

Metropolitan Transportation Commission
MTC Legislation Committee

February 14, 2020

Agenda Item 7a

Sonoma-Marin Area Rail Transit (SMART) 1/4-cent Sales Tax Extension

Subject: Proposed support for a 30-year extension of the SMART District's sales tax.

Background: Last October, the SMART District board voted unanimously to ask voters to approve a 30-year extension of its existing 1/4-cent sales tax (with no increase). The measure will appear as Measure I on the March 3, 2020 ballot in Marin and Sonoma counties. The current 1/4-cent sales tax was approved by 69.6 percent of voters in Marin and Sonoma counties in November 2008; it is set to expire in 2029. An early renewal of the sales tax—which is projected to generate \$39 million this year—would provide the certainty needed for SMART to restructure debt, and in doing so, save the agency an estimated \$12 million annually. The Measure I tax renewal would sunset March 31, 2059. As a special tax, Measure I would require two-thirds voter approval.

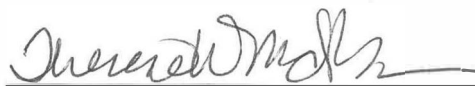
Discussion: The 2008 voter-approved SMART sales tax was projected to generate \$455 million in sales tax revenue over 10 years—a funding amount which could have supported the planned SMART buildout from Cloverdale to Larkspur. When the recession hit in 2009, however, the bond market crashed, reducing the measure's projected revenue by more than \$150 million. Despite the financial setback, SMART was able to launch service between Santa Rosa and downtown San Rafael in August 2017. In December 2019, SMART opened a Larkspur station to connect to Golden Gate ferries for riders traveling to jobs and other destinations in San Francisco, a vital connection. SMART also opened a downtown Novato station in December 2019. In January, SMART revamped its commuter schedule to run trains every 32 minutes.

According to SMART staff, an early tax renewal would provide the funding certainty needed to allow for the restructuring of construction debt, which could reduce SMART's financing costs by an estimated \$12 million annually. Of note, this savings paired with SMART's other planned revenue sources would cover the estimated cost to fully fund SMART rail and pathway operations for the next 30 years; it would also provide the revenue needed to operate future rail and pathway extensions to Healdsburg and Cloverdale when additional capital funding is secured to complete construction. Without approval of the tax renewal, SMART would need to identify cost savings, which would likely result in service cuts. Given this, staff recommends the Commission adopt a support position on Measure I.

Recommendation: Support / MTC Commission approval

Bill Positions: See attached

Attachments: Attachment A: Measure I Positions



Therese W. McMillan

Measure I Known Positions*

Support

Organizations

Friends of SMART
Greenbelt Alliance
North Bay Leadership Council
North Bay Labor Council
Northern California Engineering Contractors Association
Save the Bay Action Fund
Sonoma County Alliance
Sonoma County Conservation Action
Sonoma County Transportation and Land-use Coalition
Sustainable Novato
The Climate Center

Elected Officials

Jared Huffman, United States Congress
Mike Thompson, United States Congress
Mike McGuire, CA State Senate
Jim Wood, CA State Assembly
Michael Allen, CA State Assembly (Ret.)
Judy Arnold, Marin County Board of Supervisors
Mary Jane Burke, Marin County Superintendent of Schools
Damon Connolly, Marin County Board of Supervisors
Diane Dillon, Napa County Board of Supervisors
Robert T. Doyle, Marin County Sheriff
James Gore, Sonoma County Board of Supervisors
Steve Herrington, Sonoma County Superintendent of Schools
Lynda Hopkins, Sonoma County Board of Supervisors
David Rabbitt, Sonoma County Board of Supervisors
Kate Sears, Marin County Board of Supervisors
Shirlee Zane, Sonoma County Board of Supervisors
Cynthia Murray, former Marin County Board of Supervisors
Denise Athas, Mayor City of Novato

Melanie Bagby, Councilmember City of Cloverdale
Teresa Barrett, Mayor City of Petaluma
Scot Candell, Councilmember City of Larkspur
Chris Coursey, former Mayor City of Santa Rosa
John A Dell'Osso, Councilmember City of Cotati
Dominic Foppoli, Mayor Town of Windsor
Debora Fudge, Councilmember Town of Windsor
Patrcia Garbarino, SMART Board Member
Leah Gold, Mayor City of Healdsburg
Amy Harrington, Councilmember City of Sonoma
Herman G. Hernandez, Trustee Sonoma County Office of Education
Dan Hillmer, Councilmember City of Larkspur
Madeline Kellner, former Mayor City of Novato
Esther Lemus, Vice Mayor Town of Windsor
Eric Lucan, Councilmember City of Novato
Jake Mackenzie, Vice Mayor City of Rohnert Park
Shaun McCaffery, Councilmember City of Healdsburg
Claire McAuliffe, Councilmember City of Belvedere
Stephanie Moulton-Peters, Councilmember City of Mill Valley
Joe Naujokas, Councilmember City of Healdsburg
Barbara Pahre, SMART Board Member & President Golden Gate Bridge District
Amy Peele, Councilmember City of Novato
Gary Phillips, Mayor City of San Rafael
Chris Rogers, Councilmember City of Santa Rosa
Susan Wernick, Councilmember City of Novato
Larry Chu, former Mayor City of Larkspur

Other

Russel Colombo, Citizens Oversight Committee

Opposition

Coalition of Sensible Taxpayers
Citizens for Sustainable Pension Plans
Carsten Anderson, individual
James H. Andrews, Councilman and Mayor, Town of Corte Madera
Judy Schriebman, individual
Ken Churchill, Director—New Sonoma
Mike Arnold, citizen
Nancy J. Cline, citizen
Paul Premo, individual
Susan Kirch, individual
Thomas A. Rubin, individual
Tracey Buck-Walsh, individual

*Positions reflect the elected official and organization endorsements listed on the Measure I campaign page (staygreenkeepsmart.org) as of January 28, 2020 and “for” and “against” individuals listed in each of the Marin and Sonoma Measure I ballots.