Measure BB Victory: Strategies for a Successful Sales Tax Measure

A presentation by Alameda County Transportation Commission

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Patricia Reavey, Director of Finance and Administration

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Presentation Overview

I. Background on Alameda County Transportation Commission

II. Preparing for a Successful Educational Strategy

III. Building a Compelling Expenditure Plan

IV. Organizing and Delivering Appropriate Messaging

V. Questions
Alameda County

- Bay Area ranked 19th largest economy in the world*
- Alameda County – 7th largest county in state: 1.5 million people
- One of 20 Self-Help Counties
- Diverse geography—urban/rural
- Diverse economy
  - Manufacturing sector among most diversified in Northern California
  - County is a leading national research center: UC Berkeley, Lawrence Berkeley National Lab, Lawrence Livermore National Lab, and many biotech firms located near UC and labs; Northern Silicon Valley
  - Port of Oakland No. 5 in the U.S. and No. 20 in the world based on annual container traffic

*Source: Bay Area Council Economic Institute
Alameda CTC Background

- **Mission**: plan, fund and deliver projects and programs to expand access, improve mobility and foster a vibrant and livable Alameda County

- **Joint Powers Authority**: established in 2010 from merger of Alameda County Transportation Improvement Authority (ACTIA) and Alameda County Congestion Management Agency (ACCMA)

- **Governance**: Commission composed of 22 elected officials representing all County supervisorial districts, cities, BART and AC Transit

- **Budget**: annual capital and operating budget of $266M

- **Staff**: small and highly effective staff running a very efficient and streamlined agency
Alameda CTC At-A-Glance

- **Plan**: develops and coordinates short- and long-range transportation plans with local jurisdictions and regional agencies; develops transportation policies

- **Fund**: programs and allocates federal, state, regional, and local sales tax funding to transportation projects and programs in Alameda County

- **Deliver**: delivers major transportation capital projects and county programs
  - Implements and operates express lanes on I-580 and I-680 corridors
NOV 1986: Voters approved the original Measure B, a ½-cent transportation sales tax, creating Alameda County Transportation Authority (ACTA)

1991: Alameda County Congestion Management Agency (ACCMA) created by a joint-powers agreement between Alameda County and all its cities

APR 1987: Sales tax collection authorized by the original Measure B begins

2001: Peak revenue collection of $116.4M for original Measure B

2003: Collection low point of $92.7M following recession and “.com” economic decline

2001: Peak revenue collection of $116.4M for original Measure B

NOV 2000: 81.5% voter-approval of a 20-year, $1.4B extension of the transportation sales tax, creating the Alameda County Transportation Improvement Authority (ACTIA)

2002: Sales tax collection authorized by Measure B begins

2010: Alameda CTC created from the merger of ACTIA and ACCMA

APR 2012: 700 vote shortfall of the 2012 Measure B ballot initiative effort

NOV 2014: 70.76% voter-approval of Measure BB, an $8B transportation sales tax that augments 2000 Measure B ½-cent sales tax by an additional ½-cent (4/1/2015-3/31/2022) and extends to one-cent (4/1/2022-3/31/2045)

2014: Peak revenue collection of $127.1M for 2000 Measure B
Groundwork | Preparing a Successful Educational Strategy

• Education and engagement as part of ongoing relationship with the community
  ▪ Regular communication with the public and solicitation of public opinion
    ➢ Engagement of outside professionals/consultants
    ➢ Surveys
    ➢ Newsletters
    ➢ Town hall/open house meetings
    ➢ Articles in local online and print new outlets
• Ongoing relationship with community organizations that build support and momentum for public approval
  ▪ Chambers of commerce and local businesses
  ▪ Organizations that benefit from funds
    ➢ Trades
    ➢ Unions
    ➢ Transit operators
  ▪ Nonprofits
Leadership | PREPARING FOR A SUCCESSFUL EDUCATIONAL STRATEGY

• Ongoing relationship with local elected leaders as opinion leaders and influencers in the local community
  - County supervisors
  - Mayors
  - City council members
  - Local and regional commissions and boards
Accountability

Ensure financial stability/accountability

- Preparation of Comprehensive Annual Financial Report
  - 100% clean audits since the inception of Measure B
  - Independent Watchdog Committee reviews audited financial reports and other financial information

- Bond issuance
  - Engagement of outside professionals
    - Municipal advisors
    - Financial institutions
  - Rating strategy
    - Rating agencies - setting expectations
    - AAA credit ratings
  - Successful bond issuance, TIC 1.54%
    - Efficient project delivery
Alameda CTC’s Fundamental Credit Strengths

Diverse Economic Base
- Tax base is broad and diverse
- Strong wealth factors in the County

Strong Bond Structure
- Closed lien – No additional parity debt
- Sales tax revenues provide strong debt service coverage at 4.28x MADS
- Short amortization – 8-year final maturity
- Trustee intercept provides enhanced security

Security Features
- Transportation funding is a key driver for regional growth and quality of life in County
- 81.5% of County voters approved 2000 Measure B
- 27-year history of transportation sales tax collection

Essential Program and Clear Mandate
- Demonstrated success in implementing Commission policies
- Management team averages over 25 years of experience
- Demonstrated ability to manage through changing revenue forecasts and project readiness
- 94% of program delivered without bonding

Management Strength & Stability

Alameda CTC requests “AAA” ratings on its one and only issue of Measure B Sales Tax Revenue Bonds
Building a Compelling Expenditure Plan

- Involve broad base of stakeholders and elected officials in expenditure plan development
  - Be flexible to make changes that result in their support
  - People support what they help create
- Craft a balanced plan that meets diverse needs and can pass voter threshold (66.67% required in CA)
  - Differences between the 2012 and 2014 Transportation Expenditure Plan
    - Sunset date (included in 2014 Plan)
    - Increased accountability language
Organizing and Delivering Appropriate Messaging

• Preparing diverse messaging for diverse constituent groups
  ▪ Direct beneficiaries vs. indirect beneficiaries
  ▪ Tailor message to different categories of voters
  ▪ How to test messages to ensure they resonate

• Responding to naysayers
  ▪ Listen to arguments
  ▪ Patiently reiterate facts and support data
  ▪ Dispel myths and misconceptions
Tools for Organizing and Delivering Appropriate Messaging

- Use of local media and community groups
  - Public and website endorsements
  - Publication of articles/ commentary supporting need for local measure
- Return on investment

2014 Transportation Expenditure Plan Return on Investment

Alameda County’s 2014 Transportation Expenditure Plan lays out investments of almost $8 billion over 30 years to increase mobility, relieve congestion, and upgrade technology. Plan objectives include:
- Expand and improve transit services, including BART, buses, and ferries
- Keep fares affordable for seniors, youth, and people with disabilities
- Provide traffic relief with road maintenance, upgrades, and new technology
- Improve air quality and clean transportation with pedestrian, bicycle, and transit infrastructure
- Create jobs in Alameda County through local contracting and well-functioning transportation systems

$8B plan supports $20B economic activity creating nearly 150,000 jobs
Tools for Organizing and Delivering Appropriate Messaging

- **Your website as an advocacy tool**
  - Prominent placement of information
  - Simple communication of issue and need
  - How funds will be used/community and regional benefits
  - Accountability
Measure BB Approved by 70.76%

- Measure BB benefits
  - Expand BART, bus and commuter rail for reliable, safe and fast services
  - Keep fares affordable for seniors, youth and people with disabilities
  - Provide traffic relief
  - Improve air quality and provide clean transportation
  - Create good jobs within Alameda County

- Direct local funds distributed to cities and transit agencies beginning summer 2015
  - Funding nearly doubles due to Measure BB
## Measure BB Expenditure Plan Summary

<table>
<thead>
<tr>
<th>Summary of Investments (2015-2045)</th>
<th>Funds Allocation (in $million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public Transit</td>
<td>$ 1,758</td>
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<tr>
<td>Local Streets and Roads Projects</td>
<td>$ 2,431</td>
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<tr>
<td>BART</td>
<td>$ 710</td>
</tr>
<tr>
<td>School Transit / Innovative Grant Funds</td>
<td>$ 198</td>
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<tr>
<td>Special Transportation for Seniors</td>
<td>$ 816</td>
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<tr>
<td>Rapid Bus Projects</td>
<td>$ 35</td>
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<tr>
<td>Highway Projects</td>
<td>$ 682</td>
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<tr>
<td>Bicycle and Pedestrian</td>
<td>$ 672</td>
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<tr>
<td>Regional Commuter Rail Improvements Projects</td>
<td>$ 355</td>
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<tr>
<td>Local Community Investments</td>
<td>$ 326</td>
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<tr>
<td>Transportation Technology</td>
<td>$ 82</td>
</tr>
<tr>
<td><strong>Total Investments</strong></td>
<td><strong>$ 8,064</strong></td>
</tr>
</tbody>
</table>
Measure BB Capital Projects and Programs

Other projects/programs not shown:
- Affordable Student Transit Pass Program
- Affordable Transit for Seniors and People with Disabilities/Coordination Service Grants
- BART Station Modernization and Capacity Program
- Railroad Corridor Right of Way Preservation and Track Improvements
- Capitol Corridor Service Expansion
- Congestion Relief, Local Bridge Seismic Safety
- Countywide Freight Corridors
- I-580 Local Interchange Improvement Program
- I-880 Local Access and Safety Improvements
- Gap Closures on Three Major Trails
- Community Investments that Improve Transit Connections to Jobs and Schools

FY2015-16 through FY2016-17
Thank you

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(Biographies follow this slide)
Tess Lengyel is the Deputy Director of Planning and Policy for Alameda County Transportation Commission (Alameda CTC) with over 25 years of transportation related experience. Ms. Lengyel directs all short and long-range transportation planning for Alameda County which provides the foundation for transportation funding decisions made by the Alameda CTC. She is also responsible for policy, legislation and government and community relations at Alameda CTC. She was a key participant in the passage of the 2000 transportation sales tax measure that garnered 81.5% voter support for a 20 year measure. She was also the project manager and lead on the development and approvals for the 2014 Transportation Expenditure Plan, an $8 billion, 30-year plan, approved by 70.76% of voters in November 2014. Prior to joining Alameda CTC, Ms. Lengyel served as a programs and public affairs manager for the Alameda County Transportation Improvement Authority (ACTIA). She was responsible for developing and implementing the transit, local streets/roads, paratransit, transit oriented development and bicycle and pedestrian programs and grants at ACTIA. She managed four community advisory committees at ACTIA that provided direct recommendations to the Board for grant funding, and government and community relations.

Prior to ACTIA, Ms. Lengyel worked for an international engineering firm delivering transportation projects throughout the Bay Area and for the Santa Cruz County Planning Department. Ms. Lengyel holds a bachelor’s degree in planning and policy/environmental studies, and is Chair of the International Women’s Transportation Seminar Leadership Program and a member of TRB.
Patricia Reavey has been the Director of Finance and Administration for Alameda CTC since December 2010. In 2014, she was instrumental in a successful issuance of $137.1 million of sales tax revenue bonds at a true interest cost of 1.5 percent and in obtaining AAA ratings from both Standard and Poor’s Rating Services and Fitch Ratings. Ms. Reavey brings over 27 years of finance related experience to Alameda CTC. She came to Alameda CTC from the San Mateo County Transit District (SamTrans), Peninsula Corridor Joint Powers Board (Caltrain) and the San Mateo County Transportation Authority (SMCTA) where she served as the Director of Finance since December 2005. She was a member of the San Mateo County Investment Pool Oversight Committee until she resigned when coming to Alameda CTC. Her public sector career began in April, 2002 working for SamTrans where she was promoted to Director of Finance by December 2005. Prior to her career in the public sector, she worked in finance for a private firm in downtown San Francisco for 14 years ultimately resigning from Dresdner Kleinwort Wasserstein as Controller and Vice President. Ms. Reavey is a licensed CPA in the State of California.

The rating agency presentation is available at: