

# Transportation Revenue Measure Select Committee

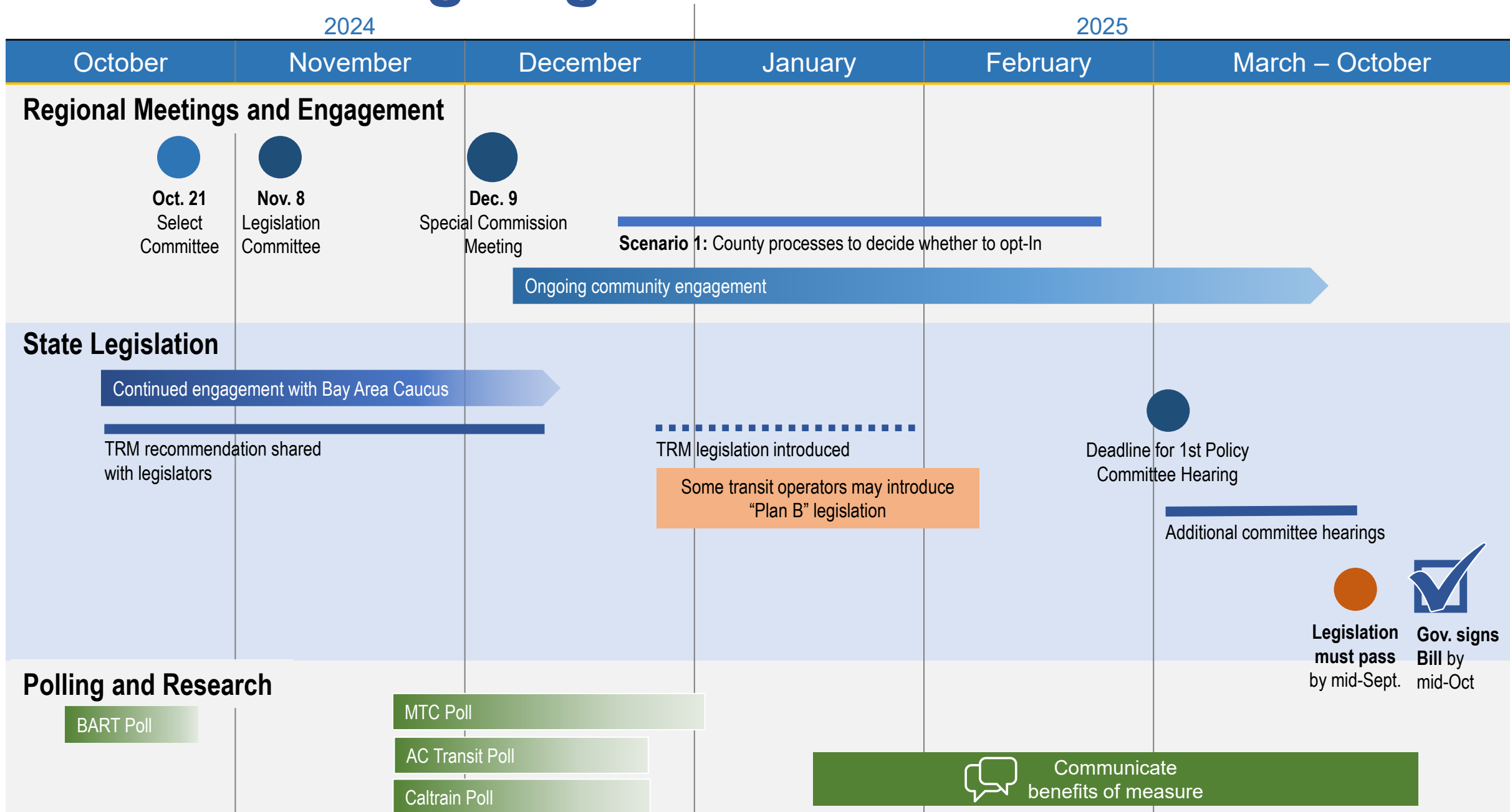
October 21, 2024



METROPOLITAN TRANSPORTATION COMMISSION



# TRM Enabling Legislation Timeline



# Scenarios Overview

September Scenarios	Variations
<p>Scenario 1</p> <p><b>Core Transit Framework: 30 years</b></p>	<p>Scenario 1A</p> <p><b>Core Transit: 10-year version</b></p>
<p>Hybrid</p> <p>Hybrid, with <b>Payroll tax</b> plus Sales Tax</p>	<p>Hybrid</p> <p>Hybrid, with <b>Parcel tax</b> plus Sales tax</p>

# Transit Transformation Update to All Scenarios – Guaranteed Benefits for Each County in Measure

- ▶ All scenarios invest 10% of funds generated by the sales tax into Transit Transformation. There was concern that the original proposal had no guarantee that funds would provide local benefits.
- ▶ Based on this feedback, the updated proposal commits 50% of funds to local Transit Transformation priorities, in a manner that benefits each county in proportion to the share of sales tax generated in that county.



# Transit Fares

## Generating Results For Riders Today



**All-agency transit pass** that provides unlimited rides on all bus, rail and ferry services in the Bay Area

**40%**

increase in ridership by users in Phase 1 of pilot compared to non-users at Bay Area universities

**1<sup>st</sup>**

transit fare product that provides unlimited travel on all Bay Area transit



**50% discount on fares** for eligible low-income Bay Area residents

**64%**

of users reporting taking more public transit trips

**61%**

of users say *"it is now easier for me to cover all my expenses"*

*Delivering rider-friendly fare products and programs helps make transit more affordable for today's users and encourages more people to use transit.*



## COMING SOON

- Free & Discounted Interagency Transfers
- Study a Common Fare Structure for Regional Rail



# Mapping & Wayfinding

*Whether residents are traveling by bus, rail, ferry, they use signs to navigate the experience. This project will simplify transit travel with unified signage and maps regionwide.*



## Generating Results For Riders Today

- ✓ Developed unified identity for regional transit
- ▶ **Fall-Winter 2024:** Prototypes at El Cerrito del Norte BART and Santa Rosa Transit Mall and SMART station
- ▶ **2025-2026:** Pilot Projects in nine multi-operator **transit hubs** and a selection of **end-to-end bus lines**

# Transit Priority

*Transit Priority investments improve transit travel time and reliability, enhancing the experience for riders and lowering costs for operators*

## Regional Initiatives



**Regional Transit Priority Policy**



**Transit Performance Initiative (TPI) and Bus Accelerated Infrastructure Delivery (BusAID) funding programs**



Technical assistance to local government for **transit signal priority**



delivery through **Forward Commute Initiatives**

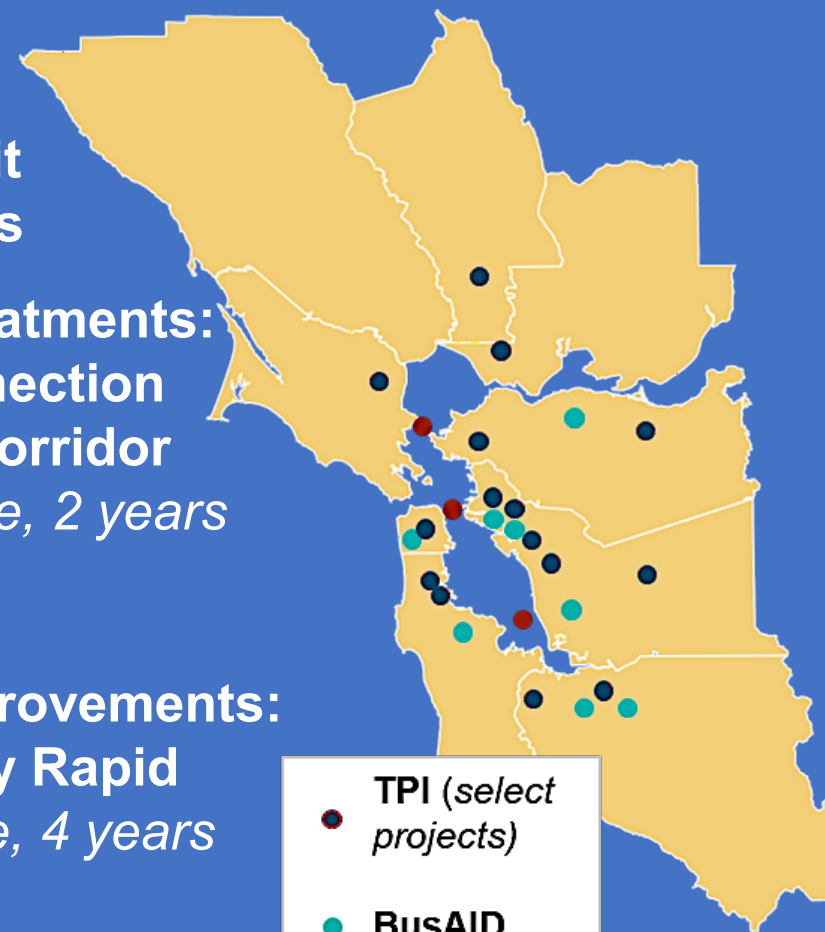
## Addressing a Rider Priority: FASTER SERVICE

### Example Transit Priority Projects

- **Hot-Spot Treatments: County Connection Monument Corridor**  
*\$435k per mile, 2 years (anticipated)*

- ✓ **Corridor Improvements: SFMTA Geary Rapid**  
*\$12M per mile, 4 years*

- ✓ **Reimagined Corridor: AC Transit Tempo BRT**  
*\$23M per mile, 18 years*



● TPI (select projects)

● BusAID

● Forward Commute Initiatives

# Accessibility & Paratransit

*Improve access to medical and other essential services for older adults and people with disabilities and give more Bay Area residents the freedom to get around the region independently.*



## COMING SOON

- ▶ **One-Seat Paratransit Ride Pilots** to enable more seamless paratransit trips
- ▶ **Standardizing Paratransit Eligibility Practices** to improve accuracy of assessments
- ▶ **Next Generation Clipper Integration** to pay for paratransit services

## Other Regional Initiatives



**Mobility Management** to help coordinate rides for people with disabilities, older adults and people with low incomes



**Improving Paratransit Service** through service improvements, policy changes, and technology enhancements

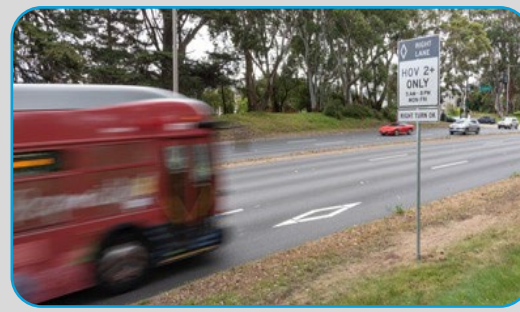


# Investing in Transformation

Hypothetical \$100 Million Annual Investment Over Five Years  
Half of funds directed to local Transit Transformation priorities.

<b>\$25 million</b> Transit Fares	<b>\$20 million</b> Mapping & Wayfinding	<b>\$40 million</b> Transit Priority	<b>\$15 million</b> Access. & Paratransit
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## What Is This Investment Expected to Achieve Over Five Years?



**Transit Fares**

- Ongoing Free/Discounted Interagency Transfers
- Ongoing Clipper START Program + enhancements
- Ongoing Clipper BayPass Program

**Mapping & Wayfinding**

- Regionwide deployment and installation of mapping/wayfinding/visual identity standard at rail stations, transit hubs, and bus stops on high frequency lines

**Transit Priority**

- **Approx. three** corridor-wide projects like SFMTA's Geary Rapid project
- Approx. 100+ "hot spot" interventions (TSP, stop placement/spacing/design, transit only or HOV lanes)

**Accessibility**

- Operations support for one-seat paratransit rides
- Mobility management programs at the county level
- Regional data clearinghouse for accessible services

# Scenario 1 Review

## Core Transit Framework

### 30-year, 1/2-cent Sales Tax

- ▶ Includes Alameda, Contra Costa, SF & San Mateo Counties
- ▶ Opt-in for other counties, with required contribution to Transit Transformation and funding for operating gaps, subject to negotiation with MTC.
- ▶ **Generates \$540 million/year\*** in the four base counties, approx. \$1 billion/year in all nine counties.



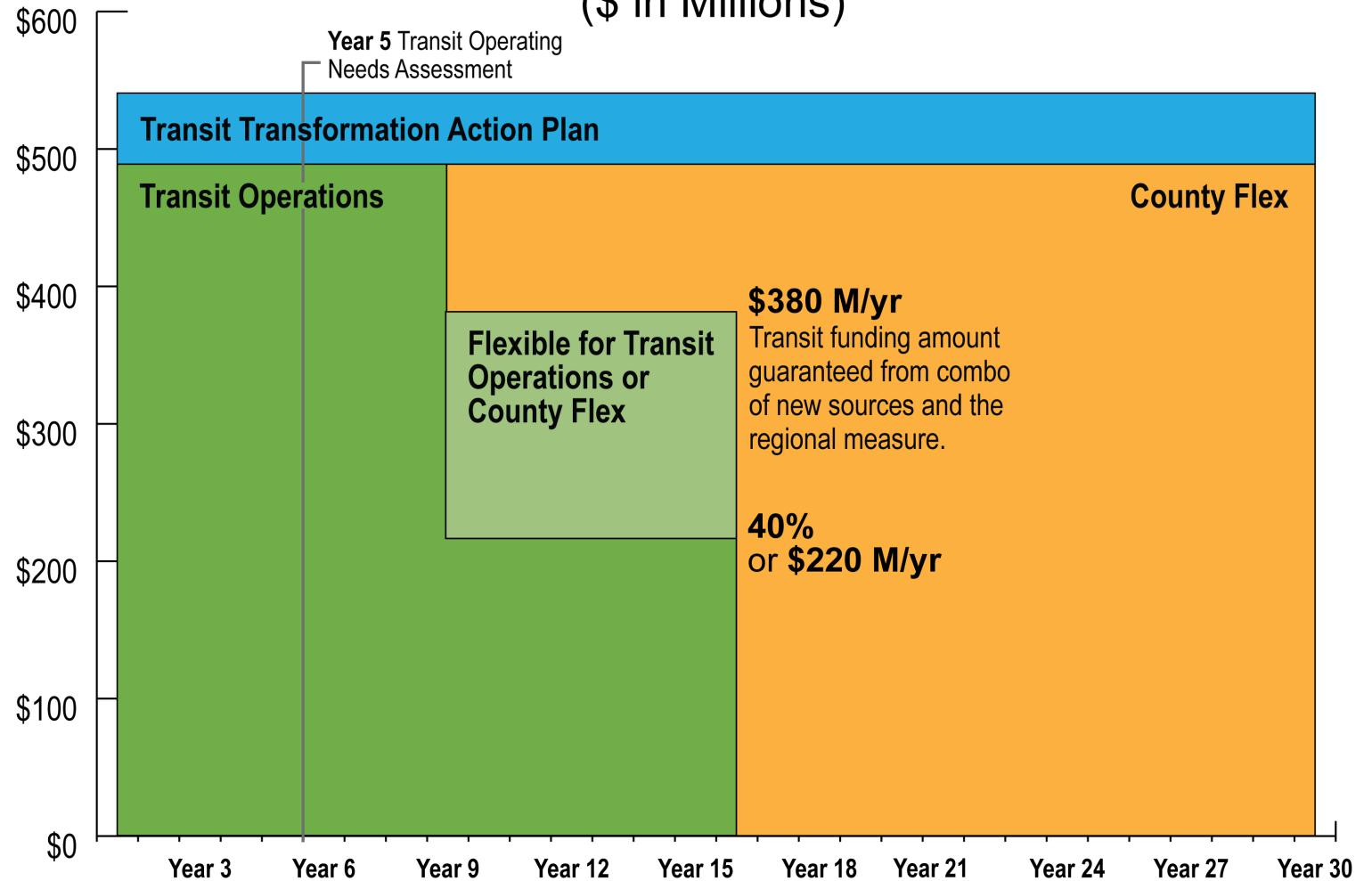
*\*Data for scenarios Sperry Consulting based on 2022 taxable sales.*

# Balancing Near Term Transit Needs with Other County Priorities

- Funds operators' adjusted fare loss for first 8 years, with less funding in Years 9-15.\*
- 10% for Transit Transformation
- Remaining funding for County Flex

\* Estimates of fare losses are based on operator provided data and compare FY19 fare revenue(indexed at 2% annually) to FY24 or FY 25 budgeted fare revenue

**Core Transit Scenario: 30-Year Funding Distribution**  
(\$ in Millions)



# Scenario 1A: Core Transit 10-Year Measure

- ▶ Scenario 1A is a 10-year, ½-cent sales tax in Alameda, Contra Costa, S.F. & San Mateo Counties.
- ▶ Expenditure plan would extend the 1-8 years in Scenario 1 for 10 years: 10% for Transit Transformation and 90% for transit operations targeting adjusted fare loss.
- ▶ Given shorter term and focus on BART, Caltrain, AC Transit and Muni, only Santa Clara County (served by BART and Caltrain) would have option to join.



# Scenario 1A: Benefits and Disadvantages

## **A 10-year measure focused solely on urgent transit needs could:**

- reduce conflict with county transportation sales taxes renewals
- simplify messaging
- keep pressure on finding other funding solutions over long run

## **But a 10-year measure has:**

- less time for operators to adapt to a new business model
- less opportunity to fund other transportation needs
- More difficulty, potentially, raising the support necessary for a successful campaign

# Hybrid: Sales Tax with Payroll Tax

- ▶ Same structure as presented in September: Nine-county measure for \$1.5 Billion annually.
- ▶ Transit funding level aims to sustain current service levels and close operator-reported deficits.
- ▶ Combines ½-cent sales tax (\$1 billion annually) with a **payroll** tax of 0.18% (\$500 million annually).\*
- ▶ Payroll tax supports transit operations (60%) and County Flex (40%). This County Flex boost would replace the Employee Commuter Benefit Program presented last month.



*\*Revenue estimates are from a 2023 Sperry Consulting analysis and are based on 2022 taxable wages and 2022 taxable sales.*

# Hybrid: Additional Funding Option

- ▶ Many stakeholders and Select Committee members requested that the Hybrid scenario continue to consider a parcel tax.
- ▶ Hybrid will now include the option of raising \$500 million/year through a \$0.09 cents/building square foot parcel tax.
- ▶ The expenditure framework would be the same with either the payroll or parcel tax.

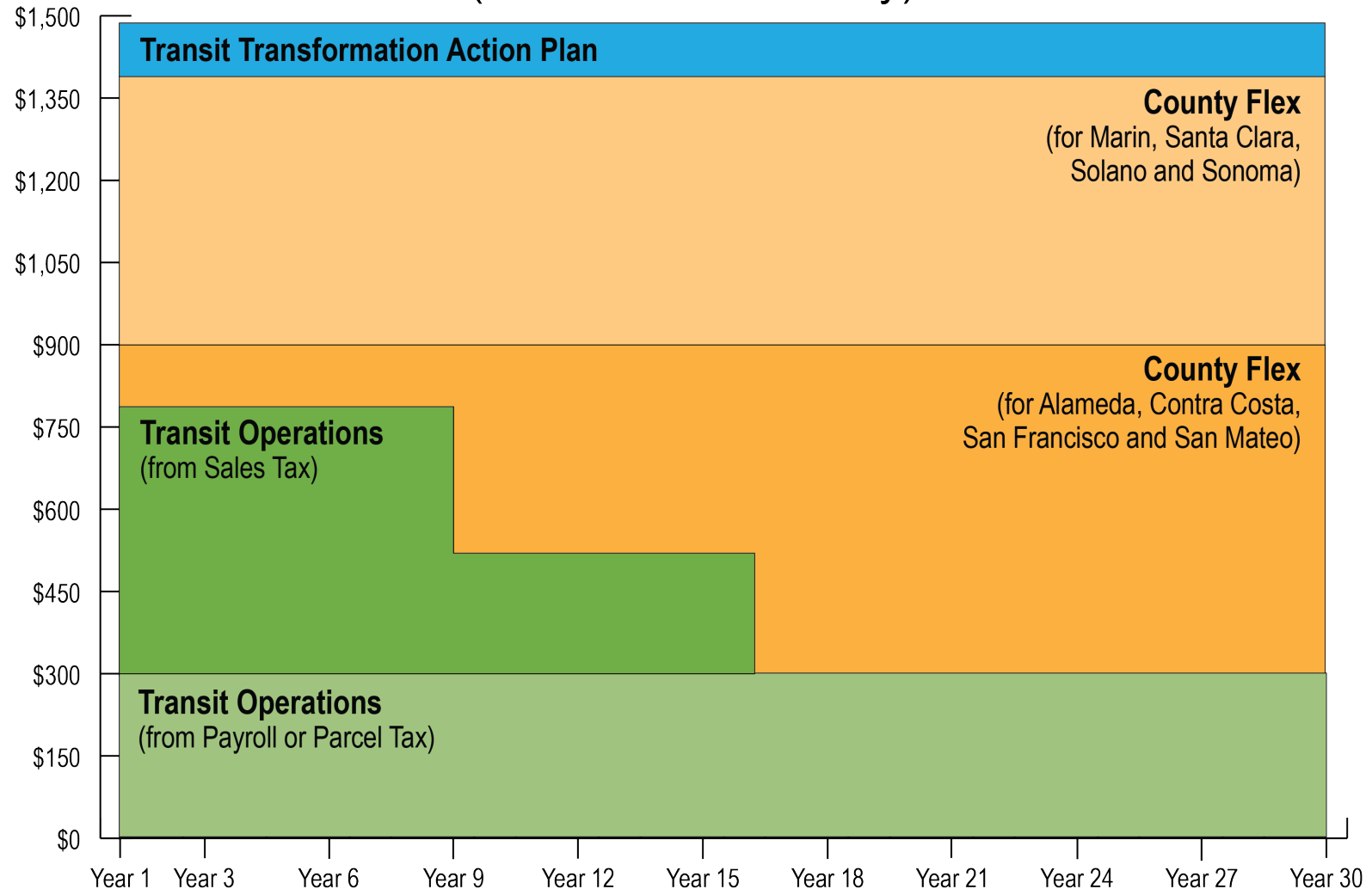
# Hybrid Focuses on Transit, County Flex, and Transformation

## Hybrid Scenario Attributes:

- Funds 90% of **operator-reported shortfalls** for first 8 years, with 65% in Years 9-15 and less in years 16-30.\*
- 10% for Transit Transformation
- Remaining funding, or 61% of total, for County Flex

*\*Data for scenarios provided by NBS (parcel tax) based on July 2023 assessment data and Sperry Consulting (payroll tax) based on 2022 taxable wages and 2022 taxable sales*

### Hybrid Transit Scenario: 30-Year Funding Distribution (\$ in Millions Annually)





# Gradients of Agreement

Level of Agreement		Verbalized as...
<b>1</b>	<b>Strongly Agree</b>	I am very pleased and fully support this decision.
<b>2</b>	<b>Agree with Reservations</b>	I am mostly satisfied and can support this decision.
<b>3</b>	<b>Neutral or Abstain</b>	I will go along with the will of the group.
<b>4</b>	<b>Disagree but Will Go Along</b>	I have serious reservations but respect that we are focused on the regional needs and compromising where needed for the greater good.
<b>5</b>	<b>Strongly Disagree</b>	I do not agree with this decision.

# Discussion and Potential Action

1. Clarifying questions?
2. What do you like or dislike about the new scenario variations?
3. Are there components most Committee members agree should be included in any measure advanced to Commission?
4. What gradient of agreement score do Committee members have for specified components?

