



DATE: May 10, 2021

TO: Transportation Authority of Marin Funding, Programs & Legislation Executive Committee

FROM: Anne Richman, Executive Director *Anne Richman*
David Chan, Manager of Programming and Legislation

SUBJECT: Allocate Transportation Sales Tax (Measure AA) Funds to San Rafael for the Third Street Rehabilitation Project (Action), Agenda Item No. 7

RECOMMENDATION

The Funding, Programs & Legislation (FP&L) Executive Committee reviews the request to allocate \$11,654,106 in Transportation Sales Tax (Measure AA) funds to San Rafael to commence the construction phase for the Third Street Rehabilitation Project and refers it to the TAM Board for approval.

BACKGROUND

The Measure A Expenditure Plan provides funds for Major Roads and Related Infrastructure. Road improvements 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 Marin Planning Area.

The Measure A Expenditure Plan requires the completion of the first prioritized project before allocating funds to the second prioritized project. San Rafael completed improvements on Fourth Street in 2010. Third Street became the next project in the Central Marin Planning Area eligible for funding.

DISCUSSION

The City of San Rafael is requesting \$11,654,106 in Measure AA funds for the construction phase of the Third Street Rehabilitation Project (Attachment A). Attachment B provides a map of the project's boundaries.

San Rafael is planning to bid the Third Street Rehabilitation Project in the Summer of 2021. In addition, the City is in the process of requesting proposals for construction management and inspection firms for the Third Street Rehabilitation project. Third Street, from Miracle Mile to Union Street, will have roadway, pedestrian, and bicycle improvements, including but not limited to, street resurfacing, curb ramps, sidewalk, raised intersections through the downtown core, storm drain, traffic signal upgrades, bulb-outs for improved pedestrian visibility, narrowing travel lanes, adding trees, and reconfiguring the roadway between West

Street and Shaver Street to allow room for an eight-foot-wide Class IV cycle track on the south side of Second Street with a dedicated sidewalk for pedestrians.

San Rafael is eligible to use Measure AA funds on the section between 2nd Street and Grand Avenue. For the section between Grand Avenue and Union Street, San Rafael will be using non-Measure AA funds.

Details on the Third Street Rehabilitation Project can be downloaded from San Rafael's website (<https://www.cityofsanrafael.org/third-st-rehab/>).

A San Rafael representative will be in attendance at the FP&L Executive Committee to provide an overview of the project and address questions regarding the funding request.

Prior Allocations

This allocation request represents the third request for the Third Street Rehabilitation Project. TAM previously allocated a total of \$1.3 million in Measures A and AA funds to San Rafael for the Third Street Rehabilitation Project. The two previous allocations included \$300,000 in Measure A for the project scoping and feasibility phase in March 2016 and \$1,000,000 in Measure AA for the preliminary engineering (PE) and environmental phases in July 2019. All funds from the two previous allocations are expected to be fully expended.

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 approximately \$11 million available for all remaining projects in the Central Planning Area.

In July 2010, the TAM Board committed State Local Partnership Program (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 projects as backfill. The Central Marin Planning Area was programmed approximately \$1.5 million from the SLPP backfilled funds.

With the passage of Measure AA, funds remaining in the Major Road Strategy of Measure A were carried over to the Measure AA Strategic Plan under the Major Road Projects and the Richmond-San Rafael Bridge Approaches Set-aside. The amount of the set-aside funds under Measure AA also accounted for the SLPP backfilled funding commitment approved by the TAM Board in July 2010 and July 2011.

Nominal Measure A Debt Reserve funds were also made available by the TAM Board in February 2017 when \$1.88 million in Measure A reserve funds was released. 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 \$12.5 million. As mentioned above, \$300,000 was allocated in March 2016 and \$1 million was allocated in July 2019, leaving \$11.65 million available for the construction phase. If this request is approved, TAM's fiscal commitment to the Third Street Rehabilitation Project will be completely fulfilled.

Funds Available	Programmed	Previously Allocated	Available
Measure AA Commitment	\$12,522,000	\$931,546	\$11,590,454
Measure A	\$300,000	\$300,000	\$0
2017 Measure A Reserve	\$68,454	\$68,454	\$0
2020 Measure A Reserve	\$63,652	\$0	\$63,652
	\$12,954,106	\$1,300,000	\$11,654,106

While Measure AA started revenue collection on April 1, 2019, there was a carryover of approximately \$9.6 million in Measure A funds for projects in the Major Road Strategy of the Measure A Program. All Measure A carryover funds will be used before Measure AA funds are used for reimbursement.

Reimbursement Schedule

A large capital project often does not need 100% of the allocated funds in the same fiscal year as the funds were allocated. A cashflow schedule spanning two to three years is more realistic. Sponsors of Major Road and Richmond San Rafael Bridge Approach projects have been asked to anticipate a reimbursement schedule that coincides with the funding needs of their projects.

Staff proposes the following schedule for reimbursement for the construction phase of the Third Street Rehabilitation Project:

- 30% in FY 21/22
- 50% in FY 22/23
- 20% in FY 23/24

Funds not requested in a given year will be carried over and available in the following year.

The abovementioned reimbursement schedule may be adjusted at a later date as TAM and San Rafael staffs confirm the project cash flow needs and as reimbursement demands may change during the construction phase.

FISCAL IMPACTS

The allocation action and budget authority will be reflected in the proposed 2021 Measure AA Strategic Plan and the proposed FY2021-22 TAM Annual Budget. Future year reimbursements will be incorporated respectively in annual budgets.

NEXT STEPS

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

ATTACHMENTS:

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

THIS PAGE LEFT BLANK INTENTIONALLY

ATTACHMENT A

ALLOCATION REQUEST FORM

Fiscal Year of Allocation: FY 20/21

Expenditure Plan: Major Roads and Related Infrastructure

Project Name: Third Street Rehabilitation Project

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](#).

Preliminary Engineering and Environmental Phase. The City prepared preliminary engineering drawings, performed regulatory permitting coordination (as needed), produced CEQA environmental clearance documents, conducted public outreach meetings with stakeholders as the design was refined, and began utility coordination, as appropriate.

The San Rafael City Council accepted the final design on the Third Street Rehabilitation Project on May 3, 2020.

Scope of Work for Current Allocation Request: Construction and construction engineering Phase. The City will go out to Bid for the Third Street Rehabilitation (Rehab Project) in the Summer of 2021. In addition, the City is in the process of requesting proposal for construction management and inspection firms for the Third Street Rehabilitation project. Third Street, from Miracle Mile to Union Street will have roadway, pedestrian, and bicycle improvements, including but not limited to, street resurfacing, curb ramps, sidewalks, raised intersections through the downtown core, storm drain, traffic signal upgrades, bulb-outs for improved pedestrian visibility, narrowing travel lanes, adding trees, and reconfiguring the roadway

Item 7 - Attachment A

between West Street and Shaver Street to allow room for an eight-foot-wide Class IV cycle track on the south side of Second Street with a dedicated sidewalk for pedestrians. Non-Measure AA funds will be used on the section between Grand Avenue and Union Street.

Project Schedule:

Contract with Construction Management and Inspection firm for Rehab project: June 2021
 Third Street Rehabilitation Project out to bid mid-summer 2021
 Contract with Construction Management and Inspection firm for Safety project: July 2021
 Third Street Rehabilitation Project Construction start early Fall 2021 (Construction 1 year)

Programmed TAM Funds Amount Available:

Funds Available	Programmed	Previously Allocated	Available
Measure AA Commitment	\$ 12,522,000	\$ 931,546	\$ 11,590,454
Measure A	\$ 300,000	\$ 300,000	\$ -
2017 Measure A Reserve	\$ 68,454	\$ 68,454	\$ -
2020 Measure A Reserve	\$ 63,652	\$ -	\$ 63,652
	\$ 12,954,106	\$ 1,300,000	\$ 11,654,106

Previous Measure A/AA Allocated Amount:

Previously Allocated	Year	Measure A	Reserve Funds	Total
Project Development	FY 15/16	\$ 300,000	\$ -	\$ 300,000
PE and ENV	FY 19/20	\$ 931,546	\$ 68,454	\$ 1,000,000
	Total	\$ 1,231,546	\$ 68,454	\$ 1,300,000

Current Requested Amount: \$11,654,106

Total Funds Available and Costs of Construction:

Funding	
Measure A/AA	\$11,654,106
SB1 RMRA	\$1,000,000
Gas Tax City Funds	\$650,000
Traffic Mitigation Funds	\$200,000
Total	\$13,504,106
Costs	
Construction Management Services	\$600,000
Construction	\$12,900,000
Total	\$13,500,000

Maximum Reimbursement Schedule: 30% in FY 21/22, 50% in FY 22/23, 20% in FY 23/24. The reimbursement schedule may be adjusted at a later date.

Third Street Rehabilitation and Safety Projects

Safety Project: Intersection improvements and traffic signal work between Grand and Lindaro.



■ ■ ■ ■ | **Measure A Funds**

HSIP=Highway Safety Improvement Program

Rehabilitation Project: West Street to west of Lindaro.
Pavement restoration & striping for entire project limits



Concept Design Exhibits

THIS PAGE LEFT BLANK INTENTIONALLY