

Eno Center for Transportation's
15th Annual Policy Forum

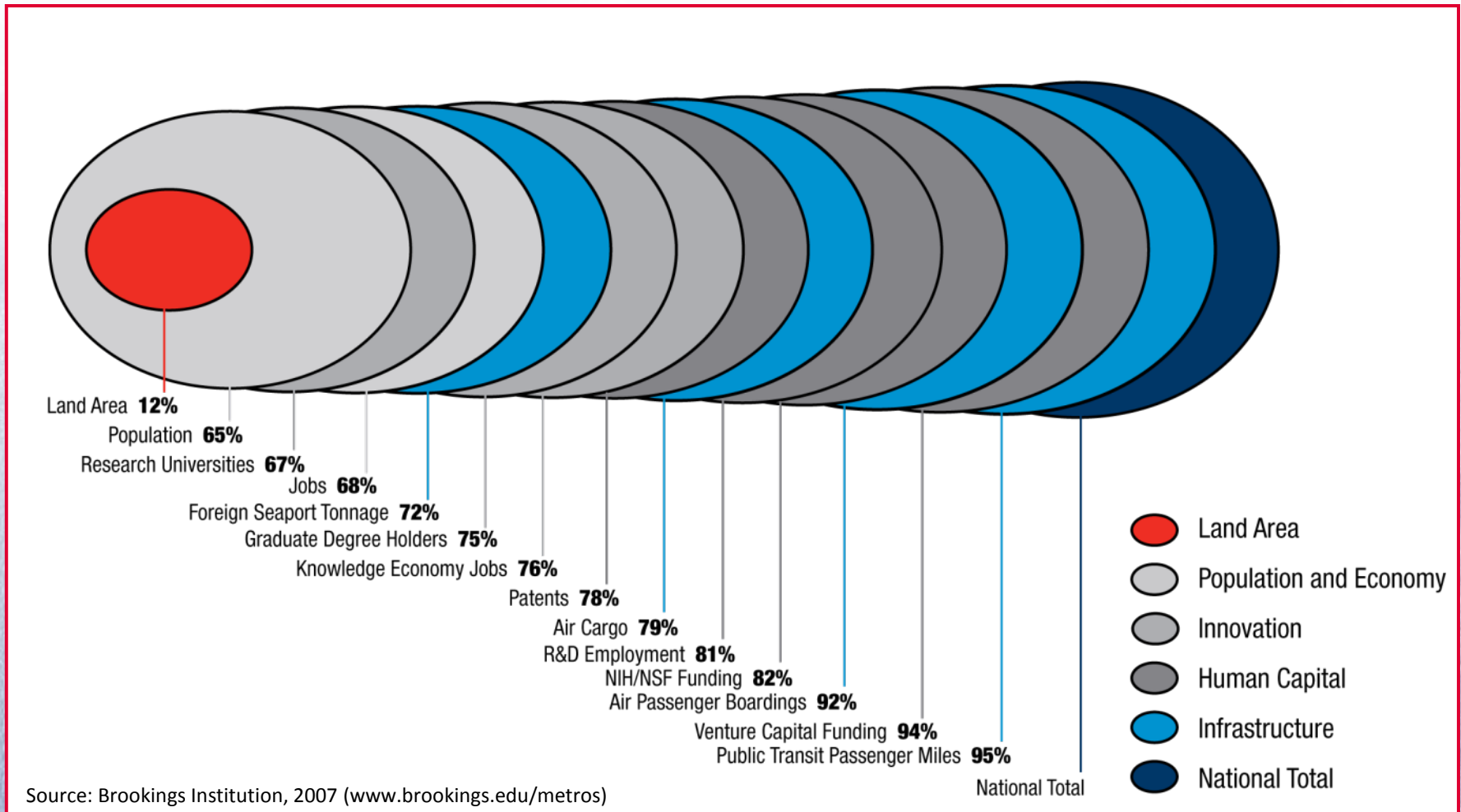
Future Funding for Metropolitan Transportation Investment



Local Initiatives to Raise Revenue

November 14, 2012

Major Metros Are Fundamental Drivers of Prosperity



Shortcomings of Federal Policy

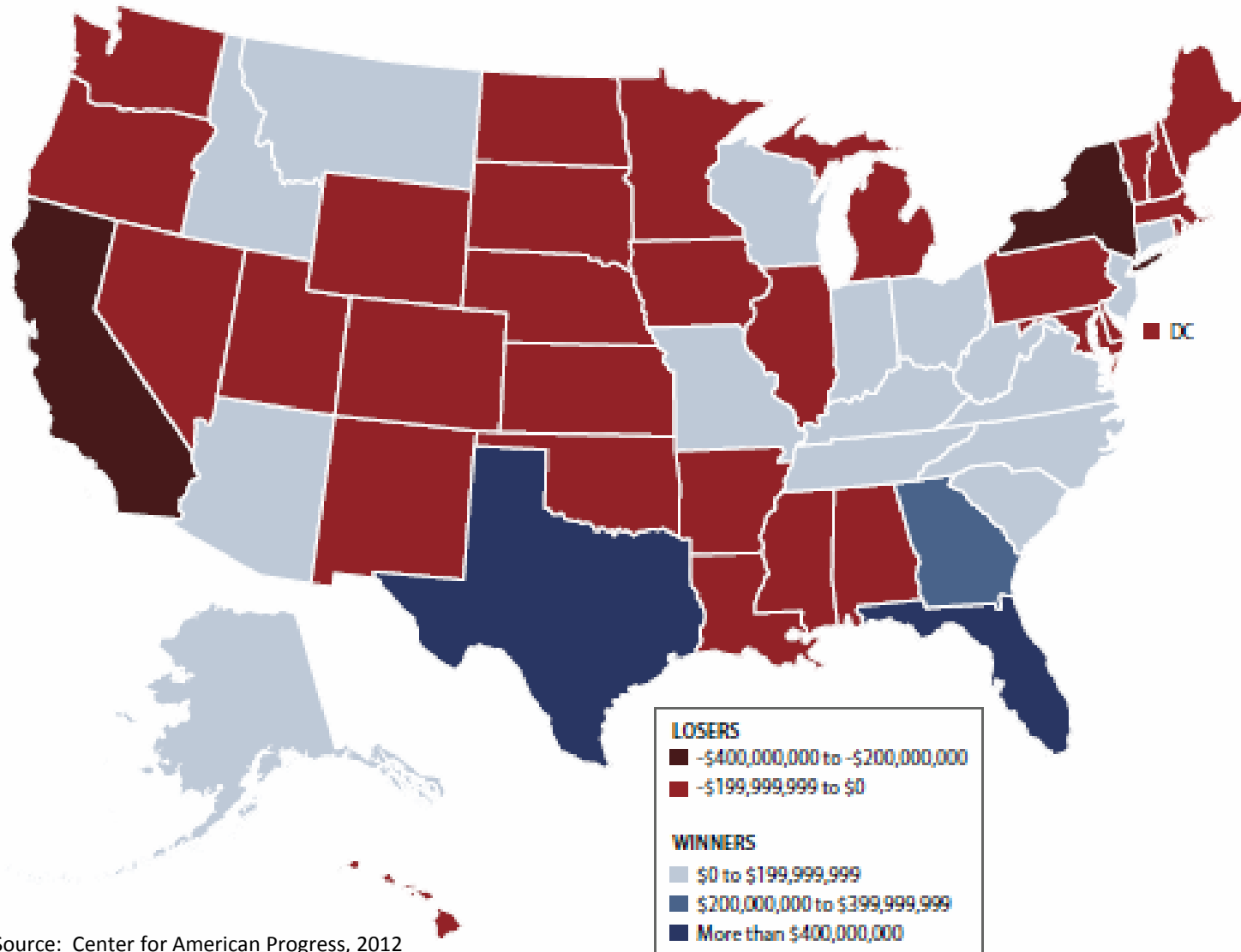
*“The food is lousy,
and
the portions are so
small.”*



House Rules

Equity bonus program: Winners and losers

States in red lost needs-based program funds to pay for "equity bonus" payments to states in blue

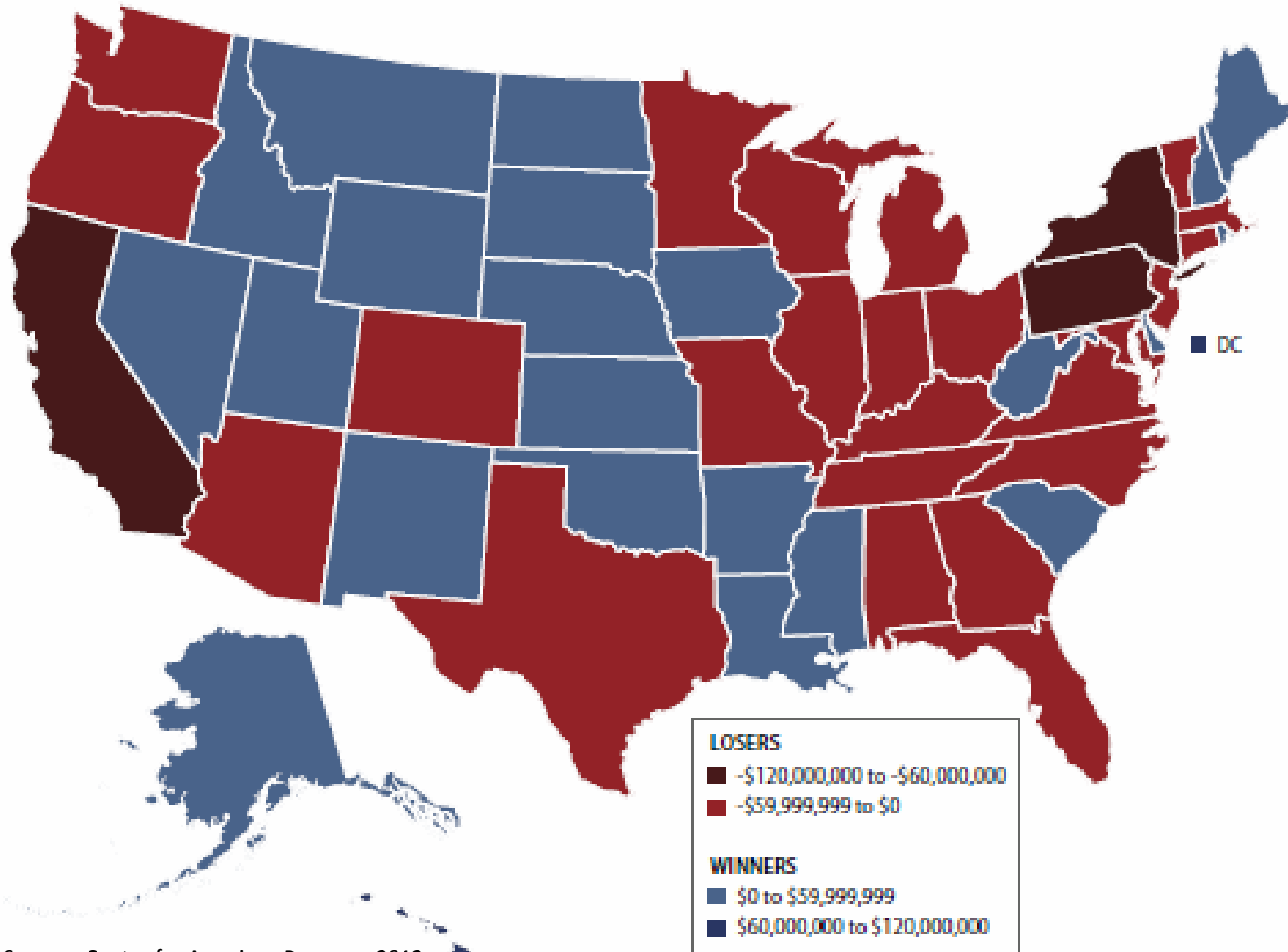


Source: Center for American Progress, 2012

Senate Rules

Minimum guarantee rule: Winners and losers

States in red lost needs-based program funds to pay for minimum guarantees to states in blue

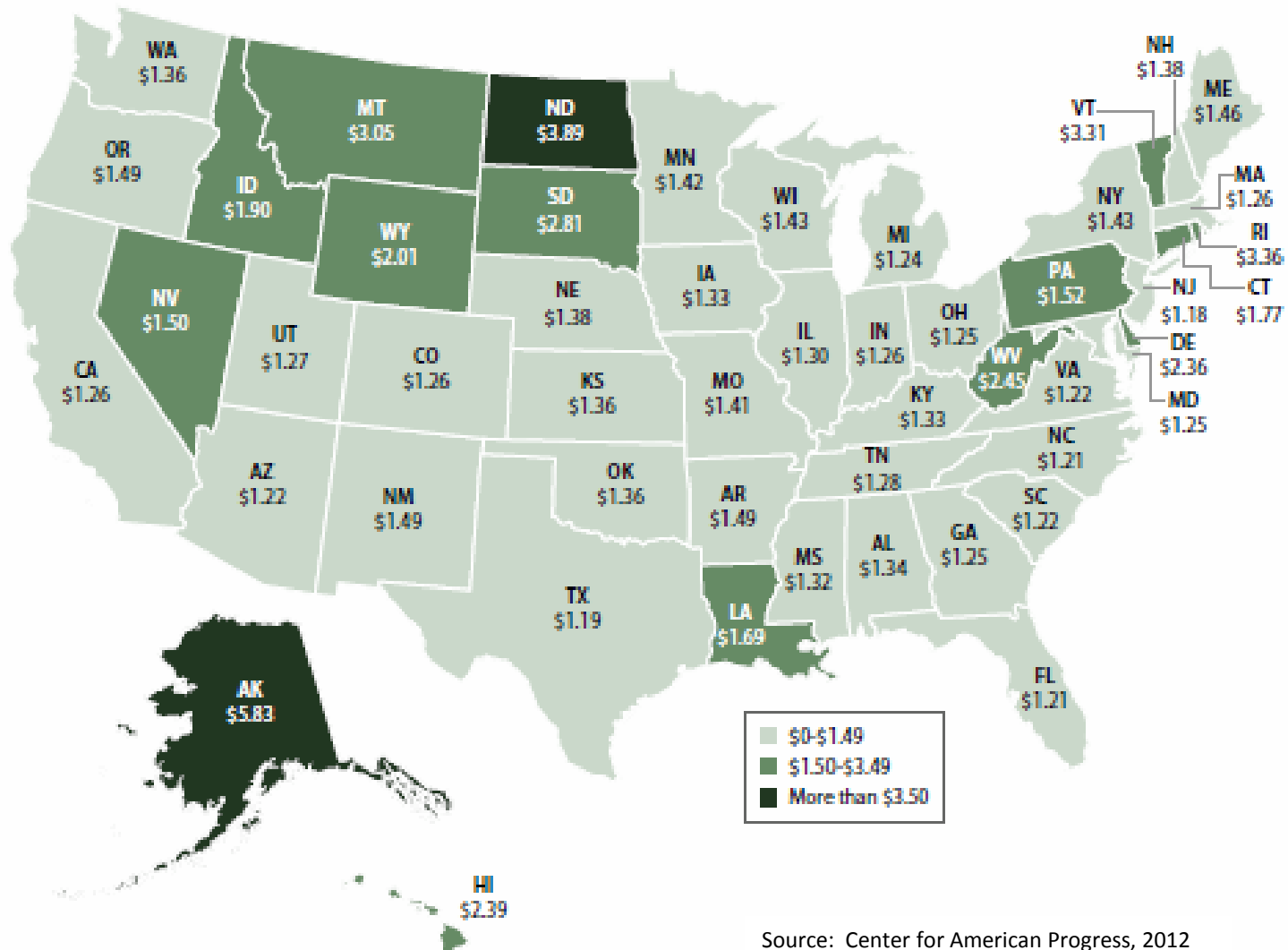


Source: Center for American Progress, 2012

Everyone is a “Donee” Now

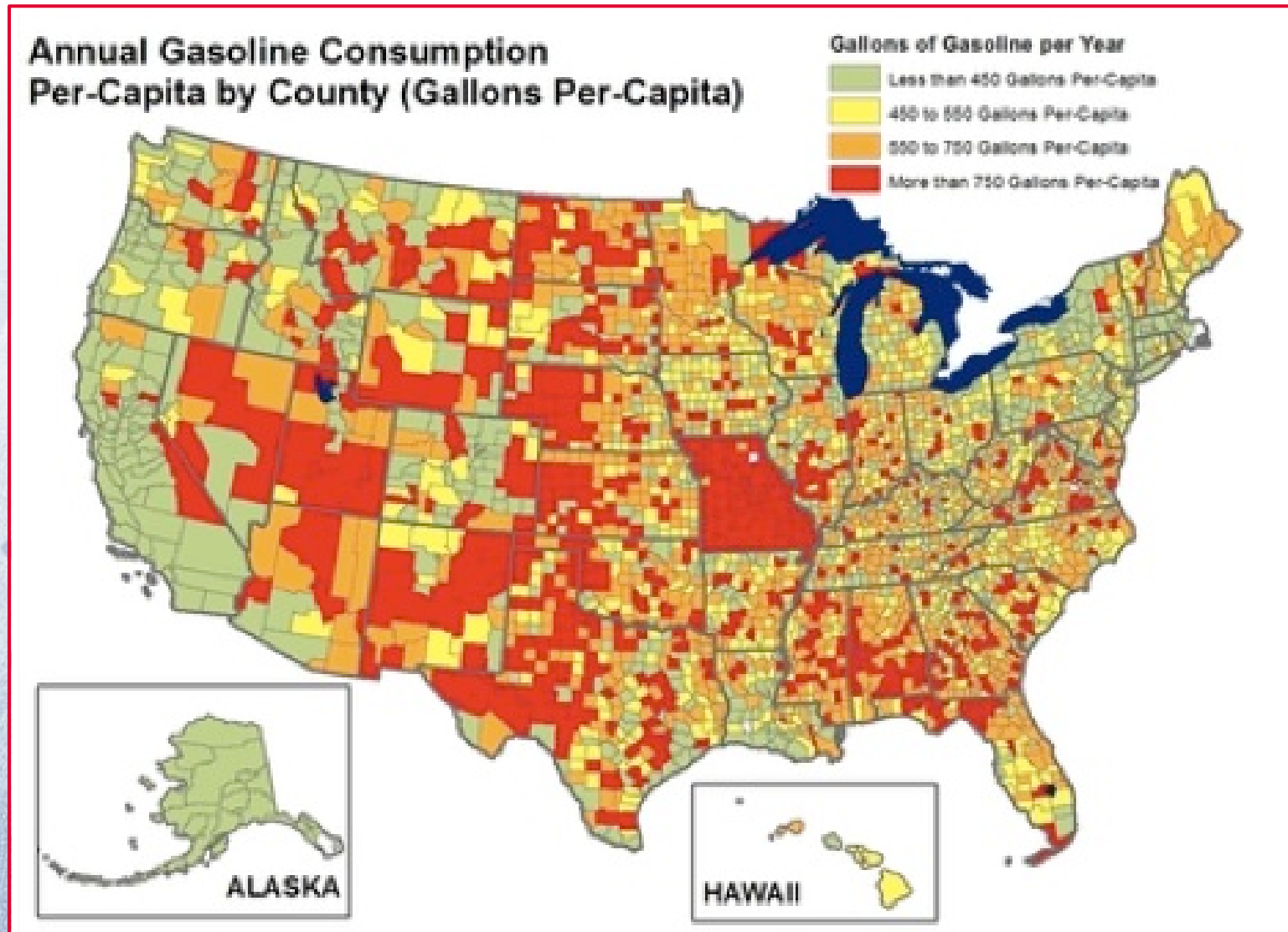
Every state receives more in highway funding than they paid into the Highway Trust Fund

Dollars received from the Federal Highway Administration in 2010 per dollar paid by state in 2008
(adjusted for 2-year lag in payments)



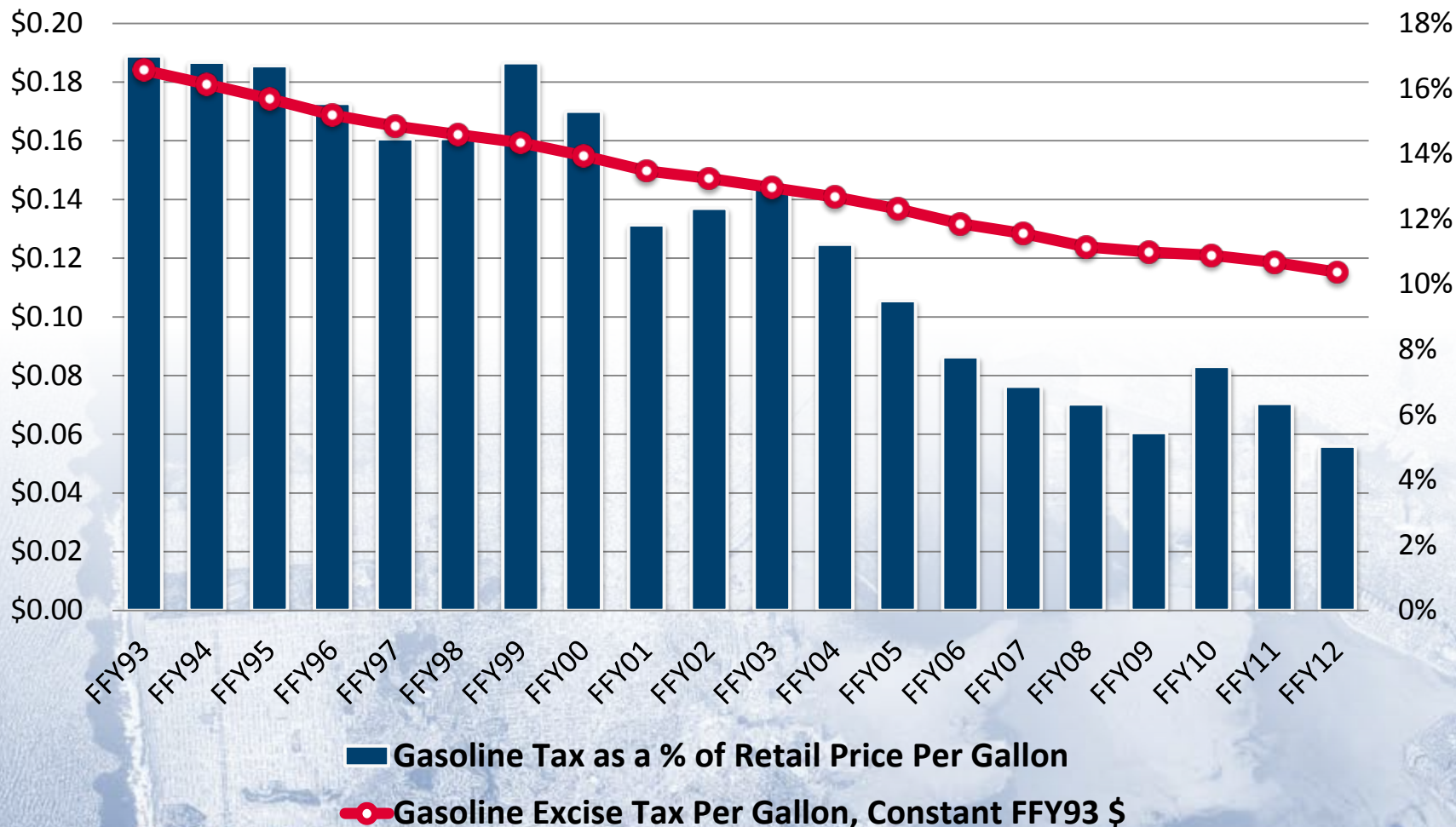
Source: Center for American Progress, 2012

Conservation as a Personal Virtue



The Incredibly Shrinking Gas Tax

Federal Gasoline Tax



Source: CPI Data from Bureau of Labor Statistics.
Gasoline prices from U.S. Energy Information Administration.

Self-Help to the Rescue

- Federal and State Funding for Transportation is Critical but Insufficient to Cover Growing Needs
- Local & Regional Initiatives are Picking Up the Slack
 - Local Sales Taxes
 - Bridge Tolls
 - Express (HOT) Lanes

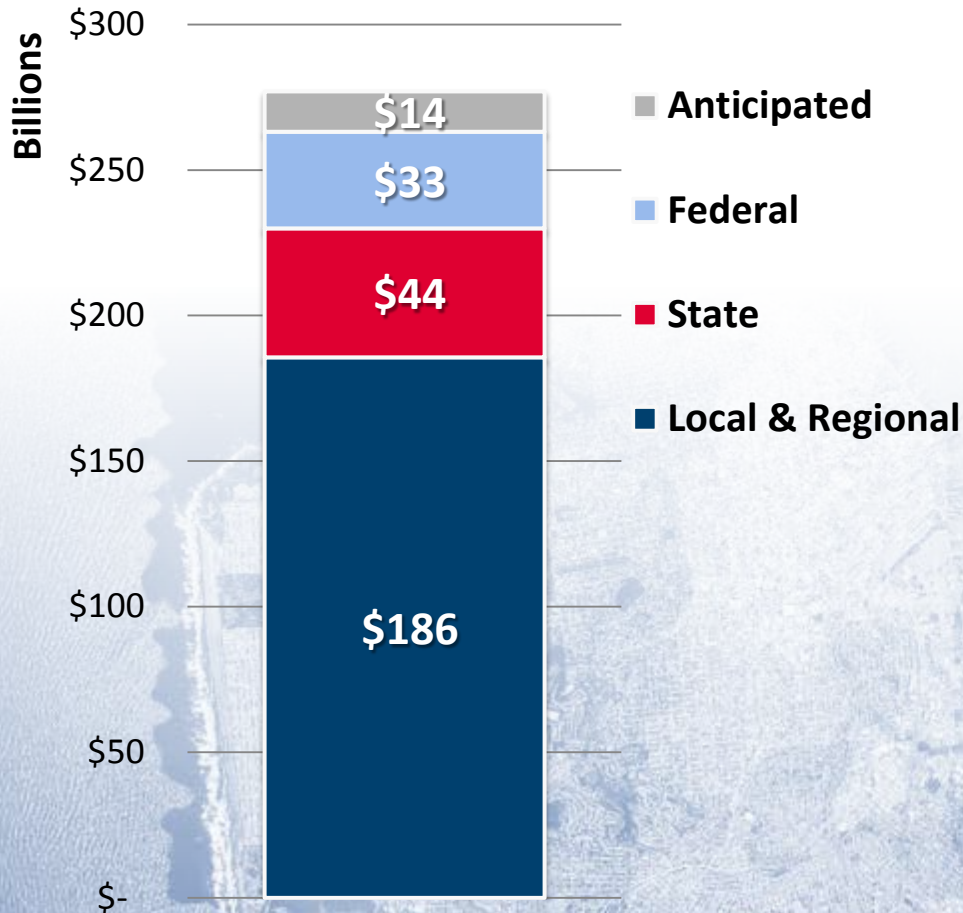
*“It’s our money,
and we’re free to
spend it any way
we please...
If you have money
you spend it,
and win.”*

- Rose Kennedy

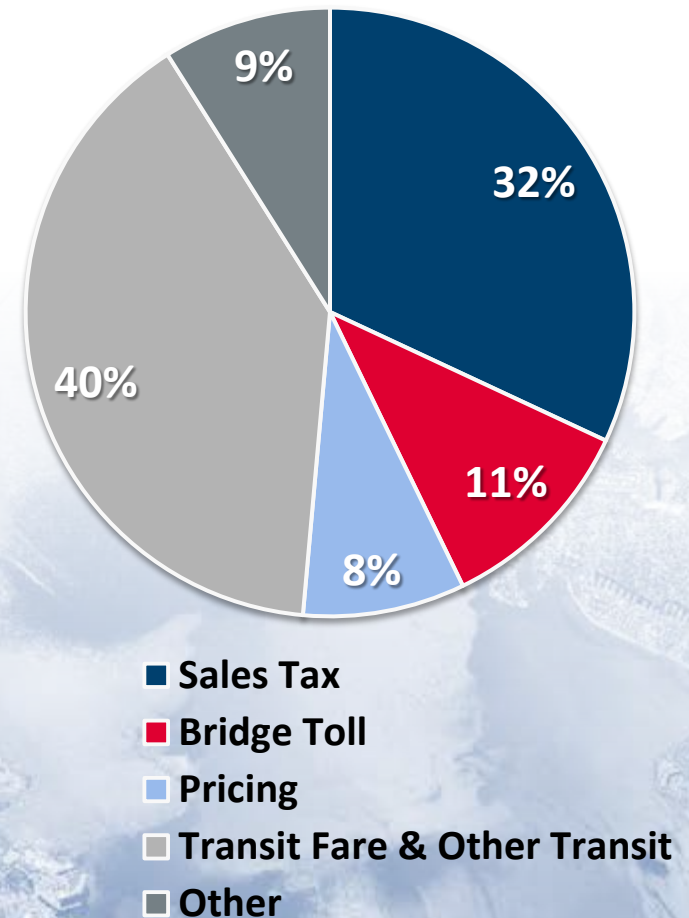


Plan Bay Area Forecasts \$277 Billion in Future Revenue – 67% Local

28-Year Revenue Forecast



Local & Regional Revenues



Four Sales Tax Measures Directly Support Transit Services

Transit District Sales Tax Measures	Rate	Approval Year	Sunset Date	FY12 Revenue (\$ millions)
BART Transit District Tax AB 1107* (Alameda, Contra Costa, & San Francisco)	½-Cent	1969	Permanent	\$260
SamTrans Transit District Tax (San Mateo)	½-Cent	1974	Permanent	\$68
VTA Transit District Tax (Santa Clara)	½-Cent	1976	Permanent	\$164
SMART – Measure Q (Marin & Sonoma)	¼-Cent	2008	March 2029	\$28
*Annual AB 1107 revenues are split between BART (75%) and MTC (25%).			Bay Area	\$520

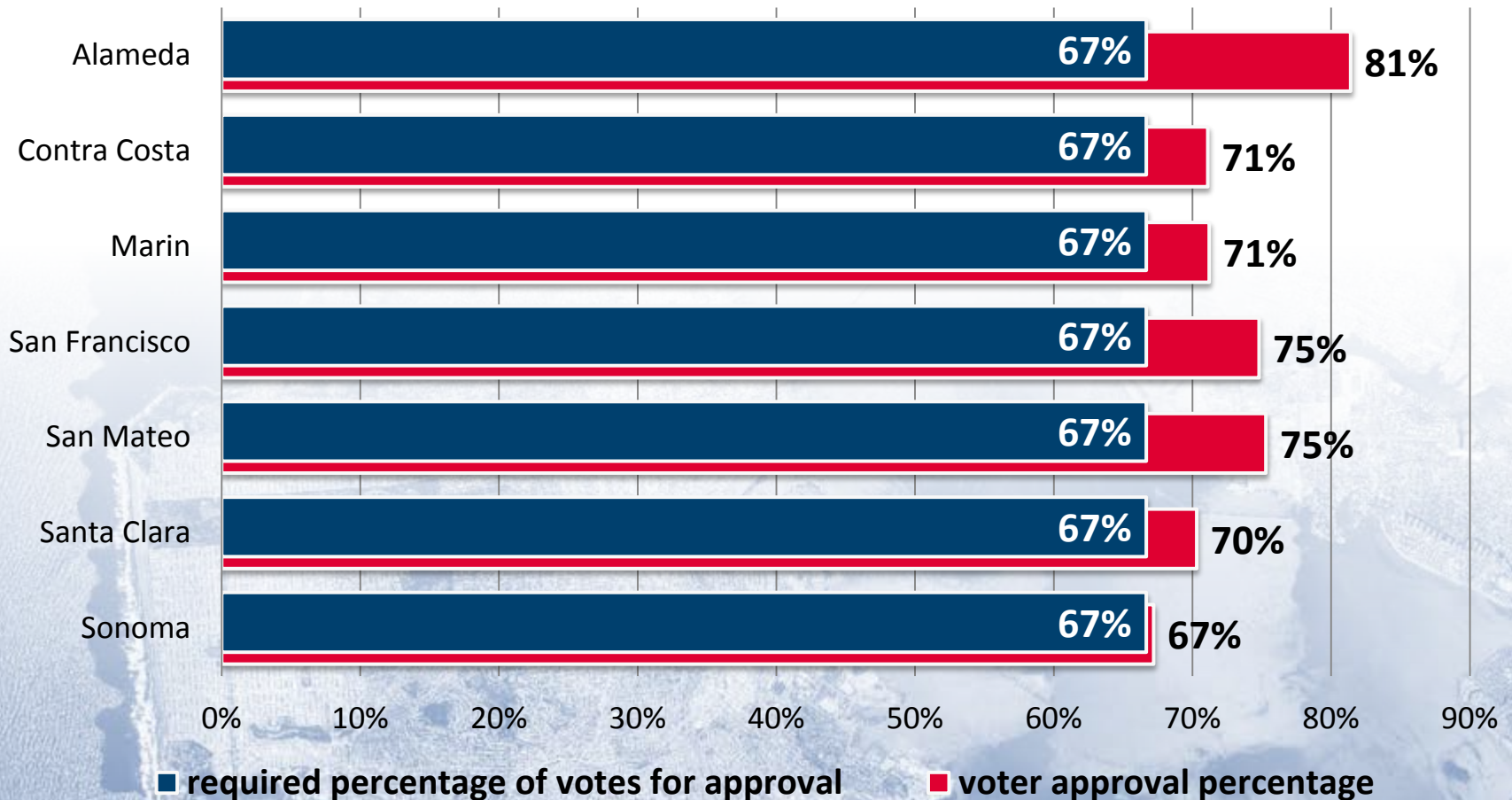
Project-Based Sales Taxes

- Seven of Nine Bay Area Counties also have Fixed-Term Sales Tax Measures

County Sales Tax Measures	Rate	Initial Approval Year	Latest Approval Year	Sunset Date	FY12 Revenue (\$ millions)
Alameda	½-Cent	1986	2000	March 2022	\$112
Contra Costa	½-Cent	1988	2004	March 2034	\$68
Marin	½-Cent	2004	2004	March 2025	\$21
San Francisco	½-Cent	1989	2003	March 2034	\$80
San Mateo	½-Cent	1988	2004	December 2034	\$68
Santa Clara	½-Cent	1984	2000	March 2036	\$163
Sonoma	¼-Cent	2004	2004	March 2025	\$18
Bay Area					\$530

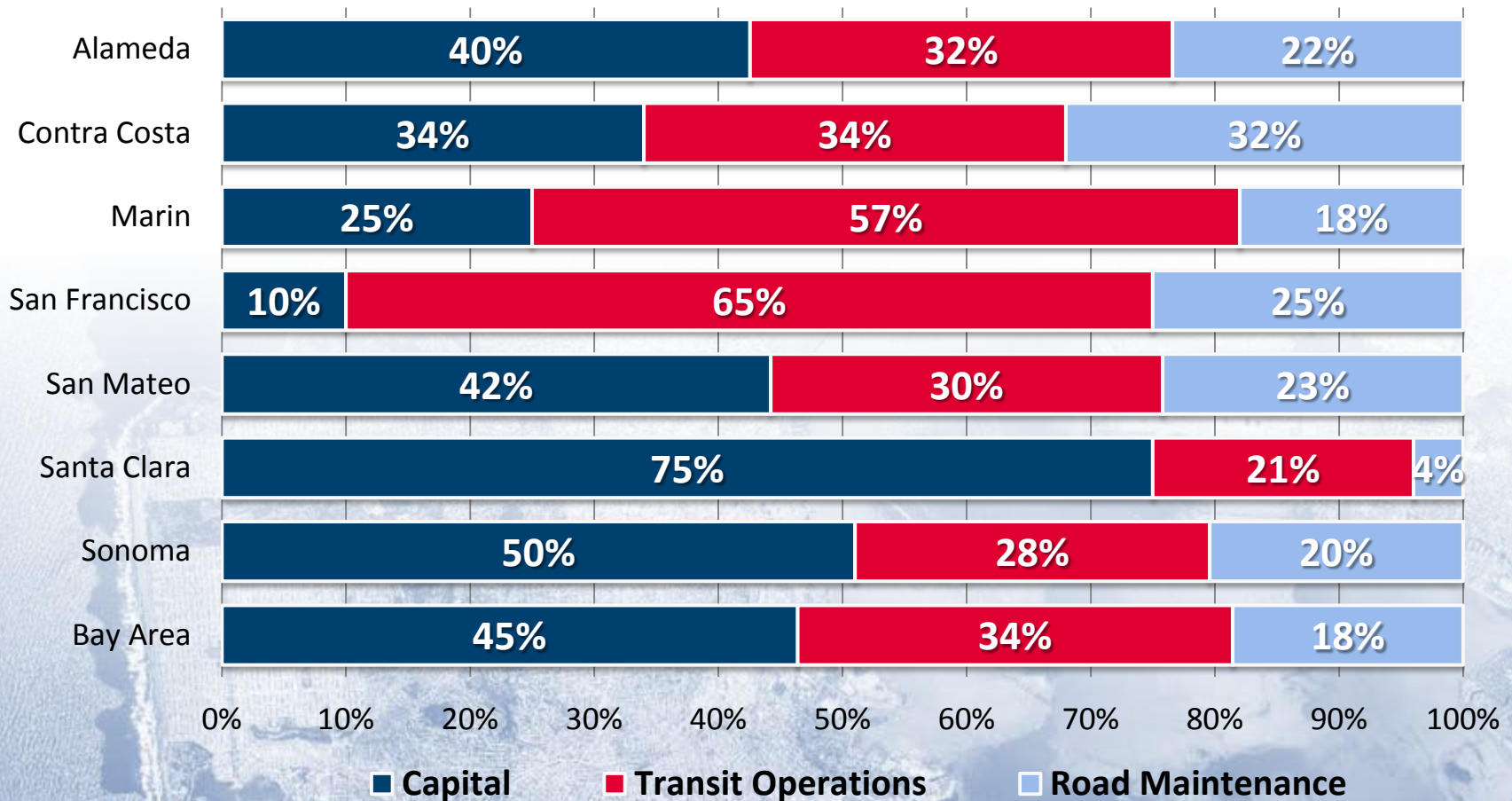
Sales Tax Measures Require 2/3 Supermajority Voter Approval

Approved Sales Tax Measure Voting Margins



Sales Taxes Fund Both O&M and Capital Expansion

Sales Tax Categorical Expenditures



Annual County STIP Revenues Dwarfed by Sales Tax Revenues

County STIP Revenues vs. Sales Tax Revenues



■ Six-year average annual county share of the State Transportation Improvement Program (STIP)

■ FY12 local transportation sales tax revenues

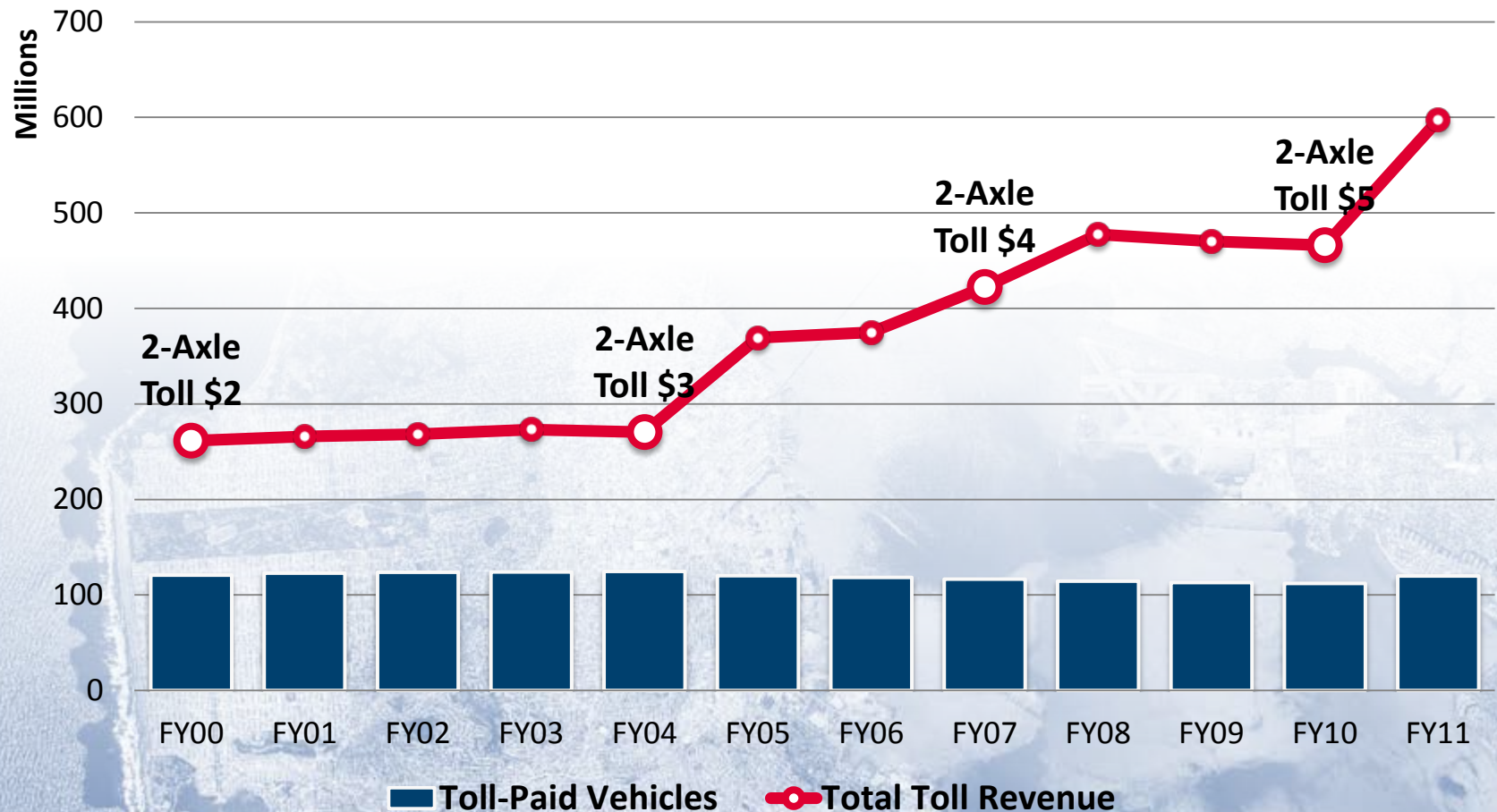
Toll Bridges

- In FY 2011, 122 million vehicles crossed the seven state-owned toll bridges in the Bay Area, generating approximately \$615 million in total toll revenues
 - \$138 million in RM1 base toll revenues
 - \$114 million in RM2 revenues
 - \$345 million in seismic retrofit surcharge revenues
- Local Control of Bridge Tolls Has Allowed for Revenue Growth



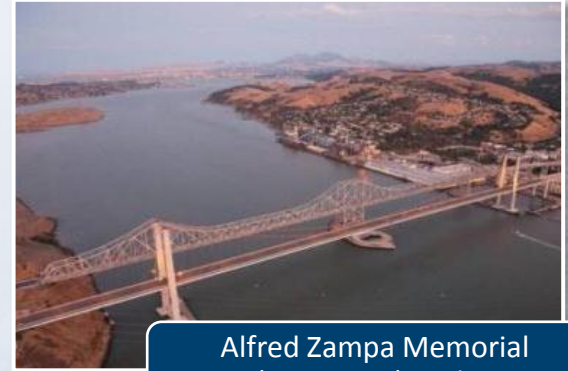
Bridge Traffic Demand is Relatively Inelastic

Annual Traffic and Bridge Toll Revenues



Regional Measure 1

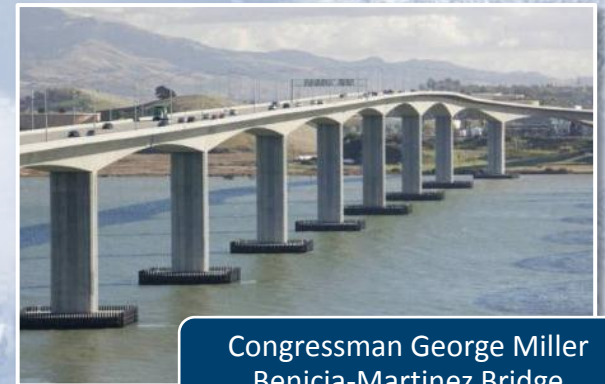
- Regional Measure 1
 - Passed by voters in November 1988
 - \$2.3 billion program
 - Funded primarily bridge expansion projects



Alfred Zampa Memorial
(Carquinez) Bridge



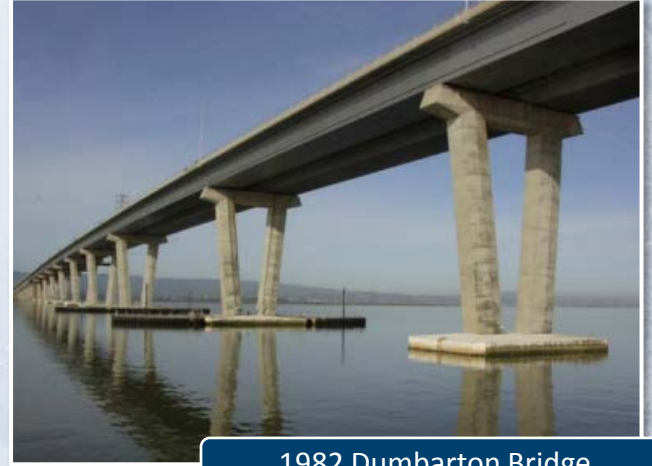
New Richmond-San Rafael
Bridge Approach



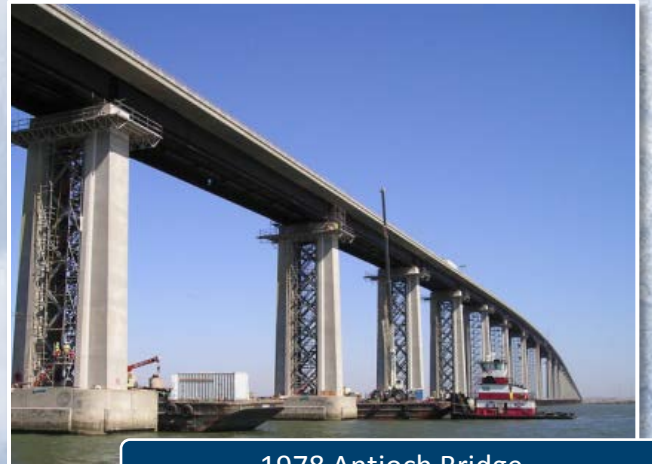
Congressman George Miller
Benicia-Martinez Bridge

Seismic Retrofit Program

- Seismic Retrofit Program
 - Began in 1998
 - \$9 billion program
 - Funded bridge projects to strengthen and reinforce structures in the event of a major earthquake



1982 Dumbarton Bridge



1978 Antioch Bridge



Bay Bridge: SAS



Bay Bridge: SAS



Bay Bridge: SAS



Bay Bridge: SAS



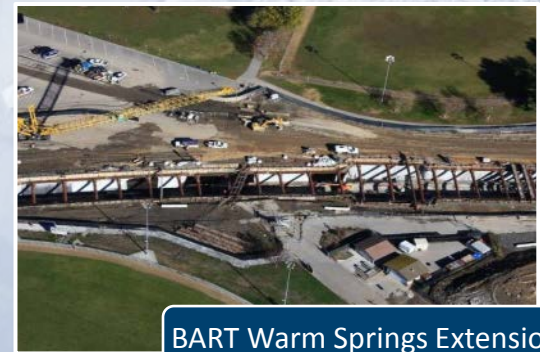
Bay Bridge: SAS (artist rendering)

Regional Measure 2

- Regional Measure 2
 - Passed by voters in March 2004
 - Funded transit and highway projects in bridge corridors
 - Revenues approximately \$115 million annually
 - Up to 38% reserved for transit operating subsidies



BART Transbay Tube Seismic Retrofit



BART Warm Springs Extension



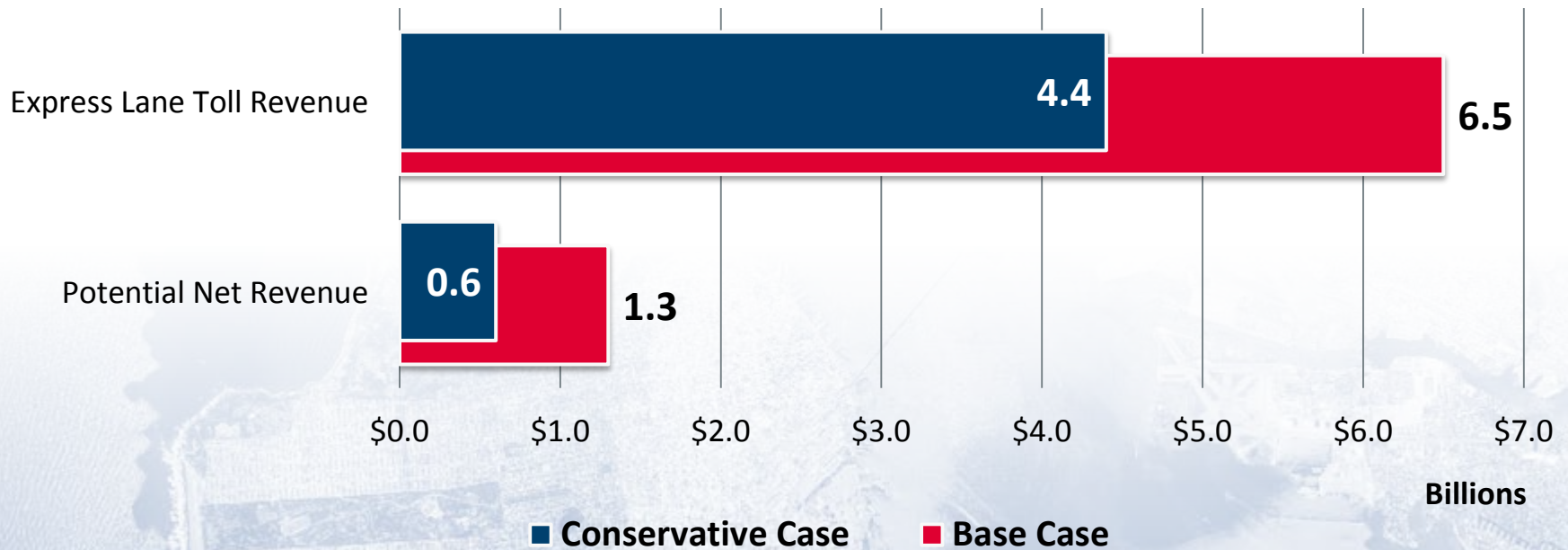
WETA Ferry System Expansion

Express Lanes Improve Mobility and Generate a New Source of Revenue

- Improve mobility for carpoolers, bus riders, and motorists willing to pay
- Build on foundation of 420 miles of existing HOV lanes
- Generate a new source of capital funds through voluntary toll payments



Will There be Net Proceeds?



Other Pricing Initiatives

- San Francisco's Treasure Island and/or Central Business District Cordon Pricing
 - Pricing initiative could generate upwards of \$2.5 billion by 2040
- Regional Gas Tax
 - Increasing the gas tax by 10-cents in the Bay Area could generate nearly \$5 billion by 2040

*“When faced with
a choice between
two evils, I always
choose the one
I haven’t tried
before.”*

- Mae West



An aerial view of the Golden Gate Bridge, showing the suspension towers, cables, and the roadway. The image has a blue tint and a slight blur. The website URL is overlaid in the center.

www.mtc.ca.gov