Transportation Authority of Marin

January 25, 2018

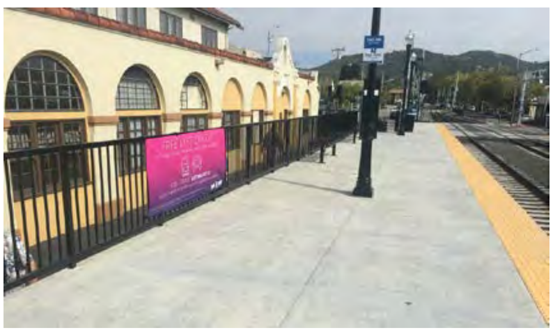
TO: Transportation Authority of Marin Board of Commissioners

FROM: Dianne Steinhauser, Executive Director

RE: Executive Director's Report – Agenda Item 6 (Discussion)

Local

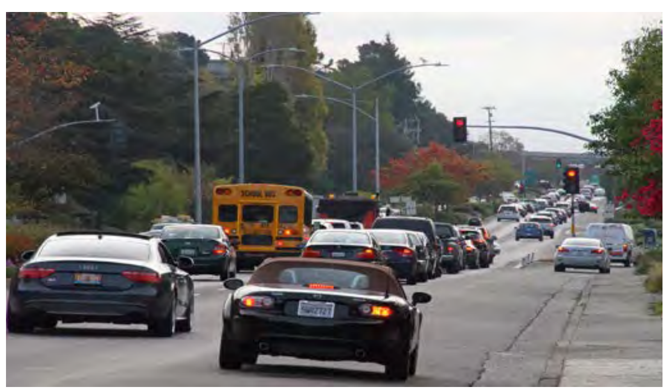
Lyft "GETSMART17" Pilot Program Update



TAMs "GETSMART17" pilot program to and from SMART stations in Marin County is underway, offering $5 off Lyft's shared ride service, Lyft Line. The program is still increasing in use and initial data is being assessed. For the month of December, 264 rides were taken, bringing the total number of rides up to 761 rides since the program began in September. Staff will continue to review the data provided through the Lyft software and a program update will be available at a later date. ADA services through Whistlestop are also provided by this program.

Open House for Sir Francis Drake Blvd Rehabilitation between Hwy 101 and Ross Town Limits

The County of Marin will be hosting an open house on Tuesday January 30th beginning at 6:30pm located at the Bacich School Multipurpose Room. Over the last 30 months community input from several forums has informed discussions and guided design concepts to improve conditions for motorists, pedestrians, cyclists, and transit users in the corridor. Through the community process, over $19 million in project ideas have been identified while project funding at this time is $13.5 million. The intent of the current open house is to solicit public input and help prioritize the project components.



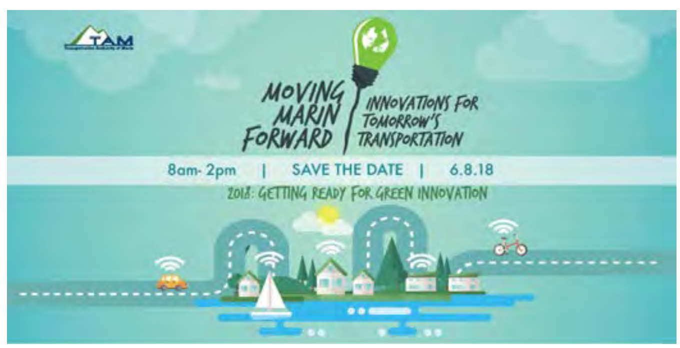
Executive Director Steinhauser Speaks with Marin Coalition

As part of the Marin Coalition luncheon series, TAM Executive Director presented a wide range transportation issues in Marin and highlighted the projects and programs underway to help alleviate congestion. The presentation also focused on Measure A, Marin's transportation sales tax and Measure B, Marin's Vehicle Registration Fee, and the importance of local funding to leverage state, regional and federal funding to build large-scale transportation improvements, and to ensure local features and priorities are included in projects. The audience at the Marin Coalition luncheon consisted of approximately 50 people including a variety of interests in Marin, elected officials and agency staff. The presentation was approximately 45 minutes followed by questions and answers. TAM staff are always available to meet with groups throughout Marin to discuss TAM's mission, transportation projects and programs and transportation funding.

SAVE THE DATE: Moving Marin Forward – Innovation Workshop – June 8, 2018

TAM will host an Innovation Workshop on June 8, 2018, Moving Marin Forward – Getting Ready for Green Innovation. The workshop is planned to be a half day workshop taking a closer look at how Marin County can lead on issue related to:

- Emerging Technology
- Environmental Stewardship
- Clean, Efficient and Shared Transportation Systems



More information to follow.

MTC IDEA Grant Update

In September TAM staff coordinated with the County of Marin, San Rafael, Larkspur, San Anselmo, Marin Transit, and Golden Gate Transit to develop Marin County applications for MTC's Innovative Deployments to Enhance Arterials (IDEA) grant. Two applications were submitted, one which TAM sponsored for adaptive signal technology along the Sir Francis Drake Corridor, as well as an application led by the City of San Rafael for an Automated Traffic Signal Performance Measures Project in the Central San Rafael area.

Although the IDEA project application for the Sir Francis Drake Corridor was not recommended funding through this highly competitive program, San Rafael's application did receive a recommended award for their Automated Traffic Signal Performance Measures Project. The grant award of $830,000 with a $230,000 local match ($1,060,000 project total) is for equipment and software improvements to 54 signalized intersections along with a system which will gather data helpful to manually enhance signal timing remotely based on the observed traffic patterns. The project is anticipated to take approximately 5 years to fully implement after release of the funds next fiscal year.

Regional

Regional Measure 3

On Wednesday, January 24, the Bay Area Toll Authority will consider adoption of BATA Resolution No. 123 - establishing June 5, 2018 as the election date for a ballot measure to increase Bay Area Bridge tolls to fund transportation projects. The toll increase being considered would increase incrementally in the amount of $1 in 2019, an additional $1 in 2022 and an additional $1 in 2025. The toll increase would require a 50% approval by voters. Projects funded by the toll revenue must show a nexus – a benefit – to the toll bridge users who pay the fee. There are several important projects in Marin County that would receive funding from the Measure including:

- The Downtown San Rafael Bettini Transit Center Permanent Relocation - $30 million
- NB Highway 101 to EB I-580 Direct Connector Project – $135 million ($210m for overall Richmond San Rafael Bridge Improvements)
- Marin-Sonoma Narrows HOV Lane & Multi-Use Path - $120 million
- State Route 37 Improvements – $100 million for Environmental Document (4 counties of Marin, Sonoma, Napa, and Solano)
- San Francisco Bay Trail Improvements / Safe Routes to Transit - $150 million
- SMART Extension - $40 million
- North Bay Transit Access Improvements – $100 million

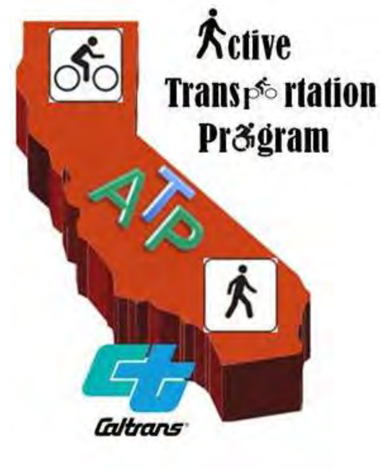
All nine counties must take action to place the measure on the June ballot. The County of Marin Board of Supervisors is expected to consider the item on February 13.

Resilient By Design Update

RESILIENT BAY AREA CHALLENGE BY DESIGN

Resilient by Design | Bay Area Challenge is an innovative design challenge to address the threat to our way of life and economy by sea-level rise brought on by climate change. The project started with an open-call to our global and local communities to dream, design, and create resilient solutions that address the impacts of climate change in our region. 10 teams made up of engineers, architects, designers, local residents and community leaders have identified 10 communities, including San Rafael's Canal Neighborhood and San Pablo Bay/Highway 37 to develop creative new approaches to address this threat. TAM staff are coordinating with this design Challenge and will bring back more information as the process unfolds.

State



Active Transportation Program

The California Transportation Commission (CTC) recently released the draft guidelines for the 2019 ATP Cycle 4. The final guidelines will be adopted by the CTC in May 2018. The Call for Projects is scheduled to be issued in May 2018 with deadline in July 2018. CTC staff recommendations on awarded projects will be announced in December 2018 and the CTC will adopt final recommendations in January 2019.

Funding from the Active Transportation Program may be used to fund the development of community-wide active transportation plans and projects within or, for area-wide plans, encompassing disadvantaged communities, including bike, pedestrian, safe routes to schools, or comprehensive active transportation plans.

The Cycle 4 Call for Projects is expected to include about $440M in ATP funding made up of Federal funding and State SB1 ($100 m) and State Highway Account (SHA) funding. The funds will be distributed as follows:

- 40% to MPOs based on population greater than 200,000,
- 10% to small urban and rural areas with population of 200,00 or less, and
- 50% to projects competitively awarded by the CTC on a statewide basis.

Matching funds are encouraged but not required for selection. There will be five different applications, including:

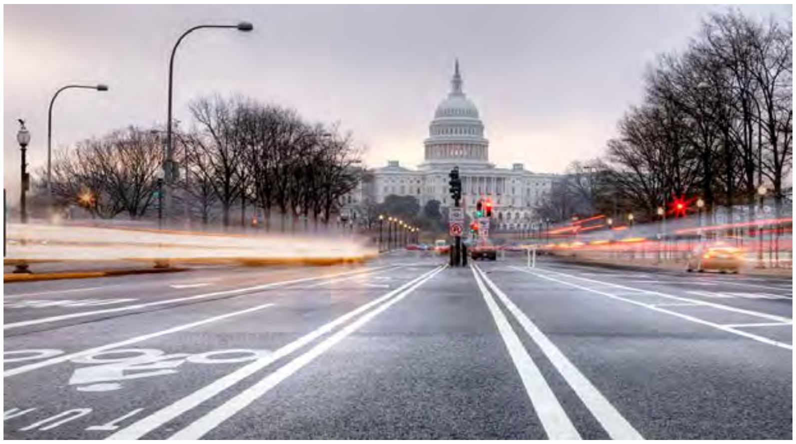
- Large Project – Projects with a total project cost of greater than $7 million
- Medium Project – Projects with a total project cost between $1.5 million to $7 million
- Small Project – Project with a total project cost less than $1.5 million
- Non-infrastructure only
- Plan

Like prior cycles of ATP, Cycle 4 allows unsuccessful applications for state ATP funds to be considered for regional ATP funds. Regional ATP funds in the Bay Area will be administered by MTC.

Awarded funds can be programmed in FY 2019-20, 2020-21, 2021-22 and/or 2022-23.

Federal

Federal Earmarks



Consideration for reviving earmark funding got a significant boost last week from President Trump, who suggested during a televised White House meeting with lawmakers that earmarks could help restore comity to Washington.

Following suit, the chairman of the House Rules Committee spoke on resurrecting earmarks for funding infrastructure projects. "We've kicked around what we think we might do," Rep. Pete Sessions (R-Texas) said. "And in fact, we think we might start with a process of one, two or three areas, and make that work, and gain confidence as opposed to the whole ball of wax. That may be part of the recommendation."

Sessions contended that Congress can be more transparent than agencies in making decisions about infrastructure projects. Lawmakers should provide funding for projects "in a legislative process, where things are done in committee, in subcommittee, in hearings, and are competitive - whether it be water, whether it be rail or transportation," he said. To underscore his point, Sessions highlighted a recent GAO report, which concluded that DOT's process for choosing the winners of highway and freight project grants lacked transparency.

Today, "members will line up before the House Rules Committee to talk about why they might want to again allow the practice of earmarking pet projects in home districts and states," Sarah and Jen Scholtes report. "It's doubtful that would happen this year, and no promises are being made, but the idea has gained speed among the frustrated lawmakers who control spending." (Source: POLITICO)

Federal Infrastructure Plan

The Trump administration is finalizing its long-awaited infrastructure plan, which would push most of the financing of projects to private investment and state and local taxpayers. President Donald Trump, who spoke frequently of improving U.S. infrastructure during his 2016 campaign, may preview the plan in his Jan. 30 State of the Union address. Attachment A is a leaked copy of the plan.

Federal Gas Tax Increase Proposal

With President Trump and Congress turning their attention to infrastructure in the coming weeks, the U.S. Chamber of Commerce is preparing for an uphill battle: a push to raise the federal gas tax by 25 cents per gallon to help pay for the initiative. The proposal, which will be formally introduced later this week, is part of a series of principles the nation's largest business lobby will offer in a bid to help shape the debate about upgrading U.S. roads, bridges, airports and other critical infrastructure.

Chamber President Thomas J. Donohue said his organization wants "to put our oar in the water" and acknowledged that it would be "a tough vote" to raise the gas tax for the first time since 1993. But he argued that support has been building in the business community and elsewhere. As envisioned by the chamber, the 25-cent increase would be applied to the current taxes of 18.4 cents per gallon for gasoline and 24.4 cents per gallon for diesel fuel. It is estimated that the increased levy would raise more than $375 billion over the coming decade, chamber staff members said.

That is significantly more than the White House has suggested that the government should pump into an infrastructure initiative. Administration officials have said publicly for months that they think that $200 billion in additional federal money could spur at least $800 billion more spending by state and local governments and the private sector. (Source: Washington Post)

TAM Outreach

Date	**Meeting Title**	**Organization/Agency**
December		
12/1/2017	CMA Directors Meeting	CMA Directors
12/14/2018	Marin Public Works Association	MPWA
12/20/2018	MTC RM3 Workshop	MTC/BATA
January		
1/3/2018	Meeting with Staff Aide for Senator Levine	Transportation Authority of Marin
1/4/2018	State Route 37 Policy Committee	Highway 37 Policy Committee
1/5/2018	Cool the Earth and EV Advocates Meeting	Venture Pad
1/10/2018	Marin Coalition Meeting	Marin Coalition
1/16/2018	TAM COC Meeting	Transportation Authority of Marin
1/18/2018	TAM Technical Advisory Committee Meeting	Transportation Authority of Marin
1/22/2018	Highway 37 Rail Corridor Tour	Sonoma-Marin Area Rail Transit

Funding Principles

I. Infrastructure Incentives Initiative: encourages state, local and private investment in core infrastructure by providing incentives in the form of grants. Federal incentive funds will be conditioned on achieving milestones within an identified timeframe. ***Accounts for 50% of total appropriation***.

  A. Applies to: surface transportation, airports, passenger rail, maritime and inland waterway ports, flood control, water supply, hydropower, water resources, drinking water facilities, storm water facilities, Brownfield and Superfund sites
  B. Eligible entities: States or groups of states, Puerto Rico, U.S. territories, metropolitan planning organizations, units of local government or a group of local governments, special purpose district or public authority responsible for maintaining infrastructure facilities, public utilities, non-profits, tribal governments, multijurisdictional group of eligible entities, private entities with sponsorship from an eligible public entity .
  C. Core infrastructure projects are eligible. The lead federal agency administering the initiative will define eligible costs and conduct audits to ensure funds are used appropriately.
  D. The lead federal agency will solicit applications every 6 months. Criteria includes:
    1. Dollar value of project (weighted at 10%)
    2. Evidence supporting how applicant will secure and commit new, non-federal revenue to create sustainable, long-term funding (weighted at 50%)
    3. Evidence supporting how applicant will secure and commit new, non-federal revenue for operations, maintenance and rehabilitation (weighted at 20%)
    4. Updates to procurement policies and project delivery approaches to improve efficiency in project delivery and operations (weighted at 10%)
    5. Plans to incorporate new technology (weighted at 5%)
    6. Evidence to support how project will spur economic and social returns on investment (weighted at 5%)
      a. Calculated by multiplying the weighted score by the percentage of non-federal revenues used to fund the project
      b. Lookback period:

Years Passed	New Revenue Credit Score Multiplier
>3 years	0%
2-3	30%
1-2	40%
0-1	50%
After Jan. 2018	100%

  E. Grant awards can't exceed 20% of total project cost. Any individual state can't receive more than 10% of the amount available

II. Transformative Projects Program: makes available federal funding and technical assistance for innovative and transformative infrastructure projects based on competitive basis to viable projects unable to secure financing through private sector due to the uniqueness of the program. Applicable projects must be exploratory and ground-breaking ideas that have more risk than standard infrastructure projects but offer a larger reward profile. Covered sectors include: transportation, clean water, drinking water, energy, commercial space, and telecommunications. ***Accounts for 10% of total appropriation.***

A. Dept. of Commerce chairs administration of the program.
B. Eligible entities: States or groups of states, Puerto Rico, U.S. territories, metropolitan planning organizations, units of local government or a group of local governments, special purpose district or public authority responsible for maintaining infrastructure facilities, public utilities, non-profits, tribal governments, multijurisdictional group of eligible entities, private entities with sponsorship from an eligible public entity.
C. Funding tracks: *Applicants could apply for all or specific tracks*.
    1. Demonstration: funding provided for planning, construction, deployment and evaluation of demonstration trials. Can't be used for applied R&D activities but instead where a prototype is operated at or near full scale. *Federal funding may be used for up to 30% of eligible costs.*
    2. Project Planning: funding provided for final pre-construction activities – i.e. final design and engineering. Demonstration trial must have occurred and been successful. Must demonstrate construction would begin within a reasonable time frame. *Federal funding may be used for up to 50% of eligible costs.*
    3. Capitol Construction: funding provided for capital projects having independent utility and ready for intended use upon completion. *Federal funding may be used for up to 80% of eligible costs.*
        a. Under this track, applicant required to enter into a financial partnership agreement with the Federal Government requiring that if a project begins to generate value, the Federal Government would have rights to share in the project value. The Federal Government would not assert first claim under any such agreement, would not accept a seat on any company's board of directors, and all partnership agreements would provide that the company retains ownership of any and all intellectual property.
D. Minimum match requirements in the form of equity investments by private or non-profit organizations. Applicant must demonstrate equity is committed and available.
E. Federal technical assistance available in addition to funding tracks, but no funding provided.
F. Dept. of Commerce would administer the program with an interagency selection committee. A notice of funding opportunity would be published in the federal register soliciting applications on an annual basis. Cost benefit analysis is required and applications are limited to one per lead applicant, although there would be no limit to the number of applications on which an applicant could be listed as a partner applicant.
G. Applicants selected would enter into a partnership agreement with the Federal Government which would specify terms and would not exceed 7 years to outlay funds. Milestones and schedules included in the agreement, the progress for which the lead Federal agencies would conduct regular audits.

III. Rural Infrastructure Program: designed to encourage investment to enable rural economies, facilitate freight movement, improve access to reliable and affordable transportation, etc. States are incentivized to partner with local and private investment for completion and operation of projects under this program. ***Accounts for 25% of total appropriation.***

A. Eligible entities rural programs include:

1. Transportation - roads, bridges, public transit, rail airports, and maritime and inland waterway ports;
2. Broadband - and other high-speed data and communication conduits;
3. Water and waste – drinking water, waste water, land revitalization, and Brownfields;
4. Power and electric – governmental generation, transmission and distribution facilities; and
5. Water resources – inland waterway ports, flood risk management, maritime ports and water supply.

B. Funding:
   1. 80% of funds made available for states would be provided to the Governor of each state via the following formula:
      a. Ratio based on total rural lane miles in a state in relation to total rural lane miles in all states and a ratio based on the total adjusted rural population of a State in relation to the total adjusted rural population of all states.
   2. 20% reserved for rural performance grants
      a. States encouraged to do so within 2 years of enactment
      b. Grants available for up to 10 years after enactment or until funds run out.
      c. To qualify, states must publish a comprehensive rural infrastructure investment plan (RIIP) within 180 days of receipt of formula funds.
   3. Funds made available would be distributed as block grants without Federal requirements, but must be used for projects in rural areas with a population of less than 50,000.
   4. Provides investment designed to address infrastructure needs on tribal lands and U.S. Territories.

IV. Federal Credit Programs: designed to increase the capacity of existing Federal lending programs to increase investment. ***Accounts for 7.05% of total appropriation***.

   A. Would establish the (1) Transportation Infrastructure Finance and Innovation Act, (2) Railroad Rehabilitation and Improvement Financing, (3) Water Infrastructure Finance and Innovation Act, and (4) United States Department of Agriculture Rural Utilities Lending Programs under which specific funds would be set aside and appropriated to the relevant U.S. agency and would remain available until 2028.

V. Public Lands Infrastructure Fund: would create a new infrastructure fund in the U.S. Treasury called the Interior Maintenance Fund comprised of additional revenues from the amounts due and payable to the U.S. from mineral and energy development on Federal lands and waters.

VI. Disposition of Federal Real Property: would establish through executive order the authority to allow for the disposal of Federal assets to improve the overall allocation of economic resources in infrastructure investment.

VII. Federal Capital Financing Fund: creates a funding mechanism similar to a capital budget but that operates within the traditional rules used for the Federal budget by establishing a mandatory revolving fund to finance purchases of federally owned civilian real property. Once approved in an Appropriations Act, the revolving fund would transfer money to agencies to finance large-dollar real property purchases. Purchasing agencies would then be required to repay the fund in 15 equal annual amounts using discretionary appropriations. ***Accounts for 5% of total appropriation.***

VIII. Private Activity Bonds: would amend 26 U.S.C. 142 to allow broader categories of public-purpose infrastructure, including reconstruction projects, to take advantage of PABs would encourage more private investment in projects to benefit the public.
   A. Elimination of the AMT provision and the Advance Refunding prohibition on PABs
   B. Elimination of the transportation volume caps on PABs and expend eligibility to ports and airports
   C. Removal of state volume cap on PABs
   D. Provide change-of-use provisions to preserve the tax exempt status of governmental bonds
   E. Require public attributes for core public infrastructure projects
   F. Provide change-of-use cures for private leasing of projects to ensure preservation of tax exemption for core infrastructure bonds

<u>**Principles for Infrastructure Improvements**</u>

I. Transportation
   A. Financing
      1. Allow states flexibility to toll on interstates and reinvest toll revenues in infrastructure
      2. Reconcile the grandfathered restrictions on use of highway toll revenues with current law
      3. Extend streamlined passenger facility charge process from non-hub airports to small hub sized airports
      4. Support airport and non-federal maritime and inland water way ports financing options through broadened TIFIA program eligibility
      5. Subsidize railroad rehabilitation and improvement financing for short-line and passenger rail
      6. Provide states flexibility to commercialize interstate rest areas
      7. Remove application of federal requirements for projects with de minimis Federal share
      8. Expand qualified credit assistance and other capabilities for state infrastructure banks
   B. Highways
      1. Authorize federal land management agencies to use contracting methods available to states
      2. Raise the cost threshold for major project requirements to $1 billion
      3. Authorize utility relocation to take place prior to NEPA completion
      4. Refund of federal investment to eliminate perpetual application of federal requirements
      5. Provide small highway projects with relief from the same Federal requirements as major projects
   C. Transit
      1. Require value capture financing as condition for receipt of transit funds for major capital projects (Capital Investment Grants)
      2. Eliminate constraints on use of public-private and public-public partnerships in transit
      3. Codify expedited project delivery for Capital Investment Grants pilot program

D. Rail
   1. Apply Fast Act streamlining provisions to rail projects and shorten the statute of limitations
E. Airports
   1. Create more efficient federal aviation administration oversight of non-aviation development activities at airports
   2. Reduce barriers to alternative project delivery for airports
   3. Clarify authority for incentive payments under the Airport Improvement program
   4. Move oversight of AIP funds to post-expenditure audits

II. Water Infrastructure
   A. Financing
      1. Authorize Clean Water State Revolving Fund for privately owned public purpose treatment works
      2. Expand EPA's WIFIA authorization to include flood mitigation, navigation and water supply
      3. Eliminate requirement under WIFIA for borrowers to be community water systems
      4. Authorize Brownfield rehabilitation and clean up of superfund sites under WIFIA
      5. Reduce rating agency opinions from two to one for all barrowers
      6. Provide EPA authority to waive the springing lien in certain lending situations
      7. Increase the base level of administrative funding authorized to ensure EPA has sufficient funding to operate the WIFIA program
      8. Remove the restriction on the ability to reimburse costs incurred prior to loan closing under WIFIA
      9. Expand the WIFIA program to authorize eligibility for credit assistance for water systems acquisitions and restructurings.
   B. Water programs
      1. Remove the application of Federal requirements for de minimis Federal involvement
      2. Provide EPA infrastructure programs with "SEP-15" authorizing language
      3. Apply identical regulatory requirements to privately owned "public purpose" treatment works and publicly owned treatment works
   C. Inland waterways
      1. Authorize all third party construction and operation arrangements as eligible expenses for inland waterways trust fund and treasury appropriations
      2. Authorize non-federal construction and operation of inland waterways projects
   D. Water infrastructure resources
      1. Authorize user fee collection and retention by the Federal government and third parties under the WRDA Section 5014 pilot program
      2. Expend U.S. Army Corps of Engineers' authority to engage in long-term contracts
      3. Authorize operation and maintenance activities at hydropower facilities
      4. Deauthorize certain federal civil works projects
      5. Expand authority for acceptance of contributed and advanced funds
      6. Retain recreation user fees for operation and maintenance of public facilities
      7. Amend the Water Resources Development Act to allow for waiver of cost limits

8. Expand WIFIA authorization to include Federal deauthorized water resource projects

III. Veterans Affairs: designed to provide Veteran's with state-of-the-art facilities
   A. Authorize VA to retain proceeds from sales of properties
   B. Authorize VA to exchange existing facilities for construction of new facilities
   C. Authorize pilot for VA to exchange land or facilities for lease of space
   D. Increase threshold above which VA is required to obtain Congressional authorization for leases

IV. Land Revitalization (Brownfield/Superfund Reform)
   A. Replicate the Brownfield Grant/Revolving Loan Fund program for Superfund projects
   B. Clarify EPA's ability to create special accounts for third party funds for CERCLA clean up response without state assurances
   C. Provide liability relief for states and municipalities acquiring contaminated property through actions as sovereign governments
   D. Provide EPA express settlement authority to enter into administrative agreements
   E. Integrate clean up, infrastructure and long-term stewardship needs by creating flexibility in funding and execution requirements
   F. Authorize national priority list sites to be eligible for Brownfield grants
   G. Clarify risks to non-liable third parties that perform superfund cleanup.