



REPORT TO COUNCIL

City of Sacramento

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

Consent
October 27, 2009

**Honorable Mayor and
Members of the City Council**

Title: Agreement: New Measure A Capital Program and Appropriation of Funds

Location/Council District: Downtown Railyards/Council District 1.

Recommendation: Adopt a **Resolution** 1) executing the Agreement for the New Measure A Capital Project Allocation and Expenditure Plan; 2) appropriating \$6,006,125 in New Measure A Construction Project funds (Fund 2023) to the Sacramento Intermodal Transportation Facility Project (T15029000); 3) appropriating \$5.563 million in Measure A Construction funds (Fund 2001) from Contingency held by the Sacramento Transportation Authority to the Sacramento Intermodal Transportation Facility Project (T15029000).

Contact: Lucinda Willcox, Program Manager, 808-5052; Hinda Chandler, Senior Architect, 808-8422

Presenters: None

Department: Department of Transportation

Division: Engineering Services

Organization No: 15001111

Description/Analysis

Issue: The City is required to enter into agreements with the Sacramento Transportation Authority (STA) to receive New Measure A Construction Project funds. The agreement authorizes the City to receive and expend funds in accordance with STA's approved plan of anticipated expenditures and ensures the funds are expended exclusively on eligible activities. Capital projects are funded through STA issuance of bonds based on projects identified in the Measure A as approved by the voters, including the Sacramento Intermodal Transportation Facility (SITF). On October 8, 2009, the STA Board approved the agreement language and authorized the STA Executive Director to sign a two-year agreement for funding for fiscal year (FY) 2009/10 and FY2010/11. Upon signature by the City Manager and completion of the agreement, the City can

expend New Measure A Construction Project funds and receive reimbursement for eligible activities.

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

Environmental Considerations:

California Environmental Quality Act (CEQA): Approval of the Agreement with the STA for the FY2009/10 New Measure A Capital Project and Expenditure Program, is not a "project" as defined by California Environmental Quality Act (CEQA) Guidelines Section 15278, because it does not involve an activity that will cause a direct or indirect change in the environment. Therefore, it does not require further environmental review. Each phase of the Sacramento Intermodal Transportation Facility project is subject to individual environmental analysis.

Sustainability Considerations: This agreement supports funding for the development of the SITF, which is a key component for the City's future multi-modal travel opportunities and connections.

Other: None

Rationale for Recommendation: Upon approval of the agreement, the City will have authority to spend New Measure A Construction Project funds. This funding can only be used to support the SITF and is necessary to further the project and meet state and federal funding deadlines.

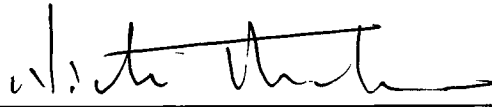
Financial Considerations: The City is required to execute the agreement with the STA for New Measure A Capital Project and Expenditure Program in the amount of \$28.209 million in order to submit for reimbursement and receive funds for the SITF.

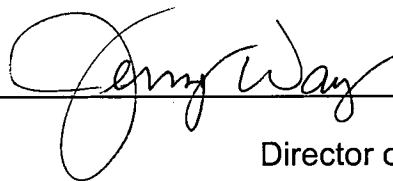
Prior City Council action has been taken to appropriate a total of \$22,202,874 in New Measure A Construction Project (Fund 2023) funds in advance of the FY2009/10 and FY2010/11 allocation. Of the total made available with this contract, \$6,006,126 in New Measure A Construction Project funds remains to be appropriated to the SITF at this time.

The New Measure A Capital Improvement Program (CIP) adopted on August 13, 2009, by STA approved a total of \$33.772 million for the SITF for FY2009/10 and FY2010/11. Since sales tax revenues have declined substantially, the STA authorized allocation of New Measure A and authorized an advance from Old Measure A funds to ensure the

project had necessary local funding. The New Measure A CIP agreement adopted on October 8, 2009, authorizes a total of \$28,209,000 in New Measure A funds. The total requirement for FY2009/10 and FY2010/11 remains at \$33.772 million, therefore approval of the appropriation in the amount of \$5.563 million from Measure A Construction Contingency held by STA is required to support the SITF and is necessary to further the project and meet state and federal funding deadlines.

Emerging Small Business Development (ESBD): No goods or services are being procured with this action.

Respectfully Submitted by: 
Nicholas Theocharides
Engineering Services Manager

Approved by: 
Jerry Way
Director of Transportation

Recommendation Approved:


RAY KERRIDGE
City Manager

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Attachment 1

Background

In 2004, voters of Sacramento County approved an extension of a ½ cent sales tax dedicated for transportation improvements countywide, known as Measure A, which took effect in April 2009, and is in effect for 30 years. The new Measure A listed specific capital projects to be funded through Measure A sales tax.

Since many of the capital projects require funding up front, prior to receipt of sales taxes, the Sacramento Transportation Authority (STA) Board of Directors agreed to issue bonds to advance the construction of these facilities.

Sacramento Intermodal Transportation Facility (SITF) Funding

The SITF is included as a capital project in the New Measure A. Due to necessary work needed to keep the project on schedule, prior City Council action has been taken to appropriate a total of \$22,202,874 in New Measure A Construction Project (Fund 2023) funds in advance of the FY2009/10 and FY2010/11 Sacramento Intermodal Transportation Facility allocation. Below is a summary of prior actions:

\$10,210,000	Per Resolution 2006-939 dated December 28, 2006, the City pledged future New Measure A Construction Project funds to support the Railyards Purchase and Sale Agreement.
\$5,319,837	Per Resolution 2006-939 dated December 28, 2006, the City pledged revenues from the sale of Lot A and the proceeds from the sale of City property located at 625 H Street for a total amount estimated at \$10 million. The projected revenue estimate was not realized, so the difference between the total projected and the actual needed to be covered with future New Measure A Construction Project funds. The total revenue generated from both sales was not as anticipated and therefore an adjustment was made to the New Measure A Construction Project funds on June 30, 2009.
\$6,673,037	Per Resolution 2008-029 dated January 22, 2008, the City agreed to advance future New Measure A Construction Project funds to support the SITF.
\$22,202,874	Total

Current SITF Funding Requirements

The original STA plan of finance was based on assumptions regarding economic growth made shortly after adoption of the new Measure A. Given reductions in sales tax and private development activity, funding projections were revised, and STA member agencies negotiated funding and timing for capital projects.

The SITF was included in the Measure A capital projects, and to ensure full funding for construction of track relocation and to meet schedule for state and federal funding, it is critical that the City have access to necessary local funding. To ensure adequate funding levels, STA agreed to let the City borrow from its balance in the original Measure A Construction program to receive the full funding needed.

Therefore, in the New Measure A CIP adopted on August 13, 2009, STA approved a total of \$33.772 million for the SITF for FY2009/10 and FY2010/11. The New Measure A CIP agreement adopted on October 8, 2009, authorizes a total of \$28.209 million in New Measure A funds and \$5.563 million from Old Measure A.

On June 16, 2009, the City's CIP Budget was approved per Resolution 2009-406. Within the Transportation CIP section, it mentions that New Measure A Construction revenues are significantly reduced and that to preserve/ supplement many of the citywide programs, the balance of Measure A Construction funds are needed through 2014. The \$5.563 million of Measure A Construction Contingency needed to advance Intermodal Facility funding will be comprised of the funding allocated to the FY2012/13 and FY2013/14 Measure A Construction Programs.

The City of Sacramento expects to receive approximately \$8 million of State Local Partnership Program funds, a State Proposition 1B program administered to local jurisdictions in regions that have adopted transportation sales tax programs. This funding is anticipated to backfill the Measure A Construction Contingency funding in the amount of \$5.563 million when received. There is no anticipated change to the FY2012/13 and FY2013/14 Measure A Construction Programs.

The City is required to enter into an agreement with the Sacramento Transportation Authority (STA) in order to receive New Measure A Construction Project funds. The agreement authorizes the City to receive and expend funds in accordance with the STA's approved capital program. On October 8, 2009, the STA board approved the agreement language and authorized the STA Executive Director to sign the agreement.

RESOLUTION NO.

Adopted by the Sacramento City Council

**AUTHORIZING EXECUTION OF THE NEW MEASURE A
CAPITAL PROJECT ALLOCATON AND EXPENDITURE CONTRACT**

BACKGROUND

- A. The City is required to enter into an agreement with the Sacramento Transportation Authority (STA) in order to receive New Measure A Construction Project Funds (Fund 2023).
- B. The agreement authorizes the City to receive and expend funds in accordance with STA's approved plan of expenditures.
- C. On October 8, 2009, the STA Board approved the agreement language and authorized the STA Executive Director to sign the agreement for funding for fiscal year (FY) 2009/10 and FY2010/11.

**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 Agreement for the New Measure A Capital Project Allocation and Expenditure Plan.
- Section 2. The FY2009/10 Capital Improvement Program (CIP) revenue and expenditure budgets are amended by appropriating \$6,006,125 in New Measure A Construction Project funds (Fund 2023) to the Sacramento Intermodal Transportation Facility Project (T15029000).
- Section 3. The FY2009/10 CIP revenue and expenditure budgets are amended by appropriating \$5.563 million in Measure A Construction (Fund 2001) from Contingency held by the Sacramento Transportation Authority to the Sacramento Intermodal Transportation Facility Project (T15029000).