

1 [Authorization for Loan from SFCTA]

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3 **Resolution authorizing the City and County of San Francisco, through its Municipal**
4 **Transportation Agency, to borrow \$22.57 million of Proposition K Sales Tax Funds**
5 **from the San Francisco County Transportation Authority to allow the Third Street**
6 **Light Rail Transit – Muni Metro East Maintenance and Operations Facility Project to**
7 **proceed in advance of receiving anticipated state grant funds.**

8 WHEREAS, Government Code section 14529.7(b) and the implementing guidelines
9 issued by the California Transportation Commission ("CTC"), with the concurrence of the
10 CTC, the State of California ("State"), and the regional transportation planning agency, the
11 Metropolitan Transportation Commission ("MTC"), allow an agency to use local funds to
12 advance a project in an earlier year than the date presently programmed in the State
13 Transportation Improvement Program ("STIP"); and

14 WHEREAS, Government Code section 14529.7(b) and related guidelines further allow
15 the State to subsequently reimburse the agency for eligible project expenditures at a later
16 date with STIP funds on the condition that the CTC actually allocates STIP funds to that
17 project, sufficient State budget authority exists to fund eligible project reimbursements, and
18 the the agency has satisfied other necessary project requirements; and

19 WHEREAS, Effective July 8, 2004, the State and the City, through the Municipal
20 Transportation Agency (MTA), entered into an AB 3090 Project Reimbursement Agreement
21 ("AB 3090 Agreement") under the authority of Government Code section 14529.7(b), under
22 which MTA may utilize local funds for the Third Street Light Rail Transit – Muni Metro East
23 Maintenance and Operations Facility Project ("Project") at an earlier date than the Project is
24 programmed in the STIP; and

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1 WHEREAS, On August 5, 2004, the CTC adopted the 2004 STIP, with an amendment
2 approving the AB 3090 reimbursement transaction; and

3 WHEREAS, In the 2004 STIP, the State programmed a reimbursement in the amount
4 of \$22,570,000 for the Project in Fiscal Year 2007/2008 ("AB 3090 Reimbursement Funds");
5 and

6 WHEREAS, MTA has awarded a construction contract for the Project and desires to
7 commence work on the Project in advance of the potential AB 3090 Reimbursement Funds
8 being allocated by CTC, and appropriated by the State legislature; and

9 WHEREAS, The San Francisco County Transportation Authority ("SFCTA") is willing to
10 make available \$22,570,000 in Proposition K ("Prop K") Sales Tax funds for the Project in
11 advance of the allocation of AB3090 Reimbursement Funds subject to a commitment that
12 MTA reimburse the SFCTA; and

13 WHEREAS, MTA and the SFCTA have negotiated an Agreement for the loan of
14 \$22,570,000 in Prop K Sales Tax funds for the Project; and

15 WHEREAS, The Agreement provides that the loan will be paid back with the AB 3090
16 Reimbursement Funds in federal Fiscal Year 2007/2008; and

17 WHEREAS, If the State fails for any reason to allocate AB 3090 Reimbursement
18 Funds, or if the State fails for any reason to allocate AB 3090 Reimbursement Funds for the
19 Project by June 30, 2008, the Agreement requires that the MTA, no later than June 30, 2008,
20 submit to the SFCTA a loan repayment plan to reimburse the loan with future AB 3090
21 Reimbursement Funds, Prop K funds allocated to MUNI and programmed for other project(s),
22 or monies from other MUNI special funds; and

23 WHEREAS, Reimbursement of funds to the SFCTA shall not be an obligation of the
24 City's general fund; now, therefore, be it

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1 RESOLVED, That the City and County of San Francisco, through the MTA. is
2 authorized to **borrow \$22.57 million of Proposition K Sales Tax Funds from the San**
3 **Francisco County Transportation Authority for the Third Street Light Rail Transit – Muni Metro**
4 **East Maintenance and Operations Facility Project.**

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6 **RECOMMENDED:**

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8 _____
9 GAVIN NEWSOM
10 Mayor

11 _____
12 EDWARD HARRINGTON
13 Controller