

Revenue Panel - Draft Report



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Overview

- On May 29, 2007, Mayor Newsom convened a panel of transportation and financial experts to review Muni's funding needs
- Mayor Newsom indicated that the Panel's goals were twofold:
 - one, to provide an assessment of the financial situation of SFMTA, particularly Muni; and
 - two, to identify funding sources for public transit operations going forward
- The Revenue Panel spent the last year delving into Muni's operations and financial condition
- After evaluating various recommendations endorsed several

Key Points

- While the Panel did not conduct independent research to derive the amount of the structural deficit, the Panel felt that it received enough information to agree that there exists a long-term structural deficit
- The Revenue Panel recommends a funding formula whereby all transit system stakeholders share in the solution.
 - One-third of the solution should be borne by SFMTA, one-third by the transportation system customers and one-third by the City as a whole in support of the Transit First Policy
- The Panel strongly believes that what is required is a clear and transparent decision process whereby aligning service delivery to available resources is paramount
- In order to implement an effective transit system for which customers are willing to pay their fare share, the customers must be convinced that the SFMTA is focused on meaningful efforts to control or reduce costs and to enhance service delivery through better management

Recommendations for SFMTA (1/3)

- Implement the recommendations of the TEP
 - Improve public transit speed (increasing average speed from 8 to 10 mph would reduce cost per passenger trip 20 percent, from \$2 to \$1.60)
- Implement work rule changes in labor contracts
- Improve enforcement and collections
 - Fare evasion
 - Parking
- Leveraging assets
 - Advertising
 - Naming rights
 - Development: TOD, public private partnerships
- Innovative Technology
 - Use of a single smart card across the City's transportation systems including public transit, off-street parking, on-street parking and taxicab services

Recommendations for Users (1/3)

- Fares, fines, fees and rates should have an initial catch up to bring rates closer to market
- Automatic adjustments after catch up using a hybrid formula incorporating CPI and salary increases
- Fast pass multiplier should be between 35-40 of single fare price
- Discount pass multiplier should be between 35-40 of single fare price
- Implement demand responsive pricing for both on- and off-street parking

Recommendations for Citywide Transit First Policy (1/3)

- Motor vehicle license fee
- Transit Assessment District Revamping of the Transit Impact Development Fee
- Sales Tax

Other Ideas Considered but Not Endorsed

- Fee on Rental Car Usage
- Fee for Cruise Ship – exchange for transit passes
- Transient Occupancy Tax – exchange for transit passes
- Special District Sales Tax
- Payroll Tax
- Reduce discount level for discount passes
- Parking tax for all parking, including at private parking lots that require no payment for parking
- Change transfer policy or eliminate transfers
- Premium fare, higher fare for a Muni/BART pass compared to a Muni only pass
- Property Transfer Tax
- Utility Users Tax
- Parcel Tax
- Apartment License Fee
- Increase parking tax by 5 percent
- Parking congestion impact fee

Next Steps

- Revenue Panel to finalize draft report
- Present final report to the Mayor and the MTA Board
- Decide which recommendations to pursue
- Calculate revenue estimates for the selected recommendations
- Develop procedure required for implementation of the selected recommendations