



METROPOLITAN
TRANSPORTATION
COMMISSION

Bay Area Metro Center
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August 21, 2024

Dear Select Committee Members,

Over the past month I have traveled across the region to speak with many of the members of the Select Committee as well as transit professionals, state elected officials, and more. I'm committed to continuing that outreach with labor, business and advocacy organizations over the next month. Each of these conversations help to deepen my understanding of the wide range of considerations at play across the Bay Area and I hope they will help the Select Committee find a path forward that our whole region can get behind.

I'd be remiss if I didn't mention a new consideration that's been weighing heavily on me. Last month I joined my Bay Area Housing Finance Authority board colleagues to heed the request of the Bay Area Affordable Housing Bond campaign leadership and pull the measure from the November 2024 ballot. While this was the right thing to do, it creates a changed landscape as we look towards 2026. Improving housing affordability and protecting our public transit system are both essential to our quality of life.

At our direction, staff is prepared to present two distinct transportation revenue measure options for consideration at our August meeting. Scenario 1 is the more modest option. It's a half-cent sales tax tailored to rebuilding transit ridership with customer-focused "transit transformation" improvements and stabilizing regional transit post-pandemic by closing the pandemic-created fare gap in four counties, with an opt-in option for all other counties. MTC would set the "opt-in" conditions, which would include an "off the top" for Transit Transformation to ensure we are putting the riders first. I consider it to be a solid draft of what the Select Committee could recommend in October, but I anticipate refinements based on input at the August meeting and further conversations.

Scenario 2 is a nine-county "Go Big" option that would be funded by a parcel tax or payroll tax and responds to a request for a non-sales tax framework. Like Scenario 1, it funds Transit Transformation, but it has a higher level of funding for transit service and has sufficient funding to support service expansion and investment in other transportation priorities especially in counties with lower transit service funding gaps. Lastly, I have asked staff to provide information on an alternative approach of coordinated, but distinct agency-led tax measures by those operators facing significant operating deficits, including a 3-county BART measure.

Thank you for engaging in a robust conversation at the first two meetings and for the information requests that were made to help deepen your understanding of the existing funding environment for transportation in the Bay Area as well as the Transit

Transformation work that is underway. In response to requests made in July, the following materials are attached:

- Attachment 1: BART and Caltrain funding background
- Attachment 2: Bay Area Near Term Transportation Investments (details on major capital projects with committed funding plans that are underway across the nine counties as detailed in the Draft 2025 Transportation Improvement Program or TIP).
- Attachment 3: Transit Transformation fact sheets about the priority initiatives of the Bay Area Transit Transformation Action Plan (Fare Integration, Mapping & Wayfinding, Transit Priority & Accessibility).
- Attachment 4: Transit 2050+ fact sheet, about MTC's long-range transit plan which will feed into the next regional transportation plan/sustainable communities strategy, Plan Bay Area 2050.
- Attachment 5: MTC Transportation Survey results (to be posted prior to meeting)

Thank you again for participating in the Select Committee and I look forward to seeing each of you next Monday. I would ask that you review the attached materials as soon as possible and send any questions you may have directly to Brittany Sutherland, clerk to the Select Committee at bsutherland@bayareametro.gov so that we can reserve the bulk of our time to discussing the framework options. Also, do not hesitate to reach out to me directly if you have questions or comments.

Sincerely,

A handwritten signature in black ink, appearing to read "Jim Sperring", enclosed in a rectangular box.

Jim Sperring

Chair, Transportation Revenue Measure Select Committee