

# 2019 Prop K Strategic Plan Baseline

## Board Agenda Item 8



**SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY**

**May 08, 2018**

# 2019 Strategic Plan Baseline Presentation Overview



- ▶ **2019 Strategic Plan/5YPP Update**
  - ▶ Why is it important?
  - ▶ What is the process?
  
- ▶ **2019 Strategic Plan Baseline**
  - ▶ True-up revenues and expenditures
  - ▶ Update revenue forecast and debt assumptions
  - ▶ Update Strategic Plan Policies
  - ▶ Update 5-year project delivery plan for Major Capital Projects & Paratransit



# 2019 Strategic Plan/5YPP Update

## Why is it important? Why now?



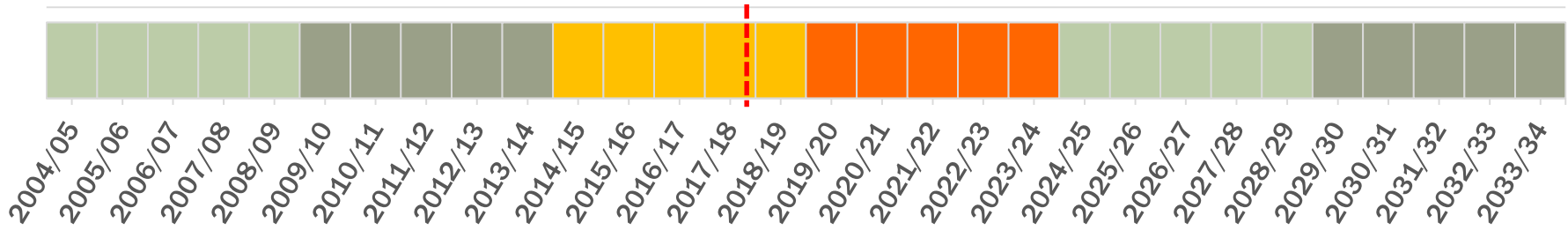
- ▶ Determines which projects will receive funding over next five years
- ▶ Respond to current context
  - ▶ Board interests, agency priorities, changing funding landscape
- ▶ Helps ensure funds are available to support project delivery
- ▶ Support transparency and accountability
  - ▶ Board, sponsor, public engagement
- ▶ Needed now to program funds for 5-year period starting July 1, 2019

30-Year Prop K  
Expenditure Plan

2009 SP/5YPP  
Update

2014 SP/5YPP  
Update

2019 SP/5YPP  
Update



Current 5-Year Period

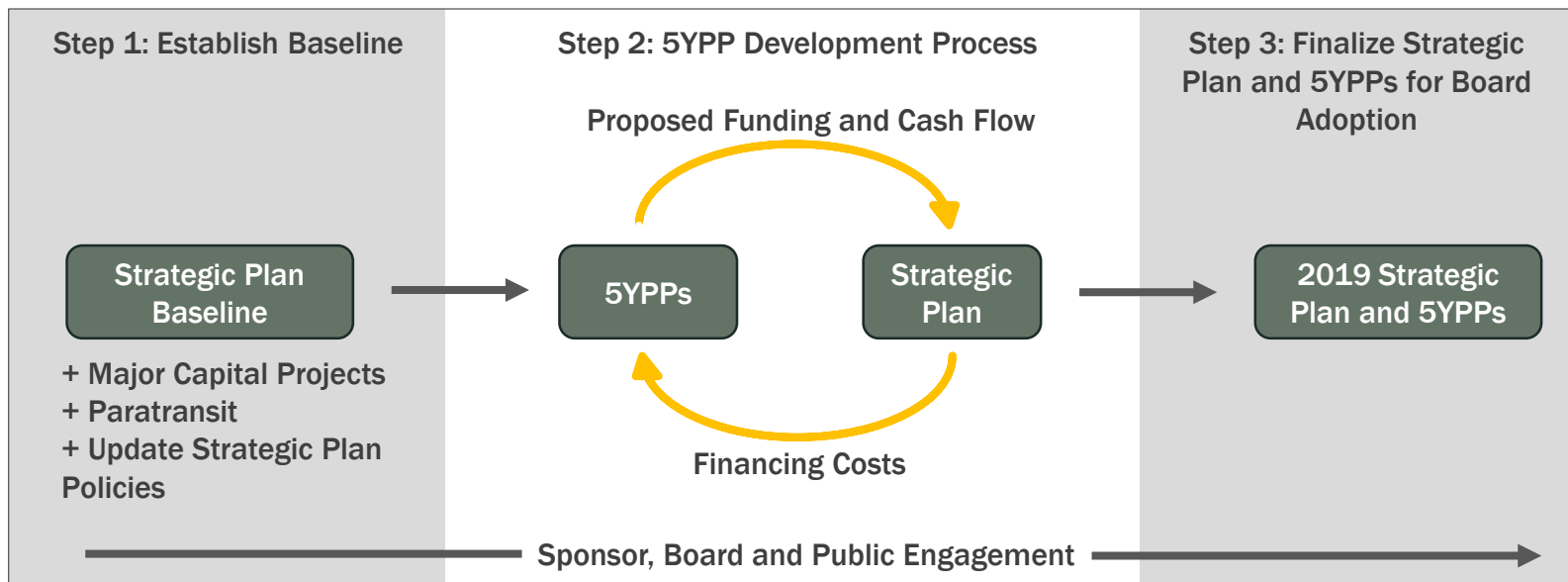
2019 SP/5YPP Update

# 2019 Strategic Plan/5YPP Update

## What is the process?



- ▶ Iterative process requiring extensive communication between SFCTA and project sponsors
- ▶ Strategic Plan and 5YPPs evolve in parallel and are closely coordinated



# 2019 Strategic Plan/5YPP Update

## Step 1: Establish Strategic Plan Baseline



**For each Expenditure Plan category, the Strategic Plan Baseline determines how much Prop K funds are available by year through 2034.**

Step 1: Establish Baseline

Strategic Plan  
Baseline



- ▶ True-up to incorporate actual revenues and expenditures since 2014 Strategic Plan update
- ▶ Update revenue forecast and debt assumptions
- ▶ Update Strategic Plan Policies
- ▶ Update funding plan and project delivery plan for Major Capital Projects and Paratransit

# Components of the Strategic Plan



**POLICIES**

**REVENUES**

**EXPENDITURES**

**Sales Tax**

**Investment Income**

**Operating Expenditures**

**Capital Reserve**

**Project Costs**

**Financing Costs**

# 2019 Prop K Strategic Plan Baseline

## Prop K Policies



- ▶ Provides guidance to both Transportation Authority staff and project sponsors for program administration
- ▶ 2019: Minor updates for clarity purposes

### **Strategic Plan Guiding Principles:**

1. Optimize leveraging of sales tax funds
2. Support timely and cost-effective project delivery
3. Maximize cost effectiveness of financing

# Components of the Strategic Plan



**POLICIES**

**REVENUES**

**EXPENDITURES**

**Sales Tax**

Operating Expenditures

Capital Reserve

Project Costs

**Investment Income**

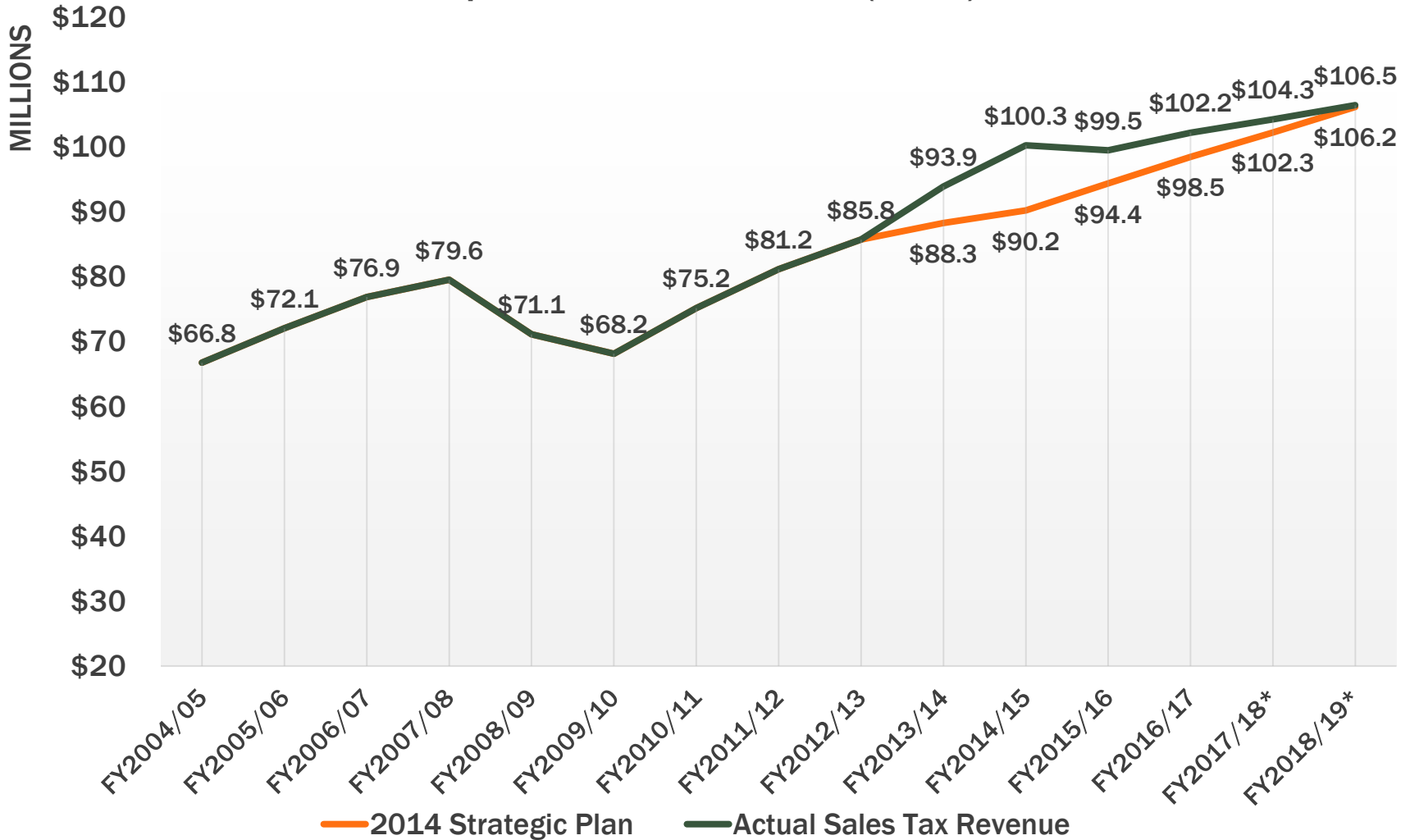
Financing Costs



# 2019 Strategic Plan Baseline Revenues



Prop K Sales Tax Revenue (YOE\$)

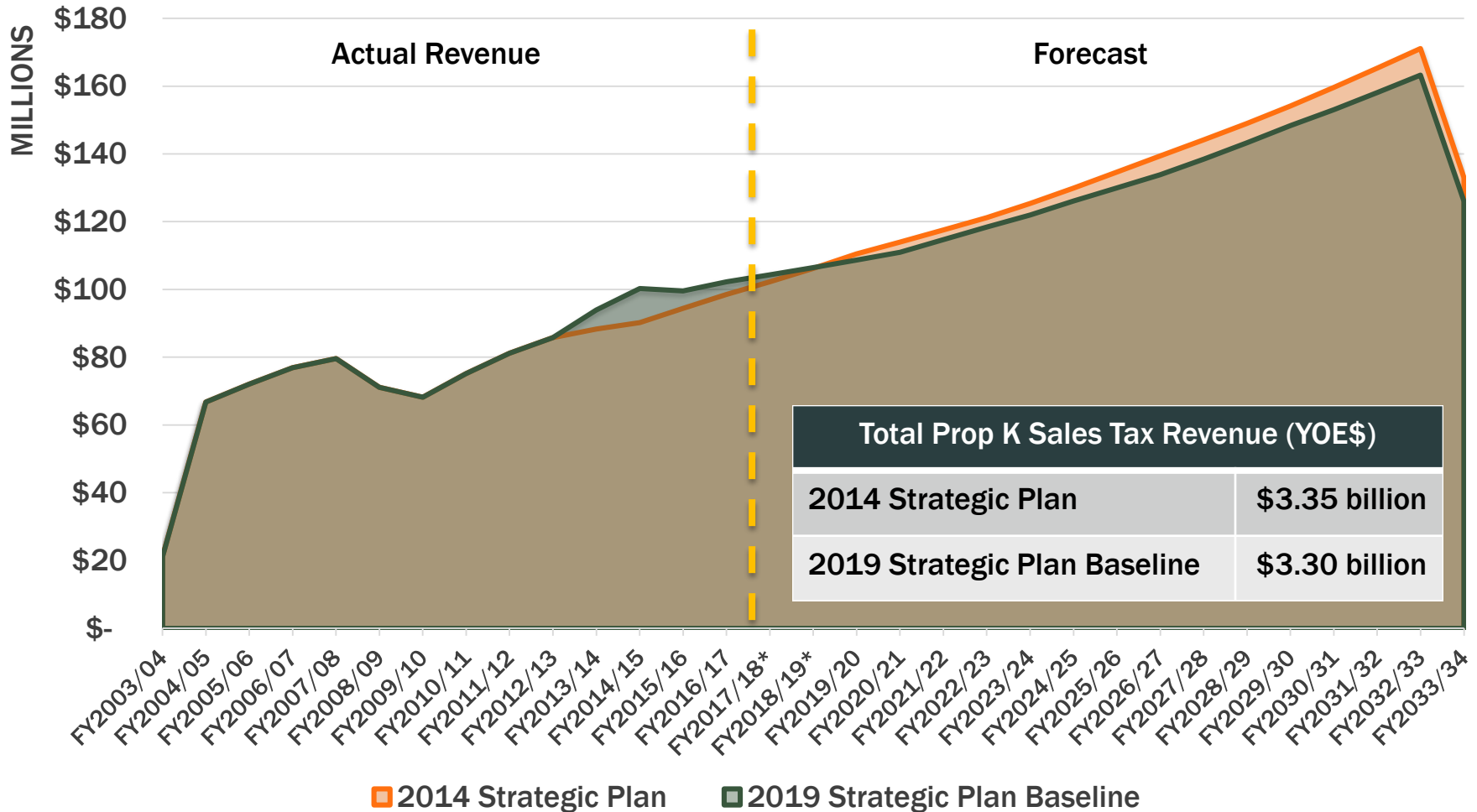


\* Sales tax revenue for Fiscal Years 2017/18 and 2018/19 are projections

# 2019 Strategic Plan Baseline Revenues



Prop K Sales Tax Revenue (YOE\$)



# Components of the Strategic Plan



**POLICIES**

**REVENUES**

**EXPENDITURES**

Sales Tax

Operating Expenditures

Capital Reserve

Project Costs

Interest Income

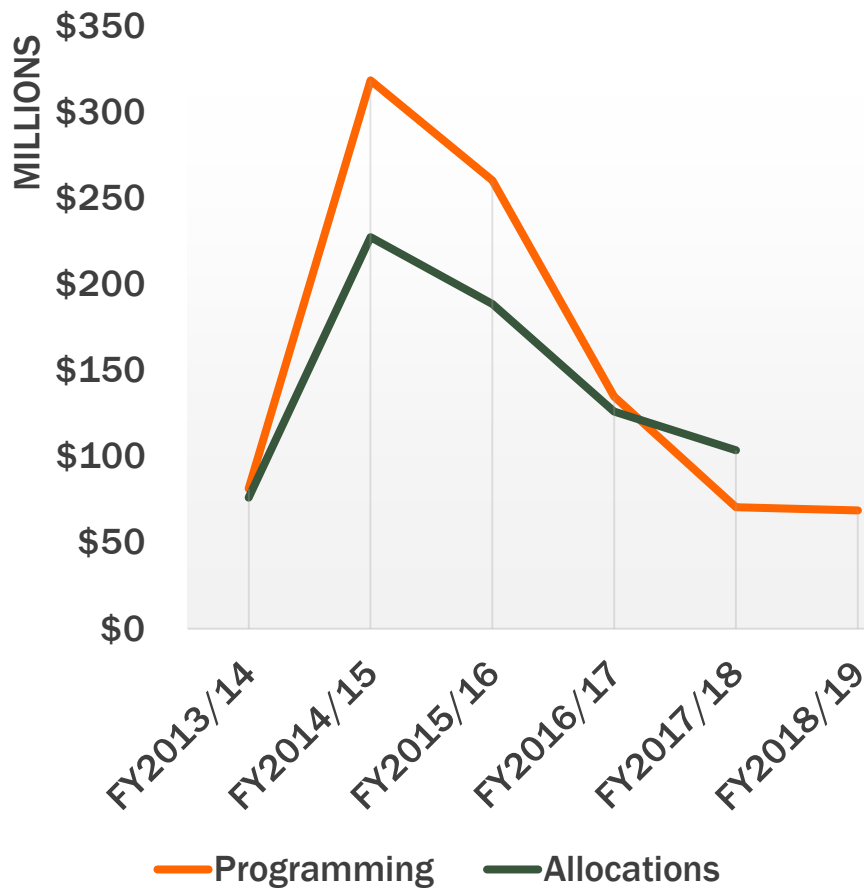
Financing Costs

# 2014 Strategic Plan Update

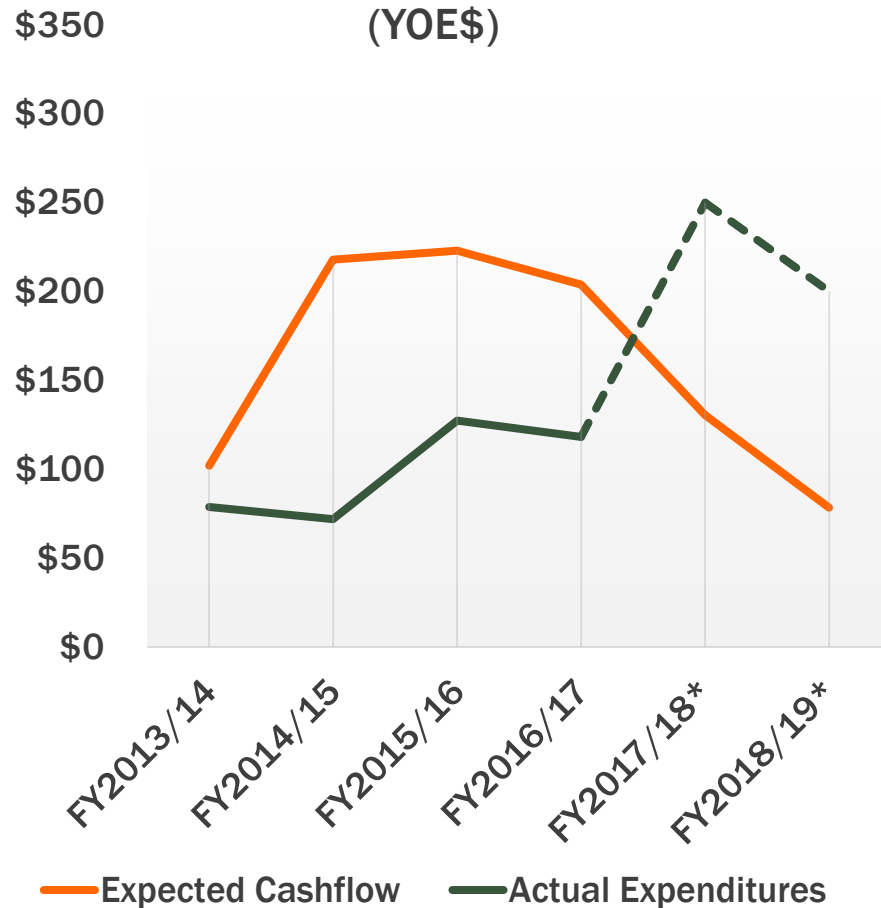
## Project Costs



Programming vs Allocations (YOE\$)



Expected vs Actual Expenditures (YOE\$)



\* Allocations as of April 24, 2018 Board Meeting

\* Expenditures for Fiscal Years 2017/18 and 2018/19 are projections

# 2019 Strategic Plan Baseline Revenues and Expenditures Comparison



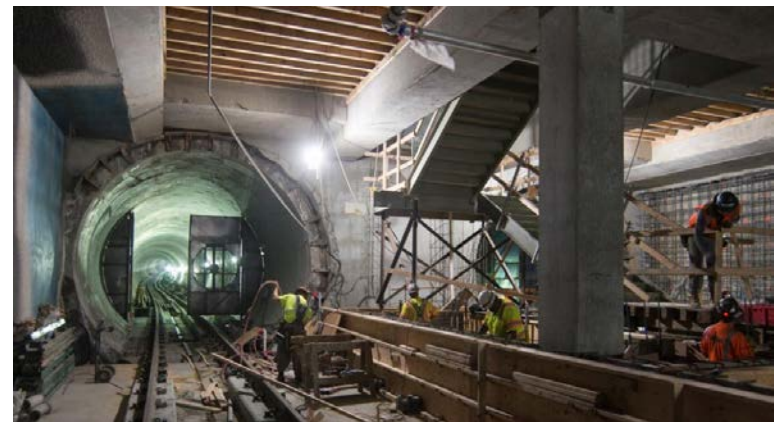
Revenues (YOE\$)	2019 Strategic Plan Baseline	2014 Strategic Plan	Δ
Sales Tax Revenue	\$ 3,299.7	\$ 3,346.4	\$ -46.7
Investment Income	\$ 45.3	\$ 80.7	\$ -35.4
Loans	\$ 19.6	\$ 19.6	
Long Term Bond Proceeds	\$ 557.4	\$ 676.2	\$ -118.8
<b>TOTAL</b>	<b>\$ 3,922.0</b>	<b>\$ 4,122.9</b>	<b>\$ -200.9</b>

Expenditures (YOE\$)	2019 Strategic Plan Baseline	2014 Strategic Plan	Δ
Program Administration	\$ 194.5	\$ 196.0	\$ -1.5
Loans	\$ 19.0	\$ 19.0	
Funds Available for Projects	\$ 2,584.9	\$ 2,529.6	\$ 55.3
Financing Costs	\$ 277.7	\$ 295.7	\$ -17.9
Capital Reserve	\$ 288.4	\$ 406.4	\$ -118.0
Long Term Bond Debt Service	\$ 557.4	\$ 676.2	\$ -118.8
<b>TOTAL</b>	<b>\$ 3,922.0</b>	<b>\$ 4,122.9</b>	<b>\$ -200.9</b>

# 2019 Strategic Plan Baseline Major Capital Projects & Paratransit



- ▶ **Central Subway**
- ▶ **Caltrain Modernization  
(Electrification and Positive  
Train Control)**
- ▶ **Presidio Parkway**
- ▶ **Transbay Transit Center /  
Caltrain Downtown Extension**
- ▶ **Paratransit**



# 2019 Strategic Plan/5YPP Update Schedule



Board adopts Strategic Plan/5YPP Update Approach

## Step 1: Establish Strategic Plan Baseline

Revenue and Debt Projections

Update Prop K Policies

Major Capital Projects and Paratransit

True-up Actual Revenues and Expenditures

Board Adoption of Strategic Plan Baseline

## Step 2: 5YPP Development Process

SFCTA Releases 5YPP Guidance

SFCTA and Sponsors prepare Prioritization Criteria

Sponsors prepare Project Information Forms (PIFs),  
Program of Projects and Scoring Tables

SFCTA Reviews PIFs, Program of Projects and Scoring Tables

## Step 3: Finalize Strategic Plan and 5YPPs for Board Adoption

Assess 5YPPs as a whole, establish financing needs, finalize draft 5YPP documents

Board Adopts 5YPPs Part 1

Board Adopts 5YPPs Part 2 and Final Strategic Plan

Sponsor, Board and Public Engagement



Questions?



SAN FRANCISCO COUNTY TRANSPORTATION AUTHORITY