

Regional Transportation Plan/ Sustainable Communities Strategy



Partnership Technical Advisory Committee
January 31, 2011

Draft Financial Assumptions for Revenue Projections

Background

- Revenue forecasts determine the financial envelope for the investments included in the RTP/SCS
- Revenue forecasts should maintain the integrity of financial constraint while also realistically anticipating new funding so that programs and improvements can be delivered in a timely manner

General Assumptions

- Time Frame: FY 2013 through FY 2040 (28 years)
- Inflation Rate:
 - For RTP/SCS, staff proposes 2.2 percent rate—which is the average of the Bay Area’s historical average and the OMB’s long-term rate
 - For T2035, 3 percent inflation rate was used

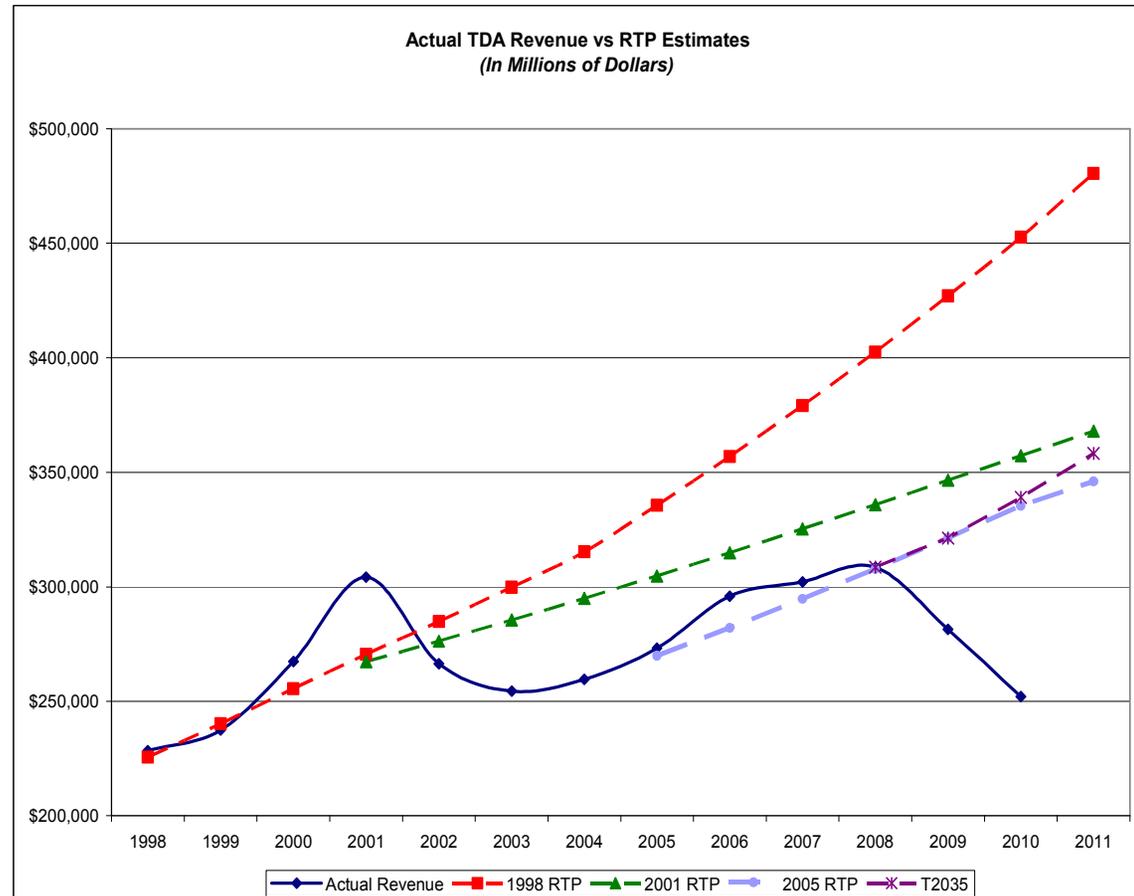
Key Revenue Sources

- Over 50 revenue sources will be forecast
- Sales tax comprises over 25 percent

Revenue Source	T2035 Baseline	% Share of Total RTP Revenue
Sales Tax (1/2 cent, TDA, AB1107)	\$54.7	25%
Local Streets and Road Revenue	\$28.4	13%
Transit Fare Revenues	\$25.8	12%
Other Local Taxes	\$13.2	6%
Bay Area Toll Authority Toll Revenues	\$12.9	6%
Anticipated Revenue	\$12.9	6%
SHOPP	\$10.2	5%
FTA Formula Funds (5307 and 5309)	\$14.7	7%
State Transit Assistance	\$6.6	3%
Federal Surface Trans. Program/CMAQ	\$6.2	3%
HOT/Express Lanes	\$6.1	3%
Regional Transp. Improvement Program	\$5.5	3%
All Other Revenues	\$20.7	9%
Total	\$218.0	100%

Sales Tax-Based Revenue

- MTC proposes to use county sales tax agency's growth rates to project TDA and local sales tax measures.
- For Napa and Solano counties, MTC proposes to use ABAG's sales tax estimate to forecast TDA revenue.
- Staff will compare the ABAG sales tax forecast for each county with each sales tax agency's forecast as a reasonableness check.



Sales Tax-Based Revenue

- Estimated Totals:
 - TDA = \$11.2 Billion
 - AB1107 = \$9.2 Billion
 - Sales Tax Measures* = \$24.5 Billion

* Authorized Sales Taxes only; does not include Napa and Solano counties.

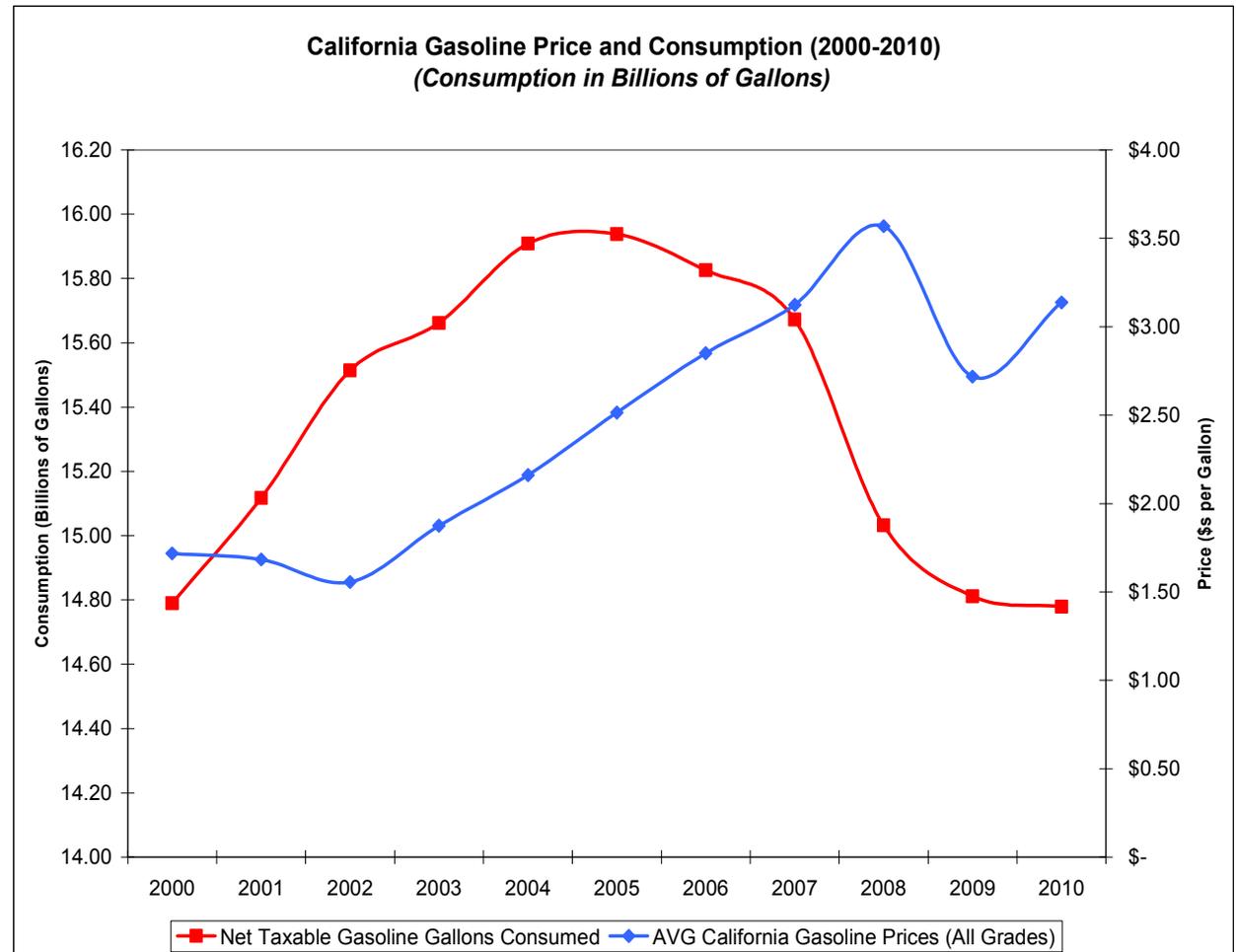
County	Average Annual Growth Rate
Alameda	2.0%
Contra Costa	1.1%
Marin	3.0%
Napa**	2.8%
San Francisco	3.6%
San Mateo	2.9%
Santa Clara	2.1%
Solano**	2.8%
Sonoma	4.0%
SMART*	3.4%

*SMART's growth rate is a placeholder and subject to change.

**Napa and Solano growth rates are weighted average of growth rates in other counties; will be updated based on ABAG's forecast.

Fuel Tax Based Revenue

- Several state revenues are fuel tax based and dependent on fuel price and consumption
- Growth rates are difficult to predict
- Proposing assumptions that are consistent with planning model activities
- T2035:
 - Growth Rate = 2.4% annually
 - Fuel Price Base = \$2.86 per gallon
 - Consumption = 1.25% to 2.5% annually



State Funding

- **Gas Tax Subvention:**
 - Project subvention revenue in a manner that is consistent with the gas tax swap.
 - Fuel price and consumption rates will be consistent with the RTP/SCS scenario modeling activities.
- **STIP:**
 - Assume revenue for new projects will come from the augmented excise gas tax revenue and any remaining resources from the PTA.
 - Assume the current revenue spilt between RTIP and ITIP will continue.
- **STA:**
 - Assume the gas tax swap will remain in place with 50% of PTA revenue going to STA.
- **High Speed Rail:**
 - Assume that the Bay Area will receive a share of the \$40 billion revenue in proportion to the track mileage in the region (18.3%).

Federal Funding

- Without a new multi-year authorization, growth rate for federal funds uncertain.
- Staff believes that the T2035 annual growth rate of 4% is too optimistic.
- Propose a 3% growth rate for federal funds.

Draft RTP/SCS Estimates	
FTA 5307/5309	\$16.3 billion
STP/CMAQ	\$7.9 billion

“Reasonably Anticipated Funds”

- Funding that is likely to become available from federal or state sources over the course of the plan period based on past experience
- Propose to base this estimate on the average annual amount of revenue that materialized over a 15-year period, that were not otherwise accounted for in the estimates.

Proposed Changes to Approach (from T2035)

- Increase consistency between financial assumptions and planning/modeling assumptions in the area of fuel pricing and consumption
- Add the following to list constrained revenues
 - \$ 1 Bridge toll increase
 - Sales tax rollover
 - Public Private Partnership Funds

Summary Constrained Revenues

- Preliminary; does not yet include all revenue sources

Revenue Category	Draft RTP/SCS (Billions)	T2035 (Billions)
Sales Tax (Measures, TDA, AB1107)	44.9	54.8
Enacted Vehicle Reg Fees	1.4	0
Bridge Toll	18.5	13.0
Extended Sales Tax/Bridge Tolls	7.3	0
Gas Tax Subvention	14.8	12.0
RTIP / ITIP	7.6	7.4
SHOPP	14.2	10.2
STA	6.3	6.6
High Speed Rail	7.3	3.0
Federal Formula Funds (5307/5309 & STP/CMAQ)	\$24.2	\$20.9
Reasonably Anticipated Revenue	14.0	13.0

Potential Revenues

- Not proposed for financially constrained revenues
- Consider for advocacy and planning purposes
 - 10-cent regional gas tax
 - Regional parking revenue
 - \$10 vehicle registration fees in additional counties

Schedule

MTC presents Draft Financial Assumptions to solicit input.	PTAC: Jan. 31, 2011 RAWG: Feb. 1, 2011 Policy Advisory Council: Feb. 9, 2011 Partnership Board: February 16, 2011
Draft Revenue Projections	March 2011
Final Revenue Projections	Adoption of 2013 RTP/SCS (incorporate legislative or economic changes)