# Scenarios Presented on October 21

| September Scenarios | Variations |
|---|---|
| Scenario 1<br>**Core Transit Framework: 30 years** | Scenario 1A<br>**Core Transit: 10-year version** |
| Hybrid<br>Hybrid, with **Payroll tax** plus Sales Tax | Hybrid<br>Hybrid, with **Parcel tax** plus Sales tax |

# SFMTA Compromise Proposal Presented in October with Variable Rates

### Tax Measure

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- Short/Near-Term (11 – 15 years)
- Sales OR Parcel Tax
- Variable Rates by County
- Revenues sufficient to fully fund transit needs for 10-years
- Regional Program Funded first
- Allows for a Long-Term more visionary measure for November 2036 ballot OR reauthorization of Short-Term Measure

### Regional Program

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- *Regional Rail System* Funded (BART, Caltrain, BSV)
- *Regional Transit Service* (Regional Bus Services creating connectivity to regional rail)
- *Regional Transit Transformation* (Fare Integration & Modernization, CX, Cleanliness, Safety)

### Legislation & Policy

L

- Authorization for:
  - A retail transactions and use tax
  - A parcel tax

  *Variable Rate District Based Program
- Allows for a qualified voter initiative
- Legislates the “Regional Program”
- Legislates an Independent Auditor

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- Imposed in the 5 core counties – others could opt-in.
- Funding for regional and local transit plus county flex in Alameda, Contra Costa, San Mateo and Santa Clara (amount depends on tax rate)

# Proposed Next Step:

## Focus in on the two scenarios which have the greatest potential support.

*Note: Data for scenarios provided by NBS (parcel tax) based on July 2023 assessment data and Sperry Consulting (sales tax) based on estimated 2027 taxable sales.*

# Scenario 1A

- ½ cent sales tax
- Yields ~$560M/year
- 10 years
- **Transit only**
- 10% or $56M for Transit Transformation
- 4 Counties: AL, CC, SF, SM *(opt-in for SC only)*

# Hybrid

- ½ cent sales tax + $0.09 bldg. sq. ft. parcel
- Yields $1.3-$1.5B year
- 30 years
- **Transit + infrastructure**: 10% of sales tax revenue for Transit Transformation
- 5-9 Counties (including at least AL, CC, SF, SM and SC (***if SC opts in***).

# Scenario 1A Summary:
# Transit Focus

Applies to Alameda, Contra Costa, S.F. and San Mateo **+ option for Santa Clara to join.**

- 10-year duration
- ½-cent sales tax ($560M/year in four core counties)
- 10% per year for Transit Transformation to grow ridership for entire measure ($55M/year)
- 90% to make up for lost fare revenue due to changes in travel behavior at BART, Caltrain, AC Transit, and Muni, plus funding for feeder service in AL, CC and SM counties ($505M/year)

# Proposed Funding Strategies

## Scenario 1A

**$5B investment in transit operating over 10 years**

**10yrs**
Duration

**$560M**
Annually

**½¢**
Sale Tax

**Transit only**

**4 Counties**
*With option of Santa Clara opt-in*

**$4M Annually for Small Operators**

**$10M Annually for AL/CC BART Feeder Bus**

**$20M Annually for SamTrans/ San Mateo County Feeder Bus**

| | | | |
|---|---|---|---|
| **Regional Rail** | **$3B** BART | **$390M*** Caltrain | |
| **Regional Bus** | **$880M** SF MTA | **$560M** Transformation | |
| **Local Transit** | **$300M** AC Transit | **$200M** SamTrans & SM Feeder | **$144M** AL/CC/Small Operators |

*Assumes Caltrain will receive partial funding for their loss of fare revenue from the measure and the remainder from Santa Clara County.

# Hybrid Scenario Summary

- Multi-modal measure with 30-year duration
- Geography includes four core counties, with opt-in for Santa Clara and North Bay but this scenario only proposed for consideration *if Santa Clara decides to opt in*.
- Provides higher transit funding level aimed at sustaining current service levels (targeting operator-reported deficits, not just fare loss).
- Combines ½-cent sales tax ($1 billion annually) with parcel tax of $0.09/building square foot.
- $1.3B/year in 5 counties or $1.5B/year in all nine counties.
- Parcel tax would support transit operations (60%) and County Flex (40%).