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APPROVED
BY THE CITY COUNCIL

JUL 14 1987

OFFICE OF THE
CITY CLERK

OFFICE OF THE
CITY MANAGER

CITY OF SACRAMENTO
CALIFORNIA

CITY HALL
ROOM 109
915 I STREET
SACRAMENTO, CA
95814-2684

July 10, 1987

916-449-5704

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: RESOLUTION ENDORSING AB 89 CONNELLY, RELATING TO AN INCREASE
IN SALES TAX FOR TRANSPORTATION IMPROVEMENTS IN SACRAMENTO
COUNTY**

SUMMARY

Councilmember Lynn Robie has requested adoption of the attached resolution of intention to support AB 89 Connelly, as amended, and to direct City staff to negotiate a three party agreement between Regional Transit, the County and the City.

Adoption of the resolution is recommended.

BACKGROUND

AB 89 Connelly would create a new Sacramento County Transportation Authority and authorizes upon approval by the voters of the County, a retail sales and use tax increase of up to one cent for transportation purposes.

Early in the bill's development, a coalition of local leaders met on several occasions and ultimately agreed upon a tax allocation formula for sharing proceeds between Regional Transit, the County of Sacramento and the City. This formula was incorporated into the bill as it began the legislative hearing process.

Last month, the Senate Transportation Committee added a condition to its bill approval, removal from the bill of the specific revenue allocation formula. As the bill stands now, the formula has been deleted.

Regional Transit has requested that a separate tax proceeds allocation agreement be approved between the three affected agencies prior to adoption of AB 89.

FINANCIAL

The previously agreed upon tax allocation formula is as follows:

"Each year the authority shall, pursuant to the procedures and subject to the limitations prescribed by Sections 160105, 160106, 160107, 160108, and 160109, allocate revenue derived from the levy of the retail transactions and use taxes authorized pursuant to Chapter 5 (commencing with Section 160150) for specialized paratransit functions in the amount of 1.67 percent for transportation services to the aged, handicapped, and infirm and 33.33 percent for other public transit functions of the gross sum of both of the following:

- (a) All revenue derived by the authority for the year to be allocated from levy of the retail transactions and use taxes.

- (b) All revenue derived by the cities and county from the levy of the special tax or imposition of the fee for road improvements prescribed by Section 160103 during the year preceding the one for which the allocation of retail transactions and use taxes is made."

RECOMMENDATION

Approval of the attached resolution is recommended.

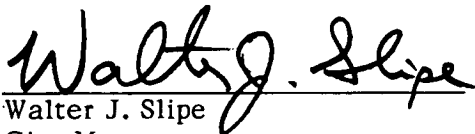
Respectfully submitted,



Jack R. Crist
Deputy City Manager

Attachment

APPROVED:



Walter J. Slipe
City Manager

RESOLUTION NO. 87-565

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF
RESOLUTION 87 - _____

Adopted by the City Council of the City of Sacramento

APPROVED
BY THE CITY COUNCIL

JUL 14 1987

OFFICE OF THE
CITY CLERK

RESOLUTION SUPPORTING AB 89, CONNELLY, RELATING TO AN INCREASE
IN SALES TAX FOR TRANSPORTATION IMPROVEMENTS IN SACRAMENTO
COUNTY

WHEREAS, the City Council of the City of Sacramento recognizes the
need for a balanced transportation system in both the City and County of
Sacramento; and

WHEREAS, additional funding must be made available in order to finance
the construction of public road improvements, public transit services and
specialized paratransit services; and

WHEREAS, Assemblyman Connelly has introduced legislation (AB 89,
1987) which would, if enacted, establish a transportation authority and authorize,
upon approval by the voters of the County, a retail transaction and use tax
to make such additional funding available; and

WHEREAS, the City Council wishes to confirm support for Assemblyman
Connelly's amended AB 89 Bill; and

WHEREAS, The City Council desires to assure that the division of said
proceeds between public road improvements on the one hand, and public transit
facilities and services on the other, is established in advance of the enactment
of said legislation.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE CITY COUNCIL
OF THE CITY OF SACRAMENTO AS FOLLOWS:

1. That the City Council of the City of Sacramento endorses AB 89,
Connelly as amended authorizing a Sacramento County Transportation
Authority, which upon approval of the voters, will have the power
to increase the sales tax by up to one cent and to administer allocation
of the funds; and

2. that the City Attorney and City Manager are directed to negotiate a formal written agreement between the County, the City of Sacramento and the Regional Transit District concerning allocation of the sales tax proceeds which honors the previously agreed upon allocation formula which was included in the original AB 89 legislation.

MAYOR

ATTEST:

CITY CLERK