

**To:** Administration and Finance Committee

**Date:** 3/26/2013

**From:** Anne Muzzini, Director of Planning & Marketing

**Reviewed by:**

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**SUBJECT: RM2 Funding for Pacheco Transit Center**

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**Background:**

MTC earmarked \$1,089,000 in RM2 funds for the construction of the Pacheco project; \$582,000 in FY2008-09 funds has been allocated and \$507,000 in FY2009-10 funds has not yet been allocated. RM2 funds are generated by bridge toll revenues and distributed by MTC for capital and operating projects that reduce traffic on the bridges.

The responsibility for managing and constructing the Pacheco project is being shifted from County Connection to the City of Martinez through an agreement that is in the final stages of being drafted. However, two of the fund sources remain in the control of County Connection; the Prop 1B PTMISEA funds allocated by Caltrans in the amount of \$800,000 and the RM2 funds in the amount of \$1,089,000. It isn't possible to transfer project sponsorship of these sources to the City as they aren't eligible recipients.

The agreement being drafted by the City and County Connection attorneys will spell out that the City is responsible for management project and for spending grant funds in accordance with Caltrans and MTC policies related to the funding. Staff recommends that we remain the sponsor and that we pass funding through to the City. In the case of the RM2 funds the City can submit progress reports and invoices directly to MTC. In the case of the Prop 1B funds invoices will need to come to County Connection as the money has already been distributed to us.

Board action is required to request the remaining FY2009-10 RM2 funds (\$507,000) that were earmarked for the project. If the Board approves a resolution in April, MTC will approve it in May, and the City can then award the construction contract knowing all the funding secured and get the project built this summer.

**Recommendation:**

Staff recommends that the Committee approve a resolution requesting allocation of \$507,000 in RM2 funds from MTC for the Pacheco project.