



## City Council Report

915 I Street, 1<sup>st</sup> Floor

Sacramento, CA 95814

[www.cityofsacramento.org](http://www.cityofsacramento.org)

---

**File #:** 2016-01044

**Consent Item 06**

---

**Title: Memorandum of Understanding: FY2016/17 New Measure A Ongoing Annual Programs**

**Recommendation:** Pass a Motion authorizing the City Manager to execute the Memorandum of Understanding with the Sacramento Transportation Authority (STA) for the FY2016/17 New Measure A Ongoing Annual Programs.

**Location:** Citywide

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

**Presenter:** None.

**Department:** Public Works Department

**Attachments:**

1-Description/Analysis

2-MOU Measure A

---

**Description/Analysis**

**Issue Detail:** The City is required to enter into an annual Memorandum of Understanding (MOU) with the Sacramento Transportation Authority (STA) to receive the City's allocations of Measure A countywide sale tax funds. The MOU authorizes the City to receive and expend funds on eligible activities. On August 11, 2016, the STA Board approved the MOU. Measure A funds have been budgeted in the City's adopted FY17 budget and Capital Improvement Program.

**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:** None.

**Environmental Considerations: California Environmental Quality Act (CEQA):** The FY2016/17 Memorandum of Understanding is 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. Projects funded with Measure A undergo individual environmental review.

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

**Commission/Committee Action:** None.

**Rationale for Recommendation:** Approval of the MOU is required so the City can continue to receive its share of Measure A funds received in FY2016/17.

**Financial Considerations:** The MOU for ongoing programs authorizes the City to receive and expend funds. Funds are received and programmed in connection with annual budget and capital improvement program preparation process.

The City FY17 operating and CIP budget includes \$10.5 million in Measure A maintenance funds for traffic operations and road maintenance, and \$3.0 million in traffic control and safety and bicycle, pedestrian, and streetscape projects.

**Local Business Enterprise (LBE):** None, since no goods or services are being procured with this action.

SACRAMENTO TRANSPORTATION AUTHORITY  
MEMORANDUM OF UNDERSTANDING

**MEASURE A  
ONGOING ANNUAL PROGRAMS**

This Memorandum of Understanding is made as of August 11, 2016 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 Ongoing 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. "Ongoing 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 Ongoing 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 Ongoing 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 2016-17 are estimated to be **\$114,061,318**.

In the event that STA subsequently concludes that total revenues for Ongoing 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 Ongoing Annual Programs accordingly.

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

5. Entity Obligations.

- a. Allocations for each Ongoing Annual Program shall be expended by Entity only for purposes that are consistent with the attached Definitions of Eligible Expenditures.
- b. Entity shall keep a separate account for each Ongoing 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.

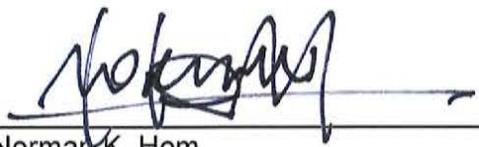
7. Reporting. Within 30 days after each calendar quarter, Entity shall submit quarterly status reports in approved STA format for each Ongoing Annual Program for which Entity receives funding. Reports shall include:

- 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 was funded with Measure A funds.
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:   
 Norman K. Hom  
 Principal Administrator

Dated: **August 11, 2016**

CITY OF SACRAMENTO

By: \_\_\_\_\_  
 JERRY WAY, Director of Public Works  
 FOR  
 JOHN SHIREY, City Manager

Attachment: Definitions of Eligible Expenditures

  
 APPROVED AS TO FORM:  
 \_\_\_\_\_  
 CITY ATTORNEY



## ATTACHMENT B

### Measure A Expenditure Categories DEFINITIONS OF ELIGIBLE EXPENDITURES

**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.

**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.

**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.

**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.