

# FY2011-12 Fund Estimate MTC Resolution No. 3990



Programming and  
Allocations Committee

February 9, 2011

METROPOLITAN TRANSPORTATION COMMISSION

## Overview

- State law requires MTC to complete a Fund Estimate by March 1<sup>st</sup> of each year
- Assists claimants in budgeting
- Provides estimate and apportionment of TDA as required by California Code of Regulations
- TDA estimates provided by County Auditors
- Sales tax based revenue is approximately 40% of transit operating revenue in the region.

Slide 2  
FY 2011-12 Fund Estimate

## FY2011-12 Fund Estimate Overview

Source	Description	FY 2010-11 (\$ in millions)	FY 2011-12 (\$ in millions)
TDA	¼ cent sales tax in each county	\$265.4	\$269.4
AB 1107	MTC administered portion (25%) of the ½ cent sales tax in Alameda, Contra Costa, and San Francisco counties	\$56.9	\$58.3
STA	Sales tax on diesel	\$144.1*	\$118.8
Bridge Tolls	AB 664, MTC 2% tolls, 5% State General Fund	\$16.4	\$16.4
<b>Total</b>		<b>\$482.8</b>	<b>\$462.9</b>
*FY 2010-11 STA revenue reflects the full amount paid by the state in June 2010			

Slide 3  
FY 2011-12 Fund Estimate

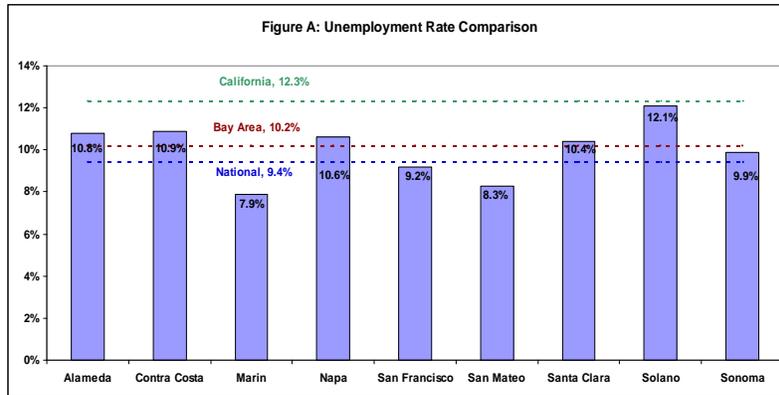
## Key Economic Indicators

1. Persistent High Unemployment
2. Low volume of housing sales and prices
3. Slow taxable sales growth

Slide 4  
FY 2011-12 Fund Estimate

## Unemployment Rate Comparison

- The Bay Area labor market is experiencing a stronger recovery than most of California, but is lagging behind the rest of the nation



Slide 5  
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## Bay Area Home Prices

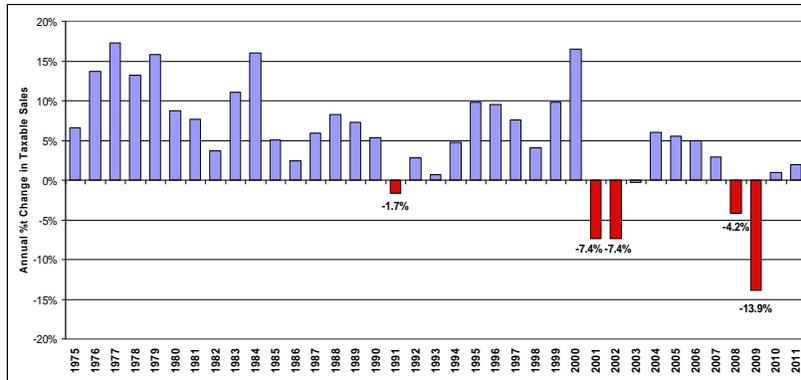
- Median home prices in the region have declined
- Housing sales volume is also generally down

	Sales Volume			Median Price		
	December 2009	December 2010	% Change	December 2009	December 2010	% Change
All homes	1,552	1,516	-2.3%	\$360,000	\$347,000	-3.6%
Alameda	1,552	1,516	-2.3%	\$360,000	\$347,000	-3.6%
Contra Costa	1,634	1,488	-8.9%	\$287,500	\$265,000	-7.8%
Marin	265	226	-14.7%	\$635,000	\$599,000	-5.7%
Napa	128	134	4.7%	\$356,000	\$310,000	-12.9%
Santa Clara	1,915	1,646	-14.0%	\$475,000	\$460,000	-3.2%
San Francisco	499	491	-1.6%	\$650,000	\$617,000	-5.1%
San Mateo	642	616	-4.0%	\$586,500	\$560,000	-4.5%
Solano	698	601	-13.9%	\$217,500	\$198,000	-9.0%
Sonoma	495	460	-7.1%	\$330,000	\$310,000	-6.1%

Slide 6  
FY 2011-12 Fund Estimate

# Taxable Sales

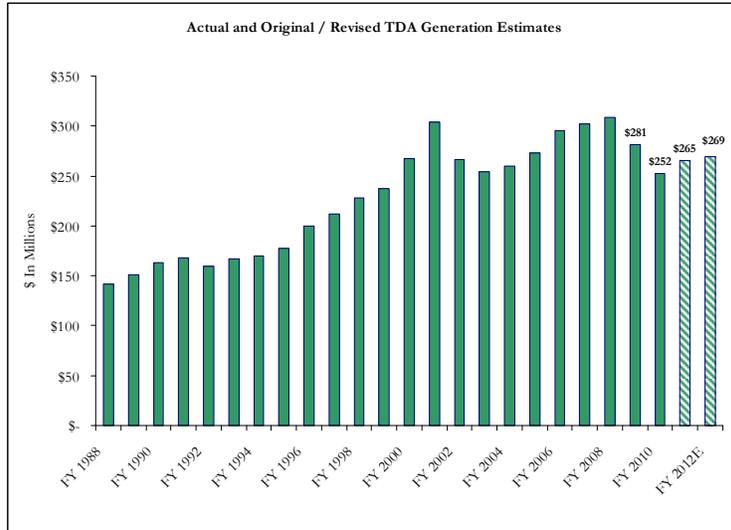
- The recession has resulted in a significant contraction in taxable sales growth
- It appears that sales tax growth has entered positive territory again after two years of dramatic decline



Slide 7  
FY 2011-12 Fund Estimate

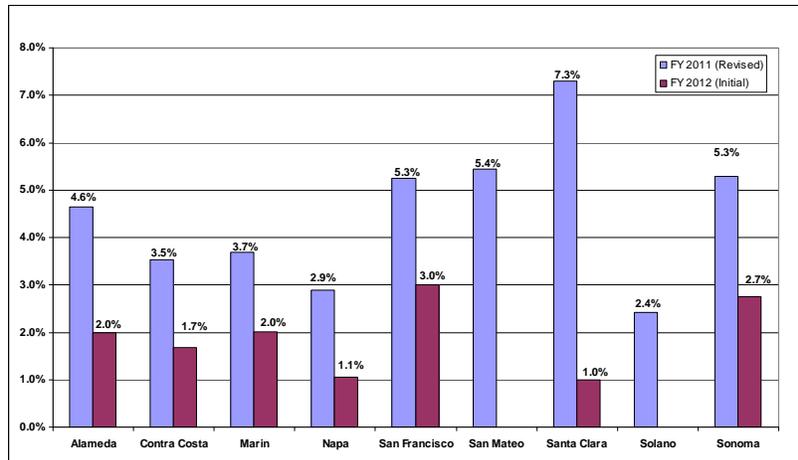
# Revenue Estimates

**TDA Revenue Volatile:  
Expected to increase in FY 2011 and FY 2012**



Slide 9  
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**TDA Revenue:  
Auditor's TDA Estimates, % Change from Prior Year**



- Marin and Contra Costa county auditor estimates have increased since packet mailing

Slide 10  
FY 2011-12 Fund Estimate

## AB 1107

- AB 1107—25% of the BART half-cent sales tax revenue generated in Alameda, Contra Costa, and San Francisco Counties.
- Due to positive trend in sales tax receipts, staff recommends revise the FY 2010-11 AB1107 estimate upward from \$52 million to \$56.9 million
- Staff estimates that AB 1107 revenue will total \$58.3 million for FY 2011-12

AB 1107 Revenue		
FY 2009-10 Actual	FY 2010-11 E	FY 2011-12 E
\$ 55.5 million	\$56.9 million	\$58.3 million

Slide 11  
FY 2011-12 Fund Estimate

## STA Estimates

BAY AREA STA DISTRIBUTION (\$ in millions)		
STA Revenue Based Funds	2009-10 & 2010-11 Combined	FY 2011-12 (Estimate)
AC Transit	\$9.9	\$8.2
BART	\$28.2	\$23.2
CCCTA	\$0.6	\$0.5
SFMTA	\$36.3	\$29.9
Vallejo	\$0.6	\$0.5
ECCTA	\$0.2	\$0.2
GGBHTD	\$4.5	\$3.7
LAVTA	\$0.2	\$0.2
Caltrain	\$5.1	\$4.2
SamTrans	\$4.2	\$3.5
VTA	\$14.9	\$12.3
WestCat	\$0.3	\$0.2
Small Operators	\$0.8	\$0.6
<b>SUBTOTAL</b>	<b>\$105.6</b>	<b>\$87.0</b>
<b>Population-Based Funds</b>	<b>\$38.5</b>	<b>\$31.8</b>
<b>TOTAL BAY AREA STA</b>	<b>\$144.1</b>	<b>\$118.8</b>

- June 2010 lump sum payment for FY 2009-10 through FY 2010-11.
- 2011-12 STA forecast based on the governor's budget, which assumes:
  1. Reauthorization of the Gas tax swap
  2. Shift in PTA revenue used to fund STA from 50% to 75%
- Requires a two-thirds vote of the legislature.
- Bay Area operator's share could be reduced to \$54.5 million, compared to the \$118.8 million included in the Governor's budget, without legislative action.

Slide 12  
FY 2011-12 Fund Estimate

## **Transit Coordination and Inter-Operator Agreements**

- Proposed STA levels should be sufficient to fund regional coordination activities and inter-operator agreements.
- BART and AC Transit have not yet reached a new, agreement regarding transfer payments, but have agreed to an interim payment from BART to AC Transit of \$3.6 million.

Slide 13  
FY 2011-12 Fund Estimate

## **Bridge Tolls**

- Per Resolution 3948, BATA transferred to MTC an amount equal to the 50-year present value of AB 664, Regional Measure 1, and the MTC 2% Toll revenue. (\$506.9 million)
- Future payments to these funding programs will be made from this lump sum.
- Staff will propose revisions to the Bridge Toll Revenue distribution policy in May 2011 to establish future annual funding levels and provide annual capital support to the San Francisco Bay Trail project, sponsored by ABAG, from the 2% Toll revenues.

Slide 14  
FY 2011-12 Fund Estimate

## Revisions to Fund Estimate

- Staff will prepare a year-end adjustment in July to reconcile FY 2010-11 estimates to actual revenue.
- Rescissions are estimated at less than \$1 million, based on revised Auditor estimates.
- Should the revenue expectation for FY 2011-12 STA revenue decline substantially, staff will revise the Fund Estimate to reflect the new level of revenue.

Slide 15  
FY 2011-12 Fund Estimate