



BOARD OF DIRECTORS 2017
CAROLE GROOM, CHAIR
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EMILY BEACH
MAUREEN FRESCHET
KEN IBARRA
CAMERON JOHNSON
KARYL MATSUMOTO

JIM HARTNETT
EXECUTIVE DIRECTOR

REVISED JANUARY 5, 2017
AGENDA
SAN MATEO COUNTY TRANSPORTATION AUTHORITY
Bacciocco Auditorium, 2nd Floor
1250 San Carlos Avenue, San Carlos, CA 94070

January 5, 2017 – Thursday

5:00 p.m.

1. Pledge of Allegiance
2. Call to Order
3. Swearing-in:
 - a. Emily Beach (Cities-at-Large Representative)
 - b. Maureen Freschet (Central County Representative)
 - c. Cameron Johnson (South County Representative)
 - d. Karyl Matsumoto (SamTrans Representative)
4. Roll Call
5. Election of 2017 Officers MOTION
6. Report of the Citizens Advisory Committee
7. Consent Calendar MOTION

Members of the public or Board may request that an item under the Consent Calendar be considered separately

 - a. Approval of Minutes of December 1, 2016
 - b. Acceptance of Statement of Revenues and Expenditures for November 2016
8. Public Comment
Public comment by each individual speaker shall be limited to one minute
9. Chairperson's Report
10. San Mateo County Transit District Liaison Report – K. Matsumoto INFORMATIONAL
11. Joint Powers Board Report – J. Hartnett INFORMATIONAL
12. Report of the Executive Director – J. Hartnett INFORMATIONAL

Note: All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

REVISED JANUARY 5, 2017

13. Finance

- | | |
|--|------------|
| a. Allocation of \$5.49 Million in Measure A Funds from the Highway Program Category to the City of Redwood City for the U.S. 101/Woodside Road Interchange Project | RESOLUTION |
| b. Committing to Fund up to \$57-135 Million in Additional Funds to Secure the Full Funding Grant Agreement for the Peninsula Corridor Electrification Project | RESOLUTION |

14. Program

- | | |
|--|---------------|
| a. Program Report: Transit – Shuttles | INFORMATIONAL |
| b. 2017 Legislative Program | MOTION |
| c. Update on State and Federal Legislative Program | INFORMATIONAL |

15. Requests from the Authority

16. Written Communications to the Authority

17. Date/Time of Next Regular Meeting: Thursday, February 2, 2017, 5 p.m. at San Mateo County Transit District Administrative Building, Bacciocco Auditorium, 2nd Floor, 1250 San Carlos Avenue, San Carlos, CA 94070

18. Report of Legal Counsel

- a. Closed Session: Conference with Legal Counsel – Existing Litigation Pursuant to Government Code Section 54956.9(d)(1): Pacificans for a Scenic Coast vs. California Department of Transportation, Respondents and Defendants, and San Mateo County Transportation Authority and City of Pacifica, Real Parties in Interest and Defendants. Case No. CIV 523973

19. Adjournment

INFORMATION FOR THE PUBLIC

All items appearing on the agenda are subject to action by the Board. Staff recommendations are subject to change by the Board.

If you have questions on the agenda, please contact the Authority Secretary at 650-508-6242. Assisted listening devices are available upon request. Agendas are posted on the Authority Website at www.smcta.com. Communications to the Board of Directors can be e-mailed to board@smcta.com.

Location, Date and Time of Regular Meetings

Regular meetings are held at the San Mateo County Transit District Administrative Building located at 1250 San Carlos Ave., San Carlos, which is located one block west of the San Carlos Caltrain Station on El Camino Real. The building is also accessible by SamTrans bus routes ECR, FLX, 260, 295 and 398. Additional transit information can be obtained by calling 1-800-660-4287 (TTY 650-508-6448) or 511.

The Transportation Authority (TA) meets regularly on the first Thursday of the month at 5 p.m. The TA Citizens Advisory Committee (CAC) meets regularly on the Tuesday prior to the first Thursday of the month at 4:30 p.m. at the San Mateo County Transit District Administrative Building.

Public Comment

If you wish to address the Board, please fill out a speaker's card located on the agenda table. If you have anything that you wish distributed to the Board and included for the official record, please hand it to the Authority Secretary, who will distribute the information to the Board members and staff.

Members of the public may address the Board on non-agendized items under the Public Comment item on the agenda. Public testimony by each individual speaker shall be limited to one minute and items raised that require a response will be deferred for staff reply.

Accessibility for Individuals with Disabilities

Upon request, the TA will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. Please send a written request, including your name, mailing address, phone number and brief description of the requested materials and a preferred alternative format or auxiliary aid or service at least two days before the meeting. Requests should be mailed to the Authority Secretary at the San Mateo County Transportation Authority, 1250 San Carlos Avenue, San Carlos, CA 94070-1306 or emailed to board@smcta.com; or by phone at 650-508-6242, or TTY 650-508-6448.

Availability of Public Records

All public records relating to an open session item on this agenda, which are not exempt from disclosure pursuant to the California Public Records Act, that are distributed to a majority of the legislative body will be available for public inspection at 1250 San Carlos Avenue, San Carlos, CA 94070-1306, at the same time that the public records are distributed or made available to the legislative body.

MINUTES OF DECEMBER 1, 2016

MEMBERS PRESENT: M. Freschet, K. Ibarra, C. Johnson, M.A. Nihart, K. Matsumoto

MEMBERS ABSENT: C. Groom (Chair), D. Horsley

STAFF PRESENT: J. Averill, R. Bolon, J. Cassman, A. Chan, C. Fromson, J. Hartnett,
J. Hurley, M. Martinez, N. McKenna, S. Murphy, S. van Hoften

Director Karyl Matsumoto called the meeting to order at 5:05 p.m. and Emily Beach, Burlingame City Councilmember, led the Pledge of Allegiance.

CITIZENS ADVISORY COMMITTEE (CAC) REPORT

Barbara Arietta, CAC Chair, reported on the meeting of November 29, 2016 (see attached).

Director Mary Ann Nihart arrived at 5:07 p.m.

APPROVAL OF CONSENT CALENDAR

- a) Approval of Minutes of November 3, 2016
- b) Acceptance of Statement of Revenues and Expenditures for October 2016

Motion/Second: Nihart/Ibarra

Ayes: Freschet, Ibarra, Johnson, Nihart, Matsumoto

Absent: Horsley, Groom

PUBLIC COMMENT

None.

CHAIRPERSON'S REPORT

Resolution of Appreciation for Outgoing Director Mary Ann Nihart

Chair Matsumoto presented a Resolution of Appreciation to Director Nihart.

Motion/Second: Ibarra/Johnson

Ayes: Freschet, Ibarra, Johnson, Nihart, Matsumoto

Absent: Horsley, Groom

PENINSULA CORRIDOR JOINT POWERS BOARD (JPB) REPORT – J. HARTNETT

The December 1 report is in the reading file.

REPORT OF THE EXECUTIVE DIRECTOR – J. HARTNETT

Jim Hartnett, Executive Director, said

- The Highway 101/Willow Road Interchange is a \$66 million reconstruction project in Menlo Park and East Palo Alto, which had been advertised for construction on September 26 but was delayed because of a Pacific Gas and Electric (PG&E) line in conflict with early construction activity. The bids will be opened on December 14. The TA allocated \$56 million and entered into a loan

arrangement for an additional \$10 million. PG&E's initial cost estimate for the utility relocation was lower than what now has been determined and that updated cost will exceed the current budget capacity. The magnitude of the additional is being determined. The California State Department of Transportation will explore options to cover additional utility relocation costs, which could include utilizing cost savings if the bids come in below the engineer's estimate.

- The State Route 92/El Camino Real Interchange Project is a \$21 million interchange reconstruction in San Mateo. Bids are scheduled to be opened December 6. The TA allocated \$16 million for the construction phase.
- The first edition of THRED Talks, produced by the San Mateo County Economic Development Association is called Weaving the County Together. THRED refers to Transportation, Housing, Regionalism, Economy, and Development. He submitted a Talk Piece and was able to write it because of the work of the TA, SamTrans and JPB. This is an example of people in the county working together.

FINANCE

Re-Programming \$27,854,836 in New Measure A Funds from the South San Francisco Caltrain Station Improvement Project (Project) to the Peninsula Corridor Electrification Project (PCEP)

April Chan, Chief Officer, Planning, Grants, and the TA, said as part of the overall funding plan for the PCEP, the Metropolitan Transportation Commission (MTC) was going to provide over \$300 million in Federal Transit Administration (FTA) formula program funding. MTC has programmed \$27.8 million of FTA Section 5337 Program funds to PCEP. FTA evaluated the funding plan, as they are considering providing \$647 million of Core Capacity Funding, and notified the TA that Section 5337 Funding cannot be included in PCEP because it is considered State of Good Repair funding. Staff has decided the most expeditious and easiest thing to do is re-program the Section 5337 funding to something else and provide local funding in its place. The TA Board previously allocated \$49 million of Measure A to the Project. MTC is going to reprogram \$27.8 million of Section 5337 funds to PCEP to make it whole, and in its place staff is asking the TA to reprogram \$27.8 million of the money previously allocated to South San Francisco to the PCEP. Staff will provide this information to the FTA to demonstrate that the PCEP will not show Section 5337 funds. The TA Board will be asked to allocate the funding to the PCEP at a later date.

Director Nihart asked if the TA is not going to release the funds back until MTC has appropriated the replacement. Ms. Chan said MTC is taking the action at their December meeting. The only action staff is asking the Board to take is to program the money to the PCEP to demonstrate to the FTA that the project will not show Section 5337 funding.

Motion/Second: Nihart/Freschet

Ayes: Freschet, Ibarra, Johnson, Nihart, Matsumoto

Absent: Horsley, Groom

PROGRAM

Program Report: San Mateo Bridges Replacement Project

Rafael Bolon, Acting Deputy Director, Program Delivery, presented:

- Project scope
 - Replace four existing bridges
 - Bridge design requires construction of higher berm supported by new retaining walls
- Project area
 - The city of San Mateo at Tilton Avenue, Santa Inez Avenue, Monte Diablo Street, and Poplar Avenue
- Background – why the bridges needed to be replaced
 - 100-year-old rail bridges
 - Did not meet current seismic standards
 - To ensure continued safe rail operations
 - Increased height requirements for vehicle clearance
- Timeline of construction
 - Began construction: December 2014
 - Scheduled completion: April 2016
 - Actual completion: October 2016
- Project cost and funding
 - Federal: \$22.3 million
 - State: \$9 million
 - Local: \$8.9 million
 - Other: \$600,000
- Community outreach
 - Community meetings
 - Weekly construction updates
 - Mailed and e-mailed construction notices

Director Nihart asked if anyone complained. Mr. Bolon said there were complaints, but there were a lot of early and frequent notifications to residents, which helped. Staff and the contractor worked with residents and proactively reacted to complaints.

Director Maureen Freschet asked Mr. Bolon to give this presentation at the San Mateo City Council meeting.

Director Cameron Johnson asked how much of the \$8.9 million of local funding is from the TA and what program it is under. Ms. Chan said the \$8.9 million is from the three counties from the Caltrain Program category. This project has FTA funding and funding from all three counties because it is a system-wide project. The TA contributed more than the other two partners because the vertical clearance is to help with local street access.

Director Johnson asked what the TA allocation was. Ms. Chan said the TA made a separate \$8 million allocation above the local match requirement. The local match is required to match the funding that is split equally amongst the three partners. She will find out how much the equal sharing was with the partners and the additional amount that was provided because of the vertical clearance.

Capital Projects Quarterly Status Report – 1st Quarter Fiscal Year 2017

Joe Hurley, Director, TA Program, said the U.S. 101/Poplar Avenue Interchange Project was re-baselined in July to reflect the actual start of construction. There has been a formatting change to the report. In the past, the budget section used to have a bar chart, which was a snapshot of the budget scenario. Now the information is presented in a graphical form to show trends in terms of historical drawdowns of expenditures. The report now includes all of the bike and pedestrian projects that have received Measure A funding.

Director Nihart asked when a project comes out of the report. Mr. Hurley said when there is a final close out for a project.

Update on State and Federal Legislative Program

Casey Fromson, Manager, Government and Community Affairs, provided the following update:

State

Democrats have a supermajority in the Assembly and the Senate.

There are 31 new members and 25 percent of the overall Legislature is turning over. Marc Berman is the new member in this area who is succeeding termed-out Rich Gordon for the 24th Assembly District.

The special session on transportation was wrapped up without a transportation deal, but this will be pursued during the next session.

Federal

Elaine Chao was announced to be the choice for the next Secretary of Transportation. Ms. Chao served for eight years as the Secretary of Labor under President George W. Bush.

Ro Khanna will be replacing Mike Honda as the representative for the 17th Congressional District and Kamala Harris will be replacing retiring Barbara Boxer in the Senate.

Mr. Hartnett said Scott Wiener is a big transportation supporter and is taking a Senate seat.

REQUESTS FROM THE AUTHORITY

Chair Matsumoto asked Mr. Hartnett to convey the Board's thanks for staff's year of hard work.

WRITTEN COMMUNICATIONS TO THE AUTHORITY

No discussion.

REPORT OF LEGAL COUNSEL

None

DATE AND PLACE OF NEXT REGULAR MEETING

Thursday, January 5, 2017 at 5 p.m. in the San Mateo County Transit District
Administrative Building, Bacciocco Auditorium, 2nd floor, 1250 San Carlos Avenue,
San Carlos CA 94070

The meeting adjourned at 5:55 p.m.

TA CAC Chair's Report

December 1, 2016

Good evening Madam Chair and members of the Board,

Before I begin my report tonight, I would like to thank Director Freschet for speaking a few words at our CAC meeting on Tuesday evening. The CAC was very pleased to receive Holiday greetings from her. Although Director Freschet was unable to stay with us for our Holiday meal, the CAC was pleased to share our Holiday meal with a number of members of the TA staff who did stay to join us that evening, including April Chan, Carl Cubba and Joel Slavitt.

Here are the results from Tuesday's meeting of the CAC :

(TA Item 4a) The CAC reviewed the Minutes of the Board's November 3, 2016, without questions or comments.

(TA Item 4b) The CAC supported the Acceptance of the Statement of Revenues and Expenditures for October 2016 , without questions or comments.

(TA Item 9a) Following a brief update by April Chan, Chief Officer, Planning, Grants and the Transportation Authority, on the background of the Federal Transit Administration's (FTA) funds, in reference to the recent announcement by the FTA of the ineligibility of the Peninsula Corridor Joint Powers Board (JPB) to receive the \$27,854,836 in funds, which had previously been programmed to go to the South San Francisco Caltrain Improvement Project, the CAC completely understood the immediate need for the re-programming of that dollar amount in New Measure A Funds from the South San Francisco Caltrain Improvement Project to the Peninsula Corridor Electrification Project and voted to support the Board's action to do so this evening.

(TA Item 10a) The CAC was given a thorough project overview of the San Mateo Bridges Replacement Project by Rafael Bolan, Acting Deputy Director of the Caltrain Capital Program which included the project scope, area, background, construction details, funding and public outreach. The CAC was highly impressed with the final results and praised Mr.Bolan and his team on a job well done.

(TA Item 10b) Joe Hurley, TA Program Director, presented the newly formatted version of the Capital Projects Quarterly Status Report for the 1st Quarter FY2017: July 1-September 30, 2016 to the CAC. The CAC was pleased to see the new changes in both project and program reporting.

(TA Item 10c) Casey Fromson, Manager, Government and Community Affairs, updated the CAC on both the recent state and national election results, as well as information on the appointment by the President-Elect of a new Secretary of Transportation, Elaine Chang.

Members of the CAC, however, also commented that, contrary to what was initially reported on November 9th in the General Elections Results Report prepared by Shaw/Yoder for the TA, an important State Senatorial race in Southern California was actually won, not lost, this past Monday, on November 28th, by Democrat Josh Newman, who defeated Republican Assemblywoman Ling Ling Chang, thereby giving a supermajority to the Democrats in both the California Senate and the Assembly for the first time in the past four years. Comments by CAC members were expressed that it was hoped that such a happening will now help to pass the necessary legislation to fund high cost transportation repairs throughout the state.

Chair's Report:

In my own report to the CAC, I advised that the November elections results were highly favorable in reference to regional transportation projects on the ballots, with approval for 20 out of 22 transportation projects passing throughout the nine Bay Area counties.

I also shared how key measures on transportation and infrastructure in San Mateo County fared in November's election, reporting that the Cities of Belmont and East Palo Alto, along with the County of San Mateo, were successful in receiving approval for the sales tax measures.

I also commented on the new President-Elect's call to spend up to \$1 trillion on infrastructure, a plan which many transportation professionals reportedly say should now gain bi-partisan support in Washington, however, noting at the same time, that there are still several questions remaining as to how the funding for such an ambitious effort will be created.

I concluded my report by appointing a Nominating Committee for the selection of the 2017-2018 CAC Chair and Vice Chair positions. Appointed to the committee are: Rich Hedges, Jeff Londer and Olma O'Neill.

Staff's Report to the CAC:

In Joe's report to the CAC, he advised that he had attended the October 27, 2016 Scoping Meeting on the 101 Managed Lanes Project and that comments from the public on that project were accepted up through November 18, 2016. Joe also advised that the Draft EIR is targeted to be out next summer.

Joe, additionally, informed the CAC that areas requiring utility relocations for various TA projects are exceeding the current budget, especially with PG&E.

Respectfully submitted,

BARBARA ARIETTA

Chair, San Mateo County Transportation Authority, CAC

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: Shannon Gaffney
Interim Chief Financial Officer

SUBJECT: **STATEMENT OF REVENUES AND EXPENDITURES FOR THE PERIOD ENDING
NOVEMBER 30, 2016**

ACTION

Staff proposes the Board accept and enter into the record the Statement of Revenues and Expenditures for the month of November 2016 and supplemental information.

SIGNIFICANCE

Revenues: Year-to-date *Total Revenue* (\$34,230,441 - line 7) is **better** than budget by \$244,174 or 0.7 percent. *Sales Tax* (\$31,437,390 - line 1) is **worse** than budget by \$812,141 or 2.5 percent and *Interest Income* (\$2,277,388 - line 2) is \$1,038,021 or 83.8 percent **better** than budget due to the sale of bonds in the portfolio for a premium.

Total Revenue (\$34,230,441 - line 7) is \$1,008,829 or 3 percent **better** than prior year actuals. *Sales Tax* (\$31,437,390 - line 1) is \$161,056 or 0.5 percent **better** than prior year. *Interest Income* (\$2,277,388 - line 2) is \$809,082 or 55.1 percent **better** than prior year.

Expenditures: *Total Administrative Expenses* (\$530,669 - line 22) are **better** than budget by \$98,502 or 15.7 percent. Within total administrative expenses, *Staff Support* (\$280,322 - line 18) is \$55,404 or 16.5 percent **better** than budget and *Other Admin Expense* (\$250,327 - line 20) is **better** than budget by \$43,118 or 14.7 percent.

Budget Amendment:

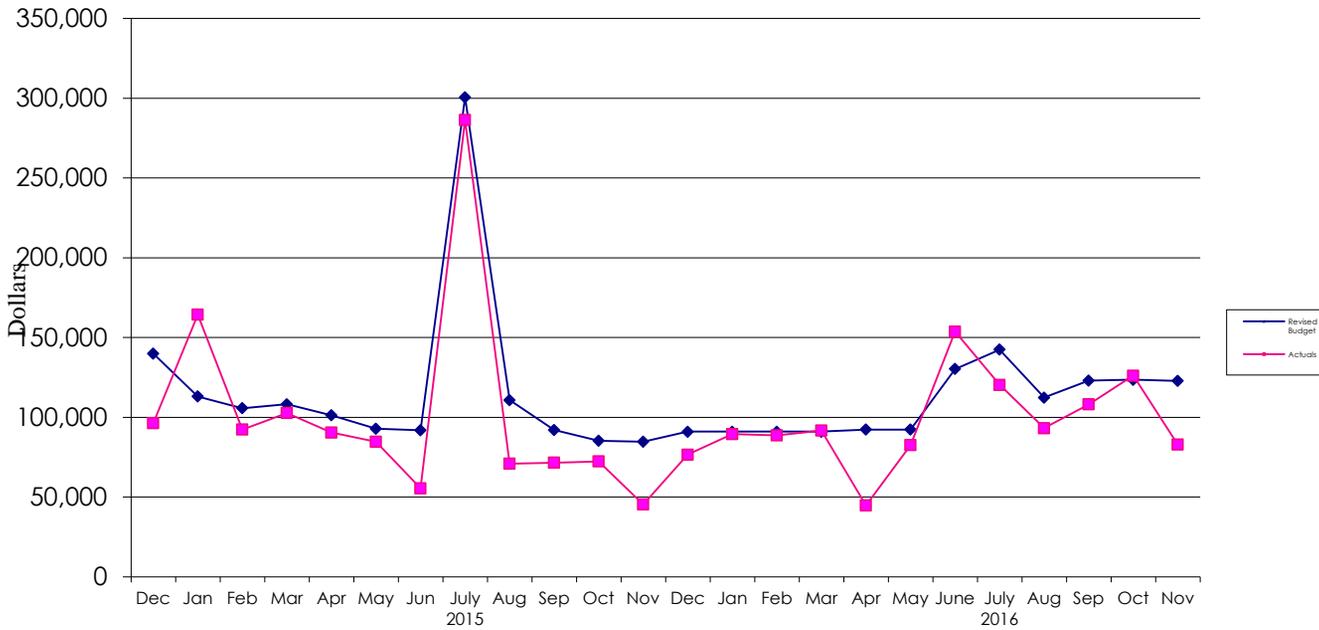
There are no budget amendments for the month of November 2016.

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STATEMENT OF REVENUES AND EXPENDITURES
Fiscal Year 2017
November 2016

% OF YEAR ELAPSED: **41.7%**

	MONTH	YEAR TO DATE				ANNUAL		
	CURRENT ACTUAL	PRIOR ACTUAL	CURRENT ACTUAL	REVISED BUDGET	% OF PROJ	ADOPTED BUDGET*	REVISED BUDGET**	% OF PROJ
REVENUES:								
1 Sales Tax	6,367,466	31,276,334	31,437,390	32,249,531	97.5%	83,000,000	83,000,000	37.9%
2 Interest Income	420,227	1,468,306	2,277,388	1,239,367	183.8%	2,974,480	2,974,480	76.6%
3 Miscellaneous Income	0	0	0	0	0.0%	0	0	0.0%
4 Rental Income	103,605	476,972	515,663	497,369	103.7%	1,193,686	1,193,686	43.2%
5 Grant Proceeds	0	0	0	0	0.0%	0	0	0.0%
6								
7 TOTAL REVENUE	6,891,299	33,221,612	34,230,441	33,986,267	100.7%	87,168,166	87,168,166	39.3%
8								
EXPENDITURES:								
9								
10								
11 Annual Allocations	2,324,125	10,093,387	11,474,647	12,200,402	94.1%	30,295,000	30,295,000	37.9%
12								
13 Program Expenditures	1,334,953	11,073,552	11,155,810	28,967,500	38.5%	69,522,015	69,522,015	16.0%
14								
15 Oversight	55,401	401,877	287,046	493,750	58.1%	1,185,000	1,185,000	24.2%
16								
17 Administrative								
18 Staff Support	38,598	231,814	280,322	335,726	83.5%	827,084	767,442	36.5%
19 Measure A Info-Others	-	-	20	-	0.0%	15,000	15,000	0.1%
20 Other Admin Expenses	44,354	338,986	250,327	293,445	85.3%	690,361	750,004	33.4%
21								
22 Total Administrative	82,951	570,800	530,669	629,171	84.3%	1,532,445	1,532,445	34.6%
23								
24 TOTAL EXPENDITURES	3,797,430	22,139,616	23,448,171 (1)	42,290,823	55.4%	102,534,460	102,534,460	22.9%
25								
26 EXCESS (DEFICIT)	3,093,868	11,081,997	10,782,270	(8,304,556)		(15,366,294)	(15,366,294)	
27								
28 BEGINNING FUND BALANCE	Not Applicable	469,005,891	481,434,137	479,742,406		479,742,406	479,742,406	
29								
30 ENDING FUND BALANCE	Not Applicable	480,087,888	492,216,407 (2)	471,437,850		464,376,112	464,376,112	
31								
32								
33 Includes the following balances:								
34 Cash and Liquid Investments		2,843,827				FY 2016 Carryover of Commitments (Unaudited)	329,137,913	
35 Current Committed Fund Balance		408,224,202 (3)				FY 2017 Additional Commitments (Budgeted)	102,534,460	
36 Undesignated Cash & Net Receivable		81,148,378				Less: Current YTD expenditures	(23,448,171) (1)	
37 Total		<u>492,216,407 (2)</u>				Current Committed Fund Balance	<u>408,224,202 (3)</u>	
38								
39								
40								
41								
42								
43 "% OF YEAR ELAPSED" provides a general measure for evaluating overall progress								
44 against the annual budget. When comparing it to the amounts shown in the								
45 "% of PROJ" column, please note that individual line items reflect variations								
46 due to seasonal activities during the year.								
47								
48 * The TA Adopted Budget is the Board adopted budget effective June 2, 2016.								
49 ** The TA Revised Budget is the adopted budget including year to date budget transfers.								
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SAN MATEO COUNTY TRANSPORTATION AUTHORITY ADMINISTRATIVE EXPENSES



Current Year Data

	Jul '16	Aug '16	Sep '16	Oct '16	Nov '16	Dec '16	Jan '17	Feb '17	Mar '17	Apr '17	May '17	Jun '17
MONTHLY EXPENSES												
Revised Budget	142,412	112,375	122,997	123,506	122,881							
Actual	120,361	93,168	108,088	126,101	82,951							
CUMULATIVE EXPENSES												
Staff Projections	147,412	259,787	382,784	506,290	629,171							
Actual	120,361	213,529	321,617	447,718	530,669							
Variance-F(U)	27,051	46,258	61,167	58,572	98,502							
Variance %	18.35%	17.81%	15.98%	11.57%	15.66%							



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SAN MATEO COUNTY TRANSPORTATION AUTHORITY

CAPITAL PROJECT RESERVES

AS OF NOVEMBER, 2016

TYPE OF SECURITY		MATURITY DATE	INTEREST RATE	PURCHASE PRICE	MARKET VALUE
County Pool #2	*	Liquid Cash	1.025%	\$ 321,888,235	\$ 321,888,235
Local Agency Investment Fund	**	Liquid Cash	0.678%	\$ 978,559	\$ 978,559
Investment Portfolio	***	Liquid Cash	1.235%	\$ 154,287,856	\$ 153,359,533
Other		Liquid Cash	0.000%	\$ 2,843,827	\$ 2,843,827
				<u>\$ 479,998,477</u>	<u>\$ 479,070,155</u>

Accrued Earnings for November 2016 \$ 408,822
Cumulative Earnings FY2017 \$ 1,835,307

* County Pool average yield for the month ending November 30, 2016 was 1.025%. As of November 2016, the total cost of the Total Pool was \$4,649,277,070 and the fair market value per San Mateo County Treasurer's Office was \$4,644,549,712.

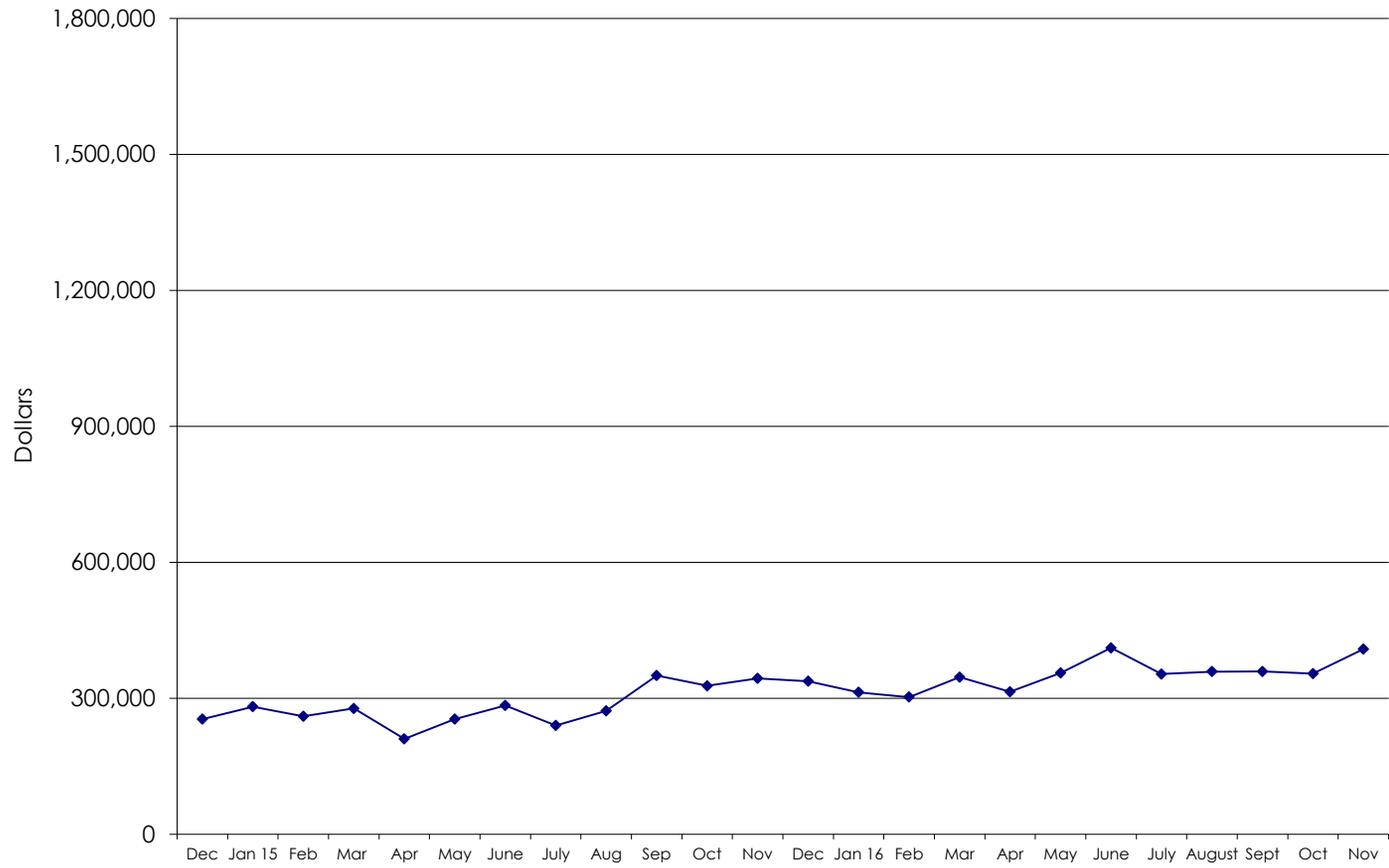
** The market value of Local Agency Investment Fund (LAIF) is calculated annually and is derived from the fair value factor as reported by LAIF for quarter ending June 30th each year.

*** The Portfolio and this Investment Report comply with the Investment Policy and the provisions of SB 564 (1995). The Authority has the ability to meet its expenditure requirements for the next six months.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
INTEREST STATEMENT
NOVEMBER 2016**

FY2017	CURRENT MONTH TOTAL	FISCAL YEAR TO DATE TOTAL
JULY	353,654.57	353,654.57
AUGUST	359,138.35	712,792.92
SEPTEMBER	359,211.30	1,072,004.22
OCTOBER	354,480.28	1,426,484.50
NOVEMBER	408,822.31	1,835,306.81
DECEMBER		
JANUARY		
FEBRUARY		
MARCH		
APRIL		
MAY		
JUNE		

SMCTA Interest Income



**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
INTEREST ON INVESTMENTS
November 30, 2016**

DESCRIPTION	TOTAL INVESTMENT 11-30-16	INTEREST RECEIVABLE 10-31-16	PREPAID INT RECEIVABLE 11-30-16	INTEREST EARNED 11-30-16	INTEREST RECEIVED 11-30-16	ADJ.	INTEREST RECEIVABLE 11-30-16
LAIF	978,559.10	543.22	0.00	545.31			1,088.53
COUNTY POOL	321,888,234.65	218,512.42	0.00	268,926.78			487,439.20
BANK OF AMERICA	621,363.07	0.00	0.00				0.00
WELLS FARGO	9,108.00	0.00	0.00				0.00
US BANK (Cash on deposit)	2,213,356.24	0.00	0.00				0.00
INVESTMENT PORTFOLIO	153,359,533.48	324,171.40	150,225.01	139,350.21	121,623.87		492,122.75
	<u>479,070,154.54</u>	<u>543,227.03</u>	<u>150,225.01</u>	<u>408,822.31</u>	<u>121,623.87</u>	<u>0.00</u>	<u>980,650.48</u>

NOVEMBER 2016 -- SUMMARY OF INTEREST & CAPITAL GAIN

Interest Earned Per Report	11/30/16	408,822.31
Add:		
Less:		
Management Fees		(9,250.00)
Amortized Premium/Discount		(3,468.94)
Capital Gain(Loss)		<u>(11,404.78)</u>
Total Interest & Capital Gain(Loss)		<u><u>384,698.58</u></u>

YEAR TO DATE -- SUMMARY

Interest Earned	1,835,306.81
Add:	
Less:	
Management Fees	(46,250.00)
Amortized Premium/Discount	(23,703.00)
Capital Gain(Loss)	<u>442,081.68</u>
Total Interest	<u><u>2,207,435.49</u></u>

Balance Per Ledger as of	11/30/16	
Amort Prem/Disc-acct 409104		(23,703.00)
Management Fees (530040)		(46,250.00)
Int Acct. 409100 - Co. Pool		1,145,290.32
Int Acct. 409100 - LAIF		2,572.82
Int Acct. 409101 - Portfolio Funds		687,443.67
Gain(Loss) Acct. 405210		<u>442,081.68</u>
		<u><u>2,207,435.49</u></u>

INVESTMENT PORTFOLIO
November 30, 2016

TYPE OF SECURITY	CUSIP #	SETTLE DATE	ORIGINAL	MARKET	MATURITY DATE	INT RATE	RATE/DAY	APPL. DAYS	INTEREST	PREPAID	INTEREST	INTEREST RECEIVED	ADJ.	INTEREST	PAR VALUE
			PURCHASE PRICE	VALUE 11/30/2016					REC'VBLE 10/31/2016	INT REC'VBLE 11/30/2016	RECEIVED 11/30/2016			REC'VBLE 11/30/2016	
<u>SECURITIES MANAGED BY INVESTMENT ADVISOR:</u>															
<u>U.S. TREASURY NOTES AND BONDS</u>															
US TREASURY NOTE	912828TG5	06-02-16	9,968,359.38	9,983,980.00	07-31-17	0.500%	138.8889	31	12,635.87			4,076.09		16,711.96	10,000,000
US TREASURY NOTE	912828UZ1	03-31-16	9,818,064.46	9,794,977.90	04-30-18	0.625%	171.0069	31	170.06			5,101.87		5,271.93	9,850,000
US TREASURY NOTE	912828ST8	03-23-15	2,217,138.28	2,220,519.48	04-30-19	1.250%	77.0833	31	148.48			3,736.19	1,508.29	2,376.38	2,220,000
US TREASURY NOTE	912828F62	09-09-15	602,414.06	601,851.60	10-31-19	1.500%	25.0000	31	49.45			737.44		786.89	600,000
US TREASURY NOTE	912828UQ1	11-09-15	8,289,421.88	8,338,638.00	02-29-20	1.250%	291.6667	31	17,983.43			8,701.65		26,685.08	8,400,000
US TREASURY NOTE	912828VF4	12-07-15	7,403,027.34	7,451,955.00	05-31-20	1.375%	286.4583	31	43,391.39			8,454.42	51,562.50	283.31	7,500,000
US TREASURY NOTE	912828VP2	05-18-16	10,492,166.01	10,287,979.10	07-31-20	2.000%	563.8889	31	84,913.04			23,225.55	40,288.05	67,850.54	10,150,000
US TREASURY NOTE	912828L32	06-29-16	1,832,906.25	1,782,210.60	08-31-20	1.375%	68.7500	31	4,327.87			2,028.69		6,356.56	1,800,000
															32.90%
<u>FEDERAL AGENCY COLLATERIZED MORTGAGE OBLIGATIONS</u>															
FNMA	3136ANJY4	04-30-15	1,075,646.17	1,066,316.23	04-01-18	1.550%	45.85	31	1,375.63			1,375.63	1,375.63	1,375.63	1,065,000
FHLMC	3137BNMZ4	04-28-16	827,466.35	821,828.31	03-01-19	1.738%	39.55	31	1,465.76			1,186.59	1,465.74	1,186.61	819,280
FANNIE MAE	3136AQDQO	10-30-15	1,434,219.74	1,420,333.70	09-01-19	1.646%	64.93	31	1,947.77			1,947.77	1,947.77	1,947.77	1,420,000
															2.15%
<u>FEDERAL AGENCY NOTES AND BONDS</u>															
FHLMC	3137EAEB1	07-20-16	7,781,124.00	7,697,508.00	07-19-19	0.875%	189.58	31	19,147.92			5,687.50		24,835.42	7,800,000
FNMA	3135GON33	08-02-16	4,192,944.00	4,142,846.40	08-02-19	0.875%	102.08	31	9,085.42			3,062.50		12,147.92	4,200,000
FHLB	3130A8QS5	07-15-16	4,671,419.30	4,550,023.00	07-14-21	1.125%	146.88	31	15,568.75	146.88		4,406.25		20,121.88	4,700,000
FHLMC	3137EADN6	08-30-16	11,985,840.00	11,970,888.00	01-12-18	0.750%	250.00	31	15,000.00	12,250.00		7,500.00		34,750.00	12,000,000
FREDDIE MAC	3137EADP1	08-08-16	8,010,320.00	7,973,912.00	03-07-18	0.875%	194.44	31	10,500.00			5,833.33		16,333.33	8,000,000
FHLB	3130A9AE1	08-26/16	7,694,764.00	7,665,226.80	10-01-18	0.875%	187.15	31	5,614.59			5,614.59		11,229.18	7,700,000
FHLB	313376BR5	08-11-16	6,631,430.00	6,568,555.50	12-14-18	1.750%	315.97	31	25,277.77	18,010.42		9,479.17		52,767.36	6,500,000
FHLB	3130A8Y72	08-04-16	4,690,976.00	4,636,423.10	08-05-19	0.875%	114.24	31	9,938.54			3,427.09		13,365.63	4,700,000
FNMA	3135GON82	08-19-16	822,177.68	800,612.18	08-17-21	1.250%	28.65	31	0.00					0.00	825,000
FNMA	3135GON82	08-19-16	2,664,166.25	2,595,924.33	08-17-21	1.250%	92.88	31	8,750.00			3,645.83		12,395.83	2,675,000
FNMA	3135GOP49	09-02-16	3,993,760.00	3,955,368.00	08-28-19	1.000%	111.11	31	6,555.55			3,333.33		9,888.88	4,000,000
FHLB	3130A9EP2	09-09-16	4,695,911.00	4,643,849.10	09-26-19	1.000%	130.56	31	4,569.44			3,916.67		8,486.11	4,700,000
FHLMC	3137EAEED7	09-16-16	2,998,710.00	2,984,769.00	10-12-18	0.875%	72.92	31	3,281.25			2,187.50		5,468.75	3,000,000
															46.11%
<u>CORPORATE NOTES</u>															
TOYOTA MOTOR	89236TDHS	10-18-16	1,149,425.00	1,137,793.90	10-18-19	1.550%	49.51	31	643.68			1,485.42		2,129.10	1,150,000
AMERICAN EXPRESS	0258MDEC9	10-31-16	2,799,321.80	2,773,974.00	10-30-19	1.700%	132.22	31	132.22			3,966.67		4,098.89	2,800,000
MORGAN STANLEY	6174467P8	11-10-16	3,516,187.50	3,452,497.65	07-24-20	5.500%	481.25	31		51,012.50		10,106.25		61,118.75	3,150,000
Pfizer Inc	717081EB5	11-21-16	2,078,502.40	2,075,569.60	12-15-19	1.700%	98.22	31				982.22		982.22	2,080,000
JOHN DEERE	24422ESR1	11-22-16	3,013,950.00	3,011,244.00	12-15-17	1.550%	129.17	31		20,279.17		1,162.50		21,441.67	3,000,000
GOLDMAN SACHS	38141GGO1	11-28-16	3,035,092.50	3,027,189.00	07-27-21	5.250%	401.04	31		48,526.04		1,203.13		49,729.17	2,750,000
															9.72%
<u>COMMERCIAL PAPERS</u>															
BANK OF TOKYO MITSUBI	06538BRJ4	10-21-16	2,981,205.00	2,987,259.00	04-18-17	0.000%	0.00	31	0.00					0.00	3,000,000
JP MORGAN SECURITIES	46640PSH7	10-19-16	3,976,200.00	3,983,388.00	05-17-17	0.000%	0.00	31	0.00					0.00	4,000,000
BNP PARIBAS NY BRANCH	09659BUH1	10-20-16	3,960,400.00	3,968,040.00	07-17-17	0.000%	0.00	31	0.00					0.00	4,000,000
CREDIT AGRICOLE CIB N'	22533TSF4	11-16-16	2,983,200.00	2,986,083.00	05-15-17	0.000%	0.00	31						0.00	3,000,000
															9.12%
<u>MATURED/CALLED/PAYDOWNS</u>															
US TREASURY NOTE	912828WF3	03-28-14	7,493,276.96	7,516,270.04	11-15-16	0.625%	130.4688	31	21,697.52			1,778.37	23,475.89	0.00	7,515,000
US TREASURY NOTE	912828VP2	03-02-16	2,369,988.28	2,370,347.80	07-31-20	2.000%	127.7778	31							2,300,000
FHLMC	3137BNMZ4	04-28-16	194,661.10		03-01-19	1.738%	9.30	0							192,735

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
 1/2 CENT SALES TAX RECEIPTS AND PROJECTIONS
 FY2017
 NOVEMBER 2016

12/21/16 4:23 PM

Approved Budget			Receipts		Over/(Under)	Current
Date	Amount	Revised	Date	Amount	Budget/Projection	Projection
FY2016:						
1st Quarter	17,607,333	17,607,333	1st Quarter	19,521,000	1,913,667	19,521,000
2nd Quarter	18,895,801	18,895,801	2nd Quarter	20,786,155	1,890,354	20,786,155
3rd Quarter	19,166,840	22,166,840	3rd Quarter	18,180,736	(3,986,104)	18,180,736
4th Quarter	21,330,026	21,330,026	4th Quarter	21,216,060	(113,966)	21,216,060
FY2016 Total	77,000,000	80,000,000	FY2016 Total	79,703,951	(296,049)	79,703,951
FY2017:						
Jul. 16	5,919,931	5,919,931	Sep. 16	5,557,900	(362,031)	5,919,931
Aug. 16	5,919,931	5,919,931	Oct. 16	5,557,900	(362,031)	5,919,931
Sep. 16	7,498,579	7,498,579	Nov. 16	7,410,500	(88,079)	7,498,579
3 Months Total	19,338,441	19,338,441		18,526,300	(812,141)	19,338,441
Oct. 16	6,455,545	6,455,545	Dec. 16			6,455,545
Nov. 16	6,455,545	6,455,545	Jan. 17			6,455,545
Dec. 16	7,842,500	7,842,500	Feb. 17			7,842,500
6 Months Total	40,092,031	40,092,031		18,526,300	(812,141)	40,092,031
Jan. 17	6,089,072	6,089,072	Mar. 17			6,089,072
Feb. 17	6,677,683	6,677,683	Apr. 17			6,677,683
Mar. 17	8,284,521	8,284,521	May 17			8,284,521
9 Months Total	61,143,307	61,143,307		18,526,300	(812,141)	61,143,307
Apr. 17	7,054,822	7,054,822	Jun. 17			7,054,822
May 17	7,170,544	7,170,544	Jul. 17			7,170,544
Jun. 17	7,631,327	7,631,327	Aug. 17			7,631,327
FY2017 Total	83,000,000	83,000,000	FY2017 Total	18,526,300	(812,141)	83,000,000
	18,976,410		1st Quarter			
	12,460,980		2nd Quarter			
			3rd Quarter			
			4th Quarter			
	<u>31,437,390</u>		YTD Actual Per Statement of Revenue & Expenses			

SAN MATEO COUNTY TRANSPORTATION AUTHORITY
CASH AND INVESTMENTS AS OF NOVEMBER 30, 201611/30/2016

Cash -- Bank of America Checking Account	621,363.07
Cash -- Wells Fargo Lockbox Account	9,108.00
Cash - US Bank (on deposit)	2,213,356.24
LAIF	978,559.10
County Pool	321,888,234.65
Investment Portfolio	153,359,533.48
Total	<u>479,070,154.54</u>

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
CHECKS WRITTEN
November 2016**

Unit	Ref	Name	Amount	Method	Description
SMCTA 000044		MATSUMOTO, KARYL M.	100.00	ACH	Board Member Compensation
SMCTA 000045		NIHART, MARY ANN	100.00	ACH	Board Member Compensation
SMCTA 000046		HORSLEY, DONALD	100.00	ACH	Board Member Compensation
SMCTA 000047		FRESCHET, MAUREEN ANN	100.00	ACH	Board Member Compensation
SMCTA 000048		IBARRA, KENNETH	100.00	ACH	Board Member Compensation
SMCTA 004327		ARRANGED4COMFORT	215.28	CHK	Ergo assorted for JW
SMCTA 004328		BKF ENGINEERS	12,777.44	CHK	Consultants
SMCTA 004329		COLLIERS PARRISH INTERNATIONAL, INC.	500.00	CHK	Consulting fee
SMCTA 004330		DMJM HARRIS/MARK THOMAS JV	105,708.38	CHK	Consultants
SMCTA 004331		HANSON BRIDGETT LLP	12,884.00	CHK	Legal Services
SMCTA 004332		OFFICEMAX	39.42	CHK	Office supplies
SMCTA 004333		REDWOOD CITY, CITY OF	113,500.75	CHK	Capital Programs ⁽¹⁾
SMCTA 004334		SAN MATEO COUNTY TAX COLLECTOR	740.74	CHK	Parcel tax
SMCTA 004335		HANSON BRIDGETT LLP	7,296.00	CHK	Legal Services
SMCTA 004336		CITY OF PACIFICA	11,333.81	CHK	Capital Programs ⁽²⁾
SMCTA 004337		CITY OF PACIFICA	11,259.89	CHK	Capital Programs ⁽²⁾
SMCTA 004338		CITY OF PACIFICA	15,129.98	CHK	Capital Programs ⁽²⁾
SMCTA 004339		CITY OF PACIFICA	12,319.70	CHK	Capital Programs ⁽²⁾
SMCTA 004340		CITY OF PACIFICA	11,962.77	CHK	Capital Programs ⁽²⁾
SMCTA 004341		CITY OF PACIFICA	12,240.88	CHK	Capital Programs ⁽²⁾
SMCTA 004342		HOLLAND & KNIGHT LLP	3,500.00	CHK	Legislative Advocate
SMCTA 004343		KHOURI CONSULTING	3,675.00	CHK	Legislative Advocate
SMCTA 004344		PUBLIC FINANCIAL MANAGEMENT, INC.	9,250.00	CHK	Investment Advisory Services
SMCTA 004345		SAN MATEO COUNTY TAX COLLECTOR	2,654.00	CHK	Parcel tax
SMCTA 004346		SOUTH SAN FRANCISCO, CITY OF	35,009.54	CHK	Capital Programs ⁽³⁾
SMCTA 900083		WELLS FARGO INSURANCE SERVICES USA, INC	1,005.00	WIR	FY17 Wells Fargo Insurance
			<u>383,502.58</u>		

(1) 84/101 Interchange

(2) FY15/16 Shuttles Call for Proj

(3) FY17/FY18 Local Shuttles

**AGENDA ITEM # 10
JANUARY 5, 2017**

SAN MATEO COUNTY TRANSPORTATION AUTHORITY

TO: Transportation Authority

FROM: Karyl Matsumoto
SamTrans Board Liaison to the Transportation Authority

SUBJECT: **SAMTRANS LIAISON REPORT – MEETING OF JANUARY 4, 2017**

The summary report will be made available at the Board meeting.

Prepared By: Josh Averill

650-508-6223

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: April Chan
Chief Officer, Planning, Grants and the Transportation Authority

SUBJECT: **ALLOCATION OF MEASURE A HIGHWAY PROGRAM FUNDS FOR THE U.S. 101/
WOODSIDE ROAD INTERCHANGE PROJECT**

ACTION

Staff recommends the Board:

- Allocate \$5.49 million of Measure A Highway Program funds for the plans, specifications and estimates (PS&E) phase of the U.S. 101/Woodside Road Interchange Project (Project) to the city of Redwood City (Sponsor).
- Authorize the Executive Director or his designee to execute any necessary documents or agreements to give effect to the above-referenced action.

SIGNIFICANCE

As part of the 2012 Measure A Highway Call for Projects (CFP), the Board programmed \$5.49 million of Measure A Highway funding for the PS&E phase of the Project, but the allocation of funds was subject to the completion of the environmental phase of work. On December 16, 2016, the California State Department of Transportation approved the Project report and associated environmental document, fulfilling the condition for allocation of funds for the PS&E phase. Staff recommends the Board allocate the programmed funds to the Project.

BUDGET

Sufficient funding capacity exists for the requested allocation, which will be funded from a combination of Original Measure A and New Measure A Key Congested Area Highway Program funds.

BACKGROUND

At its October 4, 2012 meeting, per Resolution No. 2012-07, the Board approved the programming of \$82.71 million and the allocation of \$57.6 million to fund 23 projects that were selected through the first Measure A Highway Program CFP. For some projects, the Board programmed and allocated funding in a single combined action. For others, such as the subject Project, the Board programmed funds as a commitment to the project without allocating the full amount of the programmed funds. A total of

\$8.91 million was programmed for the environmental and PS&E phases of the Project but funding was only allocated for the environmental phase in the amount of \$3.42 million. A Board allocation for the remaining \$5.49 million in programmed funds was predicated on the Sponsor demonstrating that the environmental clearance for the Project had been completed, which the Project Sponsor has now done.

If this allocation is approved, the \$5.49 million will be combined with \$2.65 million the Board already allocated to Redwood City in October 2015, per Resolution No. 2015-19, to complete the PS&E phase and to initiate the right of way phase of work, for a total of \$8.14 million to continue the implementation of the Project.

Prepared by: Joel Slavit, Manager, Programming and Monitoring
Ladi Millard, Director of Budgets

650-508-6476
650-508-7755

RESOLUTION NO. 2017 –

BOARD OF DIRECTORS, SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STATE OF CALIFORNIA

* * *

**ALLOCATING \$5.49 MILLION IN MEASURE A FUNDS FROM THE HIGHWAY
PROGRAM CATEGORY FOR THE U.S 101/WOODSIDE ROAD INTERCHANGE PROJECT**

WHEREAS, on June 7, 1988, the voters of San Mateo County approved a ballot measure known as "Measure A" which increased the local sales tax in San Mateo County by one-half percent with the new tax revenue to be used for highway and transit improvements pursuant to the Transportation Expenditure Plan (TEP) presented to the voters; and

WHEREAS, on November 2, 2004, the voters of San Mateo County approved continued collection and distribution by the San Mateo County Transportation Authority (TA) of a half-cent transactions and use tax for an additional 25 years to implement the 2004 TEP beginning January 1, 2009 (New Measure A); and

WHEREAS, the TA issued a Call for Projects in May 2012 for the Highway Program Category, which was funded from both Original and New Measure A revenues; and

WHEREAS, the city of Redwood City (Sponsor) submitted an application for \$8.91 million in Measure A Highway program funds for the U.S. 101/Woodside Interchange Project (Project), which included \$3.42 million for the environmental phase and \$5.49 million for the Plans, Specifications and Estimates (PS&E) phase of work; and

WHEREAS, on October 4, 2012, by Resolution No. 2012-17, the TA Board of Directors authorized the programming and allocation of \$3.42 million for the environmental phase and the programming \$5.49 million in Measure A funding from the Highway Program for the PS&E phase of the Project, with the allocation of funds for the

PS&E phase conditioned on California State Department of Transportation's (Caltrans) approval of the environmental document for the Project; and

WHEREAS, on December 16, 2016, the Sponsor secured Caltrans' approval of the required environmental document, fulfilling the TA's condition for allocation of Measure A Highway Program funds for the PS&E phase of the Project; and

WHEREAS, staff recommends the Board allocate \$5.49 million in Measure A Highway Program funds for the PS&E phase of the Project.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the San Mateo County Transportation Authority hereby approves the allocation of \$5.49 million of Measure A funding from the Highway Program for the PS&E phase for the Project; and

BE IT FURTHER RESOLVED that the Executive Director or his designee is authorized to execute any necessary documents or agreements and to take any additional actions necessary to give effect to this resolution.

Regularly passed and adopted this 5th day of January, 2017 by the following vote:

AYES:

NOES:

ABSENT:

Chair, San Mateo County Transportation Authority

ATTEST:

Authority Secretary

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: April Chan
Chief Officer, Planning, Grants and the Transportation Authority

SUBJECT: **COMMITTING TO FUNDING UP TO \$57135 MILLION IN ~~ADDITIONAL~~ FUNDS TO
SECURE THE FULL FUNDING GRANT AGREEMENT FOR THE PENINSULA
CORRIDOR ELECTRIFICATION PROJECT**

ACTION

Staff recommends the Board:

- Commit to funding, on behalf of the San Mateo County Transit District (District), up to \$57135 million for potential cost over-runs, ~~if they arise, above the estimated project delivery cost and~~ or funding shortfalls, ~~if they arise, in the previously established budget~~ ~~ed contingency, or shortfall in revenues,~~ for the Peninsula Corridor Electrification Project (PCEP), subject to the adoption of similar resolutions or actions by Valley Transportation Authority (VTA) and the San Francisco County Transportation Authority; and
- Authorize the Executive Director or his designee to execute any necessary documents, and to take any additional actions necessary, to give effect to the above-referenced action.

SIGNIFICANCE

The goal of the Peninsula Corridor Electrification Project (PCEP or Project) is to electrify the Caltrain railroad corridor and enter revenue service on the electrified rail line by 2021 with an estimated total budget of \$1.98 billion, including \$316 million (approximately 16.5 percent) in overall Project contingency.

The JPB has applied for \$647 Million in Federal Transit Administration's (FTA) Core Capacity Grant funds for the PCEP, and has worked with FTA staff to prepare for approval of the Full Funding Grant Agreement (FFGA), the last phase of the Core Capacity Grant program.

The FTA informed the JPB that the FTA required evidence that the Peninsula Corridor Joint Powers Board (JPB) will have access to an additional 10 percent beyond the ~~established budget~~ ~~ed for the Project~~ ~~contingency, or \$200 million,~~ to ensure that any

cost over-runs or shortfall in revenues will be covered without additional Federal assistance.

To address this requirement, in November 2016, the JPB sought, received and provided to the FTA, letters from the Executive Directors of the Metropolitan Transportation Commission, and of the three JPB member agencies – VTA, the San Francisco Municipal Transportation Agency and District/San Mateo County Transportation Authority (SMCTA) - indicating that each agency would have available up to an additional directly proportional \$50 million share of the funding plan gap to support the PCEP to cover the 10 percent requirement, beyond previously stated commitments to the Project PCEP.

In mid-December, FTA now has informed the JPB that, in order for the FTA to approve the FFGA, the JPB must provide Board of Directors resolutions, not letters, evidencing the agencies' commitments to the availability of funding to satisfy their 10 percent requirement. ~~be held to this additional contribution, if needed. Based on additional FTA feedback, the TA commitment needed to fully satisfy the FTA requirement is \$57 million.~~

The JPB staff determined that the SMCTA, VTA and SFCTA all had scheduled board meetings on January 5, 2017 and draft resolutions were developed reflecting each agency's commitment to make available \$50 million toward the 10 percent requirement of \$200 million. MTC staff agreed to take a resolution to its Commission at a special meeting on January 11, 2017 so as to complete the record on the 10 percent requirement and allow the FFGA to proceed to final approval by the Secretary of Transportation and to the Congress for review before a change in Administration.

JPB staff shared the draft resolutions with FTA. FTA advised on January 3, 2107 that the resolutions for SFCTA and MTC which rely on STIP funding for the \$50 million commitment would not be counted toward the 10 percent requirement, but the resolutions of SMCTA and VTA that support the \$50 million commitment with sales tax revenues were fine. This information left us \$100 million short in meeting the 10 percent requirement.

MTC will proceed to enact their resolution to confirm its commitment even though FTA will not count it toward the 10 percent requirement. MTC has advised it has no other source of funding outside of the STIP, but MTC is confident in its ability to make such funding available should the need arise.

Similarly SFCTA will proceed to enact its \$50 million resolution to confirm its commitment and will include in its resolution a willingness to seek supplementation of the STIP funding with alternate sources of revenues available to the City and County of San Francisco (C&CSF), but these alternate sources cannot be made available in time to move the FFGA forward for Congressional review this month.

That leaves VTA and SMCTA. VTA has agreed to increase the amount of funding it will make available from \$50 million to \$65 million. When asked to increase its commitment to \$100 million along with SMCTA, VTA represented they could only use left over funding from their prior sales tax measure.

To fully cover the \$100 million gap, staff is requesting the SMCTA to increase its resolution on funding availability to address the FTA 10 percent requirement from \$50 million to \$135 million. This is an extraordinary action that will preserve the FFGA and save the PCEP. Most significantly, there is no risk that the SMCTA will have to expend any amount over and above what the other two member agencies of the JPB (VTA and C&CSF) will be required to contribute to any cost overruns or funding shortfalls in the PCEP budget for these reasons:

1. The 9-Party and 7-Party MOUs previously executed among the funding partners memorialize a joint regional commitment to successful completion of the PCEP and require the funding parties collectively to address project funding shortfalls that may arise.
2. The October 3, 1996 Joint Powers Agreement governing the JPB requires the three member agencies to share equally in local contributions required for Caltrain system enhancement projects, like the PCEP.
3. The resolutions being enacted showing funding availability are designed only to satisfy the FTA's 10 percent requirement for the FFGA.

Moreover, the JPB has put into place ~~extensive~~ **comprehensive** controls to guard against cost over-runs, which include extensive and frequent opportunities for all PCEP funding partners to oversee PCEP implementation, such as thorough review and comment on progress and cost reports, participation in consultant selection panels and proposal/bid reviews, and membership on the Project's Risk Management Team. **These measures are contained in a document entitled Oversight Protocol that has been approved by all parties. In addition, the \$1.98 PCEP budget includes a 16 percent contingency of \$316 million. Given the nature of the PCEP and the fact that almost all the project infrastructure is placed on the right of way already owned by the JPB, the project does not involve unique risks that are typically associated with cost overruns.**

For the reasons stated above, JPB staff has requested the SMCTA Board of Directors provide this resolution committing to **the availability of funding**, on behalf of the District, up to ~~\$57~~**\$135** million, ~~of to cover~~ a 10 percent shortfall in the PCEP financial plan, associated with potential cost over-runs above the estimated project delivery cost and previously-budget contingency or a shortfall in revenues, to support and ensure execution of the PCEP FFGA.

BUDGET

The Measure A proceeds available to Caltrain from the original and new Measure A are sufficient to meet the JPB's request. **The funding availability commitment will not have any impact on the projects contained in the Expenditure Plan that the SMCTA desires to pursue or implement.**

BACKGROUND

On June 7, 1988, the voters of San Mateo County approved a ballot measure known as "Measure A," which increased the local sales tax in San Mateo County by one-half percent with the new tax revenue to be used for highway and transit improvements

pursuant to the Transportation Expenditure Plan presented to the voters; and on November 2, 2004, the voters of San Mateo County approved the continuation of the collection and distribution by the **SMCTA** of the New Measure A half-cent sales tax transactions and use tax for an additional 25 years to implement the 2004 Transportation Expenditure Plan (TEP) beginning January 1, 2009.

Caltrain improvements are qualified expenditures and designated the number one priority under the 1988 TEP, and the 2004 TEP designated 16 percent of the New Measure A revenues to fund Caltrain projects.

Prepared By: April Chan, Chief Officer, Planning, Grants & TA

650-508-6228

RESOLUTION NO. 2017 –

BOARD OF DIRECTORS SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STATE OF CALIFORNIA

* * *

COMMITTING TO FUNDING UP TO \$57-135 MILLION TO ADDRESS FEDERAL TRANSIT ADMINISTRATION'S REQUIREMENT FOR THE FULL FUNDING GRANT AGREEMENT FOR THE PENINSULA CORRIDOR ELECTRIFICATION PROJECT ~~IN ADDITIONAL FUNDS TO THE PENINSULA CORRIDOR ELECTRIFICATION PROJECT, ASSOCIATED WITH POTENTIAL COST OVER RUNS ABOVE THE ESTIMATED PROJECT DELIVERY COST AND PREVIOUSLY BUDGETED CONTINGENCY, OR A SHORTFALL OF REVENUES, TO SUPPORT AND ENSURE EXECUTION OF A FULL FUNDING GRANT AGREEMENT WITH THE FEDERAL TRANSPORTATION ADMINISTRATION~~

WHEREAS, it is the Peninsula Corridor Joint Powers Board's (JPB) goal to electrify the Caltrain railroad corridor and enter revenue service on the electrified rail line by 2021 with an estimated total budget for the Peninsula Corridor Electrification Project ("PCEP" or "Project") of \$1.98 billion, including \$316 million (approximately 16.5 percent) in overall Project contingency; and

WHEREAS, the JPB has applied for inclusion in the Federal Transit Administration's (FTA) Core Capacity Grant program to receive funding for the PCEP, and has worked with FTA staff to prepare for approval of the Full Funding Grant Agreement (FFGA), the last phase of the Core Capacity Grant program; and

WHEREAS, the FTA informed the JPB that the FTA required evidence that the JPB will have access to an additional 10 percent beyond the budgeted Project contingency to ensure that any cost over-runs or shortfall in revenues will be covered without additional Federal assistance; and

WHEREAS, the JPB sought, received and provided to the FTA, letters from the Executive Directors of the Metropolitan Transportation Commission (MTC), and of the JPB member agencies – Santa Clara Valley Transportation Authority (VTA), the San Francisco

Municipal Transportation Agency (SFMTA) and San Mateo County Transit District (District)/San Mateo County Transportation Authority (SMCTA) – indicating that each agency has available up to an additional directly proportional share of \$50 million ~~share of their~~ funding ~~plan gap to cover the FTA's 10 percent requirement~~ to support the FFGA for the PCEP, beyond previously stated commitments to the Project; and

WHEREAS, upon review of the letters, the FTA ~~now has~~ informed the JPB that, in order for the FTA to approve the FFGA, the JPB must provide Board of Directors resolutions evidencing the agencies' commitments to ~~be held~~ make available this additional contribution funding, if needed, to cover the 10 percent requirement; and

WHEREAS, ~~additional feedback from FTA after FTA's review of draft resolutions on this funding issue from MTC, SFCTA, VTA and the SMCTA, FTA advised that it will not count toward the 10 percent requirement the STIP source of funding proposed by SFCTA and MTC to cover their \$50 million shares, necessitating that the VTA and the SMCTA substantially increase the availability of their sales tax sources of funding to cover the resulting shortfall in the 10 percent requirement~~ necessitates that the TA commitment equal \$57 million; and

WHEREAS, the JPB has put into place extensive controls to guard against cost over-runs, which include extensive and frequent opportunities for all PCEP funding partners to oversee PCEP implementation, such as through review and comment on progress and cost reports, participation in consultant selection panels and proposal/bid reviews, and membership on the Project's Risk Management Team; and

WHEREAS, JPB staff has requested the SMCTA Board of Directors provide this resolution committing to the availability of funding, on behalf of the District, up to \$57-135 million ~~of in the event of~~ a 10 percent shortfall in the PCEP financial plan, associated with potential cost over-runs above the estimated project delivery cost and previously-budget

contingency or a shortfall in revenues, to support and ensure execution of the PCEP FFGA;
and

WHEREAS, on June 7, 1988, the voters of San Mateo County approved a ballot measure known as "Measure A," which increased the local sales tax in San Mateo County by one-half percent with the new tax revenue to be used for highway and transit improvements pursuant to the Transportation Expenditure Plan presented to the voters;
and

WHEREAS, on November 2, 2004, the voters of San Mateo County approved the continuation of the collection and distribution by the **SMCTA** of the New Measure A half-cent sales tax transactions and use tax for an additional 25 years to implement the 2004 Transportation Expenditure Plan (TEP) beginning January 1, 2009; and

WHEREAS, Caltrain improvements are qualified expenditures and designated the number one priority under the 1988 TEP, and the 2004 TEP designated 16 percent of the New Measure A revenues to fund Caltrain projects; and

WHEREAS, Measure A proceeds available to Caltrain are sufficient to meet the JPB staff's request; and

WHEREAS, in light of the foregoing, the Executive Director recommends the **SMCTA** adopt this resolution, which will take effect upon adoption of similar resolutions or actions by VTA and either SFMTA or the San Francisco County Transportation Authority.;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the San Mateo County Transportation Authority hereby commits to funding, on behalf of the San Mateo County Transit District, up to \$~~57-135~~ million **for to address the FTA's FFGA requirement that the funding partners evidence the availability of funding up to 10 percent of the total project budget to cover** potential cost over-runs **or short fall in revenues related to the**

financial plan and budget, ~~if they arise, above the estimated project delivery cost and previously budgeted contingency, or shortfall in revenues~~, for the Peninsula Corridor Electrification Project.

BE IT FURTHER RESOLVED that this Resolution will take effect upon the adoption of similar resolutions or actions by VTA and either SFMTA or the San Francisco County Transportation Authority.

BE IT FURTHER RESOLVED that the Executive Director or his designee is authorized to execute any necessary documents, and to take any additional actions necessary, to give effect to this resolution.

Regularly passed and adopted this 5th day of January, 2017 by the following vote:

AYES:

NOES:

ABSENT:

Chair, San Mateo County Transportation Authority

ATTEST:

Authority Secretary

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: April Chan
Chief Officer, Planning, Grants and the Transportation Authority

SUBJECT: **PROGRAM REPORT: TRANSIT – SHUTTLES**

ACTION

No action is required. This item is being presented to the Board for information only.

SIGNIFICANCE

This presentation is part of a series of program reports presented to the Board. Each of the Transportation Authority's (TA) six program areas – Transit, Highways, Local Streets/Transportation, Grade Separations, Pedestrian and Bicycle, and Alternative Congestion Relief Programs – will be featured individually throughout the year. This month features a presentation highlighting the status of the Transit – Local Shuttle Program, which will be presented via PowerPoint.

BUDGET IMPACT

There is no impact on the budget.

BACKGROUND

The TA's Local Shuttle Program provides operating funds for commuter shuttles connecting with transit stations, as well as community serving shuttles. Four percent of the New Measure A sales tax revenue is available to support the Local Shuttle Program. Project sponsors are required to submit quarterly and annual progress reports, which the TA uses to track the performance of individual projects as well as the overall program.

Prepared By: Joel Slavit, Manager of Programming and Monitoring 650-508-6476

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: Seamus Murphy
Chief Communications Officer

SUBJECT: **2017 LEGISLATIVE PROGRAM**

ACTION

Staff proposes Board adoption of the attached Legislative Program to guide the Transportation Authority's policy advocacy efforts over the course of the 2017 calendar year.

SIGNIFICANCE

The 2017 Legislative Program (Program) establishes the principles that will guide the San Mateo County Transportation Authority's (TA) legislative and regulatory advocacy efforts through the 2017 calendar year, including the second half of the State legislative session and the first session of the 115th Congress. The program is intended to be broad enough to cover the wide variety of issues that are likely to be considered during that time and flexible enough to allow the TA to respond swiftly and effectively to unanticipated developments. Adoption of the Program provides our legislative delegation and our transportation partners with a clear statement of the TA's priorities.

The 2017 Program is organized to guide the TA's actions and positions in support of three primary objectives:

1. Maintain and enhance funding opportunities to support the TA's programs, projects, and services.
2. Seek a regulatory environment that streamlines project delivery and maximizes the TA's ability to meet public transportation service demands.
3. Reinforce and expand programs that build and incentivize public transportation ridership.

The Program is structured to apply these core objectives to a series of issues detailed in the 2017 Legislative Program.

Should other issues surface that require the TA's attention, actions will be guided by the three policy objectives listed above. If needed, potential action on issues that are

unrelated to these policy goals will be brought to the TA's Board of Directors for consideration.

The TA and its legislative consultants will employ a variety of engagement tools to support the 2017 Legislative Program, including:

1. Direct Engagement

Engage policymakers directly and sponsor legislation, submit correspondence and provide public testimony that communicates and advances the TA's legislative priorities and positions.

2. Coalition-based Engagement

Engage local and regional stakeholders to build awareness about specific issues and participate in local, regional, Statewide and national coalitions organized to advance positions that are consistent with the 2017 Program.

3. Media Engagement

Build public awareness and communicate legislative priorities by issuing press releases, organizing media events, and through the use of social media and other electronic media.

BUDGET IMPACT

There is no impact on the budget.

BACKGROUND

Staff presented the 2017 Legislative Program as an informational item at the January Board meeting. Since that meeting, staff has incorporated feedback into this final Legislative Program.

Staff actively monitors legislative and regulatory activity and will seek Board positions on selected bills as appropriate to further the TA's legislative objectives and to provide support for our advocacy efforts. Staff will supply updated reports summarizing relevant legislative and regulatory activities, allowing the Board to track legislative developments and providing opportunities to take appropriate action on pending legislation.

Prepared by: Casey Fromson, Manager, Government and Community Affairs 650-508-6493

San Mateo County Transportation Authority 2017 Legislative Program

Purpose

Legislative and regulatory actions have the potential to significantly benefit San Mateo County Transportation Authority (Authority) programs and services. They also have potential to present serious challenges that threaten the Authority's ability to meet San Mateo County's most critical transportation demands.

The 2017 Legislative Program establishes the principles that will guide the Authority's legislative and regulatory advocacy efforts through the 2017 calendar year, including the first half of the 2017-18 State legislative session and 115th Congress. The program is intended to be broad enough to cover the wide variety of issues that are likely to be considered during that time and flexible enough to allow the Authority to respond swiftly and effectively to unanticipated developments.

Objectives

The 2017 Legislative Program is organized to guide the Authority's actions and positions in support of three primary objectives:

1. Maintain and enhance funding opportunities to support the Authority's programs and services.
2. Seek a regulatory environment that streamlines project delivery and maximizes the Authority's ability to meet transportation service demands.
3. Reinforce and expand programs that build and incentivize public transportation ridership, bike and pedestrian improvements, and transit-oriented developments.

Issues

The Legislative Program is structured to apply these core objectives to a series of State and Federal issues falling in these categories:

1. Budget and Transportation Funding Opportunities
2. Transportation Projects - Funding Requests and Needs
3. Regulatory and Administrative Issues

Within these categories are a detailed list of specific legislative initiatives and corresponding set of policy strategies.

Should other issues surface that require the Authority's attention, actions will be guided by the three policy objectives listed above. If needed, potential action on issues that are unrelated to these policy goals will be brought to the Authority's Board of Directors for consideration.

2017 LEGISLATIVE PROGRAM

Public Engagement Strategies

Authority staff, led by the Communications Division and its legislative consultants, will employ a variety of public engagement strategies to support the 2017 Legislative Program, including:

1. Direct Engagement
Engage policymakers directly and sponsor legislation, submit correspondence and provide public testimony that communicates and advances the Authority's legislative priorities and positions.
2. Coalition-based Engagement
Engage local and regional stakeholders to build awareness about specific issues and participate in local, regional, statewide and national coalitions organized to advance positions that are consistent with the 2017 Legislative Program.
3. Media Engagement
Build public awareness and communicate the Authority's legislative priorities by issuing press releases, organizing media events, and through the use of social media.

2017 LEGISLATIVE PROGRAM

STATE AND REGIONAL ISSUES

Budget and Transportation Funding Opportunities

<i>Issues and Background</i>	<i>Strategies</i>
<p><u>General</u> State investment in transportation operations and infrastructure continues to be underfunded despite a rebounding economy and the stabilization of the State budget. While some existing revenues have been protected from diversion, other funds remain vulnerable, and although some State bond revenues are still available to fund specified transportation projects, over \$200 billion in new revenue will be required to meet the State’s infrastructure needs over the next six years. Since the gas tax has not been increased or adjusted for inflation since 1994, its buying power has been diminished, further depleting resources available to maintain, let alone expand or improve the state highway system or transit needs.</p> <p>A statewide advisory committee has been established to assess the implementation of pilot program for a mileage-based user fee as an alternative to the gas tax. Currently, there is a statewide pilot program with 5,000 participants to assess the implementation of mileage-based user fee.</p> <p>In addition, Governor Brown and legislative leaders are committed to finding new revenues for local streets and roads maintenance and rehabilitation, the state highway system, and funding for public transportation.</p> <p><u>Existing Revenues</u> <i>Formula</i> After years of diversion to support the State’s General Fund, funding for the State Transit Assistance (STA) program has remained stable over the last few budget cycles thanks to successful legal, legislative and political efforts on behalf of the transportation community. Still, more revenue is needed in order to meet the demand of increased ridership, reduce highway congestion – especially on Highway 101 – and adhere to the State’s mandate of reducing greenhouse gas emissions, and creating livable communities.</p>	<p><u>General</u></p> <ul style="list-style-type: none"> • Protect against the elimination or diversion of any State or regional funds that support San Mateo County transportation needs. • Support State funding allocation requests for investments that benefit San Mateo County transportation programs and services. • Work with statewide transit coalitions to identify and advance opportunities for funding that would support San Mateo County transportation priorities. • Monitor recommendations of the Road Usage Charge (RUC) Technical advisory Committee and implementation of a RUC program by the California State Transportation Agency (CalSTA). • Monitor and support efforts to study mileage-based user fee as a potential revenue source. • Support a funding package that will help address maintenance, rehabilitation, and congestion management needs in San Mateo County for programs that allow locals flexibility in leveraging funding for priority projects, such as congestion management and safety improvements on Highway 101, transit capital and operations, grade separations, bicycle and pedestrian programs, and local streets and roads. <p><u>Existing Revenues</u> <i>Formula</i></p> <ul style="list-style-type: none"> • Support the full funding of the STA program at levels called for in the 2011 reenactment of the 2010 gas-tax swap legislation. • Advocate for the regularly scheduled issuance of State infrastructure bonds that support San Mateo County’s transportation services and programs. • Support legislation seeking to increase the sales tax on diesel, which serves as the primary source of funding for the STA program. • Advocate for the restoration of over \$1 billion in annual truck weight fee revenue and \$700 million in General Fund loan repayments, which can be used to support Measure A program priorities. • Support legislation clarifying the historic implementation of the STA program.

2017 LEGISLATIVE PROGRAM

STATE AND REGIONAL ISSUES

<i>Issues and Background</i>	<i>Strategies</i>
<p><i>Cap-and-Trade Revenues</i> In 2012, the State began implementing the cap-and-trade market-based compliance system approved as a part of the California Global Warming Solutions Act of 2006 (AB 32). The State estimates that the system may yield billions of dollars per year in revenues that will be allocated to various emissions-reducing projects and programs. In 2014, legislation was enacted creating a long-term funding plan for cap-and-trade which dedicates 60 percent of cap-and-trade revenues to transportation. The remaining 40 percent is subject to annual appropriation through the state budget process.</p> <p>Transit funding can be obtained through the Low Carbon Transit Operations Program, the Transit and Intercity Rail Capital Program and the Affordable Housing Sustainable Communities Program. Each programs requirements, oversight, and competitiveness vary. The programs require a certain percentage of funds be expended in state defined “disadvantaged communities” (as defined by CalEnviroScreen). This can prove difficult in jurisdictions with a small number of disadvantaged communities.</p> <p><u>Ballot Measures and Voter Threshold</u> With over \$200 billion in unfunded transportation needs and funding from existing infrastructure bond measures waning, proposals for new local, regional and statewide transportation revenues are being discussed.</p> <p>Despite broad-based majority support for dedicating additional revenue to transportation services and programs, efforts to generate new revenues are often unsuccessful due to the requirement that certain measures receive two-thirds supermajority support from the Legislature and/or voters.</p> <p>In 2017, legislation may be considered that provides a framework for lowering the thresholds for the State or a city, county, special Authority or regional public agency to impose a special tax.</p>	<p><i>Cap-and-Trade Revenues</i></p> <ul style="list-style-type: none"> • Work with the Administration and like-minded coalitions to secure the appropriation of additional cap-and-trade revenues to support San Mateo County transportation needs. • Support legislation and regional action that makes a broad array of San Mateo County emissions-reducing transportation projects, programs and services eligible for investment. • Protect existing cap-and-trade appropriations for transit operations and capital projects and sustainable communities strategy implementation. • Work to direct additional revenues to transit-eligible programs, including efforts to secure funding from the remaining discretionary funds and revenues dedicated to the high-speed-rail project. • Support efforts to revise the State’s definition on “disadvantaged communities” to encompass a larger proportion of disadvantaged communities on the Peninsula. <p><u>Ballot Measures and Voter Threshold</u></p> <ul style="list-style-type: none"> • Engage in efforts to generate new local, regional or statewide transportation funding and support proposals that adequately benefit San Mateo County transportation needs. • Oppose efforts to add burdensome restrictions on the expenditure of these revenues, such as requiring payment for maintenance costs on the state highway system. • Support efforts to amend the State Constitution to reduce the voter threshold required for the State or a city, county, special Authority or regional transportation agency to impose a special tax for transportation projects or programs.

2017 LEGISLATIVE PROGRAM

STATE AND REGIONAL ISSUES

<i>Issues and Background</i>	<i>Strategies</i>
<p><u>Other State or Local Funding Options</u> With the State’s recent dissolution of redevelopment agencies, local and regional governments continue to seek methods for funding new infrastructure, facility needs, sustainability initiatives, and projects that will support ridership growth through a variety of methods.</p> <p>Various local jurisdictions around the state are looking to expand managed lane programs as a way of generating additional funding for highway maintenance and operations, and, possibly to support public transit in managed lane corridors.</p> <p><u>Federal Impacts on State Funding</u> It is unclear what the new Trump administration plans to do regarding transit and how it will interface with California and its progressive policies. California currently leads the nation on a number of issues, including climate change, with transit playing a key role in achieving the state’s goals.</p>	<p><u>Other State or Local Funding Options</u></p> <ul style="list-style-type: none">• Advocate for legislation that would create new local funding tools to support transportation infrastructure and services.• Support innovative local and regional funding options that will provide financial support Authority projects.• Support legislation that works to ensure revenues generated through managed lane projects remain in the County of origin.• Support MTC’s efforts to seeking authority for Bay Area voters to consider raising tolls on state- owned bridges to fund transportation improvements in bridge corridors (Regional Measure 3). <p><u>Federal Impacts on State Funding</u></p> <ul style="list-style-type: none">• Monitor and respond, if needed, to state action re: potential loss or reduction in federal funding sources.

2017 LEGISLATIVE PROGRAM

STATE AND REGIONAL ISSUES

Transportation Projects – Funding Requests and Needs

Issues and Background

General

As the Bay Area’s population continues to grow, the region’s transportation infrastructure is being negatively impacted. Highways, local streets and roads are becoming heavily congested, Caltrain is nearing its capacity limits, and the demand for housing with easy access to public transit is increasing.

Authority Supported Projects

Created to administer Measure A, San Mateo County’s ½ cent sales tax, the Authority provides funding to cities and San Mateo County transportation agencies for transportation and infrastructure improvement projects.

The Authority provides funding through six key programs: transit, highway, local streets and transportation, grade separation, pedestrian and bicycles, and alternative congestion relief.

Caltrain Modernization Program (CalMod)

In 2012, the State Legislature appropriated \$705 million in Proposition 1A high-speed rail funds to modernize the Caltrain corridor and lay the foundation for future high-speed rail service. Under a multi-party regional funding agreement, this investment will be used to match a variety of local, regional, state and federal funding sources to electrify the corridor, install an advanced signaling system and replace Caltrain’s aging diesel trains with electric trains that will dramatically improve service between San Francisco and San Jose.

Other Projects

Beyond the CalMod Program, Caltrain has identified capital projects such as a fully electrified 8-car EMU fleet with longer platforms that will provide additional capacity and service benefits to Caltrain commuters. The capital needs also include but are not limited to grade separations and station upgrades.

In 2016, a new round of HSR Blended System planning, outreach and environmental clearance work kicked-off in the corridor. HSR anticipates environmental clearance by the end of 2017. While this project is not being led by the JPB, the agency owns the right-of-way and has a significant interest in the process and success of the project that will “blended” with Caltrain service.

Strategies

General

- Work with partners in the region to bring business, community, and transportation stakeholders together to enhance, support and advocate for transportation and mobility in the Bay Area.

Authority Supported Projects

- Support San Mateo County cities and transportation agencies in their effort to secure state funding for projects that align with the Authority’s key programs

Caltrain Modernization Program (CalMod)

- Advocate for the sale and allocation of Proposition 1A bonds to meet the commitments specified in SB 1029 with respect to the Caltrain corridor.
- Support the allocation of cap-and-trade funding to advance implementation of the Caltrain Modernization Program.
- Work with state, local and regional partners to advance policies and actions that will help secure funding needed to fulfill local and regional commitments to the Caltrain Modernization Program.
- Work to address regulatory challenges that limit the implementation of solutions that will maximize Caltrain capacity and service benefits.

Other Projects

- Support the allocation of cap-and-trade or other state / regional funding to advance implementation of JPB projects.
- Work to address regulatory actions or policies that negatively impact future capacity or service improvements.
- Consistent with existing agreements between JPB and CHSRA, support efforts to plan, engage stakeholders, and implement the Blended System project on the Caltrain corridor.

2017 LEGISLATIVE PROGRAM

STATE AND REGIONAL ISSUES

Regulatory and Administrative Issues

Issues and Background

General

Every year a variety of legislation or regulatory action is pursued that would affect regulations governing transportation-related service operations, administration, planning and project delivery. In addition, opportunities exist to reform or update existing regulations that are outdated, or can be improved to address potential burdens on transportation agencies without affecting regulatory goals.

Managed Lanes

Various local jurisdictions around the state are looking to expand managed lane programs as a way of generating additional funding for highway maintenance and operations, and, possibly to support public transit in managed lane corridors.

California Environmental Quality Act (CEQA)

Several regional and statewide transportation organizations continue working to modernize CEQA and minimize unnecessary delays during the environmental review process.

In 2017, California's (Caltrans) participation in the national pilot program established under SAFETEA-LU, which allows for continued streamlining of the environmental project review process with CEQA expires.

Sustainable Communities Strategies Implementation

In conjunction with AB 32 implementation, the Sustainable Communities and Climate Protection Act (SB 375) requires regions to develop Sustainable Communities Strategies (SCS) with integrated housing, land-use and transportation policies that will accommodate population growth and reduce regional greenhouse gas emissions by specific amounts. In 2013, regional authorities in the Bay Area approved Plan Bay Area, which includes the region's SCS.

Strategies

General

- Support opportunities to remove barriers to, and improve the ability to conduct, safe, efficient transportation operations, administration, planning and project delivery efforts, including alternative project delivery methods that provide flexibility to the Authority.
- Oppose efforts to impose unjustified and burdensome regulations or restrictions on the Authority's ability to conduct efficient transportation operations, administration, planning and project delivery efforts.

Managed Lanes

- Support legislation that streamlines and expedites construction and implementation of managed lanes
- Support legislation that works to ensure revenues generated through managed lane projects remain in the County of origin

California Environmental Quality Act (CEQA)

- Closely monitor efforts to modernize CEQA and support proposals that advantage transportation projects, including bicycle, pedestrian and transit-oriented development projects, without compromising CEQA's effectiveness as an environmental protection policy.
- Support efforts to streamline project delivery including expedited reviews and approvals for large transportation projects such as HWY 101 HOV/HOT lane conversion and projects within the Dumbarton Rail Corridor.
- Support legislative efforts to extend Caltrans' ability to streamline the environmental review process for critical transportation projects.

Sustainable Communities Strategies Implementation

- Advocate for policies that provide adequate and equitable funding to support increased demand and dependence on San Mateo County's transportation services associated with the implementation of SB 375 and Plan Bay Area.

2017 LEGISLATIVE PROGRAM

FEDERAL ISSUES

Budget and Transportation Funding Opportunities

<i>Issues and Background</i>	<i>Strategies</i>
<p><u>Federal Appropriations and Tax Extenders</u> Every year, Congress adopts several appropriations bills that cover 12 major issue areas, including the Transportation, Housing and Urban Development bill. These measures provide the authority for federal agencies to spend money during the upcoming fiscal year for the programs they administer.</p> <p>In December 2016, Congress passed a Continuing Resolution (CR) that funds the federal government until April 28, 2017. Congress will then have to pass a short term CR or omnibus appropriations bill to fund the government for the remainder of fiscal year 2017, which ends on September 29, 2017.</p> <p>Congress also considers legislation that governs tax and finance issues that impact transit agencies.</p> <p><u>Surface Transportation and Rail Authorization</u> In 2015, Congress passed Fixing America’s Surface Transportation (FAST) Act, a five year bill that establishes funding levels and federal policy for the nation’s highways and public transit systems through Fiscal Year 2020. While the FAST Act included significant benefits for transportation agencies, it did not address several critical issues including the long-term solvency of the Highway Trust Fund.</p> <p>In 2017, Congress will be holding hearings on FAST Act implementation.</p>	<p><u>Federal Appropriations and Tax Extenders</u></p> <ul style="list-style-type: none">• Partner with local, regional, State and national coalitions to advocate appropriation of the maximum authorized amount for programs that benefit San Mateo County’s transportation services and needs.• Work with local and regional coalitions to support requests for funding from discretionary programs.• Continue to monitor legislation that impacts tax and finance issue relative to transit agencies. <p><u>Surface Transportation and Rail Authorization</u></p> <ul style="list-style-type: none">• Advocate for a dedicated source of revenue that ensures long-term solvency of the Highway Trust fund; allows for the expansion of Federal transportation funding to cover transit state-of-good-repair and other transportation expansion needs.• Highlight the importance of federal investments in transportation and transit operations, SOGR, and expansion projects.

2017 LEGISLATIVE PROGRAM

FEDERAL ISSUES

Transportation Projects – Funding Requests and Needs

Issues and Background

General

Support the efforts of partnering agencies to obtain federal funding for transit projects in San Mateo County.

Bus and Bus Facilities

Currently SamTrans has roughly 135 buses that were purchased in 2002-2003 that are near the end of their useful life. Federal grant funding must be pursued to replace the existing fleet.

In addition, the United States Department of Labor is releasing previously awarded grant funding until the State resolves the pending PEPR/ 13(c) conflict. Procurement of new buses is on hold until the issue is resolved.

Caltrain Modernization Program

The current Peninsula Corridor Electrification Project funding plan includes funding from several federal funding sources including the Federal Transit Administration (FTA) Core Capacity Program. To receive the funds, the JPB will need a Full Funding Grant Agreement (FFGA) with the FTA. The Core Capacity funding is an important part of the PCEP funding plan that will keep the project on track to start construction in 2017.

Other Projects

Beyond the CalMod Program, the JPB has identified capital projects such as a fully electrified 8-car EMU fleet with longer platforms that will provide additional capacity and service benefits to Caltrain commuters. The capital needs also include but are not limited to grade separations, station upgrades, and supporting regional projects that will increase Caltrain ridership.

Strategies

General

Work with federal delegation members, as well as local, regional, and state coalitions to support the federal funding requests for our partner transit agencies.

Bus and Bus Facilities

- Advocate for additional funding for bus and bus facilities.
- Pursue a fix to the PEPR/13(c) issue that prohibits the United States Department of Labor from withholding grant funding for transportation projects, capital and operations.

Caltrain Modernization Program

- Advocate for the PCEP to be included in the FY18 Core Capacity Program Presidential Budget and for a swift FFGA process with the FTA.
- Work with federal delegation members, as well as local, regional, and state coalitions to support the PCEP requests for funding.

Other Projects

- Support the allocation of federal funding to advance implementation of Caltrain projects.
- Work with federal delegation members, as well as local, regional, and state coalitions to support requests for federal funding that will benefit transit service and ridership projects.

2017 LEGISLATIVE PROGRAM

FEDERAL ISSUES

Regulatory and Administrative Issues

<i>Issues and Background</i>	<i>Strategies</i>
<p><u>FAST Act and other Regulations</u> Under FAST Act, the United States Department of Transportation (USDOT) will issue guidance and conduct rulemaking to implement various regulatory changes.</p> <p>USDOT will also issue guidance, new rulemaking, and take action in response to Executive Orders on a variety of issues outside the scope of the FAST Act.</p> <p><u>Aviation Fuel Tax Use</u> In 1999, the Federal Aviation Administration (FAA) instituted the Policy and Procedures Concerning the use of Airport Revenue (64 Fed. Reg. 7696) stating that state and local taxes on aviation fuel, whether part of a general tax or otherwise, are subject to federal restrictions on the use of airport revenue. This means proceeds from taxes on aviation fuel must be used for the capital or operating expenses of the airport where the fuel is sold. The FAA believes the Authority's San Mateo County Bradley-Burns Local Uniform Sales and Use Tax and Measure A tax are both subject to this policy.</p> <p>The FAA has provided a three year transition period, ending in December 2017, for state and local governments to comply. In December 2015, an action plan detailing the transition was submitted to FAA.</p> <p><u>New Administration</u> On January 20, 2017, a new Administration will begin. There will be also be new leadership at the Department of Transportation as well as other associated agencies (FRA, FTA, FHWA)</p>	<p><u>FAST Act and other Regulations</u></p> <ul style="list-style-type: none"> • Monitor and review guidance and rulemaking proposals affecting FAST Act implementation and other transportation issues. • Collaborate with local, regional, state and national transportation advocacy groups to coordinate comments and advocacy efforts that support regulations that maximizes benefits for transportation programs, services and users. <p><u>Aviation Fuel Tax Use</u></p> <ul style="list-style-type: none"> • Work with the State and County to develop an action plan response as it relates to necessary steps for assuring compliance related to the policy. • Show that the services and improvements funded by the Authority's programs exceed the affected sales tax revenues derived from the sale of aviation fuel. • Advocate for a solution that will not remove critical funds from Measure A. <p><u>New Administration</u></p> <ul style="list-style-type: none"> • Monitor closely and take action as needed on new Administration policies that may have a significant impact on transit / transportation projects and programs.

**SAN MATEO COUNTY TRANSPORTATION AUTHORITY
STAFF REPORT**

TO: Transportation Authority

THROUGH: Jim Hartnett
Executive Director

FROM: Seamus Murphy
Chief Communications Officer

SUBJECT: **STATE AND FEDERAL LEGISLATIVE UPDATE**

ACTION

This report is for information only. No action is required.

SIGNIFICANCE

Staff will provide regular updates to the Board in accordance with the approved Legislative Program.

STATE ISSUES

As of 12/20/16:

On December 5, 2016, the Senate and Assembly both convene at noon to swear in new members. There are nine new members in the 40-member Senate and 22 new members in the 80-member Assembly. Overall, this represents a large turnover of new members. Democrats have two-thirds supermajority in both houses of the Legislature.

On December 5, 2016, Assemblymember Jim Frazier and Senator Jim Beall introduced transportation funding bills (Assembly Bill 1 and Senate Bill 1). Attached is a comparison chart of the two bills.

The 2017 calendar year legislative deadlines:

- January 4, the Legislature reconvenes
- January 10, budget bill must be submitted by Governor Brown
- February 17, last day for bills to be introduced
- June 2, last day to pass bills out the house of origin
- June 15, budget bill must be passed
- September 15, last day for any bill to be passed
- October 15, last day for Governor to sign or veto bills

Last year, the Legislature sent Governor Brown 1,059 bills. 900 became law and 159 were vetoed.

FEDERAL ISSUES

As of 12/20/16:

Congress adjourned on December 9, 2016 for the 114th Session. Before adjourning, Congress adopted a short-term Continuing Resolution that will fund the government through April 28 at Fiscal Year 2016 levels.

Senator Kamala Harris, who replaced retiring Senator Barbara Boxer, received her committee assignments. She will be on the following committees:

- Homeland Security and Governmental Affairs Committee
- Select Committee on Intelligence
- Environment & Public Works Committee
- Budget Committee

The Environment and Public Works Committee is an important transportation related committee in the Senate. Former Senator Boxer was the ranking member on the committee and it is helpful that Senator Harris will continue to represent California interests on this committee.

The 115th Congress will convene on January 3rd and the inauguration of the next President will be on January 20th.

Prepared By: Casey Fromson, Manager, Government and
Community Relations

650-508-6493

Comparison of New Transportation Legislation

Funding Package Elements	AB 1 (Frazier)	Amount Generated/Purpose	SB 1 (Beall)	Amount Generated/Purpose
Taxes				
Gas Excise Tax	12 cpg, plus index	\$1.8 billion, plus index	6-12 cpg, plus index	\$1.8 billion, plus index in year 3
End BOE "True-up"	7.3 cpg	\$1.1 billion	7.3 cpg	\$1.1 billion
Diesel Excise Tax	20 cpg, plus index	\$600 million	20 cpg	\$600 million
VRF	\$38 per vehicle	\$1.3 billion	-	\$1.3 billion
ZEV vehicle fees	\$165 per ZEV (start in 2nd year)	\$21 million	\$100	Est. \$13 million
Diesel sales tax	3.5% increase (from 1.75% to 5.25%)	\$263 million	4.0% increase (from 1.75% to 5.75%)	Est. \$300 million: - \$263 million for STA - \$40 million for IC and commuter rail
Other Revenue Sources				
Truck Weight Fees	\$100 million, increasing over five years	\$500 million, by 2021	\$100 million, Increasing over five years	\$500 million, by 2021
Cap/Trade	From Unallocated Cap and Trade	\$300 million	Doubles set-asides for TIRCP and LCTOP	Nets \$300 million if auctions produce \$2 billion annually
Redirect Miscellaneous Trans. revenues		\$185 million		\$185 million
CT Efficiencies		\$70 million		\$70 million
Accelerate GF Loan Repayments		\$706 million (one-time)		\$706 million (one-time)
Total Amount	\$6 billion, plus \$706 million, one-time			\$6 billion, plus \$706 million, one-time
Expenditures				
Maintenance and Road Repairs	State= \$1.9 billion; Locals= \$2.4 billion		50/50 split state and local roads	
Trade Corridors	\$600 million		\$600 million (diesel tax)	
Self Help	\$200 million, annually		\$200 million, annually	
Transit	\$563 million, transit capital and operations		- \$263 million for STA - \$40 million for IC and commuter rail -\$300 million, Cap and Trade	
Active Transportation	\$80 million, annually, plus CT efficiency savings		\$80 million, annually, plus CT efficiency savings	

Comparison of New Transportation Legislation

Reforms & Process Improvements				
Environmental Process Improvements	For work within existing right of way; Advance Mitigation Program (AMP)		For work within existing right of way; Advanced Mitigation Program (AMP);	\$30 million, annual, 4 years for AMP
NEPA Delegation	Extended permanently		Extended permanently	
CTC Independence	- Separate from CalSTA; - SHOPP oversight		- Separate from CalSTA; - SHOPP oversight	
Expenditure Efficiency	Office of Inspector General (OIG)		Office of Inspector General (OIG)	
Labor Shortage			Workforce, job training, & Opportunity Act (Pre-Apprenticeship Programs)	
Various, (To be in a companion bill(s) or other means)	-Constitutional Amendment to reduce voter threshold from local transportation taxes; -Constitutional Amendment to protect new revenues		- Extend Construction Manager/General Contractor project delivery until 2025; - expanding Caltrans' federal exchange/state match program; - providing greater flexibility to allow contracting for engineering & right-of-way work; - incorporating regional transportation agencies in the process of programming SHOPP funds; - updating Caltrans' encroachment permit threshold; - requiring Caltrans to develop a plan to increase participation of small and disadvantage businesses; and - requiring CTC to provide a summary to the legislature.	

12/9/16