

THE TRANSIT BAIL-OUT SALES TAX – FIXES BEFORE FUNDING



Sustainability in Housing, Infrastructure,
Finance and Transportation

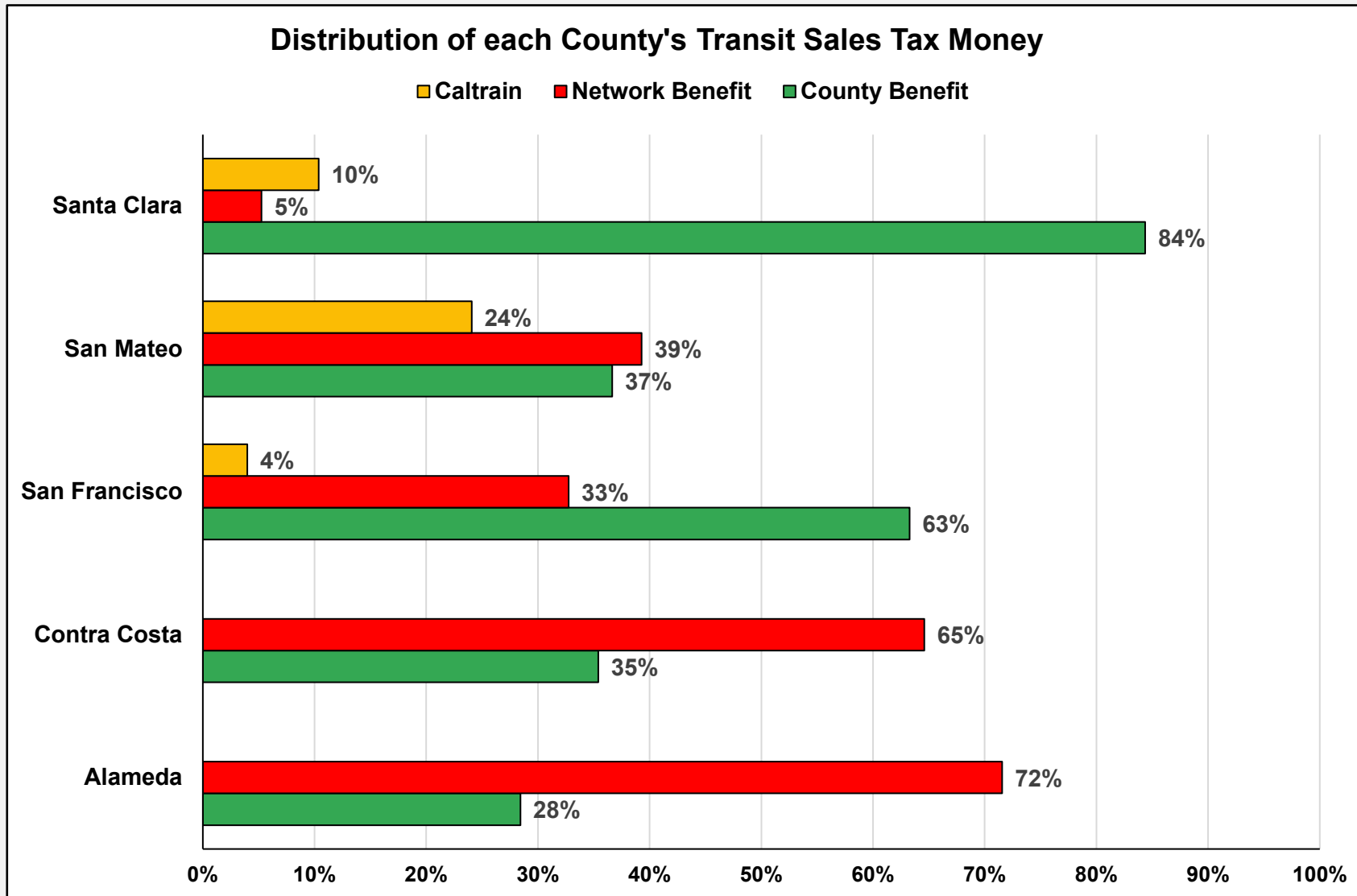


ALLOCATION OF EACH COUNTY'S REVENUES

Recipient/Program	Alameda	Contra Costa	San Francisco	San Mateo	Santa Clara
BART	64.70%	58.59%	29.14%	26.64%	- 0 -
Muni	- 0 -	1.09%	62.87%	7.40%	- 0 -
Caltrain	- 0 -	- 0 -	3.97%	24.07%	10.38%
AC Transit	21.25%	3.70%	- 0 -	- 0 -	- 0 -
Local/Small Bus Operators	2.43%	11.41%	- 0 -	- 0 -	- 0 -
SF Bay Ferry	1.62%	0.76%	0.97%	- 0 -	- 0 -
Golden Gate Transit	- 0 -	- 0 -	0.40%	- 0 -	- 0 -
County-Specific	4.75%	19.20%	- 0 -	36.64%	84.37%
Fare Programs (Clipper START)	2.78%	2.78%	1.40%	2.78%	2.78%
Accessibility Programs	1.11%	1.11%	0.56%	1.11%	1.11%
Mapping & Wayfinding	1.11%	1.11%	0.56%	1.11%	1.11%
MTC Administration	0.25%	0.25%	0.13%	0.25%	0.25%
TOTALS	100.00%	100.00%	100.00%	100.00%	100.00%



WHERE DOES TRANSIT SALES TAX MONEY GO?

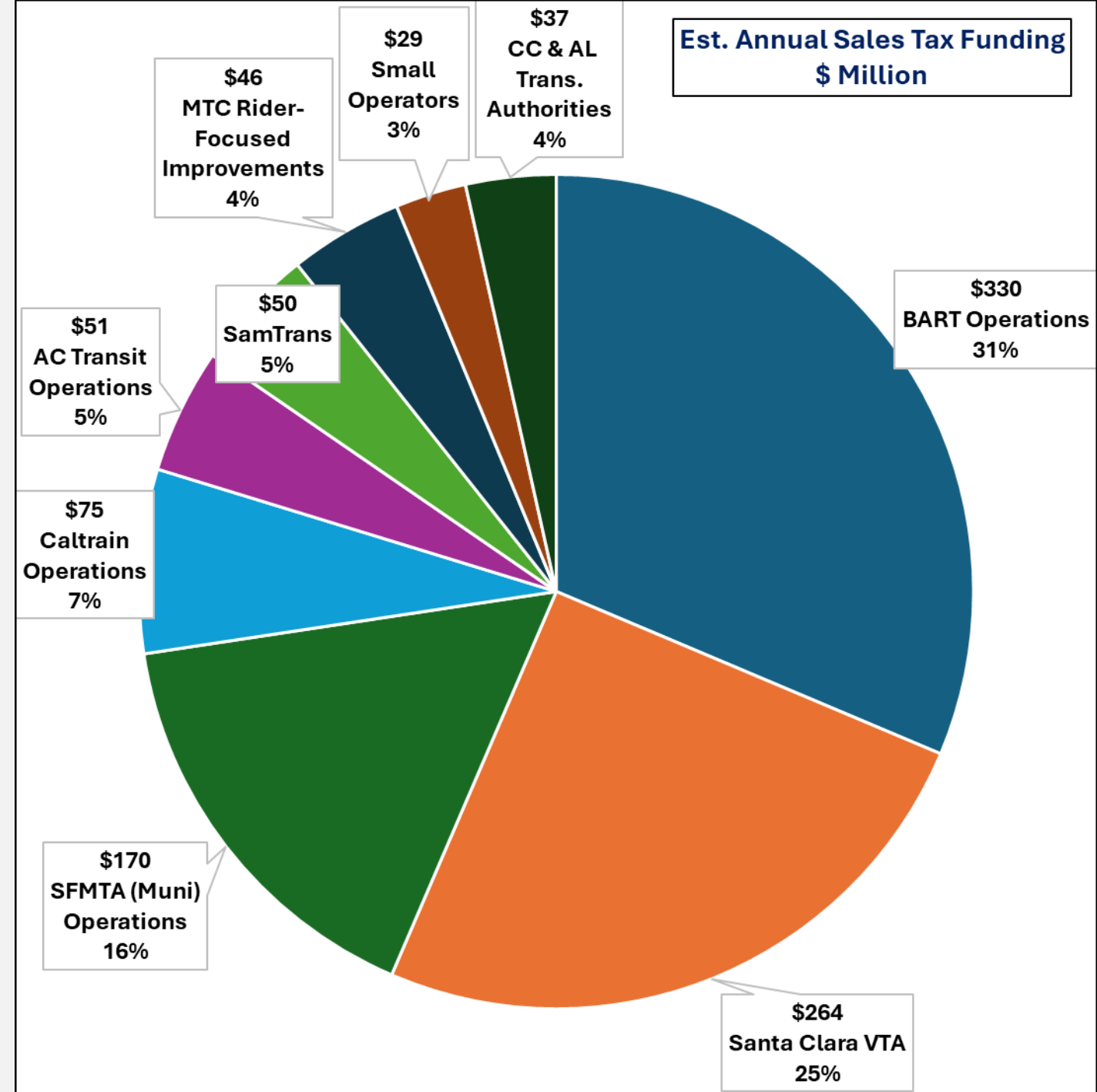


- No County gets all of its money back for its jurisdiction
- 63% of San Mateo County taxes go elsewhere
- Sales tax will exceed 11% in some places

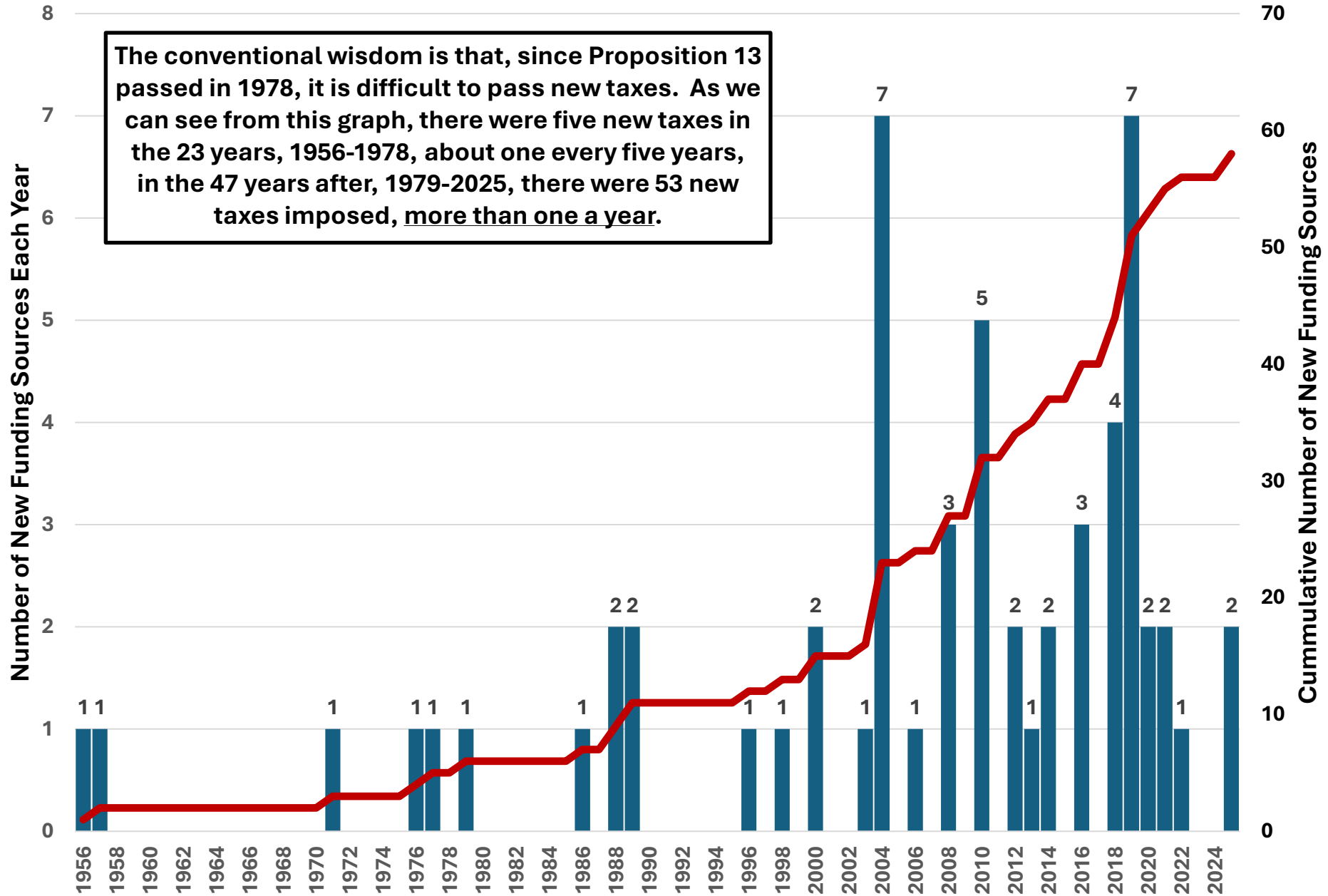


WHO GETS WHAT?

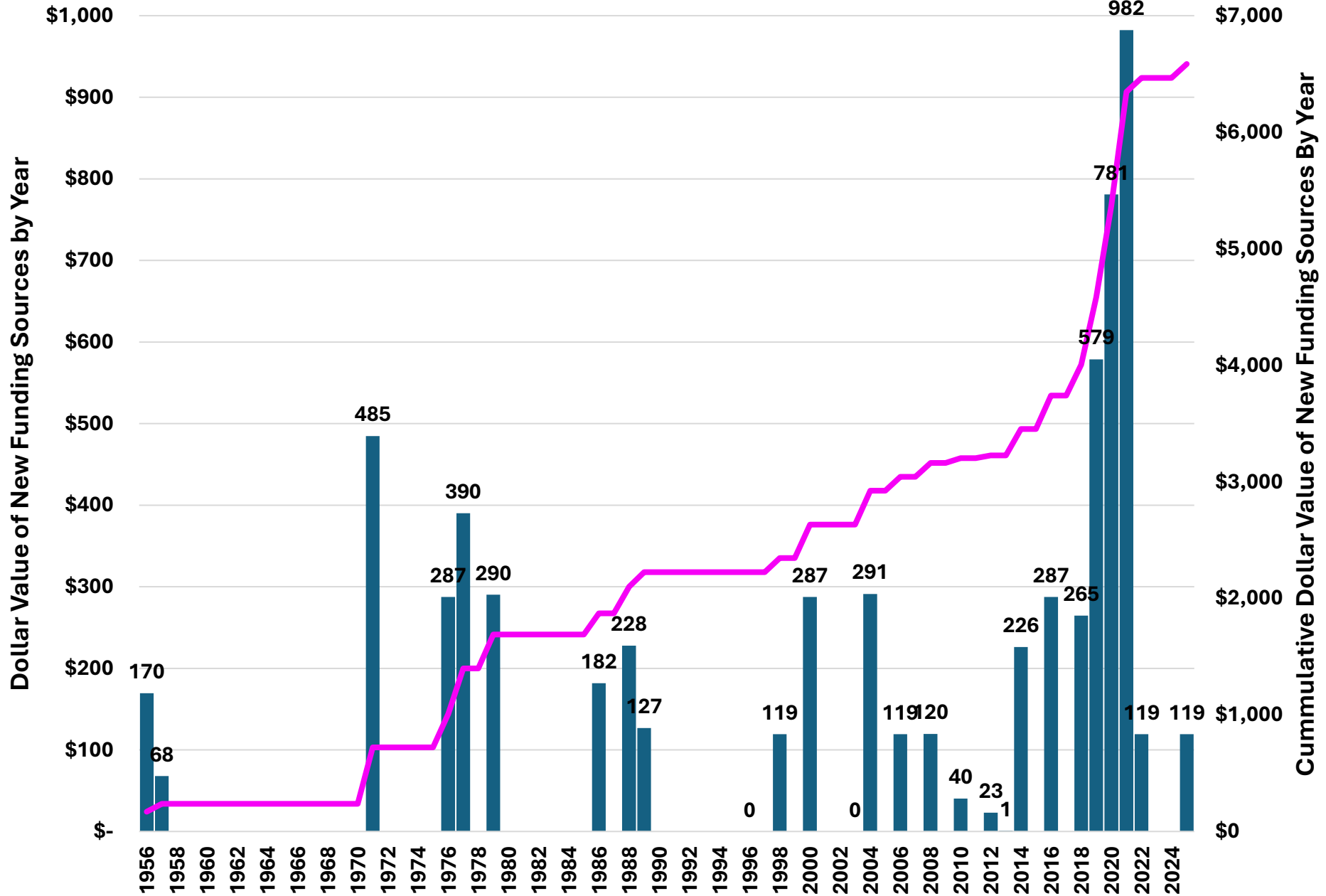
- Based on MTC projections using 2027–2031 taxable sales data, the total annual revenue is estimated at **\$1.054 billion**.
- The bulk of the money goes to major transit agencies, the **Transit Industrial Complex (TIC)**
- Most funds are for operations, though some roads and capital expenses are included.



Number of New Bay Area Transportation Funding Sources by Year 1956-2025



Fiscal Year 2025 **Constant Dollar Value** (\$ Millions) of New Bay Area Funding Sources by Year 1956-2025



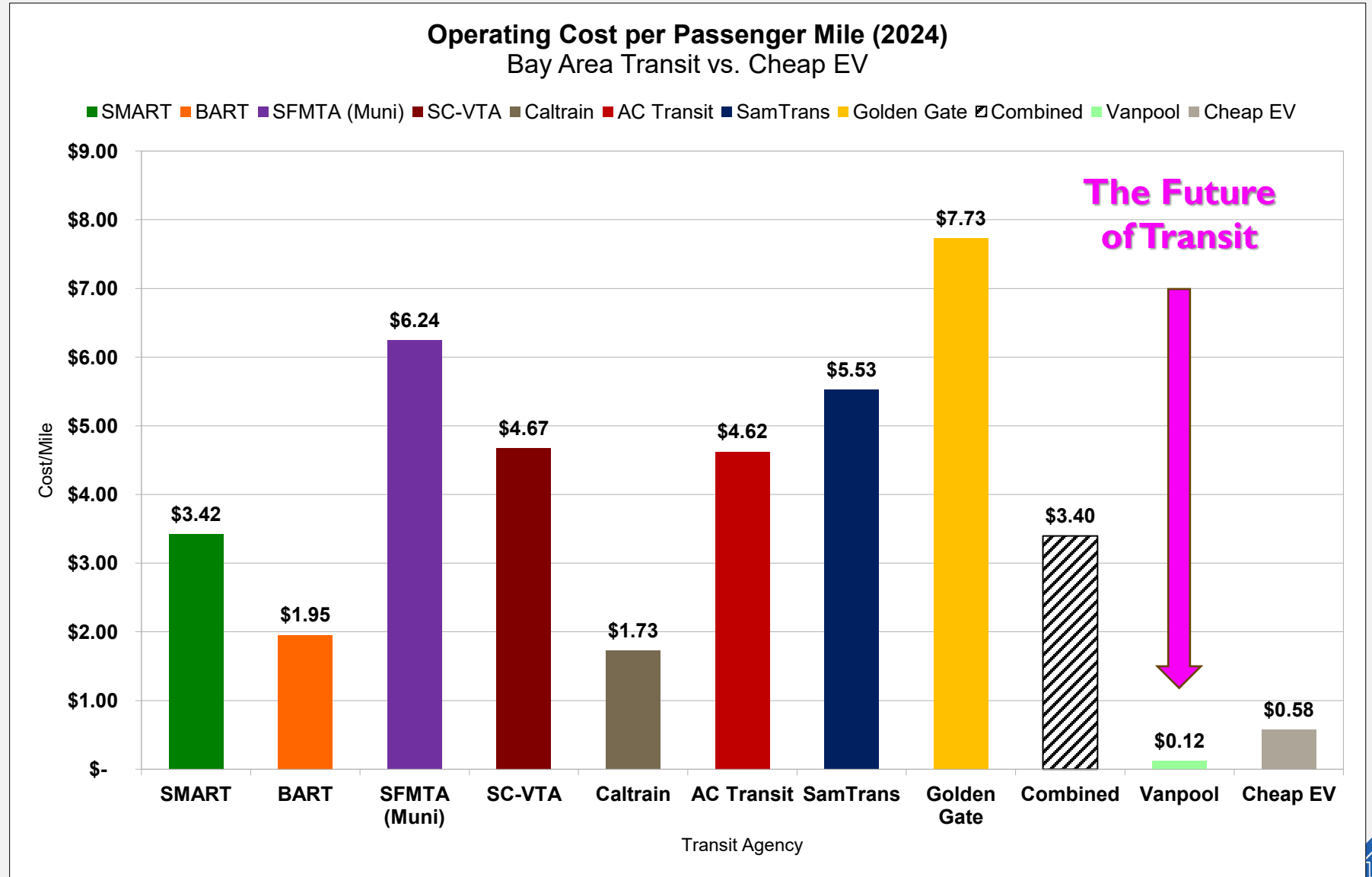
**EVEN THOUGH THOSE TAXES
INCREASE WITH INFLATION...**

Transit still wants more money...



TRADITIONAL TRANSIT IS EXPENSIVE

- 8 Major Bay Area Transit Agencies – 2024
- Compared to an owner-driven cheap EV
- Vanpools would be even cheaper
- San Jose Mayor offered ride vouchers **instead of paying for VTA**



FINANCIAL ISSUES IN SAN MATEO COUNTY

- Unexpected costs and losses:
 - Evicting Sheriff: \$5 to 40M (won't disclose)
 - Tax Refunds to BioTech: ~\$100-200M (up to \$900M)
 - School sexual abuse settlements: ~\$300M and up
 - Loss of Fed & State funding ANNUALLY:
 - ✓ VLF (ERAF) \$125M
 - ✓ Health & Human Service \$44M
 - ✓ Homelessness, Public Works, ... \$??M
- Other priorities higher than Transit:
 - Replacing all the above lost revenues
 - Wildfire, flooding, schools, healthcare, public works

**Create our OWN sales
tax and keep ALL the
money for San Mateo**



THE BALROG OF BUREAUCRACY: WHY PLAN BAY AREA 2050+ IS A \$1.5 TRILLION BRIDGE TOO FAR



UNSUPPORTED ASSUMPTIONS

UNTETHERED
POPULATION
FORECAST
(24% vs. 1.9%)

MTC
BUREAUCRACY
400+ PEOPLE,
\$117M

DECENTRALIZED
GROWTH &
REMOTE WORK
IGNORED

35 SIGNIFICANT
UNMITIGATED IMPACTS



PLAN
BAY AREA
2050+

\$862 BILLION FUNDING GAP
WITHOUT FISCAL SUSTAINABILITY

AFFORDABLE, AGILE
TRANSPORTATION



WAYMO



UBER



AVS



EXPRESS
BUSES

INEFFICIENT LEGACY RAIL (BART, SMART)

COST PER PASSENGER MILE COMPARISON

Legacy Rail Systems:	
Buses, Vans, Paratransit:	\$3.18
Private Auto / EV:	\$0.75
	< \$0.38

**UNFUNDED:
\$860 BILLION**

The \$1.5 Trillion Price Tag

Taxpayer Receipt

Total Strategy Investment:	\$1,475 Billion
Less Existing Revenues (42%):	-\$615 Billion
New Revenues Required (58%):	\$860 Billion

The Bottom Line

Divided by 25 years (2026-2050) = \$34.4 Billion / year.

Divided by Average Population (8.7M) = **\$3,938 / Year per Resident.**

*This is your
annual household
burden to fund
the deficit.*

The Missing Framework: Real Accountability

PBA 2050+ is detached from both reality and accountability. It requires an entirely new oversight mechanism before a single dollar is spent.

Current PBA 2050+









NO OVERSIGHT

Required Oversight



• **Independent Elected Commission:** Oversight with zero ties to transit union or real estate special interests.



• **Dedicated Inspectors General:** Empowered staff who can contest and audit Transit or State agency modeling.



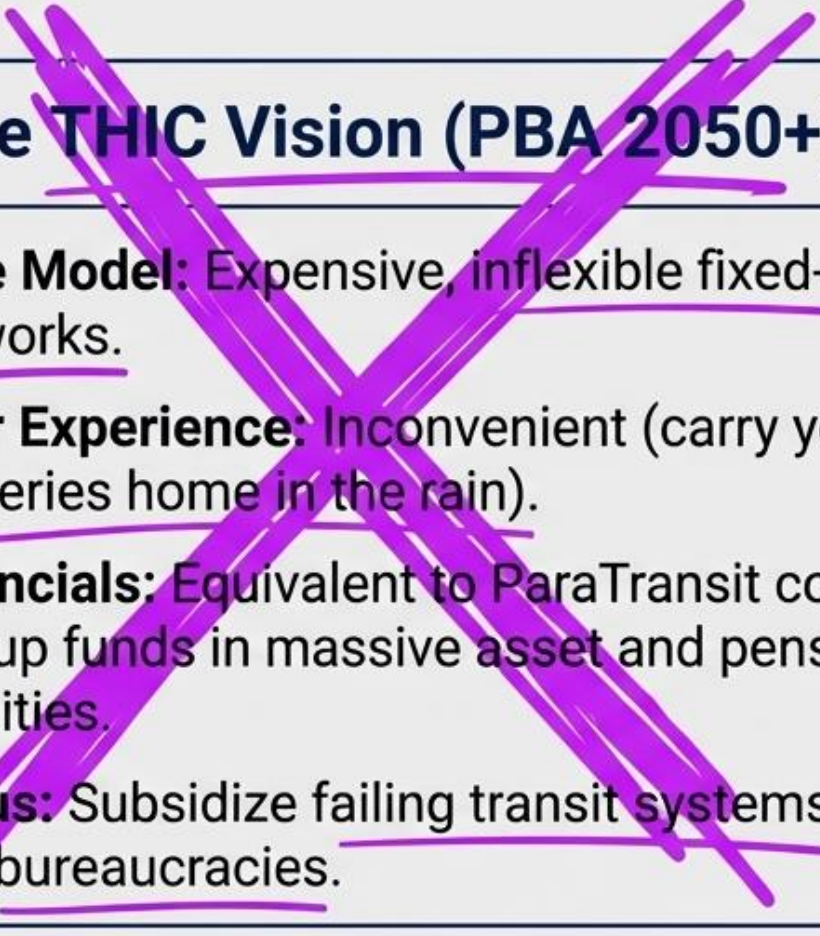
• **Binding Mechanisms:** Proof of cost/benefit viability required before funding is released.



• **Sanctions for Failure:** Actual consequences for agencies that fail to meet performance metrics or mismanage funds.

Diagnosing Transit: Outmoded Vision vs. Agile Future

MTC wants to lock the region into a costly, 20th-century model while **ignoring technological leaps**.

The THIC Vision (PBA 2050+) ?	A 21st Century Agile Future
 <ul style="list-style-type: none">• Core Model: Expensive, inflexible fixed-rail networks.• User Experience: Inconvenient (carry your groceries home in the rain).• Financials: Equivalent to ParaTransit costs; ties up funds in massive asset and pension liabilities.• Focus: Subsidize failing transit systems and bureaucracies.	<ul style="list-style-type: none">• Core Model: Dynamically routed micro-transit and AV fleets.• User Experience: Flexible, door-to-door, pooled ridership like airport shuttles.• Financials: Fractions of the capital cost of rail. Express buses utilize existing lanes.• Focus: Subsidize poor riders directly (e.g., vouchers) rather than failing systems. <u>Move jobs to people.</u>

SAN MATEO HAS BETTER USES FOR THE SALES TAX MONEY

- Cities, counties, special districts, and non-government actors have greater local priorities for any additional revenue
 - **Wildfire and stormwater** control
 - Schools and public health
 - **Water, wastewater, and other utility infrastructure**
 - Roads and agile (non-motorized?) transportation
 - LOCALLY-controlled low-income housing
- Transit has more cost-effective substitute solutions
 - Which the TIC refuses to consider
 - **SAMTRANS does not provide Rides+ to Montara**, for example.
 - A complete re-vision of Bay Area transportation is required
- Transit is badly managed and governed, and must be reformed before any further funding

Create our OWN sales tax and keep ALL the money for San Mateo



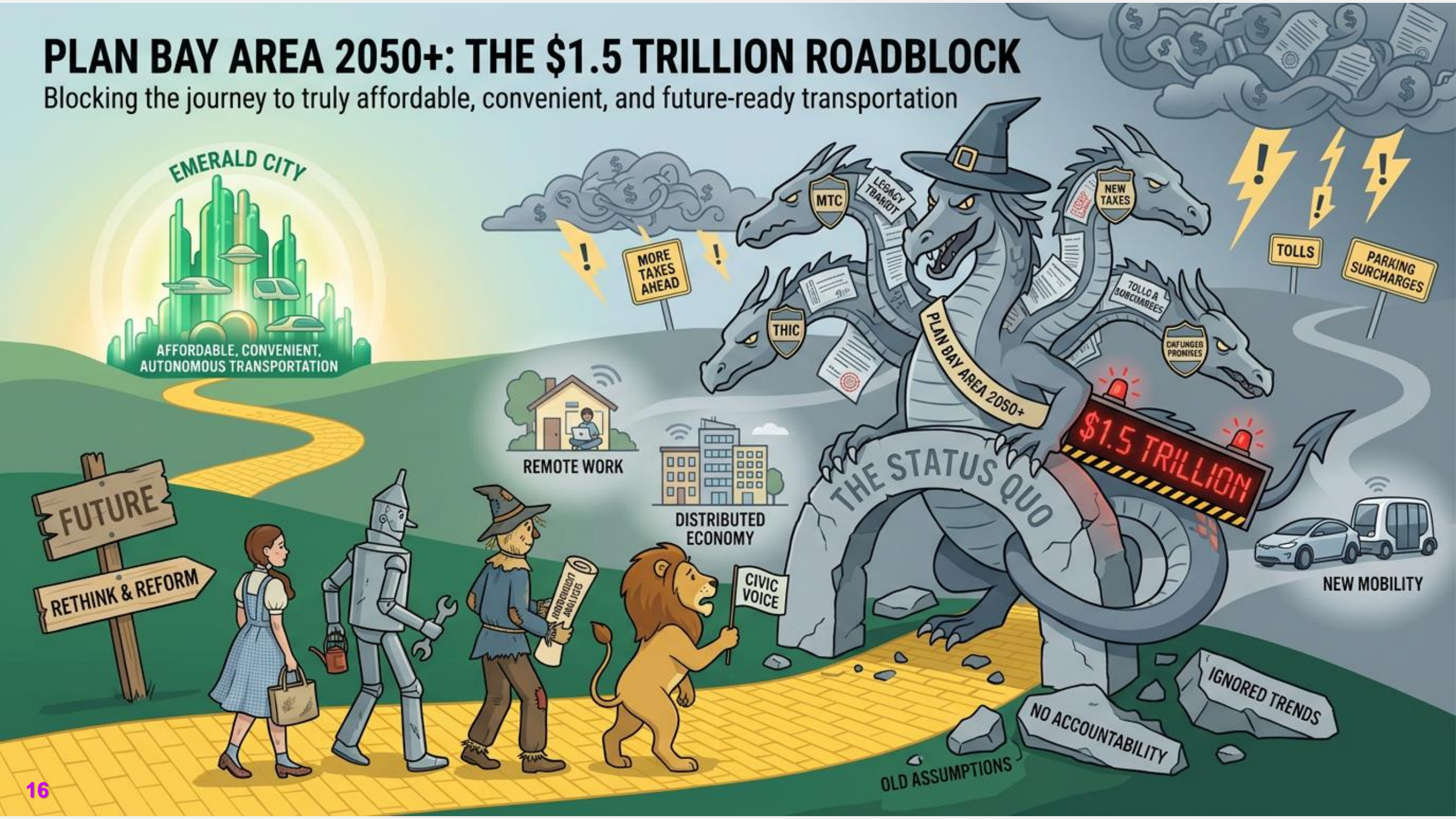
The ultimate test of a moral society is the kind of world that it leaves to its children.

— Dietrich Bonhoeffer

We cannot leave the next generation with a flawed blueprint and a \$1.5 Trillion debt.

PLAN BAY AREA 2050+: THE \$1.5 TRILLION ROADBLOCK

Blocking the journey to truly affordable, convenient, and future-ready transportation



SUPPLEMENTAL SLIDES



LONGER TERM ALTERNATIVES WORTH CONSIDERING

- Study conversion of BART trains to driverless operation
- Phase in driverless buses as this technology matures
- Drop further consideration of Valley Link
- Stop further study – and spending - for LINK21
- For any future new transit guideway proposals, require an ***independent, professional*** consideration of bus guideway options, such as long-haul commuter express bus service on the extensive and growing Bay Area Express Lane network
- Emphasize remote work, both 100% and hybrid, as an alternative to home-work commute
- Allow private sector and not-for-profit entities to offer unsubsidized transit services
- Legislate that use of part-time operators should be increased
- Reduce number of and levels of management
- INDEPENDENT Inspector General for Bay Area Transportation and Housing
- Make ABAG Bay Area Metropolitan Planning Organization and make it independent of MTC



WHAT TO DO ABOUT IT?

- Vote against funding traditional transit & housing bonds
- Require reform before funding
 - Oversight
 - Fiscal prudence
 - Binding performance criteria
- Envision & Promote Transportation of Tomorrow
- Envision & Promote Equitable Housing
- Mobilize: residents, cities, towns and employers in support



CalShuttle - The Future of Bay Area Transit

A summary of a 64-page study at www.knowledgewise.com

Shared Autonomous Vehicles (SAVs)



Waymo 6th-generation robotaxi –
based on a body by China-based Geely/Zeekr
(Image courtesy of Waymo –

<https://waymo.com/blog/2021/12/expanding-our-waymo-one-fleet-with>)



Amazon-owned Zoox Robotaxi.
(Image courtesy of Zoox –
<https://zoox.com/vehicle/>)



Presto driverless shuttle at Bishop Ranch spring 2023.

(Image courtesy of Contra Costa Transit Authority -

<https://patch.com/california/sanramon/bay-areas-first-autonomous-shuttles-debut-bishop-ranch>)

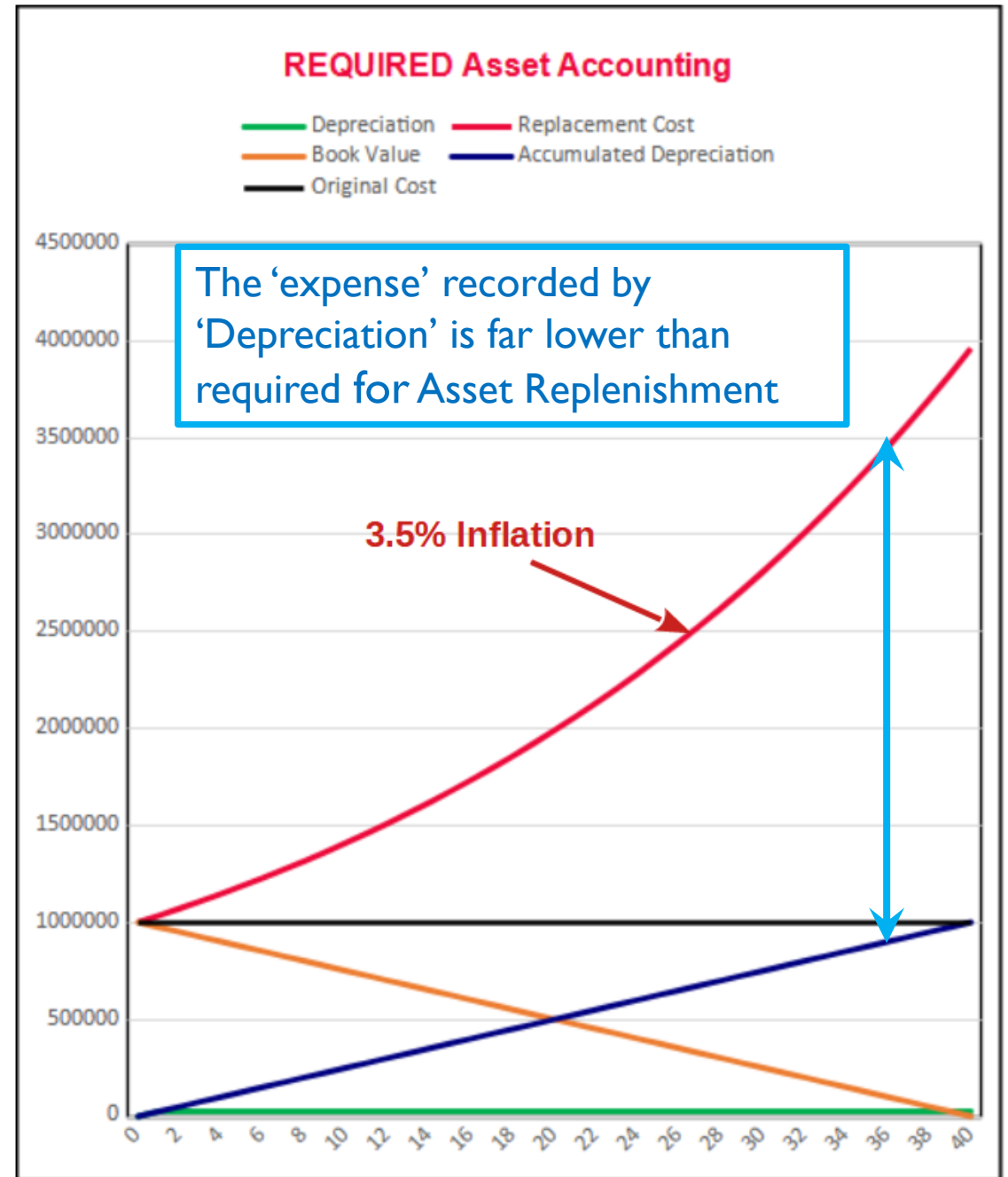


GASB ACCOUNTING HIDES REALITY

Over past 25 years, Public Works construction cost inflation has been ~3.6%

The Replacement Cost of exhausted assets reaches 4X original cost after 40 years at 3.5%

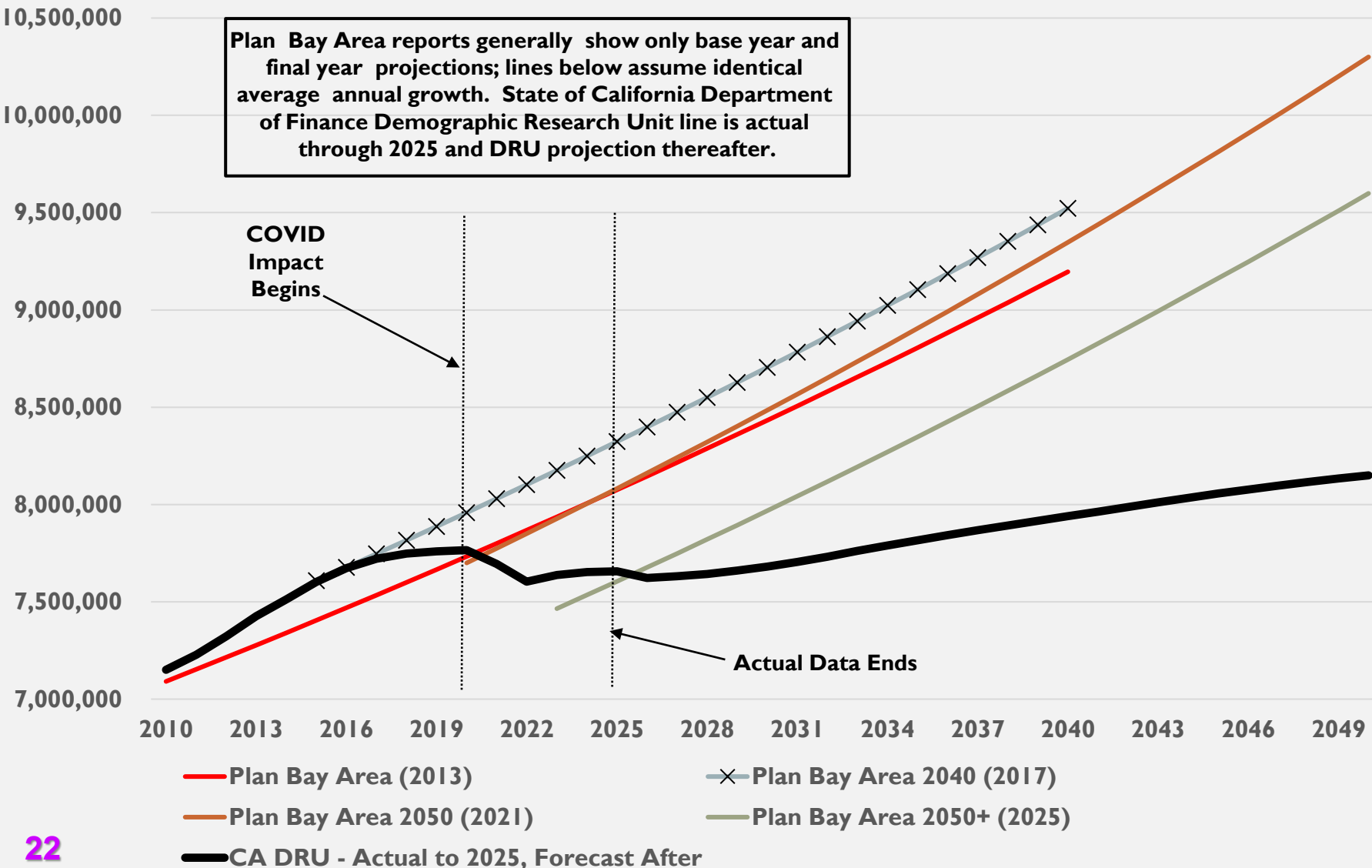
This problem is similar to Unfunded Pension Liabilities



POPULATION PROJECTIONS DEFY RATIONALITY

PLAN BAY AREA POPULATION PROJECTIONS AND DEMOGRAPHIC RESEARCH UNIT ACTUAL/PROJECTIONS 2010-2050

Plan Bay Area reports generally show only base year and final year projections; lines below assume identical average annual growth. State of California Department of Finance Demographic Research Unit line is actual through 2025 and DRU projection thereafter.

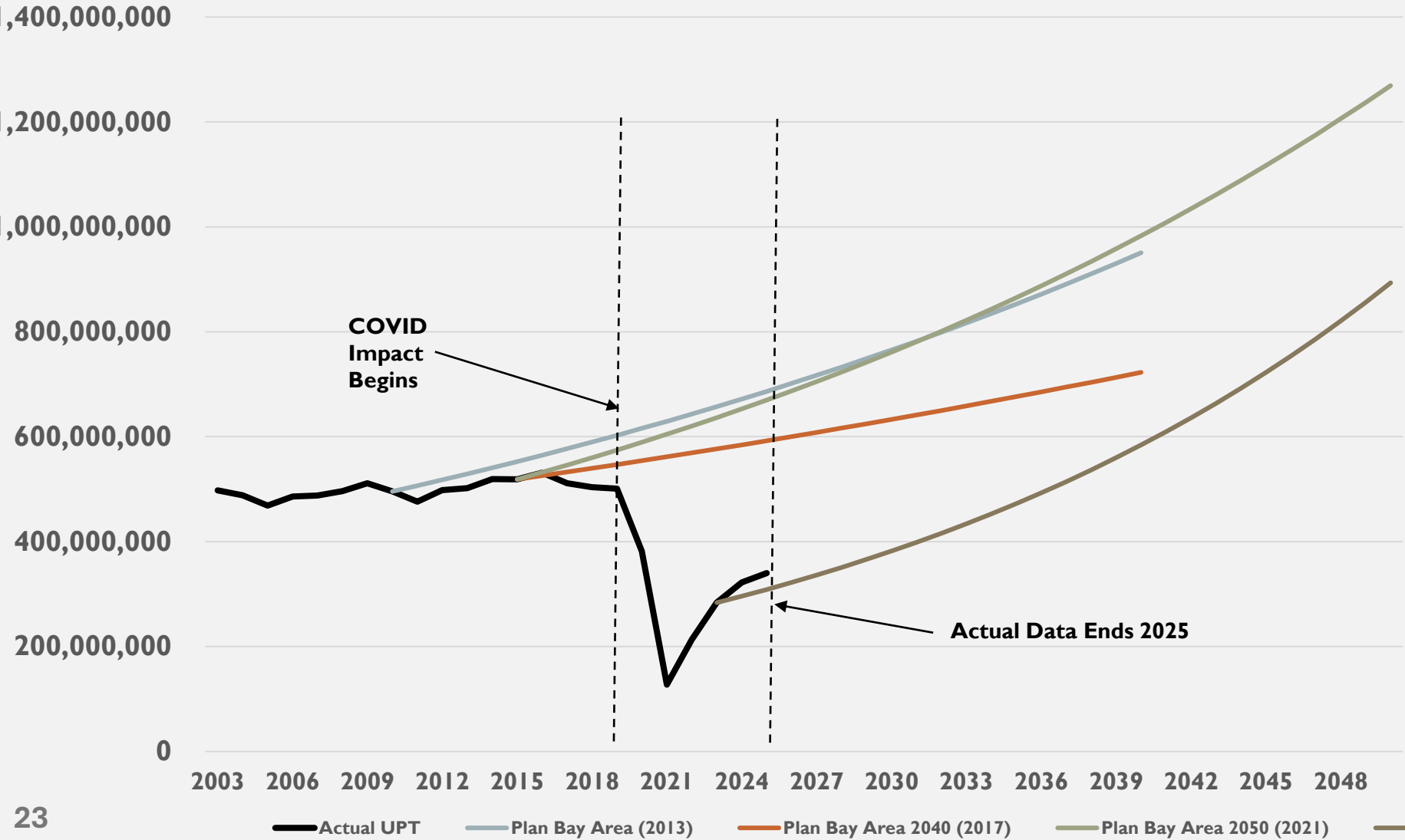


MTC consistently over-projects Bay Area population, which produces unrealistically high road travel, traffic congestion, transit ridership, housing demand, and tax revenues. These are consistent with what MTC *wants* to happen, but results in unrealistic – and misleading and worthless plans. Despite the clear history of actual well below its projections, MTC’s only “correction” is to adjust the start year projection to most current reported actual value. MTC’s jobs projections are equally unrealistic.



RIDERSHIP PROJECTIONS ARE DELUSIONAL

Bay Area Annual Transit Unlinked Passenger Trips
Actual and Plan Bay Area Projections 2003-2050

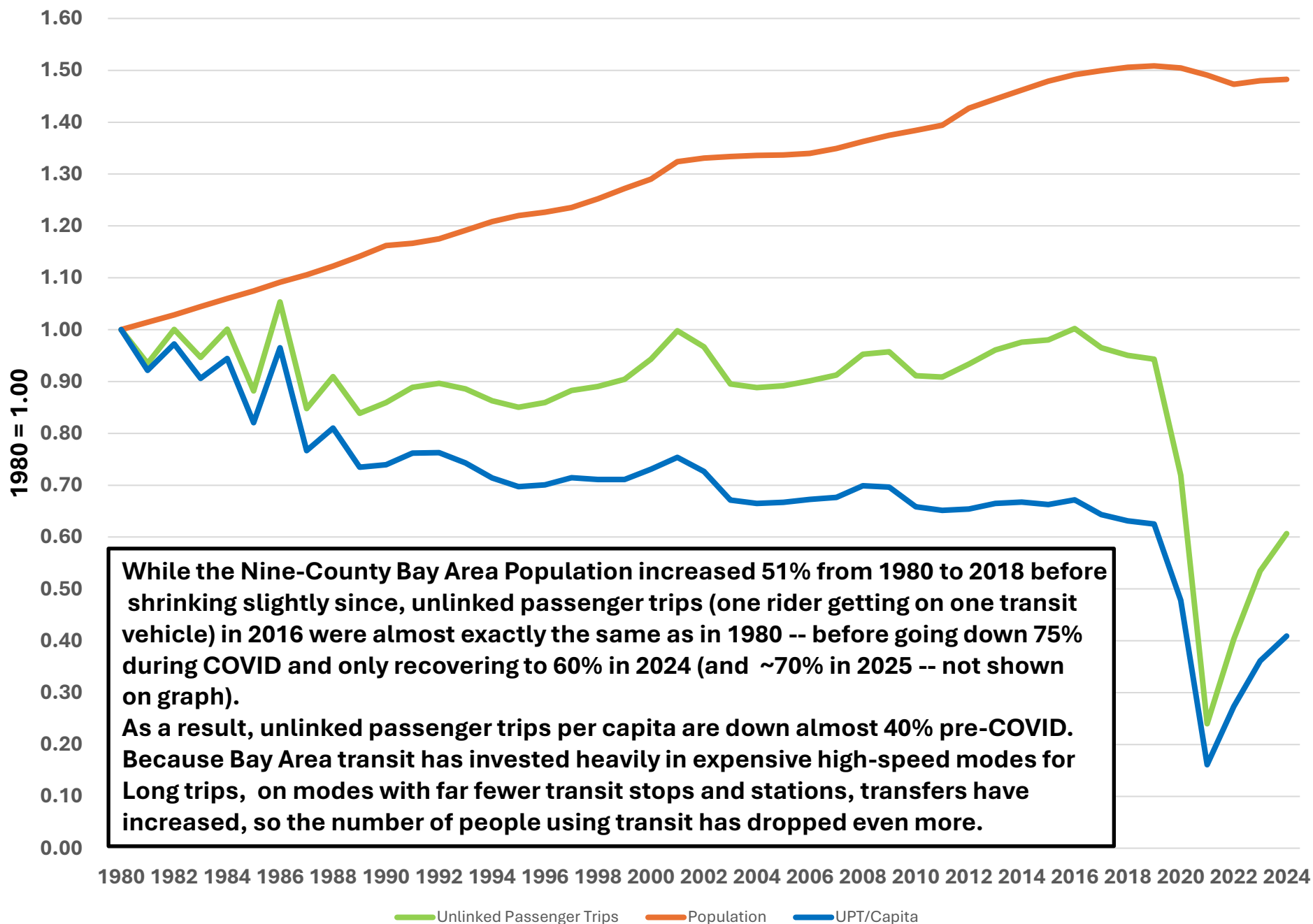


MTC's transit ridership projections are consistently far too high. While actual ridership has varied little from ~500 million unlinked passenger trips from 1980 to 2019 (while population increased 51%), the last pre-COVID year, MTC has always assumed significant growth over time, which is used to justify continued expansion of and spending on transit and siting high-rise transit-oriented development near transit stations.

MTC has been particularly resistant to recognizing the major - and growing - importance of remote work on home-work commuting.



Population and Unlinked Passenger Trips Trend Lines 1980-2024

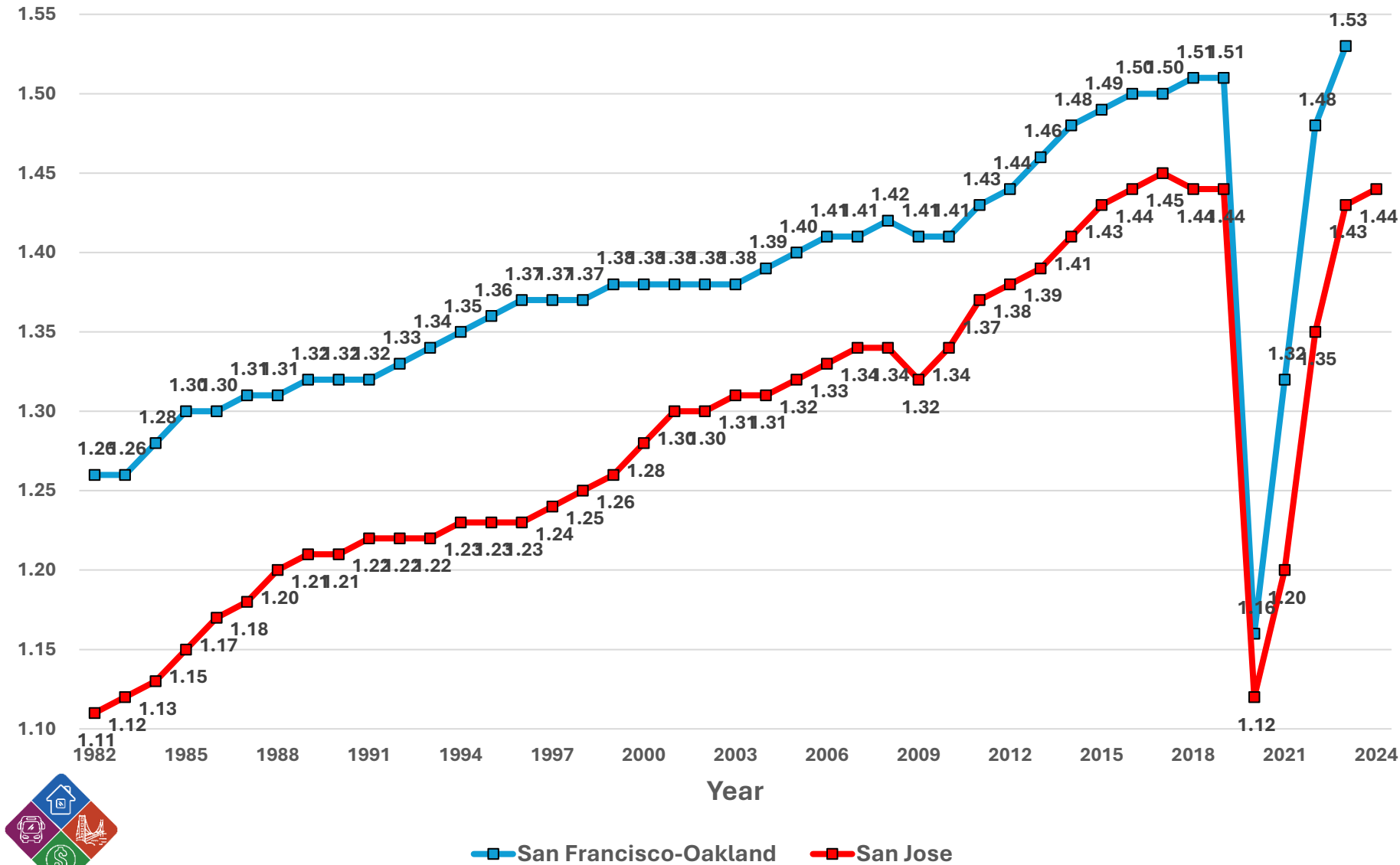


While the Nine-County Bay Area Population increased 51% from 1980 to 2018 before shrinking slightly since, unlinked passenger trips (one rider getting on one transit vehicle) in 2016 were almost exactly the same as in 1980 -- before going down 75% during COVID and only recovering to 60% in 2024 (and ~70% in 2025 -- not shown on graph). As a result, unlinked passenger trips per capita are down almost 40% pre-COVID. Because Bay Area transit has invested heavily in expensive high-speed modes for Long trips, on modes with far fewer transit stops and stations, transfers have increased, so the number of people using transit has dropped even more.



Bay Area Transit Congestion Continually Worsens

San Francisco-Oakland and San Jose Urbanized Areas
Texas Transportation Institute Travel Time Index 1982-2024



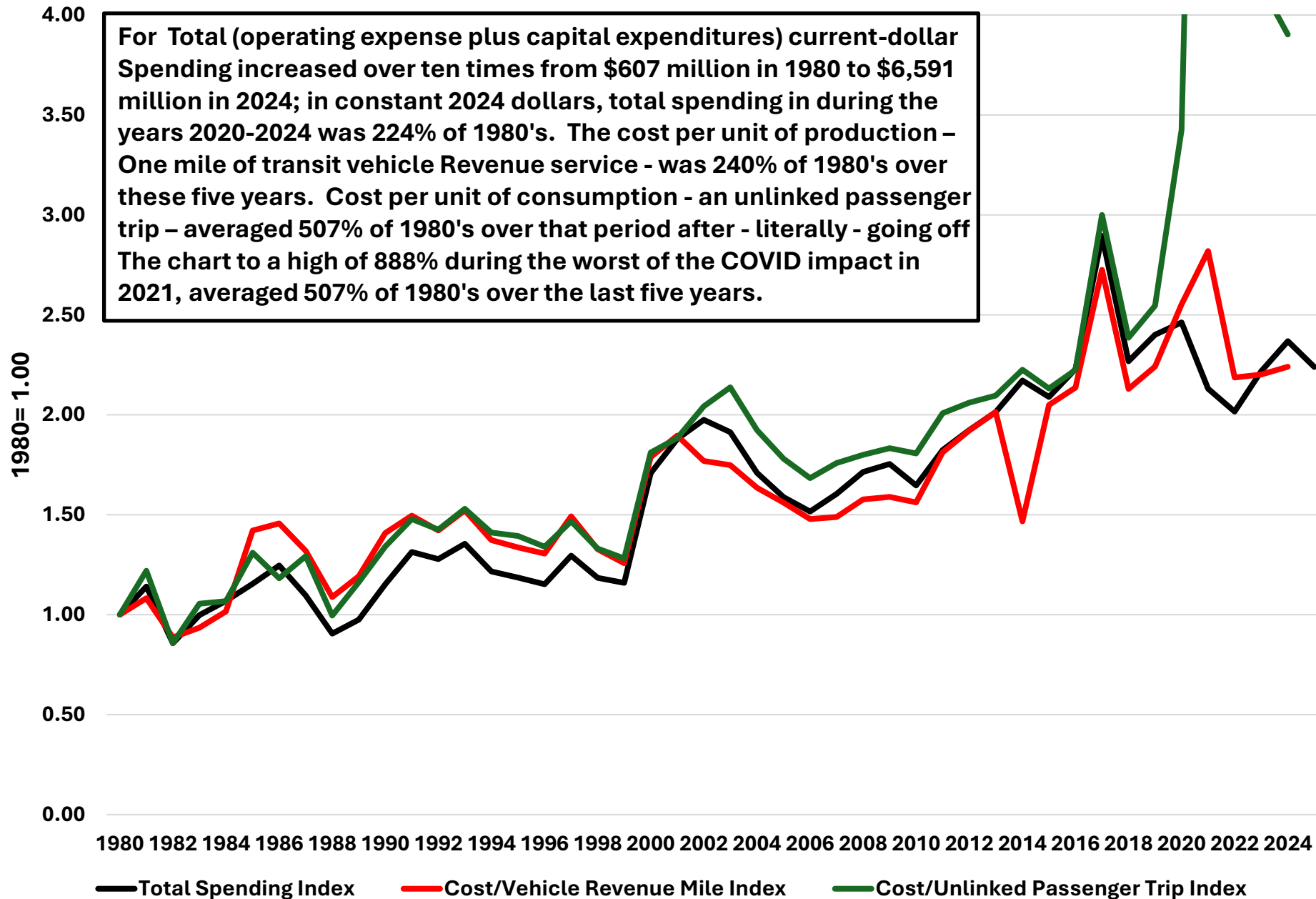
TTI is the oldest and best-known congestion index, comparing prime-time travel time to off-peak travel time.

SFO's values have more than doubled, and SJ's quadrupled, 1982-2024.

Note that road usage has quickly returned to pre-COVID levels, contrasting to transit ridership, which are down 32%, 2019 → 2025.

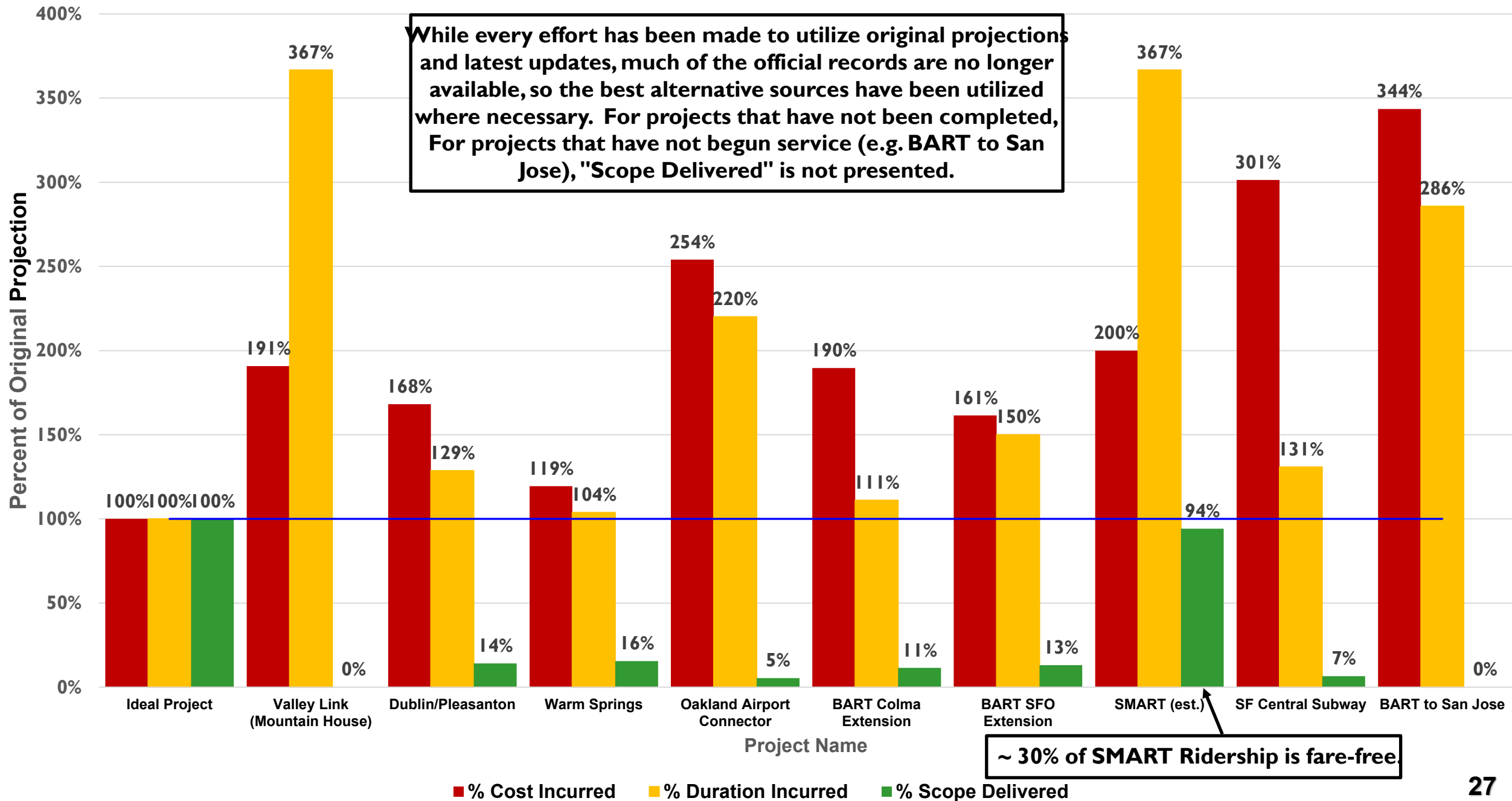


Inflation-Adjusted Total Spending and Cost/Unit of Production and Unit of Consumption Trend Lines 1980-2024



Bay Area Transit Project Performance

While every effort has been made to utilize original projections and latest updates, much of the official records are no longer available, so the best alternative sources have been utilized where necessary. For projects that have not been completed, For projects that have not begun service (e.g. BART to San Jose), "Scope Delivered" is not presented.



BAY AREA TRANSIT HAS LONG HISTORY OF FAILURE I

(All cost comparisons are inflation-adjusted.)

- Dublin/Pleasanton BART extension cost increased by over two-thirds
- Warm Springs BART extension cost increased 92% – and was completed 25 years after taxpayers approved the (first) tax to complete it
- BART Oakland Airport Connector costed almost half a billion dollars, 154% over original budget, opening 24 years after the taxpayers approved the tax – and has the second lowest ridership of BART’s 50 stations (369 average daily January 2026), at substantial operating subsidy, replacing a very workable shuttle bus system that came close to being paid out of farebox revenues (the fare doubled when the Connector opened, which drove away many former riders)
- BART Warm Springs-Santa Clara extension increased in cost from \$3,710 million to over \$15 billion – four times higher – while the projected opening date has slipped thirteen years between the now-disowned 2021 projection to the current (and questionable) 2039 date – if it is *ever* completed



BAY AREA TRANSIT HAS LONG HISTORY OF FAILURE II

- Salesforce Transit Center in San Francisco Central Business District cost over \$2.2 billion, approximately 50 times the projected costs for seismic safety upgrades to the original Transbay Terminal – and wasn't opened for service until three decades after the 1989 Lorna Prieta earthquake that ultimately led to shutting down the original (Salesforce opened in 2018, but quickly shutdown until cracks in the beams supporting the “third floor” bus level over Fremont Street were fixed)
- The Bay Area Transit-Industrial Complex is still working on a Caltrain/California High-Speed Rail station in Salesforce – at a currently-projected (but hardly guaranteed) cost of \$7.5 billion (which includes the \$729 million for the completed but unused station box) – to extend the rail line approximately 2.2 miles from the current Caltrain terminal at Fourth and Townsend, where it is well served by multiple transit options, including light rail, to the San Francisco business district



BAY AREA TRANSIT HAS LONG HISTORY OF FAILURE III

- Bay Bridge Eastern Span cost increased from \$1.085 billion to over \$6.5 billion – with serious concerns that failure to protect key components of the tower will significantly reduce its useful life
- The MTC headquarters building cost increased over 50% from original budget – and, unlike the former Oakland headquarters, which was accessible from a BART station without even going outside, is several blocks from the nearest rail transit station, a particular concern for the transit-disadvantaged who need to access the many important meetings there
- MTC's ill-advised investment of toll revenues intended for transit and roadway improvements resulted in losses approaching \$300 million
- The Caltrain electrification project, originally budgeted for \$1.978 billion, incurred overruns of \$462 million, over 23%



BAY AREA TRANSIT HAS LONG HISTORY OF FAILURE IV

- Valley Link, which was intended to essentially duplicate ACE commuter rail service between Stockton and the Tri-Valley:
 - Phase I originally budgeted in 2019 for \$2,417-3,211 million (year-of-expenditure dollars for revenue operations beginning in 2027 or 2028) for ~37 miles to North Lathrop carrying 26-28,000 daily riders
 - August 2025 budget now \$3,794-4,465 million for ~22 miles to Mountain House at Alameda-San Joaquin County Line carrying 9,965 riders in 2045 – at a cost/passenger of over \$92 per one-way trip
 - Mountain House plan shows \$1,285-1,624 million funding shortfall – *if* US DOT provides 50% funding, which is extremely questionable
 - Although ~70% of riders are San Joaquin County residents, to date, only existing funding allocation is from Alameda County taxpayers and Bay Area toll revenues
 - Ridership projections are questionable; non-standard modeling coupled with failure to consider impact of COVID and remote work on trips from Central Valley to Bay Area
 - Failure to properly consider transit alternatives, primarily long-haul commuter express bus on existing and planned Alameda and San Joaquin County ExpressLanes

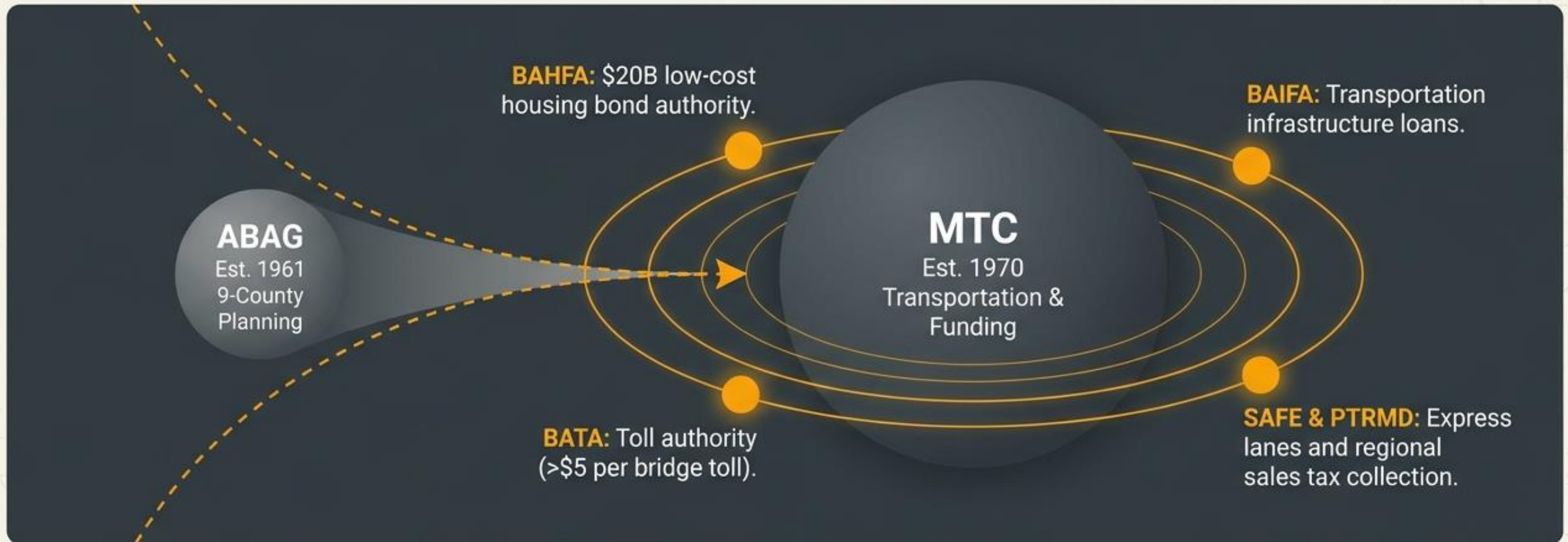


HOW DID WE GET HERE?

How a regional bureaucracy turned into a
planning Monster...



MTC's evolution into an unprecedented regional authority.



By leveraging absolute control over regional funding, MTC effectively absorbed ABAG, expanding its mandate from transportation coordination to unparalleled control over regional housing finance.

MTC/ABAG HISTORY AND CURRENT ROLE

- In 1961, Association of Bay Area Governments (ABAG) formed as Joint Powers Agreement (JPA) of nine Bay Area Counties (Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, Sonoma) and included Cities to do regional plans and coordination
- Metropolitan Transportation Commission (MTC) created by State legislation in 1970 and originally named as:
 - The metropolitan planning organization (MPO) for Federal planning/funding purposes
 - The regional transportation planning agency (RTPA) for State purposes
- Because MTC controlled the money, and most of ABAG's budget, it gradually took over and, for almost all practical purposes, MTC controls ABAG
- MTC has been very politically successful and is undoubtedly the most powerful MPO in the US
- MTC coordinates extensively with Bay Area power groups, including Bay Area Council, Silicon Valley Leadership Group, and SCAG



MTC ROLE

- MTC has continually expanded its scope thru several alter ego subsidiaries:
 - Bay Area Housing Finance Authority (BAHFA) – 2024 RM4 \$20 B low-cost housing bond
 - Bay Area Infrastructure Financing Authority (BAIFA) – Primarily loans for transportation
 - Bay Area Toll Authority – Gets >\$5 from each bridge toll to finance transit/roads
 - Public Transit Revenue Measure District (PTRMD) – Would collect/distribute proposed “bail-out-the-failing-transit-agencies” five-county sales tax
 - Service Authority for Freeways and Expressways (SAFE) – Coordinates/finances Bay Area Express Lanes
- Based – evidently – on its incredible performance in advancing Bay Area transportation, MTC convinced Sacto give it responsibility for Bay Area housing, particularly low-income
- MTC is primarily a planning/funding/coordination agency; with few exceptions, it does not directly get into details of design or control of implementation of specific projects, nor of operating transportation/transit agencies or constructing projects
- MTC’s strong control over funding, coupled with the absence of a single dominant city (such as NTC, LA, Chicago) have led to MTC being a staff-directed entity that exercises huge control over major decisions in the region – **WITHOUT ANY EFFECTIVE OVERSIGHT**



~~The 1,500-Page Funding Mechanism~~

Correction! 3,572 pages in 31 documents

Plan Bay Area 2050+ is not just a regional vision; it is a critical link in a chain that justifies unprecedented regional spending.

The Bureaucratic Scope:

- 4 Focus Areas: Transportation, Housing, Economy, Environment
- 35 Strategies & 56 Transit Projects
- Analyzed via a massive Draft Environmental Impact Report (DEIR)

The Architects:

The plan is driven by the Transit and Housing Industrial Complex (THIC) — a coalition of bureaucracies and special interests reliant on continuous regional funding.

Plans are required every four years so that approved projects can proceed to spending.

*MASSIVE
DOCUMENTATION
= JUSTIFICATION
FOR FUNDING!
SEE CONNECTION!*

WHAT IS PLAN BAY AREA (PBA)?

- The Sustainable Communities and Climate Protection Act of 2008 (SB375), among other things, gave MTC responsibilities for coordinating nine-county housing planning and financing in a manner comparable to its transportation responsibilities; the core intent of SB375 was to battle climate change
- It required MTC to prepare long-range (in practice, 25-30 years) regional transportation/housing plans, along with a “program” environmental impact report (as required by the California Environmental Quality Act)
- In planning terms, these are “unconstrained” plans – there is no legal requirement to limit proposed programs and projects to what can be financed with existing funding streams
- The PBA and the accompanying EIR are subject to public comment; however, there is no independent oversight requirement, which gives the preparers great freedom to ignore facts, logic, science, and human nature



PBA HISTORY

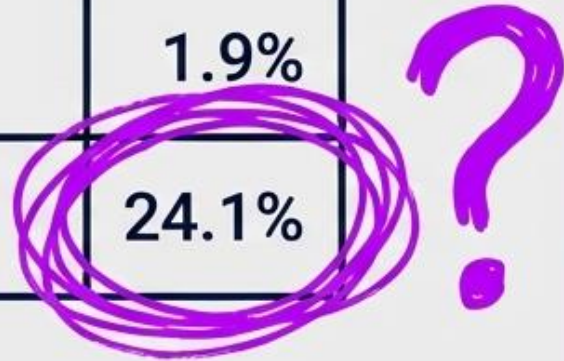
- To date, four PBAs have been researched, prepared, and adopted:
 - Plan Bay Area (adopted 2013)
 - Plan Bay Area 2040 (adopted 2017)
 - Plan Bay Area 2050 (adopted 2021)
 - Plan Bay Area 2050+ (adopted 2026)
- Each of these has been less realistic than the last
- MTC absolutely refuses to learn from its past errors – because they have no reason to; there is absolutely no penalty for producing useless, even counterproductive, product
- MTC has already started the work for the next PBA
- There is no good path or outcome for legal action against PBA and the PBA EIR; when we tried this against the original in 2013, this got us nothing – and MTC was actually able to use a separate lawsuit to make the PBA mandates even stronger



The Growth Fiction

By reverse-engineering the model, PBA 2050+ relies on a population growth projection completely detached from demographic realities.

Projected Growth (2025 - 2050):	
1	California (Excluding Bay Area) 2.5%
2	CA Demographic Research Unit (DRU) 6.4%
3	Alternate Modest Forecast 1.9%
4	MTC's PBA 2050+ Forecast 24.1%



MTC projects a population increase that is 1,268% larger than a reasonable alternative forecast, and ten times what the state projects for the rest of California.

WHAT IS PBA CALLING FOR?

- Hugely over-estimated population/jobs produces model runs with huge increases in housing units and travel and major increases in greenhouse gas emissions, traffic congestion, and transit demand – which require MTC do more, which requires more money – **\$4,000/year/Bay Area Resident**
- PBA focuses both commercial and residential development into very dense central business districts and major transportation corridors
- **NO** increase in single-family detached homes; all new units would be multi-family in dense areas – and no recognition of infrastructure needs – like water
- To “reduce GHG,” PBA mandates **NO** increase in road capacity (even as road vehicles are required to be non-internal combustion); even if the projected increase in people travel could be handled by transit and remote work (very questionable), there would be a huge impact on freight movements, which would, among other things, make the Port of Oakland less competitive for ground-side movements



HOW PBA COULD AFFECT YOU – PART I

- Higher taxes and fees, with further erosion of constraints on government spending.
- Less local control as state mandates, regional governance, and special interests take over more decisions.
- Higher housing costs, lower availability, and potential declines in quality.
- Slower travel speeds and longer commutes.
- Reduced flexibility for remote and hybrid work.
- Major changes to neighborhoods through added density, without enough attention to infrastructure, parking, or funding.
- More pressure on single-family homeowners as the tax burden shifts to them.



HOW PBA COULD AFFECT YOU – PART 2

- Forced transitions to electric or fuel-cell vehicles that may not work well for everyone.
- Higher utility costs and greater strain on water, fire protection, and emergency response systems.
- Continued stress on education, public safety, and quality of life.
- Outmigration of the middle class, remote workers and high earners, with fewer skilled workers choosing to move in.
- More homelessness and greater dependence on public systems.
- Job losses from AI and automation, even in lower-wage service work.
- More government attempts to manage behavior by regulation rather than by market reality.



DOES THE PLAN MAKE SENSE?

What did they change?

What is still missing?



WHAT CHANGED FROM DRAFT > FINAL?

Topic	Draft	Final	Comment
Unmitigated EIR Risks	37	35	Construction noise & toxins mitigated
Transportation Project Costs	\$838B*	\$512B	Deprioritized major transit extensions; emphasized State of Good Repair
Total Plan Costs	\$1.5 Trillion	\$1.477 Trillion	They lied in the Draft... using 2019 project costs
Unfunded Costs	\$882B	\$862B	New Revenues Required (Tolls, Taxes, Fees)
Modeling Verification			Nope, still forcing desired results
Population 2050 forecast	9,586,000	9,586,000	Despite significant controversy during the comment period: The Final Plan did not materially revise the regional population or jobs forecast.
Jobs 2050 forecast	5,410,000	5,410,000	

*The presented number was \$520B, but in 2019 dollars, which we converted to \$838B in 2026 dollars.



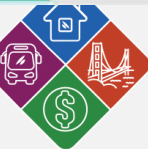
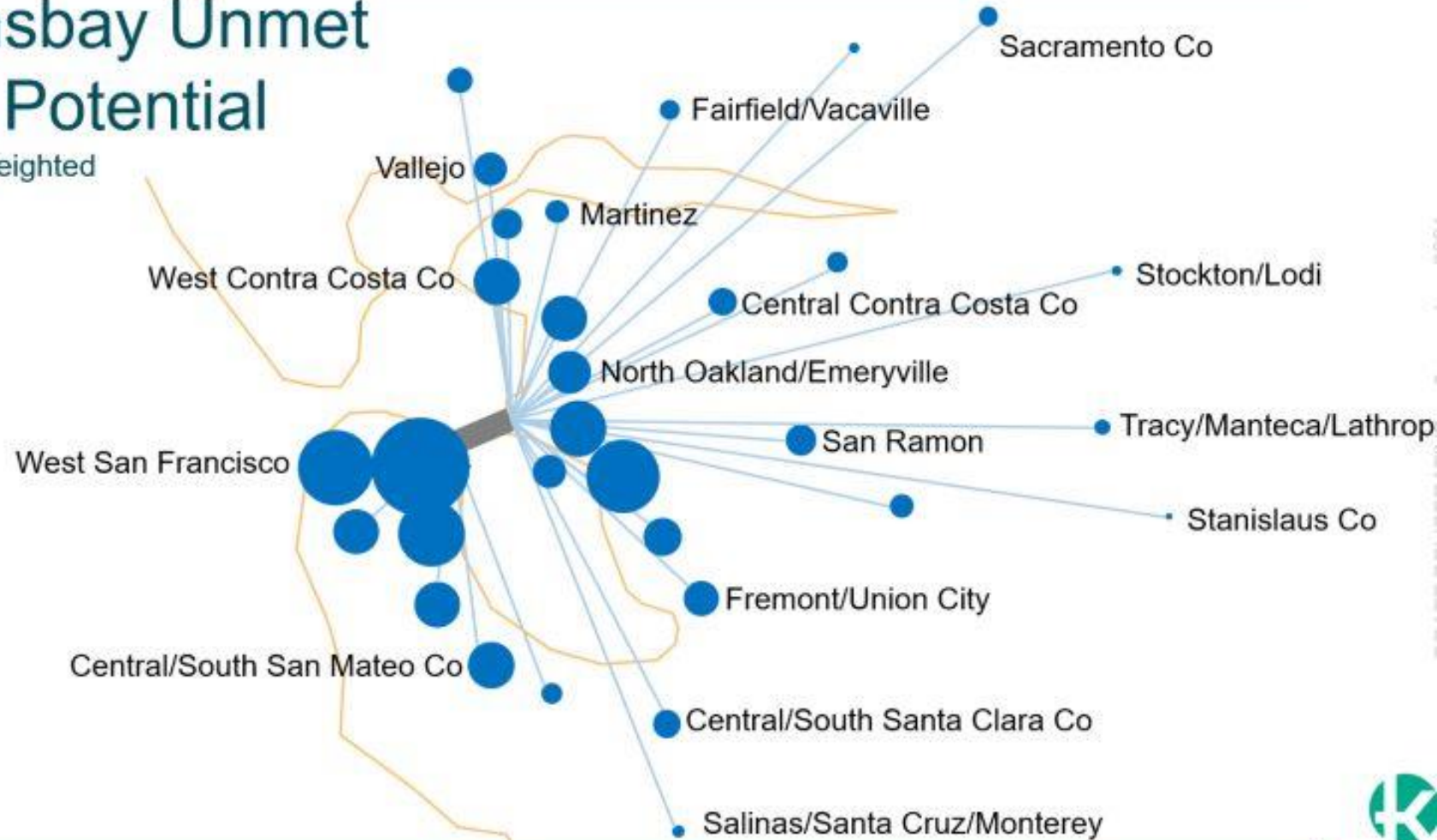
THE NETWORK IS THE PROBLEM

**Everyone,
From Everywhere,
All At Once...**

1. Is costly network design...
2. Costs 7x an EV
3. Ties up 16x more funds in assets, retirement benefits, etc.

Transbay Unmet Rail Potential

Equity Weighted



The Tax Burden Equation

The Notice of Preparation (Page A-4) reveals the requirement for **\$860 Billion in New Revenues.**

Let's do the math:

$$\begin{aligned} & \mathbf{\$860,000,000,000} \\ & \text{(New Revenues needed)} \\ & \div \mathbf{25 \text{ Years}} \\ & \text{(2026-2050)} \\ & \div \mathbf{8,734,894} \\ & \text{(Average projected population)} \\ & \hline & = \mathbf{\sim \$4,000} \end{aligned}$$

The Reality:

Every single Bay Area resident will face an average of \$4,000 in new taxes and fees per year, for the next 25 years.

Note: Even the 42% Existing Revenues assumed in the plan are far from guaranteed.

SELECTED SIGNIFICANT & UNMITIGATED ENVIRONMENTAL IMPACTS

Increased demand on water supply systems
Wastewater treatment capacity constraints
Solid waste generation exceeding landfill capacity
Energy infrastructure demand expansion impacts
Construction and operational GHG emissions exceeding thresholds**
Energy consumption inconsistent with long-term reduction targets
Increased wildfire risk in WUI growth areas
Emergency response constraints under hazard conditions
Growth-induced impacts conflicting with local plans in some jurisdictions
Cumulative regional noise increases
Cumulative degradation of visual quality regionwide
Increased demand for parks and services exceeding supply
Deterioration of recreation facilities from overuse

**Note: even though the plan is policy-driven toward GHG reduction, CEQA baseline comparisons still yield significant impacts in some scenarios.



WHAT TO DO ABOUT IT?

- Vote against funding traditional transit & housing bonds
- Require reform before funding
 - Oversight
 - Fiscal prudence
 - Binding performance criteria
- Envision & Promote Transportation of Tomorrow
- Envision & Promote Equitable Housing
- Mobilize: residents, cities, towns and employers in support



CURRENT SITUATION I

- COVID's huge negative impact on transit since FY19 (last full pre-COVID year)
- Immediate major reductions in ridership, slow recovery – BART down 84% FY19-FY21, only recovering 57% (12/19-12/25)
- Besides huge losses in fare revenue (MUNI down \$179 M, 91%, FY19-FY21), major reductions in sales and other tax revenues and bridge tolls used to finance transit
- While there have been some reductions in service operated, operating costs and particularly subsidies have increased significantly:
 - BART operating costs increased from \$673 million (actual) for FY19 to \$1,007 million (budget) for FY26 – 50% increase – and operating subsidies increased from \$191 million (actual) for FY19 to \$682 million (budget) for FY26 – 257% increase
 - Caltrain operating costs increased from \$140 million (actual) for FY19 to \$246 million (budget) for FY26 – 75% increase – and subsidies increased from \$37 million (actual) for FY19 to \$188 million (budget) for FY26 – >400% increase



CURRENT SITUATION II

- Despite these huge existential discontinuities in ridership, subsidies, and job locations, the Bay Area Transit-Industrial Complex has responded primarily by maintain the *status quo* and protecting the decision-making stakeholders – employees, contractors, major capacity expansion projects, politicians – at the expense of transit riders, taxpayers, and the general public
- The huge budget gaps have been filled by massive – **temporary** – funding from the Federal and State governments
- This Federal support has ended and is exceedingly unlikely to reappear under the existing Federal Administration
- State financial support has transitioned from grants to a \$590 million loan secured by future on-going transit grants from the State
- The “real” proposed solution is SB63 (2025, Wiener), which allowed the Bay Area transportation agencies to present 14-year half-cent sales tax (1% in San Francisco) increases to the voters



THE UPCOMING SALES TAX VOTE

- SB63 gave the Bay Area transportation decision-makers the ability to establish the “Public Transit Revenue Measure District” (PTRMD) as a Metropolitan Transportation Commission (MTC) unit for the five “southern” Bay Area counties (Alameda, Contra Costa, San Mateo, and Santa Clara Counties and the City and County of San Francisco) (the four “northern” counties – Marin, Napa, Solano, and Sonoma – decided to opt out)
- The PTRMD Board met to establish itself early last month and decided to **not** place the ballot measure before the voters by its own action – which would have required a two-thirds majority for passage – and instead opted for a “citizen’s initiative,” with “independent” actors collecting signatures across the five counties



WHERE WILL THE MONEY GO?

- The 11+-page SB63 is quite complex; a typical “Christmas Tree” bill (nothing gets passed until there is a big present under the Tree for everyone)
- Most of the money will go to the four largest, and most fiscally-troubled, transit operators for operating subsidies:
 - AC Transit
 - BART
 - Caltrain
 - Muni
- Other funds will go to the other transit operators in the five PTRMD counties, including Santa Clara Valley Transit Authority , and to the five county transportation commissions for other purposes, which can include roads, transit capital projects, and certain other allowed uses



SO WHY ARE WE HERE?

- We propose to organize the opposition to this new tax
- Our basic objections are:
 - Bay Area transit is currently very poorly organized and operated and has been extremely wasteful of public funding
 - The transportation powers-that-be have definitively demonstrated that they cannot properly manage public funds
 - Although this upcoming fiscal shock has been highly apparent to all for many years, even well before the COVID crisis accelerated the issues, there has been no meaningful attempt to make serious changes and improvements
 - The Powers-That-Be refuse to consider cost-efficient emerging alternatives
 - While SB63 contained some interesting language regarding a mandatory change process, exterior review, reports, and oversight, these measures **have no teeth** – THE POWERS-THAT-BE WILL BE ABLE TO CONTINUE BUSINESS AS USUAL
 - ***WE DEMAND MEANINGFUL, GUARANTEED CHANGES BEFORE THE FUNDING IS APPROVED***

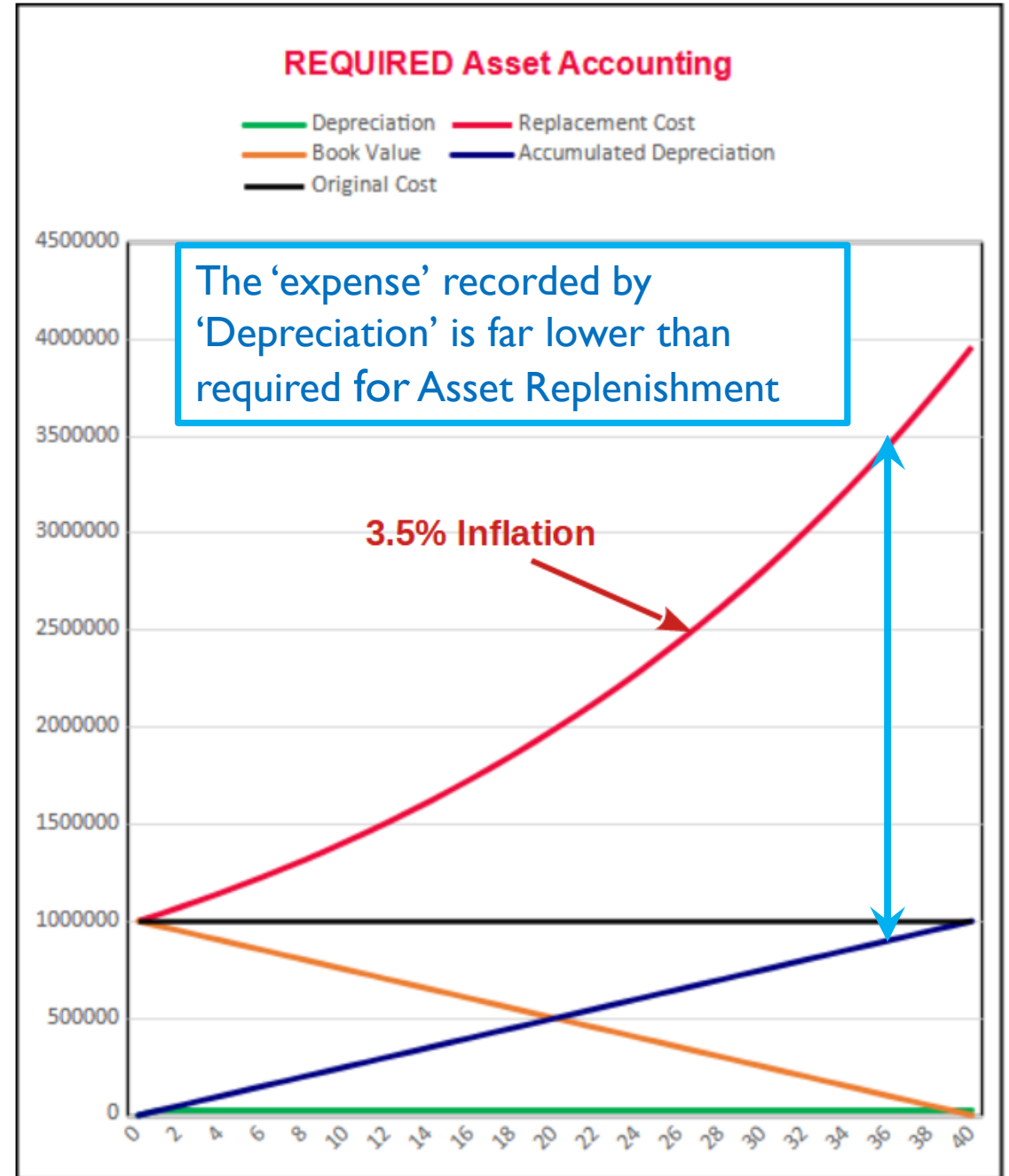


GASB ACCOUNTING HIDES REALITY

Over past 25 years, Public Works construction cost inflation has been ~3.6%

The Replacement Cost of exhausted assets reaches 4X original cost after 40 years at 3.5%

This problem is similar to Unfunded Pension Liabilities



SALES TAX IS NOT ENOUGH \$\$\$ TO RESCUE THE T.I.C.

- The Billion or so a year **for 14 years** from the transit-agency bail-out sales tax will not be enough to continue running major Bay Area transit
- The top eight agencies received massive subsidies: **\$5B.1** in 2024
- Plan Bay Area **2025+** asked for **\$500B** to fund transit projects for 25 years
- The annual financial **transit drain** would be about \$38B annually **for 25 years** (FY26 \$'s) **if all the proposed projects were completed**, ~~depending on how much MORE is spent on new capital projects...~~
- Which is about \$6,000 *per person per year*
- The benefit is not worth the cost ...

