

## Transportation Revenue Measure Select Committee

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October 21, 2024

Agenda Item 4b

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### Transportation Revenue Measure Scenarios

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#### Subject:

Final review of draft scenarios that include refinements since the September meeting, including introduction of a 10-year scenario. Select Committee members will be asked to discuss and vote on areas of agreement and rank different potential elements of a transportation revenue measure to inform Commission action in December.

#### Background:

At the September 21 meeting, Select Committee members rated Scenario 1 and the Hybrid Scenario using a gradients of agreement method where 1 meant “strongly agree,” 2 meant agree with reservations, 3 meant “neutral or abstain”, 4 meant “disagree, but will go along” and 5 meant “strongly disagree.” Among the 16 voting members, the average scores were identical at 3.8 – slightly better than “disagree but will go along.”

Looking at the distribution of the scores more closely, it is clear that perspectives on the Hybrid Scenario are more polarized: seven committee members assigned it a 5, while four assigned it a 1 or 2. By contrast, four committee members assigned Scenario 1 a 5 and just one scored it a 2 (the highest score it received). Five members assigned Scenario 1 a 3 (neutral or abstain) whereas only one committee member assigned the Hybrid Scenario a 3. Importantly, the most common score given for Scenario 1 was a 4, while for the Hybrid Scenario it was a 5. See Attachment A for the scores by Select Committee members.

Given these ratings, further refinements are needed to build a coalition that will support the enabling legislation and, ultimately, passage on the ballot.

#### October Updates

Since the meeting, staff have continued to have conversations with key stakeholders and are proposing final refinements for the Select Committee’s consideration in response to the most common feedback, which included:

- **Consider a shorter measure:** A new Scenario 1A is proposed for the Committee’s consideration that limits Scenario 1 to 10 years and uses the Years 1-8 funding model that focuses on transit operating support and Transit Transformation for all 10 years.
- **Don’t take parcel tax off the table:** Parcel tax will be an option in the Hybrid scenario, generating approximately \$500 million annually. Payroll tax generating a similar amount will remain an option.
- **Simplify expenditure framework:** The Hybrid scenario expenditure plan is simplified such that the \$500 million generated by either a payroll or parcel

tax supports transit operations (60%) and county flex (40%). In September, the 40% was dedicated to a county employee commuter benefits program. With the adjustment, it would be up to the counties to determine the use of those funds.

### **Transit Transformation**

In addition to suggestions related to the funding structure of the measure, staff have heard requests for more details related to the Transit Transformation category and, specifically, what types of investments it would fund. Transit Transformation is scalable given its programmatic nature, but the attached presentation includes several slides that provide further details on what a \$100 million annual funding level could buy in improvements to the rider experience that are key priorities coming out of the *Bay Area Transit Transformation Action Plan*. In addition, staff heard concerns that the Transit Transformation category wouldn't necessarily provide a clear benefit to the residents of a given county. To address this concern, staff are proposing a commitment that half of the 10% Transit Transformation be invested in local Transit Transformation priorities and in a manner that benefits each county in proportion to their sales tax contribution.

### **Meeting Plan**

At this last meeting of the Select Committee, members will be asked to vote on certain elements that may be areas of agreement for a transportation revenue measure. Where there are still a variety of options under consideration for the revenue measure, such as the geographic scope, the duration and the revenue mechanisms, members will be asked to score the options on the 1-5 gradients of agreement scale.

### **Recommended Action:**

Approval of elements of transportation revenue measure to advance to the Commission and gradients of agreement scoring on other elements.

### **Attachments:**

Attachment A: Score Sheet from September 23 Meeting

Attachment B: Scenarios Explainer

Attachment C: Presentation

### **Reviewed:**

Andrew B. Fremier