

DEPARTMENT OF
PUBLIC WORKS

PROJECT DELIVERY DIVISION

CITY OF SACRAMENTO
CALIFORNIA

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February 13, 2002

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: ACCEPTANCE OF SUPPLEMENTAL MEASURE A CONSTRUCTION FUNDS
IN THE AMOUNT OF \$1,986,408 AND APPROPRIATION OF FUNDS TO THE
7TH STREET EXTENSION PROJECT (PN: TH26)**

LOCATION AND COUNCIL DISTRICT: District 1, Neighborhood Area 1 and Planning
Area 1.

RECOMMENDATION:

This report recommends that the City Council approve the attached resolution which:

- Accepts \$1,986,408 in supplemental allocation of 2000/01 Measure A (Transportation Sales Tax) Construction revenue (Fund 201);
- Approves appropriation of supplemental allocations to the 7th Street Extension project (PN: TH26); and
- Approves a fund appropriation from Measure A Construction contingency in the amount of \$38,217 to the 7th Street Extension project.

CONTACT PERSON: Nicole Olate, Transportation Analyst, 264-8242
Barbara Wendt, Senior Management Analyst, 264-0186

FOR COUNCIL MEETING OF: February 26, 2002

SUMMARY:

On October 11, 2001 the Sacramento Transportation Authority (STA) Board approved a supplemental revenue allocation for fiscal year 2001/02. This allocation is comprised of interest earnings for fiscal year 2000/01. The City of Sacramento's allocation is \$1,986,408. Attachment

City Council
FY01/02 Supplemental Allocation
February 13, 2002

A shows the distribution of supplemental funds by source and jurisdiction. Staff is recommending this allocation be used for the 7th Street Extension project (PN: TH26).

COMMITTEE/COMMISSION ACTION:

None.

BACKGROUND INFORMATION:

Each year the STA estimates the amount of Measure A revenue the City will receive in the upcoming fiscal year, and the City Council approves an Expenditure Plan for that revenue. At the end of year, the STA allocates any additional revenue/interest received in the previous fiscal year.

This year the total Measure A Construction Supplemental Allocation for the City of Sacramento is \$1,986,408. Once the supplemental allocation is identified, the City of Sacramento must determine how the funds will be used.

This year Public Works staff is recommending the supplemental allocation be applied to the 7th Street Extension Project (PN: TH26). This project is one of the City's top priority transportation projects. The project will spur economic revitalization and generate new tax increment money in the Richards Boulevard Redevelopment Area as well as provide additional access routes to and from the Central City. The project will extend 7th Street from Downtown Sacramento north through the Union Pacific Railyards to North B Street. The extension will include construction of a two-lane roadway with street lighting, bike lanes, curb, gutter, sidewalks, and a landscaped planter. The project will also reconstruct 7th Street between North B Street to Richards Boulevard. The total estimated project cost for the 7th Street Extension Project is \$24,054,000. This total cost estimate is based on an assumed groundwater elevation of 10 feet. This is considered an appropriately conservative elevation on which to bid the project, and is the basis for the project's budget. Staff is also recommending the use of Measure A Construction contingency funds to cover the current anticipated total project costs.

The current project budget is as follows:

Transportation Sales Tax (Measure A) (TH26 and TH27)	\$ 7,551,000
Transportation Sales Tax (Measure A) (TX01)	\$ 700,000
FY01/02 Supplemental Allocation	\$ 1,986,408
Transportation Sales Tax (Measure A) Contingency	\$ 38,217
2000 State Transportation Improvement Program (STIP)	\$ 5,428,000
2002 State Transportation Improvement Program (STIP)	\$ 3,300,000
Federal Demonstration	\$ 1,500,000
Railyards/Richard Boulevard (Impact Fee)	\$ 2,340,000
SMUD	\$ 833,375
Utility Department	\$ 377,000
TOTAL	\$24,054,000

FINANCIAL CONSIDERATIONS:

Approval of the additional funding in the amount of \$2,024,625 from the supplemental allocation and from Measure A Construction contingency will increase the 7th Street Extension budget to \$24,054,000, which is required to complete the project.

ENVIRONMENTAL CONSIDERATIONS:

This supplemental funding allocation is not, in itself, a project. The subject of this report does not involve a project, which requires compliance with the California Environmental Quality Act (CEQA), inasmuch as it does not involve an activity, which may cause a direct or indirect change in the environment (Public Resources Code Section 21065).

POLICY CONSIDERATIONS:

Receipt of these funds is consistent with the City Council priority of neighborhood revitalization.

ESBD CONSIDERATIONS:

Not applicable as no goods or services are being purchased.


Respectfully submitted,


Francesca Lee Halbakken
Project Delivery Manager

RECOMMENDATION APPROVED:


ROBERT THOMAS
City Manager

Approved:


Michael Kashiwagi
Director of Public Works

Attachments:

A) Supplemental FY2001-02 Measure A Revenue Allocation

**Sacramento Transportation Authority**

For Agenda Of:

October 11, 2001
ITEM #6

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To: Sacramento Transportation Authority

Subj: Supplemental FY 2001- 02 Measure A Revenue Allocation

RECOMMENDATION:

Approve supplemental Measure A revenue allocation for agency fund interest earnings in fiscal year 2000-01.

DISCUSSION:

Each entity with money on deposit with the STA in an agency account earns interest on those funds. STA policy is to accumulate the interest earnings during the year and allocate them via a supplemental allocation in the following fiscal year. The interest earnings for FY 2000-01 have been determined and comprise this supplemental allocation. Total interest earned on agency accounts is \$6,528,861.

For the past few years we have also included a supplemental allocation of prior year revenues received in excess of budget and administrative savings. The amount of these funds is \$4,382,108. This year, however, we are not recommending a supplemental allocation of these funds. Instead we are recommending that these funds be transferred to our "Contingency for Revenue Estimate Errors" account. Through the September Measure A distribution from the State, we are a few percentage points short of our growth projection for the year. In addition, we are seeing evidence that our economy is slowing down a bit from our three prior years of unprecedented growth. Given these uncertainties, and our desire to be able to give our entities all of the funding we have budgeted for the year, staff believes it would be prudent to hold off allocating these excess funds until we can be sure that we won't come up short this fiscal year.

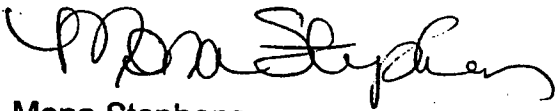
October 11, 2001

ITEM #6

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The attached schedule shows the total interest earnings each entity will receive under this supplemental allocation. Each entity will be required to submit an expenditure plan request for the amount of the supplemental allocation. These requests will then be brought to the STA Board for approval. We will work with the entities on this supplemental allocation and will present their requests at upcoming STA Board meetings.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Mona Stephens", written in a cursive style.

Mona Stephens
Sr. Transportation Administrator

Attachment

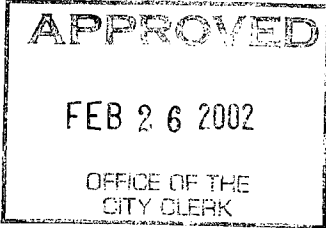
October 11, 2001

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Sacramento Transportation Authority
Supplemental Interest Allocation
FY 2001-02

Folsom	\$ 687
RT Southline	735,959
Isleton	1,283
Galt	115,762
Sacramento	1,986,408
County	2,348,726
RT	1,101,771
SMAQMD	84,211
Citrus Heights	<u>154,054</u>
Total Interest Allocation	<u>\$6,528,861</u>



RESOLUTION NO. 2002-098

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

ACCEPTANCE OF SUPPLEMENTAL MEASURE A CONSTRUCTION FUNDS IN THE AMOUNT OF \$1,986,408 AND APPROPRIATES FUNDS TO THE 7TH STREET EXTENSIONS PROJECT (PN: TH26)

THE COUNCIL OF THE CITY OF SACRAMENTO RESOLVES THAT:

- 1. The supplemental Measure A Construction revenue (201-310-3131-3108) budget is increased by \$1,986,408.
- 2. The supplemental Measure A Construction funds (201-310-3131-3108) in the amount of \$1,986,408 be appropriated to the 7th Street Extension Project (201-500-TH26-4820).
- 3. The FY01/02 Capital Improvement Program budget is amended by transferring \$38,217 from Measure A Construction contingency to the 7th Street Extension project (PN: TH26) and adjusting budgets as follows:

201-710-7012-4999	Measure A Construction Contingency	(\$38,217)
201-500-TH26-4820	7 th Street Extension Project	\$38,217

- 4. Staff is directed to submit the supplemental Measure A revenue and contingency allocation request to the Sacramento Transportation Authority.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____