



DATE: June 19, 2023

TO: Transportation Authority of Marin Citizens' Oversight Committee

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

SUBJECT: Review of Draft 2023 Measures A/AA Sales Tax Strategic Plan (Discussion),
Agenda Item No. 5

RECOMMENDATION

Discussion item only. The Citizens' Oversight Committee (COC) reviews the Draft 2023 Measure A/AA Sales Tax Strategic Plan and provides input. Any comments received from the COC will be considered for incorporation into the final Measure A/AA Strategic Plan which will be adopted by the TAM Board at its July 27 meeting.

BACKGROUND

Measure A, the original measure that dedicated local sales tax revenues to transportation needs over a twenty-year period from 2005 to 2025, was approved by 71.2% of Marin voters in November 2004. Measure A was a major source of transportation funding in Marin County for 14 years and was set to expire on March 31, 2025. As an effort to renew Measure A, Measure AA was approved by 76.7% of Marin voters in November 2018 (effective as of April 2019) and extended the transportation sales tax for another 30 years to 2049.

Both Measure A and Measure AA Expenditure Plans list projects and programs that are eligible for transportation sales tax funds and establish the percentage of funds that can be allocated to each strategy and category. The Expenditure Plans also direct TAM to prepare Strategic Plans to identify the timing and process of funding allocation for project and program implementation based on project readiness, ability to generate matching or leveraged funds, need for borrowing and other relevant criteria. The Measure A Strategic Plan has been in existence since 2005 and updated every other year. In June 2019, the TAM Board adopted the first Measure AA Strategic Plan.

The 2021 Measure A/AA Strategic Plan, adopted in June 2021, was developed to combine the Measure A and Measure AA Strategic Plans into a single document since Measure AA is an extension of Measure A and both measures are collecting the same transportation sales tax revenue stream over a consecutive period with the same project/program priorities.

The Strategic Plan is scheduled for update every other year with 2023 as the next scheduled update. Annual Strategic Plan updates must be approved by the TAM Board, following a noticed public hearing and a 30-day public comment period.

DISCUSSION/ANALYSIS

Purpose of a Strategic Plan

The Draft 2023 Measure A/AA Strategic Plan outlines how the revenues are distributed to projects and programs, as well as the oversight process. It establishes the timing of allocations and addresses funding priorities. It also reconciles the timing of expected revenues with the schedule for when those revenues are needed in order for sponsors to deliver projects and services. The Draft 2023 Strategic Plan provides the overall structure for the management of the revenues and guidance to sponsors on requesting, utilizing, and reporting on the spending of the funds allocated.

The Strategic Plan itself does not constitute a final funding commitment. Actual funding commitments to individual projects and programs are secured through allocation requests by eligible designated recipients and TAM Board approvals.

The Draft 2023 Strategic Plan contains the following sections:

- Executive Summary
- Background
- Policies Guiding the Plan
- Revenue Forecast
- Programming/Allocation to Projects/Programs
- Implementation Guidelines
- Appendix

The Draft 2023 Measure A/AA Strategic Plan is consistent with the 2021 Strategic Plan. The changes primarily include updating the language, revenue numbers, and project statuses to keep the document contemporary, but the policies, programming, and implementation guidelines from the 2021 Strategic Plan were retained with minor changes in the Draft 2023 Strategic Plan.

Below are the notable updates included in the Draft 2023 Measure A/AA Strategic Plan:

Measure A Commitments

All funding commitments of Measure A have been fulfilled except for the remaining funds of \$1.434 million in Strategy 1.4 (Transit Capital) as shown in Appendix 1 in Attachment A. The remaining funds were allocated to Marin Transit in June 2022 and Marin Transit is expected to request full reimbursement in late 2023. Once the funds are fully reimbursed to Marin Transit, all funding commitments, except Reserve funds, will have been fulfilled. Reporting on Measure A in future Strategic Plans will be kept to a minimum.

Measure AA Revenue Forecast

The 2021 Measure A/AA Strategic Plan expects a total of \$1.06 billion in projected revenue collection over the 30-year period. This figure was about 12% lower than the \$1.2 billion projected in the original 2019 Strategic Plan but still more than 21% higher than the \$872 million estimated in the Measure AA Expenditure Plan. The projected revenue collection from the 2021 Strategic Plan was prepared on a \$27.5 million (FY2019-20) base year with a 2.5% annual growth rate. However, Marin's sales tax collection has benefited significantly from work from home arrangement, housing market, and other close to home spending. The revenue projection for the 2023 Measure A/AA Strategic Plan was prepared on a \$35.68 million (FY2023-24) base year with a 2% annual growth rate, which yields a \$1.3 billion estimated total revenue collection even at a lower annual growth rate.

As a result, expected funds programmed to the four Categories (Appendices 2 and 3) in the Draft 2023 Measure A/AA Strategic Plan have significantly increased from the 2021 Strategic Plan. On the other hand, the many uncertainties both globally and nationally are casting a huge shadow on the economic future for all. While it is still highly likely that Marin's sales tax revenue will not suffer in the upcoming year due to the demographic and economic nature of the County, the potential sales tax revenue loss weighs on TAM's financial picture over the next few years. Over the long-term, the strong sales tax drivers, including per capita personal income and the relatively low Marin unemployment rate, Marin is expected to continue to support strong taxable sales growth.

Language to Allow Future COC Membership Change

The current 12-member COC membership structure was originally established in the 2004 Measure A Transportation Sales Tax Expenditure Plan. To ensure the COC membership structure can be reviewed and changed timely to reflect the evolving needs of various communities, especially those who are underserved, the TAM Board, during the Measure B Expenditure Plan review process, authorized adjustments to the COC membership structure when necessary. This direction is recognized in the Draft 2023 Measure A/AA Sales Tax Strategic Plan to ensure consistency on the same issue among the strategic plans. Descriptions of the COC can be found on Page 13 of the Strategic Plan (Attachment A).

FISCAL CONSIDERATION

There are no immediate fiscal impacts associated with the review of the Draft 2023 Measure A/AA Sales Tax Strategic Plan and the opening of a 30-day public comment period. After the Draft 2023 Measure A/AA Strategic Plan is adopted, Measure A and AA funds will be made available upon requests from eligible recipients.

NEXT STEPS

The TAM Board will review and release the Draft 2023 Measure A/AA Sales Tax Strategic Plan for public comment at its June 22, 2023 meeting. The 30-day comment period will close on July 22nd. Staff will respond to comments received and present a final draft for Board adoption at the July Board meeting, noting any significant updates made based on comments. The TAM Board will conduct a public hearing prior to the final adoption of the Draft 2023 Strategic Plan at its July meeting. Upon adoption, the 2023 Measure A/AA Strategic Plan will be posted on TAM's website and communicated to local agencies and stakeholders. Initial allocation requests of Measure A and AA funds from the 2023 Strategic Plan are scheduled to be presented to the TAM Board for adoption in July 2023.

ATTACHMENT

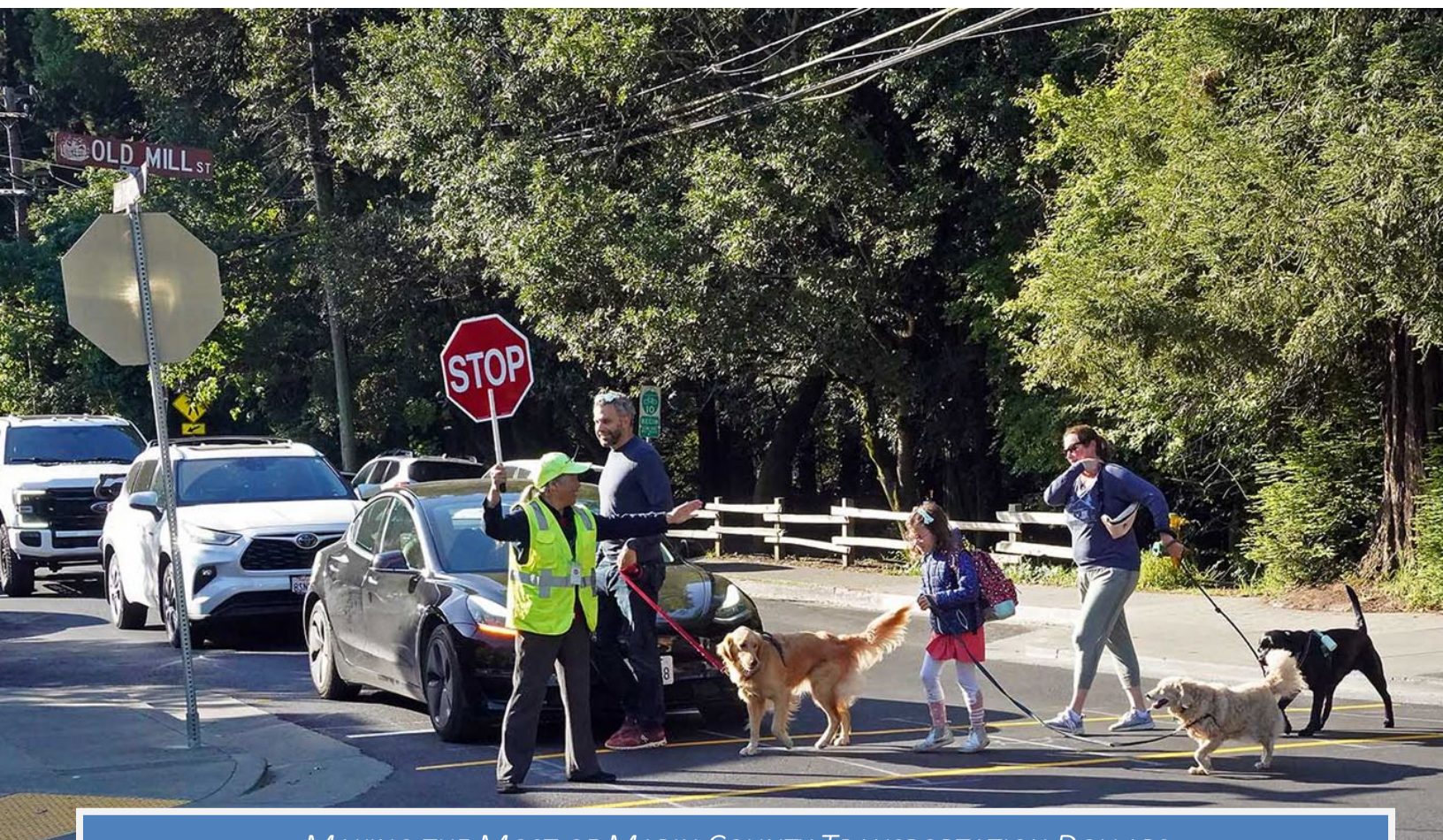
Attachment A – Draft 2023 Measure A/AA Sales Tax Strategic Plan
Attachment B – Staff Presentation

THIS PAGE LEFT BLANK INTENTIONALLY



2023 Measure A/AA Sales Tax Strategic Plan

DRAFT



MAKING THE MOST OF MARIN COUNTY TRANSPORTATION DOLLARS

THIS PAGE LEFT BLANK INTENTIONALLY

TAM Board of Commissioners

(June 2023)

Chairperson

San Anselmo - Brian Colbert

Vice Chairperson

County of Marin - Eric Lucan

Commissioners

Belvedere - Nancy Kemnitzer

Corte Madera - Patricia Ravasio

Fairfax - Chance Cutrano

Larkspur - Kevin Carroll

Mill Valley - Urban Carmel

Novato - Rachel Farac

Ross - P. Beach Kuhl

San Rafael - Kate Colin

Sausalito - Melissa Blaustein

Tiburon - Alice Fredericks

County of Marin - Mary Sackett

County of Marin - Katie Rice

County of Marin - Dennis Rodoni

County of Marin - Stephanie Moulton-Peters

Citizens' Oversight Committee

(June 2023)

Chairperson

Major Marin Employers - Peter Pelham

Vice Chairperson

League of Women Voters of Marin - Kevin Hagerty

Committee Member/Alternate

Central Marin Planning Area - Jeffrey Olson

Northern Marin Planning Area - Charley Vogt

Ross Valley Planning Area - Paul Roye/Susannah Saunders

Southern Marin Planning Area - Debbie Alley

West Marin Planning Area - Scott Tye

Bicyclist & Pedestrian Groups - Vince O'Brien

Environmental Organizations - Kate Powers/Nancy Okada

Marin County Paratransit Coordinating Council - Allan Bortel

School Districts - Zack Macdonald/Heather McPhail Sridharan

Taxpayer Group - Kingston Cole/James Schmidt

League of Women Voters of Marin - Kay Noguchi (Alternate)

THIS PAGE LEFT BLANK INTENTIONALLY

Table of Contents

1.	EXECUTIVE SUMMARY	7
	Guiding Principles of the Strategic Plans	7
	Overview of the 2023 Strategic Plan	8
2.	BACKGROUND	10
	About TAM.....	10
	The Measure A Expenditure Plan	11
	Accomplishments of Measure A.....	11
	Accountability	13
3.	POLICIES GUIDING THE PLAN	14
	3.1 Separation of Categories & Subcategories Policy	14
	3.2 Reserve Policy	15
	3.3 Bond Financing Policy	15
	3.4 Leveraging and Funding Swap Policy	16
	3.5 Audit Policy	16
	3.6 Expenditure Plan Amendment.....	16
	3.7 Investment of Cash Balance and Interest Fund Policy.....	17
	3.8 New Agency Policy.....	17
	3.9 Funding Restriction Policy.....	17
	3.10 Cash Flow and Use of Sales Tax Fund Policy	18
	3.11 Advancement of Fund Policy	18
	3.12 Staffing and Administration Policy.....	18
	3.13 Strategic Plan Amendment Policy.....	18
4.	REVENUE FORECAST.....	20
	Historical Sales Tax Data	20
	2023 Revenue Forecast	21
5.	PROGRAMMING/ALLOCATION TO PROJECTS/PROGRAMS.....	22
	Measure A Projects/Programs.....	22
	Strategy 1: Local Bus Transit.....	22
	Strategy 2: U.S. 101 HOV Gap Closure Project	23
	Strategy 3: Local Transportation Infrastructure	24
	Strategy 4: School Related Congestion and Safer Access to Schools.....	25
	Reserve Funds	26

Measure AA Projects/Programs	27
Category 1: Reduce Congestion on Hwy 101 & Adjacent Roadways	28
Category 2: Maintain, Improve, and Manage Marin’s Local Transportation Infrastructure	30
Category 3: Reduce School-Related Congestion and Provide Safer Access to Schools.....	32
Category 4: Maintain and Expand Local Transit Services	33
Implementation Guidelines	37
Appendix	40
Appendix 1 - Measure A Five-Year Programming.....	40
Appendix 2 - Measure AA Five-Year Programming	40
Appendix 3 - Measure AA Category 2.1 Local Road Infrastructure Programming by Agencies	40
Appendix 4 - Measure A Expenditure Plan (available for download).....	40
Appendix 5 - Measure AA Expenditure Plan (Available for download).....	40
Appendix 6 - Comments and Responses on Strategic Plan (if any)	40

1. EXECUTIVE SUMMARY

The goal of the Measure AA Expenditure Plan approved by Marin County voters in 2018 is to **“Reduce congestion and reduce greenhouse gas emissions, maintain and improve local transportation infrastructure, and provide high quality transportation options for people of all ages who live, work, and travel in Marin County.”** In implementing the Measures A and AA Expenditure Plans, Guiding Principles were adopted in the Measures A and AA Strategic Plans. Those previously adopted Guiding Principles are highlighted below, including two new Guiding Principles.

Guiding Principles of the Strategic Plans

The 2021 Strategic Plan was the first time that the Measure A (2004) and Measure AA (2018) ½-cent Transportation Sales Taxes were combined into one document that served as the programming/allocation document for all projects/programs receiving sales tax funding. The 2023 Strategic Plan follows the same format established by the 2021 Strategic Plan. Measure A is playing a less prominent role now that most of the Measure A funded projects and programs have been completed. The 2023 Strategic Plan serves as the guide, resource book, and manual for expenditure of the valuable local sales tax dollars that Marin voters entrusted with TAM and are developed under the following guiding principles.

a. Maximize Leveraging of Outside Fund Sources

The ability of local sales tax to serve as an incentive to match outside fund sources is a distinct advantage realized by the passage of the Transportation Sales Tax Measures. The ability to utilize these sources will provide TAM with the flexibility to respond to emerging transportation issues. The active pursuit of these opportunities, whereby sales tax within the framework of the Expenditure Plans can be utilized to bring additional funds to the County, will continue to be a primary focus of TAM.

b. Support Cost-Effective Project Delivery

Local dollars should be actively delivering those projects with the greatest local impact based on measurable performance criteria. Projects or programs that progress towards delivering a public improvement should receive priority funding. Funding commitments should be examined for projects or programs that are not progressing adequately toward delivery, and remedies to promote progress should be actively supported by TAM. All strategies should progress towards measurable improvements.

c. Maximize the Cost-Effective Use of Sales Tax Funds

The projects and programs envisioned in the Expenditure Plans may only be deliverable if they receive a concentrated influx of funding over a relatively short time period. The timing of sales tax collection may not exactly fit the delivery needs of projects. The Strategic Plan process will examine the need to advance funds for project delivery needs. This can be accomplished in a variety of ways, by the leveraging of outside fund sources, the loaning of revenue within or between Expenditure Plan strategies, and the advancing of sales tax through short or long-term debt financing, all of which will be considered as needed.

d. Promote a Balanced Use of Funds Throughout the County.

The Expenditure Plans provide the basis for how funds are distributed throughout the County and among various programs/projects. TAM will remain committed to working with program and project sponsors to move all programs/projects forward in an effort to provide a balanced expenditure of sales funds

throughout the County, particularly with unencumbered discretionary funds.

e. Promote High Environmental and Conservation Awareness

TAM will remain committed to working with program and project sponsors in a cooperative manner to deliver the Measure AA program with attention to environmental and conservation awareness and reducing greenhouse gas emissions. Allocation of Measure AA funds for right of way capital and construction will be contingent upon demonstration of completed environmental documentation. Attention shall be paid to any impacts on local traffic circulation, bike and pedestrian safety and accommodation, minimizing disruption to Marin County residents.

f. Promote Equity

TAM Board discussions in recent years have directed staff to focus on equity in all TAM activities. The 2021 Strategic Plan incorporated the 2017 Vision Plan direction to focus on “providing transportation that is accessible, affordable, and convenient for all residents and workers in Marin County.” TAM’s Equity Statement and Action Plan are also under review and development. Upon completion, policies developed from these documents will likely be incorporated in the next strategic plan update in 2025.

g. Support Community Safety in Wildfire Evacuation Planning

With devastating wildfire events in regular occurrence, TAM will serve as a resource to support local agencies tasked with implementing evacuation plans and capital and operational transportation improvements designed to aid in wildfire evacuation. If opportunities are permissible to include evacuation-related criterion in the project evaluation for Transportation Sales Tax funds, TAM will consider doing so. TAM also encourages funding recipients to coordinate with local emergency response authorities when designing and implementing new infrastructure projects.

Overview of the 2023 Strategic Plan

Following the precedent established by the 2021 Strategic Plan, the 2023 Strategic Plan is also a 5-year planning and programming document that also includes important policies. It provides a snapshot of commitment of funds to specific projects and programs for a five-year period. The revenue projections and funding commitments will be updated annually while the Strategic Plan document will be updated every other year. This Executive Summary provides an overview of the entire document.

Section 1-Executive Summary: highlights all the guiding principles for the development of the Strategic Plan and the framework of the 2023 Strategic Plan.

Section 2-Background: provides background information on both the Measure A and Measure AA Expenditure Plans and implementation to date. Section 2 also discusses the accountability requirements for TAM in managing Measure A and Measure AA, and the role of the Citizens’ Oversight Committee (COC) in providing oversight. Lastly, Section 2 recognizes the accomplishments of Measure A as TAM transitions to Measure AA.

Section 3-Policies Guiding the Plan: outlines the policies that govern the administration of the Measures A and AA Programs, ensuring prudent stewardship of the funds. These policies provide guidance to TAM in managing the funds that are consistent with requirements from the Expenditure Plans, directions from the TAM Board, and from commonly accepted fiduciary practices with sales tax management.

Section 4-Revenue Forecast: provides historic revenue information and assessment of Marin’s sale tax revenue trends, current revenue projections with comparison to past estimates, and also projected revenue available to each eligible Category over the life of the measure.

Section 5-Programming/Allocation to Projects/Programs: provides an overview of the fund programming to date and plans for the near-term future for each strategy and category of Measure A and Measure AA, respectively. Project sponsors can find the up-to-date funding commitment information over the 5-year period in Section 5, for each of the projects and programs identified in the Expenditure Plans. Section 5 also contains expected delivery schedules for each active major capital project.

2. BACKGROUND

About TAM

The Transportation Authority of Marin (TAM) plays a major role in improving the quality of life for Marin County residents and developing and maintaining the economic viability of our local region by funding transportation projects and programs that improve mobility, reduce congestion, and provide a transportation system with more options for those living, working, visiting, and traveling in Marin County.

TAM was created in 2004 by the Marin County Board of Supervisors to develop and administer the Expenditure Plan for the first Marin County Transportation Sales Tax, known as Measure A. TAM now administers Measure A, Measure AA, and Measure B, the \$10 Vehicle Registration Fee passed in 2010.

The Strategic Plan implements the mission of TAM for Measure AA, as set forth in the Expenditure Plan:

TAM is dedicated to making the most of Marin County transportation dollars and creating an efficient and effective transportation system that promotes mobility and accessibility by providing a variety of high-quality transportation options to all users.

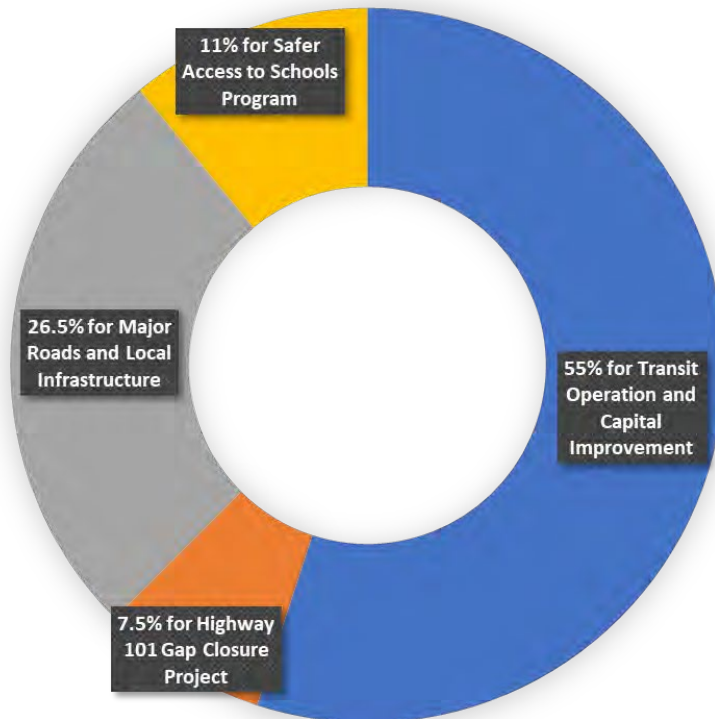
In addition to administering these voter-approved funding sources, TAM serves as the designated Congestion Management Agency (CMA) for the County, providing countywide planning and programming for transportation related needs. As the CMA, TAM is responsible for coordinating funding for many of the transportation projects and programs in the County. With these responsibilities, TAM plays a leading role in the planning, financing and implementation of transportation projects and programs in the County.

The TAM sixteen-member governing board comprises representatives from each of the cities and towns in Marin County, and all five members of the County Board of Supervisors. A twelve-member Citizens' Oversight Committee, made up of five representatives from the five planning areas and seven representatives from diverse interest groups in the County, report directly to the public on all issues related to the Expenditure Plan and sales tax use.

The Measure A Expenditure Plan

In 2004, Marin voters approved the Measure A 20-year half-cent sales tax measure to fund high priority local transportation projects and programs throughout the County with a 71.2% approval rate. The Measure A Expenditure Plan set out a clear path to fund our core transportation needs of highest priority to the public, including local street and road maintenance, Safe Routes to Schools programs, essential transit service and much needed funds for the Highway 101 Gap Closure Project.

CHART 1: MEASURE A FUNDING BY STRATEGY



The Measure A Expenditure Plan provided funding for four strategies as shown in Chart 1.

As of 2023, commitments to most of the strategies from the Measure A Expenditure Plan have been fulfilled. The residual commitments for a few projects under the Major Road Strategy of Measure A have been assigned to the Measure AA Expenditure Plan as an off-the-top funding set-aside for the first 14 years of the 30-year extension. Another residual commitment of Measure A is the periodic release of Measure A Reserve funds that were collected in the early years. These Measure A Reserve funds are being released annually in proportion to the amount of Measure AA Reserve funds collected annually. After the release of Measure A Reserve funds in FY 25/26, all such funds would have been exhausted.

Accomplishments of Measure A

As TAM gradually transitions from Measure A to Measure AA, it is important to recognize the accomplishments and understand the foundations established by Measure A. Most of the categories in Measure AA began with the strategies established in Measure A. It is also important to note that Measure AA is not a replication of Measure A because Measure AA includes new categories not found in Measure A. These new categories were developed to address contemporary issues. Understanding the accomplishments of Measure A will provide insights on Measure AA.

TAM's 2004 half-cent transportation sales tax (Measure A) provided a reliable funding stream for local streets and roads maintenance, major roadway improvements, Safe Routes to Schools programs, and local transit services. This funding stream has provided significant benefits that have helped improve mobility, reduce local congestion, protect the environment, enhance safety, and provide a variety of high-quality transportation options to meet local needs. Completed and successful efforts are highlighted below.

Highways

- Completion of the Highway 101 Gap Closure Project in San Rafael, the high-occupancy vehicle (HOV) lane, including the new Southbound 101 to eastbound I-580 high-speed two-lane connector. The project also included the separated (Class I) multi-use path over Lincoln Hill.

Local Transit

- Developed a local transit system designed to serve the needs of Marin residents and workers traveling within the county.
- Enabled Marin Transit to pay for and expand local transit services, paratransit services, the West Marin Stagecoach, and the Muir Woods Shuttle.
- Kept local transit and paratransit fares low.

Local Streets

- Completed major road improvements including 4th Street in San Rafael, Miller Avenue and East Blithedale Avenue in Mill Valley, Sir Francis Drake Boulevard through Samuel P. Taylor Park in West Marin, Sir Francis Drake Boulevard between Highway 101 and Ross town limit in the Ross Valley, and Segments 2 and 3 of Novato Boulevard in Novato.
- Paved and reconstructed hundreds of miles of local streets and roads, representing over \$60 million in investment.

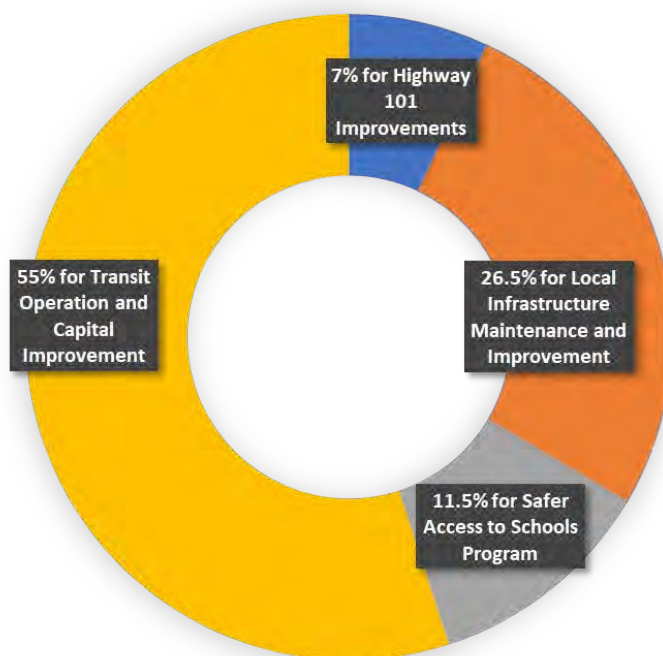
Safe Routes to Schools

- Ongoing success of the Safe Routes to Schools program, with an average of over 50% green trips in over 60 schools countywide, teaching kids the healthy habits of biking and walking, and reducing congestion on our roadways.
- Funded and implemented nearly \$20 million in Safe Pathways capital projects to increase safe access to schools.
- Placement of 88 crossing guards near schools, providing an essential safety service for kids walking and biking to school.

The Measure AA Expenditure Plan

On November 6, 2018, after unanimous approval by the 11 Cities and Towns and the County of Marin, 76.7% of Marin voters approved the renewal and 30-year extension of the 1/2-cent transportation sales tax and Measure AA Expenditure Plan. The Measure AA Expenditure Plan, like the Measure A Expenditure Plan that came before, reconfirmed the core transportation needs in the County, including local street and road maintenance, Safe Routes to Schools programs, high quality transit service and highway and interchange improvements. The Measure AA Expenditure Plan also emphasizes the importance of addressing sea level rise, exploring innovative solutions for transportation problems,

CHART 2: MEASURE AA FUNDING BY CATEGORY



and focusing on multi-modal and more equitable travel options.

The Measure AA Expenditure Plan provides funding for the four categories as shown in Chart 2.

Accountability

To ensure accountability and transparency of the spending of the sales tax dollars, as described below TAM has established various oversight, audit and reporting requirements related to each of the project and program strategies/categories in the Measure A and Measure AA Expenditure Plans.

TAM retains an independent auditor for auditing tax expenditures, ensuring that expenditures are made in accordance with the Expenditure Plans and the funding agreements/contracts between TAM and the funding recipients. In addition to the annual financial audit of TAM, an annual compliance audit process of the sales tax expenditure has also been in place since 2011 to provide additional check and assurance that the tax dollars are spent as voters approved.

TAM will ensure adequate public involvement for the preparation of all spending plans, and approval of all programming/allocations will be conducted in open public meetings according to state law.

The Citizens' Oversight Committee (COC), originally created in 2004 as part of the requirement of the Measure A Expenditure Plan, will continue to play a critical role as the citizens watchdog to monitor and report the expenditure of the sales tax in accordance with both the Measure A and Measure AA Expenditure Plans. The COC is designed to reflect the diversity of the county. It consists of 12 members (current memberlist is presented in Appendix 1) and each organization represented on the COC nominates its representative, with final appointment by the TAM Board. As noted above on Page 8, Section f, TAM is undergoing efforts to develop Equity Statement and Action Plan. The COC will be asked to provide input and recommendations to the TAM Board regarding the current COC membership structure, with the potential to add one or more new seats to address the needs and voices of the Equity Priority Communities in Marin.

3. POLICIES GUIDING THE PLAN

TAM has incorporated the following policies to guide the continuing implementation of the 2023 Strategic Plan, ensuring prudent stewardship of the funds. Policies incorporated into this document will guide the financial decisions of TAM in managing Measure A and Measure AA funds.

3.1 Separation of Categories & Subcategories Policy

The Strategic Plan captures the intent of the Measure AA Expenditure Plan in assigning funding commitments to the four key Categories. The Expenditure Plan is organized around four categories designed to reduce congestion and reduce greenhouse gas emissions in Marin County. Each Category is supported by specific but flexible programs that have been designed to “provide a high degree of accountability to the voters.” In the Strategic Plan, a percentage share of Measure AA revenues is programmed to each category or subcategory within the four categories. As sales tax receipts increase or decrease, the dollar amounts programmed to each category and subcategory may fluctuate accordingly, but the overall percentage will be maintained over the 30-year period.

For purposes of developing the Revenue and Expenditure element of the Strategic Plan, financial assumptions concerning how Measure AA revenues would be programmed and funds borrowed between strategies were developed. These assumptions have guided the development of the fund tracking and monitoring systems, which track what levels of sales tax have been expended for each strategy and sub-strategy over time. In general, for tracking purposes, each category or subcategory is considered as a discreet and separate “fund” that is eligible for its percentage share of revenues annually. Sales tax revenue may be allocated for eligible projects and programs within the category or subcategory annually or they may be allocated at a later time.

Actual revenues will be programmed over the life of the Expenditure Plan based on the percentage distributions identified in the Plan. The actual requirements for funds in a specific program or subcategory may be higher or lower than the projected revenue availability in any given year. To address these variances, annual allocations may be greater than or be less than the amount available, depending on carryover or borrowing between sub-categories. The Strategic Plan will be updated annually when information on actual expenditures is presented and reconciliation options discussed, to ensure that percentage distributions will be achieved over the life of the plan.

The actual requirement for funds in a specific project or program could be higher or lower than expected due to changes in funding outside of this transportation sales tax, or due to changes in project or program costs or feasibility. Funds are limited to what is available in this expenditure plan in the event project or program costs are higher. Should the need for funds for any project or program within one of the four major categories be less than the amount to be allocated by the sales tax, or should any project or program become infeasible for any reason, funds will first be reprogrammed to other projects or programs in the same major category with approval from the TAM Board at a noticed public hearing. Should the need for funds in the entire major category be less than the amount to be allocated by the transportation sales tax, TAM’s Board may amend the Expenditure Plan to reallocate funds to any of the other major categories following its procedures for an amendment.

Borrowing between categories or subcategories is allowed to the extent it lessens debt financing and allows projects and programs to move forward based on their readiness. In the annual Strategic Plan updates, and the annual updates to the Revenue and Expenditure element, revenues, and expenditures within each category and

subcategories will be reported and options for reconciling any share imbalance will be discussed. At the sunset of Measure AA, each of the categories will have received their respective percentage shares per the Expenditure Plan.

3.2 Reserve Policy

TAM is entrusted by the voters in Marin under the Measure AA Expenditure Plan to administer the Measure AA funds and deliver all the projects/programs to the voters in the most fiscally responsible and cost-effective way. The reserve policy is one of the key elements TAM needs to carry out its mission. In accordance with both Measure A and the Measure AA Expenditure Plans, TAM has the ability to set aside a reserve fund of up to 10% of the annual transportation sales tax receipts for contingencies.

The establishment of a reasonable sales tax reserve allows TAM the ability to provide funding or cash flow support to eligible high priority projects and programs during economic difficult times, or under unforeseen emergency funding crises. Under Measure A, 5% of the first five-years of full revenue collection was set aside to allow TAM a reserve of \$5.38 million, which helped the agency weather the 2008 economic recession and meet urgent project funding and cash needs. The TAM Board adopted the following policy under Measure AA at its June 27, 2019 meeting.

- I. Start to build the Measure AA reserve with 5% set aside for the first 5 years off-the-top of the total revenue collection, estimated at \$8.8 million based on current revenue estimates;
- II. Do not release the Measure A reserve all at once, but release it at the same rate that the Measure AA reserve is collected to maintain the current \$5.38 million reserve level as the minimum level at all times;
- III. Category or subcategory that uses the Measure AA reserve fund will be responsible for replenishing the used funds over an established period of time.

3.3 Bond Financing Policy

In accordance with both Measure A and the Measure AA Expenditure Plans, TAM has the authority to bond and use other financing mechanisms for the purposes of expediting the delivery of transportation projects and programs pursuant to the Strategic Plan. If needed, bond financing may be utilized to accelerate projects and address cash flow needs. In addition, short-term financial or intergovernmental loans may be utilized to address shorter term cash flow needs.

Under the Measure A Expenditure Plan, \$2.35 million was taken off the top for potential bond financing needs of the Highway 101 Gap Closure and Major Road Projects, which was used to pay off the \$12.5 million TAM secured from the Metropolitan Transportation Commission (MTC) at favorable financing terms compared to a municipal bond at the time.

Under the Measure AA Expenditure Plan, any project funded by borrowing or financing may not be amended unless or until the financing obligation has been met; any such amendment will be subordinate to any sales tax lien against any bond issuance.

Issuing debt is typically a last resort to avoid the cost associated with a bond issuance. Other methods such as borrowing between categories, borrowing against the reserve funds, borrowing from other agencies, and other short-term borrowing instruments will be explored first if financing is needed.

Objectives of TAM's debt financing policy are to:

- I. Maximize the use of Measure AA cash and other leveraged funds to capital projects, thereby eliminating or minimizing the amount of debt required to deliver projects cost effectively and in a timely manner;
- II. Maintain cost effective access to the capital markets through prudent yet flexible policies;
- III. Moderate debt principal and debt service payment through effective planning and project cash management in cooperation with TAM project sponsors; and,
- IV. The sales tax revenue of the categories or subcategories requiring the issuance of debt will be used to satisfy payments on the debt.

3.4 Leveraging and Funding Swap Policy

The Expenditure Plan envisioned the role of other fund sources to help meet Marin's transportation needs. It recognized that the sales tax funding opened new opportunities to compete for state and federal grants that require a local match. Matching or leveraging of outside funding sources is strongly encouraged. Any additional transportation sales tax revenues made available through their replacement by matching funds will be spent based on the principles outlined above. Funds shall remain in the major category unless all needs in the category are met, whereupon TAM can program funds to another category following the amendment procedures.

Leveraging funds through a "fund swap," i.e., exchanging sales tax funds for an equivalent or greater amount of state or federal dollars, is one mechanism that TAM will utilize in the delivery of the sales tax projects and programs. In its role as the CMA for Marin, TAM is responsible for programming certain state and federal transportation funds that come to the county and can identify opportunities where such an exchange would be appropriate. Specifically, TAM looks for fund swap opportunities that meet one or more of the following criteria:

- The fund swap will reduce overall costs of projects/programs
- The fund swap will accelerate delivery of projects/programs
- The fund swap will accelerate or reduce delivery cost of projects/programs that would otherwise have been funded with federal funds.

3.5 Audit Policy

In addition to TAM's overall financial audit, compliance audits of selected funding recipients for the spending of eligible Measure A and Measure AA are conducted annually. The COC advises TAM on the selection of the audit teams and the fund recipients to be audited. TAM presents both the overall financial statements and compliance audit results to the COC for review and the COC reports the results to residents in Marin through in its annual report.

Marin Transit, the major funding recipient of the transit funds, is also required to present its Short-Range Transit Plan, which shows how Measure A and Measure AA funds are used, to the TAM Board for review and approval every other year. TAM also requires each project sponsor to submit a report annually indicating how Measure A and Measure AA funds are used.

3.6 Expenditure Plan Amendment

The Expenditure Plan must be reviewed every six years following passage to ensure that it responds to a rapidly evolving transportation landscape, incorporates innovations, and reflects current priorities. The TAM Board may also consider an amendment, adhering to the process below, at the point of the six-year review or at any time deemed necessary during the life of the Expenditure Plan.

The TAM Board cannot increase the sales tax through an amendment process; any increase in the level of tax must be approved by voters. The TAM Board cannot amend the plan to include prohibited categories including funds to extend or operate SMART, to support parks and open space, or to fund the planning, construction, or renovation of housing. The TAM Board Amendments must continue to fulfill obligations for long-term contracts, bonding, and financing; any such amendments will be subordinate to any sales tax lien against any bond issuance.

To modify the Expenditure Plan, an amendment must be approved by a two-thirds majority of the total commissioners on TAM's Board, a noticed public hearing, and a 45-day public comment period. Following the two-thirds vote, any plan amendment will be submitted to each of the cities and towns in Marin County and to the Board of Supervisors for their approval.

Amending the Expenditure Plan will require a majority vote of 50% or more of the cities or towns representing 50% or more of the incorporated population, as well as a majority vote of the Board of Supervisors.

The Measure AA Expenditure Plan Amendment process is anticipated to commence in 2024.

3.7 Investment of Cash Balance and Interest Fund Policy

TAM currently invests most of the cash balance of the sales tax funds with the Investment Trust of California (CalTRUST), a Joint Powers Authority created by public agencies in 2005 to provide a convenient method for public agencies to pool their assets for investment purposes. Interest revenue from both the Measure A and Measure AA cash balances can only be spent for the transportation purposes authorized by the Measure A and the Measure AA Expenditure Plans. All use of sales tax interest revenue shall be solely determined by the TAM Board.

Interest funds should be only used in cases where no other funding source is available or when immediate action is required to keep a sales tax eligible project or program on schedule.

Commitments from previously allocated interest funds from Measure A will continue to be honored. Spending of the interest fund should be approved by the TAM Board in the following priority order:

- I. Maintain commitment to fund a mitigation measure associated with the Central Marin Ferry Connector Project;
- II. Provide funding to respond to bid opening and construction shortfalls;
- III. Maintain funding commitments to routine bike/ped path maintenance;
- IV. Other emerging unfunded immediate needs.

3.8 New Agency Policy

New incorporated cities/towns or new bus transit agencies that come into existence in Marin County during the life of the Expenditure Plan may be considered as eligible recipients of funds through an amendment to the Expenditure Plan, meeting amendment guidelines and policies outlined in this Strategic Plan.

3.9 Funding Restriction Policy

Measure A and AA funds may not be used for any transportation projects or programs other than those specified in the respective Expenditure Plan. Any transportation project or program not so specified will require an amendment to the Expenditure Plan. Revenue generated by this sales tax will not be used to extend or operate SMART, support parks and open space, or to fund the planning, construction, or renovation of housing. The TAM Board cannot amend the plan to include these prohibited categories.

3.10 Cash Flow and Use of Sales Tax Fund Policy

In an effort to assist TAM in maintaining a positive cash flow and avoid the need to borrow funds, TAM reserves the right impose a reimbursement schedule for projects with large amount of funds allocated with Transportation Sales Tax funds. The rate of reimbursement for the schedule will be determined by TAM at the time of allocation and will be incorporated in the funding agreement. A reimbursement schedule will not typically extend more than three fiscal years, or 6-month after the project is completed. A reimbursement schedule may be accelerated if TAM has sufficient cash to meet the project's cash demand, but acceleration will be determined on a case-by-case basis at the sole discretion of TAM.

For projects with multiple funding sources, TAM may also require project sponsors to use other funds before using TAM's Transportation Sales Tax Funds if the requirement is not prohibited by the other funds.

3.11 Advancement of Fund Policy

TAM will have the capability of loaning Measure AA sales tax receipts for the implementation of transportation projects or programs defined in the Expenditure Plan and pursuant to the Board approved Debt Management Policy.

Most of the Measure AA funds are distributed annually over the 30-year life of the measure. This is true with all of the categories except Category 1, of which several of the highway improvement projects are expected to need funds over a shorter period of time.

The two major projects (Marin Sonoma Narrows and US 101/I-580 Multi-Modal and Local Access Improvement Project) approved by the public and the planning for interchange improvements under Category 1 will likely require an advancement of funds from the sales tax stream. Major Road Projects and Richmond-San Rafael Bridge Approaches may also require advancement of funds. These projects are discussed below in the Section entitled, Programming/Allocation to Projects/Programs.

In addition, project sponsors, particularly local jurisdictions using the Local Streets and Roads funds under the Measure, sometimes need more than their annualized shares to complete priority projects. TAM will continue to advance funds depending on overall funding availability. TAM may choose to assign interest costs to the advancing of funds.

3.12 Staffing and Administration Policy

TAM will hire the staff and professional assistance required to administer the proceeds of this tax and carry out the mission outlined in the Sales Tax Renewal Expenditure Plan. The total cost for administration and program management will not exceed 5% of the revenues generated by the transportation sales tax with administration staff cost capped at 1%. Other administrative and operational costs are included in the 5% allowance. This is consistent with the prior sales tax plan.

3.13 Strategic Plan Amendment Policy

The Strategic Plan is the programming document that directs the use of the transportation sales tax revenue for the life of the tax measure. The Strategic Plan provides the intent of the TAM Board and resultant assurance to sponsors. While the programming is a statement of intent, the Board must approve individual allocations before the sales tax can be used.

Annual adjustments to the Strategic Plan will occur, and at a minimum will include adjustments to the Revenue and Expenditure element of the Strategic Plan. These are envisioned to occur at the change of the Fiscal Year in June/July.

For any other adjustments in the revenue and expenditure element that occur prior to the annual update, and which result in a reduced use of sales tax, the change will be noted in the allocation action of the Board, but an amendment to the Strategic Plan's revenue and expenditure element will not be necessary.

If changes in the revenue and expenditure element result in increased use in sales tax over \$250,000, these changes will be noted in the allocations action of the Board, and an amendment to the Strategic Plan's revenue and expenditure element will be approved simultaneously.

For amendment changes \$250,000 and under, the Board will have the authority to program funds from prior year(s) that were not allocated and/or unprogrammed carryover funds without formally amending the Strategic Plan and opening a formal public comment period. All TAM allocation actions will continue to be done at regularly scheduled and noticed TAM board meetings, allowing public comment and input.

The Strategic Plan must be approved by the TAM Board, following a noticed public hearing on the draft Annual Strategic Plan and a 30-day public comment period. An amendment to the Strategic Plan will be implemented as part of a regularly scheduled Board meeting. Noticing of the amendment will occur as part of the current process for noticing Board meetings.

In all cases, the noticing shall comply with the Brown Act. Comments will be accepted at the meeting regarding the amendment. Approval of the amendment will occur at the following Board meeting, allowing time for additional comments. Any changes to policies contained in the Strategic Plan will also necessitate an amendment to the Strategic Plan, done simultaneously with changes to the policy.

4. REVENUE FORECAST

Projection of the sales tax revenue is critical to the programming and planning of all programs/projects that are allotted funds under the Measure A and Measure AA Expenditure Plans. The ongoing receipt of sales tax revenues allows TAM to fund programs, deliver projects, pay operating expenses and service debt for financed capital projects when needed. The amount and timing of sales tax revenues influences the maximum amount of monies available for projects regardless of whether funding is pay-as-you-go or from bond proceeds.

Collection of sales tax revenue fluctuates with the economic conditions. Major factors affecting the economy and sales tax revenues include population, personal income, and unemployment rate. Marin's economy is driven by various types of industries including financial services, healthcare, biotech, high technology, and tourism. Its population is one of the wealthiest, healthiest, and most highly educated in the nation, though significant disparities exist within the County. The expanding economy has acted as a global talent magnet and employment hub over the years. Even though the overall population is declining, Marin's unparalleled quality of life continues to attract new residents and reinforces home values, which together greatly helped the sales tax revenue collection over time.

Historical Sales Tax Data

The Measure A Expenditure Plan was very conservative with its revenue estimates. It set the annual revenue collection at \$19.6 million with no growth over the 20-year period. The actual collection, starting in FY2005-06 as the first full year and up to FY2019-20, were all above the \$19.6 million projected with the exception of a 2-year period following the 2008 global financial crisis when the economy and sales tax collection suffered greatly. During the development of the Measure AA Expenditure Plan, a still conservative but more realistic approach was taken based on an economic analysis conducted by the Marin Economic Forum in 2017 with a total of \$872 million estimated for the 30-year renewal period.

The collection of the ½-cent Measure A sales tax began at the end of FY2004-05 and collection of FY2005-06 represented the first complete year of sales tax revenue collection. Table 1 shows the historic annual sales tax collection which serves as the basis for evaluating future trends.

TABLE 1: TAM HISTORICAL ½ CENT SALES TAX REVENUE
(Numbers in Million)

Fiscal Year	Sales Tax Revenue	Growth Rate
FY2006	\$ 20.06	
FY2007	\$ 23.07	14.98%
FY2008	\$ 22.43	-2.78%
FY2009	\$ 19.32	-13.86%
FY2010	\$ 18.98	-1.74%
FY2011	\$ 20.26	6.72%
FY2012	\$ 21.27	4.96%
FY2013	\$ 23.62	11.07%
FY2014	\$ 24.09	1.98%
FY2015	\$ 25.27	4.90%
FY2016	\$ 25.70	1.73%
FY2017	\$ 25.76	0.21%
FY2018	\$ 27.51	6.80%
FY2019	\$ 28.99	5.40%
FY2020	\$ 27.33	-5.74%
FY2021	\$ 30.83	12.82%
FY2022	\$ 34.75	12.72%
Average Growth Over the 17-Year Period		3.76%

2023 Revenue Forecast

As reported to the Board over the last few months, even though based on the current cash disbursements, staff is confident that TAM's Measure A/AA revenue collection will make another new high record at \$35.5 million for FY2022-23, the many uncertainties both globally and nationally are casting a huge shadow on the economic future for all. 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. While it is still highly likely that Marin's sales tax revenue will not suffer in the upcoming year due to the demographic and economic nature of the County, the potential sales tax revenue loss weighs on TAM's financial picture over the next few years. However, over the long-term, the strong sales tax drivers, including per capita personal income and the relatively low unemployment rate Marin has, will continue to support the strong taxable sales growth in Marin. The sales tax revenue forecast presented in the 2023 Strategic Plan is based on the FY2023-24 sales tax revenue level adopted by the TAM Board in March 2023. Growth is expected to continue over the course of the forecast period. However, the forecast considers the potential economic recession and is based on a conservative estimate of 2% annual growth for the years after FY2023-24.

Table 2 shows the total revenue projected by category comparing to the 2021 Measure A/AA Strategic Plan and the Measure AA Expenditure Plan over the 30-year period.

TABLE 2: 2023 AND PRIOR STRATEGIC PLAN SALES TAX REVENUE PROJECTIONS

(Numbers in Million)

Fiscal Year	Sales Tax Revenue	Growth Rate
FY2006	\$ 20.06	
FY2007	\$ 23.07	14.98%
FY2008	\$ 22.43	-2.78%
FY2009	\$ 19.32	-13.86%
FY2010	\$ 18.98	-1.74%
FY2011	\$ 20.26	6.72%
FY2012	\$ 21.27	4.96%
FY2013	\$ 23.62	11.07%
FY2014	\$ 24.09	1.98%
FY2015	\$ 25.27	4.90%
FY2016	\$ 25.70	1.73%
FY2017	\$ 25.76	0.21%
FY2018	\$ 27.51	6.80%
FY2019	\$ 28.99	5.40%
FY2020	\$ 27.33	-5.74%
FY2021	\$ 30.83	12.82%
FY2022	\$ 34.75	12.72%
Average Growth Over the 17-Year Period		3.76%

5. PROGRAMMING/ALLOCATION TO PROJECTS/PROGRAMS

Measure A Projects/Programs

The Measure A Expenditure Plan was based on the expectation that the ½-cent sales tax would be collected over 20-years with funds programmed to four strategies. The respective allocation for each strategy — by percentage — is shown in the table below.

Strategy 1 Bus Transit	55%
1.1 Maintain and Improve Local Service	37%
1.2 Maintain and Improve Rural Service	3%
1.3 Maintain and Improve Special Needs Service	9%
1.4 Transit Capital	6%
Strategy 2 Highway 101 Gap Closure	7.5%
Strategy 3 Local Transportation Infrastructures	26.5%
3.1 Major Roads and Related Infrastructures	13.25%
3.2 Local Roads and Related Infrastructures	13.25%
Strategy 4 School-Related Congestion and Safer Access to Schools	11%
4.1 Safe Routes to School Program	3.3%
4.2 Crossing Guard Program	4.2%
4.3 Safe Pathways to School Program	3.5%
TOTAL	100%

Per the Expenditure Plan, each of the four strategies is further divided into sub-strategies. Each sub-strategy is allocated a percentage specified in the Expenditure Plan.

Since Measure AA was approved by Marin voters in November 2018, the Measure A Program officially ceded collecting transportation sales tax funds on March 31, 2019. Collection of transportation sales tax funds resumed under the Measure AA Program on April 1, 2019.

The sections that follow provide a brief overview of each strategy of the Measure A Program and any remaining commitments from TAM in satisfying the obligations set forth by the Measure A Program.

Strategy 1: Local Bus Transit

Measure A Strategy 1 was intended to develop a seamless local bus transit system that improves mobility and serves community needs, including special transit for seniors and people with disabilities (paratransit services), whereby 55% of Measure A revenue was used on Strategy 1 to support and maintain a local bus (and paratransit) service that met the needs of the local community. Strategy 1 was divided into four sub-strategies:

1. Maintain and expand local bus transit service
2. Maintain and expand the rural bus transit system
3. Maintain and expand transit services and programs for those with special needs
4. Invest in bus transit facilities for a clean and efficient transit system

Marin Transit was the sole recipient of Strategy 1 funds, which accounts for the adopted Short-Range Transit Plan (S RTP) that provides a 10-year outlook of revenues and needs of local transit service in Marin County. The S RTP correlates specific programs and projects with the sub-strategies that make up Strategy 1.

As of the date of this Strategic Plan, all funds from Measure A Strategy 1 due to Marin Transit have been allocated and reimbursed to Marin Transit, including carried over funds that were unused from previous allocations. The remaining carried over funds from Strategy 1.4 (Transit Capital) for Marin Transit were allocated in FY 22/23 and all funds are expected to be reimbursed at the conclusion of FY 22/23.

In 2021, the only remaining funds in Strategy 1.1 (Local Bus Transit Services) were funds due to Marin County and San Rafael. In June 2018, TAM adopted projects for the Fifth Cycle Lifeline Transportation Program (LTP) that included \$68,000 to Marin County for Drake Avenue/Cole Drive Pedestrian Improvements and \$248,000 to SanRafael for the Canal Neighborhood Uncontrolled Crosswalk Improvement Project. The funds programmed to Marin County and San Rafael projects were State Transit Assistance (STA) funds that are intended for transit operations and Marin County and San Rafael were ineligible direct recipients of STA funds. Marin Transit was an eligible recipient of STA funds and agreed to exchange Strategy 1.1 Measure A funds for the same amount of STA funds in FY 19/20. Under the fund exchange, Marin Transit received \$316,000 in STA funds directly from the Metropolitan Transportation Commission (MTC) and Marin County and San Rafael received \$68,000 and \$248,000, respectively, in Strategy 1.1 Measure A funds from TAM.

Since the 2021 Strategic Plan was adopted, both Marin County and San Rafael have been fully reimbursed for the abovementioned funding exchange to fulfill all funding obligations for Strategy 1.

Strategy 2: U.S. 101 HOV Gap Closure Project

Strategy 2 of Measure A was intended to fully fund and accelerate completion of the Highway 101 carpool lane gap closure project through San Rafael. Eligible use of funds identified in the Expenditure Plan included completion of final construction segments through Central San Rafael and Puerto Suello Hill; noise reduction improvements for the adjacent neighborhoods; aesthetic and landscaping improvements; and completion of the north-south bicycle way through Puerto Suello Hill. All these facilities were completed. The HOV Gap Closure Project completion ceremony was held in March 2011.

In addition to funding the abovementioned facilities with Measure A Strategy 2 funds, TAM used Strategy 2 funds to exchange, also known “fund swaps,” with federal funds for local agencies to complete federally funded projects. The Gap Closure Project was already “federalized” so accepting more federal funds did not incur additional burdens for the Gap Closure Project. These fund swaps entailed the assignment of \$5.9 million federal funds originally programmed to local agencies for 24 projects in exchange for \$5.9 million in Measure Strategy 2 funds. All 24 projects were completed, and all Measure Strategy 2 funds were reimbursed to fulfill the commitments of the funding exchange.

In October 2007, the TAM Board approved an agreement with MTC to exchange \$12.5 million in CMAQ funds for future Measure A funds from Strategy 2 to make funds available for the Gap Closure Project sooner than scheduled collection. MTC agreed to provide the entire amount of CMAQ funds in FY 08/09 while TAM repaid MTC with Measure A funds over seven years. The last payment from TAM was remitted in December 2015 to fulfill all obligations on the agreement.

The remaining commitments from Strategy 2 were assigned to a new category in Measure AA, called Set Aside for Major Roads and Richmond-San Rafael Bridge Approaches. These include fulfilling commitments to backfilled State-Local Partnership Program (SLPP) funds with Measure A Debt Reserved funds to projects in the Major Roads category and allocating funds collected for Bond Reserve that are available for projects after repaying MTC noted above. When these remaining funds were assigned to Measure AA, all commitments from Strategy 2 were fulfilled.

Strategy 3: Local Transportation Infrastructure

The purpose of this strategy was to provide funding to maintain and improve transportation infrastructure that is of county-wide significance, as well as those that primarily serve local jurisdictions. Half of the funds were allocated for regionally significant facilities, while the other half are allocated for local facilities. Strategy 3 was divided into two sub-strategies:

- 3.1. Major Road Projects
- 3.2. Local Infrastructure Projects

3.1 Major Road Projects

The Measure A Expenditure Plan described the Major Road Projects as the most heavily traveled and significant roads and related infrastructure in Marin County. These are roads of countywide significance that may cross jurisdictional boundaries. Funds are allocated to the five County planning areas based on a formula weighted 50% by the population of the planning area and 50% by the number of road miles within the limits of the planning areas. Prioritized projects were identified and adopted in each of the five planning areas.

Since inception of the Measure A program, a number of Major Road projects were allocated funds from Strategy 3.1. The completed projects include San Rafael's Fourth Street Rehabilitation Project, Mill Valley's Miller Avenue Rehabilitation Project, and two West Sir Francis Drake Boulevard projects in West Marin County. Projects that have started but not completed include San Rafael's Third Street Rehabilitation Project, Marin County's Sir Francis Drake Boulevard in Ross Valley, Mill Valley's East Blithedale Avenue Rehabilitation Project, and Novato's Novato Boulevard Segment 1 Rehabilitation Project.

The uncompleted projects were assigned to a new Major Roads and Richmond-San Rafael Bridge Approaches Set Aside category in Measure AA. All commitments from Strategy 3.1 have been fulfilled.

3.2 Local Infrastructure Projects

The Measure A Expenditure Plan recognized that each jurisdiction has unique needs and that local priorities are best identified at the local level. Because of this, Local Infrastructure funds were distributed on a programmatic basis. Funds were allocated to local agencies based on a formula weighted 50% by the population of the local

agency's jurisdiction and 50% by the number of lane miles within the limits of that agency's jurisdiction. This formula was updated on a biennial basis to address changes in population and lanes mile figures. Eligible projects include street and road projects, local transit projects, and bicycle and pedestrian projects.

Since inception of the Measure A Program, Local Infrastructure funds were allocated annually to all eligible recipients by formula. The last allocations were approved in FY 19/20, fulfilling all commitments from the Measure A Program.

Strategy 4: School Related Congestion and Safer Access to Schools

The Measure A Expenditure Plan identified school-related trips as a "significant component of traffic congestion" in Marin. Strategy 4 was intended to make a significant improvement in local congestion while encouraging safe and healthy behavior in the County's young people. Strategy 4 was comprised of three sub-strategies designed to complement each other with the overall objective of providing safer access to Marin schools. Strategy 4 included:

- 4.1. Safe Routes to School Program
- 4.2. Crossing Guard Program
- 4.3. Safe Pathway Program

4.1 Safe Routes to School Program

Strategy 4.1 Safe Routes to School Program was an educational and promotional program that was implemented at over 60 schools throughout the county. The intent of the Safe Routes to School Program was to increase use of alternative modes of travel and reduce single-student occupant auto trips. Funds were made available annually to retain a consultant to manage the countywide Safe Routes to School Program. The last allocation was approved in FY 18/19 and fulfilled Measure A's commitment to the Safe Routes to School Program.

4.2 Crossing Guard Program

Strategy 4.2 Crossing Guard Program provided funding for trained crossing guards at approximately 88 key intersections throughout the County. Funds were used to retain a company that specialized in providing and managing crossing guards. All eligible funds from the Measure A Program were allocated to the Crossing Guard Program, fulfilling Measure A's commitment.

4.3 Safe Pathway Program

Strategy 4.3 Safe Pathway Program was the capital improvement element of the Safe Routes to School program. This program provided funds to design and construct projects identified through the implementation of the Safe Routes Plans developed under the Safe Routes to School program. Typical projects included the construction of pathways, sidewalk improvements, or traffic safety devices. A total of 54 projects were funded with \$7.4 million in Measure A Strategy 4.3 funds. All Safe Pathway Projects have been completed except for four remaining projects. Measure A commitment to Strategy 4.3 will be fulfilled upon completion of the four remaining projects.

Reserve Funds

The Measure A Expenditure Plan allowed TAM to set aside a reserve fund of up to 10% of the annual receipts from the tax for contingencies, to ensure that the projects included in this plan are implemented on schedule. The purpose of establishing a reserve is to not only ensure that projects are implemented on time, but to allow for fluctuations in annual sales tax receipts that might negatively impact ongoing operating programs. In 2006, TAM established a policy in the Measure A Strategic Plan to set aside 5% annual reserve for the first five years of revenue collection.

TAM collected \$5.38 million in reserve funds in the first five years of the Measure A Program. In June 2019, the TAM Board adopted a policy to release Measure A reserve funds at a rate that does not exceed the amount collected for Measure AA reserve funds, to maintain a minimum \$5.38 million reserve level.

As allowed by the adopted policy, Measure A Reserve Funds in the amount equal to the estimated \$1.43 million in Measure AA reserve collected from FY 2019-20 and \$320,000 collected in the last quarter of FY 2018-19, a total of \$1.75 million in Measure A reserve funds, was made available for allocations in FY 2019-20. No Measure AA reserve funds were collected in FY 2020-21 because of the pandemic so that more funds were made available to the recipients. In FY 2021-22 and FY 2022-23, \$1.7 million and \$1.78 million were collected, respectively, from Measure AA for reserve, and the same amounts of Measure A Reserve funds were released.

In accordance with the Measure A Expenditure Plan, collected revenues are to be distributed to the four strategies in the percentage listed in the below table under the column labelled, Measure A Expenditure. However, the funding commitments for Strategy 2 was fulfilled when the lone project, Highway 101 Gap Closure Project, in Strategy 2 was completed. Therefore, it was not necessary to assign Measure A Reserve Funds to Strategy 2. The Reserve Funds that would have been assigned to Strategy 2 were proportionally assigned to the remaining strategies as shown in the table under the column labeled, Measure A Reserve Funds Programming.

	Measure A Expenditure Plan		Measure A Reserve Funds Programming	
Strategy 1	Transit	55%	Transit	59.46%
Strategy 2	Highway 101 Gap Closure	7.5%	Highway 101 Gap Closure	0.00%
Strategy 3	Streets and Roads 3.1 Major Roads – 11.25% 3.2 Local Roads – 11.25%	26.5%	Streets and Roads 3.1 Major Roads – 14.32% 3.2 Local Roads – 14.32%	28.64%
Strategy 4	Safe Routes to Schools 4.1 Safe Routes to School – 3.3% 4.2 Crossing Guards – 4.2% 4.3 Safe Pathway Projects – 3.5%	11%	Safe Routes to Schools 4.1 Safe Routes to School – 3.57% 4.2 Crossing Guards – 4.54% 4.3 Safe Pathway Projects – 3.79%	11.90%
	Total	100%	Total	100%

Measure AA Projects/Programs

The Measure AA Expenditure Plan Renewal was based on the expectation that the ½-cent sales tax would generate approximately \$827 million over 30 years, net of expenses for administration and program management, debt service and bond issuance costs. The current projected revenues generated by Measure AA have risen to \$1.3 billion compared to \$1.06 billion projected in the 2021 Strategic Plan. With allowable deductions for administration and program/project management, approximately \$1.18 billion for programming.

As outlined in the Measure AA Expenditure Plan, the current projected revenues generated by Measure AA are programmed to four Categories and their associated Sub-Categories. The Categories and Sub-Categories are as follows, with a brief summary of what the Strategic Plan includes for each:

IMPLEMENTATION CATEGORY	Share	Current 30-year Amount (in millions)
Category 1 Reduce Congestion on Hwy 101 & Adjacent Roadways	7.0%	\$78.0
1.1 Provide matching funds for the MSN Project	1.5%	\$16.7
1.2 Provide matching funds for Hwy 101/I-580 Direct Connector	2.0%	\$22.3
1.3 Improve Hwy 101 local interchanges and freeway access routes	3.0%	\$33.4
1.4 Implement commute alternatives and trip reduction strategies	0.5%	\$5.6
Category 2 Maintain, Improve, and Manage Marin's Local Transportation Infrastructure	26.5%	\$314.5
2.1 Maintain and manage local roads	22.0%	\$261.1
2.2 Provide safe pathways for safe walking and biking access to schools	3.0%	\$35.6
2.3 Develop projects to address transportation impacts from sea level rise	1.0%	\$11.9
2.4 Support operational improvements through innovative technology	0.5%	\$5.9
Category 3 Reduce School-Related Congestion and Provide Safer Access to Schools	11.5%	\$130.8
3.1 Maintain the Safe Routes to Schools Program	3.5%	\$39.8
3.2 Expand the Crossing Guard Program	7.0%	\$79.6
3.3 Provide capital funding for small school safety related projects	1.0%	\$11.4
Category 4 Maintain and Expand Local Transit Services	55.0%	\$657.0
4.1 Maintain and improve existing transit service	33.0%	\$394.2
4.2 Maintain and expand rural and recreational bus services	3.0%	\$35.8
4.3 Maintain and expand transit services for those with special needs	9.5%	\$113.5
4.4 Provide transit services to schools	5.0%	\$59.7
4.5 Invest in bus transit facilities	4.0%	\$47.8
4.6 Expand access to ferries and regional transit, managed by Golden Gate Transit	0.5%	\$6.0
TOTAL	100%	\$1,180.3 *

* Total for the four categories after deducting the allowable 1% for administration and 4% for project/program management.

The sections that follow provide a brief overview of each of the categories and the ongoing status for each category.

Category 1: Reduce Congestion on Hwy 101 & Adjacent Roadways

Category 1 of the Expenditure Plan is to “reduce congestion and reduce greenhouse gas emissions, maintain and improve local transportation infrastructure, and provide high quality transportation options for people of all ages who live, work, and travel in Marin County.” The four subcategories are described below.

1.1 Provide Matching Funds for the MSN Project

The US101 Marin-Sonoma Narrows entered its final phase of HOV lane construction in the summer of 2022. A total of \$12.4 million in Measure AA funds, representing 1.5% of the overall sales tax measure, will be used to augment other funds to complete the MSN Project. The distribution of Measure AA funds is shown in the below table.

Phase	Measure AA (in millions)
Design	\$4.8
Right of Way (ROW)	\$3.5
Construction	\$4.1
Total	\$12.4

Funds have been secured to fully fund the construction phase based on the engineer’s estimate of \$121 million. The funding plan for the construction phase is shown in the below table.

MSN Project Construction Phase	(in millions)
SB1 SCCP	\$40.1
Measure AA	\$4.1
STIP/CRRSSA	\$1.1
Federal STP (for RM3)	\$75.7
Total	\$121.0

The completion of the Narrows HOV Lane and multi-use path system in Marin will be matched by the completion of the HOV Lane and path system in Sonoma County. The final Sonoma project stretches from East Washington to Petaluma Boulevard North in the City of Petaluma and began construction in the Fall of 2019 with completion in 2023.

1.2 Provide Matching Funds for 101-580 Multi-Modal and Local Access Improvement Project

Traffic congestion continues to increase for vehicles headed towards eastern San Rafael including the disadvantaged Canal neighborhood. This Project will separate regional traffic from local traffic allowing for greater access for local traffic utilizing Bellam Boulevard and Sir Francis Drake Boulevard. The Sir Francis Drake corridor through Larkspur Landing can then be utilized primarily for access to the SMART station and the Golden Gate Ferry, along with supporting local commercial, business, and residential access.

The Project has been underway since the Summer of 2019 and an initial outreach process concluded in reducing the number of build alternatives to four. The outreach effort included a Stakeholder Working Group consisting of over 20 representatives from the surrounding area. The environmental process is set to begin in late 2023.

1.3 Improve Hwy 101 Local Interchanges and Freeway Access Routes

The Measure AA Expenditure Plan directs 3% of revenues towards a program to study potential improvements to Highway 101 interchanges and approaching local roadways. The studies will investigate enhancements for all users including vehicles, bicycles, pedestrians, and transit users. The funds are intended to be used as “seed money” to leverage possible federal, state, regional or local grant sources. Studies at the twelve interchanges listed below were initiated in FY 20/21 and completed in FY22/23.

- Alexander Avenue / Vista Point
- Donahue Street / N. Bridge Road/ Bridgeway
- SR131Tiburon Blvd. / East Blithedale Avenue
- Tamalpais Drive / Paradise Drive
- Sir Francis Drake Boulevard / Fifer. / Industrial Way
- 2nd Street / Heatherton Street
- North San Pedro Road / Merrydale Road
- Manuel T. Freitas Parkway /Civic Center Drive
- Lucas Valley Road/Smith Ranch Road
- Alameda Del Prado/Nave Drive
- Ignacio Boulevard / Bel Marin Keys / Nave Drive
- San Marin Drive/Atherton Avenue

An implementation plan was prepared that evaluated study results from each interchange against a set of priorities and goals. The plan recommended three interchanges be advanced for further study. They are as follows:

- SR131Tiburon Blvd. / East Blithedale Avenue
- Manuel T. Freitas Parkway /Civic Center Drive
- Alameda del Prado/Nave Drive

Work is underway for the next phase of project development and is expected to be complete in the fall of 2024. The consultant contract for the twelve interchange studies and three Project Initiation Documents (PID) is \$4.4 million.

1.4 Implement Commute Alternatives and Trip Reduction Strategies

Measure AA allocates 0.5% to the promotion and implementation of commute alternatives and trip reduction programs to decrease single occupant vehicle (SOV) trips, increase shared mobility and reduce peak hour congestion throughout the county. TAM has carried out commute alternatives programs since the passage of Measure B, Marin County’s \$10 vehicle registration fee, and this subcategory will supplement Measure B funding to allow for an increase of TAM’s activities to promote non-automotive transportation.

Commute alternatives and trip reduction strategies encourage residents, employees, and visitors to use more environmentally friendly and efficient modes, with an emphasis on transit, bicycle riding, walking, and shared rides. Supporting first and last mile connections to transit through innovative approaches can also support congestion reduction and remove the need for vehicle ownership. Existing successful programs can be sustained with these funds, such as TAM’s Marin Commutes Program, Vanpool Incentive Program, and Emergency Ride Home Program, along with new strategies building on the implementation of innovative programs.

As a primary method of promoting a variety of high-quality transportation options and alternatives to single occupant vehicle trips, TAM launched the Marin Commutes Program in 2019 as a comprehensive public engagement strategy emphasizing the benefits of alternative transportation options and building awareness of the incentives and tools available to Marin commuters. Many of the commute alternatives and trip reduction strategies under this category of Measure AA will be delivered through the Marin Commutes Program. (TAM funds transit programs under category 4 and public transit operations, maintenance or capital expenses are ineligible expenses.) Commute Alternatives and Trip Reduction strategies often include local employer and employee outreach, education, rewards, and incentives. TAM will administer the Commute Alternatives program as part of its existing Commute Alternatives program, while offering assistance to partners and local jurisdictions to help support reductions in vehicle miles traveled (VMT) and equitable programs to support residents and the workforce to utilize encouraging transportation alternatives.

Category 2: Maintain, Improve, and Manage Marin's Local Transportation Infrastructure

Category 2 of the Expenditure Plan is to “maintain, improve, and manage Marin’s local transportation infrastructure, including roads, bikeways, sidewalks, and pathways to create a well-maintained and resilient transportation system.” The four subcategories are described below.

2.1 Maintain and Manage Local Roads

Subcategory 2.1 funds the maintenance of and improvements to local roads, which are the largest single public investment in the county. Funded projects must consider the needs of all roadway users. Local jurisdictions, as project sponsors, will be encouraged to coordinate with adjacent jurisdictions to maximize economic efficiency and minimize construction impacts.

The goal is to develop a comprehensive plan for improving critical roadways at the time an investment is made. Where feasible, locally defined bicycle and pedestrian projects will be implemented in conjunction with other roadway improvements. Funds utilized are eligible to be spent on the following:

- Paving, reconstruction, and repair to roadways, including drainage, lighting, landscaping, and other roadways system components.
- Sidewalks, bikeways, and multi-use pathways.
- Safe pathways to transit and bus stop improvements.
- System enhancements to accommodate new technologies such as signal coordination and real time information.
- Facilities to support alternative fuel vehicles, including electric vehicles and autonomous vehicles.
- Municipal fleet conversions to alternative fuel vehicles.
- School bus service in local corridors as a mechanism to relieve congestion.

The Expenditure Plan recognized that each jurisdiction has unique needs and that local priorities are best identified at the local level. Because of this, Local Road funds are distributed on a programmatic basis. Funds are allocated to local agencies based on a formula weighted 50% by the population of the local agency’s jurisdiction and 50% by the number of lane miles within the limits of that agency’s jurisdiction. This formula is updated on a biennial basis to address changes in population and lane mile figures. The distribution shares will use the most current population data from the California Department of Finance and lane miles from MTC. The distribution shares shown in the Five-Year Programming table have been updated in 2023. Since inception of the Measure AA Program, annual allocations of approximately \$6 million in Category 2.1 funds have been distributed to local agencies.

2.2 Provide Safe Pathways for Safe Walking and Biking Access to Schools

Category 2.2 funds school-related projects known as Safe Pathways to Schools. Safe Pathways is the capital improvement element of the Safe Routes to Schools program. Where the Safe Routes program identifies circulation improvements needed for safe access to schools, the Safe Pathways program provides funding for the engineering, environmental clearance, and construction of pathway and sidewalk improvements in all Marin County communities, including safety improvements at street crossings. As defined in the Expenditure Plan, typical projects might include the construction of pathways, sidewalk improvements, circulation improvements, or traffic safety devices.

Category 2.2 can be used to fund Safe Pathway projects or as matching funds from other sources and may be used in combination with road funds to accelerate pathway improvements in school areas. Safe Pathways funds shall be available to local jurisdictions and will be distributed on a competitive basis to jurisdictions following a Call for Projects managed by TAM.

Category 2.2 is intended to fund larger projects. The allocation of funds under Category 2.2 is recommended to be capped up to \$400,000 to assure equitable distribution of available funds but this amount can be adjusted depending on the amount of funds available and the bidding environment. A Call for Projects will be conducted approximately once every three to four years when the accumulation of funds has reached a sufficient level to fund more than seven projects. Smaller safe pathway projects discussed under Category 3.3 are generally included in a Call for Projects with Category 2.2.

Eligible Safe Pathways projects will be selected based on performance criteria that may including the following:

- Relieve an identified safety or congestion problem along a major school route
- Complete a “gap” in the bicycle and pedestrian system along a major school route
- Maximize daily uses by students and others
- Attract matching funds
- Respect geographic equity

All projects will come from approved Safe Routes plans. Approved Safe Routes plans are developed in a cooperative effort of schools’ Safe Routes to Schools teams, which can include local Safe Routes Task Forces, school officials and staff, parents and children, local elected officials, and representatives of public works departments of local jurisdictions, and at times, neighborhood representatives.

A primary element in development of the plans is the “walkabout” where the team identifies on-site, the routes to the school and areas for safety improvement. Plans resulting from this reconnaissance are reviewed and approved by the local jurisdictions’ public works department. This thorough review means that the final approved concept reflects support of parents, school officials and local jurisdictions.

In October 2019, the TAM Board approved funds from Categories 2.2 and 3.3 for 13 large projects and 14 small projects in the amounts of \$4.6 million and \$900,000, respectively. The funds estimated to be collected from FY 2018-19 to FY 2022-23 were used to fund the programmed projects.

With over \$5 million programmed, TAM could not have honored reimbursement requests if large amounts were requested at the same time. A reimbursement schedule was developed to let sponsors know when and how much they can request reimbursement in a given year over the five-year period. There were five outstanding projects from prior cycles. Sponsors of those five projects also were instructed to finish their previously funded projects before commencing projects funded from the current cycle as a way to spread the reimbursement

demand. To date, actual reimbursement demands have not exceeded the amounts in the reimbursement schedule, preserving a positive cashflow for Categories 2.2 and 3.3.

The next Call for Projects with Categories 2.2 and 3.3 funds is anticipated to commence in 2024.

2.3 Develop Projects to Address Transportation Impacts from Sea Level Rise

The realities of rising sea levels, higher tides, and flooding are Bay Area issues that are particularly challenging in Marin and will have a severe effect on the future of infrastructure facilities. Marin has been served well by the efforts to define the impacts of climate change through its evaluations of vulnerabilities - the 2015 BayWAVE and C-SMART reporting efforts, addressing both Marin's bayside and ocean coast impacts and opportunities for solutions. Caltrans has evaluated its major facilities and their vulnerability and released their report in Spring 2018 – Caltrans District 4. Climate Change Vulnerability Assessments, followed by a Priorities report in 2021.

The funds in this category are reserved for the planning of infrastructure improvements to address sea-level rise, or as matches to grants sought for that purpose, as spelled out in the adopted Measure AA Expenditure Plan. The funds are small and no doubt insufficient for design or construction of these solutions but can be used to plan for improvements and serve as matching funds to grants from other sources.

TAM staff have been working closely with local agencies to consider future needs and opportunities and presented a framework for discussion to the TAM Board in November 2020 and the proposed scope for developing a countywide Sea Level Rise Adaptation Plan in October 2022. Based on these discussions, TAM staff have conducted a procurement for consultant support to conduct a review of existing plans and studies at identified transportation locations vulnerable to sea level rise and begin conceptual design efforts at vulnerable locations in Marin County both on major transportation facilities and adjacent to these facilities. A contractor was retained during FY 2022-23 for an amount not to exceed \$550,000 anticipated over the next two fiscal years.

2.4 Support Operational Improvements through Innovative Technology

Over the last several years, the transportation industry has seen rapid changes in mobility from the use of smartphone applications, and new advancements in the technology sector and electric vehicle sector. It is impossible for transportation agencies to fully anticipate changes in the era of digital transformation that will occur over the next few years, further compounded by the Covid-19 pandemic, where a rapid shift in travel behavior occurred. TAM responded quickly by providing grant funds to support redesign of our local road networks and encourage the use of active transportation. A call for projects was conducted to local public works departments, and the TAM board programmed funds to support these projects using funds collected over FY 2019-20 and FY 2020-21.

As these funds continue to be replenished staff will look toward conducting a new call for projects, to potentially include planning activities to guide the implementation of emerging technology or achieve key policy objectives in alignment with the expenditure plan. This call for projects is expected in FY 2023-24 and will likely include multiple years of funds for local jurisdictions to apply for.

Category 3: Reduce School-Related Congestion and Provide Safer Access to Schools

Strategy 3 of the Expenditure Plan is to “reduce school related congestion and provide safer access to schools.”

3.1 Maintain the Safe Routes to Schools Program

Safe Routes to Schools (SR2S) is a proven program designed to reduce local congestion around schools while instilling healthy and sustainable habits in our young people. The program includes several components including classroom education, special events, and incentives for choosing alternative modes to schools, as well as technical assistance to identify and remove the barriers to walking, biking, carpooling, or taking transit to school. The program, which is currently managed by TAM, has proven its ability to increase alternative mode use to schools, with over 60 participating schools, and an average of over 30% active greentrips – walking, biking, and taking transit – to and from participating schools.

The Measure AA Program continues the efforts established by the Measure A Program to be the primary source of funds for the SR2S Program and has allowed it to operate at consistent funding levels since 2004. The latest evaluation report was completed in 2023 and indicated continuing congestion relief around schools.

3.2 Expand the Crossing Guard Program

One of the greatest barriers to using alternative modes to schools is the difficulty of crossing Marin’s busiest streets. Even with infrastructure improvements, parents are reluctant to allow their children to walk or bike to school if they must cross a busy street. While some schools operate volunteer crossing guard programs, experience suggests that this is not a reasonable long-term strategy, as volunteers can be difficult to maintain. Since county voters approved transportation sales taxes, TAM has expanded its crossing guard program to approximately 100 locations throughout the county. These services are contracted to a professional company that specializes in crossing guard programs to ensure that there are trained crossing guards with back-ups for every prioritized intersection, and the program is professionally managed with reduced risk and liability.

The counts associated with new guard deployment locations have concluded in 2023. A new recertification list will be in place for the 2023/24 school year.

3.3 Provide Capital Funding for Small School Safety Related Projects

While Category 2.2 funds “large” Safe Pathway projects with allocation of funds of \$400,000 or more, funds for “small” Safe Pathway projects are covered by Category 3.3. Small Safe Pathway projects are limited to \$50,000 per project maximum.

Small-scale safety improvement devices that may not compete well for larger grant programs such as signal upgrades, rectangular rapid flashing beacons, and other flexible technology improvements would be included in this program. Small Safe Pathways funds will be available to local jurisdictions and will be distributed on a competitive basis following a Call for Projects managed by TAM. As noted above, the next Call for Projects with Categories 2.2 and 3.3 funds is anticipated to commence in 2024.

Category 4: Maintain and Expand Local Transit Services

Category 4 of the Expenditure Plan is to “maintain and expand efficient and effective local transit services in Marin County, including services to schools and specialized service for seniors and persons with disabilities, to reduce congestion and meet community needs.”

The goal of the Expenditure Plan is to support diverse, efficient, and sustainable transportation options that promote mobility and maintain the quality of life for residents of Marin County. This category contains a variety of transit programs that work together with the other Expenditure Plan strategies to develop sustainable and responsive alternatives to driving for a variety of trip purposes in Marin.

It provides Marin with an efficient transit system that reduces greenhouse gas emissions and meets the needs of those who travel between and within the county's many communities. Transit services were affected worldwide by the pandemic, and Marin was no exception. However, the local agencies adapted quickly and continue to make adjustments in order to manage their budgets and meet the needs of riders while meeting public health mandates. TAM will continue to monitor the changes to transit brought by the last two years.

4.1 Maintain and Improve Existing Transit Service

Category 4.1 allows Marin Transit to plan long term and contract Marin's local transit service. Funding will ensure that service levels are maintained and increased in the long term, with focus on the leveraging of other funds. This category will provide funding to maintain and improve intercommunity bus transit service and service along major bus transit corridors throughout Marin County. Marin Transit operates a number of bus transit corridors that have frequent service and boast high ridership numbers at peak hours. These include:

- All day services in the Canal – downtown San Rafael – Marin City corridor.
- Services between San Rafael and San Anselmo.
- Services to local colleges.
- Peak period services to major employers in Novato, San Rafael, and other locations.

While frequent service is critical along major corridors, there are transit markets and communities within Marin County that may be better served with low-cost services such as smaller transit vehicles or on-demand services, such as the West Marin Stagecoach.

Category 4.1 will also fund programs that provide discounts to low-income riders to support mobility and access to jobs and basic services for those with no alternatives. Approximately \$9 million is collected annually and made available to Marin Transit upon annual request.

4.2 Maintain and Expand Rural and Recreational Bus Services

Category 4.2 funds Marin's rural and recreational bus services that reduce congestion and improve mobility for Marin County residents and visitors. These are primarily the West Marin Stagecoach, Muir Woods Shuttle, and Tomales-Dillon Beach Dial-A-Ride that serve the rural and recreational areas of Marin County. Approximately \$900,000 is collected annually.

4.3 Maintain and Expand Transit Services for Those with Special Needs

Category 4.3 funds transit services for those with special needs who are not able to use fixed-route services. Included in special needs are traditional paratransit for seniors and disabled persons, travel training, subsidized taxi services, and volunteer driver programs. Marin Transit contracts with vendors to provide specialized services for older adults and persons with disabilities. These services are essential to keep Marin's residents mobile and independent as they get older.

Services for seniors and persons with disabilities are planned with the support of the Marin Mobility Consortium, which advises Marin Transit on the needs of these communities and receives public input from all areas of the county. With support of the 2004 sales tax, there have been many successful programs, including new shuttle services and scheduled group trips. Measure AA funding will allow these innovations to continue and expand to serve Marin's aging population. Approximately \$2.8 million is collected annually.

4.4 Provide Transit Services to Schools

Safe Routes to Schools programs benefit students and families in close proximity to Marin schools by educating and encouraging walking and biking. Public transit and yellow school bus services provide service for many students with longer trips to school. Category 4.4 dedicates funds to maintain yellow bus services in partnership with local schools and parent organizations. Category 4.4 also funds enhanced school-oriented bus services, also integral to this category.

The school service category also provides ongoing assistance for our youth and the lowest income families who are unable to afford current transit fares. The youth discount program funded from this category works in tandem with other school enhancements to develop early and life-long transit riding habits. Approximately \$1.5 million is collected annually.

4.5 Invest in Bus Transit Facilities

Category 4.5 funds investment in vehicles and facilities. This will include funding for a green transit fleet, new bus transit hubs for efficient and safe transferring between routes, constructing a local bus maintenance facility, and new amenities at bus stops including real-time transit information.

Transitioning to a fleet of green transit vehicles (such as electric buses) will help the county reduce its carbon footprint and save costs in the long term. Many Marin Transit routes are well suited to electric bus operations, with transit centers at one or both termini, and varied topography (regenerative braking and downhill power generation helps with battery charging).

Category 4.5 is intended to provide Marin County with an efficient transit system that fully meets the needs of those who need or wish to travel both between and within communities via bus or shuttle transit. Increasing support for mobility alternatives will provide options for those who either cannot or choose not to drive for all of their trips.

Approximately \$1.2 million is collected annually. Unlike operational services like Categories 4.1 to 4.3 that need annual funding, allocations for Category 4.5 are based on Marin Transit's capital needs that may vary from year to year.

4.6 Expand Access to Ferries and Regional Transit, Managed by Golden Gate Transit

Marin County residents and workers now have expanded regional transportation options to improve regional mobility, particularly during commute hours. Local residents and workers often require first and last mile connections to make these regional options accessible, including access to the ferry and express bus services.

Category 4.6 helps to expand and maintain connecting ferry shuttle services, remote parking locations adjacent to transit hubs, and other last mile solutions that provide regional access for Marin's residents and commuters.

Category 4.6 provides dedicated funding to improve access to regional bus and ferry service provided by the Golden Gate Bridge, Highway, and Transportation District. These funds support Golden Gate Transit in their regional transit efforts and are contingent on Golden Gate maintaining their bridge toll revenue that currently funds these regional services and meeting their performance and operations subsidy goals. Approximately \$150,000 is collected annually.

Set Aside for Major Road and Richmond-San Rafael Bridge Approaches

In addition to funding the four categories noted above, the Measure AA Expenditure Plan also directed TAM to set aside \$2.35 million annually to fund commitments from the Measure A Program to several major road projects and to the Richmond-San Rafael Bridge approaches (on East Sir Francis Drake and Bellam Boulevards), until the \$32.90 million remaining funding commitment is fully fulfilled.

Funding for the Major Road Projects would have continued until the expiration of the Measure A Program in 2024. Measure AA funds will be made available to the jurisdictions with remaining originally programmed projects over the life of the new Measure AA, under as-needed timing of the project sponsor. Only those Major Roads projects specifically mentioned below will receive Measure AA funds.

Under the original Measure A Program, \$2.35 million per year was set-aside as a “Bond Debt Reserve” to pay for the needed advancement of sales tax funds to enable the Highway 101 Gap Closure to be built in the early years of the Measure A Program. TAM was able to obtain an advantageous loan from MTC at a much-reduced cost than a formal market-based sales tax bond.

The Bond Debt reserve was used to pay back the MTC loan, completed in 2015. From 2015 to 2018, and projected into the future, the majority of the Bond Debt reserve was programmed for unfinished Major Road projects. A small amount of the Bond Debt reserve set-aside was used on a one-time basis by TAM for an urgent need, the Bellam Boulevard Off-Ramp and Intersection Project, East Sir Francis Drake Boulevard (ESFD) Project, and Highway 101/I-580 Direct Connector Feasibility Study. These projects are known as the Richmond-San Rafael Bridge Approach Projects.

Starting in FY 19/20, the first full year of sales tax under the new Measure AA plan, the original \$2.35 million off the top reserve will be set-aside for the Major Road and Richmond-San Rafael Bridge Approach Projects. The total amounts are delineated as follows, under their original prioritized road segments:

- Southern Marin Planning Area, East Blithedale (Mill Valley) \$1.89 million
- Central Marin Planning Area, Third Street (San Rafael) \$12.5 million
- Ross Valley Planning Area, Sir Francis Drake Blvd, Hwy 101 to Ross, (County of Marin) \$11.87 million
- West Marin Planning Area, Sir Francis Drake, (County of Marin) \$74,000
- North Marin Planning Area, Novato Boulevard (Novato) \$11.59 million
- Richmond-San Rafael Bridge Approach Projects (TAM) \$3.8 million

The amounts noted above for Central Marin, Ross Valley, and Northern Marin include the State Local Partnership Program (SLPP) backfilled funding commitment approved by the TAM Board in July 2010 and July 2011. The projects in Southern Marin and West Marin have already received full allocations of SLPP backfilled funds from TAM so the amounts shown only included sales tax funds.

This Set Aside category replaces the Bond Debt Reserve identified original Measure A Expenditure Plan. Measure AA funds will be set aside for approximately 14 years, or until unallocated commitments as defined are met.

As of the date of this Strategic Plan, all funds in this category have been allocated except for the funds programmed in the North Marin Planning Area for Novato’s Novato Boulevard Rehabilitation Project and the nominal amount in the West Marin Planning Area.

The Novato Boulevard Rehabilitation Project is currently in the right of way (ROW) phase. Novato will request the remaining available funds for the construction phase when the ROW phase is complete.

The nominal amount for the West Marin Planning Area was the amount accumulated after Marin County completed the second prioritized project, Sir Francis Drake Boulevard between Lagunitas Road and Wild Iris Drive. The funds can be used for any eligible project on Sir Francis Drake Boulevard between Fairfax Limit and Platform Bridge Road.

Implementation Guidelines

Before Measure AA Transportation Sales Tax funds can be spent on a project or program, the sponsoring agency will need to request an allocation of funds and execute a funding agreement with TAM. In general, the funding agreement will describe the project/program scope, the anticipated schedule, and an estimated cash flow of Measure AA funds. The agreement will also specify the responsibilities of both TAM and the project sponsor, as described in this section. The TAM Executive Director shall have the authority to execute such funding agreements on behalf of the TAM Board of Commissioners.

A. Claimant Policies

The following claimant policies provide a framework for the funding agreements that will be developed for the allocation of Measure AA funds. These policies clarify TAM's expectations of sponsors to deliver their projects and have been designed to support the Implementation Guidelines provided in the Expenditure Plan and the Strategic Plan Guiding Principles.

1. Eligibility for Funding

- Project types and sponsors are to be identified in the Marin County Transportation Sales Tax Expenditure Plan.
- The addition of new project types and/or sponsors can only be accomplished through an Expenditure Plan amendment.
- Projects are to be consistent, as applicable, with regional and state plans, such as Marin Transit's SRTP, Marin County's Congestion Management Plan, and the Metropolitan Transportation Commission's (MTC's) Regional Transportation Improvement Plan (including Air Quality Conformity).

2. Application Process

- There are two paths for the allocation of funds:
 - a. Programmatic funding, such as Category 2.1, Local Roads.
 - b. Project specific funding, such as Category 1.3, Local Interchange projects.
- Allocations for programmatic funding will be made on an annual basis, in accordance with formulas specified in the Strategic Plan. For Local Roads projects, sponsors need to submit an allocation request form that specifies projects anticipated for implementation. The proposed projects should come from sponsors' Capital Improvement Programs (CIP) or equivalent. Sponsors may also use Local Roads funds for unanticipated emergency projects not in their CIP. If sponsors use such funds for projects not mentioned in the allocation request form, a revised allocation request form needs to be submitted to TAM before proceeding to implementation. Sponsors are also required to document the changes in the annual report.
- For an allocation of project specific Measure AA funds, project sponsors will need to submit a complete application package, consisting of the following information:

- a. Identification of Lead Sponsor
- b. Inclusion in local and/or regional plans (as required)
- c. Status of environmental review (as required)
- d. Notice of impediments to project or program
- e. Scope of Work / Description of Service
- f. Adherence to Performance Measures (as required)
- g. Delivery Schedule (by Phase)
- h. Funding Plan
 - i. Cost and funding for each phase of the project, including the status on non-Measure AA funds on whether these funds have been secured or have expiring deadlines
 - ii. Cash flow needed on Measure AA funds
 - iii. Expenditures to Date

3. Allocation and Disbursement of Funds

- All allocations of Measure AA funds by TAM will be reviewed for the following:
 - a. Consistency with the Strategic Plan [Program of Projects]
 - b. Completeness of the application via the Allocation Request Form and consistency with Strategic Plan requirements.
- All allocations of Measure AA funds will be governed by a funding agreement between TAM and the sponsoring agency. The TAM Board will approve such allocations. TAM's Executive Director will have the authority to execute funding agreements.
- Programmatic funding will be approved annually, and project specific funding will be approved based on project readiness. For multi-year projects, funding allocations and funding agreements may be for the term of project phases (i.e., environmental, design, construction).
- All agreements will document the following (See Appendix 3b):
 - a. Scope of Work
 - b. Project Schedule
 - c. Funding Plan
 - d. Adherence to Performance Measures (if applicable)
 - e. Reporting requirements
 - f. Acceptance of TAM's Claimant Policies
- Funding agreements shall be executed by resolution of the sponsor's governing board.
- Prior to the disbursement of funds, a project must have:
 - a. an approved allocation resolution from the TAM Board
 - b. an executed funding agreement between the sponsoring agency and TAM.
- The standard method of payment will be through reimbursement, with the exceptions of Category 4.1, 4.2, 4.3, and 4.4, which can be distributed one month before costs have been incurred, and Category 2.1 (Local Roads), which are distributed on a formula basis. Project advances will require approval from the TAM Board.
- Funds may be accumulated by TAM over a period of time to pay for larger and long-term projects. All interest income generated by these proceeds will be used for the transportation purposes described in the Expenditure Plan and Strategic Plan as approved by the TAM Boards.
- Timely use of funds requirement will be specified in each agreement.
- Project reimbursement requests must be accompanied by evidence of payment. Reimbursement requests shall be submitted no more frequently than monthly.
- Measure AA funds will not substitute for another fund source that has been programmed or

allocated previously to the project or program without prior approval of TAM.

- Other fund sources committed to the project or program will be used in conjunction with Measure AA funds. To the maximum extent practicable, other fund sources will be spent down prior to Measure AA funds. Otherwise, Measure AA funds will be drawn down at a rate proportional to the Measure AA share of the total funds programmed to that project phase or program.
- After a multi-year allocation of funds has been made to a project phase, the release of funds in any subsequent fiscal year will be subject to the submittal and acceptance by TAM's Executive Director of a complete Progress Report meeting the requirements for progress reports as adopted by the TAM Board.
- Measure AA funds will be allocated to phases of a project or to a program based on demonstrated readiness to begin the work and ability to complete the project phase.
- Measure AA allocations for right-of-way and construction will be contingent on a completed environment document.

4. Monitoring and Reporting Requirements

- Recipients of Measure AA funds will be required to submit status reports per the provisions of the funding agreement.
- The report will provide information on compliance to establish performance measures.
- Audit requirements will be specified in the agreement.

5. Eligible and Ineligible Costs

- Funds are to be expended in accordance with the applicable provisions of the Expenditure Plan and the Public Utilities Code Section 180000 et seq.
- Eligible phases are as follows:
 - a. Planning / Conceptual Engineering
 - b. Preliminary Engineering / Environmental Studies
 - c. Design Engineering (PS&E)
 - d. Right of Way Support / Acquisition
 - e. Construction
- Eligible project sponsor costs include the following:
 - a. Direct staff time (salary and benefits)
 - b. Consultants selected through a competitive selection process
 - c. Right of way acquisition costs
 - d. Competitively bid construction contracts
- TAM oversight costs are eligible costs.
- Indirect costs (as defined by OMB Circular A-87) will not be considered an eligible expense.
- Retroactive expenses are ineligible. No expenses will be reimbursed that are incurred prior to TAM Board approval of the Measure AA allocation for a project or program. TAM will not reimburse expenses incurred prior to fully executing a Funding Agreement.

6. Other

- Project sponsors will provide signage at construction sites for projects funded partially or wholly by Measure AA sales tax revenue so that the Marin County taxpayers are informed as to how funds are being used.
- Project cancellation will require repayment of all unexpended funds and funds determined by audit not to have been expended as provided for in the funding agreement.

Appendix

Appendix 1 - Measure A Five-Year Programming

Appendix 2 - Measure AA Five-Year Programming

Appendix 3 - Measure AA Category 2.1 Local Road Infrastructure Programming by Agencies

Appendix 4 - Measure A Expenditure Plan ([available for download](#))

Appendix 5 - Measure AA Expenditure Plan ([available for download](#))

Appendix 6 - Comments and Responses on Strategic Plan (if any)

Appendix 1 - Measure A Five-Year Programming

		Numbers in '000's							
Measure A 1/2 Cent Sales Tax Programming		PRIOR	FY22/23	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	TOTAL
Strategy 1 - Transit									
Strategy 1.1	Local Bus Transit Service	110,995	-	-	-	-	-	-	110,995
Strategy 1.2	Rural Bus Transit Service	8,795	-	-	-	-	-	-	8,795
Strategy 1.3	Special Needs Transit Services	27,022	-	-	-	-	-	-	27,022
Strategy 1.4	Bus Transit Facilities	17,154	1,434	-	-	-	-	-	18,588
	Total	163,966	1,434	-	-	-	-	-	165,400
Strategy 3 - Local Transportation Infrastructure									
Strategy 3.1	Major Roads								
	<i>Active Projects</i>								
	County of Marin - Ross Valley Sir Francis Drake Blvd	14,420	-	-	-	-	-	-	14,420
	Mill Valley - E. Blithedale	250	-	-	-	-	-	-	250
	San Rafael - Third Street	300	-	-	-	-	-	-	300
	Novato - Novato Blvd - Segment 1	401	-	-	-	-	-	-	401
	<i>Completed Projects</i>	24,101	-	-	-	-	-	-	24,101
Strategy 3.2	Local Streets and Roads	38,011	-	-	-	-	-	-	38,011
	Total	77,483	-	-	-	-	-	-	77,483
Strategy 4 - Safer Access to Schools									
Strategy 4.1	Safe Routes to Schools	9,185	-	-	-	-	-	-	9,185
Strategy 4.2	Crossing Guards	11,576	-	-	-	-	-	-	11,576
Strategy 4.3	Safe Pathways								
	<i>Active Projects</i>								
	Corte Madera-Co. Day & Montessori, La Perouse	244	-	-	-	-	-	-	244
	Mill Valley Camino Alto Bike Ped	350	-	-	-	-	-	-	350
	Larkspur-Doherty Dr Bike Ped	350	-	-	-	-	-	-	350
	San Anselmo - Brookside Elementary	350	-	-	-	-	-	-	350
	<i>Completed Projects</i>	6,159	-	-	-	-	-	-	6,159
	Total	28,214	-	-	-	-	-	-	28,214

Appendix 2 - Measure AA Five-Year Programming

Measure AA 1/2 Cent Sales Tax Programming	Numbers in '000's							
	PRIOR	FY22/23	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	TOTAL
Major Road Set-Aside								
<i>Active Projects</i>								
Mill Valley - E. Blithedale	2,106	-	-	-	-	-	-	2,106
San Rafael - Third Street	4,408	5,795	2,318	-	-	-	-	12,521
Novato - Novato Blvd - Segment 1	946	250	-	5,320	5,071	-	-	11,587
Richmond San Rafael Bridge Approaches	2,682	1,118	-	-	-	-	-	3,800
Total	10,142	7,163	2,318	5,320	5,071	-	-	30,014
Category 1 - Reduce Congestion								
Category 1.1 Completion of Marin-Sonoma Narrows	12,333	-	-	-	-	-	-	12,333
Category 1.2 Match for Completion of 101/580 Direct Connector	944	5,300	4,000	4,000	1,800	-	-	16,044
Category 1.3 Enhance Interchanges	1,267	601	616	631	692	-	-	3,807
Category 1.4 Transportation Demand Management	201	100	102	105	115	-	-	623
Total	14,745	6,001	4,718	4,736	2,607	-	-	32,807
Category 2 - Local Transportation Infrastructure								
Category 2.1 Local Roads	17,953	6,626	6,444	6,585	7,137	7,293	7,451	59,489
Category 2.2 Large Safe Pathway Capital Projects	3,900	-	-	898	973	994	1,016	7,781
Category 2.3 Sea Level Rise	826	291	293	299	324	331	339	2,703
Category 2.4 Innovative Technology	413	146	146	150	162	166	169	1,352
Total	23,092	7,063	6,883	7,932	8,596	8,784	8,975	71,325
Category 3 - Safer Access to Schools								
Category 3.1 Safe Routes to Schools	1,429	1,090	1,200	1,170	1,300	1,360	1,430	8,979
Category 3.2 Crossing Guards	3,546	1,930	1,850	1,980	2,330	2,040	2,200	15,876
Category 3.3 Small Safe Pathway Capital Projects	900	-	-	282	307	314	322	2,125
Total	5,875	3,020	3,050	3,432	3,912	3,714	3,952	24,955
Category 4 - Transit								
Category 4.1 Local Bus Transit Service	27,319	9,708	13,000	9,973	10,802	11,035	11,272	93,109
Category 4.2 Rural Bus Transit Service	2,484	883	927	907	982	1,003	1,025	8,211
Category 4.3 Special Needs Transit Service	7,864	2,795	2,935	2,871	3,110	3,177	3,245	25,997
Category 4.4 School Transit Service	4,139	1,471	1,700	1,511	1,636	1,671	1,707	13,835
Category 4.5 Bus Transit Facilities	3,311	1,177	1,236	1,208	1,309	1,338	1,366	10,945
Category 4.6 Expand Access to Transit	414	-	-	416	164	167	171	1,362
Total	45,531	16,181	19,798	16,621	18,003	18,391	18,786	153,459

1 - Prior includes funds allocated through FY 21/22.

2 - Total includes Prior Allocation, Current Allocation (FY 22/23), & 5-Years of Programmed Funds.

Appendix 3 - Measure AA Category 2.1 Local Road Infrastructure Programming by Agencies

Measure AA 1/2 Cent Sales Tax Programming		PRIOR ¹	FY22/23	FY23/24	FY24/25	FY25/26	FY26/27	FY27/28	TOTAL ²
Category 2 - Local Transportation Infrastructure	POP/Mile ³								
Category 2.1 Local Roads									
Belvedere	0.97%	175,673	64,439	62,665	64,039	69,411	70,920	72,459	579,607
Corte Madera	3.69%	651,809	244,214	237,492	242,700	263,061	268,779	274,613	2,182,668
Fairfax	2.77%	494,702	183,563	178,510	182,424	197,728	202,027	206,411	1,645,366
Larkspur	4.08%	711,024	270,402	262,959	268,725	291,270	297,602	304,060	2,406,042
Mill Valley	5.51%	1,014,059	365,037	354,989	362,773	393,207	401,755	410,474	3,302,295
Novato	17.93%	3,242,947	1,188,310	1,155,602	1,180,940	1,280,014	1,307,841	1,336,224	10,691,878
Ross	0.98%	186,141	65,034	63,244	64,631	70,053	71,576	73,129	593,809
San Anselmo	4.44%	795,627	294,018	285,925	292,195	316,708	323,593	330,616	2,638,683
San Rafael	19.82%	3,508,861	1,313,510	1,277,356	1,305,364	1,414,876	1,445,635	1,477,008	11,742,609
Sausalito	2.74%	498,286	181,839	176,834	180,711	195,872	200,130	204,473	1,638,144
Tiburon	3.38%	622,650	223,968	217,803	222,579	241,252	246,496	251,846	2,026,594
County	33.68%	6,051,713	2,231,921	2,170,487	2,218,079	2,404,162	2,456,427	2,509,738	20,042,527
Total	100.00%	17,953,492	6,626,254	6,443,866	6,585,159	7,137,614	7,292,782	7,451,053	59,490,221
<p>1 - Collection of Measure AA commenced April 1, 2019. Prior includes funds allocated through FY 21/22.</p> <p>2 - Total includes Prior Allocation, Current Allocation (FY 22/23), and 5-Years of Programmed Funds.</p> <p>3 - The Population/Lane Miles Percentage was updated in 2023 with the latest available population data from the Department of Finance and lane miles data from MTC.</p>									

Appendix 4 - Measure A Expenditure Plan

The Measure A Expenditure Plan is available for download at:

<http://tamwebsite900.wenginepowered.com/wp-content/uploads/doc-reports/measure-a/279.pdf>

Appendix 5 - Measure AA Expenditure Plan

The Measure AA Expenditure Plan is available for download at:

http://tamwebsite900.wenginepowered.com/wp-content/uploads/2018/07/TAM_2018FinalExpenditurePlan_062918.pdf

THIS PAGE LEFT BLANK INTENTIONALLY



Items 5 & 6 - Attachment B

Measures A/AA & B Strategic Plans

Transportation Authority of Marin

Citizens' Oversight Committee

June 19, 2023

Background

Measure A/AA

- Measure A was approved by 71.2% of Marin voters in November 2004
- Measure A was set to expire on March 31, 2025
- Measure AA was approved by 76.7% of Marin voters in November 2018 to extend Measure A for another 30 years to 2049
- The Expenditure Plans of both Measure A and Measure AA directed TAM to prepare Strategic Plans

Measure B

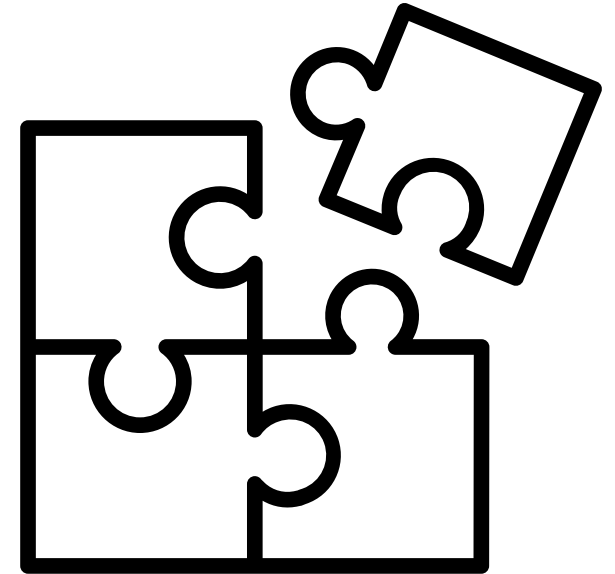
- The Marin County Vehicle Registration Fee (VRF) was approved by voters as Measure B in November 2010
- The Measure B Expenditure Plan underwent a review process in 2022
- The review process concluded when the TAM Board adopted the Amended Measure B Expenditure Plan in February 2023
- The Amended Measure B Expenditure Plan also called for the development of a Measure B Strategic Plan

Purposes of a Strategic Plan

- Outlines how revenues are distributed to projects and programs, as well as the oversight process
- Establishes the timing of allocations and addresses funding priorities
- Reconciles the timing of expected revenues with the schedule for when those revenues are needed to deliver projects and services
- Provides the overall structure for the management of the revenues, and guidance to sponsors on requesting, utilizing, and reporting on the spending of the funds allocated
- A Strategic Plan itself does not constitute a final funding commitment
- Actual funding commitments to individual projects and programs are secured through allocation requests by designated recipients and TAM Board approvals

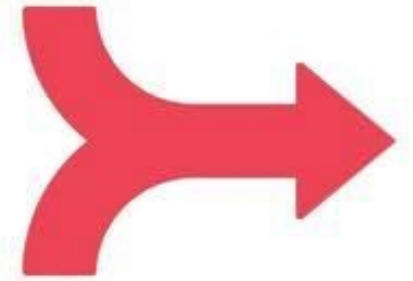
Strategic Plan Updates

- The Measure A/AA Strategic Plan is updated every other year
- The Measure B Strategic Plan is also updated every other year, but only if needed
- Revenue and Allocation/Expenditure Tables of Strategic Plans are being updated annually
- Updates to either Strategic Plan must be approved by the TAM Board, following a noticed public hearing and a 30-day public comment period



Combined Measures A/AA Strategic Plan

- The Measure A Strategic Plan has been in existence since 2005 and updated every other year
- The first Measure AA Strategic Plan was adopted by the TAM Board in June 2019
- The 2021 Measure A/AA Strategic Plan was developed to combine the Measure A and Measure AA Strategic Plans into a single document since:
 - Measure AA is an extension of Measure A
 - Both measures are collecting the same transportation sales tax revenue stream over a consecutive period with largely the same project/program priorities

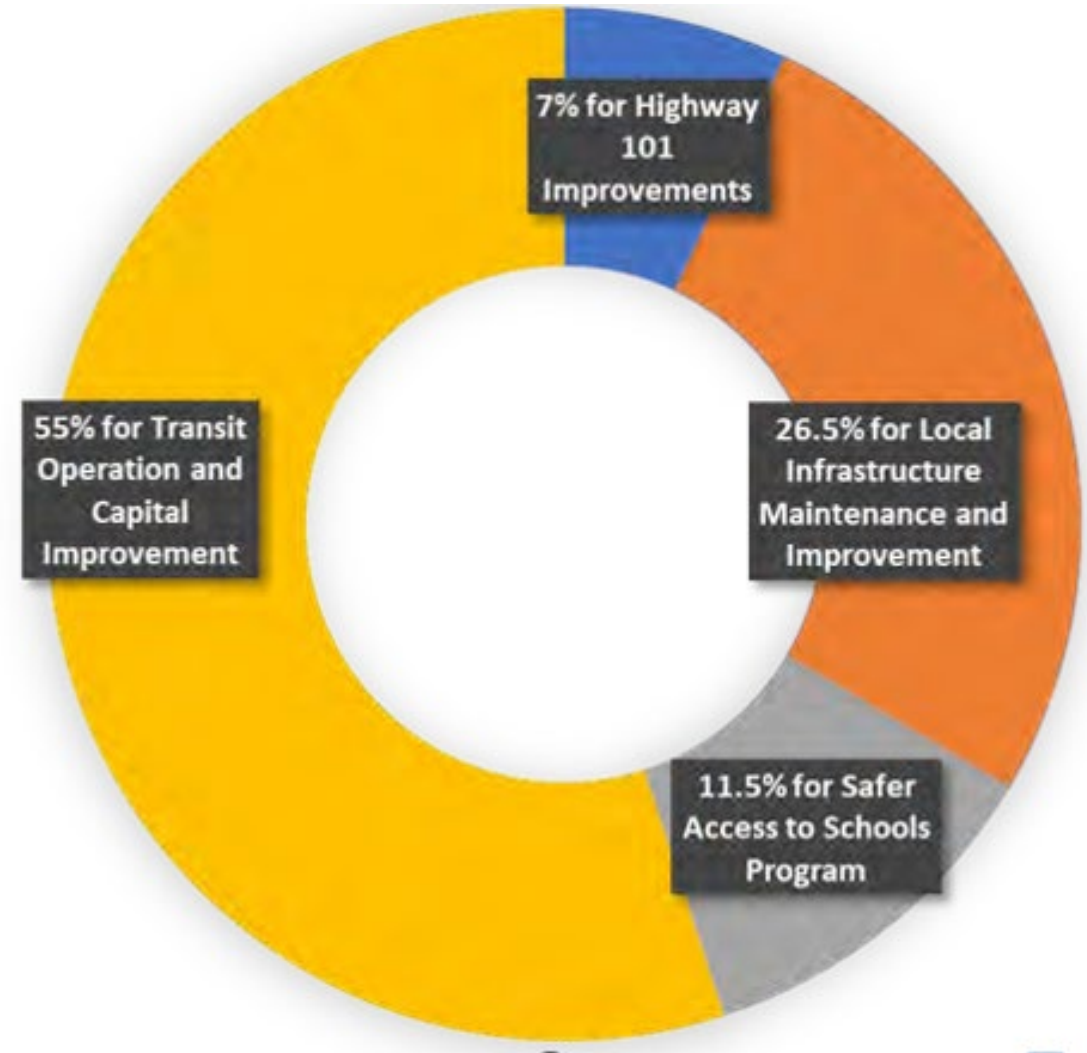


Measure A Commitments

- All funding commitments of Measure A have been fulfilled except for the remaining funds of \$1.434 M in Strategy 1.4 (Transit Capital)
- The remaining funds were allocated to Marin Transit in June 2022 and Marin Transit is expected to request full reimbursement in late 2023
- Once the funds are fully reimbursed to Marin Transit, all funding commitments, except Reserve funds, will have been fulfilled
- Reporting on Measure A in future Strategic Plans will be kept to a minimum

Measure AA Funding by Category

- Category 1 – Highway 101 Improvements
- Category 2 – Local Infrastructure Maintenance and Improvement
- Category 3 – Safer Access to Schools Program
- Category 4 – Transit Operation and Capital Improvement



2023 Measure A/AA Strategic Plan



- The Draft 2023 Measure A/AA Strategic Plan is consistent with the 2021 Strategic Plan
- Changes primarily include updating the language, revenue numbers, and project statuses
- Notable changes include:
 - Measure AA Revenue Forecast
 - Language to Allow Future COC Membership Change

Measure AA Revenue Forecast

	2023 Projection	2021 Projection	AA EP Projection
Total Sales Tax Collection	\$ 1,307	\$ 1,057	\$ 872
<i>Change from Prior Projection - Overall %</i>	23.63%	21.22%	
<i>Change from Prior Projection - Overall \$</i>	\$ 250	\$ 185	
<u>#s in Million</u>			

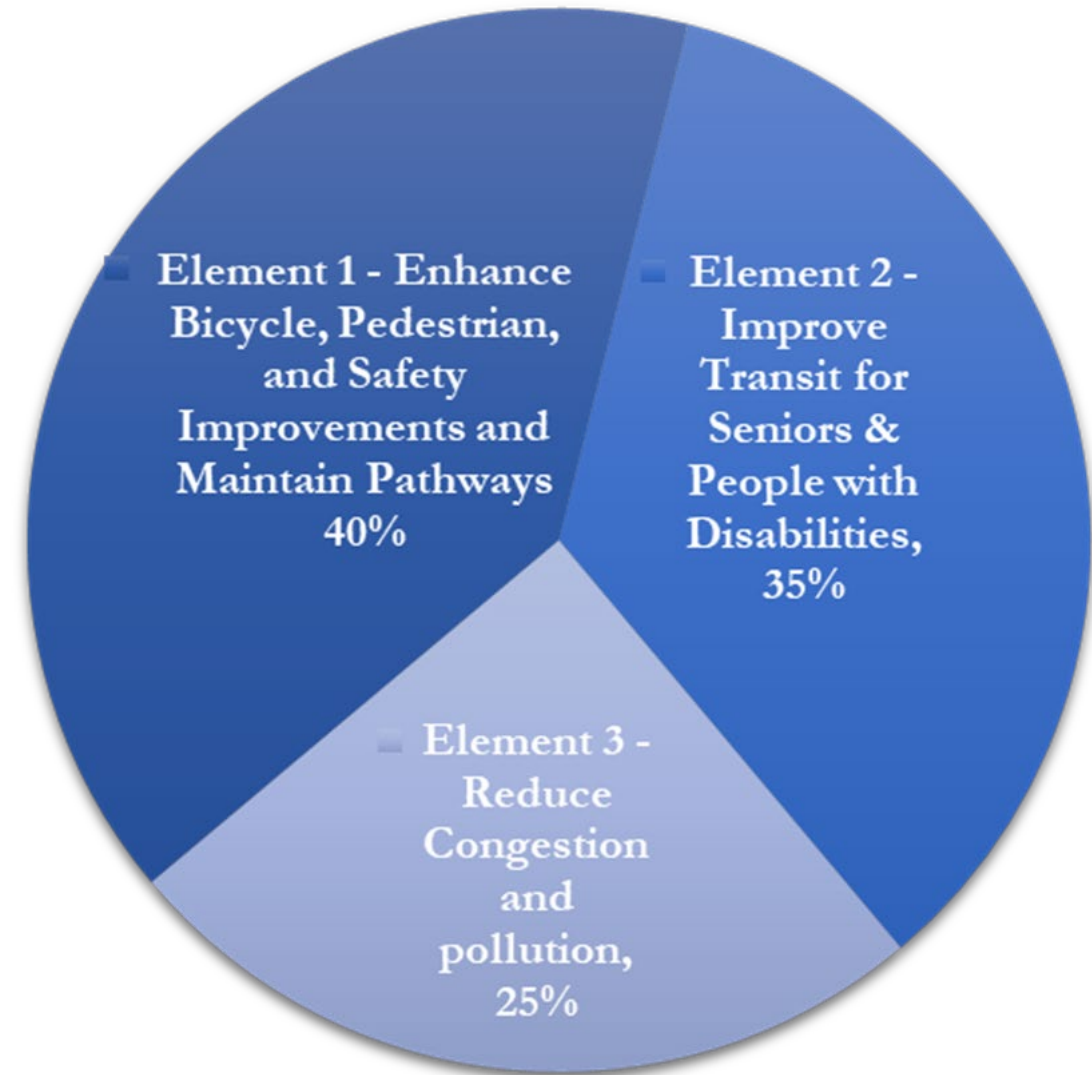
- Since the 2021 projection, Marin's sales tax collection has benefited significantly from work from home arrangement, strong housing market, and other spending close to home
- While the 2023 estimates look encouraging, global and national uncertainties may dampen the economy
- Marin can typically weather these downturns because of the economic nature of the County that includes high per capita personal income and relatively low unemployment rate

COC Membership

- The current 12-member COC membership structure was originally established in the 2004 Measure A Transportation Sales Tax Expenditure Plan
- To ensure the COC membership structure can be reviewed and changed timely to reflect the evolving needs of various communities, especially those who are underserved, the TAM Board, during the Measure B Expenditure Plan review process, authorized adjustments to the COC membership structure when necessary
- This direction is recognized in the Draft 2023 Measure B Strategic Plan, and in the Draft Measure A/AA Strategic Plan to ensure consistency on the same issue among the strategic plans

Measure B Funding by Element

- Element 1 – Bicycle, Pedestrian, and Safety Improvements and Pathways Maintenance
- Element 2 – Transit for Seniors and People with Disabilities
- Element 3 – Reduce Congestion and Pollution
 - Crossing Guard Program
 - Commute Alternatives
 - Alternative Fuels Infrastructure and Promotion



2023 Measure B Strategic Plan

- The most critical role of the Measure B Strategic Plan is the discussion of the three Elements that are eligible for funding and how much funding each Element receives in the next 10 years
- An estimated \$2.3 million is collected annually in VRF revenues for transportation projects and programs in Marin
- Measure B is based on vehicles registered in Marin County, so the funds are steady with little fluctuation year to year
- While funds are steady, buying power diminishes over time
- The adopted 2023 Amended Measure B Expenditure Plan includes modest changes from the 2010 Measure B Expenditure Plan

Notable Changes to the 2023 Measure B Strategic Plan

- Element 1.1 funding focus

- 35% funding share
- Existing distribution formula (50% population and 50% lane miles)
- Funds used for bike/pedestrian and safety improvement projects instead of traditional local street and road projects
- Funds allocated based on an estimated five years of revenue
- Reimbursement schedule will be developed based on project readiness



- Element 1.2 use of carryover funds

- 5% funding share
- The TAM Board now has the discretion to redirect carryovers over \$250,000 to any countywide pathway planning, maintenance, or construction needs.
- Staff will return at a later time with options for the carryover funds

Notable Changes (cont.)

- No changes for Elements 2 and 3
- Element 3 preserves the existing policy with no fixed percentage for each sub-element to maintain TAM Board discretion
- COC Membership
 - As noted, the Measure B Expenditure Plan was amended to allow the Board the authority to review and adjust the COC membership structure when necessary
- Performance metrics for each element and sub-element
 - Included for each element and sub-element to gauge how well they meet the goals of Measure B
 - Developed and reviewed with COC and fund recipients

Next Steps

- TAM Board to review and release both Strategic Plans for public comment at its June 22nd meeting
- 30-day comment period then open until July 22, 2023
- Staff will respond to comments received and present final drafts for Board adoption at the July Board meeting
- The TAM Board will conduct public hearings prior to the final adoption of the Strategic Plans at its July Meeting
- Upon adoption, both Strategic Plans will be posted on TAM's website and communicated to local agencies and stakeholders
- Allocations based on the FY2023-24 Budget and the two Strategic Plans are anticipated to start in July including for the new Measure B Element 1.1 projects

Questions and Feedback

Thank you!