



**FINANCE & POLICY
EXECUTIVE COMMITTEE
MEETING**

MONDAY, NOVEMBER 14, 2016

3:30 PM

**TAM CONFERENCE ROOM
900 FIFTH AVENUE, SUITE 100
SAN RAFAEL, CALIFORNIA**

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AGENDA

Belvedere
James Campbell

Corte Madera
Diane Furst

Fairfax
John Reed

Larkspur
Dan Hillmer

Mill Valley
Stephanie Moulton-Peters

Novato
Eric Lucan

Ross
P. Beach Kuhl

San Anselmo
Tom McInerney

San Rafael
Gary Phillips

Sausalito
Tom Theodores

Tiburon
Alice Fredericks

County of Marin
Damon Connolly
Katie Rice
Kathrin Sears
Steve Kinsey
Judy Arnold

1. Chair’s Report (Discussion)
2. Commissioners Comments (Discussion)
3. Executive Director’s Report (Discussion)
4. Open time for public expression, up to three minutes per speaker, on items not on the Board of Commissioners' agenda. (While members of the public are welcome to address the Board, under the Brown Act, Board members may not deliberate or take action on items not on the agenda, and generally may only listen.)
5. Approval of Meeting Minutes from October 10, 2016 (Action) – **Attachment**
6. Pursue State Legislation for Exemption on the 2% Sales Tax Rate in Marin County (Action) – **Attachment**
7. Local Streets and Roads Maintenance
 - a) Program Debt Reserve Funds (Action) – **Attachment**
 - b) Update the Bicycle and Pedestrian Path Inventory Eligibility List for use of the 1/2 cent Transportation Sales Tax Interest Funding (Action) - **Attachment**
 - c) Consider programming of funds to Marin Transit for cost overruns on the Redwood/Grant Bus Facility in Novato (Action) - **Attachment**
8. Lease of Staff Electric Vehicle and Installation of Charging Station in TAM Parking Lot (Action) - **Attachment**



Late agenda material can be inspected in TAM's office between the hours of 8:00 a.m. and 5:00 p.m.
TAM is located at 900 Fifth Avenue, Suite 100, San Rafael.

The meeting facilities are accessible to persons with disabilities. Requests for special accommodations (assisted listening device, sign language interpreters, etc.) should be directed to Denise Merleno at 415-226-0820 or email: dmerleno@tam.ca.gov, **no later than 5 days** before the meeting date.

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MEETING OF THE
TRANSPORTATION AUTHORITY OF MARIN
FINANCE & POLICY EXECUTIVE COMMITTEE

October 10, 2016

3:30 p.m.

TAM CONFERENCE ROOM
500 FIFTH STREET
SAN RAFAEL, CALIFORNIA



MEETING MINUTES

Members Present: Judy Arnold, County of Marin Board of Supervisors, TAM Vice Chair
Stephanie Moulton-Peters, Mill Valley, TAM Chair
P. Beach Kuhl, Ross Town Council
Steve Kinsey, County of Marin Board of Supervisors
Gary Phillips, San Rafael City Council
Alice Fredericks, Tiburon Town Council

Staff Members Present: Bill Whitney, Acting Executive Director
Dan Cherrier, Principal Project Delivery Manager
David Chan, Manager of Programming & Legislation
Derek McGill, Planning Manager
Li Zhang, Chief Financial Officer
Molly Graham, Public Outreach Coordinator
Nick Nguyen, Principal Project Delivery Manager
Scott McDonald, Senior Transportation Planner

Vice Chair Judy Arnold called the meeting to order at 3:50 p.m.

1. Chair's Report (Discussion)

Vice Chair Arnold indicated she had no report.

2. Commissioner Comments (Discussion)

Commissioner Moulton-Peters reported on the League of California Cities conference in Long Beach., and her use of the LA Metro train system afterwards.

In the interest of time, Commissioner Fredericks referred to a report she gave at the Programming & Projects Committee meeting which occurred just prior to this one. She encouraged all to read the minutes when they come out, rather than repeating it all now.

3. Executive Director's Report (Discussion)

In the absence of Executive Director (ED) Dianne Steinhauser, Project Manager Bill Whitney presented the staff report, reviewing dates for the rest of the year for TAM Board meetings and the Executive Committees, the bidding

on the Richmond-San Rafael Third Lane Project planned for late November, ongoing public outreach for the Vision Plan, recent participation in the International Walk to School Day activities, sponsored by Safe Routes, current traffic monitoring and data collection as part of congestion management and requested by this Committee, the announcement by the Metropolitan Transportation Commission (MTC) of the update of its Vital Signs website showing changes in population, jobs, housing and congestion, Novato City Council's recognition of the Crossing Guard of the Year, Paul Breakstone; and the MTC Bike Share Capital Grant, noting that TAM has been encouraged to submit an application.

Vice Chair Arnold asked, and Mr. Whitney confirmed that the Bike Share Grant in question is awarded by MTC.

Commissioner Kinsey noted for the record that the Board of Supervisors sent a letter regarding Plan Bay Area 2040 and changes they would like to see – specifically to revise their numbers downward in terms of housing and jobs. He acknowledged that the TAM Board chose not to send a letter. He noted that MTC will probably make final changes during the first quarter of next year, with adoption of the completed Plan likely in the second quarter.

There was no public comment on the staff report.

4. Open Time for Public Expression

None made.

5. Approval of Minutes from September 12, 2016 (Action)

Commissioner Moulton-Peters moved to approve the minutes of September 12, 2016, and Commissioner Kinsey seconded the motion. It was approved with one abstention (Commissioner Fredericks).

6. Overview of Upcoming Innovation Workshop (Discussion)

Mr. Whitney indicated that Planning Manager Derek McGill and Public Outreach Coordinator Molly Graham would present this item assisted by Marnie Primmer (Connected Consulting).

Mr. McGill began the presentation, discussing background information originating with the Strategic Vision Plan and how it looks to innovative transportation options for the future, and the timing of the workshop to be scheduled for a time in late January or February 2017 (Likely date will be February 3rd, Friday)

Ms. Graham reviewed the theme, purpose of the workshop, elements of the workshop with aspects of a professional conference, promotion, and Ms. Primmer's qualifications and knowledge on the subject.

Ms. Primmer continued with a summary of her background and experience, familiarity with the topic, planned format for the day with keynote speakers, breakout sessions, and technology showcases; outreach to different segments of the population (economically disadvantaged, students, seniors), shared mobility options, reduction in greenhouse gases, changing infrastructure needs, regulations, and ways to encourage commuters away from single occupancy vehicle trips.

Commissioner Kinsey suggested some discussion of renewable energy related to transportation, i.e. electric vehicle options, and he commented that Mr. Damien Breen from the Bay Area Air Quality Management District (BAAQMD) Green Fleet Program may be a helpful resource. He finalized his comments by suggesting that the workshop may want to address cybersecurity issues associated with driverless vehicles.

Commissioner Phillips joined the meeting at 4:05 p.m.

Commissioner Moulton-Peters commented on the balancing of traditional technologies with new innovative ones and the possibility of conflicting priorities. She also noted that she had recently received information on driverless electric buses. Commissioner Fredericks mentioned another future concept – the replacement of buses with on-demand autonomous vehicles, which would be more economical to run than buses.

Commissioner Kuhl wondered whether now would be the time to find out the public's thoughts about HOV lanes. Mr. McGill noted that the online survey for the Strategic Vision Plan includes questions about HOV lanes, in addition to other topics.

There was no public comment on the item.

7. Review of the FY2016-17 First Quarter Financial Report and Proposed Budget Amendments (Action)

Chief Financial Officer Li Zhang presented the staff report which asked the Finance and Policy Executive Committee reviews the FY2016-17 First Quarter Financial Report and proposed budget amendments and refer it to the full TAM Board for acceptance.

Ms. Zhang pointed out the steady upward trend in Measure A revenues over the last five years; although she reminded the Committee that the economy can be hard to predict and setbacks could come. She also reviewed the budget amendments proposed by staff – adding two budget lines, the Golden Gate Transit Ferry Shuttle Service Expenditure and Approaches to the Richmond-San Rafael Bridge Project, and a \$48,000 increased for the Crossing Guard budget. She reported on the fund balances for the CalTrust accounts and the accumulated increase due to interest revenue.

Commissioner Kinsey asked, and Ms. Zhang explained where and how the interest revenue funds are used. She indicated that there are five separate accounts where this interest money is allocated, as explained in the chart listed as attachment 6 on page 28 of the packet. He asked as well why TAM is taking responsibility for funding the three additional crossing guard positions when the locations fell below the cut-off point, which Ms. Zhang discussed and indicated she would look for clarity from Dan Cherrier, TAM Project Manager in charge of the contract. Commissioner Kinsey said he would have rather used some community funds; although he wouldn't object because the amounts are relatively small, he expressed concern about favoritism or setting a precedent that can't be continued.

Vice Chair Arnold asked about the locations that are benefitting, which Ms. Zhang specified. At the Committee's request, Ms. Zhang agreed to research and get back to the Commission with an explanation.

Commissioner Kinsey moved to recommend that the TAM Board approve the FY2016-17 First Quarter Financial Report and proposed budget amendments; with the understanding that Amendment #3 will be reviewed. Commissioner Kuhl seconded the motion.

Mr. Whitney asked if this item should be brought to the full Board for a discussion or placed on Consent. Commissioner Kinsey said he would leave it to the Chair's discretion whether or not she felt there was clarification sufficient to place it on the Consent portion of the agenda.

After the initial report, Ms. Zhang confirmed that local jurisdictions are paying for the three additional positions. She stated that the three guards, one at Kentfield School District, one at the Mark Day School, and the third for the Larkspur-Corte Madera School District are all being paid for by their respective schools. Commissioner Phillips asked why, then, the TAM budget amounts are being increased by the costs for these guards. Ms. Zhang discussed that the revenue side of the budget will also be increased since these are passthroughs for TAM's account, and she confirmed equal amounts will be shown as a community contribution on the revenue side as well as the expenditure side of the budget. She also explained that the crossing guard payments are on a reimbursement basis.

Commissioner Kinsey said he thought the San Rafael Dixie School guard position had been approved by the Board at its last meeting so he wasn't sure why that hasn't moved along. Ms. Zhang said she would follow up with Project Manager Dan Cherrier, the TAM Project Manager for the Crossing Guard program.

The Committee unanimously approved the motion by Commissioner Kinsey which was seconded by Commissioner Fredericks.

There was no public comment on the item.

8. **Plan Bay Area 2040 Land Use and Transportation Preferred Scenarios** (Discussion)

Planning Manager Derek McGill presented the staff report and discussed the three main elements of the Preferred Scenario as the jobs and population forecasts, land use scenario, and transportation investment scenario. He reviewed the goals and performance targets, how future MTC/regional policies for land use and transportation will aim to address these goals, job growth in recent years, increased congestion/commute issues, transportation strategies at all levels (private providers, local, regional, state and federal), land use strategies at all levels, regional demographics, expected housing trends for Plan Bay Area 2040 (PBA2040), anticipated transportation investments and revenue under PBA2040, funding breakdown for the Draft Preferred Scenario, and total PBA2040 expenditures.

Commissioner Fredericks asked if capital expenses, such as buying new buses, would fall under "Expanding existing systems." Mr. McGill said no, it would be under "Operate, Maintain, and Modernize." He acknowledged that most of the budget under that heading goes to parts and maintenance, while fleet replacement would be considered modernization.

Commissioner Moulton-Peters commented on Marin County's size in comparison with larger, more urban areas in the region, which results in less revenue and resources overall. Commissioner Kinsey agreed, pointing out that is why Marin must work as a "self-help" county rather than depending solely on regional, state or federal funding. Commissioner Moulton-Peters wished for a way to help the community understand that perspective.

Commissioner Fredericks noted another possible fund source would be revenue-generating toll roads. Mr. McGill concluded his presentation with a discussion of issues with Bay Area affordability issues, especially rising costs for housing and transportation.

Vice Chair Arnold asked if there is a way for agencies like TAM to weigh in on the affordable housing issue. Mr. McGill said it is up to each CMA (congestion management agency) including TAM, to decide, and staff will follow

the will of the Board. He noted that they have been helping the member agencies in providing information to formulate their responses, which is one way to address the regional issues.

Commissioner Moulton-Peters pointed out it is hard to be unified in purpose when there is no county housing element. She asked Commissioner Kinsey if Marin is unique in that respect, and he said it is to some degree. He added that SB375 makes a direct connection between housing production and transportation funding dollars. Due to low housing production, Marin will continue to fall behind in allocated amounts. He noted that until residents notice the county's declining infrastructure, TAM's hands are tied in what it can accomplish.

Commissioner Fredericks commented that as more mobility options increase, that do not increase greenhouse gases, there should be a reduction in the demand for Marin to provide more housing. Mr. McGill stated that this view is one that staff has presented to MTC in the past.

Vice Chair Arnold added there is beginning to be more multi-family housing requirements at the federal level, and if jurisdictions don't comply with those requirements, there is the possibility of being sued in addition to being subjected to penalties and fines.

Commissioner Moulton-Peters asked about MTC's increasing involvement with funding for affordable housing, which Commissioner Kinsey discussed noting that MTC has implemented the Bay Area Transit-Oriented Affordable Housing (TOAH) Fund which provides financing for the development of affordable housing and other vital community services near transit lines throughout the Bay Area.

After comment by TAM staff on San Rafael's and Marin County's attention to anti-displacement and affordable housing policies, there was further brief discussion of how Marin County and San Rafael can share their knowledge with other jurisdictions. Vice Chair Arnold asked, and the Committee agreed the full Board could probably benefit from this presentation at a future meeting. There was discussion of potential agenda items for the next Board meeting and that staff would coordinate with the Chair about whether or not to agendize the item for the upcoming Board meeting.

The meeting was adjourned at 5:10 p.m.

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DATE: November 14, 2016

TO: Transportation Authority of Marin Finance and Policy Executive Committee

FROM: Dianne Steinhauser, Executive Director
David Chan, Programming Manager

SUBJECT: Pursue State Legislation for Exemption on the 2% Sales Tax Rate in Marin County (Action), Agenda Item No. 6

RECOMMENDATION

Recommend that the TAM Board pursue State legislation in 2017 to provide an exemption to the 2% cap on the local transaction and use taxes (also known as the district tax) in order to allow TAM to consider the pursuit of a new sales tax measure dedicated for transportation purposes. The bill would provide an exemption of no more than 0.5% for the Transportation Authority of Marin (TAM), affording flexibility to place items before voters to reauthorize or supplement the existing Transportation Sales Tax (Measure A) program.

BACKGROUND

Existing law authorizes various local governmental entities, subject to certain limitations and approval requirements, to levy a transactions and use tax for general purposes, in accordance with the procedures and requirements set forth in the Transactions and Use Tax Law, including a requirement that the combined rate of all taxes that may be imposed in accordance with that law in the county not exceed 2%.

In recent history, this cap is quickly reached when both cities and counties enact their own district taxes. It is particularly problematic for counties because if one city within a county has reached the cap, then the county is precluded from seeking voter approval to self-impose additional district taxes. Similarly, cities that have already reached the cap are constrained when seeking additional funding for programs and services above the cap.

At the present time, the Counties of Alameda, Contra Costa, Los Angeles, and San Mateo have reached the 2% limit. The Counties of Marin, Monterey, San Diego, and Sonoma are near the limit. The Legislature has previously granted exemptions to the 2% cap for transactions and use taxes to support countywide transportation programs, at both the county and local city level.

For example, the legislature authorized the Los Angeles County Metropolitan Transportation Authority an exemption (AB 23 (Feuer) Chapter 302) in 2008. In 2011, Alameda County was provided with an exemption (AB 1086 (Wieckowski) Chapter 327). Contra Costa County received an exemption in 2012 (AB 210 (Wieckowski), Chapter 194). In 2015, the legislature enacted SB 705 (Hill), Chapter 579, to provide San Mateo and Monterey Counties with an exemption.

Proposed legislation for TAM to increase the sales tax limit up to 0.5% would need to be approved by the Legislature and signed by the Governor.

The raising of the cap in and of itself does not allow a sales tax measure from being placed on the ballot. The placement of a tax on the ballot is a completely separate decision. A measure to actually raise the sales tax limit must first be approved through an ordinance by TAM and then be approved by $\frac{2}{3}$ of the county's registered voters to be imposed. TAM staff envisions a multi-year effort for the TAM Board to consider whether this should be done. The raising of the cap gives TAM maximum flexibility as it considers what, if any, additional sales tax for transportation should be pursued.

Current Sales Tax Rates in Marin County

The following table is a list of current sales tax levels in Marin County. After the passage of Proposition 55 at the November 8th Election (see below on its impact), the current maximum sales tax limit for Marin County is 9.25%, which includes the state sales tax limit of 7.25%, and is mutually exclusive of the local sales tax cap. The 2% local cap applies regardless of the state's cap.

California and Marin County Sales and Use Tax Rates (November 9, 2016)		
3.69%	State	State's General Fund
0.25%	State	State's General Fund
0.25%	State	Economic Recovery Bonds (2004)
0.50%	State	Local Public Safety Fund (1993)
0.25%	State	State's Education Protection Account (2016 Proposition 55)
0.50%	State	Local Revenue Fund (local health & social services) (1991)
1.06%	State	Local Revenue Fund (2011)
1.00%	State	0.25% to county transportation funds 0.75% to city or county operations
7.25%	Statewide	Total Statewide Base Sales and Use Tax Rate
0.25%	Marin County	Marin Parks/Open Space/Farmland Preservation (2013)
0.50%	Marin County	TAM Transportation Sales Tax (2005)
0.25%	Marin County	Sonoma-Marin Area Rail Transit District (2009)
8.25%	Marin Countywide	All jurisdictions (including unincorporated Marin County, Belvedere, Mill Valley, Ross, and Tiburon), unless indicated below
8.75%	Corte Madera	0.50% Measure B (2013) Emergency Services, Transportation, Youth & Senior Programs
8.75%	Larkspur	0.50% Measure D (2013) Larkspur Street Repair/Essential City Services
8.75%	Novato	0.50% Measure F (2010) Fiscal Emergency & Vital City Services Revenue
8.75%	San Anselmo	0.50% Measure D (2014) Vital Services and Infrastructure Needs
8.75%	Sausalito	0.50% Measure O (2015) Essential Services
9.00%	San Rafael	0.75% Measure E (2013) Maintaining Emergency Services
9.00%	Fairfax	0.75% Measure C (2016) Vital Town Service Emergency Protection

As shown in the table, San Rafael had the highest sales tax at 9.25% before the November 8th Election. However, Fairfax's Measure C passed on November 8th to increase its sales tax to 9.25% as well. If TAM does not pursue a legislative amendment, the current available increase allowed for a countywide increase is 0.25% before reaching the 2.0% limit, since the County's Measure A 0.25% sales tax for child care and health services failed on November 8th. Attachment C is a table that summarizes the ballot measure results for Marin County from the November 8th Election.

If TAM were to pursue an increase of sales tax for transportation in the future of 0.5% and no other countywide or city specific sales taxes are enacted, it would need to pass legislation similar to past legislative exemptions identified above. It should be emphasized that legislative approval to for an exemption to the sales tax limit for Marin County does not actually increase the sales tax for Marin County. A measure would still need to be approved through an ordinance by TAM and then placed on the ballot at a later time for approval by 2/3 of the voters.

Proposition 55 Tax Extension to Fund Education and Healthcare

In 2012, California successfully passed Proposition 30 to temporarily raise income tax on couples making over \$500,000 per year through 2019 and temporarily increasing the statewide sales tax by 0.25% through 2016. Proposition 30 yielded over \$6 billion annually to help the Legislature pass a balanced budget.

In the November 8th Election, Proposition 55 was passed to allow the increased income tax on single filers making over \$250,000 or joint filers making over \$500,000 to continue until 2030, while allowing the 0.25% sales tax increase from Proposition 30 to expire. It is estimated that anywhere from \$4 billion to \$9 billion could be realized between 2019 and 2030, depending on the health of the economy and stock market.

The expiration of the sales tax increase from Proposition 55 reduced the State sales tax from 7.5% to 7.25%, as reflected in the table above, but does not affect the 2% local sales tax cap.

PURPOSE FOR LEGISLATION AUTHORIZATION

TAM's Transportation Sales Tax (Measure A) was approved by Marin voters on November 2, 2004 and started collecting revenues on a ½ cent sales tax on April 1, 2005. Measure A authorized the collection of sales tax revenues over a 20-year period. Measure A is approaching its 12th year of collection with a sunset date of March 31, 2025.

While the sunset date is a little less than nine years away, there have been positive signs that increasing our transportation sales tax, along with renewal, may be desirable. There are advantageous reasons to legislatively increase the maximum sales tax limit for Marin County in 2017. If legislation was approved by the legislature, it would not become effective until January 1, 2018.

Given what we have learned from Marin voters and other Congestion Management Agencies' (CMA's) effort to authorize transportation sales taxes, it would be prudent to approach Marin voters sooner for both a renewal and an increase than the last few years of Measure A.

Also, putting on a reauthorization ballot measure requires ample lead-time to build consensus among the stakeholders, such as the partner agencies, business leaders, citizens, community and interest groups, and so forth.

Staff believes the time is ripe to legislatively increase the sales tax cap limit for Marin County in anticipation of reauthorizing or increasing transportation sales tax. There is evidence that the public may support an extend-and-expand option for Marin's transportation related sales tax, allowing for more transportation needs to be met. Governor Brown has consistently approved local sales tax cap legislation for transportation purposes.

It is necessary to sponsor legislation and be assured of its passage before engaging in the final development and approval processes of a sales tax expenditure plan. The legislation must be considered in 2017 in order for the sales tax ballot initiative to be considered for 2018's general election.

Process and Schedule for Legislation Introduction

While the 2017 calendar has not been published yet, the deadline for submissions is typically the end of January. TAM would ideally notify one of Marin's legislative delegations to get language in Legislative Counsel as soon as possible in order to draft the language and prepare it for introduction. TAM would then need to introduce legislation by the third week of February at the latest.

Staff is seeking TAM Board approval now in order to coordinate with our legislative delegates regarding the sponsoring of the bill.

Once a bill is introduced, TAM will await its assignment to a policy committee. The 2017 Legislative Session is the first year of a two-year session. Bills will most likely be heard in early April. Since TAM's legislation is only requesting for permission to lift a cap and not change a vote threshold, the bill would be a majority vote item if it were to clear policy committee and head to the Floor. The bill would not be designated as fiscal, meaning that it would avoid the Appropriations Committee.

After heading to policy committee and a Floor vote, the process repeats in the other house. If TAM's legislation passes with a majority vote bill and it is signed into law by the Governor, the bill would take effect on January 1, 2018.

NEXT STEP

Recommend that the TAM Board pursue State legislation in 2017 to provide an exemption to the 2% cap on the local transaction and use taxes (also known as the district tax) in order to allow TAM to consider the pursuit of a new sales tax measure dedicated for transportation purposes. The bill would provide an exemption of no more than 0.5% for the Transportation Authority of Marin (TAM), affording flexibility to place items before voters to reauthorize or supplement the existing Transportation Sales Tax (Measure A) program.

ATTACHMENT

- Attachment A: Draft Sample Fact Sheet
- Attachment B: Draft Sales Tax Exemption Language
- Attachment C: Marin November 2016 Ballot Measures and Results

ATTACHMENT A

PURPOSE

Senate Bill XXXX would provide an exemption to the 2% cap on the local transaction and use taxes (also known as the district tax) in order to allow the Transportation Authority of Marin to pursue a measure dedicated for transportation purposes. The bill would provide an exemption of no more than .5% for the Transportation Authority of Marin (TAM), affording flexibility to place items before voters to fund local transportation programs.

EXISTING LAW

Current law allows cities and counties to impose transaction and use taxes, also known as district taxes, at a rate of up to 2% of total sales. This cap is quickly reached when both cities and counties enact their own district taxes. It is particularly problematic for counties because if one city within a county has reached the cap, then the county is precluded from seeking voter approval to self-impose additional district taxes. Similarly, cities that have already reached the cap are constrained when seeking additional funding for programs and services above the cap.

PROBLEM & BACKGROUND

The 2% cap was implemented more than a decade ago, in 2003. Since then, several bills have gone through the Legislature to create individual exceptions to the cap, including SB 705 (Hill), which the Governor signed in 2015 to allow the Counties of San Mateo and Monterey exemptions of .5% and .375%, respectively, to place transportation sales tax measures on the ballot.

In Marin, the City of San Rafael is currently at 9.25%, leaving only .25% of capacity for any measure. If San Rafael takes up the remaining capacity the County would be precluded pursue a measure for any purpose. Voters approved Measure A in 2004, which provided \$331 million over a 20 year period for local transportation projects in Marin County. With the expiration of

Measure A on the horizon, TAM is considering placing another measure for voter approval to continue to address Marin County's infrastructure needs. They cannot place a measure on the ballot without the capacity to do so.

SOLUTION

SB XXX provides an exemption on the cap on district taxes in Marin County, allowing the county and their cities to seek voter approval at the current two-thirds vote threshold for incremental tax increases.

SUPPORT

STAFF CONTACT

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ATTACHMENT B

Please draft the following bill to amend Sections 7299 and 7300 of the Revenue and Taxation Code to read as follows:

SB XXXX (Legislator). Transactions and use taxes: Transportation Authority of Marin

Existing law authorizes various local governmental entities, subject to certain limitations and approval requirements, to levy a transactions and use tax for general purposes, in accordance with the procedures and requirements set forth in the Transactions and Use Tax Law, including a requirement that the combined rate of all taxes that may be imposed in accordance with that law in the county not exceed 2%.

This bill would authorize the Transportation Authority of Marin to impose a transaction and use tax for the support of countywide transportation programs at a rate of up to 0.5% that, in combination with other specified taxes, would exceed the combined rate limit.

These provisions would be repealed by their own terms on January 1, 2028, if an ordinance is not approved, as specified.

This bill would make legislative findings and declarations as to the necessity of a special statute for the County of Marin.

7299. Notwithstanding any other law, the Transportation Authority of Marin may impose a transactions and use tax for the support of countywide transportation programs at a rate of up to 0.5% percent that would, in combination with all taxes imposed in accordance with Part 1.6 (commencing with Section 7251), exceed the limit established in Section 7251.1, if all of the following requirements are met:

(a) The Transportation Authority of Marin adopts an ordinance proposing the transactions and use tax by any applicable voting approval requirement.

(b) The ordinance proposing the transactions and use tax is submitted to the electorate and is approved by the voters voting on the ordinance in accordance with Article XIII C of the California Constitution.

(c) The transactions and use tax conforms to the Transactions and Use Tax Law, Part 1.6 (commencing with Section 7251), other than Section 7251.1.

7300. If the ordinance proposing the transactions and use tax is not approved as required by subdivision (b) of Section 7299, this chapter shall be repealed as of January 1, 2028.

SEC. 3. (a) The Legislature finds and declares that the special law contained in Section 1 of this measure is necessary and that a general law.

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ATTACHMENT C

NOVEMBER 2016 MARIN BALLOT MEASURES

Jurisdiction	Tax Type & Name	What does the tax pay for?	Amount	Duration if passed	Result
Countywide tax	Sales Tax “Measure A”	Sales Tax for expanded preschool, child care and health services for low-income children: Fifty percent of the funds would be used to fund quality preschool. A quarter of the proceeds would be used for affordable child care. Fifteen percent would be used for health care services and wellness programs. And 10 percent of the tax money would pay for afterschool and summer programs for children in kindergarten through second grade.	<u>¼ cent Sales Tax</u>	9 Years	2/3 Needed Failed 62.99%
Kentfield (School District)	Parcel Tax “Measure B”	Parcel tax benefiting the Kentfield School District: The measure seeks authority to levy \$1,600 per parcel annually. The measure would also extend the tax for 10 years and permit annual 5 percent increases in the rate. The new tax would replace a parcel tax approved by Kentfield voters in 2007 to fund the school district; Measure A is due to expire in the 2017-18 fiscal year.	\$1,600 Annually	10 Years	2/3 Needed Failed 57.72%
Fairfax	Sales Tax “Measure C”	Sales tax to maintain and enhance quality public safety and general services, improve infrastructure such as repairing sidewalks, pedestrian trails, repaving streets, and enhancing downtown: Fairfax voters will be asked to approve a 0.25 percentage point increase in the town’s existing 0.5 percent sales tax to 0.75 percent and extend the tax for 10 years.	<u>¼ cent Sales Tax (increase from existing ½ cent sales tax)</u>	10 years	Majority Needed Passed 76.49%
Mill Valley (School District)	Parcel Tax “Measure E”	Parcel tax benefiting the Mill Valley School District: Increase and an extension of a parcel tax for the Mill Valley School District. The ballot measure proposes boosting the \$865 annual parcel tax to \$980 yearly beginning July 1, 2017. The measure would renew the tax for another 12 years and allow it to increase 5 percent each year through 2029.	\$980 Annually	12 years	2/3 Needed Failed 66.30%

Highlighted texts indicate that streets and roads are eligible components of the measure and underlined texts indicate a sales tax measure.

Novato (School District)	Bond Measure “Measure G”	Bond measure benefiting Novato Unified School District: Bond to pay for repairs, upgrades and new furniture in Novato Unified School District schools. The maximum possible cost to homeowners would be \$60 per \$100,000 of assessed property value for 25 years.	Up to \$60 per \$100,000 of assessed property value	25 years	55% Needed Passed 56.66%
Mill Valley	Special Property Tax “Measure H”	Special property tax to pay for maintenance and repair of local roads and fire suppression efforts, including vegetation removal: Proposal to replace the city’s municipal services tax with a special property tax to pay for maintenance and repair of local roads and fire suppression efforts, including vegetation removal.	\$266 annually for owners of single-family residences, with a 2 percent annual adjustment.	10 years	2/3 Needed Passed 77.35%
Ross	Parcel Tax “Measure K”	Parcel tax used to pay for public safety services: The tax, which is due to expire June 30, 2017, would cost both residential and commercial property owners \$970 per dwelling unit. The measure would extend the tax for another eight years, with increases based on the consumer price index.	\$970 annually per dwelling unit	8 years	2/3 Needed Passed 78.13%
Muir Beach (Community Services District)	Parcel Tax “Measure L”	Parcel tax to pay for fire protection services: A tax that used to serve that purpose expired June 30, 2016. The measure proposes a new tax of \$213 per parcel annually beginning in fiscal year 2016-17 and continuing 10 years until fiscal year 2025-26, with annual consumer price index increases allowable. Exemptions would be available to the owners of single-family residences who live in their own homes and have a household income of 80 percent and below of median income for Marin County.	\$213 annually per parcel	10 years	2/3 Needed Passed 77.50%
Kent Woodlands	Special Tax (Safety) “Measure M”	Increase of the tax that pays for a Marin County Sheriff’s Office deputy to patrol the Kent Woodlands neighborhood: The measure proposes increasing the tax from \$260 per living unit yearly to \$360 per living unit yearly, with an annual adjustment for inflation not to exceed 3 percent per year.	\$360 annually per living unit (increase from \$260 per living unit)	In effect until repealed	2/3 Needed Passed 68.81%

Information from: <http://www.marincounty.org/depts/rv/election-info/election-schedule/page-data/tabs-collection/2016/nov-8/measure/list>

Kent Woodlands	Special Tax (Safety) “Measure N”	New special tax to pay for the installation and maintenance of surveillance cameras that read the license plates of vehicles entering and exiting the community: A special tax to purchase and install License Plate Readers (LPR) that record the license plates of vehicles traveling through the Kent Woodlands neighborhood so as to deter criminal activities, such as burglary.	Up to \$100 per living unit in fiscal 2016-17 and as much as \$11 per living unit each year thereafter.	In effect until repealed	2/3 Needed Passed 72.04%
County Service Area #29 (Paradise Cay)	Parcel Tax “Measure O”	Renew of a parcel tax paid by Paradise Cay voters to dredge the channels that connect the Tiburon yacht harbor to San Francisco Bay and increase the tax by 25 percent: Under the ballot measure, the tax would increase from \$1,200 on each original lot to \$1,500. Voters in Paradise Cay first agreed to the dredging tax in 1992.	\$1,500 annually per original lots located within the Service Area (increase from \$1200)	10 years	2/3 Needed Passed 87.18%

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DATE: November 14, 2016

TO: Transportation Authority of Marin Finance and Policy Executive Committee

FROM: Dianne Steinhauser, Executive Director
David Chan, Programming Manager

SUBJECT: Program Debt Reserve Funds (Action), Agenda Item No. 7a

RECOMMENDATION

Present an action item for the TAM Board to program the remaining Debt Reserve Funds to the Major Road under Strategy 3.1 of the Measure A Strategic Plan, per attached amounts, with the condition that amounts will be revised once costs are known for the Richmond San Rafael Bridge Approach Project, estimated at the end of 2017,

BACKGROUND

The Measure A Expenditure Plan, approved by voters in November 2004, states that TAM will have the authority to bond and use other financing mechanisms for the purposes of expediting the delivery of transportation projects and programs and to provide economies of scale. Bonds, if issued, will be paid with the proceeds of the transportation sales tax.

The Measure A Strategic Plan, subsequently adopted in June 2006, envisioned approximately \$30 million in debt capacity is reserved in the Strategic Plan to meet the cash flow needs of the Highway 101 Gap Closure Project, estimated at \$25 million and other eligible projects, estimated at \$5 million.

The Measure A Strategic Plan in 2007, and TAM adopted Debt Policy in that same year, further refined the need for debt issuance to include the cash flow needs of the Highway 101 Gap Closure Project and Major Roads projects under Strategy 3.1 of the Sales Tax Expenditure Plan.

The Expenditure Plan indicates that allocations to strategies and sub-strategies are made after taking “off-the-top” expenses for administration, debt service and bond issuance costs. Based on the \$30 million estimation, \$2.35 million was taken off-the-top for debt service and debt issuance costs annually, beginning in FY 05/06. This amount was envisioned as \$2.6 million in the voter approved expenditure plan, but the resultant set-aside was less.

As noted in the Measure A Strategic Plan, issuing debt was originally anticipated to meet the cash demand for the Highway 101 Gap Closure Project. However, an infusion of \$12.5 million in federal funds loaned by the Metropolitan Transportation Commission (MTC) in 2007 in exchange for future Measure A funds alleviated this demand. The MTC loan secured offered more favorable terms and lower interest expenses to TAM compared to private bond financing.

TAM made the first payment on the loan from MTC in FY 08/09 and the last payment was made in FY 15/16, fulfilling all loan obligations. The total payment was slightly more than \$13.25 million, of which \$12.5 million was principal and approximately \$753,000 was interest.

Available Funds

As a result of setting aside \$2.35 million annually, the favorable terms from the MTC loan, and a slower than anticipated delivery schedules from Major Road projects, TAM does not anticipate needing the set-aside for debt issuance. The funds are available for re-programming. TAM staff sought an opinion from County Counsel, who serves as TAM's regular legal counsel and who are very familiar with TAM's programs including our Measure A Sales Tax program. In their review, County Counsel advises the following:

“Yes, the Measure A Expenditure Plan actually requires that the TAM Board reprogram the surplus financing funds into other programs or projects within the same strategies they were originally allocated to benefit (either Strategy 2 (Highway 101 Improvements), or Strategy 3 (Major Roads and Local Infrastructure).”

County Counsel's opinion on the matter is attached as Attachment A.

Prior Allocations

There have been two prior allocations with Debt Reserve Funds:

- 1) In July 2011, the TAM Board programmed approximately \$6 million to Major Road projects that were scheduled to receive \$6 million in State Local Partnership Program (SLPP) funds from the State Proposition 1B Bond Program. The TAM Board diverted the SLPP funds from Major Road projects to the SMART project and replaced them with Debt Reserve Funds. Dedicating the funds to Major Roads was consistent with the intended use of the funds, as noted in Counsel's opinion, above.
- 2) In July 2016, the TAM Board allocated \$7.7 million in Debt Reserve Funds to the Richmond San Rafael Bridge Approach Project that includes improvements to the East Sir Francis Drake (ESFD) corridor and the Bellam Boulevard off-ramp and intersection. Note the East Sir Francis drake corridor is a Major Road project under Strategy 3.1 of Measure A, and the Bellam Boulevard off-ramp improvements were part of the original Highway 101 Improvements, but were unfunded. The use of Debt Reserve was consistent with allowable uses per counsel's opinion.

The allocation of \$6 million to major road projects and \$7.7 million to the Richmond San Rafael Bridge Approach Project currently leaves approximately \$7.5 million in Debt Reserve Funds unprogrammed by the end of the Measure A Program in FY 24/25.

It should be noted that the total amount of \$7.5 million will not be fully collected until FY 24/25. Since \$13.7 million was previously programmed to two groups of projects, these projects are projected to drawdown on the Debt Reserve Funds until FY 21/22. Consequently, the Debt Reserve Funds will not show a positive cash flow until FY 21/22.

PROPOSALS FOR THE UNPROGRAMMED DEBT RESERVE FUNDS

There are three proposals under consideration for the remaining Debt Reserve Funds:

1. Additional Needs for the Richmond San Rafael Bridge Approach Project

While the amount for the Major Road projects was capped at \$6 million, the Richmond San Rafael Bridge Approach Project is still eligible for a future allocation if the project needs more than \$7.7 million. Therefore, the unprogrammed amount of \$7.5 million may be used to offset the final delivery costs of the Richmond San Rafael Bridge Approach Project. Whether more funds are needed will be determined after the construction of the project is advertised and a bid is accepted, which will be known by end of 2017. Staff is proposing to reserve Debt Reserve Funds to cover the difference needed to deliver the Richmond San Rafael Bridge Approach Project.

2. Local Road Projects under Strategy 3.2 of the Measure A Strategic Plan

If the Richmond San Rafael Bridge Approach Project does not need more funding, approximately \$7.5 million remains unprogrammed. There has been ongoing dialogue on how to program these funds. At the July 2016 TAM Board meeting, Marin County asked the TAM Board to consider distributing the funds when they become available in FY 21/22 to all jurisdictions for local road projects using the 50% population/50% lane mile formula established in Strategy 3.2 of the Measure A Program.

Marin County Department of Public Works requested the TAM Board to program the entire amount of \$7.5 million to local road projects. If the entire amount is not available, Marin County requested a minimum of \$2.7 million to be consistent to the amount requested from the OBAG 2 Call for Projects.

Under the OBAG 2 Call for Projects, the Municipal Public Works Association (MPWA) agreed among themselves to submit three applications for local road projects for \$2.7 million in requests from Marin County, San Rafael, and Novato. The amount of \$2.7 million in federal funds would be distributed to all jurisdictions in accordance to the 50% population/50% lane mile formula. Marin County and San Rafael would request for individual projects equal to the amounts of the formula distribution and Novato would request its share and the total amounts of all remaining jurisdictions. Novato would accept the federal funds then distribute local funds to the remaining local jurisdictions, with a 25% discount for handling federal funds.

However, the three applications submitted did not merit funding under the evaluation criteria established for the OBAG 2 Call for Projects. The projects fell below the cutoff line for funding. Note several Local Road projects were funded from the OBAG2 exercise. OBAG2 funded a variety of improvements in the County, with funds distributed roughly as follows:

Category	# of Funded Applications	Funding Amount	Percentage of Funded
Transit Capital	3	\$3,180,000	29%
LSR/Highway	5	\$3,291,000	30%
Bicycle/Pedestrian	11	\$3,218,000	29%
Safe Routes to School	2	\$979,000	9%
Planning	2	\$324,000	3%
Total	23	\$10,992,000	100%

Staff notes that TAM must change its Debt Policy and amend the Strategic Plan in order to assign any Debt Reserve to other than Major Roads and Highway 101 Improvements. Staff also notes that per

Counsel's opinion, TAM may need an amendment to the Measure A Sales Tax Expenditure Plan if the TAM Board decides to allocate Debt Reserve to an entirely different Strategy such as Local Transit or Safe Routes to School. Staff does not recommend pursuing an amendment to the Sales Tax Expenditure Plan.

3. Major Road Projects under Strategy 3.1 of the Measure A Strategic Plan

While staff has considered Marin County's proposal to distribute Debt Reserve Funds to local road projects, staff is proposing the TAM Board to consider acting within the existing Expenditure Plan for Measure A sales tax and within the existing long-standing Debt Policy and Strategic Plan policies, and distribute the funds to Major Road projects under Strategy 3.1 of the Measure A Program.

The Major Road category includes five Planning Areas – North, South, West, Central, and Ross Valley. There are projects underway in each of the Planning Areas. A number of these projects are expected have costs that exceed the amounts available in Strategy 3.1. Debt Reserve Funds would be used to supplement funds in the Major Road category.

Attachment B is a chart that summarizes the amounts where Debt Reserve Funds are programmed to local road project and major road projects.

Attachment C is a list of projects in order of priority in each Planning Area. Note these priorities were adopted in 2006 by the TAM Board after a lengthy prioritization process spelled out in the transportation Sales Tax Expenditure Plan, and followed as such. Staff recommends staying with these current priorities.

Timing of fund reimbursement

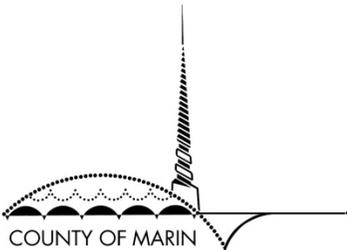
Note previous mention that the near term Debt Reserve funds will be spent on the Richmond San Rafael Bridge approaches. With positive cash flow for the remaining Debt Reserve funds of \$7.5 million not occurring until FY 21/22, TAM can allocate funds to sponsors when they need them, with the condition that if funds are required to be reimbursed before funds are collected and resultant positive cash flow occurs, then TAM will apply 3% per year discount rate, paid out of the allocation to the sponsor. For example, if the need to access the cash is 3 years sooner than cash flow allows, discount applied of $3 \times (3\% \times X)$, which will be 9% cost to the sponsor.

NEXT STEP

Present an action item for the TAM Board to program the remaining Debt Reserve Funds to the Major Road under Strategy 3.1 of the Measure A Strategic Plan, per attached amounts, with the condition that amounts will be revised once costs are known for the Richmond San Rafael Bridge Approach Project, estimated end of 2017,

ATTACHMENT

Attachment A: County Counsel's Letter dated July 11, 2016
Attachment B: Debt Reserve Fund Scenarios for Local Roads and Major Roads
Attachment C: Priority Major Road Projects by Planning Areas



Steven M. Woodside
COUNTY COUNSEL

July 11, 2016

Jack F. Govi
ASSISTANT COUNTY COUNSEL

Ms. Steinhauser:

Renee Giacomini Brewer
SUPERVISING DEPUTY

I am in receipt of your July 5, 2016 e-mail, which presents the following legal question:

Mari-Ann G. Rivers
David L. Zaltsman
Michele Keno
Patrick M. K. Richardson
Stephen R. Raab
Steven M. Perl
Sheila Shah Lichtblau
Edward J. Kiernan
Jessica Mills Sutherland
Brian C. Case
Jenna J. Brady
Valorie R. Boughey
Kerry L. Gerchow

Whether funds previously allocated to the dual Strategy#2 and Strategy#3 purposes of financing 101 Gap Closure construction and other local infrastructure projects – financing funds that will be surplus due to TAM’s cost-effective loan strategy through MTC and the timing of TAM’s project sponsor’s capital expenditures – can be reprogrammed to other programs or projects within Strategy#2 and/or Strategy#3, per the Expenditure Plan?

After reviewing (1) the enabling legislation for Measure A; (2) the Measure A Expenditure Plan; and (3) relevant case law, I offer the following short answer to the question presented:

Yes, the Measure A Expenditure Plan actually requires that the TAM Board reprogram the surplus financing funds into other programs or projects within the same strategies they were originally allocated to benefit (here, either Strategy#2 and/or Strategy #3).

DEPUTIES

Jeanine Michaels
ADMINISTRATIVE ASSISTANT

Background: the \$2.35 million/year Debt Servicing & Financing Allocations Stand as Dual Strategy#2 (101 Gap Closure construction) and Strategy#3 (infrastructure projects) Allocations

The 2006 Strategic Plan, at pages 22 and 23, explains the nature of the \$2.35 million/year financing allocations that are the subject of this memo:

From the net revenues remitted to TAM, the following off-the-top allocations are made consistent with the Expenditure Plan:

- 1% of sales tax receipts to TAM administration of the sales tax,
- 4% of sales tax receipts to sales tax overall program administration
- **Debt service and financing costs needed for up to \$30 million in debt incurred for the 101 Gap Closure project and other eligible projects;**
- 5% of sales tax receipts reserved annually for the first five years of the Strategic Plan

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Accordingly, starting with the 2006 Strategic Plan, TAM began to set aside \$2.35 million/year for debt servicing and financing costs. Specifically, as stated in the 2006 Strategic Plan, these funds were allocated to financing the “101 Gap Closure project and other eligible projects.” In other words, as allowed for by the Expenditure Plan, this annual “off-the-top” allocation was made for the broad purpose of construction financing for the “101 Gap Closure project and other eligible projects.”

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PG. 2 OF 3

Of the four strategies set forth in the Expenditure Plan, only Strategy#2 and Strategy#3 potentially involve projects that would involve large-scale construction financing. Thus, the \$2.35 million/year debt servicing & financing allocations that were made over the last 10 years now stand as dual Strategy#2 (101 Gap Closure construction) and Strategy#3 (infrastructure projects) allocations.

Legal Considerations Under The Local Transportation and Improvement Act

The Local Transportation Authority and Improvement Act of 1986 (“LTAIA”) specifies that a local transportation authority shall “specify the purposes for which the revenue derived from the tax will be used.” (Cal. Pub. Util. § 180202). Beyond this statement of “specific purposes,” there is no other required content in an LTAIA expenditure plan. As such, the LTAIA affords a local transportation authority wide latitude to be as specific (or as general) as they see fit when formulating an expenditure plan¹.

Thus, under the LTAIA, TAM has the latitude to create an expenditure plan that treats surplus project-specific financing allocations just the same as any other surplus project allocation. This is exactly what the TAM expenditure plan does, as explained below.

Legal Considerations Under The Expenditure Plan

The California Court of Appeal has set forth the analytical framework for interpreting the meaning of an expenditure plan:

When we interpret a statute, we attempt to determine legislative intent so as to effectuate the purpose of the law. [Citation.] The first thing we do is read the statute, and do so in an ordinary way unless special definitions are provided. [Citation.] If the meaning of the words is clear, then the language controls. [Citation.] But if the meaning of the words is not clear courts can use interpretative aids; with respect to voter-approved enactments, these aids include the ballot analysis, the official summary, and the arguments presented to the voters. [Citations.]” [Citations]. (*Hayward Area Planning Assn, Inc. v. Alameda County Transp. Authority* (1999) 72 Cal.App.4th 95, 105).

To borrow the phrase used by the *Hayward* Court, “the meaning of the words is clear” in this matter: the Expenditure Plan requires that the TAM Board reprogram the surplus financing funds into other programs or projects within the same strategies for which they were originally allocated: Strategy#2 101 Gap Closure construction and Strategy#3 infrastructure projects.

This clear requirement can be found in the Expenditure Plan’s Implementing Guideline#6, set forth here:

The actual requirement for funds in a specific program could be higher or lower than expected due to changes in funding outside of this transportation sales tax, or due to changes in project costs or feasibility. **Should the need for funds for any program within a strategy be less than the amount to be allocated by the sales tax, or should any project become infeasible for any reason, funds will first be reprogrammed to other programs or projects in the same strategy area with a two-thirds vote at a noticed public hearing** [emphasis added] ...

¹ Compare to the Bay Area County Traffic and Transportation Funding Act of 1986, requiring that any County Transportation Expenditure Plan address *nine* specific items, including a “list of essential and transportation projects in the order of priority within the county . . . and their respective sponsoring agencies . . .” (Cal.Pub.Util.Code § 131051).

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Conclusion

The Measure A Expenditure Plan actually requires that the TAM Board reprogram the surplus financing funds (the \$2.35 million allocated annually, since 2006) into other programs or projects within the same strategies they were originally allocated to benefit (either Strategy#2 and/or Strategy #3).

Respectfully submitted,



Brian Case
Deputy County Counsel
Attorney(s) for Transportation Authority of Marin

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Measure A Local Roads Distribution		
	50% Pop. / 50% Lane Miles	Available for Allocation
Belvedere	0.98%	\$26,479
Corte Madera	3.57%	\$96,469
Fairfax	2.81%	\$75,908
Larkspur	3.92%	\$105,874
Mill Valley	5.65%	\$152,573
Novato	18.10%	\$488,823
Ross	1.02%	\$27,568
San Anselmo	4.43%	\$119,701
San Rafael	19.53%	\$527,377
Sausalito	2.68%	\$72,283
Tiburon	3.42%	\$92,435
County	33.87%	\$914,507
Total	100.00%	\$2,700,000

Measure A Local Roads Distribution		
	50% Pop. / 50% Lane Miles	Available for Allocation
Belvedere	0.98%	\$73,553
Corte Madera	3.57%	\$267,971
Fairfax	2.81%	\$210,855
Larkspur	3.92%	\$294,095
Mill Valley	5.65%	\$423,813
Novato	18.10%	\$1,357,843
Ross	1.02%	\$76,579
San Anselmo	4.43%	\$332,504
San Rafael	19.53%	\$1,464,937
Sausalito	2.68%	\$200,787
Tiburon	3.42%	\$256,764
County	33.87%	\$2,540,298
Total	100.00%	\$7,500,000

Measure A Major Roads Distribution		
North Planning Area	19.90%	\$537,300
Central Planning Area	25.40%	\$685,800
South Planning Area	20.00%	\$540,000
Ross Valley Planning Area	21.60%	\$583,200
West Planning Area	13.10%	\$353,700
Total	100.00%	\$2,700,000

Measure A Major Roads Distribution		
North Planning Area	19.90%	\$1,492,500
Central Planning Area	25.40%	\$1,905,000
South Planning Area	20.00%	\$1,500,000
Ross Valley Planning Area	21.60%	\$1,620,000
West Planning Area	13.10%	\$982,500
Total	100.00%	\$7,500,000

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Major Roads Projects and Ranking

Planning Area	Lead Agency	Name of Roadway	Endpoints	Ranking
Northern Marin	Novato	Novato Blvd.	Diablo Ave. - San Marin Dr.	1
	Novato	San Marin Dr.	Novato Blvd. - US 101	2
	Marin County	Novato Blvd.	San Marin Dr. - Pt. Reyes/Petaluma	3
	Novato	South Novato Blvd.	US 101 - De Long Ave/Diablo Blvd	3
	Marin County	Atherton Ave.	US 101 - SR 37	5
Central Marin	San Rafael	4th Street	Red Hill Ave. - Grand Ave.	1
	San Rafael	3rd Street	2nd Street - Grand Ave.	2
	Marin County	Las Gallinas/Los Ranchitos/Lincoln	Lucas Valley Rd. - 2nd Street	3
	San Rafael	Pt. San Pedro Rd.	3rd St/ Grand Ave - Biscayne Dr/ City Limit	4
	San Rafael	Andersen Dr.	A Street - Sir Francis Drake Blvd.	4
	San Rafael	2nd Street	4th Street - Grand Ave	6
	Marin County	N San Pedro Rd.	Los Ranchitos -Sunny Oaks Dr.	6
	San Rafael	D Street	5th Ave - City Limit	8
	Marin County	Las Gallinas Ave.	Lucas Valley Rd. - US 101	9
Southern Marin	Mill Valley	Miller Ave.	Camino Alto - Throckmorton Ave.	1
	Mill Valley	E. Blithedale Ave.	Sunnyside Ave. - Tiburon Blvd.	2
	Marin County	Paradise Dr.	Tamalpais Dr. - Trestle Glen Blvd.	3
	Marin County	Almonte Blvd./ Miller Ave.	Shoreline Hwy - Camino Alto	3
	Tiburon	Paradise Dr.	Trestle Glen Blvd. - Tiburon Blvd.	5
	Sausalito	Bridgeway/ 2nd St/ S. Alexander Ave.	US 101 - Ft. Baker Rd.	6
Ross Valley	Marin County	Sir Francis Drake Blvd.	US 101 - Wolfe Grade	1
	Marin County	Sir Francis Drake Blvd.	Wolfe Grade - Ross Limit	1
	San Anselmo	Sir Francis Drake Blvd.	Bolinas Ave. - Butterfield Road	3
	Corte Madera	Tamaplais Dr.	Corte Madera Ave - Madera Blvd.	4
	Marin County	East Sir Francis Drake Blvd.	I-580 - US 101	5
	Corte Madera	Paradise Dr.	San Clemente - Tiburon Town limit	5
	Fairfax	Sir Francis Drake Blvd.	Butterfield Rd. - Co. Limit	7
	Ross	Sir Francis Drake Blvd.	Ross Limit - Bolinas Ave.	8
	Corte Madera	Tamal Vista Blvd. / Madera Blvd.	Fifer Ave. - Tamalpais Dr.	9
	Larkspur	Doherty Dr.	Magnolia Ave. - Riviera Cir.	10
	San Anselmo	Red Hill	SFD Blvd - San Rafael Limit	11
	Corte Madera	Lucky Dr.	Riviera Cir - SF Bay Trail	12
	Corte Madera	Fifer Ave.	Lucky Dr. - Nellen Ave.	12
	Larkspur	Magnolia/Corte Madera Ave/Camino Alto	College Ave - Corte Madera Limit	14
	Marin County	Wolf Grade	SRD Blvd - San Rafael Limit	15
Western Marin	Marin County	Sir Francis Drake Blvd.	Samuel P. Taylor - Platform Bridge	1
	Marin County	Sir Francis Drake Blvd.	Fairfax Limit - Samuel P. Taylor (Shafter Bridge)	2

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DATE: November 14, 2016

TO: Transportation Authority of Marin Finance and Policy Executive Committee

FROM: Dianne Steinhauser, Executive Director
Bill Whitney, Principal Project Delivery Manager

SUBJECT: Update the Bicycle and Pedestrian Path Inventory Eligibility List for use of the 1/2 cent Transportation Sales Tax Interest Funding (Action), Agenda Item No. 7b

RECOMMENDATION:

The Executive Committee recommends the Board update the bicycle and pedestrian path inventory eligibility list for use of the 1/2 cent Transportation Sales Tax Interest Funding. Future distribution of funds will be in accordance with existing policies adopted by the Board, retaining the essential partnership with local jurisdictions in which pathways lie by sharing maintenance on a 50/50 shared basis.

BACKGROUND:

The Board last considered a list of eligible paths on November 29, 2012. Since that time new paths have been placed in service and other paths have progressed to a stage that allows them to be considered for future eligibility under the TST Measure.

DISCUSSION/ANALYSIS:

The policy that was reaffirmed by the Board in 2012 is not being modified or changed. Staff is bringing forward a list of paths that reinforces the Boards previous commitments to participate in maintenance funding for existing regionally significant paths and a set of additional paths that either have been recently placed in service or are in the development stages.

The attached list is being presented for discussion by the Committee to better understand current and future commitments to participate in maintenance funding for bicycle and pedestrian paths.

FISCAL CONSIDERATION:

Inclusion of the additional paths will increase the commitment to fund routine path maintenance in accordance with established policies. It is estimated that between \$850,000-\$1,000,000 will be required over the remaining life of the measure. Given other unknown or unspecified paths may be potential candidates; it is recommended a \$1,000,000 commitment be considered for routine path maintenance.

NEXT STEPS:

Reach out to our member agencies to verify the completeness of the list and adjust, if necessary, prior to presentation to the Board

ATTACHMENTS:

1. Draft Path Eligibility List for use of ½ cent Transportation Sales Tax Interest Fund
2. Staff Report – November 29, 2012

DRAFT - ELIGIBILITY LIST FOR USE OF 1/2 CENT TRANSPORTATION SALES TAX INTEREST FUND						
	Path Name	Jurisdiction Maintaining Path	Length (Miles) Currently in Service	Length (Miles) Potentially Eligible	Status	Interest Fund - Maximum Eligible \$ Available for Distribution
Currently Approved TST Eligible Path						
1	Cal Park Hill Path	Marin County	1.06		Open FY10/11	\$ 45,000
2	MSN Path by the Park	Marin County	0.59		Open FY13/14	\$ 14,500
3	Puerto Suello Hill Path	San Rafael	1.29		Open FY10/11	\$ 40,000
4	Central Marin Ferry Connection Path	County/ Larkspur	0.27		Open FY15/16	\$ 7,500
		Total	3.21			\$ 107,000
Potential Regionally Significant Path that MAYBE TST Eligible						
						Estimate Cost
1	Manzanita Connector Path	Marin County		0.34	Open FY14/15	\$ 11,000
2	Terra Linda North San Rafael Path	San Rafael		0.5	Design ??	\$ 16,000
3	Puerto Suello Hill-Transit Center Path	San Rafael		0.18	Open FY15/16	\$ 7,000
4	Enfrente Road Path	Novato		0.78	Open FY11/12	\$ 26,000
		Total		1.8		\$ 60,000
Planned Regionally Significant Path that MAYBE TST Eligible						
1	North South Greenway - Northern Segment	Larkspur		0.45	Planned	\$ 16,000
2	North South Greenway - Southern Segment	Larkspur		0.55	Planned	\$ 18,000
3	RSRB (Francisco Blvd East)	San Rafael		1.14	Planned	\$ 38,000
4	Grand Avenue Bridge (Francisco Blvd East)	San Rafael		1.14	Planned	\$ 38,000
5	2nd to Andersen	San Rafael		1.02	Planned	\$ 33,000
		Sub-Total		4.30		\$ 143,000
		GRAND TOTAL		9.31		

DRAFT - ESTIMATE OF COST OVER THE LIFE OF THE MEASURE						
	TST Annual Allocation	% Path Length of Total	% Applied to VRF Assuming \$112,000	TST Adjusted for VRF	Assumed # of Years in Service during Life of TST	Total Project Cost over the Life of TST
EXISTING ALLOCATIONS	\$ 107,000	34%	\$ 38,617	\$ 68,383	8	\$ 547,067.67
POTENTIAL ALLOCATION	\$ 60,000	19%	\$ 21,654	\$ 38,346	8	\$ 306,766.92
PLANNED POTENTIAL ALLOCATION	\$ 143,000	46%	\$ 51,729	\$ 91,271	6	\$ 547,624.06

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November 29, 2012

TO: Transportation Authority of Marin Board of Commissioners

FROM: Dianne Steinhauser, Executive Director

THROUGH: David Chan, Manager of Programming and Legislation
Bill Whitney, Principle Project Delivery Manager

RE: Bicycle and Pedestrian Pathway Routine Maintenance Policy to Use 1/2 cent
Transportation Sales Tax Interest Funding and Vehicle Registration Fee Funding
(Action), Agenda Item 5d

Dear Commissioners:

Executive Summary

This item has previously been discussed by the Commissioners at the October Board Meeting and again at the November 15th Executive Committee meeting. The discussions mainly focused on two areas of the proposed policy and associated distribution of funds, 1) what is the definition of items covered by the routine maintenance policy and 2) what are the actual costs associated with maintaining our newly created multi-use paths.

During the development of the routine maintenance policy TAM prepared a report in 2007 that assessed the inventory of planned and funded multi-use paths and developed an estimate of projected costs of annual maintenance. The estimated costs were developed based on the following Board approved activities associated with routine annual maintenance:

- trash collection
- weeding
- trimming of brush and shrubs
- debris removal of leaves
- sweeping
- graffiti removal
- visual inspections

The report also covered “as needed” or major maintenance items such as filling minor potholes, shoulder repair, replacing damaged signs, re-striping and minor repair of amenities such as benches or drinking fountains. The report concluded the average annual cost per mile to be approximately \$12,000. It should be noted that security and overall public safety was considered to be generally self-enforcing and the costs associated with security were not included. The report also did not assume costs for path lighting or landscape irrigation and associated utility costs.

The Commissioners questioned the proposed funding distribution amount and whether it accurately reflects the actual costs for a jurisdiction to maintain the path. The Commissioners requested TAM staff establish a list of routine maintenance items and that these items are to be tracked by agencies receiving funding to develop a data base of actual costs over time. The Commission expressed concern that high cost pathways would be hard to sustain over time.

A list of recommended routine maintenance items and major maintenance items was discussed at the November 15th Executive Committee meeting. Commissioners requested the list be re-prioritized to place more of an emphasis on the ride-ability and walk-ability of the path as well as consideration of other eligible maintenance items. The attached list has been revised and broken down into three categories, 1) "adopted routine maintenance items", reflecting current TAM board policy, 2) additional routine maintenance items for consideration" and 3) "as-needed or major maintenance items". Collectively all three categories can be used to track maintenance costs. At this time only category one is eligible for funding. Revisions to the list of eligible maintenance items can be considered after actual cost data is available and reported to the Board. Staff acknowledges the list may not be a comprehensive list of all activities that may be required to fully operate and maintain a path but given the limited availability of funds the proposed list encompasses the majority of the required routine maintenance activities.

Based on this direction staff is recommending the Board postpone distribution of vehicle registration fee funding at this time and ask the eligible member agencies to closely track and document their actual costs for the remainder of this fiscal year (6-7 months). At the conclusion of the analysis period staff will bring back this information and recommend distribution of Vehicle Registration Fee funding to cover the period from July 1st to June 30, 2012, as well as revisit the disposition of the transportation sales tax funds. Note the two fund sources must be coordinated in their distribution. It should be noted staff is still recommending the distribution of the transportation sales tax interest funds to the City of San Rafael and the County of Marin as shown on Attachment 1. TAM must honor its commitment to the City of San Rafael to fund maintenance activities of the Puerto Suello Hill Pathway. This agreement may need to be re-evaluated as actual costs are known and prior to the distribution of Vehicle Registration Fee funds. Staff is recommending distribution of the interest funds to the County of Marin to maintain the Cal Park Tunnel Pathway based on the County's initial assessment of estimated costs to provide routine maintenance as shown on the adopted list of maintenance items.

Transportation Sales Tax interest funding

In an effort to support our member agencies in improving and maintaining our non-motorized infrastructure of bicycle and pedestrian pathways the TAM Board has developed a policy to utilize 1/2 cent Transportation Sales Tax interest funds for routine maintenance of our major pathways. This policy was initially developed for the Highway 101 Puerto Suello Hill Class 1 pathway, and was expanded to other Class 1 facilities after a detailed pathway inventory completed by TAM in October 2007. The policy focuses the limited amount of available funds on facilities designated by the Board as regional connectors. Paths specifically cited by the Board for this status include the Cal Park Hill Multi-Use Path, the Puerto Suello Hill Path, Central Marin Ferry Connector and the Marin-Sonoma Narrows path near Olompali State Park.

The Board further required that specific application of the policy, as detailed below, will be considered on a case-by-case basis as these projects are ready for implementation and that due to limited available interest funds annual expenditures for path maintenance would not exceed \$75,000 of available annual interest revenue. Currently only the Puerto Suello and the Cal Park Hill paths are open for public use, and meet the condition of regional connector facilities. The Board previously entered into an agreement with the City of San Rafael to provide 50% of the

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estimated annual maintenance cost for the Puerto Suello path in the amount of \$40,000, with another \$40,000 contributed by San Rafael. Staff is now recommending the remaining \$35,000 be directed to the Cal Park Hill Pathway. Funds will be made available effective on the opening date of the facility.

The County of Marin had originally agreed to provide routine maintenance activities for the Cal Park Hill Pathway up to the time that SMART extends passenger rail service to Larkspur which was previously scheduled for 2014. After rail service is initiated, which may not be for 10 years, SMART will assume full control of its right-of-way including path maintenance. As the county-wide pathway maintenance funding program was being developed it had been assumed that the 1/2 cent Transportation Sales Tax interest funds would be applied only until 2014 when SMART was to take over the facility. After 2014, it was originally believed that funds would be re-directed to other paths as they come online such as the Marin Sonoma Narrows path and the Central Marin Ferry Connector. Now that the Cal Park tunnel will need to be funded for a longer period, the Board will be asked to address the need to assign funds over each additional candidate at a future Board meeting as these future projects come online and TAM collects data of actual costs to maintain the facilities.

Vehicle Registration Fee funding

In November 2010, Marin residents approved the Measure B \$10 Vehicle Registration which increased the annual Vehicle Registration Fee by \$10 to help fund transportation improvements. A Strategic Plan was later approved by the Board that allowed the voter approved Expenditure Plan and provided the framework of how the funds will be distributed to each of the elements, as well as the oversight process. The Vehicle Registration Fee Strategic Plan serves as the programming document for the programs and projects that are contained in the three elements defined in the Expenditure Plan. The Expenditure Plan designated 5% of available funds be distributed for routine maintenance of Class I bicycle and pedestrian pathways which is estimated to provide \$100,000 annually for county-wide path maintenance. The actual amount of the Vehicle Registration Fee funding will vary slightly.

The distribution of funds is to be based on a publicly available, published inventory list adopted by TAM of pathways opened for public use after January 1, 2008. The eligibility list also includes future funded facilities being developed that are in the planning phase and not yet opened for public use. This inventory list will be updated whenever a newly eligible facility is opened for public use. All jurisdictions must have adopted a Complete Streets Policy to be eligible for Vehicle Registration Fee funds.

Distribution of Vehicle Registration Fee funding shall be in accordance with eligibility requirements and the distribution formula defined in the Strategic Plan. The distribution formula is based on the proportional length of each path to the total length of all eligible paths open for public use. A jurisdiction must submit an allocation request form for funding and enter into a funding agreement with TAM.

There are a number of paths eligible for funding under the Vehicle Registration Fee. Staff will work with local jurisdictions to confirm funds are available, receive their allocation requests, and approve funding agreements.

Note that Vehicle Registration Fee funds are described as available annually. Funds will be distributed in their entirety to all paths that qualify on July 1 of each year. Paths qualifying mid-year will need to wait until the beginning of the next Fiscal Year to be considered for funding. There is not a match requirement as is the policy for Transportation Sales Tax Interest funds.

Eligible pathways are shown on the attached list along with the level of funds anticipated for this current fiscal year.

At the October 8, 2012 Executive Committee Meeting Board members questioned staff as to the actual cost to maintain the newly created paths, in particular those eligible for Transportation Sales Tax interest funds, what cost levels were and whether costs were sustainable over time. Staff has now had discussions with both the City of San Rafael and County Parks Department staff regarding the scope and cost to maintain these paths. Both agencies noted that maintenance cost vary from year to year depending on a number of factors such as the unpredictability of vandalism, or the need to replace landscaping. The City of San Rafael noted their costs are currently higher than what they anticipated because the facility was just placed in service and that they needed to get the “bugs” worked out. They do expect cost to come down as the path becomes part of the routine maintenance program for their staff. They also noted they are in the process of developing a database system that will allow them to more accurately track costs in the future. County Park staff provided a breakdown of actual costs that included staff and equipment cost, utilities, security camera costs as well as the cost to open and close the tunnel gates daily. Both agencies expect their cost to exceed the allocation from the transportation sales tax and Vehicle Registration Fee in accordance with the policies at this time.

November 15th Executive Committee Direction

The Executive Committee recommended the list of routine and major maintenance items be re-prioritized to place more of an emphasis on the ride-ability and walk-ability of the path as well as consideration of other eligible maintenance items and that the recipients track all maintenance activities and associated costs for review and discussion at a future meeting. A recommendation of eligible maintenance items and the allocation of the Vehicle Registration Fee will be made at that time

Recommendation

The Board (1) approve the attached “Class 1 Bicycle and Pedestrian Pathway Maintenance Funding Plan” consistent with previous policy ; (2) direct staff to collect information from eligible recipients on the attached list of maintenance items; (3) allocate 1/2 cent Transportation Sales Tax Interest Funds based on current eligible Routine Maintenance activities and costs, as shown, with the understanding that as other eligible pathways are open to the public these funds may be redirected; and (4) authorize the Executive Director to enter into agreements per the adopted policies.

BACKGROUND

TAM collects the 1/2 cent Transportation Sales Tax to fund projects identified in the four strategies of the Expenditure Plan. Interest revenues are earned from the funds invested with the Marin County Investment Pool. According to the 1/2 cent Transportation Sales Tax Strategic Plan, interest earnings on the fund balance will be allocated as determined by the TAM Board that are above and beyond the four established strategies. Interest funds must be allocated to projects or programs consistent with the Expenditure Plan for the tax.

TAM had previously allocated a specific amount of interest revenue, \$225,000, to the Highway 101 Gap Closure project to close a funding gap in the project in order for the project to proceed to construction. The TAM Board also determined that routine maintenance of the primary north-south non-motorized transportation network path system, known in part as the North-South

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Greenway, will also be eligible for interest revenue. This policy was confirmed in February 2008, after a detailed inventory completed by TAM in October 2007. The 1/2 cent Transportation Sales Tax Strategic Plan does not assign interest revenue- the TAM board under the recommendation of County Counsel determined path maintenance an eligible activity. Staff has examined options on how to distribute the sales tax interest revenues effectively and equitably, particularly since there are insufficient revenues to completely fund all pathways in Marin County. The TAM Board has provided some direction previously. Below is the history of prior TAM Board actions that have been accounted for in formulating a policy that ideally needs to become effective immediately since several new pathways have been opened for public use recently and funds are needed for on-going maintenance, such as the Cal Park Hill Tunnel.

In addition to crafting a policy for the 1/2 cent Transportation Sales Tax interest revenues for pathway maintenance, a policy for the Vehicle Registration Fee Element 1.2 funds is also being recommended at the same time. Element 1.2 of the Vehicle Registration Fee allows 5% of the annually collected \$10 fee funds to be used for maintenance of Class I bicycle and pedestrian pathways, including new facilities. Distribution of Vehicle Registration Fee funds will occur first, with remaining costs then eligible for a 50/50 share. See further discussion on Vehicle Registration Fee below.

USE OF TRANSPORTATION SALES TAX 1/2 CENT TRANSPORTATION SALES TAX INTEREST FUNDING

June 22, 2006

Prior to agreeing to begin construction of the Puerto Suello Hill pathway as part of the Highway 101 Gap Closure project, Caltrans demanded an agreement by TAM on the locals maintaining the path. Simultaneously, there were a number of comments made during the Public Hearing for the Draft 2006 Measure A 1/2 cent Transportation Sales Tax Strategic Plan asking that path maintenance be addressed. At that time, staff proposed a number of policy elements for the TAM Board to consider regarding routine bicycle/pedestrian maintenance. After discussion and further consideration the Board adopted the following policy: the TAM Board reserves 1/2 cent Transportation Sales Tax interest income, to be allocated annually by the Board for routine bicycle/pedestrian routine path maintenance of the facilities collectively known as the North-South Greenway. This funding shall be provided in an amount of up to 50% of the cost of routine maintenance, on a reimbursable basis, to local jurisdictions in which the path segment lies. Priority shall be given to path segments constructed wholly or in part with 1/2 cent Transportation Sales Tax funds.

February 28, 2008

The TAM Board requested an inventory of existing and future pathways in June 2006 when adopting initial policy on pathway maintenance. That inventory was completed in October 2007, and provided the basis for considering further policy options. In February 2008, The TAM Executive Committee suggested that the funding of maintenance be confined to paths in the "planned and funded" category of the completed inventory, in particular those that are significant as "regional connector pathways." In reviewing the inventory, the Executive Committee specifically mentioned the Puerto Suello Hill and Cal Park Hill Tunnel paths to be included along with the Central Marin Ferry Connector Project.

Further discussion on the issue narrowed consideration of TAM's role in applying available 1/2 cent Transportation Sales Tax interest funds to the following parameters. This policy was adopted by the TAM board in February 2008:

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- Only routine maintenance shall be considered for use of these funds.
- Path elements in the "Planned-and-Funded" category shall be considered in contrast to paths that are already funded and maintained or those planned but unfunded at this time.
- Only paths designated by the Board as "Regional Connectors" shall be considered for application of this policy
- Funds will be made available on a reimbursement basis for up to 50% of maintenance costs. (Because many projects may be owned and/or maintained by multiple jurisdictions, funding may vary. But the intent of this parameter is that the share financed by 1/2 cent Transportation Sales Tax interest would never exceed 50%).
- Eligible paths must complete construction after January 1, 2008.
- Interest funding applies only to those paths whose maintenance responsibility lies with Marin County or with one of the eleven cities or towns within the county.

The Board further required that specific application of the policy will be considered on a case-by-case basis as these projects are ready for implementation and that due to limited available interest funds annual expenditures for path maintenance would not exceed \$75,000 of available annual interest revenue.

Staff will present the status of individual path segments at this time.

May 27, 2010

After an initial commitment in June 2006, Caltrans, the City of San Rafael, and TAM, reached an agreement in May 2010 that defined the roles and responsibilities of each agency related to maintenance of the Puerto Suello Hill Multi-Use Path constructed as part of the Highway 101 Gap Closure project. The agreement defined major maintenance activities as well as routine maintenance activities where the City of San Rafael and TAM agreed to share routine maintenance costs on a 50/50 basis. The TAM Board agreed to provide \$40,000 annually as TAM's 50% share of the costs of routine maintenance, based on an estimate of costs. The source of the participating TAM funds was identified as 1/2 cent Transportation Sales Tax interest funds.

Funds totaling \$40,000 annually will continue to be allocated to the City of San Rafael.

July 22, 2010

In an effort to advance the development of the Marin-Sonoma Narrows project TAM staff worked with Caltrans and the County of Marin over the ownership and maintenance of a new Class 1 path facility that is part of the MSN Corridor. The County of Marin expressed a willingness to take over the facility provided that TAM authorized the inclusion of the Class 1 facility in the 1/2 cent Transportation Sales Tax funded bicycle/pedestrian path inventory, and authorized funds to be available in the future on a 50/50 shared expense basis, for maintenance of the path. The Board agreed to amend the 1/2 cent Transportation Sales Tax Interest Funded Inventory to include the MSN Class 1 path facility in the County of Marin and authorized an allocation of funds totaling approximately \$14,500 annually for TAM's 50% share.

Subsequent to the July 22, 2010 action by the Board, the MSN Class 1 pathway has been redesigned to reduce the length from 2.08 miles to 0.59 miles. As a result the cost of maintenance has been reduced to an estimated \$7,500 annually also reducing future 1/2 cent Transportation Sales Tax Interest contributions.

Funding will be incorporated in the distribution and eligibility list once the facility is opened for public use in the future, likely 2015.

Cal Park Hill Multi-Use Pathway

The Cal Park Hill Multi-Use Pathway is currently operated and maintained by the County of Marin. As detailed in the maintenance agreement between the County and SMART the County agreed to maintain the facility up to the time when SMART begins passenger rail service. Once rail service begins SMART agreed to assume full control of the right-of-way and accept maintenance of the pathway which lies solely with their right-of-way. At the time the agreement was executed SMART rail service was expected to begin service in 2014. As the county-wide pathway maintenance funding program was being developed it had been assumed 1/2 cent Transportation Sales Tax interest funds would be applied only until 2014 when SMART took over the facility. Funds would be re-directed after 2014 to other paths as they come online such as the Marin Sonoma Narrows path and the Central Marin Ferry Connector.

An allocation up to 50% of annual routine maintenance costs is recommended to be made to the County of Marin with funds allocated annually at the beginning of the fiscal year on July 1st. The transportation sales tax funds are limited to a cap of \$35,000 as the overall available funds are \$75,000 per year, with \$40,000 dedicated to the City of San Rafael. The \$35,000 annual limit can be applied back to the date of opening of the facility.

When additional paths come online, such as the Central Marin Ferry Connection, the TAM Board will revisit how to distribute the 1/2 cent Transportation Sales Tax interest funds.

USE OF VEHICLE REGISTRATION FEE FUNDING (STRATEGIC PLAN ELEMENT 1.2)

In November 2010, Marin residents voted to pass the transportation related Vehicle Registration Fee which increased the annual Vehicle Registration Fee by \$10 to help fund transportation improvements. At the July 28, 2011 meeting the Board approved a Strategic Plan that provided the framework of how the funds will be distributed to each of the elements, as well as the oversight process. The Vehicle Registration Fee Strategic Plan serves as the programming document for the programs and projects that are contained in the three elements defined in the Expenditure Plan. The Expenditure Plan designated 5% of available funds be distributed to Element 1.2 "Class I Bicycle/Pedestrian Pathways" which is estimated to provide \$100,000 annually for path maintenance, to be distributed on a pro-rata share based on pathway miles of Class 1 pathway constructed after 1/01/08. .

Element 1.2 funds will be made available annually to local agencies and jurisdictions in Marin County exclusively for the routine maintenance of Class I multi-use bicycle and pedestrian pathways. The distribution of funds will be based on a publicly available, published inventory list adopted by TAM of pathways opened for public use after January 1, 2008. The eligibility list also includes future funded facilities being developed that are in the planning phase and not yet opened for public use. This inventory list will be updated whenever a new eligible facility is opened for public use with formula adjustments made annually on July 1st. All jurisdictions must have adopted a Complete Streets Policy to be eligible for Vehicle Registration Fee funds.

Vehicle Registration Fee funds will be applied first to the total costs of the maintenance of the pathways. The remaining costs will be subject to TAM's 1/2 cent Transportation Sales Tax Pathway Maintenance Policy, should the pathway be eligible for 1/2 cent Transportation Sales Tax interest funds. That policy requires a 50% contribution from local agencies as a condition for the sales tax interest funds. Sponsors will need to provide evidence of expenditures for the first year of path maintenance, for reimbursement under the Transportation Sales Tax funding policy.

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Reimbursement shall not exceed the 50% of actual costs of path maintenance. Recipients will be required to certify annual expenditures for future audit purposes.

There are a number of paths eligible for funding under the Vehicle Registration Fee. Staff will work with local jurisdictions to confirm funds are available, receive their allocation requests, and approve funding agreements.

Note that Vehicle Registration Fee funds are described as available annually. Funds will be distributed in their entirety to all paths that qualify. Paths qualifying mid-year will need to wait until the beginning of the Fiscal Year to be considered for funding. There is not a match requirement as is the policy for Transportation Sales Tax Interest funds. Eligible pathways are shown on the attached list along with the level of funds anticipated for this current fiscal year.

Distribution of Funds

Distribution of Vehicle Registration Fee funding shall be in accordance with eligibility requirements and distribution formula defined in the Strategic Plan. The distribution formula is based on proportional length of each path to the total length of all eligible paths open for public use. A jurisdiction must submit an allocation request form for funding and enter into funding agreement with TAM.

Approval of the attached 1/2 cent Transportation Sales Tax and Vehicle Registration Fee project lists would allow sponsors of the listed paths to request funds from TAM. If a pathway meets the conditions as required by either the 1/2 cent Transportation Sales Tax or Vehicle Registration Fee funds, a funding agreement will be issued to the respective sponsor to proceed with the maintenance effort.

Recommendation

The Board (1) approve the attached "Class 1 Bicycle and Pedestrian Pathway Maintenance Funding Plan" consistent with previous policy ; (2) direct staff to collect information from eligible recipients on the attached list of maintenance items; (3) allocate 1/2 cent Transportation Sales Tax Interest Funds based on current eligible Routine Maintenance activities and costs, as shown, with the understanding that as other eligible pathways are open to the public these funds may be redirected; and (4) authorize the Executive Director to enter into agreements per the adopted policies.

Attachment: 1. "Class 1 Bicycle and Pedestrian Pathway Maintenance Funding Plan"
2. "Proposed Maintenance Items for Tracking"



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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DATE: November 14, 2016

TO: Transportation Authority of Marin Finance and Policy Executive Committee

FROM: Dianne Steinhauser, Executive Director
Nicholas Nguyen, Principal Project Delivery Manager

SUBJECT: Lease of Staff Electric Vehicle and Installation of Charging Station in TAM Parking Lot (Action), Agenda Item No. 8

RECOMMENDATION:

Move to recommend the lease of a staff electric vehicle and installation of a charging station at the 900 Fifth Avenue TAM Parking Lot to the full Board for acceptance.

BACKGROUND AND PAST ACTIONS:

In 2010, Marin voters approved Measure B, Vehicle Registration Fee, which increased the annual vehicle registration fee by \$10 to help fund transportation improvements. Element 3 of the Measure B Strategic Plan included a variety of activities to support the development of alternative fuel infrastructure and alternative fuel vehicle promotion programs. TAM's alternative fuel promotion program is fully committed to:

- Coordinate within Marin interests on Electric Vehicle activities, particularly infrastructure implementation and support of EV fleet conversion;
- Continue to convene TAM's EV Advisory Working Group, and maintain TAM's active participation with the EV Coordinating Council, a collaborative effort of regional agencies, municipalities, EV advocates, and industry representatives;
- Seek and support alternative fuel technologies that will efficiently reduce greenhouse gas emissions.

DISCUSSION/ANALYSIS:

Since 2010 TAM has created and funded a host of programs to promote alternative fuels to reduce greenhouse gas (GHG) emissions from Marin County skies. These programs include the following:

1. Public Agency EV Fleet Incentive
2. EV Public Charging Infrastructure
3. SMART Station EV Charging Infrastructure
4. Electric Bus Pilot Program
5. EV Outreach and Education
6. Alternative Fuel Research

The Public Agency EV Fleet Incentive rebate, EV Public Charging Infrastructure rebate and EV Outreach effort have been the collective cornerstone of the TAM's alternative fuel promotion programs. What better way to promote these programs than to participate in them and provide first-hand knowledge of the benefits of EV use and incentive programs.

To that end, staff is proposing the lease of one battery electric vehicle as a staff vehicle to not only offset current transportation needs for TAM business (which are hundreds of reimbursed miles per month), but to also directly promote alternative fuel vehicle adoption in Marin County. The vehicle would be either a Chevrolet Spark EV or Ford Focus EV. An EV charging station would also be installed at TAM's office parking lot located at 900 Fifth Avenue in San Rafael.

Annual Estimated Costs

1. Vehicle Cost (lease amount of \$175per month maximum)	\$2,100
2. Auto Insurance	\$3,600
3. Vehicle Maintenance	\$400
4. Charger Installation (1 st year only)	<u>\$6,000</u>
TOTAL 1 st Year:	\$12,100 (2 nd Year: \$6,100)

A considerable amount of these costs would be offset by state grant opportunities that are pending re-authorization, as well as the private sector:

1. Clean Vehicle Rebate Program for EV Lease or Purchase	\$2,500 per vehicle
2. Bay Area Air Quality Management District Charger Rebate	\$3,000 per charger
3. NRG Make-Ready Credit	<u>\$3,000</u> per charger
TOTAL Possible Rebates:	\$8,500

Remaining costs would be covered by Measure B – Element 3.3 account funds, specifically earmarked for electric vehicle and charging station promotion in this year's alternative fuel promotion program. Staff intends to cap the costs as described above.

FISCAL CONSIDERATION:

The cost of this recommended action is \$12,100 for the first year and \$6,100 for the second and third year of the EV lease. If all possible rebates are awarded, first year cost can be as low as \$3,600. Also, depending on vehicle manufacturer and dealer discounts, monthly lease cost may be even lower than projected.

NEXT STEPS:

Staff has already started a dialogue with the Landlord of TAM's office parking lot to convert one of the parking spaces to an EV space, as well as the effort necessary to install a charging port.

Staff will research, negotiate, and wait for the best available vehicle lease opportunity and auto insurance plan. Only then will staff procure the EV.