

## **Funds Transfer Agreement Between the California Department of Transportation and the City of Stockton**

- 1.1 The California Department of Transportation (Caltrans) and the City of Stockton (City) hereby enter into this Funds Transfer Agreement (Agreement) on the terms and conditions set forth below.
- 1.2 This Agreement is not valid until signed by both parties. This Agreement shall expire on City's completion of its obligations under this Agreement but may be extended by amending this Agreement.

### **BACKGROUND**

- 2.1 Section 19.561, subdivision (g)(46) of the Budget Act of 2023 (the Act) appropriated \$3,100,000 (the Funds) from the State General Fund to Caltrans, to be allocated to City for the Redevelopment on the Miracle Mile: Public Safety/Maintenance Substation/Parking.
- 2.2 Caltrans determined the best method for allocation to ensure the funds are used for the purposes specified in Section 19.561 of the Act is a funds transfer agreement.
- 2.3 The Miracle Mile is predominantly a shopping and dining district within the City of Stockton. The Miracle Mile includes businesses fronting along Pacific Avenue from Alpine Avenue to Harding Way, and businesses along Harding Way between El Dorado Street and Lincoln Street.

Project's goal includes public safety, a maintenance substation and parking.

### **SCOPE OF WORK**

- 3.1 The Funds provided under this Agreement will be used to redevelop the Miracle Mile along Pacific Avenue between Alpine Avenue and Harding Way and the immediate surrounding area (Project). Improvements may include areas along Harding Way between Lincoln Street and El Dorado Street. Project scope may include public safety, maintenance substation and parking (Project). Deliverables may include the following:
  - Conceptual Design – which may include:
    - Curb, gutter, sidewalk, and driveways

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- Roadway maintenance projects (slurry seals, cape seals, micro-surfacing, overlays, pulverizations, and full depth reclamations with cement)
  - Traffic signal upgrades
  - High visibility crosswalks, Rectangular Rapid Flashing Beacons
  - Streetlights and ambient lighting
  - ADA curb ramps
  - Pedestrian safety improvements, buffered bike facilities, dedicated bicycle ramps, raised medians, and pavement striping
  - Maintenance substation acquisition improvements and maintenance (includes single available NOFA to secure location for maintenance).
  - Parking improvements/maintenance
- Environmental clearances as needed (CEQA/NEPA)
- Professional Design Services and Studies – may include the following submittals:
  - Engineering Plans at 30%
  - Engineering Plans, Specifications, Estimate (60 and 90%)
  - Engineering Plans, Specifications, Estimate at 100% and Final Approval
- Public Outreach/Public Meetings
- Public Safety Improvements
  - Security cameras/monitoring services/reimbursements
- Project Advertisement
  - Issuance of a Single Available Source NOFA to the Miracle Mile Improvement District (MMID)
- Construction Contract Award
- Construction Management Services
- Project Closeout

3.2 City shall only use Funds for the Project specified in the Act. City's self-attestation verifying the intended use of funds shall be provided to the Department prior to the release of any funds.

#### **FUNDING, COSTS, COST LIMITATION, & PAYMENT**

4.1 The Funds will be encumbered within 2 days of the effective date of this Agreement. Pursuant to Section 19.561 of the Act, funds must be

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encumbered by June 30, 2025, and expended by June 30, 2027, or the funds will revert to the State's General Fund by operation of law.

- 4.2 Payments shall be made as authorized by Sections 19.561(a) of the Act, including but not limited to the provisions noted below:
  - a. Notwithstanding any other law, a designated state entity administering on allocation pursuant to this section may provide the allocation as an advanced lump sum payment, and the allocation may be used to pay for costs incurred prior to the effective date of the act adding this paragraph.
  - b. Funding provided in this section shall not be used for a purpose subject to Section 8 of the Article XVI of California Constitution.
- 4.3 After receiving the funds, the City shall provide semi-annual reporting on January 1 and July 1 to Caltrans each calendar year until the funds are expended or upon completion or termination of the Project, whichever comes first.
- 4.4 Within 30 days of expending all of the Funds or upon completion or termination of Project, whichever comes first, City shall submit to Caltrans a Project Closeout Report. The Project Closeout Report at a minimum shall include LAPM Exhibit 17-M, photos of the completed project (including before photos, if available), a description of completed Project component(s) and a description of project deliverables.
- 4.5 Any Project costs paid using the Funds that are determined by subsequent audit to be unallowable under 48 CFR, Part 31 or 2 CFR, Part 200, are subject to repayment by City to Caltrans.
- 4.6 City shall return any unspent Funds to Caltrans at the conclusion, completion, or termination of the Project.
- 4.7 Upon written demand by Caltrans, any overpayment to City of amounts invoiced by Caltrans shall be returned to Caltrans.
- 4.8 Should City fail to refund any moneys due to Caltrans as provided herein or should City breach this AGREEMENT by failing to complete Project without adequate justification and approval by Caltrans, then, within thirty (30) days demand, or within such other period as may be agreed to in writing between the PARTIES, Caltrans, acting through the State Controller, the State Treasurer, the CTC or any other public entity or agency, may intercept, withhold and demand the transfer of an amount equal to the



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amounts paid by or owed to Caltrans for each Project, from future apportionments or any other funds due to City from Highway User Tax Fund or any other sources of funds, and/or may also withhold approval of future state-funded projects proposed by ADMINISTERING AGENCY.

## INQUIRIES & NOTICES

- 5.1 All inquiries during the term of this Agreement will be directed to the representatives listed below:

For Caltrans:

Name: Silvia Dayak  
Address: 1976 E Dr. Martin Luther  
King Jr. Blvd,  
Stockton, CA 95205  
Phone Number: (279) 220-0804  
Email: [silvia.dayak@dot.ca.gov](mailto:silvia.dayak@dot.ca.gov)

For City of Stockton:

Name: Harry Black  
Address: 425 N. El Dorado Street,  
2nd Floor,  
Stockton, CA 95202  
Phone Number: (209) 937-8212  
Email: [harry.black@stocktonca.gov](mailto:harry.black@stocktonca.gov)

- 5.2 Each party may change their representative listed above upon 10 calendar days' written or emailed notice to the other party and without the need for amending this Agreement.

## OTHER TERMS & CONDITIONS

- 6.1 Drug-Free Workplace Requirements: City will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:
- a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
  - b. Establish a Drug-Free Awareness Program to inform employees about:
    - 1) the dangers of drug abuse in the workplace;
    - 2) the person's or organization's policy of maintaining a drug-free workplace;
    - 3) any available counseling, rehabilitation, and employee assistance programs; and,
    - 4) penalties that may be imposed upon employees for drug abuse violations.

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- c. Every employee who works on the proposed Agreement will:
- 1) receive a copy of the company's drug-free workplace policy statement; and,
  - 2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and City may be ineligible for award of any future State agreements if Caltrans or the State Department of General Services determines that any of the following has occurred: City has made false certification, or violated the certification by failing to carry out the requirements as noted above. (Gov. Code §8350 et seq.)

- 6.2 Conflict of Interest: City needs to be aware of the following provisions regarding current or former state employees. If City has any questions on the status of any person rendering services or involved with the Agreement, Caltrans must be contacted immediately for clarification.

Current State Employees (Pub. Contract Code §10410):

- 1). No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- 2). No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

Former State Employees (Pub. Contract Code §10411):

- 1). For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.
- 2). For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general



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subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

If City violates any provisions of above paragraphs, such action by City shall render this Agreement void. (Pub. Contract Code § 10420.) If the Agreement is rendered void, City shall return all Funds.

- 6.3 Labor Code/Workers' Compensation: City needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and City affirms to comply with such provisions before commencing the performance of the work described in this Agreement. (Labor Code § 3700.)
- 6.4. Americans With Disabilities Act: City assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. § 12101 et seq.)
- 6.5. City of Stockton Name Change: An amendment is required to change City's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.
- 6.6. Resolution: A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.
- 6.7. Air or Water Pollution Violation: Under State law, City shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.
- 6.8. Audit: City agrees that Caltrans, the California Department of General Services, the California State Auditor's Office, or other State agency with a legitimate business purpose, or their designated representative(s) shall have the right to review and to copy any records and supporting

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documentation pertaining to the performance of this Agreement. City agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of record retention is stipulated.

- 6.9. Amendments: No amendment or variation of the terms of this Agreement shall be valid unless made in writing and signed by the parties. Any amendment signed by City must be approved by its Council as evidenced by a resolution, order, motion, or ordinance of the City and a copy provided to Caltrans. No oral understanding or agreement not incorporated in the Agreement is binding on any of the parties.
- 6.10. Caltrans and City shall continue with their responsibilities under this Agreement during any dispute.
- 6.11 This Agreement may be executed in separate counterparts.
- 6.12 An electronically signed copy of this Agreement shall have the same force and effect as if it were signed manually.
- 6.13 Should City be declared to be in breach of this AGREEMENT or otherwise in default thereof by Caltrans, and if City is constituted as a joint powers authority, special district, or any other public entity not directly receiving funds through the State Controller, Caltrans is authorized to obtain reimbursement from whatever sources of funding are available, including withholding or transfer of funds, from those constituent entities comprising a joint powers authority or by bringing of an action against City or its constituent member entities, to recover all funds provided by Caltrans hereunder.

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State:

STATE OF CALIFORNIA

DEPARTMENT OF TRANSPORTATION

Printed Name: Ann Fox

Signature: \_\_\_\_\_

Acting Deputy Director for Planning & Modal  
Programs

Date: \_\_\_\_\_

Local Agency:

City of Stockton

Printed Name: Harry Black

Signature: HB

Title: City Manager

Date: \_\_\_\_\_

APPROVED AS TO FORM

By: [Signature]  
Deputy City Attorney

Accounting Certification

For Caltrans Use Only

|  |                                 |                  |                       |
|--|---------------------------------|------------------|-----------------------|
| I hereby Certify upon my own personal knowledge that budgeted funds are available for encumbrance. |                                 |                  |                       |
| <b>Pauline Wong</b>  | <u>Pauline Wong</u>             | <b>6/18/2024</b> | <b>\$3,100,000.00</b> |
| Accounting Officer Printed<br>Name   | Accounting Officer<br>Signature | Date             | Amount Certified      |