

Plan Bay Area 2040



Plan Bay Area 2040 Financial Assumptions

Partnership Technical Advisory Committee
May 18, 2015



PLAN BAY AREA 2040 FINANCIAL ASSUMPTIONS  Plan Bay Area 2040

PURPOSE

- To guide the Plan's forecast of transportation revenues and costs.

SCHEDULE

- Assumptions Development: April/May 2015
- Revenue Forecast Development: Summer 2015
- Draft Revenue Forecast: September 2015
- Revised Revenue Forecast: January 2016, November 2016



GENERAL ASSUMPTIONS



TIME FRAME

- FY 2016/17 through FY 2039/40 (24 years)

INFLATION RATE

- 2.2% inflation rate, the same inflation rate as the 2013 Plan

FEDERAL FUNDS GROWTH RATE

- FY 2016/17 to FY 2018/19 the Plan will assume a 0% annual growth rate for formula/discretionary programs
- For the period FY 2019/20 onwards the Plan will assume a 3% annual growth rate for these same federal fund sources.

MOTOR VEHICLE FUEL PRICES AND CONSUMPTION

- Assumes prices and consumption consistent with an agreement between the four large MPOs in CA
- Gasoline consumption in the Bay Area is projected to **decline by 42% by 2035**

POPULATION AND EMPLOYMENT FORECASTS

- Key to sales tax revenue forecasts, will be developed by ABAG
- County transportation sales tax forecasts provided by county sales tax authorities

FEDERAL FUND ASSUMPTIONS



FUND SOURCES

- Federal Transit Administration (FTA) formula and discretionary funding programs
- Surface Transportation Program (STP)
- Congestion Mitigation and Air Quality Program (CMAQ) } One Bay Area Grant (OBAG)
- FHWA National Highway Performance Program
- FHWA Ferry Boat Formula Program
- Other federal programs (high speed rail, etc.)

KEY ISSUES

- Expiration of MAP-21, lack of a long term federal bill
- Assuming that the federal Highway Trust Fund is "held whole" through transfers and that federal transportation programs are not directly impacted by the reduction in gasoline consumption forecast over the Plan period

STATE FUND ASSUMPTIONS



FUND SOURCES

- State Highway Operation and Protection Program (SHOPP)
- Regional Transportation Improvement Program (RTIP)
- Interregional Transportation Improvement Program (ITIP)
- Active Transportation Program (ATP)
- State Transit Assistance Revenue-based and Population-based (STA)
- State Motor Fuel (Gas) Tax Subventions and AB 105 for Local Streets and Roads
- Cap and Trade Funds (LCTOP, TIRCP, AHSCP, HSR)
- SB 16 (Beall) Revenue placeholder
- Other state programs

KEY ISSUE

- How to address the decline in state fuel tax revenues due to the anticipated decrease in gasoline consumption

REGIONAL FUND ASSUMPTIONS



FUND SOURCES

- AB 1107 sales tax
- Bridge tolls
- Service Authority for Freeways and Expressways (SAFE) Vehicle Registration Fees
- Regional Express Lanes revenues
- Transportation Fund for Clean Air (TFCA)

LOCAL FUND ASSUMPTIONS



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FUND SOURCES

- County sales tax measures and reauthorizations of existing measures
- Local Streets and Roads funds
- Transportation Development Act (TDA) sales tax revenues
- Transit fare revenues
- Transit non-fare revenues
- Transit operator local fund sources (General Fund transfers, parking revenue, etc.)
- Property tax revenues
- Parcel taxes
- Transportation Fund for Clean Air
- SB 83 Vehicle Registration Fees (VRF)
- Land sales, public-private partnerships, and private sector revenues
- Golden Gate Bridge tolls
- Other local revenues (bonds, local jurisdiction taxes, local fees, etc.)

KEY ISSUE

- Local ballot measures before Plan adoption in spring 2017

NEW LOCAL BALLOT MEASURES IN THE PLAN



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ISSUE

- Several counties as well as BART are considering asking voters to approve new revenues for transportation from various different fund sources including sales tax augmentations, increases in the vehicle license fee, and new general obligation bond issuances

APPROACH

- Revenue from new measures will not be included in the Plan until the measures are approved by voters in the respective jurisdiction
- Should voters approve a measure, MTC will amend the revenue forecast for the Plan to include the approved new funding sources
- CMAs and regional transit operators are asked to submit projects during the Call for Projects process consistent with these new local measures being approved
- Should a measure not be placed before voters or fail to secure voter approval, CMAs and regional transit operators will be given the opportunity to work with MTC to adjust the assignment of discretionary funding for their projects in the Plan.

NEW REVENUE SOURCES IN THE PLAN



MEASURES TO BE INCLUDED

- \$1 Bridge Toll Increase – The 2013 Plan included a \$1 increase in bridge tolls starting in 2018. For the Plan staff will assume a \$1 increase in 2022
- 10¢ Regional Gas Tax – As with the 2013 Plan, the Plan will include a 10¢ regional gas tax, but will assume that funding begins in FY 2018 rather than FY 2022
- Cap-and-Trade Goods Movement Funds – The Plan will assume a limited amount of revenues dedicated to goods movement from the 40% of overall Cap and Trade revenues which have not been allocated by the Legislature
- SB 16 (Beall) Revenues – Based on currently proposed SB 16 (Beall). Revenue forecast for SB 16 would be considered committed for Local Street and Road maintenance and the SHOPP. Should SB 16 or a similar measure fail to be enacted by the Legislature, the projected amount for this stop-gap revenue source would be removed from the revenue forecast
- Value Capture – Staff propose to include project-specific revenues derived from value capture strategies such as enhanced infrastructure finance districts (EIFD), community facilities districts (Mello-Roos), assessment districts, public-private partnerships, and other applicable revenue sources.
 - More information on this proposal will be forthcoming soon

PRELIMINARY REVENUE ESTIMATE



Preliminary Plan Bay Area 2040 Revenue Estimate (in Billions \$)

Revenue Category	Plan Bay Area Revenue (FY 2012-13 to FY 2039-40)	Plan Bay Area 2040 Revenue (FY 2016-17 to FY 2039-40)	Difference (%)
Federal Funds Total	\$33.50	\$25.51	-24%
State Funds Total	\$48.57	\$53.80	11%
Regional Funds Total	\$36.90	\$34.98	-5%
Local Funds Total	\$148.25	\$151.34	3%
Anticipated/Unspecified Total	\$14.00	\$14.00	0%
Other*	\$10.59	\$9.47	-11%
TOTAL	\$292	\$289	-1.3%

*Regional gas tax, S.F. cordon pricing, and VTA express lanes.

- This estimate yields about \$3 billion less than was forecast for Plan Bay Area, about a 1.3% decrease overall
- Discretionary revenues in the Plan are projected to be almost equal to those for Plan Bay Area, with only a .01% decrease
- Significant increase in the state funds total is primarily due to the inclusion of funding from SB16, which adds about \$15 billion in funding over the Plan period
- These are rough, preliminary estimates will change based on final information collected by MTC before the release of draft projections in September 2015



Thank You

