



Transportation 2035: Vision Investment Policies & Strategies Discussion

Metropolitan Transportation Commission
Commission Workshop
November 28, 2007

Policy Questions

- 1. Should we adopt performance targets?**
- 2. How do we get the price right?**
- 3. How do we encourage focused growth?**
- 4. How do we implement the Freeway Performance Initiative?**

1. Should We Adopt Performance Targets?

- CO₂ and PM are the only two statutorily required targets (national PM2.5 designation pending)
- However, performance-based planning is a good idea, and targets help to focus our efforts on outcomes
- If we do adopt targets, should we set less ambitious numerical goals?
- Should we add targets to cover other goals?

Should We Add Targets to Cover Other Transportation 2035 Goals?

Goals

RELIABILITY

CLEAN AIR

CLIMATE
PROTECTION

ACCESS

LIVABLE
COMMUNITIES

Targets

REDUCE
CONGESTION
(20% from today)

REDUCE VMT
(10% per capita
from today)

REDUCE
EMISSIONS
(PM: 10-24% from today)
(CO2: 40% below 1990)

IMPROVE
AFFORDABILITY
(10% reduction in
transportation and
housing costs)

Should other goals have targets?

MAINTENANCE
& SAFETY

SECURITY

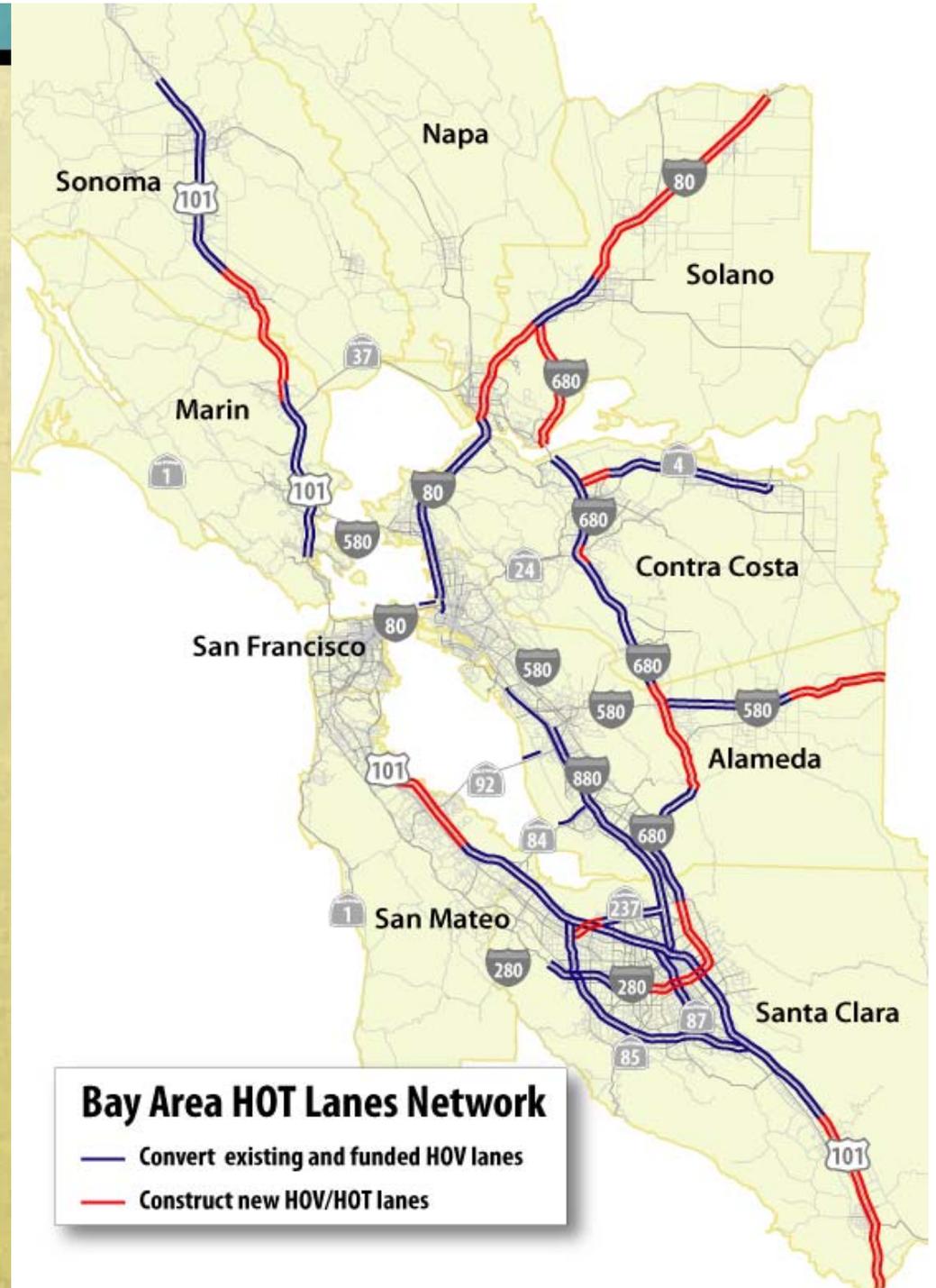
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Policy Questions

- **Should we adopt performance targets?**
- **If we do adopt targets, should we set less ambitious numerical goals?**
- **Should we add targets to cover other goals?**

2. How Do We Get the Price Right?

- HOT Network introduces pricing to freeway system; revenue raised pays for expanding the carpool lane system and regional express bus system
- Pilot pricing projects planned in Alameda, Santa Clara and San Francisco Counties



HOT Network Cost and Revenues [1]

billions, in escalated dollars

	Low Estimate	High Estimate
Gross revenue	\$11.7	\$16.7
Operations and maintenance cost	-\$2.6	-\$2.6
Debt service [2]	-\$8.9	-\$8.9
Net revenue	\$0.2	\$5.3

[1] For years 2015 through 2033

[2] Based on borrowing \$6.2 billion over 30-years. Debt service repayment continues through 2045 for a 30-year total of \$20.3 billion (escalated dollars)

Freed-Up STIP Revenue By County ^[1]

millions, in escalated dollars

	In Transportation 2030	Post-Transportation 2030
Alameda	\$0	\$1,557
Contra Costa	\$0	\$414
Marin	\$146	\$0
San Mateo	\$0	\$185
Santa Clara	\$11	\$790
Solano	\$0	\$440
Sonoma	\$75	\$0
Regional ITIP	\$483	\$0
TOTAL	\$715	\$3,485

[1] For all projects not in the 2007 TIP

Regional HOT Network

Donor vs. Donee Counties



Key HOT Policy Considerations

- **Governance and revenue allocation**
 - Institutional arrangement necessary for regional network
 - Revenue pooling agreements
- **Equity**
 - Geography
 - Income
 - Modes

Policy Question

Are We Ready to Get the Price Right?

Should the Commission aim to broker a consensus on a regional HOT network in the next few months so we can:

- a) Free up STIP revenue
- b) Include HOT network revenue

in the Transportation 2035 Plan?



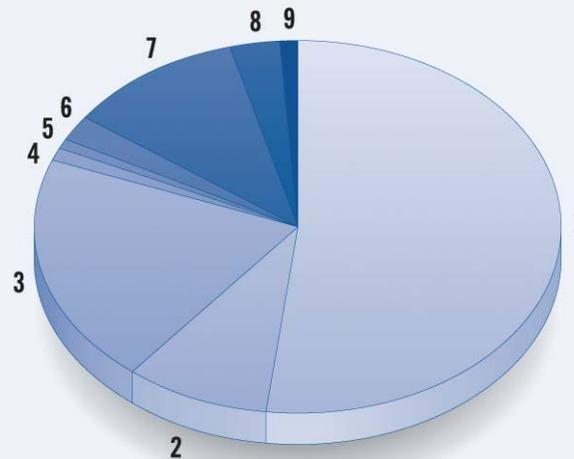
3. How Do We Encourage Focused Growth?

Start with Solid Foundation

- \$118 billion spending plan is primarily focused on maintaining and operating the existing transportation system that serve the urban core

Transportation 2030 Plan Expenditures

Financially Constrained Element



	Billions of Dollars	Percent of Total
Adequate Maintenance		
1 Transit	\$61	51%
2 Highway	\$10	9%
3 Local Roads	\$23	20%
System Efficiency		
4 Transit	\$2	1%
5 Highway	\$1	1%
6 Local Roads	\$2	2%
Strategic Expansion		
7 Transit	\$13	11%
8 Highway	\$5	4%
9 Local Roads	\$1	1%
Total	\$118	100%