REPORT TO COUNCIL 5
City of Sacramento

915 I Street, Sacramento, CA 95814-2604
www. CityofSacramento.org

Consent
November 28, 2006

Continued from 11-28-06

Honorable Mayor and
Members of the City Council

Title: New Measure A Capital Allocation and Expenditure Contract for the Intermodal Transportation Facility

Location/Council District: Citywide

Recommendation: Adopt a **Resolution**: 1) authorizing the City Manager to execute a contract with Sacramento Transportation Authority (STA) to accept $15,913,500 of New Measure A funds to the City of Sacramento for the Sacramento Intermodal Transportation Facility (Intermodal) (PN: CF41); and 2) authorizing staff to create a new fund (Fund 291, New Measure A Construction).

Contact: Azadeh Doherty, Principal Planner, (808-3137)

Presenters: None

Department: Transportation

Division: Planning and Policy

Organization No: 3416

Description/Analysis

Issue: The New Measure A Plan of Finance allows for the accelerated allocation of sales tax capital revenues to local jurisdictions STA has issued a series of revenue anticipation notes in order to deliver these funds. In FY2006/07, the City of Sacramento will be eligible to receive $15,913,500 in New Measure A funds for site acquisition and other appropriate expenditures related to the Intermodal Project. The approval of this resolution will allow staff to proceed with this financial transaction.

Policy Considerations: The New Measure A capital project contract is consistent with the goals of the City of Sacramento's Strategic Plan to improve and diversify the transportation system and enhance and preserve neighborhoods.

Environmental Considerations: Approval of the New Measure A contract with fund allocation to the Intermodal Infrastructure Project will not have an environmental impact. However, when the Intermodal Project is implemented, it will be subject to environmental evaluation under CEQA and NEPA Guidelines.

Rationale for Recommendation: The STA Board has allocated $15,913,500 to the City of Sacramento and these funds must be expended prior to December 1, 2008. The City of Sacramento is proceeding with various phases of the Intermodal Project development and will need to use the aforementioned Measure A funds as soon as possible. STA requires each jurisdiction to execute an expenditure contract (see Exhibit A) prior to the submission of a reimbursement claim for eligible expenditures

Financial Considerations: This contract involves the first New Measure A bond proceeds. Prior to each subsequent issuance of the transportation sales tax, the City will execute a contract with STA in order to receive funds for projects that are expected to be funded by the above mentioned bond proceeds. A new fund, Fund 291 – New Measure A Construction, needs to be established to properly account for the new revenue source in accordance with generally accepted accounting principles.

Emerging Small Business Development (ESBD): None

Respectfully Submitted by: _____
Francesca Lee Halbakken
Operations Manager, Planning & Policy

Approved by: _____
Jerry Way
Director of Transportation

Approved by: _____
Russell Fehr
Director of Finance

Recommendation Approved:

_____
for RAY KERRIDGE
City Manager

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Attachment 1

BACKGROUND

New Measure A will generate approximately $8.22 billion between 2009 and 2039 of which 20.75% (approximately $1.71 billion) will be available for capital projects while the remaining will fund on-going road maintenance, transit operations, and other programs, mostly on an annual formula pay-go basis.

The New Measure A Plan of Finance that was adopted in July of 2006 calls for an inaugural issuance of Notes to begin accelerating the delivery of capital projects set forth in the New Measure A expenditure plan. The STA Board is in the process of issuing two series of Notes in November of 2006. One of the projects that will receive the proceeds from these bonds is the City of Sacramento's Intermodal Project. The City has asked to receive approximately $66.5 million during the next 4 years. The proposed contract will allow the City to receive the first increment of these funds.

Attachment 2

RESOLUTION NO.

Adopted by the Sacramento City Council

NEW MEASURE A CAPITAL ALLOCATION AND EXPENDITURE CONTRACT FOR THE SACRAMENTO INTERMODAL TRANSPORTATION FACILITY

BACKGROUND

A. The New Measure A Plan of Finance that was adopted in July of 2006 calls for an inaugural issuance of Notes to begin accelerating the delivery of capital projects set forth in the New Measure A expenditure plan.

B. Sacramento Transportation Authority (STA) has issued a series of revenue anticipation notes in order to deliver these funds and allocated $15,913,500 to the City of Sacramento for the Intermodal Project.

C. These funds must be expended prior to December 1, 2008.

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

Section 1. Authorize the City Manager to execute a contract with STA to accept $15,913,500 of New Measure A funds to the City of Sacramento for the Intermodal Project.

Section 2. Authorize staff to appropriate $15,913,500 from the New Measure A to fund the Intermodal Project (PN:CF41).

Section 3 Authorize staff to establish a new fund (Fund 291 – New Measure A Construction) to properly account for the new funding source in accordance with generally accepted accounting principles.

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Exhibit A STA New Measure A Capital Project Allocation and Expenditure Contract

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

INTERMODAL PROJECT

This Contract is made as of _____ 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 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) for the Capital Project described in Section 2, and to set forth Entity's obligations with respect to the expenditure thereof.

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

   Right-of-way acquisition and construction to ***relocate the inner-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. The improved intermodal connections and service will allow inter-city rail and bus passengers to efficiently access local transportation modes, including rail, bus, taxi, automobile, in a friendly and safe environment.

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. On October 12, 2006, the Board allocated to Entity the sum of $15,913,500 for expenditure on the Capital Project. Said sum shall be expended by Entity prior to December 1, 2008.

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. 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

b. Sacramento Countywide Transportation Mitigation Fee Program (SCTMFP). Entity (if a County of City) 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 Project design provides for routine accommodation of bicycles and pedestrians.

d. Additional Certifications. Additional certifications applicable to this Contract are:

NONE

7. Disbursement of Revenues.

a. Disbursements of revenue pursuant to this Contract shall be made on a progress payment 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 Measure A Manager prior to submission to Authority.

8. Reporting.

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

b. Quarterly status reports will be due to the Senior Transportation Administrator 30 days after the end of each calendar quarter.

9. Audits.

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

b. 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.

c. 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.

10. 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.

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

12. Signs. Entity shall post signs at the Capital Project site stating the project is funded with Measure A funds. The signs shall be substantially similar to the sample depicted in Attachment A.

13. 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_____

Dated:_____

CITY OF SACRAMENTO

By: _____
(Authorized Officer's Signature)

_____
(Officer's Printed Name)

_____
(Officer's Title)