; environmental review and mitigation, engineering, design, and inspection; acquisition of rights-of-way or other property interests; improved traffic signage, traffic signals, pavement markings, and incidental drainage; implementation, upgrade, expansion, and operation of an integrated traffic signal and control system; traffic channelization; Transportation Systems Management (TSM) including planning, design, implementation, outreach, and evaluation measures to promote efficient and effective use of the transportation system by all users regardless of travel mode.

Associated Measure A revenues are distributed annually to the County and to the Cities of Citrus Heights, Elk Grove, Folsom, Rancho Cordova, and Sacramento: 75% according to relative population and 25% according to relative street and road mileage within each jurisdiction.

Transit Operations, Maintenance, & Safety
The operation and maintenance of the existing Sacramento Regional Transit District (District) bus, shuttle, and light rail system and new transit capital specified in the Expenditure Plan as authorized to be conducted by Chapter 5 (commencing with Section 102200) of Part 14, Division 10 of the California Public Utilities Code.

Includes routine maintenance of bus, shuttle, and rail vehicles; purchase of associated parts, equipment, materials, and fuel; labor to maintain and operate the transit fleet and to administer the District; reconstruction or replacement of transit vehicles consistent with lifecycle use; repair and maintenance of fixed assets including light rail tracks and rail bed, overhead catenary, structures, buildings, and transit stations and stops; furnishing power for light rail system and transit stops.

Rail Transit Improvements
The construction, extension, improvement, and/or upgrading of specified Sacramento Regional Transit District (District) light rail transit corridors, and the improvement and/or upgrading of the Capitol Corridor regional rail segment within Sacramento County to facilitate improved commuter rail service, as consistent with Chapter 5 (commencing with Section 102200) of Part 14, Division 10 of the California Public Utilities Code.

Includes planning, environmental review and mitigation, engineering, design, and inspection; acquisition of rights-of-way or other property interests; construction, installation, improvement, or upgrades to trackage, overhead catenary, associated signs and signals, buildings, structures, and stations; purchase of rail vehicles and associated equipment; labor, materials, and supplies for the construction of specified rail transit corridors and associated stations (including new structures) and for the addition of track or other expansion, upgrading, reconstruction, and implementation of operational improvements in specified rail transit corridors.

Neighborhood Shuttle System
A competitive grant program among local public transit providers to promote the development or expansion of shuttle routes in residential and commercial areas that have no—or infrequent—transit service. The objective is to connect neighborhoods to the light rail system and to bus routes on major arterials.

Eligibilities, schedules, and grant application procedures are set forth in a separate guidelines document (pending).

Senior & Disabled Transportation Services
The provision by the Consolidated Transportation Services Agency (CTSA) of Sacramento County—per Chapter 5, Section 15975(a) of Part 13, Division 3 of the California Government Code—of specialized public transportation operations for seniors and persons with disabilities.

Includes acquisition, reconstruction, and replacement of specialized transit vehicles and associated equipment; construction of buildings and structures or other improvements; purchase of associated parts, equipment, materials, and fuel; routine maintenance of specialized transit vehicles and associated assets; labor to maintain and operate the vehicle fleet, real property or other property interests, and to administer the CTSA.

Regional Bus/Carpool Connectors/Extensions
The provision by Caltrans of enhanced vehicle capacity on specified segments of the State highway system and the improvement of specified freeway connection ramps for exclusive use by buses, carpools, and other eligible vehicles.

Includes environmental review and mitigation, engineering, design, inspection, project management, and construction; acquisition of rights-of-way or other property interests; installation, improvement, or upgrades to associated access/egress ramps, traffic signage, medians, and landscaping; labor, paving, materials and supplies for the construction of specified projects (including new structures) and/or for the addition of lanes to or other expansion, upgrading, reconstruction, and implementation of operational improvements on specified freeway segments and interchanges.

Local Freeway Interchange Congestion Relief Upgrades
The construction, improvement, or upgrading of specified interchanges to mitigate traffic congestion on the effected local arterial and associated State highway. Arterial-freeway interchange improvements will be implemented by the local jurisdiction in which the project is located. Freeway-freeway interchange improvements will be implemented by Caltrans.

Includes environmental review and mitigation, engineering, design, inspection, and construction; acquisition of rights-of-way or other property interests; installation, improvement, or upgrades to associated traffic signs, traffic signals, pavement markings, medians, landscaping, bicycle lanes or pathways, curbs, gutters, sidewalks, and drainage; labor, paving, materials and supplies for the construction of specified interchanges (including new structures) and for the addition of lanes to or other expansion, upgrading, reconstruction, and implementation of operational improvements

of specified arterial streets and roads. Improvements to arterial/freeway interchanges should permit bicyclists and pedestrians to safely and efficiently traverse the effected freeway segment.

Safety, Streetscaping, Pedestrian and Bicycle Facilities

The construction, improvement, and/or upgrading of transportation facilities and corridors to provide bicyclists, pedestrians, and persons with disabilities safe and efficient travel routes and to improve the aesthetics of local streets and roads. One million dollars per year will be expended exclusively for maintenance, operations, and improvements to the paved bikeway network within the portion of the American River Parkway managed by the Sacramento County Department of Regional Parks.

Includes environmental review and mitigation, engineering, design, inspection, and construction; acquisition of rights-of-way or other property interests; installation, improvement, or upgrades to traffic signs and traffic signals, landscaping, bicycle lanes or pathways, curbs, gutters, and sidewalks; barrier and hazard removal; labor, materials and supplies for the construction or reconstruction of bikeways and sidewalks (including new structures) and for other expansion, upgrading, reconstruction, and implementation of operational improvements to facilitate bicycle and pedestrian travel and improved streetscapes.

Associated Measure A revenues (with the exception of the $1 million allocated annually to the Sacramento County Department of Regional Parks for maintenance, operations, and improvements to the bikeway network in the American River Parkway) are distributed annually to the County and to the Cities of Citrus Heights, Elk Grove, Folsom, Rancho Cordova, and Sacramento: 75% according to relative population and 25% according to relative street and road mileage within each jurisdiction.

Transportation-Related Air Quality Program

The development, implementation and evaluation by the Sacramento Metropolitan Air Quality Management District of projects and programs to mitigate the regional impacts of motor vehicle emissions.

Includes air quality monitoring; public relations and information; programs to accelerate the retirement or replacement of older, high-polluting motor vehicle engines; programs to accelerate the dissemination of new, cleaner engine technologies; other programs demonstrated to effectively contribute to reduced vehicle emissions.

Smart Growth Incentive Program

A competitive grant program among local public agencies to facilitate land use planning and development/redevelopment projects that promote pedestrian, bicycle, and transit travel and a reduced reliance on personal automobiles. This program will be funded exclusively via the Countywide development fee component of Measure A. At least $5 million will be expended exclusively for environmental mitigation associated with construction of the I-5/SR99/SR50 connector road.

Eligibilities, schedules, and grant application procedures are set forth in a separate guidelines document (pending).

Transportation Project Environmental Mitigation Program
The development and implementation of projects and programs to mitigate some of the anticipated environmental consequences of constructing and operating the capital projects set forth in the Measure A expenditure plan. This program will be funded exclusively via the Countywide development fee component of Measure A.

Includes purchase of open space, significant natural habitat, and property easements; construction of replacement or alternative natural habitat; stormwater runoff abatement and erosion controls; other programs demonstrated to effectively mitigate the environmental impacts of constructing and operating the capital projects set forth in the Measure A expenditure plan. At least $5 million will be expended exclusively for environmental mitigation associated with construction of the I-5/SR99/SR50 connector road.

Eligibilities, schedules, and grant application procedures are set forth in a separate guidelines document (pending).

Program Administration
Overall management and oversight of the Measure A sales tax program.

Includes employment of administrative and clerical staff; contracting for specialized services of a limited-term; acquisition and/or lease, maintenance, and operations of office space, office equipment, materials, and supplies; operation of an Independent Taxpayer Oversight Committee (ITOC); other such administrative and planning activities as deemed necessary and appropriate by the Governing Board.