

Building the Momentum For Change



CHANGE IN MOTION

Joint Advisors Workshop
October 24, 2008



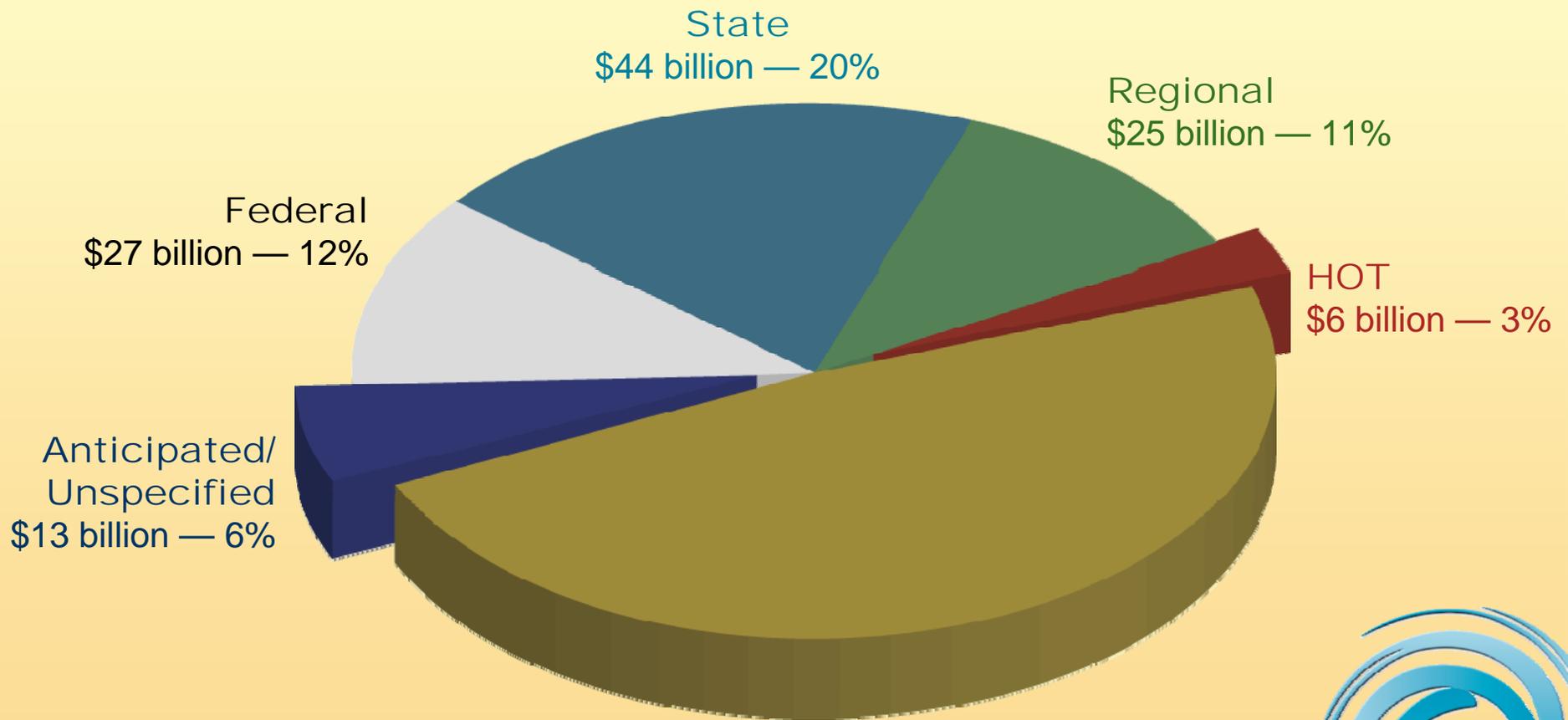
*“Change is
inevitable in a
progressive country.
Change is constant.”*

– Benjamin Disraeli



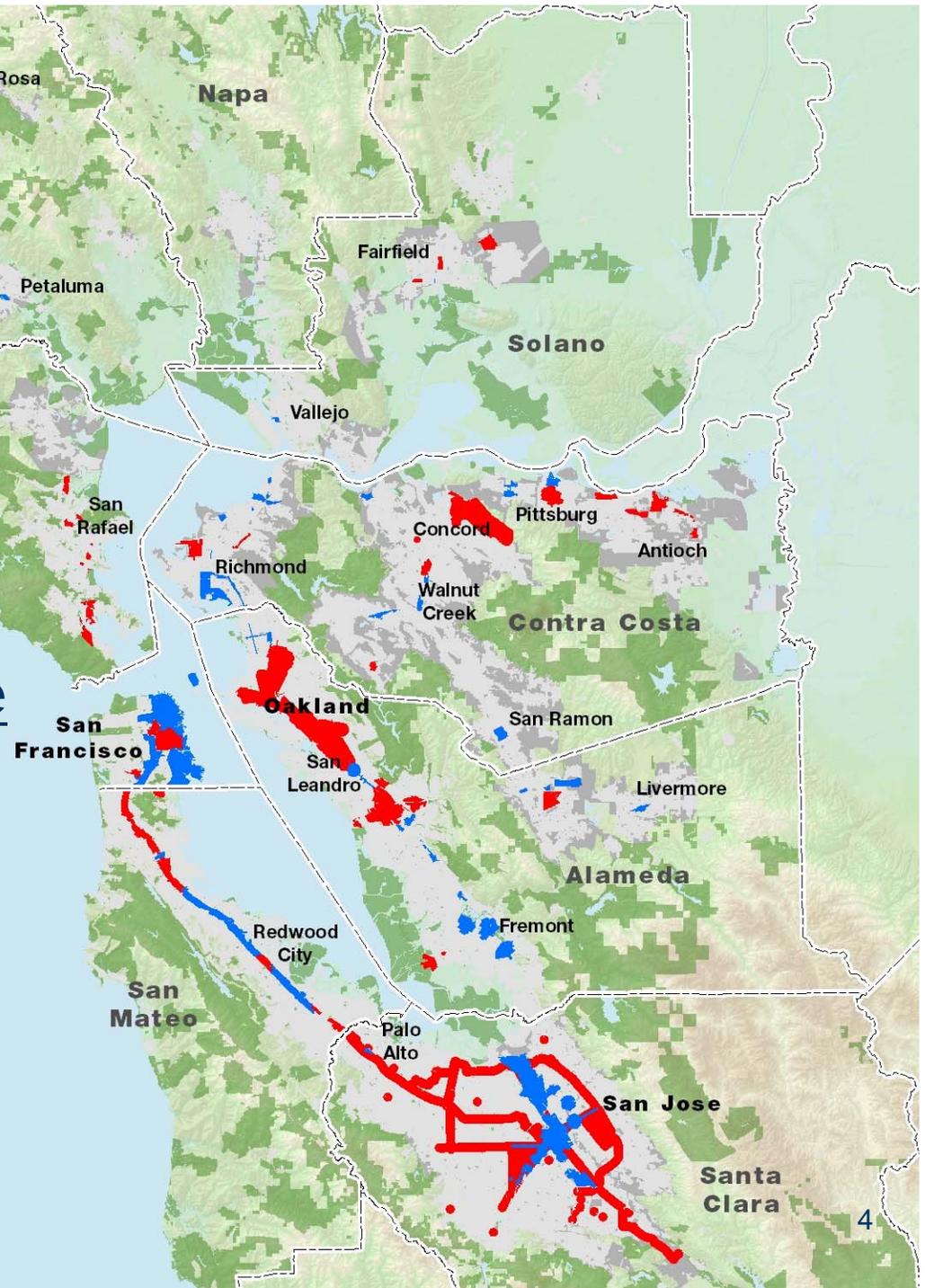
Change is Confident

Financial Outlook Includes Anticipated/Unspecified and HOT Revenues



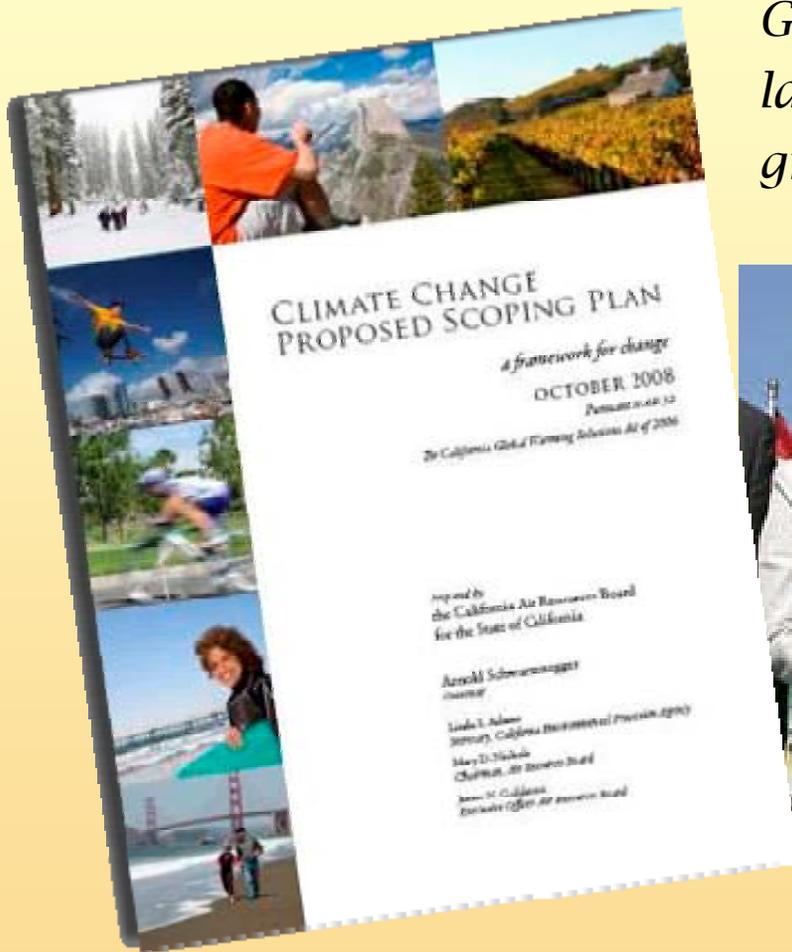
Change is Inevitable

Communities volunteer certain areas as **FOCUS** Priority Development Areas



Change is Required

Gov. Schwarzenegger signs landmark legislation to reduce greenhouse gas emissions



Change is Unpredictable

San Francisco Chronicle

NORTHERN CALIFORNIA'S LARGEST NEWSPAPER
FRIDAY, OCTOBER 10, 2008

OPEC to discuss global crisis, crude prices

Stevenson Jacobs, Associated Press

OPEC said Thursday it will hold an extraordinary meeting Nov. 18 to discuss the impact of the global financial crisis on oil prices.

use the meeting to announce a production cut in a bid to keep prices from falling further.

San Jose Mercury News

TUESDAY, MARCH 4, 2008

Gas prices set records in California; oil hits all-time high

By Gary Richards

From San Francisco to San Jose to San Luis Obispo to San Diego, single-day gas price records tumbled across the state again today — and the nation appears next.

The ongoing run-up comes months before the peak driving season, and just as crude oil hit its highest figure ever — even adjusting for inflation — at \$103.95 a barrel on Monday.

The statewide average for a gallon of self-serve unleaded hit \$3.499, eclipsing the single-day mark of \$3.490 set last May, according to the state auto club. The South Bay stood at \$3.591, another record.

And San Francisco, hitting a new high at \$3.643, led 19 of two dozen cities surveyed by AAA in setting new marks either Monday or today.

Campbell. "It seems to be affecting how much people are driving. I'm betting on \$4 per gallon by summer's end."

The U.S. average of \$3.168 is six cents shy of an all-time nationwide mark, and climbing.

Today's gas prices are around 60 cents higher than last year. And oil prices haven't been this high, relatively, since 1980. Some analysts, however, predict oil will fall to \$70 a barrel as supplies grow and if demand eases amid a bad economy. But others say oil could rise to \$120 a barrel as financial managers, troubled by the weak dollar, send money into oil markets from overseas.

So which is it? Up or down? Who knows, says Tom Robinson of Robinson Oil, operator of the Rotten Robbie chain. "It doesn't make

Los Angeles Times

TUESDAY, JULY 8, 2008

Gas prices rise to another record high

Ronald D. White

The average U.S. pump price reaches \$4.114 a gallon, up 1.9 cents from last week. In California, the price drops 2.3 cents to \$4.550.

The average U.S. pump price hit another record today, reaching \$4.114 for a gallon of self-serve regular gasoline, up 1.9 cents from June 30, according to the Energy Department's weekly survey of filling stations.

California, where motorists are driving a lot less these days, continued to be the biggest counterweight, falling 2.3 cents to \$4.550 a gallon.

Oil dropped because the dollar showed new strength against other currencies, the rhetoric on Iran's nuclear program cooled and the first hurricane of the Atlantic season turned north and appeared likely to miss the U.S. East Coast entirely. That shattered what one analyst called the "weekend worry premium."

Crude oil for August delivery fell \$3.92 to close at \$141.37 a barrel today on the New York Mercan-

But analysts warned that the down day could mean the end of the oil run-up.

"In the old days, this would have been a drop of about a dollar or less. With these bigger numbers on oil, it just looks like a large pullback," said Tom Kloza, chief oil analyst for the Oil Price Information Service, a markets-tracking company in Wall, N.J.

"We might drift a little lower this week, but we'll be higher a month from now and oil will be above \$150 before the end of the year," Kloza said.

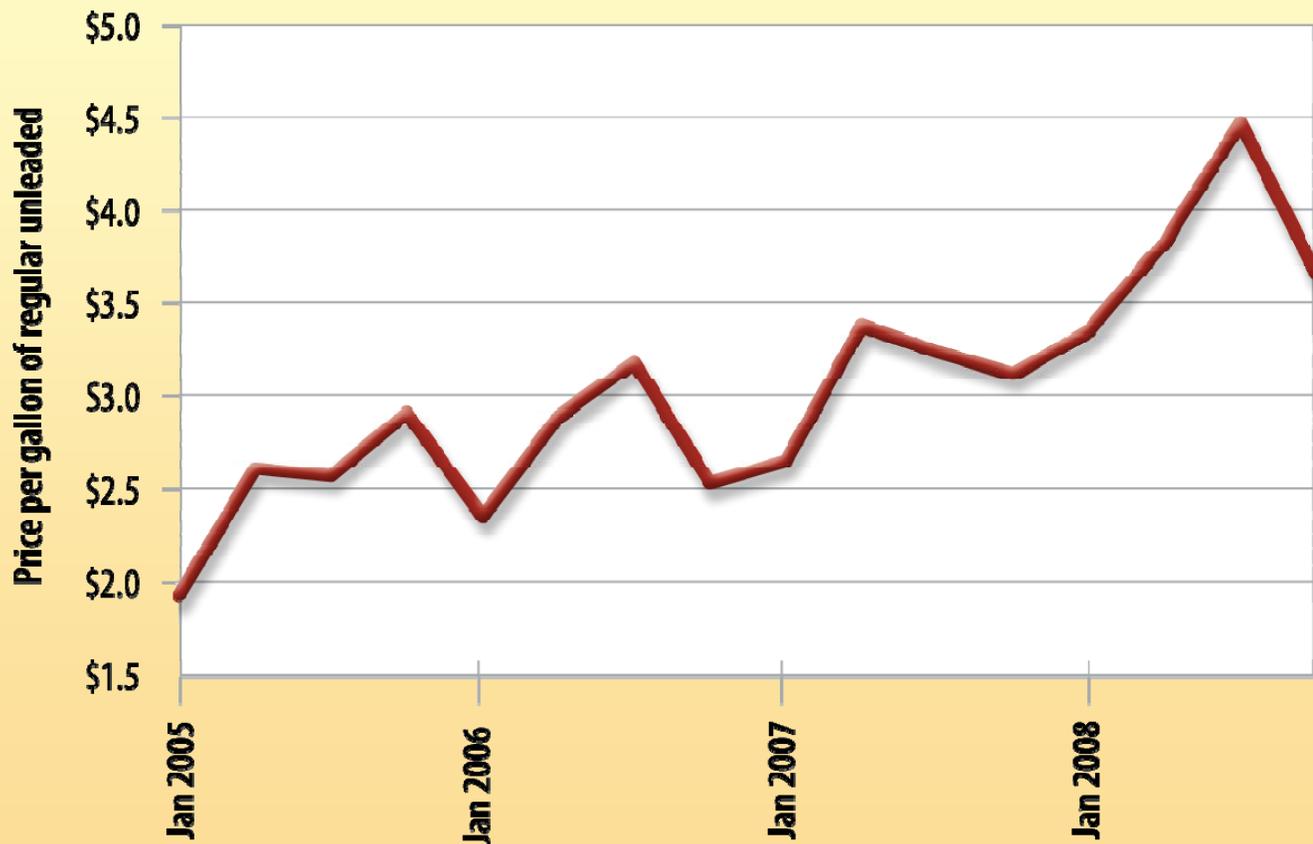
Drivers, meanwhile, continue to look for new ways to cope.

San Jose resident Mike Atkins, 50, loves his 1984 Volkswagen Gti so much that he put the letters "Gti" in his e-mail address. Atkins, who is out of work, hasn't driven the car in more than a month.



Change is Unpredictable

Average Gasoline Prices, San Francisco, 2005 – 2008



Source: U.S. Department of Energy



Change is All of Us



Defining the Vision

GOALS

Economy

Environment

Equity

- **REDUCE CONGESTION**
- **IMPROVE MAINTENANCE & SAFETY**

OBJECTIVES

REDUCE EMISSIONS & VMT

IMPROVE AFFORDABILITY

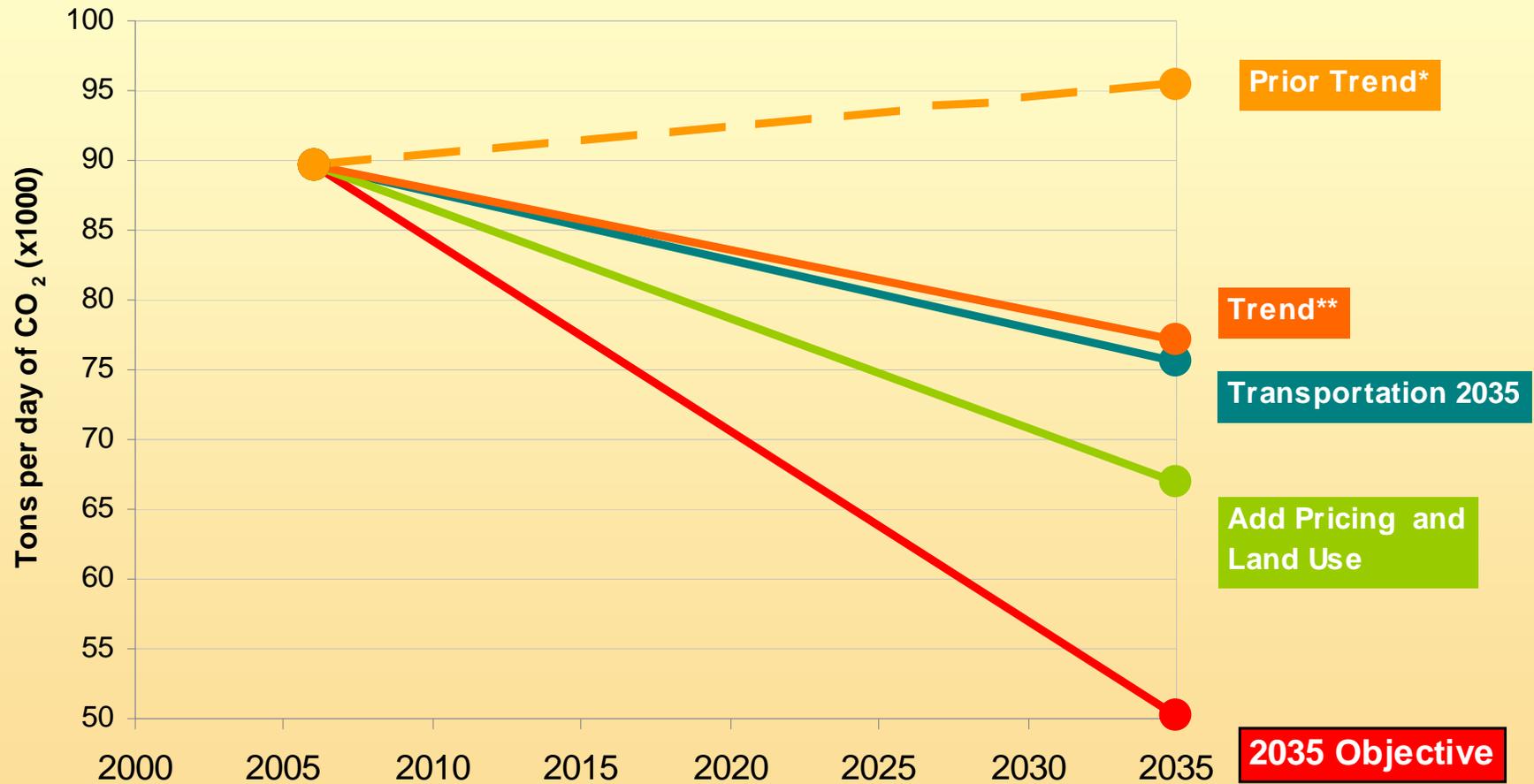
STRATEGIES

Infrastructure

Pricing & Focused Growth

Assessing the Difference

Reduce CO₂ 40% below 1990 levels

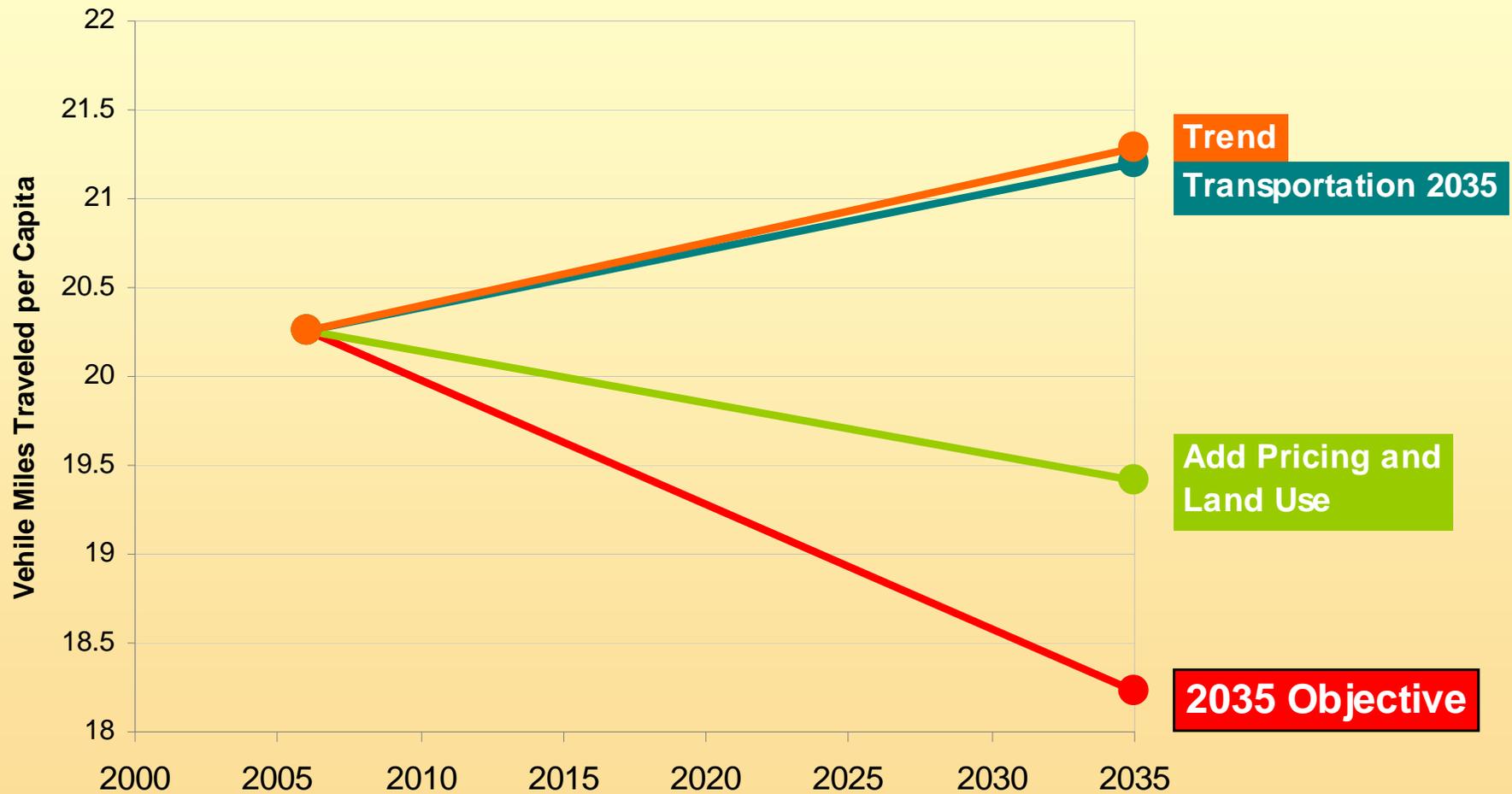


* Assumes lower fuel economy

** Assumes higher fuel economy

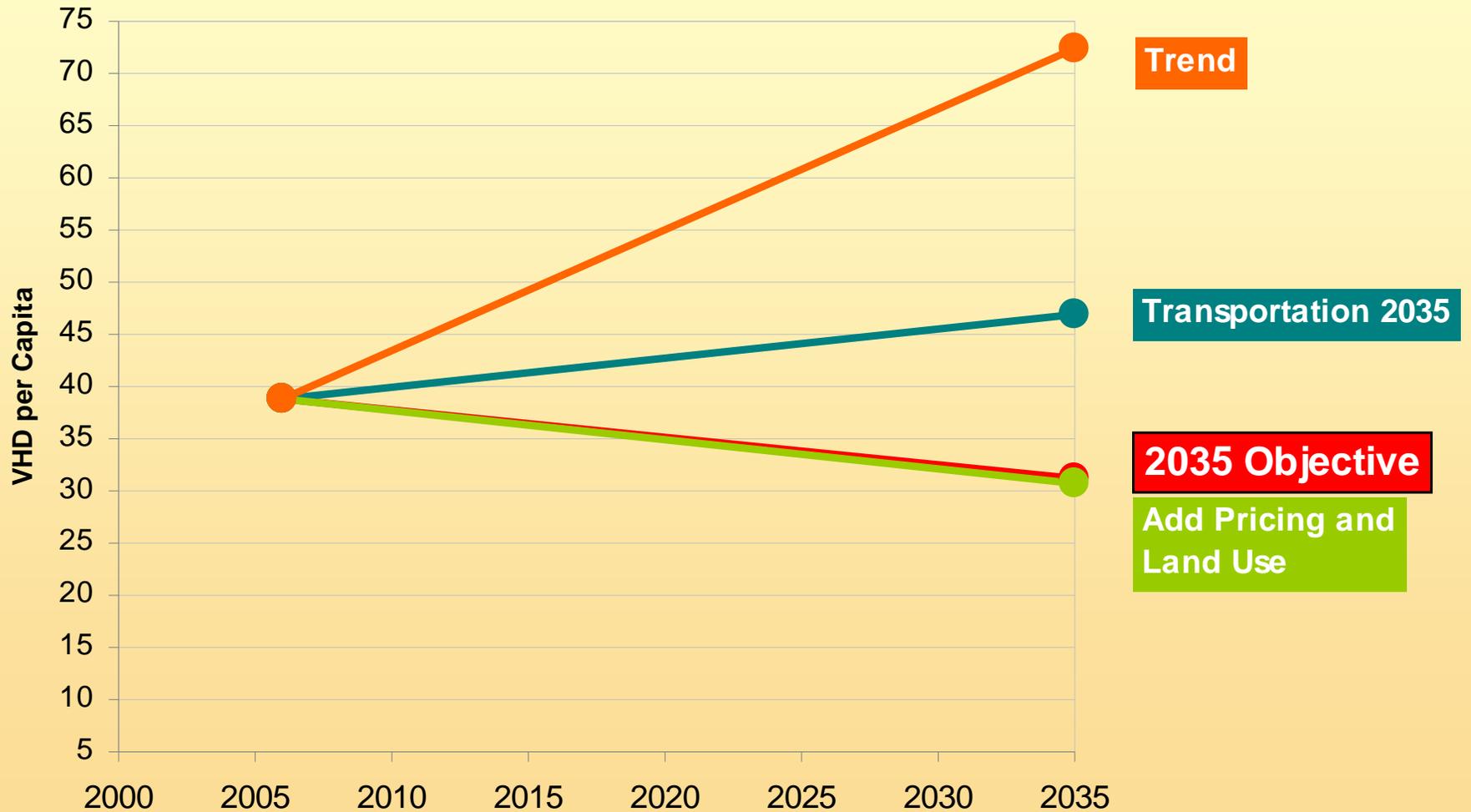
Assessing the Difference

Reduce VMT per person 10% below today's levels



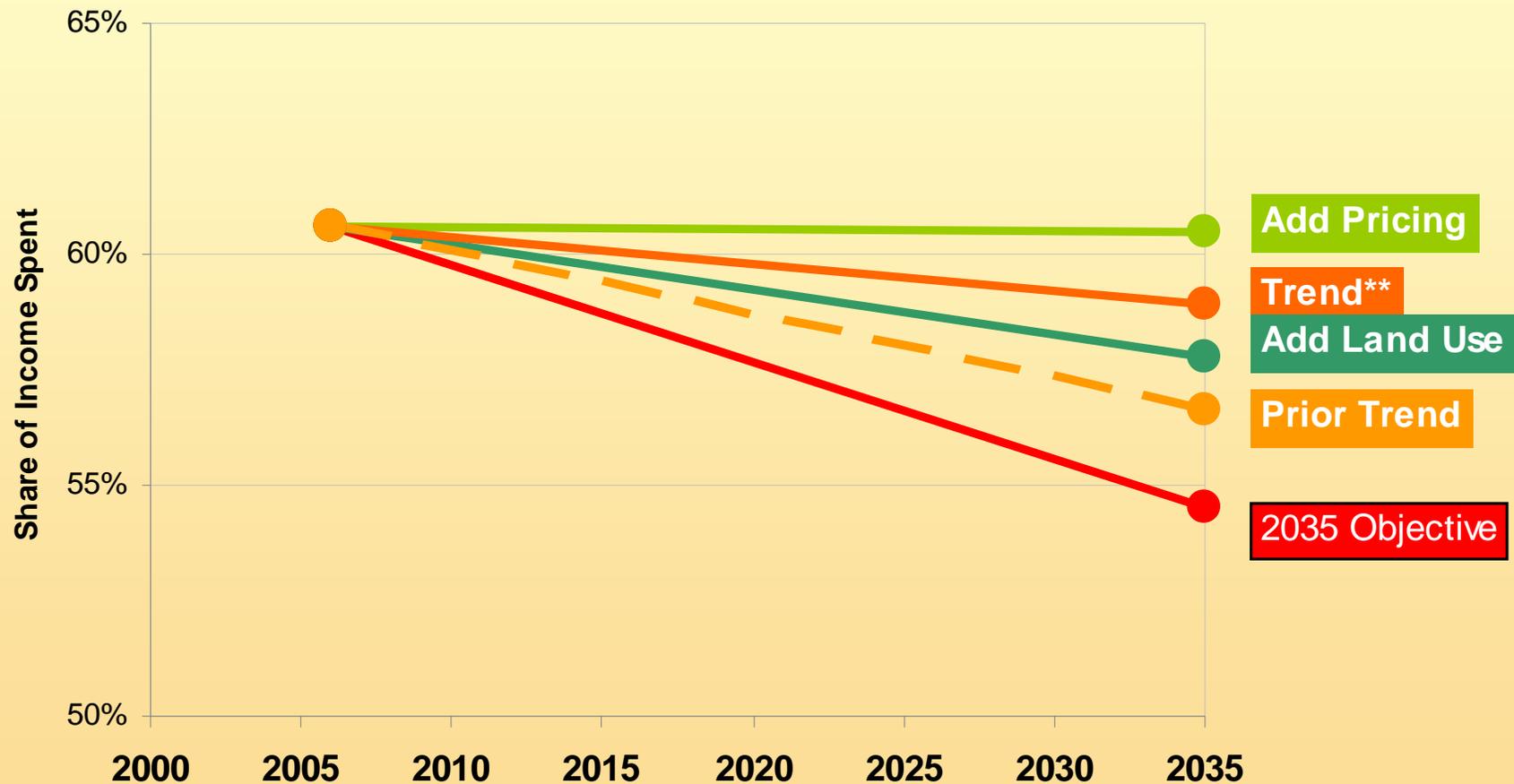
Assessing the Difference

Reduce congestion 20% below today's levels



Assessing the Difference

Reduce by 10% the share of income spent by lower- and moderate-low-income households on transportation and housing combined*



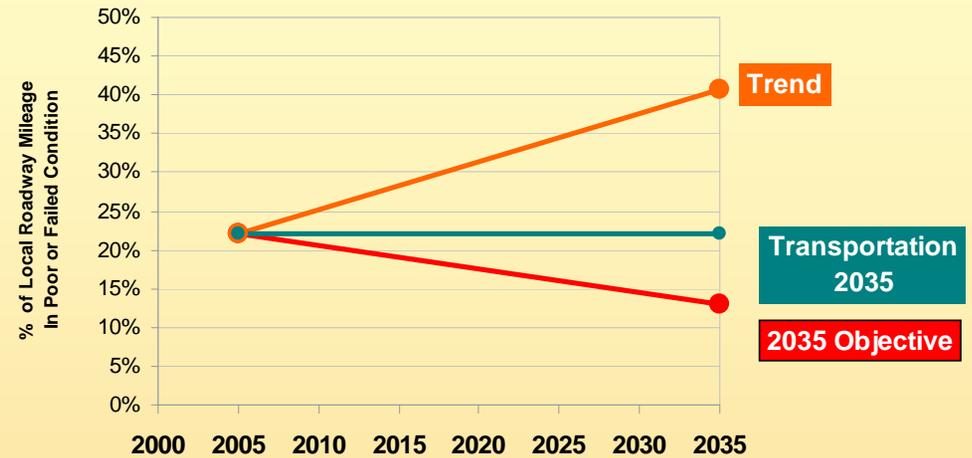
* Includes households with annual income less than \$70,000

** Reflects updated gas prices

Assessing the Difference

Local Streets and Roads Maintenance

Decrease mileage in poor condition to no more than 13%*



* This is equivalent to the adopted objective to increase the average pavement condition index to 76

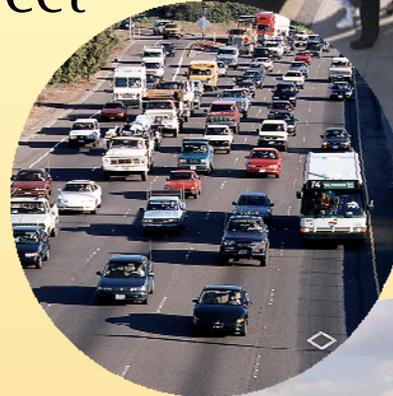
Transit Maintenance

Decrease average age of all assets to 50% of useful life



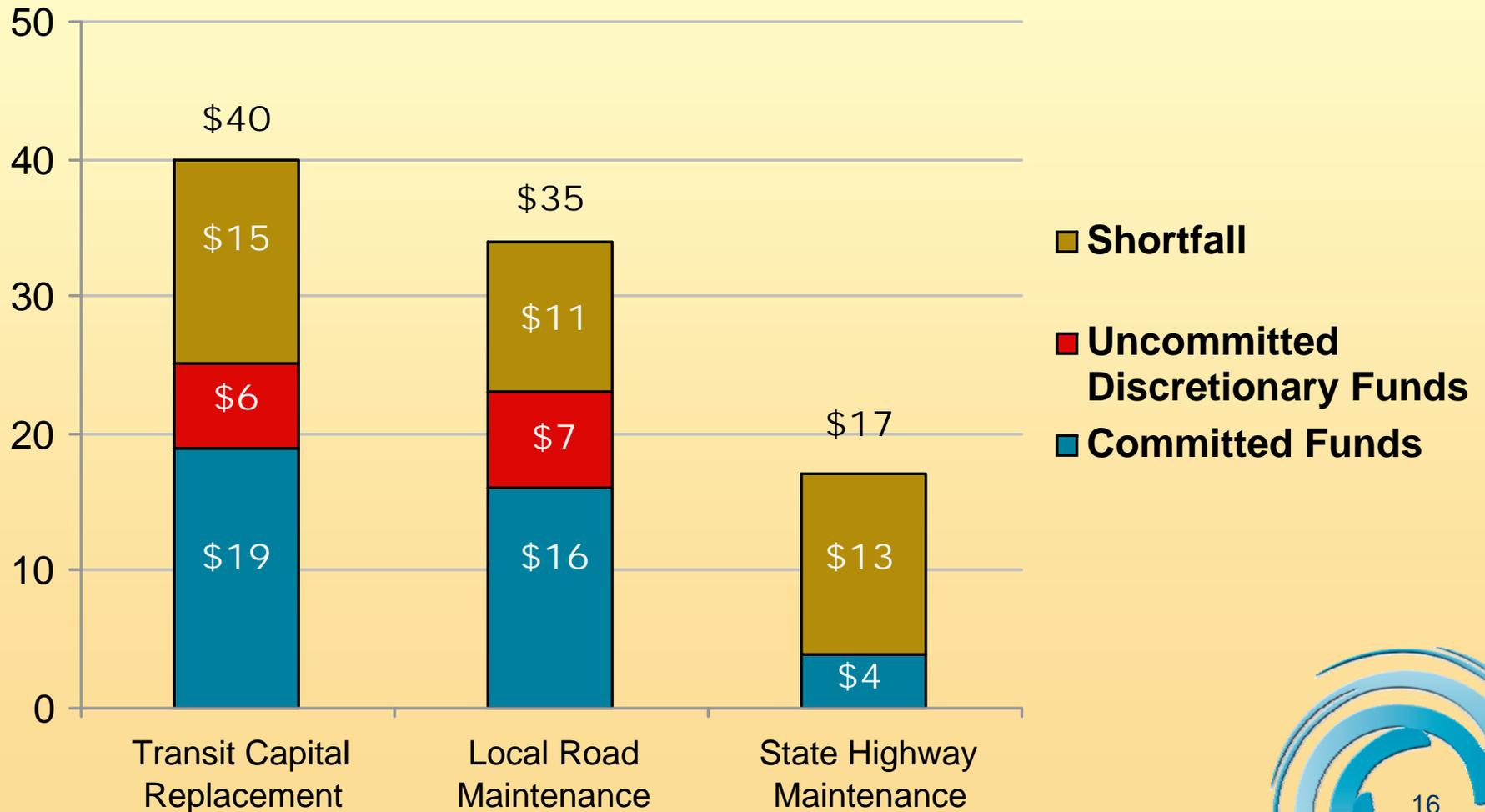
What Did We Learn?

- Infrastructure projects alone are not nearly enough
- Road pricing has a much bigger effect in the short-term
- Focused growth helps us reach targets in the longer term
- Technology innovations gets us even closer to closing the gap
- Shifts in individual behavior ultimately drive change



Building Our Momentum:

Maintenance Needs, Funding, Shortfalls
(In billions of escalated dollars)



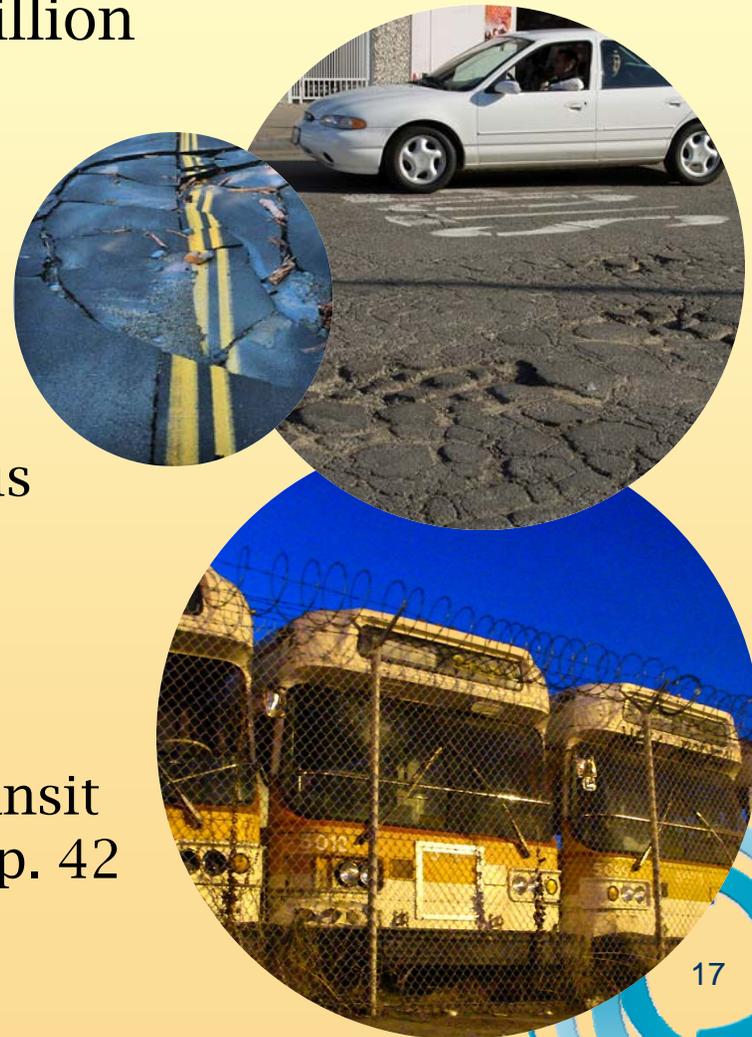
Building Our Momentum:

#1 Fix it, Finally?

- How can we eliminate the \$40 billion funding shortfall that keeps our roads, transit systems and highways from being first rate?

Potential Strategies

- Seek rehabilitation funds in any infrastructure economic stimulus package
- Consider “Pennies for Potholes” regional gas fee
- Protect “spill over” funds for transit from raids by folding it into Prop. 42



Building Our Momentum:

#2 Transit Performance Initiative

- Should major transit operators undertake a transit efficiency study and implement recommendations to increase ridership, service productivity and cost efficiency?
 - SFMTA's *Transit Efficiency Study* slated for adoption fall of 2008
 - VTA's comprehensive redesign of its bus network (2008) focused on serving transit dependent riders



Building Our Momentum:

#3 Green Commute/ Green Parking Pilot

- Should the region develop a “Green Commute/Green Parking” Pilot for employers and multi-family residential developers?
 - San Francisco’s *Commuter Benefit Ordinance*, and MTC’s “*TransLink for T.O.D.*” are potential models.



Building Our Momentum:

#4 Zero Emission Municipal Fleet

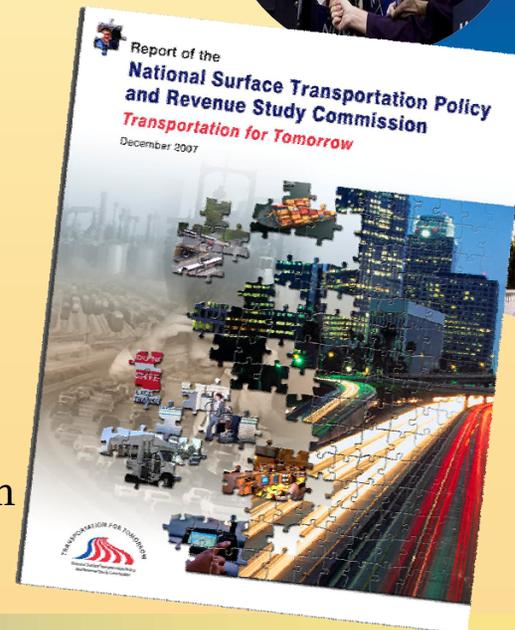
- Should the Bay Area's local governments lead the way by moving to green vehicle fleets to zero-out greenhouse gas emissions?
 - Some 25,000 vehicles currently in region's municipal fleet (unknown number of zero-emission vehicles)
 - What percentage of the fleet should we seek to convert?



Building Our Momentum:

#5 Shape New Federal Transportation Bill

- How can our region influence the debate on new federal surface transportation policies and funding to further Transportation 2035 goals?
 - *“To meet 21st Century transportation needs, it is necessary for Congress to establish a new Federal Compact with the American People.”*
— National Surface Transportation Policy and Revenue Study Commission



Next Steps: “Building Momentum”

Stakeholder Discussions

- **MTC Joint Advisors Workshop — Oct. 24**
- **Partnership Technical Advisory Committee — Oct. 27**
- **Bay Area Partnership Board — Nov. 10**
- **MTC Planning Committee Discussion — Nov. 14**
- **Include preferred strategy in
Transportation 2035 Plan — March 2009**

