



Memorandum

DATE: November 8, 2011

TO: CAWG and TAWG

FROM: Tess Lengyel, Deputy Director of Policy, Public Affairs and Legislation
Beth Walukas, Deputy Director of Planning

SUBJECT: PRELIMINARY DRAFT Expenditure Plan Investments

The attached set of graphics and tables describe a preliminary draft set of investments for an “augment and extend” transportation sales tax, to be on the ballot in 2012. The plan assumes that the existing Measure B will remain in place and will be guided by its existing expenditure plan until 2022. During this interim period, the new tax will augment Measure B by a new half-cent, governed by the new expenditure plan. After 2022, the transportation sales tax will simply be a combined 1 cent, guided by this plan. A total of \$7.66 Billion in new revenue will be generated by this tax from 2012 through 2042.

This preliminary draft plan is intended to be responsive to feedback we have received from the Steering Committee members, advisory committees and from polling and outreach. We have focused the development of the draft TEP on showing investments by mode which include capital projects, programmatic capital projects and programs that support a comprehensive, multi-modal plan, rather than focusing on a projects and programs split.

It is important to note that the draft TEP describes only one of many funding sources available for many projects and programs included in the draft TEP. For example, transit agencies get funding from local sources including the newly implemented vehicle registration fee, as well as state and federal sources and fares.

Figure 1 shows the total new measure revenue by mode. The largest single investment area is public transit, for \$3,397,100,000 or 44% of the measure (transit and paratransit), consistent with broad public support for transit projects and programs. Spending on operations and maintenance of transit was increased over our initial submittal on programs. Investments in paratransit were also increased to 10% - a slight increase over their current percentage in Measure B, roughly doubling the amount of funding available in this area. Local streets and roads, which are also strongly supported in all areas of the county, receive the second highest investment total, and 30% of new revenues, increased over the initial memo on programs. Combining the bicycle and pedestrian program at 5% of new funding with a large investment in completion of the major paths in the County results in increases over current funding for bike and pedestrian infrastructure in the County. In addition, new investments in transportation for sustainable land use, freight and economic development and technology and a focused investment program on the highway system are also accommodated in the plan.

Figure 2 summarizes the Mass Transit and Specialized Investment Program, including capital and operating funds, and including both fixed route and paratransit services. For the two large programs in this category, the table shows the amount of funding expected to go to each recipient as well as the % of transit funds and % of total funds going to each recipient. These two programs total 30% of measure funds. The remaining 14% of measure funds in this category are divided among capital projects promoting bus transit efficiency and priority, BART system modernization and expansion and regional rail enhancements.

Figure 3 summarizes the Local Streets and Roads program which includes 20% of net revenues for direct allocation to cities and the County and an \$800,000,000 program for major commute corridors, local bridge and grade crossing and seismic safety. These funds have been allocated by planning area and a list of potential projects have been identified based on the projects submitted in the call for projects in the CWTP and input from local jurisdictions. These funds can be used on other projects of significance throughout the county as well. A more detailed comparison of the current measure to future measure funds in the year 2014 is included later in the packet.

Figure 4 summarizes the investments to be made for highway efficiencies including a new freight and economic development program described previously as well as a \$600,000,000 highway efficiency improvement program that focuses on specific interchange, local access and safety improvements. These funds can be used on other projects of significance throughout the county as well.

Figure 5 summarizes the rest of the measure, including the investments in bicycle and pedestrian infrastructure and safety, sustainable land use and transportation and technology. The bicycle and pedestrian program includes over \$260,000,000 for gap closure on the three major trails in the County and two programs totaling 5% of net revenues. Direct allocations to cities and the county will essentially double under this measure, as will funds available for grants, which will also serve to fund maintenance of major trails.

Figure 6 shows the amount of funding that each agency can expect to receive from the new measure, including both project and programmatic funding. A comparison with the current measure for programmatic funding is included later in the packet in Figures 8-12.

Figure 7 shows the geographic balance of the funds that have been allocated to each planning area of the County. The graph shows that each planning area is guaranteed to receive a slightly lower share of funds than its share of population, because 25% of the measure funds are either allocated to multi area projects or have not yet been allocated. Maintaining geographic equity will be a key consideration in allocating discretionary funds.

The remainder of the packet focuses on a single year – FY 2013/14 which will be the first full year with new revenue available. **Figure 8 shows the seven programs included in the plan and shows that the four large programs in the current measure will essentially double their funding by passing this measure.**

Figure 9 shows the change in funding available to each of the cities and the county in 2014 if the Measure is passed for local streets and roads. Continuing the current method of allocating funding, every city will receive an 88% increase in funding available. The County will receive slightly more as a result of an adjustment factor for the County in the current methodology.

Figure 10 shows the change in revenue that each of the transit operators and other jurisdictions will receive from the transit operations and specialized transportation categories. Some of these allocations have been updated from the original memo on programs, reflecting comments received. Including both mass transit and paratransit funding, AC Transit will receive 90% more funds immediately in 2013-14 if this measure is passed. BART will

receive more than double their current allocation for paratransit, and virtually every transit operator and every city will receive significantly increased funding for needed services. Funds available for grants, including the potential student bus pass program will be secured in this line item.

Figure 11 shows the allocation of programmatic bike and pedestrian funding to each of the cities and the county in 2013-14. Each jurisdiction would receive an 80% increase in funding assuming the current allocation strategy is applied, while overall funding would essentially double.

Finally Figure 12 shows the amount of funding that would be available in 2013-14 for the remaining programs.

Next Steps

This information is being presented to the CAWG/TAWG group on November 10 and to Steering Committee on November 17 for information and discussion. Based on the direction provided by the Steering Committee, we will refine the plan and will present a complete draft of the TEP to the Steering Committee on December 1, to CAWG and TAWG on December 8th and to the full CTC Board at their retreat on December 16.

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