



CITY COUNCIL AGENDA REPORT

MEETING DATE: JUNE 15, 2010

ITEM NUMBER: _____

SUBJECT: MEASURE M ELIGIBILITY

DATE: JUNE 3, 2010

FROM: PUBLIC SERVICES/ADMINISTRATION DIVISION

PRESENTATION BY: PETER NAGHAVI, DIRECTOR OF PUBLIC SERVICES

FOR FURTHER INFORMATION CONTACT: JOCELYN SCHAMBER, MANAGEMENT ANALYST
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RECOMMENDATION:

1. Approve the City's Maintenance of Effort for Fiscal Year 2010-11 (Attachment 1);
2. Approve the City's Seven-Year Capital Improvement Program for Fiscal Year 2010-11 through Fiscal Year 2016-17 (Attachment 2);
3. Approve the City's Pavement Management Program (Attachment 3); and
4. Adopt the Resolution for Master Plan of Arterial Highways Conformance (Attachment 4).

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 percent retail transactions and use tax to fund transportation improvements for a period of 20 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. Measure M ends in 2011.

Fiscal Year 2010-11 marks the transition from Measure M to Renewed Measure M: a 30-year extension of the original program, approved by voters in 2006. Like its predecessor, Renewed Measure M net revenues are generated from the transactions and use tax. Net revenues contribute to two types of Renewed Measure M funding: Fair Share and competitive.

All Orange County cities are eligible for Fair Share funding, based on population, number of existing Master Plan of Arterial Highways centerline miles, and taxable sales. For Fiscal Year 2010-11, Costa Mesa is estimated to receive approximately \$1.49 million in Fair Share funds once OCTA eligibility requirements are met. Fulfilling these requirements will also allow the City to qualify for competitive funding allocations.

ANALYSIS:

To qualify through OCTA, the City must meet the following requirements for Fiscal Year 2010-11:

Maintenance of Effort (MOE) – The MOE 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, not supplant, existing general fund or other revenues used for street and road improvements.

Seven-Year Capital Improvement Program (CIP) – The Seven-Year CIP is an extensive list of projects anticipated to meet and maintain the adopted traffic level of services and performance standards, as well as to maintain a satisfactory driving surface. A project must also be on this list to be eligible for Measure M competitive grant funds or other types of state or federal funds, should they become available.

Pavement Management Program – OCTA requires each local jurisdiction to certify its Pavement Management Plan every even-numbered year. The Pavement Management Program identifies the condition, maintenance, and rehabilitation of local streets, roads, and highways. The document identifies, inventories, and assesses the current road conditions, the needed improvements, and the estimated costs.

Resolution for Master Plan of Arterial Highways Conformance – Every even-numbered year, OCTA requires local jurisdictions to adopt 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. The City has adopted a uniform setback ordinance to preserve right-of-way consistent with the master plan's arterial highway classification. To protect the integrity of the system, the City has also adopted provisions for the limitation of access to arterial highways.

ALTERNATIVES CONSIDERED:

Without the approval and submittal to OCTA of the above-listed requirements, the City will not be eligible for funding from the county's Measure M one-half 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 Assistant Finance Director has prepared and signed the MOE form, certifying that the City of Costa Mesa has budgeted for and will meet the MOE requirement for Fiscal Year 2010-11.

LEGAL REVIEW:

Not required.

CONCLUSION:

The City of Costa Mesa, like other Orange county cities, is required to annually adopt and/or approve certain items to remain eligible for grant funds from Measure M. Accordingly, staff recommends that the City Council approve the proposed Maintenance of Effort, the Seven-Year Capital Improvement Program, and the Pavement Management Program, as well as adopt the Resolution for Master Plan of Arterial Highways Conformance.

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

ATTACHMENTS: 1 [Maintenance of Effort FY 2010-11](#)
2 [Capital Improvement Program FY 2010-11 through 2016-17](#)
3 [Pavement Management Program, Executive Summary](#)
4 [Resolution Master Plan of Arterial Highways Conformance](#)