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# **NEWPORT BEACH**

## **City Council Staff Report**

November 14, 2017  
Agenda Item No. 5

**TO:** HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

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**TITLE:** Approval of Measure M2 Expenditure Report

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### **ABSTRACT:**

With the renewal of Measure M (M2) local jurisdictions, including the City, are required to submit an annual accounting of M2 revenue and expenditures to the Orange County Transportation Authority (OCTA) by December 31 of each year. Prior to submitting the accounting to OCTA, the M2 Expenditure Report must be adopted by resolution of the City Council.

### **RECOMMENDATION:**

- a) Determine this action is exempt from the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) and 15060(c)(3) of the CEQA Guidelines because this action will not result in a physical change to the environment, directly or indirectly; and
- b) Adopt Resolution No. 2017-71, *A Resolution of the City Council of the City of Newport Beach, California, Concerning the Measure M2 Expenditure Report for the City of Newport Beach for the Fiscal Year Ending June 30, 2017*, subject to technical revisions to conform to OCTA guidelines.

### **FUNDING REQUIREMENTS:**

There is no fiscal impact related to this item. However, if this report is not filed, OCTA could potentially suspend or delay M2 funding to the City.

### **DISCUSSION:**

In 1990, Orange County voters approved Measure M, a 20-year program for local transportation improvements funded by a half-cent sales tax, and entrusted the newly created Orange County Transportation Authority (OCTA) to administer Measure M funds. Measure M was designed to fund transportation improvement projects in three major areas – freeways, streets and roads, and transit.

The old Measure M Plan ended March 31, 2011. On November 7, 2006, Orange County voters renewed Measure M and Measure M2 (M2) was passed to keep the transportation improvements continuing for another 30 years until 2041. With the passage of M2, local agencies must continue to demonstrate eligibility. The M2 eligibility process began in the first quarter of Fiscal Year 2010-2011 and will continue on an annual basis. Local agencies were found conditionally eligible until all outstanding M2 requirements were met. One new requirement emphasizes financial accountability and requires each local agency to submit an expenditure report to the Orange County Transportation Authority (OCTA) each year. Specifically, Ordinance No. 3 of the Local Transportation Authority requires the following:

“Local jurisdictions must adopt and provide an annual expenditure report to OCTA to account for M2 funds, developer/traffic impact fees, and funds expended by the jurisdiction to satisfy maintenance of effort requirements. The report is required within six months of each jurisdiction’s fiscal year end. The report will include all M2 net revenue, fund balances and interest earned, and will identify expenditures by activity type and funding source.”

#### **ENVIRONMENTAL REVIEW:**

Staff recommends the City Council find this action is not subject to the California Environmental Quality Act (CEQA) pursuant to Sections 15060(c)(2) (the activity will not result in a direct or reasonably foreseeable indirect physical change in the environment) and 15060(c)(3) (the activity is not a project as defined in Section 15378) of the CEQA Guidelines, California Code of Regulations, Title 14, Chapter 3, because it has no potential for resulting in physical change to the environment, directly or indirectly.

#### **NOTICING:**

The agenda item has been noticed according to the Brown Act (72 hours in advance of the meeting at which the City Council considers the item).

#### **ATTACHMENTS:**

Attachment A – Measure M2 Expenditure Report

Attachment B – Resolution No. 2017-71