



DRAFT MINUTES

FINANCE COMMITTEE

Tuesday, February 10, 2015

1. Roll Call

Chair Avalos called the meeting to order at 11:34 a.m.

Present at Roll Call: Commissioners Avalos, Campos, Cohen and Kim (4)

Absent at Roll Call: Commissioner Mar (entered during Item 4) (1)

Consent Calendar

2. Approve the Minutes of the January 13, 2015 Meeting – ACTION

3. Internal Accounting and Investment Report for the Six Months Ended December 31, 2014 – INFORMATION

There was no public comment.

The minutes were approved without objection by the following vote:

Ayes: Commissioners Avalos, Campos, Cohen and Kim (4)

Absent: Commissioner Mar (1)

End of Consent Calendar

4. State and Federal Legislative Update – ACTION

Mark Watts, State Legislative Advocate for the Transportation Authority, presented the item.

Mr. Watts reported that Assembly Bill (AB) 194 (Frazier) was introduced at the request of the Self-Help Counties Coalition to restore authority for state and regional transportation agencies (the Metropolitan Transportation Commission (MTC) for the Bay Area) to implement high-occupancy toll (HOT) lanes. He said that a similar bill failed last year because the Chair of the Transportation Committee disliked tolling. He stated that he was working with staff to play a role in supporting the bill while seeking amendments to strengthen the role of the Transportation Authority in implementation.

Commissioner Kim asked how the bill would impact HOT lanes in the Bay Area. Mr. Watts responded that the bill authorized MTC to be able to request that the California Transportation Commission grant permission for it to implement toll lanes.

Commissioner Kim asked if the proposal was for new HOT lanes or increased tolls. Mr. Watts replied that the bill authorized conversion of high-occupancy vehicle lanes (e.g. carpool lanes with no tolls) to HOT lanes. Tilly Chang, Executive Director, commented that there were already HOT lanes in the South Bay. She stated that in San Francisco there were no carpool lanes so that would have to happen prior to implementing HOT lanes. She said the

Transportation Authority's Freeway Corridor Management Study would look at carpool lanes on the Bay Bridge, US 101, and I-280.

Commissioner Kim suggested that HOT lanes could pair with congestion pricing in the downtown. She asked if discretion to implement priced facilities would increase through MTC. Ms. Chang responded that implementing HOT lanes would require strong partnership among the California Department of Transportation, MTC, and local stakeholders. Commissioner Kim remarked that the proposal should be looked at through the lens of South of Market congestion. Ms. Chang added that San Mateo and Santa Clara counties had expressed interest in continuous High-Occupancy Vehicle (HOV) corridors.

Mr. Watts stated that Assembly Speaker Toni Atkins released a plan to supplement state highway repair funding with redirected weight fees and a new user fee. He reported that the proposal would raise approximately two billion per year for transportation and that the General Fund would be held harmless with respect to debt service on transportation bonds.

Commissioner Campos noted that AB 61 would allow private shuttles to use bus stops like school buses do, and said he was very concerned about the bill. He asked if the bill would supersede the pilot San Francisco was already doing. Mr. Watts replied that the bill would not replace the pilot and that the use of bus stops for shuttles would only happen on a voluntary basis.

Commissioner Campos moved to amend the item to change the position on AB 61 from watch to oppose, seconded by Commissioner Mar.

Chair Avalos asked if the proposed language would prevent local control over whether or not to charge a fee for use. Mr. Watts responded that the bill provided no direction on fees. He said he had been talking with the author's office and the bill would probably have a hearing in late March.

Commissioner Campos stated that his main problem was with the privatization of public space without payment. He commented that he had the same problem with the pilot in San Francisco.

Mr. Watts continued with his presentation, noting that the Governor's budget highlighted the need for transportation infrastructure funding and he was participating in a working group that was looking at the issue.

Commissioner Avalos noted that he was waiting for the federal government to follow the state in its support of infrastructure.

Commissioner Kim asked for more information on AB 24, a bill that would establish liability requirements for transportation network companies (TNCs). Mr. Watts responded that the bill was still in its preliminary phase and there would be new language soon. Commissioner Kim said she was very interested in the topic since a TNC driver killed a resident last year and insurance issues were important.

Ms. Chang noted that two other items on the legislative horizon were driverless vehicle regulations and statewide California Environmental Quality Act reform. She reported that Secretary of Transportation Anthony Foxx spoke at Google about the state of the nation's transportation system which was facing a crisis due to underinvestment. She said that he put out a call to begin a national dialogue since the Federal Highway Trust Fund was in the red. She stated that 70 percent of the nation's population in 2030 would be in urban areas, where the transportation systems were oldest and most in need of repair. She proposed that state revenue

efforts, including cap and trade and the proposed road usage charge, were not enough to cover the demand. She mentioned that Secretary Foxx wanted to partner on transit and active transportation projects but did not reference his intent to provide additional funding.

There was no public comment.

The amendment to the item was approved by the following vote:

Ayes: Commissioners Avalos, Campos, Cohen, Kim and Mar (5)

The amended item was approved without objection by the following vote:

Ayes: Commissioners Avalos, Campos, Cohen, Kim and Mar (5)

5. State Road Usage Charge Pilot Program Update – INFORMATION

Amber Crabbe, Assistant Deputy Director for Policy and Programming, presented the item per the staff memorandum.

Commissioner Mar asked for more information on the technology used and whether drivers had to accept global positioning software (GPS) that tracked the cars' location. Ms. Crabbe responded that there were a range of options provided in Oregon including self-reporting, a flat monthly fee, less invasive tracking devices that don't record where people drive but just how much, and the more invasive GPS tracking. She stated that in Oregon the fee structure was set up so that the less invasive the tracking mechanism the more the user was likely to pay.

Commissioner Kim asked why there were two bars for every year on slide nine of the presentation. Ms. Crabbe replied that the first bar was for the model year and the second bar was for the total fleet.

Commissioner Kim said she was glad to see that electric vehicles were projected to make up a large portion of the fleet of vehicles in the future. She stated that the rationale of moving to the road usage charge over the gas tax made sense but she was worried about imposing disincentives for those considering purchasing an electric vehicle. Ms. Crabbe said that drivers of electric vehicles were still saving a lot of money by not having to purchase gasoline and that the road usage charge would be small compared to that overall savings.

Commissioner Campos stated that not all gasoline powered vehicles were the same and asked if there was a way to capture differences between, a compact car and a large truck for example. Ms. Crabbe said that trucks were already charged under a different system than passenger vehicles and that the pilot program was just considering passenger vehicles. She stated that in Germany and New Zealand there were road usage charges for heavy duty vehicles. Commissioner Campos asked if there were other methods being considered and commented that the road usage charge seemed regressive. Ms. Crabbe responded that many other revenue options were being considered all over the world but that the road usage charge was the most forward thinking option she had seen. She added that the road usage charge may not be as regressive as it seemed since older, low-cost, low-efficiency vehicles were paying more than their fair share of gas tax and would see a reduction in cost under a road usage charge.

Commissioner Mar asked for data on the increase of electric vehicles and wanted to know how it would impact a city like San Francisco. Ms. Crabbe said she had not seen data on the impact of electric cars on San Francisco but she could look into it and respond later.

Chair Avalos asked if the city could implement its own vehicle miles traveled system. Ms. Crabbe responded that such a system would require state authorization. Chair Avalos asked if the Transportation Authority would need state authorization for congestion pricing. Ms. Crabbe replied in the affirmative.

There was no public comment.

6. Introduction of New Items

There was no public comment.

7. Public Comment

There was no public comment.

8. Adjournment

The meeting was adjourned at 12:11 p.m.