DRAFT 2014 Prop K Strategic Plan

Presentation to the Citizens Advisory Committee

SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY

September 3, 2014

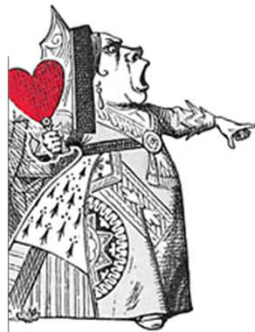# DRAFT 2014 Prop K Strategic Plan Presentation Overview

▶ **Why is it important?**

▶ **What is it? What are the relationships between:**

    ▶ **Prop K Expenditure Plan**

    ▶ **Strategic Plan**

    ▶ **5-Year Prioritization Programs (5YPPs)**

    ▶ **San Francisco Transportation Plan (SFTP)**

▶ **Policies**

▶ **Programming Updates**

▶ **Financial Trends**

DRAFT 2014 Prop K Strategic Plan
Why is it important?

▶ Allows the public, the Authority Board, and project sponsors to identify which projects and programs should be funded with Prop K sales tax in the next 5-years

▶ Provides transparency and accountability

▶ Enables us to forecast financing needs to advance delivery of projects so the public can enjoy the benefits sooner

How would you spend SF's transportation dollars?
Be the City's Budget Czar for a Day!

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What is Prop K?

▶ Approved by nearly 75% of San Francisco voters in 2003

▶ Extended ½ cent local transportation sales

▶ Approved a new 30-year Expenditure Plan, superseding Prop B (prior sales tax)

   ▸ Developed through first (2003) countywide transportation plan

   ▸ Assumes leveraging of $2.35 billion in sales tax funds to deliver $12.9 billion (2003 $'s) of transportation projects and programs

Prop K Allocations – Over $1 Billion To Date

▶ We have funded nearly 1,000 projects in past 10 years since voters approved Prop K:

$471 million	Major capital projects	Transbay Transit Center, Presidio Parkway, Central Subway, Caltrain Electrification, and Van Ness and Geary Bus Rapid Transit
$457 million	Citywide, Neighborhood Programs	Street resurfacing, traffic calming, new transit vehicles, and pedestrian and bicycle safety improvements
$128 million	Operations	Paratransit services

▶ Extensive leveraging (4 – 7 times) of other funds (regional, state, federal)

▶ Improvements in every district

Prop K Expenditure Plan
What does it do?

▶ Determines eligibility for Prop K funds through a list of specific projects (e.g. Central Subway) and programs (e.g. traffic calming)

▶ Identifies eligible project sponsors

▶ Sets caps for the maximum amount of Prop K funds that will be available to specific projects and programs over 30 years

▶ Allows for financing to accelerate project delivery so the public can enjoy the benefits sooner

▶ Establishes other requirements

  ▶ Strategic Plan

  ▶ 5-Year Prioritization Programs (5YPPs)

Prop K Strategic Plan
What is it?

▶ Primary tool that guides implementation of the Expenditure Plan

▶ Reconciles timing of expected Prop K revenues with schedule for when projects need those funds

▶ Specifically, the Strategic Plan:

  ▶ Establishes policies

  ▶ Forecasts sales tax revenue over 30-years

  ▶ Assigns Prop K funds to projects/programs by fiscal year

  ▶ Forecasts expenditures (by fiscal year)

  ▶ Develops financing scenarios

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Why now?

► Update process is a significant effort we undertake every 4 years

  ► Prior updates: 2005 and 2009

  ► 2013 Strategic Plan Baseline, interim step toward 2014 update

► Timing allows Prop K to respond to the Regional Transportation Plan/Sustainable Communities Strategy, San Francisco Transportation Plan and other initiatives

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moveSmartSF
SAN FRANCISCO TRANSPORTATION PLAN 2035

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Policies

▶ **Provide guidance to SFCTA staff and project sponsors on Prop K program management**

▶ **Address the allocation/expenditure of funds**

▶ **Clarifying SFCTA's expectations of sponsors**

▶ **Policies largely remain unchanged from 2009 Strategic Plan, one notable exception:**

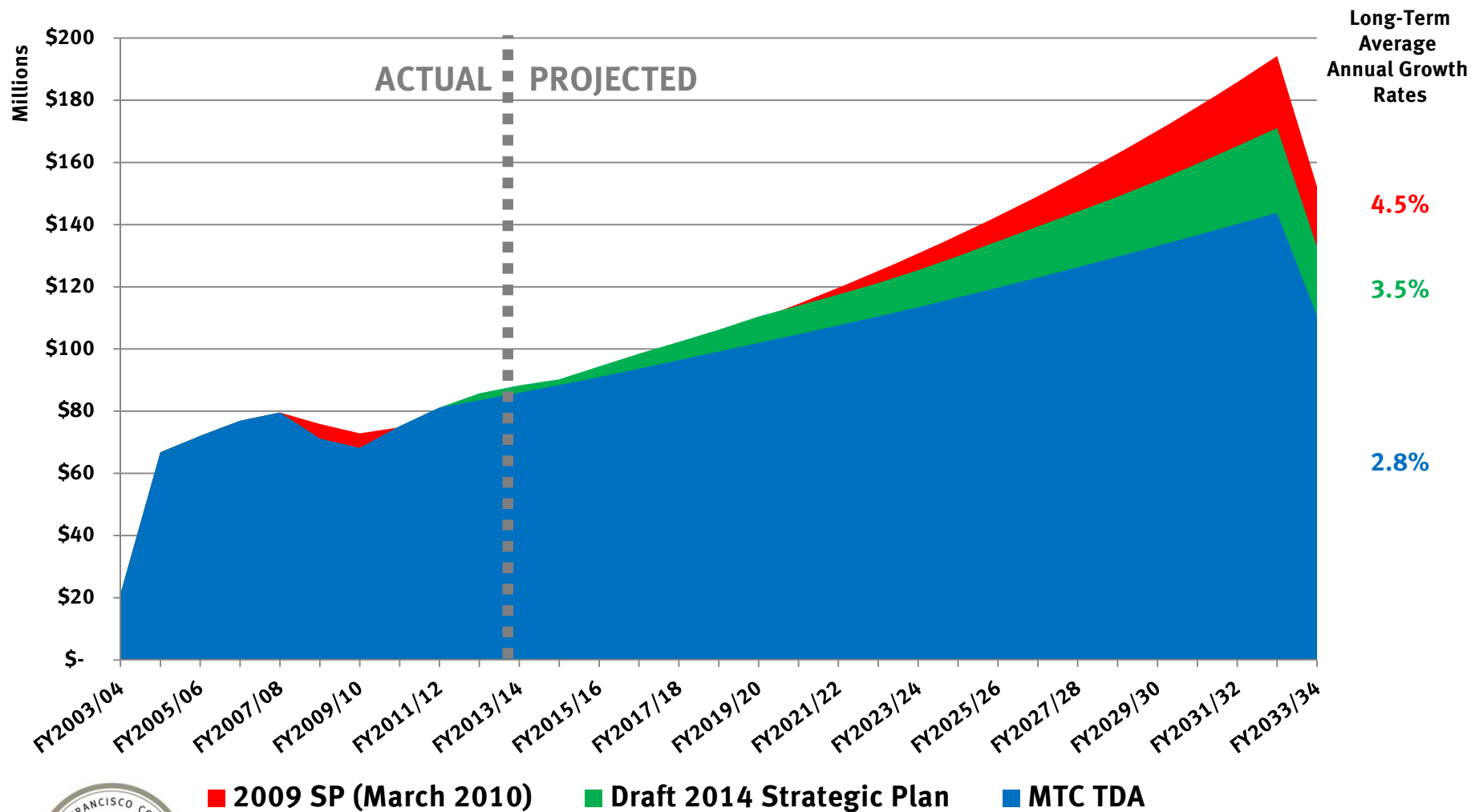   ▶ Delegated Allocation Authority Pilot Policy

DRAFT 2014 Prop K Strategic Plan Policies

▶ **Guiding principles for programming funds:**

  ▶ **Optimizing leveraging of sales tax funds**

  ▶ **Support timely and cost-effective project delivery**

  ▶ **Maximize cost effectiveness of financing**

SAFER STREETS

The Prop K half-cent sales tax for transportation helps pay for new crosswalks and curb cuts in West Portal

Walking to school next month just became safer with the recent construction of traffic calming and pedestrian safety improvements around West Portal Elementary School. Using Prop K half-cent local sales tax funds, the San Francisco Municipal Transportation Agency (SFMTA) constructed curb bulbs, pedestrian refuge islands, and a speed cushion on Claremont Boulevard, and pedestrian refuge islands and an enlarged roundabout at Dewey Circle. The project not only provides safer access for school children, but also for nearby residents. To learn more about Prop K, visit the San Francisco County Transportation Authority's web site: www.sfcta.org. And to find out about other Prop K projects in your neighborhood, visit: www.sfcta.org/mystreetsf-map.

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Revenue Projection Comparison

Long-Term Average Annual Growth Rates

- 4.5%
- 3.5%
- 2.8%

ACTUAL | PROJECTED

Millions

$200
$180
$160
$140
$120
$100
$80
$60
$40
$20
$-

FY2003/04 FY2005/06 FY2007/08 FY2009/10 FY2011/12 FY2013/14 FY2015/16 FY2017/18 FY2019/20 FY2021/22 FY2023/24 FY2025/26 FY2027/28 FY2029/30 FY2031/32 FY2033/34

■ 2009 SP (March 2010) ■ Draft 2014 Strategic Plan ■ MTC TDA

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Sales Tax Revenues FY09/10 – FY 18/19

	FY2009/10	FY2010/11	FY2011/12	FY2012/13	FY2013/14	FY2014/15	FY2015/16	FY2016/17	FY2017/18	FY2018/19
■ Sale Tax Revenues	$68,164,000	$75,172,298	$81,164,517	$85,753,558	$88,294,414	$90,229,299	$94,418,532	$98,497,145	$102,282,87	$106,199,54
Percentage Change	-4.17%	10.28%	7.97%	5.65%	2.96%	2.19%	4.64%	4.32%	3.84%	3.83%

ACTUAL ┊ PROJECTED
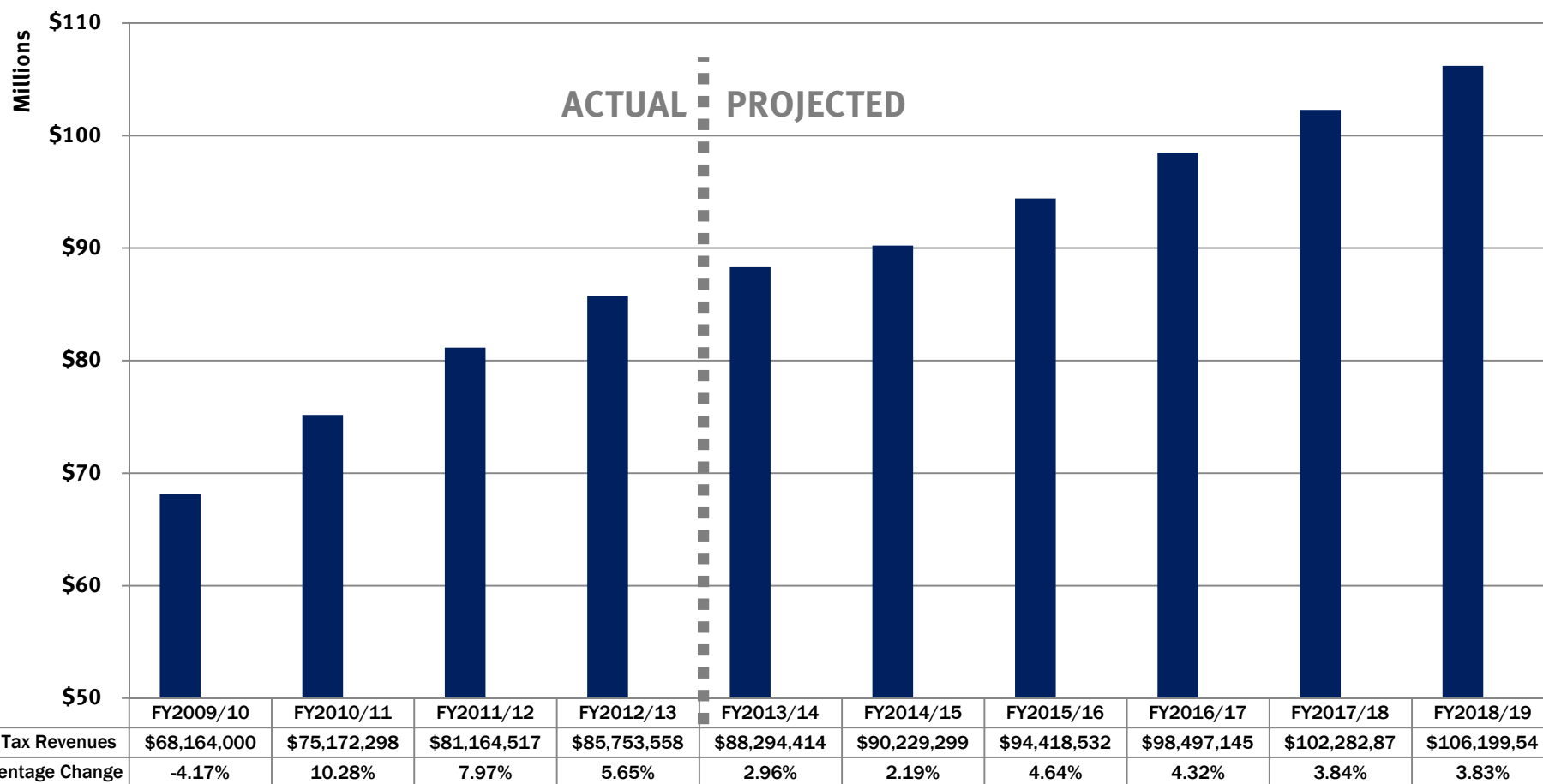
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Comparison of 2013 SP Baseline and Draft 2014 SP

In Millions	2013 Strategic Plan Baseline	Draft 2014 Strategic Plan	Increase/ Decrease	Difference between 2013 & 2014
Revenue	$ 3,345	$ 3,346	↑	$ 1
Total Available Funds for Projects	$ 2,949	$ 2,924	↓	$ (24)
Total Programming + Finance Costs	$ 2,715	$ 2,777	↑	$ 62
Current Programming	$ 2,440	$ 2,529	↑	$ 89
Current Finance Costs*	$ 275	$ 248	↓	$ (28)
Remaining Programming Capacity	$ 234	$ 148	↓	$ (86)

*Does not include $178 million in finance costs for Prop B-grandfathered projects. Financing for these projects is covered by the program as a whole.

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Programming Over 30 Years – Biggest Categories

- **TOTAL PROP K - $2.529 Billion**

    - **Muni Vehicles - $712M**

    - **Muni Guideways - $292M**

    - **Street Resurfacing - $226M**

    - **Downtown Extension to a Rebuilt Transbay Terminal – $223M**

    - **Paratransit – $208M**

> These six categories represent about 2/3 of all Prop K funds programmed over 30 years

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Next 5 Years of Programming – Biggest Categories

▶ **TOTAL PROP K - $736 Million**

- ▶ **Muni Vehicles - $293M**

- ▶ **BRT/TPS/MUNI Metro - $68M**

- ▶ **Downtown Extension to a Rebuilt Transbay Terminal – $59M**

- ▶ **Paratransit – $48M**

- ▶ **Muni Guideways - $29M**

- ▶ **Street Resurfacing - $27M**

- ▶ **Signal and Sign Maintenance – $23M**

- ▶ **Doyle Drive/Presidio Parkway - $23M**

Prop K will leverage over $638M to support replacement of Muni's entire rubber tire fleet within the next 5 years.
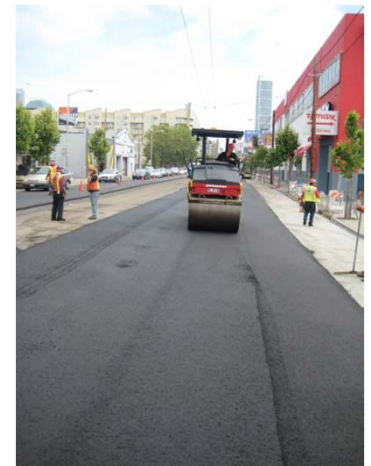
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Categories with Additional/Reduced Years of Programming

EP	Name	Last Fiscal Year of Programming		Change
		2009 SP	2014 SP	
1	BRT/TPS/Muni Metro	2022/23	2017/18	-5
8	BART Station Access, Safety and Capacity	2025/26	2023/24	-2
15	Purchase Additional Light Rail Vehicles	2014/15	2017/18	+3
17P	Caltrain Vehicles	2026/27	2022/23	-4
20P	Caltrain Facilities	2033/34	2022/23	-11
22P	Caltrain Guideways	2024/25	2022/23	-2
23	Paratransit	2020/21	2025/26	+5
34	Street Resurfacing, Rehabilitation, and Maintenance	2022/23	2025/26	+3

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Additional Programming Over 2009 SP

▶ **Increased programming based on newly available funds:**

- **$45M for Downtown Extension/Transbay Transit Center**

- **$4.4M for Electrification**

- **$47M for Paratransit (5 additional years)**

- **$7M for Doyle Drive/Presidio Parkway**

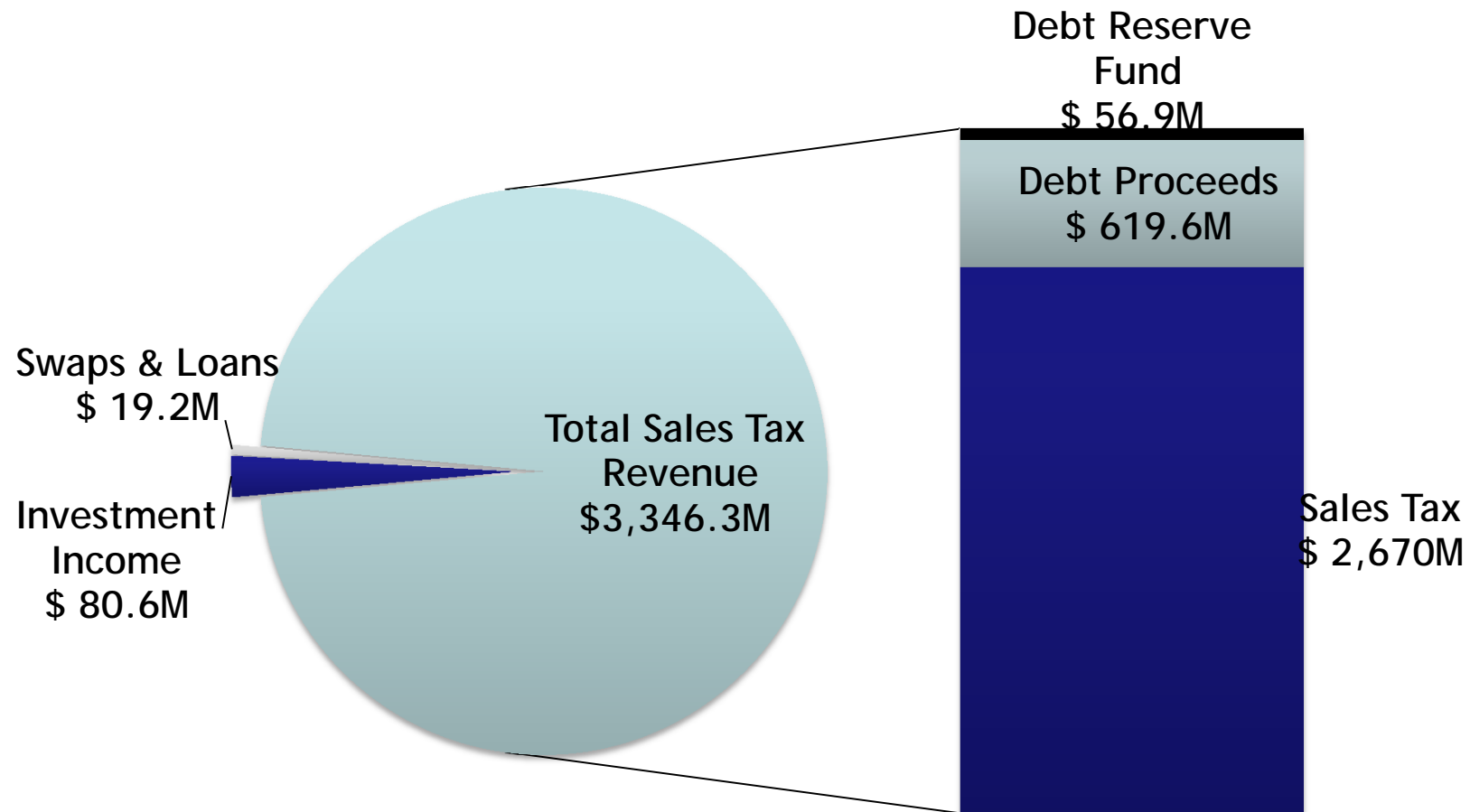- **$26M for Street Resurfacing**

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Categories with Financing over 15%

- ▶ **Bus Rapid Transit/Transit Preferential Streets/MUNI Metro Network**

- ▶ **Street Resurfacing**

- ▶ **Other Transit Enhancements**

- ▶ **Caltrain Electrification**

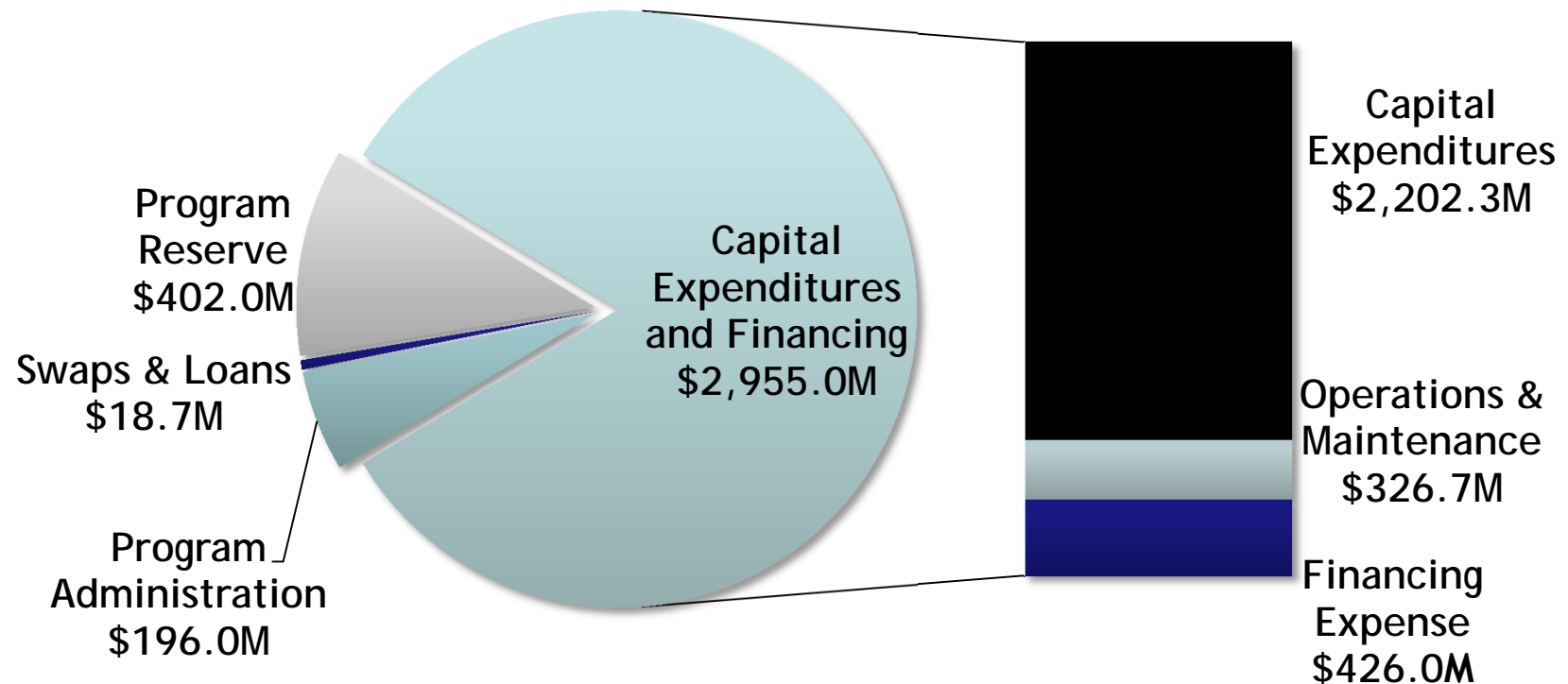- ▶ **Caltrain Facilities**

- ▶ **Caltrain Guideways**

Debt Reserve Fund $ 56.9M

Debt Proceeds $ 619.6M

Swaps & Loans $ 19.2M

Total Sales Tax Revenue $3,346.3M

Investment Income $ 80.6M

Sales Tax $ 2,670M

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Expenditures (Year of Expenditure $'s)

Program Reserve $402.0M

Swaps & Loans $18.7M

Program Administration $196.0M

Capital Expenditures and Financing $2,955.0M

Capital Expenditures $2,202.3M

Operations & Maintenance $326.7M

Financing Expense $426.0M

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Cash Flow Comparison with Amended 2009 SP

2009 SP Projected Cash Flow

5YPP Period
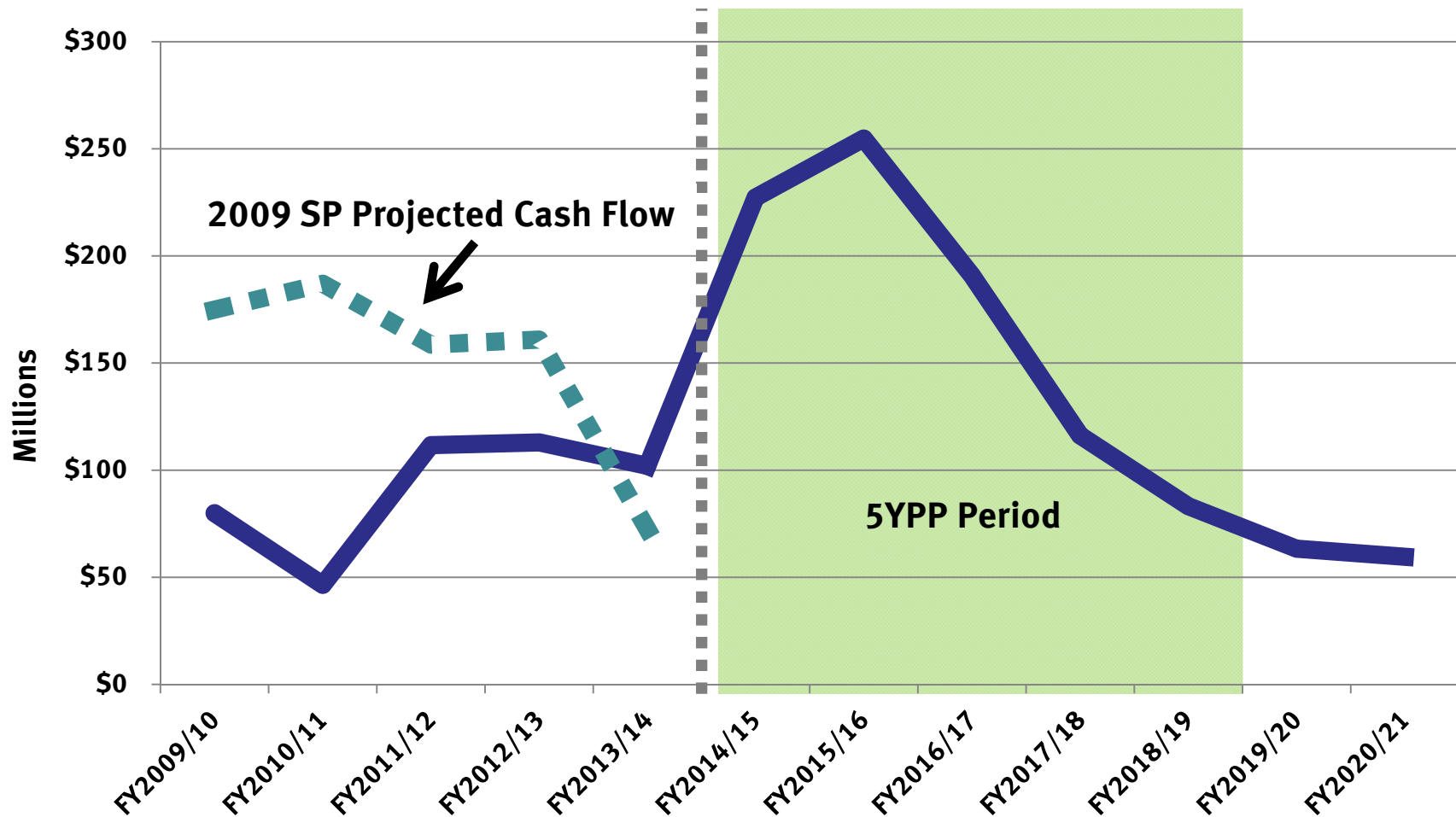
www.sfcta.org/PropK

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