METROPOLITAN
TRANSPORTATION
COMMISSION

Joseph P. Bort MetroCenter
101 Eighth Street
Oakland, CA 94607-4700
TEL 510.817.5700
TDD/TTY 510.817.5769
FAX 510.817.5848
E-MAIL info@mtc.ca.gov
WEB www.mtc.ca.gov

Memorandum

TO: Commission DATE: May 20, 2008

FR: Executive Director W. I.

RE: Transportation 2035: Investment Tradeoffs

Acutely aware of the need for change, Transportation 2035 is about defining a new regional transportation vision for the Bay Area. The Three Es of economy, environment, and equity, along with the plan goals, performance objectives, and vision policy strategies, have been instrumental in framing that vision. The lessons learned from the vision scenario analysis and project performance assessments have been instructive on what infrastructure investments we ought to pursue and the critical role that pricing and land use strategies play in helping us make progress towards our performance objectives.

Making Tradeoffs

We are now at a point in our journey where we have to make some tough tradeoffs about where we invest our transportation dollars. Of the $220 billion in revenue projected to be available to the region over the next 25 years, $190 billion is committed by voter mandate, statute or Commission policy towards maintaining and expanding our existing transportation system. This leaves $30 billion in uncommitted discretionary revenues. Transportation priorities vying for this $30 billion include: transit, local road, and State highway maintenance shortfalls; system operations strategies like the Freeway Performance Initiative; programs aimed at focused growth, climate protection, and Lifeline service; and numerous capacity expansions throughout the region.

Given the many competing transportation priorities, the question that we must ask ourselves is "*How much resources do we allocate to Option A versus Option B?* " and then we must make actual tradeoffs such as *"What are the consequences of investing in one area but not another?"* To jump-start the tradeoff discussions, staff is developing a menu of options in the investment categories of maintenance, system efficiency and expansion. For each investment category, there are four investment options that emphasize a different objective and result in a particular funding level. Staff will present these investment options and our partners/stakeholders will share their perspectives at the workshop as shown in the agenda.

As part of the workshop discussions, the Commission is slated to consider the merits of each investment option and discuss the consequences of how investing in any one option may affect resources available to fund other options. This initial tradeoff dialogue will help staff understand which options best exemplify the Commission's priorities. Our goal is for the workshop discussion to lead to a mix & match of the investment options to form up to three alternative investment packages that would be subject to further partner, public and Commission discussion in June. The process will culminate in a preferred investment plan for Commission review and approval in July.

Attached to this memo are a series of slides to serve as current and historical context for your workshop discussion. We will elaborate on their meaning and relevance at the workshop. We look forward to a very productive discussion next week.

Steve Heminger

SH:AN

J:\COMMITTE\Commission\2008\e_May 2008\Commission Workshop\tradeoffs_CMworkshop.doc