

An aerial photograph of a city street intersection. The street has a wide crosswalk with yellow and green stripes. There are dedicated bicycle lanes on both sides of the street, marked with green paint and white arrows. A car is driving through the intersection. In the background, there are houses and trees.

PLAN BAY AREA 2050 +



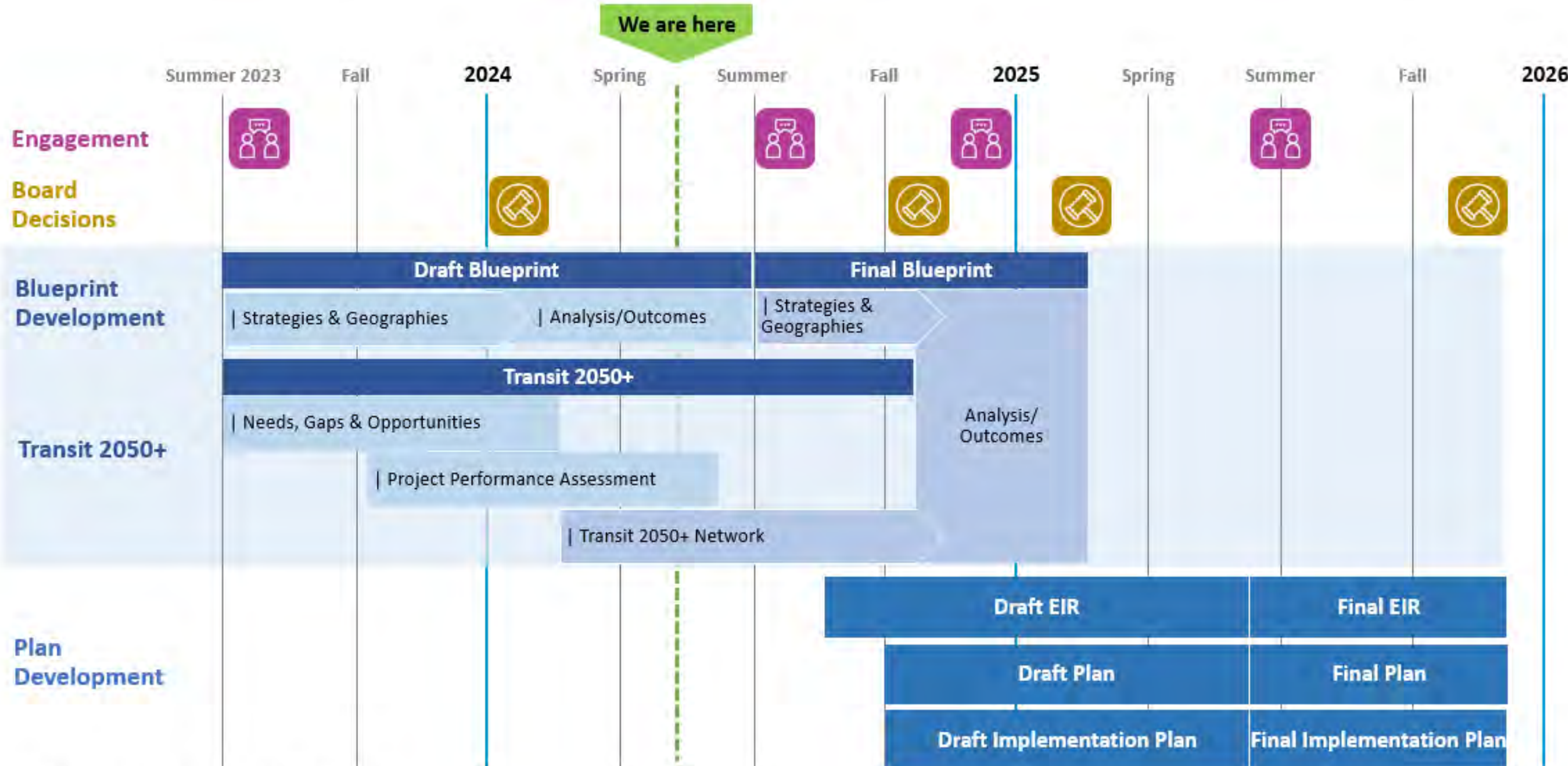
TRANSIT 2050 +

Plan Bay Area 2050+ Update: Focusing on Transportation Element Policy Tradeoffs

Metropolitan Transportation Commission Workshop

April 25, 2024

Plan Bay Area 2050+: Schedule



* Dates are tentative and subject to change

Long-Range Plan Federal and State Requirements

Among other requirements, Plan Bay Area must:

**Be Updated Every
Four Years**

**Coordinate Long-
Range Transportation,
Housing and Land Use
Planning**

**Reduce Per-Capita
Greenhouse Gas
(GHG) Emissions from
Light-Duty Vehicles**

**Include a Robust
Public Process, in
Collaboration with
Key Partners**

**Contain a Fiscally-
Constrained
Transportation
Project List**

**Receive Approval
from Federal and
State Regulators,
including CARB**



= primary focus for today's workshop

Key Issues to Consider Today



Right-Sizing Revenue Assumptions

Have staff **found the right balance** with the plan's new transportation revenue assumptions? Supplementing revenues would accommodate more investments, but this would mean more taxes, tolling, and/or fees.



Weighing Pricing Strategies

Should MTC **expand, preserve, postpone, or remove** the plan's pricing strategies, which generate revenues and reduce emissions but face significant implementation challenges?



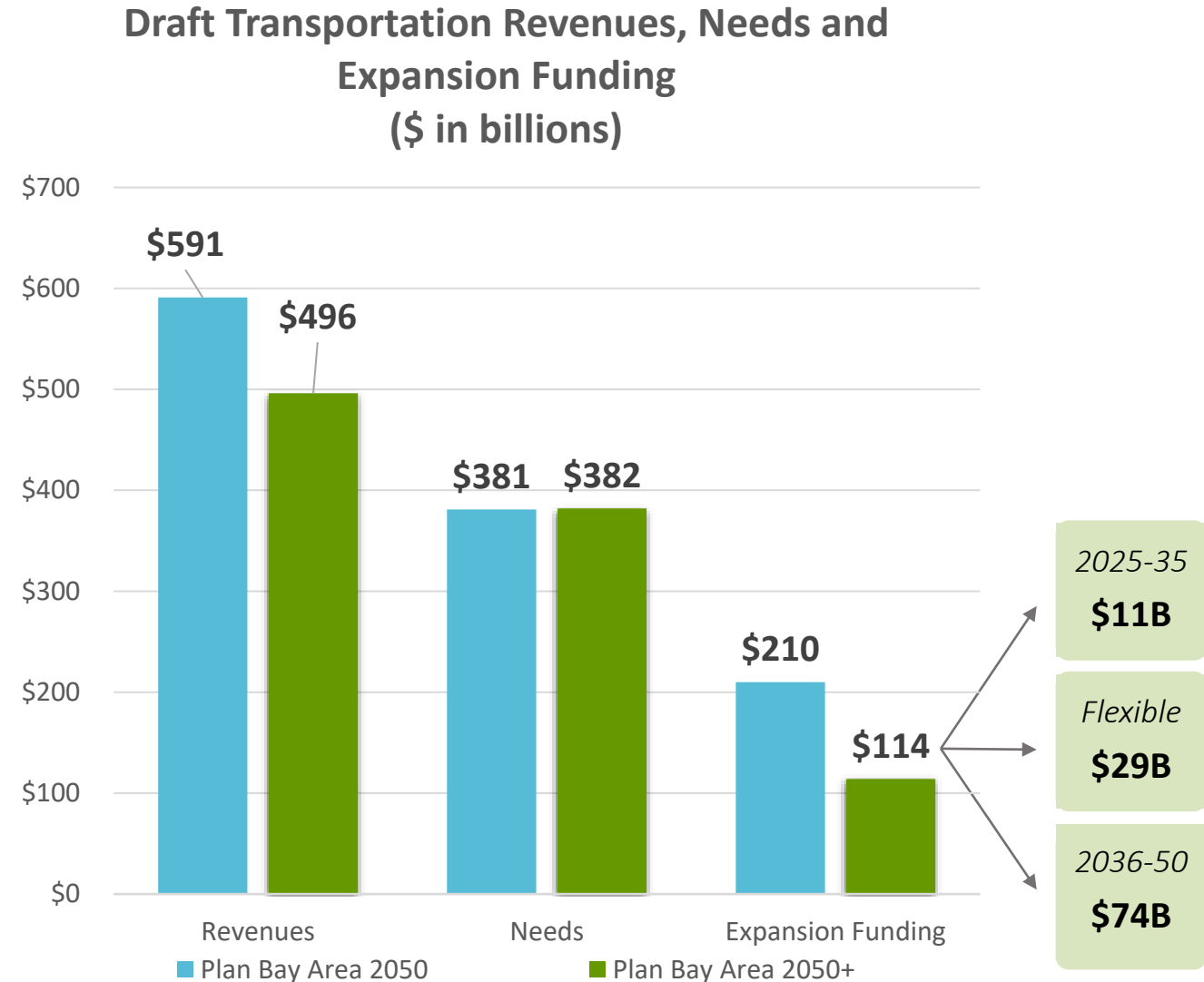
Prioritizing Climate Target Investments

Given limited revenues, should MTC **prioritize cost-effective strategies** that will help achieve the plan's GHG target? This would require de-emphasizing major rail and highway projects in favor of less expensive clean vehicle and customer-focused transit enhancement strategies, among others.

Fiscal Constraint Considerations for Transportation

Similar Needs and Less Funding

- Costs to operate, maintain and optimize the transportation network are steady
- There is **just over half the funding for expansion, enhancement, and restoration** versus the prior plan, with mid-term funding (2025-2035) even more limited
- Projects and programs included in Plan Bay Area 2050 will need to be **delayed, scoped down, or removed** to meet fiscal constraint and GHG-reduction requirements



Note: A final transportation needs and revenue forecast for Plan Bay Area 2050+ will be developed over the coming months.

Refresher: Forecasting Draft Revenues

The forecasted revenue for Plan Bay Area 2050+ is less than the previous plan.

- **Federal, State and Regional Revenues** – Sources are relatively stable; the forecast assumes the state will implement a revenue neutral mileage-based user fee to replace the gas tax
- **Fare Revenues** – Ridership recovery is a major challenge and **fare (local) revenues are not anticipated to return** to previous levels
- **Anticipated, New and Strategy-Generated Revenues** – The draft revenue forecast is nearly \$40 billion less than the prior plan, largely driven by **a smaller regional revenue measure and less net revenues from all-lane tolling**
- **Revenues Pending Calculation** – Some project-based revenues, user fees, and secured funding have yet to be calculated and should have a modestly positive impact on the final forecast

Revenue Source (\$ in billions)	Plan Bay Area 2050	Plan Bay Area 2050+	Change
Federal, State, and Regional Revenues	\$212	\$208	(\$4)
Local Revenues	\$230	\$201	(\$28)
Anticipated Revenues	\$21	\$16	(\$5)
New Revenues	\$55	\$44	(\$11)
Strategy-Generated Revenues	\$54	\$26*	(\$28)
Secured and Other Local Revenues	\$19	TBD*	(\$19)
Total	\$591	\$496	(\$95)




Note: Numbers may not total due to rounding

* Other new strategy-generated user fees, secured, and other local sources pending 6

New and Expanded Revenue Assumptions

Despite the overall decline, Plan Bay Area 2050+ still assumes major wins and policy changes – including new taxes, fees, and tolling – to generate **\$87 billion in anticipated, new and strategy-generated revenues**




New and Anticipated Revenues through 2050	
Future Federal/State Administrations Approve Stimulus Bills (or equivalent)	\$16 billion
By 2028: Voters Approve Regional Transportation Measure ¹	\$32 billion
By 2030: Regional Mileage-Based User Fee Placed on All VMT ² 	\$12 billion
By 2035: All Growth Geographies Charge for Parking 	\$13 billion
By 2035: All-Lane Tolling Implemented on All Congested Freeways ³ 	\$13 billion
TOTAL	\$87 billion

Note: Numbers may not total due to rounding

¹ Assumed regional revenue measure is smaller compared to Plan Bay Area 2050

² This fee was newly included as part of the Plan Bay Area 2050+ Draft Blueprint

³ Less net revenue compared to Plan Bay Area 2050 due to additional equity mitigations

 = revenues tied to GHG-reducing strategies

Implications of Megaproject Cost Escalation

- A sampling of 10 “megaprojects”¹ from Plan Bay Area 2050 have **increased in combined costs from \$68 billion to \$112 billion** (draft)
- If prioritized for inclusion in Plan Bay Area 2050+, **this group of projects would overwhelm the “draft budget” for non-O&M strategies**
- Additional investments requiring consideration include:
 - GHG-reducing climate strategies;
 - Transit Transformation Action Plan priorities;
 - Active transportation and complete streets; and
 - Local roadways, highways and interchanges, among others



BART to Silicon Valley Phase II
(Bin 1)

\$10 billion → \$14 billion



Caltrain/HSR Portal
(Bin 1)

\$4 billion → \$8 billion



Link21
(Bin 2)

\$29 billion → \$59 billion



SR37 Sea Level Rise Adaptation
(various)

\$5 billion → \$10 billion

¹ See Attachment B for further information on megaprojects.

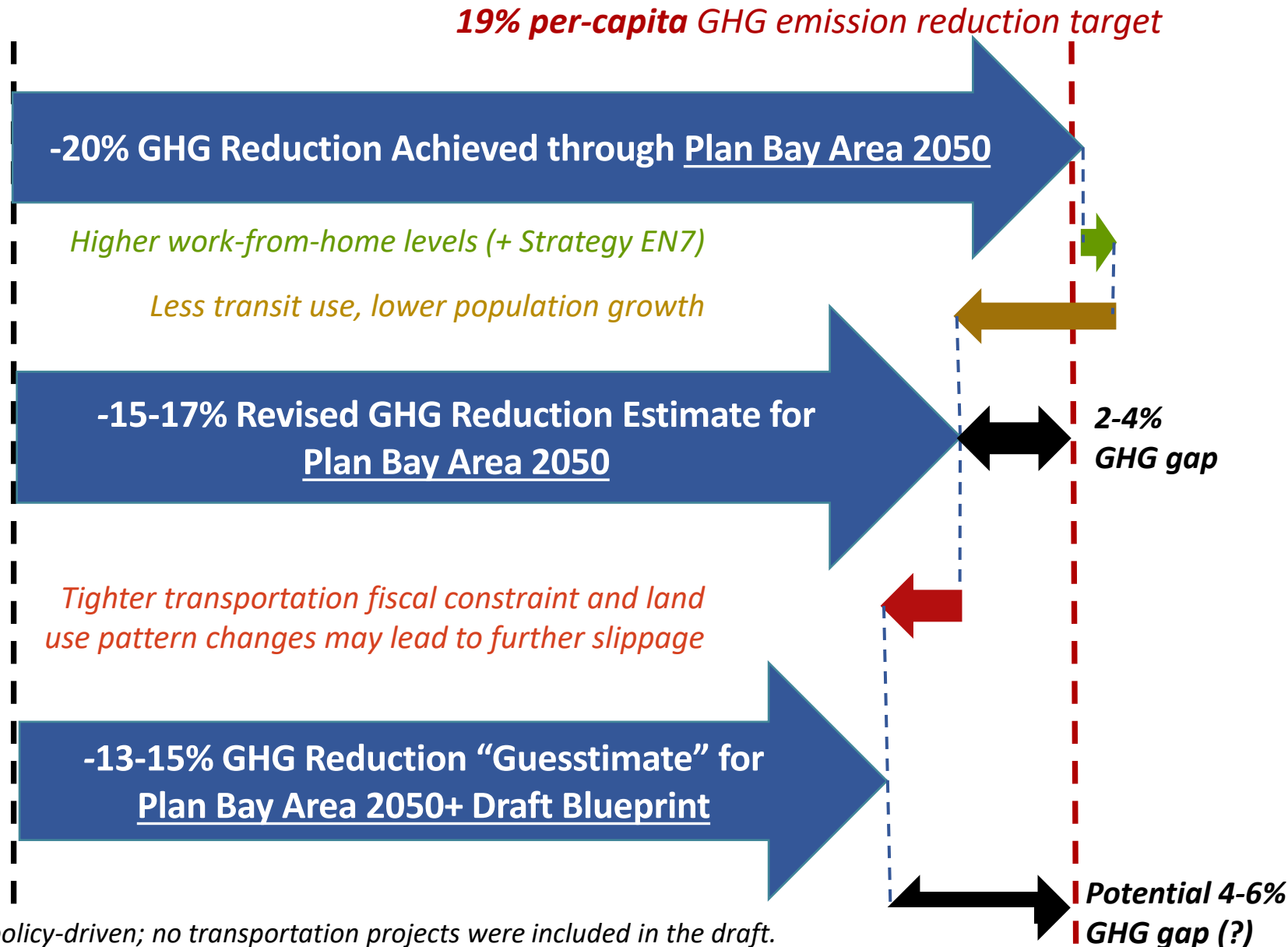
Plan Bay Area 2050+ Climate Target Challenges

Plan Bay Area 2050 met and exceeded the GHG emissions reduction targeted set by CARB.

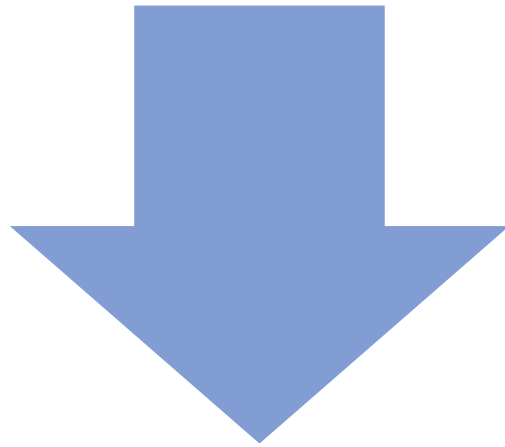
Re-analyzing Plan Bay Area 2050's 35 strategies under updated planning assumptions will yield a **moderate GHG reduction "gap" of roughly 2-4 points.**

This **initial GHG gap will likely widen** when Plan Bay Area 2050+ Draft Blueprint outcomes are released later this spring.

Note: Draft Blueprint GHG reduction will be primarily policy-driven; no transportation projects were included in the draft. CARB has final approval over the technical methodologies and assumptions used to quantify GHG impacts and could reject our approach.



Highway Project Impacts on GHG Reduction Goals



Rail Megaprojects:

-1.2 million daily VMT

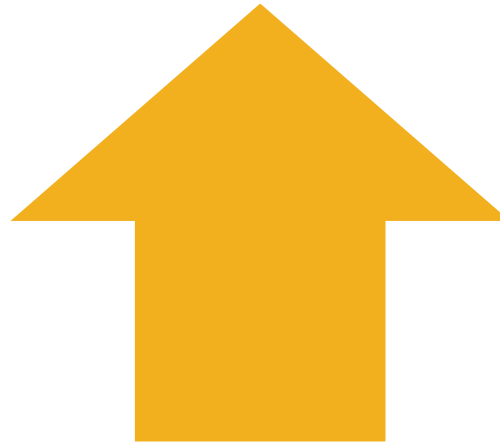
- BART Core Capacity
- BART to Silicon Valley Phase 2
- Caltrain Portal
- Valley Link
- Dumbarton Rail



Express Lanes:

+1.2 million daily VMT

- Bay Area Express Lanes Network (*full buildout across all operators; mix of new lanes & conversions*)



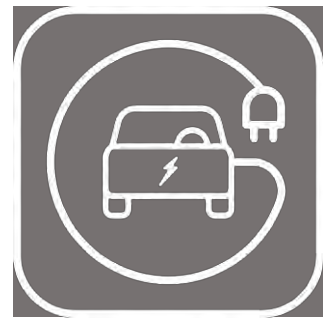
Although highway projects such as Express Lanes provide mobility and reliability benefits, **the increased vehicle miles traveled (VMT) they generate offset the climate benefits of the plan's transit megaprojects.**

Source: Plan Bay Area 2050 Project Performance, 2020; RTFF Future

Note: VMT increase from Express Lanes is likely underestimated due to induced land use; VMT reduction from rail projects are likely overestimated due to post-pandemic effects

Striving to Achieve the Plan's Climate Target

- Meeting the required greenhouse gas emissions reduction target has required a balanced approach, including a **mix of land use and transportation strategies**, plus targeted investments
- **Closing the gap will be difficult** this planning cycle:
 - The “low hanging fruit” is all gone
 - There is less money
 - There are downsides to leaning in on any one policy lever
- What if the plan does not achieve its climate goals?
 - It would jeopardize approval of the federal Regional Transportation Plan (RTP), potentially hindering projects from moving forward
 - The region would be ineligible to receive funding from certain Senate Bill 1-funded programs, which have provided a total of \$1.2 billion for 20 Bay Area projects since 2017
 - MTC/ABAG would be required to prepare an alternative planning strategy (APS); to date, no region in the state has failed to meet their SB 375 climate target

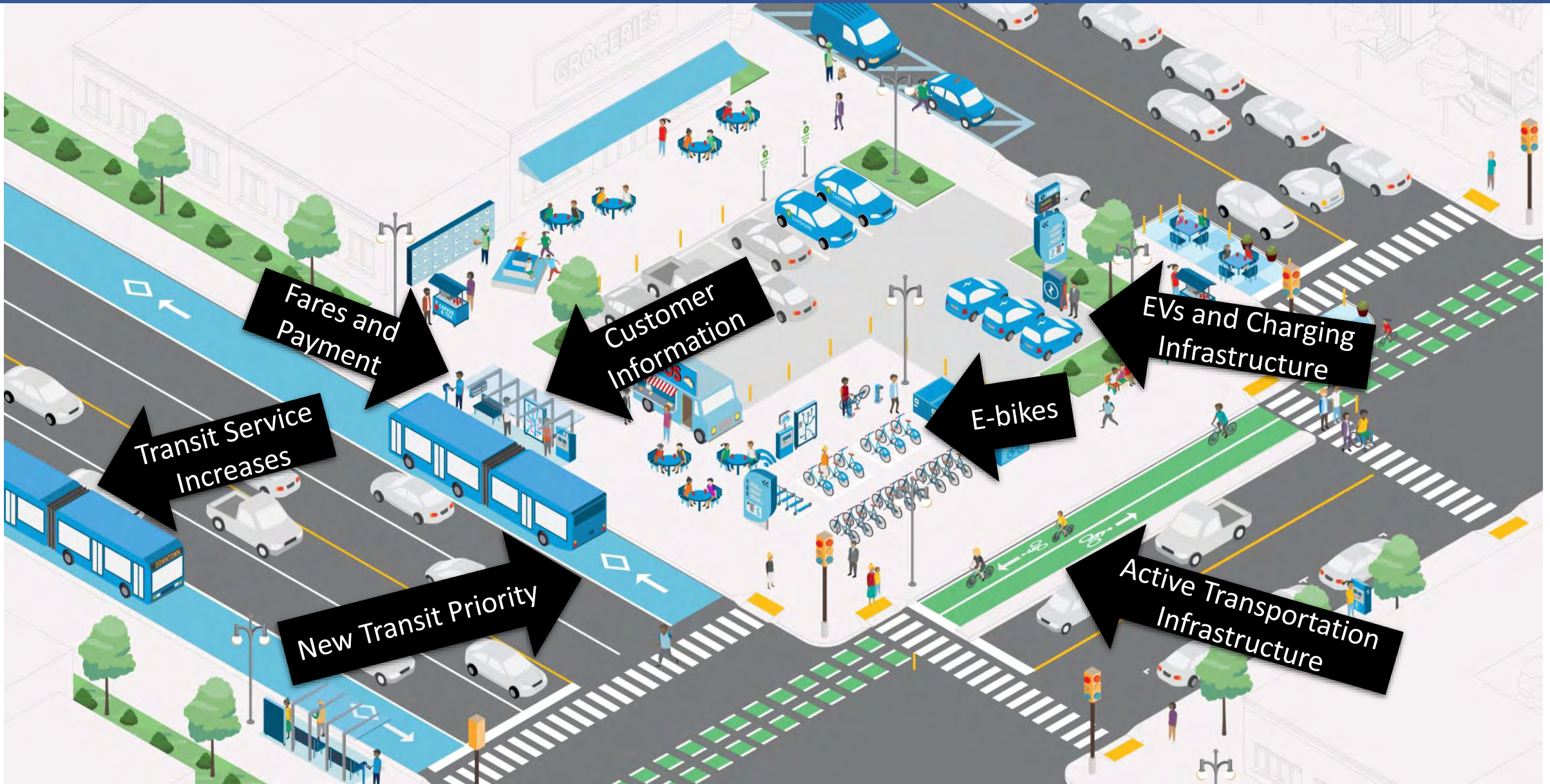


All GHG Reduction Approaches Involve Tradeoffs...

Potential Policy Levers for Final Blueprint Consideration	Feasibility of Additional GHG Reduction	Public Sector Financial Cost	State Oversight Risks	Public and Political Support	Equity Impacts
<u>Land Use</u> : Further concentrate housing/jobs in lowest-VMT locations	++	Negligible	---	--	----
<u>Work-from-Home</u> : Further intensify hybrid work targets	++	Negligible	-	--	-
<u>Highways</u> : De-emphasize roadway investments that increase capacity & VMT ★	+	Increases fiscal capacity	-	---	+
<u>Pricing</u> : Increase tolling, mileage-based fees, and/or parking rates ★	++++	Increases fiscal capacity	--	----	-
<u>Clean Vehicles</u> : Ramp up EV charger, vehicle buyback, and e-bike investments ★	++	\$\$	----	+++	++
<u>Transit Service and Customer Experience</u> : Pursue enhancements that will draw more riders to the system ★	++	\$\$	-	++	+++
<u>Transit Expansion</u> : Prioritize transit capital expansion investments & megaprojects	+	\$\$\$\$	-	+++	+

★ Staff recommendations for further exploration as part of Final Blueprint phase

... But Opportunities Abound for Near-Term Transformation



Timeline for Addressing Transportation Priorities



May



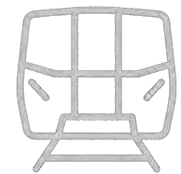
Discuss Project Performance Assessment (PPA) results with partners

June



Release Draft Blueprint Performance & Equity Outcomes and present to committees

July



Release PPA, draft transit network + strategies and present to committees; gather feedback on final revenue assumptions; kick off Round 2 public and partner engagement



August



Conclude Round 2 public and partner engagement

September



Present initial Final Blueprint recommendations to committees

October



Present Final Blueprint strategies for Commission & ABAG Board approval (including project lists and Transit 2050+ network)

Commissioner Discussion



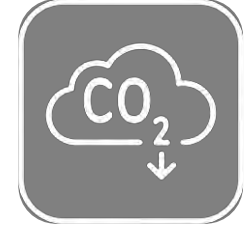
Revenue Assumptions

- Plan Bay Area 2050+ already makes expansive assumptions regarding new transportation revenue sources.
- There is not enough money to accommodate the investment levels included in the previous plan.
- The result will be deep cuts to at least some strategies, unless supplemental new revenues are considered.
- Have staff **found the right balance** with the plan's new revenue assumptions?



Pricing Strategies

- Pricing strategies generate nearly 30 percent of the Draft Blueprint's new and anticipated transportation revenue envelope.
- These strategies are essential to achieving the plan's GHG emissions reduction target.
- Pricing faces significant implementation challenges and uncertainty due to political and public opinion constraints.
- Should the agency **expand, preserve, postpone, or remove** the plan's pricing strategies?



Climate Target Investments

- Although transit capital megaprojects have significant support and achieve important policy goals, their GHG reduction benefits are modest and they are extremely costly.
- Many highway projects are actively pushing the region in the wrong direction with respect to GHG.
- Given limited revenues, should the agency **prioritize cost-effective strategies** that will help achieve the plan's GHG target – even in the face of potential state pushback?



PLAN BAY AREA 2050+



ASSOCIATION OF BAY AREA GOVERNMENTS
METROPOLITAN TRANSPORTATION COMMISSION

Questions and Comments

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