



Agenda Date: 6/6/2006  
Agenda Placement: 6V

## NAPA COUNTY BOARD OF SUPERVISORS Board Agenda Letter

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**TO:** Board of Supervisors  
**FROM:** Silva Darbinian for Robert Westmeyer - County Counsel  
County Counsel  
**REPORT BY:** Brandi Periera, Paralegal, 251-1090  
**SUBJECT:** Approval of agreement between County of Napa and City of American Canyon

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### **RECOMMENDATION**

Director of Public Works and County Counsel request approval of and authorization for the Chair to sign an agreement with the City of American Canyon committing the expenditure of certain County transportation sales tax revenues to construct a portion of the extension of Flosden Road/Newell Drive and for safety improvements to American Canyon Road if Measure H is approved on June 6, 2006 or on November 7, 2006.

### **EXECUTIVE SUMMARY**

The County is estimated to receive \$139,380,000.00 over the course of 30 years if Measure H is approved by the voters. Measure H requires the County to expend an estimated \$20,240,000 of its estimated allocated share to projects within 2-1/2 miles of the outside of the cities in the County, with an estimated \$12,430,000 to be spent within 2/1/2 miles of the outside of the City of American Canyon. These 2-1/2 mile areas are referred to as "bubble locations," and the amounts to be spent in these areas are referred to as "bubble funds."

County and the City have negotiated an agreement wherein the County will:

1. dedicate all of American Canyon's share of bubble funds to construct a portion of the Newell Drive Extension and to perform maintenance and safety improvements to American Canyon Road. The Newell Drive Extension begins at a line extending east from Watson Lane and extends in a northwesterly direction to a point on State Route 29 opposite of Green Island Road.
2. match dollar for dollar any transportation sales tax revenue contributed by the City to the same Newell Drive extension, up to \$3 million.
3. contribute to American Canyon's bubble account up to half of the County's allocation of excess tax revenues provided that the City also contributes an equal amount of its excess tax allocation.

The agreement is contingent upon both parties supporting the passage of Measure H and can, of course, only be implemented if Measure H passes.

**FISCAL IMPACT**

Is there a Fiscal Impact?	Yes
Is it currently budgeted?	No
What is the revenue source?	Measure H sales tax revenue. The agreement only applies if Measure H passes.
Is it Mandatory or Discretionary?	Discretionary
Discretionary Justification:	The City Council of American Canyon had some residual concerns about the fair distribution of sales tax revenue following the reaching of consensus by all of the participating agencies. This agreement addresses those concerns and resulted in the American Canyon City Council's support for Measure H. It commits the County to participate in two projects of high priority to the City.
Is the general fund affected?	No
Future fiscal impact:	Revenues will be allocated to their intended uses annually as they are received or advanced at the discretion of the County, depending on the availability of the funding and timing of the projects.
Consequences if not approved:	The City of American Canyon may not support Measure H.
Additional Information:	None

**ENVIRONMENTAL IMPACT**

**ENVIRONMENTAL DETERMINATION:** General Rule. It can be seen with certainty that there is no possibility the proposed action may have a significant effect on the environment and therefore CEQA is not applicable. [See Guidelines For the Implementation of the California Environmental Quality Act, 14 CCR 15061(b)(3)].

**BACKGROUND AND DISCUSSION**

The Napa Valley Transportation Authority has adopted Authority Ordinance 06-01, which includes the Authority Transportation Improvement Expenditure Plan. The Ordinance imposes a one-half percent sales tax for thirty years commencing January 1, 2007, to provide supplemental funding for transportation improvements as set forth in the Ordinance and Expenditure Plan.

A special election has been called and consolidated with the June 6, 2006 primary election for the purpose of the voters to determine whether the Ordinance (Measure H) should be approved.

The Ordinance allocates the transportation sales tax revenues to jurisdictions under the Safe Streets and Roads Maintenance and Congestion Relief Program, with the County receiving an estimated \$139,380,000.00 over 30 year period of the life of the tax and the City receiving an estimated \$9,850,000.00 over the same period.

In this agreement the County and the City have agreed to cooperate on funding a high priority segment of the

Flosden Road/Newell Drive extension, which begins at a line extending east from Watson Lane and extends in a northwesterly direction to a point on State Route 29 opposite of Green Island Road. The County would earmark the full amount of American Canyon's share of bubble fund monies to both this project and some rehabilitation and safety improvements on American Canyon Road, all in accordance with provisions in Measure H. (Bubble Fund monies are County Measure H revenues that are required to be spent in the unincorporated areas within 2-1/2 miles of the city limits of each of the smaller cities in the county.) The parties have also agreed to dedicate a portion of their respective transportation sales tax revenues, up to \$3 million each, to supplement the bubble funds for the Newell Drive Extension project.

The parties have also agreed that the County will contribute up to one half of any excess sales tax revenues that is allocated to it into the bubble fund for use around the perimeter of American Canyon if the City also contributes a like amount of its excess sales tax revenues to the bubble fund.

The County and the City also agree to work cooperatively together to identify key regional road and street improvements in the South County area to reduce congestion and to identify other sources of funding for those projects.

The agreement is contingent upon the passage of Measure H and requires that both parties support the passage of the Measure.

The City Council will be considering approval of the agreement at its June 1, 2006 City Council meeting. It is expected that the Council will have approved the agreement by the time this matter is presented to the Board for consideration on June 6, 2006.

#### **SUPPORTING DOCUMENTS**

None

CEO Recommendation: Approve

Reviewed By: Andrew Carey