

SACRAMENTO TRANSPORTATION AUTHORITY
MEASURE A
CAPITAL PROJECT ALLOCATION AND EXPENDITURE CONTRACT

INTERSTATE 5 HOV LANES

This Contract is made as of _____ 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 **California Department of Transportation**, hereinafter called “Caltrans.”

THE PARTIES AGREE AS FOLLOWS:

1. Purpose. The purpose of this Contract is to:
 - a. Provide for the transfer by the Authority to Caltrans 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 Projects described in Section 2.
 - b. Set forth Caltrans’ obligations with respect to the expenditure thereof.
2. Description of Capital Projects. The Capital Projects funded by this Contract are:

Phase 1 - Construction and construction support of High Occupancy Vehicle (HOV) lanes, also known as bus and carpool lanes, on Interstate 5 between U.S. Highway 50 and Beach Lake Bridge. The project includes community enhancements, such as sound walls, along the affected corridor segment.

Phase 2 – Construction and construction support of High Occupancy Vehicle (HOV) lanes, also known as bus and carpool lanes, on Interstate 5 between Beach Lake Bridge and 1.1 miles south of Elk Grove Boulevard.
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. "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 Caltrans the maximum sum of **\$30,000,000** (\$15,000,000 each for Phase 1 and Phase 2) for expenditure on the Capital Projects during FYs 2019, 2020, 2021 and 2022, not to exceed \$10 million in any one fiscal year. Said sum shall be expended by Caltrans prior to June 30, 2022. 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 Caltrans 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 Caltrans 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, Caltrans hereby agrees to abide by the additional requirements as set forth in Section 7(c) below.
7. Entity Certifications
- a. Maintenance of Effort. Caltrans certifies that it is currently in compliance with, 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. Caltrans certifies that the Capital Project is designed to reasonably accommodate bicycle and pedestrian travel, as permitted by law.
- c. Tax Certification. 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 shall be made on a reimbursement basis. If Caltrans demonstrates a need for advance payments, the STA Executive Director may advance up to 10% of the total allocation after Caltrans commences work and begins incurring project expenses.
- b. Claims for payment shall be submitted no more often than monthly.
- c. All claims shall be approved by Caltrans' Project Manager prior to submission to Authority.

9. Reporting.

- a. Caltrans shall submit quarterly status reports in approved STA format. Information in the status report shall include:
 - Total anticipated project cost
 - Amount funded to date
 - Expenditures by quarter
 - Project implementation 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, Caltrans' 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 retained by the Authority for reallocation in accordance with the Ordinance. First preference for reallocation shall be other Measure A capital projects being managed by Caltrans.

12. Designation of Project Manager. Caltrans shall designate a Project Manager who shall be the responsible representative of Caltrans to Authority staff in connection with administration of this Contract.

13. Signs. Caltrans shall post reflective signs at Capital Project sites while they are 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. Caltrans 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 Caltrans 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 California Department of Transportation

By _____
 (Executive Director)

By _____
 (Authorized Officer's Signature)

 (Officer's Printed Name)

 (Officer's Title)