



DATE: November 14, 2016

TO: Transportation Authority of Marin Finance and Policy Executive Committee

FROM: Dianne Steinhauser, Executive Director

SUBJECT: Consider programming of funds to Marin Transit for cost overruns on the Redwood/Grant Bus Facility in Novato (Action) – Agenda Item 7c

RECOMMENDATION

Consider one of the following options as support for Marin Transit's Redwood and Grant Bus facility, which has experienced a \$1.2 million shortfall due to higher than anticipated bids:

1- Advance Marin Transit Measure A transportation sales tax funds under Strategy 1, Local Bus Transit, for Marin Transit to be able to award the facility contract to the lowest responsible bidder. This would be an advance of sales tax funds allowable under the Measure A sales tax expenditure plan and in accordance with TAM Board past policy for Measure A related projects. Amount of advance \$1.2 million

2- Reduce Measure A Reserve either permanently or temporarily to free up funds for Marin Transit to be able to award the facility contract to the lowest responsible bidder. Reserve shall not fall below \$3.5 million. As an option, TAM shall restore the reserve to its previous level of \$5.382 million utilizing excess sales tax collected annually above the budgeted amount. Note the relinquishment and restoration will be assigned to all strategies per the Measure A shares. Amount to Marin Transit: \$1.12 million

Additional policy options for the Board to consider:

- Require Marin Transit to reduce costs on the project, with savings returned by proportional share
- Require contribution from the City of Novato and the Golden Gate Bridge District, partners on the project
- Request Marin Transit use their existing Measure A reserves
- Require cost sharing for the cost overrun, such as 50/50 TAM reserve and Marin Transit reserve

BACKGROUND

TAM has committed funds for several years to further the Novato Redwood and Grant bus facility improvement project. A current commitment of funds would be consistent with past practice. Note TAM has committed over \$2.2 million in discretionary funds to date. See Attachment A for TAM commitment to this and other transit projects in Novato.

TAM staff learned of Marin Transit's shortfall shortly after bids were opened for the Redwood and Grant bus facility in Downtown Novato. Several informal discussions have transpired since that time. Marin Transit has requested TAM identify new funding to close the \$1.2 million shortfall.

TAM staff informally recommended to Marin Transit an advance of Measure A funds, with a flexible payback period, in accordance with current TAM Board policy. Marin Transit asked that TAM identify new

funds instead. TAM staff followed up with a recommendation for the use of TAM reserve to address the shortfall. The reserve would be reduced from the current level of \$5.382 million to \$3.5 million. The funds would be distributed back to each Strategy under the Measure A Sales Tax. Marin Transit's share would be \$1.12 million. Marin Transit would need to identify the remainder from their sources. Marin Transit staff viewed this option favorably.

TAM Citizen's Oversight Committee input

TAM staff presented the proposal to use Reserve for this urgent situation to its Citizen's Oversight Committee on November 7th, 2016. The COC is charged with reviewing all Measure A Sales Tax expenditures. TAM has taken all uses of reserve to the COC for input over the past 12 years.

The COC did not support TAM staff's recommendation and raised a number of concerns. They will be addressing the TAM Executive Committee on November 14th regarding their concerns and recommendation.

The current membership of the TAM Citizen's Oversight Committee is attached.

Note the Recommendations section of this memo reflects many of the concerns of the COC

NEXT STEPS

Consider options as outlined above and as presented by TAM's Citizen's Oversight Committee

ATTACHMENTS:

Attachment A – TAM Discretionary Funds to MT for Novato Transit projects
Attachment B- TAM current Citizen's Oversight Committee membership

TAM Discretionary Funds to Marin Transit for City of Novato Major Transit Projects- 2008-2016

NOTE: This does NOT include funds for the Marin Sonoma Narrows

	Date of TAM action/ type action	\$Amount	Fund Source	Purpose/ project/ phase
1	Sept 2008 / programming/ allocation	\$350,000	County RIP share (STIP)	Bus stop improv- Novato- Rowland/Hwy 101- PSE
2	Sept 2008 / programming/allocation	\$1,823,000	County RIP share (STIP)	Bus stop improv- Novato- Rowland/Hwy 101- CONSTR
	Subtotal Transit related to Novato	\$2,173,000		
3	March 2012/ programming - TAM concurrence	\$985,000	Lifeline - Prop 1B share	Redwood and Grant Bus Facility- PAED and PSE
4	January 2012/ programming/ allocation	\$100,000	CMA- Planning funds	Redwood and Grant Bus Facility- PAED and PSE
5	January 2015/ programming/ TAM concurrence	\$787,500	Lifeline - Prop 1B share	Redwood and Grant Bus Facility- CONSTR
6	January 2015/ programming/ allocation	\$25,000	CMA- Planning funds	Redwood/ Grant/ redesign
7	July 2016 / programming/ allocation	\$311,000	TAM Local Funds	Redwood and Grant/ CONSTR
	Subtotal Transit related to Novato	\$2,208,500		
		\$4,381,500		

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**Citizens' Oversight Committee Roster
As of September 1, 2016**

Members	Representing	Term *	Email
V-Anne Chernock	Northern Marin Planning Area	2017	v-anne@chernockassociates.com
Peter Pelham	Major Marin Employers	2017	ppelham@mindspring.com
Joy Dahlgren	Central Marin Planning Area	2017	Joy.dahlgren@gmail.com
Paul Roye	Ross Valley Planning Area	2019	proye@comcast.net
Robert Burton	Southern Marin Planning Area	2019	bob114@comcast.net
Scott Tye	West Marin Planning Area	2019	tyeyaksb@yahoo.com
Vince O'Brien	Bicyclists & Pedestrians Groups	2019	vob_low@comcast.net
Kate Powers	Environmental Organizations	2017	kpmarin@yahoo.com
Pamela Gach	League of Women Voters	2019	pamelagach@gmail.com
Allan Bortel	Marin County Paratransit Coordinating Council	2019	Inverness@earthlink.net
<i>Vacant</i>	<i>School Districts</i>	2017	
Paul Premo	Taxpayer Group	2017	paulpremo@msn.com
Alternates	Representing		Email
<i>Vacant</i>	<i>Northern Valley Planning Area</i>		
Monique Broussard	Major Marin Employers	2017	moniquebroussard@aol.com
<i>Vacant</i>	<i>Central Marin Planning Area</i>		
<i>Vacant</i>	<i>Ross Marin Planning Area</i>		
Jayni Allsep	Southern Marin Planning Area	2019	jayni@allsep-planning.com
<i>Vacant</i>	<i>West Marin Planning Area</i>		
<i>Vacant</i>	<i>Bicyclists & Pedestrians Groups</i>		
Nancy Okada	Environmental Organizations	2017	nxokada@yahoo.com
Kay Noguchi	League of Women Voters	2019	knoguchi@comcast.net
Rocky Birdsey	Marin County Paratransit Coordinating Council	2019	rockybird@juno.com
<i>Vacant</i>	<i>School Districts</i>		
<i>Vacant</i>	<i>Taxpayer Groups</i>		
TAM Staff	Representing		Email
Dianne Steinhauser	TAM		dsteinhauser@tam.ca.gov
Li Zhang	TAM		lzhang@tam.ca.gov

* Terms end on May 31 of the year shown

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