

**SONOMA-MARIN AREA RAIL TRANSIT DISTRICT  
MEASURE Q**

<p><b>Q MEASURE Q:</b> To relieve traffic, fight global warming and increase transportation options, shall Sonoma-Marina Area Rail Transit District be authorized to provide two-way passenger train service every 30 minutes during weekday rush hours, weekend service, a bicycle/pedestrian pathway linking the stations, and connections to ferry/bus service, by levying a 1/4-cent sales tax for 20 years, with an annual spending cap, independent audits/oversight, and all funds supporting these environmentally responsible transportation alternatives in Marin and Sonoma Counties?</p>	<b>YES</b>
	<b>NO</b>

**COUNTY COUNSEL'S IMPARTIAL ANALYSIS  
OF MEASURE Q**

The Sonoma-Marina Area Rail Transit District ("SMART") is a rail district created by the Legislature in 2003 to evaluate, plan, and implement passenger rail and associated rail transit facilities and services from Cloverdale in Sonoma County to a ferry terminal in Marin County that connects to San Francisco. The geographic area of the district includes all of Sonoma and Marin counties.

The District is authorized, with the approval of the voters, to propose a special tax to implement this service. The District has adopted an ordinance proposing a quarter-cent transactions and use tax (\$0.0025 on every \$1 spent), to be imposed on retail sales in Sonoma and Marin Counties, beginning April 1, 2009. Proceeds of the tax would provide funding for the design, construction, implementation, operation, financing, maintenance and management of the rail system and a bicycle/pedestrian pathway from Cloverdale in Sonoma County to Larkspur in Marin County. An Expenditure Plan for the tax revenues is incorporated into the proposed sales tax ordinance. The revenue from the tax can only be spent on project elements listed in the Expenditure Plan, including but not limited to:

1. Weekday and weekend passenger rail service.
2. A parallel bicycle/pedestrian pathway.
3. Fourteen rail stations from Cloverdale to Larkspur (9 in Sonoma County, 5 in Marin County).
4. Rehabilitation and upgrading of the existing Northwestern Pacific Railroad (NWP) corridor from Cloverdale to Larkspur, including new passenger train passing sidings.
5. A maintenance facility in either Cloverdale or Windsor.
6. Shuttle service at selected rail stations.

The tax would be collected in the same manner as sales tax is currently collected, would begin on April 1, 2009, and would continue in effect for twenty (20) years.

The District is empowered under state law to issue bonds to fund all or part of the construction of the project, so that work can begin sooner. The bonds would be repaid over time from the tax revenue collected. The ordinance also establishes an appropriations (spending) limit for SMART. The ordinance must be approved by two-thirds of the voters voting on the question in order for the special tax to go into effect.

s/PATRICK K. FAULKNER    s/STEVEN WOODSIDE  
Marin County Counsel      Sonoma County Counsel

**ARGUMENT IN FAVOR OF MEASURE Q**

Marin and Sonoma County voters can take a positive step this November – to protect the environment, relieve traffic, and provide for our long-term transportation future – by VOTING YES on Measure Q to establish Sonoma Marin Area Rail Transit (SMART) passenger train service in the North Bay.

Measure Q will:

- Authorize the SMART District to establish two-way passenger train service along the publicly owned rail line paralleling Highway 101
- Schedule train service every 30 minutes during weekday rush hours, plus mid-day and on weekends
- Include a companion bicycle/pedestrian pathway between Larkspur and Cloverdale
- Offer an economical alternative to sky-high gas prices
- Facilitate easily accessible connections to local ferry/bus service
- Provide modern, quiet, environmentally friendly, clean-fuel trains

**Protecting the environment:** With climate change concerns and soaring gas prices, SMART is timely – each year it will take 1.4 million car trips off the road, cut carbon emissions by 31 million pounds, and reduce gasoline use by 1.5 million gallons.

**Relieving traffic congestion:** Marin-Sonoma's stretch of Highway 101 is the Bay Area's 4th most congested corridor. Measure Q will fund two new transportation alternatives – the Train, an easily accessible, convenient transportation option that cuts peak commute times, and the Pathway, with 7,000-10,000 projected users daily.

**Providing transportation options:** Our local economy and environment will suffer if we continue to depend on roads and driving. A vote for Measure Q is an investment in options that will help secure our transportation future.

**Taxpayer protections are REQUIRED.** Measure Q includes an annual spending cap. Every dollar will be spent locally in Marin and Sonoma Counties. Independent Citizens' Oversight and annual audits are MANDATORY to ensure funds are spent properly.

Environmental, business, labor and transit advocates, and thousands of North Bay citizens urge your support.

Measure Q is a SMART transportation solution.

**Please—VOTE YES.**

s/JARED HUFFMAN

CA State Assemblymember

s/NOREEN EVANS

California State Assemblymember

s/STEVE KINSEY

Chair, Transportation Authority of Marin

s/BILL KORTUM

President Sonoma County Conservation Action

s/LARRY FAHN

National Environmental Leader

## REBUTTAL TO ARGUMENT IN FAVOR OF MEASURE Q

We all want to reduce traffic congestion and halt global warming, but SMART's own studies show it would not serve Marin County's transit needs nor accomplish Measure Q's stated goals.

SMART has not identified enough potential riders to justify the money and infrastructure needed to implement this project, and with so few passengers the train would never significantly reduce congestion or air pollution.

Successful rail services require urban population densities and highly concentrated homes and workplaces near the tracks. Homes and jobs in Marin are widely dispersed with little access to proposed train stations and the shuttle services would be costly, inefficient and a scheduling nightmare. Passengers would need to use multiple travel modes to reach destinations, something riders are reluctant to do. Novato would bear the additional burden of freight trains authorized to use SMART tracks operating through neighborhoods day and night.

The annual greenhouse gas reduction Measure Q claims for the train is miniscule in the face of the environmental crisis we face. The same emission goals would be met if every household simply replaced an incandescent bulb with a compact fluorescent, or if carpools and express bus lanes were initiated.

It is wasteful to spend \$1.4 billion for a project with little or no effect on congestion or global warming when alternatives are available at a fraction of that cost, and when basic services such as fire protection are suffering shortfalls and cities are struggling to fund truly effective programs to address climate change.

### Vote NO on Measure Q.

s/GRACE A. HUGHES

Chair of the Board, Marin Airporter

s/RONALD M. ARLAS

Larkspur City Councilmember

s/JAMES B. SELFRIDGE

Deputy Fire Chief, Retired

s/NONA B. DENNIS

President, Marin Conservation League

s/ROGER E. ROBERTS

North Bay Citizens for Effective Transportation

## ARGUMENT AGAINST MEASURE Q

**SMART would not serve Marin's transit needs.** It is prohibitively expensive, requiring a tax subsidy for every round trip passenger. Who can afford this kind of transit system?

**No traffic relief; no San Francisco connection.** Too few people would take the train to reduce traffic congestion, and trains would stop traffic every 15 minutes during peak periods. At the end of the line, passengers would be dropped high and dry a quarter mile from the ferry terminal.

**A developer's dream; a resident's nightmare.** State and regional policies promote high-density development close to train stations. Larkspur, San Rafael, and Novato could be forced to add hundreds of units in already crowded neighborhoods.

**Health risks.** Diesel trains would emit particulate matter throughout nearby homes, parks, and schools, aggravating heart and lung disease.

**Damage to natural environment.** Measure Q would destroy approximately 30 acres of wetlands and devastate wildlife corridors along its 70-mile length. Endangered California Clapper Rail habitat along Gallinas Creek would be lost.

Noise and vibration would lower the value of nearby homes.

**Perpetual taxation.** The 20 year quarter-cent tax would cover a fraction of costs, and subsidize only 14 years of operation. Additional funds would be needed.

**Eliminates real solutions.** Measure Q would absorb funds that could be used for more effective programs to reduce our carbon footprint and expand transit to serve all of Marin. It would be a grave misuse of \$1.4 billion in these uncertain times.

Vote No on Measure Q.

s/BARBARA SALZMAN

President, Marin Audubon Society

s/PAUL BELLINGHAUSEN

Redwood Village HOA, Secretary

s/ANN B. GIGOUNAS

Former Reed & Tamalpais Union

High School District Trustee

s/DENNIS BROWN

Secretary, Marin United Taxpayers Association

s/JOY DAHLGREN, Ph.D.

Transportation Researcher

## REBUTTAL TO ARGUMENT AGAINST MEASURE Q

**We need green transportation solutions.** Growing congestion, high gas prices and the reality of climate change can't be ignored. Yet the Anti-Q argument presents no solutions and deliberately misleads voters with inaccurate, untruthful statements.

### Consider these FACTS:

- Highway 101 traffic is horrible! Measure Q will relieve, not add to, freeway traffic.
- SMART connects to the Larkspur Ferry, San Francisco, and North Bay.
- Measure Q **decreases** adverse health effects from air pollution by using environmentally friendly clean fuel and cutting emissions by 31 million pounds annually.
- SMART projects 7,000 - 10,000 daily users of the bicycle/pedestrian pathway.
- Tracks will be welded to reduce noise and Quiet Zones will be established.
- Passenger trains are 2-3 railcars long, allowing street traffic to keep moving when trains stop. Crossing gates and signals will be synchronized to help traffic flow.
- Using the publicly owned railroad right-of-way for passenger trains is fiscally responsible. Studies show **property values rise** in areas with quality public transit.
- Freight service requires NO public vote, and will run whether or not Measure Q passes. SMART becoming operational secures legal rights to set train schedules and negotiate restrictions on freight operations.
- SMART will NOT facilitate gravel mining. Freight cannot run south of Highway 37.
- Measure Q fully covers SMART's train costs for 20 years.

Leading organizations including the **League of Women Voters, Climate Protection Campaign and Transportation Authority of Marin** studied Measure Q and urge your support. Learn more at: [www.smarttrain2008.org](http://www.smarttrain2008.org)

**Please VOTE YES on Q – for Green Transportation Solutions.**

s/CHARLES McGLASHAN

Marin Supervisor; SMART Chair

s/MIKE KERNS

Sonoma Supervisor & SMART Boardmember

s/ANN HANCOCK

Director, Climate Protection Campaign

s/DEBORAH HUBSMITH

Marin County Bicycle Coalition

s/CYNTHIA MURRAY

Ex-Supervisor; President, North Bay Leadership Council

**FULL TEXT OF MEASURE Q**  
**ORDINANCE NO. 2008-01**

AN ORDINANCE OF THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT IMPOSING A RETAIL TRANSACTIONS AND USE TAX TO BE ADMINISTERED BY THE STATE BOARD OF EQUALIZATION; ADOPTING AN EXPENDITURE PLAN; AND ESTABLISHING AN ANNUAL APPROPRIATIONS LIMIT FOR THE SONOMA-MARIN AREA RAIL TRANSIT DISTRICT.

**BACKGROUND FINDINGS:**

The Sonoma-Marín Area Rail Transit District (SMART) was created to provide a passenger rail system along the Northwestern Pacific Railroad within Sonoma and Marin Counties. The entire 75-mile corridor is publicly owned and can be used to provide passenger rail service. SMART will provide passenger rail service and a bicycle/pedestrian pathway to 14 rail stations in Sonoma and Marin Counties. SMART is committed to providing service with the most environmentally clean passenger rail vehicle possible.

SMART requires this measure in order to provide matching revenues to existing state and federal transportation grants, to bond for the construction of the project, and to provide funding for the on-going operation and maintenance of the project.

Section 1. TITLE. This ordinance shall be known as the Sonoma-Marín Passenger Rail Act. The Sonoma-Marín Area Rail Transit District hereinafter shall be called "District." This ordinance shall be applicable in the incorporated and unincorporated territory of the Counties of Sonoma and Marin, which shall be referred to herein as "District."

Section 2. OPERATIVE DATE. "Operative Date" means the first day of the first calendar quarter commencing more than 110 days after the effective date of this ordinance, as set forth below.

Section 3. PURPOSE. This ordinance is adopted to achieve the following, among other purposes, and directs that the provisions hereof be interpreted in order to accomplish those purposes:

A. To provide funding for the design, construction, implementation, operation, financing, maintenance and management of a passenger rail system and a bicycle/pedestrian pathway connecting the 14 rail stations from Cloverdale to Larkspur.

B. To impose a retail transactions and use tax in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code and Section 105115 of the Public Utilities Code which authorizes the District to adopt this tax ordinance which shall be operative if a two-thirds majority of the electors voting on the measure vote to approve the imposition of the tax at an election called for that purpose.

C. To adopt a retail transactions and use tax ordinance that incorporates provisions identical to those of the Sales and Use Tax Law of the State of California insofar as those provisions are not inconsistent with the require-

ments and limitations contained in Part 1.6 of Division 2 of the Revenue and Taxation Code.

D. To adopt a retail transactions and use tax ordinance that imposes a tax and provides a measure therefor that can be administered and collected by the State Board of Equalization in a manner that adapts itself as fully as practicable to, and requires the least possible deviation from, the existing statutory and administrative procedures followed by the State Board of Equalization in administering and collecting the California State Sales and Use Taxes.

E. To adopt a retail transactions and use tax ordinance that can be administered in a manner that will be, to the greatest degree possible, consistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, minimize the cost of collecting the transactions and use taxes, and at the same time, minimize the burden of record keeping upon persons subject to taxation under the provisions of this ordinance.

Section 4. CONTRACT WITH STATE. Prior to the operative date, the District shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of this transactions and use tax ordinance; provided, that if the Authority shall not have contracted with the State Board of Equalization prior to the operative date, it shall nevertheless so contract and in such a case the operative date shall be the first day of the first calendar quarter following the execution of such a contract.

Section 5. TRANSACTIONS TAX RATE. For the privilege of selling tangible personal property at retail, a tax is hereby imposed upon all retailers in the incorporated and unincorporated territory of the District at the rate of 1/4 of 1 percent (0.25%) of the gross receipts of any retailer from the sale of all tangible personal property sold at retail in said territory on and after the operative date of this ordinance.

Section 6. PLACE OF SALE. For the purposes of this ordinance, all retail sales are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such sales shall include delivery charges, when such charges are subject to the state sales and use tax, regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the State or has more than one place of business, the place or places at which the retail sales are consummated shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

Section 7. USE TAX RATE. An excise tax is hereby imposed on the storage, use or other consumption in the District of tangible personal property purchased from any retailer on and after the operative date of this ordinance for storage, use or other consumption in said territory at the rate of 1/4 of 1 percent (0.25%) of the sales price of the property. The sales price shall include delivery charges

when such charges are subject to state sales or use tax regardless of the place to which delivery is made.

Section 8. ADOPTION OF PROVISIONS OF STATE LAW. Except as otherwise provided in this ordinance and except insofar as they are inconsistent with the provisions of Part 1.6 of Division 2 of the Revenue and Taxation Code, all of the provisions of Part 1 (commencing with Section 6001) of Division 2 of the Revenue and Taxation Code are hereby adopted and made a part of this ordinance as though fully set forth herein.

Section 9. LIMITATIONS ON ADOPTION OF STATE LAW AND COLLECTION OF USE TAXES. In adopting the provisions of Part 1 of Division 2 of the Revenue and Taxation Code:

A. Wherever the State of California is named or referred to as the taxing agency, the name of this District shall be substituted therefor. However, the substitution shall not be made when:

1. The word "State" is used as a part of the title of the State Controller, State Treasurer, State Board of Control, State Board of Equalization, State Treasury, or the Constitution of the State of California;

2. The result of that substitution would require action to be taken by or against this District or any agency, officer, or employee thereof rather than by or against the State Board of Equalization, in performing the functions incident to the administration or operation of this Ordinance.

3. In those sections, including, but not necessarily limited to sections referring to the exterior boundaries of the State of California, where the result of the substitution would be to:

a. Provide an exemption from this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not otherwise be exempt from this tax while such sales, storage, use or other consumption remains subject to tax by the State under the provisions of Part 1 of Division 2 of the Revenue and Taxation Code, or;

b. Impose this tax with respect to certain sales, storage, use or other consumption of tangible personal property which would not be subject to tax by the state under the said provision of that code.

4. In Sections 6701, 6702 (except in the last sentence thereof), 6711, 6715, 6737, 6797 or 6828 of the Revenue and Taxation Code.

B. The word "District" shall be substituted for the word "State" in the phrase "retailer engaged in business in this State" in Section 6203 and in the definition of that phrase in Section 6203.

Section 10. PERMIT NOT REQUIRED. If a seller's permit has been issued to a retailer under Section 6067 of the Revenue and Taxation Code, an additional transactor's permit shall not be required by this ordinance.

Section 11. EXEMPTIONS AND EXCLUSIONS.

A. There shall be excluded from the measure of the transactions tax and the use tax the amount of any sales tax or use tax imposed by the State of California or by any

city, city and county, or county pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or the amount of any state-administered transactions or use tax.

B. There are exempted from the computation of the amount of transactions tax the gross receipts from:

1. Sales of tangible personal property, other than fuel or petroleum products, to operators of aircraft to be used or consumed principally outside the County in which the sale is made and directly and exclusively in the use of such aircraft as common carriers of persons or property under the authority of the laws of this State, the United States, or any foreign government.

2. Sales of property to be used outside the District which is shipped to a point outside the District, pursuant to the contract of sale, by delivery to such point by the retailer or his agent, or by delivery by the retailer to a carrier for shipment to a consignee at such point. For the purposes of this paragraph, delivery to a point outside the District shall be satisfied:

a. With respect to vehicles (other than commercial vehicles) subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, and undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code by registration to an out-of-District address and by a declaration under penalty of perjury, signed by the buyer, stating that such address is, in fact, his or her principal place of residence; and

b. With respect to commercial vehicles, by registration to a place of business out-of-District and declaration under penalty of perjury, signed by the buyer, that the vehicle will be operated from that address.

3. The sale of tangible personal property if the seller is obligated to furnish the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. A lease of tangible personal property which is a continuing sale of such property, for any period of time for which the lessor is obligated to lease the property for an amount fixed by the lease prior to the operative date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, the sale or lease of tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

C. There are exempted from the use tax imposed by this ordinance, the storage, use or other consumption in this District of tangible personal property:

1. The gross receipts from the sale of which have been subject to a transactions tax under any state-administered transactions and use tax ordinance.

2. Other than fuel or petroleum products purchased by operators of aircraft and used or consumed by such operators directly and exclusively in the use of such

aircraft as common carriers of persons or property for hire or compensation under a certificate of public convenience and necessity issued pursuant to the laws of this State, the United States, or any foreign government. This exemption is in addition to the exemptions provided in Sections 6366 and 6366.1 of the Revenue and Taxation Code of the State of California.

3. If the purchaser is obligated to purchase the property for a fixed price pursuant to a contract entered into prior to the operative date of this ordinance.

4. If the possession of, or the exercise of any right or power over, the tangible personal property arises under a lease which is a continuing purchase of such property for any period of time for which the lessee is obligated to lease the property for an amount fixed by a lease prior to the operative date of this ordinance.

5. For the purposes of subparagraphs (3) and (4) of this section, storage, use, or other consumption, or possession of, or exercise of any right or power over, tangible personal property shall be deemed not to be obligated pursuant to a contract or lease for any period of time for which any party to the contract or lease has the unconditional right to terminate the contract or lease upon notice, whether or not such right is exercised.

6. Except as provided in subparagraph (7), a retailer engaged in business in the District shall not be required to collect use tax from the purchaser of tangible personal property, unless the retailer ships or delivers the property into the District or participates within the District in making the sale of the property, including, but not limited to, soliciting or receiving the order, either directly or indirectly, at a place of business of the retailer in the district or through any representative, agent, canvasser, solicitor, subsidiary, or person in the District under the authority of the retailer.

7. "A retailer engaged in business in the District" shall also include any retailer of any of the following: vehicles subject to registration pursuant to Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, aircraft licensed in compliance with Section 21411 of the Public Utilities Code, or undocumented vessels registered under Division 3.5 (commencing with Section 9840) of the Vehicle Code. That retailer shall be required to collect use tax from any purchaser who registers or licenses the vehicle, vessel, or aircraft at an address in the District.

D. Any person subject to use tax under this ordinance may credit against that tax any transactions tax or reimbursement for transactions tax paid to a district imposing, or retailer liable for a transactions tax pursuant to Part 1.6 of Division 2 of the Revenue and Taxation Code with respect to the sale to the person of the property the storage, use or other consumption of which is subject to the use tax.

Section 12. AMENDMENTS. All amendments subsequent to the effective date of this ordinance to Part 1 of Division 2 of the Revenue and Taxation Code relating to sales and use taxes and which are not inconsistent with Part 1.6 and Part 1.7 of Division 2 of the Revenue and Taxation Code, and all amendments to Part 1.6 and Part 1.7 of

Division 2 of the Revenue and Taxation Code, shall automatically become a part of this ordinance, provided however, that no such amendment shall operate so as to affect the rate of tax imposed by this ordinance.

Section 13. ENJOINING COLLECTION FORBIDDEN. No injunction or writ of mandate or other legal or equitable process shall issue in any suit, action or proceeding in any court against the State or the District, or against any officer of the State or the District, to prevent or enjoin the collection under this ordinance, or Part 1.6 of Division 2 of the Revenue and Taxation Code, of any tax or any amount of tax required to be collected.

Section 14. ESTABLISHMENT OF ANNUAL APPROPRIATIONS LIMIT. Taking into account the proceeds of taxes available to the District, including tax revenue that would become available upon approval of this ordinance, the appropriations limit of the Sonoma-Marin Area Rail Transit District for fiscal year 2008-2009 is established as \$100 million, unless that amount should be amended pursuant to applicable law.

Section 15. ADOPTION OF EXPENDITURE PLAN AND ACCOUNTABILITY FOR EXPENDITURE OF PROCEEDS OF THE TAX. The District Board of Directors hereby adopts the 2008 Expenditure Plan attached hereto and incorporated into this ordinance by reference. Proceeds of the tax imposed by this ordinance shall be placed in a special account, and shall be spent only to implement the project components set forth in the 2008 Expenditure Plan, including the design, construction, implementation, operation, financing, maintenance and management of the passenger rail system and bicycle/pedestrian pathway.

Section 16. ANNUAL REPORT. The Chief Financial Officer of the Sonoma-Marin Area Rail Transit District shall annually cause to be prepared a report setting forth (a) the amount of funds collected and expended; and (b) the status of any project component authorized to be funded in the 2008 Expenditure Plan adopted by the District in Section 15 herein.

Section 17. COMPLIANCE WITH CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA). An Environmental Impact Report (EIR) was prepared for the project described in the Expenditure Plan and was certified by the District Board of Directors on July 19, 2006. A Supplemental EIR was prepared to supplement the 2006 EIR and was certified by the District Board of Directors on July 16, 2008.

Section 18. SEVERABILITY. If any provision of this ordinance or the application thereof to any person or circumstance is held invalid, the remainder of the ordinance and the application of such provision to other persons or circumstances shall not be affected thereby.

Section 19. EFFECTIVE DATE. This ordinance relates to the levying and collecting of the District transactions and use taxes and shall take effect immediately upon the close of the polls on November 4, 2008, if the measure is approved by two-thirds of the electors voting on the measure at the election held that day.

Section 20. TERMINATION DATE. The authority to levy the tax imposed by this ordinance shall expire twenty (20) years from the operative date of this ordinance.

PASSED AND ADOPTED by the Board of Directors of the Sonoma-Marín Area Rail Transit District in the County of Marin, State of California, on July 16, 2008, by the following vote:

**DIRECTORS:**

**McGLASHAN: AYE FUDGE: AYE BORO: AYE  
BREEN: AYE BROWN, H: NO BROWN, V: AYE  
DILLON-KNUTSON: NO EDDIE: AYE  
KERNS: AYE MACKENZIE: AYE PAHRE: AYE  
AYES: 9 NOES: 2 ABSENT: \_\_\_\_\_  
ABSTAIN: \_\_\_\_\_ VACANT: 1**

s/CHARLES McGLASHAN  
Chair, SMART Board of Directors

Attest:

s/LILLIAN HAMES  
General Manager and Clerk of the Board

***SONOMA-MARIN AREA  
RAIL TRANSIT DISTRICT***

***2008 EXPENDITURE  
PLAN***

***July 2008***

## I. Executive Summary: SMART Expenditure Plan

The Sonoma-Marín Area Rail Transit District (SMART) proposes a 1/4-cent sales tax measure for Sonoma and Marin Counties in order to pay for the construction and operation of a passenger train system and ancillary bicycle/pedestrian pathway along the existing, publicly owned Northwestern Pacific Railroad. The SMART project will extend from Cloverdale in Sonoma County to Larkspur in Marin County. (See Figure 1)

SMART's proposed 1/4-cent sales tax measure would relieve traffic, fight global warming and increase transportation options, by providing two-way passenger train service every 30 minutes during weekday rush hours, weekend service, a bicycle/pedestrian pathway linking the stations, and connections to ferry/bus service, by levying a 1/4-cent sales tax for 20 years, with an annual spending cap, independent audits/oversight, and all funds supporting these environmentally responsible transportation alternatives in Marin and Sonoma Counties.

Passage of this measure allows SMART to access other state, regional, and federal funds for the provision of passenger train service that are currently unavailable to Sonoma and Marin residents.

This measure would raise approximately \$890 million over a 20-year period or approximately \$45 million a year. The proceeds of the tax would be allocated to the design, construction, implementation, operation, financing, maintenance and management of a passenger train system and a bicycle/pedestrian pathway connecting the proposed train stations.

In 2006 SMART certified an Environmental Impact Report (EIR) analyzing the potential environmental impacts of the proposed passenger train and pathway corridor. The report's findings included:

- The train and pathway project is the environmentally superior alternative to the congested 101 freeway.
- The proposed project would reduce greenhouse gases.
- Up to 1.5 million car trips would be removed from Highway 101 annually.

- Energy use is reduced thereby reducing dependence on fossil fuels.
- The pathway provides another clean transportation option linking the train stations, along with health and recreational benefits.
- Replacement of waterway bridges and culverts with modern structures would significantly improve drainage along the train corridor and eliminate seasonal flooding.

More recently, a Supplemental EIR was prepared to evaluate:

- Potential addition of weekend passenger train service;
- Potential use of lighter-weight train vehicles;
- Potential alternative locations for the Novato South Station; and
- The cumulative impact due to a change in the level of future freight rail service operating in the SMART corridor.

See [www.sonomamarintrain.org](http://www.sonomamarintrain.org) to view the environmental documents.

## II. SMART Expenditure Plan Background

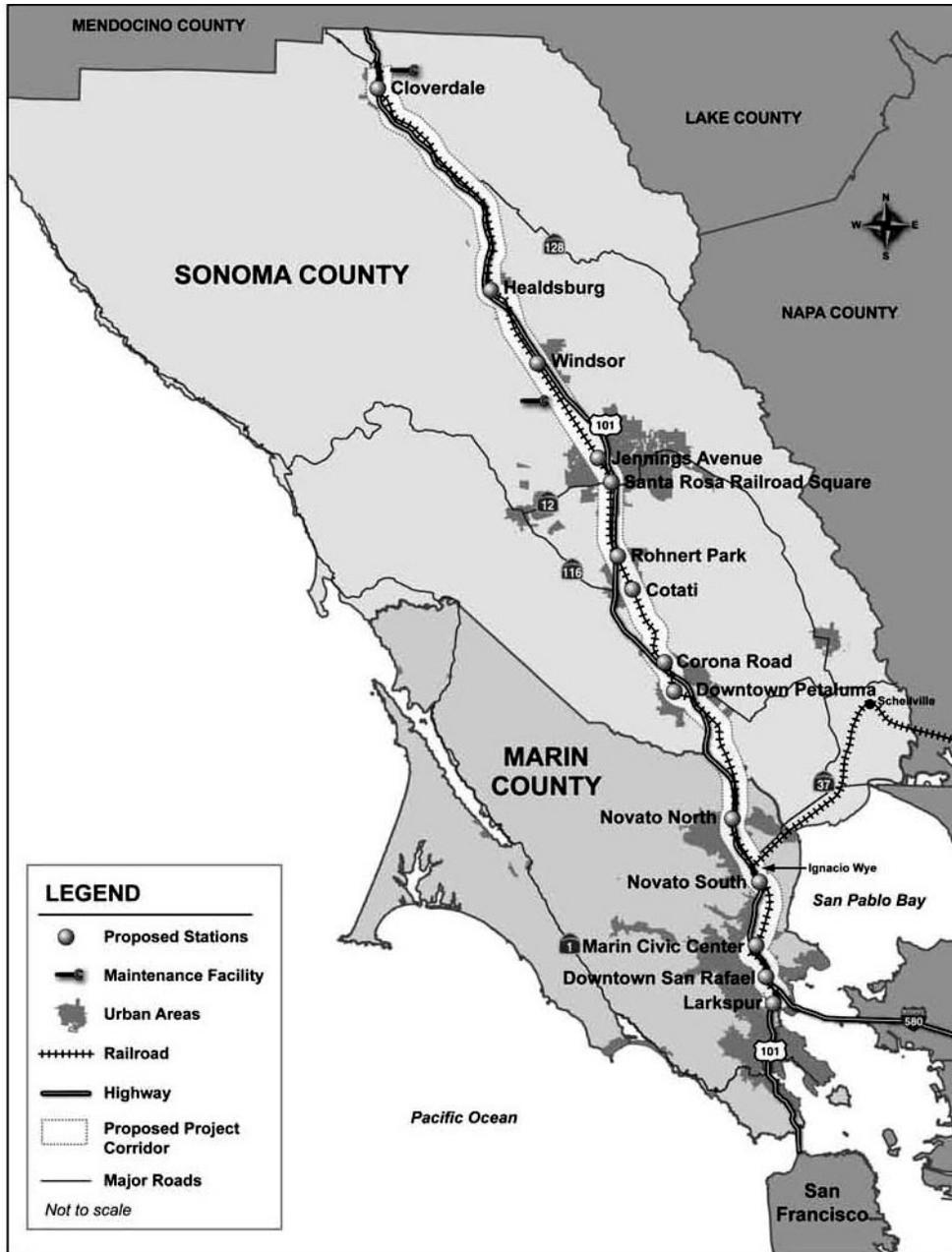
### A. SMART District Role and Purpose

On January 1, 2003, the SMART District was established by the California Legislature through the enactment of AB 2224. The SMART District includes both Sonoma and Marin Counties and was created for the purpose of providing a unified and comprehensive structure for the ownership and governance of a passenger rail system within Sonoma and Marin Counties. The goal of SMART is to provide passenger train service along the existing publicly-owned railroad right-of-way.

### B. Rail Corridor Ownership and Management

The primary asset of SMART is the NWP rail right-of-way and properties contained within that right-of-way along the railroad corridor extending from Healdsburg in Sonoma County to Corte Madera in Marin County. (See Figure 1). This right-of-way is a significant public asset and is to be managed for the public's use and benefit via the restoration of passenger train service and the development of a pathway linking the train stations.

Figure 1



SMART is managed by a General Manager, who is appointed by and reports to the SMART Board of Directors. SMART adopts an annual budget documenting all revenues and expenditures. Upon passage of this measure, SMART will prepare a Strategic Plan, under the direction of the SMART Board of Directors, and will update the plan at least every five years. The Strategic Plan will provide detailed annual revenue and cost assumptions for project implementation and operation. SMART will also prepare a five-year Short Range Transit Plan documenting service and funding assumptions. Prior to initiating train service, SMART will prepare a Start-Up Plan and an Emergency Preparedness Plan one year in advance of scheduled service. The Start-Up Plan will include implementation requirements, schedule assumptions, staffing, and maintenance and operations requirements. The Emergency Preparedness Plan will be developed in coordination with local jurisdictions and emergency responders and will address response protocols and procedures along the corridor.

A Citizens Oversight Committee will be established by the SMART Board to provide input and review on the Strategic Plan and subsequent updates. The committee will be composed of citizens from the SMART District, appointed by the Board.

### **C. Community Outreach**

SMART's community outreach efforts have included monthly public Board meetings, public hearings, special ad hoc meetings and hundreds of presentations to community, business and special issue groups. SMART maintains an agency website with regular postings of project documents, a project hotline with phone numbers in both Sonoma and Marin counties and has provided regular email updates on the project's development to over 2,200 email recipients each year.

## **III. Expenditure Plan and Project Details**

### **A. Project Description**

The SMART passenger train project will upgrade the existing NWP right-of-way, to provide passenger train service from Cloverdale to Larkspur, with convenient linkages to bus, ferries, and shuttle feeder routes and direct connections to the bicycle/pedestrian pathway.

Fourteen stations are planned, nine in Sonoma County and five in Marin County. Proposed station sites include: Cloverdale, Healdsburg, Windsor, Santa Rosa (two stations), Rohnert Park, Cotati, Petaluma (two stations), Novato (two stations), Marin Civic Center, San Rafael and Larkspur.

Two-way train service is proposed at 30 minute frequencies, operating in the weekday a.m. and p.m. commute periods, along with one mid-day train. Weekend train service is also proposed with four, two-way round trips per day on Saturdays and Sundays.

### **B. Project Components: Capital Improvements**

**1. Upgrading Trackway & Bridges:** The existing single track rail line will be upgraded with passing tracks and train sidings, which will accommodate train schedule requirements. All of the rail, with the exception of rail recently or currently being upgraded, will be re-laid with new ballast, ties, signage, and drainage facilities. Timber trestle bridges will be replaced with concrete trestle spans supported on concrete pilings. The Gallinas Creek Bridge and Russian River Railroad Bridge will be upgraded and rehabilitated and will include drainage improvements. The Haystack Landing Bridge over the Petaluma River will also be replaced.

### **2. Providing New and Upgraded Stations:**

Fourteen train stations are proposed (see Figure 1). The stations would have convenient transfers to available peak period, fixed route bus service, connections to regional ferry service (at the Larkspur Station) and bicycle/pedestrian pathway connections. At locations where stations are to be co-located with existing or planned transit centers, passenger rail upgrades will be provided. Each station will have a boarding platform with shelter, lighting, ticket vending machines, passenger amenities and pick-up and drop-off areas. Park-and-ride spaces will be provided at most stations. Bicycle parking would be provided at all stations and attended bicycle parking facilities are proposed at Santa Rosa Railroad Square and Downtown San Rafael.

### **3. Providing Clean and Efficient Rail Cars:**

SMART will use modern railcars powered by clean, efficient on-board engines, eliminating

the need for big locomotives. SMART trains can carry 200-300 passengers, yet will be short enough to fit within a city block to avoid obstructing downtown streets.

**4. Implementing Other Needed Improvements:** Two tunnels will be upgraded for train service. The CalPark Hill Tunnel, between San Rafael and Larkspur, will be funded 50% by SMART and 50% by Marin County. The CalPark Hill Tunnel will include both train and pathway improvements. The Puerto Suello Hill Tunnel, located north of San Rafael, will be upgraded for passenger rail service.

All public crossings will be upgraded along the rail line.

A new signal and dispatch system will be provided along the rail line to control train operations in accordance with state and federal operating rules and requirements.

The replacement of old railroad bridges and trestles will provide significant improvements in drainage and aid in the elimination of seasonal flooding along the corridor.

**5. Providing Funding for a Bicycle/Pedestrian Pathway:** SMART will provide a bicycle/pedestrian pathway along the SMART rail corridor linking the 14 train stations and ongoing annual maintenance of the pathway.

**6. Providing for Connecting Shuttle Services:** Peak hour shuttle service is proposed for selected train stations. SMART has proposed nine shuttle routes serving selected stations during peak commute periods. Maps showing the shuttle routes are included as part of White Paper #9 and can be found on the district's website at [www.sonomamarintrain.org](http://www.sonomamarintrain.org).

**7. Building a Needed Maintenance Facility:** A maintenance facility will be constructed to provide rail car maintenance and storage.

**8. Implementing Quiet Zones:** SMART has committed to funding Quiet Zones in urban areas along the corridor, which would allow crossings to operate without train horns.

**9. Implementing an Environmental Mitigation Program:** SMART will implement

the environmental compliance and mitigation measures identified in the Final Environmental Impact Reports. Specific mitigation measures include traffic synchronization improvements, habitat and wetland restoration, and implementation of Quiet Zones.

**10. Engineering, Bid Documents, Staff Support:** Final engineering and preparation of all construction bid documents will be provided for the train and pathway project.

#### **C. Project Components: On-Going Operations and Maintenance**

**1. Annual Forecasted Operating Costs:** Operating costs have been updated to account for all costs of train and shuttle operations, including service contracts, vehicle fuel, insurance, administration, project staffing and overhead.

**2. Annual Forecasted Maintenance Costs:** Annual maintenance costs have been updated to account for the costs of maintaining train cars, stations, trackway, signals, maintenance facility, railroad crossings and the portions of the bicycle/pedestrian pathway on the rail right-of-way.

#### **IV. Project Funding and Implementation**

##### **A. Schedule**

The proposed schedule for the project is as follows:

- SMART District Vote, November 4, 2008
- Engineering/Construction, 2009-2013
- Passenger Train Service Start-Up, 2014

##### **B. Sales Tax Revenues**

It is estimated that \$890 million will be raised with the 1/4-cent district-wide sales tax over 20 years. Annual revenues are estimated to be approximately \$45 million.

##### **C. Fare Revenues**

Fares for train service will be established by the SMART Board of Directors through a public process, as required by law. It is anticipated that the fare structure will incorporate a distance-based zone system, similar to other transit

districts in the North Bay. Based on the experience of other passenger train systems, fares are expected to fund approximately 36% of annual train system operating costs. The average fare assumed in this Expenditure Plan is \$4.50 per one-way trip (2008 dollars).

#### **D Project Financing and Bonding**

SMART plans on using bonds to finance a portion of the capital costs of construction of the project so that the project can be constructed and operating as quickly as possible. Financing will be used to fund the difference between regional, state and federal funding and the capital cost of the project during the construction years. The bonds will be paid back over the 20 years of the plan. Bonding will be presented in the District's Strategic Plan and will be subject to public comment before any bond sale is approved.

#### **E. Expenditure Plan Allocations**

Project costs are summarized in Table 1. The allocation of sales tax revenues to project costs over the 20 year plan includes the following assumptions:

1. District revenues will fund approximately 70% of total costs and include sales tax revenues, SMART property lease revenues, and joint development revenues.
2. Federal funding is anticipated for approximately 3% of total costs.
3. State funding is estimated at about 7% of total costs. Funding includes Proposition 116, the Traffic Congestion Relief Program, and State Transit Assistance (revenue-

based only, no population-based revenue is assumed).

4. Regional Measure 2 will fund approximately 3% of total costs.
5. Sonoma County's Measure M Traffic Relief Act will provide a total of \$23 million, representing 2% of total costs.
6. NCRA capital off-sets for ongoing trackway upgrades are estimated at 3% of total costs.
7. Fare revenues will fund approximately 36% of annual train operating costs; or 12% of total costs over the 20-year plan.
8. A 20-year program contingency is provided.

The proposed 1/4-cent sales tax measure would provide approximately \$890 million (in future year dollars) in new revenues, which would be used to leverage an estimated 20-year investment of nearly \$1.4 billion (year of expenditure dollars). The financial estimates include:

- A contingency of approximately 20% for all construction costs.
- An additional 5% factor built into the construction cost estimates through mid-point of construction.
- A contingency of 20% for annual operating and maintenance costs.

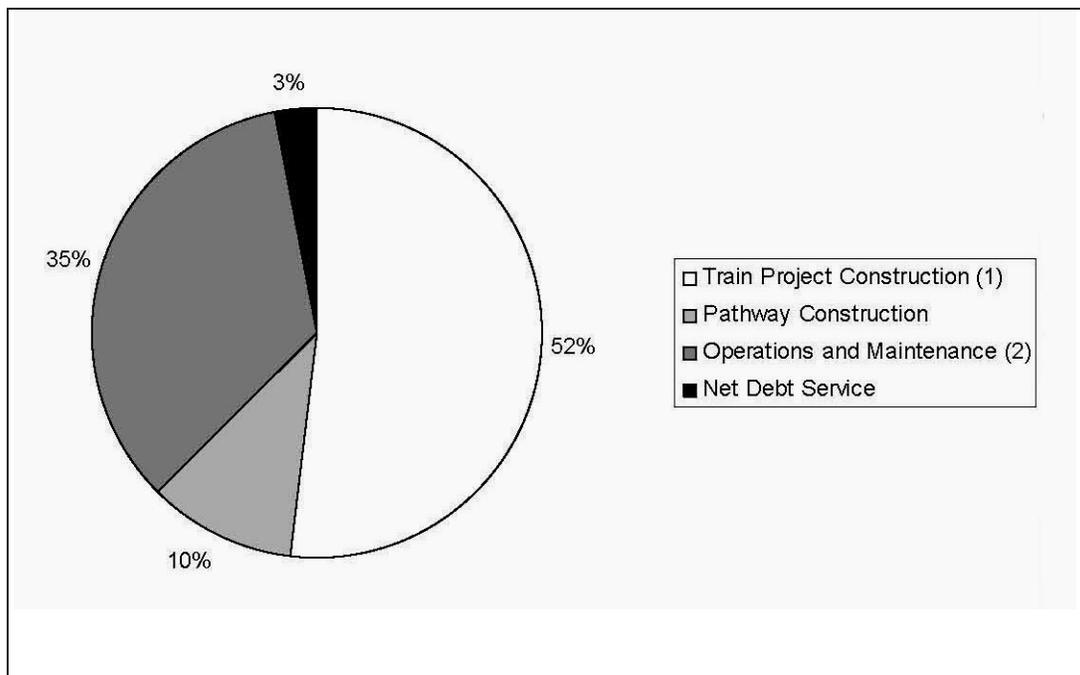
These cost and revenue estimates cover the full 20-year term of the measure and include all anticipated revenues and costs associated with the project.

**Table 1: SMART Project Costs (All costs in 2008 dollars)**

<b>Project Capital Costs</b>	
Train Project	\$450 million
Bicycle/Pedestrian Pathway	\$ 91 million
Total	\$541 million
<b>Annual Operating Costs</b>	
Train Project	\$17.1 million
Bicycle/Pedestrian Pathway	\$0.8 million
Shuttle Services	\$1.4 million
Total	\$19.3 million

Figures 2 and 3 identify the anticipated percentage share of costs and revenues, respectively, for implementing the SMART program over a 20 year period. For more financial information see the full text of SMART's 2008 Project Funding Plan at [www.sonomamarintrain.org](http://www.sonomamarintrain.org)

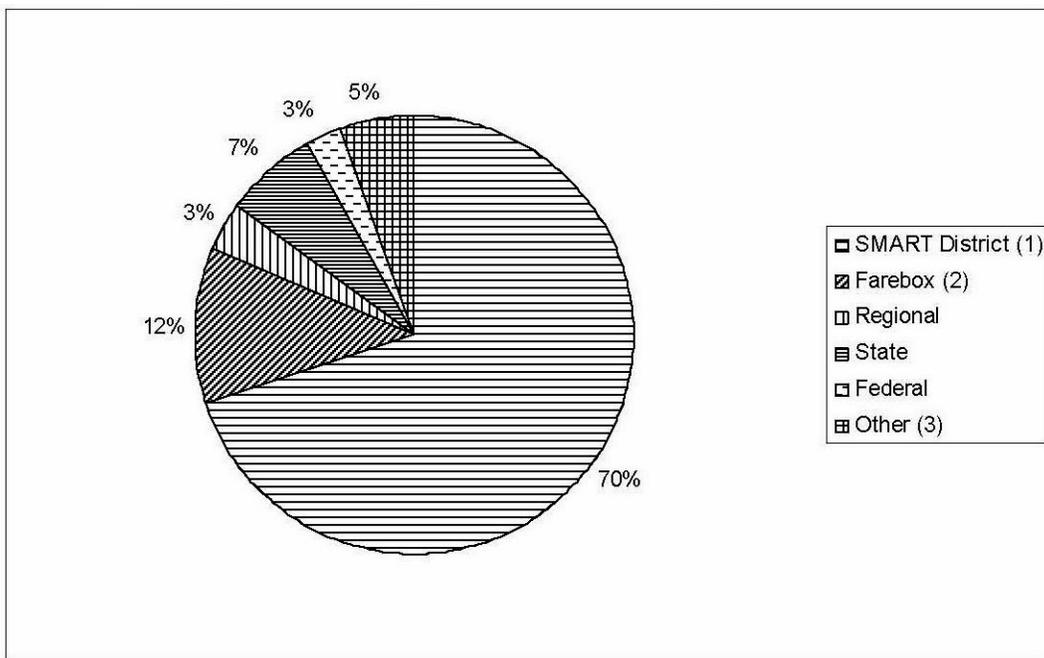
**Figure 2: Anticipated Percentage Share of Costs (Estimates in 2008 dollars)**



**Notes:**

- (1) Includes Final Design (\$56 million) plus train project construction (\$394 million).
- (2) Includes annual operating and maintenance costs and planning funds.

**Figure 3: Anticipated Percentage Share of Revenues (Estimates in 2008 dollars)**



**Notes:**

- (1) Includes SMART sales tax revenues, SMART property lease revenues and joint development revenues and other funds.
- (2) Fares are expected to contribute approximately 12% of total revenues over 20 years and 36% of annual rail operating costs.
- (3) Includes Sonoma County Measure M revenues and NCRA improvement off-sets.

**V. Implementing Guidelines**

The following is a list of guidelines for implementation of this Expenditure Plan:

1. A Citizens Oversight Committee will be established by the SMART Board to provide input and review on the Strategic Plan and subsequent updates.
2. SMART shall undergo an annual independent financial audit.
3. SMART will prepare a Strategic Plan prior to July 2009 which will identify planned investments in capital implementation, operations and maintenance for the duration of the tax.
4. SMART is authorized to issue revenue bonds, pursuant to Public Utilities Code section 105220, to advance the commencement of, or expedite the delivery of, passenger train service, the bicycle/pedestrian pathway and related train transit improvements.
5. The measure will be administered by the State Board of Equalization.
6. The duration of the measure will be 20 years, beginning on April 1, 2009 and expiring on March 31, 2029.
7. Actual revenues may be higher or lower than expected due to changes in availability of state or federal funds, changes in cost and/or fluctuations in sales tax revenues. Estimates of actual revenue will be programmed annually by the District in its annual budget and service plan.
8. If additional funds become available, the SMART Board will prioritize completion of the bicycle/pedestrian pathway.
9. SMART agrees not to seek any funding that TAM or Marin Transit currently has

programmed for transportation improvements in Marin County, including funds in the Regional Transportation Plan (T-2030 and T-2035) or the Federal Transportation Improvement Program.

#### **VI. Strategic Plan**

SMART will prepare a Strategic Plan, based on the commitments in this Expenditure Plan, prior to July 2009. The Strategic Plan will identify planned investments in capital implementation, operations and maintenance for the duration of the tax. The Strategic Plan will be updated at least every five years and approved by the SMART Board of Directors. The Strategic Plan will be developed with input from the public and the Citizens Oversight Committee.

I hereby certify that the foregoing is a true and correct copy of the full text of the 2008 Sales Tax Ordinance (Ordinance No. 2008-01), including the Expenditure Plan attached thereto and incorporated therein, proposed for adoption by the SMART Board of Directors at its regularly scheduled meeting in San Rafael, California, on July 16, 2008.

#### **VII. Amendments to the Plan**

The SMART Board of Directors may annually review and propose amendments to this Expenditure Plan to provide for the use of additional federal, state and local funds, to account for unexpected revenues and to accommodate any unforeseen circumstances.

s/LILLIAN HAMES  
General Manager  
Sonoma-Marin Area Rail Transit District