

Regional Transportation Revenue Measure Update

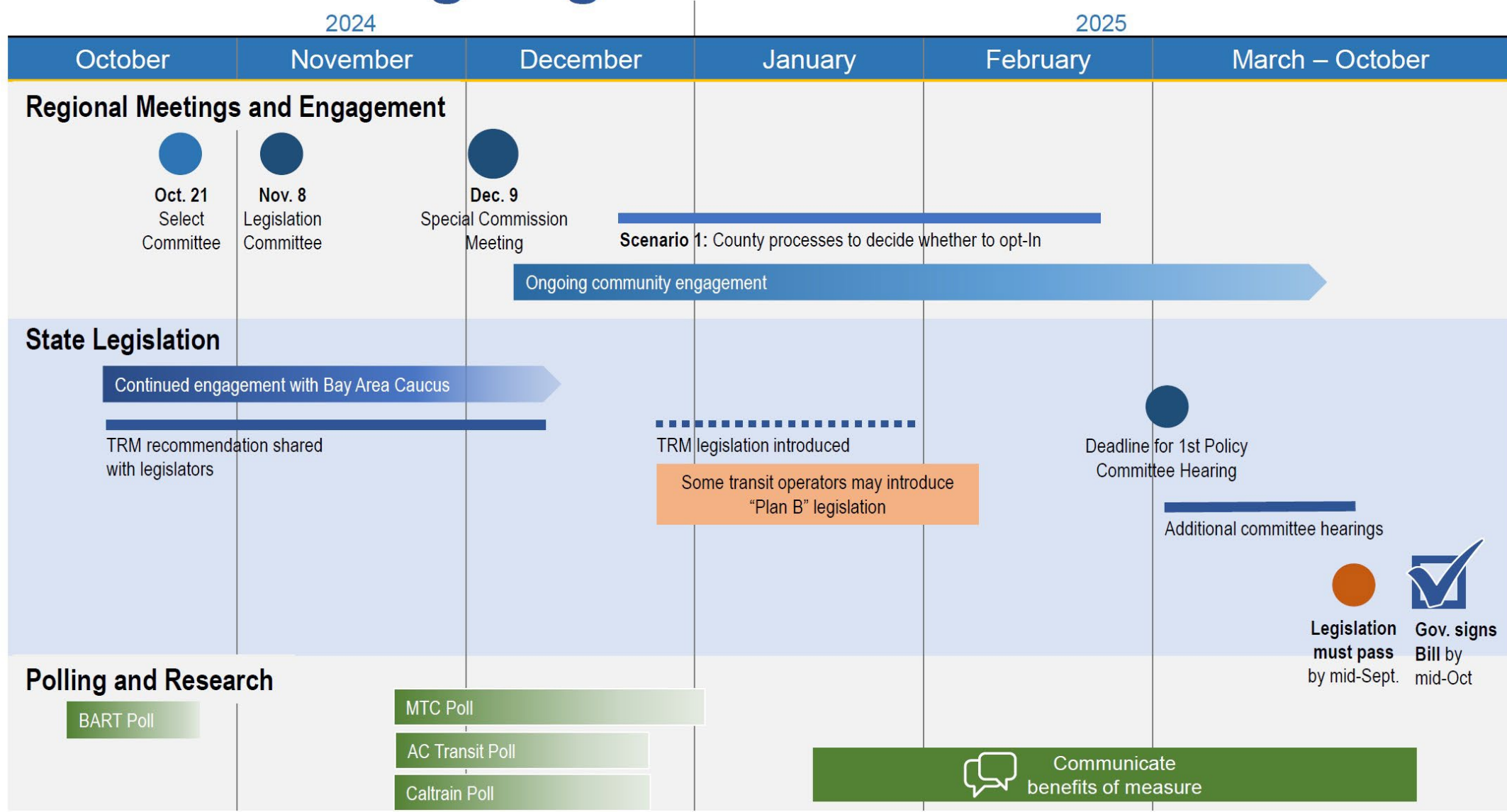
October 22, 2024

ACTIVITY SINCE SEPTEMBER

- MTC Revenue Measure Select Committee and Executive Group each met in September
 - Two revised scenarios were presented
 - 4-county sales tax
 - 9-county sales and payroll tax
 - No consensus; significant feedback and opposition on each proposal
- The Select Committee requested additional scenarios be presented at the October 21 meeting
 - Executive Group met October 17



TRM Enabling Legislation Timeline



UPDATES TO SCENARIOS

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

Source: MTC Transportation Revenue Measure Executive Group Meeting 10/17



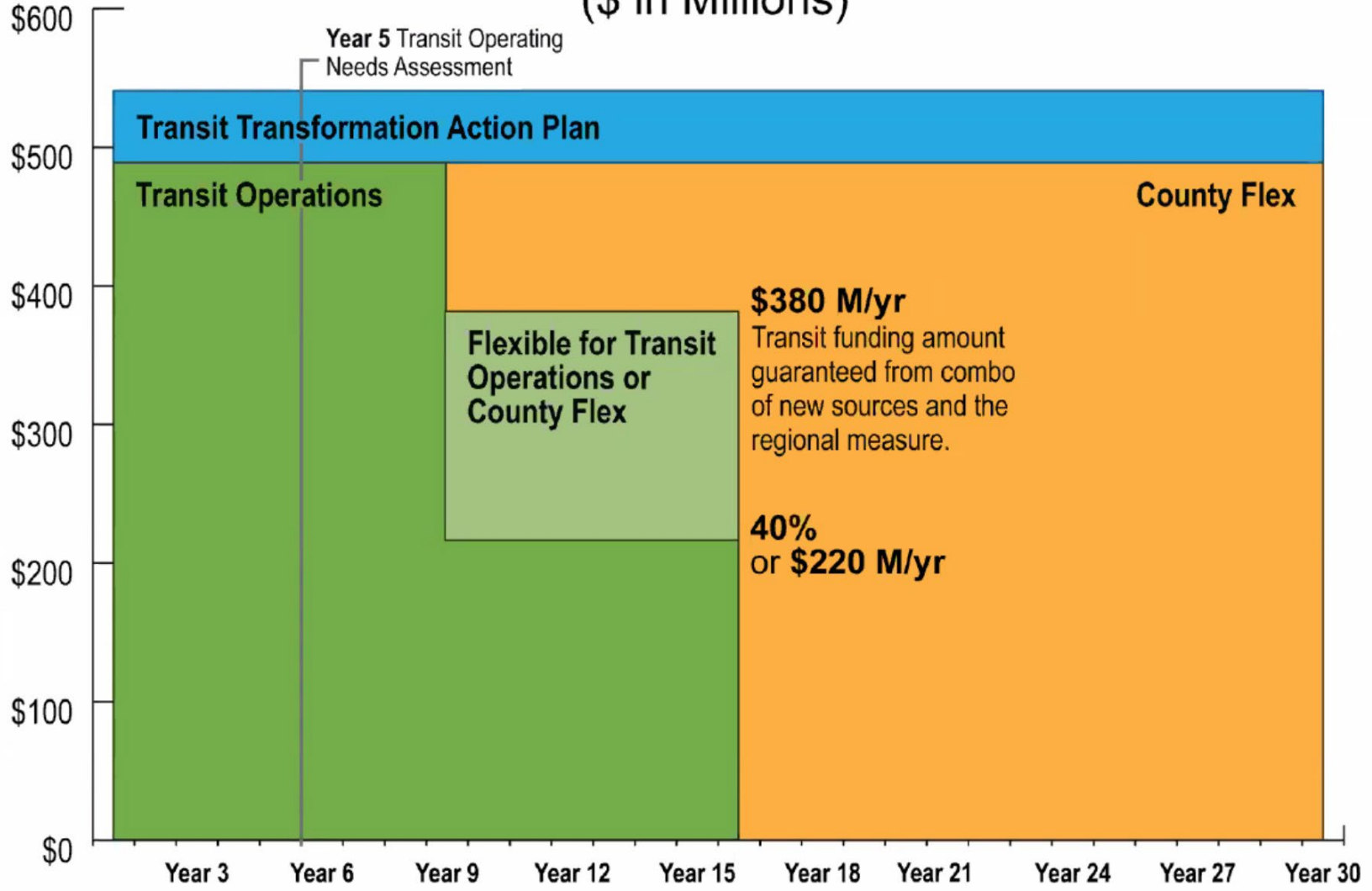
Scenario 1A: Core Transit 10-Year Measure

- ▶ 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.



Source: MTC Transportation Revenue Measure Executive Group Meeting 10/17

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

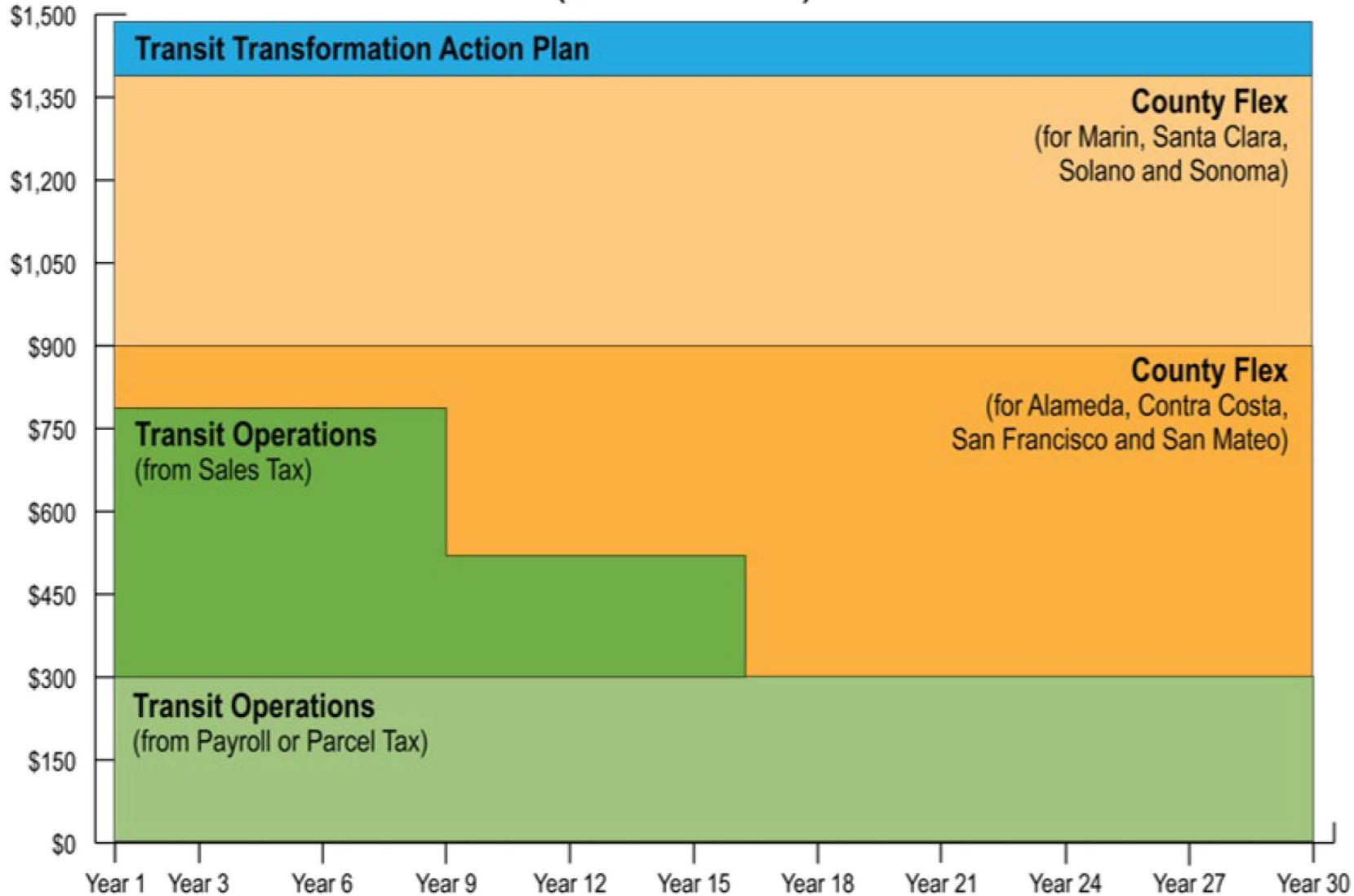


HYBRID SCENARIO REVISED

- Hybrid Scenario: 30-year, 9-county combined ½ cent sales tax and \$0.18 parcel tax
 - \$1.5B/year
 - 10% of funds for Transit Transformation
 - Keeps expenditure plan from Scenario 1
 - Payroll tax supports transit operations – this funding would be used to fund operator shortfalls in all 9 counties



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



ALTERNATIVE SCENARIO

- Operator-led concept (Muni is lead agency)
- 5-county parcel tax
 - Alameda, Contra Costa, San Francisco, San Mateo, Santa Clara
 - Each county selects their own rate
 - Other counties can opt-in with certain provisions



F Potential Funding Strategies

Short-Term: Regional Public Transit Stabilization

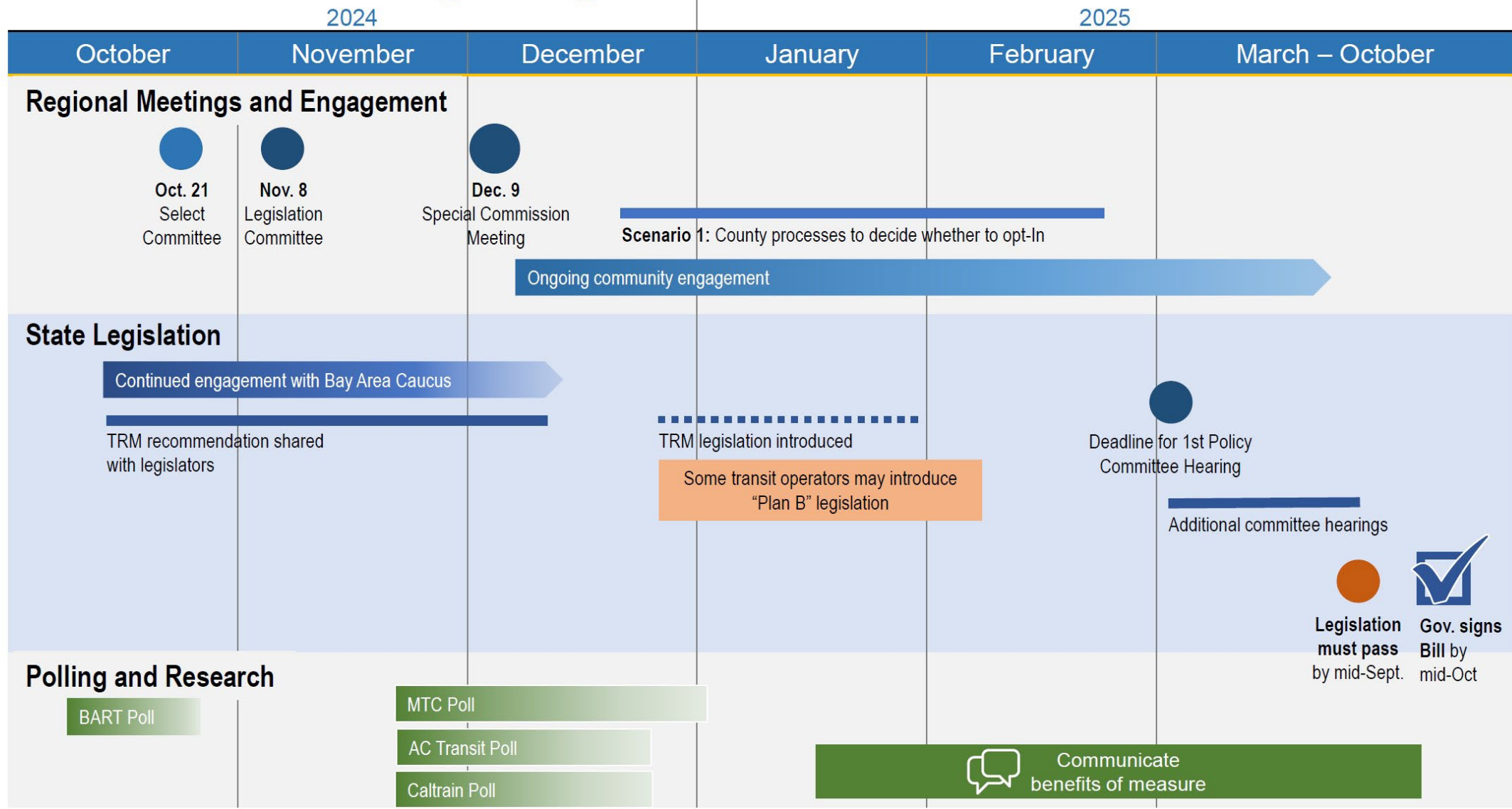
- 5 or 9 county measure ensuring transit sustainability within the region for the next 10 years, with the tax lasting through June 2038.
- Consider range of tools. One option: county-Specific Parcel Tax rates per square foot would vary by county: \$0.11 to \$0.199 in all counties except San Francisco, which would adopt the MTC-recommended rate of \$0.28.
- Funds would be to support a clearly defined regional program as the priority.
- Local transit services outside the regional program would receive additional funding. Remaining funds could support county flex needs.
- Require an Independent Auditor to ensure program compliance.

Long-Term: Transportation Funding Measure to be determined

- Work toward a long-term transportation funding measure that would sustain transit after a re-evaluation of needs around year 8 (2034)
- Plan for November 2036 election for either reauthorization of existing measure OR a longer-term replacement (presidential ballot).
- Support funding and financing of operations and capital, allowing counties with MTC to advance funds or bond based on a regional approval to a funding plan.
- Require an Independent Auditor to ensure program compliance.



TRM Enabling Legislation Timeline



QUESTIONS AND DISCUSSION

