

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

**CAPITAL SOUTHEAST CONNECTOR PROJECT**

This Contract is made as of August 27, 2015 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 ***Capital Southeast Connector Authority*** hereinafter called “Entity.”

**THE PARTIES AGREE AS FOLLOWS:**

1. Purpose. The purpose of this Contract is to:
  - a. 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 (i.e. proceeds from tax-exempt bonds, hereinafter called “Bonds”) for the Capital Project described in Section 2.
  - b. Set forth Entity’s obligations with respect to the expenditure thereof.
2. Description of Capital Project. The Capital Project funded by this Contract is:

Design, engineering, environmental clearance, environmental mitigation, Right-of-Way acquisition, and construction of ***a multimodal transportation corridor connecting the Cities of Elk Grove, Rancho Cordova, and Folsom in the southern and eastern portions of Sacramento County***; including general agency administration functions as defined in Sections 3 and 8, below.
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. “General Administration” means functions and activities required to operate and manage the Entity that are not directly associated with delivery and construction of the capital project.
  - d. “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. The Board has allocated to Entity the maximum sum of **\$25,640,000** for expenditure on the Capital Project during FYs 2016, 2017, and 2018. Said sum, along with \$17,088 rolled over from the prior contract period, shall be expended by Entity prior to June 30, 2018. No additional funds will be provided under this contract.
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. Tax Compliance. The Authority specifically advises the Entity that portions of the Capital Project may be financed with proceeds of Bonds issued by the Authority. These Bonds are obligations for which the interest paid to investors is excluded from gross income for federal tax purposes. Under federal tax rules, a number of requirements and restrictions must be met in order for interest on the Bonds to be treated as tax-exempt, including restrictions on the use of Bond-financed property and the investment of Bond proceeds. Such requirements and restrictions continue for the life of the Bonds. In order to ensure such compliance, the Entity hereby agrees to abide by the additional requirements as set forth in Section 7(c) below.
7. Entity Certification
  - a. Maintenance of Effort. Entity certifies that it is currently in compliance, and will remain in compliance throughout the term of this Contract, with the maintenance of effort requirements set forth in the Ordinance.
  - b. Routine Accommodations of Bicycles and Pedestrians. Entity certifies that the Capital Project is designed to reasonably accommodate bicycle and pedestrian travel.
  - c. Tax Certifications. Entity agrees that the Capital Project is properly described in Section 2 above, and Entity expects to own all components of the Capital Project for the entire useful lives of such assets. For the same duration, Entity does not expect that any component of the Capital Project will be used by any party other than the general public or by state or local government (including use by operation, management, lease, or any preferential right). Entity shall notify authority in the event of any change to such expectations, and agrees to consult and coordinate in good faith with Authority to preserve the tax-exempt status of any affected Bonds.

8. Disbursement of Revenues

- a. Disbursements of revenue pursuant to this contract for **general administration** expenses shall be made from current (pay-go) funds as they are received from the State Board of Equalization or the Authority's trustee (currently monthly). The cumulative annual disbursement will not exceed \$175,000 for FY 2016; \$150,000 for FY 2017; and \$100,000 for FY 2018. Future-year annual disbursements for general administration purposes are subject to approval by the Board.
- b. Disbursements of revenue pursuant to this Contract for **capital** expenses shall be made on a reimbursement 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.
- c. Claims for reimbursement of eligible capital expenses shall be submitted no more often than monthly.
- d. All claims shall be approved by Entity's Measure A manager prior to submission to Authority.

9. Reporting.

- a. Entity shall submit quarterly status reports in approved STA format. Information in the status report shall include:
  - Total anticipated project or project component cost
  - Amount funded to date
  - Expenditures by quarter
  - Project status
- b. Quarterly status reports will be due to the Accounting Manager 30 days after the end of each calendar quarter.

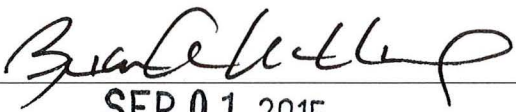
10. Audits.

- 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.

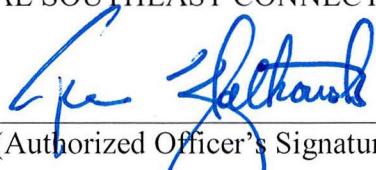
11. Cost Variations. In the event the actual Measure A cost of the Capital Project is less than the allocation, the excess funds shall be returned to the Authority for reallocation in accordance with the Ordinance. First preference for reallocation shall be other Measure A capital projects being managed by Entity.
12. Designation of Project Manager. Entity shall designate a Project Manager who shall be the responsible representative of Entity to Authority staff in connection with administration of this Contract.
13. Signs. Entity shall post reflective signs at the Capital Project site while open for public use stating that the project is funded with Measure A funds. The signs shall be substantially similar to the sample depicted in Attachment A.
14. 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: SEP 01 2015

CAPITAL SOUTHEAST CONNECTOR AUTHORITY

By:   
 (Authorized Officer's Signature)  
Tom Zlotkowski  
 (Officer's Printed Name)  
Executive Director  
 (Officer's Title)

ATTACHMENT A  
Project Signage



ATTACHMENT A  
Project Signage

