



CITY COUNCIL AGENDA REPORT

MEETING DATE: JUNE 20, 2006

ITEM NUMBER: _____

SUBJECT: MEASURE "M" ELIGIBILITY

DATE: JUNE 8, 2006

FROM: PUBLIC SERVICES DEPARTMENT/ADMINISTRATION DIVISION

PRESENTATION BY: WILLIAM J. MORRIS, PUBLIC SERVICES DIRECTOR

FOR FURTHER INFORMATION CONTACT: DONNA THERIAULT AT 714-754-5024

RECOMMENDATION:

1. Approve the City's Maintenance of Effort.
2. Approve the City's Seven-Year Capital Improvement Program.
3. Approve the City's Pavement Management Program.
4. Approve Resolution for Master Plan of Arterial Highways Conformance.

BACKGROUND:

In November 1990, the voters of Orange County passed Measure "M", the revised Traffic Improvement and Growth Ordinance. This ordinance provided for the establishment and implementation of a retail transaction and use tax at the rate of one-half of one percent for a period of twenty years and authorizes the Orange County Transportation Authority (OCTA) as the local authority responsible for administering the proceeds of the Measure M sales tax.

As part of the Measure "M" funding program, all cities in the County are eligible to receive "turnback" funds based on population, miles of existing Master Plan of Arterial Highways (MPAH), and taxable sales. Costa Mesa is estimated to receive approximately \$1.82 million in "turnback" funds for fiscal year 2006-2007 once the requirements are satisfied. These requirements must also be met in order to receive any "regional" funds, which are allocated by OCTA on a "project merit" basis. These regional programs provide additional funds for: Smart Streets, Intersection Improvements, Transportation Demand Management Programs, Master Plan of Arterial Highways Program, Regional Transportation Improvement Program, and Growth Management Area Programs.

ANALYSIS:

The City must qualify through OCTA by meeting the following requirements for fiscal year 2006-2007:

1. Approve the City's Maintenance of Effort as required by OCTA (Attachment 1), required annually.
2. Approve the City's Seven-Year Capital Improvement Program for fiscal years 2006-2007 through 2012-2013 (Attachment 2), required annually.
3. Approve the City's Pavement Management Program (Attachment 3) required biennially.
4. Approve Resolution for Master Plan of Arterial Highways Conformance (Attachment 4) required biennially.

The Maintenance of Effort (MOE) reporting is required to document and assure that the City is maintaining a minimum level of funding for annual street and road expenditures from sources other than Measure "M" funds, and that Measure "M" funds are used to supplement and not replace or supplant existing General Fund or other revenues used for streets and roads.

A Seven-Year Capital Improvement Program (CIP) for the City of Costa Mesa is required each year. This Seven-Year CIP is an extensive list of projects needed to meet and maintain both the adopted Traffic Level of Service and Performance Standards, as well as to maintain a satisfactory driving surface. A project must also be on this Seven-Year Capital Improvement Program in order for the project to be eligible to receive Measure "M" competitive grant funds, or other types of State or Federal funds, should they become available.

For Council's information, the attached Seven-Year CIP list for the Measure M eligibility package does not match project-for-project with the City's Seven-Year CIP list found in the proposed fiscal year 06-07 document. Differences occur due to the following reasons:

1. Some Measure M projects have already been budgeted in the City's prior years CIP budget and do not appear in the City's fiscal year 06-07 Budget Document, but design and/or construction has been delayed to fiscal year 06-07 and must be reflected in OCTA's Measure M Seven Year CIP document in fiscal year 06-07.
2. Some Arterial Highway Rehabilitation Projects (AHRP) are reflected in OCTA's Measure M CIP document for fiscal year 06-07 for the construction phase since that is the year the AHRP funds are programmed by OCTA. But, these same projects are reflected in the City's Seven-Year CIP document for fiscal year 07-08 as final engineer's estimates for construction costs have not yet been determined for these projects. Staff will be seeking budget adjustments in the spring of 2007 for Council approval and project appropriation. In addition, project costs in the City's CIP document are higher than OCTA's Measure M CIP document to reflect escalated costs.

Also required by OCTA every even-numbered year is a certification signed by the Mayor indicating the City has a pavement management system to monitor the condition of and perform periodic maintenance and rehabilitation of its street, roads, and highways. The City's Pavement Management Plan is required by OCTA this year. A copy of the Pavement Management Plan is available in the Public Services Department, Engineering Division.

Every even-numbered year the City must also adopt a resolution attesting that no unilateral reduction in lanes has been made on any Master Plan of Arterial Highway arterials.

In addition, the City must meet other requirements, which have previously been adopted and/or approved by the City Council. These items include the adoption of a Growth Management Plan required every five (5) years, (submitted to OCTA in 2002, due again in 2007), an agreement to spend Measure "M" funds within three years of receipt, and adoption of City-wide Traffic Impact Fees.

ALTERNATIVES CONSIDERED:

Without approval and submittal of the above listed requirements to OCTA, the City will not be eligible for any funding from the County's Measure "M" one-half cent sales tax initiative. Elimination of any projects from the CIP may jeopardize possible future grant funding of that particular project, should grant funding become available.

FISCAL REVIEW:

The Director of Finance has prepared the Maintenance of Effort form and has signed the form certifying that the City has budgeted and will meet the Maintenance of Effort requirement for fiscal year 2006-2007.

LEGAL REVIEW:

The City Attorney's Office has reviewed and approved the Resolution as to form and content.

CONCLUSION:

It is recommended that the City Council approve the attached Maintenance of Effort Requirement, Seven-Year Capital Improvement Program, Certification of a Pavement Management Plan, and a Resolution of Master Plan of Arterial Highways Conformance to remain eligible to receive Measure "M" Funds.

DONNA THERIAULT
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WILLIAM J. MORRIS
Director of Public Services

MARC R. PUCKETT
Director of Finance

DISTRIBUTION: City Manager
City Attorney
City Clerk
Director of Finance
Staff

ATTACHMENTS: 1 [Maintenance of Effort 2006-2007](#)
2 [Seven Year Capital Improvement Schedule](#)
3 [Pavement Management Plan Certification](#)
4 [Master Plan of Arterial Highways Conformance Resolution](#)

06-20-06 Measure M Eligibility 2006

June 8, 2006

9:00 a.m.