



# CITY COUNCIL AGENDA REPORT

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MEETING DATE: JUNE 16, 2015

ITEM NUMBER: **CC-13**

**SUBJECT: RENEWED MEASURE M (M2) ELIGIBILITY**

**DATE: JUNE 3, 2015**

**FROM: PUBLIC SERVICES/ADMINISTRATION DIVISION**

**PRESENTATION BY: ERNESTO MUNOZ, PUBLIC SERVICES DIRECTOR**

**FOR FURTHER INFORMATION CONTACT: RAJA SETHURAMAN, TRANSPORTATION SERVICES MANAGER, (714) 754-5032**

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## **RECOMMENDATIONS:**

1. Approve the City's Maintenance of Effort (MOE) for Fiscal Year 2015-16 (Attachment 1);
2. Approve the City's Seven-Year Capital Improvement Program (CIP) for Fiscal Year 2015-16 through Fiscal Year 2021-22 (Attachment 2); and
3. Adopt the Resolution for the Master Plan of Arterial Highways Conformance (Attachment 3).

## **BACKGROUND:**

On 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 transaction 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 that ended in 2011.

Renewed Measure M is 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 retail transaction and use tax of one-half percent. Net revenues contribute to two (2) 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 2015-16, Costa Mesa is estimated to receive approximately \$2.4 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:**

Every year, the Orange County Transportation Authority (OCTA) determines if a local jurisdiction is eligible to receive Renewed Measure M Fair Share funding. To qualify for funding through the OCTA, the City must submit the following eligibility requirements established for the 2015-16 Fiscal Year, prior to the submittal deadline of June 30, 2015:

**Maintenance Of Effort (MOE)** – The City 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 Renewed Measure M funds, and that the Renewed Measure M funds are used to supplement, and not replace or supplant, the existing general fund balance or other revenues used for street and road improvements.

**Seven-Year Capital Improvement Program (CIP)** – Each jurisdiction is required to prepare a seven-year CIP. The CIP is an extensive list of projects anticipated to meet and maintain the adopted traffic Level of Service (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 Renewed Measure M competitive grant funds, or other types of State or Federal funds, should they become available.

**Resolution of Master Plan of Arterial Highways (MPAH)** – The Orange County Transportation Authority (OCTA) requires jurisdictions to adopt a resolution attesting that no unilateral reduction in lanes has been made on any City arterials appearing on OCTA's MPAH. 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:**

With the approval and submittal of the above-listed documents to the Orange County Transportation Authority (OCTA), the City meets the eligible requirements for funding, estimated at \$2.4 million, from the County's Renewed Measure M one-half percent sales tax initiative for Fiscal Year 2015-16. Elimination of any projects from the Seven-Year CIP may jeopardize possible future grant funding for that particular project, should grant funding become available.

The City Council may elect to not approve or modify the submittals. This may result in the City not being in compliance with the eligibility requirements and the potential risk of losing Measure M2 grant funding.

## **FISCAL REVIEW:**

The City's Finance Director has prepared and signed the Maintenance of Effort (MOE) form certifying that the City of Costa Mesa has budgeted and will meet the MOE benchmark requirement for Fiscal Year 2015-16.

## **LEGAL REVIEW:**

The City Attorney's office has reviewed the Resolution for the Master Plan of Arterial Highways Conformance (Attachment 3) and has approved the document as to form.

**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 Renewed Measure M. Accordingly, staff recommends that the City Council approve the proposed Maintenance of Effort (MOE), the Seven-Year Capital Improvement Program (CIP), and the Resolution certifying compliance with OCTA's Master Plan of Arterial Highways.

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ERNESTO MUNOZ  
Public Services Director

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STEPHEN DUNIVENT  
Interim Finance Director

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RAJA SETHURAMAN  
Transportation Services Manager

- ATTACHMENTS:
1. [Maintenance of Effort \(MOE\) for Fiscal Year 2015-16](#)
  2. [Measure M and Renewed Measure M \(M2\) 7-Year CIP for FY 2015-16 through FY 2021-22](#)
  3. [Resolution for Master Plan of Arterial Highways Conformance](#)

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