

SMART Regional Rail – San Rafael to Larkspur Extension
San Rafael, California
Small Starts Project Development
(Rating Assigned November 2015)

Summary Description	
Proposed Project:	Commuter Rail 2.1 Miles, 1 Station
Total Capital Cost (\$YOE):	\$42.53 Million
Section 5309 Small Starts Share (\$YOE):	\$22.53 Million (53.0%)
Annual Operating Cost (opening year 2018):	\$0.03 Million
Current Year Ridership Forecast (2015):	760 Daily Linked Trips 220,300 Annual Linked Trips
Horizon Year Ridership Forecast (2035):	800 Daily Linked Trips 236,700 Annual Linked Trips
Overall Project Rating:	Medium
Project Justification Rating:	Medium
Local Financial Commitment Rating:	Medium

Project Description: The Sonoma-Marin Area Rail Transit District (SMART) proposes a short extension to a 43-mile, 10-station, commuter rail initial operating segment (IOS) that is currently under construction with local funds between downtown San Rafael and Sonoma County Airport. The extension would operate from downtown San Rafael to the Golden Gate Transit Larkspur Ferry terminal in Marin County. The project includes one new station in Larkspur near the ferry terminal, five public at-grade roadway crossings including signals and crossing equipment, refurbishment of one existing railroad trestle bridge, and replacement of another trestle bridge. SMART owns the rail right-of-way and is procuring the needed diesel multiple unit 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 train is planned, while four trains would be offered on weekends.

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: The project entered Small Starts Project Development in September 2013. 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. SMART completed the environmental review process with receipt of a Finding of No Significant Impact in May 2015. A Small Starts Grant Agreement is anticipated in late 2016, and the start of revenue service in February 2018.

Significant Changes Since Last Evaluation (November 2014): In 2015, local officials changed the funding sources for the project to include \$6.1 million in Federal Congestion

Mitigation and Air Quality and reduce the financial contribution from the Bay Area Toll Authority / Metropolitan Transportation Commission from \$20.0 million to \$13.9 million. The requested \$22.53 million in Small Starts funds was not changed.

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	53.0%
FHWA Flexible Funds (Congestion Mitigation and Air Quality)	\$6.10	14.3%
Local:		
Bay Area Toll Authority / Metropolitan Transportation Commission	\$13.90	32.7%
Total:	\$42.53	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 Regional Rail - San Rafael to Larkspur Extension
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Factor	Rating	Comments
Local Financial Commitment Rating	Medium	
Non-Section 5309 Small Starts Share	N/A	The Small Starts share of the project is 53 percent.
Project Financial Plan	Medium	
Capital and Operating Condition (25% of plan rating)	Medium-High	<ul style="list-style-type: none"> • The Sonoma-Marin Area Rail Transit District's (SMART) most recent bond ratings, issued in 2011, are as follows: Fitch's A and Standard & Poor's Corporation AA. • SMART's current ratio of assets to liabilities, as reported in its most recent audited financial statement, is 11.0 (FY 2014). • Cash flows were positive in 2011, 2012, and 2014. Cash flow was negative in 2013 due to the large capital program that is underway. There have been no service cutbacks in recent years.
Commitment of Capital and Operating Funds (25% of plan rating)	High	<ul style="list-style-type: none"> • All of the non-Section 5309 funds are committed or budgeted. These funds include Congestion Mitigation and Air Quality Improvement program funds and the Metropolitan Transportation Commission's Regional Measure 2 Bridge Toll funds. • 86 percent of operating funds needed to operate and maintain the transit system in the first full year of operation are committed, and the rest is considered planned. These consist of Measure Q sales tax revenues, fare revenues, other operating income, and State Transportation Assistance funds.
Capital and Operating Cost Estimates, Assumptions and Financial Capacity (50% of plan rating)	Medium-Low	<ul style="list-style-type: none"> • Growth in Measure Q sales tax revenue, farebox revenue, and operating costs are optimistic based on historical experience and peer comparisons when historical data did not exist. • The project capital cost estimate is considered reasonable. • The financial plan shows SMART has the financial capacity to cover cost increases or funding shortfalls equal to 52 percent of estimated project capital costs. • Operating cash flows are balanced, and projected operating cash reserves are very sensitive to construction cost estimates and revenue forecasts.

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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.

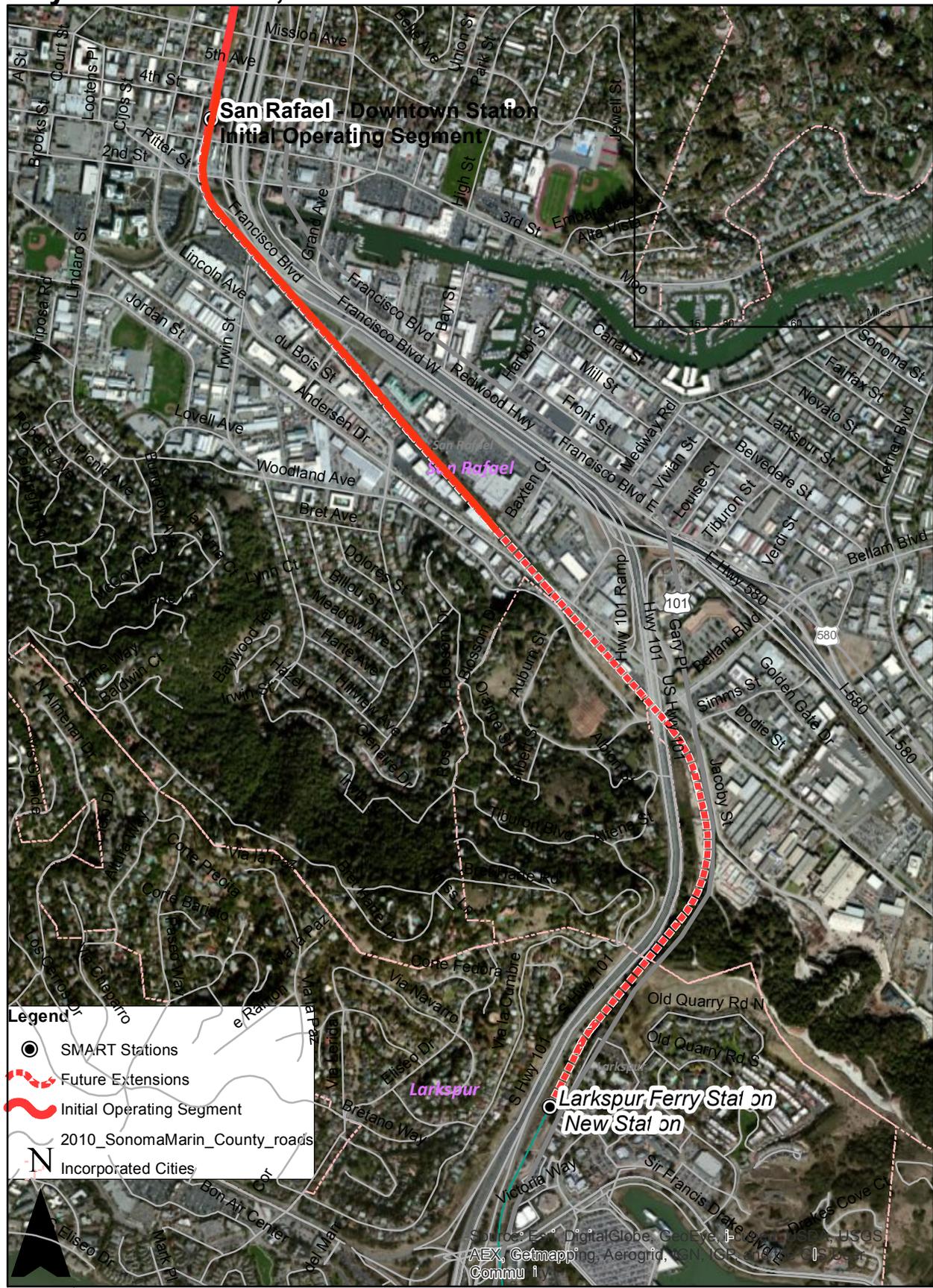
Performance and Impacts of Policies: Low

- *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.



0 0.175 0.35 0.7 1.05 1.4 Miles