



SB 83 Vehicle Registration Fee Expenditure Plan Advisory Committee (EPAC)

**Meeting #2
750 Lindero Street San Rafael CA
March 31, 2010
5:00 p.m.**

PRELIMINARY AGENDA

Meeting Outcomes

- Present a snapshot of transportation funding in Marin County
- Begin identification of funding gaps that can be reasonably addressed by VLF
- Provide initial advice on Expenditure Plan “categories”
- Identify Outreach Opportunities

Materials to be Provided

- Agenda
- List of Potential Expenditure Plan Categories (“Buckets”)
- Description of Potential Expenditure Plan Categories (Bucket Fact Sheets)
- Background SB 83 History
- Background Financial and Other Data

Agenda Items

1. Introductions
2. Review Meeting Outcomes and Packet Material
3. Outreach Opportunities
4. Presentation – Transportation Funding in Marin County
5. Questions and Discussion
6. BREAK
7. Small Group Exercise – Preliminary Allocations
8. Report Out from Small Groups
9. Discussion/Consensus

**Summary and Grouping of 3/8/10 EPAC Discussion
Re: Potential Expenditure Plan Elements / “Buckets”**

1. Local Streets and Roads Maintenance - to include Complete Streets, meaning all modes should be addressed (bike, pedestrian & transit needs)
2. Bike/Pedestrian Pathway Maintenance - dedicated facilities for bikes and pedestrians; primarily routine maintenance needs
3. Transit Facility Improvements - bus stops, hubs especially Green Hubs, freeway bus pads, to include accessibility, shelters, security, information systems, transit facility bike storage, etc.
4. School Transportation Alternatives - safe routes, bike/pedestrian projects (sidewalks, paths, crosswalks), safety programs for bike/pedestrians, crossing guards, carpooling programs, etc.
5. Strategic Transit Expansion/ Operations Support - ferry feeder service, shuttles, fare stabilization, school bus (Ride and Roll), etc.
6. Mobility Enhancements for Seniors and Persons with Disabilities - increased service beyond ADA, travel training, and other programs.
7. Targeted Congestion Reduction - through ITS and traffic operations management, etc.
8. Alternative Fuel Infrastructure and Vehicle Procurement –electric vehicle infrastructure and public agency fleets
9. Commuter alternatives / Ridesharing - facilitating reduced trips with employers & employees in Marin, carpooling programs, etc

Complete Streets Maintenance

PROGRAM DESCRIPTION

This program would provide funding to Marin County and local cities to improve maintenance of local roads. The so-called, "Complete Street," includes facilities and amenities for not just the automobile, but for all users of the street. Therefore, complete streets maintenance would include maintaining the streets for people with disabilities, sidewalk and pedestrian pathways, bicycle facilities, pathways to transit, as well as the automobile right-of-way.

Funds could be specifically allocated to local residential streets where there are few opportunities for alternative funding and/or could be prioritized by the local jurisdiction.

Who would actually spend the money?

Funds would be allocated to the cities and the county.

How would they get the funds (i.e. call for projects and competitive funding or formula distribution)?

Funding could be by competition or by formula. The advantage of formula distribution is ease of administration, as well as providing a guaranteed revenue stream to local jurisdictions. However, the amount of revenue to smaller districts would be so small it may be difficult to see results. For example, the following table shows the amounts per jurisdiction if \$1,000,000 in VRF revenue was to be divided by a population/road mile formula.

	50% Pop. & 50% Lane Miles	Shares Per \$1 Million
Belvedere	1.03%	\$10,300
Corte Madera	3.17%	\$31,700
Fairfax	2.93%	\$29,300
Larkspur	4.29%	\$42,900
Mill Valley	6.12%	\$61,200
Novato	17.49%	\$174,900
Ross	1.19%	\$11,900
San Anselmo	4.74%	\$47,400
San Rafael	19.21%	\$192,100
Sausalito	2.70%	\$27,000
Tiburon	3.19%	\$31,900
Marin County	33.94%	\$339,400
Total	100.00%	\$1,000,000

What are the measureable outcomes/benefits of the program?

Well-maintained streets provide improved gas mileage, reduced maintenance costs, and enhanced safety for all users. Well-maintained transit streets provide a more comfortable transit ride, which should have a positive impact on ridership.

Better maintenance of pedestrian and bicycle facilities improve usage, which ultimately will result in reduced automobile use.

A challenge exists, however, in that the small amount of funds available from the VRF will not substantially reduce the current County shortfall for local streets and roads maintenance.

What is the funding need?

Resurfacing a street can cost up to \$500,000 per mile. A complete rebuild of the same street, however, can cost from two to five times that amount depending on the level of deterioration and whether or not curbs and gutters must also be replaced, which are not typically replaced during resurfacing.

A complete street project costs more than a rehabilitation or reconstruction project within the same limits due to the additional facilities and amenities for accommodating the other modes. For example, a recent complete street project, measuring approximately one-half of a mile, cost in excess of \$4 million.

The need for local streets and roads maintenance is substantial. The current Regional Transportation Plan (RTP) for the nine county Bay Area shows a \$1.5 billion total need for local streets and roads (LSR) maintenance in Marin County over the 25-year period covered by the RTP. The RTP includes \$905 million of committed funding for LSR maintenance in Marin County over the same 25-year period, leaving a shortfall of \$595 million. Assuming \$2 million of annual revenues from the VRF, the total maximum VRF revenue allocated to LSR maintenance for 25 years would be \$50 million, or 8.4 percent of the estimated shortfall.

Are there other funding sources available?

The following sources of funding are available for maintenance of local streets and roads¹:

- Federal STP funds²
- STIP funds (although a low priority in the STIP)
- Measure A funds
- Gas tax funds
- Other local sources such as fees
- One-time infusions of funding such as federal stimulus, infrastructure bonds, etc.

Specific elements that make a roadway project a “Complete Street” project can be funded from the following sources (not limited to complete street projects):

- Transportation Enhancement (TE) funds
- TDA Article 3 funds
- Transportation for Livable Communities (TLC) funds

¹ Some local roads with lower traffic volumes, such as some neighborhood streets, are not eligible for the federal and state rehabilitation funding.

² Federal STP funds typically require a local match of at least 11.5% of the total.

- Transportation Fund for Clean Air (TFCA)
- Other local sources

The VRF funding could be specifically earmarked for rehabilitation costs that are not eligible for federal or state funding, such as rehabilitation of neighborhood streets or the required local match. The VRF funding could also go towards non-pavement elements, as there is a considerable shortfall of funds for these features.

What are the leverage opportunities?

One way to think of leverage in this case, is that streets that are maintained on schedule can be improved for far less cost than rebuilding a street after deferred maintenance. Once again, a complete street rebuild can cost from two to five times that amount for the same street depending on the level of deterioration and whether or not curbs and gutters must also be replaced, which are not typically replaced during resurfacing.

The VRF funds can serve as the match to federal funds received for local streets and road maintenance. They can also fund elements not easily funded with federal funds.

There are a number of fund sources for local streets and road maintenance, but still not enough to meet current or future needs. Future fund sources may be considered, such as a regional fee for local road maintenance (“pennies for potholes”).

Can these funds “Move the Needle”?

The need for local street and road maintenance far exceeds the funds likely available through this VRF measure. Dedicating all the VRF funds available over 25 years only addresses roughly 8.5 percent of Marin County’s estimated shortfall. However, as noted, a number of fund types are dedicated to local road maintenance, and collectively, these funding sources can make an impact.

As funds are not readily available for residential streets, funds could be dedicated for this purpose. Furthermore, funds could be used as a match to locally generated sources, such as local neighborhood fees or citywide traffic impact fees.

How did this poll?

Maintaining local streets polled very well and was the most persuasive feature of the measure overall. Among the “probably yes” swing voters, this feature was tied for 1st among 18 potential expenditures. This feature clearly distinguished itself from the other proposed features in its popularity among swing voters.

HOW WELL WOULD THIS STRATEGY MEET TAM GOALS?

Goal	Rating ↓↓ ■ ↑↑	Reason
Reduce GHG, Reduce VMT and Support Healthy Living	■	Improved maintenance of bike and ped facilities will encourage use. Improved roadway quality would reduce gas mileage, but would not reduce VMT.
Satisfy Nexus	↑↑	Rate payers benefit directly.
Approved plan/history of public input	↑↑	Already a key Measure A program; included in many plans.
Improve mobility options and reduce congestion	■	Maintenance programs do not increase options. Might make walking/biking more attractive.
Be locally beneficial	↑↑	Clearly visible local benefit on local roads.
Adds value/leverages other funds	↑↑	Helps to fill a funding gap in a local program.
Cost Benefit	↑↑	Timely maintenance has a high cost benefit. Amounts in some cities could be too small to do much.
Measureable Benefits	↑↑	Miles of roadway maintained is easily measured.

ADVANTAGES SUMMARY

- Clearly demonstrated need
- Polls very well
- Helps to fill a known and measurable funding gap

ISSUES SUMMARY

- Fills only a small portion of need
- Could be “lost” as demands outpace funding
- Does not contribute significantly to TAM’s overarching goal of addressing climate change

Reference: MTC’s Regional Transportation Plan, T-2030, April 2009

Bike/Pedestrian Pathway Maintenance

PROGRAM DESCRIPTION

This program would provide funding to Marin County and local cities to maintain bicycle and pedestrian pathways and stairways that are separated from the roadway. Marin County has approximately 32 miles of Class I bicycle and pedestrian multi-use pathways, along with a number of stairways dedicated to bike and pedestrian usage. Maintenance takes two forms: routine maintenance and major maintenance. Routine maintenance activities include sweeping/removal of debris, litter pickup, trimming vegetation that grows onto the path, graffiti removal from structures, occasional sign repair or replacement, minor pavement repair, restriping/ stenciling, and minor amenity repair. Major maintenance activities include pavement resurfacing/pothole repair, bridge or other structure repair, as well as updating facilities to maximize accessibility for both bicycles and pedestrians of all abilities.

Local governments have historically struggled to dedicate funds to maintaining these facilities, as available funds are very limited and often allocated to higher priority needs.

Maintaining infrastructure for non-motorized travel will encourage bicycle and pedestrian travel, thereby reducing VMT and encouraging healthy living.

Who would actually spend the money?

Funds would be allocated to Marin County and local cities that are responsible for maintenance of these pathways.

How would they get the funds (i.e. call for projects and competitive funding or formula distribution)?

Funds could be distributed by competition or by formula. The advantage of formula distribution is ease of administration, as well as providing a guaranteed revenue stream to local jurisdictions. Competition would allow higher needs to be addressed first.

What are the measureable outcomes/benefits of the program?

While Marin County has substantially increased the mileage of its bike/ped pathway system in the past decade, there are currently limited funds identified for maintenance of these facilities. Better maintenance of pedestrian and bicycle facilities will improve usage and ultimately result in reduced automobile use.

What is the funding need?

All maintenance costs vary by the facility: age of the path, presence of a tunnel or bridge, or type of landscaping, etc. In the *Marin County Bike Paths Maintenance Study* (TAM 2007), localities estimated the costs for routine maintenance. On average, the annual maintenance

cost could be estimated at \$13,000 per mile (current year dollars), for an approximate total of \$490,000.

The need for major maintenance funds also varies by condition of the facility. Per the 2007 Marin-wide inventory conducted by TAM, the major maintenance need for the funded Class I facilities exceeded \$2 million.

Are there other funding sources available?

The TAM Board can allocate Measure A sales tax interest funds to routine maintenance on a 50/50 match basis with local funds for regionally significant Class I pathway facilities. No other funds exist for routine maintenance needs.

Major maintenance projects can be funded from the local infrastructure share of Measure A sales tax funds or from TDA Article 3 funds. To date, TAM has adopted TDA Article 3 funds for major maintenance work on the pathway system in southern Marin.

Marin localities considered establishing a pool of funds for grant matching, however grant funds for pathways are scarce. Establishing volunteer "Adopt a Path" or "Friends of Nonprofit" support groups has been considered for help with routine maintenance, but has not been accomplished to date.

What are the leverage opportunities?

In June 2006, the TAM board adopted a policy element that addresses bike/ped path maintenance. The Board directed staff to consider major maintenance of paths as a priority focus for usage of TDA Article 3 funds. They also announced their intent to use Measure A interest funds for routine maintenance of paths on a 50/50 share basis with the communities in which the paths lie. They further codified this policy in February 2008 after the bike paths maintenance inventory was completed. They framed the final policy to cover only those paths funded, paths constructed after January 1st 2008, and paths of regional significance, to be approved on a case-by-case basis.

Currently, maintenance activities come from either park and recreation budgets or from street and road budgets, but are often very low priority. As with other maintenance issues, maintaining facilities on schedule saves money by avoiding major rebuilding costs.

VRF maintenance funds, whether for routine or major maintenance activities, could be matched with local funds.

Can these funds "Move the Needle"?

Yes, a relatively small amount of routine maintenance money could improve the conditions on most of the separated pathways in Marin County.

How did this poll?

Maintaining bike and pedestrian pathways was a popular feature in the poll overall, tied for 5th of the 18 features described to voters. Among the "probably yes" swing voters, this feature was in the second tier of popularity, also tied for 5th among 18 potential features. Other expenditures for bicycle and pedestrian facilities also polled positively, but varied in their ability to influence swing voters. For example, the provision of safe and accessible walking routes to transit polled at the same level as bike and pedestrian facility maintenance. However, the improvement of bicycle and pedestrian facilities on local streets showed limited ability to influence voters to vote for the measure, ranking 14th for "potential yes" voters.

HOW WELL WOULD THIS STRATEGY MEET TAM GOALS?

Goal	Rating ↓↓ ▣ ↑↑	Reason
Reduce GHG, Reduce VMT and Support Healthy Living	↑	Improved maintenance of bike and ped facilities will encourage use, thereby reducing VMT and encouraging healthy travel.
Satisfy Nexus	↑	Rate payers benefit by removing cars from the road and by encouraging modes that reduce the impacts of auto travel.
Approved plan/history of public input	▣	Need for facility maintenance is well documented, but lack of directed funding has kept this out of most plans.
Improve mobility options and reduce congestion	↑	Maintenance programs do not increase options, but would increase desirability of existing options.
Be locally beneficial	↑	Clearly visible local benefit on local pathways.
Adds value/leverages other funds	↑	Fills a funding gap, but difficult to leverage other funds.
Cost Benefit	↑↑	Timely maintenance has a high cost benefit.
Measureable Benefits	↑↑	Miles of pathway maintained is easily quantified.

ADVANTAGES SUMMARY

- Clearly demonstrated need
- Polls very well
- Fits well with TAM's overall goals
- Tangible results that the voters will see
- Helps to fill a known and measurable funding gap

ISSUES SUMMARY

- Most rate payers seldom use bike/ped facilities
- Cannot be easily leveraged against other sources because other sources are very limited

Reference: October 2007. *Marin County Bike Paths Maintenance Study* by Alta Planning and Design.

Transit Facility Improvements

PROGRAM DESCRIPTION

This program will improve the quality and accessibility of bus stops throughout Marin County. Bus stop improvements include accessibility improvements, shelters, lighting, security, passenger amenities, and passenger way-finding information. Improvements will be implemented with particular emphasis on major stops designated as community-based "Green Hubs" or places where multiple routes converge. Marin Transit will prioritize improvements in cooperation with local jurisdictions and the County.

Who would actually spend the money?

Marin Transit will manage local bus stop improvements and "Green Hubs," while local jurisdictions and the County will manage related path-of-travel accessibility improvements. Coordination will be necessary between the two efforts.

How would they get the funds (i.e. call for projects and competitive funding or formula distribution)?

Marin Transit will allocate funds based on project need and benefit in agreement with local jurisdictions and the County. VRF funds could also be used to match local jurisdiction contributions to sidewalk and curb/ramp improvements that are needed to meet related ADA path-of-travel requirements.

What are the measureable outcomes/benefits of the program?

Numerous studies have concluded that the bus stops serving Marin Transit and Golden Gate Transit routes are far below industry standards. Attractive, well designed, and accessible bus stops with improved rider information have been proven to encourage transit ridership and are an essential component of a public transit system.

What is the funding need?

The *Central and Southern Marin Transit Study* (TAM 2009) provides a recent source of information regarding transit facility improvements. The attached table identifies the suggested elements for improvement, the funding needs, and per unit costs. The table only provides funding need estimates for Central and Southern Marin. Therefore, the overall County need for transit facilities improvements would be greater. However, the unit costs are applicable for all of these elements.

The study also identified approximately \$7 million in multi-modal "green hub" and local bus stop improvements, from San Rafael to the southern Marin border, covering 39 strategic transit stops.

Furthermore, a draft inventory of bus stops commissioned by Marin Transit in 2005 identified over 600 bus stops in Marin County, of which nearly two-thirds are in need of accessibility improvements. Marin Transit estimates that the cost to improve all bus stops countywide at \$20 million.

Are there other funding sources available?

There are a number of sources for transit capital projects:

- Transportation Development Act (TDA): this ¼ cent sales tax provides funding to bus transit operators, including Marin Transit
- State Transit Assistance (STA)
- State Transportation Improvement Program (STIP): transit can be a lower priority
- Public Transportation Account (PTA): typically comes through the STIP
- FTA formula funds, Section 5307 bus and bus facility funds: MTC's Transit Capital Priorities process prioritizes use of these FTA funds, with bus stops often too low for funding
- Marin Measure A transit capital funds: these sales tax funds are available annually to Marin Transit. Six percent of Measure A funds, about \$1M per year, is dedicated to transit capital projects.
- Prop 1B State bond: approved by voters in 2006, a share of funds come to Marin Transit for capital needs
- Federal and state grant programs
- MTC Lifeline Transportation Program: Dedicated to disadvantaged communities, TAM receives funds to address needs in the Canal Neighborhood and Marin City, including transit facilities.
- Surface Transportation Program (STP): these funds from MTC's share of federal gas tax are dedicated to transit rehab.

The following sources of funding are available for path-of-travel improvements by local jurisdictions¹:

- Federal STP funds²
- STIP funds (although a low priority)
- Measure A funds
- Gas tax funds
- Other local sources such as fees
- One-time infusions of funding such as federal stimulus, infrastructure bonds, etc.

Features related to path-of-travel can be part of a "Complete Street" project and can be funded from the following sources (not limited to complete street projects):

- Transportation Enhancement (TE) funds
- TDA Article 3 funds
- Transportation for Livable Communities (TLC) funds
- Transportation Fund for Clean Air (TFCA)
- Other local sources

There are a wide variety of sources available for bus stop improvements. In reality, however, bus stops often compete poorly for funds compared with other transit/road projects or there are other priorities for these relatively small amounts of money. Many of Marin's bus stops have

¹ Some local roads with lower traffic volumes, such as some neighborhood streets, are not eligible for the federal and state rehabilitation funding.

² Federal STP funds typically require a local match of at least 11.5% of the total.

relatively low use when compared regionally, which hurts Marin's competitiveness in seeking regional funds for stops.

What are the Leverage Opportunities?

Measure A provides funding for Transit Capital projects. Six percent of Measure A funds, about \$1 million per year is dedicated to transit capital projects, primarily transit vehicle purchases. Other transit capital improvements are also eligible for Measure A funding.

There are a number of both transit capital and path of travel fund sources. Once again, bus stop improvements have proven to be of lower priority for transit operators and local jurisdictions, due to a tremendous demand on these fund sources.

To maximize leveraging, VRF revenue could be offered on a match basis to incentivize use of other funds. For example, VRF revenue would allow smaller investments of Measure A dollars to be matched with VRF funds to implement an expanded program to improve bus stops and create a system of multimodal "Green Hubs."

Can these funds "Move the Needle"?

With leveraging, VRF funds could provide the resources to improve bus stops and make progress on "Green Hubs," focusing on the most cost effective improvements. The multimodal "Green Hub" system will create enhanced community-based transportation centers that will attract new transit riders, provide bicycle and kiss-n-ride facilities, as well as reduce parking and congestion at freeway park-and-ride lots and on Highway 101. The benefits of these improvements are analyzed and presented in the *Central and Southern Marin Transit Study*.

How did this poll?

This feature was not specifically tested, but improving bus service on local routes polled well as a feature overall (5th out of 18). Among the "probable yes" swing voters, the improvement of bus service on local routes polled positively. However, it was ranked in the second tier of features and 5th among several other potential expenditures.

HOW WELL WOULD THIS STRATEGY MEET TAM GOALS?

Goal	Rating ↓↓ □ ↑↑	Reason
Reduce GHG, Reduce VMT and Support Healthy Living	↑↑	Improved bus stops will encourage transit use, thereby decreasing VMT. Central/Southern Marin study estimates 1,100 tons of greenhouse gases removed annually.
Satisfy Nexus	↑	Rate payers benefit by mitigating congestion and auto impacts through increased transit ridership.
Approved plan/history of public input	↑↑	Included in SRTPs and Central Southern Marin study.
Improve mobility options and reduce congestion	↑	Improved bus stops will increase transit ridership.
Be locally beneficial	↑↑↑	Clearly visible local benefit.
Adds value/leverages other funds	↑↑↑	Helps to fill a funding gap in a local program. Can be matched with Measure A funds.
Cost Benefit	↑↑↑	Bus stop improvements have a high cost benefit and can attract riders.
Measureable Benefits	↑↑↑	Improvements are easily measured in number of stops improved and increased ridership numbers.

ADVANTAGES SUMMARY

- Clearly demonstrated need
- Fits well with TAM's overarching goal
- Improved stops will increase transit ridership
- Tangible results that the voters will see
- Helps to fill a known and measurable funding gap

ISSUES SUMMARY

- Most rate payers seldom use transit facilities
- Transit frequency tends to attract ridership more so than transit stop improvements

Reference: *Central and Southern Marin Transit Study (2009)*, [TAM website](#)

COST ESTIMATE SUMMARY OF TRANSIT IMPROVEMENTS

Improvement Category	Key Transit Investment Components	Jurisdiction	No. of Locations	Ave. Capital Cost per location (\$000s)	Capital Cost of Improvement (\$000s)	Subtotaled Key Improvements (\$000s)
Multi-Modal Green Hubs	Guaranteed Secure Bike Parking	Cities/TAM	17	\$20	\$476	\$5,964
	Additional Short Stay Pickup Capacity	Cities	17	\$25	\$595	
	Added Drop-off Capacity	Cities	17	\$20	\$476	
	Expanded Bus-Bus Transfer Capacity	Cities	8	\$150	\$1,680	
	Neighborhood Shuttle/shared ride service transfer capacity	Cities/MCTD/GGT	17	\$25	\$595	
	Guaranteed Transit Parking Management Program	Cities/TAM	8	\$85	\$952	
	Security, Lighting, Shelter, Facilities Package	Cities/MCTD/GGT	17	\$50	\$1,190	
Hwy 101 Key Pads & Ramps Transit Program	At Grade signal controlled pedestrian activated ramp crossings	Caltrans/Cities/Co.	10	\$75	\$1,050	\$8,610
	Ramp Transit Signal Priority (TSP)	Caltrans/Cities/Co.	6	\$100	\$840	
	Bus Pad Access Reconfiguration	Caltrans/Cities/Co.	4	\$1,200	\$6,720	
Arterial Speed and Reliability Program	Transit Signal Priority (TSP)	Cities/MCTD/GGT	13	\$300	\$5,460	\$13,860
	Roadway/Intersection Reconfiguration	Cities/Co.	12	\$500	\$8,400	
Local Stop Enhancement Program	Investment in Facilities for Priority Limited Stop Express Bus Stops	MCTD/GGT/Cities	16	\$45	\$1,008	\$1,008
	Bus stop prioritization investment program			TBD	TBD	
Key Bidirectional Corridor Enhancements	Muir-Sausalito-Mill Valley Welcome Service	Cities/Co.	1	\$1,400	\$1,960	\$5,880
	Canal-Downtown San Rafael-San Anselmo Rapid Service	Cities/MCTD	1	\$2,800	\$3,920	
	Larkspur-area Hub Connections	City/GGF/SMART/Caltrans	1	TBD	TBD	
TOTAL					\$35,322	

Source: Central and Southern Marin Transit Study (TAM 2009)

School Transportation Improvements

PROGRAM DESCRIPTION

This program would provide enhanced options for biking or walking to and from school. Expenditure of funds could be for capital projects coming from Safe Routes to Schools (SR2S) plans that include bicycle and pedestrian improvements; operating funds for school crossing guards; project funds for safety programs that will address bike/ped safety around schools; and other concepts that will reduce congestion around schools, encourage healthy commuting to school, and reduce school related VMT. This category also includes the SchoolPool program, which facilitates carpooling for students that are not able to use non-motorized modes for travel to and from school.

Who would actually spend the money?

Marin County and local cities would develop projects and spend capital funds. Crossing Guards, SchoolPool, and several other safety programs are developed through TAM's SR2S program and are managed by TAM.

How would they get the funds (i.e. call for projects and competitive funding or formula distribution)?

The capital needs for projects around schools lends itself to a call for projects. To sustain growing programs such as SchoolPool, Crossing Guards, and other safety related programs in and around schools, funds would be directed by formula to TAM.

What are the measureable outcomes/benefits of the program?

Marin County has a strong history and track record with SR2S capital projects and education programs. Providing safe alternatives for access to schools establishes habits that continue later in life. Regular tracking of the school commutes currently occurs, with measurable results indicating mode shift away from single occupant driving.

What is the funding need?

TAM Crossing Guard Program:

- Crossing guards cost approximately \$12,000 per guard per school year.
- TAM's master list includes 120 locations requested by schools, public works, and police departments.
- TAM currently funds approximately 60 locations and the expenditure plan limits Measure A funding to 70 locations.
- If crossing guards are desired at all 120 locations, the current shortfall is 60 locations, or approximately \$720,000 per year (assuming one guard per location).
- It is important to note that guards funded solely by schools are being cut due to education funding shortfalls. As a result, the list of needed crossing guards is growing.

Safe Routes Infrastructure:

- Since inception of Marin's SR2S program, \$13 million has been acquired and spent on 50 infrastructure projects to improve walking and bicycling to and from school.
- The average SR2S capital project costs \$260,000. This ranges from about \$15,000 for a school area traffic control plan to over \$900,000 for major pathway construction. The typical project consists of sidewalk and pathway and/or intersection crossing improvements.
- Each year, about 15 SR2S infrastructure projects are identified. This translates into an annual need of about \$3,900,000.
- Marin County has been successful in obtaining about \$1,500,000 to \$2,000,000 a year in funding for infrastructure projects. This means there's an annual shortfall of about \$1,900,000 to \$2,400,000.
- Projects have been identified at 54 schools thus far. There are over 80 schools in Marin County.

SchoolPool:

- This program provides a web-based, trip-matching program for parents to become acquainted and then coordinate walking, bicycling, carpooling, or bus-riding for their children to and from school.
- The program was recently initiated and has funding through Fall of 2010. It is funded partially through a Marin Community Foundation grant in the amount of \$175,000.
- After the initial year, it is estimated the program will cost \$150,000 to \$200,000 per year to operate and promote.

Are there other funding sources available?

Measure A provides funding for school transportation in three areas. First, it funds the on-going SR2S education component. In addition, 3.5 percent of sales tax funds, or about \$1 million per year, is allocated to capital projects developed by Safe Routes plans. Another 4.2 percent is allocated to crossing guards throughout the County. Measure A currently funds crossing guards at about 60 intersections.

These programs are not adequate to address the full need for either capital improvements or crossing guards. In addition, as funding for local jurisdictions and school districts has diminished, many school districts are dropping district-funded crossing guards while cities focus their capital dollars on higher profile streets and roads projects, making funding in these areas even more vulnerable.

VRF funds could serve to attract grant funds. VRF funds could also match federal grant funds (required match) or leverage state grant funds (points for local fund contribution)

Can these funds "Move the Needle"?

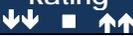
Because SR2S capital and crossing guard projects are relatively inexpensive, a small investment can make a big difference. \$200,000 in funding per year (current dollars) could substantially relieve school districts which are forced to reduce their own guards and provide a substantial increase in the current Measure A program. Investment in the crossing guard program is easily scalable since each crossing guard funded by the VRF would have independent benefit. Adding to the SR2S capital program would also result in new projects that could be completed with VRF funds.

The SchoolPool program and safety programs such as “Street Smarts” are temporarily funded with grant funds which will be fully expended in the next year or two. Without additional funds, these programs cannot continue. These programs are proving to be very successful.

How did this poll?

School related projects did poll positively, but were less likely to change the minds of voters. Neither crossing guards nor school transportation programs had a significant impact on voters overall. Among “probably yes” swing voters, both school crossing guards and the expansion of local school programs polled positively, but they were in the lower tier of features that could influence voters to vote for the measure, ranking 14th and 10th respectively. It is important to note that 70 percent of those polled exceeded 50 years in age, reflecting the demographics of likely voters.

HOW WELL WOULD THIS STRATEGY MEET TAM GOALS?

Goal	Rating 	Reason
Reduce GHG, Reduce VMT and Support Healthy Living		Safe Routes programs have proven to reduce drive alone rates at school sites by as much as 15% when combined with capital and crossing guard programs.
Satisfy Nexus		Rate payers benefit by mitigating congestion at school sites and mitigation of auto impacts through reductions in car trips to schools.
Approved plan/history of public input		Included in SR2S plans and through TAM’s crossing guard assessment.
Improve mobility options and reduce congestion		Demonstrated ability to reduce congestion around schools by increasing bike/ped access.
Be locally beneficial		Clearly visible local benefit.
Adds value/leverages other funds		Helps to fill a funding gap in a local program. Can be matched with Measure A funds.
Cost Benefit		Safe Routes capital and crossing guards are low cost and have a high cost benefit.
Measureable Benefits		Improvements are easily measured in number of crossing guards provided, projects completed, and change in mode share at schools.

ADVANTAGES SUMMARY

- Clearly demonstrated need
- Fits well with TAM's overall goals
- Can be matched with Measure A funds, federal and state grants
- Safe Routes related projects are very popular
- Helps to fill a known and measurable funding gap

ISSUES SUMMARY

- Likely voters tend to be older and less interested in school transportation
- Was not a strong vote-getter in the poll

Reference: TAM's Measure A Strategic Plan Update, June 2009
Safe Routes to School semi-annual report to the TAM Board

Strategic Transit Expansion

PROGRAM DESCRIPTION

This program would provide strategic investments to augment and expand local transit services in Marin County. Marin County Transit District (MCTD) has identified three potential areas for service augmentation/expansion which could address identified concerns for: feeders to ferries; new shuttles for improved regional connections; adding new bus routes to schools; and expanding the frequency of existing shuttle services (e.g. from one-hour to 30-minute frequencies). These three functional areas for service augmentation/expansion are:

- 1. Building on the existing Community Shuttle program to consider the introduction of weekend service, an increase in existing scope of service, and penetration into underserved markets within the County.*
- 2. Expand the supplemental school service currently provided through Marin Transit's contract with Golden Gate Transit. The pressure faced by state funding cuts to education has resulted in the elimination of school district funding for student transportation services. Consequently, Marin Transit has recently had to add more resources to this program.*
- 3. Increase the current frequency of service throughout the system during the peak period of travel.*

With regard to fare subsidizing/stabilization, Marin Transit currently provides flexible fare media (1 day, 7 day, 31 day passes) that are discounted for frequent users, as well as a youth pass program that offers free need-based passes to students and discounted passes for all other students.

Who would actually spend the money?

MCTD would be the direct recipient of these funds and allocate them to contract operators.

How would they get the funds (i.e. call for projects and competitive funding or formula distribution)?

VRF funds would be distributed by percentage share to the adopted program elements, with reporting requirements. Funds would likely go towards existing service providers with reformulated service routes and/or schedules. Existing services, routes, frequencies are continually reassessed and adjusted based on the greatest demand and highest patronage of routes.

What are the measureable outcomes/benefits of the program?

Increased transit ridership reduces VMT and congestion. The estimate for these proposed services is based on current demand. Allowing for introduction of weekend service, an increase in existing

span of service, and penetration into underserved markets within the County will make transit more accessible to Marin residents. Additional transit frequency along heavily used corridors or to key destinations will increase convenience and reliability of transit as a transportation option.

There are measurable projections of increased demand for student ridership and likely estimates for use of increased frequency/new routes throughout the Marin Transit District. Marin Transit regularly assesses route performance with a reliable system for conducting monitoring and reporting.

What is the funding need?

There is an identified need for additional transit service as evidenced in MCTD's adopted Short Range Transit Plan and in individual Community Based Transportation Plans around Marin. The cost estimates in the attached table indicate discrete annual costs for additional services:

- Provide up to 22 additional supplemental school service trips
- Add weekend shuttle service (3100 hours)
- Add late night owl service (2900 hours)
- Expand the community shuttle program (5500 hours)
- Provide all day 30-minute service on one Marin Transit route (\$700,000 at \$150 per service hour)

Are there other funding sources available?

There are several sources for transit operations, all of which are generally being used for current service and none of which would be available for additional (expanded or augmented) services. Measure A allocates 55 percent of funds to transit, with 5 percent to transit capital and 50 percent to transit operating. Transportation Development Act (TDA) and State Transit Assistance funds (STA) are granted through state law to transit operators including Marin Transit. The remaining funding source is the local property tax.

In addition to proceeds from the farebox, funding for Marin Transit operations is summarized as follows:

- State Transit Assistance (STA)
- Transportation Development Act funds (TDA)
- MTC Lifeline Transportation Program funds: Dedicated to disadvantaged communities, TAM receives funds to address needs in the Canal Neighborhood and Marin City, including transit (may not be eligible for operating)
- Measure A transportation sales tax
- Marin County property tax
- FTA flexed funds (typically not available to small operators)

What are the leverage opportunities?

Fifty percent of Measure A dollars goes to local transit operations, making up about 40 percent of the MCTD budget. MCTD's operating sources are identified in their Short Range Transportation Plan. A number of these sources, particularly state transit assistance, have declined in recent years and do not keep up with rising costs. As a result, existing services are vulnerable to fare increases and service cuts, and service expansion opportunities are further limited. VRF funds could be combined with Measure A dollars and other sources to strategically add service where productive routes or frequencies are anticipated.

Can these funds “Move the Needle”?

Some strategic augmentation of transit may encourage new riders and reduce routine auto trips to school and other destinations. Since roughly \$1 million in funds are threatened with elimination, the additional VRF dollars could be considered backfill until the economy improves significantly. On the other hand, this funding also provides an opportunity to make strategic decisions about service expansion to increase ridership.

How did this poll?

Overall, expanding bus routes to local schools and improving bus service on local routes polled very well (4th and 5th, respectively, out of 18) in the “features of the measure” question. Among “probably yes” swing voters the expansion of local bus service was also popular. Both the expansion of school routes and improvement of local bus routes were tied for 5th out of 18 potential expenditures. These features show strong potential to influence swing voters to vote yes on the measure.

HOW WELL WOULD THIS STRATEGY MEET TAM GOALS?

Goal	Rating ↓ ↓ ■ ↑ ↑	Reason
Reduce GHG, Reduce VMT and Support Healthy Living	↑↑	Transit service improvements result in higher ridership and reductions of VMT and auto trips.
Satisfy Nexus	↑	Rate payers benefit by reduced congestion through increased transit ridership.
Approved plan/history of public input	↑↑	Included in SRTP.
Improve mobility options and reduce congestion	↑↑	Demonstrated ability to reduce congestion through increased transit ridership.
Be locally beneficial	↑	Local benefit is clear, but difficult to discern what is paid for with VRF.
Adds value/leverages other funds	↑	Fills a gap caused by state budget issues and can be matched by Measure A and other sources.
Cost Benefit	↑	Cost benefit depends on cost of providing service and riders generated, but generally positive.
Measureable Benefits	↑↑	Improvements are easily measured in number of new riders generated on new service. Maintaining existing riders is a benefit but harder to sell.

ADVANTAGES SUMMARY

- Fits well with TAM's overall goals
- Polls well
- Can be matched with Measure A funds
- Helps to fill a gap being created by State budget issues
- Will ultimately allow for targeted new transit services

ISSUES SUMMARY

- Likely gap exceeds available funding
- May be difficult to add new service when needing to cut regular service
- May be difficult to separate benefits of VRF funds.
- Increased frequency has potential to add new riders but high in cost

References: TAM Strategic Plan Update, June 2009

MTD Short Range Transit Plan

STRATEGIC TRANSIT EXPANSION

ELEMENTS
Cost to augment frequency of existing shuttle routes
Average Cost to operate new shuttle
Cost of new shuttle

OPTION 1: ADDITIONAL SUPPLEMENTAL SCHOOL SERVICE			
Project/Program Element(s)	Funding Needs	Cost per Unit	
		Unit definition	Cost
Project: Provide up to 22 additional supplemental school service trips	\$500,000	Each additional supplemental school trip	\$22,500.00

OPTION 2: EXPANDED SHUTTLE SERVICES			
Project/Program Element(s)	Funding Needs	Cost per Unit	
		Unit definition	Cost
Project: Add weekend shuttle service	\$248,640	Cost per Service Hour	\$80.00
Project: Add late night owl service	\$233,600		
Project: Expand the community shuttle program	\$440,560		

OPTION 3: FREQUENCY IMPROVEMENTS			
Project/Program Element(s)	Funding Needs	Cost per Unit	
		Unit definition	Cost
Project: Provide all day 30-minute service on one Marin Transit route	~\$700,000	Cost Per Service Hour	\$150.16

Mobility Enhancements for Seniors and Persons with Disabilities

PROGRAM DESCRIPTION

This program includes a number of strategies for enhancing mobility for seniors and persons with disabilities. The program will provide on-going funding for the Mobility Management Program at Marin Transit and several new and expanded transportation services. The Mobility Management Program has two goals:

- To create a single point of contact for transportation information and service referrals for senior and disabled populations.*
- To coordinate and expand Marin's various transportation resources to maximize efficiency and service to these populations.*

The current program coordinates transportation support services between Marin Transit, the County Department of Health and Human Services, and a number of community-based agencies. The next phase will be to implement a Marin Mobility Management Office (MMO) in July 2010 in conjunction with Marin Transit's expanded contract with Whistlestop to provide both paratransit and mobility management services. Under this new contract, Whistlestop and Marin Transit, with additional funding committed by Marin Transit for coordination, plan to offer the following new services listed below. An attached sheet provides fuller explanation of these services:

- Information and Referral*
- Pre-Paid Rider Accounts and Ride Subsidies*
- Coordination with Volunteer Driver Programs*
- Transportation Services Coordination; A Donated Vehicle Component; Increased use of Taxis and Other Transportation Providers.*
- Education and Marketing Outreach to Community Partners.*

Who would actually spend the money?

Marin Transit

How would they get the funds (i.e. call for projects and competitive funding or formula distribution)?

For simplicity, these funds could be distributed by the VRF formula to Marin Transit for enhanced contract services with reporting requirements.

What are the measureable outcomes/benefits of the program?

The current Mobility Management Program has had good success in implementing a series of mobility projects. Current grant funding (federal New Freedom Grant) is set to expire, however,

and a sustainable source of funds is required to continue the program. On-going funding will ensure continued focus and collaborative development of innovative programs to provide mobility and improve the efficiency and effectiveness of mobility options for seniors and the disabled. The additional rides provided for seniors and the disabled will increase their ability to access necessary services, to age in place in the community, and to access employment training and jobs.

As with similar programs, it takes time to build participation and expose potential participants to the program, making it difficult to estimate the usage. There is likely to be a large demand for these types of services, particularly from seniors, as the population over the age of 60 is rising and expected to rise to almost over 30 percent of the county population by 2035, up from 21 percent in 2005.

What is the funding need?

Funds could be spent in a variety of ways, but approximately \$130,000 per year (in current dollars) is needed to continue the coordination of the Mobility Management Program. The current paratransit program is seeking an annual subsidy of \$50,000 to cover existing requirements. Marin Transit estimates that to add an aged-based component to the current ADA-eligible-only paratransit program will increase the cost by approximately \$650,000 per year. See attached table for more detail.

Are there other funding sources available?

Nine percent of Measure A funds (about \$1.5 million in the current fiscal year) is spent on specialized services for seniors and persons with disabilities. Transportation Development Act, Section 4.5 funds are granted through state law to transit operators, including Marin Transit. The remaining funding source is the local property tax.

The paratransit program has a projected deficit of \$50,000 per year based on very conservative paratransit ridership growth of about 3 percent per year. The ability to meet the growing demand for service, manage or reduce costs, and develop new methods of delivering service depends on the availability of additional funds.

What are the leverage opportunities?

Current funding including local sales tax and TDA funds are available for paratransit, but are insufficient to meet current or future needs. While there are no other formula-based funds on the horizon for meeting these needs, grant funds could be made available for expansion of the programs. The cost of paratransit trips can also be reduced by referring some trips to lower-cost providers, such as volunteer-based programs and vans operated by community-based agencies. A discounted taxi fare for ADA paratransit riders is another way to reduce the number of full cost paratransit trips provided.

Can these funds “Move the Needle”?

There are two primary forces that will be fully addressed by this program. The first is the rapidly growing proportion of seniors and disabled residents in Marin County who are, or will become, eligible for ADA paratransit. The current funding source for traditional paratransit services (Measure A, TDA, and a proportion of the property tax) will not keep pace with the projected growth in demand or expenses. It is imperative that we invest in methods to manage the growth in demand for service with non-traditional resources that expand our capacity to deliver service.

There is no other way to address the gap between revenues and the cost of traditional paratransit.

Second, traditional paratransit eligibility is defined as whether a resident can access fixed-route services during the times of day and days in which it operates. It does NOT address the transportation needs of those who do not live near public transit or cannot and should not drive. Traditional paratransit does not address the needs of these homebound seniors, which can lead to isolation, reduced quality of life, and detrimental outcomes.

VRF funds can support and expand a Mobility Management Program, which is very successful in coordinating resources across agencies and will measurably increase mobility options for seniors and persons with disabilities.

How did this poll?

Overall, the improvement of transportation services for seniors and persons with disabilities polled second only to the maintenance of streets and roads. Among “probably yes” swing voters, however, this feature was tied for 1st (with maintenance of streets and roads) out of 18. Clearly, this feature was popular among swing voters and has strong potential to influence them to vote for the measure.

HOW WELL WOULD THIS STRATEGY MEET TAM GOALS?

Goal	Rating ↓↓ □ ↑↑	Reason
Reduce GHG, Reduce VMT and Support Healthy Living	↑↑	Modest shift from driving to alternatives can be expected through Mobility Management services and expanded options. The focus on those who are not already paratransit dependent will reduce VMT and GHG.
Satisfy Nexus	↑	Rate payers benefit by reducing car trips by seniors and persons with disabilities. There is a significant impact on safety in supporting the transition away from driving for those who should not be.
Approved plan/history of public input	↑↑	Included in Marin Transit’s Short Range Transit Plan.
Improve mobility options and reduce congestion	↑	Improves mobility options significantly, but probably has a small benefit to reducing congestion. It will provide viable options to transfer away from auto trips among those who should not be driving.
Be locally beneficial	↑↑	Local benefit is clear.
Adds value/leverages other funds	↑	Can be matched by Measure A and other sources.
Cost Benefit	↑	Enabling more seniors whose driving skills are declining to have increased mobility alternatives improves their quality of life while improving safety for all.
Measureable Benefits	↑↑	Improvements are easily measured in the number of new riders generated on new service and the number of traditional paratransit trips shifted to other modes of service delivery. Cost per trip versus traditional paratransit can also be measured.

ADVANTAGES SUMMARY

- Polls very well
- Serves an area with increasing demand
- Investment in establishing non-traditional methods to provide mobility services
- Can create cost effective mobility alternatives

ISSUES SUMMARY

- New program is not tested regarding effectiveness and a pilot may be advisable
- New program costs are very high and may want scalable program

PROPOSED SERVICES FOR MARIN MOBILITY MANAGEMENT PROGRAM

- **Information and Referral:** A single point of contact regarding transportation options for seniors and persons with disabilities in Marin County.
- **Pre-Paid Rider Accounts and Ride Subsidies:** The "Ride Credit Bank" will enable eligible riders and agencies to maintain pre-paid accounts to pay for rides (taxi, volunteer rides, ADA rides, transit tickets, etc.).
- **Coordination with Volunteer Driver Programs:** Coordinate with and increase the capacity of various volunteer driver programs by providing grant funding, cross-referring potential riders, utilizing the pre-paid accounts of the "Ride Credit Bank" to process various types of pre-payments for rides, and possibly dispatching volunteer drivers and rides.
- **Transportation Services Coordination:** Develop agreements between various community-based agencies to maximize the use of their vehicles to both supplement paratransit service and provide new transportation services to assist Marin County's transit dependent populations. This component will facilitate the combining or sharing of resources between providers. These resources will include dispatch, maintenance, driver training, fuel purchase, grant writing, etc.
- **Donated Vehicle Component:** Make it easier for seniors who no longer wish to drive to transition to other modes by providing them with ride credits when they donate their vehicles. Donated vehicles may be sold to support a low-income rider scholarship fund, added to a component program's fleet, or sold at a discount to a low-income family.
- **Increased use of Taxis and Other Transportation Providers:** As recommended by the study on *Enhanced Taxi Services for Social Service Transportation & Public Transit Programs in Marin County*, Marin Transit purchased four wheelchair accessible taxis and leased them to a local provider to make accessible transportation available outside of the times that paratransit operates. In addition, Marin Transit and Whistlestop have been using local taxi providers to provide rides that supplement Whistlestop's services. Marin Transit is also currently offering a limited pilot program featuring discounted taxi rides for seniors.
- **Education and Marketing:** Includes travel training, a volunteer transit ambassador program, an interactive website, community presentations, publications, advertising, special promotions etc.
- **Outreach to Community Partners:** In developing the ideas for the Marin MMO, Marin Transit has actively sought the participation of the County Health & Human Services Department and a wide range of social service and transportation agencies. Marin Transit will build sustained support for the program with a Marin Mobility Consortium consisting of community stakeholders and advocates. The consortium will meet regularly to advise on the development of the Marin MMO's services and to discover new ways to coordinate and provide transportation options

MOBILITY ENHANCEMENTS FOR SENIORS AND PERSONS WITH DISABILITIES

ELEMENTS
Mobility Manager Adding Ages 80+ to Paratransit Increase ADA Paratransit Capacity

Project/Program Element(s)	Funding Needs	Cost per Unit	
Mobility Management Program (Program Management)	\$130,000	Unit definition	Cost
		1 FTE plus fringe (40%) – Could be calculated as a Cost per trip	\$130,000
Project/Program Element	Funding Needs	Cost per Unit	
Adding Ages 80+ to Paratransit (24,000 one-way rides, offset by fares)	\$650,000	Unit definition	Cost
		Per One-Way Ride	\$29.06
Project/Program Element	Funding Needs	Cost per Unit	
Increase ADA Paratransit Capacity 3% per year (3,100 one-way rides)	\$50,000	Unit definition	Cost
		Per One-Way Ride	\$29.06

Targeted Congestion Reduction Program

PROGRAM DESCRIPTION

This program would focus on reducing congestion at intersections and relieving congestion on adjacent roadway segments where levels of service are below accepted standards. The program can also include corridor planning for signal interconnection and other traffic management features, such as incident response or peak travel and event travel monitoring. Projects could also include improved signalization and interconnection, traffic management systems, channelization, changes in turning movements, and other types of traffic operations improvements.

Who would actually spend the money?

Marin County along with local cities and towns.

How would they get the funds (i.e. call for projects and competitive funding or formula distribution)?

This could either be a formula program or could involve a call for projects. Because there is likely to be more need than funding available, a call for projects is likely to be more effective because projects could be evaluated based on the proposed improvements and opportunities for leverage.

What are the measureable outcomes/benefits of the program?

Projects would be selected based on the ability to improve traffic operations and level of service at targeted intersections and on key roadway segments.

What is the funding need?

The Metropolitan Transportation Commission (MTC) has identified a series of improvements to corridors that are adjacent to and/or feed into Highway 101, allowing local roads to bypass Highway 101 and its recurrent congestion. The MTC Regional Transportation Plan identified potential funds and estimated that \$20-50 million will be needed for improvements to the identified corridors.

It is difficult to estimate the cost of a single intersection. For signal equipment upgrades, costs can range from \$25,000 to \$50,000. More complex channelization or lane adjustments can increase project costs, resulting in the need for \$150,000 to \$300,000 for a single site. Improvements to a whole corridor can cost substantially higher.

Are there other funding sources available?

There are few funds sources directly available for traffic signal synchronization. However, the concept of well-managed "smart corridors" has resonated with both MTC and Caltrans, as grant funds have been identified for corridor traffic management projects in other counties. Proposition 1B includes a "Traffic Light Synchronization Program," under which Marin County has received \$200,000 for signal work on Sir Francis Drake Boulevard.

A number of fund sources currently exist that allow traffic signal and corridor management to be funded, but demands on these fund sources are high:

- STIP
- STP: Local Street and Road funds (limited to 20% for non-pavement features)
- Measure A
- Gas tax funds to local government
- Traffic fines and fees

What are the leverage opportunities?

Measure A allocates 26.5 percent of funds to local roads, divided evenly between major roads (allocated by competitive process through the Public Works directors) and local roads (allocated by formula). Measure A funds can be spent in the following ways, which includes congestion relief projects:

- Road maintenance and congestion relief projects on major and local roads.
- Safety improvements for all modes.
- Projects must consider all users, including transit riders, bicyclists, pedestrians, and automobile drivers.
- Projects could include crosswalk and curb cut enhancements, bike lane and pathway construction, bus bulbs, intersection improvements, pavement and drainage improvements, as well as system enhancements such as signal coordination, real-time information, and other tools to maximize the efficiency of our transportation system.

Generally speaking, one or two major road projects receive funding each year, totaling about \$4 million annually. TAM's strategic plan notes that it will be impossible to guarantee the programming and allocation of funds for all of the major infrastructure segments in the years they are needed without debt financing or some type of loan strategy. Allocation of VRF funds to congestion reduction projects on these major corridors would supplement Measure A funds and allow local jurisdictions to focus more comprehensively on reducing congestion while they also prioritize major roadway maintenance.

VRF funds can also supplement local infrastructure funds received by Marin County's local jurisdictions under Measure A.

Can these funds "Move the Needle"?

With about \$4 million in Measure A funds available annually for "Major Roads" projects, the VRF funds can contribute significantly to the effectiveness of the overall program. Depending on the amount of VRF revenue allocated, the availability of additional funds will help to supplement existing Measure A "Major Roads" projects by funding additional congestion relief projects that can be done in conjunction with Measure A efforts.

How did this poll?

Overall, reducing traffic congestion through intersection improvements polled 3rd out of the 18 proposed expenditures. Among "probably yes" swing voters this feature was also tied for 3rd (with expansion of alternative use vehicles) out of the 18 potential expenditures. It has strong potential to influence swing voters to vote for the measure.

HOW WELL WOULD THIS STRATEGY MEET TAM GOALS?

Goal	Rating ↓↓ ■ ↑↑	Reason
Reduce GHG, Reduce VMT and Support Healthy Living	■	Reducing congestion can support reductions in GHG by keeping traffic flowing smoothly. However, reduced congestion does not generally contribute to reduced VMT or use of alternative modes.
Satisfy Nexus	↑	Rate payers benefit by reduced congestion.
Approved plan/history of public input	↑↑	Public Works directors already have an established process for allocating Major Road funds and this would fit into that process.
Improve mobility options and reduce congestion	↑	Improves congestion, but does not improve mobility options.
Be locally beneficial	↑↑	Local benefit is clear.
Adds value/leverages other funds	↑	Can be matched by Measure A and other sources.
Cost Benefit	↑↑	ITS projects, such as signal upgrades and channelization, are relatively low cost and provide high benefit.
Measureable Benefits	↑↑	Improvements in level of service can be readily measured.

ADVANTAGES SUMMARY

- Polls very well
- Can be matched with Measure A funds and extends Measure A funding
- Improvements are usually very cost effective
- Clear nexus to rate payers

ISSUES SUMMARY

- May be seen as duplicating Measure A programs
- Does not promote reductions in VMT or non-automobile modes and may actually encourage driving

Alternative Fuel Infrastructure and Vehicle Procurement

PROGRAM DESCRIPTION

This program would provide funds to support the expansion of electric vehicle (EV) infrastructure in Marin County. Projects to be funded would include EV fueling infrastructure in locations available to the public, funding of the incremental costs for battery-electric and plug-in electric vehicles, and EV conversions for transit and public fleets. Because there is an increasing number of grants and subsidies for alternative vehicles and fueling infrastructure, funds from the VRF would be likely be used as local match for these funding sources. During this early period in the evolution of alternative fuel vehicles, additional seed money invested in Marin County municipalities would help to meet the growing demand for electric fueling infrastructure. VRF revenue would also support future purchases of alternative fuel vehicles for individuals as well as municipal fleets.

Who would actually spend the money?

Local jurisdictions and other governmental agencies in Marin County.

How would they get the funds (i.e. call for projects and competitive funding or formula distribution)?

This would likely be a competitive program to ensure that the most cost effective investments are made.

Why is funding needed?

1. Publicly available EV infrastructure is necessary to encourage local residents and local governments to rely on clean fuel electric vehicles. Lack of EV charging infrastructure is a barrier to more widespread use of EVs. Government grants and subsidies are required because the incremental profit on selling a modest quantity of electricity is so small and the payback period for EV charging stations is not yet compelling for profit-motivated businesses (including gas stations).
2. Available state and federal grant funds are highly competitive and local matches are crucial to Marin County's chances of receiving competitive grant awards.
3. Accelerating EV use has the potential to help Marin County contribute to goals for greenhouse gas (GHG) reductions that are contained in state requirements under Assembly Bill 32 and Senate Bill 375. Furthermore, the 2007 Marin Countywide Plan targets a community-wide emissions reduction of 15 percent below Year 2000 levels by the Year 2020. AB 32 and SB 375 anticipate that much of the reduction of future greenhouse gas will be accomplished by focusing housing and employment growth near transit. Marin, however, is a low-growth county with limited opportunity for dense development near frequent transit services. Because this land use strategy is less practical for Marin, other means of reducing GHG must be utilized.

4. Marin's eleven incorporated towns and cities are proposing to reduce auto-based carbon emissions for municipal operations and local residents.
5. The high percentage of current hybrid users in Marin indicates a potential demand for zero emission, plug-in hybrids and full battery-electric automobiles. Nissan and GM have noted that Marin has the highest proportion of hybrid sales of any comparable region in the country. This indicates a likelihood of further EV purchases, highly dependent, however, on the availability of supporting infrastructure.
6. For electric vehicles, the purchase price of the initial generation of EVs will be higher than comparably equipped conventionally fueled vehicles. Funds from the planned VRF program would help to offset the incremental costs of EV and plug-in hybrid vehicles.

What is the funding need?

There is wide range of costs for EV infrastructure. The attached table shows the relative costs based on the type of electric vehicle infrastructure and vehicles purchased. Recent information submitted to Marin County indicates:

- One "Level 2" 240-volt charger with installation costs \$10,000, providing 4 to 8 hours to charge a vehicle and serving up to two vehicles.
- One "Level 3" Fast Charge unit (providing a full charge in as little as 45 minutes) costs roughly \$75,000 with installation.
- The cost of solar structures, such as "solar parking lot" with overhead structures linked to vehicle chargers, depends on the size of the solar array and other variables. Costs range from \$25,000 to \$75,000.

Because there are a variety of subsidy and grant programs, local match parameters may vary. One estimate for the required local match for EV infrastructure is 10 to 50 percent of the total cost of infrastructure and installation for one charging station. For grant opportunities that require no match, the inclusion of some local matching funds would make a Marin grant application highly competitive.

With regard to vehicle purchases, the incremental cost of electric vehicles over gasoline-based vehicles ranges from a few thousand dollars for plug-in hybrid sedans to over \$100,000 for some types of buses. Non-safety related municipal vehicles could include electric scooters, bicycles, short range vehicles (like golf carts or for parking meter readers), and sedans, light trucks, or bus transport for flat typographies.

The current best case standard for vehicle purchases is when the funding source (CEC, Air District, CARB, etc.) pays half of the incremental costs for a low emission vehicle above a standard emission vehicle. A match of other funds could further incentivize fleet turnover to electric vehicles.

Are there other funding sources available?

To date there have been no local sources made available for matching funds. Therefore, Marin cities and towns have failed to take advantage of some of the alternative vehicle grant and subsidy opportunities that have been available from the Bay Area Air Quality Management District (BAAQMD), the Metropolitan Transportation Commission (MTC), the California Energy Commission (CEC), or the federal Department of Energy (DOE).

However, under BAAQMD, the Transportation Fund for Clean Air (TFCA) could support some level of funding of EV charging stations and electric vehicles. Currently, TFCA requires matching local funds, which can make it difficult for local agencies to participate.

What are the leverage opportunities?

As mentioned above, funds for EV infrastructure have recently become available from regional, state, and federal sources. VRF funds could leverage existing and future funding sources by meeting matching requirements and making a Marin EV grant application more attractive.

Funds for public fleet vehicles come from local general funds and/or transit vehicle grant sources (including Measure A). VRF funds could pay the incremental cost of alternative fuel vehicles and could provide a match to other funds and subsidies to purchase the vehicles. Finally, EV charging stations can include features to charge the user for their electricity use, which might provide additional revenue.

Can these funds “Move the Needle”?

Depending on the level of funding, VRF revenue could significantly accelerate the public and private EV transition in Marin County. Having these funds available would make alternatively fueled vehicles viable for public agencies that would otherwise be unable to consider them, due to the incremental capital cost. As the seed money for other funding opportunities, VRF revenue could be used build out an EV charging network. Finally, a pilot project to support the private purchase of these vehicles by residents could also be considered.

How did this poll?

The expanded use of alternative fuel vehicles had a limited positive impact on voters overall. However, among the “probably yes” respondents this measure was tied for 3rd (with congestion reduction) out of 18. It appears that alternative fuel vehicles may not have a strong influence most voters, but there is potential for it to strongly influence swing voters to vote for the measure.

HOW WELL WOULD THIS STRATEGY MEET TAM GOALS?

Goal	Rating ↓↓ ■ ↑↑	Reason
Reduce GHG, Reduce VMT and Support Healthy Living	↑	Increasing options for alternative fueled vehicles will have a direct GHG reduction benefit, but may not have any impact on VMT or on the use of alternative modes.
Satisfy Nexus	↑↑	Rate payers benefit by mitigating pollution from autos and increasing opportunities for use of alternative fueled vehicles.
Approved plan/history of public input	↑↑	In TAM's 2009 Congestion Management Plan.
Improve mobility options and reduce congestion	■	Unrelated to mobility options and congestion.
Be locally beneficial	↑	Significant benefit to local drivers who might choose an EV.
Adds value/leverages other funds	↑↑	Can be matched by air district and other programs encouraging EV use. Can also match other funding for fleet procurement.
Cost Benefit	↑↑	By funding only the incremental cost of EVs and infrastructure to encourage EV procurement in the general public, costs will be kept low.
Measureable Benefits	↑	Should be possible to measure tons of carbon eliminated from public fleets.

ADVANTAGES SUMMARY

- Polls well among swing voters
- Can be matched with Measure A other funds and is leveraged by paying only incremental costs
- Encourages Marin municipalities to operate a cleaner fleet
- Mitigates the pollution caused by cars
- Helps meet AB 32 and SB 375 requirements for GHG reduction

ISSUES SUMMARY

- Does not promote reductions in VMT or non-auto modes
- Technology has made great progress, but still in developmental stage

COST MATRIX FOR POTENTIAL MARIN EV INVESTMENTS

Sample Estimates of Electric Vehicles and Infrastructure Costs with Potential Matching Funds

	UNIT COST			TOTAL COSTS			
	Grant/local funds	VRF match	Total	# of units	Grants	VRF	Total
EV CHARGERS							
Level 2 Chargers (240 volt) including installation	\$5,000	\$5,000	\$10,000	20	\$100,000	\$100,000	\$200,000
Level 3 Fast Chargers (480 volt) including installation	\$60,000	\$15,000	\$75,000	4	\$240,000	\$60,000	\$300,000
Solar PV - EV chargers with battery backup	\$50,000	\$50,000	\$100,000	2	\$100,000	\$100,000	\$200,000
SUBTOTAL EV CHARGERS				26	\$440,000	\$260,000	\$700,000

ELECTRIC VEHICLES AND CONVERSIONS							
Avg. cost buy-down for light-duty vehicles (e.g., Chevy Volt vs. Chevy Nova)	\$6,000	\$6,000	\$12,000	20	\$120,000	\$120,000	\$240,000
Avg. cost buy-down for med-duty van (e.g. Ford Transit Connect EV vs. ICE Transit Connect)	\$10,000	\$10,000	\$20,000	10	\$100,000	\$100,000	\$200,000
EV truck Conversion (e.g., Ford F-150 to EV, est. beginning in 2011-12)	\$8,000	\$8,000	\$16,000	10	\$80,000	\$80,000	\$160,000
SUBTOTAL ELECTRIC VEHICLES				40	\$300,000	\$300,000	\$600,000

Green Commute Alternatives

PROGRAM DESCRIPTION

This program would fund efforts to relieve vehicle congestion throughout Marin County by implementing programs to promote the use of "green" commute alternatives. Funds could be used to support a countywide Guaranteed-Ride-Home (GRH) program, ridesharing, vanpool and carpool promotion, school-related vehicle trip reduction and safety programs, parking management programs, and employer assistance to reduce the impact of employee commutes on Marin County congestion and air quality.

Who would actually spend the money?

Some countywide programs would likely be managed by TAM. Employer based programs would be managed by employers with potential local agency coordination.

How would they get the funds (i.e. call for projects and competitive funding or formula distribution)?

Funds can be granted to current program managers, such as TAM, for existing successful programs that need additional funds to sustain ongoing efforts. A competition could fund pilot programs for employers.

What are the measureable outcomes/benefits of the program?

Transportation Demand Management (TDM) programs including employer outreach, parking management, GRH, transit pass subsidies, carpool and vanpool management, and promotion and incentives to bike and walk to work have been shown to have a very significant impact on employee travel behavior. A comprehensive program at Children's Hospital in Seattle, for example, recently showed that employee drive alone rates could be reduced by over 25 percent through a comprehensive program implemented by the Hospital. Furthermore, employer commitment to alternative trip options, as well as telecommute training and management can serve to help businesses achieve Green Business status. TDM programs also give employees the opportunity to contribute to a better environment by adopting specific travel/commute options that will reduce Marin's contributions to greenhouse gases and other pollutants. Many employers, however, struggle with organizing and incentivizing employees to change their travel patterns due to lack of funding to manage and organize such programs.

What is the funding need?

In FY 2009, Marin County's Green Commute program enrolled 11 percent of county workers. These workers averaged 3.1 days per week using an alternative mode. Expanding this program to other employers would require further analysis to determine costs. The comprehensive program at Children's Hospital in Seattle, as an example, costs about \$1,000 per employee per year, in addition to the cost of a shuttle connecting their campus to regional transit.

Are there other funding sources available?

Currently, TAM offers a subsidy of up to \$3,600 to vanpools forming in Marin County. TAM partners with MTC's Regional Rideshare program (511.org), which adds to the subsidy (for a total of \$4000) and performs ride-matching services for any employee interested in vanpooling or carpooling. The new TAM subsidy program has nearly doubled the vanpools coming to and leaving from Marin. The funds for the subsidy are grant funds and could be partially sustained with new VRF funds. The new carpool lane opening on Highway 101 through San Rafael has increased the incentive to carpool, vanpool, or take transit.

TAM has also added an Emergency Ride Home (ERH) program to its overall TDM services. This web-based program is currently being implemented with grant funds, but those are due to be fully expended in the next year or two. This program could be sustained with additional grant funds over time.

TAM's current programs are minimal. The existing grant funds do not cover any outreach or promotional programs for employers or employees. A number of additional programs elsewhere have proven to attract drivers into carpooling and vanpooling. These include more matching services for small and medium employers, travel training programs such as the Non-Motorized personal travel planner program, telecommute training, and parking incentives/disincentives. These all have the potential to increase trips away from single occupant driving trips. Innovative programs such as real-time trip sharing and event trip sharing can also be considered.

What are the leverage opportunities?

Bay Area Air Quality Management District (BAAQMD) grants are available for proven programs on the public sector side. Other grant opportunities may be identified. Funds to employers can be set up to require a one-to-one match.

Can these funds "Move the Needle"?

Incentivizing employees to use alternative commute modes has been proven to be one of the most cost effective ways to reduce auto work-related trips. By eliminating barriers to alternative modes and by providing incentives, employees will modify their commute behavior and try other modes that work for them, thereby helping to achieve our goals to reduce congestion and emissions.

How did this poll?

While still polling positively, this program showed limited ability to influence overall voters and "potential yes" voters. Overall, this feature ranked 11th out of 18. For "potential yes" voters it ranked 14th out of 18. However, reducing congestion on Highway 101 and on local roads were both effective positive arguments, and this feature supports congestion mitigation.

HOW WELL WOULD THIS STRATEGY MEET TAM GOALS?

Goal	Rating ↓↓ □ ↑↑	Reason
Reduce GHG, Reduce VMT and Support Healthy Living	↑↑	Employer based incentive programs with countywide support is one of the most effective ways to reduce auto trips to work, reduce VMT and support alternatives.
Satisfy Nexus	↑↑	Rate payers benefit by reducing traffic congestion and vehicle pollution.
Approved plan/history of public input	↑↑	MTC's Regional Transportation Plan includes TDM employer/employee programs in every county.
Improve mobility options and reduce congestion	↑↑	Incentive programs are very effective in reducing congestion and increasing options.
Be locally beneficial	↑	Reduced peak hour congestion impacts for all local residents. Program would impact Marin County employees regardless of where they live.
Adds value/leverages other funds	↑↑	Can be set up as a matching program for employers. Can leverage available Air District grants and potentially other grant sources.
Cost Benefit	↑↑	TDM incentive programs have been shown to be among the most cost effective ways to modify commute/travel behavior.
Measureable Benefits	↑↑	It is possible to measure reduction in vehicle trips, as well as tons of carbon eliminated through this program.

ADVANTAGES SUMMARY

- Proven ability to create lasting change in employee's travel behaviors
- Relatively low cost per employee
- Involves private sector as well as public sector employees
- Utilizes available grants that currently lack administrative funding support

ISSUES SUMMARY

- Did not poll very high
- Must be fair on distribution to avoid being seen as a "give away" of tax money
- No existing detailed plan for countywide TDM measures

	50% Pop. & 50% Lane Miles	Shares Per \$1 Million
Belvedere	1.03%	\$10,300
Corte Madera	3.17%	\$31,700
Fairfax	2.93%	\$29,300
Larkspur	4.29%	\$42,900
Mill Valley	6.12%	\$61,200
Novato	17.49%	\$174,900
Ross	1.19%	\$11,900
San Anselmo	4.74%	\$47,400
San Rafael	19.21%	\$192,100
Sausalito	2.70%	\$27,000
Tiburon	3.19%	\$31,900
Marin County	33.94%	\$339,400
Total	100.00%	\$1,000,000

	Population Only	Shares Per \$1 Million
Belvedere	0.84%	\$8,400
Corte Madera	3.70%	\$37,000
Fairfax	2.88%	\$28,800
Larkspur	4.74%	\$47,400
Mill Valley	5.41%	\$54,100
Novato	20.49%	\$204,900
Ross	0.93%	\$9,300
San Anselmo	4.90%	\$49,000
San Rafael	22.62%	\$226,200
Sausalito	2.91%	\$29,100
Tiburon	3.46%	\$34,600
Marin County	27.12%	\$271,200
Total	100.00%	\$1,000,000

History of the Vehicle Registration Fee (VLF):

From 1948 through 2004, the VLF tax rate was 2%. In 1998, Governor Wilson signed a bill that reduced the tax rate by 25% to 1.5% effective January 1, 1999 with further cuts possible in future years, depending on the adequacy of state general fund revenues. In 1999, the law was amended, accelerating the tax cut to 35% in year 2000. In 2000, the cut was further accelerated to 67.5% commencing January 1, 2001. For 2005, the legislature repealed the offsets and instead reduced the VLF tax rate to 0.65%. As part of the budget plan designed to reduce California's multibillion-dollar shortfall, the VLF fee rate was increase by 0.50% as of March 19, 2009, bringing the total current fee to 1.15%. The percent increase will be allocated to the General Fund and the Local Safety and Protection Account in the Transportation Tax Fund. The VLF increase will be in place until June 30, 2011, but may be extended through June 30, 2013.

VLF Facts:

A Primer on the Motor Vehicle In-Lieu Tax, the Car Tax Cut and Backfill

The vehicle license fee (VLF), also called the motor vehicle in-lieu tax, is a tax on the ownership of a registered vehicle in place of taxing vehicles as personal property. The VLF is paid annually upon vehicle registration in addition to other fees, such as the vehicle registration fee, air quality fees, and commercial vehicle weight fees all of which fund specific state programs. The VLF funds city and county services.

History: The Car Tax Formerly Known as a Property Tax

Prior to 1935, motor vehicles in California were subject to the property tax, which is administered by and allocated to local governments. But the state legislature decided that a state-wide uniform system of vehicle taxation would be simpler and more efficient. The VLF is applied based on a vehicles current value as estimated by a depreciation schedule set in state law (see table 1).

Table 1
VLF Depreciation Schedule

	Value	Trailer Coaches
1 st year value	100% of market	85%
2 nd year	90	70
3 rd year	80	55
4 th year	70	45
5 th year	60	40
6 th year	50	35
7 th year	40	30
8 th year	30	25
9 th year	25	24
10 th year	20	23
11 th year	15	22
12 th year	15	21
13 th year	15	20
14 th year	15	19
15 th year	15	18
16 th year	15	17
17 th year	15	16
18 th and later years	15	15

Exempt Vehicles

Vehicles required to register but that are exempt from the VLF include government-owned, diplomatic, civil air patrol, farm vehicles, privately owned school buses, vehicles owned by blind or amputee veterans. Various classes of specialized vehicles are exempt from vehicle registration and the VLF but are instead subject to the property tax. These include farm trailers, privately-owned firefighting vehicles, and forklifts.

The VLF Tax Rate

From 1948 through 2004, the VLF tax rate was 2%. In 1998, Governor Wilson signed a bill “offsetting”¹ the tax by 25% to 1.5% effective January 1, 1999 with deeper cuts possible in future years (35%, 46.5%, 55%, 67.5%) depending on the adequacy of state general fund revenues.² In 1999, the law was amended, accelerating the tax cut to 35% in year 2000.³ In 2000, the cut was further accelerated to 67.5% commencing January 1, 2001.⁴ For 2005, the legislature repealed the offsets and instead reduced the VLF tax rate to 0.65%. The offset revenue (also known as “backfill”) was replaced with additional property tax revenue for cities and counties.

Table 2
Vehicle License Fee (VLF) Taxpayer Offsets

Calendar Year	1998	1999	2000	2001	2002	2003*	2004	2005**
VLF Offset	-	25%	35%	35%	67.5%	67.5%	67.5%	n/a
VLF Rebate	-	-	-	32.5%	-	-	-	n/a
Combined effective tax cut		25%	35%	67.5%	67.5%	67.5%	67.5%	n/a
Effective VLF Tax Rate (percent of valuation)	2%	1.5%	1.3%	0.65%	0.65%	0.65%	0.65%	0.65%

*The VLF taxpayer offset ended effective October 2003 under Governor Davis, but was subsequently restored with full refunds by Governor Schwarzenegger. This created a shortage in city and county VLF backfill payments known as the “VLF Backfill Gap.” The state eventually paid these funds to local governments in late 2005.

**For 2005 and since, the VLF tax rate was reduced to 0.65%. The reduced VLF funding was replaced with additional property tax share to cities and counties.

Allocation of VLF Revenue Until July 2004

Until July 2004, 24.33%⁵ of VLF funds were allocated to counties⁶ to fund certain health and welfare programs under a state-local program realignment that began in 1992. Of the remaining amount, about \$280 million went to reimburse state agencies (Department of Motor Vehicles, Franchise Tax Board, and State Controller) for costs of VLF revenue collection, accounting and allocation. Of the amount remaining after realignment and administrative charges were taken out, 18.75% was allocated for special payments including supplemental funds for cities that did not levy a property tax in 1977-78, eligible low property tax cities incorporated prior to 1987, and supplemental funds for counties. The 81.25% was allocated half to cities and half counties on a population basis.

¹ The program is generally referred to as an “offset” rather than a tax cut or tax credit, because the total amount of VLF legally due from the taxpayer was not changed. Instead, the state pays or “offsets” a portion of the amount due, and taxpayers pay the remaining balance.

² AB2797 (Cardoza) Chapter 322, Statutes of 1998

³ AB1121 (Nakano) Chapter 74, Statutes of 1999

⁴ Chapters 106 and 107 Statutes of 2000. This includes a 35% offset and a 32.5% rebate. In 2001, legislation replaced the rebate program with a direct offset commencing year 2002.

⁵ Revenue and Taxation Code Section 11001.5, for the FY 2003-04 year only, this percentage was increased in order to fully fund county realignment from VLF revenues irrespective of the “VLF backfill gap.” The effect of this change was that the base MVLF allocation to cities and counties bore the full impact of the VLF backfill gap.

⁶ In addition to the 58 counties that provide these services, VLF realignment funds are also allocated to the Cities of Berkeley, Long-Beach, Pasadena and a Tri-City JPA.

Proposition 47 of 1986 (Article XI, Section 15 of the California State Constitution) requires that the VLF be allocated to cities and counties. However, the legislature may alter the tax rate and the allocation among cities and counties.

June 2003: The “Trigger” is Pulled

Since its inception in 1998, the MVLF reduction was structured as a local tax reduction, made possible by a state general fund subsidy to local governments. Under the law, local governments are “backfilled” by the state general fund for any loss of revenue due to VLF reductions. In 2004-05, this backfill will amount to \$3.9 billion.⁷ The law has always contained provisions that if state general fund revenues are insufficient to fund this taxpayer subsidy, then the offset would be removed and the effective taxpayer rate would return to its 1998 level. On June 19, 2003, the California State Controller and Director of Finance made findings of insufficient revenues and the effective MVLF rate went from 0.65% to 2%. Due to administrative changes and notifications of taxpayers by the Department of Motor Vehicles, the new rate went into effect for taxpayers with October 2003 registrations.

The FY03-04 “Backfill Gap”

The FY03-04 budget deleted all funding for the VLF backfill effective with the pulling of the trigger. Consequently, during the period June 20 through October 1, 2003, the reduced rate remained, but the backfill to local governments for the reduction was not funded.⁸ The “MVLF Backfill Gap” totaled \$1.25 million and was paid by the state in the FY05-06 budget year.

November 2003: The “Trigger” is Unpulled

Governor Gray Davis was recalled in a special election on October 7, the results of which were certified on November 14, 2003. Following his inauguration in November 2003, Governor Schwarzenegger repealed the “VLF trigger,” restoring the reduction of the VLF from 2% to 0.65% and instructing that refunds be paid to anyone who had paid the higher rate. On December 17, 2003, Governor Schwarzenegger issued an executive order appropriating \$2.625 billion to provide backfill funding for City and County VLF. The \$2.625 billion covered the lost revenues to cities and counties for FY03-04, except the “backfill gap.”

The VLF for Property Tax Swap of 2004⁸

In May 2004, Governor Schwarzenegger proposed a VLF for property tax swap as a part of a state-local budget agreement. The Legislature included its version of the swap in the 2004 budget package. Under the swap, over 90% of city VLF revenue was exchanged for property tax.

In a change from the Governor’s agreement with local governments, the Legislature, in AB2115 of 2004, provided for no property tax in lieu of VLF to replace the lost VLF areas annexed to cities after

⁷ In FY 2003-04, the VLF backfill gap reduced revenues by \$1.3 billion. The entire impact of this revenue shortfall comes out of the base MVLF allocations other than fixed expenses including administrative charges.

⁸ More detail on the history and mechanics of the VLF for Property Tax Swap of 2004 is available at <http://www.californiacityfinance.com/VLFswapNtakeFAQ.pdf>

2004. This seriously impacts the fiscal viability of some annexations and needs to be resolved with new legislation. The Legislature also made no provision in the law for property tax in lieu of VLF for city incorporations after 2004. These changes have caused major fiscal difficulties for many communities that are in the process of incorporating and cities that are in the process of annexing inhabited areas. Cities in the midst of plans to annex inhabited islands and communities in the midst of plans to incorporate immediately faced the loss of over 90% of VLF revenues that they had been counting on under previous law. The League of California Cities is working to remedy this situation.

Table 3
Vehicle License Fee (VLF) Revenues and Allocations
(in billions)

	<u>1997-98</u>	<u>1998-99</u>	<u>1999-00</u>	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>	<u>2007-08</u>	
REVENUE												
VLF Net Taxpayer Reve	3.8	3.700	3.282	3.275	1.913	1.871	2.052	2.134	2.219	2.330	2.446	
Offset & Rebate - State	-	0.482	1.324	1.842	3.559	3.797	3.012		^a			
Backfill Gap paid 8/2005							1.249					
Property Tax in-lieu of VLF									(see below) ^b			
Total	<u>3.8</u>	<u>4.2</u>	<u>4.606</u>	<u>5.117</u>	<u>5.472</u>	<u>5.669</u>	<u>6.313</u>	<u>2.134</u>	<u>2.219</u>	<u>2.330</u>	<u>2.446</u>	
ALLOCATION												
Realignment (Local Rev	0.9	1.0	1.123	1.232	1.339	1.353	1.507	1.605	^c	1.666	1.730	1.832
Motor Veh Lic Fee Acco	2.9	3.2	3.483	3.885	4.133	4.316	4.806	0.529	0.553	0.575	0.614	
Total	<u>3.8</u>	<u>4.2</u>	<u>4.606</u>	<u>5.117</u>	<u>5.472</u>	<u>5.669</u>	<u>6.313</u>	<u>2.134</u>	<u>2.219</u>	<u>2.330</u>	<u>2.446</u>	
Allocation of MVLF												
Admin&SpecialPayment	0.250	0.250	0.325	0.262	0.275	0.286	0.286	0.289	0.304	0.324	0.340	
R&T11005.7 Payment	0.050	0.050	0.050	0.050	0.050	0.050	0.050	-	^d			
Special Allocations												
to cities&counties	0.489	0.537	0.583	0.670	0.714	0.746	0.838	-	^d	-	-	
Orange County								0.054	^e	0.056	0.059	0.062
Recently Incorporated Cities								0.010	^e	0.010	0.008	0.003
Cities per capita	1.059	1.164	1.263	1.451	1.547	1.617	1.816	0.176	0.183	0.184	0.209	
Counties per capita	1.059	1.164	1.263	1.451	1.547	1.617	1.816	-				
Total	<u>2.9</u>	<u>3.2</u>	<u>3.483</u>	<u>3.885</u>	<u>4.133</u>	<u>4.316</u>	<u>4.806</u>	<u>0.529</u>	<u>0.553</u>	<u>0.575</u>	<u>0.614</u>	
Property Tax in-lieu of VLF								4.393	^b	4.891	5.282	5.704
... to counties								2.691	^b	2.995	3.234	3.493
... to cities								1.701	^b	1.896	2.048	2.211

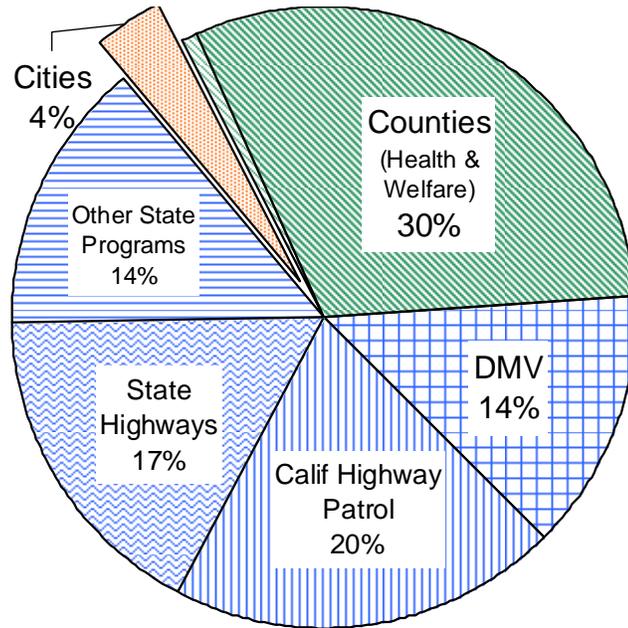
Notes

- a) The VLF backfill was eliminated in the Budget Act of 2004.
- b) In FY04-05 cities and counties received additional share of property tax to compensate for the elimination of the VLF backfill and change in allocation formulas (VLF Adjustment Amount). In subsequent years, this property tax grows for each agency in proportion to the growth in assessed valuation in that jurisdiction.
- c) The share of VLF revenues allocated to the Local Revenue Fund was increased beginning in FY04-05 to 74.9% to maintain the level of VLF revenues supporting to county realignment programs.
- d) Various MVLF allocations were eliminated. Cities and counties that previously received these allocations now receive property tax in lieu of VLF (VLF Adjustment Amount) instead. These special allocations included: about \$8 million to eighty specified no or low property tax cities and \$50 million to various cities in proportion to losses from the ERAF property tax shift. The Budget Act of 2004 included one special payment: \$54 million (grown annually) for the County of Orange to maintain the VLF revenues which are pledged to the county's deficit reduction plan.

The Taxpayer's Perspective: Where My Vehicle License & Registration Fees Go

With the reduction in the VLF, fees going to state programs now constitute over 60% of the vehicle license and registration fees paid.

	millions		
Cities	\$ 193	4%	} VLF
Counties (Health & Welfare)	\$ 1,666	30%	
DeptMotorVeh	\$ 751	14%	} Fees
Calif Highway Patrol	\$ 1,117	20%	
State Highways	\$ 926	17%	
Other State Programs	\$ 781	14%	
Total	\$ 5,491		



mjgc

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