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For Immediate Release  
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## SMART Releases Report on Proposed Funding Plan

The Sonoma-Marina Area Rail Transit District today released a staff report outlining the proposed funding plan for the SMART rail and bicycle/pedestrian pathway project between Cloverdale and Larkspur. It shows that while costs for building, operating and maintaining the project have increased over the past two years, it can still be funded with a new ¼ percent sales tax and other revenues available to SMART.

The staff report will be presented to the SMART Board of Directors at the board's monthly meeting at 1:30 p.m. Wednesday, May 21, at San Rafael City Hall. The plan is expected to be made final by early summer and become the basis for an Expenditure Plan to accompany a possible ballot measure this fall. The SMART Board has indicated its intent to place a measure before voters in November asking approval of a ¼ percent sales tax increase to fund the project.

The rising costs of construction materials, labor and other goods and services have pushed the total capital cost of SMART to almost \$450 million, compared to about \$387 million in 2006. The 2008 capital cost for the adjacent bicycle-pedestrian path is \$90 million.

The draft report says SMART will be able to build, maintain and operate the rail and trail project despite those increases for two primary reasons. First, sales tax revenue projections in 2006 were based on estimated sales tax forecasts. Since then, audited sales tax reports have been produced for both counties, showing actual collections higher than the 2006 estimates. Even with an assumption of no sales tax growth over the next several years and conservative growth beyond that, SMART 2008 forecasted revenues will be higher than projected in the 2006 plan.

Secondly, SMART has included a new bond program in the 2008 recommendations. SMART retained the services of KNN Public Finance, a firm that the Sonoma County Transportation Agency relies on for bonding analysis. KNN recommendations have included a sophisticated yet efficient bonding strategy that envisions the use of three separate bond issuances.

The draft plan uses conservative projections and assumptions for costs and revenues over its 20-year lifespan. Those projections and assumptions have been reviewed by Dr. Robert Eyster, Chairman of the Economics Department at Sonoma State University, and his comments were used to fine-tune the document.

Further comments received on these funding assumptions will be taken into account as SMART prepares a final project funding plan for presentation to the Board at its June meeting.

The full staff report on the funding plan is in the packet for Wednesday's Board meeting posted at [www.sonomamarintrain.org](http://www.sonomamarintrain.org). The report is on pages 24-30 of Agenda Pt. 1, and the accompanying spreadsheets are labeled Agenda Pt. 2.