



**FINANCE & POLICY
EXECUTIVE COMMITTEE
MEETING**

MONDAY, MARCH 13, 2017

3:30 PM

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

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James Campbell

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Diane Furst

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John Reed

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Dan Hillmer

Mill Valley
Stephanie Moulton-Peters

Novato
Eric Lucan

Ross
P. Beach Kuhl

San Anselmo
Tom McInerney

San Rafael
Gary Phillips

Sausalito
Ray Withy

Tiburon
Alice Fredericks

County of Marin
Damon Connolly
Katie Rice
Kathrin Sears
Dennis Rodoni
Judy Arnold

AGENDA

1. Chair's Report (Discussion)
2. Commissioners Comments (Discussion)
3. Executive Director's Report (Discussion)
4. Open time for public expression, up to three minutes per speaker, on items not on the Board of Commissioners' agenda. (While members of the public are welcome to address the Board, under the Brown Act, Board members may not deliberate or take action on items not on the agenda, and generally may only listen.)
5. Approval of Meeting Minutes from February 13, 2017 (Action) – **Attachment**
6. Regional Measure 3 - Project Candidate Evaluation (Action) - **Attachment**
7. Adopt Positions on State Legislative Bills (Action) - **Attachment**
8. Review and Approval of FY2017-18 Measure A ½ Cent Sales Tax and Measure B \$10 Vehicle Registration Fee Revenue Estimates and Budget Development Schedule (Action) - **Attachment**



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

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

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

February 13, 2017
3:30 p.m.

TAM CONFERENCE ROOM
500 FIFTH STREET
SAN RAFAEL, CALIFORNIA



MEETING MINUTES

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

Members Absent: Alice Fredericks, Tiburon Town Council

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

Vice Chair Judy Arnold called the meeting to order at 3:40 p.m.

1. Chair's Report (Discussion)

Vice Chair Arnold had nothing to report, except that Highway 37 is in bad shape due to the flooding from recent storms. She noted that Senator McGuire is working hard with Caltrans, County Code Enforcement, and CHP to resolve the issue and get the road fully opened; she added that an update will be given by conference call at 5:30 p.m. Commissioner Phillips asked if the highway is still open, and Vice Chair Arnold said only partially as a portion of it is completely underwater.

2. Commissioner Comments (Discussion)

None given.

3. Executive Director's Report (Discussion)

Executive Director (ED) Dianne Steinhauser reported on the formation of an Ad Hoc Steering Committee for the Sales Tax Renewal Consideration Process noting that the membership consisted of Supervisors Connolly and Rice,

Councilmembers Moulton-Peters, Phillips, Lucan and Fredericks. She also commented on the current closure of Highway 37. She enthusiastically reported on the Marin Innovations Workshop on Friday, February 24. She thanked all who have helped to promote the Workshop and encouraged everyone to attend. ED Steinhauser also reported on the Regional Measure 3 (RM3) stakeholder kickoff meeting held this morning by MTC, as well as MTC's (Metropolitan Transportation Commission's) plans for a series of meetings, although there is no set schedule yet. She mentioned that MTC is considering \$1, \$2 or \$3 increase in tolls, with Senator Beall as a possible sponsor, six concepts being considered, categories of projects rather than the specificity of RM2. She stated that the categories were bridge rehabilitation, express lane network, freight improvements, the Bay Trail system, BART car expansion, and transit access capital improvements. The goal is for the measure to be on the ballot in 2018. She indicated the date for the North Bay meeting is not set yet, and she discussed staff's priorities and potential opportunities for cooperation with other agencies, the goals and categories under consideration, TAM staff priorities, next steps in the process including presentations at TAM in January and February, with TAM action scheduled for March, and potential topics for discussion at future RM3 meetings.

4. Open Time for Public Expression

Cindy Winters commented on a letter, dated January 18, published in the Marin Voice from Patrick Seidler (Transportation Alternatives for Marin) regarding SMART's bid process, and she wanted to be sure that the SMART Boardmembers had received a copy. She explained that Mr. Seidler had asked her to speak on his behalf since he was unable to attend this meeting, and she reviewed his concerns. She also discussed new rail technologies, potential costs and construction impacts on roadways.

Vice Chair Arnold announced she would need to leave this meeting early for another at the Civic Center but would stay as long as possible.

5. Approval of Meeting Minutes from January 9, 2017 (Action)

Commissioner Connolly noted he was in attendance but the minutes did not show that. ED Steinhauser explained he was not an appointed member of the Executive Committee at that time, but he was present and made comments under his visiting Boardmember capacity.

Commissioner Connolly also asked to change the wording of his comments shown on page 6 to say "*questioning* how many residents of Marin..." rather than "*noting*..."

Commissioner Phillips moved to approve the minutes of January 9, 2017, and Commissioner Kuhl seconded the motion. It carried unanimously.

6. Adopt Next Steps and Timeline for Engaging in Sales Tax Renewal Effort (Action)

ED Steinhauser presented the staff report which recommended that the Executive Committee consider possible next steps and a timeline for a sales tax renewal process. She reviewed past discussions with the Committee regarding the sales tax renewal and the need to formally adopt the next steps and timeline for the process. She discussed the education at local jurisdictions, various built-in Go/No Go decision points, possible use of the expertise of Bonnie Nelson from consultants Nelson Nygaard, involvement of city councils, regular updates to the TAM Board, and a decision point in May for the development of an expenditure plan.

Commissioner Phillips expressed appreciation for the changes made in the process, especially inclusion of the expenditure plan development process. He noted that there seems to be a lack of awareness in the community of what TAM has accomplished, and he suggested it would be good to include public outreach in the process.

Commissioner Kuhl questioned whether it is too soon to start polling in April for a potential ballot measure for November of 2018. Having recently been through the process for a ballot measure, Commissioner Moulton-Peters explained it is good to poll early prior to starting an effort and again late, the first to make the public aware of the issue and the second to compare and see how public attitudes may have changed. She noted shaping the poll was included in the work of the steering committee.

Commissioner Connolly questioned whether it was advisable to include Items 7 and 8 in the timeline at this point. ED Steinhauser explained there was a typo and that the local jurisdiction consideration and feedback should have been listed as "March through June" followed by briefings to the councils in the fall. This was acceptable to the committee.

Commissioner Phillips noted it might be good for the first presentations to the councils to update them regarding TAM's accomplishments, not focused on the extension or renewal until later presentations. ED Steinhauser agreed this first step education was advisable, noting that the city managers and councils that have thus far been contacted felt the same way.

Vice Chair Arnold asked, and ED Steinhauser confirmed that the process is flexible and open to change or stopping activity altogether depending on input and actions along the way. She acknowledged it is not intended to be firm or focused only on one outcome.

Commissioner Connolly said that the public may not see why the polling should occur this far in advance since the Measure doesn't expire until 2025, and Vice Chair Arnold agreed. ED Steinhauser asked whether to bring the Next Steps to the Board with changes and Chair Moulton-Peters suggested that she and the Vice Chair would look at the draft and review it before it goes to the full Board. The committee agreed.

There was no public comment on the item.

The Committee deferred to the Chair and Vice Chair for reshaping this item and bringing it to the TAM Board later this month. No action was taken.

7. Consider Approval of Polling Effort to Capture Transportation Needs and Priorities (Action)

Vice Chair Arnold reported she had met with Chair Moulton-Peters today and thought it critical that we know what the opposition will be when TAM begins the polling process. She also mentioned that the timing of this and any other polling should be considered carefully as well.

ED Steinhauser presented the report which recommended that the TAM Executive Committee authorize a baseline poll regarding transportation needs and priorities to be conducted in the April-May timeframe, of approximately 700 likely voters, at a cost not to exceed \$45,000. Funds are available for this effort.

Commissioner Phillips asked what the purpose of the poll is, and ED Steinhauser said it is to understand the priority transportation needs of the public through a scientific sampling exercise. It will educate those being called. The

results will provide important information for the TAM Board. The effort will be more structured than more recent surveys.

Chair Moulton-Peters reviewed potential questions for the poll. Commissioner Phillips said he wanted to be sure it doesn't cross the line to promote any specific actions.

Commissioner Connolly indicated his question was answered by Chair Moulton-Peters under the last item regarding why poll early and poll again later. ED Steinhauser noted that the survey could also help in developing the materials for the expenditure plan process. She also thought it prudent for the Committee to see through a poll that there is public interest to take the next step in the process.

Commissioner Phillips suggested that two polls be conducted, comprised of 350 voters each, with the first one conducted soon and another a few months prior to placing it on the ballot. ED Steinhauser explained there was a specific question asked in 2014 polling, "would you consider using local revenue to meet these needs", which she thought it would be good to repeat to gauge how the public feels now. Commissioner Phillips acknowledged there was a big difference in voter opinions now compared to 2014. He thought development of the expenditure plan would make a difference as well.

The Committee discussed how best to do the polling, potential respondents, topics and the purpose of the polling. Chair Moulton-Peters thought the question should be referred to the steering committee first.

In response to further question, ED Steinhauser reviewed the next steps.

Commissioner Kuhl moved to recommend that the Board approve the polling effort with a certain number of people and at a certain cost, with the Ad Hoc Steering Committee filling in the details. Commissioner Phillips seconded the motion, and it was unanimously approved.

The meeting was adjourned at 4:15 p.m.



DATE: March 13, 2017

TO: Transportation Authority of Marin Finance and Policy Executive Committee

FROM: Dianne Steinhauser, Executive Director
Derek McGill, Planning Manager
Nick Nguyen, Project Delivery Manager

SUBJECT: Regional Measure 3 - Project Candidate Evaluation (Action), Agenda Item No.6

RECOMMENDATION

Recommend to the full TAM Board of Commissioners priorities for the MTC planned Regional Measure 3 toll increase program. Consider tiers of recommended improvements, as noted by staff below.

BACKGROUND

At the January and February TAM Board of Commissioners meetings, TAM staff brought forward to the TAM Board projects for TAM to consider submitting to MTC as Regional Measure 3 candidates. Each County Congestion Management Agency is developing candidate submittals for MTC to consider. In January, TAM heard brief presentations on the following candidates:

- The Bettini Transit Center- permanent facility
- The Marin-Sonoma Narrows
- Highway 37 widening and sea-level rise adaptation

In February, additional candidates were presented to the TAM Board for consideration, including the following:

- Direct Connector from Northbound Highway 101 to Eastbound I-580
- Bike/Pedestrian Pathway improvements
- Highway 101 / Local Road Interchange Improvements in the vicinity of the toll corridor
- Highway 101 related transit access and efficiency-related capital improvements

In every case brought before the TAM Board, TAM has been engaged in planning and coordinating with sponsors on all of these candidate projects. From funding planning efforts to building phases of a major improvement, these projects will be generally familiar to TAM.

Note that the Marin Transit Board directed their staff to prepare a submittal to TAM from Marin Transit that illustrates their priorities for Regional Measure 3 funding. Staff has been in close contact with Marin Transit staff, and included in this transmittal what will be likely candidates from Marin Transit. Marin Transit will not approve a transmittal until their meeting of March 20th, right before the TAM Board meeting of March 23rd. Staff believes we have covered the likely items coming from Marin Transit's request letter.

Note TAM staff has reached out to the Golden Gate Bridge Highway and Transportation District who confirmed their top priority is funding for the Permanent Bettini Transit Center.

The item today is presenting contrast and compare analyses for all of these candidates, and a recommended tiered approach to be approved at the March TAM Board meeting.

DISCUSSION/ANALYSIS

MTC in its draft legislative package for 2017 considered sponsoring legislation to place a ballot measure asking Bay Area voters to approve a bridge toll increase to fund congestion relief projects for improved mobility in the nine-county Bay Area toll bridge corridors. This bridge toll increase, referred to as Regional Measure 3 or RM3, would provide a much-needed funding source for regional projects at a time of declining- and unpredictable- federal and state revenues.

MTC is securing a sponsor for the RM3 toll legislation and determining how the development of the Expenditure Plan will occur. MTC has a special legislative ability to consider ballot measures for the Bay Area toll bridges (with the exception of the district managed Golden Gate Bridge). In previous bridge toll programs, RM1 passed in 1988 and RM2 passed in 2004, an expenditure plan was prepared and adopted by the state legislature as part of the authorizing legislation process.

The legislation will authorize MTC to seek voter approval for the fee increase and the expenditure plan defining how the fee will be used. The toll program is unique in that it is regional in nature and the tolls from the seven state-owned toll bridges are pooled together to fund projects throughout the bridge system. This means that Marin does not necessarily get the tolls from the Richmond San Rafael Bridge for our use. It also means that we may advance projects from a Bay Area wide toll stream. The toll revenue provides a benefit to those paying the fees (i.e. toll bridge users) or mitigates for the activity associated with the fees. As fees, toll increases are subject to a simple majority vote, 50% + 1, rather than two-thirds required in measures for tax increases for specific purposes. In the case of RM1 and RM2, the vote was tallied region-wide, rather than county-by-county, and the same will be done under Regional Measure 3.

On December 14th, MTC's Commission hosted a Commissioner workshop on RM3 to solicit guidance on policy considerations and principles for an expenditure plan as part of the RM3 toll program. Some of the highlighted policy considerations include:

MTC is considering placing a ballot measure authorizing an increase on the primary or general election in 2018. MTC is aware of many counties region-wide that may try for the 2018 November ballot for sales tax re-authorizations or increases.

It is critical for MTC to not lock into November 2018 as their voter date. There could be measures in several counties that could be adversely affected. It may be best to avoid competing transportation ballot measures on a single ballot. It would behoove MTC to closely coordinate, and consider the impacts to a county going for their own county sales tax (Marin, Sonoma, San Francisco, Contra Costa have all mentioned this as a possibility)- the risk could exist, mostly for the 2/3rds threshold that counties have to achieve.

MTC is considering a \$1-\$2-\$3 toll surcharge, with an option to phase in the increase above \$1 over time, and a peak period pricing mechanism. Funds generated for the \$1 and \$2 options are shown below:

Toll Surcharge Amount	Annual Revenue	Capital Funding Available (25-year bond)
\$1	\$127 million	\$1.7 billion
\$2	\$254 million	\$3.3 billion

Programs Being Considered by MTC

MTC hosted a stakeholder outreach meeting on Monday February 13th. This outreach meeting was the first of several meetings to be held, with meetings likely to be held for each bridge corridor, though this has yet to be finalized.

In the MTC presentation at this workshop, MTC staff presented suggested categories of investment. They are as follows: Bridge Rehabilitation, Express Lane Corridors, Freight, Bay Trail, BART Expansion Cars, and Transit Access Improvements. TAM staff understands MTC may be reconsidering these categories. There is much additional discussion that needs to occur with the MTC Commission regarding this, and Marin's MTC Commissioner, Supervisor Damon Connolly, will have an important role.

TAM projects of interest could be specifically listed in the legislation. MTC may also put forward categories, such as some of those shown above- Bay Trail for example—that TAM projects would fit into, but would not be specifically listed. In February, MTC announced that any legislation to allow for an increase to the toll bridges is pending, until further discussions on the State's transportation package can occur.

TAM staff is requesting the TAM Board to identify priorities for the MTC Bay Area bridge toll increase.

Marin County Project Evaluation

Based on input from the TAM Board during the January and February 2017 RM3 board discussions, TAM staff has prepared a compare-and-contrast evaluation to support the TAM Board decision making. This evaluation compares projects that can be very complex, and is not intended to be an exact detailing of project impacts as many projects are in the conceptual phase and have not been developed to fully consider exact impacts.

The evaluation criteria proposed by TAM staff include the following criteria, assigned a value of 0-3 points each:

- Multi-agency support within the county – For the project, are there multiple local agencies that support the project. Project sponsors with more partner agencies are rewarded with a higher point score under this system.
- Whether or not alternative funding sources are available – Projects with many potential funding streams are less reliant on these regional funding sources, and thus would score less under these criteria. Projects that have less funding sources available to them receive more points.
- Estimated numbers of users – Where applicable average daily traffic or passengers per day have been assigned to each project. Staff has populated this user base conservatively, and awarded points to projects benefiting higher numbers of users.
- If the project(s) have been identified by previous public outreach efforts – Staff have engaged in extensive public outreach over the last two years including in 2015 for the Regional Transportation Plan, Plan Bay Area 2040, and TAM's Strategic Vision Plan in 2016. As well, TAM staff regularly meets with member agencies, local councils, and business groups as well as advocates regarding priority needs. Projects that have been identified through these processes have received more points than less requested improvements. Note that Regional Measure 3 will go before voters for approval and will need to include projects that address the public's needs and draw voters to approve the package.
- Support from multiple counties – as a regional toll program, partnering with other counties on projects raises the importance of the project from a regional perspective. Projects with partners from other counties score more points in this category than local projects.
- Supports social equity – Projects that had a higher benefit to low and moderate income populations were awarded more points under this criteria.

- Estimated costs per user – based on estimated costs and estimated users, low cost projects with highest number of users scored best compared to high costs projects with limited users.

TAM staff conducted this evaluation, and assigned a score of 0-3 to each of these criteria. The results of this evaluation are included as **Attachment A**. As shown in Attachment A and based on this evaluation, the following ranking of projects have been developed to present to the TAM Board as locally adopted priorities for RM3:

1. Marin Sonoma Narrows
2. Highway 580-101 Direct Connector Project
3. (Tied) State Route 37 Corridor Project
(Tied) Bettini Transit Center Permanent Relocation
4. Highway Interchange Improvements
5. Highway 101 Transit Capital Elements (Transit Access, Bus On Shoulder and Park and Ride Improvements)
6. (Tied) Bike and Pedestrian Program of Projects
(Tied) Marin Transit Local O&M Facility

TAM staff has also identified potential regional RM3 categories of projects that lower ranking projects might be able to still be accommodated within. If the opportunity arises, these candidates will be added into MTC's broader categories of need:

- Highway Interchange Improvements
- Highway 101 Transit Capital Elements
- Bike and Pedestrian Projects

Staff notes that Marin Transit will likely indicate a need for funds for bus replacement. MTC may or may not establish a funding category for transit maintenance and rehab, including bus replacement. Similarly, MTC may or may not establish a category for local road maintenance and rehab.

Staff recommends that the rehabilitation needs of our local transit operator, as well as those of Golden Gate Transit, along with the rehabilitation needs of our local jurisdictions for local streets and roads both be brought forward to MTC for inclusion if MTC establishes a category of funding for these purposes.

RECOMMENDATION

Staff recommends that the TAM Board consider adopting Tier One candidates for consideration by MTC to be included in the Regional Measure 3 proposal. Staff recommend Tier Two candidates be adopted as well. Finally, staff recommends a pool of candidates to be brought forward "if the opportunity arises". The candidate pools are described as follows:

Tier One:

- Marin Sonoma Narrows
- Highway 580-101 Direct Connector Project
- State Route 37 Corridor Project
- Bettini Transit Center Permanent Relocation

Tier Two:

- Highway Interchange Improvements
- Highway 101 Transit Capital Elements (Transit Access, Bus On Shoulder and Park and Ride Improvements)
- Bike and Pedestrian Program of Projects
- Marin Transit Local O&M Facility

Opportunity Candidates:

- Bike and Pedestrian Candidates (same group as above)
- Local and Regional Transit rehab needs
- Local Streets and Roads needs

FISCAL CONSIDERATION

At this point in time, there is no direct project funding plan necessary. MTC's expenditure plan process in the next several months could require more discussion of matching funds from other sources. When this occurs, the TAM board will engage in further analysis, discussion, and necessary action.

NEXT STEPS

Staff will respond to comments and bring a final recommendation to the TAM Board for approval.

ATTACHMENTS

Attachment A: Marin County RM3 Project Evaluation

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Transportation Authority of Marin - RM3 Project Analysis Matrix -DRAFT

March 13th, 2017

Criteria (0-3 Points available per category)												
Project Name	Number of Users	Number of Users Score	Local Agency Support	Local Agency Support Score	Alternative Funding Sources	Alternative Funding Sources Score	Identified through public outreach Score	Support from Multiple Counties Score	Social Equity Support Score	Cost per User Score	TOTAL	Estimated Cost
Highway 101 Marin Sonoma Narrows	90,000 ADT	3	Caltrans, TAM, County of Marin, City of Novato	3	State hwy funds	3	2	3	1	3	18	\$75M
Highway 580 - 101 Direct Connector	160,000 ADT (51,000 ADT on Bellam Blvd and SFD East)	3	Caltrans, TAM, City of San Rafael, Local Jurisdictions	3	State hwy funds	3	3	1	1	2	17	\$135-255M
State Route 37 Corridor	40,000 ADT	2	CMAs, Caltrans, North Bay Counties, MTC	2	State hwy funds, P3/Tolling	2	1	3	3	1	14	TBD
Bettini Transit Center Relocation	9,000 daily transit users, (22285 ADT on 2nd, 20630 ADT on 3rd)	2	MT, GGT, SMART, City of San Rafael	3	Reg and State Grants, Transit Funds, Development Funds	2	2	1	3	1	14	\$25M
Highway Interchange Improvements	28,000 - 68,000 ADT (per location)	2	Caltrans, TAM, Local Jurisdictions, Transit	3	State hwy funds, local funds	1	2	1	1	3	13	\$10-200M
Highway 101 Transit Capital Improvements	10,300 passengers/day on GGT	1	Caltrans, GGBHTD, MT, TAM	3	State hwy funds, Transit funds, MTC	1	1	1	2	2	11	\$10-20M
Marin Transit O&M Facility	N/A	1	Marin Transit	1	Transit funds	2	1	1	2	1	9	\$15M
Bike and Pedestrian Improvements	TBD	1	Local Jurisdictions, SMART, Bay Trail	2	ATP, Regional and Local Grants	1	1	1	2	1	9	\$5-20M

- o Multi-agency support within the county – For the project, are there multiple local agencies that support the project. Project sponsors with more partner agencies are rewarded with a higher point score under this system.
- o Whether or not alternative funding sources are available – Projects with many potential funding streams are less reliant on these regional funding sources, and thus would score less under these criteria. Projects that have less funding sources available to them receive more points.
- o Estimated numbers of users – Where applicable average daily traffic or passengers per day have been assigned to each project. Staff has populated this user base conservatively, and awarded points to projects benefiting higher numbers of users.

- o If the project(s) have been identified by previous public outreach efforts – Staff have engaged in extensive public outreach over the last two years including in 2015 for the Regional Transportation Plan, Plan Bay Area 2040, and TAM’s Strategic Vision Plan in 2016. As well, TAM staff regularly meets with member agencies, local councils, and business groups as well as advocates regarding priority needs. Projects that have been identified through these processes have received more points than less requested improvements. Note that Regional Measure 3 will go before voters for approval and will need to include projects that address the public’s needs and draw voters to approve the package.
- o Support from multiple counties – as a regional toll program, partnering with other counties on projects raises the importance of the project from a regional perspective. Projects with partners from other counties score more points in this category than local projects.
- o Supports social equity – Projects that had a higher benefit to low and moderate income populations were awarded more points under this criteria.
- o Estimated costs per user – based on estimated costs and estimated users, low cost projects with highest number of users scored best compared to high costs projects with limited users.



DATE: February 13, 2017

TO: Transportation Authority of Marin Finance & Policy Executive Committee

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

SUBJECT: Adopt Positions on State Legislative Bills (Action), Agenda Item No. 7

RECOMMENDATION

Recommend the TAM Board adopts positions on State Legislative bills as shown in Attachment A.

BACKGROUND

In January 2017, TAM adopted a Legislative Platform (Attachment B) in guiding policy decisions and communicating TAM’s goals to the Legislature and other agencies (including, but not limited to, MTC, Regional Transportation Planning Agencies, CSAC, League of California Cities, and SHCC) that have impacts on Marin and TAM during the year.

TAM staff and/or Khouri Consulting will be recommending positions to be taken on pending legislation before the close of the 2017 State Legislation Session in August 2017, particularly those that are related to our adopted Legislative Platform. Letters of support or opposition may also be developed at the appropriate time and Mr. Khouri may be requested to testify at Legislative hearings, if warranted, to convey TAM’s positions on specific legislation.

DISCUSSION/ANALYSIS

The 2017 legislative session is the first year of a two-year session. Bills introduced in the first year of a two-year session may be moved to the second year in 2018 if bills do not generate sufficient interest.

Attachment A contains the initial set of 37 bills that are being monitored by staff and Mr. Khouri. Bills may be added to the chart in the coming months as they become relevant to TAM or Marin. TAM staff also adds bills that have been requested by TAM Board Commissioners for discussion or action.

Of the 37 bills listed in the matrix, staff is recommending the following positions:

Position	Total	Bills
Support	11 bills	AB 1, AB 17, AB 28, AB 151, AB 351, AB 1113, AB 1218, ACA 4, SB 1, SCA 2, and SCA 6
Monitor	16 bills	AB 65, AB 91, AB 174, AB 378, AB 398, AB 399, AB 467, AB 496, AB 1121, AB 1282, AB 1324, AB 1613, SB 145, SB 672, SB 732, and SB 760,

Oppose	2 bills	AB 1640 and SB 423
No position	8 bills	AB 87, AB 515, AB 577, AB 694, AB 1233, AB 1363, SB 80, and SB 414

Mr. Khouri will be attending the Finance & Policy Executive Committee to discuss the bills in greater detail. Staff recommends positions on individual bills, based on the adopted Legislative Platform, staff's assessments in consultation with Mr. Khouri, and positions previously adopted by the TAM Board in the past on those particular topics. Staff also considers what partner agencies positions are and what role taking a position at all may play in the outcome.

These initial recommended positions will be revised to reflect the TAM Board's recommendations once they have been deliberated.

Attachment C is MTC's estimated revenues for Marin from AB 1 and SB 1.

ATTACHMENT

Attachment A – 2017 State Legislative Bills

Attachment B – Adopted 2017 Legislative Platform

Attachment C – MTC's Estimated Revenues for Marin from AB 1 and SB 1

Attachment A

Preliminary Bill Matrix – March 2017

Measure	Status	Bill Summary	Suggested Position
AB 1 Frazier (D) Transportation Funding	12/5/16 Introduced	This bill proposes a \$6 billion funding package, through a variation of gas and diesel taxes increases, Cap and trade revenues, restoring commercial truck weight fees, repaying outstanding loans, and other miscellaneous fees to repair and maintain our state and local roads, improve our trade corridors, and support public transit and active transportation. The break rehabilitation of the state highway system; \$2.4 billion for maintenance and rehabilitation of local streets and roads; \$577 million for the State Transportation improvement Program, which provides funding for regions; \$563 million for public transportation capital and operations funding; \$600 million for freight goods movement; and up to \$150 million for active transportation. Additional reforms such as a provision for lowering the vote threshold for local sales tax measures from 2/3 to 55%, permanently extending the California Environmental Quality Act (CEQA) exemption for projects within an existing right of way, permanently expanding the National Environmental Policy Act (NEPA) delegation for Caltrans, and creating an advanced mitigation program to expedite project delivery are also included. A constitutional amendment to protect against diversion of funding for non-transportation purposes is also contained.	Support
AB 17 Holden (D) Transit Pass Program	1/19/17 Assembly Transportation Committee	Create the Transit Pass Program to be administered by Caltrans. The would bill require the Controller of the State of California to allocate moneys made available for the program, upon appropriation by the Legislature , to support transit pass programs that provide free or reduced-fare transit passes to specified pupils and students.	Support
AB 28 Frazier (D) NEPA Delegation	3/1/17 Senate Appropriations Committee Set for Hearing on 3/6/17	Existing federal law requires the United States Secretary of Transportation to carry out a surface transportation project delivery pilot program, under which the participating states assume certain responsibilities for environmental review and clearance of transportation projects that would otherwise be the responsibility of the federal government. Until January 1, 2017, existing law provides that the State of California, through Caltrans, consents to the jurisdiction of the federal courts with regard to the compliance, discharge, or enforcement of the responsibilities it assumed as a participant in the pilot program. This bill would remove the sunset date allowing for California to participate in the program three additional years. The bill contains an urgency clause.	Support
AB 65 Patterson (R) High-Speed Rail Bond Debt Service	1/19/17 Assembly Transportation Committee	Existing law provides for transfer of certain vehicle weight fee revenues to the Transportation Debt Service Fund to reimburse the General Fund for payment of current year debt service on general obligation bonds issued for transportation purposes, including bonds issued for high-speed rail and associated purposes pursuant to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century (Proposition 1A of 2008). This bill would specifically exclude from payment under these provisions the debt service for Proposition 1A bonds.	Monitor

Attachment A

Preliminary Bill Matrix – March 2017

Measure	Status	Bill Summary	Suggested Position
AB 87 Ting (D) Autonomous Vehicles	1/19/17 Assembly Transportation Committee	Existing law requires the DMV to adopt regulations no later than January 1, 2015, setting forth requirements for the submission of evidence of insurance, surety bond, or self-insurance, and for the submission and approval of an application to operate an autonomous vehicle. Under current law, it is unlawful and constitutes an infraction for any person to violate, or fail to comply with any provision of the Vehicle Code, unless otherwise specified. This bill would provide that violation of this section is not an infraction and would instead, among other things, require the department to revoke the registration of a vehicle that is being operated in violation of those provisions.	
AB 91 Cervantes (D) HOV Lanes	1/19/17 Assembly Transportation Committee	Existing law authorizes the Department of Transportation (Caltrans) to designate certain lanes for the exclusive or preferential use of high-occupancy vehicles (HOV). When those exclusive or preferential use lanes are established and double parallel solid lines are in place to the right thereof, existing law prohibits any person driving a vehicle from crossing over those double lines to enter into or exit from the lanes, and entrance or exit from those lanes is authorized only in areas designated for these purposes or where a single broken line is in place to the right of the lanes, except as specified. This bill would prohibit, commencing July 1, 2018, a HOV lane from being established in the County of Riverside, unless that lane is established as a HOV lane only during the hours of heavy commuter traffic, as determined by Caltrans. The bill would require any existing HOV lane in the County of Riverside that is not a toll lane to be modified to operate as a HOV lane under those same conditions. The bill would authorize Caltrans, on or after May 1, 2019, to reinstate 24-hour HOV lanes in the County of Riverside if Caltrans makes a specified determination, and would require Caltrans to report to the Legislature on the impact on traffic of limiting the use of HOV lanes only during the hours of heavy commuter traffic, as provided in the bill.	Monitor
AB 151 Burke (D) Cap and Trade Program Extension	1/11/17 Introduced	The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The state board is required to approve a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020 and to ensure that statewide greenhouse gas emissions are reduced to at least 40% below the 1990 level by 2030. The act authorizes the state board to include the use of market-based compliance mechanisms and to adopt a regulation that establishes a system of market-based declining annual aggregate emissions limits for sources or categories of sources that emit greenhouse gases, applicable from January 1, 2012, to December 31, 2020, inclusive, as specified. This bill would state the intent of the Legislature to enact legislation that authorizes the state board to utilize a market-based compliance mechanism after December 31, 2020, in furtherance of the statewide greenhouse gas emissions limit of at least 40% below the 1990 level by 2030.	Support

Attachment A

Preliminary Bill Matrix – March 2017

Measure	Status	Bill Summary	Suggested Position
AB 174 Bigelow (R) California Transportation Commission Membership	1/30/17 Assembly Transportation Committee	Existing law provides that the CTC consists of 13 members, 11 voting members, of which 9 are appointed by the Governor, subject to Senate confirmation, one is appointed by the Senate Committee on Rules, 1 is appointed by the Speaker of the Assembly, and 2 Members of the Legislature who are appointed as nonvoting ex officio members. This bill would require that at least one voting member reside in a rural county with a population of less than 100,000 individuals.	Monitor
AB 351 Melendez (R) Transportation Funding	2/8/17 Introduced	Current law provides for loans of revenues from various transportation funds and accounts to the General Fund, with various repayment dates specified. This bill, with respect to any loans made to the General Fund from specified transportation funds and accounts with a repayment date of January 1, 2019, or later, would require the loans to be repaid by December 31, 2018. Covered in AB 1/SB 1.	Support
AB 378 Garcia (D) California Global Warming Solutions Act of 2006: regulations.	2/9/17 Introduced	The California Global Warming Solutions Act of 2006 designates CARB with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include the use of market-based compliance mechanisms. The act requires the state board to approve a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020 and to ensure that statewide greenhouse gas emissions are reduced to at least 40% below the 1990 level by 2030. This bill would additionally require CARB to consider and account for the social costs of the emissions and greenhouse gases when adopting those rules and regulations. The bill would also authorize CARB to adopt or subsequently revise new regulations that establish a market-based compliance mechanism, applicable from January 1, 2021, to December 31, 2030, to complement direct emissions reduction measures in ensuring that statewide greenhouse gas emissions are reduced to at least 40% below the 1990 level by 2030.	Monitor
AB 398 Garcia (D) Greenhouse Gas reduction Fund: reporting	2/9/17 Introduced	The California Global Warming Solutions Act of 2006 establishes CARB as the state agency responsible for monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the CARB to include the use of market-based compliance mechanisms. Existing law requires all moneys, except for fines and penalties, collected by CARB from a market-based compliance mechanism to be deposited in the Greenhouse Gas Reduction Fund (GGRF) and to be available upon appropriation by the Legislature. Existing law requires the Department of Finance (DOF) to annually submit a report to the appropriate committees of the Legislature on the status of the projects funded with moneys from the fund. This bill would require DOF to include additional information in its annual report to the Legislature, including, among other things, the greenhouse gas emissions reductions attributable to each project and the geographic location, industry sector, and number of employees of the business entities, as defined, receiving moneys from the fund. The bill would require state agencies expending moneys from the fund to condition the acceptance of those moneys on the recipient providing information necessary to meet the reporting requirements.	Monitor

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Preliminary Bill Matrix – March 2017

Measure	Status	Bill Summary	Suggested Position
AB 399 Grayson (D) Autonomous Vehicles	2/9/17 Introduced	<p>Existing law defines an autonomous vehicle as any vehicle equipped with autonomous technology that has been integrated into the vehicle. Existing law authorizes a driver to operate an autonomous vehicle on public roads for testing purposes if specified requirements are met. Existing law authorizes the Department of Motor Vehicles to establish additional requirements if, in consultation with the Department of the California Highway Patrol, the department determines that they are necessary to ensure the safe operation of autonomous vehicles on public roads.</p> <p>This bill would state the intent of the Legislature to enact legislation relating to autonomous vehicles and the balance of innovation with the State of California's safety regulations.</p>	Monitor
AB 467 Mullin (D) Local transportation authorities: transactions and use taxes	2/13/17 Introduced	<p>The Local Transportation Authority and Improvement Act provides for the creation in any county of a local transportation authority and authorizes the imposition by the authority, by ordinance, of a retail transactions and use tax, subject to approval of the ordinance by 2/3 of the voters.</p> <p>Existing law provides for the authority to adopt a transportation expenditure plan for the proceeds of the tax, and requires the entire adopted transportation expenditure plan to be included in the voter information handbook sent to voters.</p> <p>This bill would exempt an authority from including the entire adopted transportation expenditure plan in the voter information handbook if the authority posts the plan on its Internet Web site, and the sample ballot and the voter information handbook sent to voters include information on viewing an electronic version of the plan on the Internet Web site and for obtaining a printed copy of the plan by calling the county election office.</p> <p>The bill would require the authority to provide sufficient copies of the plan to the county election office for mailing to each person requesting a copy. By imposing additional requirements on county election officials, the bill would impose a state-mandated local program.</p>	Monitor
AB 496 Fong (R) Transportation Funding	2/13/17 Introduced	<p>This bill creates The Traffic Relief and Road Improvement Act, which provides \$7.8 billion (\$5.6 billion multi-year/\$2.2 billion one-time revenues) for transportation (highways-including maintenance and new capacity, local streets and roads, public transportation, and active transportation), by restoring funds, such as commercial truck weight fees, and utilizing a variety of Cap and Trade funds and existing taxes, such as the sales tax generated from vehicles sales, diesel sales tax, and insurance payments, among other sources. The bill also proposes reforms to the California Environmental Quality Act, creates the Office of the Transportation Inspector General, makes the California Transportation Commission an independent body, and additional oversight for Caltrans.</p>	Monitor

Preliminary Bill Matrix – March 2017

Measure	Status	Bill Summary	Suggested Position
<p>AB 515 Frazier (D)</p> <p>State Highway System Management Plan</p>	<p>2/13/17</p> <p>Introduced</p>	<p>Existing law requires Caltrans to prepare the State Highway Operation and Protection Program (SHOPP) for the expenditure of transportation capital improvement funds for projects that are necessary to preserve and protect the state highway system, excluding projects that add new traffic lanes.</p> <p>Existing law requires the SHOPP to be based on an asset management plan prepared by Caltrans, and requires Caltrans to submit the proposed SHOPP to the California Transportation Commission (CTC) by January 31 of each even-numbered year for adoption by CTC and submittal by CTC to the Governor and Legislature by April 1 of each even-numbered year.</p> <p>Existing law requires Caltrans to prepare a 10-year state highway rehabilitation plan for the rehabilitation and reconstruction by the SHOPP of all state highways and bridges owned by the state. This plan is required to be submitted by Caltrans to the CTC for review and comments by January 31 of each odd-numbered year, and then transmitted by CTC to the Governor and Legislature by May 1 of each odd-numbered year.</p> <p>Existing law also requires Caltrans to prepare a 5-year maintenance plan that addresses the maintenance needs of the state highway system, limited to maintenance activities that if not performed, could result in increased SHOPP costs in the future. Existing law requires the maintenance plan to be submitted by Caltrans to the CTC, the Governor, and the Legislature by January 31 of each odd-numbered year. Existing law provides that these plans shall be the basis for, among other things, Caltrans' budget request.</p> <p>This bill would require Caltrans to prepare a State Highway System Management Plan, which would consist both of the 10-year state highway rehabilitation plan and the 5-year maintenance plan. The bill would require Caltrans to make a draft of its proposed State Highway System Management Plan available to regional transportation agencies for review and comment, and would require Caltrans to include and address any comments in its submittal of the plan to the CTC by January 15 of each odd-numbered year. The bill would require CTC to transmit the State Highway System Management Plan to the Governor and Legislature by May 1 of each odd-numbered year.</p>	
<p>AB 577 Caballero (D)</p> <p>Disadvantaged communities</p>	<p>2/14/17</p> <p>Introduced</p>	<p>Existing law defines a disadvantaged community as a community with an annual median household income that is less than 80% of the statewide annual median household income for various purposes, that include, but are not limited to, the Water Quality, Supply, and Infrastructure Improvement Act of 2014, eligibility for certain entities to apply for funds from the State Water Pollution Cleanup and Abatement Account, and authorization for a community revitalization and investment authority to carry out a community revitalization plan.</p> <p>This bill would instead define a disadvantaged community as a community with an annual per capita income that is less than 80% of the statewide annual per capita income.</p>	

Preliminary Bill Matrix – March 2017

Measure	Status	Bill Summary	Suggested Position
<p>AB 694 Ting (D)</p> <p>Bicycles</p>	<p>2/15/17</p> <p>Introduced</p>	<p>Existing law requires any person operating a bicycle under specified conditions to ride as close as practicable to the right-hand curb or edge of the roadway, except under specified conditions, including, among other things, when reasonably necessary to avoid conditions that make it unsafe or when approaching a place where a right turn is authorized.</p> <p>This bill would recast those provisions to instead require a person operating a bicycle to ride in the right-hand lane or bicycle lane, if one is present, and would additionally require a person operating a bicycle in a lane that is wide enough for a vehicle and bicycle to travel safely side by side within the lane to ride far enough to the right in order to allow vehicles to pass, except when it is reasonably necessary to avoid conditions that make it hazardous to continue along the right-hand edge of the lane, and when approaching a place where a right turn is authorized. By redefining the elements of a crime, this bill would create a state-mandated local program.</p> <p>The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.</p>	
<p>AB 1113 Bloom (D)</p> <p>State Transit Assistance Program</p>	<p>2/16/17</p> <p>Introduced</p>	<p>The bill would provide that only State Transit Assistance (STA)-eligible operators, as defined, are eligible to receive an allocation from the portion of program funds based on transit operator revenues. The bill would provide for each STA-eligible operator within the jurisdiction of the allocating local transportation agency to receive a proportional share of the revenue-based program funds based on the qualifying revenues of that operator, as defined. The bill would revise the duties of the Controller and Caltrans in administering the program. The bill would make various other conforming changes and would delete obsolete provisions. Marin Transit supports AB 1113.</p>	<p>Support</p>
<p>AB 1121 Chiu (D)</p> <p>San Francisco Bay Area ferries</p>	<p>2/17/17</p> <p>Introduced</p>	<p>Existing law establishes the San Francisco Bay Area Water Emergency Transportation Authority with specified powers and duties, including, but not limited to, the authority to coordinate the emergency activities of all water transportation and related facilities within the San Francisco Bay Area region, as defined.</p> <p>This bill would state the intent of the Legislature to enact legislation to authorize San Francisco Bay Area voters to approve new, dedicated funding for San Francisco Bay Area ferries.</p>	<p>Monitor</p>

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Preliminary Bill Matrix – March 2017

Measure	Status	Bill Summary	Suggested Position
AB 1218 Obernolte CEQA Exemptions: bicycle transportation plans	2/17/17 Introduced	<p>The California Environmental Quality Act (CEQA) requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of, an environmental impact report on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect. CEQA also requires a lead agency to prepare a mitigated negative declaration for a project that may have a significant effect on the environment if revisions in the project would avoid or mitigate that effect and there is no substantial evidence that the project, as revised, would have a significant effect on the environment. CEQA, until January 1, 2018, exempts from its requirements bicycle transportation plans for an urbanized area for restriping of streets and highways, bicycle parking and storage, signal timing to improve street and highway intersection operations, and related signage for bicycles, pedestrians, and vehicles under certain conditions. CEQA, until January 1, 2018, also exempts from its requirements projects consisting of restriping of streets and highways for bicycle lanes in an urbanized area that are consistent with a bicycle transportation plan under certain conditions.</p> <p>This bill would extend indefinitely those 2 exemptions.</p>	Support
AB 1233 Cunningham (R) Transportation Inspector General	2/17/17 Introduced	<p>Existing law creates various state agencies, including Caltrans and the High-Speed Rail Authority, with specified powers and duties. Existing law provides for the allocation of state transportation funds to various transportation purposes.</p> <p>This bill would create the Office of the Transportation Inspector General in state government, as an independent office that would not be a subdivision of any other government entity, to ensure that the above-referenced state agencies and all other state agencies expending state transportation funds are operating efficiently, effectively, and in compliance with federal and state laws. Covered in AB 1/SB 1.</p>	
AB 1282 Mullin (D) Permitting task force	2/17/17 Introduced	<p>This bill would establish a transportation permitting task force consisting of representatives from Caltrans, the California Transportation Commission, state environmental permitting agencies, and other transportation planning entities to develop a process for early engagement for all parties in the development of transportation projects.</p>	Monitor
AB 1324 Gloria (D) MPO: transactions and use taxes	2/17/17 Introduced	<p>This bill would authorize a metropolitan planning organization authorized by law to levy, expand, increase, or extend a transactions and use tax to levy, expand, increase, or extend that tax in only a portion of the jurisdiction, as an alternative to the entire jurisdiction, in which the organization is authorized to levy, expand, increase, or extend the tax, if approved by the required percentage of the voters in that portion of the jurisdiction. The bill would require the revenues derived from the levy, expansion, increase, or extension to be used only within the area for which the levy, expansion, increase, or extension was approved by the voters.</p>	Monitor

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Preliminary Bill Matrix – March 2017

Measure	Status	Bill Summary	Suggested Position
AB 1363 Baker (R) Transportation Revenues	2/17/17 Introduced	This bill would, on July 1, 2018, delete the transfer of miscellaneous revenues (Caltrans sales of property and document processing) to the Transportation Debt Service Fund, thereby eliminating the offsetting transfer to the General Fund for debt service on general obligation transportation bonds issued pursuant to Proposition 116 of 1990. The bill, subject to a specified exception, would, on July 1, 2018, instead require the miscellaneous revenues to be retained in the State Highway Account and to be used solely for transportation expenditures consistent with the restrictions for expenditure of fuel tax revenues in Article XIX of the California Constitution (local streets and roads, highways, and public transportation). Covered in AB 1/SB 1.	
AB 1613 Mullin San Mateo County Transit District: retail transactions and use tax	2/17/17 Introduced	Existing law authorizes the board of the San Mateo County Transit District to adopt a retail transactions and use tax ordinance in accordance with specified provisions of law, including a requirement that the combined rate of all such taxes that may be imposed in the county not exceed 2%. This bill would authorize the board to exceed that 2% limit to impose a retail transactions and use tax set at a rate of no more than 0.5%, if approved by the board before January 1, 2021.	Monitor
AB 1640 Garcia (D) Transportation funding: low-income communities	2/17/17 Introduced	This bill would require, beginning January 1, 2020, each regional transportation improvement program to allocate a minimum of 25% of available funds to projects or programs that provide direct, meaningful, and assured benefits to low-income individuals who live in certain identified communities or to riders of transit service that connects low-income residents to critical amenities and services. The bill would require Caltrans, in consultation with residents of low-income communities and specified state agencies, to adopt guidelines for this allocation no later than January 1, 2018, to define and map low-income communities that are disadvantaged with respect to transportation, to identify communities that would benefit from the allocation requirements, and to specify criteria for determining whether certain investments benefit low-income residents of the identified communities. The bill would require the department to provide financial support, upon appropriation by the Legislature, to low-income residents of low-income communities for specified purposes generally relating to enabling their participation in the development of these guidelines and the selection of transportation projects and programs.	Oppose
ACA 4 Aguar-Cury (D) Voter Approval: 55% Vote Threshold	2/17/17 Introduced	Lowers vote threshold to 55% for affordable housing and infrastructure measures.	Support

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Preliminary Bill Matrix – March 2017

Measure	Status	Bill Summary	Suggested Position
SB 1 Beall (D) Transportation Funding	2/17/17 Senate Environmental Quality Committee	Nearly identical to AB 1 (Frazier) with some exceptions such as SB1 phasing in the 12 cent increase over three years, proposing a percentage of truck weight fees being returned while AB1 specifies an amount (SB 1 caps weight fee transfer at 50% in FY 2020-21, while AB 1 caps transfer at \$500 million) (being more prescriptive on trade corridor funding, containing a dedicated pot of funding for commuter and intercity rail (.5%, of sales tax which would generate \$40 million annually, and the discrepancy on the zero-emission vehicle fee (\$100 vs. \$165 in AB 1), among other things. Last amended on 1/26/17	Support
SB 80 Wieckowski (D) CEQA: notices	2/17/17 Introduced	This bill would require a lead agency to post CEQA notices on the agency's Internet Web site. The bill would require the agency to offer to provide those notices by email. Because this bill would increase the level of service provided by a local agency, this bill would impose a state-mandated local program. This bill would require the county clerk to post the notices regarding an environmental impact report or a negative declaration on the county's Internet Web site. Because the bill would require a county clerk to post those notices on the county's Internet Web site, this bill would imposed a state-mandated local program.	
SB 145 Hill Autonomous Vehicles: testing on public roads	1/17/17 Introduced	Current law requires the Department of Motor Vehicles to notify the Legislature if it receives an application from a manufacturer seeking approval to operate an autonomous vehicle capable of operating without the presence of a driver inside the vehicle. Current law prohibits such an application from becoming effective any sooner than 180 days after that application is submitted. This bill would repeal the requirement that the DMV notify the Legislature of receipt of an application seeking approval to operate an autonomous vehicle capable of operating without the presence of a driver inside the vehicle.	Monitor
SB 414 Vidak Transportation bonds: highway, street, and road projects	2/17/17 Introduced	This bill would prevent the sale of Proposition 1A bonds (High-Speed Rail). It would also require unspent proceeds to be used to retire bond debt service or be made available for allocation by the California transportation Commission for repair and new construction projects on state highways and freeways, and to the Controller for apportionment to transportation projects or other infrastructure projects, as specified.	

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Preliminary Bill Matrix – March 2017

Measure	Status	Bill Summary	Suggested Position
SB 423 Cannella Indemnity	2/15/17 Introduced	<p>Existing law provides, for all contracts, and amendments to contracts, entered into on or after January 1, 2007, with a public agency for design professional services, all provisions, clauses, covenants, and agreements contained in, collateral to, or affecting these contracts, that purport to indemnify, including the cost to defend, the public agency by a design professional against liability for claims against the public agency, are unenforceable, except for claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the design professional.</p> <p>Existing law provides, with respect to contracts and amendments to contracts entered into on or after January 1, 2011, with a public agency for design professional services, that all provisions, clauses, covenants, and agreements contained in, collateral to, or affecting these contracts or amendments to contracts that purport to require the design professional to defend the public agency under an indemnity agreement, including the duty and the cost to defend, are unenforceable, except for claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the design professional. Existing law provides that all contracts and all solicitation documents between a public agency and a design professional are deemed to incorporate these provisions by reference.</p> <p>This bill would make a non-substantive change to these provisions. It is a reintroduction of SB 885, a bill from the 2015-16 Session, which TAM opposed.</p>	Oppose
SB 672 Fuller Traffic-actuated signals: motorcycles and bicycles	2/17/17 Introduced	<p>Existing law, until January 1, 2018, includes among traffic control devices, a traffic-actuated signal that displays one or more of its indications in response to the presence of traffic by mechanical, visual, electrical, or other means, and requires, upon the first placement of a traffic-actuated signal or replacement of the loop detector of a traffic-actuated signal, that the signal be installed and maintained, to the extent feasible and in conformance with professional engineering practices, so as to detect lawful bicycle or motorcycle traffic on the roadway.</p> <p>This bill would extend the operation of this requirement indefinitely.</p>	Monitor
SB 732 Stern Transportation Funding	2/17/17 Introduced	<p>This bill would require the Department of Finance (DOF), on or before March 1, 2018, to compute the amount of outstanding loans made from specified transportation funds. The bill would require DOF to prepare a loan repayment schedule and would require the outstanding loans to be repaid pursuant to that schedule, as prescribed. The bill would appropriate funds for that purpose from the Budget Stabilization Account. The bill would require the repaid funds to be transferred, pursuant to a specified formula, to cities and counties and to Caltrans for maintenance of the state highway system and for purposes of the state highway operation and protection program (SHOPP). Covered in AB 1/SB 1.</p>	Monitor

Attachment A

Preliminary Bill Matrix – March 2017

Measure	Status	Bill Summary	Suggested Position
SB 760 Wiener Transportation funding: active transportation: complete streets	2/17/17 Introduced	<p>This bill would establish a Division of Active Transportation within Caltrans and require that an undersecretary of the Transportation Agency be assigned to give attention to active transportation program (ATP) matters to guide progress toward meeting Caltrans' ATP goals and objectives. The bill would require the California Transportation Commission (CTC) to give high priority to increasing safety for pedestrians and bicyclists and to the implementation of bicycle and pedestrian facilities. The bill would require, on or before January 1, 2018, Caltrans to update the Highway Design Manual to incorporate the "complete streets" design concept, including, but not limited to, a specified guidance for selection of bicycle facilities.</p> <p>This bill would require the asset management plan to prescribe a process for community input and complete streets implementation to prioritize safety and accessibility for pedestrians, bicyclists, and transit users on all SHOPP projects, as specified.</p>	Monitor
SCA 2 Newman (D) Motor Vehicle Fee and Taxes: Restrictions on Expenditures	1/18/17 Introduced	<p>Subject to voter approval, this measure would prohibit the Legislature from borrowing revenues from fees and taxes imposed by the state on vehicles or their use or operation, and from using those revenues other than as specifically permitted by Article XIX. The measure would also prohibit those vehicle revenues and fuel tax revenues from being pledged or used for the payment of principal and interest on general obligation bonds issued by the state, except that vehicle weight fee revenues would be authorized to be pledged or used for the payment of principal and interest on general obligation transportation bonds approved prior to January 1, 2017.</p>	Support
SCA 6 Wiener (D) Local transportation measures: special taxes: voter approval	2/17/17 Introduced	<p>The California Constitution conditions the imposition of a special tax by a city, county, or special district upon the approval of 2/3 of the voters of the city, county, or special district voting on that tax, except that certain school entities may levy an ad valorem property tax for specified purposes with the approval of 55% of the voters within the jurisdiction of these entities.</p> <p>This measure would require that the imposition, extension, or increase of a special tax by a local government for the purpose of providing funding for transportation purposes, as specified, be submitted to the electorate and approved by 55% of the voters voting on the proposition. The measure would also make conforming and technical, non-substantive changes.</p>	Support

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Attachment B

2017 Legislative Platform (Adopted January 2017)

Issue	Goal	Impacts/Opportunities
<p>A. Transportation Funding</p>	<p>1. In March 2010, the legislature approved the “gas tax swap” package, which increased the excise tax and eliminated the sales tax on gasoline, in order to acquire General Fund relief to pay down bond debt service while maintaining traditional levels of funding for transportation programs. Traditional gas tax revenues however, which have not been adjusted since 1994, have failed to provide adequate, sustainable funding to address transportation needs. As a result, Proposition 1B served as the only supplemental source of funding to the gas tax. Now that the General Fund has been stabilized, and Proposition 1B funding has matured, statewide stakeholders are pursuing an increase in existing revenues or an alternative funding mechanism in 2017 to supplement transportation infrastructure, including revenues dedicated to highways, local streets and roads, public transit, bicycle and pedestrian programs. The Governor, through his proposed FY 2017-18 State Budget, and legislature has proposed funding packages (the Governor’s plan is \$4.2 billion, Assembly and Senate packages are \$6 billion). Options for TAM include:</p> <ul style="list-style-type: none"> • Pursuing funding for “Fix It First” projects, with an emphasis on local streets and roads, transit capital, bicycle and pedestrian programs, and funding for local maintenance and operations to alleviate traffic congestion. • Seeking additional State Transportation Improvement Program (STIP) funding, which provides local transportation planning agencies with flexible funding to leverage federal grants and local sales tax dollars to address safety, congestion management, transit expansion and bicycle and pedestrian projects. 	<ul style="list-style-type: none"> • State Highway Account • Public Transportation Account • Highway Users Tax Account • Transportation Development Act • Cap and Trade Program • Active Transportation Program

	<ul style="list-style-type: none"> • Supporting the continuation of the Cap and Trade Program, which is set to expire in 2020. Funding from this program provides much needed resources to address public transportation, affordable housing, and bicycle and pedestrian needs. This includes seeking additional revenue from the 40% of non-continuously appropriated funds, meaning that the legislature has discretion on an annual basis to increase the amount of funding provided to programs such as the Low Carbon Transit Operations Program (LCTOP) and Transit Capital and Intercity Rail Funding Program (TCIRP). • Supporting efforts to restore over \$1.1 billion of annual truck weight fees for supporting the SHOPP, STIP or local streets and roads programs rather than paying for general obligation bond debt service. • Repayment of \$706 million to transportation for loans made to the General Fund. • Stabilization of the price-based portion of the gas tax. The volatility of this source resulted in \$872 million reduction of revenues in 2015. A restoration to FY 2013-14 levels would be preferred. 	
	<p>2. Due to the elimination of funding sources to the Public Transportation Account (PTA) through the gas tax swap, the passage of Proposition 22 and sole reliance on the sales tax on diesel may reduce revenue deposited into the State Transit Assistance (STA). Support efforts to maximize the level of funding for the STA program, which provides transit operators with flexible funding that can be used for operations and capital expenditures. This includes supplementing and stabilizing the sales tax on diesel, the sole source of funding for the program, in order to provide predictable, increased revenue to meet demand and accurately account for rolling stock and operational needs.</p>	<ul style="list-style-type: none"> • Marin Transit • GGBHTD
	<p>3. The unreliability of the state funding has had a debilitating impact on funding priority transportation projects in the County of Marin. TAM supports legislation that allows for the approval for regional and local funding for transportation. This includes the following:</p> <ul style="list-style-type: none"> • Supporting efforts to increase funding for transportation projects, such as lowering the vote threshold for local transportation measures to 55% 	<ul style="list-style-type: none"> • Local Sales Taxes • Regional Gas Taxes • Local Vehicle Registration Fees

	<p>without a requirement to pay for maintenance costs on state highway system;</p> <ul style="list-style-type: none"> • Sponsor legislation, after further local input, to provide an exemption-from the 2% cap for local sales tax measures to ensure that TAM, as well as each city within the county has the capacity to collect and benefit from the imposition of a new sales tax, while maintaining headroom for other city or county specific priorities; • Support legislation sponsored by MTC seeking authority for Bay Area voters to consider at a future election on whether to raise tolls on state-owned bridges to fund congestion relief, rail connectivity and improved mobility in bridge corridors (Regional Measure 3). • Support the enactment of legislation authorized in 1998 allowing MTC to enact up to a 10-cent regional gas tax for transportation, with emphasis on Local Streets and Roads Rehabilitation under Complete Streets policy. 	
	<p>4. The Safe Routes to Schools (SRTS) program has been merged into the newly created Active Transportation Program (ATP). Support efforts to acquire funding from the ATP for items such as complete streets and other bicycle and pedestrian projects. Work with the California Transportation Commission and MTC to provide equitable geographic distribution of ATP funds.</p>	<ul style="list-style-type: none"> • State-Funded ATP Projects • Regional-Funded ATP Projects
C. FY 2017-18 State Budget	<p>1. Monitor, assess, and react to impacts anticipated from the FY 20167-18 State budget and anticipate shortfalls for transportation programs.</p>	<ul style="list-style-type: none"> • Funding for dedicated projects such as MSN, STIP transit projects, and annual allocations for streets and roads • Funding that matches Proposition 1B Programs, such as CMIA and SLPP • Funding for transit operating (PTA/STA) • Protection of SHA and STIP
D. Air Quality	<p>1. Monitor the results of the Roadway User Charge Committee’s Pilot Program as it assesses the feasibility of implementing a mileage-based user fee as a supplemental or successor fee to the gas tax.</p>	<ul style="list-style-type: none"> • Activities associated with SB 375 • Strategies to reduce VMT

	2. Support funding for local and regional agency support to carry out SB 375 requirements by attempting to acquire funding from the various existing pots made available through the Cap and Trade programs.	<ul style="list-style-type: none"> • Activities associated with SB 375
	3. Coordinate with MTC and local jurisdictions with Marin to support projects that may qualify for funding under LCTOP and TCIRP within Governor's Cap and Trade proposal to reduce GHG.	<ul style="list-style-type: none"> • Activities associated with SB 375
	4. Support the highest possible level of sub-allocation of Cap and Trade funds to the regional and local levels to fund multimodal projects including local streets and roads, bicycle-pedestrian, transportation demand management (TDM), rail, and transit projects.	
	5. Support flexibility with the Cap and Trade funds allocated for transportation purposes for projects to meet GHG reduction targets and to implement sustainable communities strategies. This includes adjusting program guidelines to provide for flexibility to address a mutual benefit between disadvantaged communities and the region as a whole.	<ul style="list-style-type: none"> • Flexibilities with the use of New Transportation Funds
E. Alternative Modes	1. Support maintaining and enhancing the current levels of state and federal funding for bicycle/pedestrian and electric vehicle/infrastructure programs.	<ul style="list-style-type: none"> • Safe Routes to School Programs • TDA Article 3 Funds • Active Transportation Program (ATP) Funds
	2. Several legislators have historically introduced legislation to relax requirements for using high-occupancy vehicle (HOV) lanes. TAM opposes additional expansion of high-occupancy vehicle (HOV) lanes to usage by other than high-occupancy vehicles and those vehicles currently allowed by law to use such lanes.	<ul style="list-style-type: none"> • Highway 101 HOV Lanes
F. Project Delivery	1. Seek opportunities to increase flexibility to deliver projects, such as supporting alternative contracting methods that include design-build and public private partnership.	<ul style="list-style-type: none"> • Future Major Capital projects
	2. Oppose efforts to require local agencies to reimburse Caltrans for its costs related to the preparation and/or review of project initiation documents (PIDs) for locally sponsored projects on state highway system.	<ul style="list-style-type: none"> • All Locally Sponsored Projects on the State Highway System
	3. Preserve the flexibility for local transportation agencies to be designated as the lead agency for CEQA actions, project development work and construction management for state highway projects. This includes	<ul style="list-style-type: none"> • Future Major Capital projects

	supporting the streamlining of the CEQA process for projects within the existing right of way and advance project environmental mitigation to get early permit approval.	
	4. Support the removal of the sunset date for the National Environmental Policy Act (NEPA) delegated authority, given that Caltrans' participation in the pilot program has enabled us to substantially streamline our environmental project review process under NEPA by removing a layer of review, while providing considerable savings - both in cost and time- in processing standard environmental documents.	•
	5. Support the continuation of Grant Anticipation Revenue Vehicle (GARVEE) bonds and AB 3090 arrangements by the CTC for STIP projects that are programmed in the out-years but are ready for implementation.	• All STIP-Funded Projects
	6. Support efforts to allow regional transportation agency to utilize procurement methods that will expedite project delivery and reduce cost.	• STIP Projects
G. Federal Priorities	1. Collaborate with transportation stakeholders to advocate for the reauthorization of a federal Surface Transportation Programs to replace MAP-21 (Moving Ahead for Progress in the 21 st Century). Support new revenue for the Highway Trust Fund and advocate for the highest possible level of funding at the county level.	<ul style="list-style-type: none"> • STP, CMAQ, and ATP Funds • Regional Programs such as Local Streets and Roads (LSR), Lifeline, and Freeway Performance Initiative (FPI)
	2. Support and enhance current flexibility in allowing dedication of funds locally to the most urgent needs and the meeting of statewide goals, such as those under AB32 and SB375.	• STP, CMAQ, and ATP Funds
	3. Support dedicated funding for bicycle/pedestrian projects at the federal level.	<ul style="list-style-type: none"> • Bicycle/Pedestrian projects • Safe Routes to School projects
	4. Support the permanent increase of pre-tax commuter benefits from the current amount of \$130 per month to an equivalent amount allowed for pre-tax parking (\$250) with cost of living adjustments (COLA).	• Local and Regional Commuter Benefits Programs

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Estimate of New Annual Transit Formula Funding in AB 1 and SB 1 for Bay Area

Apportionment Jurisdictions	AB 1/SB 1 Estimate from Increase in Sales Tax on Diesel Fuel	AB 1/SB 1 Estimate from Increase in Cap and Trade	Combined Annual Increased Funding
ACCMA - Corresponding to ACE	604,926	230,010	834,935
Caltrain	12,642,199	4,806,920	17,449,119
CCCTA (County Connection)	1,428,869	543,296	1,972,165
City of Dixon	11,086	4,215	15,301
ECCTA (Tri Delta Transit)	661,753	251,617	913,370
City of Fairfield	279,231	106,172	385,403
GGBHTD	11,190,879	4,255,087	15,445,966
City of Healdsburg	1,172	446	1,618
LAVTA	577,566	219,607	797,172
Marin Transit	2,084,320	792,517	2,876,838
NVTA	144,331	54,879	199,210
City of Petaluma	32,416	12,325	44,741
City of Rio Vista	2,549	969	3,519
SamTrans	7,774,857	2,956,219	10,731,076
City of Santa Rosa	317,344	120,663	438,007
Solano County Transit	651,916	247,877	899,793
Sonoma County Transit	343,600	130,646	474,246
City of Union City	97,709	37,152	134,861
VTA	29,913,230	11,373,852	41,287,082
VTA - Corresponding to ACE	647,578	246,227	893,805
WCCTA	748,827	284,725	1,033,552
WETA	3,075,992	1,169,579	4,245,571
SUBTOTAL	22,114,534	8,408,568	30,523,101
AC Transit	9,786,039	3,720,927	13,506,966
BART	22,483,137	8,548,721	31,031,858
SFMTA	40,963,174	15,575,351	56,538,525
SUBTOTAL	51,117,816	19,436,432	70,554,249
Bay Area Grand Total	73,232,350	27,845,000	101,077,350

Assumptions (3/3/17)

AB 1 & SB 1 both raise the sales tax on diesel fuel rate by 3.5%, estimated to generate \$263 M by the LAO. Half of this is distributed by population; the other half using the revenue-based STA formula.

131,500,000

Bay Area Share of revenue-based STA funded by diesel sales tax increase:

73,232,350

Estimate of Low Carbon Transit Operations Program (LCTOP) increase from Cap and Trade assumes \$2 billion in annual revenue. Could be much lower depending on auction results.

100,000,000

Bay Area Share of revenue-based portion reflects 55.6% of 50% of LCTOP.

27,845,000

Transit operator shares are based on State Controller's FY 2014-15 STA Revenue Shares (same ones that apply in

Estimate of New Bay Area STIP Funding from Restoration of 17.3 cents/gallon gas tax rate & Weight Fee Revenue

(Dollars in millions)

County	Annual Increase Starting FY 2018	Five-Year Increase from Weight Fee Restoration (FY 18-22)
Alameda	\$ 15.6	\$ 23.1
Contra Costa	\$ 9.9	\$ 14.7
Marin	\$ 3.1	\$ 4.6
Napa	\$ 1.8	\$ 2.7
San Francisco	\$ 8.2	\$ 12.1
San Mateo	\$ 8.3	\$ 12.4
Santa Clara	\$ 18.3	\$ 27.1
Solano	\$ 4.7	\$ 7.0
Sonoma	\$ 5.7	\$ 8.5
Region	\$ 75.7	\$ 112.20

Assumptions:

Under AB 1 and SB 1, Annual STIP Funding Increases \$594 M per Year Statewide

Both bills would result in \$1.3 billion in increased STIP revenue from FY 2018-2023 as a result of increased weight fees

Prepared by MTC Staff

Estimate of Bay Area Local Road Funding from SB 1 (Beall)

(Dollars in millions)

COUNTY TOTALS (includes city and county portions)	Estimate of Current FY 2018 State Funding from Gas Tax Subventions	Estimated Increase from SB 1 (FY 2018)
Alameda	52	\$ 79
Contra Costa	37	\$ 56
Marin	8	\$ 13
Napa	5	\$ 8
San Francisco	25	\$ 39
San Mateo	26	\$ 40
Santa Clara	64	\$ 97
Solano	15	\$ 23
Sonoma	17	\$ 26
Regional Total	\$ 250	\$ 382
STATE TOTAL	1,276	\$ 2,068

Note: Totals do not sum due to rounding

Prepared by MTC Staff

**Estimate of Bay Area City and County Funding from SB 1 (Beall)
Assumes \$2 billion statewide (250% Increase)**

County/City	Estimate of FY 2016-17 Funding	Proposed Funding Increase
ALAMEDA		
ALAMEDA	\$ 1,504,098	\$ 2,291,396
ALBANY	\$ 369,740	\$ 563,568
BERKELEY	\$ 2,325,880	\$ 3,545,176
DUBLIN	\$ 1,098,619	\$ 1,674,549
EMERYVILLE	\$ 213,183	\$ 324,939
FREMONT	\$ 4,423,329	\$ 6,742,173
HAYWARD	\$ 2,989,712	\$ 4,557,011
LIVERMORE	\$ 1,685,324	\$ 2,568,821
NEWARK	\$ 870,643	\$ 1,327,061
OAKLAND	\$ 8,005,367	\$ 12,202,025
PIEDMONT	\$ 223,751	\$ 341,047
PLEASANTON	\$ 1,468,516	\$ 2,238,357
SAN LEANDRO	\$ 1,733,025	\$ 2,641,530
UNION CITY	\$ 1,427,528	\$ 2,175,882
City Total	\$ 28,337,930	\$ 43,193,535
County Total	\$ 23,655,413	\$ 36,056,300
Grand Total	\$ 51,993,343	\$ 79,249,835

CONTRA COSTA		
ANTIOCH	\$ 2,121,877	\$ 3,234,230
BRENTWOOD	\$ 1,111,250	\$ 1,693,800
CLAYTON	\$ 227,156	\$ 346,239
CONCORD	\$ 2,467,739	\$ 3,761,403
DANVILLE	\$ 860,659	\$ 1,311,843
EL CERRITO	\$ 482,079	\$ 734,800
HERCULES	\$ 491,557	\$ 749,245
LAFAYETTE	\$ 498,933	\$ 760,489
MARTINEZ	\$ 737,912	\$ 1,124,748
MORAGA	\$ 328,889	\$ 501,302
OAKLEY	\$ 765,256	\$ 1,166,427
ORINDA	\$ 370,655	\$ 564,964
PINOLE	\$ 377,155	\$ 574,872
PITTSBURG	\$ 1,327,961	\$ 2,024,118
PLEASANT HILL	\$ 675,205	\$ 1,029,168
RICHMOND	\$ 2,103,350	\$ 3,205,990
SAN PABLO	\$ 588,950	\$ 897,695
SAN RAMON	\$ 1,540,739	\$ 2,348,441
WALNUT CREEK	\$ 1,313,169	\$ 2,001,572
City Total	\$ 18,390,491	\$ 28,031,346
County Total	\$ 18,122,496	\$ 27,622,860
Grand Total	\$ 36,512,987	\$ 55,654,206

MARIN		
BELVEDERE	\$ 46,832	\$ 71,383
CORTE MADERA	\$ 191,226	\$ 291,473
FAIRFAX	\$ 155,084	\$ 236,384
LARKSPUR	\$ 247,767	\$ 377,655
MILL VALLEY	\$ 288,481	\$ 439,712
NOVATO	\$ 1,054,459	\$ 1,607,239
ROSS	\$ 54,073	\$ 82,420
SAN ANSELMO	\$ 254,053	\$ 387,236
SAN RAFAEL	\$ 1,164,206	\$ 1,774,518
SAUSALITO	\$ 148,584	\$ 226,476
TIBURON	\$ 185,563	\$ 282,840
City Total	\$ 3,790,330	\$ 5,777,336
County Total	\$ 4,689,540	\$ 7,147,940
Grand Total	\$ 8,479,870	\$ 12,925,276

NAPA		
AMERICAN CANYON	\$ 401,526	\$ 612,018
CALISTOGA	\$ 108,901	\$ 165,991
NAPA	\$ 1,548,719	\$ 2,360,604
ST HELENA	\$ 124,549	\$ 189,841
YOUNTVILLE	\$ 64,270	\$ 97,963
City Total	\$ 2,247,965	\$ 3,426,416
County Total	\$ 3,068,597	\$ 4,677,249
Grand Total	\$ 5,316,562	\$ 8,103,665

SAN FRANCISCO

City Total	\$ 16,480,936	\$ 25,120,745
County Total	\$ 8,989,540	\$ 13,702,131
Grand Total	\$ 25,470,477	\$ 38,822,876

SAN MATEO		
ATHERTON	\$ 141,480	\$ 215,648
BELMONT	\$ 530,914	\$ 809,235
BRISBANE	\$ 93,931	\$ 143,172
BURLINGAME	\$ 592,063	\$ 902,441
COLMA	\$ 40,429	\$ 61,624
DALY CITY	\$ 2,073,456	\$ 3,160,424
EAST PALO ALTO	\$ 577,408	\$ 880,103
FOSTER CITY	\$ 640,719	\$ 976,603
HALF MOON BAY	\$ 241,049	\$ 367,414
HILLSBOROUGH	\$ 229,725	\$ 350,154
MENLO PARK	\$ 657,903	\$ 1,002,796
MILLBRAE	\$ 455,027	\$ 693,566
PACIFICA	\$ 760,625	\$ 1,159,367
PORTOLA VALLEY	\$ 93,659	\$ 142,758
REDWOOD CITY	\$ 1,604,516	\$ 2,445,653
SAN BRUNO	\$ 874,633	\$ 1,333,142
SAN CARLOS	\$ 583,480	\$ 889,359
SAN MATEO	\$ 1,988,192	\$ 3,030,463
SOUTH SAN FRANCISCO	\$ 1,300,032	\$ 1,981,549
WOODSIDE	\$ 114,311	\$ 174,237
City Total	\$ 13,593,553	\$ 20,719,707
County Total	\$ 12,852,053	\$ 19,589,491
Grand Total	\$ 26,445,606	\$ 40,309,198

SANTA CLARA		
CAMPBELL	\$ 824,966	\$ 1,257,438
CUPERTINO	\$ 1,174,755	\$ 1,790,597
GILROY	\$ 1,043,268	\$ 1,590,181
LOS ALTOS	\$ 594,904	\$ 906,771
LOS ALTOS HILLS	\$ 168,845	\$ 257,358
LOS GATOS	\$ 604,032	\$ 920,684
MILPITAS	\$ 1,424,842	\$ 2,171,788
MONTE SERENO	\$ 72,717	\$ 110,838
MORGAN HILL	\$ 823,448	\$ 1,255,125
MOUNTAIN VIEW	\$ 1,528,147	\$ 2,329,248
PALO ALTO	\$ 1,314,415	\$ 2,003,471
SAN JOSE	\$ 19,806,562	\$ 30,189,764
SANTA CLARA	\$ 2,368,559	\$ 3,610,230
SARATOGA	\$ 609,754	\$ 929,406
SUNNYVALE	\$ 2,895,107	\$ 4,412,810
City Total	\$ 35,254,321	\$ 53,735,709
County Total	\$ 28,353,947	\$ 43,217,949
Grand Total	\$ 63,608,268	\$ 96,953,657

SOLANO		
BENICIA	\$ 549,227	\$ 837,148
DIXON	\$ 381,281	\$ 581,161
FAIRFIELD	\$ 2,191,805	\$ 3,340,815
RIO VISTA	\$ 165,964	\$ 252,968
SUISUN CITY	\$ 572,562	\$ 872,716
VACAVILLE	\$ 1,854,877	\$ 2,827,259
VALLEJO	\$ 2,343,453	\$ 3,571,963
City Total	\$ 8,059,169	\$ 12,284,031
County Total	\$ 7,226,249	\$ 11,014,468
Grand Total	\$ 15,285,418	\$ 23,298,499

SONOMA		
CLOVERDALE	\$ 175,987	\$ 268,244
COTATI	\$ 149,479	\$ 227,841
HEALDSBURG	\$ 234,922	\$ 358,075
PETALUMA	\$ 1,170,550	\$ 1,784,189
ROHNERT PARK	\$ 809,786	\$ 1,234,300
SANTA ROSA	\$ 3,382,496	\$ 5,155,704
SEBASTOPOL	\$ 152,613	\$ 232,617
SONOMA	\$ 220,248	\$ 335,709
WINDSOR	\$ 542,338	\$ 826,647
City Total	\$ 6,838,418	\$ 10,423,325
County Total	\$ 10,522,307	\$ 16,038,421
Grand Total	\$ 17,360,725	\$ 26,461,746

REGION		
City Total	\$ 132,993,112	\$ 202,712,150
County Total	\$ 117,480,143	\$ 179,066,809
Grand Total	\$ 250,473,255	\$ 381,778,959



DATE: March 13, 2017

TO: Transportation Authority of Marin Finance and Policy Executive Committee

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

SUBJECT: Review and Approval of FY2017-18 Measure A ½ Cent Sales Tax and Measure B \$10 Vehicle Registration Fee Revenue Estimates and Budget Development Schedule (Action) - Agenda Item No. 8

RECOMMENDATION:

The Finance and Policy Executive Committee reviews the FY2017-18 revenue estimates for the Measure A ½ Cent Sales Tax and Measure B \$10 Vehicle Registration Fee and the Budget Development Schedule, adopts the revenue estimates recommended by staff, and refers the item to the full TAM Board for approval.

BACKGROUND:

Pursuant to Article VI, Section 106.1 of the TAM Administrative Code, no later than its June meeting of each year, the TAM Board shall adopt the annual budget for the following fiscal year. For the annual budget development of TAM and its member agencies, staff develops and the TAM Board adopts the Measure A ½ Cent Sales tax and the Measure B \$10 Vehicle Registration Fee revenue levels in March of every year. The approval of the expected fund levels in March allows fund recipients time to build these local revenue dollars into their budget processes for FY2017-18. These revenue estimates will also be used to update the revenue and expenditure elements in the Measure A ½ Cent Sales Tax and Measure B \$10 Vehicle Registration Fee Strategic Plans, which will guide the FY2017-18 programming and allocation process, and the establishment of contract levels for all projects and programs under both measures.

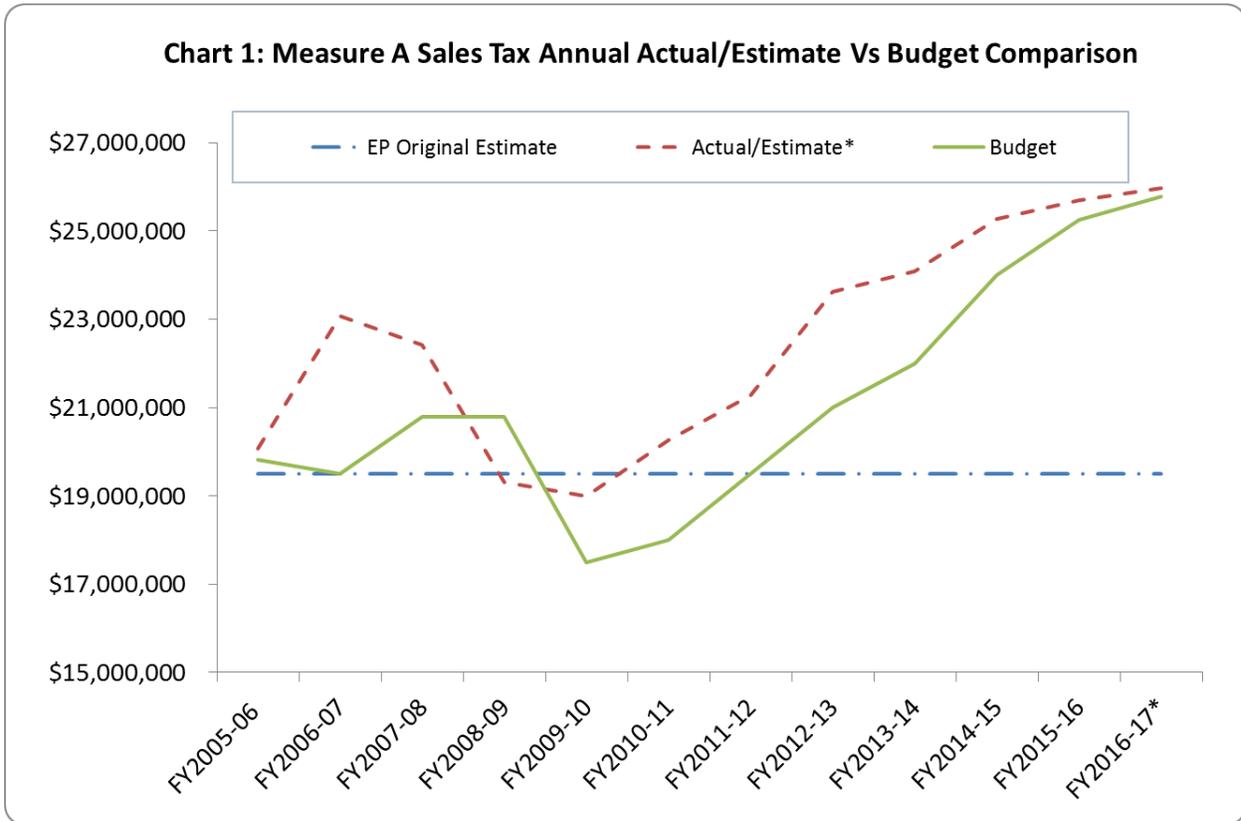
After the review and approval of the Measure A ½ Cent Sales Tax and Measure B \$10 Vehicle Registration Fee revenue estimates by the FP Executive Committee and TAM Board, staff will develop the draft FY2017-18 Annual Budget, present it for review at the April FP Executive Committee meeting, and release for the 30-day public review and comments period at the April Board meeting, and request the TAM Board to adopt the final draft at the May Board Meeting.

DISCUSSION/ANALYSIS:

Recommended FY2017-18 Measure A Revenue Estimate:

Taxable sales collection is one of the main indicators of the strength of the economy and consumer confidence. TAM's Measure A revenue collected peaked in FY2007-08 at \$22.33 million, suffered significant loss since then, reached its bottom in FY2009-10 at \$18.82 million, and reached a new peak again in FY2015-16 at \$25.70 million. Detailed technical analyses of the quarterly disbursements by HdL Companies, the consulting team that TAM engaged for sales tax trend analyses and annual revenue estimates, suggested that TAM will collect about

\$25.90 million in FY2016-17, which is very close to the \$25.77 million budgeted for the year. The chart below illustrates budgeted Measure A revenues versus actual annual collection between FY2005-06 and FY2016-17.



Attachment 1 is the Five-Year Measure A ½ Sales Tax Projection provided by HdL based on its comprehensive technical analyses of the County’s taxable sales data. HdL’s projections show that sales tax revenue growth rate for Marin from FY2015-16 to FY2016-17 is only 1%, compared to the 5.2% statewide growth rate released by BOE in June 2016, and growth rate from FY2016-17 to FY2017-18 is 2.6%, compared to the 4.4% statewide growth rate released by the Board of Equalization (BOE) on January 17, 2017. Details of the BOE taxable sales growth projection is provided in the report as Attachment 2. HdL also cautioned all its clients that its projections have not reflected any potential significant negative adjustments for a future economic downturn which is anticipated by many economic forecasters. Staff developed the three scenarios for the FY2017-18 Measure A ½ Cent Sales Tax based on these various information sources.

Scenario #	Assumption	In Millions
Scenario 1: Conservative	Holding at the FY2016-17 estimated revenue level	\$ 25.96
Scenario 2: Moderate	Use HdL’s FY2017-18 Estimate (2.6% growth rate)	\$ 26.64
Scenario 3: Aggressive	Use BOE’s Statewide Growth rate (4.4% growth rate)	\$ 27.10

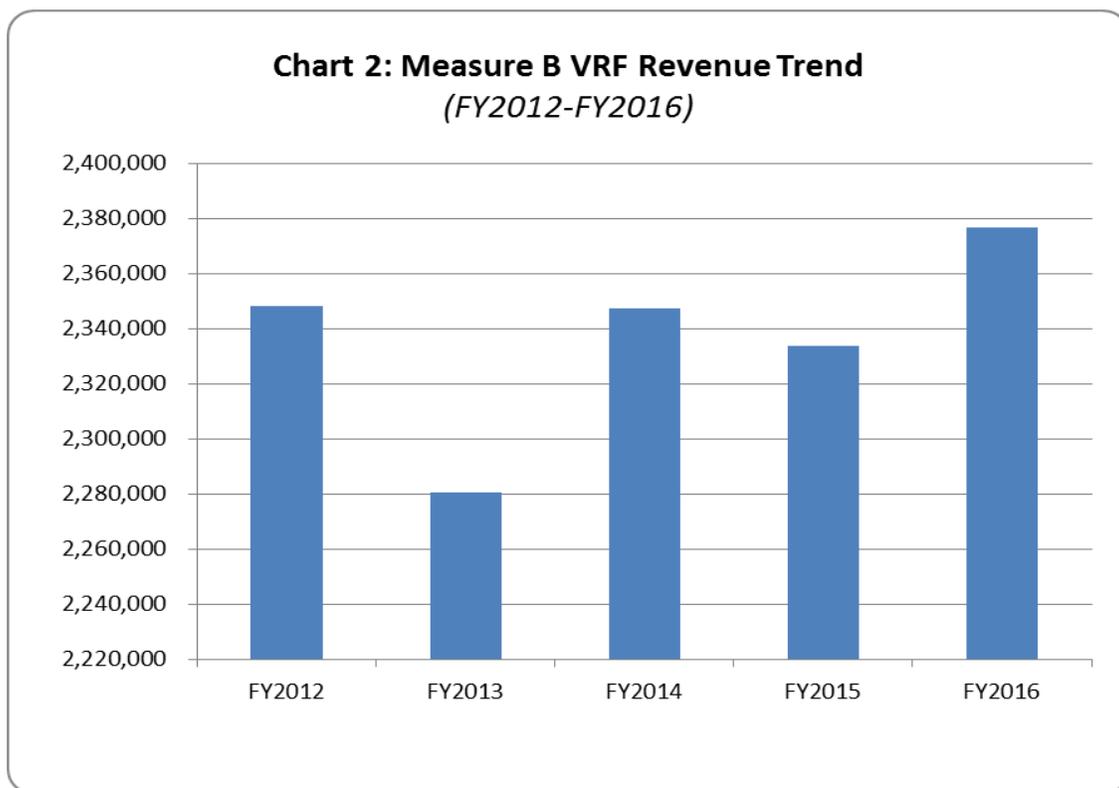
To continue TAM’s prudent and conservative approach, staff recommends that the TAM Board use the **conservative scenario** and adopt the FY2017-18 Measure A Sales Tax revenue level at \$25.96 million. If the revenue level comes in above the adopted budget level, staff recommends that the TAM Board directs the excess funding to replenish the \$1.88 million reserve fund that was released in December 2016. The release of the reserve fund allowed Marin Transit to meet its urgent fund needs and award the contract for the Redwood and

Grant Bus Facility in Novato. The TAM Board also directed some of the reserve funds to the TAM Junction Project.

Any excess revenue after the fully replenish of the reserve fund will then be made available to project/program sponsors in the following year as prior year carryover funds. Staff will also actively monitor the sales tax revenue trend and any potential economic downturn timely with support from HdL and update the Board if any negative adjustments are necessary.

Recommended FY2017-18 Measure B Revenue Estimate:

Measure B, the \$10 Vehicle Registration Fee revenue dedicated to transportation projects and programs, was passed by Marin voters in November 2010. Collection of this much needed new local revenue source started on May 2, 2011. Chart 2 illustrates the revenue collection of Measure B VRF from FY2012 to FY2016. As for the current fiscal year, total Measure B cash disbursement for the eight-month period, as of February 2017, is \$1.63 million, slightly higher than the \$1.56 million for the same period of last year. Budgeted Measure B revenue for the current year is \$2.35 million. Staff believes that actual revenue will be close to the \$2.35 million budgeted based on the increasing trend of registered vehicles in the County.



The table below illustrates the history of the number of registered fee-paid vehicles in Marin County. As you can see from Table 1, the number of registered vehicles in Marin County has been decreasing from 2008 to 2012 but had a 2.29% increase from 2012 to 2013, 0.89% increase from 2013 to 2014, and then 1.14% increase from 2014 to 2015. However, as observed from prior years, revenue collected was always less than what's suggested by the number of registered vehicles in the County, probably due to delinquent payments. In this case, staff would like to recommend keeping the FY2017-18 Measure B revenue at \$2.35 million.

Table 1: DMV Estimated Marin County Fee Paid Vehicle Registration
Year 2000 -2015

Year	Registered Vehicle	Annual # Change	Annual % Change
2000	232,450	N/A	N/A
2001	235,679	3,229	1.39%
2002	239,689	4,010	1.70%
2003	232,712	-6,977	-2.91%
2004	243,499	10,787	4.64%
2005	238,045	-5,454	-2.24%
2006	242,478	4,433	1.86%
2007	242,953	475	0.20%
2008	241,308	-1,645	-0.68%
2009	240,466	-842	-0.35%
2010	240,345	-121	-0.05%
2011	235,891	-4,454	-1.85%
2012	235,535	-356	-0.15%
2013	240,921	5,386	2.29%
2014	243,069	2,148	0.89%
2015	245,849	2,780	1.14%

Data Source: DMV Forecasting Unit

Recommended FY2017-18 Budget Development Schedule:

The table below illustrates the proposed schedule for the FY2017-18 budget development process.

Table 2: TAM FY2017-18 Budget Development Schedule

Activity	Time Frame
TAM Executive Committee and Board Review and Approve the Measure A and Measure B Revenue Estimates for FY2016-17 Annual Budget Development	March, 2017
Revise/Refine Draft Budget and Present to TAM Executive Committee and Board and release for 30 day comment period	April/May, 2017
<i>Present to Marin Manager's Association</i>	
<i>Release for public comments and set public hearing in May</i>	
Conduct Public Hearing and Present Proposed Budget to TAM Board	May 25, 2017
<i>Public hearing is held at the beginning of the meeting</i>	
<i>Board considers adoption of budget as a regular agenda item, pending the close of 30-day public comment period</i>	
Finalize Budget and Input into TAM's new Financial System	June 15, 2017
<i>Incorporate additional changes/comments from Board adoption</i>	
<i>Input the final budget into the Financial System</i>	

FISCAL CONSIDERATION:

The estimated revenues will be used to determine the FY2017-18 programming/allocation and contract levels for various projects and programs under both the Measure A ½ Cent Sales Tax and Measure B \$10 Vehicle Registration Fee revenue measures.

NEXT STEPS:

After the review and approval of the Measure A ½ Cent Sales Tax and Measure B \$10 Vehicle Registration Fee revenue estimates by the Finance and Policy Executive Committee and TAM Board, staff will develop the draft FY2017-18 Annual Budget, present it for review at the April Finance and Policy Executive Committee meeting, and release it for public review and comments at the April Board Meeting.

ATTACHMENTS:

Attachment 1: Marin County Five-Year Sales Tax Projection – HdL Companies

Attachment 2: Board of Equalization Estimated Statewide Taxable Sales Growth

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MARIN COUNTY MEASURE A

EXTENDED TRANSACTIONS AND USE TAX BUDGET ESTIMATE

Industry Group	FY 2015-16	FY 2016-17		FY 2017-18		FY 2018-19		FY 2019-20		FY 2020-21		FY 2021-22	
	Actuals	Projection	%										
Autos & Transportation	4,480,769	4,500,233	0.4%	4,573,233	1.6%	4,664,733	2.0%	4,758,033	2.0%	4,853,233	2.0%	4,853,233	0.0%
Building & Construction	2,732,545	2,742,665	0.4%	2,824,865	3.0%	2,937,865	4.0%	3,055,365	4.0%	3,177,565	4.0%	3,272,865	3.0%
Business & Industry	4,445,592	4,438,938	-0.1%	4,543,338	2.4%	4,634,238	2.0%	4,726,938	2.0%	4,821,438	2.0%	4,917,838	2.0%
Food & Drugs	1,987,226	2,006,808	1.0%	2,056,908	2.5%	2,108,308	2.5%	2,161,008	2.5%	2,215,008	2.5%	2,270,408	2.5%
Fuel & Service Stations	1,800,040	1,662,794	-7.6%	1,824,194	9.7%	1,878,894	3.0%	1,935,294	3.0%	1,993,394	3.0%	2,053,194	3.0%
General Consumer Goods	7,235,974	7,278,609	0.6%	7,332,009	0.7%	7,478,609	2.0%	7,628,209	2.0%	7,780,809	2.0%	7,858,609	1.0%
Restaurants & Hotels	3,277,945	3,439,855	4.9%	3,594,655	4.5%	3,738,455	4.0%	3,887,955	4.0%	4,043,455	4.0%	4,205,155	4.0%
Transfers & Unidentified	39,957	53,588	34.1%	53,588	0.0%	53,588	0.0%	53,588	0.0%	53,588	0.0%	53,588	0.0%
Total	26,000,047	26,123,489	0.5%	26,802,789	2.6%	27,494,689	2.6%	28,206,389	2.6%	28,938,489	2.6%	29,484,889	1.9%
Administration Cost	(303,210)	(312,281)		(321,633)		(329,936)		(338,477)		(347,262)		(353,819)	
Total	25,696,837	25,811,208	0.4%	26,481,155	2.6%	27,164,753	2.6%	27,867,912	2.6%	28,591,227	2.6%	29,131,070	1.9%
60-Day Accrual Adjustment	6,100	151,700		154,600		159,000		163,600		122,100		124,300	
With 60-Day Accrual	25,702,937	25,962,908	1.0%	26,635,755	2.6%	27,323,753	2.6%	28,031,512	2.6%	28,713,327	2.4%	29,255,370	1.9%

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January 17, 2017

TO: CITY AND COUNTY FINANCE OFFICIALS

Continuing the practice of past years, we are making available to you recently estimated statewide growth rates to assist in your coming budget preparations.

The table below shows preliminary or estimated statewide changes in taxable sales for the first quarter of calendar year 2016 through the second quarter of calendar year 2018:

<u>Sales Period</u>	<u>Year to Year Change In Taxable Sales (Percent Change from Same Period of Prior Year)</u>	<u>Allocations Received by Local Jurisdictions</u>
Jan. - Mar. 2016	4.0 (prelim.)	Mar. - June 2016
Apr. - June 2016	2.4 (prelim.)	June - Sept. 2016
July - Sept. 2016	0.4 (prelim.)	Sept. - Dec 2016
Oct. - Dec. 2016	5.7 (est.)	Dec. 2016 - Mar. 2017
Jan. - Mar. 2017	2.8 (est.)	Mar. - June 2017
Apr. - June 2017	3.0 (est.)	June - Sept. 2017
July - Sept. 2017	4.5 (est.)	Sept. - Dec. 2017
Oct. - Dec. 2017	4.4 (est.)	Dec. 2017 - Mar. 2018
Jan. - Mar. 2018	4.2 (est.)	Mar. - June 2018
Apr. - June 2018	4.6 (est.)	June - Sept. 2018

The Department of Finance made these growth estimates in January 2017 in conjunction with its preparation of the *2017-18 Governor's Budget*.

If you would like to be added to the distribution list to receive this letter electronically, please provide your email address to us at: research@boe.ca.gov

Sincerely,

/s/ Mark Durham

Mark Durham, Chief
 Research and Statistics

MD:jf:jm