



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 San Rafael for the Third Street Rehabilitation Project (Action), Agenda Item No. 10b

RECOMMENDATION

Recommend the allocation of \$1,000,000 in Transportation Sales Tax (Measure A) funds to San Rafael to commence the preliminary engineering (PE) and environmental phases for the Third Street 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 Fourth Street as the first prioritized project and Third Street as the second prioritized project in the Central Planning Area. San Rafael completed improvements on Fourth Street in 2010. Third Street is the next project in the Central Planning Area eligible for Measure A funding.

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 San Rafael will be funded with Measure A funds.

PROJECT ALLOCATION REQUEST

The City of San Rafael is requesting \$1,000,000 in Measure A funds to PE and environmental phases of the Third Street Rehabilitation Project (Attachment A). Attachment B provides a map of the project's boundaries. San Rafael will prepare preliminary engineering drawings, perform regulatory permitting coordination (as needed), produce CEQA environmental clearance documents, conduct public outreach meetings with stakeholders as the design is refined, and begin utility coordination, as appropriate.

San Rafael 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 second request for Third Street Rehabilitation Project. In March 2016, TAM allocated \$300,000 to San Rafael to complete the project scoping and feasibility phase on the Third Street Rehabilitation Project. The final report can be downloaded from San Rafael's website (<https://www.cityofsanrafael.org/third-st-rehabilitation-project>).

Remaining Funds Available

The Measure A Strategic Plan programmed approximately \$15 million for the Central Planning Area. The completed Fourth Street Project used approximately \$4 million, leaving \$11 million available for all remaining projects in the Central Planning Area.

In addition to the Measure A funds, the Central Planning Area also has approximately \$1.5 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 Central Planning Area was programmed approximately \$1.5, which is available for the next prioritized project after the Fourth Street 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 Central Planning Area is \$68,454.

Therefore, the total available funding for the Third Street Rehabilitation Project is approximately \$12.57 million. As mentioned, \$300,000 was allocated in March 2016, leaving \$12.27 million remaining. If this request of \$1 million is approved, \$11.27 million will be available for the final design and construction phases.

It is anticipated that the Third Street Rehabilitation Project will use all remaining available funds. However, any funds not used by the Third Street Rehabilitation Project as the second prioritized project in the Central Planning Area will be preserved for the third prioritized project, which is Marin County's Las Gallinas/Los Ranchitos/Lincoln from Lucas Valley Road to 2nd Street.

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 Third Street Rehabilitation Project without infringing on San Rafael's ability to progress normally is the following:

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

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

San Rafael 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 San Rafael for this project.

NEXT STEPS

Upon approval, a funding agreement will be issued to San Rafael for Measure A funds for the Third Street Rehabilitation Project.

ATTACHMENTS:

Attachment A – Allocation Request Form
Attachment B – Third Street Project Map

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Attachment A

ALLOCATION REQUEST FORM

Fiscal Year of Allocation: FY 19/20

Expenditure Plan: Major Roads and Related Infrastructure

Project Name: Third Street from Grand Avenue to Second Street

Implementing Agency: City of San Rafael

Project Description: Rehabilitate Third Street from Grand Avenue to Second Street. Eligible uses of funds identified in the Measure A Expenditure Plan include a variety of roadway, bikeway, sidewalk and pathway improvements:

- Pavement and drainage maintenance;
- Signalization and channelization;
- Transit and traffic flow improvements;
- Transportation Systems Management and Demand Management;
- Improvements to reduce response times for emergency vehicles;
- Bike path construction and maintenance;
- Sidewalk and crosswalk construction and maintenance

Scope of Work with Prior Allocation Request: Project Development Phase. Given project size and the various stakeholders, the City of San Rafael invested 18 months to identify and evaluate potential projects, conduct outreach meetings with stakeholders, to define project scope and then study for feasibility. The consultant team developed a plan for Third Street that includes: narrowed travel lanes, fixing the uneven sidewalks, constructing new curb ramps to current ADA standards, adding curb extensions in key locations, and installation of a bicycle connection from Miracle Mile to Miramar Avenue. For additional background information on the final Feasibility study and an informational report given before the City Council at their June 3, 2019 meeting, see these links to the City's [staff report](#), [Council discussion](#), and the [complete report and appendices](#).

Scope of Work for Current Allocation Request: Preliminary Engineering and Environmental Phase. The City will prepare preliminary engineering drawings, perform regulatory permitting coordination (as needed), produce CEQA environmental clearance documents, conduct public outreach meetings with stakeholders as the design is refined, and begin utility coordination, as appropriate.

Measure A Programmed Amount Available: \$12.27 million approximately (includes \$68,454 in Measure A reserve funds)

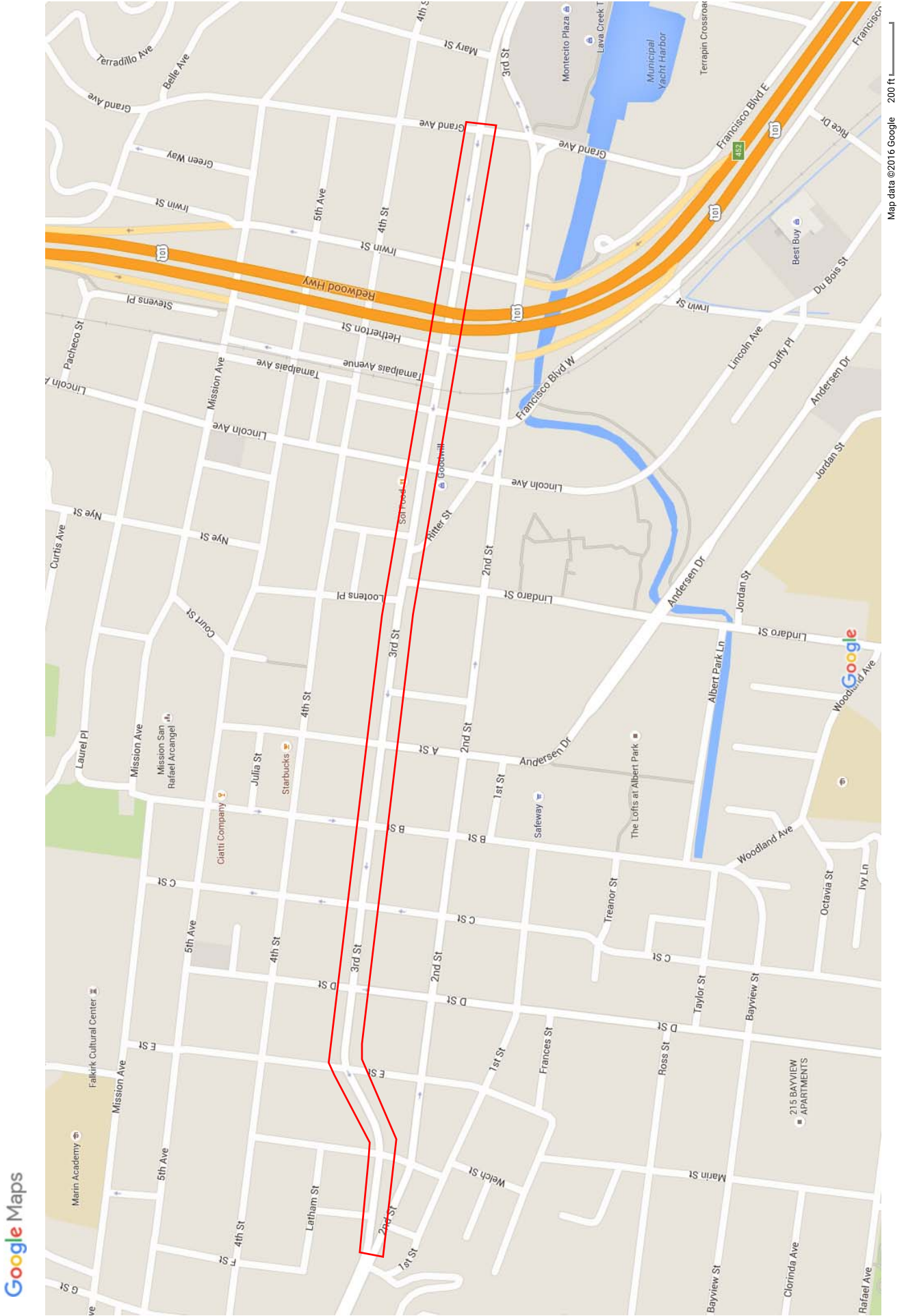
Previous Measure A Allocated Amount: \$300,000

Current Measure A Requested Amount: \$1,000,000 (\$931,546 in Measure A Major Road funds and \$68,454 in Measure A reserve funds)

Other Funding: \$0

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

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