

AGREEMENT BETWEEN THE SAN MATEO COUNTY TRANSPORTATION AUTHORITY AND SAN MATEO COUNTY FOR RECEIPT AND DISTRIBUTION OF SALES AND USE TAX REVENUES IN ACCORDANCE WITH THE 2004 MEASURE A ("AGREEMENT")

This Agreement is made this ____ day of _____, 2009, by and between the SAN MATEO COUNTY TRANSPORTATION AUTHORITY ("Authority") and SAN MATEO COUNTY ("County") with reference to the following:

WHEREAS, at the General Election of June 7, 1988, the voters of San Mateo County approved Measure A, "An ordinance providing for the creation of the San Mateo County Transportation Authority, for the Imposition of a One-Half of One Percent Transactions and Use Tax, for the Issuance of Limited Tax Bonds, and for Other Purposes," which tax expired December 31, 2008; and

WHEREAS, at the General Election of November 2, 2004, the voters of San Mateo County approved the continuation of the collection and distribution by the Authority of the Measure A 1/2 cent transactions and use tax ("Transactions and Use Tax") for an additional 25 years, beginning January 1, 2009; and

WHEREAS, the new Measure A is to be implemented in accordance with the voter-approved San Mateo County Transportation Expenditure Plan ("TEP"); and

WHEREAS, pursuant to state law and an agreement with the State Board of Equalization ("Board"), the Board collects sales and use tax revenue on the Authority's behalf and distributes the revenues (net of collection fees) to a single account of the Authority; and

WHEREAS, the Authority has arranged for a third-party agent or trustee ("Authority's Agent") to accept these funds and deposit them in an Authority account according to an escrow agreement between the Authority and the Authority's Agent; and

WHEREAS, under the 1988 Measure, the County Controller's Office has accepted, from the Board or an agent of the Authority, and distributed sales tax revenues on the Authority's behalf, which relationship the County and the Authority desire to continue; and

WHEREAS, the Authority and the County therefore desire to adopt this new Agreement to formalize the process, terms and conditions governing the acceptance and distribution by the County of the sales tax revenues under the 2004 Measure A; and

WHEREAS, under separate agreement, prior to transmittal of any funds to the County on the Authority's behalf under the 2004 Measure A, the Authority's Agent will distribute 2% of the tax revenue transmitted by the Board (net of trustee fees) to the San Francisco Bay Area Rapid Transit District (BART), resulting in the County receiving 98% of the tax revenue generated by the Transactions and Use Tax (net of collection fees) (such reduced amount to be referred to hereafter as "Remaining Funds for Distribution"); and

WHEREAS, the TEP enacted with the continuation of Measure A includes an annual allocation of 22.5% of the tax revenue generated by the Transactions and Use Tax (previously 20% under the 1988 Measure A) to the cities and towns of San Mateo County ("Cities") and to the County of San Mateo for the improvement and maintenance of local transportation, including streets and roads, in accordance with the formula in the TEP and as set forth in Exhibit A, to be updated by the Authority each Distribution Cycle (as defined below) and as incorporated herein by this reference; and

WHEREAS, the Authority and the County do not intend for this Agreement to affect agreements pertaining to the investment of Authority funds or the Cities' funds in the San Mateo County Investment Pool.

NOW, THEREFORE, the parties agree as follows:

I

COUNTY agrees:

1. To accept the Remaining Funds for Distribution from the Authority's Agent or the Board on the Authority's behalf, typically monthly but not less than twice each quarter (hereinafter "each Distribution Cycle"), and to deposit said funds in the Authority's San Mateo County Investment Pool account (A/C # 03088).

2. As soon as possible, and within 10 days of receipt, to distribute the Remaining Funds for Distribution each Distribution Cycle, based on the information provided by the Authority as required in Part II, Section 2 below, and in the Exhibit A provided by the Authority each Distribution Cycle, as follows:

(a) 22.5 % of the total tax revenue generated by the Transactions and Use Tax (as opposed to the Remaining Funds for Distribution) shall be distributed to the Cities and to the County in accordance with the formula specified in the TEP, as set forth in the Exhibit A, provided by the Authority each Distribution Cycle, for Local Streets/ Transportation uses and in accordance with the transfer instructions to be provided to the County by each of the Cities and the County; and

(b) The balance of the Remaining Funds for Distribution shall be held in the Authority's San Mateo County Investment Pool account (A/C # 03088).

3. The County shall modify its distribution of the Remaining Funds set forth in Part I, Section 2 each Distribution Cycle based on the total tax revenue generated by the Transactions and Use Tax for the subject Distribution Cycle, and based on changes to population and road miles data, all of which will be provided to the County by the Authority as required in Part II, Section 2, below.

4. To indemnify and defend the Authority, its employees and agents from any and all claims, damages and liability in any way occasioned by or arising out of the County's performance of this Agreement, including but not limited to, the County's acceptance and distribution of tax revenues to the Cities and the Authority in accordance with the information provided by the Authority as required in Part II, Section 2 of this Agreement.

II

AUTHORITY agrees:

1. To instruct the Authority's Agent, and if appropriate the Board, to transfer to the County the Remaining Funds for Distribution on the Authority's behalf and in accordance with the 2004 Measure A and the TEP.

2. Each Distribution Cycle, to provide the County with updated information, in a form similar to the attached Exhibit A, detailing the total tax revenue generated by the Transactions and Use Tax for the subject Distribution Cycle, the amount of the Remaining Funds for Distribution for the subject Distribution, the total amount to be distributed to the Cities and County in accordance with the 2004 Measure A and the TEP, and the then-current fiscal year's population and road mile data, which will be updated annually in accordance with the 2004 Measure A and the TEP.

3. To pay an annual administrative fee to the County in the amount of \$5,000, subject to a percentage increase or decrease in accordance with the annual change in the County Labor Service Charge rate announced by the County Manager's Office in connection with the County's budgeting process.

4. To indemnify and defend the County, its employees and agents from any and all claims, damages and liability in any way occasioned by or arising out of the Authority's performance of this Agreement, including but not limited to, the Authority's provision of information as required in Part II, Section 2, above.

III

AUTHORITY and COUNTY agree:

This Agreement does not govern the investment of funds by the County or the San Mateo County Treasurer as part of the San Mateo County Investment Pool.

IV

TERM:

The term of this Agreement shall commence upon receipt by the County, on behalf of the Authority, of the first transfer of Transactions and Use Tax revenues under the 2004 Measure A. The term of this Agreement shall end when the County has made the last disbursements under the 2004 Measure A, expected no sooner than March 2034, unless terminated sooner in accordance with Part V of this Agreement.

V

TERMINATION:

Either party may terminate this Agreement with ninety days' written notice to the other party.

VI

ENTIRE AGREEMENT AND MODIFICATION:

This Agreement sets forth the parties' entire understanding of the subject matter herein and any prior agreements between the parties, whether oral or written, concerning the subject matter herein are hereby superseded. The parties may only modify or amend this Agreement by mutual written consent.

**SAN MATEO COUNTY TRANSPORTATION
AUTHORITY**

APPROVED AS TO FORM:

By: _____

Attest: _____

Attorney for the Authority

SAN MATEO COUNTY

APPROVED AS TO FORM:

By: _____

Attest: _____

Attorney for the County

EXHIBIT A

**SAMPLE DIRECTIONS FOR FUNDS DISTRIBUTION UNDER
2004 MEASURE A AND TRANSPORTATION EXPENDITURE PLAN**



FACSIMILE TRANSMISSION COVER SHEET

Date: April 6, 2009

Deliver To: General Accounting
San Mateo County Controller's Office

Fax Number: (650) 363-7888

From: Lily Balinton, Finance

RE: April 2009 Distribution of Funds Generated by Measure A

Total number of pages (including cover page): 3

If you do not receive all pages, please contact me at (650) 508-6429 or balintonl@samtrans.com.

Wired funds en route to the SM County Pool from:	<u>Bank of New York Mellon</u>
Expected arrival date:	<u>April 15, 2009</u>
Amount ("Remaining Funds for Distribution"):	<u>\$ 4,185,384.00</u>

Total Sales Tax Revenue Generated for Distribution Cycle
(See State Board of Equalization - Local Jurisdiction
Statement of Tax Distribution - Page 3 of Fax): \$ 4,270,800.00

Less Amount Paid to BART: \$ (85,416.00)

Remaining Funds for Distribution - to be deposited in SMCTA's
San Mateo County Investment Pool Account # 03088: \$ 4,185,384.00

Funds for Distribution from Account # 03088 to cities and County in
accordance with population and road mileage table (See Page 2 of Fax)
22.5% of Sales Tax Revenue Generated for Distribution Cycle: \$ 960,930.00

**San Mateo County Transportation Authority
Measure A - 22.5% of Sales Tax Funds Distributions to Various Cities/County
Percentages Effective July 2008 - June 2009**

(Distribution based 50% on population and 50% on road miles, which shall be adjusted annually.)

	<u>ROAD MILES</u>	<u>% OF MILES</u>	<u>POPULATION</u>	<u>% OF POPULATION</u>	<u>% OF TOTAL ALLOCATION</u>
Atherton	50.54	2.77%	7,475	1.01%	1.89%
Belmont	64.17	3.51%	26,078	3.53%	3.52%
Brisbane	25.70	1.41%	3,861	0.52%	0.96%
Burlingame	83.42	4.56%	28,867	3.90%	4.23%
Colma	7.80	0.43%	1,613	0.22%	0.32%
Daly City	113.57	6.22%	106,361	14.38%	10.30%
East Palo Alto	38.66	2.12%	32,897	4.45%	3.28%
Foster City	47.20	2.58%	30,308	4.10%	3.34%
Half Moon Bay	26.73	1.46%	13,046	1.77%	1.61%
Hillsborough	82.20	4.50%	11,272	1.52%	3.01%
Menlo Park	98.40	5.39%	31,490	4.26%	4.82%
Millbrae	54.04	2.96%	21,387	2.89%	2.93%
Pacifica	91.47	5.01%	39,616	5.36%	5.18%
Portola Valley	42.47	2.32%	4,639	0.63%	1.48%
Redwood City	154.18	8.44%	77,269	10.45%	9.45%
San Bruno	78.88	4.32%	43,444	5.88%	5.10%
San Carlos	86.59	4.74%	28,857	3.90%	4.32%
San Mateo	194.44	10.64%	95,776	12.95%	11.80%
South San Francisco	123.09	6.74%	63,744	8.62%	7.68%
Woodside	50.33	2.75%	5,625	0.76%	1.76%
SM County (Unincorporated)	313.12	17.13%	65,844	8.90%	13.02%
	<u>1,827.00</u>	<u>100.00%</u>	<u>739,469</u>	<u>100.00%</u>	<u>100.00%</u>

Sources:

- Road Miles Information:

<http://www.dot.ca.gov/hq/tsip/hpms/datalibrary.php>

- Population Information:

http://www.dof.ca.gov/research/demographic/reports/estimates/e-1_2006-07/

Local Jurisdiction Statement of Tax Distribution - Board of Equalization

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Local Jurisdiction Statement of Tax Distribution

018 Date: 04/13/2009 For the periods shown below
 Payee: **SAN MATEO CO TRANSP AUTHORITY/SENIOR ACCOUNTANT**
 Current Advances 08/13-04/13 4,270,800.00
 Prior Credits 0.00
 Total Payment (by EFT) 4,270,800.00

If you have questions about this attachment, requestor may call 415-498-8000, Revenue and Allocation Unit, or 415-498-1555.

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