



DATE: July 8, 2019

TO: Transportation Authority of Marin Board of Commissioners

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

SUBJECT: Allocate Transportation Sales Tax (Measure A) Funds to Novato for the Novato Boulevard Segment 1 Rehabilitation Project (Action), Agenda Item No. 10a

RECOMMENDATION

Recommend the allocation of \$1,000,000 in Transportation Sales Tax (Measure A) funds to Novato to commence the right-of-way (ROW) and design phases for the Novato Boulevard Segment 1 Rehabilitation Project.

BACKGROUND

The Measure A Expenditure Plan provides funds for Major Roads and Related Infrastructure under Strategy 3, Sub-strategy 3.1. Projects funded under this strategy were described as the most heavily traveled and regionally significant. A list of eligible roads was adopted with the Measure A Expenditure Plan. A detailed prioritization process engaged in by local stakeholders and all of our local jurisdictions in 2006 established Novato Boulevard as the first prioritized project in the North Planning Area.

While Measure AA started revenue collection on April 1, 2019, there is a carryover of approximately \$9.6 million in Measure A funds for projects in the Major Road Strategy and the Richmond San Rafael Approaches of the Measure A Program. All Measure A carryover funds will be used before Measure AA funds are allocated. This allocation request from Novato will be funded with Measure A funds.

NOVATO BOULEVARD REHABILITATION PROJECT

Under the Measure A Expenditure Plan, the Novato Boulevard Rehabilitation Project is a corridor on Novato Boulevard between Diablo Avenue to San Marin Drive. Since 2007, Novato divided the Novato Boulevard Rehabilitation Project into the three following segments:

- Segment 1 is between Diablo Avenue and Grant Avenue;
- Segment 2 is between Grant Avenue and Eucalyptus Avenue; and
- Segment 3 is between Eucalyptus Avenue and San Marin Drive.

The TAM Board previously allocated \$656,251 and \$617,000 in Measure A funds to complete improvements on Segments 2 and 3, respectively. Segment 1 from Diablo Avenue and Grant Avenue is the more complicated portion of the Novato Boulevard and the subject of this allocation request.

PROJECT ALLOCATION REQUEST

The City of Novato is requesting \$1,000,000 in Measure A funds to commence the ROW and design phases of the Novato Boulevard Rehabilitation Project from Diablo Avenue to Grant Avenue (Attachment A). These phases are estimated to cost \$1,200,000. Novato will contribute \$200,000 in City Development Impact Fees to the overall costs.

This project will provide two through travel lanes (one in each direction) and a center-turn lane between Diablo Avenue and Boulevard Terrace, and three through-travel lanes (two westbound and one eastbound) and a center turn lane between Boulevard Terrace and Grant Avenue. The project would also include other improvements such as new and reconstructed sidewalk/curb/gutter, new bicycle lanes, reconstructed driveways, landscaping and water quality enhancement areas, and new traffic signals. Acquisitions of portions of land along Novato Boulevard would be necessary in order to construct the proposed project. Land acquisitions would be required on the frontage of seven parcels, all of which would be between Cypress Avenue and Diablo Avenue. Attachment B is a map of the project limits.

Novato representatives will be in attendance at this TAM Board meeting to provide an overview of the potential project and address questions regarding the funding request.

Prior Allocations

This allocation request represents the third request for Novato Boulevard Segment 1 Rehabilitation Project. The TAM Board previously allocated \$114,450 and \$286,635 in Measure A funds for a total of \$401,085 to the Novato Boulevard Segment 1 for the preliminary engineering and environmental phases.

As mentioned above, the TAM Board also allocated \$656,251 and \$617,000 in Measure A funds to complete improvements on Segments 2 and 3, respectively.

A total of \$1,674,336 in Measure A funds have been allocated to the Novato Boulevard Rehabilitation Project for all three segments.

Remaining Funds Available

The Measure A Strategic Plan programmed approximately \$12.085 million for the North Planning Area. In addition to the Measure A funds, the North Planning Area also has approximately \$1.176 million in State Local Partnership Program (SLPP) funds.

In July 2010, the TAM Board committed SLPP funds to the Five Planning Areas in the Major Roads category of Measure A. However, in July 2011, the TAM Board diverted all available SLPP funds from the Major Roads category to the SMART project. Concurrently, the TAM Board directed the same amount of Measure A Debt Reserve to the Major Roads category of projects as backfill. The North Planning Area was programmed approximately \$1.176, which is available for Novato Boulevard Rehabilitation Project.

In addition to the Measure A Debt Reserve funds, the TAM Board in February 2017 released \$1.88 million in Measure A reserve funds. The proportional share of Measure A reserve funds for the North Planning Area is \$53,631.

Therefore, the total available funding for the Novato Boulevard Rehabilitation Project is approximately \$13.315 million. As mentioned, a total of \$1.674 was previously allocated, leaving \$11.641 million remaining. If this request of \$1 million is approved, \$10.641 million will be available for the construction phase.

It is anticipated that the Novato Boulevard Segment 1 Rehabilitation Project will use all remaining available funds. However, any funds not used by the Novato Boulevard Segment 1 Rehabilitation Project as the first prioritized project in the North Planning Area will be preserved for the second prioritized project, which is Novato's San Marin Drive between Novato Boulevard and Highway 101.

Reimbursement Schedule

As noted above, there is approximately \$9.6 million in Measure A carryover funds for Major Road and Richmond San Rafael Bridge Approach projects. While the \$9.6 million in Measure A carryover funds are sufficient to fully reimburse this allocation in FY 19/20, a capital project rarely needs 100% of allocated funds in the same fiscal year as the funds were allocated. A cashflow schedule spanning two to three years is more realistic. Furthermore, it is anticipated that other allocation requests will be received that will exceed the availability of Measures A and AA funds in about four years.

To prolong the need to borrow funds, sponsors of Major Road and Richmond San Rafael Bridge Approach projects will be asked to anticipate a reimbursement schedule that coincides with the funding needs of their projects.

It has been determined that the maximum allowed for reimbursement for these phases of the Novato Boulevard Segment 1 Rehabilitation Project without infringing on Novato's ability to progress normally is the following:

- 20% in FY 19/20
- 50% in FY 20/21
- 30% in FY 21/22

If Novato does not request any reimbursement in FY 19/20, then 70% of the funds will be available for reimbursement in FY 20/21. If Novato does not request any reimbursement until FY 21/22, 100% of the funds will be available for reimbursement in FY 21/22 or thereafter.

Novato Public Works staff concurs with the abovementioned reimbursement schedule and believes it is a realistic cashflow need of the project.

FISCAL IMPACTS

If approved, the abovementioned reimbursement schedule will be incorporated in the Measure AA Strategic Plan and TAM's budgets for FY 19/20, FY 20/21, and FY 21/22. It will also be included in the funding agreement with Novato for this project.

NEXT STEPS

Upon approval, a funding agreement will be issued to Novato for Measure A funds for the Novato Boulevard Segment 1 Rehabilitation Project.

ATTACHMENTS:

- Attachment A – Allocation Request Form
- Attachment B – Map of Project Limits

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Attachment A

**Transportation Authority of Marin
Measure A – Transportation Sales Tax
Allocation Request Form**

Fiscal Year of Allocation: 2019/20

Expenditure Plan: Strategy 3: Sub-strategy 3.1 – Major Roads and Related Infrastructure

Project Name: Novato Boulevard Segment 1 – Diablo Avenue to Grant Avenue

Implementing Agency: City of Novato

Project Purpose and Need: To provide operational improvements, bicycle lanes, and pedestrian facilities to Novato Blvd. between Diablo Avenue and Grant Avenue.

Scope of Work: This last phase of improvements to Novato Boulevard proposes to provide two through travel lanes (one in each direction) and a center-turn lane between Diablo Avenue and Boulevard Terrace, and three through-travel lanes (two westbound and one eastbound) and a center turn lane between Boulevard Terrace and Grant Avenue. The project would also include other improvements such as new and reconstructed sidewalk/ curb/gutter, new bicycle lanes, reconstructed driveways, landscaping and water quality enhancement areas, and new traffic signals. In addition to the proposed roadway improvements, the project would include undergrounding of utilities and upgrades to existing sewer and water lines. Acquisitions of portions of land along Novato Boulevard would be necessary in order to construct the proposed project. Land acquisitions would be required on the frontage of seven parcels, all of which would be between Cypress Avenue and Diablo Avenue.

Background: The Novato Boulevard Segment 1 Improvement project was initiated in the city's Capital Improvement Program in Fiscal Year 2000/01 budget and has been in the planning and environmental documentation phases for approximately ten years. The project was included in the voter-approved Measure A Transportation Sales Tax list of projects anticipated to receive funding and as Northern Marin's first funding priority for regionally significant roads. The Project Study Report from 2006 recommended a four-lane alternative (two through-lanes in each direction with a raised center median and center turn-lanes at intersections) plus bicycle and pedestrian facilities.

In 2017 a project development team was assembled to advance the project while minimizing temporary and permanent impacts to the community and natural environment. Traffic data was collected and analyzed from Novato Boulevard and every side street from Diablo to Grant, corridor collision data was reviewed, and several public workshops were held to solicit public comment on the project. As the result of these efforts, a new three-lane layout (one through-lane in each direction and a continuous center turn-lane) that meets the project purpose and need was developed. The Novato City Council on June 12, 2018 unanimously adopted the three-lane layout as the preferred alternative and directed staff to update and finalize the Environmental Impact Report accordingly.

Computerized traffic models were prepared for the three-lane layout and programmed for an anticipated 23% increased traffic volumes in the year 2043 (20 years after the project is likely to be completed.) The traffic models show that the three-lane configuration would serve future peak-hour commute traffic at an improved level of service over existing peak-hour traffic conditions today. This is largely due to the continuous center-turn lane and additional westbound through travel lane beginning at Boulevard Terrace. While the previous four-lane configuration provided a slightly better level of service, the new three-lane configuration still meets the requirements of the Novato General Plan and TAM's Congestion

Management Plan and the level of service proposed is consistent with project development standards in the Bay Area.

Because the total width of the three-lane preferred alternative is approximately 24’ narrower than the previous four-lane layout, it is anticipated that environmental and community impacts will be minimized. For example, the three-lane project will need to remove about half as many trees as the previous layout, the proposed roadway widening will no longer encroach on the banks of Novato Creek, and the project will require approximately 20 fewer property acquisitions.

Tentative Project Delivery Schedule:

<u>PROJECT PHASE</u>	<u>START</u>	<u>FINISH</u>
Environmental Document		October 2019
Plans, Specs, & Estimate	October 2019	May 2021
Right-of-Way	October 2019	December 2021
Advertise & Award	January 2022	March 2022
Construction	April 2022	December 2023

Allocation Request: With the environmental documentation phase of the Novato Boulevard Segment 1 Improvement project nearing completion in the fall of 2019, a Request for Proposals (RFP) is being prepared for high-level design and right of way acquisition services. Consultant service costs for design, right-of-way acquisition support, and right-of-way capital cost estimates are estimated to be \$1,200,000.

This allocation request for TAM Measure A Major Streets and Roads is in the amount of \$1,000,000 to support the design and right-of-way acquisitions for the Novato Boulevard Segment 1 – Diablo Avenue to Grant Avenue project. The City of Novato has programmed \$200,000 of City Development Impact Fees (Streets & Intersections) in Fiscal Year 2019/20 as matching dollars for this next phase of the project.

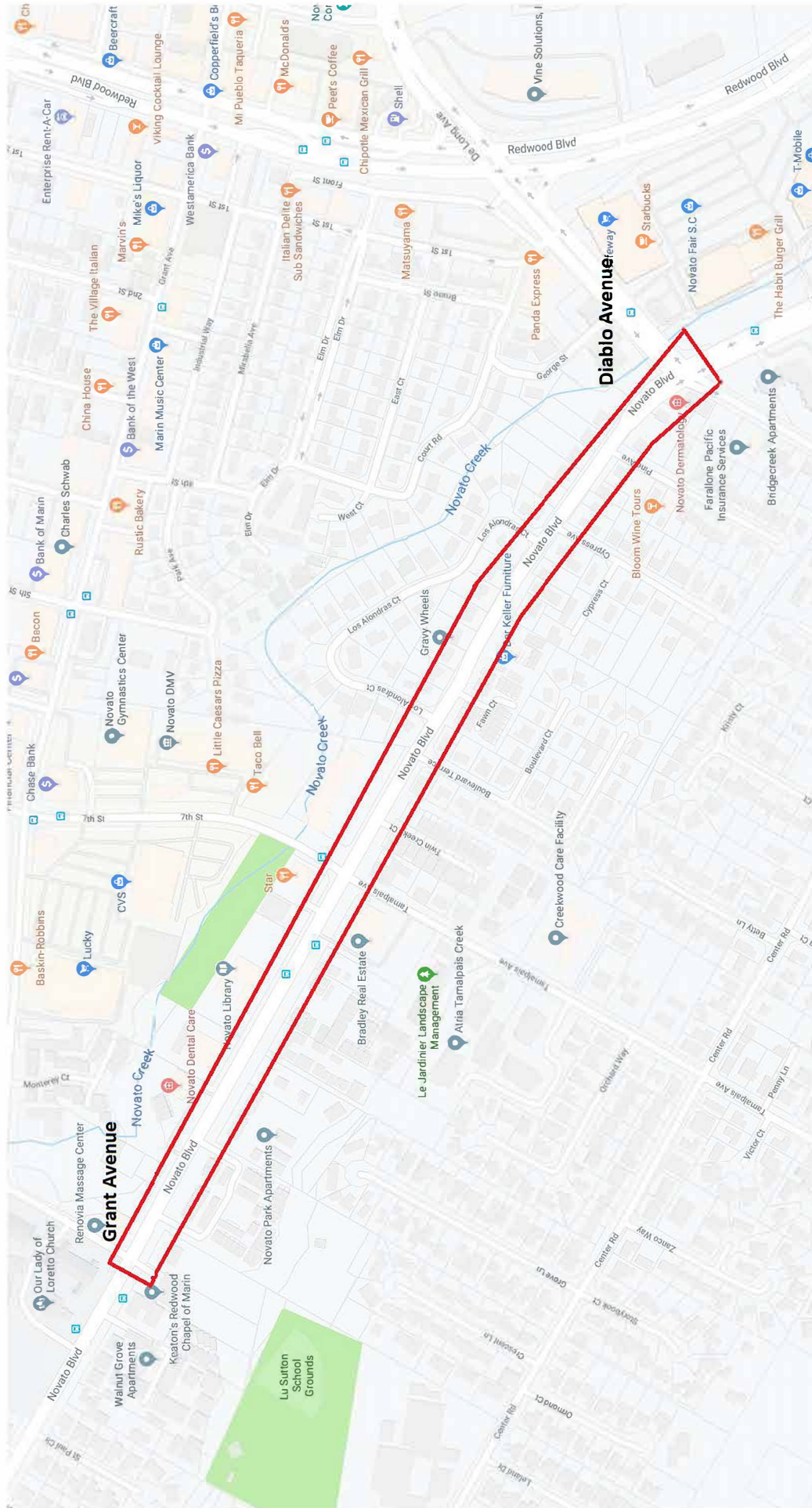
Measure A Programmed Amount Available: \$13.315 million approximately (includes \$53,631 in Measure A reserve funds).

Previous Measure A Allocated Amount: \$1.674 million

Current Measure A Requested Amount: \$1,000,000 (\$946,369 in Measure A Major Road funds and \$53,631 in Measure A reserve funds)

Other Funding: \$200,000 in City Development Impact Fees

Maximum Reimbursement Schedule: 20% in FY 19/20, 50% in FY 20/21, and 30% in FY 21/22



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