

November 6, 2024

Re: Item 3a. Transportation Revenue Measure Select Committee Update

Chair Canepa,

On behalf of SPUR I am writing to urge you and the other members of the Committee to persevere in your efforts to advance enabling legislation for a future regional transportation measure. I appreciated the recent opportunity to serve with you on the Regional Transportation Measure Select Committee and I fully understand how difficult it is to find consensus on this complex issue.

SPUR is deeply concerned about transit's financial future and we stand ready to support a variety of potential approaches that could address transit's operating needs and succeed with Bay Area voters. To that end, we have articulated a set of "principles" that we believe will be necessary for enabling legislation to move smoothly through the legislature and for a measure to be successful at the ballot. As part of our own efforts to build consensus, SPUR has shared these principles with our peers at the Bay Area Council and the California Alliance for Jobs. While each of our organizations maintains unique perspectives and priorities we have been encouraged to see there is significant agreement and overlap between our organizations.

- **Sustain Transit:** The financial crisis and potential for severe cuts to some of our region's biggest transit systems - systems carrying more than 80% of Bay Area transit riders - is very real. This crisis is the reason we are discussing a regional transportation measure at this time and we believe that any future expenditure plan must provide a level of financial support for transit that will allow our systems to keep operating at a frequency and quality that will avoid a transit death spiral. We recognize that there is no path to transformation unless we have the basics.
- **Reform and Transform:** A significant regional investment in transit must be accompanied by real accountability reforms and commitments to transformation to improve customer experience. We need independent oversight of transit spending at the operator and regional level and we need to see sustained progress by transit agencies to control costs and move toward a sustainable business model. We also need to see

continued work by operators and MTC to ensure that transit is viewed as clean, safe and secure along with progress on regional integration of systems to create a seamless customer experience for riders.

- **Regional Outcomes, Local Support:** Our region's climate targets, affordability goals, and continued economic growth depend on a healthy transit system. We recognize, however, that successfully passing the regional measure needed to achieve these outcomes will require strong leadership and support at the local level. A successful measure will work within and around existing local funding structures - providing flexibility to counties to define and pursue local priorities. A successful measure must also include strong return-to-source provisions and other controls that will help counties feel assured that their residents' tax dollars are being put to good use and supporting local priorities over time.
- **A Multi-Modal Expenditure Plan:** Building broad support among voters in a diverse region will require a multi-modal expenditure plan that includes support for transit operations, capital projects to maintain our roads and a range of multi-modal investments that reflect both local and regional priorities. We believe there is a path toward a compelling multi-modal expenditure plan that is attractive to voters, supports and transforms transit and advances our region's climate goals.
- **A Viable Revenue Mechanism:** Sales tax has traditionally been used to fund transportation at the local level and, absent further polling, appears to be the only mechanism that may be viable with voters. While not yet ruling other options out, we believe that a sales tax is the likely revenue mechanism for a future regional measure.

Thank you for your ongoing efforts on this critical issue - we look forward to continuing to work with you and our partners to move this process forward.

Sincerely,

Alicia John-Baptiste

CEO, SPUR