



DATE: July 26, 2018

TO: Transportation Authority of Marin Board of Commissioners

FROM: Dianne Steinhauser, Executive Director
David Chan, Programming Manager

SUBJECT: Deprogram Measure A Interest Funds from San Rafael’s Multi-Use Path and Program Federal STP/CMAQ Funds to San Rafael’s Grand Avenue Bridge Project (Action), Agenda Item No. 8

RECOMMENDATION

Recommend that the TAM Board authorize:

- 1) deprogramming \$763,000 in Measure A interest funds from San Rafael’s Multi-Use Path along Francisco Blvd. West and substitute a different funding source; and
- 2) programming \$763,000 in federal STP/CMAQ funds to San Rafael’s Grand Avenue Bridge Project, which then frees up local San Rafael funds to go back into the San Rafael Multi-use Path.

BACKGROUND

San Rafael is in the process of constructing a Multi-Use Path (MUP) in the vicinity of Francisco Blvd. West adjacent to the SMART rail right-of-way from Andersen Drive to Rice Drive (also known as Phase I). TAM had previously allocated funds to San Rafael for the MUP in the amounts of \$502,000 in Local Partnership Program (LPP), and \$250,000 in local TAM funds, as well as facilitated \$2.95 million in Regional Measure 2 funds being transferred from MTC. Along with funds from Marin County and San Rafael, the project has \$5.3 million in available funds.

However the project costs are \$6.163 million after construction bids opened that included a 20% contingency, as required by the Federal Transit Administration (FTA). With only \$5.3 million available, San Rafael had a funding shortfall of \$863,000. San Rafael requested TAM to help resolve the funding shortfall.

Prior TAM Board Action

On June 28, 2018, the TAM Board programmed and allocated \$763,000 in Measure A interest funds to San Rafael’s MUP Phase I for the contingency phase of the project with the condition that San Rafael agrees to use all non-Measure A interest funds before using any Measure A interest funds on contingency expenditures and that any unused Measure A interest funds from contingency will be returned to TAM. The programming of \$763,000 in Measure A interest funds and \$100,000 from San Rafael was adequate to cover the shortfall of \$863,000.

DISCUSSION

Since the programming action taken by the TAM Board in June 2018, it has been assessed by TAM staff that Measure A interest funds may not be an appropriate funding source to defray the shortfall for San Rafael's Multi-Use Path along Francisco Blvd. West.

Concurrently, TAM staff reached out to MTC for assistance, and was informed that MTC had available federal STP/CMAQ funds from cost savings on a previously programmed project. Caltrans deobligated the unused federal STP/CMAQ funds on June 30, 2018.

While these funds were originally programmed to Caltrans, TAM staff requested MTC to allow TAM to program \$763,000 of these savings to San Rafael's MUP to replace the \$763,000 in deprogrammed Measure A interest funds. Caltrans has agreed and MTC has concurred with the request.

However, San Rafael's MUP is currently ineligible to receive federal funds since the project did not obtain federal environmental clearance. Only state environmental clearance was obtained in anticipation that only non-federal funds would be used. Therefore, San Rafael's MUP cannot accept federal STP/CMAQ funds unless San Rafael reopens the environmental phase to secure federal environmental clearance, which is not a viable option at this stage of the project.

Funding Exchange between the MUP and Grand Avenue Bridge Project

TAM staff has been communicating with San Rafael on the best way to remedy the funding scenario. TAM and San Rafael staffs have concluded that the \$763,000 in federal STP/CMAQ funds can be programmed to the federally eligible Grand Avenue Bridge Project. San Rafael would exchange the funds by moving \$681,000 in local Traffic Mitigation funds from the Grand Avenue Bridge Project to the MUP.

The Grand Avenue Bridge Project currently has \$1 million in federal funds programmed in the construction phase. Therefore, this project is eligible to receive more federal funds. There are also ample local funds to meet the local match requirements of the originally programmed \$1 million and the additional proposed amount of \$763,000. Lastly, the administrative burden to add additional federal funds to a federally eligible project is nominal.

This exchange would still leave the MUP with a shortfall of \$82,000. San Rafael is scheduled to receive \$180,000 in TDA Article 3 funds, as described in Item 9 of the July 26th TAM Board Meeting Agenda. These TDA funds were originally targeted for Phase II (Rice Drive to 2nd Street) of the MUP. TAM will remove the constraint so that San Rafael can use the TDA funds for either Phase I or Phase II of the MUP. San Rafael will use \$82,000 of the \$180,000 in TDA funds for Phase I to cover the shortfall, leaving \$98,000 in TDA funds for Phase II. TAM will work with San Rafael to close the funding gap for the Phase II project.

Phase II of the MUP is anticipated to cost approximately \$3.1 million. San Rafael had requested \$360,000 in TAM's TDA to perform the environmental clearance and design/permitting phase. The only funds secured for Phase II are these TDA funds. Diverting \$82,000 to Phase I has nominal effects on Phase II when more than \$3 million is still needed for the project to be completed. .

TAM is working with San Rafael to secure additional funds to close this final gap. TAM currently is assisting San Rafael in developing an application for Active Transportation Program (ATP) funds of approximately \$3 million that will completely fund Phase II. TAM will consider other future funds for Phase II if our ATP application is unsuccessful. Note this segment has also recently been adopted into the Bay Trail and funds are available through that assignment as well.

Remaining Measure A Interest Funds

The programming action recommended by this memo will leave \$763,000 in Measure A interest funds available for programming to other projects. Staff will bring programming proposals for these available funds to the TAM Board for consideration in the near future. Note as previously recommended to the TAM Board, these funds could be dedicated to Yellow School Bus service once the TAM Sales Tax Renewal is approved by voters in the Fall of 2018.

FISCAL IMPACTS

The fiscal impact of deprogramming Measure A funds from San Rafael's MUP is that \$763,000 will be available for reprogramming to other project(s). As a result, the Measure A 2018 Strategic Plan Update and TAM's FY 18/19 Budget will be revised accordingly to reflect the newly available funds. Federal STP/CMAQ funds are programmed directly to San Rafael by MTC and would not affect TAM's budget.

NEXT STEP

If approved by the TAM Board, TAM staff will:

1. revise the Measure A 2018 Strategic Plan Update and TAM's FY 18/19 Budget to deprogram \$763,000 in Measure A interest funds from the San Rafael's MUP and
2. direct MTC to program \$763,000 in federal STP/CMAQ funds to San Rafael's MUP.

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