



For Agenda Of:

October 12, 2006

ITEM # 12

To: Sacramento Transportation Authority

Subj: New Measure A Capital Allocation and Expenditure Contracts

RECOMMENDATION

Authorize the Executive Director to execute the attached contracts with the County of Sacramento and the Cities of Citrus Heights, Elk Grove, Folsom, Rancho Cordova, and Sacramento relative to the allocation and expenditure of proceeds from the 2006 series of revenue anticipation notes.

DISCUSSION

The New Measure A Plan of Finance calls for accelerated allocation of \$89,649,531 of sales tax revenues to 11 capital projects in six local jurisdictions during FY 2007:

Table with 3 columns: County, Project Name, and Amount. Rows include projects in County, Citrus Heights, Elk Grove, Folsom, Rancho Cordova, and Sacramento.

The financial instrument proposed to deliver these funds is a series of revenue anticipation notes that the STA will issue in November. The attached project allocation and expenditure contracts are intended to ensure that the affected note proceeds are expended exclusively on eligible project development and/or construction activities consistent with the New Measure A ordinance and Plan of Finance. They also set forth the mechanism and accountability controls necessary to reimburse the entities for their eligible expenditures. In addition, the contracts promote expenditure of the note proceeds at a rate required by federal and state securities and tax law.

The allocation date of the affected bond proceeds is the date on which the STA approves (or amends) the agency budget to account for them. Project sponsors have about two years after the allocation date to expend all affected funds. Each entity must execute its contract(s) prior to submitting a reimbursement claim for eligible expenditures. The effective date of the contract is that date on which it is duly executed by the sponsoring entity.

Prior to each subsequent issue of transportation sales tax- or Countywide development fee-backed bonds, staff will prepare a new set of project allocation and expenditure contracts for those projects expected to be funded by the affected bond proceeds. After the *New* Measure A sales tax commences in 2009, we will also draft entity contracts for the annual allocation of non-capital categorical programs (i.e. transit operations, road maintenance, Air District, etc.)

Respectfully Submitted,

Brian A. Williams  
Executive Director

Attachments