



ADMINISTRATION, PROJECTS & PLANNING  
EXECUTIVE COMMITTEE MEETING

MARCH 13, 2023  
3:30 P.M.

TAM CONFERENCE ROOM  
900 FIFTH AVENUE, SUITE 100  
SAN RAFAEL, CALIFORNIA

900 Fifth Avenue  
Suite 100  
San Rafael  
California 94901

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www.tam.ca.gov

**Belvedere**  
Nancy Kemnitzer

**Corte Madera**  
Pat Ravasio

**Fairfax**  
Chance Cutrano

**Larkspur**  
Kevin Carroll

**Mill Valley**  
Urban Carmel

**Novato**  
TBD

**Ross**  
P. Beach Kuhl

**San Anselmo**  
Brian Colbert

**San Rafael**  
Kate Colin

**Sausalito**  
Melissa Blaustein

**Tiburon**  
Alice Fredericks

**County of Marin**  
Mary Sackett  
Katie Rice  
Stephanie Moulton-Peters  
Dennis Rodoni  
Eric Lucan

*This meeting will be held in-person and via Zoom webinar.*

**How to watch the live meeting using the Zoom link:**

<https://us02web.zoom.us/j/83035113530?pwd=Ym1lVHdnUHZyclGN2VPZVlBY0Zrdz09>

Webinar ID: 830 3511 3530  
Passcode: 891953

**Teleconference:** Members of the public wishing to participate via teleconference, can do so by dialing in to the following number at 3:30 PM on the day of the meeting: **+1 669 900 6833**; Access Code: 830 3511 3530; Password: 891953

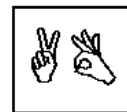
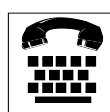
**How to provide public comment (limited to 3 minutes or less):**

**Before the meeting:** Please email your comment to [info@tam.ca.gov](mailto:info@tam.ca.gov), no later than 5:00 p.m. Sunday, March 12, 2023, to facilitate timely distribution to Committee members. Please include the agenda item number you are addressing and your name and address. Your comments will be forwarded to the Committee members and will be placed into the public record.

**During the meeting:** For members of the public participating in-person, the Committee Chair will recognize persons from the audience who wish to address the Committee during public open time or on a particular agenda item at the time that item is considered by the Committee.

If watching this meeting online, click the "raise hand" feature in the webinar controls. This will notify TAM staff that you would like to comment. If participating by phone, "raise hand" by pressing \*9 and wait to be called upon by the Chair or the Clerk. You will be asked to unmute your device when it is your turn to speak and your comments will become part of the public record.

Meeting-related comments may also be sent to [info@tam.ca.gov](mailto:info@tam.ca.gov), and will be read (up to 3-minute limit per comment) when the specific agenda item is considered by the Committee and will become part of the public record.



Late agenda material can be inspected in TAM's office between the hours of 9:00 a.m. and 5:00 p.m.  
The TAM Office is located at 900 Fifth Avenue, Suite, 100, San Rafael.

The meeting facilities are accessible to persons with disabilities. Requests for special accommodations (assisted listening device, sign language interpreters, etc.) should be directed to Jennifer Doucette, 415-226-0820 or email: [jdoucette@tam.ca.gov](mailto:jdoucette@tam.ca.gov) no later than 5 days before the meeting date.

## AGENDA

1. Chair's Report & Commissioner Comments (Discussion)
2. Executive Director's Report (Discussion)
3. Open time for public expression, up to three minutes per speaker, on items not on the agenda that are within the subject matter of the agency's jurisdiction. (While members of the public are welcome to address the Committee, under the Brown Act, Committee members may not deliberate or take action on items not on the agenda, and generally may only listen.)
4. Approval of Meeting Minutes from February 13, 2023 (Action) – **Attachment**
5. Review of the Measure A/AA and the Measure B Revenue Projections and the FY2023-24 Annual Budget Development Schedule (Action) – **Attachment**



MEETING OF THE  
TRANSPORTATION AUTHORITY OF MARIN  
ADMINISTRATION, PROJECTS & PLANNING  
EXECUTIVE COMMITTEE

FEBRUARY 13, 2023  
3:30 PM

Virtual Meeting

**MEETING MINUTES**

**Members Present:** Chance Cutrano, Fairfax Town Council  
Eric Lucan, Marin County Board of Supervisors, Committee Chair  
Stephanie Moulton-Peters, Marin County Board of Supervisors

**Members Absent:** Beach Kuhl, Ross Town Council  
Kate Colin, San Rafael City Council

**Staff Members Present:** Anne Richman, Executive Director  
Bill Whitney, Principal Project Delivery Manager  
Dan Cherrier, Director of Project Delivery  
David Chan, Director of Programming & Legislation  
Derek McGill, Director of Planning  
Grace Zhuang, Accounting and Payroll Specialist  
Jennifer Doucette, Executive Assistant/Clerk of the Board  
Li Zhang, Deputy Executive Director/Chief Financial Officer  
Mikaela Hiatt, Associate Transportation Planner  
Molly Graham, Public Outreach Coordinator  
Nick Nguyen, Principal Project Delivery Manager  
Scott McDonald, Principal Transportation Planner

*Chair Lucan called the meeting to order at 3:33 p.m.*

Chair Lucan welcomed everyone to the meeting and provided information about how the public may participate.

**1. Chair's Report (Discussion)**

None.

**2. Commissioners Comments (Discussion)**

None.

**3. Executive Director's Report (Discussion)**

Executive Director (ED) Anne Richman reported that a State Route (SR) 37 partnership agreement was signed to establish a set of commitments that will guide development and implementation of both the near-term and long-term SR 37 resiliency projects. The partnership agreement was signed by the California State Transportation Agency, the California Natural Resources Agency, the Metropolitan Transportation Commission (MTC), California Department of Transportation (Caltrans), the California Department of Fish and Wildlife, and the San Francisco Bay Conservation and Development Commission.

ED Richman also reported that TAM and its North Bay County Transportation Agency (CTA) partners are promoting a new video developed as part of the Commute37 Pilot Program. The video is posted on the TAM homepage and on social media. The Commute37 pilot program is a partnership of TAM, the Solano Transportation Authority (STA), Napa Valley Transportation Authority (NVTA), and the Sonoma County Transportation Authority (SCTA), and is funded by the Bay Area Air Quality Management District.

ED Richman further reported that Marin Transit (MT) is proposing changes that will take effect in June to local bus routes and schedules to better align with ridership demands and improve service reliability. MT is asking for input from riders, which may be submitted on the MT website. The MT Board of Directors will also hold a public hearing on these changes at its Board meeting on March 6, 2023 at the Marin County Civic Center. The public may attend in person, via Zoom or via phone.

ED Richman also reported that the Golden Gate Bridge, Highway and Transportation District (GGBHTD) has scheduled a series of virtual public meetings to receive comments on its proposed five-year fare programs for both the bus and ferry services. The proposed fare programs will help GGBHTD keep up with inflation and the rising costs of providing bus and ferry services. Bus and ferry ridership remains down by approximately 55% compared to pre-pandemic levels. The meetings are scheduled for February 16, 21 and 23. Details may be found on the GGBHTD website.

Lastly, ED Richman reported on the anticipated end of the COVID-19 State of Emergency, and the return to in-person meetings. On October 17, 2022, Governor Newsom announced that the COVID-19 State of Emergency will end on February 28, 2023, thereby nullifying the conditions of Assembly Bill (AB) 361, and allowing legislative bodies to conduct meetings in accordance with the rules of AB 2449. Therefore, effective March 1, 2023, TAM will conduct all public meetings subject to the Ralph M. Brown Act (Brown Act), in-person, under the rules AB 2449. Executive Committee meetings will return to the TAM Conference Room, located at 900 Fifth Avenue, Suite 100, San Rafael, and the Board of Commissioners meetings will return to the Board of Supervisors Chambers located in Room 330 at the Marin County Civic Center. All public meetings will be held in-person with an option for members of the public to participate in-person or remotely.

In response to Chair Lucan, ED Richman explained that the SR 37 Policy Committee appointments are made by the TAM Board Chair.

#### **4. Open time for public expression**

Chair Lucan asked if any members of the public wished to speak or had submitted a comment by e-mail.

Member of the public Clayton Smith commented that an aerial schematic would be useful to see the anticipated traffic circulation at the proposed new intersections of the Tamalpais Drive Overcrossing Project; and that performance guarantees and penalties should be implemented to mitigate traffic congestion during construction. Mr. Smith also inquired about the cost and scope of the project.

#### **5. Approval of Meeting Minutes from January 9, 2023 (Action)**

Chair Lucan asked Executive Assistant/Clerk of the Board Jennifer Doucette to conduct a roll call to ensure a quorum of the Administration, Projects & Planning (AP&P) Executive Committee, which was confirmed.

Commissioner Cutrano moved to approve the Minutes of the January 9, 2023 meeting, which was seconded by Commissioner Moulton-Peters. A roll call vote was conducted, and the motion passed unanimously.

## **6. Review of the Semi-Annual Project Status Report (Action)**

Principal Project Delivery Manager Nick Nguyen presented this item, which recommends that the AP&P Executive Committee review the Semi-Annual Project Status Report and refer it to the TAM Board for approval.

Mr. Nguyen reported that the California Supreme Court's action to dismiss and remand the Regional Measure (RM) 3 legal challenge is anticipated to clear the way for Marin-related projects and programs receiving RM 3 funds.

Mr. Nguyen provided updates on the construction of segment B7 and the final design of segment B8 of the US 101 Marin-Sonoma Narrows (MSN) project; the planning and environmental clearance for the SR 37 corridor; and the North-South Greenway Gap Closure, including the design of the Old Redwood Highway Multi-use Path, which is the second and final phase of the Northern Segment.

Mr. Nguyen also provided updates on the Project Initiation Document (PID) phase of the Highway 101 Interchange Studies; the planning phase of the 101/580 Multimodal and Local Access Improvement Project; the design phase of the Bellam Boulevard Off-Ramp Improvements; and the planning phase of the US 101 and Marin City flood mitigation coordination.

Lastly, Mr. Nguyen reported on the US 101 Part-Time Transit Lane project, which is expected to receive approximately \$1.25 million from MTC for the PID and Project Approval & Environmental Document (PAED) phases of the project.

Chair Lucan thanked staff for the report and expressed support for the range and quantity of projects and programs occurring throughout the County.

Commissioner Moulton-Peters expressed support for the Semi-Annual Project Status Report and the division of projects/programs into planning and/or construction phases.

Chair Lucan asked if any members of the public wished to speak or had submitted a comment by e-mail.

WTB-TAM Director of Planning Matthew Hartzell commented on the importance of coordination among TAM and Caltrans when there is a potential nexus of projects such as the Caltrans project to repave and make improvements to Tiburon Blvd. and future improvements to the US 101 highway interchange at East Blithedale/Tiburon Blvd. Mr. Hartzell also commented that as Caltrans prepares its environmental study request, it should be made aware of the previous study conducted by Parisi & Associates regarding bicycle and pedestrian safety improvements to the East Blithedale/Tiburon Blvd. Interchange.

Mr. Smith commented on the importance of public outreach before plans are finalized for the improvements to the US 101 highway interchange at East Blithedale/Tiburon Blvd. Mr. Smith also expressed support for an elevated roadway from Sears Point to Vallejo that includes a bedrock pier system to mitigate erosion and tidal effects to the SR 37 corridor.

Commissioner Moulton-Peters thanked Mr. Hartzell for his comments and for highlighting the previous study by Parisi & Associates.

Commissioner Moulton-Peters moved to refer the Semi-Annual Project Status Report to the TAM Board for approval, which was seconded by Commissioner Cutrano. A roll call vote was conducted, and the motion passed unanimously.

*The meeting was adjourned at 4:13 p.m.*

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**DATE:** March 13, 2023

**TO:** Transportation Authority of Marin  
Administration, Projects and Planning Executive Committee

**FROM:** Anne Richman, Executive Director *Anne Richman*  
Li Zhang, Deputy Executive Director/Chief Financial Officer

**SUBJECT:** Review of the Measure A/AA and the Measure B Revenue Projections and the FY2023-24 Annual Budget Development Schedule (Action), Agenda Item No. 5

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## **RECOMMENDATION**

The Administration, Projects and Planning (AP&P) Executive Committee reviews the Measure A/AA ½-Cent Transportation Sales Tax and the Measure B \$10 Vehicle Registration Fee (VRF) revenue projection recommended for the FY2023-24 TAM Annual Budget development, along with the Budget Development Schedule, and refers the item to the TAM Board for approval.

## **BACKGROUND**

Pursuant to Article VI, Section 106.1 of the TAM Administrative Code, no later than its June meeting of each year, the TAM Board shall adopt the annual budget for the following fiscal year. For the annual budget development of TAM and its member agencies, staff develops, and the TAM Board approves the Measure A/AA and the Measure B revenue levels in March of every year. The approval of the expected upcoming fiscal year's revenue levels in March allows fund recipients time to build these local funds from TAM into their own FY2023-24 budget processes which are taking place now. These revenue estimates will also be used to update the revenue and expenditure elements in the Measure A/AA and Measure B Strategic Plans, which will guide the FY2023-24 programming and allocation process, and the establishment of contract levels for projects and programs under both Measures.

## **DISCUSSION/ANALYSIS**

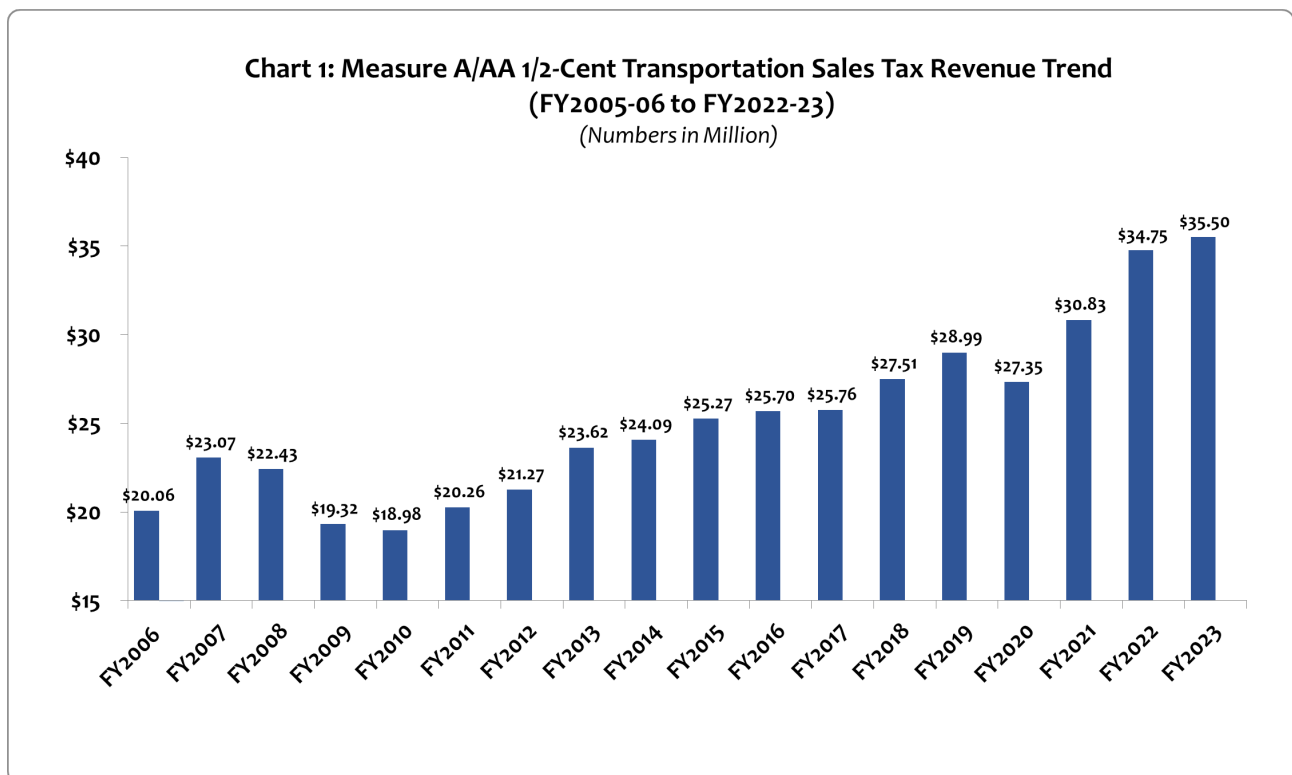
The COVID-19 pandemic has brought unprecedented public health and economic disruptions to the U.S. and globally. The uncertainties caused by the pandemic added extra challenges to TAM's budget processes during the last three fiscal years, from FY2020-21 to FY2022-23. However, due to the demographic and economic nature of the County, TAM's most critical funding source, the ½-cent transportation sales tax, which suffered some loss at the beginning of the initial Shelter In Place order, has been benefiting from Marin residents working from home, the strong housing market, and the redirected spending from out of the region/state/country travel to local and online spending in the last three years.

However, globally and nationally there are still many uncertainties. The ongoing conflict between Russia and Ukraine is affecting the global economy via the broad impacts of financial sanctions, rising commodity prices, and worsening of some supply-chain disruptions. In the U.S., inflation continues to be a serious economic concern. While still with uncertainties, more economists are seeing an increased chance that the U.S. economy will sink into a recession this year as a result of interest rate hikes, high inflation, end of fiscal stimulus, weak export markets abroad, and global political instability.

Against this backdrop, staff will monitor the local economic condition and the sales tax trend closely and report to the Board timely if major negative impacts on TAM’s financial health are becoming visible.

**Measure A/AA Revenue Estimates/Projection:**

*Chart 1: Measure A/AA 1/2-Cent Sales Tax Revenue Trend* below illustrates the actual annual sales tax collection between FY2005-06 and FY2022-23, with the estimated FY2022-23 revenue at \$35.5 million as recommended by staff as shown in Table 1 (vs. the \$34.85 million as adopted in the FY2022-23 Annual Budget) based on the cash disbursements received for the first 8 months of the year, from July 2022 to February 2023, and the slowdown of sales tax growth projected by various sources.



**Recommended FY2023-24 Revenue Level & Projection for the Update of the Strategic Plan:**

*Table 1: FY2022-23 Measure A/AA Revenue Collection Update and 5-Year Projection Scenarios* illustrates the projection scenarios staff reviewed and recommendations for the upcoming fiscal year and the following 5-year period.



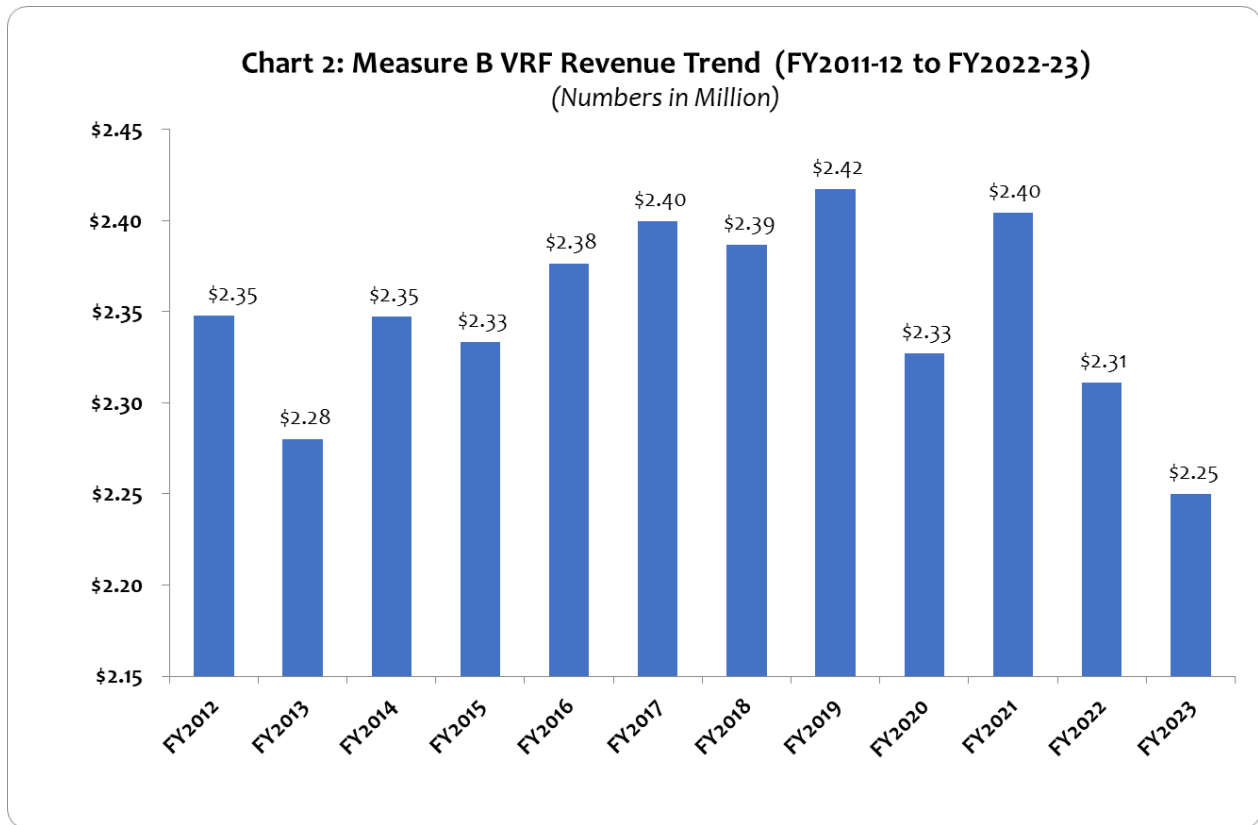
**Table 1: FY2022-23 Measure A/AA Revenue Collection Update and Projection Scenarios**

Year	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
<b><i>Avenu Insights &amp; Analytics February 2023 Projection</i></b>							
<b>Annual Revenue</b>	36.03	36.39	37.53	38.71	39.78	40.73	41.56
<b>% Growth</b>	3.7%	1.0%	3.1%	3.2%	2.8%	2.4%	2.0%
<b><i>California Department of Tax and Fee Administration January 2023 Projection</i></b>							
<b>Annual Revenue</b>	35.44	35.62					
<b>% Growth</b>	2.0%	0.5%					
<b><i>Staff Recommendation</i></b>							
<b>Annual Revenue</b>	35.50	<b>35.68</b>	36.39	37.12	37.86	38.62	39.39
<b>% Growth</b>	2.2%	<b>0.5%</b>	2.0%	2.0%	2.0%	2.0%	2.0%

The Avenu Insights & Analytics February 2023 Projection (Attachment 1) is a more optimistic scenario, whereas the statewide quarterly taxable sale rates released by the California Department of Tax and Fee Administration (CDTFA) in January 2023, which covers up to FY2023-24, indicated minor negative growth from January to September 2023 (Attachment 2). While it is encouraging to see the continuing positive revenue growth over the next 5-year period provided by Avenu, with all the major uncertainties mentioned above, to continue TAM's prudent and conservative approach and better prepare the agency for a possible recession, staff recommends setting the FY2023-24 Measure A/AA budget level at \$35.68 million, and the long-term growth rate at 2% annually thereafter for the update of the Measure A/AA Strategic Plan.

**Measure B Revenue Estimates/Projection:**

Measure B, the \$10 VRF dedicated to transportation projects and programs, was passed by Marin voters in November 2010. Collection of this local revenue source started in April 2011. Chart 2 illustrates the actual revenue collections of Measure B from FY2011-12 to FY2021-22 and the budgeted level for FY2022-23. As noted in Chart 2: Measure B VRF Revenue Trend, there is a significant revenue drop from FY2018-19 to FY2019-20, from \$2.42 million to \$2.33 million. The revenue collection in FY2020-21 recovered to \$2.40 million but dropped to \$2.31 million again in FY2021-22. Cash disbursement for the first half of FY2022-23 is just above \$1.15 million. The most recent data from the Forecasting Unit of the Department of Motor Vehicle (DMV) shows that the estimated number of vehicles registered in Marin County in 2022 suffered another 2.59% loss from 2021 after the 3.09% drop from 2020 to 2021. Historical registered vehicle data and annual revenue collections are shown in Table 2: Estimated Annual Marin County Vehicles Registered and Measure B Revenue.



**Table 2: Estimated County Marin Fee Paid Vehicle Registration and Measure B Revenue**

Calendar Year	Registered Vehicle	Annual # Change	Annual % Change	Annual Revenue <sup>1,2</sup>	Annual Revenue % Change
2012	235,535	-356	-0.15%	2,242,958	N/A
2013	240,921	5,386	2.29%	2,323,342	3.58%
2014	243,069	2,148	0.89%	2,335,980	0.54%
2015	245,849	2,780	1.14%	2,358,335	0.96%
2016	249,314	3,465	1.41%	2,402,295	1.86%
2017	247,424	-1,890	-0.76%	2,387,773	-0.60%
2018	247,820	396	0.16%	2,391,857	0.17%
2019	249,524	1,704	0.69%	2,412,072	0.85%
2020	243,986	-3,834	-1.54%	2,359,873	-2.16%
2021	241,977	-7,547	-3.09%	2,343,931	-0.68%
2022*	237,711	-6,275	-2.59%	2,307,377	-1.56%

*Data Source: Department of Motor Vehicles*

1. Annual Revenue is calculated using the monthly disbursement from DMV for the calendar year.

2. DMV takes 0.05% of the collection off the top for its administrative support.

\*. 2022 Registered Vehicle # is draft and under review for final publication.

**Recommended FY2023-24 Budget Level & Projection for the Update of the Strategic Plan:**

Since the revenue collection for the first 6 months of FY2022-23 is only slightly above \$1.15 million and based on the most up to date registered vehicle data for the County, the continuing negative impact on vehicle purchases due to inventory shortage, and the revenue collection trend, staff recommends that the Measure B revenue budget level be set at \$2.25 million for FY2023-24 as well as for all future years for the development of the Measure B Strategic Plan.

**FY2023-24 Annual Budget Development Schedule:**

Below is the development schedule for the FY2023-24 Annual Budget:

March 23, 2023	TAM Board Review and Approval FY2023-24 Measure A/AA & Measure B Revenue Projections & the Budget Development Schedule
March-May 2023	Development of Draft FY2023-24 Annual Budget and Work Plans and COC and Partner Agency Review
May 8, 2023	AP&P Executive Committee Review and Release of Draft FY2023-24 Annual Budget for Required 30-day Public Inspection
May 25, 2023	TAM Board Review and Release of the Draft FY2023-24 Annual Budget for Public Comment
June 22, 2023	TAM Board Review and Adoption of the FY2023-24 Annual Budget

**FISCAL CONSIDERATION**

The recommended revenue projections will be used to determine the FY2023-24 programming/allocation and expenditure levels for various projects and programs under both the Measure A/AA and Measure B Expenditure Plans and to update the revenue/programming elements in the respective Strategic Plans.

**NEXT STEPS**

After the Board's approval of the FY2023-24 Measure A/AA and Measure B revenue projections, staff will develop the draft FY2023-24 Annual Budget, present it to the AP&P Executive Committee, the Citizens' Oversight Committee (COC), the Marin Managers' Association, and staff of various local jurisdictions for review and input in April and May 2023. The final draft budget will be made available for the 30-day public inspection after the review of the AP&P Executive Committee and be released for a formal public comment period at the May 25, 2023 TAM Board meeting and adopted at the June 22, 2023 TAM Board meeting.

**ATTACHMENTS**

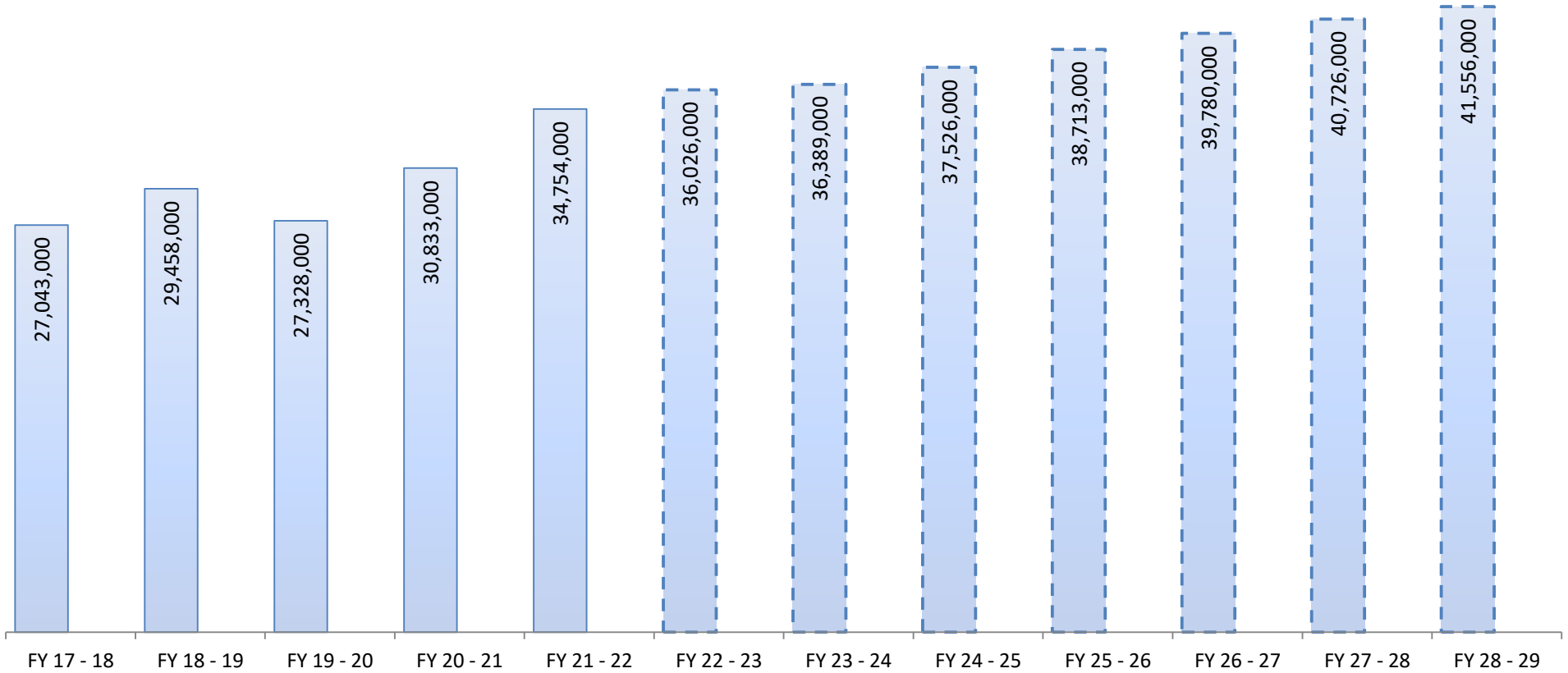
- Attachment 1 – Avenu Insights & Analytics February 2023 Projection
- Attachment 2 – CDTFA January 2023 Projection
- Attachment 3 – Staff PowerPoint Presentation

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## Marin Co Transport Auth 1/2% Sales & Use Tax Forecast Summary

Accrual through August Clean-up

Voter Approved	FY 21 - 22	FY 22 - 23	FY 23 - 24	FY 24 - 25	FY 25 - 26	FY 26 - 27	FY 27 - 28	FY 28 - 29
Cash Projection	34,754,000	36,026,000	36,389,000	37,526,000	38,713,000	39,780,000	40,726,000	41,556,000
Percent Change	12.7%	3.7%	1.0%	3.1%	3.2%	2.8%	2.4%	2.0%



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STATE OF CALIFORNIA

CALIFORNIA DEPARTMENT OF TAX AND FEE ADMINISTRATION

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 916-445-0840  
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GAVIN NEWSOM  
 Governor

AMY TONG  
 Secretary, Government Operations Agency

NICOLAS MADUROS  
 Director

January 25, 2023

**TO: CITY AND COUNTY FINANCE OFFICIALS**

Below are the statewide taxable sales growth rates for the January 2022 – June 2024 period.

The table shows actual, preliminary, and estimated statewide changes in taxable sales by calendar quarter. CDTFA’s Research and Statistics team calculated the actual and preliminary rates. The California Department of Finance calculated the estimated rates in conjunction with its preparation of the *2023-24 Governor’s Budget*.

Sales Period	Year to Year Change In Taxable Sales	Allocations Received By Local Jurisdictions
Jan. – Mar. 2022	18.3% (actual)	Mar. – May 2022
Apr. – Jun. 2022	11.3% (actual)	Jun. – Aug. 2022
Jul. – Sep. 2022	6.9% (preliminary)	Sep. – Nov. 2022
Oct. – Dec. 2022	2.4% (estimated)	Dec. 2022 – Feb. 2023
Jan. – Mar. 2023	-0.9% (estimated)	Mar. – May 2023
Apr. – Jun. 2023	-0.5% (estimated)	Jun. – Aug. 2023
Jul. – Sep. 2023	-0.5% (estimated)	Sep. – Nov. 2023
Oct. – Dec. 2023	0.7% (estimated)	Dec. 2023 – Feb. 2024
Jan. – Mar. 2024	1.0% (estimated)	Mar. – May 2024
Apr. – Jun. 2024	0.9% (estimated)	Jun. – Aug. 2024

For taxable sales, monthly local allocations, and many other current and historical data, please visit our new data visualization tool: <https://www.cdtfa.ca.gov/dataportal/visual.htm>.

If you would like this letter to be sent to you electronically, please provide your email address to us at: [research@cdtfa.ca.gov](mailto:research@cdtfa.ca.gov).

Sincerely,

Genti Droboniku, Manager  
 Research and Statistics Section

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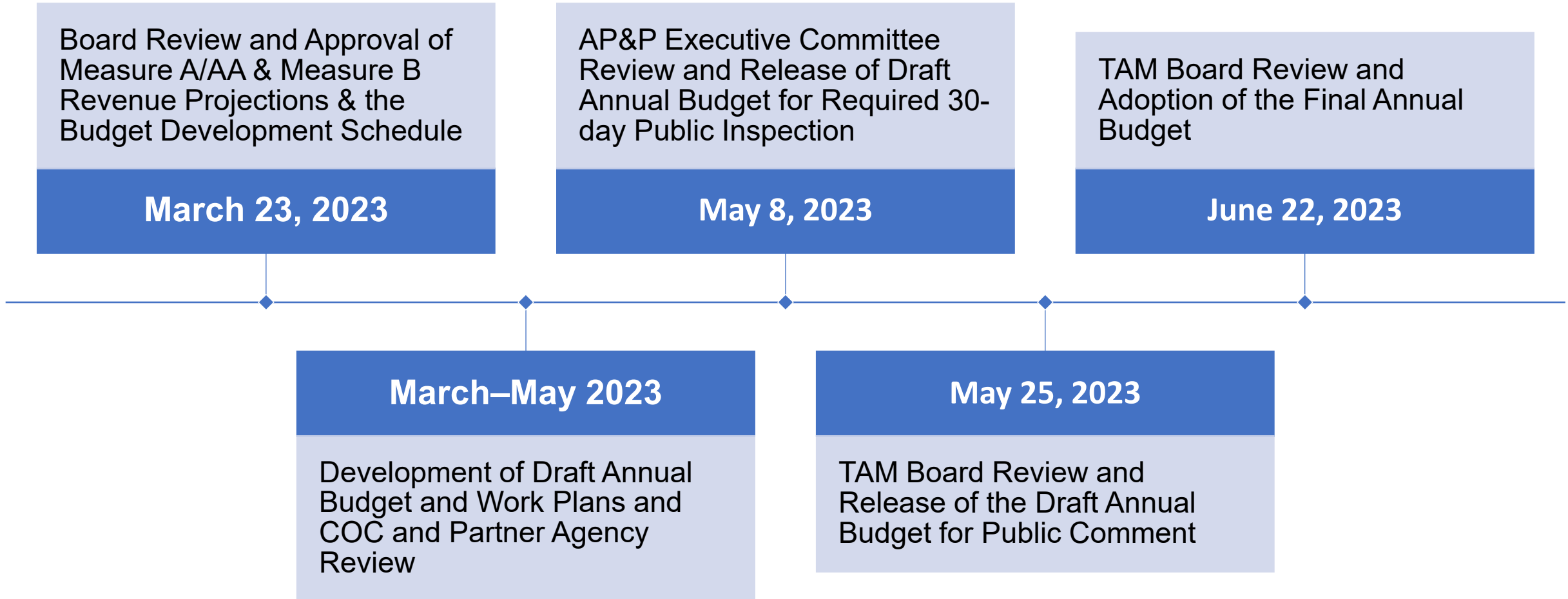


# Economic Update and Measure A/AA and Measure B Revenue Projections

Administration, Projects and Planning  
Executive Committee

March 13, 2023

# FY2023-24 Budget Development Timeline



# Current Economic Conditions

*The Big Question:  
Are we heading into a recession?*



# Economic Data

## ***Gross Domestic Product (GDP)***

Most Recent: Q4 2022 +2.9%

Trend: down 0.3% from Q3 2022 (3.2%)

**Grade: Good**

## ***ISM Manufacturing Index***

Most Recent: Dec 2022 48.4

Trend: down 0.6 from Nov 2022 (49)

**Grade: Bad**

## ***Retail Sales***

Most Recent: Dec 2022 -1.1%

Trend: down 1.1% from Nov 2022

**Grade: Bad**

## ***Consumer Price Index (CPI)***

Most Recent: Dec 2022 +6.5%

Trend: down 0.6% from Nov 2022 (7.1%)

**Grade: Bad**

## ***Industrial Production***

Most Recent: Dec 2022 102.9

Trend: down 0.7 from Nov 2022 (104.6) but up 1.6 from Dec 2021

**Grade: Neutral**

## ***Conference Board Leading Economic Index***

Most Recent: Dec 2022 110.5

Trend: down 1% from Nov 2022

**Grade: Bad**

Data Source: Forbes Feb 3, 2023 "Are We In A Recession Yet?"; <https://www.conference-board.org/us/>;  
<https://fred.stlouisfed.org/series/INDPRO>

# Job Market Data

## *Unemployment Rate*

Most Recent: Jan 2023 3.4%

Trend: down 0.1% Dec 2022 (3.5%); 4% Jan 2022

*Grade: Good*

## *Initial Jobless Claims*

Most Recent: Jan 19, 2023 183,000

Trend: down 0.6% from Nov 2022 (7.1%)

*Grade: Good*

## *Job Openings and Labor Turnover Survey (JOLTS)*

Most Recent: Dec 2022 11 million

Trend: about 7 million job openings in Jan 2020, vs 11 million in Dec 2022

*Grade: Good*



Data Source: Forbes Feb 3, 2023 "Are We In A Recession Yet?"

# Housing & Financial Market Data

## *Housing Starts*

Most Recent: Dec 2022 1,330,000

Trend: down 1.6% from Nov 2022 and down 30% from Dec 2021

**Grade: Bad**

## *NAHB Home Builders Index*

Most Recent: Feb 2023 42

Trend: up 6 from Dec 2022 (35) but way lower than Feb 2022 (81)

**Grade: Bad**

## *S&P 500*

YTD Performance: +6.1% as of Feb 1, 2023

**Grade: Neutral**

## *Treasury Yield Curve*

10-year/2-year Spread: -0.66%, as of Jan 24, 2023

**Grade: Bad**



Data Source: Forbes Feb 3, 2023 "Are We In A Recession Yet?"

[https://ycharts.com/indicators/nahb\\_wells\\_fargo\\_us\\_hmi](https://ycharts.com/indicators/nahb_wells_fargo_us_hmi)

# Current Economic Conditions – Confidence Data

## University of Michigan Consumer Confidence Survey

Most Recent: Jan 2023 64.6

Trend: up 8% from Nov 2022

**Grade: Good**

## NFIB Small Business Optimism Index

Most Recent: Dec 2022 89.8

Trend: down 2.1 from Nov 2022 and has been below 49-year average of 98 for 12 consecutive months

**Grade: Bad**



Data Source: Forbes Feb 3, 2023 “Are We In A Recession Yet?”

# What Does the Data Show?

- Out of the 15 data points tracked by Forbes, more troubled signs:
  - *Good: 5*
  - *Neutral: 2*
  - *Bad: 8*
- Labor market is the strongest part of the current economy: historical low unemployment and large number of unfilled jobs, but pressure from labor cost/wage increase
- Consumers seem to be enduring high inflation better than they did in 2022, and hopefully prices will continue to moderate in the months to come but cost-of-living crisis still weighs heavily on the outlook
- Housing market is suffering from the higher borrowing costs and the downward trend is expected to continue in 2023



# SF Bay Area's Economic Challenges

- San Francisco (SF) Metro Area still down 21,600 jobs, 1% lower than its pre-pandemic employment:
  - Most decrease due to service sector
  - Knowledge workers (tech, R&D, etc.) grew during the pandemic but will this stay true for long with the current tech layoffs?
- SF and San Jose (SJ) Metro Areas together lost 147,000 people during the pandemic
  - Will this trend continue, if so, what's the long-term impact on retail, housing, office space markets?
- SF office vacancy rate is 28% as of Q4 2022, vs. 4% Q4 2019
  - Continuing of remote work
  - Reduction and/or consolidation of office spaces
- Retail sales in counties like San Francisco, are still way below pre-pandemic level
  - Big conventions are slowly coming back
  - International travel is still in recovery and will take time
  - Workers are not coming back

*Data Source: Bay Area Council Weekly News March 3, 2023*

# Marin's Economic and Retail Sales Trend

- Marin's relatively simple economic and taxable sales bases helped the County weather the last three years well
- Due to the County's demographic and income level, majority of County residents are not suffering significant financial difficulties during the period; though wide disparities exist
- Remote work options for many Marin residents helps the strong increase of taxable sales
- Savings from out of region/country travels spent on home improvement and other home base items
- Moving forward, will the slowing down eventually lead to negative growth in Marin?



*Neighborhood Delivery Pic  
Shared in April 2020*

# Measure A/AA Budget Level and Projection

- Adopted FY2022-23 Measure A/AA Budget Level: \$34.85 Million vs. Current FY2022-23 Estimate: \$35.5 Million
- Recommended FY2023-24 Budget Level: \$35.68 Million, and assume a 2% annual growth for all future years for the revenue update of the Measure A/AA Strategic Plan

Year	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29
<b><i>Avenu Insights &amp; Analytics February 2023 Projection</i></b>							
Annual Revenue	36.03	36.39	37.53	38.71	39.78	40.73	41.56
% Growth	3.7%	1.0%	3.1%	3.2%	2.8%	2.4%	2.0%
<b><i>California Department of Tax and Fee Administration January 2023 Projection</i></b>							
Annual Revenue	35.44	35.62					
% Growth	2.0%	0.5%					
<b><i>Staff Recommendation</i></b>							
Annual Revenue	35.50	<b>35.68</b>	36.39	37.12	37.86	38.62	39.39
% Growth	2.2%	<b>0.5%</b>	2.0%	2.0%	2.0%	2.0%	2.0%

# Marin's Vehicle Registration Trend

- Annual number of registered vehicles in the County continues to drop since 2020
- Possible reasons:
  - Negative population change
  - Shortage of cars
  - With the remote working option, many decide not to replace a retired car or get an extra car
- Moving forward, will the negative growth change in the next year or two?

Calendar Year	Registered Vehicle	Annual # Change	Annual % Change	Annual Revenue <sup>1,2</sup>	Revenue % Change
2012	235,535	-356	-0.15%	2,242,958	N/A
2013	240,921	5,386	2.29%	2,323,342	3.58%
2014	243,069	2,148	0.89%	2,335,980	0.54%
2015	245,849	2,780	1.14%	2,358,335	0.96%
2016	249,314	3,465	1.41%	2,402,295	1.86%
2017	247,424	-1,890	-0.76%	2,387,773	-0.60%
2018	247,820	396	0.16%	2,391,857	0.17%
2019	249,524	1,704	0.69%	2,412,072	0.85%
2020	243,986	-3,834	-1.54%	2,359,873	-2.16%
2021	241,977	-7,547	-3.09%	2,343,931	-0.68%
2022*	237,711	-6,275	-2.59%	2,307,377	-1.56%

*Data Source: Department of Motor Vehicles*

1. Annual Revenue is calculated using the monthly disbursement from DMV for the calendar year.

2. DMV takes 0.05% of the collection off the top for its administrative support.

\*. 2022 Registered Vehicle # is draft and under review for final publication.

# Measure B Budget Level and Projection

- Adopted FY2022-23 Measure B Budget Level: \$2.3 Million
- Recommended FY2023-24 Budget Level: \$2.25 Million, and assume flat at \$2.25 million for all future years for the revenue update of the Measure B Strategic Plan



# Questions?

**Thank You!**

