



METROPOLITAN
TRANSPORTATION
COMMISSION

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Memorandum

TO: Partnership Technical Advisory Committee

DATE: June 3, 2008

FR: Ashley Nguyen

W. I.

RE: Transportation 2035: Investment Tradeoffs

Making Tradeoffs

We are now at a point in our Transportation 2035 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 developed a menu of options in the investment categories of maintenance, system efficiency and expansion for initial discussion at the Commission workshop held on May 27 (see **Attachment A**). For each investment category, there are four investment options that emphasize a different objective and result in a particular funding level. Staff presented these investment options to the Commission; and our partner agencies, stakeholders, and the public shared their perspectives on these options as part of the workshop discussion.

After a lively discussion of the issues and tradeoffs, the Commission developed three draft alternative investment packages that focused on different investment levels for maintenance, system efficiency, and expansion. Staff will present these draft investment packages to you at your meeting. These packages will be subject to further partner, public and Commission discussion in June, and the process will culminate in a preferred investment plan for Commission review and approval in July.



Draft Investment Options

Maintenance

T2030 Investment Escalated

\$4
billion

- A** • Local Road Pavement Only (\$2 b)
- Highest-Rated Transit Assets (\$2 b)
- No State Highway (\$0 b)

T2030 Investment Principles

\$21
billion

- B** • Local Road Pavement & Non-Pavement (\$9 b)
- Highest-Rated Transit Assets (\$12 b)
- No State Highway (\$0 b)

Core Network

\$16
billion

- C** • Local Road Pavement & Bridges (\$5 b)
- Transit Vehicle Replacement (\$5 b)
- State Highway Pavement Maintained at Current Levels (\$6 b)

High Volume Network

\$10
billion

- D** • Arterial Pavement & Bridges Only (\$3 b)
- Transit Vehicle Replacement for Operators with Highest Ridership (\$4 b)
- Partial Funding for State Highway Pavement Maintained at Current Levels (\$3 b)

System Efficiency

T2030 Investment Escalated

\$3
billion

- A** Use T2030 Funding Levels for Efficiency Projects (escalated) (\$3 b)

System Performance Emphasis

\$5
billion

- B** • Freeway Performance Initiative (\$2 b)
- Complementary County Investments (\$1 b)
- Transit Efficiency Projects (\$1 b)
- TLC at Current Level (\$1 b)

Land Use & Climate Emphasis

\$7
billion

- C** • Expanded Bike, TLC & Climate Projects (\$5 b)
- Complementary County Investments (\$2 b)

Lifeline Emphasis

\$6
billion

- D** • Expanded Lifeline Projects (\$4 b)
- Complementary County Investments (\$1 b)
- Bike, TLC & Clean Air Projects at Current Levels (\$1 b)

Expansion

T2030 Investment Escalated

\$7
billion

- A** Use T2030 Funding Levels for Expansion Projects (escalated) (\$7 b)

Performance Based

\$8
billion

- B** Fully Fund Projects with Benefit/Cost > 5 and Strongly Address 2 or More Goals (\$8 b)

STIP Shares

\$6
billion

- C** Minimum Guarantee of STIP Revenues and Reach Consensus on Regional ITIP Plan (\$6 b)

STIP Shares + HOT Network

\$11
billion

- D** • Minimum Guarantee of STIP Revenues and Reach Consensus on Regional ITIP Plan (\$6 b)
- HOT Network (\$5 b)