

**Metropolitan Transportation Commission
Programming and Allocations Committee**

September 14, 2011

Item Number 3a

RM2 Public Hearing and SMART Funding Allocations

**Resolution No. 3712, Revised, Resolution No. 3801, Revised, Resolution No. 3884, Revised,
Resolution No. 4022**

- Subject:**
- 1) Conduct a second Public Hearing for Proposed Amendments to Regional Measure 2 Program: change in project description for Sonoma Marin Area Rail Transit (SMART) (project #10), and substitution of funds for Greenbrae Interchange/Larkspur Ferry Access Improvements (project #11).
 - 2) Recommend programming/allocations of \$33.1 million in funding for SMART pending completion of public hearing process.

Background: **SMART Project:** In 2004, voters approved Regional Measure 2 (RM2), including \$35 million for the SMART project, then described as a rail extension to Larkspur or San Quentin. The SMART project is also included in MTC Resolution 3434, the region's transit expansion program. In 2008, Sonoma and Marin county voters passed a ¼ cent sales tax measure to fund a 70-mile passenger rail and multi-use pathway (MUP) project from Larkspur to Cloverdale.

More recently, the economy has contracted and sales tax revenues have declined, and SMART has advanced its level of design that indicates higher cost estimates for the project, resulting in a shortfall of approximately \$300-350 million for the Larkspur to Cloverdale project.

Between November 2010 and April 2011 the SMART Board of Directors considered various options for delivering the project, resulting in a Board action on January 19, 2011 to approve the inclusion of downtown San Rafael into an Initial Operating Segment (IOS) which would extend from downtown San Rafael to Santa Rosa as shown below. Since then, the SMART Board has further refined the scope of the IOS in order to define a fully funded project.

	Entire Corridor	Approved IOS
Project Limits	Larkspur to Cloverdale	Downtown San Rafael to Santa Rosa
Miles	70	37

During this same timeframe, MTC staff held discussions with staff from SMART, the Transportation Authority of Marin (TAM), and the Sonoma County Transportation Authority (SCTA) to consult and reach agreement on the project cost, delivery, and funding options, including outlining a potential process for use of the RM2 funds. MTC staff also made presentations before the SMART Board and the Marin County Board of Supervisors regarding the project's funding situation.

RM2 Public Hearing: At its June 8, 2011 meeting, the Programming and Allocations Committee authorized staff to release a hearing notice and begin a 30-day public comment period for two proposed amendments to the RM2 program. The hearing was conducted on July 13th and the comment period closed on July 15th. On July 27th, the Commission approved starting a new hearing process to consider RM2 program amendments, in light of updated information from SMART staff (discussed below under “Funding Allocations”).

The proposed RM2 amendments are:

1. RM2 Project #10: Sonoma-Marin Area Rail Transit (SMART) project

Proposed Action: Modify project description/scope so that the Initial Operating Segment from downtown San Rafael to downtown Santa Rosa is eligible to use RM2 funds.

Current Project Description: Sonoma-Marin Area Rail Transit District (SMART) Extension to Larkspur or San Quentin. Extend rail line from San Rafael to a ferry terminal at Larkspur or San Quentin.

Proposed Project Description: Sonoma-Marin Area Rail Transit District (SMART). Construct rail system from San Rafael to Santa Rosa and make improvements to the Cal Park Hill Tunnel to allow for a future extension to Larkspur.

2. RM2 Project #11 and RM2 Project #10: Greenbrae Interchange/ Larkspur Ferry Access Improvements, and SMART
Proposed Action: Reassign \$1.5 million in funding from Project #11 to Project #10

Current Funding for Project #11: \$65 million

Proposed Funding for Project #11: \$63.5 million

Current Funding for Project #10: \$35 million

Proposed Funding for Project #10: \$36.5 million

Both proposed amendments are being considered under the provisions of California Streets & Highways Code 30914(f). Additional detail on the provisions of code being invoked for each project and the action being taken are included in the attached public hearing notice.

A second public hearing will be conducted at today’s meeting to take public comments on the proposed amendments. The second 30 day public comment opened on August 24 and closes at 4 pm on September 23rd, with action to consider the amendments scheduled to occur at the September 28 Commission meeting.

Funding Allocations: SMART approved a revised funding strategy at its August 17, 2011 board meeting. The staff report outlining the plan is attached. As part of this funding plan, MTC and other partner agencies

propose to bring approximately \$21 million in additional revenues to the project, including \$10 million of regional funds, \$8 million in funds from Marin County, and \$3 million in funds from Sonoma County. Part of the Marin County contribution would be the \$1.5 million that is the subject of the public hearing for Project #11 (funding substitution). The MTC/regional contribution is proposed to be composed of Two Percent Bridge Toll Revenues and state Proposition 1B State Local Partnership Program (SLPP) funds. SCTA approved their \$3 million contribution in June. The TAM contribution was approved in July.

Pending completion of the public hearing process, staff recommends programming/allocating the following funds to SMART for design and construction of the IOS as it is currently scoped:

Amount	Source	MTC Resolution
\$21.6 million	RM2 (subject of public hearing)	No. 3712; 3801
\$1.5 million	RM2 (subject of public hearing)	No. 3712; 3801
\$5.0 million	SLPP	No. 3884
\$5.0 million	Two Percent Bridge Toll Revenues	No. 4022

Issues:

1. **SMART Approval of Bridge Toll Funding Request and Updated Cost/Revenue Estimates:** MTC held a public hearing on July 13, 2011 at its regularly schedule Programming and Allocations Committee meeting to review the proposed RM2 program changes and hear public comment. Subsequent to that, SMART staff released revised estimates of the project cost and revenue projections, and informed MTC staff that the local support resolution required by RM2 Policies and Procedures would not be approved by the SMART Board prior to the July Commission meeting; the Commission therefore deferred action on the proposed RM2 program amendments.

An updated presentation from SMART staff is attached discussing the revised costs and revenues. The companion local support resolution and associated documents for SMART’s bridge toll funding request were approved by the SMART Board on August 17th. Given that the appropriate documentation has now been received showing a balanced project budget, staff recommends approval of the program amendments and the associated programming and allocation actions.

2. **SMART TOD Policy Compliance:** As background, MTC’s Resolution 3434 Transit Oriented Development (TOD) policy requires an average of 2,200 housing units per station (existing plus zoned) along a commuter rail corridor. This policy is intended to best position transit expansion investments for success in terms of ridership. The SMART IOS project as currently scoped would achieve

an estimated 14,951 housing units, or 97% of the required 15,400 units. Staff recommends that the Commission find that this constitutes compliance with our TOD policy when you consider the funding actions.

- 3. State Funding Availability:** MTC's funding commitment is subject to availability of State Local Partnership (SLPP) funding. If MTC's share of SLPP funds decreases, staff recommends returning to the Commission and increasing the Two Percent Bridge Toll Revenues contribution commensurately, such that the total SLPP and Two Percent Bridge Toll Revenue contribution equals \$10 million.

Recommendation: Refer Resolution No. 3712, Revised, Resolution No. 3801, Revised, Resolution No. 3884, Revised, and Resolution No. 4022 to the Commission for approval, pending completion of the public hearing and public comment process for the RM2 amendments.

- Attachments:**
1. Public Hearing Notice for Proposed RM2 Amendments
 2. Public Comments Received for second hearing as of September 6, 2011 (including comments since the July Commission meeting).
 3. SMART Staff Presentation, August 17, 2011.
 4. Resolution No. 3712, Revised, Resolution No. 3801, Revised, Resolution No. 3884, Revised, and Resolution No. 4022

Metropolitan Transportation Commission Notice of Public Hearing

In March 2004, Bay Area voters approved Regional Measure 2 (RM2), a \$1 bridge toll increase on seven of the state-owned bridges in the Bay Area, creating approximately \$115 million annually in new funding for a list of projects to reduce traffic congestion in the region. Pursuant to Section 30914(f) of the California Streets and Highways Code, the Metropolitan Transportation Commission (MTC) is to consult with the project sponsor and hold a public hearing in advance of consideration of any request to modify an RM2 project's scope, if a project cannot be completed or cannot continue due to financing obstacles making the completion or continuation of the project unrealistic. MTC proposes to modify the scope of the Sonoma-Marín Area Rail Transit (SMART) project (RM2 Project #10) in MTC Resolution No. 3801 so that RM2 funds may be used on the Initial Operating Segment (described below).

In addition, also pursuant to Section 30914(f) of the California Streets and Highways Code, if a program or project is to be implemented with other funds not derived from tolls, MTC – after following the consultation and public hearing process – may vote to reassign the RM2 funds to another project consistent with the intent of the RM2 statute. MTC proposes to reassign \$1.5 million in RM2 funding from the Greenbrae Interchange/Larkspur Access Ferry Improvements project (RM2 Project #11) to the SMART project. The Greenbrae project will be completed using replacement non-toll funds.

MTC held a public hearing on July 13, 2011 at its regularly scheduled Programming and Allocations Committee meeting to review the proposed changes and hear public comment. At its regularly scheduled September 2011 meeting, MTC's Programming and Allocations Committee will hold a second public hearing and review the public comments received on the proposed RM2 changes listed below (and further described in proposed MTC Resolution No. 3801, Revised) and will refer recommendations to the MTC Commission for final action. MTC will consider the proposed RM2 fund programming changes at the Commission's September 28, 2011 meeting.

Bay Area citizens are invited to comment on the following funding changes in RM2:

RM2 Project #10: Sonoma-Marín Area Rail Transit (SMART) project

Proposed Action: Modify project description/scope so that the Initial Operating Segment from downtown San Rafael to downtown Santa Rosa is eligible to use RM2 funds.

Current Project Description: Sonoma-Marín Area Rail Transit District (SMART)

Extension to Larkspur or San Quentin. Extend rail line from San Rafael to a ferry terminal at Larkspur or San Quentin.

Proposed Project Description: Sonoma-Marín Area Rail Transit District (SMART).

Construct rail system from San Rafael to Santa Rosa and make improvements to the Cal Park Hill Tunnel to allow for a future extension to Larkspur.

RM2 Project #11 and RM2 Project #10: Greenbrae Interchange/Larkspur Access Ferry Improvements, and SMART

Proposed Action: Reassign \$1.5 million in funding from Project #11 to Project #10.

Current Funding for Project #11: \$65 million

Proposed Funding for Project #11: \$63.5 million

Current Funding for Project #10: \$35 million

Proposed Funding for Project #10: \$36.5 million

Project 10 SMART Scope Change

Between November 2010 and January 2011 the SMART Board of Directors considered various options for delivering the project, culminating in a Board action on January 19, 2011 to approve the inclusion of downtown San Rafael into an Initial Operating Segment (IOS), which would then extend from downtown San Rafael to Railroad Square in Santa Rosa. The phasing of the project to begin with an IOS was necessitated by a funding shortfall on the overall project (Larkspur to Cloverdale). The IOS would be smaller in scope than the original project, and would have lower costs.

The following chart illustrates various aspects of the entire corridor and the IOS.

	Entire Corridor	Approved IOS
Project Limits	Larkspur to Cloverdale	Downtown San Rafael to Santa Rosa
Miles	70	37

The project description in the California Streets & Highways Code 30914(d) is for: “Sonoma-Marín Area Rail Transit District (SMART) Extension to Larkspur or San Quentin. Extend rail line from San Rafael to a ferry terminal at Larkspur or San Quentin.” Therefore, a public hearing is necessary in order to change the project description so that the IOS is considered an eligible use of the RM2 funds since the IOS is not planned to extend to Larkspur or San Quentin. This hearing is proposed to be conducted under the following provision of California Streets & Highways Code 30914(f): “If a program or project...cannot be completed or cannot continue due to delivery or financing obstacles making the completion or continuation

of the program or project unrealistic, the Commission shall consult with the program or project sponsor. After consulting with the sponsor, the Commission shall hold a public hearing concerning the program or project. After the hearing, the Commission may vote to modify the program or the project's scope....”

Project 11: Greenbrae Interchange/Larkspur Ferry Access Improvements, and Project 10 SMART, Funding Reassignment

RM2 includes \$65 million for Project 11, the Greenbrae Interchange/ Larkspur Access Ferry Improvements project. This project includes various elements, intended to “provide enhanced regional and local access around the Greenbrae Interchange to reduce traffic congestion and provide multimodal access to the Richmond-San Rafael Bridge and Larkspur Ferry Terminal.” Some project elements have already been completed and are open to traffic. The sponsor agency, the Transportation Authority of Marin (TAM), has determined that \$1.5 million in funding is available from other, non-toll sources that can be used to help deliver the remaining projects.

Therefore, staff is requesting to reduce the funding available in RM2 for the Greenbrae Interchange/Larkspur Ferry Improvements project (Project 11) by \$1.5 million, and is also requesting that the \$1.5 million be reassigned to the SMART project (Project 10) which will operate in generally the same North Bay corridor. This hearing is being proposed under the following provision of California Streets & Highways Code 30914(f): “If a program or project identified in subdivision (c) is to be implemented with other funds not derived from tolls, the Commission shall follow the same consultation and hearing process described above and may vote thereafter to reassign the funds to another project consistent with the intent of this chapter.”

A second public hearing to receive public testimony on these proposed project description/scope and funding changes will be held during MTC’s Programming and Allocations Committee meeting on:

Wednesday, September 14, 2011, at 10 a.m.

(or immediately following the Administration Committee meeting, whichever occurs later)

Joseph P. Bort MetroCenter Auditorium

101 Eighth Street, Oakland

(across from the Lake Merritt BART Station)

Written comments may be submitted to MTC’s Public Information Office at 101 Eighth St., Oakland, CA 94607; faxed to MTC at 510-817-5848; or sent via e-mail to <info@mtc.ca.gov>.

Written comments must be received by MTC no later than 4 p.m. on September 23, 2011. Oral comments will be received at the public hearing on September 14, 2011. The comment period will close at 4 p.m. on September 23, 2011.

Copies of proposed MTC Resolution 3801, Revised, will be available for public review beginning on August 24, 2011 at the MTC-ABAG Library, located at 101 Eighth Street in Oakland, California. The proposed resolution also can be viewed on MTC's Web site at <<http://www.mtc.ca.gov>>, or you may request a copy from the MTC Library by e-mail at <library@mtc.ca.gov>, or by telephone at 510-817-5836. For more information, contact the MTC Public Information Office at 510-817-5757.

Do you need written materials in large type or in Braille to participate in MTC or BATA meetings? Do you need a sign language interpreter or other assistance? Is English your second language? Do you need one of our documents translated? Do you need an interpreter who speaks your language present at one of our meetings?

We can help! You can request assistance by calling 510-817-5757 or 510-817-5769 for TDD/TTY. Visit www.mtc.ca.gov for more information. We require at least three days notice to provide reasonable accommodations. We prefer more notice if possible. We will make every effort to arrange for assistance as soon as possible.

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Public Comments

From: "Mike Arnold"
To: "Alix Bockelman" <abockelman@mtc.ca.gov>, "Anne Richman" <ARichman@mtc.c...
Date: 8/1/2011 10:54 AM
Subject: Table reviewing Farhad's Memo
CC:
Attachments: Repeal SMART - Table of Costs - July 2011.pdf

Alix,

I would like the attached table entered into the record for SMART funding. As I understand it, you will be reviewing the information provided by SMART on its current cost estimates. I want to confirm again that there has been no indication from my freight rail sources that NWP Co. is willing to eliminate freight service during the construction phase.

I've provided notes on the table as to the changes and corrections that I've made. All other sources of the information were taken directly from the July 22nd memo, Farhad prepared on SMART's costs and revenues. These changes are consistent with an earlier email that I sent to you. I made an additional correction for the claimed savings of O&M. I pro-rated it for fewer years of service necessary to have a plan that is "in balance."

Based on these changes, I calculated that the "pre-service deferral" deficit is \$43 MM. I've identified the components of the changes in the attached table. This includes Farhad's "add backs" of \$12.7 MM. It also includes an adjustment of \$5MM for the difference in the "starting point" of the memo of \$335MM vs. the \$330 MM in the MTC staff reports.

Based on my calculation of a \$43 MM deficit, and his calculation that deferring start-up for one year saves \$12MM, I calculated that SMART will need to defer service for 3.6 years in order to claim their project is "in balance."

As you know, this is very different than what was circulated to the public on July 22nd.

– Mike Arnold

Summary Table of SMART's New Costs

Item	Notes	Amount (\$MM)
Cost Revisions		
Engineering/Professional Services and Administrative Staff	Project staffing was reduced 6% below industry standards, recommend restoring	-10.0
Non-Revenue Vehicles (Maintenance trucks, service vehicles, equipment)	Additional costs of renting maintenance equipment	-0.8
Operations and Maintenance Facility (OMF)	Portion of costs in the original deferral list; recommend restoring	-11.0
Systems (Train signaling & communications)	Positive Train Control (PTC) revised estimate & contingencies	-26.0
IOS-1 Contract – Track & Bridges	Cost refinement reflecting 30% Engineering Design	-1.6
Downtown San Rafael Extension	Cost of systems and grade crossings work between Civic Center & Downtown S.R.	-4.0
Quiet Zones	Additional costs of signals and medians to create quiet zones	-2.8
Subtotal		-56.2
Add Backs		
Fare Collection System (coordinate with TC's Regional system)	In the original deferral list; however, recommend restoring to avoid revenue impact	-4.3
Closed Circuit TV	In the original deferral list; recommend restoring as a highly desirable safety and security feature	-3.4
Novato Creek Bridge	In the original deferral list; recommend restoring to avoid service interruptions during storm events	-5.0
Subtotal		-12.7
Total Cost Increases		-68.9
Claimed Potential Savings before Start-up Deferral		
IOS-1 Design-Build Contract Bid Savings	Refinement in cost estimate	5.0
Stations & Platform Amenities \$4.5	Simplified platform amenities; eliminate costly materials & defer landscaping	4.5
Operations & Maintenance	Reduce the O& contingency from 20% to 15% as appropriate for current project phase	10.2
Eliminate freight restrictions during construction	Allows contractor to construct track without the constraints of accommodating freight trains; discussions with NWP indicate preliminary agreement	10.0
Eliminate Gauntlet Tracks	make platform modifications in lieu of track and switches to accommodate freight trains at platforms	6.0
Sales Tax Forecast Adjustment	Reflects 1% adjustment over the next several years to track with current trend in post-recession rate	22.0
Subtotal of Potential Savings		57.7
Financial Deficit before Start-up Deferral and Corrections for Errors		-11.2
Errors and Corrections		
MTC - Starting point	MTC starting cost is \$330MM not \$335MM	-5.0
NWP Savings	No agreement is evident	-10.0
Sales Tax Forecast Adjustment	Forecast revenues affect funding by about half as much as estimated	-11.0
Operations and Maintenance	Forecast cost savings affect funding by about half as much as estimated	-5.1
Operations and Maintenance	Savings occurs over three fewer years of operations	-1.0
Subtotal of corrections		-32.1
Corrected Deficit before Deferral of Start-Up Date		-43.3
Number of years of Delay @12 MM per year	3.6 Years is required to be "in balance"	

Notes on Errors and Corrections

- 1) MTC staff memo from July 13th indicates “official” IOS cost is \$330MM, not \$335MM
- 2) NWP Savings: emails from NCRA legal counsel Chris Neary indicate there is no agreement
- 3) Sales tax forecast adjustment occurs over the entire forecast horizon. At best it increases bonding capacity by half as much due to discounting
- 4) Operations and maintenance savings occurs over last 15 years of planning horizon. At best it increases bonding capacity by half as much
- 5) It takes at least 3 years to balance the projections. Operations and maintenance savings were scaled downward proportionally.

>>> Dick Tait

7/22/2011 4:35 PM >>>

Dear Mr. Heminger:

As you know, the Transportation Authority of Marin (TAM) voted to provide funds for completion of the Initial Operating Segment of the Sonoma Marin Area Rail Transportation. You might not be aware that of the eight affirmative votes, four were from Marin Board Members of SMART, specifically Arnold, Boro, Sears and Moulton-Peters. Clearly, they should have recused themselves from voting due to their blatant conflict of interest. Without their affirmative votes the motion to transfer TAM funds to SMART would not have passed.

I trust that you will communicate this information to the Commissioners in time for their consideration and, I trust rejection of any additional financial support of the SMART project.

Yours truly,
Richard Tait

MTC Commissioners. Steve. Andy Amy

Fax Cover Sheet

AUG 23 2011

Gail Bloom

Send to: Metropolitan Transportation Commission	From: Gail Bloom 
Attention: Public Information Office	Date: August 25, 2011
Fax Number:	Phone Number:

- Urgent
- Reply ASAP
- Please comment
- For your Information

Total pages, including cover: 4

Comments:

Commissioners,

I am writing concerning an action taken on August 17, 2011 at the SMART meeting to advance the IOS. (see attached) The project -- defined in its enabling legislation and funding, analyzed in its FEIS is a rail transit line and multi-use pathway. This current application for RM2 did not comply with the needed information associated with RM2 funding. This, the second request for SMART RM2 resources -- was for the final funding of the remainder of \$35M. In MTC's project management role, and by its own rules, it should be interested in project status, expecting SMART to disclose any problems. SMART has not provided the project expenditures to date including *all* funding sources including RM2. A *written or graphic schedule change* and the consequences of those changes was *not* provided. Because the cost changes exceeded 20% or \$250,000 dollars, a detailed explanation of what options SMART considered to manage the change and a *revised funding plan and sources and uses cash flow schedule* was needed. Discussion of potential *claims or future allocations* were ignored. SMART brags about the *billions of investment* in the systems, those funds awarded to SMART and its predecessor agencies should be *acknowledged*. The supporting materials do not provide any information at all about an earlier RM2 allocation made to the SMART district. There is no status, expenditure, schedule, cost, claims information, or any indication at all that funding even existed or work was done. The current request treats the train as a stand-alone project, entirely independent from the path in every way, despite funding that is fungible, a project definition and a shared enabling legislation are shared.

I understand that SMART is still seeking federal environmental clearance for separate independent elements of the project as though the goal was not the defined project placed before the voters. Whereas the CEQA analysis was comprehensive for a single project that had and still has two integrated elements, a train and a path. The SMART project shares fungible resources, a budget, enabling legislation. One could characterize this as a conscious attempt to segment the federal environment review, contrary to the intent of NEPA. Clearly the objective is to federalize the project funding hoping that some elements would appear marginally more attractive without being burdened by the more difficult parts of the project. I would welcome an open discussion before the Commission takes action.

Gail Bloom

August 16, 2011

SMART Board of Directors
750 Lindero Street
San Rafael, CA 94901

Subject: Agenda Item No 8 – Report on review of expenditure & revenue analysis for IOS for Adoption of Resolution to comply with MTC requirements

Dear Members:

I am writing to support MTC's request for additional analysis of the project's capital financial feasibility as I question the objective work that is used to support the staff's recommendation. I do not doubt that the additional project elements identified in the Conceptual Engineering Phase are core functions. I expect that there are other elements of the IOS which have not yet been considered, but will be necessary for operation. But beyond all of that, your staff report is not prudent in some critical ways and does not give you the proper information that you need to make an informed decision.

Without rehashing the project history, the proposed cost is currently estimated at \$403.85M for the IOS of the train portion of the project. This is by the staff's own figures an additional 20% cost increase over the 20% increase which was reported last fall. In order to control the size of the further cost increases the staff has proposed several things.

- Reduce the contingency
- Reduce mobilization and demobilization estimated costs
- At the same time assume that regulatory permitting and environmental mitigation will extend project duration
- Assume that construction bids will be less than the Engineers Estimates
- Assume that consultant costs were either \$20M too high or \$10M too low
- Assume freight restrictions during construction that can't be achieved during operation of passenger service saving of \$10M

The staff report calls the SMART train the largest public works project in the North Bay. Certainly this is true in recent memory. In order to pay for the train the staff has recommended several things that are irresponsible.

- They imply knowledge of financial markets that are well beyond their scope of understanding and so they project sales tax revenue growth even though project funding difficulties are repeatedly attributed to sales tax declines below previous projections.
- The staff proposed unspecified reductions in project scope after the issuance of the bonds eliminating core functions and mitigations if sales taxes are not equal to projections. The other potential savings are unknowable now and but assume that the that job runs smoothly without conflict between contractors and SMART.

Letter to SMART Board
Regarding Expenditure & Revenue Analysis
August 16, 2011
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- Assume no operation of the train for at least one to two years after completion of the construction – which is the most egregious recommendation of all. A presumed \$12-24M cost savings is included in the budget, if other projected savings do not materialize then the logical step would be to delay operations for more years. This makes you question what commitment the staff actually have to ever operating the passenger service.

What is not evaluated or considered in terms of scope or cost savings for the SMART district is changing the limits of element of the multi-use pedestrian and bike plan. It is fiscally imprudent not to consider limiting it as well as the train portion

The staff report was specifically prepared in support of an additional request for \$23M of Regional Measure 2 funding. MTC allocates and administers those Bridge Toll funds to reduce regional traffic. In this role, MTC concerns itself with a number of basic project oversight considerations. These include the following:

- Project status, they are looking to the SMART staff to disclose any problems
- Project expenditures to date including all funding sources including RM2
- Schedule changes and the consequences of those changes
- Cost changes greater than 20% or \$250,000 dollars, whichever is less, must be accompanied by a detailed explanation of what options SMART considered to manage the change and a revised funding plan and cash flow schedule
- Potential Claims for the construction phase of the project
- Upcoming allocation requests

The approved RM2 SMART project has two elements, a train and a path. The supporting materials do not provide any information at all about an earlier RM2 allocation made to the SMART district. There is no status, expenditure, schedule, cost, claims information, or any indication at all that funding even existed or work was done. The current request treats the train as a stand-alone project, entirely independent from the path in every way, despite funding that is fungible, the project definition and the enabling legislation are shared. Apparently there is a federal environmental analysis being conducted on only specific elements of the project. One could see this as a conscious attempt to segment the federal environment review, contrary to the intent of NEPA.

The new RM2 application is equally lacking in specificity or consistency. Assertions are made that there are no significant impediments to project completion. Yet on this same Board calendar is a resolution to enter into agreements with the Registrars of Voters of Sonoma and Marin counties because a repeal initiative has begun which jeopardizes the validity of the District. The budget in the application is presented as \$360M not \$404M. Other supporting information portray project funding as allocations awarded only over a three-year period between FY2010-11 through FY 2012-13. Funding for the project preceded this date. Sales taxes began to be collected before then and will be generated until 2029. The staff report discusses the billions of dollars of assets. Those investments represent significant public funding over the last couple of decades and should be accounted for.

Letter to SMART Board
Regarding Expenditure & Revenue Analysis
August 16, 2011
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The project cashflow is not meaningful, in that it is limited to only the RM-2 funds. Without a cashflow plan that contains all funding sources and uses it is not possible to judge whether that is accurate or even possible to spend the RM2 fund this fiscal year. The project funding plans do not show capital funding beyond FY 2012-13 so there is no way of knowing how a new budget would support repayment of a bond issuance for a either a 15 or 30 year period.

Finally for a serious financial analysis, I am disturbed that there is discussion of politics and personal motives in such an adversarial manner as in this staff report. Critical thinking is what is demanded for the occasion, particularly since staff are encouraging the Board to enter the bond market at this time. Despite staff assertions, the bond market may not be as favorable now because of the widespread rating downgrades due to safety considerations. This staff report was labeled as a quantitative analysis, I hope that the Board steps back and conducts the review that becomes that label.

Sincerely,



Gail Bloom

Copy: Metropolitan Transportation Commission
Marin County Board of Supervisors



SMART Expenditure & Revenue Analysis
SMART Board Meeting
August 17, 2011

- I analyzed possible expenditure issues with recommendations to restore certain features, that in my opinion were too deeply cut, as well as a list of revenue sources that could support the recommended expenditures.
- In the short run, in order for us to proceed with issuance of bonds (as previously authorized by the Board) and to release the Request for Proposal (as previously authorized by the Board) we must have an approved financial plan.
- This financial plan is required by MTC to proceed with the public hearing for bridge tolls and to consider \$10M in additional grant funds for the project. The financial plan is also necessary documentation for the bond issuance.



EXPENDITURE UPDATE

- In the big picture, and taking a look at the entire IOS and its needs, it is a good practice and NOT a requirement to re-examine certain features in construction expenditures:
 - Operation & Maintenance Facility (OMF) cost did not reflect purchase of property
 - An assumption was made that a SMART owned site can be used. This assumption is not incorrect, but if and only if a SMART owned site is not feasible then purchasing a new property and associated improvement could cost us additional \$6-11M



EXPENDITURE UPDATE

- We are planning on finalizing the location of this facility within the next 90 days and will bring it back to the Board for approval before we design and proceed with obtaining construction cost estimates.
- Systems expenditures which provide for train signals & communications and new requirement for providing for “Positive Train Control (PTC)” could cost an additional \$26M.
- We are planning to advertise the “systems contract” in Spring/Summer 2012, and will know actual cost as opposed to this conservative estimate.



EXPENDITURE UPDATE

- Downtown San Rafael extension could cost an additional \$4M
- We are planning to complete design and go out to bid in Spring 2012 and finalize the actual cost of construction of this segment, as opposed to our estimated cost.

COST SAVINGS/REVENUE UPDATE

- We believe that the original station cost estimates included too many bells & whistles and can be reduced to meet our needs at a cost savings of \$4.5M.
- We are planning to build the stations as one of the last items, just before revenue operations begin. That way we will not need to maintain facilities that are not needed.
- Our engineers believe that the elimination of gauntlet tracks will yield a savings of \$6M.



COST SAVINGS/REVENUE UPDATE

- We also identified that in the current climate of competitive bidding, most public agencies are realizing significant savings (as much as 40%) below engineers' estimate. This could be worth tens of millions of dollars in savings .
- As a place holder, we assumed an extremely conservative savings of \$5M.
- While no one can predict where our economy is heading, various experts have different opinions on how fast/slow we are going to experience a recovery or not!

COST SAVINGS/REVENUE UPDATE

- Sales tax growth estimates ranged from 1.9% to 4.0%. SMART took a conservative estimate of 3%, assuming no rebound from the bottom of the recession.
- We are currently tracking 6%. What does this mean for SMART?
 - Option one: do nothing, make no adjustment
 - Option two: make a big adjustment
 - Option three: make a modest adjustment - but be ready to fund the difference if our modest growth is in fact not realized



DIFFERENT WAYS IN REPORTING MY FINDINGS

Previous cost approved by SMART	=	\$335M
Expenditure addition	=	<u>\$69M</u>
Total	=	\$404M

Previous revenue approved by SMART	=	\$330M
Cost savings/Revenue addition	=	<u>\$77M</u>
Total	=	\$407M



- We anticipate additional sales tax and grant revenues, along with construction savings, but are not assuming these positive factors in our financial plan prepared for MTC.
- We are deferring certain features and elements to demonstrate a balanced financial report until actual bids are opened and “proof” of savings are demonstrated.

- We have therefore prepared the attached transition plan which provides for the first step in gaining MTC approval, issuing bonds, and releasing the RFP while we continue to work on and refine our analysis on the remaining expenditures & revenues as more cost and revenue details come into focus.
- The transition plan increases the cost over the earlier Board approved plan to approximately \$360 million. It defers, for now, certain scope elements that I recommend continue to be evaluated for inclusion in light of available revenues over time.

- On the revenue side, working with our financial advisors and considering the likely two-year increase to the construction schedule, approximately \$23 million in additional bond proceeds & sales tax is available to cover the construction costs.
- Further, the revenues have been refined to include some additional grant funds, already secured, that should have been included in the financial plan.

DIFFERENT RULES??!!

- From a pure financial analysis, bond underwriters only credit us with money at hand and demonstration of actual savings as opposed to projected savings.
- Therefore while every public agency is recognizing significant cost savings in their bids, until we actually show the bids, we are not given any credit at this time.
- While sales tax is being tracked at 6%, they are not willing to credit us for current conditions.



SOLVING THE PUZZLE

- Until we have completed the bidding process & have realized additional period of growth in sales tax revenue we must demonstrate we have the ability to balance our project.
- To demonstrate that SMART's finances are balanced, the MTC financial application reflects a two-year delay
 - As soon as actual bids come in reflecting projected savings, adjustments can be made to accelerate the start up.



SUMMARY – INITIAL OPERATING SEGMENT ESTIMATE

Board Approved Estimate	\$335.0
Systems	\$26.0
O&M Facility	\$11.0
Downtown San Rafael Extension	\$4.0
Quiet Zones	\$2.8
IOS-1 Track & Bridges	\$1.6
Freight Operation Construction Savings	(\$10.0)
Gauntlet Tracks Elimination	(\$6.0)
Stations & Platform Amenities	(\$4.5)
Total	\$359.9

SUMMARY – INITIAL OPERATING SEGMENT FUNDING ESTIMATE

Measure Q Bond Proceeds	\$171.2
Prop 116	\$28.0
RM2 BRIDGE TOLLS	\$21.6
MTC/TAM/SCTA	\$21.0
Measure M	\$11.5
Measure Q SALES TAX PAYGO	\$93.9
ISTEA	\$6.3
Interest Income/Misc.	\$6.7
Total Sources	\$360.2





- SMART is not just a project or a program
- SMART is a transportation choice
- SMART's mission is to complement existing Transportation options
- SMART is about jobs (nearly 1000 by Fall 2011)
- SMART creates & promotes local economy & provides local sales tax

Date: July 27, 2005
W.I.: 1255
Referred by: PAC
Revised: 04/25/07-C
03/26/08-C
04/28/10-C
09/28/11-C

ABSTRACT

MTC Resolution No. 3712, Revised

This resolution approves the allocation of Regional Measure 2 funds for the Sonoma Marin Area Rail Transit District (SMART) Corridor Ferry Extension project sponsored and implemented by the SMART.

This resolution includes the following attachments:

- Attachment A - Allocation Summary Sheet
- Attachment B - Project Specific Conditions for Allocation Approval
- Attachment C - MTC staff's review of Sonoma Marin Area Rail Transit District's Initial Project Report (IPR) for this project
- Attachment D - RM2 Deliverable/Useable Segment Cash Flow Plan

This resolution was amended on April 25, 2007 to approve \$600,000 in supplemental final design funds and \$400,000 for right-of-way funds for subproject 1, Cal Park Hill Tunnel Rehabilitation and Multi-Use Pathway Improvement project.

This resolution was amended on March 26, 2008 to allocate \$7.8 million in construction funds for subproject 1: Cal Park Hill Tunnel Rehabilitation and Multi-Use Pathway Improvement project, Phase A.

This resolution was amended on April 28, 2010 by Commission action to rescind \$2.5 million from Phase A of the Cal Park Hill Tunnel Rehabilitation and Multi-Use Pathway Improvement project, and to allocate \$6.1 million in construction funds for Phase B of the same project.

This resolution was revised on September 28, 2011 to allocate \$23.1 million towards the design/construction of the SMART Initial Operating Segment.

ABSTRACT

MTC Resolution No. 3712, Revised

Page 2

Additional discussion of this allocation is contained in the Executive Director's memorandum to the MTC Programming and Allocations Committee dated July 13, 2005, and the Programming and Allocation Committee Summary Sheet dated March 5, 2008, April 14, 2010 and September 14, 2011.

**REGIONAL MEASURE 2 PROGRAM
 Allocation of Funds**

Project Title: Sonoma - Marin Area Rail Transit District (SMART) Corridor Ferry Extension
 Sponsor: Sonoma - Marin Area Rail Transit District
 Project Number: 10.2

Allocation No. 10.2-1					
Activities to be funded with Allocation #1:					
This allocation will fund the design/construction of the SMART Initial Operating Segment.					
Funding Information for Allocation #1:					
Allocation Instruction No.	Approval Date	Amount	Phase	Reimbursement Year	Cumulative Total To Date
12371206	28-Sep-11	\$ 23,094,000	PSE/CON	FY 2011-12	\$ 23,094,000

REGIONAL MEASURE 2 PROGRAM
Project Specific Conditions

Project Title: Sonoma - Marin Area Rail Transit District's Corridor Ferry Extension
Sponsor: Sonoma - Marin Area Rail Transit District
Project Number: 10.2

The allocation and reimbursement of RM2 funds for the above project are conditioned upon the following :

1. Allocation #1 (Allocation No.12371206) for design/construction is contingent on:

1) Execution of a funding agreement between MTC and SMART regarding the drawdown of funds.

RM2 Project Number: 10.2

Sonoma - Marin Area Rail Transit District's Corridor Ferry Extension

Lead Sponsor Sonoma - Marin Area Rail Transit District	Other Sponsors(s) N/A	Implementing Agency (if applicable) N/A
Legislated Project Description Sonoma-Marin Area Rail Transit District (SMART) Extension to Larkspur or San Quentin. Extend rail line from San Rafael to a ferry terminal at Larkspur or San Quentin. Thirty-five million dollars (\$35,000,000). Up to five million dollars (\$5,000,000) may be used to study, in collaboration with the Water Transit Authority, the potential use of San Quentin property as an intermodal water transit terminal. The project sponsor is SMART.		
RM2 Legislated Funding (in \$1,000) 10.1 Cal Park Hill Tunnel - \$13,406 10.2 SMART Corridor Ferry Extension - \$21,594	Total Estimated Project Cost (in \$1,000) \$360,215	
Project Purpose and Description This project consists of final design and construction of a 37-mile Initial Operating Segment of the SMART commuter rail and multi-use pathway project from Downtown San Rafael to Santa Rosa Railroad Square, with five intermediate stations. The project components include engineering, right-of-way, construction, and vehicle procurement. The purpose of the project is to offer a rail transit travel alternative using an existing, publicly owned right-of-way, and provide a multi-use pedestrian and bicycle pathway adjacent to that corridor.		
Funding Description Committed Funds: RM2, Measure Q, Measure M, TCRP, Prop 116, EEMP, ISTEPA. Uncommitted Funds: RM2 transfer from Project 11, Two Percent Bridge Tolls, SLPP & TE. TBD Funds: N/A Operating Capacity: This project will be maintained by the Sonoma-Marin Area Rail Transit District.		

Overall Project Cost and Schedule

Phase	Scope	End	Cost (in \$1,000)
1	Final Environmental Document	06/2005	N/A
2	Plans, Specifications and Estimates	03/2014	\$44,197
3	Right-of-Way	12/2014	\$67,034
4	Construction	12/2014	\$248,984
Total:			\$360,215

Total Project Funding Plan: Committed and Uncommitted Sources

(Amounts Escalated in Thousands)

Project Title	SMART's Corridor Ferry Extension Project		Project No. 10.2							
Lead Sponsor	Sonoma - Marin Area Rail Transit District									

Fund Source	Phase	Prior	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	Future	Total
Committed										
Measure Q	PS&E							20,417		20,417
Measure M - Rail	PS&E							5,000		5,000
Measure M - Bike	PS&E							650		650
Prop 116	PS&E							18,000		18,000
Bay Trail	PS&E							130		130
Measure Q	ROW							10,000		10,000
Prop 116	ROW							10,000		10,000
Measure Q	Vehicles							47,034		47,034
RM2	Construction							21,594		21,594
Measure M - Rail	Construction							5,842		5,842
EEMP	Construction							700		700
Measure Q	Construction							193,548		193,548
ISTEA	Construction							6,300		6,300
Total:		0	0	0	0	0	0	339,215	0	339,215
Uncommitted										
RM2 - Transfer from Project 11	Construction							1,500		1,500
Two Percent Bridge Toll Revenues	Construction							5,000		5,000
SLPP	Construction							11,500		11,500
TE	Construction							3,000		3,000
Total:		0	0	0	0	0	0	21,000	0	21,000
Total Project Committed and Uncommitted										
		Prior	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	Future	Total
Total:		0	0	0	0	0	0	360,215	0	360,215

REGIONAL MEASURE 2 PROGRAM Project Cash Flow Plan

Project Title: SMART Corridor Ferry Extension
Sponsor: Sonoma - Marin Area Rail Transit District
Project Number: 10.2

RM2 Project # 10.2	PRIOR	FY 2006-07	FY 2007-08	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	TOTAL
RM2 Funds Total	-	-	-	-	-	-	23,094,000	23,094,000
Environmental (ENV)	0	0	0	0	0	0	0	0
								0
								0
								0
Final Design (PS&E)	0	0	0	0	0	0	44,197,000	44,197,000
Measure Q							20,417,000	20,417,000
Measure M - Rail							5,000,000	5,000,000
Measure M - Bike							650,000	650,000
Bay Trail							130,000	130,000
Prop 116							18,000,000	18,000,000
Right of Way	0	0	0	0	0	0	67,034,000	67,034,000
Measure Q							10,000,000	10,000,000
Prop 116							10,000,000	10,000,000
Measure Q - Vehicles							47,034,000	47,034,000
Construction	0	0	0	0	0	0	248,984,000	248,984,000
RM2							23,094,000	23,094,000
Two Percent							5,000,000	5,000,000
Measure M - Rail							5,842,000	5,842,000
Measure Q							193,548,000	193,548,000
ISTEA							6,300,000	6,300,000
TE							3,000,000	3,000,000
SLPP							11,500,000	11,500,000
EEMP							700,000	700,000
TOTAL FUNDING								
Environmental	0	0	0	0	0	0	0	0
Final Design (PS&E)	0	0	0	0	0	0	44,197,000	44,197,000
Right of Way	0	0	0	0	0	0	67,034,000	67,034,000
Construction	0	0	0	0	0	0	248,984,000	248,984,000
PROJECT TOTAL	0	0	0	0	0	0	360,215,000	360,215,000

Date: June 27, 2007
W.I.: 1255
Referred by: PAC
Revised: 01/28/09-C
07/22/09-C
09/28/11-C

ABSTRACT

MTC Resolution No. 3801, Revised

This resolution approves amendments to the Regional Measure 2 program for project scope changes, funding amounts, or addition and deletion of projects as permitted by Streets and Highways Code Section 30914 *et seq.*

This resolution includes Attachment A describing the amendments and Attachment B describing the updated Regional Measure 2 Project List.

This resolution was revised on January 28, 2009 to reassign \$91 million in RM2 funds from the East to West Bay Commuter Rail Service over the Dumbarton Rail Bridge project to the BART to Warm Springs Extension project, and to reassign \$10 million in RM2 funds from the BART Tube Seismic Strengthening project to the BART Oakland Airport Connector project.

This resolution was revised on July 22, 2009 to reassign \$37 million in RM2 funds from the BART Tube Seismic Strengthening project to the Oakland Airport Connector project.

This resolution was revised on September 28, 2011 to change the project description for the SMART project to include the rail line from San Rafael to Santa Rosa, and to reassign \$1.5 million in RM2 funds from the Greenbrae Interchange/Larkspur Ferry Access Improvement project to the SMART project.

Additional discussion of this allocation is contained in the summary sheet to the MTC Programming and Allocations Committee dated June 13, 2007, January 14, 2009, July 8, 2009, July 13, 2011, and September 14, 2011.

Date: June 27, 2007
W.I.: 1255
Referred by: PAC
Revised: 01/28/09-C
07/22/09-C
09/28/11-C

Attachment A
Resolution No. 3801
Page 1 of 1

Summary of Project/Program Changes

<u>Project or Program</u>	<u>Sponsor(s)</u>	<u>Change (hearing date)</u>	<u>Reason</u>	<u>Conditions</u>
BART Tube Seismic Strengthening (Streets and Highways Code Section 30914(c)(21))	BART	Reduce funding by \$62 million (hearing date June 13, 2007)	Project is to be implemented with other funds not derived from tolls, including \$24 million from state bond financing and \$38 million from state-provided STIP funds	Contingent upon the California Transportation Commission approving an allocation of \$38 million in STIP funds to the project in FY 07-08
Oakland Airport Connector (Streets and Highways Code Section 30914(c)(23))	Port of Oakland and BART	Increase funding by \$38 million (hearing date June 13, 2007)	Local funding needed for project due to nature of procurement method	Contingent upon the allocation of STIP funds to the BART Tube Seismic Strengthening project as described above
BART Transit Capital Rehabilitation (new Streets and Highways Code Section 30914(c) project)	BART	Provide \$24 million in funding as local matching funds for BART's fixed guideway rehabilitation and replacement projects funded with federal dollars in fiscal years 2006-07 and 2007-08 (hearing date June 13, 2007)	Project is consistent with the intent of Chapter 4 of Division 17 of the Streets and Highways Code in that it will reduce congestion or make improvements to travel in the toll bridge corridors	
East to West Bay Commuter Rail Service over the Dumbarton Rail Bridge (Streets and Highways Code Section 30914(c)(4))	ACCMA, ACTIA, Capital Corridor, SMCTA	Reduce funding by \$91million (hearing date January 14, 2009)	a) Project not in a state of readiness to proceed b) Project is to be implemented with future Alameda County State Improvement Program (STIP) funds to be committed by the ACCMA in December 2008	None — Alameda County Congestion Management Agency committed \$91 million in future year STIP funds to the project in December 2008

<u>Project or Program</u>	<u>Sponsor(s)</u>	<u>Change (hearing date)</u>	<u>Reason</u>	<u>Conditions</u>
BART Warm Springs Extension (Streets and Highways Code Section 30914(c)(31))	BART	Increase funding by \$91 million (hearing date January 14, 2009)	Project is ready-to-go and \$91 million helps to close the funding shortfall	None — Alameda County Congestion Management Agency committed \$91 million in future year STIP funds to the Dumbarton Rail project in December 2008
BART Tube Seismic Strengthening (Streets and Highways Code Section 30914(c)(21))	BART	Reduce funding by \$10 million (hearing date January 14, 2009)	Project is to be implemented with other funds not derived from tolls, including \$10 million from state Interregional Improvement Program (IIP) funds	None - California Transportation Commission programmed IIP funds to this project in July 2008
Oakland Airport Connector (Streets and Highways Code Section 30914(c)(23))	Port of Oakland and BART	Increase funding by \$10 million (hearing date January 14, 2009)	Local funding needed for project due to potential nature of procurement method	None
BART Tube Seismic Strengthening (Streets and Highways Code Section 30914(c)(21))	BART	Reduce funding by \$37,199,000 (hearing date June 10 & July 8, 2009)	Sponsor certified cost savings and use of alternate funding on project. Sponsor requested reassignment of savings to the Oakland Airport Connector project	None
Oakland Airport Connector (Streets and Highways Code Section 30914(c)(23))	Port of Oakland and BART	Increase funding by \$37,199,000 (hearing date June 10 & July 8, 2009)	Funding needed to complete project funding plan	None

<u>Project or Program</u>	<u>Sponsor(s)</u>	<u>Change (hearing date)</u>	<u>Reason</u>	<u>Conditions</u>
Sonoma Marin Area Rail Transit (Streets & Highways Code Section 30914 (c)(10))	Sonoma Marin Area Rail Transit District	Modify project description to include rail line from San Rafael to Santa Rosa, and increase funding by \$1,500,000 (hearing dates July 13, 2011 and September 14, 2011)	Funding to be directed to San Rafael to Santa Rosa segment due to funding shortfall in overall project, and funding increased due to funds being reassigned from Greenbrae Interchange/Larkspur Ferry Access Improvements.	None
Greenbrae Interchange/Larkspur Ferry Access Improvements (Streets & Highways Code Section 30914 (c)(11))	Transportation Authority of Marin	Reduce funding by \$1,500,000 (hearing dates July 13, 2011 and September 14, 2011)	Sponsor certifies use of alternate funding on project.	None

Date: June 27, 2007
W.I.: 1255
Referred by: PAC
Revised: 01/28/09-C
07/22/09-C
05/25/11-C
09/28/11-C

Attachment B
Resolution No. 3801
Page 1 of 9

Regional Measure 2 Program: Project List as Amended
(changes are noted in italics)

Streets and Highways Code Sections 30914(c)

- (1) BART/MUNI Connection at Embarcadero and Civic Center Stations. Provide direct access from the BART platform to the MUNI platform at the above stations and equip new fare gates that are TransLink® ready. Three million dollars (\$3,000,000). The project sponsor is BART.
- (2) MUNI Metro Third Street Light Rail Line. Provide funding for the surface and light rail transit and maintenance facility to support MUNI Metro Third Street Light Rail service connecting to Caltrain stations and the E-Line waterfront line. Thirty million dollars (\$30,000,000). The project sponsor is MUNI.
- (3) MUNI Waterfront Historic Streetcar Expansion. Provide funding to rehabilitate historic streetcars and construct trackage and terminal facilities to support service from the Caltrain Terminal, the Transbay Terminal, and the Ferry Building, and connecting the Fisherman's Wharf and northern waterfront. Ten million dollars (\$10,000,000). The project sponsor is MUNI.
- (4) East to West Bay Commuter Rail Service over the Dumbarton Rail Bridge. Provide funding for the necessary track and station improvements and rolling stock to interconnect the BART and Capitol Corridor at Union City with Caltrain service over the Dumbarton Rail Bridge, and interconnect and provide track improvements for the ACE line with the same Caltrain service at Centerville. Provide a new station at Sun Microsystems in Menlo Park. The project is jointly sponsored by the San Mateo County Transportation Authority, Capitol Corridor, the Alameda County Congestion Management Agency, and the Alameda County Transportation Improvement Authority. One hundred thirty-five million dollars (\$135,000,000); *Funding reduced by \$91 million (hearing date January 14, 2009). Present Amount: Forty four million dollars (\$44,000,000).*
- (5) Vallejo Station. Construct intermodal transportation hub for bus and ferry service, including parking structure, at site of Vallejo's current ferry terminal. Twenty-eight million dollars (\$28,000,000). The project sponsor is the City of Vallejo.

- (6) Solano County Express Bus Intermodal Facilities. Provide competitive grant fund source, to be administered by the Metropolitan Transportation Commission. Eligible projects are Curtola Park and Ride, Benicia Intermodal Facility, Fairfield Transportation Center and Vacaville Intermodal Station. Priority to be given to projects that are fully funded, ready for construction, and serving transit service that operates primarily on existing or fully funded high-occupancy vehicle lanes. Twenty million dollars (\$20,000,000). The project sponsor is Solano Transportation Authority.
- (7) Solano County Corridor Improvements near Interstate 80/Interstate 680 Interchange. Provide funding for improved mobility in corridor based on recommendations of joint study conducted by the Department of Transportation and the Solano Transportation Authority. Cost-effective transit infrastructure investment or service identified in the study shall be considered a high priority. One hundred million dollars (\$100,000,000). The project sponsor is Solano Transportation Authority.
- (8) Interstate 80: Eastbound High-Occupancy Vehicle (HOV) Lane Extension from Route 4 to Carquinez Bridge. Construct HOV-lane extension. Fifty million dollars (\$50,000,000). The project sponsor is the Department of Transportation.
- (9) Richmond Parkway Transit Center. Construct parking structure and associated improvements to expand bus capacity. Sixteen million dollars (\$16,000,000). The project sponsor is Alameda-Contra Costa Transit District, in coordination with West Contra Costa Transportation Advisory Committee, Western Contra Costa Transit Authority, City of Richmond, and the Department of Transportation.
- (10) Sonoma-Marín Area Rail Transit District (SMART) ~~Extension to Larkspur or San Quentin. Extend rail line from San Rafael to a ferry terminal at Larkspur or San Quentin. Construct rail system from San Rafael to Santa Rosa and make improvements to the Cal Park Hill Tunnel to allow for future extension to Larkspur.~~ Thirty-five million dollars (\$35,000,000). *Funding increased by \$1,500,000; present amount thirty-six million, five hundred thousand dollars (\$36,500,000). Up to five million dollars (\$5,000,000) may be used to study, in collaboration with the Water Transit Authority, the potential use of San Quentin property as an intermodal water transit terminal.* The project sponsor is SMART. *(Project description changed and funding increased by \$1.5 million, hearing dates July 13, 2011 and September 14, 2011.)*
- (11) Greenbrae Interchange/Larkspur Ferry Access Improvements. Provide enhanced regional and local access around the Greenbrae Interchange to reduce traffic congestion and provide multimodal access to the Richmond-San Rafael Bridge and Larkspur Ferry Terminal by constructing a new full service diamond interchange at Wornum Drive south of the Greenbrae Interchange, extending a multiuse pathway

from the new interchange at Wornum Drive to East Sir Francis Drake Boulevard and the Cal Park Hill rail right-of-way, adding a new lane to East Sir Francis Drake Boulevard and rehabilitating the Cal Park Hill Rail Tunnel and right-of-way approaches for bicycle and pedestrian access to connect the San Rafael Transit Center with the Larkspur Ferry Terminal. Sixty-five million dollars (\$65,000,000). *Funding reduced by \$1,500,000 (hearing dates July 13, 2011 and September 14, 2011.); present amount is sixty-three million, five hundred thousand dollars (\$63,500,000).* The project sponsor is Marin County Congestion Management Agency.

- (12) Direct High-Occupancy Vehicle (HOV) lane connector from Interstate 680 to the Pleasant Hill or Walnut Creek BART stations or in close proximity to either station or as an extension of the southbound Interstate 680 High-Occupancy Vehicle Lane through the Interstate 680/State Highway Route 4 interchange from North Main in Walnut Creek to Livorna Road. The County Connection shall utilize up to one million dollars (\$1,000,000) of the funds described in this paragraph to develop options and recommendations for providing express bus service on the Interstate 680 High-Occupancy Vehicle Lane south of the Benicia Bridge in order to connect to BART. Upon completion of the plan, the Contra Costa Transportation Authority shall adopt a preferred alternative provided by the County Connection plan for future funding. Following adoption of the preferred alternative, the remaining funds may be expended either to fund the preferred alternative or to extend the high-occupancy vehicle lane as described in this paragraph. Fifteen million dollars (\$15,000,000). The project is sponsored by the Contra Costa Transportation Authority.
- (13) Rail Extension to East Contra Costa/E-BART. Extend BART from Pittsburg/Bay Point Station to Byron in East Contra Costa County. Ninety-six million dollars (\$96,000,000). Project funds may only be used if the project is in compliance with adopted BART policies with respect to appropriate land use zoning in vicinity of proposed stations. The project is jointly sponsored by BART and Contra Costa Transportation Authority.
- (14) Capitol Corridor Improvements in Interstate 80/Interstate 680 Corridor. Fund track and station improvements, including the Suisun Third Main Track and new Fairfield Station. Twenty-five million dollars (\$25,000,000). The project sponsor is Capitol Corridor Joint Powers Authority and the Solano Transportation Authority.
- (15) Central Contra Costa Bay Area Rapid Transit (BART) Crossover. Add new track before Pleasant Hill BART Station to permit BART trains to cross to return track towards San Francisco. Twenty-five million dollars (\$25,000,000). The project sponsor is BART.
- (16) Benicia-Martinez Bridge: New Span. Provide partial funding for completion of new five-lane span between Benicia and Martinez to significantly increase capacity in the

I-680 corridor. Fifty million dollars (\$50,000,000). The project sponsor is the Bay Area Toll Authority.

- (17) Regional Express Bus North. Competitive grant program for bus service in Richmond-San Rafael Bridge, Carquinez, Benicia-Martinez and Antioch Bridge corridors. Provide funding for park and ride lots, infrastructure improvements, and rolling stock. Eligible recipients include Golden Gate Bridge Highway and Transportation District, Vallejo Transit, Napa VINE, Fairfield-Suisun Transit, Western Contra Costa Transit Authority, Eastern Contra Costa Transit Authority, and Central Contra Costa Transit Authority. The Golden Gate Bridge Highway and Transportation District shall receive a minimum of one million six hundred thousand dollars (\$1,600,000). Napa VINE shall receive a minimum of two million four hundred thousand dollars (\$2,400,000). Twenty million dollars (\$20,000,000). The project sponsor is the Metropolitan Transportation Commission.
- (18) TransLink. Integrate the Bay Area's regional smart card technology, TransLink, with operator fare collection equipment and expand system to new transit services. Twenty-two million dollars (\$22,000,000). The project sponsor is the Metropolitan Transportation Commission.
- (19) Real-Time Transit Information. Provide a competitive grant program for transit operators for assistance with implementation of high-technology systems to provide real-time transit information to riders at transit stops or via telephone, wireless, or Internet communication. Priority shall be given to projects identified in the commission's connectivity plan adopted pursuant to subdivision (d) of Section 30914.5. Twenty million dollars (\$20,000,000). The funds shall be administered by the Metropolitan Transportation Commission.
- (20) Safe Routes to Transit: Plan and construct bicycle and pedestrian access improvements in close proximity to transit facilities. Priority shall be given to those projects that best provide access to regional transit services. Twenty-two million five hundred thousand dollars (\$22,500,000). City Car Share shall receive two million five hundred thousand dollars (\$2,500,000) to expand its program within approximately one-quarter mile of transbay regional transit terminals or stations. The City Car Share project is sponsored by City Car Share and the Safe Routes to Transit project is jointly sponsored by the East Bay Bicycle Coalition and the Transportation and Land Use Coalition. These sponsors must identify a public agency cosponsor for purposes of specific project fund allocations.
- 21) BART Tube Seismic Strengthening. Add seismic capacity to existing BART tube connecting the east bay with San Francisco. The project sponsor is BART. Forty-three million dollars (\$143,000,000); *funding reduced by \$62 million (hearing date June 13, 2007); funding reduced by \$10 million (hearing date January 14, 2009); funding reduced by \$37,199,000 (hearing dates June 10, 2009 and July 8, 2009).*

Present Amount: Thirty-three million eight hundred one thousand dollars (\$33,801,000).

- (22) Transbay Terminal/Downtown Caltrain Extension. A new Transbay Terminal at First and Mission Streets in San Francisco providing added capacity for transbay, regional, local, and intercity bus services, the extension of Caltrain rail services into the terminal, and accommodation of a future high-speed passenger rail line to the terminal and eventual rail connection to the east bay. Eligible expenses include project planning, design and engineering, construction of a new terminal and its associated ramps and tunnels, demolition of existing structures, design and development of a temporary terminal, property and right-of-way acquisitions required for the project, and associated project-related administrative expenses. A bus- and train-ready terminal facility, including purchase and acquisition of necessary rights-of-way for the terminal, ramps, and rail extension, is the first priority for toll funds for the Transbay Terminal/Downtown Caltrain Extension Project. The temporary terminal operation shall not exceed five years. One hundred fifty million dollars (\$150,000,000). The project sponsor is the Transbay Joint Powers Authority.
- (23) Oakland Airport Connector. New transit connection to link BART, Capitol Corridor and AC Transit with Oakland Airport. The Port of Oakland shall provide a full funding plan for the connector. The project sponsors are the Port of Oakland and BART. Thirty million dollars (\$30,000,000); *funding increased by \$38 million (hearing date June 13, 2007); funding increased by \$10 million (hearing date January 14, 2009); funding increased by \$37,199,000 (hearing dates June 10, 2009 and July 8, 2009).* Present Amount: *One hundred fifteen million one hundred ninety-nine thousand dollars (\$115,199,000).*
- (24) AC Transit Enhanced Bus-Phase 1 on Telegraph Avenue, International Boulevard, and East 14th Street (Berkeley-Oakland-San Leandro). Develop enhanced bus service on these corridors, including bus bulbs, signal prioritization, new buses, and other improvements. Priority of investment shall improve the AC connection to BART on these corridors. Sixty-five million dollars (\$65,000,000). The project sponsor is AC Transit.
- (25) Commute Ferry Service for Alameda/Oakland/Harbor Bay. Purchase two vessels for ferry services between Alameda and Oakland areas and San Francisco. Second vessel funds to be released upon demonstration of appropriate terminal locations, new transit-oriented development, adequate parking, and sufficient landside feeder connections to support ridership projections. Twelve million dollars (\$12,000,000). The project sponsor is Water Transit Authority. If the Water Transit Authority demonstrates to the Metropolitan Transportation Commission that it has secured alternative funding for the two vessel purchases described in this paragraph, the funds may be used for terminal improvements.

- (26) Commute Ferry Service for Berkeley/Albany. Purchase two vessels for ferry services between the Berkeley/Albany Terminal and San Francisco. Parking access and landside feeder connections must be sufficient to support ridership projections. Twelve million dollars (\$12,000,000). The project sponsor is Water Transit Authority. If the Water Transit Authority demonstrates to the Metropolitan Transportation Commission that it has secured alternative funding for the two vessel purchases described in this paragraph, the funds may be used for terminal improvements. If the Water Transit Authority does not have an entitled terminal site within the Berkeley/Albany catchment area by 2010 that meets its requirements, the funds described in this paragraph and the operating funds described in paragraph (7) of subdivision (d) shall be transferred to another site in the East Bay. The City of Richmond shall be given first priority to receive this transfer of funds if it has met the planning milestones identified in its special study developed pursuant to paragraph (28).
- (27) Commute Ferry Service for South San Francisco. Purchase two vessels for ferry services to the Peninsula. Parking access and landside feeder connections must be sufficient to support ridership projections. Twelve million dollars (\$12,000,000). The project sponsor is Water Transit Authority. If the Water Transit Authority demonstrates to the Metropolitan Transportation Commission that it has secured alternative funding for the two vessel purchases described in this paragraph, the funds may be used for terminal improvements.
- (28) Water Transit Facility Improvements, Spare Vessels, and Environmental Review Costs. Provide two backup vessels for water transit services, expand berthing capacity at the Port of San Francisco, and expand environmental studies and design for eligible locations. Forty-eight million dollars (\$48,000,000). The project sponsor is Water Transit Authority. Up to one million dollars (\$1,000,000) of the funds described in this paragraph shall be made available for the Water Transit Authority to study accelerating development and other milestones that would potentially increase ridership at the City of Richmond ferry terminal.
- (29) Regional Express Bus Service for San Mateo, Dumbarton, and Bay Bridge Corridors. Expand park and ride lots, improve HOV access, construct ramp improvements, and purchase rolling stock. Twenty-two million dollars (\$22,000,000). The project sponsors are AC Transit and Alameda County Congestion Management Agency.
- (30) I-880 North Safety Improvements. Reconfigure various ramps on I-880 and provide appropriate mitigations between 29th Avenue and 16th Avenue. Ten million dollars (\$10,000,000). The project sponsors are Alameda County Congestion Management Agency, City of Oakland, and the Department of Transportation.
- (31) BART Warm Springs Extension. Extension of the existing BART system from Fremont to Warm Springs in southern Alameda County. Up to ten million dollars

(\$10,000,000) shall be used for grade separation work in the City of Fremont necessary to extend BART. The project would facilitate a future rail service extension to the Silicon Valley. The project sponsor is BART. Ninety-five million dollars (\$95,000,000) *Funding increased by \$91 million (hearing date January 14, 2009).* *Present Amount: One hundred eighty-six million dollars (\$186,000,000).*

- (32) I-580 (Tri Valley) Rapid Transit Corridor Improvements. Provide rail or High-Occupancy Vehicle lane direct connector to Dublin BART and other improvements on I-580 in Alameda County for use by express buses. Sixty-five million dollars (\$65,000,000). The project sponsor is Alameda County Congestion Management Agency.
- (33) Regional Rail Master Plan. Provide planning funds for integrated regional rail study pursuant to subdivision (f) of Section 30914.5. Six million five hundred thousand dollars (\$6,500,000). The project sponsors are Caltrain and BART.
- (34) Integrated Fare Structure Program. Provide planning funds for the development of zonal monthly transit passes pursuant to subdivision (e) of Section 30914.5. One million five hundred thousand dollars (\$1,500,000). The project sponsor is the TransLink® Consortium.
- (35) Transit Commuter Benefits Promotion. Marketing program to promote tax-saving opportunities for employers and employees as specified in Section 132(f)(3) or 162(a) of the Internal Revenue Code. Goal is to increase the participation rate of employers offering employees a tax-free benefit to commute to work by transit. The project sponsor is the Metropolitan Transportation Commission. Five million dollars (\$5,000,000).
- (36) Caldecott Tunnel Improvements. Provide funds to plan and construct a fourth bore at the Caldecott Tunnel between Contra Costa and Alameda Counties. The fourth bore will be a two-lane bore with a shoulder or shoulders north of the current three bores. The County Connection shall study all feasible alternatives to increase transit capacity in the westbound corridor of State Highway Route 24 between State Highway Route 680 and the Caldecott Tunnel, including the study of the use of an express lane, high-occupancy vehicle lane, and an auxiliary lane. The cost of the study shall not exceed five hundred thousand dollars (\$500,000) and shall be completed not later than January 15, 2006. Fifty million five hundred thousand dollars (\$50,500,000). The project sponsor is the Contra Costa Transportation Authority.
- (37) *BART Transit Capital Rehabilitation. Provide local matching funds to BART's fixed guideway rehabilitation and replacement projects funded with federal dollars in FY*

06-07 and FY 07-08. Twenty-four million dollars (\$24,000,000). The project sponsor is BART. (New project added: hearing date June 13, 2007)

Streets and Highways Code Sections 30914(d)

Not more than 38 percent of the revenues generated from the toll increase shall be made available annually for the purpose of providing operating assistance for transit services as set forth in the authority's annual budget resolution. The funds shall be made available to the provider of the transit services subject to the performance measures described in Section 30914.5. If the funds cannot be obligated for operating assistance consistent with the performance measures, these funds shall be obligated for other operations consistent with this chapter.

Except for operating programs that do not have planned funding increases and subject to the 38-percent limit on total operating cost funding in any single year, following the first year of scheduled operations, an escalation factor, not to exceed 1.5 percent per year, shall be added to the operating cost funding through fiscal year 2015 -16, to partially offset increased operating costs. The escalation factors shall be contained in the operating agreements described in Section 30914.5. Subject to the limitations of this paragraph, the Metropolitan Transportation Commission may annually fund the following operating programs as another component of the Regional Traffic Relief Plan:

- (1) Golden Gate Express Bus Service over the Richmond Bridge (Route 40). Two million one hundred thousand dollars (\$2,100,000).
- (2) Napa Vine Service terminating at the Vallejo Intermodal Terminal. Three hundred ninety thousand dollars (\$390,000).
- (3) Regional Express Bus North Pool serving the Carquinez and Benicia Bridge Corridors. Three million four hundred thousand dollars (\$3,400,000).
- (4) Regional Express Bus South Pool serving the Bay Bridge, San Mateo Bridge, and Dumbarton Bridge Corridors. Six million five hundred thousand dollars (\$6,500,000).
- (5) Dumbarton Rail. Five million five hundred thousand dollars (\$5,500,000).
- (6) San Francisco Bay Area Water Emergency Transportation Authority, Alameda/Oakland/Harbor Bay, Berkeley/Albany, South San Francisco, Vallejo, or other transbay ferry service. A portion of the operating funds may be dedicated to landside transit operations. Fifteen million three hundred thousand dollars (\$15,300,000).

- (7) Owl Bus Service on BART Corridor. One million eight hundred thousand dollars (\$1,800,000).
- (8) MUNI Metro Third Street Light Rail Line. Two million five hundred thousand dollars (\$2,500,000) without escalation.
- (9) AC Transit Enhanced Bus Service on Telegraph Avenue, International Boulevard, and East 14th Street in Berkeley-Oakland-San Leandro. Three million dollars (\$3,000,000) without escalation.
- (10) TransLink, three-year operating program. Twenty million dollars (\$20,000,000) without escalation.
- (11) San Francisco Bay Area Water Emergency Transportation Authority, regional planning and operations. Three million dollars (\$3,000,000) without escalation.

Date: January 28, 2009
W.I.: 1515
Referred by: PAC
Revised: 07/22/09-C
09/28/11-C

ABSTRACT

Resolution No. 3884, Revised

This resolution adopts priorities for the Proposition 1B – State Local Partnership Program funding, due to MTC based on voter-approved bridge toll generations.

Attachment A Proposition 1B State Local Partnership Program Project List

Attachment A to this resolution was amended on July 22, 2009 to program \$20 million in SLPP reserve funds to the BART Oakland Airport Connector project.

Attachment A to this resolution was amended on September 28, 2011 to program \$5 million in SLPP reserve funds to the Sonoma Marin Area Rail Transit Project (SMART).

Further discussion of this action is contained in the Programming and Allocations Committee summary sheets dated January 14, 2009, July 8, 2009, July 13, 2011, and September 14, 2011.

**METROPOLITAN TRANSPORTATION COMMISSION
 PROPOSITION 1B - STATE LOCAL PARTNERSHIP PROGRAM
 Project List
 Attachment A**

Project Title	County	Implementing Agency	SLPP Funding (thousand \$)
1. BART to Warm Springs Extension*	Alameda	BART	\$40,000
2. BART Oakland Airport Connector**	Alameda	BART	\$20,000
3. Sonoma Marin Area Rail Transit Project (SMART)***	Marin/Sonoma	SMART	\$5,000
SUBTOTAL			\$65,000

State Local Partnership Program - Total	\$65,000
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* Programming commitment subject to the conditions listed in Resolution 3434.
 ** Programming commitment subject to the conditions listed in Resolution 3885, Revised.
 *** Should the SLPP share for the MTC region be lower than estimated, staff would return to the Commission to recommend supplementary two percent tolls (Resolution No. 4022) such that the total SLPP and two percent toll contribution equals \$10 million.

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Date: September 28, 2011
W.I.: 1255
Referred By: PAC

ABSTRACT

Resolution No. 4022

This resolution allocates Two Percent Bridge Toll Revenues to eligible projects.

This resolution includes the following attachments:

Attachment A – Allocations of Two Percent Bridge Toll Revenues

Additional discussion of this allocation is contained in the Executive Director's memorandum and MTC Programming and Allocations Committee Summary Sheets dated July 13, 2011 and September 14, 2011.

Date: September 28, 2011
W.I.: 1255
Referred By: PAC

RE: Allocation of Two Percent Bridge Toll funds

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4022

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Sections 66500 et seq.; and

WHEREAS, pursuant to Streets and Highways Code Section 30913 (b), MTC has allocated two-thirds of the 2 percent of the 1988 Regional Measure 1 toll increase (“Two Percent Bridge Toll Revenues”) to projects which are designed to reduce vehicular traffic congestion on these bridges; and,

WHEREAS, MTC adopted Resolution 3434, Revised, which established the Regional Transit Expansion Plan designating projects as regional priorities; and

WHEREAS, MTC adopted Resolution 3948 and BATA adopted Resolution 93 and executed a Funding Agreement relieving BATA of responsibility for making AB 664 Net Bridge Toll Revenues Reserve Transfers, Two Percent Transit Reserves Transfers, and Rail Extension Reserves Transfers for 50 years; and

WHEREAS, MTC adopted Resolution 4015 adopting programming and allocation policies for AB664 Net Bridge Toll Revenues, RM2 Regional Rail Extension Reserve, Two Percent Bridge Toll Revenues, and Five Percent State General Fund Revenues transit funding programs; now therefore be it

RESOLVED, that MTC approves the allocation and reimbursement of Two Percent Bridge Toll Revenues in accordance with the amount, conditions and reimbursement schedule for the project, phase, and activities as set forth in Attachment A; and, be it further

RESOLVED, that should the allocation of Two Percent Bridge Toll Revenues be conditioned on the execution of a funding agreement, that the Executive Director or his designee is authorized to negotiate and enter into a funding agreement with claimant that includes the provisions contained in Attachment A; and be it further

RESOLVED, that a certified copy of this resolution, shall be forwarded to each project sponsor.

METROPOLITAN TRANSPORTATION COMMISSION

Adrienne J. Tissier, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in Oakland, California on September 28, 2011.

Date September 28, 2011
W.I.: 1255
Referred by: PAC

Attachment A
Resolution No. 4022
Page 1 of 1

ALLOCATION OF TWO PERCENT BRIDGE TOLL REVENUES

Alloc. #	Fiscal Year	Claimant	Project Title	Allocation Amount	Date of MTC Approval	Allocation Conditions
01	2011-2012	Sonoma Marin Area Rail Transit (SMART)	Sonoma Marin Area Rail Transit	\$5,000,000	09/28/2011	<p>Scope of Work: Design and/or construction of the SMART Initial Operating Segment project as scoped at the time of this allocation.</p> <p>Allocation and disbursement is contingent upon the execution of a funding agreement between MTC and SMART for the Two Percent Bridge Toll Revenues. Such agreement shall include the following provisions:</p> <ul style="list-style-type: none"> - SMART shall agree to comply with the provisions of MTC Resolution No. 3636, Revised and that any Two Percent Bridge Toll Revenues received under the funding agreement be subject to MTC Resolution No. 3636, Revised, unless otherwise stated in the agreement.
Total Allocated				\$ 5,000,000		