



## **CITY OF SALINAS COUNCIL STAFF REPORT**

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**DATE:** June 20, 2017

**DEPARTMENT:** PUBLIC WORKS DEPARTMENT

**FROM:** GARY PETERSEN, PUBLIC WORKS DIRECTOR

**TITLE:** FUNDING AGREEMENTS WITH TRANSPORTATION AGENCY  
FOR MONTEREY COUNTY

**RECOMMENDED MOTION:**

A motion to approve a Resolution authorizing the execution of Funding Agreements with the Transportation Agency for Monterey County (TAMC) for use of TAMC administered transportation funds.

**RECOMMENDATION:**

Staff recommends that Council approve the funding agreements for the use of Measure X and other TAMC-administered funds.

**BACKGROUND:**

City staff has worked with TAMC through the development of the funding agreement for the use of Measure X funds. On March 1, 2015 the Council approved a Resolution supporting the measure to be on the November ballot. On May 3, 2016, the City affirmed its support for the Measure and provided a list of projects that may receive funding from the Measure. Monterey County voters then passed Measure X in November 2016 which implements a 3/8% sales tax to fund the Transportation Safety and Investment Plan. Attached is the final program summary.

The Measure X 3/8% tax provides a local share estimated at \$91 Million to Salinas over 30 years. Distributions to the City would be received quarterly. The agreement covers requirements for the use of this local distribution and describes eligible expenditures (Section C). The agreement contains audit and reporting requirements with the formats for reports provided in the agreement exhibits A through E. These reports are to be submitted by October 31, 2017 and City staff is preparing to meet these requirements.

For Council's consideration, the agreement for the use of Measure X funds is attached. The funding agreement governs the use of Measure X funds and was approved by the TAMC Board on May 24, 2017 with input from member agencies, including the City of Salinas. The agreement has also been thoroughly reviewed by staff. Council is thus requested to approve the Measure X agreement and direct the Mayor to execute the agreement on behalf of the City.

Additionally, the Council is asked to act on a similar funding agreement. The City executed a funding agreement for use of other administered TAMC funds in November 4, 2014. This agreement governs the use of existing TAMC funding programs for which funds may be available to member agencies. Among these funding programs, the agreement covers the use of Transportation Development ACT (TDA) and Regional Surface Transportation Program (RSTP) funds which pass through the agency. The 2014 agreement is revised to update administrative requirements, Cost Principles and Audit requirements. Council is thus requested to approve the revised agreement for the City's use of other funding sources administered by TAMC.

#### CEQA CONSIDERATION:

The City of Salinas has determined that the execution of these agreements is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). In addition, CEQA Guidelines Section 15061 includes the general rule that CEQA applies only to activities which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. Because the proposed action and this matter have no potential to cause any effect on the environment, or because it falls within a category of activities excluded as projects pursuant to CEQA Guidelines section 15378, this matter is not a project. Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

#### STRATEGIC PLAN INITIATIVE:

The improvements to infrastructure resulting from the sales tax supports Council Goals of Excellent Infrastructure, Safe Livable Community and Economic Prosperity.

#### FISCAL AND SUSTAINABILITY IMPACT:

Measure X provides funding that will supplement the City's local resources for streets and transportation infrastructure. The maintenance of effort requirement also maintains the City's local effort to keep up the City's infrastructure.

#### ATTACHMENTS:

Resolution  
Master Program Funding Agreement (Measure X)  
Funding Agreement for TAMC Administered Transportation Funds  
Measure X Program Summary

**RESOLUTION NO. \_\_\_\_\_ (N.C.S.)**

**A RESOLUTION OF THE SALINAS CITY COUNCIL APPROVING FUNDING AGREEMENTS WITH THE TRANSPORTATION AGENCY FOR MONTEREY COUNTY**

**WHEREAS**, Measure X, a 3/8% local sales tax was passed by voters in the November 2016 Ballot thereby providing an estimated \$90 Million in transportation funds for the City of Salinas; and

**WHEREAS**, State and Federal Transportation Development Act (TDA) and Regional Surface Transportation Program (RSTP) funds pass through the Transportation Agency for Monterey County (TAMC) that may be used for local City transportation projects; and

**WHEREAS**, the above funding programs are administered separately by TAMC and consequently require agreements between TAMC and the City of Salinas that provide for the purpose and requirements for the use of funds; and

**WHEREAS**, The City of Salinas has determined that the execution of these agreements is not a project as defined by the California Environmental Quality Act (CEQA) (CEQA Guidelines Section 15378). Because the matter does not cause a direct or foreseeable indirect physical change on or in the environment, this matter is not a project. Any subsequent discretionary projects resulting from this action will be assessed for CEQA applicability.

**NOW THEREFORE, BE IT RESOLVED THAT THE COUNCIL OF THE CITY OF SALINAS HEREBY APPROVES** the following agreements and authorizes the Mayor to execute said agreements for and on behalf of the City:

1. Measure X Funds (Master Programs Funding Agreement)
2. Other TAMC Administered Funding Programs (Agreement for Allocation of funding by TAMC Board of Directors)

**PASSED AND APPROVED** this 20<sup>th</sup> day of June 2017, by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**APPROVED:**

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Joe Gunter, Mayor

ATTEST:

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Patricia M. Barajas, City Clerk