



# MEASURE AA STRATEGIC PLAN

## TAM Executive Committee MAY 13, 2019



Making the Most out of Marin Transportation Dollars



# Background

- On November 6, 2018, 76.7% of Marin voters approved Measure AA
- Measure AA is a 30-year plan that extends Measure A by 24 years
- Collection started April 1, 2019 and ends March 31, 2049

# Measure AA Expenditure Plan

- Measure AA Expenditure Plan establishes the maximum percentage of funds that can be allocated to each category
- Provides minimal guidance on the timing of allocation revenue to each of the categories
- Directs TAM to prepare a Strategic Plan on timing and allocation amounts and policies on use of funds
- Reconciles the timing of expected revenues with the schedule for when those revenues are needed in order for sponsors to deliver projects and programs

# Strategic Plan

- Introduction and Overview of Measure AA
  - Overview of the four categories
- Overview of Measure A
  - Accomplishments of Measure A
  - Continued Commitments for Major Roads & RSR - \$42 m
    - Marin County's SFD in Ross Valley - \$11.9 m
    - Novato's Novato Blvd - \$11.6 m
    - San Rafael's 3<sup>rd</sup> Street - \$12.5 m
    - Mill Valley's E. Blithedale Ave - \$1.9 m
    - Marin County's SFD in West Marin - \$74k
    - Richmond San Rafael Bridge Approach - \$3.8 m
  - \$2.35 million per year set aside for 14 years (attach. 4)
  - This new set aside replaces the old bond debt set aside of Measure A

## Revenues (attachment 1)

- Expenditure Plan – estimated \$872 million over 30 years, \$27 million for first full year of collection
- Strategic Plan – estimates \$1.2 billion over 30 years with an annual 2.5% growth rate factor, \$27.5 million for FY 19/20 (TAM Board adopted)
- Off the Top Set Aside
  - 5% for administration and program management
  - Major road and RSR projects - \$2.35 million
  - Reserve Funds
  - Net Revenues to four Categories - \$1.1 million
    - Includes TAM Direct Project Management
    - Annual set aside per category that is returned if unused

# Notable Expenditures (attachments 3-1 to 3-4)

- Category 1
  - FY 19/20 - MSN, Direct Connector
- Category 2 – FY 19/20 Local Streets and Roads

	Measure A (1/4)	Measure AA (3/4)	Measure B	Total
Belvedere	\$23,999	\$13,253	\$23,717	\$60,969
Corte Madera	\$86,339	\$47,680	\$85,324	\$219,343
Fairfax	\$67,617	\$37,341	\$66,822	\$171,779
Larkspur	\$97,506	\$53,847	\$96,360	\$247,713
Mill Valley	\$138,015	\$76,218	\$136,393	\$350,626
Novato	\$442,211	\$244,207	\$437,013	\$1,123,431
Ross	\$24,875	\$13,737	\$24,583	\$63,196
San Anselmo	\$108,416	\$59,872	\$107,141	\$275,429
San Rafael	\$478,607	\$264,307	\$472,982	\$1,215,896
Sausalito	\$68,436	\$37,793	\$67,632	\$173,861
Tiburon	\$84,575	\$46,706	\$83,581	\$214,862
County	\$822,947	\$454,465	\$813,273	\$2,090,684
Total	\$2,443,544	\$1,349,425	\$2,414,821	\$6,207,790

# Notable Expenditures

- Category 2 & 3 – Safe Pathway Call for Projects
  - Planned Issue – June 2019
  - Safe Route Task Force approved only applications
- Measure AA Funds Available for Call
  - Large Pathway Projects - \$690,000 annually
  - Small Pathway Projects - \$210,000 annually
- If 4 years of funds plus FY 18/29
  - Pathway Projects - \$3 million
  - Small Pathway Projects - \$900k
  - Financing not needed
- Proposed Maximum Per Project
  - Pathway Projects – up to \$400k (approx. 8 projects)
  - Small Pathway Projects - \$50,000 (approx. 18 projects)



## Category 4 - Transit

	Measure A	Measure AA
Local Service	37%	33%
Rural Service	3%	3%
Special Needs	9%	9.5%
Transit Capital	6%	4%
School Service		5%
GGT Ferry/Regional Access		0.5%
<b>Total</b>	<b>55%</b>	<b>55%</b>



# Category 4 – Transit (cont.)

- Revenues (based on 5% reserve)

Measure A (in millions)					Measure AA (in millions)				
FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22	FY 22/23	FY 23/24
12.1	12.8	13.4	13.4	13.7	12.3	12.6	13.0	13.4	13.7

- Explanations for Annual Fund Trend
  - Measure A Strategy 2
    - 7.5% but Gap Closure Project capped at \$25 million
  - 59.5% back to 55%
  - 0.5% to GGT in Measure AA
  - No access to \$2.35 million set aside in Measure A



# Policy Elements

- Provides guidance for the administration of the Measure AA program
  - Separation of categories and subcategories
  - Debt, Investment, and Interest Policies
  - Auditing
  - Staffing and Administration Policy
  - Expenditure Plan Amendment – every 6 years
  - Strategic Plan Update – annually
  - Reserve Fund Policy (further discussed)
  - Advancement of Fund Policy (further discussed)

# Reserve Fund Policy

- TAM may set aside reserve funds of up to 10% of the collected revenues for contingencies
- To ensure a cushion if economic decline occurs that adversely affects the collection of revenue
- This reserve is in addition to the Major Roads reserve to meet existing commitments.

## Reserve Fund Policy (cont.)

- See table page 6 of memo on three scenarios
- Can be any percentage
- Can be any time
- Can be any amount
- Measure A Reserve Funds - \$5.38 million (page 5)
- Measure AA Reserve Funds - staff is proposing 5% for the first five full years, estimated collection of \$7.3 million

# Advancement of Fund Policy

- Local Streets and Roads – Under Measure A, sponsors were able may ask for advancement of funds if needed
  - Up to 3 years of advancement
  - Modest interest
  - Continue policy
- MSN, Direct Connector, Major Road Projects, and RSR Bridge Approach Project
  - Cashflow plan needed at the time of allocation
  - Financing options, if needed, to be presented

# Accountability

- Open and Public Meetings
- Independent Auditor
- Administrative Code
- COC

# Implementation Guidelines

- Eligibility for Funding
  - Only projects/programs mentioned in Expenditure Plan
- Allocation and Disbursement of Funds
- Monitoring and Reporting
- Eligible and Ineligible Costs
  - Eligible phases of project
  - No indirect costs
  - No retroactive expenses

# Schedule

- May 13, 2019 – Present Strategic Plan to Executive Committees and recommend to the TAM Board to open a 30-day public comment period
- May 30, 2019 – TAM Board opens 30 day public comment period
- June 27, 2019 – Conduct public hearing at TAM Board meeting
- June 27, 2019 – TAM Board adopts Measure AA Strategic Plan on the condition that no significant public comments are received by June 29, 2019 when the 30 day public comment period closes
- June 29, 2019 – Measure AA Strategic Plan is adopted if condition is met



# Questions