



**TRANSPORTATION AUTHORITY OF MARIN
BOARD OF COMMISSIONERS MEETING**

DECEMBER 1, 2016

7:00 P.M.

**MARIN COUNTY CIVIC CENTER, ROOM 330
3501 Civic Center Drive, San Rafael, California**

900 Fifth Avenue
Suite 100
San Rafael
California 94901

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www.tam.ca.gov

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

Please join the TAM Board and staff in a reception to honor outgoing Commissioner Steve Kinsey. The reception will be held outside the Board of Supervisors Chambers 6:00 – 7:00 p.m.

AGENDA

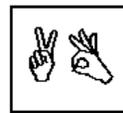
Convene In Open Session

Adjourn to Closed Session

- 1) PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Executive Director
California Government Code section 54957(b)(1)

Reconvene in Open Session

- 2) Chair’s Report (Discussion)
- 3) Commissioner Matters not on the Agenda (Discussion)
- 4) Executive Director’s Report (Discussion)
 - a. Richmond-San Rafael Bridge Third Lane & Multi-Use Path Report
 - b. Draft Survey Results – Strategic Vision Plan Outreach
- 5) Commissioner Reports (Discussion)
 - a. MTC Report - Commissioner Kinsey
 - b. Marin Transit Report – Commissioner Sears
 - c. SMART – Vice-Chair Arnold



Late agenda material can be inspected in TAM’s office between the hours of 8:00 a.m. and 5:00 p.m.
The TAM Office 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, 415-226-0820 or email: dmerleno@tam.ca.gov **no later than 5 days** before the meeting date.

The Marin County Civic Center is served by several bus lines including Marin Transit Routes 45, 45K, 49, 233, and 259. Route 45 provides service to the Civic Center Hall of Justice Arch until 8:43 PM. In the evening, Golden Gate Transit provides service until 11:24 PM with routes 70 and 80 along Highway 101 from the San Pedro Road bus pads, which are about a half mile away. To access the San Pedro bus pad NB, walk south down San Pedro Rd and take the footpath to the NB 101 onramp where the bus stop is located. To access the SB pad, walk down San Pedro Rd and under the freeway, turn right on Merrydale and then take the footpath near the SB onramp to the bus pad. For arrival and departure times, call 511 or visit www.marintransit.org, or www.goldengate.com

- 6) 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.)
- 7) CONSENT CALENDAR (Action) – **Attachment**
 - a. Approval of TAM Draft Meeting Minutes of October 27, 2016
 - b. Final Draft Report of the Bike/Ped Access Improvement Study at the East Blithedale/Tiburon Boulevard & Highway 101 Interchange and Allocate \$35,000 for a Traffic Relief Study
 - c. Consideration of Compensation Increase for Executive Director and Adoption of Goals
 - d. Lease of Staff Electric Vehicle and Installation of Charging Station in TAM Parking Lot
 - e. North-South Greenway Gap Closure Project – Approve RM2 Funding Request and Authority to Distribute to SMART for Right-of-Way Impacts
 - f. Approve Extension on State Legislative Contract
 - g. Extension of Program/Project Management and Oversight Services Contract
 - h. Extension of TAM's On-Call Modeling Services Contract with Kittleson & Associates
 - i. Review and Acceptance of FY2015-16 Draft Financial Statements and Single Audit Report
- 8) Caltrans Report (Discussion) – Dan McElhinney, Caltrans District 4 Chief Deputy District Director
- 9) Pursue State Legislation for Exemption on the 2% Sales Tax Rate in Marin County (Action) – **Attachment**
- 10) Tam Junction Project – Award of Construction Contract (Action) - **Attachment**
- 11) Summary of Programming Measure A Debt Reserve, Interest and Reserve Funds- **Attachment**
 - a. Program Measure A Debt Reserve Funds (Action) - **Attachment**
 - b. Sales Tax Interest for Multi-Use Path Maintenance Eligibility List (Action)- **Attachment**
 - c. Program and Allocate TAM Reserve to Marin Transit for cost overruns on the Redwood/Grant Bus Facility in Novato (Action) - **Attachment**
- 12) Transportation Demand Management Update, Lyft Partnership Pilot Program (Action) - **Attachment**

MEETING OF THE
TRANSPORTATION AUTHORITY OF MARIN
TAM

OCTOBER 27, 2016
7:00 PM

MARIN COUNTY CIVIC CENTER, ROOM 330
3501 CIVIC CENTER DRIVE
SAN RAFAEL, CALIFORNIA



MEETING MINUTES

Members Present: Stephanie Moulton-Peters, City of Mill Valley, TAM Chair
Judy Arnold, Marin County Board of Supervisors, TAM Vice Chair
Damon Connolly, Marin County Board of Supervisors
Dan Hillmer, Larkspur City Council
Diane Furst, Corte Madera Town Council
Eric Lucan, Novato City Council
Ford Greene, San Anselmo Town Council
Gary Phillips, San Rafael City Council
James Campbell, Belvedere City Council
John Reed, Fairfax Town Council
Katie Rice, Marin County Board of Supervisors
Kathrin Sears, Marin County Board of Supervisors
P. Beach Kuhl, Ross Town Council
Steve Kinsey, Marin County Board of Supervisors

Members Absent: Thomas Theodores, Sausalito
Alice Fredericks, Tiburon Town Council

Staff Members Present: Dianne Steinhauser, Executive Director
Bill Whitney, Principal Project Delivery Manager
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

Chair Moulton-Peters called the meeting to order at 7:05 p.m.

1. Chair's Report (Discussion)

Chair Moulton-Peters commented on the potential renewal of the Measure A transportation sales tax increment, and indicated in December or January she will be forming a committee of volunteers from the Board to work in that area.

2. Commissioner Matters not on the Agenda (Discussion)

No comments made.

3. Executive Director's Report (Discussion)

Executive Director (ED) Dianne Steinhauser began with the swearing-in of Commissioner Ford Greene, Alternate from the Town of San Anselmo. She also noted that the Commissioners have at the dais a copy of a quarterly report from TAM, the “*Look-Ahead Report*” - to keep them updated on upcoming activities, actions and information from and about TAM and transportation issues, specifically for the next 3 months. She mentioned upcoming Board meeting dates for November and December, where project fact sheets will be provided to the Board, to be updated on a regular basis. She explained ongoing TAM monitoring efforts including origin and destination information being collected, progress on development of a Vision Plan for TAM including online surveys that were completed, noting receipt of approximately 3800 to date, initiation of discussion by MTC (Metropolitan Transportation Commission) of raising toll rates for the Bay Area Bridges (except the Golden Gate Bridge, which is handled separately), potential application, jointly, between TAM, Sonoma County transportation Authority, and MTC for a bike share grant, and a technical issue with NEPA (National Environmental Policy Act) renewal.

Chair Moulton-Peters noted that Commissioner Reed had wanted to make a comment under Commissioner Comments, so she was giving him the opportunity now.

Commissioner Reed commented on the deaths of three young men in a recent accident on Sir Francis Drake Boulevard near the Platform Bridge Road. He thought it would be good to place signage beginning at Platform Bridge Road, to make drivers aware that there are dangerous curves ahead. He expressed his condolences to the families.

a. Richmond – San Rafael Bridge Third Lane & Multi-use Path Report

ED Steinhauser noted that the bid process has been started for the third lane proposed for the Bridge, funded by the Bay Area Toll Authority, with bids to be opened November 1st. The other part of the project, the bike lane, will be handled separately; and is planned to be advertised before the end of the year.

There was no public comment on the Executive Director Report.

Chair Moulton-Peters also noted there seems to be some problem with the sound system, so she asked that Commissioners make an extra effort to speak into their microphones

4. Commissioner Reports (Discussion)

a. MTC Report

Commissioner Kinsey was optimistic about the Richmond Bridge Third Lane project because it is the only major project currently being advertised in the Bay Area right now, for the area between Monterey and the Sonoma County line. He commented on MTC efforts to secure the federal earmark repurposing funding for the San Rafael Transit Center, RM2 (Regional Measure 2) funds for the SMART extension to Larkspur and RM2 funding for the North South Greenway. He was appreciative of MTC staff being willing to meet with all parties involved in this group of related projects. He also reported on an upcoming joint meeting with ABAG (Association of Bay Area

Governments) regarding the potential staff consolidation with MTC, an upcoming workshop in November on the Draft Preferred Scenario for the next Regional Transportation Plan, and a later workshop scheduled for December 14 from noon-5:00 p.m. to begin discussions on Regional Measure 3, as well as the need to find creative funding sources for Bay Area transportation projects, given that the state and federal governments have not been forthcoming with their funds. He commented, as well, on MTC's posthumous recognition of Deb Hubsmith, through their annual Grand Award, as an individual who has done much for transportation.

b. Marin Transit Report

Commissioner Sears indicated she had no report.

c. SMART

Vice Chair Arnold reported on hiring of operations staff, train shunting, and discovery of a problem with the engine crankshaft, which the manufacturer has agreed to correct, but which will delay start of SMART service until the spring. She noted the SMART General Manager's report was at the dais, and she also commented on institution of quiet zones, which Marin has asked for at the beginning, but Sonoma has only belatedly requested.

5. Open Time for Public Expression

No comments made.

6. CONSENT CALENDAR (Action)

- a. Approval of TAM Draft Meeting Minutes of September 22, 2016
- b. Allocate Transportation Sales Tax (Measure A) for the Ferry "Wave Shuttle" Connector
- c. Allocate Transportation Sales Tax (Measure A) to Marin Transit for the Sir Francis Drake Rehabilitation Project in West Marin
- d. Cooperative Agreements Associated with the Construction of the MSN A2 and A3 Contracts, and Approval of \$167,000 in Payments Associated with Said Agreement and Amendments
- e. Award of the Information Technology Contact
- f. Revised Programming OBAG and Local Funds
- g. Acceptance of the FY2016-17 First Quarter Financial Report and Proposed Budget Amendments

Regarding Item 6f, ED Steinhauser noted that MTC had not agreed with the re-allocation of funds that TAM had approved at an earlier meeting. She asked that action on that item be postponed until a later date, after staff has time to talk further with MTC.

Commissioner Connolly moved to approve the Consent Calendar Items 6a-e and 6g. Commissioner Rice seconded the motion, which was unanimously approved.

7. Legislative Update (Discussion)

ED Steinhauser noted that consultant Gus Khouri would review last minute bill approvals as well as items being considered during the special session after the election.

Mr. Khouri pointed out that the remaining special session will go through November 30th and will be focused on transportation issues. Regarding the list of pending legislation attached to tonight's Board item, he indicated he

removed any bills that died during the process but left on any that are being reviewed by the governor. He reviewed the categories of funds being considered during the special session, as well as supporters for each, and funding strategies (cap-and-trade, sales tax, income tax, vehicle license fees). He also briefly touched on election issues.

Commissioner Greene asked about trade route corridor legislation vetoed by Governor Brown, especially given that so much of the damage to the major highways in the state is caused by commercial trucks, etc. Mr. Khouri discussed issues with proper apportionment of trade corridor infrastructure funding whereby the state received a certain percentage as did local agencies.

Commissioner Kinsey asked about the NEPA delegation to Caltrans, and Mr. Khouri noted it is included as a component in the Governor's plan and the Beall/Frasier plan, but he sees little movement on it as a stand-alone issue. He confirmed there could be opportunities to raise the issue during the special session via Senators McGuire and/or Levine. After further discussion, ED Steinhauser said she would look into it further and report back to the Board.

Commissioner Rice questioned whether another state, perhaps Nevada, passed a similar bill to raise funds as is proposed with the vehicle license fee. Mr. Khouri said he wasn't sure which state, but he discussed the pros and cons of the VLF funding and how it can be improved to reassure the voters of predictable revenue for transportation projects and programs.

Chair Moulton-Peters asked about AB1964 regarding electric vehicle access to HOV lanes, and Mr. Khouri confirmed that the provisions of this bill were incorporated into the Senate Budget Trailer Bill for transportation. He noted that SB 838 was enacted by the Governor, lifting the cap for plug-in hybrids to use the HOV Lanes.

ED Steinhauser also discussed the potential renewal of the sales tax measure before its expiration in 2024. She reviewed the difference between expansion and extension of the measure, ballot measures for the upcoming election in two weeks, evidence that the Bay Area has many unmet needs in transportation funding, and steps that need to be made to prepare for future action, including advocacy for legislation to raise the statewide sales tax cap in Marin.

ED Steinhauser explained unique aspects of Marin's transportation sales tax, noting that simply extending the measure will not free up much for additional projects/programs since approximately seventy-five percent of the tax is allocated to operations- Marin Transit, local streets and roads maintenance, and the Safe Routes to Schools program. Whereas, other counties have designated a certain percentage to go to capital projects and once those have been built, those funds are then viewed as another influx of revenue to build more capital projects when a sales tax is renewed. She noted that seven and a half percent of the current measure funds, approximately \$1.5 million/year, was designated for the now-completed Gap Closure project, and so those funds could be considered for reassignment.

Commissioner Phillips said he would not oppose raising of the cap if it is the will of this body. He added, however, that he is a bit concerned of a 10 percent "magic threshold" at which the public may begin to react as well as the possibility that other public agencies may be interested in taking advantage of a raise in the sales tax cap, which could affect the amount available for a transportation measure.

Commissioner Kinsey expressed appreciation for Commissioner Phillip's comments and that the City of San Rafael is, at least, open to the discussion; he thought it important to allow for the opportunity to discuss all the options in the future.

8. Allocate Transportation Sales Tax (Measure A) to Marin County for the Sir Francis Drake Rehabilitation Project in Ross Valley (Action)

ED Steinhauser introduced this item which recommended that the Board allocate \$550,000 in Transportation Sales Tax (Measure A) funds to Marin County for the Sir Francis Drake Rehabilitation Project from Highway 101 to the Ross Town limit to complete the environmental (ENV) and preliminary engineering (PE) phases. She indicated that the project under consideration is an important one – to continue work on Sir Francis Drake project from Highway 101 to the Ross town limits. She introduced Principal Transportation Planner Dan Dawson from the County of Marin Public Works, who presented the staff report.

Mr. Dawson discussed the importance of Sir Francis Drake and its well-known congestion issues. He also reviewed public outreach (workshops, open house, walking tours), the makeup and work of a technical advisory committee, a community advisory committee, a summary of issues in the corridor, project goals, budget, recommended priorities, funding status including other potential fund sources, environmental review, and the anticipated project schedule.

Chair Moulton-Peters opened and closed public comment with no speakers coming forward.

Commissioner Rice expressed appreciation for the report and acknowledged the extensive public process thus far. She was also supportive of the proposed environmental review and indicated her willingness to move approval of the allocation request. She noted, however, that the chart showing the breakdown in project costs may not represent how the funding will ultimately be applied; the actual breakdown will depend on the results of the environmental review and action by the Board of Supervisors.

Commissioner Rice moved that the Board allocate \$550,000 in Transportation Sales Tax (Measure A) funds to Marin County for the Sir Francis Drake Rehabilitation Project from Highway 101 to the Ross Town limit to complete the environmental (ENV) and preliminary engineering (PE) phases. Vice-Chair Arnold seconded the motion.

Chair Moulton-Peters congratulated Mr. Dawson on the project application and the work to date. She also expressed appreciation for the chart showing the different phases of the project schedule.

Commissioner Kinsey asked whether the county considered including any conduit for fiber optic cabling to expand the county's network of broadband infrastructure. Mr. Dawson said not always, but in this case, they had included it, as well as provision for adaptive signal controls in the future. Commissioner Kinsey thought both were good for jurisdictions to consider whenever updating underground piping systems.

Commissioner Hillmer noted that the City of Larkspur appreciates the county's willingness to work with Larkspur staff in the process.

The motion for approval carried unanimously.

9. North-South Greenway Gap Closure Project – Approve RM2 Funding Request and Distribution to SMART for Right-of-Way Impacts (Action)

ED Steinhauser introduced the item by noting that the project is behind its schedule in terms of design, the environmental process, and funding needs. She commented on the potential use of the SMART (Sonoma Marin Area Rail Transit) right-of-way for the multi-use path, the work of Commissioner Kinsey (Metropolitan Transportation Commission [MTC] liaison) and Vice Chair Arnold (Chair of the SMART Board) in negotiations

and discussions about the project, and some of the issues involved. She indicated that Principal Project Delivery Manager Bill Whitney would present the staff report.

Mr. Whitney began the report which recommended that the TAM Board (1) approve a Resolution authorizing the Executive Director to submit a request to the Metropolitan Transportation Commission to allocate Regional Measure 2 toll bridge funds for environmental, design and preliminary right-of-way activities associated with the southern segment of the North-South Greenway Gap Closure Project; (2) approve a resolution authorizing the funds be directed to SMART to address right-of-way impacts including conditions of the allocation, and (3) authorize the Chair send a letter to MTC to acknowledge the potential the path may be removed should SMART extend passenger rail service south from the Larkspur Station.

Mr. Whitney acknowledged the work of Ernest Klock and R.J. Suokko of the Marin County Department of Public Works. He also reviewed partnering agencies involved (and the roles of each), funding request, explained an aerial view of the project area, project phasing, current status, map showing the jurisdictions involved, timeline of project milestones, flow chart showing the project process for the southern segment, next steps, and staff recommendations for tonight's action for the southern segment.

ED Steinhauser noted that the proposed resolution at each Commissioner seat was updated from what was included in the staff report.

Commissioner Lucan asked whether Item #4 in the proposed action, which authorizes the payment of \$850,000, would not be done without SMART's agreement to move forward. He was concerned that if the payment is made but the project is never built, TAM would not be able to get the money back. Mr. Whitney confirmed the payment would not be made until mutual agreement has been reached and the project proceeds.

Commissioner Hillmer asked about emails he had forwarded to staff from private property owners potentially affected by the proposed path, which ED Steinhauser confirmed they were received and apologized for not including copies in the Board packets. Commissioner Hillmer requested that landowners be notified of any public workshops, etc. in the future.

Commissioner Greene asked staff to clarify his understanding that TAM is agreeing to pay SMART \$850,000 to build a path on the SMART right of way but that SMART has the option to remove the pathway if it so chooses. Mr. Whitney said yes. Commissioner Greene also questioned why the original deadline of January 2018 for determining whether the bike path was feasible was removed from the resolution. Mr. Whitney confirmed it had been changed to remove the hard deadline from the resolution, as the process through Environmental Document could be lengthy and complex.

Commissioner Greene asked what security TAM has that SMART won't accept the money from TAM but then change the proposed route or eliminate the pathway altogether. Mr. Whitney pointed out that SMART owns the right-of-way and can use the property as it sees fit, but that a followup MOU between the agencies would codify the mutual agreement.

Chair Moulton-Peters asked Commissioner Kinsey and Vice Chair Arnold to respond to Commissioner Greene's concerns since they've been working on this issue. Commissioner Kinsey explained that SMART is a rail and trail program, and if they decided to move their rail line, they would also be moving their portion of the trail. He thought it was extremely low risk that there would be any action on the project south of Corte Madera Creek for many years, maybe even decades. He stated that this money is being extended to SMART to accommodate the loss of lease revenues. He noted, as well, that SMART's MOU (memorandum of understanding) is obligated to allow for transportation purposes along that right of way. He added that the action tonight will clear the way for them to meet those obligations. He discussed even longer-term plans (from 2003) by the city of Larkspur as part of the Central Marin Ferry Connector Project. He confirmed that all the property owners and lessees have been informed of the plans and will continue to be notified as the project proceeds.

Commissioner Greene indicated he has been a long-term supporter of the North-South Greenway, and he acknowledged that the likelihood of the project proceeding south was slim. However, he noted that the staff report mentions the fact that the area in question is too narrow to accommodate the tracks and the pathway southbound.

Commissioner Hillmer expressed appreciation for Commissioner Greene's comments, as well as to Commissioner Kinsey for his work on the project planning. He noted there will be time for additional questions as the project moves forward, and he indicated the City of Larkspur will be bringing some questions on behalf of its citizens.

Commissioner Furst expressed concern that SMART may disagree with TAM on the proper timing of the payment from TAM. She was also concerned that the project not be delayed any further. ED Steinhauser commented on the progress recently made, and she was confident good communication would continue between the agencies involved.

Commissioner Furst asked what MTC's procedure will be for reallocating the funds if the southern segment of the Greenway fails to come to fruition, or if there are funds leftover after the project is completed (although she acknowledged that rarely happens). Commissioner Kinsey responded that Regional Measure 2 has very clear guidelines/criteria for any reallocation of funds, and the process would take two to three months, including a public process. ED Steinhauser added that MTC has said they would consider input from the project sponsor and TAM as the county transportation agency in Marin in looking at how best to redirect the funds.

Commissioner Furst noted that the original language for Regional Measure 2 calls for a multi-use pathway from Wornum Drive to East Sir Francis Drake Drive at the Cal Park Hill rail right of way and rehabilitation of the Cal Park rail tunnel and bringing the trail all the way to the San Rafael transit center. She was concerned that none of the funds be diverted to an alternative use.

Commissioner Phillips suggested inserting a clawback clause whereby SMART is only compensated for their actual financial loss. ED Steinhauser noted it was something that could be taken up in future discussions with SMART regarding the next step – developing an interagency agreement between SMART and TAM.

Chair Moulton-Peters opened public comment on the item.

Chris Skelton spoke on behalf of Pierre Josephs, tenant and landlord of the property at 69 Industrial Way, and his tenants. He expressed concern that copies of the revised resolution were not available to the public as well as related documents referenced in the staff report, lack of public noticing for tenants and landlords in addition to property owners; the need for clarity regarding the exact geographic area being considered, lack of available information including boundary surveys, and the ultimate displacement of locally-serving professionals.

Eric Miller of Larkspur, expressed support for the resolution. He thanked Commissioner Kinsey for all his hard work and all the Board for their diligence in this regard. He cited many local agencies and groups that have also indicated their support for the project.

Bjorn Gutenberg, Marin County Bicycle Coalition, expressed appreciation and excitement for the project finally moving forward. He commented on the regional significance of the pathway's eventual completion, as the spine of Marin County's non-motorized transportation network, and he noted that to compromise it would take away from already completed components. He thanked Commissioner Furst for pointing out the mention of the pathway in the Regional Measure 2 language.

Jean Severinghaus, Greenbrae, noted that the project has been in the works for over 20 years, and she expressed appreciation to Commissioner Kinsey and Vice Chair Arnold for their efforts. She indicated that Patrick Seidler could not be here tonight, but he had reminded her that the school districts are supportive of the pathway, as well as individual schools. She requested a change to the last "whereas" in the resolution from "SMART will require that the path be removed from the right-of-way when the southern extension is implemented" to "SMART will

require that path be removed from the track area and relocated within the right-of-way” so that there is a long-term future for this hard-fought trail.

Maureen Gaffney, San Francisco Bay Trail project, echoed earlier speakers in her support for the North-South Greenway project that has been under consideration for such a long time. She acknowledged its importance, not only locally, but also regionally.

Seeing no further speakers, Chair Moulton-Peters closed public comment on the item.

Commissioner Kinsey indicated he would like to ask Mr. Klock, Marin County Public Works, to correct the record regarding comments by Mr. Skelton. Mr. Klock confirmed that on June 3, 2015, a letter was sent to Mr. Josephs alerting him of potential effects to his lease and requesting a meeting with Mr. Josephs.

Commissioner Kinsey added that Mr. Josephs has a 30-day lease, a very transient opportunity, and the property is owned by SMART. He noted that language can be added to ensure that the timeline for SMART’s agreement with TAM and release of the \$850,000. He also discussed how the funding could be tied to the time period involved, as mentioned by Commissioner Phillips.

Commissioner Kinsey acknowledged the length of time it has taken to see this project come to fruition, but indicated this is one of the last steps in the process to achieve this very important goal. He encouraged the Board’s support.

Commissioner Hillmer expressed his gratitude to Commissioner Kinsey, Chair Moulton-Peters and ED Steinhauser for the joint effort in the process.

Commissioner Furst was also appreciative of Commissioner Kinsey’s efforts, TAM staff and county staff efforts as well as Farhad Mansourian. She commented on difficulties of business owners to find affordable spaces to rent; but she encouraged the Board and others to consider them when spaces become available. She also noted there is another route along the Redwood Highway where the pathway could be placed if obstacles come up to prevent this desired route from completion. She also recommended changes to the language of the resolution regarding SMART’s options regarding the re-location of the pathway if the rail ever continues southward; to ensure that the pathway is relocated within the right-of-way, not removed altogether. She indicated willingness to make the motion in favor with those changes. She asked for four changes to the resolution:

- 1) On the Draft Resolution she requested a change from the current language, “Whereas, SMART will require the path be removed from the R/W at the time the southern rail extension is implemented.” to “Whereas SMART will require the path be removed *from the track area or relocated within the right of way* at the time the southern rail extension is implemented.”
- 2) On the Draft Resolution, she requested a change from the current language: “TAM recognizes and supports SMART’s right to remove the path at a future date when SMART determine this R/W is needed for their operations.” to “TAM recognizes and supports SMART’s right to remove *or relocate* the path at a future date when SMART determines this R/W is needed for their operations.”
- 3) She asked for a change to the MTC Funding Request (page 3, paragraph H) to include “...removal *or relocation*”
- 4) She asked for a change in the last sentence on the Draft letter from: “The Board also recognizes that should the right-of-way become necessary for rail service the multi-use path will no longer be compatible and must be removed” to “The Board also recognizes that should the right-of-way become necessary for rail service the multi-use path ~~will~~ *may* no longer be compatible and must be removed.”

Vice Chair Arnold said that, as the SMART Chair, her agency worked very hard to come to agreeable terms as set forth in the draft resolution and that SMART should see the agreement and approve it before TAM votes on it; TAM can then vote on it at the December meeting. She was not comfortable changing what SMART staff and TAM staff had worked out together.

Commissioner Hillmer agreed, as did Chair Moulton-Peters.

Commissioner Furst said that the existing language means TAM is essentially agreeing with the removal of the path when the tracks are extended southward, as stated in item no. 4 in the last paragraph of the resolution in the supplemental packet.

Commissioner Kinsey said he thought staff has heard Commissioner Furst's concerns, and he was confident they will be able to work with SMART to find agreeable language to address the issue and then return to the TAM Board for approval at their December meeting

Commissioner Lucan asked for clarification from Commissioner Furst regarding the language, and she reiterated her concerns.

Commissioner Reed said he thought the intent of the Board should be clear - that they do not want the pathway to be removed after this substantial investment.

Commissioner Greene said he thought that it would be inappropriate for the Board to draft a legal document during the meeting and that he supported Commissioner Kinsey's suggestion to postpone taking action on this matter.

Commissioner Greene moved to continue the item until the December 1 TAM Board meeting and refer the matter back to staff to contact SMART staff to see whether agreeable language can be found to address the Board's concerns not to give up the bike path. Commissioner Kuhl seconded the motion, and it was unanimously approved.

10. Plan Bay Area 2040 – Land Use and Transportation Preferred Scenarios (Discussion)

ED Steinhauser introduced the item, reviewing the process for Plan Bay Area (PBA) 2040 and how the Preferred Scenario, with respect to land use, jobs and households will be folded in with the transportation investment recommendations TAM made in 2015 and updated in 2016. . She also commented on the roles that MTC and ABAG (the Association of Bay Area Governments) will play.

Planning Manager Derek McGill presented the staff report, discussing the function of the preferred scenario, its three main elements, changes since the last round including updated goals, transportation strategies of the various agencies involved at the federal, state, regional, and local levels, demographics for the nine bay area counties, housing trends, transportation investments, breakdown of draft preferred scenario funding needs, amount of funding available, total expenditures for the Plan, the continued decline in funding allocated towards expansion projects, MTC's statement that for PBA 2040 the primary challenge is not transportation but finding an affordable place to live, and draft performance target results.

ED Steinhauser emphasized the challenge that MTC faces with respect to the need to reduce the percentage of income spent on housing as well as providing additional housing in the local communities – especially for lower income households.

Commissioner Phillips remarked that it is sometimes hard to grasp numbers such as the PBA anticipated revenue of \$309 billion. As an illustration, he noted that 1 billion seconds ago it was 1959, so \$309 billion is a lot of money.

Chair Moulton-Peters asked what conclusions the Board could take away from this, which Mr. McGill discussed – primarily, that these policies will continue to play an increased focus in how the methodology takes shape for the next RHNA allocation in 2020. The special interests and the housing advocates are well aware of this, so it will play a substantial role in how we move forward with the next round of RHNA and with future rounds of transportation funding policies.

Chair Moulton-Peters also asked what was represented by the local money referred to on page 10 of the report. Mr. McGill explained it was local sales taxes, bridge tolls, and parcel taxes for transit operators, counties and local jurisdictions.

11. Approval of Matching Funds to Sonoma Marin Area Rail Transit for Electric Vehicle Charging Infrastructure and to Marin Transit for Electric Buses, and to Authorize the Executive Director to Enter into Funding Agreements with Said Agencies (Action)

Following a brief introduction by ED Steinhauser, Principal Project Delivery Manager Nick Nguyen presented the staff report which recommended that the TAM Board to approve matching funds, from Measure B – VRF, in the amount of \$35,000 to Sonoma Marin Area Rail Transit (SMART) for electric vehicle (EV) charging infrastructure and \$75,000 to Marin Transit for electric buses and related expenses, and to authorize the Executive Director to negotiate, execute and amend as necessary funding agreements with said agencies.

He discussed the background from 2014 when Marin Clean Energy partnered with TAM to identify pilot projects under the Measure B alternative fuel/electric promotion program, the two proposed projects that are now coming to the forefront through SMART (electric vehicle charging infrastructure) and Marin Transit (electric buses), and the funding requested by each agency, which staff is recommending for approval.

Vice-Chair Arnold moved to approve matching funds, from Measure B – VRF, in the amount of \$35,000 to Sonoma Marin Area Rail Transit (SMART) for electric vehicle (EV) charging infrastructure and \$75,000 to Marin Transit for electric buses and related expenses, and to authorize the Executive Director to negotiate, execute and amend as necessary funding agreements with said agencies. Commissioner Sears seconded the motion, and it was unanimously approved.

12. Caltrans Report (Discussion)

ED Steinhauser reported it is expected that Caltrans will come to the December or January Board meeting to give an in-person update on some of their activity. She also indicated TAM has requested them to come quarterly to report on a more regular basis. She noted a written report was included in the Board packets.

The meeting was adjourned at 9:35 pm.

Approved:

Dianne Steinhauser



DATE: December 1, 2016

TO: Transportation Authority of Marin Board of Commissioners

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

SUBJECT: Final Draft Report of the Bike/Ped Access Improvement Study at the East Blithedale/Tiburon Boulevard & Highway 101 Interchange and Allocate \$35,000 for a Traffic Relief Study (Action), Agenda Item No. 7b

RECOMMENDATION:

- a. Move to accept the final draft report of the Bicycle and Pedestrian Access Improvement Study at the East Blithedale/Tiburon Boulevard and Highway 101 Interchange, and
- b. Move to recommend allocation of \$35,000 as contribution to a second phase study for traffic relief of the area.

The Executive Committee for Programming and Projects considered the acceptance of this first phase evaluation of bicycle and pedestrian improvements in the area, with the allocation of remaining funds totaling \$35,000 towards a second phase effort to further define traffic improvements in the interchange area. They unanimously recommended these actions to the full TAM Board at their meeting of November 14th.

BACKGROUND AND PAST ACTIONS:

In November 2012, the Board approved and adopted a series of project priorities for the programming of OBAG 1 funds. One of these projects was the Bicycle and Pedestrian Access Improvement Study at the East Blithedale/Tiburon Boulevard and Highway 101 Interchange. The needs identified at the time were for better bike and pedestrian access across Highway 101, better access across very high volume ramp areas, better access off local roads such as Redwood Highway onto Tiburon Boulevard and generally through the Interchange area, and better access to bus transit facilities in the Interchange. The needs of local users especially school children were considered along with recreational users.

Since various projects were being developed at the time, staff issued an RFP/RFQ in March 2014 bundling this project along with four others. Responses from consultants were reviewed and recommendations were made to the Board. On June 26, 2014, the Board awarded this project planning study to Parisi Transportation Consulting (PTC) in the amount of \$175,000.

After extensive public outreach and analysis the planning study was completed late 2015, and a final draft report was presented to the Programming and Projects Executive Committee on November 9, 2015. The Executive Committee considered the matter and directed staff to broaden the study to include possible complementary traffic congestion relief options within the subject area. Staff has done so within the attached revised Final Draft.

On November 14, 2016, staff presented the updated final draft report to the Programming and Projects Executive Committee, which included a host of traffic congestion relief options. The Executive Committee is unanimously recommending the acceptance of the final draft report and allocation of \$35,000 as contribution to a second phase study for traffic relief of the area.

DISCUSSION/ANALYSIS:

Staff and the consulting team, PTC, kicked off the planning study in September 2014 with the creation of a technical advisory committee (TAC) comprised of members from the California Department of Transportation (Caltrans), the California Highway Patrol (CHP), Golden Gate Transit, Marin Transit, City of Mill Valley, Town of Tiburon, and the County of Marin.

In order to be comprehensive with our study of improving access for bicyclists and pedestrians, while not impacting existing vehicle traffic in this busy interchange area, the prime directive was to be as inclusive as possible to understand the needs of the users and those that manage the infrastructure. Toward that end, over the course of the study period, five TAC and two well-publicized and attended community workshops meetings were held. In addition, dozens of bus riders were interviewed as they waited at a study area bus stop or got off a bus. Surveys were conducted at the five most popular bus stops during weekday morning and afternoon peak periods. Finally, update material was posted online for review and additional comments were received via email.

Integrating extensive field reviews, analyses of Caltrans past interchange improvements, including a 2004 Project Study Report outlining a complete rework of the project area and upcoming Ramp Metering project, and input from the TAC and community workshops, the consultant team developed possible short, medium and long-term pedestrian and bicycle access improvements based on the latest best practices and standards:

1. 20 separate “pedestrian focus areas” and 18 distinct “bicyclist focus areas” for possible short and medium-term opportunities for bicycle and pedestrian access enhancements; Short-term measures can potentially be implemented in less than three years at reasonable costs without affecting interchange vehicle capacity; Medium-term measures would require moderate traffic operations and/or geometric revisions to the interchange and be implemented in three to 10 years.
2. Long-term opportunities include separated bicycle and pedestrian facilities, replacement of entire interchange with multi-modal facilities, and bus stop relocation. These longer-range measures would require substantial changes to the interchange, and be implemented beyond 10 years.

Present time cost estimates range from \$1.4 million for short-term improvements to \$9.7 million for medium-term improvements. Estimates for long-term improvements are beyond the scope of this study, and are assumed to be well over \$10 million.

Of the 38 locations for possible short and medium-term opportunities, improvements have already been made at four locations which have benefitted not only pedestrian and bicycle traffic, but vehicular traffic as well. For example:

1. At the intersection of Redwood Highway Frontage Road and Tiburon Blvd, 8-inch traffic signal heads have been replaced with 12-inch heads for greater visibility by all.
2. At the same intersection, a green left turn arrow was added for northbound left turn motorists to alert them that they have a protected left turn and to proceed.

In addition to working with local and state officials to implement these changes, staff and its consultant met with the cities of Mill Valley and Tiburon, Marin County and Caltrans to develop possible south and north-bound on-ramp auxiliary lane concepts on East Blithedale/Tiburon Blvd to further reduce traffic congestion through the interchange. Through a \$50,000 amendment, TAM tasked PTC to review and analyze traffic volumes, speeds and travel times through the interchange. Through an additional \$41,000 amendment, PTC was tasked to identify auxiliary lane concepts and other operational improvements. Concepts were crafted and reviewed over the course of five meetings with key representatives, ranging in estimated costs from \$750,000 to \$1,050,000 (see appendix of attached report).

Phase 2, Traffic Improvements

Concept 2C, Northbound Diagonal 2-Lane, stood out as one that improved traffic significantly, through preliminary modeling, while also enhancing bicycle and pedestrian traffic. Agency stakeholders collectively agreed that Concept 2C merits further analysis to better understand the feasibility in regards to engineering, right-of-way, utility conflicts, Caltrans design approval, and the like. Referred to as Phase 2, Traffic Congestion Mitigation Study, of the East Blithedale/SR131 & Highway 101 Pedestrian & Bicycle Access Planning Study, the general scope and budget have been established by the stakeholders in a joint meeting.

There is agreement among the agencies to move forward with this second phase. Dialogue is continuing in earnest to define a lead agency for the work and to establish a funding agreement. This Pedestrian & Bicycle Access Planning Study was funded by OBAG 1 funds and the project budget has been fully expended. However, we have identified another funding source that can be re-directed and used to participate in a Phase 2 study, as part of a multi-agency effort.

TAM had previously programmed OBAG 1 funding to support the implementation of Ramp Metering in the County. These funds have been used to address comments and concerns expressed by the Ramp Metering Technical Advisory Committee as well as responding to County and City elected officials. The remaining unused funds in the amount of \$35,000 can be re-directed. The nexus between the proposed auxiliary lane on Tiburon Boulevard, including the intersection lane re-configuration, and Ramp Metering is the common shared features leading to the US101 northbound on-ramp.

Summary

In conclusion, the original TAC and general public have provided extensive feedback on the bicycle and pedestrian opportunities in preparation of the final draft report. Agency stakeholders have also met to define a second phase study to mitigate traffic. The Programming and Projects Executive Committee considered this item on November 14, 2016, and is recommending the acceptance of the final draft report and allocation of \$35,000 as contribution to a second phase study for traffic relief of the area.

FISCAL CONSIDERATION:

This recommended action would re-allocate \$35,000 from currently available Ramp Metering OBAG 1 funds to a future Phase 2, Traffic Congestion Mitigation Study.

NEXT STEPS:

Staff will review opportunities for funding possible future projects and coordinating with local partner agencies. As mentioned above, agency stakeholders have also had focused meetings on this interchange to explore short and medium-term improvements to address traffic congestion mitigation.

Stakeholder agencies have also met to consider a defining document to identify a lead agency and funding contributions to begin a subsequent phase (Phase 2) of this planning study to further develop the Auxiliary Lane Concept 2C and other potential traffic congestion relief opportunities at the Highway 101 interchange.

ATTACHMENTS:

Attachment: Revised November Final Draft Report.



December 1, 2016

TO: Transportation Authority of Marin Board of Commissioners
FROM: Stephanie Moulton-Peters, Chair
RE: Consideration of Compensation Increase for Executive Director and Adoption of Goals (Action) – Agenda Item 7c

Dear Commissioners:

Recommendation:

Approve a compensation increase of 5% for the Executive Director comprised of a market equity adjustment and merit increase for her performance over the past year.

Adopt attached goals for the Executive Director for the remainder of 2016 through June 30th, 2017.

Summary:

Dianne Steinhauser has been the Executive Director of TAM since July of 2005. As a followup to her performance evaluation by the TAM Board, I am recommending that the TAM Board of Directors consider an increase to Ms. Steinhauser’s annual salary. Specifically, I am recommending a 5% increase representing a market equity adjustment and a merit increase for her performance over the past year. The raise would be effective October 1st, 2016, representing the anniversary date from her last Performance Evaluation of September 2014.

Fiscal Impact:

There are sufficient funds available in the TAM budget as approved June 23rd 2016 to accommodate this compensation increase.

Respectfully,

A handwritten signature in blue ink that reads 'Stephanie Moulton-Peters'.

Stephanie Moulton-Peters, chair
Transportation Authority of Marin

Attachment: Executive Director Goals

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Executive Director Goals for the remainder of 2016 through June 30, 2017

1. **Continue to strengthen communication, transparency, and clarity to strengthen stakeholder relationships, so all are in the best position to understand the complex decisions we must make.**
 - a. Update and freshen the website to further clarify the work of TAM.
 - b. Share what conversations have been taking place between you and the staff of other jurisdictions. Also, be sure that you are not sharing information selectively to get to a particular outcome. These are both important ways to inform and to build trust.
 - c. Clarify decision criteria and decision making processes for funding grants and allocations to reinforce transparency and consistency. Please make sure information is communicated early enough to be useful.

2. **Complete or continue making progress on the following major projects:**
 - a. Funding, design and construction of the 580/Richmond-San Rafael Bridge approaches.
 - b. The Bettini Transit Center Relocation Study and readiness for SMART in Marin County.
 - c. Construction of Marin Sonoma Narrows Segment B3.
 - d. Plan Bay Area 2017 and Regional Transportation Plan, Strategic Vision Plan.
 - e. Initiate study of options and conceptual plans for a direct connector to Hwy 580 Richmond-San Rafael Bridge.

3. **Assure that important future planning tasks are moving forward.**
 - a. Provide a document that frames our priorities in the Vision Plan and the plan to renew Measure A the way the strategic vision for Measure A did in 2004. Marin rewards process, so public outreach and getting people involved will be critical. Such a process will strengthen your partnership with the Board as a whole.
 - b. Prioritize development of a publicly understandable process leading to the next sales tax measure.

4. **Resolve the current issues with Local Government Services (LGS) and Regional Government Services (RGS).**

5. **Please work with the Board ED Performance Review Subcommittee to develop a staffing proposal to redistribute some of the Executive Director responsibilities.**

It's become clear that your workload and responsibilities go beyond what a single person can reasonably deliver. At the same time that you communicate with sixteen Board members and liaise with numerous other organizations, staff members need more

management time and availability of management in a timely way to be optimally effective.

Your staffing proposal should allow you to cover your external demands and responsibilities while, though some combination of assistance, be more available to staff to provide more timely support to them, and reduce avoidable last-minute stressors. The proposal should also allow you to improve how you manage your schedule, so that you keep scheduled meetings with transportation partners and staff.

Major, future-oriented planning initiatives seem to be slow to get underway. For such big decisions, they often feel last-minute and rushed, which impacts the outcomes. We expect that the staff plan will help alleviate some, if not all, last-minute decisions.

6. Work with the Board ED Performance Review Subcommittee to **find a means of adding employee relations support**. Employees in all organizations need a path of escalation if they have difficulty with their boss and someone who can listen and provide coaching. Most problems can be resolved at that level. In many cases, the employee relations professional would provide coaching to you to prevent problems from developing. However, if there is a significant amount of HR foot traffic developing around significant issues, the HR professional should take that concern to a Board member who serves as a liaison. Going forward, the third party employer contract should be managed by the Board.
7. **Assure that all employee performance reviews are current and timely through the end of 2016-17.**
8. **Strengthen your relationship with individual Board members.** Specific ways we suggest you do that include the following:
 - a. In addition to monthly ED reports and annual reports, develop stronger communication links within and among the Board.
 - b. Acknowledge the different interests and information needs of the Board members and try to gear your planning and presentations accordingly.
 - c. Be sure that you share the big picture with Board members as well as the detail, and that information you share is as concise and clear as possible. The volume of information on complex topics can be overwhelming, so concise and clear analysis is very important.



DATE: December 1, 2016

TO: Transportation Authority of Marin Board of Commissioners

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. 7d

RECOMMENDATION:

Move to approve the lease of a staff electric vehicle and installation of a charging station at the 900 Fifth Avenue TAM Parking Lot.

The TAM Executive Committee for Finance and Policy considered this request at their meeting of November 14th and unanimously recommended it for TAM Board approval.

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 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) and to promote transportation mode shift among TAM employees, 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.

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. Existing administrative funds used for mileage reimbursement may be used instead. Staff intends to cap the costs as described above. The Finance and Policy Executive Committee considered this item on November 14, 2016, and is recommending the approval of a lease of a staff electric vehicle and installation of a charging station at the TAM parking lot.

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.



DATE: December 1, 2016

TO: Transportation Authority of Marin Board of Commissioners

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

SUBJECT: North-South Greenway Gap Closure Project – Approve RM2 Funding Request and Authority to Distribute to SMART for Right-of-Way Impacts (Action) - Agenda Item No.7e

RECOMMENDATION:

The Board (1) approve a Resolution authorizing the Executive Director to submit a request to the Metropolitan Transportation Commission to allocate Regional Measure 2 toll bridge funds for right-of-way activities associated with the southern segment of the North-South Greenway Gap Closure Project; (2) approve a resolution authorizing the funds be directed to SMART to address right-of-way impacts including conditions of the allocation, and (3) authorize the Chair send a letter to MTC to acknowledge the potential the path may be removed should SMART extend passenger rail service south from the Larkspur Station.

This item was continued from the October 27th Board Meeting. No action was taken as further discussion was necessary with SMART to consider Board member comments.

Following the Board discussion staff revised the Resolution to incorporate comments made by the Commissioners. These revisions were transmitted to SMART. Specifically they were as follows:

- Revise the attachments to substitute the phrase “remove the path” with “remove or relocate the path”.
- Include a provision that will prorate the lost lease amount to SMART based on the duration should the duration be less than twenty-five (25) years.

TAM Commissioners and staff have met with SMART officials to discuss the comments stated above. SMART officials are reluctant to include the phrase “remove or relocate the path”. Prior to the Executive Committee meeting on November 14th the SMART General Manager reaffirmed this position and stated that he and the SMART Board would only agree to the original revised resolution delivered to the TAM Board at their October 28th Board meeting. This position was discussed by the Executive Committee members on November 14th and after considerable debate concluded it is in the best interest of the project to accept SMART’s position; however they acknowledged inclusion of the provision to “relocate” is preferred, but is not an option because the right-of-way is controlled by SMART and they do not want to be obligated for any future action, at this time.

TAM staff consulted with County Counsel who confirmed SMART is effectively issuing a license agreement which is revocable, but provides both parties the flexibility in the future to consider alternative alignments.

TAM staff has consulted with MTC staff on the remaining comment. MTC has stated in the case of other projects in the region, and funded under the RM2 program, a prorated clause to adjust funding for a similar condition is implied and not necessary.

BACKGROUND:

On June 26, 2014 the Board approved an allocation request to MTC to initiate environmental and preliminary engineering on the North-South Greenway Gap Closure Project. During earlier discussions the also Board considered an implementation strategy that allowed a portion of the project to be accelerated by splitting the project into a northern segment and a southern segment.

Northern Segment Update

Project development on the northern segment is progressing well. A CEQA compliant environmental document has been approved by Caltrans and we are now in the final design phase. This phase of the project will “close the gap” by creating an accessible multi-use path connecting the new bridge over Sir Francis Drake Blvd with the Greenbrae Pedestrian Overcrossing to the south. Widening the historically narrow Caltrans northbound highway 101 off-ramp sidewalk/path structure over Corte Madera Creek is a signature element of the project. The final design is scheduled to be completed in approximately one year from now.

Southern Segment

The Southern Segment project is being administered by the County of Marin on behalf of TAM. It was recognized early on that this phase has a number of issues that have not been studied to date and would require a more in-depth analysis as compared to the northern segment which has had the benefit of previous engineering efforts. This phase of the project will “close the gap” by creating an accessible multi-use path connecting the northern segment (at the Corte Madera Creek crossing touchdown) with the existing paths at the intersection of Old Redwood Highway and Wornum Drive by way of the SMART right-of-way (R/W) out on the levee. A pass-through corridor from Redwood Highway out to the levee will also be included.

As a condition of the original MTC allocation of funding, a boundary survey and title search of the SMART right-of-way (R/W) was completed in the area south of Corte Madera Creek. This information is being used by County Engineers to establish an alignment that best fits the site conditions and minimizes the environmental and potential land use impacts.

Note the Southern Segment project has been on hold for almost a year pending authority from SMART for temporary use of their right of way.

DISCUSSION/ANALYSIS:

Use of SMART R/W for a Multi-Use Path

SMART has in good faith considered the use of a portion of their R/W for the purpose of constructing, maintaining, and operating a publically accessible multi-use path within the southern segment. They have stated that the use of the R/W must be at no cost to SMART as a condition of use. It is noted that the SMART R/W extends south from the Southern terminus of the Initial Operating Segment at the Larkspur Station and continues over Corte Madera Creek down to the area by the Village Shopping Mall in Corte Madera. Extension of the passenger rail beyond the Larkspur Station remains a possibility in the future.

Preliminary Path Alignment in SMART R/W

The two key constraints associated with selecting a path alignment are the proximity of the salt marsh and the existing land use within the R/W. SMART has historically granted an opportunity for private parties to lease portions of the R/W. The Engineers assessed a number of design variations that evaluated the best fit of a path alignment. It was concluded that placing the majority of the path on the footprint of the existing railroad tracks would minimize the impacts to current lease holders while avoiding the salt marsh habitat. This “best fit alignment” will have unavoidable impacts to existing lease holders.

Lost Lease Revenue to SMART

The County Real Estate & Engineering Divisions have worked with SMART to obtain lease agreement information and used the boundary and title information to establish the lease space boundaries. By comparing the preliminary alignment with the location of the leased space boundaries the impact to each lease holder was determined. In order to proceed with the project SMART will need to re-negotiate or terminate a number of lease agreements.

The County has provided the findings to SMART and they have mutually agreed the lost lease revenue value to SMART over a 25 year period has been established to be \$730,000.

Incompatible use of SMART R/W

As stated above the evaluation of the potential alignments examined a number of locations to provide the best fit given the constraints. Unlike the previous projects to the north, namely the Cal Park Tunnel Path or the Central Marin Ferry Connection Path, the conditions for the southern segment do not allow a path alignment to be horizontally separated from the current or future railroad track alignment without significant impacts to either the natural environment or the existing land use conditions. As a result of the site constraints the best fit was generally determined to be the current foot print of the railroad tracks.

Given that SMART considers extension of passenger rail service to be a viable option in the future the compatibility of both a multi-use path and a rail has been very difficult to achieve. It is recognized that in the future when, and if, the passenger rail service is extended south of Corte Madera Creek the path will be required to be removed, with no commitment to replacing it. The County has assessed the cost of removal at a future date to be \$120,000.

Conformation of Public Support

TAM and the County have discussed the conclusion of our studies with MTC staff to make the case that the public benefit of proceeding with constructing the path with an understanding the path may be removed in the future is a risk that is considered to be a reasonable risk given the challenges and timeframe of extending passenger rail south.

MTC is supportive of our conclusions and is willing to recommend funding the project; however, they have asked TAM to provide a letter that clearly confirms our understanding the path will be removed at the time rail service is extended south of the Larkspur Station. Staff has drafted a letter for the Board to consider, and if supported, will be conveyed to MTC. Similarly, MTC has asked our local bicycle coalition to consider the conclusion of our analysis that the dual use of the R/W is incompatible and that in the future the path may be required to be removed. TAM has discussed this issue with the coalition and requested their consideration to send a similar letter to MTC.

FISCAL CONSIDERATION:

TAM is requesting the MTC allocate a total of \$850,000 of RM2 funding to compensate SMART for their long term lost lease revenue and the future cost to remove the path at the time rail service is extended south. The attached Resolution and updated Initial Project Report are attached for consideration by the Board, including required letter to SMART on removal of the path. If approved, the Executive Director will make the request to MTC.

Note that the Southern Segment project is still in the early planning stages and could run into obstacles in the future that prevent the project from proceeding. Note also that this \$850,000 constitutes full and complete payment to SMART for the usage of their right of way. Both of these conditions are so noted in the agreement with SMART to receive the funds from MTC through TAM.

An analysis of the overall project funding plan has been completed. Our overall project funding plan remains valid and the estimated cost of the project including capital and capital support costs are within the available funds as described in the attached Initial Project Report Update.

NEXT STEPS:

Submit the Initial Report Update to MTC for consideration of a funding allocation and work with SMART to enter into a funding agreement per the conditions stated in the Resolution.

Continue to work with the County of Marin to restart the environmental and preliminary engineering phase.

ATTACHMENTS:

1. Resolution to distribute funds to SMART with conditions
2. Letter MTC
3. Initial Project Report – Updated October 27, 2016

TAM RESOLUTION NO. 2016-_____

A RESOLUTION OF THE TRANSPORTATION AUTHORITY OF MARIN (TAM) FOR THE ALLOCATION OF \$850,000 OF REGIONAL MEASURE 2 (RM2) FUNDS FOR THE NORTH SOUTH GREENWAY GAP CLOSURE PROJECT TO THE SONOMA MARIN AREA RAIL TRANSIT DISTRICT (SMART)

WHEREAS, The Metropolitan Transportation Commission (MTC) re-directed RM2 funding from the Highway 101 Greenbrae Corridor Improvements (Project No. 11.1) to Bicycle and Pedestrian Improvements referred to as the North/South Greenway Gap Closure Project (Project No. 11.5); and

WHEREAS, TAM approved an implementation plan that splits the project into a northern segment and a southern segment in an effort to accelerate project delivery of portions of the project; and

WHEREAS, MTC has allocated \$2.6M of RM2 funds for environmental and preliminary engineering (both northern and southern segment), and allocated \$1.5M for design of the northern segment; and

WHEREAS, As a condition of the allocation MTC required and project partners supported a property title search and boundary survey of SMART right-of-way (R/W) which has been used to define project parameters and constraints within the southern segment; and

WHEREAS, SMART has in good faith considered the use of a portion of their R/W for the purpose of constructing, maintaining, and operating a publically accessible multi-use path within the southern segment; and

WHEREAS, A preliminary path alignment has been established that generally follows the existing railroad tracks and is based in part from the results of the boundary and title search along with the known environmental constraints; and

WHEREAS, SMART has historically granted an opportunity for private parties to lease portions of the R/W and under the proposed alignment some of the leases will be impacted to some degree; and

WHEREAS, SMART and the County have assessed the financial loss of renegotiating or terminating existing land use leases over a twenty-five year period and determined the financial loss to be \$730,000; and

WHEREAS, SMART possesses the R/W that will allow a future extension of passenger rail service from the Larkspur Station south to the area adjacent to the Village Shopping Center in Corte Madera; and

WHEREAS, SMART will require the path be removed from the R/W at the time the southern rail extension is implemented. SMART and the County have determined the cost to remove the path at a future date to be \$120,000; and

WHEREAS, TAM has submitted a request to MTC for an allocation of RM 2 funds to resolve the SMART R/W issues in the amount of \$850,000 to compensate SMART for future loss of lease revenue and for the future cost of removing the multi-use path from SMART R/W.

RESOLVED, That the Transportation Authority of Marin approves the allocations of \$850,000 to SMART to resolve the R/W issues within SMART R/W provided that SMART agrees to enter into a written funding agreement with TAM confirming the following commitments:

1. SMART agrees to authorize the use of a portion of their R/W for the purpose of constructing a multi-use path generally following the footprint of the existing railroad track within the southern segment.
2. SMART agrees to enter into a future Memorandum of Understanding (MOU) authorizing the use of a portion of their R/W for the purpose of maintaining and operating a multi-use path within the southern segment. The MOU must be substantially completed with all parties' conceptual agreement prior to proceeding into final design. Formal Board/Council actions may take place as the design progresses. TAM understands the use of the SMART R/W to operate and maintain the path will be at no cost to SMART.
3. SMART agrees the compensation for future lost lease revenue in the amount of \$730,000 is based on estimated impacts of current likely affected lease areas.
4. TAM recognizes and supports SMART's right to remove the path at a future date when SMART determines this R/W is needed for their operations. SMART agrees the compensation to remove the path in the future in the amount of \$120,000 shall be final and no future demand for additional payment will be made.
5. SMART agrees to submit an invoice for payment to TAM for R/W impacts and future path removal costs. The transfer of funds shall occur at the time SMART notifies lessees to vacate SMART R/W as mutually agreed by parties.

PASSED AND ADOPTED at a regular meeting of the Transportation Authority of Marin held on the 27th day of October 2016, by the following vote:

AYES: Commissioners:

NOES: Commissioners:

ABSENT: Commissioners:

Stephanie Moulton-Peters, Chair
Transportation Authority of Marin

ATTEST:

Dianne Steinhauser
Executive Director



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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

December 1, 2016

Mr. Steve Heminger
Executive Director
Metropolitan Transportation Commission
Bay Area Metro Center
375 Beale Street, Suite 800
San Francisco, CA 94105-2066

RE: North/South Greenway Gap Closure Project (RM2 Project 11.5) –
Acknowledgment of Conditional Use of SMART Controlled Lands

Dear Mr. Heminger:

The Transportation Authority of Marin appreciates MTC’s support to promote alternative forms of transportation for commuting and recreational travel in Marin County. As with many of our large scale projects the footprint often crosses multiple jurisdictional boundaries. In the case of the Greenway Project the path spans multiple jurisdictional boundaries including property controlled by the Sonoma Marin Area Rail Transit District (SMART).

The portion of Greenway path that utilizes SMART property is in an environmentally sensitive and constrained area just south of Corte Madera Creek. To avoid the sensitive habitat, and to minimize the potential impacts on current land use, an alignment has been proposed that best fits the location by generally following the footprint of the unused tracks.

It is understood that SMART currently controls lands that extend further to the south and that one day SMART may elect to extend passenger rail service from its proposed Larkspur Station. If this happens we understand it will be necessary to reclaim the land for passenger rail service.

The TAM Board has discussed this issue and recognizes the public benefit of converting a portion of the rail right-of-way for non-motorized travel until such time that passenger rail service is extended south. The Board also recognizes that should the right-of-way become necessary for rail service the multi-use path will no longer be compatible and must be removed.

Sincerely,

Stephanie Moulton-Peters
TAM Chair

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REGIONAL MEASURE 2

INITIAL PROJECT REPORT (IPR)

Project No: 11.5

**North South Greenway Gap Closure Project
(CMFC Phase II)**

**Project Sponsor:
Transportation Authority of Marin**

TAM Board Action Date: December 1, 2016

Regional Measure 2 – INITIAL PROJECT REPORT

Regional Measure 2 Initial Project Report (IPR)

Project Title:

North South Greenway Gap Closure Project

RM2 Project No.

11.5

Allocation History:

	MTC Approval Date	Amount	Phase
#1:	7/23/2014 Allocation No. 15364915	\$2,600,000	Environmental
#2	12/9/15 (PAC)	(\$750,000)	Re-direct funds from 11.5 (Southern Segment) to 11.4
#3A	8/24/16 (DA)	\$500,000	Northern Segment Design
#3B	9/28/16 (Comm)	\$1,000,000	
Total:		\$3,350,000	

Current Allocation Request:

IPR Revision Date	Amount Being Requested	Phase Requested
12/1/16	\$850,000	Right-of-Way (Southern Segment)

Regional Measure 2 – INITIAL PROJECT REPORT

I. OVERALL PROJECT INFORMATION

A. Project Sponsor / Co-sponsor(s) / Implementing Agency

Sponsoring Agency: The Transportation Authority of Marin (TAM)
 Implementing Agency: TAM, Caltrans & County of Marin

B&C Project Purpose/ Description

The North South Greenway Gap Closure Project will create a new multi-use path connecting the existing paths at the intersection of Old Redwood Highway and Wornum Drive with the pedestrian bridge recently completed over Sir Francis Drake Boulevard (RM2 Project No. 11.4). The overall scope of work includes two distinct segments of new path, a northern segment and a southern segment. The northern segment includes widening of the US101 northbound off-ramp structure over Corte Madera Creek using the existing bent caps to create a widened shoulder and new multi-use path, and extending the path south along Old Redwood Highway to the existing pedestrian overcrossing. The southern segment will connect with the improvements proposed in the northern segment along Old Redwood Highway then traverse east using a future easement to be acquired on private property to the SMART railroad right-of-way. The path will continue south along the right-of-way to intersect the existing paths at Wornum Drive. The path crosses multiple jurisdictions and entities including the City of Larkspur, the Town of Corte Madera, the County of Marin, Caltrans and SMART.

By closing a significant “gap” in the non-motorized transportation network, access and connectivity will be enhanced between the Larkspur Ferry Terminal, the planned Larkspur Passenger Rail Station, the Cal Park Hill Multi-Use Path (RM2 Project No. 11.3), local and regional bus transit services and existing multi-use paths.

D. Impediments to Project Completion

Projects proposed in environmentally sensitive areas must be designed to address regulatory agency review and permitting. Potential impacts will be identified in the preliminary engineering environmental phase. The southern segment requires acquisition of private right-of-way by means of easement and approval to utilize SMART railroad R/W. This funding request will address the use and approval from SMART to use a portion of their R/W south of Corte Madera Creek.

E. Operability

The Northern Segment has an existing maintenance agreement in place between Caltrans and the City of Larkspur. The Southern Segment will require an Inter-Agency Cooperative Agreement that identifies roles and responsibilities for operations, maintenance, and ownership.

II. PROJECT PHASE DESCRIPTION and STATUS

F. Environmental

Does NEPA Apply: Yes No

Northern Segment – A CEQA compliant environmental determination has been approved by Caltrans as lead agency.

Regional Measure 2 – INITIAL PROJECT REPORT

Southern Segment – This segment has not previously been studied and will require an initial study to determine the level of environmental document required. A CEQA compliant document will be prepared. The County of Marin will be the environmental lead agency.

G. Design

Northern Segment – TAM, with oversight provided by Caltrans is currently in the design phase.

Southern Segment – County will lead design effort after the conclusion of the PA/ED phase.

H. Right-of-Way Activities / Acquisition

Northern Segment:

- The project is within Caltrans/ City of Larkspur R/W. No additional R/W is required.

Southern Segment:

- The project passes through the local jurisdictions of Larkspur, Corte Madera, and the County of Marin. SMART has a rail right-of-way through the jurisdictions.
- A portion of the path will require acquisition of an easement on private property. Easement location has not been determined pending further preliminary engineering of the path alignment.
- Under the current proposed alignment the path will impact users of the SMART R/W that have historically been granted an opportunity to lease portions of the R/W since rail ceased operations south of Corte Madera Creek. SMART has agreed to allow the use of the R/W for the purpose of constructing, maintaining, and operating a publically accessible path, and agreed to renegotiate or terminate certain land use leases to allow the path to proceed as planned. SMART will only agree to allow the use of the portion of the R/W for a defined period until SMART passenger rail operations are extended south of Corte Madera Creek. At that time the path will be removed from the SMART R/W.
- SMART has assessed the financial loss of renegotiating or terminating existing land use lease over a long term period and determined the financial loss to be \$730,000. TAM agrees with this financial assessment.
- SMART will require the path be removed from the R/W at no cost to SMART. SMART has determined the cost to remove the path at a future date to be \$120,000. TAM agrees with this financial assessment.

Construction

Northern Segment:

- Caltrans will be implementing agency for construction and construction administration

Southern Segment:

- Lead agency TBD.
- The current path alignment has been modified from the location first contemplated during early conceptual planning. As a result the construction cost has been significantly reduced to allow for re-directing \$850,000 to R/W.

Regional Measure 2 – INITIAL PROJECT REPORT**III. PROJECT BUDGET****J. Project Budget (Escalated to year of expenditure)**

	Total Amount - Escalated - (Thousands)
Environmental Studies & Preliminary Eng (ENV / PE / PA&ED)	Northern Segment \$1,100,000 Southern Segment \$1,500,000
Design - Plans, Specifications and Estimates (PS&E)	Northern Segment \$1,500,000 Southern Segment \$1,200,000
Right-of-Way Activities /Acquisition (R/W)	Southern Segment \$600,000 Southern Segment +\$850,000
Construction / Rolling Stock Acquisition (CON)	Northern Segment \$8,000,000 Southern Segment Original Amount \$5,900,000 Re-Directed to 11.4 (\$750,000) Re-Direct to R/W (\$850,000) \$4,300,000
Total Project Budget	Northern Segment \$10,600,000 Southern Segment \$ 8,450,000 Total Project Budget \$19,050,000

K. Project Budget (De-escalated to current year)

	Total Amount - De-escalated - (Thousands)
Environmental Studies & Preliminary Eng (ENV / PE / PA&ED)	Northern Segment \$1,100,000 Southern Segment \$1,500,000
Design - Plans, Specifications and Estimates (PS&E)	Northern Segment \$1,500,000 Southern Segment \$1,152,000
Right-of-Way Activities /Acquisition (R/W)	Southern Segment \$564,000 \$850,000
Construction / Rolling Stock Acquisition (CON)	Northern Segment \$7,680,000 Southern Segment \$4,042,000
Total Project Budget	Northern Segment \$10,280,000 Southern Segment \$8,008,000 Total De-Escalated Budget \$18,108,000

Regional Measure 2 – INITIAL PROJECT REPORT**IV. OVERALL PROJECT SCHEDULE**

Milestone	Planned (Update as needed)	
	Start Date	Completion Date
Environmental Studies, Preliminary Eng. (ENV / PE / PA&ED)	NS 9/14 SS 9/14	NS 7/16 SS 7/17
Final Design - Plans, Specs. & Estimates (PS&E)	NS 9/16 SS 8/17	NS 9/17 SS 6/18
Right-of-Way Activities /Acquisition (R/W)	SS 1/17	SS 12/17
Construction (Begin – Open for Use) / Acquisition / Operating Service (CON)	NS 1/18 SS 6/18	NS 2/19 SS 6/19

V. ALLOCATION REQUEST INFORMATION**L. Detailed Description of Allocation Request**

RM2 funding will be used to provide project management, design activities, coordination of Caltrans oversight, preparation of PS&E and assisting with the Caltrans process to advertise, bid and award contract.

Amount being requested (in escalated dollars)	\$850,000
Project Phase being requested	R/W
Are there other fund sources involved in this phase?	<input type="checkbox"/> Yes X <input checked="" type="checkbox"/> No
Date of anticipated Implementing Agency Board approval the RM2 IPR Resolution for the allocation being requested	12/1/16
Month/year being requested for MTC Commission approval of allocation	12/16

M. Status of Previous Allocations (if any)
None**N. Work plan**Work plan in Alternate Format Enclosed

TASK NO	Description	Deliverables	Completion Date
1	PE Phase	Determine alignment and footprint	NS 7/2015 SS 12/2016
2	CEQA Env. Clearance	North Segment Southern Segment	NS 7/2016 SS 7/2017

Regional Measure 2 – INITIAL PROJECT REPORT

3	Right-of-Way	SMART R/W Obtain Private Easement	11/16 12/2017
4	Design	PS&E	NS 9/2017 SS 6/2018
5	Construction	Alternative Transportation Facility	NS 2/2019 SS 8/2019

O. Impediments to Allocation Implementation

None

VI. RM-2 FUNDING INFORMATION**P. RM-2 Funding Expenditures for funds being allocated**

The companion Microsoft Excel Project Funding Spreadsheet to this IPR is included

Next Anticipated RM-2 Funding Allocation Request -TBD

VII. GOVERNING BOARD ACTION

Check the box that applies:

Governing Board Resolution attached

Governing Board Resolution has previously been submitted to MTC

VIII. CONTACT / PREPARATION INFORMATION**Contact for Applicant's Agency**

Name: Dianne Steinhauser
Phone: (415) 226-0820
Title: Executive Director
E-mail: dsteinhauser@tam.ca.gov

Information on Person Preparing IPR

Name: Bill Whitney
Phone: (415) 226-0823
Title: Principal Project Delivery Manager
E-mail: bwhitney@tam.ca.gov

Applicant Agency's Accounting Contact

Name: Li Zhang
Phone: (415) 226-0828
Title: Chief Finance Officer
E-mail: Lzhang@tam.ca.gov

RM-2 Initial Project Report

TOTAL PROJECT FUNDING PLAN

(Amounts Escalated in Thousands)

Project Title: North South Greenway Gap Closure								Project ID: 11.5
Agency: Transportation Authority of Marin								Date: 10/20/2016
TOTAL PROJECT: COMMITTED + UNCOMMITTED+ TO BE DETERMINED								
Fund Source	Phase	2013-14	2014-15	2015-16	2016-17	2017-18	Future	TOTAL
COMMITTED FUNDING PLAN (PROGRAMMED, ALLOCATED, APPROVED FUNDING)								
Regional Measure 2	Environmental	2,600						2,600
Regional Measure 2	Design					1,500	1,200	2,700
Regional Measure 2	Right-of-Way					850	600	1,450
Regional Measure 2	Construction					12,300		12,300
UNCOMMITTED FUNDING PLAN (NON-PROGRAMMED/ALLOCATED, BUT PLANNED FUNDING)								
FUNDING SOURCE STILL TO BE DETERMINED (LIST POTENTIAL SOURCES THAT WILL LIKELY BE PURSUED)								
							Future	TOTAL
TOTAL PROJECT: COMMITTED + UNCOMMITTED + TBD FUNDING TOTAL								
								19,050

Comments:

Enter all funding for the project - both Committed and Uncommitted. Enter amounts in thousands and escalated to the year of funding
 Eligible Phases: ENV (or PA&ED), PS&E, R/W or CON. For planning activities use ENV. For Vehicles, Equipment or Operating use CON. OK to use CT R/W SUP or CT CON SUP for Caltrans support, but not necessary (optional).

RM-2 Initial Project Report

EXPENDITURES TO-DATE BY PHASE AND FUND SOURCES

Phase	Fund Source	Date of Last Expenditure	Amount Expended to date (Thousands)	Available Balance Remaining (Thousands)
ENV / PA&ED	Regional Measure 2	Jun-16	1375	\$ 1,225
PS&E				\$ 2,700
R/W				\$ 1,350
CON / Operating				\$ 12,400
Total to date (in thousands)			1375	\$ 17,675

Comments:

As required by RM-2 Legislation, provide funds expended to date for the total project. Provide both expenditure by Fund Source and Expenditure by Phase, with the date of the last expenditure, and any available balance remaining to be expended.

Project ID: 11.5
 Date: 10/20/2016

RM-2 Initial Project Report

**RM-2 FUNDING CASH FLOW PLAN For Allocation
(RM-2 Allocation Funding Only)**

(Amounts Escalated in Thousands)

Project Title: North South Greenway Gap Closure Project											Project ID: 11.5					
Agency: Transportation Authority of Marin											Plan Date: 10/20/16					
RM-2 CASH FLOW PLAN																
RM-2 Expenditures		2013-14	2014-15	2015-16	2016-17	2017-18	Future						TOTAL			
Regional Measure 2	Environmental	2,600											2,600			
Regional Measure 2	Design				1,500	1,200						2,700				
Regional Measure 2	Right-of-Way				850	600						1,450				
Regional Measure 2	Construction				12,300							12,300				
		Prior	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Future	TOTAL	
RM-2 CASH FLOW PLAN TOTAL																
				2,600		2,350	14,100									19,050

Comments:

Provide the expected RM-2 expenditures – by phase and year. (This is the amount of the allocation needed for that fiscal year to cover expenditures through June 30th of that fiscal year).

Enter RM-2 amounts in thousands and escalated to the year of funding. The total amount cannot exceed the amount identified in the RM-2 legislation.

Eligible Phases: ENV (or PA&ED), PS&E, R/W or CON. For planning activities use ENV. For Vehicles, Equipment or Operating use CON. OK to use CT R/W SUP or CT CON SUP for Caltrans support, but not necessary (optional).

TAM RESOLUTION NO. 2016-##

**RM2 Implementing Agency Resolution of Project Compliance
Allocation Request: Project No. 11.5**

Project Title: North South Greenway Gap Closure Project

Whereas, SB 916 (Chapter 715, Statutes 2004), commonly referred as Regional Measure 2, identified projects eligible to receive funding under the Regional Traffic Relief Plan; and

Whereas, the Metropolitan Transportation Commission (MTC) is responsible for funding projects eligible for Regional Measure 2 funds, pursuant to Streets and Highways Code Section 30914(c) and (d); and

Whereas, MTC has established a process whereby eligible transportation project sponsors may submit allocation requests for Regional Measure 2 funding; and

Whereas, allocations to MTC must be submitted consistent with procedures and conditions as outlined in Regional Measure 2 Policy and Procedures; and

Whereas, Transportation Authority of Marin is an eligible sponsor of transportation project(s) in Regional Measure 2, Regional Traffic Relief Plan funds; and

Whereas, the North South Greenway Gap Closure Project eligible for consideration in the Regional Traffic Relief Plan of Regional Measure 2, as identified in California Streets and Highways Code Section 30914(c) or (d); and

Whereas, the Regional Measure 2 allocation request, attached hereto in the Initial Project Report and incorporated herein as though set forth at length, lists the project, purpose, schedule, budget, expenditure and cash flow plan for which Transportation Authority of Marin is requesting that MTC allocate Regional Measure 2 funds; and

Resolved, that on March 2, 2004, the Marin County Board of Supervisors created the Transportation Authority of Marin by Resolution No. 2004-21, pursuant to Section 180050 of the California Public Utilities Code ("PUC"). As required by California PUC Section 180051(a) and California Government Code Section 65089(a), a majority of City and Town Councils of Marin County, representing a majority of the incorporated population of Marin, have concurred on the membership of the Transportation Authority of Marin and designated the Transportation Authority of Marin as the Congestion Management Agency for Marin County.

Resolved, that Transportation Authority of Marin, and its agents shall comply with the provisions of the Metropolitan Transportation Commission's Regional Measure 2 Policy Guidance (MTC Resolution No. 3636); and be it further

Resolved, that Transportation Authority of Marin certifies that the project is consistent with the Regional Transportation Plan (RTP).

Resolved, that the year of funding for any design, right-of-way and/or construction phases has taken into consideration the time necessary to obtain environmental clearance and permitting approval for the project.

Resolved, that the Regional Measure 2 phase or segment is fully funded, and results in an operable and useable segment.

Resolved, that Transportation Authority of Marin approves the Updated Initial Project Report, attached to this resolution; and be it further

Resolved, that Transportation Authority of Marin approves the cash flow plan, attached to this resolution; and be it further

Resolved, that Transportation Authority of Marin has reviewed the project needs and has adequate staffing resources to deliver and complete the project within the schedule set forth in the updated Initial Project Report, attached to this resolution; and be it further

Resolved, that Transportation Authority of Marin is an eligible sponsor of projects in the Regional Measure 2 Regional Traffic Relief Plan, Capital Program, in accordance with California Streets and Highways Code 30914(c); and be it further

Resolved, that Transportation Authority of Marin is authorized to submit an application for Regional Measure 2 funds for the North South Greenway Gap Closure Project in accordance with California Streets and Highways Code 30914(c); and be it further

Resolved, that Transportation Authority of Marin certifies that the projects and purposes for which RM2 funds are being requested is in compliance with the requirements of the California Environmental Quality Act (Public Resources Code Section 21000 et seq.), and with the State Environmental Impact Report Guidelines (14 California Code of Regulations Section 15000 et seq.) and if relevant the National Environmental Policy Act (NEPA), 42 USC Section 4-1 et. Seq. and the applicable regulations thereunder; and be it further

Resolved, that there is no legal impediment to Transportation Authority of Marin making allocation requests for Regional Measure 2 funds; and be it further

Resolved, that there is no pending or threatened litigation which might in any way adversely affect the proposed project, or the ability of Transportation Authority of Marin to deliver such project; and be it further

Resolved, that Transportation Authority of Marin indemnifies and holds harmless MTC, its Commissioners, representatives, agents, and employees from and against all claims, injury, suits, demands, liability, losses, damages, and expenses, whether direct or indirect (including any and all costs and expenses in connection therewith), incurred by reason of any act or failure to act of Transportation Authority of Marin, its officers, employees or agents, or subcontractors or any of them in connection with its performance of services under this allocation of RM2 funds. In addition to any other remedy authorized by law, so much of the funding due under this allocation of RM2 funds as shall reasonably be considered necessary by MTC may be retained until disposition has been made of any claim for damages, and be it further

Resolved, that Transportation Authority of Marin shall, if any revenues or profits from any non-governmental use of property (or project) that those revenues or profits shall be used exclusively for the public transportation services for which the project was initially approved, either for capital improvements or maintenance and operational costs,

otherwise the Metropolitan Transportation Commission is entitled to a proportionate share equal to MTC's percentage participation in the projects(s); and be it further

Resolved, that Transportation Authority of Marin shall post on both ends of the construction site(s) at least two signs visible to the public stating that the Project is funded with Regional Measure 2 Toll Revenues; and be it further

Resolved, that Transportation Authority of Marin authorizes its Executive Director to execute and submit an allocation request for work projected to be in FY 16/17, to fund the Right-Of-Way phase for the North South Greenway Gap Closure Project, in the amount of \$850,000 for the purposes and amounts included in the Initial Project Report attached to this resolution; and be it further

Resolved that the Executive Director is hereby delegated the authority to make non-substantive changes or minor amendments to the IPR as deemed appropriate.

Resolved, that a copy of this resolution shall be transmitted to MTC in conjunction with the filing of the Transportation Authority of Marin application referenced herein.

PASSED AND ADOPTED at a regular meeting of the Transportation Authority of Marin held on the 1st day of December 2016, by the following vote:

AYES: Commissioners:
NOES: Commissioners:
ABSENT: Commissioners:

Stephanie Moulton-Peters, Chair
Transportation Authority of Marin

ATTEST:

Dianne Steinhauser
Executive Director



DATE: December 1, 2016

TO: Transportation Authority of Marin Board of Commissioners

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

SUBJECT: Approve Extension on State Legislative Contract (Action), Agenda Item 7f

RECOMMENDATION

Approve the third one-year extension with Khouri Consulting for State Legislative Services not to exceed \$35,000.

BACKGROUND

When TAM's state legislative contract with the firm of Shaw Yoder Antwih ended in November 2013, the TAM Board approved a contract with Khouri Consulting to provide state legislative consulting services for one year with an option for four one-year extensions at TAM's discretion for a maximum of \$35,000 annually. The contract with Khouri Consulting commenced on January 1, 2014 and expired on December 31, 2014. The TAM Board approved the first one-year extension in November 2014 and the second one-year extension in December 2015. The second one-year extension expires on December 31, 2016.

The primary reason for issuing a one year contract with four one-year extensions by the TAM Board was because Khouri Consulting was a newly formed firm that came into existence in 2013. While Mr. Khouri's experience and credentials on transportation and related issues were unquestioned, staff felt that it was prudent to issue a shorter term contract with a new firm until familiarities have been established. The four one-year extensions allowed the relationship to continue beyond the first year if the relationship shows to be mutually beneficial.

DISCUSSION

After three years with Khouri Consulting, staff is recommending the TAM Board approve the third one-year extension of the four-year option. In the past year, Mr. Khouri has been actively and consistently monitoring issues germane to TAM. He has provided prudent advice on complex issues and he was readily available to provide legislative service when requested. Staff believes that a continued relationship with Khouri Consulting would be beneficial to TAM instead of seeking a new consultant.

If the TAM Board decides not to extend this contract with Khouri Consulting, a Request for Proposals (RFP) would be issued immediately to solicit service for state legislative services. The process to select to select another consultant for the TAM Board's consideration would take approximately three months.

This work element has been budgeted in TAM's FY 2016-17 budget, approved by the TAM Board in June 2016.

NEXT STEP

Issue an amendment to for Khouri Consulting to extend the existing contract for one year at an amount not to exceed \$35,000.



DATE: December 1, 2016

TO: Transportation Authority of Marin Board of Commissioners

FROM: Dianne Steinhauser, Executive Director
Dan Cherrier, Principal Project Delivery Manager

SUBJECT: Extension of Program/Project Management and Oversight Services Contract (Action),
Agenda Item No. 7g

RECOMMENDATION

Authorize the Executive Director to execute Addendum 6 to Contract C FY11/12-09 to extend the term of the contract to April 30, 2017.

BACKGROUND

Since inception, TAM has been using consultant support to augment staff in project and program oversight. This approach is likely to continue as the best approach to meet varying project workload. The prudent use of consultant support services enables TAM to deliver projects and programs and associated funding. This can include the funding programs and projects administered by TAM as the Congestion Management Agency (CMA), such as Regional Measures and the federal OBAG funds, along with Measure A (Transportation Sales Tax) and Measure B (Vehicle Registration Fee), and state funded projects and programs, as well.

The on-call approach allows TAM to utilize expertise when it is needed, and creates access to a variety of services depending on the circumstances. Often the expertise is needed in a very short period of time. Having a team ready to respond quickly has proven to be very effective. The On-call also allows TAM to respond to peak workload issues and keep a variety of projects on schedule. The current contract for Program/Project Management, Construction Management, and Oversight Services continues through December 2016. Note that major efforts in planning or project delivery are managed through separate requests for proposals/ competitive processes.

At its December 1, 2011 meeting, the TAM Board of Commissioners approved award of a contract for Program and Project Management to CSW/Stuber-Stroeh Engineering Group, Inc. Their selection was based on successfully demonstrating to the selection group that the CSW team was able to provide expertise in the following areas:

- Assist with the development of project controls and the overall management of program/project scope, schedule and budget;
- Assist with the development and application of criteria for project prioritization;
- Management of project delivery, and oversight of projects, on the state highway system;

- Review of compliance with performance standards and assist with reporting requirements for claimants;
- Provide on-call design services as required to assist with the needs of local agencies in Marin County;
- Development of public outreach and educational programs and materials;
- Assist as necessary for development of elements of the Regional Transportation Plan;
- Assist with technical expertise regarding CEQA and NEPA actions, including specific environmental technical areas;
- Provide support for long-range planning activities in the County of Marin;
- Monitor and provide expert assistance in the preparation and maintenance of TAM's various Transportation Demand Management Programs such as Emergency Ride Home, Dynamic Ridesharing, and Vanpool Incentives;
- Provide assistance as necessary for management of TAM's Crossing Guard Program;
- Provide expertise with the assignment of various fund sources.

The original team members along with their area of expertise are listed below:

AECOM	Local Agency Design Support, and CEQA/NEPA Consulting;
PDM Group	Program Management, Project Delivery, Strategic Planning, Performance Standards, and Reporting Requirements;
Vali Cooper & Assoc.	Program Controls, Performance Standards, Reporting Requirements, and Construction Management;
Advance Project Del.	Project Controls, Project Prioritization, Strategic Planning, Project Oversight, Funding Sources, and Crossing Guard Coordination;
Gray-Bowen	Strategic Planning, Project Prioritization, and Funding Sources;
Nelson\Nygaard	Public Outreach, TDM Programs, RTP Management, and Long Range Planning;
Eldridge Consulting	Public Outreach, and Long Range Planning;
Parisi Associates	Local Agency Design Support, Traffic Engineering, and Long Range Planning;
Rick Ruvolo Consulting	TDM programs;
Green Valley Engineering	Local Agency Design Support;
W-Trans	Traffic Engineering.

Since the execution of the contract additional team members have been added to provide further expertise as needed and Eldridge Consulting was dropped after the principal of the firm became employed elsewhere. Green Valley Engineering has voluntarily left the team. Parisi Associates has transformed into Parisi Transportation Consultants. Team members added have included:

Nossaman LLP	Program and Project Management Legal Services;
JSP Consulting	Project and Construction Management;
HNTB Corporation	Project Management, Project Prioritization;
Mr. Nicholas Nguyen	Project Management;
Ms. Lisa Newman	Program and Project Management.

Note: JSP Consulting, Ms. Lisa Newman, and Mr. Nicholas Nguyen have since left the team. Mr. Nguyen has been hired as a full time employee of TAM.

The prime consultant CSW/Stuber-Stroeh continues to provide overall Program Management, Contract Management as well as specialization in Project Delivery and Performance Standards. The designated point of contact is Al Cornwell currently serving as president of CSW/Stuber-Stroeh.

Expenditures

The approximate amount of payments (through October 2016) directed to each team consultant are shown below:

AECOM	\$43,889;
PDM Group	\$51,940;
Vali Cooper & Assoc.	\$62,141;
Advance Project Del.	\$212,504;
Gray-Bowen	\$0;
Nelson\Nygaard	\$461,701;
Eldridge Consulting	\$44,540;
Parisi Trans. Consultants	\$195,757;
Rick Ruvolo Consulting	\$345,584;
Green Valley Engineering	\$0;
W-Trans	\$40,414;
Nossaman LLP	\$37,524;
JSP Consulting	\$351,252;
HNTB Corporation	\$351,978;
Mr. Nicholas Nguyen	\$95,866;
Ms. Lisa Newman	\$74,401;
CSW/Stuber-Stroeh	\$364,768;
Total	\$2,734,259.

Note: A breakdown of the past year's invoices by sub consultant is shown in Attachment A

Contract

TAM entered into an initial three-year contract with options for two one-year extensions. The consultant search and award process followed federal guidelines allowing for the receipt of federal funds. Rates for most firms were determined by use of an overhead multiplier and fee incorporated into the direct costs. A negotiated rate of compensation was utilized for the firms that are unable to provide an overhead multiplier. All work has been authorized through a Task Order System with associated deliverables, schedule and budget. Task Orders are only issued after a source of funds has been identified for the proposed work and is listed in the approved TAM budget.

Individual Task Orders are used to authorize the consultant to invoice against the contract. The work associated with these consultant support services was (are) included in TAM's FY 2011-12, 2012-13, 2013-14, 2014-15, 2015-16 budgets and the adopted FY2016-17 budget. Task Order Titles and authorizations are shown in Attachment A. Through various amendments, the current contract has increased to a Not to Exceed amount of \$3,100,000. This was last approved by the TAM board in December 2015. This approved amount will be sufficient to allow for the short requested extension.

The responsible Task Order Manager is listed in Attachment A and is responsible for verifying that sufficient funds are available and authorizes payment for the individual Task Order. The Contract Manager is responsible for scope, schedule, and budget for the overall contract as well as federal invoicing requirements and required insurance. The source of funds for each Task Order used to make payments are shown in Attachment B.

DISCUSSION

Recent changes have occurred in federal contracting guidelines. Caltrans Local Assistance (the State branch tasked with administering federal funds) has recently revised several procedures. TAM staff have held off on advertising for the new on-call contract until publication of the revisions. In order to complete the procurement process for a new on-call team, the existing contract will need to be extended for four months. At the end of March 2017, staff may return for a future limited extension and possible contract increase if after careful consideration it is deemed prudent to continue complete certain ongoing Task Orders with the current Team rather than transition to an entirely new consultant group.

Staff have been pleased with the services provided by the CSW/Stuber-Stroeh team and wish to exercise a four month extension. Funding for the various Task Orders has been included in the approved FY 2016-17 budget. Actual contractor authorizations are only provided as work is needed and funds are in place. Expenditures expected to be authorized by this contract are shown in the FY 2016-17 budget.

ATTACHMENT

Attachment A: PMO Task Orders

Attachment B: PMO Breakdown by Source of Funds

Project Management Oversight Break Down by Task Order

Task Order #	Task Order Name	Task Order Manager	Task Order Status	Task Order Start Date	Termination Date	Authorization Amount	Invoiced to Date	Invoiced during period of November 2015 to October 2016	Consultants utilized during period of November 2015 to October 2016
Task Order 1	Contract Administration	D. Cherrier	Open	12/29/2011	Ongoing	\$ 70,000	\$ 51,778	\$ 1,058	CSW/ST2 for all work
Task Order 2	FHWA Discretionary Grant	L. Jackson*	Closed	12/29/2011	3/1/2012	\$ 10,000	\$ -	\$ -	
Task Order 3	Transportation Demand Management	S. McDonald	Open	12/29/2011	12/31/2016	\$ 410,000	\$ 402,187	\$ 83,814	CSW/ST2 for \$5,238, Rick Ruvolo Consulting for \$78,576
Task Order 4	Marin-Sonoma Narrows Project Management	N. Nguyen	Closed	1/1/2012	12/31/2014	\$ 450,000	\$ 415,859	\$ -	
Task Order 5	Crossing Guard Program Management	D. Cherrier	Open	12/29/2011	Ongoing	\$ 200,000	\$ 196,763	\$ 25,941	CSW/ST2 for \$1,621, Advance Project Delivery for \$24,320
Task Order 6	Dynamic Rideshare Outreach	S. McDonald	Closed	2/22/2012	9/30/2012	\$ 122,000	\$ 122,000	\$ -	
Task Order 7	Not Used	N/A	N/A			\$ -	\$ -	\$ -	
Task Order 8	West Marin Electric Vehicle Charging Station Location Study	S. Loosen*	Closed	7/24/2012	9/1/2012	\$ 6,000	\$ 1,499	\$ -	
Task Order 9	Dynamic Rideshare Outreach	S. McDonald	Closed	9/5/2012	2/28/2013	\$ 25,000	\$ 25,000	\$ -	
Task Order 10	Soundwall Noise Study on U.S. 101 near Olive Avenue	N. Nguyen	Closed	8/29/2012	12/31/2014	\$ 35,350	\$ 35,350	\$ -	
Task Order 11	Local Agency Support	D. Cherrier	Open	9/5/2012	Ongoing	\$ 70,000	\$ 70,461	\$ 32,908	CSW/ST2 for \$3,063, Advance Project Delivery for \$19,976, Parisi Transportation Consultants for \$9,869
Task Order 12	Marin-Sonoma Narrows Legal Support	D. Cherrier	Closed	9/25/2012	3/31/2013	\$ 17,000	\$ 15,460	\$ -	
Task Order 13	Marin-Sonoma Narrows Construction Management	N. Nguyen	Open	11/29/2012	Ongoing	\$ 100,000	\$ 52,989	\$ -	
Task Order 14	Dynamic Rideshare Outreach	S. McDonald	Closed	12/5/2012	9/30/2013	\$ 132,000	\$ 130,651	\$ -	
Task Order 15	Tam Junction Preliminary Engineering and Environmental Studies	D. Cherrier	Closed	12/21/2012	8/31/2013	\$ 65,000	\$ 44,701	\$ -	
Task Order 16	Tennessee Valley Road and Highway 1 Traffic Counts	D. Cherrier	Closed	5/24/2013	8/30/2013	\$ 17,000	\$ 15,814	\$ -	
Task Order 17	Study Richmond-San Rafael Bridge Approach Options	D. Cherrier	Open	8/19/2013	Ongoing	\$ 240,000	\$ 238,613	\$ 29,251	CSW/ST2 for \$23,795, W-Trans for \$5,456
Task Order 18	Dynamic Rideshare Outreach	S. McDonald	Closed	9/23/2013	3/31/2015	\$ 220,650	\$ 220,625	\$ -	
Task Order 19	Central Marin Ferry Connection Phase II Cost Estimate	B. Whitney	Closed	11/26/2013	12/31/2013	\$ 5,000	\$ 4,200	\$ -	
Task Order 20	General Project Management	D. Cherrier	Closed	6/16/2014	12/31/2014	\$ 100,000	\$ 103,999**	\$ -	
Task Order 21	Sausalito Gateway Study	D. Chan	Open	7/16/2014	Ongoing	\$ 118,750	\$ 126,863**	\$ 40,382	CSW/ST2 for \$2,524, Parisi Transportation Consultants for \$37,858
Task Order 22	CBTP Management and Oversight	D. McGill	Closed	8/11/2014	4/30/2015	\$ 65,000	\$ 79,051**	\$ -	
Task Order 23	Fund Monitoring	D. Chan	Open	8/1/2014	Ongoing	\$ 16,000	\$ 8,005	\$ -	
Task Order 24	Bike Sharing Analysis	D. McGill	Open	1/21/2015	1/1/2017	\$ 14,000	\$ 12,195	\$ 5,225	CSW/ST2 for \$327, Parisi Transportation Consultants for \$4,898
Task Order 25	RTP Workshop	D. McGill	Open	4/20/2015	12/30/2015	\$ 50,000	\$ 40,010	\$ 5,623	CSW/ST2 for \$330, Nelson/Nygaard for \$5,293
Task Order 26	TAM Office Relocation ADA Study and Gap Closure Legal	B. Whitney	Closed	4/1/2015	12/21/2015	\$ 7,000	\$ 22,306**	\$ -	
Task Order 27	East Sir Francis Drake Boulevard Improvements	B. Whitney	Open	5/27/2015	Ongoing	\$ 245,000	\$ 245,634	\$ 136,420	CSW/ST2 for \$15,153, Parisi Transportation Consultants for \$4,693, HNTB Corporation for \$116,574
Task Order 28	Traffic Engineering Oversight	B. Whitney	Open	7/1/2015	Ongoing	\$ 17,500	\$ 17,477	\$ 17,477	CSW/ST2 for \$1,025, Parisi Transportation Consultants for \$15,367
Task Order 29	Sausalito Bike/Ped Plan Review	S. McDonald	Open	9/15/2015	Ongoing	\$ 6,000	\$ 5,811	\$ 5,811	CSW/ST2 for \$363, Parisi Transportation Consultants for \$5,448
Task Order 30	ATP Assistance	D. Chan	Closed	5/10/2016	6/30/2016	\$ 21,250	\$ 21,249	\$ 21,249	CSW/ST2 for \$1,328, Parisi Transportation Consultants for \$19,921
Task Order 31	Public Outreach - Strategic Vision Plan	D. McGill	Open	8/31/2016	11/30/2016	\$ 10,000	\$ 7,708	\$ 7,708	CSW/ST2 for \$482, Nelson/Nygaard for \$7,226
GRAND TOTAL							\$ 2,734,259	\$ 412,867	\$ -

* = No longer associated with TAM. Task Order was closed before employment ended, therefore Task Order management was not reassigned.

** = Authorized amount exceeded on final invoice with approval of Task Order Manager

**Project Management Oversight Break Down by Funding Source
December 2011 through October 2016**

Task Order #	Task Order Name	Invoiced to Date	Measure A Program Administration - 4%	Measure A Strategy 3 - Major and Local Roads - Project Management	Measure A Strategy 4 - Safe Routes to Schools - Project Management	City / County CMA Fees	Measure B Element 3.1 - School Related Congestion	Measure B Element 3.2 - Commute Alternatives	Measure B Element 3.3 - Alternate Fuel Infrastructure and Promotion	STP/CMAQ	MTC/SCTA Dynamic Rideshare Grant	Bay Area Air Quality Management District - Transportation Fund for Clean Air	Regional Measure 2 - Greenbrae Improvements	State Transportation Improvement Program	Federal Earmark for MSN Preliminary Engineering	Federal Bridge Program
Task Order 1	Contract Administration	\$ 51,778	\$ 8,593			\$ 23,589				\$ 14,924				\$ 4,671		
Task Order 3	Transportation Demand Management	\$ 402,187						\$ 358,569			\$ 23,820	\$ 19,798				
Task Order 4	MSN PM	\$ 415,859	\$ 17,857											\$ 398,002		
Task Order 5	Crossing Guard PM	\$ 196,763	\$ 2,279		\$ 194,484											
Task Order 6	Dynamic Rideshare Outreach	\$ 122,000									\$ 102,542	\$ 19,458				
Task Order 8	West Marin EV Charging Station Location Study	\$ 1,499						\$ 1,499								
Task Order 9	Dynamic Rideshare Outreach	\$ 25,000									\$ 25,000					
Task Order 10	Soundwall Noise Study on U.S. 101 near Olive Avenue	\$ 35,350								\$ 13,125				\$ 9,350	\$ 12,875	
Task Order 11	Local Agency Support	\$ 70,461	\$ 2,665	\$ 1,594		\$ 10,424	\$ 6,218			\$ 49,560						
Task Order 12	MMSN Legal Support	\$ 15,460													\$ 15,460	
Task Order 13	MSN CM	\$ 52,989													\$ 52,989	
Task Order 14	Dynamic Rideshare Outreach	\$ 130,651						\$ 4,265			\$ 125,021	\$ 1,365				
Task Order 15	Tam Junction PE	\$ 44,701								\$ 44,701						
Task Order 16	Tennessee Valley Road and Highway 1 Traffic Counts	\$ 15,814				\$ 15,450				\$ 365						
Task Order 17	Study RRSRB Approach Options	\$ 238,613				\$ 42,703				\$ 95,911			\$ 100,000			
Task Order 18	Dynamic Rideshare Outreach	\$ 220,625									\$ 220,625					
Task Order 19	CMFC Phase II Estimate	\$ 4,200											\$ 4,200			
Task Order 20	General PM	\$ 103,999	\$ 18,470		\$ 484				\$ 28,087	\$ 33,291				\$ 2,928	\$ 1,111	\$ 19,628
Task Order 21	Sausalito Gateway Study	\$ 126,863								\$ 126,863						
Task Order 22	CBTP Management	\$ 79,051								\$ 79,051						
Task Order 23	Fund Monitoring	\$ 8,005								\$ 8,005						
Task Order 24	Bike Sharing Analysis	\$ 12,195						\$ 12,195								
Task Order 25	RTP Workshop	\$ 40,010								\$ 40,010						
Task Order 26	TAM Office Relocation	\$ 22,306	\$ 22,306													
Task Order 27	East SFD Improvements	\$ 245,634								\$ 245,634						
Task Order 28	Traffic Engineering Osight	\$ 17,477											\$ 17,477			
Task Order 29	Sausalito Bike/Ped Review	\$ 5,811				\$ 5,811										
Task Order 30	ATP Assistance	\$ 21,249				\$ 21,249										
Task Order 31	Outreach - SVP	\$ 7,708				\$ 7,708										
GRAND TOTAL		\$ 2,734,259	\$ 72,170	\$ 1,594	\$ 194,968	\$ 126,934	\$ 6,218	\$ 375,029	\$ 29,586	\$ 751,440	\$ 497,008	\$ 40,621	\$ 121,677	\$ 414,951	\$ 82,435	\$ 19,628



DATE: December 1st, 2016

TO: Transportation Authority of Marin Board of Commissioners

FROM: Dianne Steinhauser, Executive Director
Derek McGill, Planning Manager

SUBJECT: Extension of TAM's On-Call Modeling Services Contract with Kittleson & Associates, (Action), Agenda Item 7h

RECOMMENDATION

Authorize the Executive Director to extend the existing contract with Kittleson & Associates for twelve additional months to December 30, 2017. The work to be performed during the contract extension fits within or completes the existing scope of work. This work will not exceed the original contract amount of \$130,000.

BACKGROUND

This memo recommends extending TAM's contract for On-Call Modeling Services for 12 months through December 2017. The existing scope includes on-call modeling services for the countywide travel model, as required of Congestion Management Agencies (CMAs) as part of the county Congestion Management Program (CMP).

The existing contract was authorized in August 2010 for a period of 28 months, not to exceed \$65,000 annually (total \$130,000, expiring on December 31, 2012). In December 2012, December 2013, November 2014, and December 2015 four separate one year extensions were authorized by the board with no change to the amount allocated. TAM Staff is now recommending a fifth one-year extension, with no change to the amount allocated. The original amount of \$130,000 is not increased, with an extended contract expiring on December 31, 2017. To date, approximately \$13,250 remains in the budget for the scope of work in this contract, which staff have deemed sufficient for the foreseeable future.

Note TAM typically re-advertises ongoing work after 5 years, unless unique skills merit a different approach which is the case here. The skills necessary for maintaining our unique Marin Travel Model using EMM2 software are not easily found. We have had success in utilizing the unique staff expertise at Kittleson when we do have a need to use the current model. We have been working on a replacement Marin Travel Model that will meet the new legislative requirements under SB 743 and the needs of our local jurisdictions. In the meantime, further extension of this modest contract is warranted.

TAM staff have retained model on call consultants to develop a new travel model, known as the TAM Travel Demand Model or TAMDM, and is in the process of developing a model transition plan for development of the new TAMDM model. Work is expected to be completed by late 2017 on the new model, and this contract would maintain low-cost access to the current model (the Marin Travel Model or MTM) for county-level modeling to meet both air quality conformity needs and consistency with the regional transportation plan.

Staff will be bringing more detailed results about the new model in early 2017. The consultant will continue to provide on-call services as needed for local jurisdictions and the County.

The contract amount remains the same; the request is for time extension only.

DISCUSSION/ANALYSIS

As the Congestion Management Agency (CMA) for Marin, TAM is responsible for maintaining a computer model of travel behaviors in the county. The current model is known as the Marin Travel Model (MTM). Every two years as part of the Congestion Management Plan update, the MTM must show consistency with MTC's regional travel model, as set forth by state statute that outlines the responsibilities of CMAs.

The MTM is also used to model project-level traffic and transportation scenarios for specific projects, such as major arterial and highway projects. TAM and its partner agencies, such as Caltrans, must demonstrate that project modeling is consistent with the MTM and therefore consistent with MTC's regional model. The MTM is also used to model Housing and Transportation Elements of the Marin Countywide Plan.

The Marin Travel Model (MTM) is composed of 1) travel forecasting software that replicates travel behavior and 2) data files that contain information specific to Marin including: roadway network, socioeconomic, and land use data from which travel demand, including future travel needs and impacts, is estimated.

Activity 2010 through 2016

On-call services over the period of 2010 to date include maintaining the model, responding to information requests for local projects, a white paper memo regarding options for updating the model and preparing the 2011 and the 2013 modeling consistency memos, which are required as part of TAM's role in developing and maintaining a county-wide model.

In fall 2013, the consultant completed the draft white paper outlining options for TAM regarding the identification of a travel model that will meet CMP requirements and county needs in the future. The Marin Travel Model was developed over 25 years ago. It is generally agreed that the Marin Travel Model is reaching, if not exceeded, the end of its viability.

In 2016, TAM staff retained a consulting firm to develop a new travel demand model. Work is ongoing on that contract including updating origin and destination information to support the development of the new Model, the TAMDM. TAM staff are developing a model based on MTC's regional ModelTwo, which has been delayed from a 2016 schedule to mid-2017. ModelTwo is expected to provide a robust and consistent forecasting tool for consideration of use by TAM.

Activities 2017

Tasks identified for the contract extension period with Kittleson include continuing On-Call tasks as needed. Because the regional requirements for travel modeling are in flux and there has not been major demand for use of the model – staff believes costs for using and/or making adjustments to the model can be relatively low, particularly over the next year. TAM staff will need to begin close out activities related to the MTM in spring 2017, including data archiving and comparisons of data sets for use in developing TAMDM. These tasks are within the original scope of work and budget approved by the TAM Board in 2010.

This is an amendment to the current contract to provide a time extension in order to complete the above task and to continue to provide on-call modeling services as needed. Continuation of this on-call contract is important to retain qualified support services of the MTM until a new model is available for use.

FISCAL CONSIDERATION

N/A

NEXT STEPS

N/A. TAM staff will begin close out of the current contract, and continue the development of the TAM Travel Demand Model, TAMDM for use by the end of 2017.

ATTACHMENTS

N/A

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DATE: December 1, 2016

TO: Transportation Authority of Marin Board of Commissioners

FROM: Dianne Steinhauser, Executive Director
Li Zhang, Chief Financial Officer

SUBJECT: Review and Acceptance of FY2015-16 Draft Financial Statements and Single Audit Report (Action), Agenda Item No. 7i

RECOMMENDATION:

Staff recommends that the TAM Board reviews and accepts the Draft TAM FY2015-16 Financial Statements and Single Audit Report.

BACKGROUND:

TAM is required by its Measure A ½ Transportation Sales Tax Expenditure Plan and PUC Code 180105(c) to conduct an annual financial audit. TAM staff, along with TAM’s audit team from Vavrinek, Trine, Day & Co., LLP, started the work on the FY2015-16 financial audit in June of this year and the final field visit was conducted the first week of November. As required by the Measure A ½ Transportation Sales Tax Expenditure Plan, the COC will review the final audit report and also report the results to the Marin citizens in its FY2015-16 COC Annual Report early next year.

DISCUSSION/ANALYSIS:

Components of the FY2015-16 Financial Audit and Single Audit Reports

The Draft Financial Audit Report includes the following elements: Independent Auditors’ Report, Management’s Discussion and Analysis, Basic Financial Statements, Notes to Basic Financial Statements, Independent Auditor’s Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards, and Independent Auditor’s Report on Compliance.

The Draft Single Audit report includes the following elements: Independent Auditor’s Report, Schedule of Expenditure of Federal Awards, Notes to the Schedule of Expenditures of Federal Awards, Schedule of Findings and Questioned Cost, and Summary Schedule of Prior Year Audit Findings if any.

Results of the FY2015-16 Financial and Single Audits

The Auditor has certified that all of TAM's financial statements are presented fairly in all material aspects, has certified the financial position of the governmental activities and each major fund on June 30, 2016, and the respective changes in financial position thereof and the budgetary comparison for the special revenue funds for the year then ended in conformity with U.S. generally accepted accounting principles, as well as the accounting system prescribed by the State Controller's Office and state regulations governing special districts.

The Expenditure Plan allows TAM to use up to 5% of the Measure A revenue for administration costs, of which 1% can be used for salaries and benefits for administrative staff and 4% can be used for overall project/program support. The Measure A compliance audit conducted for FY2015-16 confirmed that TAM is in compliance with the 5% overall administration cost ceiling and under the 1% administrative staff cost cap mandated by Measure A. A compliance audit has also been conducted for the Transportation Development Act (TDA) fund that TAM receives for the bike plan update projects and no noncompliance instances were detected.

The auditor also confirmed that its tests during the Single Audit process disclosed no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards.

FISCAL CONSIDERATION:

The audit is being conducted within budget.

NEXT STEPS:

N/A

ATTACHMENTS:

Attachment 1: Draft TAM FY2015-16 Financial Statements
Attachment 2: Draft TAM FY2015-16 Single Audit Report
Attachment 3: Auditor's Communication Letter

**TRANSPORTATION AUTHORITY
OF MARIN
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2016**

TRANSPORTATION AUTHORITY OF MARIN

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TRANSPORTATION AUTHORITY OF MARIN

BOARD OF COMMISSIONERS

JUNE 30, 2016

JUDY ARNOLD

DAMON CONNOLLY

SANDRA DONNELL

ALICE FREDERICKS

DIANE FURST

DAN HILLMER

STEVE KINSEY

P. BEACH KUHL

ERIC LUCAN

TOM MCINERNEY

STEPHANIE MOULTON-PETERS

GARY PHILLIPS

JOHN REED

KATIE RICE

KATHRIN SEARS

TOM THEODORES

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners of the
Transportation Authority of Marin
San Rafael, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Transportation Authority of Marin (the Authority) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Authority, as of June 30, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 2016, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering of the Authority's internal control over financial reporting and compliance.

Palo Alto, California
_____, 2016

TRANSPORTATION AUTHORITY OF MARIN**MANAGEMENT'S DISCUSSION AND ANALYSIS****JUNE 30, 2016**

This section of the Transportation Authority of Marin's (the Authority) financial statements presents management's overview and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2016. We encourage the reader to consider the information presented here in conjunction with the financial statements as a whole.

FINANCIAL HIGHLIGHTS

The Authority collected a total of \$37.3 million in revenues in FY2015-16, of which \$25.7 million, or 68.9% is Measure A ½ Cent Transportation Sales Tax revenue. We have seen steady growth of the sales tax revenue in Marin County for the last six years. The Authority's \$25.7 million Measure A ½ Cent Transportation Sales Tax collection in 2015-16 is \$0.4 million, or 1.7% higher than the \$25.3 million collected in FY2014-15. This continuing health revenue improvement will help the financial picture of all the transportation projects and programs in Marin County. A total of \$2.4 million was collected under Measure B, the \$10 Vehicle Registration Fee (VRF) program in FY2015-16. The Measure A Sales Tax and Measure B VRF revenues are the two dedicated local transportation funding sources and vital to the successful implementation of all transportation projects and programs in Marin County.

Besides the Measure A ½ Cent Transportation Sales Tax revenues and the Measure B VRF revenue collection for carrying various transportation-related projects and programs in the County, the Authority also received about \$8.5 million for all its Congestion Management Agency (CMA) related activities. As the CMA for Marin County, the Authority collected about \$1.2 million from the Metropolitan Transportation Commission (MTC) in Congestion Management Planning and Programming and Priority Development Area (PDA) funds. Cities, towns, and the County of Marin also contributed \$0.6 million for the various services/support the Authority provides as the CMA. About \$0.2 million was received from the State Transportation Improvement Program (STIP) for Planning, Programming and Monitoring activities for all state projects. A total of \$1.3 million Regional Measure 2 (RM2) funds were received for various RM2 capital projects in Marin County. The Authority collected about \$0.4 million in Transportation Funds for Clean Air (TFCA) funds, a program funded by a \$4 surcharge on motor vehicles registered in the Bay Area. A total of \$0.4 million of STIP Regional Improvement Program (RIP) and Highway Bridge Program funds were received from the State and Federal Highway Administration (FHWA) for the various Marin Sonoma Narrows projects. A total of \$3.9 million Congestion Management Air Quality fund was received from the FHWA for the construction of the Central Marin Ferry Connector Project. The Authority also received about \$0.1 million various funds from the federal and state governments for several small transportation projects and programs.

The Authority collected \$23,328 in interest revenue from the Marin County Investment Pool in FY2015-16. In late FY2015-16, the Authority implemented its own financial system, MIP, and also moved its remaining fund balance in the Marin County Investment Pool to Bank of Marin and CalTRUST. Currently, the Authority's investments with the CalTRUST pool amounts to \$46,968,301. Total interest revenue received from various CalTRUST funds during FY2015-16 is \$351,324. As of June 30, 2016, the unrealized gain from the various accounts is \$293,173. Including the funds in the Bank of Marin and CalTRUST, the Authority has a total cash/investment balance of \$51.9 million as of June 30, 2016.

Total FY2015-16 expenditures for the Authority were \$30.9 million, of which \$20.8 million was in the Measure A Sales Tax Fund, and consisted of \$1.3 million for administration, \$0.1 million for professional services, \$1.0 million for debt services, which is to fully pay off the MTC loan secured to meet the cash flow needs of the Highway 101 Gap Closure Project, with the remaining \$18.4 million for Measure A projects and programs. Expenditures for all Measure B VRF programs were \$1.5 million. The other \$8.6 million expenditures are for various CMA planning/programming activities and major capital projects.

TRANSPORTATION AUTHORITY OF MARIN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Authority's audited financial statements, which are comprised of the basic financial statements.

The required financial statements include the Government-wide and Fund Financial Statements, Statement of Net Position and Statement of Activities, Governmental Funds Balance Sheet, and the Governmental Fund Statement of Revenues, Expenditures and Changes in the Fund Balances. These statements are supported by notes to the financial statements. All sections must be considered together to obtain a complete understanding of the financial picture of the Authority.

THE BASIC FINANCIAL STATEMENTS

The Basic Financial Statements contain the Governmental-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of the Authority's financial activities and financial position.

The Government-wide Financial Statements provide a long-term view of the Authority's activities as a whole, and include the Statements of Net Position and Statement of Activities. The Statement of Net Position provides information about the financial position of the Authority as a whole, including all of its capital assets and long-term liabilities on the full accrual basis of accounting, similar to that used by corporations. The Statement of Activities provides information about all the Authority's revenues and expenses, also on the full accrual basis of accounting, with the emphasis on meeting net revenues or expenditures of the Authority's programs. The Statement of Activities explains in detail the change in Net Position for the fiscal year.

All of the Authority's activities are grouped into Governmental Activities, as explained below.

The Fund Financial Statements report the Authority's operation in more detail than the Governmental-wide Financial Statements and focus primarily on the short-term activities of the Authority's Major Funds. The Fund Financial Statements measure only current revenues and expenditures and fund balances and exclude capital assets, long-term debt and other long-term amounts.

Major Funds account for the major financial activities of the Authority and are presented individually. All funds of the Authority qualify or have been selected to be Major Funds and are explained below.

THE GOVERNMENT-WIDE FINANCIAL STATEMENTS

Government-wide Financial Statements are prepared on the full accrual basis of accounting, which means they measure the flow of all economic resources of the Authority as a whole. The Statement of Net Position and the Statement of Activities present information about the following:

Government Activities

The Authority's basic services are considered to be governmental activities. These services are supported by various transportation funding sources from various federal, state and local funding agencies.

TRANSPORTATION AUTHORITY OF MARIN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016

FUND FINANCIAL STATEMENTS

The Fund Financial Statements provide detailed information about each of the Authority's most significant funds, called Major Funds. The concept of Major Funds, and the determination of which are Major Funds, was established by Governmental Accounting Standards Board (GASB) Statement No. 34 and replaces the concept of combining like funds and presenting them in total. Instead, each Major Fund is presented individually, with all Non-major Funds summarized and presented only in a single column. Major Funds present the major activities of the Authority for the fiscal year, and may change from year to year as a result of changes in the pattern of the Authority's activities.

The Authority currently has four active governmental funds with an additional fund that was closed in the current fiscal year. Following is a discussion of the results of operations of each fund during FY2015-16.

CMA General Fund

This Fund accounts for the revenues and expenditures of the Authority's congestion management activities, primarily congestion management planning and programming work elements, and the management of various capital projects. The Fund spent a total of \$7.8 million for various transportation planning and programming activities, and capital projects management, and received a total of \$8.2 million in revenue in FY2015-16.

The fund's fiscal year-end balance is \$2.1 million. The Fund balance represents funds that have not yet been expended but are restricted for various congestion management activities.

BAAQMD/ TFCA Fund

This Fund accounts for the revenues and expenditures for the Transportation for Clean Air (TFCA) capital grant that the Authority receives from the Bay Area Air Quality Management District (BAAQMD). The purpose of the TFCA grant is to fund studies related to the monitoring of air quality control, and any capital improvements that can contribute to the improvement of air quality. Revenue received in FY2015-16 is \$372,341. The Fund spent \$784,931 on such activities in FY2015-16.

The Fund's fiscal year-end balance is \$1.1 million, representing funds that have not yet been expended but are restricted for air quality control and improvement projects.

Measure A Sales Tax Fund

This fund accounts for the revenues and expenditures for the projects and programs set forth by the voters in the Authority's Measure A Transportation Sales Tax Expenditure Plan, approved by Marin voters in November 2004. \$26.3 million in revenue was collected in FY2015-16. The Fund spent \$20.8 million on various Measure A related activities, with \$1.3 million for administration, \$0.1 million for professional services, \$1.0 million for debt services, which is to fully pay off for the payback of the MTC loan secured to meet the cash flow needs of the Highway 101 Gap Closure Project, with the remaining \$18.4 million for Measure A projects and programs.

The Fund's fiscal year-end balance is \$42.0 million, representing funds that have not yet been expended but are restricted for various projects and programs according to the Measure A Expenditure Plan.

TRANSPORTATION AUTHORITY OF MARIN**MANAGEMENT'S DISCUSSION AND ANALYSIS****JUNE 30, 2016**

Corte Madera Creek Bridge Fund

This fund accounts for a portion of the revenue and expenditures for the Central Marin Ferry Connection Project. As part of the Highway 101 Gap Closure Project implementation, the project sponsor, the Department of Transportation (Caltrans), needed to obtain a permit from the Bay Conservation and Development Commission (BCDC) to conduct some work within BCDC's jurisdiction. BCDC determined the projects had unavoidable impacts to resources under its purview and required certain mitigation as a condition to the issuance of a permit. A contribution in the amount of \$400,000 was made by Caltrans and deposited in this special Fund as required by BCDC. This funding is reserved for the Central Marin Ferry Connection Project, which is expected to enhance public access to the San Francisco shoreline. This Fund was transferred from the Marin County Department of Public Works to the Authority in FY2006-07. The Fund was fully spent and closed by June 30, 2016.

Measure B Vehicle Registration Fee

Under Senate Bill 83, the CMA may place an initiative on the County ballot to obtain up to \$10 in additional revenue from vehicle registration payments. In 2009, the Authority began evaluating the viability for obtaining revenues and the possibility of supporting a variety of underfunded transportation efforts. The process resulted in a ballot measure, Measure B, for simple majority approval to fund various exciting transportation projects and programs through the vehicle registration fee increases in the November 2010 election. With the strong support for the much needed transportation projects/programs around the County, Measure B, the \$10 vehicle registration fee increase, was passed successfully with a 63.5% approval rate.

Revenue collected from the Measure B program will help reduce traffic congestion, maintain roads, improve safety, and reduce air pollution by maintaining local and residential streets and pathways; funding transportation options for seniors and disabled persons; funding local pothole repair; providing school crossing guards and safe access to schools; and reducing commute trip congestion and supporting a cleaner environment. The Fund collected \$2.4 million in FY2015-16 and spent over \$1.4 million on various Measure B programs. Fund balance as of June 30, 2016 is \$3.9 million.

Governmental Fund Financial Statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the Governmental Statements.

Comparisons of Budget and Actual financial information are presented for all Funds in a combined format.

TRANSPORTATION AUTHORITY OF MARIN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016

ANALYSES OF GOVERNMENTAL FUNDS BUDGET

Governmental Funds

Actual revenues from various sources for FY2015-16 were \$37.3 million, about \$7.7 million less than the budgeted amount. Both the Measure A Sales Tax and Measure B VRF revenues came in higher than budget with the strong taxable sales and steady ownership of vehicles in Marin, while reimbursement-based revenues for most of the major capital projects were lower than budgeted due to project schedule changes. Total Measure A revenue collection was \$25.7 million, \$0.4 million higher than the \$25.3 million budgeted. Total Measure B revenue collection was \$2.4 million, slightly higher than the budgeted amount. The Authority received all the local CMA fee contributions from all the cities, towns and County. Revenue levels for all reimbursement based fund sources were determined by the actual expenditures of various programs/projects.

Total expenditures for FY2015-16 were \$30.9 million, \$12.5 million lower than the budget amount, which is mainly due to the slower than expected progress of various capital projects. Spending level for the Administration Category was almost the same as the \$2.8 million budgeted. The Authority spent \$1.7 million under the Professional Services Category; \$2.7 million lower than budgeted, mostly due to the slower than expected project spending for various capital projects as well as several planning efforts. Expenditures for Measure A Projects/Programs were at \$18.4 million, which is \$3.6 million less than budget with all four strategies expended less than the budgeted amounts. Expenditures for all Measure B Programs were at \$1.3 million, about \$0.4 million lower than the \$1.7 million budgeted, most due to the lower spending for the Paratransit Plus Program, the Transportation Demand Management Program and the EV Program. Only \$5.7 million of the \$11.5 million budgeted for the Interagency Agreements Category was spent since most of the work, including the construction of the Central Marin Ferry Connection Project, was spending slower than expected. Expenditure for all TFCA projects/programs was less than \$0.8 million, \$0.4 million more than budget due to the completion of a few overdue capital projects.

TRANSPORTATION AUTHORITY OF MARIN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016

Table 1
Statement of Net Position

	June 30, 2016	June 30, 2015	June 30, 2014
Assets			
Cash and Investments	\$ 51,884,455	\$ 43,884,026	\$ 39,652,952
Sales Tax Receivable	4,670,503	4,687,979	3,914,593
Accounts Receivable	5,403,878	3,456,392	1,872,058
Prepaid Expenses	21,444	40,496	-
Total Assets	61,980,280	52,068,893	45,439,603
Liabilities			
Current Liabilities			
Accounts Payable	9,187,709	5,644,771	8,790,039
Unearned Revenue	3,063,343	3,128,343	210,920
Noncurrent Liabilities			
Due within One Year	-	953,855	1,865,628
Due in more than One Year	-	-	953,855
Total Liabilities	12,251,052	9,726,969	11,820,442
Net Position			
Restricted	49,729,228	42,341,924	33,619,161
Total Net Position	\$ 49,729,228	\$ 42,341,924	\$ 33,619,161

The Statement of Net Position summarizes the Authority's assets and liabilities with the difference of the two reported as net position. Table 1 summarizes the net position of governmental activities for the fiscal year ended June 30, 2016, June 30, 2015 and June 30, 2014.

The Authority's governmental net position was \$49.7 million as of June 30, 2016, and comprised of the following:

- Cash and Investments of \$51.9 million in the CalTRUST and deposits with financial institutions.
- Receivables and Prepaid Expenses of \$10.1 million in sales tax and other accounts receivables.
- Liabilities, including all accounts payables and unearned revenues, totaling \$12.3 million.
- Net position represents available funds that can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions. Total net position for the Authority was \$49.7 million as of June 30, 2016, which were all restricted for various transportation projects and programs.

TRANSPORTATION AUTHORITY OF MARIN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016

Table 2
Statement of Activities

	FY 2016	FY 2015	Change
Revenues			
Programming revenue:			
Operating Grants and Contributions	\$ 8,535,259	\$ 5,657,885	\$ 2,877,374
Total Program Revenues	8,535,259	5,657,885	2,877,374
General revenue:			
Sales Tax	25,698,829	25,265,790	433,039
Vehicle Registration Fee	2,376,492	2,333,642	42,850
Interest	37,220	28,865	8,355
Investment Income (CalTrust)	351,877	185,231	166,646
Investment Unrealized Gain/(Loss)	293,173	(49,132)	342,305
Total General Revenues	28,757,591	27,764,396	993,195
Expenses			
Administration	876,328	652,015	224,313
Project Management	710,701	360,030	350,671
Transportation Planning	773,116	1,642,040	(868,924)
Transportation Projects	6,799,218	3,360,631	3,438,587
Measure A Projects and Programs	19,279,150	17,568,652	1,710,498
Measure B Programs	1,452,726	1,624,404	(171,678)
Interest on Long-term Debt	14,308	70,695	(56,387)
Total Expenses	29,905,547	25,278,467	4,627,080
Changes in Net Position	7,387,303	8,143,814	(756,511)
Net Position - Beginning	42,341,925	33,619,161	8,722,764
Net Position - Ending	\$ 49,729,228	\$ 41,762,975	\$ 7,966,253

TRANSPORTATION AUTHORITY OF MARIN

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2016

The Statement of Activities presents program revenues and expenses and general revenues in detail. All of these elements in the Changes in Governmental Net Position are summarized below.

As Table 2 shows, \$8.5 million or 22.2% of the Authority’s FY2015-16 governmental revenues, came from programming revenues and \$28.7 million, or 80.1%, came from general revenues such as Measure A sales taxes, Measure B vehicle registration fee (VRF) and interest revenue.

Measure A Sales Tax revenues are the largest revenue for the Authority, and represent about 68.9% of the Authority’s FY2015-16 revenues. Sales tax revenues are general revenues that are spent under the guidelines of the Expenditure Plan approved by Marin County voters in November 2004. Measure B VRF revenue is another voter approved dedicated transportation fund source for Marin County. \$2.4 million was collected in FY2015-16 under this funding source. Interest earnings are also part of the general revenues.

Programming revenues include both Operating Grants and Contributions and Capital Grants. Cities and County Contributions are part of the Operating Grants and contributions revenues. Other Operating Grants and Contributions include STP/CMAQ planning funds from MTC, the STIP/PPM funds from the California Transportation Commission (CTC). Total Operating Grants and Contribution for FY2015-16 is \$8.5 million.

Debt Administration

To meet the cash flow needs of the 101 Gap Closure project, the Authority entered into a \$12.5 million CMAQ/ Measure A Fund Exchange Agreement with MTC on November 2007. The first payment to MTC was made in June 2009. The Authority paid the remaining balance on the loan in FY2015-16.

Economic Outlook and Future Projections

The Authority will continue to maintain a watchful eye over expenditures and remain committed to sound fiscal management practices to deliver the highest quality services to the residents of Marin County.

With the steady growth of the Measure A sales tax revenues collection and reliable revenue stream from the Measure B VRF, the Authority will be able to continue many of the vital transportation projects/programs in Marin. The Authority hopes funding level from various federal and state resources will be stabilized in the upcoming fiscal year. All those steady revenue sources will help the financial picture of all the transportation projects and programs in Marin County.

On the expenditure side, the Authority was able to find adequate cash for the needs of various capital projects in FY2016-17 and expects this to remain the same in the upcoming fiscal year.

Request for Information

This Financial Report is intended to provide citizens, taxpayers and creditors with a general overview of the Authority’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be directed to the Transportation Authority of Marin, 900 Fifth Ave, Suite 100, San Rafael, CA 94901; (415) 226-0815.

TRANSPORTATION AUTHORITY OF MARIN

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2016

Economic Outlook and Future Projections

The Authority will continue to maintain a watchful eye over expenditures and remain committed to sound fiscal management practices to deliver the highest quality services to the residents of Marin County.

With the steady growth of the Measure A sales tax revenues collection and reliable revenue stream from the Measure B VRF, the Authority will be able to continue many of the vital transportation projects/programs in Marin. The Authority hopes funding level from various federal and state resources will be stabilized in the upcoming fiscal year. All those steady revenue sources will help the financial picture of all the transportation projects and programs in Marin County.

On the expenditure side, the Authority was able to find adequate cash for the needs of various capital projects in FY2016-17 and expects this to remain the same in the upcoming fiscal year.

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TRANSPORTATION AUTHORITY OF MARIN

STATEMENT OF NET POSITION

JUNE 30, 2016

	Governmental Activities
ASSETS	
Cash and Investments	\$ 51,884,455
Sales Tax Receivable	4,670,503
Accounts Receivable	5,403,878
Prepaid Expenses	21,444
Total Assets	61,980,280
LIABILITIES	
Current Liabilities:	
Accounts Payable	9,187,709
Unearned Revenue	3,063,343
Total Liabilities	12,251,052
NET POSITION	
Restricted for:	
BAAQD-TFCA Project	1,124,769
Measure A Sales Tax Project	42,042,756
Measure B VRF Projects	3,938,953
Congestion Management Projects	2,622,750
Total Net Position	\$ 49,729,228

The accompanying notes are an integral part of the financial statements.

TRANSPORTATION AUTHORITY OF MARIN

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

Functions/Programs	Expenses	Revenues Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental Activities:			
Congestion Management:			
Administration	\$ 876,328	\$ 338,130	\$ (538,198)
Project Management	710,701	-	(710,701)
Transportation Planning and Programming	773,116	1,815,551	1,042,435
Transportation Projects	6,799,218	6,381,578	(417,640)
Measure A Projects and Programs	19,279,150	-	(19,279,150)
Measure B Programs	1,452,726	-	(1,452,726)
Interest on Long-term Debt	14,308	-	(14,308)
Total Governmental Activities	\$ 29,905,547	\$ 8,535,259	(21,370,288)
General Revenues:			
Sales Tax			25,698,829
Vehicle Registration Fees			2,376,492
Interest			682,270
Total, General Revenues			28,757,591
Change in Net Position			7,387,303
Net Position - Beginning			42,341,925
Net Position - Ending			\$ 49,729,228

The accompanying notes are an integral part of the financial statements.

TRANSPORTATION AUTHORITY OF MARIN

BALANCE SHEET- GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund	BAAQMD/ TFCA Fund	Measure A Sales Tax Fund	Corte Madera Creek Bridge Fund	Measure B VRF Fund	Total
ASSETS						
Cash and Investments	\$ 4,621,061	\$ 1,765,108	\$ 41,461,741	\$ -	\$ 4,036,545	\$ 51,884,455
Sales Tax Receivable	-	-	4,670,503	-	-	4,670,503
Accounts Receivable	4,967,874	617	-	-	435,387	5,403,878
Prepaid Expenditures	-	-	21,444	-	-	21,444
Total Assets	\$ 9,588,935	\$ 1,765,725	\$ 46,153,688	\$ -	\$ 4,471,932	\$ 61,980,280
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 4,477,683	\$ 640,956	\$ 3,536,091	\$ -	\$ 532,979	\$ 9,187,709
Unearned Revenue	3,063,343	-	-	-	-	3,063,343
Total Liabilities	7,541,026	640,956	3,536,091	-	532,979	12,251,052
Deferred Inflows of Resources:						
Unavailable Revenue Amounts	-	-	574,841	-	-	574,841
Fund Balances:						
Nonspendable	-	-	21,444	-	-	21,444
Restricted for:						
BAAQD/TFCA	-	1,124,769	-	-	-	1,124,769
Measure A Sales Tax	-	-	42,021,312	-	-	42,021,312
Measure B VRF	-	-	-	-	3,938,953	3,938,953
Congestion Management	2,047,909	-	-	-	-	2,047,909
Total Fund Balances	2,047,909	1,124,769	42,042,756	-	3,938,953	49,154,387
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 9,588,935	\$ 1,765,725	\$ 46,153,688	\$ -	\$ 4,471,932	\$ 61,980,280

The accompanying notes are an integral part of the financial statements.

TRANSPORTATION AUTHORITY OF MARIN

**RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
JUNE 30, 2016**

Fund Balance of Governmental Funds \$ 49,154,387

**Amounts Reported for Governmental Activities in the Statement of Net
Position are Different From Those Reported in the Governmental Funds
Because of the Following:**

Revenues collected outside the measurement period of the Governmental Funds are deferred on the Balance Sheet. However, these revenues are considered to be earned on the Statement of Activities.

	574,841
Total Net Position - Governmental Activities	\$ 49,729,228

The accompanying notes are an integral part of the financial statements.

TRANSPORTATION AUTHORITY OF MARIN

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES – GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	BAAQMD/TFCA Fund	Measure A Sales Tax Fund	Corte Madera Creek Bridge Fund	Measure B VRF Fund	Total
REVENUES						
Measure A Sales Tax Revenue	\$ -	\$ -	\$ 25,702,937	\$ -	\$ -	\$ 25,702,937
Measure B VRF Revenue	-	-	-	-	2,376,492	2,376,492
Cities/Towns and County Contribution	559,001	-	-	-	-	559,001
Interest County Pool	6,460	1,732	25,467	8	3,553	37,220
Investment Income (CalTrust)	2,771	4,111	329,445	-	15,550	351,877
Investment Unrealized Gain/Loss	12,726	5,464	255,028	-	19,955	293,173
MTC STP/CMAQ Planning Fund and OBAG Grants	705,985	-	-	-	-	705,985
PDA Planning Funds	480,202	-	-	-	-	480,202
MTC Regional Measure 2 Fund	1,259,013	-	-	-	-	1,259,013
Transportation For Clean Air Funding	-	361,034	-	-	-	361,034
Federal Highway Bridge Program Fund	175,414	-	-	-	-	175,414
State STIP/PPM Fund	194,952	-	-	-	-	194,952
STIP/RTIP/IIP Fund	490,658	-	-	-	-	490,658
Transportation Development Act Funds	31,313	-	-	-	-	31,313
Non-motorized Transportation Pilot Program	18,090	-	-	-	-	18,090
MTC Grant for Youth Transit Program/CMAQ	34,483	-	-	-	-	34,483
MTC Climate Initiatives Program Grant/CMAQ	4,567	-	-	-	-	4,567
CMFC NTPP/CMAQ Pass-through	3,882,417	-	-	-	-	3,882,417
Other Agency/Private Contributions	338,130	-	-	-	-	338,130
Total Revenues	8,196,182	372,341	26,312,877	8	2,415,550	37,296,958

The accompanying notes are an integral part of the financial statements.

TRANSPORTATION AUTHORITY OF MARIN

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

	General Fund	BAAQMD/TFCA Fund	Measure A Sales Tax Fund	Corte Madera Creek Bridge Fund	Measure B VRF Fund	Total
EXPENDITURES - continued						
Office Relocation Cost	120,408	-	3,903	-	-	124,311
Agencywide IT and Computer Equipment Upgrade	7,218	-	8,859	-	-	16,077
Equipment Purchase/Lease	-	-	8,200	-	-	8,200
Telephone/Internet/Web Hosting Services	(10)	-	23,671	-	-	23,661
Office Supplies	851	-	24,197	-	-	25,048
Update/Improvement of TAM Website	-	-	15,825	-	-	15,825
Insurance	-	-	5,739	-	-	5,739
Financial Audit	-	-	22,000	-	-	22,000
Legal Services	10,667	-	(5,791)	-	-	4,876
Document Reproduction	7,705	-	7,116	-	300	15,121
Memberships	6,910	-	5,200	-	-	12,110
Office Relocation Cost	8,991	-	15,482	-	1,060	25,533
Professional Development	-	-	850	-	-	850
Human Resources/Board Support	-	-	25,789	-	-	25,789
Information Technology/Web Support	37,058	-	33,767	-	-	70,825
Implementation of Financial Software System	-	-	35,911	-	-	35,911
Miscellaneous Expenditures	490	-	2,309	-	1,065	3,864
Professional Services:						
CMP Update/Traffic Monitoring	9,120	-	-	-	-	9,120
Traffic Model Maintenance & Update	5,001	-	-	-	-	5,001
Countywide Bike/Pedestrian Plan Update	33,489	-	-	-	-	33,489
Fairfax-San Rafael Transit Corridor Feasibility Study	60,141	-	-	-	-	60,141
Project Management Oversight	224,504	-	13,898	-	-	238,402
MSN Redwood Landfill Interchange Design/Construction	24,908	-	-	-	-	24,908
MSN San Antonio Curve Correction Construction Support	140,559	-	-	-	-	140,559
Travel/Meetings/Conferences	135,975	-	-	-	-	135,975

The accompanying notes are an integral part of the financial statements.

TRANSPORTATION AUTHORITY OF MARIN

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES – GOVERNMENTAL FUNDS (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	BAAQMD/TFCA Fund	Measure A Sales Tax Fund	Corte Madera Creek Bridge Fund	Measure B VRF Fund	Total
EXPENDITURES - continued						
MSN Orange Ave Soundwall Mitigation	66,901	-	-	-	-	66,901
HOV Gap Closure Irwin Creek Mitigation Design	30,185	-	-	-	-	30,185
HOV Gap Closure Mitigation Irwin Creek Construction Management/Construction	88,206	-	-	-	-	88,206
State Legislative Assistance	35,000	-	-	-	-	35,000
Financial Advisor/Sales Tax Audit Services	10,013	-	3,000	-	-	13,013
North-South Greenway Gap Closure PA&ED/PS&E	499,066	-	-	-	-	499,066
TAM Junction PA&ED/PS&E/CM	123,766	-	-	-	-	123,766
Highway 101 Tiburon/E. Blithedale Bike/Ped Improvement	26,781	-	-	-	-	26,781
Public Outreach Service	6,288	-	-	-	-	6,288
Street Smart Program Implementation	18,090	-	-	-	-	18,090
Sausalito South Gateway Improvement Study	40,382	-	-	-	-	40,382
Youth Transit Program Implementation	-	-	-	-	3,759	3,759
MSN San Antonio Bridge Replacement Design	-	-	97,309	-	-	97,309
Consulting Pool	11,410	-	9,644	-	-	21,054
Measure A Sales Tax Programs/Projects						
Measure A Compliance Audit	-	-	15,000	-	-	15,000
Bike/Ped Path Maintenance/GGT Shuttle Service	-	-	130,375	-	-	130,375
Central Marin Ferry Connector - SMART Insurance Policy	-	-	8,708	-	-	8,708
Substrategy 1.1 - Local Bus Transit Service	-	-	7,639,767	-	-	7,639,767
Substrategy 1.2 - Rural Bus Transit System	-	-	891,087	-	-	891,087
Substrategy 1.3 - Special Needs Transit Services	-	-	2,217,833	-	-	2,217,833
Substrategy 1.4 - Bus Transit Facilities	-	-	934,159	-	-	934,159
Substrategy 3.1 - Major Roads	-	-	1,329,891	-	-	1,329,891
Substrategy 3.2 - Local Roads	-	-	2,956,277	-	-	2,956,277
Substrategy 4.1 - Safe Routes to Schools	-	-	783,549	-	-	783,549
Substrategy 4.2 - Crossing Guards	-	-	1,000,813	-	-	1,000,813
Strategy 4.3 Safe Pathways Plan Development	-	-	187,652	-	-	187,652
Countywide Transportation Strategic Plan	-	-	262,180	-	-	262,180

The accompanying notes are an integral part of the financial statements.

TRANSPORTATION AUTHORITY OF MARIN

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2016**

	General Fund	BAAQMD/TFCA Fund	Measure A Sales Tax Fund	Corte Madera Creek Bridge Fund	Measure B VRF Fund	Total
EXPENDITURES - continued						
Measure B VRF Programs						
Element 1.2 - Bike/Ped Pathways Maintenance	-	-	-	-	219,109	219,109
Element 2.1 - Mobility Management Programs	-	-	-	-	146,172	146,172
Element 2.2 - Paratransit & Low Income Scholarships	-	-	-	-	195,852	195,852
Element 2.3 - Paratransit Plus	-	-	-	-	182,503	182,503
Element 2.4 - Volunteer Drive & Gap Grant	-	-	-	-	205,808	205,808
Element 3.1 - Safe Routes to School	-	-	-	-	195,811	195,811
Element 3.2 - Trans. Demand Management	-	-	-	-	117,819	117,819
Element 3.3 - Discretionary Fuel (EV) Programs	-	-	-	-	27,500	27,500
Interagency Agreements:						
CMFC - County Construction Agreement RM2	452,536	-	-	-	-	452,536
Straegy 4.3 Safe Pathway Capital Projects	3,882,621	-	-	-	-	3,882,621
Highway 101 Ramp Metering Local Support	13,009	-	-	-	-	13,009
San Rafael Transit Needs and Relocation Study Funding Agreement	217,548	-	-	-	-	217,548
San Rafael Downtown Parking and Wayfinding Study	126,151	-	-	-	-	126,151
MTC Youth Transit Grant Funding Agreement	34,722	-	-	-	-	34,722
North-South Greenway (Southern Segment)- County Project Management	154,856	-	-	10,010	-	164,866
North-South Greenway (Southern Segment)- SMART Boundary Survey	10,906	-	-	-	-	10,906
Other Capital Expenditures:						
TFCA - TDM Projects/Vanpool Incentive	-	23,235	-	-	-	23,235
TFCA - Reimbursement of Various Capital Projects	-	742,423	-	-	-	742,423
Debt Service - MTC Loan Repayment:						
Principal	-	-	953,854	-	-	953,854
Interest	-	-	14,308	-	-	14,308
Total Expenditures	7,836,756	784,931	20,767,118	10,010	1,460,587	30,859,402
Excess (deficiency) of						
Revenues Over Expenditures	359,426	(412,590)	5,545,759	(10,002)	954,963	6,437,556
Fund Balance - Beginning	1,688,483	1,537,359	36,496,997	10,002	2,983,990	42,716,831
Fund Balance - Ending	\$ 2,047,909	\$ 1,124,769	\$ 42,042,756	\$ -	\$ 3,938,953	\$ 49,154,387

The accompanying notes are an integral part of the financial statements.

TRANSPORTATION AUTHORITY OF MARIN

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

The schedule below reconciles the Net Changes in Fund Balances reported in the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances, which measure only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared using the full accrual basis of accounting.

NET CHANGE IN FUND BALANCES	\$ 6,437,556
Amounts Reported for Governmental Activities in the Statement of Activities are Different Because:	
Governmental funds defer certain revenues that are not recognized with the Authority's accrual period such as sales tax. On the Statement of Activities, however, the amounts are considered to be earned and are recognized as revenues in the current period.	(4,108)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of long-term debt principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities. Repayment of debt principal is added back to fund balances	953,855
Change in Net Position of Governmental Activities	<u>\$ 7,387,303</u>

The accompanying notes are an integral part of the financial statements.

NOTES TO BASIC FINANCIAL STATEMENTS

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

On March 2, 2004, the Marin County Board of Supervisors created the Transportation Authority of Marin (the Authority) by Resolution No. 2004-21, pursuant to Section 180050 of the California Public Utilities Code (“PUC”). As required by California PUC Section 180051(a) and California Government Code Section 65089(a), a majority of City and Town Councils of Marin County, representing a majority of the incorporated population of Marin, have concurred on the membership of the Authority and designated the Authority as the Congestion Management Agency for Marin County.

The Authority’s responsibilities include the development and administration of the Transportation Sales Tax Expenditure Plan, approved by Marin voters in November 2004. With the passage of Measure A, the Authority now manages the implementation of the transportation projects and programs financed by the ½-cent, 20 years sales tax. The Authority also serves as the designated Congestion Management Agency (CMA) for Marin County, providing countywide planning and programming for transportation related needs. As both the sales tax authority and the CMA for Marin County, the Authority plays a leading role in planning, financing, and implementation of transportation projects and programs in Marin County.

The Authority’s sixteen member governing board is comprised of representatives from each of the cities and towns in Marin County, and all five members of the County Board of Supervisors. A Technical Advisory Committee (TAC), made up of public works staff, other local government staff, and representatives of diverse interest groups prioritizes infrastructure improvements and makes recommendations to the Authority. A twelve member Citizens’ Oversight Committee, made up of five representatives from the five planning areas and seven representatives from diverse interest groups in Marin County, reports directly to the public on issues related to the Measure A sales tax and Measure B VRF revenues and expenditures.

Basis of Presentation

Government-wide Statements - The Statement of Net Position and the Statement of Activities include the financial activities of the overall Authority. Eliminations have been made to minimize the double counting of internal activities.

The government-wide Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Authority’s activities. Direct expenses are those specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) funds and contributions that are restricted to meeting the operations or capital requirements of a particular program. Revenues not classified as program revenues are presented as general revenues.

Fund Financial Statements - The fund financial statements provide information about the Authority’s funds. Separate statements for each governmental fund are presented. The emphasis of fund financial statements is on major individual funds, each of which is displayed on a separate column.

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Major Funds

Generally accepted accounting principles defines major funds and requires that the Authority's major governmental type funds be identified and presented separately in the fund financial statements. The Authority has determined that all of its funds are major funds.

The Authority reported the following major governmental funds in the accompanying financial statements:

CMA General Fund - This fund accounts for revenues and expenditures for the Authority's congestion management activities, primarily congestion management planning and programming work elements, and the management of various capital projects. Major revenues sources for this fund are all programming revenues with the exception of Transportation for Clean Air (TFCA) funds.

BAAQMD/TFCA Fund - This fund accounts for revenues and expenditures for the TFCA capital grant the Authority receives from the Bay Area Air Quality Management District (BAAQMD). The purpose of the TFCA grant is to fund studies related to the monitoring of air quality control, and any capital improvements that can contribute to the improvement of air quality.

Measure A ½ Cent Transportation Sales Tax Fund - This fund accounts for revenues and expenditures for the projects and programs set forth by the voters in the Authority's Transportation Sales Tax Expenditure Plan, approved by Marin voters in November 2004.

Corte Madera Creek Bridge Fund - This fund accounts for a portion of the revenue and expenditures for the Central Marin Ferry Connection Project. As part of the Highway 101 Gap Closure Project implementation, the project sponsor, the Department of Transportation (Caltrans), needed to obtain a permit from the Bay Conservation and Development Commission (BCDC) to conduct some work within BCDC's jurisdiction. BCDC determined the projects had unavoidable impacts to resources under its purview and required certain mitigation as a condition to the issuance of a permit. A contribution in the amount of \$400,000 was made by Caltrans and deposited in this special fund as required by BCDC. This funding is reserved for the Central Marin Ferry Connection Project, which is expected to enhance public access to the San Francisco shoreline. This fund was transferred from the Marin County Department of Public Works to the Authority in FY2006-07. The fund was closed in the current fiscal year.

Measure B VRF Fund - This fund accounts for revenues and expenditures for the projects and programs set forth by the voters in the Authority's \$10 Vehicle Registration Fee Expenditure Plan, approved by the Marin voters in November 2010.

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Governmental funds are reported using the *current financial resources* measurements focus and the modified accrual basis of accounting. Under this method, revenues are recognized when *measurable and available*. The Authority considers all revenues reported in the governmental funds to be available if the revenues are collected within six months after fiscal year-end, except for sales tax revenues which are accrued for if received within sixty days after fiscal year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital assets acquisitions are reported as *expenditures* in governmental funds. Proceeds of long-term debt and acquisition under capital leases are reported as *other financing sources*.

Non-exchange transactions, in which the Authority gives or receives value without directly receiving or giving equal value in exchange, includes entitlements and donations. Revenues from entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

The Authority funds certain programs by a combination of specific cost-reimbursement funds, categorical block funds, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net positions available to finance the program. The Authority's policy is to first apply cost-reimbursement resources to such programs, followed by general revenues.

Budget and Budgetary Accounting

The budget for expenditures is adopted on the budgetary basis, which is consistent with accounting principles generally accepted in the United States of America. The budget for revenues and expenditures is adopted by the Board annually in total for all funds, therefore the Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual is presented in a combined format for all governmental funds and not presented separately for each major fund.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Net Position and Fund Balances

Government-wide Financial Statements

Net Investments in Capital Assets - This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that contributed to the acquisition, construction, or improvement of the capital assets.

Restricted Net Position - This amount consists of amounts restricted from external creditors, grantors, contributors, and laws or regulations of other governments.

Unrestricted Net Position - This amount consists of all net assets that do not meet the definition of “net investments in capital assets” or “restricted net position”.

Fund Financial Statements

Fund Balances - Restrictions of fund balances of governmental funds are amounts that can be spent only for the specific purpose stipulated by constitution, external resource providers, or through enabling legislation. The non-spendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form such as prepaid items or inventories, or are legally or contractually required to be maintained intact. The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed. The Authority had no assigned fund balances as of year-end.

Unassigned fund balance is the residual classification for the government’s general fund and includes all spendable amounts not contained in the other classifications.

Spending Order Policy

When expenses are incurred for both restricted and unrestricted fund balances available, the Authority considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the Authority considers amounts to have been spent first out of committed funds then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

Unearned Revenue

Under modified accrual basis of accounting used by governmental funds, revenues are recognized as soon as they are measurable and available. Under the full accrual basis of accounting used by the government-wide financial statement, revenues are recognized when earned. Thus, the government-wide statement of net position and governmental funds defer revenue recognition for resources that have been received at fiscal year-end, but not yet earned.

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued

Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Authority carries commercial insurance through Alliant Insurance Services, Inc.

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then.

In addition to liabilities, the statement of net position and the balance sheet will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Investment Valuations

The Authority recognizes the fair value measurement of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Authority's investments in the CalTrust Pool are uncategorized as deposits and withdrawals are made on the basis of \$1 and not fair value.

NOTE 2 – CASH AND INVESTMENTS

Classification

Cash and investments are classified in the financial statements as shown below:

Cash and Investments, Statement of Net Position	<u>\$ 51,884,455</u>
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Cash and Investments as of June 30, 2016 consist of the following:

Bank of Marin	\$ 4,916,154
Deposits with CalTrust	46,968,301
Total Cash and Investments	<u>\$ 51,884,455</u>

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 2 – CASH AND INVESTMENTS – continued

Investment Authority by the California Government Code and the Authority's Investment Policy

The table below identifies the investment types that are authorized for the Authority by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk and concentration of credit risk. The Authority has adopted a formal investment policy. The allowable investments, according to the Authority's investment policy, are listed below:

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (LAIF)	N/A	None	\$50 million
Certificates of Deposit	None	30%	None
U.S. Treasury Obligations	None	None	None
U.S. Agency Obligations	None	None	None
U.S. Government Securities	None	None	None
State of California and Local Agency Bonds	None	None	None
Bankers Acceptances	180 days	30%	None
Medium-Term Notes	2 years	30%	None
Commercial Paper	270 days	25%	None
Marin County Cash Pool	None	None	None
Repurchase Agreements	1 year	None	None

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the Authority's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Authority's investments by maturity:

Investment Type	Totals	Remaining Maturity 12 Months or Less
Deposits with Bank of Marin	\$ 4,916,154	\$ 4,916,154
Deposits with CalTrust	46,968,301	46,968,301
Total	<u>\$ 51,884,455</u>	<u>\$ 51,884,455</u>

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 2 – CASH AND INVESTMENTS – continued

Disclosures Relating to Credit Risks

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The following represents the rating of the Authority's cash and investments as of June 30, 2016:

Investment Type	Amount	Rating as of Fiscal Year End		
		AAA	AA	Unrated
Deposits with Bank of Marin	\$ 4,916,154	\$ 4,916,154	\$ -	\$ -
Deposits with CalTrust	46,968,301	-	1,824,116	45,144,186
Total	<u>\$51,884,455</u>	<u>\$ 4,916,154</u>	<u>\$ 1,824,116</u>	<u>\$45,144,186</u>

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction; a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. The California Government Code does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code 53652 requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The fair value of the pledge securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institution to secure Authority deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the bank balance, \$250,000 was covered by federal depository insurance and the remaining balance was collateralized by the pledging financial institutions as required by Section 53652 of the California Government Code described above.

NOTE 3 – OPERATING LEASE

Operating Lease

The Authority had a five-year fully serviced lease with the Landlord to rent 5,202 square feet of office space at 781 Lincoln Avenue, Suite 160 in the City of San Rafael. The 60-month lease commenced on December 1, 2013 and will end on November 30, 2017. However, BioMarin purchased the office complex several years ago with the intent to make it the company's main campus and provided tenants with attractive incentives to terminate their leases early and relocate to other locations. TAM negotiated some favorable early lease termination terms with BioMarin in 2015 and entered into a five-year lease to rent 7,621 square feet of office space at 900 Fifth Ave, Suite 100 in Downtown San Rafael. The base rent commences at \$19,052 per month and ends at \$21,444 per month.

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

NOTE 4 – EMPLOYMENT AGREEMENT

The Authority has no employees of its own. The Authority has entered into an employment agreement with a joint powers authority, Local Government Services (LGS)/Regional Government Service (RGS), for all its eleven employees. LGS/RGS provides staffing, payroll, insurance and various other administrative services to small governmental agencies throughout California. The Authority pays LGS hourly rates for each employee's hours worked during the year. The hourly rates for each employee include salary, fringe benefits, insurance costs, costs of retirement liabilities and other postemployment benefits (OPEB), and a flat administration fee for all service provided. The Authority prepays the expected monthly fee prior to the service month.

Because the Authority has no employees of its own, there are no accrued payroll or compensated absence liabilities on the books of the Authority. Any benefits or accrued compensation due to the employees are the responsibility of LGS / RGS and already reflected in the rates charged.

NOTE 5 – LONG-TERM DEBTMetropolitan Transportation Commission Funding Exchange Agreement

In November 2007 the Transportation Authority of Marin entered into an agreement with the Metropolitan Transportation Commission (Commission), the regional transportation planning agency for the San Francisco Bay Area. The Authority has requested the assistance of the Commission to avoid certain debt financing costs by providing Congestion Mitigation and Air Quality Improvement (CMAQ) program funds available now in exchange for Measure A funds available in future years. Under the terms of this agreement the Commission has loaned the Authority \$12,500,000, payable over 8 years, with repayments commencing on June 30, 2009. Interest rate charged is 0% through December 31, 2010, and then 3% on the outstanding principal balance until December 31, 2015. If there is any outstanding principal balance after December 31, 2015, interest rate charged will be 10%. The Authority paid off the remaining balance of \$953,855 and the loan has no outstanding balance as of June 30, 2016.

The activity for the loan for the fiscal year ended June 30, 2016, was as follows:

	Balance			Balance
	July 1, 2015	Additions	Deductions	June 30, 2016
MTC Funding Exchange Agreement	\$ 953,855	\$ -	\$ 953,855	\$ -

NOTE 6 – COMMITMENTS AND CONTINGENCIES

The Authority is subject to litigation arising in the normal course of business. In the opinion of the Authority's attorney, there is no pending litigation which is likely to have a material adverse effect on the financial position of the Authority. The Authority has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could result in expenditure disallowances under the terms of the grants, it is believed that any required reimbursements will not be material.

TRANSPORTATION AUTHORITY OF MARIN

NOTES TO BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

The Authority has various cooperative agreements with governmental entities and contracts with vendors. As of June 30, 2016, the Authority's total outstanding commitments were approximately \$63 million, with \$43 million expended and \$20 million still outstanding.

NOTE 7 – RISK MANAGEMENT

The Authority is exposed to various risks of losses related to torts; theft of; damage to, and destruction of assets; errors and omissions; and natural disasters. The Authority carries commercial insurance through Alliant Insurance Services, Inc. for general liability, automobile, property coverage, and public officials' errors and omissions.

Coverage is as follows:

- a) General liability - \$ 1,000,000 each occurrence.
- b) Damage to rented premises - \$1,000,000 each occurrence.
- c) Automobile liability - \$1,000,000 each accident.
- d) Public officials errors and omissions - \$1,000,000 each occurrence and annual aggregate.
All deductibles are \$2,500.

Crime coverage for LGS employees is provided by Alteris Insurance and is limited to \$1,000,000, with a \$50,000 deductible. There were no claims that exceeded the insurance coverage amounts in the past three years.

REQUIRED SUPPLEMENTARY INFORMATION

TRANSPORTATION AUTHORITY OF MARIN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – ALL FUNDS
FOR THE YEAR ENDED JUNE 30, 2016**

	Original	Final	Actual	Variances - Positive (Negative) Final to Actual
REVENUES				
Measure A Sales Tax Revenue	\$ 25,250,000	\$ 25,250,000	\$ 25,702,937	\$ 452,937
Measure B VRF Revenue	2,350,000	2,350,000	2,376,492	26,492
Cities/Towns and County Contribution	559,000	559,000	559,001	1
Interest Revenue	180,000	180,000	389,097	209,097
MTC STP/CMAQ Planning Fund and OBAG Grants	1,331,521	1,331,521	705,985	(625,536)
PDA Planning Funds	602,820	602,820	480,202	(122,618)
MTC Regional Measure 2 Fund	5,674,916	5,674,916	1,259,013	(4,415,903)
Transportation For Clean Air Funding	358,000	358,000	361,034	3,034
Federal Highway Bridge Program Fund	200,000	200,000	175,414	(24,586)
State STIP/PPM Fund	1,047,514	1,047,514	194,952	(852,562)
STIP/RTIP/IIP Fund	422,819	422,819	490,658	67,839
Transportation Development Act Funds	50,000	50,000	31,313	(18,687)
Non-motorized Transportation Pilot Program	27,000	27,000	18,090	(8,910)
MTC Grant for Youth Transit Program/CMAQ	78,000	78,000	34,483	(43,517)
MTC Climate Initiatives Program Grant/CMAQ	78,288	78,288	4,567	(73,721)
CMFC NTPP/CMAQ Pass-through		6,200,000	3,882,417	(2,317,583)
Other Agency/Private Contributions	338,130	338,130	338,130	-
Total Revenues	38,548,008	44,748,008	37,003,785	(7,744,223)
EXPENDITURES				
Administration				
Salaries and Benefits	2,074,057	2,074,057	2,236,122	(162,065)
Office Lease	230,000	230,000	186,101	43,899
Office Relocation Cost	80,000	80,000	124,311	(44,311)
Agencywide IT and Computer Equipment Upgrade	20,000	20,000	16,077	3,923
Equipment Purchase/Lease	25,000	25,000	8,200	16,800
Telephone/Internet/Web Hosting Services	23,000	23,000	23,661	(661)
Office Supplies	35,000	35,000	25,048	9,952
Update/Improvement of TAM Website	30,000	30,000	15,825	14,175
Insurance	15,000	15,000	5,739	9,261
Financial Audit	20,000	20,000	22,000	(2,000)
Legal Services	70,000	70,000	4,876	65,124
Document Reproduction	35,000	35,000	15,121	19,879
Memberships	25,000	25,000	12,110	12,890
Travel/Meetings/Conferences	25,000	25,000	25,533	(533)
Carshare Membership	3,000	3,000	-	3,000
Professional Development	5,000	5,000	850	4,150
Human Resources/Board Support	50,000	50,000	25,789	24,211
Information Technology/Web Support	35,000	35,000	70,825	(35,825)
Implementation of Financial Software System	-	40,000	35,911	4,089
Miscellaneous Expenditures	13,500	13,500	3,864	9,636

TRANSPORTATION AUTHORITY OF MARIN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – ALL FUNDS – CONTINUED
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variances - Positive (Negative) Final to Actual</u>
EXPENDITURES - continued				
Professional Services				
CMP Update/Traffic Monitoring	50,000	50,000	9,120	40,880
Traffic Model Maintenance & Update	250,000	250,000	5,001	244,999
Semi-Annual Origin Destination Counts	75,000	75,000	-	75,000
Countywide Bike/Pedestrian Plan Update	50,000	50,000	33,489	16,511
Fairfax-San Rafael Transit Corridor Feasibility Study	85,000	85,000	60,141	24,859
Project Management Oversight	185,000	185,000	238,402	(53,402)
MSN Redwood Landfill Interchange Design/Construction	50,000	50,000	24,908	25,092
MSN San Antonio Curve Correction Construction Support	300,000	300,000	140,559	159,441
MSN San Antonio Bridge Replacement Design	375,000	375,000	135,975	239,025
MSN Orange Ave Soundwall Mitigation	120,000	120,000	66,901	53,099
HOV Gap Closure Irwin Creek Mitigation Design	100,000	100,000	30,185	69,815
HOV Gap Closure Mitigation Irwin Creek Construction Management/Construction	300,000	300,000	88,206	211,794
State Legislative Assistance	35,000	35,000	35,000	-
Financial Advisor/Sales Tax Audit Services	15,000	15,000	13,013	1,987
North-South Greenway Gap Closure PA&ED/PS&E	1,300,000	1,300,000	499,066	800,934
TAM Junction PA&ED/PS&E/CM	250,000	250,000	123,766	126,234
Highway 101 Tiburon/E. Blithedale Bike/Ped Improvement	100,000	100,000	26,781	73,219
Public Outreach Service	20,000	20,000	6,288	13,712
Street Smart Program Implementation	27,000	27,000	18,090	8,910
Richmond/San Rafael Bridge Support Study and Coordination	200,000	200,000	-	200,000
Carshare Pilot Program Implementation	70,000	70,000	-	70,000
Sausalito South Gateway Improvement Study	37,500	37,500	40,382	(2,882)
Youth Transit Program Implementation	3,000	3,000	3,759	(759)
Countywide Transportation Strategic Plan	350,000	350,000	97,309	252,691
Consulting Pool	65,000	65,000	21,054	43,946
Measure A				
Measure A Compliance Audit	20,000	20,000	15,000	5,000
Bike/Ped Path Maintenance/GGT Shuttle Service	107,000	107,000	130,375	(23,375)
Central Marin Ferry Connector - SMART Insurance Policy	25,000	25,000	8,708	16,292
Substrategy 1.1 - Local Bus Transit Service	9,000,000	9,000,000	7,639,767	1,360,233
Substrategy 1.2 - Rural Bus Transit System	1,200,000	1,200,000	891,087	308,913
Substrategy 1.3 - Special Needs Transit Services	2,203,546	2,203,546	2,217,833	(14,287)
Substrategy 1.4 - Bus Transit Facilities	1,500,000	1,500,000	934,159	565,841
TE/TLC/STP Swap Project	484,000	484,000	-	484,000
Substrategy 3.1 - Major Roads	1,970,000	1,970,000	1,329,891	640,109
Substrategy 3.2 - Local Roads	2,956,277	2,956,277	2,956,277	-
Substrategy 4.1 - Safe Routes to Schools	810,000	810,000	783,549	26,451
Substrategy 4.2 - Crossing Guards	1,050,000	1,050,000	1,000,813	49,187
Strategy 4.3 Safe Pathways Plan Development	100,000	100,000	187,652	(87,652)
Strategy 4.3 Safe Pathway Capital Projects	500,000	500,000	262,180	237,820

TRANSPORTATION AUTHORITY OF MARIN

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – BUDGET AND ACTUAL – ALL FUNDS – CONTINUED
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variances - Positive (Negative) Final Variances</u>
EXPENDITURES - continued				
Measure B				
Element 1.2 - Bike/Ped Pathways Maintenance	111,625	111,625	219,109	(107,484)
Element 2.1 - Mobility Management Programs	137,578	137,578	146,172	(8,594)
Element 2.2 - Paratransit & Low Income Scholarships	223,000	223,000	195,852	27,148
Element 2.3 - Paratransit Plus	290,000	290,000	182,503	107,497
Element 2.4 - Volunteer Drive & Gap Grant	262,808	262,808	205,808	57,000
Element 3.1 - Safe Routes to School	172,000	172,000	195,811	(23,811)
Element 3.2 - Trans. Demand Management	267,000	267,000	117,819	149,181
Element 3.3 - Discretionary Fuel (EV) Programs	240,000	240,000	27,500	212,500
Interagency Agreements				
CMFC - County Construction Agreement RM2	3,720,000	3,720,000	452,536	3,267,464
CMFC - County Construction Agreement NTPP/CMAQ		6,200,000	3,882,621	2,317,379
CMFC - SMART Construction Oversight	10,000	10,000	-	10,000
Highway 101 Ramp Metering Local Support	100,000	100,000	13,009	86,991
San Rafael Transit Needs and Relocation Study Funding Agreement	240,000	240,000	217,548	22,452
San Rafael Downtown Parking and Wayfinding Study	210,000	210,000	126,151	83,849
MTC Youth Transit Grant Funding Agreement	75,000	75,000	34,722	40,278
North-South Greenway (Southern Segment)- County Project Management	500,000	500,000	164,866	335,134
North-South Greenway (Southern Segment)- SMART Boundary Survey	20,000	20,000	10,906	9,094
Other Capital Expenditures				
TFCA - TDM Projects/Vanpool Incentive	16,000	16,000	23,235	(7,235)
TFCA - Reimbursement of Various Capital Projects	414,000	414,000	742,423	(328,423)
Debt service				
Principal	953,854	953,854	953,854	-
Interest	14,308	14,308	14,308	-
Total Expenditures	<u>37,129,053</u>	<u>43,369,053</u>	<u>30,859,402</u>	<u>12,509,651</u>
Excess of Revenues over Expenditures				
Over (Under) Expenditures	1,418,955	1,378,955	6,144,383	4,765,428
Fund Balance - Beginning	42,716,831	42,716,831	42,716,831	-
Fund Balance - Ending - Budgetary Basis	<u>\$ 44,135,786</u>	<u>\$ 44,095,786</u>		<u>\$ 4,765,428</u>
Reconciling Items				
GASB 31			293,173	
Fund Balance - Ending - GAAP Basis			<u>\$ 49,154,387</u>	

INDEPENDENT AUDITOR'S REPORTS



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Commissioners of the
Transportation Authority of Marin
San Rafael, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Transportation Authority of Marin the (Authority) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated _____, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Palo Alto, California
_____, 2016



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH THE 5% ADMINISTRATION CAP AND TRANSPORTATION DEVELOPMENT ACT**

Board of Commissioners of the
Transportation Authority of Marin
San Rafael, California

Report on Compliance

We have audited the Transportation Authority of Marin's the (Authority) compliance with the 5% administration cost cap limit (the Limit) contained in the Marin County Transportation Sales Tax Expenditure Plan and the Authority's compliance with the Transportation Development Act for the fiscal year ended June 30, 2016.

Management's Responsibility

Compliance with the requirements referred to above is the responsibility of Authority's management.

Auditor's Responsibility

Our responsibility is to express an opinion on the Authority's compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the applicable statutes, rules and regulations of the Transportation Development Act as required by Section 6667 of Title 21 of the California Code of Regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above could have occurred. An audit includes examining, on a test basis, evidence about Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Authority's compliance with those requirements.

Opinion

In our opinion, the Authority complied, in all material respects, with the requirements referred to above for the fiscal year ended June 30, 2016.

The purpose of this report is solely to describe the scope of our testing of the compliance and the results of that testing. Accordingly, this report is not suitable for any other purpose.

Palo Alto, California
_____, 2016

TRANSPORTATION AUTHORITY OF MARIN

Single Audit Report on
Federal Awards

For The Year Ended June 30, 2016

TRANSPORTATION AUTHORITY OF MARIN

For The Year Ended June 30, 2016

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Commissioners of
Transportation Authority of Marin
San Rafael, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Transportation Authority of Marin (Authority) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated [REDACTED], 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, including the applicable provisions of Section 6666 of Title 21 of the California Code of Regulations, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Palo Alto, California
[REDACTED], 2016

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM, AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Board of Commissioners of
Transportation Authority of Marin
San Rafael, California

We have audited the Transportation Authority of Marin's (Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2016. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Authority, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the governmental activities and each major fund of the Authority as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements. We issued our report thereon dated [REDACTED], 2016, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

Palo Alto, California
[REDACTED], 2016

TRANSPORTATION AUTHORITY OF MARIN

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2016**

Federal Grantor/Pass-through Grantor/Program or Cluster Title	CFDA Number	Pass-through Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF TRANSPORTATION			
Highway Planning and Construction			
Passed through			
Metropolitan Transportation Commission STP/CMAQ Planning	20.205	CMA Planning Agreement FY2013-17	\$ 705,985
MTC Youth Transit Grant	20.205	Proj# RSTPL- 6406(014)	34,483
Passed through			
California Department of Transportation Central Marin Ferry Connector	20.205	Proj# CML-6406(010)	3,882,417
Car Share Pilot Program	20.205	Proj# CML-6406(016)	4,567
PDA Grants	20.205	Proj # RSTPL- 6406(014)	480,202
HBRRF Highway Bridge Fund	20.205	Proj# BRL0-5927(104)	175,414
Non-motorized Transportation Pilot Program	20.205	Proj# NMPTL 6406(006)	18,090
Total U.S. Department of Transportation			<u><u>\$ 5,301,157</u></u>

TRANSPORTATION AUTHORITY OF MARIN

**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2016**

1. REPORTING ENTITY

The financial reporting entity consists of the primary government, Transportation Authority of Marin (Authority).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

Funds received under the various grant programs have been recorded within the general fund, special revenue funds, and capital project funds of the Authority. The Authority utilizes the modified accrual method of accounting for the general, special revenue, and capital project funds. The accompanying Schedule of Expenditures of Federal Awards (Schedule) has been prepared accordingly. The Authority has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Schedule of Expenditures of Federal Awards

The accompanying schedule presents the activity of all federal financial assistance programs of the Authority. Federal financial assistance received directly from federal agencies as well as federal financial assistance passed through the MTC and the State of California are also included in the schedule.

The schedule was prepared from only the accounts of various grant programs and, therefore, does not present the financial position or results of operations of the Authority.

3. PROGRAM DESCRIPTIONS

U. S. Department of Transportation Highway Planning and Construction

The Highway Planning and Construction program assists State transportation agencies in the planning and development of an integrated, interconnected transportation system important to interstate commerce and travel by constructing and rehabilitating the National Highway System (NHS), including the Eisenhower Interstate System (EIS); and for transportation improvements to most other public roads; to provide aid for the repair of Federal-aid highways following disasters; to foster safe highway design; to replace or rehabilitate deficient or obsolete bridges; and to provide for other special purposes.

TRANSPORTATION AUTHORITY OF MARIN

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2016**

I. SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
Material weakness identified?	<u>None</u>
Significant deficiency identified?	<u>None reported</u>
Noncompliance material to financial statements noted?	<u>No</u>

FEDERAL AWARDS

Internal control over major programs:	
Material weakness identified?	<u>No</u>
Significant deficiency identified?	<u>None reported</u>
Type of auditor's report issued on compliance for major programs:	<u>Unmodified</u>
Any audit findings disclosed that are required to be reported in accordance with Section 200.516(a) of the Uniform Guidance	<u>No</u>

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>20.205</u>	<u>Highway Planning and Construction</u>

Dollar threshold used to distinguish between Type A and Type B programs:	<u>\$ 750,000</u>
Auditee qualified as low-risk auditee?	<u>Yes</u>

TRANSPORTATION AUTHORITY OF MARIN

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2016**

II. FINANCIAL STATEMENT FINDINGS

None reported.

TRANSPORTATION AUTHORITY OF MARIN

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2016**

III. FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS

None reported.

TRANSPORTATION AUTHORITY OF MARIN

**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2016**

None reported.

TRANSPORTATION AUTHORITY OF MARIN

Required Communications

June 30, 2016



Board of Commissioners of
Transportation Authority of Marin
San Rafael, California

We have audited the financial statements of the governmental activities and each major fund of the Transportation Authority of Marin (Authority) for the year ended June 30, 2016. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and OMB Compliance Supplement, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in Note 1 to the financial statements.

We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

There were no significant accounting estimates made on the financial statements.

The financial statements disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated **November 10, 2016**.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Authority's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis, and the schedule of revenues, expenditures, and changes in fund balances – budget and actual for all funds, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Schedule of Expenditures of Federal Awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This report is intended solely for the information and use of the Authority's Board, management, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

Palo Alto, California
November __, 2016

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DATE: December 1, 2016

TO: Transportation Authority of Marin Board of Commissioners

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. 9

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 Half-Cent Transportation Sales Tax (Measure A) program.

Note the 2% cap is the local tax on top of the state tax rate, which will be 7.25% effective January 1st, 2017. The new cap will be 2.5%, which allows the sales tax to be raised to 9.75% maximum.

BACKGROUND

Existing law authorizes various local governmental entities, subject to certain limitations and approval requirements, to levy a transaction 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. All of these exemptions were specifically related to transportation related sales tax measures.

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 constitute approval for a sales tax measure being placed on the ballot. The placement of a tax on the ballot is a completely separate decision and process. A measure to actually raise the sales tax limit must first be approved through an ordinance by TAM; an expenditure plan would need to be approved by TAM's member agencies at the local council level, including the Board of Supervisors; and then be approved by 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 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, an expenditure plan would need to be approved by TAM's member agencies at the local council level, including the Board of Supervisors, 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.

Given what we have learned from Marin voters and other Congestion Management Agencies (CMA's) efforts to authorize transportation sales taxes, it would be prudent to approach Marin voters sooner for both a renewal and a potential increase rather than waiting until 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 public, partner agencies, business leaders, citizens, and community and interest groups.

Staff believes the time is optimal to legislatively increase the sales tax cap limit for Marin County in anticipation of reauthorizing or increasing the transportation sales tax. There are advantageous reasons to

legislatively increase the cap on locally approved sales tax rates for Marin County in 2017. If legislation was approved by the legislature, it would not become effective until January 1, 2018. 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. Unless the cap is raised, TAM will be precluded from considering all options in response to public interest. 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.

EXECUTIVE COMMITTEE

The Finance and Policy Executive Committee convened on November 14, 2016 to discuss this item.

At that meeting, the Executive Committee did not take a position on this item. Rather, it asked staff to determine if the language of the exemption can be crafted so that it is broader than just transportation purposes and the Governor's willingness to sign sales tax exemption bills for general purposes. The Executive Committee discussed the option of sponsoring a general purpose sales tax exemption so that there is capacity for other Marin jurisdictions if they choose to pursue local sales tax increases. The Committee also discussed creating an inventory of upcoming sales tax measures.

Staff agreed to address these issues at the December 1st TAM Board meeting and bring a list of prior related bills that appeared on the Governor's desk for signature as indication of his willingness to support these bills. Attachment D is a list of statewide sales tax exemption bills that were approved by the State Legislature and appeared before the Governor.

After reviewing bills considered statewide, of 7 bills passed to raise the sales tax cap, there is only one exception to the Governor's approval of raising the sales tax cap for transportation specific purposes. That was AB 1324 in 2014, allowing a transactions and use tax not to exceed 0.5% for general purposes, in the

City of El Cerrito. The Governor signed the bill, sympathetic to El Cerrito's fiscal emergency. This is the only exception. Note that SB 33 Wolk in 2013, that was general in nature of the exception being sought, failed passage, as did AB 464 Mullin in 2015, also seeking a generalized raising of the cap.

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 D: List of Local Sales Tax Exemption Bills

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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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LIST OF LOCAL SALES TAX EXEMPTION BILLS

In 1987, the Legislature imposed a maximum combined rate of 1% on all transactions and use taxes (TUT) within any county. That rate was incrementally increased - first to 1.5% in 1990 and then to 2% in 2003. The TUT law authorizes the adoption of local add-on rates to the combined state and local sales tax rate. Under existing law, cities and counties may impose a TUT for general or special purposes, subject to voter approval, provided that the combined countywide rate of tax does not exceed 2%.

Therefore, when a city or district imposes a transactions and use tax, the increased tax rate counts toward the county's cap, which means that the county is restricted in its ability to raise revenues on a countywide basis.

Currently the Counties of Alameda, Contra Costa, Los Angeles, Monterey, and San Mateo have reached the 2% limit and have sought exemptions. The Counties of Marin, San Diego, and Sonoma are near the 2% limit.

These taxes may be imposed either directly by the city or county, or through a special purpose entity established by the city or county. Counties may also create a transportation authority to impose district taxes under the Public Utilities Code or designate a transportation planning agency to impose a district tax, subject to the applicable voter approval requirements.

According to the Board of Equalization, there are 202 local jurisdictions, including cities, counties, and special purpose entities, that impose a district tax for general or specific purposes. Of the 202 jurisdictions, 48 are county-imposed taxes and 154 are city-imposed taxes. Of the 48 county-imposed taxes, 44 are imposed for special purposes. Of the 154 city-imposed taxes, 124 are general-purpose taxes and 30 are special purpose taxes.

The Legislature has previously granted exemptions to the 2% statutory cap for transactions and use taxes to primarily support countywide transportation programs. Governor Brown has preferred to sign these bills into law rather than exemptions for general purposes.

Below is a list of bills that have been considered by the legislature:

1. **AB 1665 (Bonilla), Chapter 45, Statutes of 2016**, removes the existing authority granted to Alameda County and Contra Costa County to impose an additional transaction and use tax (TUT), subject to voter approval, and instead grants Contra Costa County's existing authority to the Contra Costa Transportation Authority (CCTA).

The bill was chaptered in July allowing CCTA time to place Measure X on the November 2016 ballot. It failed by receiving only 62% of the vote.

2. **SB 705 (Hill), Chapter 579, Statutes of 2015**, authorizes Monterey and San Mateo Counties to impose a countywide sales tax for transportation purposes (1/8% and 1/2% respectively) that would, in combination with all other locally imposed sales tax, exceed the 2% tax rate cap if certain requirements are met.

Monterey used its exemption to place a ballot on the November 2016 ballot. San Mateo intends to do so in November of 2018.

3. **AB 464 (Mullin)** would have increased the maximum combined rate of all transactions and use taxes (district taxes) that may be levied by authorized entities within a county from 2% to 3%. This bill was vetoed by the Governor.

In his veto message, Governor Brown stated: **“Although I have approved raising the limit for individual counties, I am reluctant to approve this measure in view of all the taxes being discussed and proposed for the 2016 ballot.”**

4. **AB 1324 (Skinner), Chapter 795, Statutes of 2014**, allows the City of El Cerrito to adopt an ordinance to impose a transactions and use tax not to exceed 0.5% for general purposes that would, in combination with other taxes, exceed the statutory limit of 2%. According to the author, "The City of El Cerrito was hit particularly hard by the recession and the local economy is still struggling to recover. As a result, local property values have declined. The sluggish economy, diminished revenues from reduced property assessments, the loss of redevelopment, store relocations, and other factors are forcing the city to reduce services."

The Governor, sympathetic to the City's fiscal emergency, signed the bill. This bill has been the exception to the types of bills that have been signed.

The City subsequently placed Measure R on the November 2014 ballot to “protect/maintain City services, including fire prevention/ emergency services; emergency response times; neighborhood police patrols; firefighter/ police staffing; crime prevention/investigation resources; after-school programs; library hours/ programs; senior services; open space, parks, paths/ playfields; other general City services.”

5. **AB 210 (Weickowski), Chapter 194, Statutes of 2013**, extends the current authority for Alameda County to adopt an ordinance imposing a transaction and use tax from January 1, 2014, to December 31, 2020, and allows Contra Costa County to adopt an ordinance imposing a transactions and use tax in the same manner as Alameda County. The bill, which was sponsored by the Alameda County Transportation Commission and supported by the Contra Costa County Transportation Authority, was authored for purposes of placing a transportation sales tax measure on each county's respective ballot. Alameda placed Measure BB on the November 2014 ballot, which acquired was approved with over 70% of the vote.

6. **SB 33 (Wolk)** of 2013 would have allowed the County of Sonoma or any city within the County to impose a transactions and use tax for general purposes, and allow Sonoma County, any city within Sonoma County, or the Sonoma County Transportation Authority to impose a transactions and use tax for a specific purpose including, but not limited to the support of transportation and road maintenance programs and library services by up to 0.5% that would, in combination with all other transaction and use taxes, exceed the 2% statutory limit. The bill failed passage.
7. **AB 1086 (Weickowski), Chapter 327, Statutes of 2011**, allows Alameda County to adopt an ordinance, until January 1, 2014, to impose a transactions and use tax not to exceed 0.5% for the support of countywide transportation programs that would, in combination with other taxes, exceed the statutory limit of 2%.
8. **AB 2321 (Feuer), Chapter 302, Statutes of 2008**, amends the Los Angeles County Metropolitan Transportation Authority (Metro) existing authority to adopt a .5% transactions and use tax (sales tax) in Los Angeles County by eliminating outdated deadlines for specific projects and programs and extending the period in which the tax can be collected from six and one-half years to 30 years, subject to a two-thirds approval of local voters.

This bill allowed Metro to place Measure R on the November 2008 ballot. The measure passed with 67% of the vote.

9. **SB 314 (Murray), Chapter 785, Statutes of 2003**, enacts provisions originally authorizing the .5% sales tax, for no more than six and one-half years, for specific transportation projects and programs. That sales tax was never imposed. Metro now believes that the November 2008 ballot may be a viable time to place this sales tax proposal, amended to reflect the changes contemplated in this bill, before Los Angeles voters. This bill was superseded by AB 2321.

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DATE: December 1, 2016

TO: Transportation Authority of Marin Board of Commissioners

FROM: Dianne Steinhauser, Executive Director
Dan Cherrier, Principal Project Delivery Manager

SUBJECT: Tam Junction Project – Award of Construction Contract (Action), Agenda Item No. 10

RECOMMENDATION:

TAM has been managing a project that will add Class II bike lanes and construct select areas of sidewalk in the TAM Junction - Almonte / Shoreline - area. TAM advertised the improvements, after extensive public input on design and close coordination with Caltrans and the County of Marin, on November 9, 2016. TAM staff will be opening bids on November 30th. A staff recommendation for award of a contract will be brought to the TAM Board Meeting on December 1st. In addition, a recommendation will be brought forward for additional allocation to the Project due to increased costs for construction management and possible increased costs for construction capital. A source of funds for the allocation will be identified at the Board meeting.

BACKGROUND:

TAM staff were made aware of pedestrian and bicycling circulation needs in the TAM Junction area of Tam Valley and agreed to look into a potential project. During preliminary engineering, Caltrans informed TAM that pedestrian improvements were the responsibility of the State and that a project currently scheduled for construction in 2018 would be completed to provide a continuous sidewalk from the Coyote Creek Bridge to Flamingo Road on the southwest side of State Route 1. TAM has sponsored a separate project for bicycle improvements. TAM has coordinated with Caltrans to make sure that the two projects can co-exist without having to redo work.

TAM has utilized a variety of fund sources to further the project. Part of this effort included assisting Caltrans in the development of a Project Study Report for the entire corridor, assuring the bike and pedestrian improvements are well-coordinated and both are proceeding to be constructed.

Previous Board Action: On June 23, 2016 the TAM Board authorized the Executive Director to award a contract for Construction Management and to advertise the Project for construction.

DISCUSSION/ANALYSIS:

The local community has identified bicycle movement through the TAM Junction area as a significant need. Of particular concern is the high volume of Mill Valley Middle School students riding the wrong way in the shoulder areas of Route 1.

TAM Board Item 10
December 1, 2016

This project will construct Class II bike lanes on both sides of Shoreline from Flamingo Avenue to the existing path. Also, the Class II bike lanes will extend to Helen Avenue along Almonte Avenue and connect to the existing bike lanes. The project includes drainage improvements at the Almonte and Shoreline intersection to help improve periodic flooding.

The project will be built within State right of way and an encroachment permit from Caltrans will be required. Caltrans has commented on several submittals to their office; staff and consultants are working diligently to resolve all comments and approval is expected any day. Caltrans will also act as the lead for the National Environmental Policy Act (NEPA) environmental document.

TAM awarded the contract for Construction Management to 4Leaf Inc. of Pleasanton on November 18. The award was for \$90,000 which was approximately 50% higher than the estimate. Separately, staff released the project for construction bidding and will bring an award package to the Board once the bids have been received, evaluated, and a determination has been made as to the lowest responsible bidder. The bid opening is expected to occur on November 30. Note, this project will require extensive coordination with local business and TAM staff are planning to be heavily involved in this necessary outreach process.

FISCAL CONSIDERATION:

This project has a variety of funding sources:

\$48,000 from CMA Planning for Preliminary Engineering;
\$20,000 from TDA Article 3 for Environmental;
\$175,000 from OBAG1 for Environmental and Final Design;
\$80,000 from TFCA for Utility Relocation and Construction Management; and
\$350,000 from TAM Safe Pathways for Construction Capital and Construction Management.

This funding is no longer sufficient to complete the project. At the present time, a shortfall exists of \$40,000 due to the Construction Management contract being higher than anticipated. In addition, the recent high bid environment may result in bids being received over the Engineers Estimate. Staff are exploring additional funding sources and will present a funding plan at the December 1 Board meeting that includes a source for the additional funds. Note, the plans have been adjusted in the assumption that the PG&E utilities will be adjusted after construction has been completed.

NEXT STEPS:

TAM staff plan to award the contract and issue a notice to proceed by the middle of December. Construction duration is expected to require less than 40 days and a portion of it must be completed by February 1, 2017 due to bird habitat concerns. Failure to complete the work in the habitat area before this date will extend the construction to Fall of 2017.

ATTACHMENTS:

None



DATE: December 1, 2016
TO: Transportation Authority of Marin Board of Commissioners
FROM: Dianne Steinhauser, Executive Director
SUBJECT: Summary of Programming Measure A Debt Reserve, Interest and Reserve Funds, Agenda Item No. 11

The following three items (11a, 11b, and 11c) involve the programming of Measure A Debt Reserve Funds, Interest and Reserve Funds. The below table is a summary of the recommended programming actions detailed in memos 11a, 11b, and 11c.

Agenda Item	Funding Source	Governing Policy	Prior Allocation(s)	Remaining Available	Recommendation
11a.	Measure A Debt Reserve Funds	Measure A Expenditure and Strategic Plans and TAM Debt Policy	\$6 million to Major Road Projects to backfill SLPP funds and \$7.7 million to RSR Bridge Approach Project	\$7.5 million	Program the remaining Debt Reserve Funds to the Major Road category of the Measure A Strategic Plan with the condition that amounts will be revised once final costs are known for the Richmond San Rafael Bridge Approach Project, estimated at the end of 2017.
11b.	Measure A Interest Funds	Measure A Strategic Plan and Prior Board Adopted Policies	Various allocations in the amount of \$3.5 million to Gap Closure, CMFC, Ferry Connector Shuttle, and Bike Path Maintenance	\$1.67 million	Update the bicycle and pedestrian path inventory eligibility list for use of Measure A Interest Funds. Future distribution of funds will be in accordance with existing policies adopted by the Board, retaining the policy of sharing maintenance costs of 50/50 with local jurisdictions.
11c.	Measure A Reserve Funds	Measure A Expenditure and Strategic Plans	None	\$5.382 million	Program and allocate the distribution share of the excess in Measure A Reserve Funds in the amount of \$1.12 million to Marin Transit for the shortfall on the Redwood and Grant Bus Facility. There is currently \$5.382 million in Measure A Reserve Funds. Staff recommends maintaining a reserve of \$3.5 million, leaving \$1.88 million in excess funds. The distribution share of \$1.88 million for transit is \$1.12 million. Staff will distribute remaining shares totaling \$760,000 in an upcoming Board action.

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DATE: December 1, 2016

TO: Transportation Authority of Marin Board of Commissioners

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

SUBJECT: Program Measure A Debt Reserve Funds (Action), Agenda Item No. 11a

RECOMMENDATION

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. The TAM Board agrees that TAM will apply a 3% annual discount rate if disbursement of funds is requested prior to positive cash flow within the Debt Reserve account.

On November 14, 2106, the Finance and Policy Executive Committee passed a motion of support to program the remaining Debt Reserve Funds to Major Road Projects under Strategy 3.1 of the Measure A Strategic Plan, less any amount that still may be needed for the completion of the Richmond San Rafael Bridge Approach Project, noting that TAM will apply a 3% annual discount rate if disbursement of funds is requested prior to positive cash flow within the Debt Reserve account.

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. This policy of reserving funds for debt costs of Highway 101 or Major Roads has been in place for 10 years.

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

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.

EXECUTIVE COMMITTEE

On November 14, 2106, the Finance and Policy Executive Committee passed a motion of support to program the remaining Debt Reserve Funds to Major Road Projects under Strategy 3.1 of the Measure A Strategic Plan, less any amount that still may be needed for the completion of the Richmond San Rafael Bridge Approach Project, noting that TAM will apply a 3% annual discount rate if disbursement of funds is requested prior to positive cash flow within the Debt Reserve account.

NEXT STEP

Modify the Measure A Strategic Plan to program the remaining Debt Reserve Funds to the Major Road Projects 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,

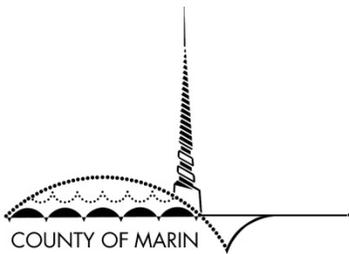
ATTACHMENT

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

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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

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

Jeanine Michaels
ADMINISTRATIVE ASSISTANT

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:

Marin County Civic Center
3501 Civic Center Drive
Suite 275
San Rafael, CA 94903
415 473 6117 T
415 473 3796 F
415 473 2226 TTY
www.marincounty.org/cl

- 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

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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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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PG. 3 OF 3

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

Lead Agency	Name of Roadway	Endpoints	Ranking	Status
NORTH PLANNING AREA				
Novato	Novato Blvd.	Diablo Ave. - San Marin Dr.	1	In progress
Novato	San Marin Dr.	Novato Blvd. - US 101	2	Unfunded
Marin County	Novato Blvd.	San Marin Dr. - Pt. Reyes/Petaluma	3	Unfunded
Novato	South Novato Blvd.	US 101 - De Long Ave/Diablo Blvd	3	Unfunded
Marin County	Atherton Ave.	US 101 - SR 37	5	Unfunded
CENTRAL PLANNING AREA				
San Rafael	4th Street	Red Hill Ave. - Grand Ave.	1	Completed
San Rafael	3rd Street	2nd Street - Grand Ave.	2	In progress
Marin County	Las Gallinas/Los Ranchitos/Lincoln	Lucas Valley Rd. - 2nd Street	3	Unfunded
San Rafael	Pt. San Pedro Rd.	3rd St/ Grand Ave - Biscayne Dr/ City Limit	4	Unfunded
San Rafael	Andersen Dr.	A Street - Sir Francis Drake Blvd.	4	Unfunded
San Rafael	2nd Street	4th Street - Grand Ave	6	Unfunded
Marin County	N San Pedro Rd.	Los Ranchitos -Sunny Oaks Dr.	6	Unfunded
San Rafael	D Street	5th Ave - City Limit	8	Unfunded
Marin County	Las Gallinas Ave.	Lucas Valley Rd. - US 101	9	Unfunded
SOUTH PLANNING AREA				
Mill Valley	Miller Ave.	Camino Alto - Throckmorton Ave.	1	In progress
Mill Valley	E. Blithedale Ave.	Sunnyside Ave. - Tiburon Blvd.	2	Partially funded
Marin County	Paradise Dr.	Tamalpais Dr. - Trestle Glen Blvd.	3	Unfunded
Marin County	Almonte Blvd./ Miller Ave.	Shoreline Hwy - Camino Alto	3	Unfunded
Tiburon	Paradise Dr.	Trestle Glen Blvd. - Tiburon Blvd.	5	Unfunded
Sausalito	Bridgeway/ 2nd St/ S. Alexander Ave.	US 101 - Ft. Baker Rd.	6	Unfunded

MAJOR ROADS PROJECTS AND RANKING

Lead Agency	Name of Roadway	Endpoints	Ranking	Status
ROSS VALLEY PLANNING AREA				
Marin County	Sir Francis Drake Blvd.	US 101 - Wolfe Grade	1	In progress
Marin County	Sir Francis Drake Blvd.	Wolfe Grade - Ross Limit	1	In progress
San Anselmo	Sir Francis Drake Blvd.	Bolinas Ave. - Butterfield Road	3	Unfunded
Corte Madera	Tamaplais Dr.	Corte Madera Ave - Madera Blvd.	4	Unfunded
Marin County	East Sir Francis Drake Blvd.	I-580 - US 101	5	Unfunded
Corte Madera	Paradise Dr.	San Clemente - Tiburon Town limit	5	Unfunded
Fairfax	Sir Francis Drake Blvd.	Butterfield Rd. - Co. Limit	7	Unfunded
Ross	Sir Francis Drake Blvd.	Ross Limit - Bolinas Ave.	8	Unfunded
Corte Madera	Tamal Vista Blvd. / Madera Blvd.	Fifer Ave. - Tamalpais Dr.	9	Unfunded
Larkspur	Doherty Dr.	Magnolia Ave. - Riviera Cir.	10	Unfunded
San Anselmo	Red Hill	SFD Blvd - San Rafael Limit	11	Unfunded
Corte Madera	Lucky Dr.	Riviera Cir - SF Bay Trail	12	Unfunded
Corte Madera	Fifer Ave.	Lucky Dr. - Nellen Ave.	12	Unfunded
Larkspur	Magnolia/Corte Madera Ave/Camino Alto	College Ave - Corte Madera Limit	14	Unfunded
Marin County	Wolf Grade	SRD Blvd - San Rafael Limit	15	Unfunded
WEST PLANNING AREA				
Marin County	Sir Francis Drake Blvd.	Samuel P. Taylor - Platform Bridge	1	Completed
Marin County	Sir Francis Drake Blvd.	Fairfax Limit - Samuel P. Taylor (Shafter Bridge)	2	In progress



DATE: December 1, 2016

TO: Transportation Authority of Marin Board of Commissioners

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

SUBJECT: Sales Tax Interest for Multi-Use Path Maintenance Eligibility List (Action), Agenda Item No. 11b

RECOMMENDATION:

The Board updates 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.

The Executive Committee for Finance and Policy accepted this report, approved it unanimously and recommended it be forwarded to the full Board for final action

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 Board 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 additional interest funds will be required over the remaining life of the measure. Given other unknown or unspecified paths may be potential candidates; it is recommended an additional \$1,000,000 commitment be considered for routine path maintenance. This is above the current approved funding the Board has already committed to operating paths in the amount of \$550,000.

NEXT STEPS:

Staff will continue to reach out to our member agencies to verify the completeness of the list and make adjustments, 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
Previously Considered and Recommended as TST Eligible Path						
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 Recommended as 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

Additional Potential Allocation Amount

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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.

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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: December 1, 2016

TO: Transportation Authority of Marin Board of Commissioners

FROM: Dianne Steinhauser, Executive Director

SUBJECT: Program and Allocate TAM Reserve to Marin Transit for cost overruns on the Redwood/Grant Bus Facility in Novato (Action) – Agenda Item 11c

RECOMMENDATION

Reduce Measure A Reserve permanently to free up funds for Marin Transit to be able to award the facility contract to the lowest responsible bidder for planned improvements to their Redwood /Grant bus facility in the City of Novato. Reserve shall not fall below \$3.5 million.

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 per strategy. Amount to Marin Transit: \$1.12 million in reducing reserve.

The TAM Executive Committee for Finance and Policy considered this item at their regularly scheduled meeting of November 14th, The TAM Citizen’s Oversight Committee reported on concerns they had regarding the diminishment of reserve, noting their full support of the project. Nancy Whelan and staff from Marin Transit reported on the project and their planned use of reserves held under Marin Transit’s budget. After consideration, the Committee voted unanimously to program the funds to Marin Transit, restoring reserve utilizing excess revenues collected.

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.

At a meeting of the Marin Transit Board on November 21st, the Marin transit Board authorized their Board President to request Measure A Reserve Funds from TAM.

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 addressed the TAM Executive Committee on November 14th regarding their concerns and recommendation.

The Committee felt restoring reserve with excess revenue collected would meet the concerns of the COC.

NEXT STEPS

Reduce TAM's Measure A Transportation Sales Tax reserve and re-program and allocate these funds to all eligible strategies under the Measure A sales tax expenditure plan. This re-programming yields \$1.12 million to Marin Transit for their shortfall at the Redwood and Grant bus facility. Restore reserve by utilizing Measure A sales tax collected annually over the projected revenue amount in each year's annual budget approved by TAM.

ATTACHMENTS:

Attachment A – TAM Discretionary Funds to MT for Novato Transit projects
Attachment B- Request Letter Marin Transit- use of TAM Reserve funds

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	July 2016 / programming/ allocation	\$311,000	TAM Local Funds	Redwood and Grant/ CONSTR
	Subtotal Transit related to Novato	\$2,183,500		
		\$4,356,500		

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marin transit

711 grand ave, #110
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November 21, 2016

Stephanie Moulton-Peters
Chair, Board of Commissioners
Transportation Authority of Marin
900 Fifth Avenue, Suite 100
San Rafael, CA 94901

Subject: Request for Funding for Redwood and Grant Transit Improvement Project in Downtown Novato

board of directors

Dear Ms. Moulton-Peters:

kathrin sears
president
supervisor district 3

Marin Transit appreciates working with the Transportation Authority of Marin (TAM) to implement the goals of the Measure A transportation sales tax and improve local transit in Marin County.

katie rice
vice president
supervisor district 2

In March 2013, Marin Transit, the City of Novato, and the Golden Gate Bridge Highway and Transportation District began the design process to improve the downtown Novato transit facility, a critical bus transfer facility in Marin County. The Redwood and Grant Transit Improvement Project (RG TIP) addresses identified shortcomings of the current bus transfer facility. The redesigned facility specifically focuses on increasing passenger safety and security, enhancing pedestrian and bicycle access to the facility, and providing operational improvements for transit.

stephanie moulton-peters
2nd vice president
city of mill valley

Following the comprehensive design phase, Marin Transit solicited contractor bids for construction of the RG TIP. Bids were opened on October 13, 2016. The low bid of \$3.9 million is 39 percent over the engineer's estimate of \$2.8 million. The project team reviewed the construction bids and determined the higher costs for construction are primarily due to the effect of a stronger economy on the current construction climate and the higher cost of materials.

judy arnold
director
supervisor district 5

Marin Transit reviewed several possible options to address the impact of the funding shortfall, including rebidding and canceling the project. Pricing trends indicate that rebidding will delay project completion. A rebid could result in even higher construction costs and increased costs for administration and construction management. Canceling or even delaying the project prolongs the critical need for improvements to pedestrian safety and transit operations on Redwood Blvd. The project is currently funded with \$989,000 in Active Transportation Program (ATP) funds, \$311,000 in OBAG funds, and \$1.9 million in PTMISEA (State Prop. 1B) Lifeline funds. Significant delays to the project will put existing

maribeth bushey
director
city of san rafael

damon connolly
director
supervisor district 1

steve kinsey
director
supervisor district 4

funding at risk and potentially jeopardize the likelihood that the project will be successfully constructed.

Our Board is not in favor of delaying this important project, and has decided to pursue the option of seeking additional funds to increase the project budget.

Today, the project is ready for construction that is scheduled to begin in January 2017. The total project construction budget adopted at the Marin Transit Board's August 15, 2016 meeting is shown below:

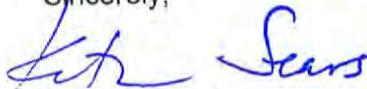
Redwood and Grant Transit Improvement Project Budget	
Project Budget	
<i>Revenues</i>	
PTMISEA State Transit Bond Funds	\$1,980,716
Active Transportation Project Grant	\$989,000
OBAG2 Local Funds	\$311,000
Marin Transit Measure A Funds	\$219,284
Total Revenue	\$3,500,000
<i>Expenditures</i>	
Construction Contract (including contingency)	\$2,978,620
Legal	\$20,000
Construction Management Contract	\$375,000
Project Management & Outreach	\$110,000
Additional Contingency	\$16,380
Total Expenditures	\$3,500,000

Based on the low bid for constructing RGTIP, an additional \$1.2 million is needed to complete the project for a revised total project budget of \$4.7 million.

TAM staff has reviewed our project shortfall and has identified \$1.12 million available from the Measure A Reserve Fund. The use of reserve funds for this purpose is consistent with the TAM Strategic Plan Reserve Policy, "to ensure that the projects included in this plan are implemented on schedule." Marin Transit is requesting that, at its next meeting, the TAM Board allocate those funds to the RGTIP for construction costs.

We really appreciate your effort to secure this vitally needed funding, and your continued support for this important project. We look forward to working with you and the TAM Board, and jointly taking a significant step toward improving public transit in Marin County.

Sincerely,



Kathrin Sears
President



DATE: December 1, 2016

TO: Transportation Authority of Marin Board of Commissioners

FROM: Dianne Steinhauser, Executive Director
Derek McGill, Planning Manager
Scott McDonald, Senior Transportation Planner

SUBJECT: Transportation Demand Management Update, Lyft Partnership Pilot Program (Action),
Agenda Item 12

RECOMMENDATION:

Authorize TAM’s Executive Director to enter into a partnership agreement with Lyft, Inc. The partnership would support first/last mile services to transit and would be funded with up to \$70,000 from the Vehicle Registration Fee Program (Measure B, 3.2, Commute Alternatives Program).

This partnership recommendation was presented to the TAM Programming and Projects Executive Committee on November 14, 2016 voted unanimously to recommend that the full TAM Board approve the recommendation.

BACKGROUND:

In 2016, the TAM TDM Ad Hoc Committee was formed to review potential Transportation Demand Management Programs to consider to support SMART ridership on opening day, and to address the changing regional TDM framework under MTC’s 511.org program. Representatives from the committee included: Stephanie Moulton-Peters, Alice Fredericks, Judy Arnold, Diane Furst, and Gary Phillips. Note Kate Colin, TAM board alternative for Gary Phillips, would attend in his place.

To support this committee, TAM staff conducted an in-depth review of TDM programs, both locally by other CMA’s and local jurisdictions in the bay area, as well as emerging models resulting from the recent and growing technology innovation occurring in the transportation sector.

As reported to the September 12th 2016 Finance and Policy Executive Committee, the TAM TDM Ad Hoc Committee, considered a number of factors for expansion of TDM efforts in Marin County, including:

- Using innovation like mobile applications and technologies to address mobility needs (using lessons learned from Pilot Programs like Carma)
- Supporting SMART first/mile last mile connections
- Assure long term financial sustainability
- Strategic considerations from grants or other opportunities

Based on input from the Ad Hoc on what strategies to pursue initially, the September TAM Executive Committee heard and supported near term strategies, including:

- Expand TAM's ERH program to SMART's Marketing Efforts (heard by the TAM board in July 2016)
- Lyft first/last mile pilot program
- Car Share Expansion
- Bike Share Program focused around SMART
- Employee/employer outreach support

Among the options identified, was a pilot program to test the effectiveness of connecting commuters to and from SMART rail stations using an app-based Transportation Network Company (TNC) platform. Transportation Network Companies (TNCs) provide prearranged transportation services for compensation using an online-enabled application or platform (such as smart phone apps) to connect drivers using their personal vehicles with passengers, as defined by the California Public Utilities Commission which licenses TNC providers in California. This definition distinguishes their services from carpooling and traditional taxi services.

Additionally, in 2009 SMART's Strategic Plan and environmental documentation identified shuttle services to connect employer locations to SMART stations. Due to financial reasons, these shuttles are no longer being considered for operation by SMART. SMART has been working directly with employers to support consideration of funding shuttles through private funds. There is a need, therefore, for employer options on getting employees to-and-from SMART.

MTC in September 2016 released their SMART Integration Study which identifies a number of needs in integrating bus transit and SMART services. Marin Transit and Golden Gate Transit have coordinated changes through their service planning to provide increased levels of transit services to SMART stations; however operational challenges associated with the scheduling of the pulse at the Bettini Transit Service limits the number of changes that can be considered. As true with many of the North Bay bus transit operators, adjustments can be considered once SMART service is up and running.

DISCUSSION/ANALYSIS:

In 2016, Lyft Inc, approached TAM staff to consider a pilot program supporting transit services in Marin County. Over the last few years, a number of communities have partnered with TNC's like Uber and Lyft, to provide reduced costs services that compliment traditional public transit services. Communities like Centennial Colorado, Pinellas-Suncoast Transit Authority, Jupiter Florida, Livermore Amador Valley Transit Authority, LAVTA, Santa Clara Valley Transportation Authority, and a number of others have piloted programs to complement transit investments to reduce transit costs in first/last mile connections. (for more information on shared mobility partnerships please visit: <http://transitcenter.org/publications/private-mobility-public-interest/>)

In response to Lyft's initial interest, TAM staff reached out to a number of TNC's that operate in the area, and conducted an evaluation of their services in relationship to TAM's TDM Program needs, including SMART first/last mile access. TAM reached out specifically to Uber, Scoop, and Hopinside for consideration of partnerships, however none of these vendors expressed interest in providing first/last mile services. TAM staff also reached out to MTC staff, to explore the potential of MTC's Partnership Agreement and vendors to explore Marin's TDM needs. MTC's partnership is currently focused on heavier demand areas and remains a possibility for future partnership potential.

Lyft Inc, based in San Francisco, who offers a shared ride service called Lyft Line through the Lyft mobile application to explore a possible pilot program to support SMART ridership in Marin County. Lyft representatives have presented to TAM and Marin Transit staff on several occasions over the past year to discuss options for supplementing Marin's core public transportation system and senior mobility services.

Lyft presented this concept of a coupon code program for SMART riders needing connections, similar to the Centennial Colorado pilot. The program would require Lyft to create a specific LyftLine coupon promotional code for reduced fares, such as "GOSMART" for use at SMART stations. By using Lyft's mobile application, data reported from Lyft would include number of rides, ride distance and a number of other data points useful for planning future First/Last mile connection needs at each station.

Lyft would work to develop details in partnership with TAM. The program could be tested initially to increase interest and use of SMART upon its launch of service and also to determine the efficacy of the TNC model (tested through Lyft Line) as a first and last mile mobility option.

Overview of Proposed Lyft Pilot Program Structure for SMART Connections

While developing a proposed partnership structure, TAM staff met several times with Lyft in addition to meeting with Marin Transit and Marin GSA to consider potential support and promotion of Lyft Line as a connection to SMART. TAM also considered per-trip discounts funded by Livermore-Amador Valley Transit, Massachusetts Bay Transportation Authority and Pinellas Suncoast Transit Authority as a way to connect passengers to transit through Lyft. Through these discussions the following program framework was developed:

- For a pilot period of six months (or up to a year depending on funding availability), to take place starting at the time of SMART's launch, a unique promotional code would be offered through LyftLine for trips originating from or with a designated destination at SMART rail stations in Marin County between the hours of operation Monday through Friday.
- The ride code would offer the following discounted fare, to be adjusted if deemed necessary to increase the program's effectiveness: TAM funding would cover up to \$5 off, and riders will pay a minimum of \$2 per ride, whereby riders would be assessed an additional charge if the market rate cost of a given ride exceeded \$7 in total.
- Program participants will be able to sign up with Lyft through the Lyft App in order to utilize LyftLine. Lyft would market the coupon through its app and supply data to TAM to determine the effectiveness of the coupon. The program would be marketed at SMART and to prospective riders by TAM and Lyft.
- Lyft, through its use of independent contractors, would incentivize drivers to serve SMART stations during this pilot period. Lyft, cannot guarantee drivers would be available, however Lyft has been successful in encouraging drivers in other pilot programs.

The per-trip level of support was devised to support local bus service where available, given that Lyft Line offers a premium and convenient door-to-door service. While bus services will connect to SMART coordinated with connections at the downtown San Rafael "pulse", and with an effective free discounts currently reported for commuters transferring between SMART and local buses, the coupon for Lyft Line would be intended to reach additional employees that might otherwise not consider a bus transfer and help extend connections to employer sites further from transit stops. Data from this pilot program would be able to support future transit planning decisions on routes locations and frequencies.

Shuttle Considerations

Shuttles can offer an amenity for employees (often working for larger employers) offering a door to door solution for first/last mile connections. Due to the high costs of operating shuttles and low capacity of these vehicles, shuttles are often costly on a per passenger basis. When considering shuttle services operational challenges like drivers, parking, ADA accessibility, operations and maintenance of these vehicles often represent a significant hurdle to entry for businesses.

On March 2, SMART staff presented on SMART's research into the costs and reported the following: It would cost \$80-\$125 per hour for turnkey service for a 12-16 passenger van offering dedicated service with employers deciding details of the service they desire. While costs may vary in the future, per hour costs for a single shuttle could result in a range of about 100k-200k per van on an annual basis.

In addition to the cost, the coordination involved makes this option more feasible and attractive to relatively large employers with greater resources, economies of scale, and with enough employees for the investment to be warranted if a significant portion of the cost is to be supported by the employer. While TAM staff explored options under its Vehicle Registration Fee TDM Program for a Shuttle Incentive (similar to its \$3,600 vanpool incentive), the cost of the shuttles would need a much larger and on-going incentive to attract consideration.

As a way to explore increased options as connections to transit, TAM sought alternative models that were more scalable for a larger range of employers, and lower program costs, and would provide additional data to support future investments, should demand warrant.

Partnership Agreement & Program Structure Review

Given the significant challenges with TNC's in the past, TAM staff have worked with County Counsel and outside counsel to develop a partnership agreement. This agreement has several unique terms in addition to TAM's standard professional services contract. Therefore, the following terms are being reviewed by both parties and staff anticipates resolving contractual issues per guidance that there are not inherent problems that would rule out any of the structural components of the program model. The following terms have been reviewed:

Summary of Agreements Terms

- Funding Amounts –\$70K of local funding for this partnership (if approved by TAM), would be made available to cover the cost of discounted fares, payable to Lyft, Inc. (funding for Lyft services to support this coupon code, including marketing and other direct costs are not covered in this agreement).
- Exclusivity Clause – An exclusive arrangement with Lyft would be established (for the limited pilot period of six months or up to one year maximum related to TNC's providing first/last mile services at SMART)
- Insurance – TAM staff intends to work with Lyft and legal counsel to navigate these insurance requirements, TAM will either be named as an additional insured, or otherwise reach an alternative arrangement which is deemed acceptable by legal counsel for TAM.
- Reporting/Reimbursement – As a component of a program partnership, TAM/Lyft would determine a schedule for reporting the number of trips, trip distances, and other factors related to quantifying user benefits from the provided pilot program. The reporting would be limited based on proprietary information and privacy laws.

- Marketing – Lyft will be responsible for developing marketing materials, and both Lyft and TAM will work together to develop an outreach strategy. Funding for marketing by TAM would be included in the current TDM program budget. TAM would work closely with SMART’s marketing team to make this program available to users in Marin, including on station advertising which has been identified by SMART staff as an additional cost.

Additionally, TAM has been working with Transit Operators and Legal counsel on Title VI & ADA accessibility issues. Guidance on these issues was reviewed by county counsel and outside counsel, both counsels have advised that the program would be in compliance.

PROGRAMMING AND PROJECTS EXECUTIVE COMMITTEE PRESENTATION:

On November 14, 2016 staff presented this recommendation for the authorization of a partnership with Lyft. Staff pointed out that the recommendation was subsequent to the TAM TDM Ad Hoc Committee discussions in 2016 to help develop near-term TDM priorities for TAM. The first recommended strategy was the extension of Marin Emergency Ride Home Program outreach to SMART in July, with the Lyft Partnership as the second recommendation. Also noted in the presentation was MTC’s SMART Integration Study which indicated that most SMART riders will also either walk, bike, or take transit. While the study explored shuttles, with the cost of shuttles ranging \$85-125 per hour, TAM staff continued to explore other options that might support a larger number of employers. After the presentation, the committee discussed the following considerations with staff:

- The program would be structured to complement rather than competed with transit. Since transfers from SMART to local bus are offered at a \$1.50 discount (essentially fully covering the cost), a \$5 Lyft coupon would be available for trips after the first \$2/per trip is paid by passengers.
- The proposed partnership would be limited in duration and scope to test demand at SMART stations, and to understand first/last mile demand when SMART starts. Data from the partnership will be reviewed to understand what longer term program or options could be needed.
- TAM would provide payment for a coupon for trips on Lyft Line, a service provided by Lyft which requires riders to select to ride with others should there be another nearby request for a ride to a similar location. Lyft would also develop zones immediately around SMART stations in Marin.
- With \$70,000 available the program would likely cover at least a six month period, but might be extended up to one year. Based on a VTA pilot to offer discounts for transit connections with about 41 daily rides, staff is comfortable with the recommended funding being a sufficient amount.
- ADA accessible vehicles cannot be guaranteed, and there is no ADA available taxi services currently in Marin. Staff also reviewed FTA guidance, along with discussions with County Counsel to determine that a partnership can be develop under a pilot program.
- The program could be used for first or last mile needs, and demand for each will need to be determined over the course of the pilot. With the downtown San Rafael station has robust transit connections; the pilot program may support connections to additional locations in central and southern Marin. Staff also noted that the program schedule would precede any potential changes based on a future location or construction around the Bettini Transit Center.

After the presentation, the Programming and Projects Executive Committee on November unanimously recommended that the full TAM Board approve the recommendation. Public comments after the presentation reflected consistent support and interest in this pilot program to gain important information, and to offer an additional mobility option complementary to SMART.

FISCAL CONSIDERATION:

Staff recommends \$70,000 in local Vehicle Registration Fee Program (Measure B, 3.2 for Commute Alternative Programs) funds be made available for a partnership with Lyft. Funds are available from reserves, however this program is not included in this fiscal year's budget, and the budget would be amended to reflect these costs.

ATTACHMENTS:

Lyft Line Fact Sheet

Lyft **Line**

Lyft Line connects neighbors traveling in the same direction through a mobile-based application. Line is efficient, affordable, and scalable shared transit that comes to you.

Line Basics

In the US, vehicle occupancy on work commutes is the lowest in nearly 40 years¹ with nearly 80% of commuters traveling by car alone.² Road congestion wastes over 2.9 billion gallons of fuel, adds 56 billion pounds of greenhouse gases to the atmosphere, and results in 5.5 billion hours of productivity lost to traffic at an average annual cost of \$818 per commuter.³

MIT researchers recently estimated that if NYC riders were willing to wait an extra five minutes per trip to pick up other passengers, almost 95% of trips could be shared and travel time could be reduced by more than 30%.⁴

Every day, 90% of Lyft rides in San Francisco have someone else taking the same trip within five minutes so we connected them and created a new way to ride.

How Lyft Line Works

1. Passengers input pick-up and drop-off locations and the Lyft app will match them with another passenger traveling in the same direction.
2. Because the drop-off destination is pre-set, Lyft Line calculates a fee up to 60% less than a private Lyft.
3. Passengers can enjoy the ride and chat with members of their own community.

Highlights

40%

of all Lyft rides in San Francisco use Lyft Line.

700 Million

Gallons of fuel saved annually by a modest 3% increase in rideshare usage.⁵



1. Santos, A. et al. (2009) U.S. D.O.T. Federal Highway Administration, National Household Travel Survey

2. U.S. Census, American Community Survey 1-Year Estimates (2013) S0802,

Means of Transportation to Work by Selected Characteristics

3. Schrank, D. et al. (2012) Texas A&M Transportation Institute *Urban Mobility Report*

4. Santi, P. et al. (2014) *Quantifying the benefits of vehicle pooling with shareability networks*. III Proc. Nat'l. Acad. Sci. 37

5. Matute, J. & Pincetl, S. (2013) "Compensated and Real-time Rideshare" in *Unraveling Ties to Petroleum*. California Center for Sustainable Communities at UCLA.