

JUNE 9TH, 2022 AGREEMENT

Other items:

- City of Sacramento will contractually commit \$100M in measure funds to support the California Mobility Center prior to measure certification. This will be supported by Campaign.

MTP/SCS Deal:

Projects in the MTP/SCS are Eligible for Measure Funds without Further Requirements

- Per the above, if a portion of an Expenditure Plan project is planned or programmed for Construction in the MTP/SCS, that portion of the Expenditure Plan project shall be eligible for Measure funds, without further requirements. Projects in the MTP/SCS for project development are available receive project development dollars.

Prioritizing Additional Funds for GHG Mitigation

- Based upon a clarification letter from the campaign, the Initiative's estimated tax revenue is conservative, and actual revenues could be approximately 6% higher due to recent inflationary effects. This means there may be over \$510 million in additional revenues which, per the Initiative's express terms, will be available for allocation pursuant to the Expenditure Plan's spending categories and, more specifically, for authorized uses on eligible projects, including for GHG mitigation efforts. Per the measure, additional funds are available for mitigation efforts without a cap. Since additional revenues over projections will go directly to recipient agencies on a pro-rata basis, recipient agencies can pledge that the use of these additional funds be used first for GHG Mitigation.

Action I: The Campaign will send a clarification letter to STA to add to the public record prior to certification that actual additional revenues available for mitigation could be \$510M.

Action II: STA and the Campaign will jointly request that recipient agencies pass resolutions prior to the measure's passage acknowledging that these additional revenues may be needed primarily for GHG mitigation efforts.

Process for Projects not in the MTP/SCS must Mitigate for GHG to Receive Measure Funds

- For projects that are not planned or programmed for construction in the MTP/SCS, project sponsors shall, in order to be eligible for Measure funds, develop mitigation measures for any projects that increase GHG emissions.
- STA will commission and fund a SACOG and a third-party analysis to provide a review of the entire measure, its capital projects not in the MTP/SCS, and its GHG impacts. This review must identify aggregate GHG impacts of the entire measure and mitigation efforts to cover the measure's aggregate GHG impacts. The analysis on both shall be complete by December 31, 2023. STA and project sponsors will follow SACOG's recommendation, if there is a significant deviation from the third-party review at which time the three-parties will meet and confer.
- Consistent with the analysis resulting from the process describe above, for projects not in the MTP/SCS, once a project sponsor has submitted to STA mitigation measures demonstrating that the project sponsor can mitigate any such project impacts to maintain adherence to the then applicable regional GHG reduction target, the project(s) shall be eligible for Measure funds. Therein, there should be no net increase to regional GHG emissions after mitigation measures are complete.
- SACOG will consider any mitigated project in the next MTP/SCS.

Action I: STA, the Campaign, SACOG, and the Connector JPA will work on drafting a four-party MOU to implement the process outlined above.

Action II: All parties will issue a public statement supporting the agreement and its intent to further the measure.

Action III: The Campaign will reference the agreed upon agreement in the "Yes" arguments for the campaign.