

SMART– San Rafael to Larkspur Rail Extension
San Rafael, California
Small Starts Project Development
(Rating Assigned December 2017)

Summary Description	
Proposed Project:	Commuter Rail 2.1 Miles, 1 Station
Total Capital Cost (\$YOE):	\$55.44 Million
Section 5309 Small Starts Share (\$YOE):	\$22.53 Million (40.6%)
Annual Operating Cost (opening year 2020):	\$0.94 Million
Current Year Ridership Forecast (2017):	800 Daily Linked Trips 220,400 Annual Linked Trips
Horizon Year Ridership Forecast (2035):	800 Daily Linked Trips 236,800 Annual Linked Trips
Overall Project Rating:	Medium-High
Project Justification Rating:	Medium
Local Financial Commitment Rating:	High

Project Description: The Sonoma-Marin Area Rail Transit District (SMART) proposes a short extension to a 43-mile initial operating segment (IOS) between downtown San Rafael and Sonoma County Airport. The extension runs from downtown San Rafael to the Golden Gate Transit Larkspur Ferry terminal in Marin County. SMART is procuring the needed diesel multiple unit (DMU) rail vehicles as part of the locally-funded IOS. Thus, no additional vehicles are needed for the extension project. On weekdays, the service is planned to operate every 30 minutes during peak periods. During weekday off-peak periods, one mid-day round-trip is planned. On weekends, the service is planned to include five round-trips.

Project Purpose: The project will fill a gap in the region’s fixed guideway transit network between the end of the IOS and the ferry terminal. It will improve mobility in the increasingly congested US 101 corridor by providing faster, more reliable service than existing bus routes that currently operate along US 101 and circuitous local streets.

Project Development History, Status and Next Steps: SMART adopted a locally preferred alternative in May 2013 that was incorporated into the region’s fiscally constrained long-range transportation plan in July 2013. The project entered Small Starts Project Development in September 2013. SMART completed the environmental review process with receipt of a Finding of No Significant Impact in May 2015. SMART anticipates receipt of a Small Starts Grant Agreement in early 2018, and the start of revenue service in February 2020.

Significant Changes Since Last Evaluation (November 2015): The total project cost increased from \$42.53 million to \$55.44 million as a result of the design-build contract for civil construction and systems contract being awarded. The amount of Small Starts funding requested remains unchanged at \$22.53 million, causing the CIG share to decrease from 53.0 percent to 40.6 percent.

Locally Proposed Financial Plan

<u>Source of Funds</u>	<u>Total Funds (\$million)</u>	<u>Percent of Total</u>
Federal:		
Section 5309 Small Starts	\$22.53	40.6%
FHWA Flexible Funds (Congestion Mitigation and Air Quality Program)	\$6.10	11.0%
FHWA Flexible Funds (Surface Transportation Program)	\$3.21	5.8%
FRA Positive Train Control Funds	\$3.00	5.4%
Local:		
Regional Measure 2 Metropolitan Transportation Commission Bridge Toll Revenues	\$13.90	25.1%
SMART Measure Q Sales Tax Revenues	\$6.70	12.1%
Total:	\$55.44	100.0%

NOTE: The financial plan reflected in this table has been developed by the project sponsor and does not reflect a commitment by DOT or FTA. The sum of the figures may differ from the total as listed due to rounding.

**CA, San Rafael, SMART - San Rafael to Larkspur Regional Rail
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Factor	Rating	Comments
Local Financial Commitment Rating	High	
Non-Section 5309 Small Starts Share	+1	The Small Starts share of the project is 40.6 percent.
Project Financial Plan	Medium-High	
Current Capital and Operating Condition (25% of local financial commitment rating)	High	<ul style="list-style-type: none"> • The Sonoma-Marín Area Rail Transit District (SMART) does not operate a bus system. Thus, bus fleet age is not a component of the rating. • SMART has not issued bonds within the past two years. Thus, the bond rating is not a component of the rating. • SMART's current ratio of assets to liabilities as reported in its most recent audited financial statement is 4.79 (FY2016). • SMART commenced revenue operations on its initial segment in June 2017, thus its service history is not a component of the rating. • SMART had no cash flow shortages during the construction of its initial operating segment.
Commitment of Capital and Operating Funds (25% of local financial commitment rating)	High	<ul style="list-style-type: none"> • All of the non-Section 5309 Small Starts funds are committed or budgeted. Sources of funds include FHWA Congestion Mitigation and Air Quality Improvement funds, FHWA funds programmed by the Metropolitan Transportation Commission, Federal Railway Administration Positive Train Control Grant Program funds, Regional Measure 2 Bridge Tolls, and SMART sales tax revenues. • Approximately 81 percent of the funds needed to operate and maintain the transit system in the first full year of operation are committed or budgeted, and the rest are considered planned. Sources of funds include State of California State Transit Assistance Program and State Rail Assistance Program funds, SMART fare revenues and other sources of system-generated operating revenue, and sales tax revenues.
Reasonableness of Capital and Operating Cost Estimates and Planning Assumptions/Capital Funding Capacity	Medium	<ul style="list-style-type: none"> • Growth in capital revenue assumptions is reasonable compared to recent historical experience.

(50% of local financial commitment rating)

- The capital cost estimate is reasonable.
- Regarding growth in operating revenue assumptions, farebox collections and sales tax revenues are reasonable compared to recent historical experience.
- Operating cost estimates are reasonable compared to peer experience.
- SMART has access to cash reserves to cover cost increases or funding shortfalls equal to at least 25 percent of estimated project cost and 25 percent of annual system wide operating expenses.

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LAND USE RATING: Medium-Low

The land use rating reflects population and employment densities within ½-mile of proposed station areas, as well as the share of legally binding affordability restricted housing in the corridor compared to the share in the surrounding county(ies).

- An estimated 25,200 jobs would be served by the project, which corresponds to a Low rating. Population density for the Larkspur station area is 3,900 persons per square mile, which corresponds to a Medium-Low rating. Parking for local uses is free although there is a modest fee (\$2/day) for ferry parking, which corresponds to a Low rating. The proportion of legally binding affordability restricted housing in the project corridor compared to the proportion in the counties through which the project travels is 0.83, which corresponds to a Low rating. The rating for this subfactor increases to a Medium-Low because over five percent of housing units in the county through which the project travels are legally binding affordability restricted.
- The area around the proposed Larkspur station primarily includes office buildings, a retail plaza, and multi-family residential developments with some public facilities including a ferry terminal that has a large parking lot.
- The station area has some sidewalks and pedestrian crossings, including a pedestrian bridge connecting existing development surrounding the proposed station area and the existing ferry terminal, but streets are widely spaced and pedestrian routes are not marked across parking lots. Single-family residential development on the west side of U.S. 101 is not currently accessible.

ECONOMIC DEVELOPMENT RATING: Low

Transit-Supportive Plans and Policies: Medium-Low

- *Transit-Supportive Corridor Policies:* A station area planning process was initiated in 2011 and a draft plan completed in 2014, but this process was suspended in July 2014 so that the Larkspur General Plan Housing Element could first be updated. The draft station area plan identified seven potential development sites with potential residential densities of 30 to 35 units per acre and commercial FAR of 0.5 to 1.0, and included urban design guidelines to support a pedestrian scaled environment. It also recommended various strategies to reduce and manage parking. A multi-modal path is planned to improve pedestrian connections in the station area. The draft Larkspur General Plan Update includes some general policies to improve the transit and pedestrian character of development.
- *Supportive Zoning Regulations Near Transit Stations:* Development in the Larkspur station area east of U.S. 101 is currently governed by planned development ordinances that provide specifications for projects already built in the area. West of U.S. 101 is zoned and built with low-density residential.
- *Tools to Implement Land Use Policies:* Regional agencies have provided assistance for transit-supportive planning. The Larkspur Station Area Plan effort was funded in part through a Metropolitan Transportation Commission grant and undertaken through a multiagency collaborative planning effort.

Performance and Impacts of Policies: Low

- *Performance of Land Use Policies:* No specific examples of successful transit-supportive land use outcomes were provided in the City of Larkspur.
- *Potential Impact of Transit Investment on Regional Land Use:* Illustrative development potential in the station area is estimated at an additional 177,000 square feet of commercial development and 920 dwelling units on seven sites. While the current commercial and residential developments in the area appear to be healthy, more intensive development of some sites (including a large parking lot for the ferry terminal and a vacant site) appears plausible.

Tools to Maintain or Increase Share of Affordable Housing: Low

- Marin County policies call for strategies to increase affordable housing through a variety of measures. The Larkspur General Plan Housing Element also includes general language supporting affordable housing. Specific affordable housing programs operated by Marin County or the City of Larkspur, or planned affordable housing development projects in the vicinity, were not identified.

SMART Regional Rail San Rafael to Larkspur Extension. City of San Rafael, CA.

