

SACRAMENTO TRANSPORTATION AUTHORITY
NEW MEASURE A – Series 2009 Bonds
CAPITAL PROJECT ALLOCATION AND EXPENDITURE CONTRACT

I-5 / SR99 / US50 Connector Project

This Contract is made as of July 22, 2010 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 provide for the transfer by the Authority to Entity of sales tax revenue and/or transportation mitigation fee revenue (including both current (pay-go) revenues and proceeds of Authority financings) for the Capital Project described in Section 2, and to 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 7, 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. On August 13, 2009, the Board allocated to Entity the sum of \$2,558,000 for expenditure on the Capital Project during FY 2011. Said sum shall be expended by Entity prior to October 1, 2011.
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. Entity Certification
 - a. Maintenance of Effort. Entity 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.
 - a. Routine Accommodations of Bicycles and Pedestrians. Entity certifies that the Capital Project is designed to reasonably accommodate bicycle and pedestrian travel.
 - b. Additional Certifications. Additional certifications applicable to this Contract are:

None
7. 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). Cumulative disbursements hereof will not exceed \$200,000, and will continue through September 2011 unless extended by action of the Board.
 - b. Disbursements of revenue pursuant to this Contract for **capital** expenses shall be made on a progress payment 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.

8. 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 Senior Accountant 30 days after the end of each calendar quarter.

9. 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.

10. 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.

11. 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.

12. Signs. Entity shall post signs at the Capital Project site stating the project is funded with Measure A funds. The signs shall be substantially similar to the sample depicted in Attachment A.

13. 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: _____

ENTITY: _____

By: _____
(Authorized Officer's Signature)

(Officer's Printed Name)

(Officer's Title)