



DATE: April 16, 2018

TO: Transportation Authority of Marin Citizens' Oversight Committee

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

SUBJECT: Programming Scenarios for Measure B Vehicle Registration Fee (VRF) Funds (Discussion), Agenda Item 5

RECOMMENDATION

Discussion item, invite the COC to provide comments.

BACKGROUND

Measure B, which increased the annual vehicle registration fee (VRF) of Marin County residents by \$10 to help fund transportation improvements, was approved by 63% of voters in 2010. Revenues generated by Measure B contribute \$2.3 million per year in VRF funds to Marin County transportation projects and programs.

VRF funds generated by Measure B are distributed to the following three Elements:

1. **Element 1 - Maintain Local Streets and Pathways:** Includes 35% for local streets and 5% for bicycle and pedestrian pathways
2. **Element 2 - Improve Transit for Seniors and Persons with Disabilities:** Includes 35% for Paratransit Plus, Volunteer Driver Program support, low-income rider scholarships, Gap-Grant Program, mobility management staffing
3. **Element 3 - Reduce Congestion and Pollution:** Includes 25% for school safety and congestion reduction, local Marin County commute alternatives, alternative fuels infrastructure and promotion

Element 3, Reduce Congestion and Pollution, contains the following three sub-elements:

- 3.1. School Safety and Congestion Reduction
- 3.2. Local Marin County Commute Alternatives
- 3.3. Alternative Fuels Infrastructure and Promotion

While Element 3 receives 25% of the VRF funds generated, the Measure B Expenditure Plan approved by voters did not designate the funding levels that each of the sub-elements is targeted to receive. Rather the Measure B Strategic Plan provides the following principles:

- TAM will be responsible for distributing school safety funds to sustain or grow existing programs.

- TAM will administer the Commute Alternatives program as part of its existing commuter program. All transit programs will be coordinated through Marin Transit and/or Golden Gate Transit
- TAM will assign funds for alternative fuel programs, as a match to other fund sources or through competitive grant programs. TAM will manage an alternative fuel education program in collaboration with stakeholders such as the Marin Climate and Energy Partnership.
- The distribution of funds among the three eligible expenditures for this element will be determined every two years based on grant opportunities and funding needs.
- The goal is to be flexible and maximize the value of these funds by targeting matching grant opportunities, pilot programs and other timely revenue opportunities.

While the Measure B Strategic Plan allows the TAM Board to establish two-year budgets for each of the three sub-elements, the budgets have been developed annually since inception. Since the start of the program, TAM has dedicated funds relatively equally between the three sub-elements, which approximates \$180,000 per year for each sub-element. While Crossing Guards and Street Smarts have fully expended their annual programming of VRF funds, the Commute Alternatives and Alternative Fuel programs have not. Unexpended funds are not preserved for the sub-element that did not use the funds for the following fiscal year. Rather, funds not expended in any of these sub-elements of Element 3 at the conclusion of a fiscal year have been returned to the overall Element 3 budget, making the carry-over available for programming to any of the sub-elements at the discretion of the TAM Board.

The spending priorities outlined in the overall \$10 VRF Expenditure Plan is required to be reviewed and the Plan considered for amendments and republished as necessary at least every 10 years. Amendments to the Plan will be approved by a two-thirds vote of the TAM board, after a public input process. The 10-year period will end after FY 2020/21. A new plan or continuation of the existing plan will be determined prior to the end of the 10-year period.

DISCUSSION

The Measure B Program is in its seventh year of programming. After this fiscal year, there will be three more years of programming before the 10-year review process, and potential resetting of how the funds are spent. As noted above, the Plan after the 10-year period can remain as-is or amended as deemed necessary.

Staff is proposing programming scenarios for the remaining three fiscal years (FY 18/19, FY 19/20, and FY 20/21) in light of recent public demands for maintaining the Crossing Guard Program and expanding the Alternative Fuel Program. The result of this discussion will guide final budget adoption for the three sub-elements. The Board will consider final budgets in May or June for FY 18/19 and possibly FY 19/20 since the Measure B Program allows two-year budgeting for Element 3.

PRIOR ACTION FOR FY 18/19, FY 19/20, and FY 20/21

On March 22, 2018, the TAM Board programmed a portion of the carryover funds to an urgent need. \$170,000 in VRF funds were programmed to the Crossing Guard Program in FY 18/19 to fund 21 locations from August to December should the Transportation Sales Tax Renewal be placed on the November 18th ballot and successfully pass voters. The Sales Tax Renewal Expenditure Plan currently to be considered by the TAM Board contains additional funding for Crossing Guards that would prevent these cuts from occurring.

PROPOSED PROGRAMMING SCENARIOS

Staff is recommending programming scenarios for the carryover funds remaining under Element 3. At the conclusion of FY 17/18, if all of the funds programmed for FY 17/18 have been expended, there is a projected carryover of \$1.002 million in VRF funds. In addition, Element 3 generates approximately \$570,000 annually.

Due to growth in demand in the Commute Alternatives Program and in the Alternative Fuels program, staff recommends applying the carryover funds substantially to those two programs over the next three years.

Attachment A is the spreadsheet of Element 3 based on programming and expenditures to date. It shows a carryover of slightly more than \$1 million at the conclusion of FY 17/18 if all funds programmed for FY 17/18 will be drawn down. Historically, some funds are often not expended for various reasons such as: an anticipated grant was not secured or expenditures have not occurred yet. Therefore, the matching funds from TAM were not needed in the designated year of programming and the funds roll over to the following year. In addition, funds may not be fully utilized because a call for projects was issued and there were insufficient applications to exhaust the funds programmed for the call.

Element 3.1 Crossing Guards

Staff recommends maintaining the Crossing Guard program at its current funding level of \$150,000 annually from the VRF Program. As just recently approved by the TAM Board, for next year- FY 18/19, the Crossing Guard funds increase by \$170,000 for a total of $\$150,000 + \$170,000 = \$320,000$ in order to keep funding guards while TAM waits to determine if the sales tax measure renewal goes to the ballot and passes by public vote. The Street Smart Program is also maintained at \$25,000 annually.

Element 3.2 Commute Alternatives

Staff notes that in prior years, not all funds were expended in the Commute Alternatives Program. But the program is growing, with TAM adopting several new elements in the program recently and upcoming in the next few years.

In particular, staff includes in the coming budget matches to partner grants that are coming to TAM, or anticipated. These include grant funds from MTC for the Bikeshare program in Marin and Sonoma centered on SMART stations, as well as a possible Mobility As A Service grant. TAM is regenerating our Employer/Employee outreach efforts, along with supporting our historical Emergency Ride Home, Van pool Incentive, Carshare, and LYFT subsidy programs.

See Attachments B and C for a summary of the Commute Alternatives needs for the next three years, both summarized to show grants as well as an expanded explanation of each program by year.

Element 3.3 Alternative Fuels

TAM staff are pleased to report a full spend-down of this year's Alternative Fuel budgeted amount of \$240,000. Staff understands from sponsors that there will be a strong demand for funds next year in the area of EV Charging facilities, and Clean Technology fleet conversion as well.

Staff believes growth in the Alternative Fuels program can occur, and look forward to expanded coordination with partners Marin Clean Energy, the Marin Climate and Energy Partnership and the County of Marin Sustainability program. TAM staff have included a modest amount of funds to support this

coordination effort. This effort, centered on the County's Drawdown initiatives, can include additional partners as well, to define how best to grow the program going forward.

Staff believe a substantially expanded program totaling \$345,000 annually over the next three years is an adequate investment to expand publicly available charging facilities.

See Attachment D for an overview of expansion efforts in the Alternative Fuels program.

Related Measure A Sales Tax Renewal Efforts

The Marin ½ cent transportation sales tax, 2004 Measure A, is under consideration for renewal. TAM staff and TAM Board Members are considering a Draft Sales Tax Renewal Expenditure Plan, currently being reviewed by the cities, towns, and County of Marin who are providing comments to the Draft Plan and hearing from the public in their jurisdictions on issues and areas of interest. The Draft Expenditure Plan will come before the TAM Board in late April/early May for adoption. Then, the cities, towns, and the County will be asked to approve the Final Sales Tax Renewal Expenditure Plan after TAM adopts it.

The 24-member Expenditure Plan Advisory Committee appointed by TAM in May 2017 reached a unanimous decision on what should be included in the renewal of the tax. Several programs that are funded in the above-described Vehicle Registration Fee also receive funding in the current or the future-transportation sales tax renewal.

While the TAM Board has yet to act on these below described sales tax renewal funds, it is useful for the Board to have these funds described. This information may aid in the decision-making process going forward on programming these Carryover Funds from the VRF.

Crossing Guards

The Transportation Sales Tax Renewal DRAFT Expenditure Plan recommends an increase in funds for Crossing Guards. While the existing sales tax dedicates 4.2% towards Crossing guards, the new plan will dedicate 6.5%. This allows the Crossing Guard program at TAM to fund down through Rank 88. This commitment to fund to rank 88 assumes the VRF funds \$150,000 per year for Crossing Guards going forward.

Commute Alternatives Program

The Draft Expenditure Plan includes funds for supporting alternatives to Single Occupant Vehicle (SOV) usage, specifically geared to employers and employees. Set at 1% by the EPAC under the category of Reducing Congestion on Highway 101 and adjacent roadways, or \$270,000 per year, the funds would enable successful programs to continue, and support new efforts such as first/last mile transit services to SMART, including LYFT, the upcoming Bikeshare, and the upcoming MAAS - or Mobility As A Service.

Alternative Fuels

The EPAC considered funding for an expanded Alternative Fuels Program, but believed that existing and projected future VRF funds could adequately support the program. This was in part due to significant opportunities for grants from a number of state and regional agencies for EV Vehicles and EV Infrastructure.

Nonetheless, staff will be recommending to the TAM Board that "Alternative Fuel vehicles and infrastructure, including electric vehicles" are investments encouraged under a number of sales tax renewal

categories, including funds for Local Streets and Roads, funds for Transit Capital including both infrastructure and fleet vehicles, and funds for addressing Sea Level Rise and Resiliency.

Finally, staff has heard from many cities and towns of the need to allow flexibility going forward in addressing new transportation needs. There is much change in how transportation is provided. The sales tax investments will need to be reviewed and amendments will be allowed to address new demands and new technology.

Staff will be recommending that the final sales tax renewal plan include an allowance for review—and possible amendments—as early as 7 years, but no later than 10 years after public approval of the revised expenditure plan. With the VRF Plan up for review and renewal in 2020-21, and the sales tax plan to be considered for review and amendment as early as 2026, assuming public approval in November 2018, opportunity exists to further adjust how investments are made.

FISCAL IMPACTS

Attachment A shows a carryover of \$96,459 remaining in Year 10, after the carryover funds are re-programmed, as recommended by staff. Note that VRF funds do not grow annually as do the Sales Tax funds. The vehicle registration fee is fixed, and so the amount available remains relatively unchanged year after year. After year 10, the levels being recommended cannot be sustained. In simple terms, an equal share to each sub-element would be \$180,000 per year. The TAM Board will need to consider other funds, will need to reset the overall VRF program, or will need to substantially reduce the scope of the expanded Commute Alternatives and Alternative Fuel programs.

PROGRAMMING AND PROJECTS EXECUTIVE COMMITTEE

Staff presented this item to the Programming and Projects (P&P) Executive Committee on April 9, 2018. The P&P Executive Committee approved staff's recommendation on the programming of VRF funds for the next three fiscal year as shown in Attachment A, except the P&P Executive Committee increased the VRF funds for Element 3.3 by \$45,000 in FY 18/19 and FY 19/20 so that the revised funding for Element 3.3 are \$390,000 in FY 18/19, \$390,000 in FY 19/20, and \$345,000 in FY 20/21, leaving a carryover of \$6,459. Funding for Elements 3.1 and 3.2 remain unchanged from what's shown in Attachment A.

FINANCE AND POLICY EXECUTIVE COMMITTEE

Staff presented this item to the Finance and Policy (F&P) Executive Committee on April 9, 2018. The F&P Executive Committee also approved staff's recommendation on the programming of VRF funds for the next three fiscal year as shown in Attachment A, except the P&P Executive Committee increased the VRF funds for Element 3.3 by \$90,000 in FY 18/19 so that the revised funding for Element 3.3 are \$435,000 in FY 18/19 and \$345,000 in both FY 19/20 and FY 20/21, leaving a carryover of \$6,459. Funding for Elements 3.1 and 3.2 remain unchanged from what's shown in Attachment A.

ATTACHMENT

Attachment A: VRF Revenue and Programming – Proposed Programming Scenario with Existing Policy
Attachment B: Element 3.2 Commute Alternatives Program Tasks

Attachment C: Element 3.2 Proposed Budget

Attachment D: Element 3.3 Alternative Fuel Promotion Program Tasks

10-year Measure B Vehicle Registration Fee Revenue and Programming Summary Sheet

			7		8	9	10
	Share	10 YR. TOTAL	FY2017-18		FY2018-19	FY2019-20	FY2020-21
			Adopted		Scenarios for Future Programming		
			FY2017-18		FY2018-19	FY2019-20	FY2020-21
Element 3 Revenue & Programming²	25%	\$ 5,690,083	\$ 569,915		\$ 570,000	\$ 570,000	\$ 570,000
<i>Element 3.1 School Safety and Congestion Programmed - Crossing Guard</i>		\$ 1,862,000	\$ 246,000		\$ 320,000	\$ 150,000	\$ 150,000
<i>Element 3.1 School Safety and Congestion Actual/Anticipated Expenditure - Crossing Guard</i>		\$ 1,876,353	\$ 246,000		\$ 320,000	\$ 150,000	\$ 150,000
<i>Element 3.1 Carryover to Element 3</i>		\$ (14,353)	\$ -		\$ -	\$ -	\$ -
<i>Element 3.1 School Safety and Congestion Programmed - Street Smart</i>		\$ 250,000	\$ 25,000		\$ 25,000	\$ 25,000	\$ 25,000
<i>Element 3.1 School Safety and Congestion Actual/Anticipated Expenditure - Street Smart</i>		\$ 217,658	\$ 25,000		\$ 25,000	\$ 25,000	\$ 25,000
<i>Element 3.1 Carryover to Element 3</i>		\$ 32,342	\$ -				
<i>Element 3.2 Commute Alternatives Programmed</i>		\$ 2,578,000	\$ 270,000		\$ 293,000	\$ 350,000	\$ 413,000
<i>Element 3.2 Commute Alternatives Actual/Anticipated Expenditure</i>		\$ 2,033,445	\$ 270,000		\$ 293,000	\$ 350,000	\$ 413,000
<i>Element 3.2 Carryover to Element 3</i>		\$ 544,555	\$ -				
<i>Element 3.3 Alternative Fuel Promotion Programmed</i>		\$ 2,475,000	\$ 240,000		\$ 345,000	\$ 345,000	\$ 345,000
<i>Element 3.3 Alternative Fuel Promotion Actual/Anticipated Expenditure</i>		\$ 1,466,168	\$ 240,000		\$ 345,000	\$ 345,000	\$ 345,000
<i>Element 3.3 Carryover to Element 3</i>		\$ 1,008,832					
<i>Element 3 Total Actual Revenue Collected</i>		\$ 5,690,083	\$ 569,915		\$ 570,000	\$ 570,000	\$ 570,000
<i>Element 3 Total Amount Programmed (to date)</i>		\$ 7,165,000	\$ 781,000		\$ 983,000	\$ 870,000	\$ 933,000
<i>Element 3 Total Over/Under Programmed</i>		\$ 1,474,917	\$ 211,086		\$ 413,000	\$ 300,000	\$ 363,000
<i>Element 3 Annual Accumulated Revenue+Carryover</i>			\$ 1,953,459		\$ 1,742,459	\$ 1,329,459	\$ 1,029,459
<i>Element 3 Annual Accumulated Actual/Anticipated Expenditure</i>			\$ 781,000		\$ 983,000	\$ 870,000	\$ 933,000
<i>Element 3 Total Accumulated Carryover</i>			\$ 1,172,459		\$ 759,459	\$ 459,459	\$ 96,459
				Adopted	Scenarios for Future Programming		

Measure B Element 3.2 - Commute Alternatives Program Proposed Budget Items

FY18/19 Budget Estimate: \$293,000:

- *Public and Employee Outreach:* Core ongoing program includes reimbursement for Vanpool Incentive Program, and Emergency Ride Home Program as well as new seasonal campaigns to engage employers and employees in Marin County. TAM is developing a new Marin Commutes website to increase the visibility and utilization of these programs.
- *Carshare Program:* Current Pilot Program to decrease need for an automobile and support transit in downtown San Rafael. TAM received a grant from MTC of \$125,000 and is required to provide roughly \$15,000 as a local match. The program will wrap up by 2019.
- *Lyft "GetSMART17" Program:* Current Pilot for \$5 off Lyft rides to SMART stations. Next Phase TBD.
- *Bike Share Program:* Development of a Joint TAM/SCTA bike share program at SMART Stations with MTC grant. Program management and Technical Assistance needed during program development phase.
- *Mobility as a Service Program:* Pilot to access multiple alternative modes (i.e. bike share, car share, TNC services) under a single program.

FY 19/20 Budget Estimate: \$350,000:

- *Public and Employee Outreach:* Core ongoing program includes reimbursement for Vanpool Incentive Program, and Emergency Ride Home Program as well as new seasonal campaigns to engage employers and employees in Marin County.
- *Carshare Program:* Current Pilot Program to decrease need for an automobile and support transit in downtown San Rafael. TAM received a grant from MTC of \$125,000 and is required to provide roughly \$15,000 as a local match. The program will wrap up by 2019.
- *Lyft "GetSMART17" Program:* Current Pilot for \$5 off Lyft rides to SMART stations. Next Phase TBD.
- *Bike Share Program:* Development of a Joint TAM/SCTA bike share program at SMART Stations with MTC grant. Program management and Technical Assistance needed during program development phase.
- *Mobility as a Service Program:* Pilot to access multiple alternative modes (i.e. bike share, car share, TNC services) under a single program.
- *Bike Share Operating Phase:* Operation of bikeshare program via contractor.

FY 20/21 Budget Estimate: \$413,500:

- *Public and Employee Outreach:* Core on-going program includes reimbursement for Vanpool Incentive Program, and Emergency Ride Home Program as well as new seasonal campaigns to engage employers and employees in Marin County.
- *Lyft "GetSMART17" Program:* Current Pilot for \$5 off Lyft rides to SMART stations. Next Phase TBD.
- *Bike Share Operating Phase:* Operation of bikeshare program via contractor. The increased budget estimates a full year of operating the bike share program, however TAM would seek to offset use of local funds through grants and private sponsorships.
- *Mobility as a Service Program:* Pilot to access multiple alternative modes (i.e. bike share, car share, TNC services) under a single program.

Item 5 - Attachment C

Measure B Element 3.2 - Commute Alternatives Program

3 Year Look Ahead DRAFT FY18/19 - FY 20/21

FY18/19 Items	Status	Budget	Matching Grants	Total
Public and Employee Outreach: Vanpool Incentive, Emergency Ride Home Program, Seasonal Campaigns	On-going	\$140,000		\$140,000
Carshare Program	Current Pilot	\$5,500	\$50,000	\$55,500
Lyft "GetSMART17" Program	Current Pilot	\$60,000	TBD	\$60,000
Bike Share Program ¹	Upcoming	\$25,000	\$206,500	\$231,500
Mobility as a Service Program	Upcoming	\$62,500	TBD	\$62,500
Total		\$293,000	\$256,500	\$549,500

FY19/20 Items	Status	Budget	Matching Grants	Total
Public and Employee Outreach: Vanpool Incentive, Emergency Ride Home Program, Seasonal Campaigns	On-going	\$140,000		\$140,000
Lyft "GetSMART17" Program Update	Upcoming	\$60,000	TBD	\$60,000
Bike Share Program ¹	Upcoming	\$25,000	\$206,500	\$231,500
Bikeshare Operating Cost ²	Upcoming	\$63,000	TBD	\$63,000
Mobility as a Service Program	Upcoming	\$62,500	TBD	\$62,500
Total		\$350,500	\$206,500	\$557,000

FY20/21 Items	Status	Budget	Matching Grants	Total
Public and Employee Outreach: Vanpool Incentive, Emergency Ride Home Program, Seasonal Campaigns	On-going	\$140,000		\$140,000
Lyft "GetSMART17" Program Update	Upcoming	\$60,000	TBD	\$60,000
Bike Share Program ¹	Upcoming	\$25,000		\$25,000
Bikeshare Operating Cost ²	Upcoming	\$126,000	TBD	\$126,000
Mobility as a Service Program	Upcoming	\$62,500	TBD	\$62,500
Total		\$413,500	TBD	\$413,500

¹ Bike Share Program Capital Phase includes site planning, outreach, management through procurement of contractors

² Bike Share Operating Phase estimated to commence by Q3 of FY19/20, budget increase in FY20/21 for full year of operations

Measure B Element 3.3 – Alternative Fuel Promotion Task Items

FY 2018/19 Budget Estimate: \$345,000

FY 2019/20 Budget Estimate: \$345,000

FY 2020/21 Budget Estimate: \$345,000

1. *EV Public Fleet EV Rebate program* - Matching grant rebates on a first-come first-served basis, for public use, targeting the replacement of internal combustion engine (ICE) cars with alternative fuel vehicles, either cars, trucks, transit vehicles, or bicycles.
2. *EV Charger Rebate program* - Matching grant rebates, targeting installation of approximately 30-50 EV charging ports at public agency locations and along major arterials throughout Marin County, including shopping mall parking lots. Various outreach will be pursued including a “call for projects” and the historic running rebate program.
3. *Conduct Outreach and Education* - Annually to support EV Ride and Drive events and other educational opportunities. An annual amount will be reserved for outreach and/or educational opportunities for public agencies or non- to develop EV promotional and educational material for their communities.
4. *Alternative Fuel Strategic Planning*- Planning effort done in concert with partner agencies including Marin Clean Energy- MCE, Marin Climate and Energy Partnership- MCEP, Sustainable Marin organizations, and County of Marin Sustainability Team, as well as others, including Drawdown Marin constituency.