



DATE: June 22, 2017

TO: Transportation Authority of Marin Board of Commissioners

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

SUBJECT: Update Revenue Projections for the Transportation Sales Tax (Measure A) Strategic Plan (Action), Agenda Item No. 6d

RECOMMENDATION

Update revenue projections for the Transportation Sales Tax (Measure A, hereafter) Strategic Plan.

BACKGROUND

The Measure A Expenditure Plan called for a Strategic Plan to provide a 20-year outlook on how local transportation sales will be allocated in the context of anticipated demands, timing, and other available revenues. It serves as the overall roadmap for programming Measure A funds to the four strategies, as identified in the Measure A Expenditure Plan. The Measure A Strategic Plan was originally adopted in June 2006 with the requirement that it would be substantially updated every two years on even-numbered years. The last substantial Measure A Strategic Plan Update was approved in June 2016.

Even when the full Measure A Strategic Plan wasn't updated, the Revenues and Expenditures Element of the Measure A Strategic Plan has been updated annually to ensure that funds are readily available for the years needed and to prepare for debt issuance to accommodate project delivery, particularly for projects in the Major Road category. The Strategic Plan Update provides a mechanism to assess and report on the need for bonding forward the sales tax stream.

REVENUE ADJUSTMENT

With the recent update of the Strategic Plan in June 2016, there are no major updates due until 2018 since there are no looming needs for debt financing because of slower than anticipated project delivery on major roads and Strategy 2 of the Measure A Strategic Plan has been closed out with the remittance on the final loan payment in 2016 to MTC on the Gap Closure Project. Based on these factors, staff has ascertained that there are no critical needs to conduct another full Strategic Plan Update (SPU) that would have required a public comment period for adoption.

While staff is not proposing to conduct a formal Strategic Plan Update for 2017, staff is recommending adjusting the Measure A revenues so that the amounts made available for FY 17/18 to Transit and Local Road categories are more accurately reflected of the revenues collected.

In June of each year, TAM allocates Measure A funds to transit and local road projects for the upcoming fiscal year that commences on July 1st based on projected revenue collection. The Strategic Plan Update in

2016 anticipated Measure A revenues in FY 17/18 to be \$26.81 million. However, the Measure A revenues in TAM’s FY 17/18 Budget show a slightly lesser amount at \$25.96 million.

The 2016 SPU included a standard growth rate projection for FY 17/18 that didn’t reflect actual revenue collection. The 2017 SPU adopted a more conservative projection, which was incorporated in TAM’s FY 17/18 Budget and adopted by the TAM Board in May 2017. The budgeted numbers are the more reliable and up-to-date figures that account for actual collections and most recent growth rate projections.

It would be beneficial to Measure A recipients if the revenues for the Strategic Plan are adjusted to be consistent with the projected budget amounts. This revenue adjustment would allow TAM to allocate Measure A funds to transit and local road projects more accurately reflected of the latest revenue projection. While the change is not particularly significant, it still amounts to an approximate 3.2% decrease in maximum allocation amounts to transit and local road projects for FY 17/18.

Below are tables that show the increase funds that will be allocated to transit and local road projects with this revenue adjustment.

FY 17/18 Programmed Amounts for Transit			
	2016 SPU	2017 Adjustment	Difference
Local Bus Transit Service	\$9,180,948	\$8,857,527	-\$323,421
Rural Bus Transit System	\$744,401	\$718,178	-\$26,223
Transit Services for Those with Special Needs	\$2,233,204	\$2,154,534	-\$78,670
Capital Investment	\$1,488,802	\$1,431,048	-\$57,754
Total	\$13,647,355	\$13,161,287	-\$486,068

The 2017 Adjustment column does not reflect the actual amounts available to Marin Transit in FY 17/18 because the column does not include carryovers from prior years. Additional funds of nearly \$8.5 million will be available from carryovers to Marin Transit for request in FY 17/18.

FY 17/18 Programmed Amounts for Local Road Projects			
Agency	2016 SPU	2017 Adjustment	Difference
Belvedere	\$31,778	\$31,232	-\$546
Corte Madera	\$115,775	\$112,179	-\$3,595
Fairfax	\$91,098	\$87,640	-\$3,458
Larkspur **	\$127,062	\$125,246	-\$1,816
Mill Valley	\$183,106	\$181,654	-\$1,451
Novato	\$586,647	\$580,019	-\$6,628
Ross	\$33,085	\$32,507	-\$579
San Anselmo	\$143,656	\$141,499	-\$2,157
San Rafael	\$632,916	\$625,592	-\$7,324
Sausalito	\$86,749	\$84,453	-\$2,296
Tiburon	\$110,933	\$110,267	-\$666
County	\$1,097,519	\$1,074,628	-\$22,890
Total	\$3,240,324	\$3,186,917	-\$53,407

FISCAL IMPACTS

Changes in revenue projections were anticipated in the development of TAM's FY 17/18 Budget. The adjusted revenues were incorporated and no further action is needed.

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