

RESOLUTION NO. 2006-570

Adopted by the Sacramento City Council

August 1, 2006

AMENDMENT TO THE SUPPLEMENTAL AGREEMENT TO THE SACRAMENTO LIGHT RAIL SYSTEM OPERATIONS AGREEMENT DATED APRIL 3, 1985 WITH REGIONAL TRANSIT FOR THE RICHARDS BOULEVARD AND 12TH AND 16TH STREETS INTERSECTION PROJECT (PN: TU22) TO CHANGE THE SOURCE OF FUNDING

BACKGROUND

- A. On August 16, 2005 the City and RT entered into a Supplemental Agreement to the Sacramento Light Rail System Operations Agreement (1987-0165-1). In the Agreement RT agreed to contribute \$1,192,000 (\$896,859 in federal funds and \$295,141 in Fund 248) or the actual cost of their share of the project. On February 28, 2006 staff informed council that the RT share of the project had increased to \$2,455,790 and that RT had agreed to contribute an additional \$498,625 in FY07/08. Staff and RT were to negotiate terms for the remainder of the funds owed by RT. In order to award the construction contract, Council authorized via Resolution 2006-136, Section 3 the transfer of Major Street Construction Tax funds to the project to cover the remaining RT share of the project until negotiations with RT were complete. Once negotiations were complete staff was directed to return the funds to Major Street Construction Tax.

On April 6, 2006 staff received a letter from RT stating that they would contribute the entire \$2,455,790 (\$896,859 in federal funds and \$1,558,931 in local RT funds) to the project. The local RT funds would be paid over a period of six years beginning in FY07. At that time staff did not process the budget adjustments because SACOG staff was investigating whether to initiate a funding swap of RT local funds with federal funds for this project.

SACOG would like the City and RT to swap a portion of the RT local funds on the project with federal funds. This is because once again local project delivery statewide is extremely low and it is very likely that local agencies will not use all of their budget authority. Any budget authority remaining at the end of the federal fiscal year will be lost by the local agencies to the state for its use. SACOG is trying to minimize the amount of funds that could be taken by the state. The proposed plan would have SACOG "buyout" a portion of RT's payback to the City using \$1.1 million in federal funds. RT would then enter into an agreement with SACOG to repay the \$1.1 million using their local funds.

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

- Section 1. The City Manager is authorized and directed to execute an Amendment to the Supplemental Agreement to the Sacramento Light Rail System Operations Agreement (City Agreement No 1984-0165-1) dated August 16, 2005
- Section 2. The City Manager is authorized to execute a Program Supplement for the Richards Boulevard at 12th and 16th Streets Intersection Project (PN: TU22) when staff receives it.
- Section 3. Section 3 of Resolution 2006-136 is rescinded.
- Section 4. When the federal paperwork is approved, staff is directed to amend the Capital Improvement Program revenue and expenditure budgets by appropriating \$1,100,000 (Fund 511) to the Richards Boulevard at 12th and 16th Streets Intersection Project (PN: TU22) and defunding \$765,165 from the project to Major Street Construction Tax Contingency (Fund 209) and defunding \$334,835 from the RT agreement (Fund 248).

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Exhibit A – Map of Richards Boulevard at 12th and 16th Streets Intersection Improvements Project (PN: TU22)

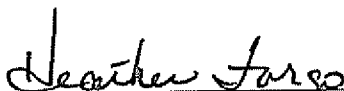
Adopted by the City of Sacramento City Council on August 1, 2006 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Waters, and Mayor Fargo.

Noes: None.

Abstain: None.

Absent: Tretheway.



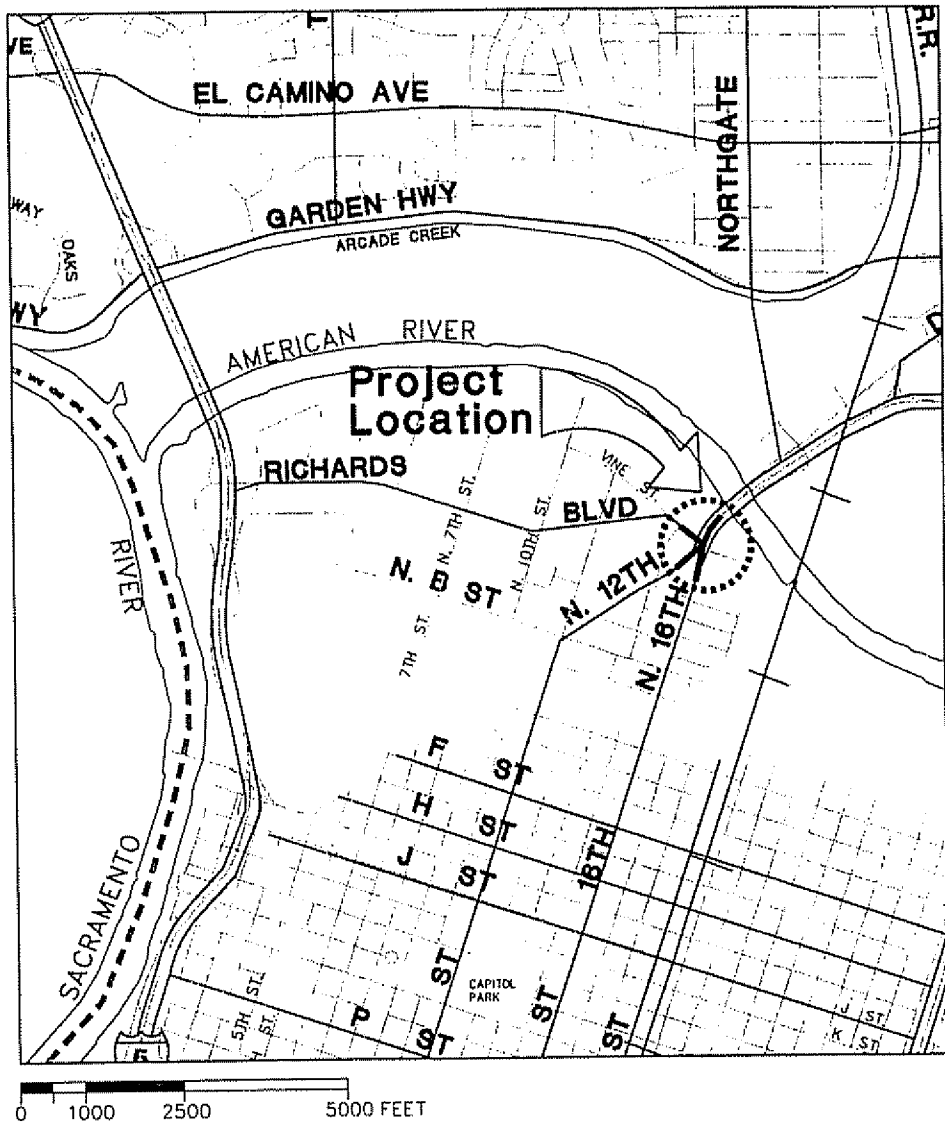
Mayor, Heather Fargo

Attest:



Shirley Concolino, City Clerk

RICHARDS BOULEVARD AT 12TH AND 16TH STREETS INTERSECTION IMPROVEMENT PROJECT



PN: TU22 LOCATION MAP

MAP CONTACT: B CAMERON
DATE: 10/21/05