



CITY COUNCIL AGENDA REPORT

MEETING DATE: JUNE 16, 2009

ITEM NUMBER: _____

SUBJECT: MEASURE M ELIGIBILITY

DATE: JUNE 4, 2009

FROM: PUBLIC SERVICES/ADMINISTRATION DIVISION

PRESENTATION BY: PETER NAGHAVI, DIRECTOR, DEPARTMENT OF PUBLIC SERVICES

FOR FURTHER INFORMATION CONTACT: PETER NAGHAVI AT 714-754-5343

RECOMMENDATION:

1. Approve the City's Maintenance Of Effort (MOE) for the Fiscal Year 2009-10 (Attachment 1).
2. Approve the City's Seven-Year Capital Improvement Program (CIP) for the Fiscal Year 2009-10 through Fiscal Year 2015-16 (Attachment 2).

BACKGROUND:

In November 1990, Orange County voters passed Measure M, the Revised Traffic Improvement and Growth Management Ordinance. This ordinance provided for the establishment and implementation of a one-half of one percent retail transaction and use tax to fund transportation improvements for a period of twenty years. The County of Orange Board of Supervisors designated the Orange County Transportation Authority (OCTA) as the local transportation authority responsible for administering the revenue from Measure M.

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 \$1.57 million in "turnback" funds for the Fiscal Year 2009-2010, 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 "competitive" and "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 Interchange Program, and Growth Management Area Programs.

ANALYSIS:

The City must meet certain criteria in order to qualify through OCTA by meeting the following requirements for the Fiscal Year 2009-2010:

Maintenance Of Effort – The 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 the Measure M funds are used to supplement, and not replace or supplant, existing General Fund or other revenues used for street and road improvements.

Seven-Year Capital Improvement Program – The Seven-Year CIP is required each year and is an extensive list of projects anticipated to meet and maintain the adopted traffic Level Of Services (LOS) and Performance Standards, as well as to maintain a satisfactory driving surface. A project must also be on this Seven-Year CIP list in order for it to be eligible for Measure M “competitive” grant funds, or other types of State or Federal funds, should they become available.

In addition, the City must meet other requirements, which have previously been adopted and/or approved by the City Council. These items include:

- Certification of the City’s Pavement Management Plan - required every even-numbered year, submitted to OCTA in 2008 and due again in 2010.
- Adoption of a resolution attesting that no unilateral reduction in street traffic lanes has been made on any arterials appearing on the Master Plan of Arterial Highways - required every even-numbered year, submitted to OCTA in 2008 and due again in 2010.
- Adoption of a Citywide Traffic Impact Fee Program, which the City has previously adopted and is annually reviewed by the Council for compliance.

ALTERNATIVES CONSIDERED:

Without the 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 of one percent sales tax initiative. Elimination of any projects from the Seven-Year 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 MOE form and has signed the form certifying that the City of Costa Mesa has budgeted and will meet the MOE requirement for the Fiscal Year 2009-10.

LEGAL REVIEW:

There is no legal review required for this report.

CONCLUSION:

The City of Costa Mesa, like other Orange County cities, is required to annually adopt and/or approve certain items in order to remain eligible for grant funds from Measure M.

Accordingly, staff recommends that the City Council approve the proposed Maintenance Of Effort (MOE) and the Seven-Year Capital Improvement Program (CIP).

PETER NAGHAVI, DIRECTOR
Department of Public Services

RAJA SETHURAMAN, MANAGER
Transportation Services

MARC R. PUCKETT
Director of Finance

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

ATTACHMENTS: 1 [Maintenance of Effort Reporting Form](#)
2A [Seven-Year Capital Improvement Schedule -
Fiscal Years 2009-10 Through 2015-16](#)
2B [Seven-Year Capital Improvement Schedule –
Fiscal Years 2009-10 Through 2015-16](#)