



SONOMA~MARIN  
**SMART**  
AREA RAIL TRANSIT

SONOMA-MARIN  
**SMART**  
AREA RAIL TRANSIT

110 Downtown 110



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SONOMA-MARIN AREA RAIL TRANSIT DISTRICT  
**STRATEGIC PLAN**  
2025-2030



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# EXECUTIVE SUMMARY

The Strategic Plan is an opportunity to define the strategic direction of the organization, and to establish goals, objectives, and actions in line with SMART's vision and mission. The previous plan was adopted by the Board of Directors on September 18, 2019, for the period 2019 – 2024. This Strategic Plan is for the period 2025 – 2030, which will carry SMART through the reauthorization of a sales tax measure, the construction of pathway segments and rail extensions to the north, and into a new period of growth as the primary regional transit service in Marin and Sonoma Counties.

SMART had only been in revenue service for two years when the last Strategic Plan was completed, and those two years had seen multiple fire and flood disasters that negatively impacted ridership. The beginning of the COVID-19 pandemic created unprecedented challenges for all transit systems. As of Fall 2024, SMART is operating more services than ever before and is more affordable than pre-pandemic. Ridership is hitting record highs, with

SMART achieving the highest ridership recovery rate in the Bay Area, and the second highest rate for commuter rail in the nation. SMART carried over 850,000 passengers in FY24, exceeding the highest year pre-pandemic, and is anticipated to carry over 1 million riders in FY25, with the opening of Petaluma North and Windsor Stations. In addition, the SMART pathway averaged 63,610 users per month in FY24, for a total count of 763,325 for the year.

The outreach and community engagement conducted as part of the FY25–FY30 strategic planning process was vital to ensure that the investments SMART makes over the next five years align with the priorities of the community. Input received through the community outreach process has been merged with ongoing local, regional, State, and Federal goals to create a series of Strategies and Actions designed to move the needle on SMART's four goal areas: Ridership, Pathway, Extensions, and Freight.



## RIDERSHIP

INCREASE RIDERSHIP TO 5,000+ RIDERS PER DAY



## EXTENSIONS

COMPLETE SYSTEM EXTENSIONS TO CLOVERDALE AND PURSUE PROJECT DEVELOPMENT OF EAST/WEST ALIGNMENT



## PATHWAYS

DESIGN AND CONSTRUCT PLANNED PATHWAY, MAINTAIN EXISTING PATHWAY, AND ENHANCE USER EXPERIENCE



## FREIGHT

ENSURE LONG-TERM SUSTAINABILITY OF FREIGHT OPERATIONS

In relation to the Plan's stated goals, SMART has identified numerous strategies the agency can implement through discrete actions in the next five years. Some of these strategies are currently being pursued by the agency and will continue to be critical to supporting further progress towards SMART's goals. Other strategies and actions expand on existing SMART initiatives or are newly introduced as a part of this update to the Strategic Plan.

The Strategic Plan directly influences SMART's financial plan by providing the roadmap for achieving SMART's goals, which informs the allocation of resources, investment decisions, and budgeting strategies needed to execute those goals. The financial plan guides the annual budget by identifying key priorities and challenges that need to be addressed over a longer timeframe. While many of the strategic plan's actions are currently funded fully or partially, other activities and initiatives in this plan do not have committed funds. Using the Strategic Plan to shape SMART's annual budgeting process and ongoing grant applications ensures that the agency's resources are put to work to achieve the goals that SMART and the public fortified in this plan.

SMART is in a period of rapid expansion, active construction, and ridership growth. By the conclusion of this Strategic Plan period in 2030, the system is envisioned to be nearly complete, with long-term operating funds secured. Agency and community priorities will continue to shift as the SMART system approaches buildout, expands services for the community, and matures as the leading transit system in the North Bay.





## BACKGROUND

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In 2002, the California State Legislature created the Sonoma–Marin Area Rail Transit (SMART) District under Assembly Bill (AB) 2224, formally establishing SMART as a special district within Marin and Sonoma counties. AB2224, also known as the Sonoma–Marin Area Rail Transit District Act was codified in the Public Utilities Code section 105000, et. seq., effective January 1, 2003. Under the enabling legislation, SMART was required to create a 12-member governing board of directors and carry out its newly established authorities in the pursuit of creating passenger rail service in Marin and Sonoma counties. Among the responsibilities granted to the District were the authorizations to impose voter-approved taxes and to accept grants.

Following the creation of the District, the rail system right-of-way assets which had been held by several public agencies along the corridor, including the Golden Gate Bridge Highway and Transportation District, were transferred to SMART for the purposes outlined in AB2224. In 2006, SMART secured California Environmental Quality Act (CEQA) clearance of SMART’s project that included the rebuilding and operation of 70 miles of passenger rail service within the publicly owned SMART right-of-way through Marin and Sonoma counties as well as the provision of a parallel ancillary multi-use pathway to facilitate first/last mile connections to SMART’s passenger rail system. This was followed by a Supplemental EIR in 2008 that included weekend rail service. With an environmentally cleared project in hand, the District was able to put Measure Q

(2008) before the voters seeking approval of a sales tax that would:

“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.”

In 2021, the State of California and the North Coast Railroad Authority (NCRA) transferred the right-of-way between Healdsburg and the Mendocino County line from NCRA to SMART. Additionally, SMART took over freight responsibilities in the corridor and the Brazos Branch (east-west line) as the public short line freight rail operator, having received Surface Transportation Board approval to assume common carrier responsibilities from the private freight operator.

### PLAN HISTORY AND MEASURE Q

SMART’s ¼ cent sales tax (Measure Q) was enacted in 2008 by 70% of voters in Sonoma and Marin counties. This stable revenue stream has allowed SMART to both build and operate the current commuter rail service and pathway connections between Larkspur in Marin to Airport Boulevard in Sonoma.

Since the passage of Measure Q in 2008, SMART has completed a Strategic Plan every five years. In 2009, SMART prepared and approved its first



Strategic Plan, which focused on initiation of the SMART capital project and the funding available for that project. The Great Recession was just beginning to make its impacts felt, affecting the sales tax starting in 2008 through 2010; this initial reduction meant an overall reduction in the sales tax revenue stream for bonding purposes in 2011. Ultimately the difference in the 20-year stream between the SMART initial sales tax proposal and later plans meant a loss of over \$100 million for SMART. This fact led SMART to reevaluate the capacity to deliver the full 70-mile system, in the face of a falling revenue stream, cost increases tied to new regulatory requirements, the realities of construction in an active freight corridor, and significant environmental mitigation expectations. Board policy conversations with regional input outlined the initial plan for SMART's phasing. With that consensus, SMART proceeded with steps to secure the grants, financing and contracts needed to build the first operating segment.

The 2014 Strategic Plan summarized the subsequent decision-making by the Board to build the SMART project in phases and provided updates on the decisions made as part of the capital buildout. The initial operating segment was under construction at that time, from downtown San Rafael to Railroad Square in Santa Rosa. SMART's ability to move quickly during a slow economic time led to favorable bid results, construction savings, greater confidence in the success of the project and ultimately further project expansions. Favorable contract negotiations resulted in the expansion of the first phase project to include the Novato San Marin Station and the Santa Rosa North Station. State and regional funding agencies were willing to grant more funds to SMART as a "shovel-ready" project with momentum and the track was able to be fully rebuilt between Santa Rosa North and the SMART Rail Operations Center with a station added at Airport Boulevard in Sonoma County. The 2014 Strategic Plan included more informed estimates for the cost of opening and operating rail passenger service utilizing state of the art trains, tracks, signals and related infrastructure. Between the 2014 Strategic Plan and its successor document, SMART secured funding to add two additional miles and two stations (Larkspur and Downtown Novato) into the system. These projects

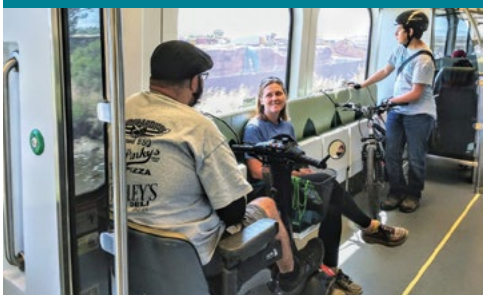
were being brought online for passenger use as the 2019 Strategic Plan was being finalized.

The 2019 Strategic Plan was the first plan since SMART completed construction of the initial operating segment and began operating passenger rail service in August of 2017. The Plan documented the progress to date and focused on a path forward, which included plans to seek voter approval to extend the current sales tax past its 2029 expiration date through a 2020 ballot initiative. Consistent with the direction of the 2019 Strategic Plan, SMART placed the sales tax reauthorization ballot initiative, Measure I, on the March 2020 ballot, just as the pandemic arrived. The reauthorization effort failed to receive the two-thirds super majority required to pass, instead receiving 54% across the SMART District of Sonoma and Marin counties. In addition to the unfavorable outcome of the 2020 ballot initiative, the COVID-19 Pandemic dramatically altered conditions for SMART's transit services as extended stay-at-home mandates and prolonged social distancing protocols altered the public's travel behavior and required SMART operations to adjust to the reduced travel and increased public health and safety protocols.

Since March 2020, SMART has seen a remarkable recovery, with ridership in 2024 exceeding pre-COVID by 30%. SMART's deliberate and responsive improvements to the rider experience and incentives to return to transit have paid off, with record-breaking ridership in 2024 and strengthened relationships with our partners and community. Funding agencies have also recognized SMART's progress and potential for growth, with over \$413 Million in outside grant funding secured for passenger rail, pathways, and freight since July 2020. The FY25 – FY30 Strategic Plan builds on these successes, and on extensive public outreach conducted over the last three years, to create a five-year plan for the agency to meet the strategic goals set by the Board in the areas of ridership, pathway, extensions, and freight.

# SMART TODAY

## PEOPLE RIDE SMART FOR DIFFERENT TRIPS



Work Commutes .....	49%
School Commutes .....	15%
Social/Recreational .....	29%
Errands/Shopping.....	7%

IN FY24  
SMART CARRIED  
**18.4 MILLION**  
PASSENGER MILES  
ON THE TRAIN



## AS MANY PEOPLE TRAVEL ON THE PATHWAY AS ON THE TRAIN



In the second half of 2024, there were 85,000 average monthly pathway users and 86,000 average monthly train passengers



PASSENGERS TRAVEL LONG DISTANCES

THE AVERAGE PASSENGER TRAVELS

**22 MILES**  
ON SMART ONE-WAY

## SMART IS PROVIDING MORE SERVICE THAN EVER BEFORE

42 weekday train trips and 16 weekend trips; running two shuttles; and 29 miles of pathway



## 2019-2024 ACHIEVEMENTS

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SMART had only been in revenue service for two years when the last Strategic Plan was completed, and those two years had seen multiple fire and flood disasters that negatively impacted ridership. The beginning of the COVID-19 pandemic created unprecedented challenges for all transit systems. As of Fall 2024, SMART is operating more service than ever before and is more affordable than pre-pandemic. Ridership is hitting record highs, with SMART achieving the highest ridership recovery rate in the Bay Area, and the second highest rate for commuter rail in the nation. Unlike many rail systems nationwide, which are designed to carry commuters into a central business district, SMART's ability to serve origins and destinations throughout the corridor, with strong bidirectional travel, enabled the system to recover from the pandemic and begin expanding into new markets.

SMART carried over 850,000 passengers in FY24, which exceeded the highest year pre-pandemic, FY19, by 19%. Ridership is anticipated to exceed 1 million riders in FY25, with the opening of Petaluma North and Windsor Stations. On the SMART Pathway, the installation of 10 bicycle and pedestrian counters has enabled data tracking on pathway usage; in FY24 the pathway averaged 63,610 users per month, for a total count of 763,325 for the year.

Both pathway and train users have been recently surveyed to ensure that SMART is meeting the community's needs. In 2023, an intercept survey of pathway users was conducted both in person

and online, in both English and Spanish. The survey had 429 total responses and provided insights into frequency of pathway use, trip purpose, whether people use the pathway and train, and what types of improvements they would like to see. The majority of the respondents (72%) indicated they used the pathway at least once a week or more frequently. The pathway serves multiple trips needs including recreational trips (36%), connecting to recreational destinations (24%), commuting to work or school (22%), running errands (16%), and other trips (2%). Most (54%) pathway users indicated that they use the train and pathway together to complete their trip with varying degrees of frequency between monthly to daily.

MTC conducted an onboard survey on SMART between September 2023 and February 2024; the last onboard survey had been done in 2018. Overall, the survey found that SMART Riders represent a range of ages, income levels, employment status, genders, trip purposes, and race/ethnicities. Less than half of the riders identified as white-only, with 21% of Hispanic, Latino, or Spanish origin. Riders were split nearly evenly by gender and distributed broadly across the age ranges. Just over half of the riders were employed full time, and 50% of trips were for the work commute. A third of riders indicate that they were transit-dependent, or did not have access to a vehicle for their trip. The median household income for riders was \$110,000, with a third of respondents indicating a household income of less than \$60,000.

## RIDERSHIP

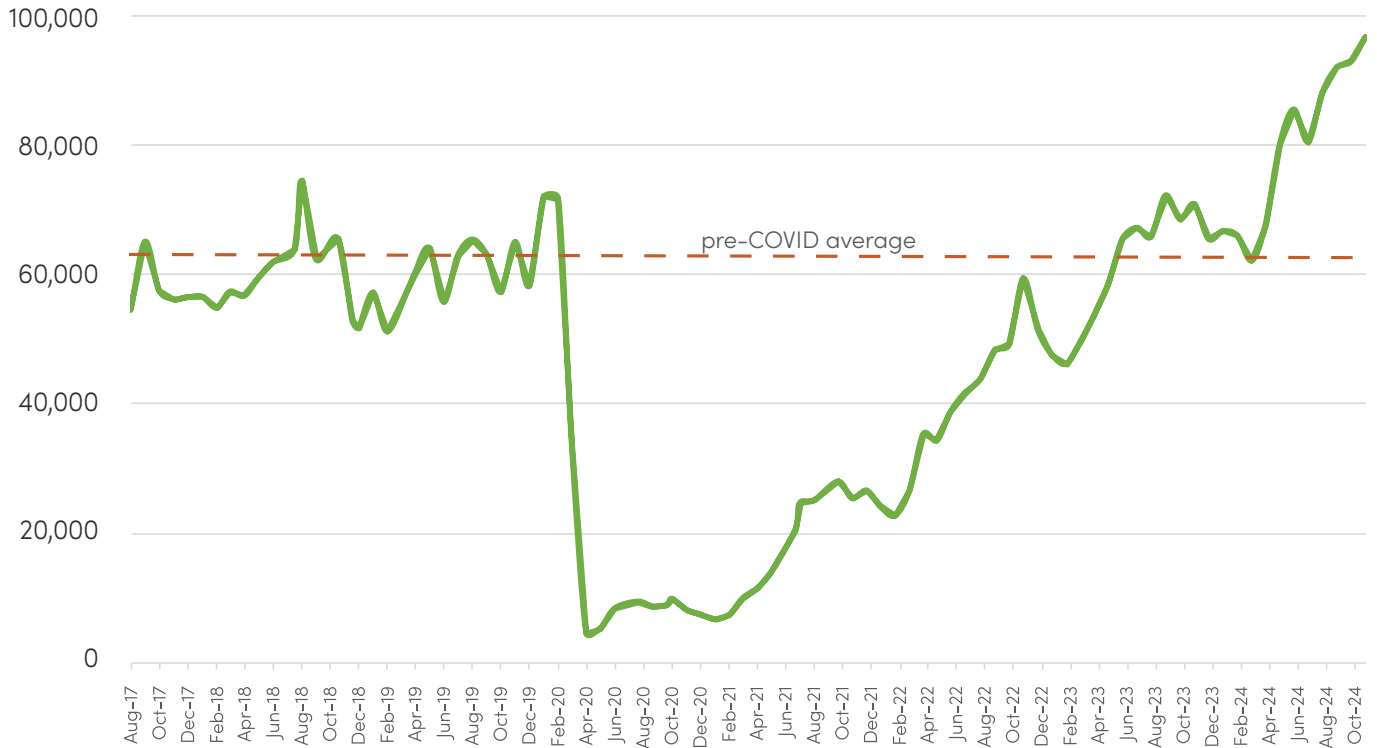
### SERVICE HISTORY

SMART initiated service in August 2017 with 34 trips/weekday, and increased to 38 trips/weekday in January 2020, with the opening of the Larkspur extension. SMART modified services in March 2020 due to the pandemic, with weekend service annulled, and weekday service reduced to 16 trips. In May 2021, SMART added back 10 weekday trips. Saturday service was restored in May 2021, and Sunday service in May 2022. In June 2022, SMART added 10 additional weekday trips, and in October 2022, SMART added two additional midday trips, for a schedule of 38 trips per weekday. During Summer 2023, SMART ran a pilot weekend evening service, known as the Starlighter, in response to rider

requests. In October 2023, again increased weekend service, running 16 trips total on both Saturday and Sunday. On August 12, 2024, SMART added four additional trips for a total of 42 trips each weekday.

As ridership on SMART has grown and exceeded pre-COVID levels, the need to improve coordination with neighboring agencies has increased. SMART has taken a proactive approach to schedule coordination with Golden Gate Ferry at Larkspur and with Golden Gate Transit at Downtown San Rafael, resulting in several schedule adjustments designed to improve connections between SMART, the Larkspur Ferry, and Golden Gate Route 101. Coordination continues through several regional and North Bay transit corridor coordination processes.

### SMART MONTHLY RIDERSHIP



## FARES AND PARKING POLICY

SMART initiated service with the regional Clipper fare collection system and the most progressive transfer credit policy in the Bay Area, intentionally designed to incentivize regional connectivity through bus, ferry and rail fare integration. SMART and Golden Gate Ferry services implemented a Sail and Rail pass to further incentivize the rail and ferry connection created when SMART's Larkspur Extension was opened.

SMART has adjusted fares in response to rider feedback and to encourage a return to transit post-pandemic. In June 2021, fares were reduced by 40%, to \$1.50 per zone; the monthly pass was reduced from \$200 to \$135. In January 2023, a program was launched to offer free field trips for school groups; in FY24, SMART carried over 1,700 students free of charge through this program. In July 2023, SMART developed an innovative monthly pass price based on the new 3-day workweek, reducing the monthly pass from \$135 to \$117. During Summer 2023, SMART partnered with other North Bay transit agencies to offer a free fare program for youth; the youth ridership increased over the previous summer by over 150%. Based on the success of this program, and in response to community requests, in April 2024, SMART launched a Free Fare Pilot Program for youth and seniors; this is currently in place through June 2025. The program has been extremely successful; for the period April to July 2024, SMART saw a 99% increase in Youth ridership and 144% increase in Senior ridership over the same time period in 2023.

SMART reduced barriers to parking in SMART-owned lots and created incentives for riders to utilize these lots. In 2021, SMART made day-use parking free in all SMART-owned lots (Sonoma County Airport, Rohnert Park, Petaluma Downtown, Novato San Marin, Novato Hamilton, and Larkspur). In June 2023, in response to rider requests to use SMART for overnight trips, an overnight parking policy was created to permit riders to park for \$5 per night, using the Park Mobile app. SMART has also partnered with the City of Santa Rosa to offer a discounted commuter parking lot pass, for riders who travel regularly out of the Downtown Santa Rosa Station.

## MICROTRANSIT

On-demand or microtransit shuttles have been identified as a potential first-and-last mile solution for SMART since the inception of service. In June 2023, after an extensive planning process that included competitive procurements for microtransit software and shuttle operating services, SMART launched its first shuttle pilot, known as SMART Connect. SMART Connect serves the SMART Sonoma County Airport station, the Charles M. Schultz Sonoma County Airport, and the surrounding business and industrial area. In addition to offering app and phone-based hailing, the shuttle meets every inbound train, offering riders a seamless walk-on experience from train to shuttle. Boardings on the shuttle have seen slow but steady growth, with ridership increasing 107% year-over-year and a monthly ridership of 505 passengers in August 2024. The shuttle is being funded for a 3-year pilot period through a state grant.

Following the success of its first shuttle, SMART launched the second SMART Connect at Larkspur in June 2024, in partnership with Golden Gate Bridge, Highway and Transportation District (GGBHTD) and the Transportation Authority of Marin (TAM). SMART Connect Larkspur serves the SMART Larkspur station, the Golden Gate Larkspur Ferry Terminal, and the surrounding area. The shuttle currently operates four days per week, Thursday – Sunday, but may be expanded based on rider demand. Ridership for the Larkspur shuttle has been high with 813 passengers per month in August 2024. The shuttle is currently funded as a 1-year pilot by SMART, GGBHTD and TAM.



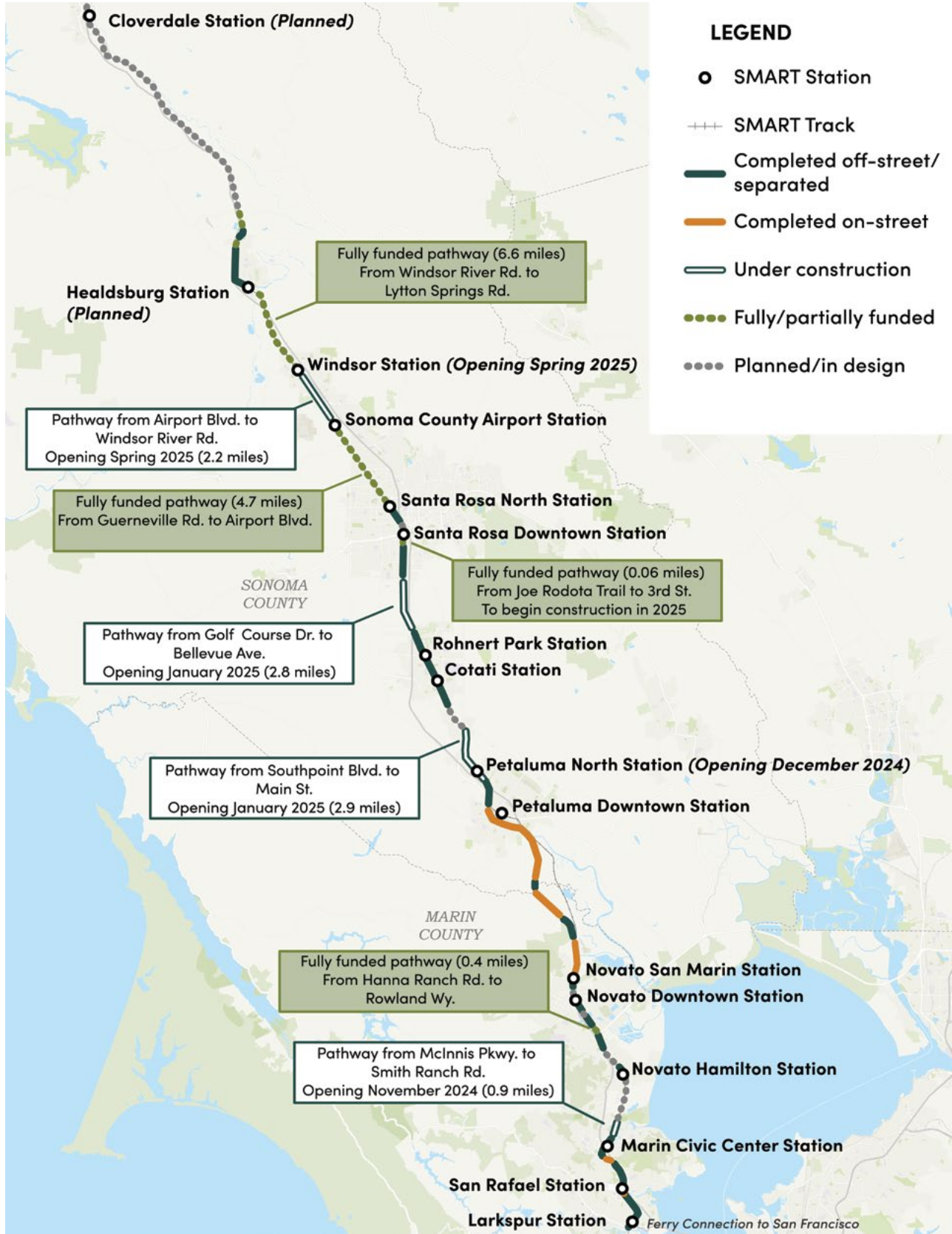


Figure 1: Pathway Map

## SMART PATHWAY AND THE GREAT REDWOOD TRAIL

SMART's initial operating segment included completion of several segments of pathway, connecting SMART stations in San Rafael, Novato, Cotati, Rohnert Park and Santa Rosa. As of the 2019 Strategic Plan, SMART and its local partners had completed 27 miles of Pathway. Since the 2019 Strategic Plan, SMART has opened segments of completed pathway in Petaluma, is completing construction of 9 miles of pathway, and has advanced all remaining planned pathway segments through sufficient engineering such that they are ready-to-go for a mix of project delivery methods (see Figure 1: Pathway Map showing status of pathway segments).

In 2021, Senate Bill 69 (McGuire) transferred the railroad right-of-way publicly owned by NCRA to SMART and officially designated the SMART Pathway as the southern portion of the Great Redwood Trail.

## EXTENSIONS

### PETALUMA NORTH STATION

Between 2022 and 2023, SMART secured full funding for the Petaluma North Station. Funds include two state grants - Transit and Intercity Rail Capital Program (TIRCP) and Affordable Housing Sustainable Communities Program (AHSC) - and a grant directly from the City of Petaluma and Measure M funds from Sonoma County Transportation Authority. In addition, long term financial plans for the project include reimbursement for land for SMART station parking from the affordable housing developer on the adjacent property (Danco). Construction on the station and amenities, freight gauntlet track at the station, and rail safety systems, began in January 2024, with completion expected by January 2025.

### WINDSOR STATION

Between 2018 and 2024, SMART secured full funding for the Windsor rail and pathway extension. Funds include a Federal Railroad Administration (FRA) grant - five state grants - TIRCP, two AHSC grants, Interregional Transportation Improvement Program (ITIP), and Solutions for Congested Corridors (SCC) - and a combination of the Town of Windsor and Regional Measure 3 Bridge Toll funds and SMART's sales and use tax. The Windsor extension scope includes just over 3 miles of rehabilitated track, 1 mile of new (double) track, rail safety systems, a second/new entrance to the SMART Rail Operations Center, just over 3 miles of pathway (including the Town of Windsor/Bridge Toll funded enhancement of a pedestrian/bicycle grade separated crossing of the tracks connecting the pathway to Windsor High School), corridor broadband capacity increases, and one station with amenities. Construction originally began in 2020, and was put on hold due to Regional Measure 3 Bridge Toll litigation unrelated to SMART. The project was re-activated in November 2023, with construction beginning in January 2024. The extension is anticipated to be completed and open for passenger service by Spring 2025 and is expected to be one of the highest ridership stations in the system.



## FREIGHT

SMART was granted freight common carrier status by the Surface Transportation Board in June 2021 and began operating those services in 2022. SMART was granted ownership of the railroad between the Mendocino County line and Healdsburg in 2021 from the State of California and maintains freight accommodations on the SMART-owned rail line between American Canyon and through Novato northward, as authorized in SMART's enabling and subsequent legislation.

In 2022, SMART assumed the freight operations from the Northwestern Pacific Railroad Company (NWP Co), which had been operating service from American Canyon in Napa County to Petaluma since 2011. SMART has provided accommodation to freight along the corridor including gauntlet tracks at each station, upgraded freight rail sidings, passenger rail vehicles that meet applicable Federal Railroad Administration safety standards for interaction with freight equipment, and installation of "positive train control" equipment on all SMART-owned freight locomotives and along the entire right-of-way. SMART became the freight common carrier on the railroad with a Surface Transportation Board approval to assume freight operator responsibilities from the private freight operator on the corridor (June 11, 2021, STB Docket 1310X). SMART's Board authorized the hiring of freight-only employees to operate the short-line freight services; SMART began operations with our own staff on July 1, 2022.

SMART is unique nationally as a public owner operator of both the freight and passenger railroad. Currently, SMART provides service coverage from Napa Junction/Lombard to Sonoma County Airport. At Napa Junction the California Northern Railroad Company (CFNR) provides connecting service to the national rail network with a connection to the Union Pacific Railroad at Suisun-Fairfield. SMART currently provides two operating transload service locations: Petaluma and Schellville. These facilities allow trucks to transfer freight onto the rail network and vice versa.

SMART currently has four contracted customers shipping feed grain and hops. Periodic additional customers have included delivery of PGE Substation

equipment and prefabricated lumber trusses. Storage of freight cars is done at the Schellville yard. The current regularly scheduled service consists of two round trips to Petaluma customers a week, as well as two round trips to the California Northern Railroad to receive and deliver rail cars to and from the interchange. SMART has additional track storage capacity and leases the capacity for customers such as Caltrain, currently storing retired passenger rail fleet on the SMART-owned freight storage tracks.

SMART has secured grant funds to procure new, lower emission freight switcher locomotives and retire the current freight locomotive fleet.





# STRATEGIC PLAN FRAMEWORK

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## VISION, MISSION, VALUES, AND STRATEGIC OBJECTIVES

In 2022, SMART's Board of Directors created Vision and Mission Statements to help guide the agency's path forward.

**Vision:** Smarter Transportation for a Smarter Future. SMART envisions an innovative transportation system that provides integrated mobility solutions, promotes sustainable growth, and enhances quality of life.

**Mission:** We Connect Communities. SMART provides safe, reliable, and environmentally responsible transportation options.

The vision and mission were supported by four Values that are foundational to all of SMART's work: Safety, Integrity, Stewardship, Continuous Improvement.

### SAFETY

Safety is integral to SMART's core values and is considered a fundamental aspect of the operational and strategic goals. It is embedded in every aspect of the SMART's work. SMART prioritizes safety in all aspects of operations, decision-making, and behaviors. It encompasses the collective commitment of all employees, from leadership to frontline workers, to prioritize safety, adhere to safety procedures, and continuously improve safety practices.

### INTEGRITY

SMART is committed to adhering to high ethical principles and moral standards in all actions, decisions, and interactions. SMART will conduct business with honesty, transparency, fairness and

consistency both internally and externally. SMART is accountable to the public and will take responsibility for actions and decisions, acknowledge mistakes, and make necessary corrections when required.

### STEWARDSHIP

SMART is dedicated to responsible financial management and sustainability. SMART will effectively manage resources, assets, and responsibilities entrusted to the district, with a focus on sound financial decisions, sustainability, ethical practices, and long-term value. SMART will make informed and thoughtful decisions to ensure resources are used effectively, preserved for future generations, and aligned with overarching goals and values that meet the needs of the community.

### CONTINUOUS IMPROVEMENT

SMART will continuously seek opportunities to enhance processes, schedules, and service incrementally and systematically over time. This will include regularly evaluating and refining methods and practices to achieve higher efficiency, quality, and performance, fostering a culture of innovation and excellence.

The Vision, Mission, and Values are the structures that guide every decision and project at SMART. The work of the agency can be seen as comprised of four parts: ridership, pathways, extensions, and freight. Envisioning these as the pillars of the agency, these components come together in the "SMART House," which has served as a decision-making framework and the outline for this Strategic Plan (see Figure 2: SMART House). Additionally, SMART's values are woven into all of the strategies and actions details in this Strategic Plan and described in more detail below.

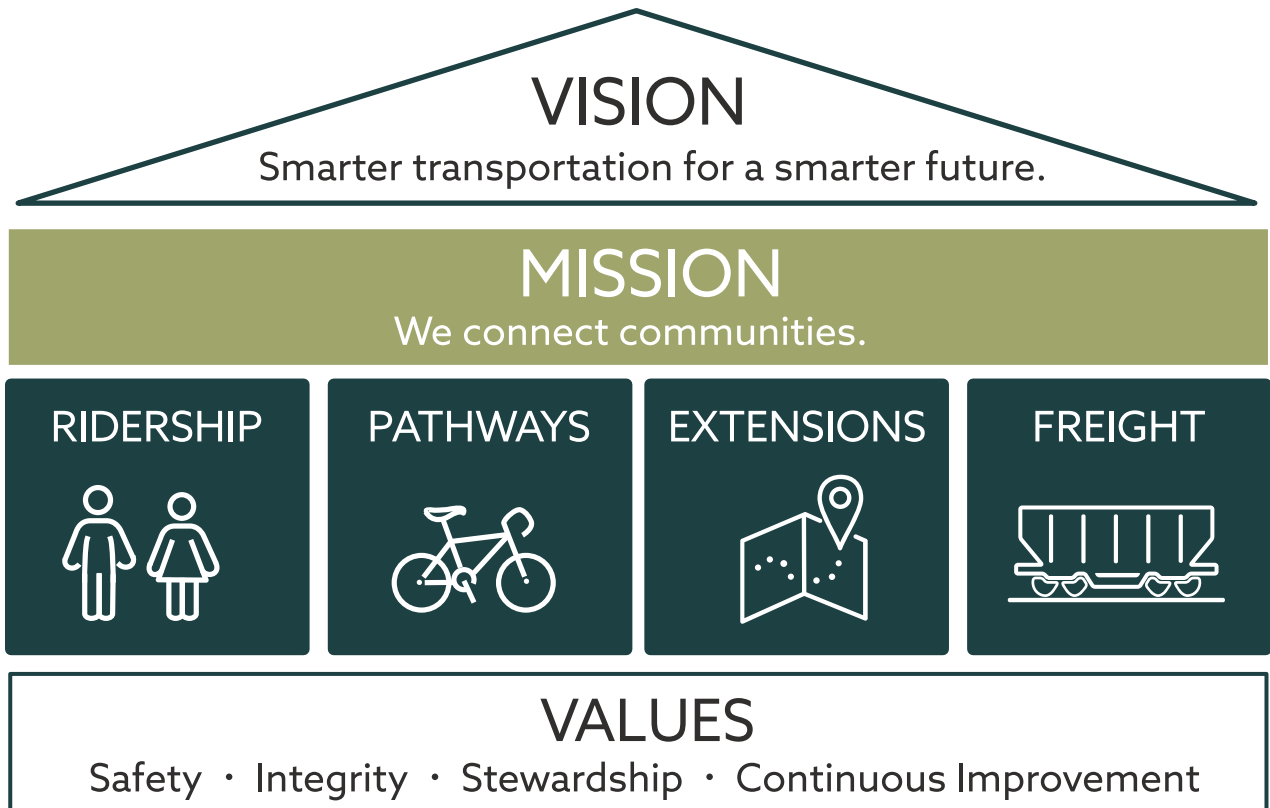


Figure 2: SMART House

## PLANNING AND POLICY CONTEXT

This planning effort not only builds upon prior SMART Strategic Plans, but also is grounded in other state, regional and local planning efforts. As such, SMART’s implementation of this plan will contribute to SMART’s goal attainment while also helping to make progress on local, regional, and state objectives. Additionally, there are other planning efforts underway currently that this Strategic Plan will inform. The section below is an describes some of the other related plans, programs and policies.

### RIDERSHIP

#### Marin–Sonoma Coordinated Transit Service Plan (MASCOTS)

In September 2023, North Bay transit operators initiated a comprehensive coordinated service planning for Marin and Sonoma counties,

particularly for the services along the Highway 101 corridor where there is overlap between operators. Two major factors that led to this effort were 1) the operators in Marin and Sonoma counties have not reconsidered the regional service structure comprehensively since SMART came into service, and 2) the pandemic has changed regional travel demand and service levels/options to/from San Francisco and the East Bay. The Marin–Sonoma Coordinated Transit Service Plan (MASCOTS) kicked off in Spring 2024. The effort will pull together an understanding of the travel markets that exist, the scale of those markets, and then determine which type of service and providers can best serve those markets; the assessment of how best to serve demands will consider rider needs, operational cost effectiveness, and funding availability. The service alternatives are being developed during Fall 2024, with proposals for public review anticipated in early 2025.

### Quality of Life and Economic Impact Assessment

In July 2024, SMART began developing a Caltrans-funded study to evaluate the benefits of the system that exists today and the prospective benefits that would result with the full build out of the planned rail and pathway system. This Quality of Life and Economic Impact Assessment has the goal of providing SMART and its patrons, community members, and partners with a more comprehensive, data-driven picture of what benefits are generated for Sonoma and Marin by completing and operating SMART. It is anticipated that this study, to be completed in Fiscal Year 2025–26, will provide new analytical tools and data points to capture current and future benefits.

### SB 904 (Dodd)

In September 2024, Governor Newsom signed into law, SB 904 (Dodd), a bill updating SMART’s enabling statute that created the SMART special district. The update included raising bidding procurement thresholds from their 2002 levels, aligning state law with SMART’s new dual status as a freight operator, and eliminating obsolete references to NCRA (no longer in existence). This bill also confirmed the voters of the district’s right to pursue their own ballot measure through a voter initiative, as a voter-approved qualified initiative process has the potential to provide an opportunity to enhance community engagement, provide greater accountability, and enable the community an opportunity to protect their investment. Finally, SB904 removes the restriction against constructing passenger stations in the unincorporated areas north of Healdsburg. As part of the legislative discussion regarding an unincorporated station north of Healdsburg, various community boards and elected officials submitted support letters for removing the prohibition specifically so that a station could be considered in the community of Geyserville. Geyserville is within an unincorporated services district, located half-way along the 13.5 miles between the northern limits of Healdsburg and Cloverdale.

### PATHWAY

#### Marin County North – South Bikeway Feasibility Study

This study was prepared in 1994 by Marin County Department of Parks, Open Space and Cultural Services and it formally detailed conceptual plans for a north–south pathway alignment along the historic Northwestern Pacific Railroad between Sausalito and Novato. This initial plan largely informed what would become the SMART Pathway and Great Redwood Trail, and within Marin what is also referred to as the North–South Greenway. SMART’s Pathway aligns with the portion of the North–South Greenway from its northernmost extent in Unincorporated Marin County to Larkspur, at which point the North–South Greenway alignments continues south to Sausalito. Since 1994, SMART and local jurisdictions have made significant progress delivering the North–South Greenway. In 2023, the Transportation Authority of Marin, with input from SMART, prepared a status report to identify the remaining gaps in the North–South Greenway. SMART’s continued progress on the Pathway is helping to close remaining gaps and deliver on the long-envisioned connection to the North–South Greenway.

#### Bay Trail Gap Closure Implementation Plan

In 2005, MTC and the Association of Bay Area Governments conducted an evaluation of the Bay Trail network titled “The San Francisco Bay Trail Project Gap Analysis Study,” which identified gaps in the Bay Trail network and prioritized them for delivery to work towards the completion of the full 500-mile vision of the Bay Trail. In 2024, MTC published the Bay Trail Gap Closure Implementation Plan that builds upon the prior 2005 study, to identify and evaluate existing missing segments of Bay Trail (trail gaps) and prioritize their construction in the remaining build-out of the Bay Trail. SMART’s Pathway in Marin County carries the Bay Trail designation and completion of the Pathway support’s MTC’s efforts to complete the 500-mile Bay Trail.

### Great Redwood Trail Master Plan

Through the passage of Senate Bill (SB) 69 in 2021, the SMART Pathway officially became co-designated as the southern portion of the Great Redwood Trail. Once complete, the Great Redwood Trail will be a 307-mile multiuse path connecting California's San Francisco and Humboldt Bays. In 2024, the Great Redwood Trail Agency published their Draft Great Redwood Trail Master Plan, and the document aims to serve as the roadmap for planning, constructing, and managing the future Great Redwood Trail. SMART's Pathway aligns with and connects with the Great Redwood Trail. As such, advancing the Pathway and progressing towards completion supports the implementation and execution of the Great Redwood Trail Master Plan.

### Active Transportation/Bicycle and Pedestrian Plans

The SMART Pathway is included as a key active transportation project priority in various local and regional active transportation plans, including: the Marin County Unincorporated Area Bicycle and Pedestrian Master Plan, San Rafael's Bicycle and Pedestrian Master Plan, Novato's Bicycle and Pedestrian Plan, SCTA's Countywide Active Transportation Plan (underway), Petaluma's Active Transportation Plan (underway), Cotati's Active Transportation Plan, Rohnert Park's Bicycle and Pedestrian Master Plan, Santa Rosa's Active Transportation Plan, Windsor's Bicycle and Pedestrian Plan, and Coverdale's Circulation Element of their General Plan.

### Sonoma County Vision Zero Action Plan

The Sonoma County Transportation Authority (SCTA), in partnership with local jurisdictions, law enforcement, health care providers, transit operators, climate change leaders, and advocacy groups, came together to create the Sonoma County Vision Zero Action Plan (VZAP) to identify local safety obstacles and outline the strategies and specific actions needed to meet the goal to end traffic deaths and severe injuries on Sonoma County roadways by 2030. As both a transit builder and operator, and a pathway builder and maintainer in Sonoma County, SMART is delivering low stress facilities as well as safe and sustainable transit options that contribute to building safer streets

for all and curbing private vehicle use, which will ultimately help the county move toward meeting the goals of their VZAP.

### SMART's Bicycle Parking Investment Plan

In 2016, SMART prepared a Bicycle Parking Investment Plan that aimed to anticipate bike parking demand to plan for bike parking needs at each of SMART's stations. The plan was developed with input from members of the public as well as the bicycle coalitions. The plan led to SMART's current bike parking accommodations.

## EXTENSIONS

### State Route 37

SMART owns and operates the East-West railroad, known as the Brazos line, that cross State Route 37 near State Route 121. In March 2023, SMART entered into an MOU with Caltrans, Metropolitan Transportation Commission (MTC), Bay Area Infrastructure Financing Authority (BAIFA), Transportation Authority of Marin (TAM), Sonoma County Transportation Authority (SCTA), Napa Valley Transportation Authority (NVTA) and Solano Transportation Authority (STA) to cooperatively deliver the Resilient State Route 37 Program. The Program aims to address resiliency of transportation to sea level rise and flooding, traffic congestion, and opportunities for ecological enhancements, transit, multimodal use and public access along the SR 37 corridor. SMART has participated in multiple [SR 37 planning processes](#), including the Resilient 37 Design Alternatives Assessment, Comprehensive Multimodal Corridor Plan, and Planning and Environmental Linkages Study.

### Plan Bay Area

Plan Bay Area is a long-range Regional Transportation Plan and Sustainable Communities Strategy jointly developed and adopted by the Metropolitan Transportation Commission (MTC) and the Association of Bay Area Governments (ABAG) every four years. The latest version of the plan, [Plan Bay Area 2050](#), is made up of 35 strategies across four key elements: housing, the economy, transportation, and the environment. [Plan Bay Area 2050+](#) is the next long-range plan currently in development; it is a limited and focused update that

builds on Plan Bay Area 2050, adopted by MTC and ABAG in October 2021. Projects must be included in Plan Bay Area in order to compete for most State and Federal funding. The Healdsburg extension was successfully amended into Plan Bay Area 2050 in October 2024. SMART and partners continue to advocate for inclusion of completion of the SMART system to Cloverdale into the Plan.

### FRA Corridor ID Program

In December 2023, the Federal Railroad Administration (FRA) selected eight California corridors for inclusion in the [Corridor Identification and Development](#) (Corridor ID) Program, including the SMART-owned east-west rail corridor, connecting the City of Novato to Suisun City as part of the Capitol Corridor. This achievement is a significant step forward for intercity passenger rail development in the region, with Caltrans to receive and administer \$500,000 in initial Corridor ID funds to scope planning and project development work for passenger rail expansion in the region.

Groundwork was laid for this federal decision through legislative action taken by the State of California through the 2022 passage of Senator McGuire’s Senate Bill 1175, designating SMART’s track as a state-recognized intercity passenger rail service corridor. Caltrans followed this change by including SMART in a State-prioritized list of passenger rail corridors for consideration through the federal Corridor ID process.

The Corridor ID Program is intended to develop a sustained, comprehensive intercity passenger rail planning and development program, and set forth a capital project pipeline ready for Federal funding. The Program is intended to become the primary means for directing Federal financial support and technical assistance toward the development of proposals for new or improved intercity passenger rail services throughout the United States. The first Step of the program is to scope the Service Development Plan that will be developed in Step 2 and will identify a phased implementation with priority capital projects ready to move onto final design and NEPA; the scoping process is underway. Caltrans is the California program lead, which will allow for improved efficiencies,

standardized methodologies across the state, reduced administrative burden on partner agencies, overarching policy guidance and streamlined coordination.

### State Rail Plan

[The California State Rail Plan](#) lays out the vision for an integrated rail and transit network that supports California’s economic, environmental, and equity goals. Included in the Rail Plan is the full SMART Rail project between Larkspur and Cloverdale, as well as East-West Passenger Rail, by 2050.

## FREIGHT

### Short Line Rail Improvement Plan

In 2021, Caltrans published the Short Line Rail Improvement Plan was developed to identify the role short line freight operations play in California as “first mile” and “last mile” solutions of the freight rail system as well as the value they provide to smaller markets that otherwise would not have access to rail service. The plan also focused on the operations and oversight models of short line freight and recognized SMART’s unique position as a publicly-owned freight operator. SMART’s freight operations meet the intent of the Short Line Rail Improvement Plan, which aims to make sure these freight operations continue to serve local markets and contribute to a robust network of good movement infrastructure.



# PLAN DEVELOPMENT PROCESS

SMART began the 2024 Strategic Plan update in earnest in December 2023, with the proposed plan development timeline. Since January 2024, SMART has worked to refine the plan’s objective areas and identify the appropriate goals, strategies, and actions to feed into the Draft and Final Strategic Plan.

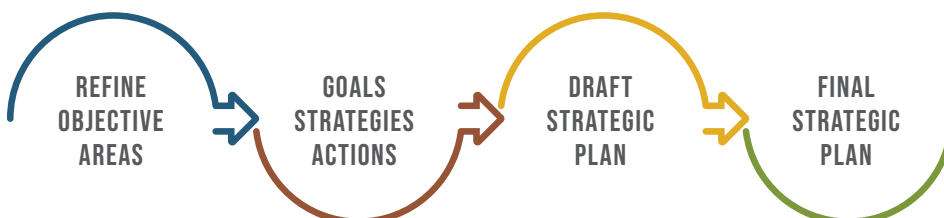
Each Strategic Plan is guided by SMART’s Citizen’s Oversight Committee (COC), and the COC is required to review and provided input on the plan before it is advanced to the SMART Board for approval and adoption. In anticipation of this plan update, SMART staff engaged COC members to get input on the proposed plan development process and public engagement for the plan in December 2023. The COC participated in two focused workshops on March 13, 2024, and August 14, 2024, where members provide their input and direction on the plan’s structure; specific goal areas and the draft strategies; and the assessment of the agency’s current strengths, weakness, opportunities, and threats.

## CITIZENS OVERSIGHT COMMITTEE

The 2008 Board-approved “Measure Q Expenditure Plan” called for the formation of a Citizens Oversight Committee to “provide input and review on the Strategic Plan and subsequent updates.” Following the passage of Measure Q, the Citizens Oversight Committee was established in 2009. In December 2022, the SMART Board approved the Citizen Oversight Committee (COC) bylaws expanding the Committee’s role in reviewing and providing input on budgetary and financial matters, capital projects, and major strategic initiatives in addition to SMART’s five-year Strategic Plan. SMART’s COC consists of nine members of the public, who independently applied to join the committee and who were then subsequently recommended by an ad-hoc selection committee of the SMART Board of Directors. Recommended candidates were then appointed by the full SMART Board of Directors. COC members serve a three-year term.

In addition to the COC’s guidance, SMART relied on an iterative public engagement process to inform the plan and to help identify and refine the Plan’s strategies and actions. The following section details the outreach conducted.

## STRATEGIC PLAN PROCESS



# OUTREACH SUMMARY

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As part of the planning process for the Strategic Plan, SMART conducted extensive community outreach over the course of the year in order to understand community priorities for the strategic direction of the District. This included online and in-person community workshops, community presentations to key stakeholders, workshops with SMART's Citizens Oversight Committee, and the receiving of written, verbal, and electronic public comments throughout the year. The Outreach approach is summarized below, with more detailed results shown in [Appendix A](#).

## PROJECT WEBSITE

SMART maintained a webpage dedicated to the Strategic Plan update, inviting members of the public to submit comments and request presentations throughout the course of the planning process. SMART received over 160 comments through the website form on a wide range of topics and conducted many presentations to community groups, business groups, local governments, and other interested parties.

## COMMUNITY WORKSHOPS

SMART began the public outreach process with a series of online community workshops aimed at gathering input on the strategic direction of the organization. At each of the workshops, the live-polling service Mentimeter was utilized, and SMART staff polled the participants on important issues

during the workshops. For the full results of the community engagement process, see [Appendix A](#).

### WORKSHOP 1: SWOT ANALYSIS

On January 31, 2024, SMART conducted its first online community workshop, aimed at gathering community feedback on the strengths, weaknesses, opportunities, and threats (SWOT) of the agency. Staff introduced the Strategic Plan update planning process and presented a review of SMART's recent accomplishments, previously stated strategic objectives, and current challenges. Members of the public were then asked to submit their thoughts on the strengths, weaknesses, opportunities, and threats of the organization using the Mentimeter software. After community members had given their input on the SWOT Analysis, people had the opportunity for public feedback in a live dialogue section of the workshop.

### WORKSHOP 2: RIDERSHIP

On February 7, 2024, SMART conducted its second online community workshop, aimed at gathering community feedback on themes related to SMART's ridership. Staff presented the current SMART ridership strategies and highlighted successes. Members of the public were then asked to submit their feedback on ridership strategies using the Mentimeter software. People were asked what strategies SMART should use to increase ridership in an open-answer format, and people were also asked to rank strategies in order of importance.

### WORKSHOP 3: PATHWAYS

On February 28, 2024, SMART conducted its third online community workshop, themed around the SMART Pathway/Great Redwood Trail. Staff summarized the current state of the Pathway and members of the public were then asked to submit their feedback on pathway strategies, first in an open-answer format, and then by ranking preselected strategies from most to least important.

### WORKSHOP 4: EXTENSIONS

On March 14, 2024, SMART held its fourth community workshop, centered around the SMART rail and Pathway extensions. SMART staff presented an overview of the current system and detailed the Windsor, Healdsburg, and Cloverdale extensions, as well as East-West rail, which is currently under study by Caltrans. For the interactive portion of the workshop, the public was invited to weigh in on a few questions, including: the biggest obstacles to SMART completing extensions, how SMART can best meet passenger needs with extensions of the system, and what benefits SMART extensions will bring to the community.

### WORKSHOP 5: FREIGHT

On March 27, 2024, the final virtual community workshop that SMART conducted was centered around the future of SMART's freight service. SMART staff began the workshop by giving a short history and describing the current SMART freight operations. For the interactive portion of the workshop, SMART solicited opinions on its freight strategy using the live-polling service Mentimeter. SMART asked community members three freight-related questions: the biggest challenges facing SMART Freight; how the North Bay can make the most of its existing freight infrastructure; and how SMART should engage businesses to start thinking about freight service.

### OPEN HOUSE: DRAFT PLAN AND STRATEGIES (IN-PERSON WORKSHOP)

On September 25, 2024, SMART conducted an in-person open house public workshop at the Petaluma Arts Center, located adjacent to the SMART Petaluma Downtown Station. The event was well attended, with around 150 participants joining

staff for updates on SMART and interactive exhibits related to the Strategic Plan.

SMART presented the draft strategies and actions for each goal area (Ridership, Pathways, Extensions, Freight) that were generated from input received through the prior Strategic Plan Workshops, and invited participants to place dots next to their highest priority strategies and actions. Community members could also write comments on sticky notes corresponding to each goal area. SMART staff was available to answer questions regarding the strategic plan and the future of SMART. Community members placed over seven hundred dots on the various posters and left over sixty comments on sticky notes. The comments are summarized in [Appendix A: Public Outreach](#).

## SMART CITIZENS OVERSIGHT COMMITTEE

The SMART Citizens' Oversight Committee is tasked with providing input and review for the SMART strategic plan. Accordingly, SMART Planning Department staff engaged the COC three times over the course of the year, first getting general input on direction for the plan presenting the results of the initial workshops. In August, staff presented the draft Strategies and Actions the proposed framework for the plan. In November, the Draft Strategic Plan was brought to the COC for review.

## SUMMARY OF INPUT RECEIVED

### RIDERSHIP

Input on the best way to grow ridership covered a wide range of strategies. Overall, riders prioritized improving the convenience of taking SMART by adjusting and increasing service levels, as well as coordinating with buses and ferries to improve connection times. They also emphasized the importance of enhancing first-last mile connections, such as bikeshare, shuttles, and auto and bike parking options. There was also support for onboard improvements such as restoring Wi-Fi, re-opening the café car, and increasing bicycle capacity, as well as longer-term initiatives such as facilitating Transit-Oriented Development at our stations and long-term fleet transition to zero-emission technology.



## PATHWAY

The community has clearly communicated that SMART needs to prioritize pathway design and construction. The completion of existing gaps in the planned pathway system and the construction of new segments alongside SMART rail extensions has been a clear priority in every form of input received regarding the pathway. There is also interest in SMART pursuing construction of a number of pathway segments that were not included in the EIR. Second to pathway completion, pathway users also value improving the ease of using the pathway, including wayfinding, mapping, lighting, maintenance, safety, and improved local connections. All of these improvements are being included in the Strategies and Actions listed below.

## EXTENSIONS

Similar to the Pathway focus area, the public has voiced clear and strong support for SMART to deliver the extensions. Public input strongly supports

the agency's focus on aggressively pursuing grant funding for the construction of the extensions and pathway, and delivering passenger rail service and pathway to Healdsburg, Geyserville, and Cloverdale. There is also broad support for SMART continuing to participate in the State Route 37 coordination efforts and Caltrans-led FRA Corridor ID process to advance east-west passenger rail.

## FREIGHT

Public input affirms SMART's role in operating Freight rail in the North Bay and the potential this service has for stimulating economic growth while taking truck traffic off of our roads. There is strong public support for prioritizing ways to increase the freight revenue to close the funding gap, including expanding service to new customers and increasing fees. Expanding the freight territory with the northern extensions, working with the private sector, and improving the freight marketing all received high levels of positive support.



# GOALS, STRATEGIES, ACTIONS

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Creating an actionable Strategic Plan ensures that the Plan's implementation is in alignment with the agency's ultimate goals. Through this strategic planning process, SMART created more definition around the agency's goals and developed goal statements for SMART's four focus areas of ridership, pathways, extensions, and freight.

In the service of these stated goals, SMART has identified several strategies the agency could take to advance our progress in meeting these goals, as well as the respective actions that need to be taken to carry out these strategies. This ladder approach is intended to clearly outline the specific activities SMART will execute, while also providing an overarching strategic vision over the Plan's 5-year horizon.



**RIDERSHIP** INCREASE RIDERSHIP TO 5,000+ RIDERS PER DAY



**PATHWAYS** DESIGN AND CONSTRUCT PLANNED PATHWAY, MAINTAIN EXISTING PATHWAY, AND ENHANCE USER EXPERIENCE



**EXTENSIONS** COMPLETE SYSTEM EXTENSIONS TO CLOVERDALE AND PURSUE PROJECT DEVELOPMENT OF EAST/WEST ALIGNMENT



**FREIGHT** ENSURE LONG-TERM SUSTAINABILITY OF FREIGHT OPERATIONS

## RIDERSHIP: STRATEGIES AND ACTIONS

Ridership is a standard measure for how effectively a transit service is serving the community. While there are many other benefits to Marin and Sonoma counties from the SMART system, such as reduced emissions, health benefits, improved access to opportunities, and economic impacts, SMART is focused on increasing ridership as a proxy indicator of how well we are meeting the needs of the community.

### GOAL: Increase ridership to 5,000 riders per day.

1. Ensure clean, safe, reliable and accessible service
  - Monitor on-time performance and pro-actively address operational issues causing delays
  - Continue to work with various first responder agencies to minimize externally created delays
  - Continue onboard and station safety monitoring
2. Provide an affordable and user-friendly fare program
  - Continue free fares for youth and seniors through FY25
  - Work with regional partners to streamline transfers between agencies
  - Work with MTC to implement Clipper 2.0
3. Improve first/last mile connections
  - Continue SMART Connect Shuttle Program at Airport and Larkspur stations; expand service as demand warrants
  - Explore offering SMART Connect Shuttle service to new stations
  - Support implementation of Bikeshare Program at SMART stations
  - Install pathway wayfinding to stations
  - Work with MTC to implement station area wayfinding at all SMART Stations
4. Work with local partners to improve transit connections
  - Work with partners to improve local bus and ferry connections and transfer times
5. Work to maintain and expand auto and bike parking options where appropriate
  - Continue free daytime parking program

## INSIGHTS

SMART achieved 98% on-time performance in FY24.

The Free Fare program has boosted youth ridership on SMART by 99% and senior ridership by 144%.

In June, SMART approved a free and reduced transfer agreement with MTC that provides for free transfers on all Bay Area transit systems up to a maximum of \$2.50. This will go into effect with Clipper 2.0.

Clipper 2.0 will transition users to an account-based fare system and enable riders to use credit cards for payment.

The Connect shuttle carried 2,899 passengers in Fiscal Year 2024.

The Redwood Bikeshare program, led by SCTA and TAM, with funding from MTC, launched at most SMART stations in October 2024.

Santa Rosa Downtown and Larkspur Stations will be pilot locations for the prototype MTC Regional Wayfinding Standards in 2025.

Increases in frequency by SMART and connecting services is the most effective way long-term to improve transfers.

# INSIGHTS

- Continue overnight paid parking program through FY25 and consider for future extension
  - Offer improved information on bike and auto parking options at all SMART stations
  - Explore shared auto parking arrangements with public and private entities around SMART stations
  - Ensure a sufficient range of bicycle parking facilities at each station
  - Explore ways to support bicycle use within the system, including additional station area bicycle parking, full-service bike stations, and station-based bicycle service providers
  - Plan for future Electric Vehicle (EV) charging needs at SMART-owned parking lots
6. Adjust service levels to meet demand (frequency, span of service, etc.)
- Partner to offer special event service
  - Add train service as resources permit, including weekend, midday, earlier morning or later night service
  - Explore adding double track or sidings to decrease travel time
7. Enrich customer experience (information and amenities)
- Install real-time message signs on platforms
  - Explore re-opening the onboard snack bar
  - Explore adding Wi-Fi to trains
  - Explore ways to increase bicycle capacity on board
  - Explore partnering with local communities to integrate art into SMART facilities
8. Enhance marketing, outreach, and communications
- Promote connections to SF Giants games and other events accessible by train
  - Conduct targeted marketing to larger user groups and non-commute travelers
  - Update SMART website to provide better customer information
  - Expand outreach to seniors and persons with disabilities and provide information to organizations that provide services to these groups

SMART has partnered with the City of Santa Rosa to offer a discounted monthly parking pass for SMART commuters.

SMART will install 10 EV charging locations at the Petaluma North station to serve as a pilot program to evaluate future EV charging demand and infrastructure provision.

In 2023 and 2024, SMART partnered with the County of Marin to offer special night service following the Marin County Fair.

Additional double track or siding locations will be needed for SMART to reach “clockface” 30-minute headways.

In 2022, SMART removed the flip seats along the windows to make more room for bicycles. We are evaluating removing additional seating by the bicycle hooks.

Updating the SMART website to improve ease of use and provide better customer information is a priority for 2025.



- Submit schedule data to trip planning tools; work with partner agencies to streamline messaging
  - Coordinate with other transit agencies in the North Bay to provide joint marketing of services and improve the legibility of the system
9. Maintain system in a state of good repair
- Continue to perform State of Good Repair activities
  - Continue to perform train inspections and preventative maintenance at manufacturer recommended and regulatory required intervals
  - Continue daily, weekly, and monthly scheduled maintenance activities at all station facilities
  - Continue to perform proactive maintenance activities and regulatory required inspections to the track, signal system, and right of way
  - Ensure that non-operating segments of the SMART railroad are maintained to minimize impacts to the surrounding communities

10. Plan for fleet needs, including fleet expansion and replacement needed to expand service
  - Conduct service planning for potential service expansions to determine fleet needs as feasible
11. Support climate friendly practices within SMART’s standard operating procedures, including acquiring low and zero-emission fleet technology
  - Integrate sustainability into operating and business practices
  - Plan for transition to a zero-emission revenue and non-revenue fleet
  - Explore adding solar panels at the Rail Operations Facility or other SMART-owned facilities
12. Ensure resilience of system by planning for sea level rise and weather events
  - Work with partner agencies to assess the threat of sea level rise and weather events to SMART and develop plans and projects to create resiliency in the system
13. Continue to secure grant revenue to support transit operations and projects needed to support ridership
  - Pursue funding for train sidings to support travel time and operational improvements
  - Pursue funds needed to support a State of Good Repair
  - Pursue operating funds for continuation or expansion of services to meet customer demand
14. Support locally-sponsored Transit-Oriented Development in collaboration with local jurisdictions
  - Work with cities and counties to explore transit-oriented development (TOD) opportunities along the SMART alignment
15. Continue to support workforce development
  - Partner with local colleges and universities on career technical programs
  - Utilize the Certification Training Programs created by SMART to advance new hires and staff promotions into qualified operating positions
  - Partner with Career Technical Education Foundation Sonoma Corps Program to host high school graduate interns for one-year rotations

## INSIGHTS

SMART has been participating in the Sea Level Rise Planning efforts for Marin County led by the Transportation Authority of Marin, and the Sea Level Rise Adaptation Vision for the North Bay Water Reuse Authority (NBWRA), to identify vulnerabilities and adaptation strategies.

The new Transit-Oriented Communities policy approved by MTC provides a framework and guidelines to support TOD in station areas.

SMART began partnering with SRJC in 2017 to develop education programs that would be beneficial to people seeking a career in rail.

## PATHWAY: STRATEGIES AND ACTIONS

The SMART Pathway is a key component of SMART's transit system. Closing the pathway gaps and completing the remaining segments are critical to supporting SMART's mission to connect communities and to maximizing the utility of this multimodal system. SMART aims to enhance user experience by closing gaps to create more continuity along the Pathway and by making improvements to Pathway information and wayfinding.

### GOAL: Design and construct planned pathway, maintain existing pathway and enhance user experience.

1. Construct segments of the SMART Pathway
  - Complete segments of the SMART Pathway currently under construction
  - Construct funded segments of the SMART Pathway
2. Continue building pathway with rail extensions
  - Include pathway design and construction as a component of all extension projects and grant applications
3. Ensure adequate wayfinding on the Pathway
  - Implement Pathway Wayfinding Program on the pathway and support coordinated wayfinding in surrounding communities
4. Improve pathway website with enhanced information
  - Continue to enhance and support the online interactive SMART Pathway map
5. Aggressively pursue grant funding for pathway construction
  - Continue to make the remaining pathway segments shovel-ready and position them for funding
  - Seek funding in partnership with local jurisdictions and countywide transportation agencies to construct planned Pathway segments
  - Utilize local/state/federal partnerships to fund projects
6. Ensure pathway is safe and user-friendly
  - Support bicycle services around stations
  - Conduct patrols of SMART-owned pathway to monitor conditions

## INSIGHTS

### Under Construction:

McInnis Pkwy. to Smith Ranch Road in San Rafael

Southpoint Blvd. to Main St. between Petaluma and Penngrove

Golf Course Drive to Bellevue Avenue between Rohnert Park and Santa Rosa

Airport Blvd. to Windsor Road between unincorporated Sonoma County and Windsor

### Funded:

Guerneville Rd. to Airport Blvd. between Santa Rosa and unincorporated Sonoma County

Joe Rodota Trail to 3rd Street in Santa Rosa

Hanna Ranch Rd. To Vintage Way S./ Rowland Way in Novato

Windsor River Road to Front Street, and Grove to Lytton Springs Road, as part of the Healdsburg Extension to connect to the Foss Creek Path

### Unfunded:

Smith Ranch Rd. to Main Gate Rd. between San Rafael and Novato

State Access Rd. to Frosty Ln. in Novato  
Vintage Way N. to Novato Creek/Sutter Health in Novato

Grant Ave. to Rush Creek Pl. in Novato  
Main St. to E. Railroad Ave. between Penngrove and Rohnert Park

W. 6th St. to Downtown Santa Rosa Station in Santa Rosa

Lytton Springs Rd. to 1st St. between Healdsburg and Cloverdale

- Evaluate the feasibility of providing additional pathway amenities such as lighting, benches, and art, including potential sponsorship by local businesses
7. Support local efforts to improve connections to pathway
    - Work with local jurisdictions to add enhancements or amenities for bicyclists and pedestrians
    - Support local efforts to improve connections to the SMART pathway
  8. Maintain existing pathway in a state of good repair
    - Continue to perform State of Good Repair maintenance activities on SMART-owned segments of the pathway
  9. Develop plan for future pathway segments/enhancements
    - Complete the environmental clearance and the preliminary engineering for the Puerto Suello Hill Pathway in San Rafael
    - Evaluate the feasibility and conceptual planning for those future segments of the Pathway that were not originally environmentally cleared as part of the SMART Rail and Pathway project

## INSIGHTS

SMART's new pathway wayfinding program will enhance the user experience by making it easier to navigate the pathway and to destinations around the pathway.

### *Future Segments:*

Water St. Pathway between Oak St. and Lakeville St. in Petaluma

1st St. to the County line between Cloverdale and Mendocino County





## EXTENSIONS: STRATEGIES AND ACTIONS

Since the start of revenue service in 2017, SMART has been providing both passenger rail service and delivering major capital projects, as the Novato Downtown station, Larkspur extension, Petaluma North station, Windsor extension, and multiple pathway projects, have been underway. Completing the full system buildout remains a priority for the public and the agency.

### GOAL: Complete system extensions to Cloverdale and pursue project development of east/west alignment.

1. Complete funded rail and pathway extensions:
  - Petaluma North Station
  - Windsor Extension and Station
2. Complete funding of partially funded extensions
  - Aggressively pursue grant funding for the construction of extensions and pathway
  - Pursue addition of a Geyserville station halfway between Cloverdale and Healdsburg to enhance value of the investment in the railroad through northern Sonoma County
3. Work with funding agencies to prioritize SMART projects and needs in long range planning documents
  - Work with MTC to get completion to Cloverdale added to the Regional Transportation Plan, Plan Bay Area 2050+
4. Aggressively pursue grant funding for the construction of extensions and pathway
5. Continue development of east/west passenger rail project
  - Participate in Caltrans-led FRA Corridor ID process
  - Participate in Hwy 37 coordination efforts and work with partners to incorporate rail into Hwy 37 projects
6. Increase rail car fleet, yard and facilities as needed to support service
  - Procure additional train cars needed to support SMART's expanding system and growing ridership
  - Pursue grant funding to expand SMART revenue fleet, replace SMART revenue fleet when the useful life is complete, and prepare for future transition to zero-emission technology for SMART's rail fleet, each while maintaining system performance
7. Plan for growth of freight rail services in coordination with passenger rail expansion

## INSIGHTS

The Windsor Station and 3 new miles of parallel pathway are anticipated to open Spring 2025.

Healdsburg northern city limit extension and station has secured 70% of funding needed for the nearly 9-mile project between Windsor and Alexander Valley.

The Cloverdale extension includes 13.5 miles of rail and pathway, from Lytton Springs Road to 1st Street in Cloverdale.

The east-west rail line is 46 miles and provides a connection to the national rail network.

SMART's 18 DMU rail cars were received in 2017 and 2019 and have Tier 4 engines, the cleanest diesel engine available, with a selective catalytic reduction system that helps reduce emissions. These cars have a useful life of 39 years, with replacement in 2056 and 2058.

## FREIGHT: STRATEGIES AND ACTIONS

Since the SMART was granted freight common carrier status by the Surface Transportation Board in June 2021 and began operating those services in 2022, SMART has been working to create a fiscally sustainable freight business for the North Bay.

### GOAL: Ensure long-term sustainability of freight operations.

1. Increase freight revenue to close funding gap
  - Develop railcar storage business to maximize revenue of storage track
  - Expand service to new and existing customers
  - Examine freight tariffs and consider increasing fees
  - With completion of Northern extensions, explore new potential customers north of Airport station
2. Assess potential rail spurs and new transload sites
  - Identify and develop a transload facility
3. Explore public-private partnerships
  - Work with the private sector to rehabilitate/construct rail spurs for freight
  - Develop relationships within business oversight/certification/evaluation organizations like B-Corps
4. Market advantages of shipping by rail
  - Develop marketing materials and business development plan for freight
5. Ensure state of good repair
  - Repair and maintain bridges, tracks and locomotives
6. Seek and secure freight capital and operating grants
  - Pursue grant funding to improve track and bridge conditions
  - Pursue grant funding to acquire replacement and expansion of non-revenue vehicles and locomotives
7. Meet CARB requirements for freight locomotives

## INSIGHTS

SMART delivers over 600 rail cars per year – offsetting emissions/vehicle miles equivalent to 1,800 trucks transporting goods and materials from Minnesota, South Dakota, and Canada.

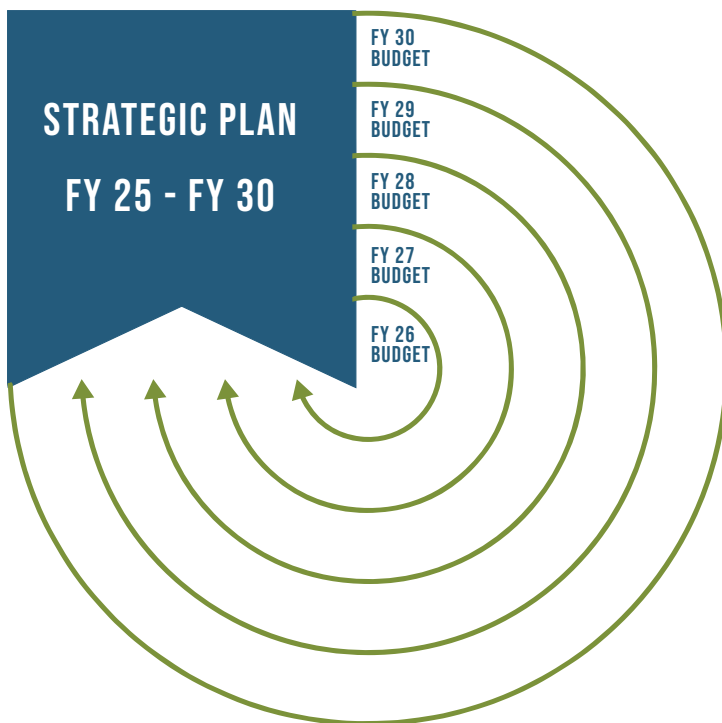
The northern extension will facilitate short line rail transport of goods and materials between adjacent rural areas, with economies reliant on agriculture, tourism, beverage production, lumber processing, and national markets.

The 24-mile Brazos Branch, owned by SMART, faces challenges from sea level rise and recurring winter storm damage, leading to a 20-day closure during the Winter of 2022-23. Lacking dedicated funding source for railroad investment, SMART inherits a maintenance backlog on the Brazos Branch track along with winter storm damage.



## FUNDING SOURCES, FINANCIAL PLAN AND HOW WE FUND PLAN IMPLEMENTATION

The strategic plan directly influences SMART's financial plan by providing the roadmap for achieving SMART's goals, which informs the allocation of resources, investment decisions, and budgeting strategies needed to execute those goals. The financial plan then guides the annual budget by identifying key priorities and challenges that need to be addressed over a longer timeframe and promoting proactive decision making in the budgeting process.



With each annual budget, SMART assesses the planned revenues available after SMART meets its obligations that include debt service, funding reserves, operations and maintenance expenditures in order to determine the funding capacity for capital and state of good repair projects and specific projects and initiatives.

While many of the strategic plan's actions are currently funded fully or partially, other activities and initiatives in this plan do not have committed funds. Carrying out the strategies and actions of this strategic plan will depend on the availability of resources and funding. At the outset of the annual budget development process, SMART will use this Strategic Plan to inform funding priorities in order to ensure that SMART's budget advances the implementation of the Strategic Plan. Where funding capacity is identified, SMART will incorporate the Strategic Plan's actions into SMART's capital, operating and administrative budget (see Figure 3: Strategic Plan-Budget Feedback Loop). Additionally, where there is synergy between the discretionary grants available and the plan's actions, SMART can pursue additional fund sources to deliver the projects and initiatives in this plan. Using the Strategic Plan to shape SMART's annual budgets ensures that the agency's resources are put to work to achieve the goals that SMART and the public fortified in this plan.

Figure 3: Strategic Plan-Budget Feedback Loop

## FUNDING SOURCES – PASSENGER RAIL

SMART receives funding from a variety of sources including local sales tax, state, federal, and local/regional grant programs (see Figure 4: Estimated Revenues).

### SALES AND USE TAX (MEASURE Q)

On November 4, 2008, more than two-thirds of the voters in Sonoma and Marin counties approved Measure Q implementing the 2008 Measure Q Sales Tax. The 2008 Measure Q Sales Tax is a sales and use tax of one quarter of one percent (1/4%) imposed for a period of 20 years beginning April 1, 2009, on the gross receipts from all tangible personal property sold at retail businesses in the counties and a use tax at the same rate on the storage, use, or other consumption in the counties of

such property purchased from any retailer, subject to certain exceptions. While we saw a decrease of revenues in Fiscal Year 2020, subsequent growth was in the double digits for Fiscal Year 2021 and 2022. While Fiscal Year 2023 finished out a little over a percentage point above Fiscal Year 2022, in Fiscal Year 2024 growth slowed even further. Based on current projections, Fiscal Year 2025 appears to be flat. Between 2025 and 2030 growth is expected to average 2.1%. Sales and Use taxes are the most flexible funding source that SMART receives (see Figure 5: Sales and Use Tax Trend).

SMART's sales and use tax is currently scheduled to sunset in the Spring of 2029. For purposes of this financial plan, SMART has assumed that the sales and use tax will be reauthorized by the voters prior to that date.

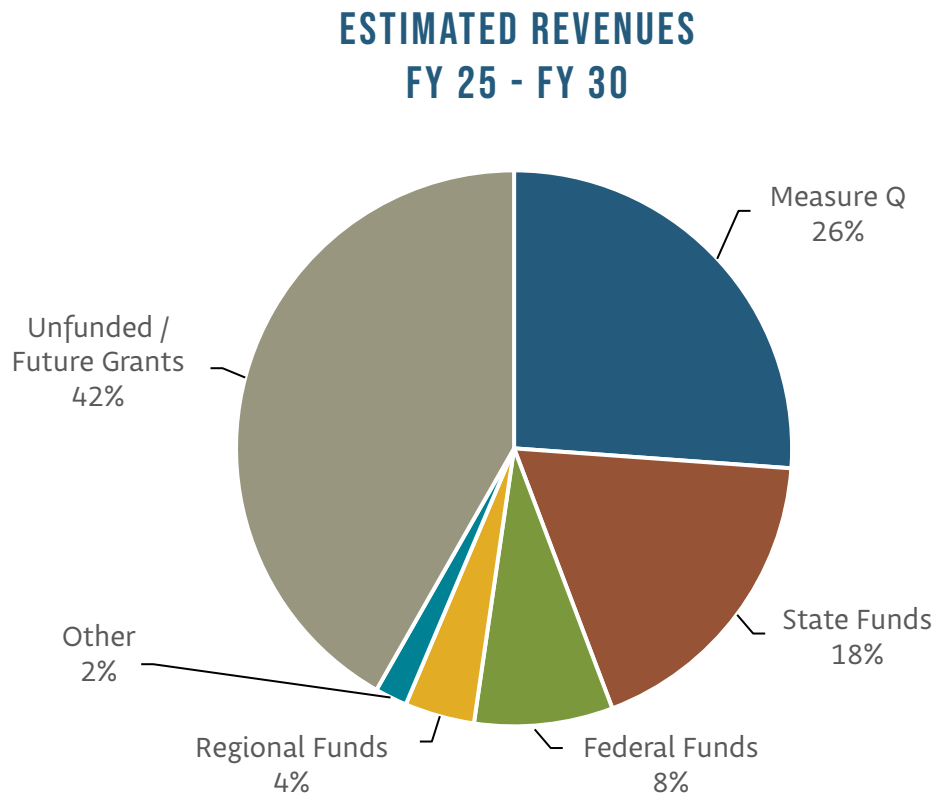


Figure 4: Estimated Revenues by Source

## SALES AND USE TAX TREND

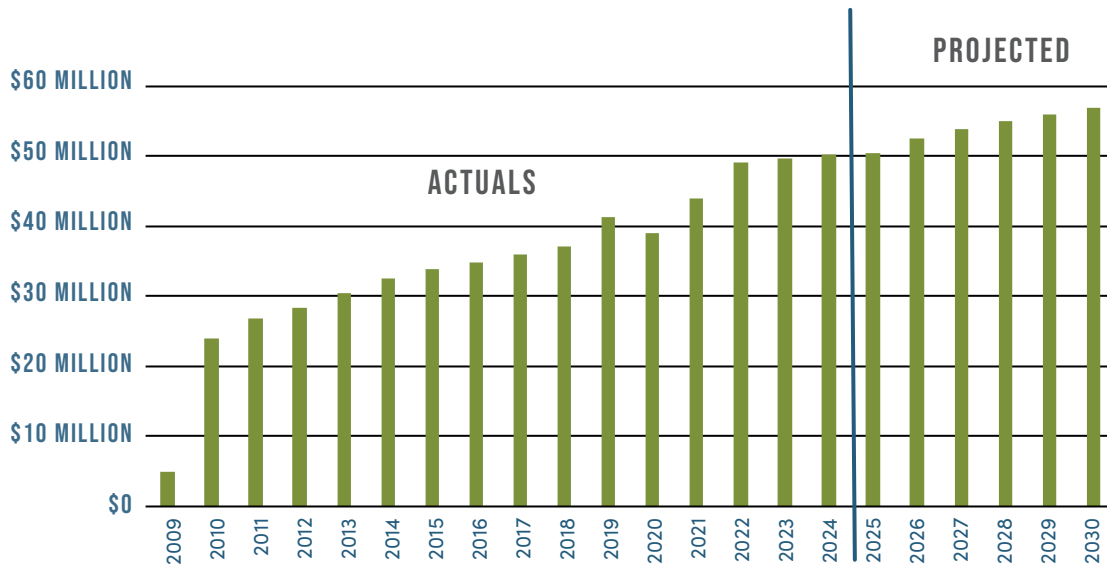


Figure 5: Sales and Use Tax Trend

### OPERATIONS – STATE REVENUES

SMART receives formula allocation from three state revenue programs itemized below that can be utilized for operations.

#### State Transit Assistance

A portion of the revenues derived from the sales tax on diesel fuel purchases and registration fees is appropriated by the State Legislature to the State Transit Assistance Program (STA) for public transportation purposes. These STA revenues are allocated to public transit agencies throughout the State based on population and operating revenues by formula. This fund source increased through 2017 Senate Bill 1, the Road Repair and Accountability Act.

#### State Rail Assistance

Another new funding source created by SB 1 is the State Rail Assistance (SRA) program. SRA directs a 0.5% portion of new diesel sales tax revenue for allocation: half to the five (including, Altamont Corridor Express Authority (ACE), North County Transit Development Board (Coaster), Peninsula Corridor Joint Powers Board (Caltrain), Sonoma-Marín Area Rail Transit District (SMART), Southern California Regional Rail Authority (Metrolink) commuter rail providers and half to intercity rail corridors.

#### Low Carbon Transit Operations Program (LCTOP)

LCTOP was created to provide operating and capital assistance for transit agencies to reduce greenhouse gas emissions and improve mobility, with a priority on serving disadvantaged communities. Funds for this program come from State Cap and Trade auctions. Approved projects in LCTOP will support new or expanded bus or rail services, expand intermodal transit facilities, and may include equipment acquisition, fueling, maintenance and other costs to operate those services or facilities, with each project reducing greenhouse gas emissions.

### OPERATIONS – FEDERAL REVENUES

SMART is a direct recipient of Federal Transit Administration (FTA) funds.

#### 5307 Funds

FTA Urbanized Area Formula Funds that can be used for capital projects, operating assistance, job access, reverse commute projects, and transportation related planning. SMART uses these funds for preventative maintenance.

## OPERATIONS – OTHER REVENUES

### Farebox Revenues

SMART passengers pay for their rides using the fare structure approved by the SMART Board in 2015 and 2016. SMART participates in the regional Clipper fare system that allows riders to transfer seamlessly among Bay Area operators using one fare media card. SMART also has its own mobile ticket app that provides easy purchasing of multiple or discounted tickets without purchasing a Clipper card. The fares are based on the distance travelled by a rider, like other commuter rail services.

### Shuttle Revenues

SMART passengers pay a one-way fare of \$1.50 for adults or \$0.75 for persons with a disability. Youth and seniors ride for free.

### Parking Revenue

Parking fees are suspended during the hours of 4:00 am and 11:59 pm. Overnight parkers pay a fee of \$5.00 between the hours of 12:00 am and 3:59 am.

### Advertising Revenues

These revenues are generated from advertising space sold onboard trains and station platform shelter panels.

### Charges for Services

These revenues come from fees that we charge for services such as flagging or permits.

## ADMINISTRATION AND OPERATIONS – OTHER REVENUES

The following revenues can be used to fund administration or operation costs.

- **Interest Earnings:** Are earnings related to funds held with either the Sonoma County Treasurer or the Bank of Marin.
- **Lease Revenues:** These revenues are generated by leasing real estate holdings that SMART is not currently utilizing.
- **Miscellaneous Revenues:** Miscellaneous revenues are those revenues such as insurance reimbursements, restitution, or other revenues that cannot be classified in one of the other revenue categories.

## STATE OF GOOD REPAIR – FEDERAL AND STATE

### 5337 Funds

FTA Formula funds providing capital assistance for maintenance, replacement, and rehabilitation projects of fixed guideway systems to help transit agencies maintain assets in a state of good repair in urbanized areas. Fiscal Year 2026 is the first year that SMART is eligible for this fund source.



Flexible Revenue	FY 2025-FY 2030
Measure Q	\$324,860,000
Measure Q Cost of Collection	\$(4,897,286)
Net Sales and Use Tax	\$319,962,714
Measure Q Roll forward	\$2,291,677
Administration (1010)	
Interest Earning	\$3,250,000
Rent - Real Estate	\$3,102,482
Misc.	\$350,957
Operations (3010)	
5307 - Urbanized Area Formula Funds (Preventative Maintenance)	\$23,783,458
LCTOP - Low Carbon Transit Operating	\$3,512,903
LCTOP - Population Marin Allocation	\$23,270
SB1 - SRA - State Rail Assistance	\$22,200,000
STA - State Transit Assistance (Revenue)	\$15,466,295
STA - State Transit Assistance (Population)	\$7,331,443
Fare Revenues	\$18,179,357
Parking	\$73,740
Advertising	\$898,533
Charges for Services	\$708,705
State of Good Repair	
5337 - Federal State of Good Repair Funds	\$32,391,382
STA - State of Good Repair (SGR)	\$2,148,760
Shuttle	
State Funds - Shuttle Service	\$1,500,000
Shuttle Revenues	\$9,488
<b>Subtotal</b>	<b>\$457,185,164</b>





### SGR Funds

California SB1 created an additional STA program, the STA State of Good Repair (SGR) Program to provide annual funding to transit operators in California for eligible transit maintenance, rehabilitation, and capital projects.

## PROJECT SPECIFIC FUNDING - STATE

### Affordable Housing and Sustainable Communities (AHSC)

This funding source provides grants and/or loans, or a combination thereof, to projects that seek to integrate low-carbon transportation and affordable housing, with an emphasis on providing benefits to Disadvantaged and Low-Income Communities. Funding for this program is provided from the Greenhouse Gas Reduction Fund established to receive Cap-and-Trade auction proceeds.

### Active Transportation Program (ATP)

This funding source was created by SB 99 to encourage increased use of active modes of transportation such as biking and walking. The goals of the program include increasing the proportion of trips accomplished by walking and biking, increasing the safety and mobility of non-motorized users, advancing efforts of regional agencies to achieve greenhouse gas reduction goals, enhancing public health, and providing broad spectrum of project to benefit many types of users including disadvantaged communities.

### Clean California Transit Grant

These funds go to communities to beautify and improve local streets, roads, tribal lands, parks, pathways, and transit centers. AB 149 created this program, and it was codified under Streets and Highway Code § 91.41 et al.

### State Local Partnership Program (LPP)

SB 1 created the Local Partnership Program Formula fund source. This program continuously appropriates funding annually from the Road Maintenance and Rehabilitation Account to local and regional transportation agencies that have sought and received voter approval of taxes or that have imposed fees, which taxes or fees are dedicated solely for transportation improvements.

The funds are managed by the California Transportation Commission, which also manages a Competitive portion of the Local Partnership Program.

### Interregional Transportation Improvement Program (ITIP)

As specified by California law, using its 25 percent share of the STIP, Caltrans nominates ITIP projects that improve the Interregional Transportation System between regions for the movement of people and goods as outlined in the Interregional Transportation Strategic Plan (ITSP). Project selection for the ITIP is guided by State Statutes, the ITSP, and Commission STIP Guidelines. In particular, Caltrans' ITSP provides the framework to identify strategic corridors for the investment of ITIP funds and the facility concepts that the investments are intended to achieve. Caltrans works with Regional and local agencies to identify those projects.

### Regional Measure 3 (RM3)

RM3 finances a comprehensive suite of highway and transit improvements through an increase of tolls on the region's seven state-owned toll bridges.

### Solutions for Congested Corridors (SCCP)

SCCP is a statewide, competitive program that provides funding to achieve a balanced set of transportation, environmental and community access improvements to reduce congestion throughout the state. The program was created by the Road Repair and Accountability Act of 2017 (SB1).

### Sustainable Transportation Planning Grant

Planning projects funded from this program are expected to directly benefit the multi-modal transportation system. Grants from this program are also expected to improve public health, social equity, environmental justice, the environment, and provide other important community benefits.

### Transit and Intercity Rail Capital Program (TIRCP)

The TIRCP program funds transformative capital improvements that modernize California's intercity rail, bus, ferry, and rail transit systems to achieve the objectives of (1) reducing emissions of greenhouse gasses (2) expanding and improvement transit

services to increase ridership (3) integrating rail service to the state's various rail operation to include integration with the high-speed rail system (4) improving transit safety.

## PROJECT SPECIFIC FUNDING – FEDERAL

SMART is a direct recipient of Federal Transit Administration (FTA) and Federal Rail Administration (FRA) Funds.

### Community Project Funds (Discretionary Earmark)

The Consolidated Appropriations Act, 2023 appropriated \$360.46 million in Community Project Funding (CPF), also known as Congressionally Directed Spending (CDS). The SMART Rail Extension to Healdsburg – Preliminary Design was nominated by U.S. Congressman Jared Huffman.

### FRA CRISI Funds

Consolidated Rail Infrastructure and Safety Improvements Program, which provides funding for projects that improve safety, efficiency, and reliability of intercity passenger and freight rail. These grant funds are specifically to fund the Windsor Systems and Healdsburg Systems projects to implement positive train control (PTC) on the extensions.

### FTA/ One Bay Area Grant Program (OBAG 2)

A Metropolitan Transportation Commission (MTC) program that continues to integrate the region's federal transportation program with California's climate statutes and the Sustainable Communities Strategy (SCS) and contributes to the implementation of the goals and objectives of the Regional Transportation Plan. The program encourages land-use, housing and complete streets policies that support the production of housing with supportive transportation investments.

### FTA/ One Bay Area Grant Program (OBAG 3)

A MTC program that distributes federal transportation funding from the Federal Highway Administration (FHWA) to project and programs that improve safety, spur economic development, and help the Bay Area meet climate change and air quality improvement goals.

### FTA/ Quick-Strike Funds

The Safe and Seamless Mobility Quick-Strike program is a one-time, competitive grant program established by the Metropolitan Transportation Commission. Federal funding was made available to support local and regional projects that could be implemented quickly to benefit communities responding and adapting to the COVID-19 environment. The program emphasizes bicycle/ pedestrian safety and mobility, connections to transit, and projects that advance equitable mobility. SMART was awarded these funds and transferred them to the FTA for execution into a grant.

### USDOT Safe Streets and Roads for All (SS4A)

This program funds regional, local, and Tribal initiatives through grants to prevent roadway deaths and serious injuries.

<b>Project Specific Funding Sources</b>	<b>FY 2025-FY 2030</b>
Community Project Funds - Discretionary Earmark	\$1,800,000
FTA/ OBAG 2 Funds	\$500,000
FTA/ OBAG 3 Funds	\$3,000,000
FTA - Quick Strike - McInnis to Smith Ranch Road	\$997,143
FRA - CRISI - Windsor	\$1,749,298
FRA- CRISI - Healdsburg	\$28,140,000
FRA - Suicide Prevention Grant	\$15,943
USDOT Safe Streets and Roads for All (SS4A)	\$7,000,000
AHSC - Roseland Village (Round 5) - Windsor (Mid-Pen)	3,817,891
AHSC - Kashia Tribe (Round 7) - Windsor	\$750,000
AHSC - Petaluma (Danco) Petaluma North Station	\$3,849,485
ATP - SoCo Pathway	\$6,789,381
Caltrans Sustainability Communities Competitive Planning Grant	\$400,000
Clean California Transit Grant	\$1,000,000
LPP - Local Partnership Program	\$4,732,281
ITIP - Windsor Systems	\$6,624,890
ITIP Complete Streets Funds - Pathways	\$6,097,000
RM3 - Civic Center Kiss-n-Ride	\$1,719,000
RM3 - Hanna Ranch to Vintage Way	\$4,713,180
RM3 - Windsor to Healdsburg	\$40,000,000
RM3 - Windsor Ped Undercrossing	\$1,276,000
SCCP - Windsor	\$13,023,322
TIRCP - Petaluma North and McDowell Crossing	\$8,559,722
TIRCP - Windsor to Healdsburg (Design)	\$34,338,000
TIRCP - Windsor to Healdsburg (Construction)	\$81,000,000
Measure M Sonoma County - Windsor to Healdsburg	\$2,000,000
Other Governments	\$2,029,915
<b>Subtotal - Project Specific</b>	<b>\$265,922,451</b>
<b>Grants - Pending</b>	
RM3 SR2TBT Grant	\$13,528,000
Future Windsor to Healdsburg	\$81,000,000
Healdsburg to Cloverdale	\$401,735,661
Future Pathway Grants	\$18,430,807
<b>Total Grants Pending</b>	<b>\$514,694,469</b>

### LOCAL GOVERNMENTS

Local and Regional Government such as cities and counties, the Sonoma County Transportation Authority, or the Transportation Authority of Marin participate in some of SMART’s projects by granting funds for specific improvements or activities. In some cases, local governments want additional improvements done while SMART is building a project, and they fund those improvements that SMART undertakes on their behalf.

### SMART’S FLOW OF FUNDING

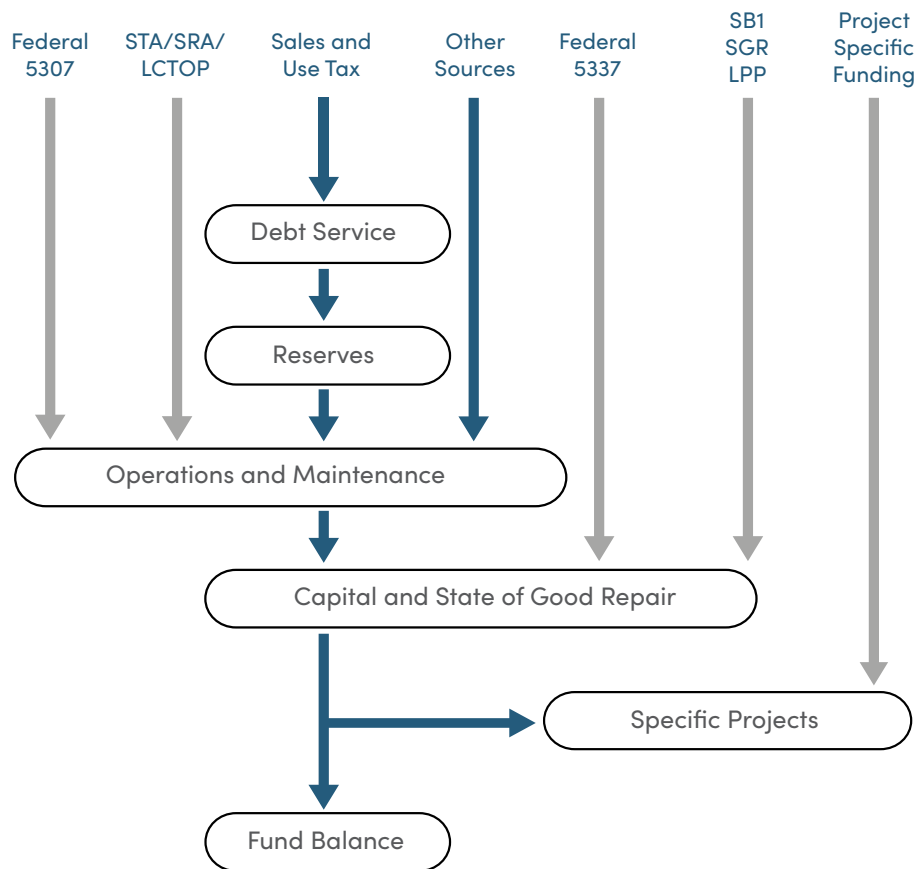
SMART’s Strategic Plan provides guidance for directing funding to projects and programs, as

well as what additional funds need to be pursued in order to achieve SMART’s short- and long-term goals. Funding is then allocated based on the eligible activities provided for by the respective funding sources (see Figure 6: Flow of Funding).

### EXPENDITURES

Expenditures consist of both recurring expenses, such as operating expenses, as well as non-recurring outlays such as projects, debt service and capital expenditures. SMART’s largest expenditures are related to providing transit-related operations (see Figure 7: Estimated Expenditures by Expense Type). These costs include compensation, materials and supplies, contracted services, insurance, utilities, and other such expenses.

## THE FLOW OF FUNDING



- █ SMART-administered funding/revenue
- █ Federal/State/Regionally-administered formula or discretionary funding

Figure 6: Flow of Funding

## ESTIMATED EXPENDITURES FY 25 - FY 30

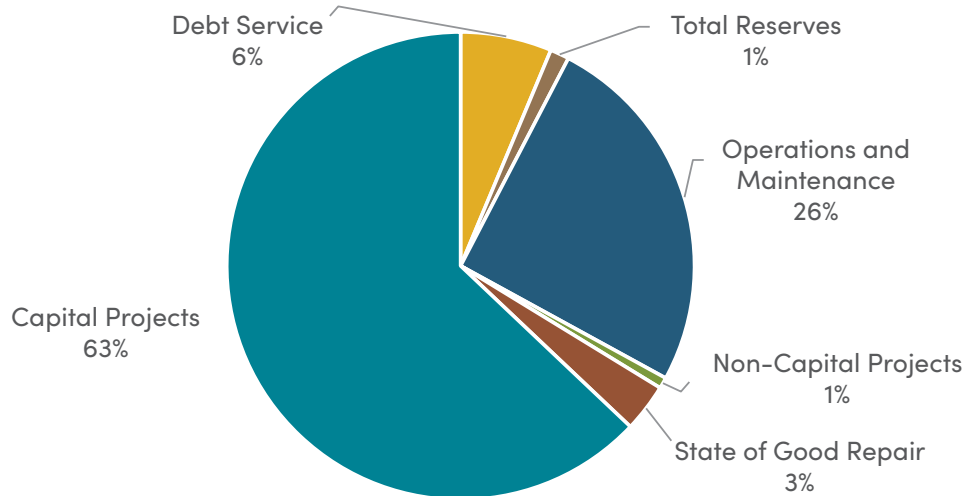


Figure 7: Estimated Expenditures by Expense Type

SMART also has outstanding debt which was used to fund construction of the passenger rail system and rolling stock. SMART’s debt will be fully repaid in FY 29. No additional issuance of debt is contemplated in this planning horizon.

### DEBT SERVICE

SMART’s first lien on our sales and use tax is debt service. Prior to receiving our sales and use tax each month, one twelfth of the annual debt service is taken off the top and set aside in a separate account held by the Sonoma County Treasurer to be used to pay the debt service. SMART has \$81.8 million in outstanding debt. This debt will be entirely paid off in 2029 (see Figure 8: Debt Service).

Fiscal Year	Debt Service
FY 25	\$ 16,904,116
FY 26	\$ 16,996,844
FY 27	\$ 16,998,869
FY 28	\$ 16,999,931
FY 29	\$ 13,899,281
Total	\$ 81,799,041

Figure 8: Debt Service

### RESERVES

SMART has four (4) reserves that have been established for very distinct purposes:

1. **Pension and OPEB Liability Reserve:** This reserve is to ensure that we have funds set aside for future pension costs. We contribute \$750,000 per year to this reserve.
2. **Vehicles and Capital Reserve:** This reserve is used to accumulate funds for future capital needs such as DMU replacement. We contribute \$1.5 million per year to this reserve.
3. **Corridor Completion Reserve:** This reserve was established in the FY 2020/2021 amended budget to set aside funds for design, environmental, or leveraging grants. The current balance is \$7,000,000.
4. **Operating Reserve:** The operating reserve is set aside to stabilize finances by providing a cushion against temporary unexpected events or losses of funding. The Board of Director’s policy for this reserve is 25% of operating costs or \$10 million whichever is greater.

Contributions to Reserves	FY25-FY30
Contribution to OPEB/CalPers Liability Fund	\$4,750,000
Contribution to Capital (Revenue Vehicles)	\$8,192,250
Operating Reserve (25% of Operating)	\$4,128,246
<b>Total Reserves</b>	<b>\$17,070,496</b>

### OPERATIONS AND MAINTENANCE

Operations and maintenance include the activities that ensure the safe and efficient operation of SMART’s system of passenger rail and pathways. Also included is administration of the system as well as non-capitalized projects such as mitigation and monitoring and planning projects.

Operations and Maintenance	FY25-FY30
Salaries and Benefits	\$184,784,062
Services and Supplies	\$143,841,703
<b>Total Maintenance and Operations</b>	<b>\$328,625,765</b>

### NON-CAPITAL PROJECTS

The following are operational activities that SMART has deemed to be set up and tracked as projects but don’t meet the definition or dollar threshold of a project that can be capitalized.

Non-Capital Projects	FY25-FY30
Ongoing Mitigation and Monitoring	\$2,750,831
Quality of Life and Economic Analysis	\$436,403
State Route 37	\$9,000
Suicide Prevention	\$15,943
Pathway Design	\$6,065,058
Maintenance Projects	\$500,000
Civic Center Kiss-n-Ride (Design)	\$1,719,000
<b>Subtotal Expense Projects</b>	<b>\$11,496,235</b>
<b>Subtotal Expense Projects with Inflation</b>	<b>\$11,706,403</b>

### STATE OF GOOD REPAIR

Title 49 of the Code of Federal Regulations (CFR) 625.5 defines State of Good Repair (SGR) as the condition in which a capital asset can operate at a full level of performance. Per FTA, “having well maintained, reliable transit infrastructure – track, signal systems, bridges, tunnels, vehicles and stations – will help ensure safe, dependable and accessible services.”

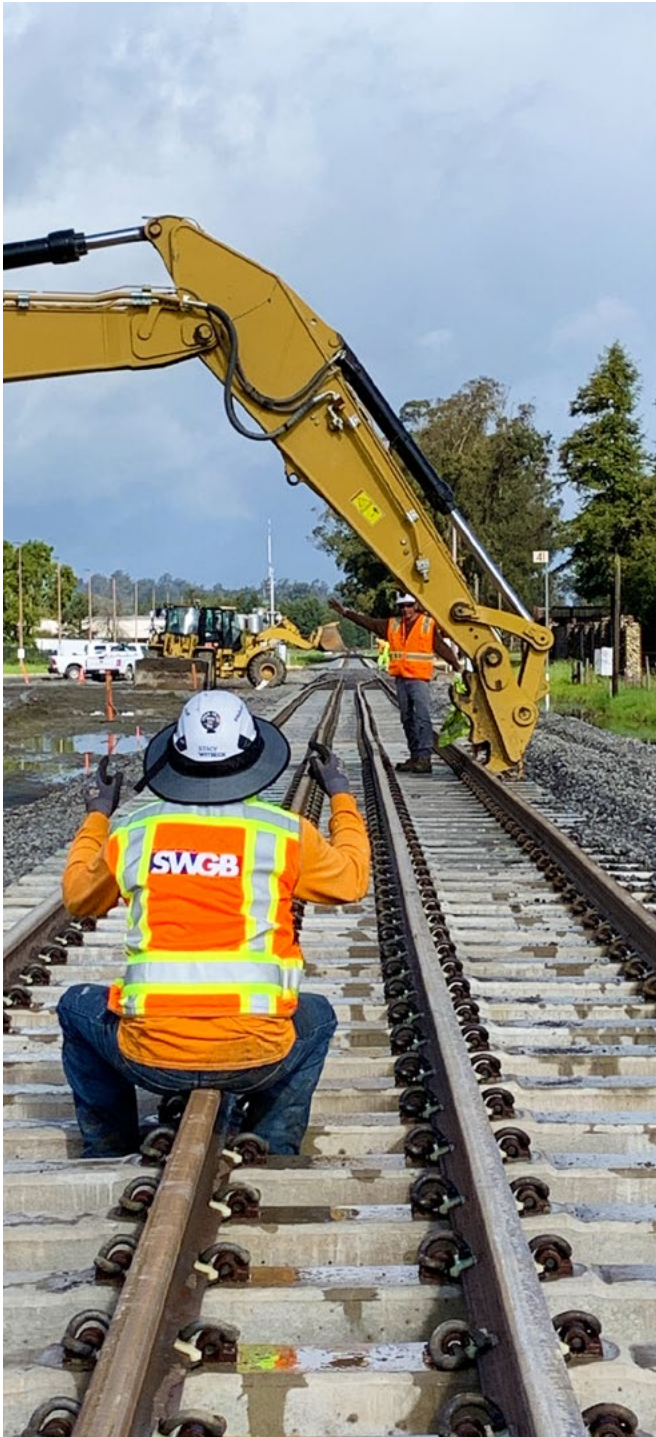
State of Good Repair expenditures are those costs that keep our assets in a condition where the asset can operate at a full level of performance. This requires regular repairs and replacement of those assets.

State of Good Repair Projects	FY25-FY30
Bridges	\$8,801,495
DMUs	\$16,781,436
MOW Projects	\$11,195,827
Train Control Systems and Communications	\$2,887,500
Safety and Security	\$81,060
<b>Subtotal SGR</b>	<b>\$39,747,318</b>
<b>Subtotal SGR with Inflation</b>	<b>\$43,198,729</b>



## CAPITAL PROJECTS

Capital projects are defined as those projects that are over \$5,000 in cost and that have a useful life of more than one year. Capital projects include but are not limited to equipment, computers, pathway projects, and expansion projects.



Project/ Capital	FY25-FY30
Buildings	\$6,830,000
DMUs	\$7,925,000
Energy Cushion Device Crash System	\$150,000
Equipment	\$214,650
IT Equipment	\$2,188,050
Land Acquisition	\$1,307,750
Larkspur Train and Ferry Shuttle Electrification Project	\$100,000
Non-Revenue Vehicles	\$1,400,654
Pathways	\$18,430,807
<b>Subtotal Capital</b>	<b>\$38,596,911</b>
<b>Subtotal with Inflation</b>	<b>\$41,948,797</b>
<b>Pathways</b>	
Guerneville Road to Airport Blvd.	\$16,626,430
Hanna Ranch Road to Vintage Way	7,690,648
Joe Rodota Trail to 3rd Street	\$465,986
McInnis to Smith Ranch Pathway	\$3,073,668
Smith Ranch to Main Gate Road (Hamilton Station)	\$13,528,000
Sonoma County Pathway	\$16,847,271
Wayfinding	\$803,605
Windsor - Ped Grade Separation	\$2,172,876
<b>Extensions/ Expansions</b>	
Santa Rosa to Windsor - Civil	\$18,337,042
Santa Rosa to Windsor - Systems Work	\$9,709,262
Windsor to Healdsburg	\$268,278,000
Healdsburg to Cloverdale	\$401,735,662
<b>Other Capital Improvements</b>	
Petaluma North Station	\$10,754,722
McDowell Crossing	\$2,490,586
Real Time Signage	\$602,504
<b>Work for Other Governments</b>	
McDowell Paving	\$711,952
Utility Crossings	\$407,100
<b>Subtotal Project Specific</b>	<b>\$774,235,314</b>

## FINANCIAL PLAN ASSUMPTIONS – REVENUES

### SALES AND USE TAX (MEASURE Q)

Sales and Use Tax is SMART’s largest funding source. SMART utilizes MuniServices to forecast this revenue source. This voter authorized tax will sunset in the Spring of 2029. For purposes of this financial plan, it is assumed that the voters will reauthorize this funding source prior to the sunset date. However, in September 2023, SMART did present the Board of Directors with potential scenarios for continuing operations beyond the April 2029 sales tax expiration date, which included scenarios where a sales tax was not approved prior to 2029. Those scenarios can be found in [Appendix C](#).

### FEDERAL 5337 STATE OF GOOD REPAIR FUNDS

Fiscal Year 2026 will be the first year that SMART receives these funds. The funding estimates were based on information received from FTA. Based on MTC’s current policy, SMART would only receive a portion of the funds estimated by FTA. The rest of the funds would be allocated based on MTC’s policy. If SMART does not receive these funds as forecasted, State of Good Repair projects will have to be delayed.

### FARE REVENUES

SMART fare policy post-pandemic has prioritized removing barriers to ridership rather than increasing revenue by raising fares. The fare discounts put into place since 2020 have resulted in strong post-pandemic ridership recovery while simultaneously reducing SMART’s investment per passenger mile (IPPM). These results confirm that increased boardings have a greater impact on reducing the overall IPPM than the farebox recovery ratio. The SMART Board of Directors have continued to prioritize ridership over the farebox recovery ratio to ensure the community benefits of SMART are maximized. This Strategic Plan assumes the continuation of fare policies that prioritize ridership and ease of access to the system.

Fare revenues assume the following:

- The opening of Windsor in FY 2025
- The opening of Healdsburg in FY 2028
- No fare increases
- The continuation of free fares for youth and seniors

Project Specific Grants: The grants have already been approved for specific projects.

### GRANTS – NOT YET RECEIVED

These are grants that have either been applied for but not yet granted or grants that still need to be applied for.

## FINANCIAL PLAN ASSUMPTIONS – EXPENDITURES

### OPERATIONS AND MAINTENANCE

Salaries and benefits grow at 5% and service and supplies grow by estimated inflation of 3%. Additional operating costs for Windsor are assumed in FY 25 and for Healdsburg in FY 28. Additional service beyond Windsor and Healdsburg are not funded in this plan.

### STATE OF GOOD REPAIR

As was mentioned under revenues, federal funding is assumed each year. If these funds are not received, State of Good Repair projects will have to be deferred.

### CAPITAL PROJECTS

Grant funding will be required for the following projects to be completed by FY 30:

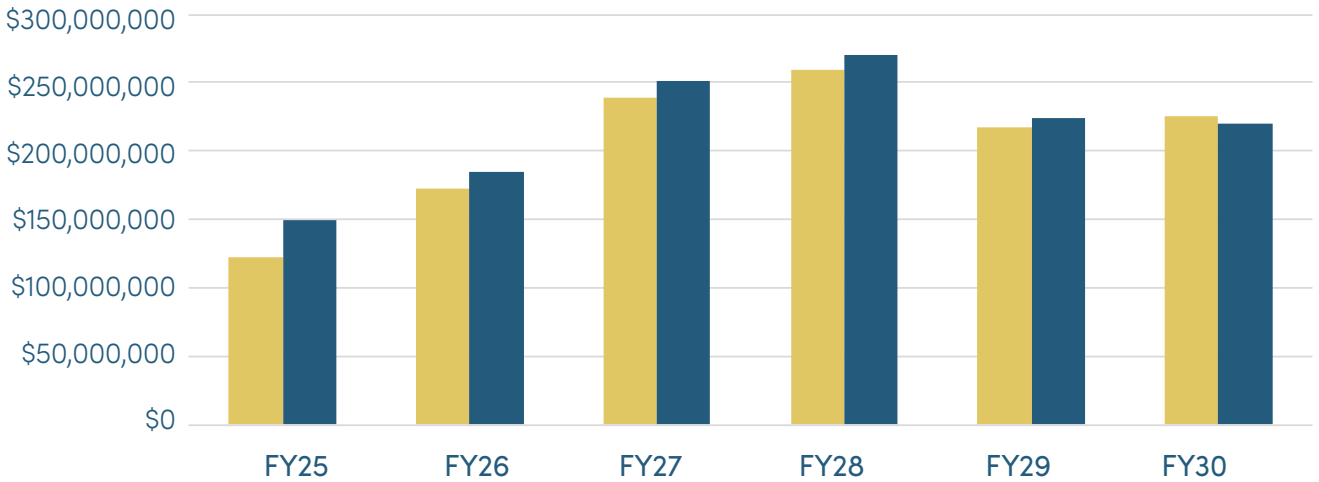
- Pathway projects not already funded
- Remaining 30% of funding from Windsor to Healdsburg
- Healdsburg to Cloverdale pathway and rail extension



## FUND BALANCE

In this plan period (FY 25 – FY 30), planned expenditures exceed estimated revenues by \$60,782,462, which will come from the fund balance. At the end of FY 30, it is estimated the fund balance will be \$11,413,910. See [Appendix B](#) for SMART’s assumed FY2025–FY2030 Revenues and Expenditures.

### REVENUES VS. EXPENDITURES FY 25 - FY 30



## FUNDING SOURCES – FREIGHT

### OPERATING REVENUE

Operating revenue for Freight services comes from the following sources:

- **Freight Movement Fees:** Fees charged to the shipper for the cost associated with transporting goods. These funds are estimated to remain flat through FY 30.
- **Storage Fees:** Fees charged to customers to store cars on SMART’s tracks. Fee revenues are expected to increase between FY 25 and FY 30 as SMART continues to get new customers.
- **Leases:** Rental income from customers that utilize SMART’s property associated with freight.

### GRANTS AND MISCELLANEOUS REVENUE

- **AB 157:** This funding source can be used for operations, maintenance, and capital expenditures.
- **CalSTA 19-003 Grant:** These funds were available from SB 170 the Budget Act of 2021 for administration, maintenance, and security.
- **Short-Line Railroad Improvement Program (SLRIP):** This program funds infrastructure improvement projects designed to enable Class III/ short-line railroads to improve freight mobility, efficiency, reliability, sustainability, safety, and load capacity.
- **Tax Credits:** SMART is eligible to receive a tax credit under 26 U.S. Code § 45G. This tax credit is equal to 40% of the qualified railroad track maintenance expenditures paid or incurred by an eligible taxpayer during the taxable year. Since SMART does not pay income tax, the tax credit can be sold by a broker and SMART freight receives the revenues from that sale.

## EXPENDITURES - FREIGHT

- **Salaries and Benefits:** The Freight Division has six employees. These costs have been inflated 8% per year based on estimated benefit cost increases.
- **Services and Supplies:** Included in these costs are activities such as maintenance of the railway, maintenance of signals, maintenance of the locomotives and fuel. These costs have been inflated 3% per year.
- **Capital and State of Good Repair:** Due to limited funding, SMART is doing the minimal amount of capital and state of good repair to keep the system safe and functional. The work includes crossings, bridges, and tie replacement.

### LOCOMOTIVES

SMART has secured the following grants to fund the purchase of (2) two Tier IV locomotives.

- **FRA – CRISI Grant:** This grant will provide \$3,750,000 towards the purchase.
- **California Volkswagen Mitigation Settlement:** This grant will provide \$3,240,000 towards the match and purchase.

Locomotive - Funding	FY26
FRA - CRISI Grant	\$3,750,000
California Volkswagen Mitigation Funds	\$3,240,000
Locomotive - Expenditures	
2 Tier IV	\$6,990,000

<b>Freight</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>	<b>FY 28</b>	<b>FY 29</b>	<b>FY 30</b>
<b>Beginning Fund Balance</b>	<b>\$213,236</b>	<b>\$61,784</b>	<b>\$3,241,864</b>	<b>\$2,339,632</b>	<b>\$1,651,198</b>	<b>\$874,167</b>
<b>Revenues</b>						
State Grant (42341)	\$393,549	\$-	\$-	\$-	\$-	\$-
State Grant - AB 157	\$-	\$4,000,000	\$-	\$-	\$-	\$-
State Shortline Grant	\$399,776	\$225,000	\$-	\$-	\$-	\$-
Freight Movement Fees	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000	\$700,000
Leases	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000	\$270,000
Storage	\$104,800	\$150,000	\$190,000	\$215,000	\$245,000	\$275,000
45(g) Tax Credit and Misc.	\$593,000	\$253,000	\$253,000	\$253,000	\$253,000	\$253,000
<b>Total Revenues</b>	<b>\$2,461,125</b>	<b>\$5,598,000</b>	<b>\$1,413,000</b>	<b>\$1,438,000</b>	<b>\$1,468,000</b>	<b>\$1,498,000</b>
<b>Expenditures</b>						
Salaries and Benefits	\$870,099	\$939,707	\$1,014,883	\$1,096,074	\$1,183,760	\$1,278,461
Service and Supplies	\$942,925	\$971,213	\$1,000,349	\$1,030,360	\$1,061,270	\$1,093,109
<b>Subtotal</b>	<b>\$1,813,024</b>	<b>\$1,910,920</b>	<b>\$2,015,233</b>	<b>\$2,126,434</b>	<b>\$2,245,030</b>	<b>\$2,371,569</b>
Brazos Branch Bridges - Phase II	\$607,920	\$250,000	\$250,000	\$-	\$-	\$-
Tie Replacement	\$50,000	\$50,000	\$50,000	\$-	\$-	\$-
Grade Crossing Repair	\$141,633	\$150,000	\$-	\$-	\$-	\$-
Equipment and Non-Revenue Vehicles	\$-	\$57,000	\$-	\$-	\$-	\$-
<b>Subtotal State of Good Repair/ Capital</b>	<b>\$799,553</b>	<b>\$507,000</b>	<b>\$300,000</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>
<b>Total Need</b>	<b>\$2,612,577</b>	<b>\$2,417,920</b>	<b>\$2,315,233</b>	<b>\$2,126,434</b>	<b>\$2,245,030</b>	<b>\$2,371,569</b>
<b>Remaining Balance</b>	<b>\$61,784</b>	<b>\$3,241,864</b>	<b>\$2,339,632</b>	<b>\$1,651,198</b>	<b>\$874,167</b>	<b>\$598</b>

<b>Unfunded</b>	<b>FY 25</b>	<b>FY 26</b>	<b>FY 27</b>	<b>FY 28</b>	<b>FY 29</b>	<b>FY 30</b>
Facilities	\$-	\$500,000	\$500,000			
Bridge Replacement	\$-	\$250,000	\$250,000	\$500,000	\$500,000	\$500,000
Tie Replacement	\$-	\$50,000	\$50,000	\$100,000	\$100,000	\$100,000
Track Surfacing	\$-	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
Equipment and Vehicles	\$-			\$50,000		\$50,000
<b>Total Unfunded</b>	<b>\$-</b>	<b>\$1,000,000</b>	<b>\$1,000,000</b>	<b>\$850,000</b>	<b>\$800,000</b>	<b>\$850,000</b>



## CONCLUSION

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The Strategic Plan is an opportunity to define the strategic direction of the organization, and to establish goals, objectives, and actions in line with SMART's vision and mission. The outreach and community engagement conducted as part of the FY25-FY30 strategic planning process have been invaluable in ensuring that the investments SMART makes over the next five years align with the priorities of the community.

The Strategic Plan directly influences SMART's financial plan by providing the roadmap for achieving SMART's goals, which informs the allocation of resources, investment decisions, and budgeting strategies needed to execute those goals. The financial plan then guides the annual budget by identifying key priorities and challenges that need to be addressed over a longer timeframe and promoting proactive decision making in the budgeting process.

While many of the strategic plan's actions are currently funded fully or partially, other activities and initiatives in this plan do not have committed funds. Carrying out the strategies and actions of this strategic plan will depend on the availability of resources and funding. At the outset of the annual budget development process, SMART will use this Strategic Plan to inform funding priorities within SMART's constrained resources to ensure that SMART's budget advances the implementation of the Strategic Plan. Using the Strategic Plan to shape

SMART's annual budgets ensures that the agency's resources are put to work to achieve the goals that SMART and the public fortified in this plan.

SMART is in a period of rapid expansion, active construction, and ridership growth. By the conclusion of this Strategic Plan period in 2030, the system is envisioned to be nearly complete, with long-term operating funds secured. Agency and community priorities will continue to shift as the SMART system approaches buildout, expands services for the community, and matures as the leading transit system in the North Bay.





# APPENDICES

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[Appendix A – Outreach Summary](#)

[Appendix B – SMART Revenues and Expenditures FY 2025 -2030](#)

[Appendix C – Financial Scenarios Beyond April 2029 Sales Tax Expiration](#)