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Local Option Taxes and the New Subregionalism in Transportation Planning

by

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Fall 2003

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by

Todd Mitchel Goldman

Abstract

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Doctor of Philosophy in City and Regional Planning

University of California, Berkeley

Professor Elizabeth A. Deakin, Chair

This dissertation examines the planning processes for new local option transportation taxes. Typically, these are temporary, voter-approved, single-county sales taxes linked to legally binding expenditure plans. In many states, they increasingly dominate transportation planning and finance. Because they bypass the federally-mandated metropolitan planning process, they appear to place at risk important policy goals (e.g. reducing air pollution) that it is intended to address. Yet they can also create opportunities for innovation by empowering interest groups and policy entrepreneurs to play more direct roles in transportation decision-making. Despite the taxes' growing importance, their planning – the choice of projects and programs to be funded, and the decision processes used – remain poorly understood.

This study traces the formulation of four transportation tax expenditure plans enacted in the San Francisco Bay Area between 1984 and 2000, from the time they were first proposed to the time they won voter approval. Detailed histories of the four planning

efforts were developed using key informant interviews and review and analysis of newspaper archives, public records, and other contemporary documentation. Each case examines the nature and degree of participation by various stakeholder groups, sources of funding and political support, the consideration of alternative policy objectives and other ongoing planning processes, and how decisions were ultimately made.

The four cases display a diverse range of planning styles and policy priorities. The taxes clearly created a potential for business and real estate interests to win voter approval for a slate of projects that supported their private objectives rather than public ones. But the need for voter approval also empowered organized minority interests (such as environmental, public transit, and social justice advocacy groups) to demand a role in the process and create more balanced outcomes. Also significant was these planning efforts' demonstrated potential to codify innovative policy approaches, such as growth management and congestion pricing, that the metropolitan planning organization had not been able or willing, to enact on its own.

Overall, these processes exhibit at a subregional level elements of the “new regionalism” – a convergence of new policy goals and collaborative governance styles that has largely not been observed within metropolitan transportation planning.

Dedication.

For my family (which has grown by a Matthew today).

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List of Abbreviations.

ACE	Altamont Commuter Express – New commuter rail line linking the Central Valley with Alameda County and San José.
ACTA	Alameda County Transportation Authority – Agency established under the original Measure B (1986) to oversee implementation of its expenditure plan.
ACTAC	Alameda County Transportation Advisory Committee – Advisory group to ACTA consisting of the technical staff of agencies receiving Measure B funds, including the county, cities, transit operators, and Caltrans.
ACTC	Alameda Countywide Transportation Committee – Established in 1986 to develop formal proposal for first Measure B.
ACTIA	Alameda County Transportation Improvement Authority – Agency established under the new Measure B (2000) to oversee implementation of its expenditure plan.
ANG	Alameda Newspaper Group – Publishers of the <i>Oakland Tribune</i> and numerous other papers.
BART	Bay Area Rapid Transit.
BATLUC	Bay Area Transportation and Land Use Coalition – Umbrella organization for grassroots environmental, transit, and social justice groups working on Measure B authorization.
BOSS	Building Opportunities for Self-Sufficiency – Oakland-based social justice advocacy group.
CAPP	Citizens Alliance for Public Planning – sponsors of a series of strict local growth control ballot measures in Alameda and Contra Costa counties in the late 1990s.
CCTA	Contra Costa Transportation Authority – Administers the Measure C sales tax and serves as the county’s CMA.
CMA	Congestion Management Agency – Countywide transportation planning bodies established pursuant to Proposition 111.
DOT	State Department of Transportation.
EBBC	East Bay Bicycle Coalition.
EDF	Environmental Defense Fund.

EPDC	Measure B Reauthorization Expenditure Plan Development Committee.
HOT lane	High occupancy toll lane – An HOV facility which single-occupant vehicles may elect to access for a fee.
HOV lane	High occupancy vehicle lane – A travel lane open only to vehicles with two or more (or three or more) occupants.
ISTEA	Intermodal Surface Transportation Efficiency Act (1991) – Federal law governing the planning and use of federal transportation funds, reauthorized by TEA-21 in 1997.
LAVTA	Livermore-Amador Valley Transit Authority.
LOTT	Local option transportation tax.
MPO	Metropolitan planning organization, designated under federal law to coordinate transportation funding decisions at the regional level.
MTC	Metropolitan Transportation Commission, MPO for the San Francisco Bay Area.
NEPA	National Environmental Policy Act (1969).
OMB	White House Office of Management and Budget.
PUC	Public Utilities Code.
RCIP	Riverside County Integrated Project.
ROW	Right-of-way.
RTPC	Regional Transportation Planning Committee – Sub-county transportation planning and coordination entities in Contra Costa County.
SC	Measure B Reauthorization Steering Committee.
SOV	Single-occupant vehicle.
TAC	Transportation Advisory Committee – Developed 1986 Contra Costa expenditure plan proposal.
TAP	Transportation Alternatives Plan - Measure B funding plan proposed by BATLUC.
TEA-21	Transportation Equity Act for the 21 st Century (1997) – Successor legislation to ISTEA.
TSM	Transportation systems management.

TVTC	Tri-Valley Transportation Council, a bi-county transportation planning group.
US ACIR	U.S. Advisory Commission on Intergovernmental Relations.
VTA	Santa Clara Valley Transportation Authority.

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1. About This Study.

“The rage for road building is beneficent for America... inasmuch as the great political promise of the invention is to hold the Union staunch, whose days already seem numbered by the mere inconvenience of transporting representatives, judges and officers across such tedious distances of land and water.”

— Ralph Waldo Emerson¹

“All politics is local.”

— Thomas P. O’Neill, Jr.

1.1. Introduction.

Local direct democracy is increasingly changing the character of transportation funding and decision-making in the United States. But while voters’ verdicts on transportation initiatives have gathered significant attention – particularly from the media and from consulting firms looking to help clients improve their chances at the ballot box – the processes by which these proposals are developed and placed on the ballot have largely been neglected. This study attempts to illuminate this gap by closely examining the development of expenditure plans for four local transportation sales taxes.

-

Transportation and politics have always been intertwined in America. As noted by Ralph Waldo Emerson, transportation improvements were important for the economic and political coalescence of the young nation from its many widely dispersed settlements. Today, transportation’s role in the nation’s political life remains as strong as ever.

Yet even in Emerson’s day, transportation investment was understood to create winners and losers, and thus was an object of political debate as well. A town’s economic viability could depend on its accessibility to key routes of travel, so decisions that could influence these investments were of great political importance. Today, local interests still push for transportation investments to promote economic growth, and transportation often ranks among the public’s top local policy concerns. One of the primary ways elected officials can deliver visible results to their constituents is by earmarking funds for popular transportation projects. Meanwhile, development interests are among the most prolific political donors at the state and local levels. Fortunes are made as a result of the government’s transportation investments, and smaller fortunes are plowed back into the political system to ensure that these investments continue.

¹ Speech, February 7, 1844, at the Mercantile Library Association, Boston, Massachusetts (Columbia World of Quotations, 1996).

Despite these intrinsic relationships between transportation and politics, or perhaps because of them, many efforts have been made to shield the transportation policymaking system from the vagaries of politics. Transit services, port operations, and bridge and highway operations are typically conducted by quasi-independent agencies and authorities rather than elected governments themselves. In many states, highway financing decisions are made by commissions that operate independently from the agencies that implement the plans. The metropolitan transportation planning process itself is designed to emphasize rational policy objectives over the exercise of raw political power. Politics, of course, remains central to all of these transportation activities, but the structures of these agencies and commissions act as buffers against the instability and potential corruptibility of direct political control.

This research examines an approach to policymaking that opens the door to a wider role for politics in transportation decision-making. In dozens of metropolitan regions around the country, new transportation planning initiatives have emerged from the private sector or public-private cooperation. Many of these have been successful in winning voter approval for new taxes and the establishment of new transportation authorities dedicated to the implementation of their transportation investment agendas.

In California and many other western states, these local taxation and expenditure initiatives have become a dominant part of the transportation planning landscape. This study describes this phenomenon and explains its significance.

1.2. Background.

Governments in the United States raise and spend over \$100 billion each year to provide and maintain streets, highways, and public transit services. Decisions about spending these funds are made within a vast and complex network of governmental agencies at the local, regional, state, and national levels.

This intricate apparatus has traditionally had two distinct spheres. The first and older realm of transportation governance is a collection of locally-funded institutions and endeavors. Some of these, including toll authorities and port authorities, have long been able to self-finance major capital investments through use fee revenues. Municipal governments have also traditionally accounted for a large share of public spending on transportation, relying on property tax revenues (and more recently, developer fees) to build and maintain local streets and roads. Transit has also become a public sector endeavor, supported by dedicated local taxes and annual subsidies, as well as by passenger fares. This group of institutions tends to generate most of its funding locally, focuses on a narrow range of activities, and does not generally engage in large-scale multimodal transportation planning.

The second sphere is the intergovernmental system that became dominant after World War II and built much of the nation's highway network. This system is built on two key innovations in public administration: the adoption of state and federal gasoline taxes to serve as user fees to fund road investment, and the establishment of trust funds to prevent the diversion of these revenues. The planning and administration of this system is carried

out by an assortment of public agencies, including state departments of transportation (DOTs) and metropolitan planning organizations (MPOs), all of which compete and coexist in a world shaped by rules and funding cascading down from higher levels of government. These large, enduring organizations were created in part to minimize the influence of politics on day-to-day decision-making by undertaking a continuing planning and policy process. Over the years, they have accumulated a wide range of policy mandates: spurring economic growth, improving transportation system efficiency and reliability, reducing social and economic inequities, protecting the environment, and coordinating across multiple geographic scales. The priorities, planning styles, and effectiveness of DOTs and MPOs have tended to dominate transportation policy debates and scholarship.

But the fiscal crises of the 1970s led local governments to pursue greater fiscal autonomy in the transportation sector. The inflation ignited by global oil price shocks led consumers to cut spending, leading to job losses and further cuts in consumption. As a result, virtually all of local government's traditional revenue sources began to fail, even as the costs of infrastructure maintenance and construction were rising precipitously. Reduced consumption shrank sales tax revenues generally, and gasoline taxes revenues in particular; rising interest rates made bonds prohibitively expensive. Meanwhile, voters in many states rebelled against sharply rising taxes. In 1978, California voters passed Proposition 13, which rolled back and capped property taxes, and placed severe restrictions on the adoption of other taxes by local governments. The resulting fiscal turmoil and backlog of infrastructure demands left local governments reeling well into the 1980s. These forces had tremendous impacts on transportation infrastructure development in the state (Jones, 1989; Taylor, 1995, 2000).

Public frustration with what it perceived to be inadequate state and federal help with worsening congestion and decaying infrastructure led to a growing willingness among local officials to talk openly about the need for new revenue sources. Whereas state legislatures were reluctant to pursue major increases in gasoline taxes, some were willing to authorize local areas to increase taxes on their own.

The result has been a largely unheralded emergence of local option taxes as a key tool for financing the development of new transportation infrastructure and services in many U.S. metropolitan areas (Goldman and Wachs, 2003). This has had significant implications for transportation planning. In these areas, decisions about major new transportation investments have moved away from the formalized, regulated planning efforts of the MPOs, to a more dynamic, freewheeling realm governed by elected officials, interest groups, policy entrepreneurs, and the electorate. This has had both advantages and disadvantages for the quality of the resulting plans, their degree of innovation, and the values they embody.

Local option transportation tax policies take many forms. California's model typifies that found in many western states:

- Strict rules regarding the type, rate, and duration of the tax that may be adopted (typically a half-percent sales tax lasting 10-20 years).

- Few constraints on the contents of the expenditure plan (no pre-existing earmarks or categorical programs).
- Strong accountability requirements (e.g. the expenditure plan is legally binding, and tax revenues may only be used for the purposes designated within it).
- High hurdles for placement on the ballot (e.g. approval by a majority of cities representing a majority of the county's population, plus a majority of county supervisors).
- Majority voter approval (later changed to a 2/3 supermajority).
- Administration of the expenditure program by a temporary new authority governed by a board consisting of city and county elected officials.
- Authority to issue bonds and adopt innovative approaches to project administration.

This approach is having a subtle but significant influence over the nature of transportation decision-making. First, the typical reliance on sales taxes is a departure from the traditional user fee basis for funding transportation improvements. Second, their fiscal independence allows them to stand outside the federal transportation policy framework, freeing them of the obligation to examine air quality and other policy goals that MPOs are bound to consider. Third, their ability to fund large new initiatives narrows the ability of other transportation agencies, such as MPOs and transit agencies, to assert proactive leadership in establishing their regions' transportation priorities. Finally, these agencies are distinctive in that they are typically temporary, often coming into existence only after a plan and a revenue source have been approved.

Despite the growing importance of local efforts to finance and build transportation infrastructure, they have not been systematically examined or described. Earlier studies have mainly focused on the factors that led to the success or failure of transportation ballot measures (Nelson and Colman, 1991; Beale *et al.*, 1996; Haas *et al.*, 2000). Others have examined the legal frameworks and uses of local option transportation taxes in California and across the nation (Goldman, Corbett and Wachs, 2001b; Crabbe *et al.*, 2002). But the empirical literature has not generally examined the planning efforts behind individual transportation tax proposals.² Part of the reason for this may be the diverse and idiosyncratic nature of these initiatives. Every state and metropolitan region has developed a unique set of institutional actors and arrangements for making decisions about transportation investments. These circumstances make it difficult to generalize about how plans are developed or how decisions are made about transportation investments. Studies that have focused on policy or planning processes in the transportation sector have tended to focus on larger and more permanent institutions, such as metropolitan planning organizations (Jones, 1976; Dempsey *et al.*, 2000; Innes and Gruber, 2001), or public authorities and other specialized governments (Mitchell,

² However, there has been some important work in this direction. Greenberg (1990) and Gruber (1994b) are both excellent articles that were influential in the formulation of the present study.

1992; Foster, 1997; Doig, 2002; Dyble, 2003). Others have focused on individual large-scale projects (Hall, 1980; Nunn, 1991; Weinstein, 2002; Frick, 2004).

The theoretical literature has similarly neglected this topic, along with the politics of transportation finance more generally. As noted by Altshuler and Luberoﬀ in their recent work on the related topic of “mega-projects,” urban political theorists have generally limited their focus to actions of single (usually municipal) governments, rather than the complex intergovernmental system involved in large scale infrastructure investment. They write,

“Why would scholars define urban politics more narrowly? Most probably, because trade-oﬀs are inevitable in defining manageable topics for research and theorizing. The present study itself, seeking breadth on the dimensions of time and federalism, is confined to a slice of policy. So it is not diﬃcult to understand why scholars striving to portray urban politics more generally have tended to slight the intergovernmental dimension. To understand is not to endorse this constrained vision of the field, however. It seems clear that an adequate theory of urban politics must encompass government actions at all levels that profoundly aﬀect and deeply engage local actors.” (Altshuler and Luberoﬀ, 2003, p. 47.).

They further note that urban theorists may also neglect this topic because they are particularly interested in conflict, something that the businesses and agencies behind contemporary mega-projects have grown adept at minimizing (*ibid.*, pp. 47-48).

While the present study does note connections to urban political theory, its main goal is not to attempt to validate or challenge these theories. Rather, it seeks to integrate an important emergent transportation policymaking mechanism into a broader historical and policy framework, and attempts to draw conclusions about how well this decision-making approach might be able to address new demands that might be placed on it in the future.

1.3. Overview.

This study begins by examining the significance of local option transportation taxes, by putting them in an appropriate policy context. It does this by following two distinct streams of U.S. history: the evolution of efforts to promote regional governance and planning (Chapter Two), and the progression of policies regarding public funding for surface transportation (Chapter Three). The emergence of local option transportation taxes as an important feature in the transportation policy landscape can best be understood in light of these two histories.

The four case studies are the heart of this dissertation. Each case examines the development of an expenditure proposal from the time a local option sales tax was first considered to the time it was placed on the ballot, and chronicles the campaign to win voter approval. Each concludes by examining who participated in the planning process, who provided leadership, who provided funding and political support, what consideration was given to regional perspectives, how policy objectives were considered in the planning process, what consideration was given to other ongoing planning processes, and

how decisions were ultimately made.

The four cases are all transportation sales tax expenditure proposals in the San Francisco Bay Area of California that were approved by voters in countywide elections. Three of these cases are drawn from the 1980s, when many counties across California began attempting to fund their own infrastructure improvements because of perceived shortages in state and federal funding. A fourth case is set in the late 1990s, when a new round of expenditure plan development got underway because the earlier taxes were due to expire.

In order to set the stage for the four case studies, Chapter Four describes the counties in which they occurred, and leaps ahead in time to describe and compare the expenditure plans that they produced. This is intended to assist the reader by introducing the individual transportation investments discussed in the subsequent chapters.

The first case (Chapter Five) is Santa Clara County's Measure A, which in 1984 became the first local sales tax-financed highway program to be approved by California voters. It was developed behind closed doors, but near-unanimous support from public officials and enthusiasm from the private sector helped lead it to victory. Two years later, Alameda County's Measure B (Chapter Six) was able to win despite sharp division among public officials, due in part to the lack of an organized opposition. It was one of the first local multimodal expenditure programs to be enacted in the state. At the same time, Contra Costa's Measure C (Chapter Seven) emerged from a closed process to near-unanimous support of elected officials, but was still defeated on its first trip to the ballot by grassroots opposition. It finally won voter approval in 1988 after its earlier opponents were invited into the process, the plan was broadened to include a major new growth management component, and it shared a ballot with a regional parks measure.

A decade later, as the sunset date for Alameda County's Measure B approached, officials began to plan for a successor measure (Chapter Eight). The ambitious planning process for the new Measure B featured an extensive public involvement strategy, but nonetheless failed to win the two-thirds majority required for approval. After winning the support of its former opponents, it came back to be enacted by the voters in 2000.

Finally, Chapter Nine compares the findings from the four case studies, and draws some broader lessons for our understanding of this emerging system of transportation policymaking. Under the qualitative case study approach taken in this study, it is not possible to generalize about the broader experience of planning for local option transportation taxes nationwide. Instead, this study closely examines planning efforts in counties considered to have been leaders and innovators in the use of local option transportation taxes, and considers what lessons they may hold for the future evolution of metropolitan transportation planning. The strength of qualitative case studies is the richer understanding they provide of the relationships among observed events, which can be used to help develop new theoretical understandings (e.g. see Burawoy, 1998).

A key insight that should be carried forward from this study is that by democratizing decisionmaking, local option taxes have made the selection of major new transportation investment priorities more responsive to public opinion and organized economic and

civic interests. Depending on the balance of powers and mix of interests in an area, they can simply accelerate freeway construction without regard to other policy objectives, or they can develop consensus within a broad-based coalition on a diversified set of investments and policies. If public opinion is divided, organized interests have unusually strong opportunities to wield real influence over planning outcomes.

Another lesson is that local option transportation taxes are by their nature stronger policymaking instruments than the federal metropolitan planning process, yet they are also less easily controlled from above. In California and other states where local option transportation taxes have become dominant, the selection of major transportation investments is increasingly a bottom-up process, driven not by MPOs but from a subregional level. If state and federal legislators wish to continue the trend toward devolution, while still ensuring that key policy objectives are addressed in regional transportation investment, they will need to consider ways to influence local transportation tax planning efforts.

1.4. Methodology.

The source materials for the four cases varied according to the types of resources that were available for each. To the extent possible, the analyses rely on contemporaneous documentation of the planning process. By far the best records were available for Alameda County's 2000 Measure B. This planning effort was exhaustively chronicled, and many thousands of pages of minutes, correspondence, and technical papers have been neatly organized in the Alameda County Transportation Authority's archives.

Unfortunately, the other cases were not documented as carefully. Most of the earlier efforts were extremely informal, and created minimal paper trails in the early, formulative stages of the process. Virtually no public records exist from the first three planning efforts, although the more publicly-oriented second incarnation of Contra Costa's Measure C generated a bit more documentation.

For each of the four cases, I developed chronological files of newspaper clippings, from which I could assemble a detailed historical account. For the years 1986 to 1988, I drew my clippings from a larger clipping archive maintained by the Metropolitan Transportation Commission. MTC's archive consists of articles on a broad range of local, state, and national transportation topics compiled from over 15 different newspapers by a commercial clipping service. This collection proved an enormously helpful time-saver because few local newspapers have been indexed for this period. It included many smaller newspapers, which would otherwise be impossible to access. From MTC's files, every relevant article on state and local transportation finance and county transportation planning was culled and copied for inclusion in this study. This amounted to hundreds of articles for each case.

Unfortunately, MTC's files preceding 1986 have been discarded, and Santa Clara County's sales tax was adopted two years earlier. To find significant articles from this period, I examined every daily issue of the *San Jose Mercury News* between January 1, 1984 and November 15, 1984 on microfiche. Because this search only included one newspaper, it incorporated a less diverse range of editorial perspectives than were

available for the Alameda and Contra Costa cases. However, the fact that the *Mercury News* had many different reporters covering the issue, and their reporting was broadly consistent, provides a degree of confidence that the reporting isn't grossly skewed. For the period from two weeks before to two weeks after the November election, all relevant articles appearing in the *Palo Alto Times* were also identified and included in the archive.

The period from mid-November, 1984 to the end of 1985 was not examined closely. This was not a period of major developments with regard to county transportation taxes in the Bay Area. Articles on major regional transportation planning developments were drawn from the *San Francisco Chronicle*, which has been indexed for this period, and from a clippings archive at the Contra Costa County Library.

Collection of newspaper articles for Alameda County's 2000 Measure B benefited from tremendous advances in computer technology. A variety of electronic newspaper indices, were used to compile articles from many of the region's newspapers for the period 1997-2000. The Lexis-Nexis service, which primarily focuses on major papers, supplied articles from the *San Francisco Chronicle* and *San Francisco Examiner*. A website called InsideBayArea.com provided free access to the newspapers affiliated with the Alameda Newspaper Group, including the *Oakland Tribune*, *Hayward Daily Review*, *Fremont Argus*, *Alameda Times Star*, and *Tri-Valley Herald* (all of which share reporters and articles). From Hotcoco.com, I was able to pay for access to archives of the *Contra Costa Times* and its affiliated newspapers (including *West County Times*, *Pleasanton Valley Times*, *San Ramon Valley Times*, and the *San Jose Mercury News*).

Once the articles were collected, each was summarized and sorted by county and year. These summaries were coded to enable both the chronological and thematic analysis of the material. Facts were cross-checked for consistency across multiple sources.

I also conducted interviews with key participants in each of the four cases, including elected officials, consultants, and advocates representing a variety of perspectives on the planning process. In all, I interviewed twelve individuals, most of whom spoke with me for three hours or more. Seven of these individuals participated on behalf of governments, three as public sector employees, three as consultants to or appointees of governments, and one as an elected official. Five interviewees participated primarily as advocates, two from the business community and three from citizens organizations. Several of these interviews addressed more than one of the cases. Due to the potentially sensitive natures of their observations, and in keeping with University of California regulations, the identities of these informants cannot be disclosed.

The case studies were written with careful attention to the incorporation of all available data relevant to the research questions. The development of these histories was an iterative process, focused on creating a narratives that presented and interpreted the available data, without making factual statements that were unsupported or based on conflicting evidence. After these narratives were completed, they were used as the basis for the "findings and observations" sections at the end of each chapter. These, in turn, were used to prepare the final conclusions.

2. Evolving Approaches to Metropolitan Governance and Regional Planning.

Fairly or not, blame for traffic congestion and other transportation problems typically falls on the government. Some critics fault government for aggravating transportation problems by reacting more to political imperatives than efficiency ones. They argue that the public sector should play a smaller role in transportation (Winston 1999, Amtrak Reform Council 2002). But far more often, public opinion demands that the government take greater action to fix perceived failures in the transportation system, usually in the form of increased spending.

This was not always the case. For much of the nation's early history, government was generally not seen as having a major role to play in building or operating transportation systems. Consequently, transportation issues played a marginal role in the design and evolution of the U.S. intergovernmental system for most of American history.

Yet over the past fifty years, transportation has become one of the major functions of government. Today, improving the metropolitan transportation system and mitigating its externalities are major preoccupations of local politics. Transportation has become central to debates over the future evolution of government, such as the need for institutional arrangements that can address metropolitan-scale problems.

Because there is no inherent legal basis for regional government in the United States, transportation policymakers have sought to invent one. But developing a system that can address metropolitan transportation problems effectively is a difficult challenge that has not been met over the past fifty years. A primary reason for this is that any solution must accommodate or overcome barriers that evolved over the preceding three centuries in response to very different political imperatives. This chapter examines the various approaches that regionalists have advocated over the past century, and how they relate to the transportation sector.

The history of regionalism in the U.S. has long been intertwined with the evolution of American federalism. As the state and federal governments' roles in policymaking have evolved, so have the forms and fortunes of efforts to promote regional governance.

The U.S. Constitution identifies just two levels of sovereignty: the federal government and the states. According to a legal principle first articulated by Dillon (1872) and broadly influential ever since, any more localized forms of government possess only those powers explicitly granted to them by their states.³ While states generally guard their sovereignty closely, they differ in their adherence to this principle. Some states, such as California, take a permissive approach to local sovereignty, allowing city charters to invoke powers not otherwise forbidden or preempted under state or federal law.

³ Disputes over local powers with regard to transportation finance played a central role in the development of Dillon's Rule. See *Clark v. City of Des Moines* (19 Iowa 199; 1865 Iowa Sup. LEXIS 122).

State legislatures do not have absolute power to mandate regionalism, because their own constitutions typically grant municipalities a significant measure of sovereignty. The idea that governmental powers and responsibilities should be devolved to the lowest possible levels consistent with their effective implementation is an important American political and cultural tradition. Control of schools, civic amenities, police and fire services, and (more recently) land use decisions have long been tightly held local prerogatives, though state funding and state mandates do strongly shape the implementation of these prerogatives.

Any new role for an intermediate, regional level of government requires that a government at the federal, state, or local level willingly give up, or at least share, a degree of its existing sovereignty. Only a handful of states have explicitly established regional government, and none has authorized localities to act jointly to form a regional government without additional state action.

Throughout the past century, the most active support for regionalism has come from above. Higher-level governments – states and the federal government – have found the establishment of regional authorities attractive for many reasons. New, regional bodies are more able to act independently of entrenched local political machines; they can help higher-level governments pursue their policy agendas; they can address problems at an appropriate geographic scale.

Wallis (1994a, 1994b, 1994c) describes three “waves” of interest in regionalism in the U.S. The first wave (before 1960) was based on a monocentric model of metropolitan regions, and sought structural solutions that maintained the strength of the urban core. The second wave (1960-1980) saw regions as polycentric, and sought to stem urban decline through policy mandates and better coordination among the many governments acting within a region. The third wave (just emerging) emphasizes collaboration among networks of actors in the public, private, and non-profit sectors to address regional policy concerns. This section will examine this history, together with contemporary developments in transportation planning policy.

2.1. Structural Regionalism and the federal origins of metropolitan planning.

The first wave of interest in regionalism in the United States was characterized by efforts to create governments with broad powers over entire metropolitan regions. It sought to accomplish this by helping central cities absorb their surrounding suburbs, or by creating new layers of government with real sovereignty over the whole region. In the more specialized realm of transportation planning, the focus was on establishing powerful independent regional agencies that could finance and build major infrastructure projects. This focus on the creation of formal jurisdictions and powers is sometimes described as a “structural” approach to policymaking.

A century ago, regional integration was seen as necessary to protect the economies of central cities, and became an important objective of the Progressive municipal reform movement. Reformers hoped that integration with the suburbs might enable them to break the hold of central city political machines. They were also concerned that city-

suburb competition would erode the economic competitiveness of the region as a whole, by complicating the development of infrastructure, eroding the central city's tax base, and increasing the cost of services (Jones 1940). They believed regional growth was important because large regions were favored in the economy, due to their ability to supply a large labor pool and specialized professionals (Wallis 1994b).

Most of the strategies used to accomplish metropolitan consolidation relied on actions taken at the state level. Some of these included direct annexation of suburbs (e.g. Boston in the 1860s-70s), city-county consolidation (e.g. Pittsburgh in 1906), redesignation of a city as a county (e.g. Baltimore, St. Louis, and Denver), and the creation of a metropolitan federation (e.g. New York City in 1898). All of these structures were created from above by state legislatures, often over strong opposition from the affected suburbs (*ibid.*). By the 1920s, these approaches were losing viability: suburban power had grown, and most states amended their constitutions to prevent consolidations without voter approval. In most states, it became much easier for outlying areas to incorporate to avoid annexation. Except in regions where the cities were unusually dominant, popular referenda for metropolitan integration were almost always defeated.⁴

Despite the fact that counties already existed and possessed real governmental powers, they were not seen as an attractive vehicle for reform at this time. Their idiosyncratic governance structures, susceptibility to corruption, unique resistance to Progressive Era reforms, and neglect by scholars and media led them to be branded “the ‘dark continent’ of American politics” (Gilbertson 1917). Their performance as providers of roads and highways, in particular, was cited as evidence of their ineffectiveness. Reformers sought to reform counties by increasing their home rule powers, reducing the number of elected offices, putting officials on fixed salaries rather than fee-based incomes, and encouraging professional administrative management (Martin 1993, pp. 9-11).

The difficulty of establishing accountable, professionally administered, regional general-purpose governments led reformers to look toward an alternative: special districts. These became the object of considerable debate: some viewed them with favor, because they achieved spatial consolidation; while others saw them as problematic, because they caused sectoral fragmentation. The vast majority of these districts were established to provide a single municipal service, but a few, such as the Golden Gate Bridge and Highway District (1928), were created to finance the construction of major infrastructure projects. Another model that emerged at this time was the use of public authorities or corporations to finance and build major infrastructure projects, such as the Port of New York Authority (1921). These public entities were often designed to be insulated from political pressures, an approach that sacrificed a measure of political responsiveness and accountability in exchange for streamlined project delivery and reduced opportunities for political corruption (Doig and Mitchell, 1992).

⁴ Wallis (1994b) cites several examples of more recent consolidations, but argues that these represent unique local circumstances rather than any sort of pattern. The legislatively-enacted city-county consolidation of Indianapolis and a dozen or so successful referenda in the South at around the same time appear to have been motivated by fears of central city minorities gaining political control.

Regional transportation planning did not yet exist through most of this history. It was the late 1920s before a handful of central cities began to conduct regional planning surveys (sometimes with federal sponsorship). This era's debates over regional government did not focus on transportation, but their legacy would have a major impact on the future of transportation planning. Over the next several decades, small local governments and unincorporated areas gained increasing powers of self-determination. As the suburbs grew, this led to the fragmentation of authority across metropolitan regions that were previously dominated by a single central city. Once this authority was dispersed, it became virtually impossible to reassemble. Transportation planning, or any other policy exercise, would forever require the cooperation of dozens of independent elected governments.

The New Deal marked the beginning of significant challenges to the traditional separation of powers among federal, state, and local governments (FACIR 1991, p. 8). At the time, state and local governments were overwhelmed by the demand for services and the collapse of their revenue streams. Only the federal government was able to fund the social welfare services that had previously been provided by these governments or the private sector. In the crisis atmosphere of the time, states and localities put aside concerns about protecting policy turf, and welcomed the federal government's fiscal assistance. These programs involved the federal government in an entirely new set of activities, and established new patterns of direct federal-local cooperation. Although the federal government played an increasing role in planning and in financing state and local services during this time, it tended not to try to override state policies on how decisions and policies were to be made.

In addition, state governments promoted local-local cooperation by expanding authorizations for cities to establish inter-local service agreements and regional planning commissions. During this time, hundreds of county or metropolitan planning commissions were established around the country at the initiative of local governments.

During and after World War II, many New Deal programs were continued, and significant new ones were added. These adopted the form of the categorical grant-in-aid programs familiar today: federal rules would define specific types of programs eligible for funding. These might indirectly influence state and local priorities, but at this stage did not attempt to impose a national policy agenda (Netherton 1995, pp. 3-4). The design of these programs assumed (and sometimes required) that they would be implemented effectively and administered by specialized professionals, and that there would be competition among potential grant recipients (Wright 1990, pp. 61-64).

As a result of these programs, there were now governmental units at the local, state, and national levels dealing with the same policy matters. As a result of the working relationships these agencies formed, vertical communication networks and procedures were forming across all levels of government. However, horizontal coordination across issue areas lagged behind. In response to this problem, federal grant programs increasingly encouraged comprehensive planning at a regional level. For example, the Housing Act of 1949 made grants conditional on the existence of a metropolitan planning process, and was amended in 1954 to provide matching grants for the metropolitan

planning process itself (FACIR 1991, pp. 9-10). These types of policies ushered in the next wave of interest in regionalism, focusing on procedural arrangements.

Transportation lagged behind housing in the emergence of a role for regional planning. In most states, there was no transportation planning entity apart from the states and the local governments. Cities were responsible for street improvements within their boundaries, and states (often acting in concert with county engineers) were responsible for roads that connected cities. With the passage of the Federal Aid Highway Act of 1956, the federal government vastly expanded funding to the states, providing 90% of the costs of construction of the National System of Interstate and Defense Highways.

At the same time, the federal government increasingly dictated policies concerning the use of the funds. These rules included design and construction standards, contracting procedures, and project eligibility. They also included some more planning-oriented components, such as establishing a state highway agency, prioritizing rural road investments, and designating a network of “primary” roads eligible for federal funding. These planning requirements were generally very simple, and did not contain detailed procedural requirements.

Structural approaches to regionalism remain relevant today. Current policy debates over regionalism have seen a call for a return to structural approaches. Rusk (1995) argues that cities need the authority and power to grow as their natural boundaries expand outward. He calls for improving annexation laws, facilitating city/county consolidation, strengthening county governments, limiting the creation of new municipalities, and adopting fair share housing laws. Orfield (1997) advocates regional tax-base sharing as a solution to the fiscal inequities that result from political fragmentation.

2.2. Procedural Regionalism and the establishment of MPOs.

The first wave of regionalism favored structural solutions – the creation of metropolitan single-purpose or multi-function governments. It was driven by efforts at political reform, promotion of the economic fortunes of cities and their regions, and the great need for federal aid during the Depression. The causes of its decline were the growing home-rule powers of the suburbs, and the complex intergovernmental relationships created by the proliferation of federal assistance programs.

Out of these circumstances grew a second wave of interest in regionalism, driven by the need to coordinate and improve the effectiveness of the multitude of federal aid programs. These efforts focused less on dictating the structure of government, and more on establishing communication and decision-making requirements designed to ensure effective coordination across geographic and policy areas. This focus on the rules by which existing governments exercise their powers is sometimes referred to as a “procedural” approach to policymaking. Over the next several decades, the fortunes of regionalism swung back and forth as federal policies favored the predominantly Democratic cities, or the heavily Republican statehouses, depending on the administration in power.

During the 1960s, a broad range of new social welfare programs further expanded federal influence in metropolitan affairs. The number of federal grant programs nearly quadrupled over the course of the decade, with 61 of the new programs requiring significant planning activities. The Housing and Urban Development Act and the Public Works and Economic Development Act (both 1965) provided direct federal grants to regional entities for the first time. Many programs started to bypass state and local governments entirely, and instead delivered services through agencies organized around alternative geographies, especially the metropolitan or neighborhood levels. These programs were also more activist in seeking to influence the policies and activities of state and local governments.

It was during this time that a federal mandate for metropolitan planning began to emerge. In the Housing Act of 1961, the government made funds available for “comprehensive urban transportation surveys, studies, and plans” and transit capital investments (Weiner 1997, p. 34). Soon, in the Federal-Aid Highway Act of 1962, Congress required for the first time that the approval of transportation projects be based on a “continuing, comprehensive transportation planning process carried out cooperatively by states and local communities.” The law further required that this process be conducted at a metropolitan level, and that new planning organizations be established if none existed that were able to conduct this planning process. Within three years, all 224 metropolitan areas with populations over 50,000 had initiated urban transportation planning processes in accordance with this new law (Weiner 1997, pp. 37-42).

As the proliferation of programs and government administrative units continued, coordination was increasingly seen as a problem. Many of the new regional entities had a narrow functional orientation, which further contributed to coordination problems (FACIR 1991, pp. 10-11). Critics have derided this as a system of “picket fence federalism.”

Federal policy sought to improve horizontal coordination in several ways. The Demonstration Cities and Metropolitan Development Act of 1966 required that applications for federal public works and infrastructure grant programs demonstrate compatibility with relevant planning documents, and any regional planning agencies be accountable to local elected governments. The Intergovernmental Cooperation Act of 1968 and its implementing document, OMB Circular A-95, created clearinghouses that sought to ensure that all affected governments and agencies were aware of the activities of others within a region.

In a few locations, state governments promoted structural forms of regionalism. In Seattle and Minneapolis/St. Paul, state governments directly established multipurpose regional “umbrella” agencies that combine planning and service delivery across several functions. Other states have authorized the creation of such agencies by popular referenda, but so far only Portland voters have actually approved one (Wallis 1994b).

As in the postwar era, there continued to be an assumption that the intergovernmental system was working effectively. The primary actors in seeking and approving federal grants continued to be specialized professionals. However, elected officials were

beginning to grumble: they were losing control of large shares of their governmental resources, because both funds and in-kind-services were being promised away by the program administrators to match federal grants. This led to a split between the popularly-elected generalists and the grant-administering specialists (Wright 1990, p. 64).

The pendulum began to swing in the other direction in the early 1970s. The Nixon Administration's "New Federalism" began folding many categorical grant programs into block grants, returning significant authority to the states (except for certain welfare programs, which were moved under federal control). Nixon also attempted (unsuccessfully) to "impound" the funds for some of these grant programs. In general, these efforts merely slowed the growth of the categorical programs: both the number of programs and funding levels continued to grow throughout the decade. It was not until the late 1970s that real cuts were made in these programs for the first time.

Some of these changes were devastating to the regional planning agencies, many of which had to give up their work on land use planning work entirely. Yet despite this, many of the trends of the 1960s continued unabated. The number of regional councils of government, and the number of federal programs providing funding for areawide planning continued to rise sharply. Even some of the new programs, including the Comprehensive Employment and Training Act and the Community Development Block Grants, served to reinforce federal-regional-local cooperation (FACIR 1991, pp. 12-13, 27-28).

The initiatives of the 1970s also sought to shift decision-making away from administrators and professionals and back toward local elected officials. Efforts to control the autonomy of specialists included general revenue sharing, block grants, and administrative reorganizations with increased executive staff. These changes also reduced competition among localities, since they distributed federal funds by formula. But "the partial, short-term, and limited successes of these strategies testified to the momentum and potency of the administratively grounded grants economy" (Wright 1990, p. 66).

During this time, the requirements of urban transportation planning grew increasingly complex. The National Environmental Policy Act (NEPA) was passed in late 1969; a few months later, the Urban Mass Transportation Assistance Act and the Federal-Aid Highway Act echoed NEPA's mandates for the consideration of social, economic, and environmental impacts of projects. The role of metropolitan planning organizations in project selection was strengthened by the Federal-Aid Highway Act of 1973. Two years later, new federal planning regulations required that MPOs be established by state legislation and governed by local elected officials. Among many other planning requirements, MPOs also had to bring together all highway and transit projects into unified planning documents for both long-term and short-term planning horizons. In 1977, the Clean Air Act Amendments directed MPOs to help develop plans to reduce motor vehicle emissions. Over the course of the decade, MPOs were also given somewhat increased flexibility to transfer funds between different categorical grant programs.

State governments began to institute regional planning requirements at this time, usually

organized at the county level. Several adopted growth management policies that required regional comprehensive planning, and established regional review of local decisions regarding “developments of regional impact” (Bollens, 1992; Wallis, 1994b). Also during this time, a growing number of states granted counties and transit agencies powers to adopt local option taxes as a form of own-source revenue for transportation projects and programs (Goldman, Corbett and Wachs, 2001a)

Two developments during the 1970s set the stage for an intensification of efforts to reign in the federal role during the 1980s. First, the effectiveness of the social programs was called into question by the persistence of the problems they were intended to address, and by studies that questioned the intergovernmental system that implemented them (e.g. Anderson, 1964; Moynihan, 1969; Pressman and Wildavsky, 1973). Second, the number of crosscutting policy mandates (civil rights, environmental) tied to federal aid continued to grow in number and complexity. In some cases, complying with these requirements was beginning to cost more than the grants themselves (Wright, 1990, pp. 65-67).

The Reagan Administration renewed the efforts of the 1970s by sharply curtailing federal grant programs, shifting funds toward block grants, and redirecting control to state governments. This shift of power coincided with an increase in the activism of state governments, which sought to play more a central role in the intergovernmental system (US ACIR, 1985).⁵ But the states did not share a commitment to the regional planning frameworks the federal government had fostered through the years, and in the area of transportation often saw MPOs as rivals. The states generally did not step in to replace federal support for the planning activities, and in some states many councils of governments and other organizations closed their doors.

Meanwhile, many states began to use regional councils to implement their own priorities. Some states relied on regional councils for infrastructure or growth planning that was consistent with population growth and environmental constraints. Others used them to achieve greater efficiency in the provision of services. The use of councils of governments for both purposes in a given state was rare. During the Reagan years, many councils of governments sought to survive by becoming entrepreneurial. They offered pooled insurance, low-cost and efficient provision of services such as traffic counting and housing stock inventories, mediation of intergovernmental disputes, and analysis of data on key regional trends. Because of increased state support and their ability to transform into “quick-stop shopping malls of collaborative services,” approximately 80% of regional councils were able to survive the 1980s (Atkins, 1993). In other cases, states established new structures entirely separate from the federal metropolitan planning tradition.

California’s transportation policies during this period illustrate some of these trends. In response to demands by local governments for increased fiscal authority to address

⁵ The claim that state governments experienced a renaissance in the 1980s is not without controversy (Teaford, 2002). However, it seems clear that states became more activist during this period, seeking greater autonomy and power.

transportation funding needs, the state gave its counties authority to adopt local option sales taxes to fund transportation expenditure plans. In each of its urbanized counties, it also created “congestion management agencies” to establish performance standards for each transportation mode and to develop investment plans aimed at achieving these standards (Rothblatt and Colman, 1995). While both of these efforts represented significant steps forward for regional transportation planning in the state, they limited their geographic scope to the county level, and specifically bypassed the metropolitan planning organizations that had grown out of federal transportation policy.

In sum, the second wave of regional policies grew out of the social activism of the federal government in the 1960s and 1970s, and from continuing concerns about the lack of coordination among the many governments involved in implementing these programs at the metropolitan level. Its downfall was the shift in federal policy away from this activism, and a backlash among state and local governments seeking to reassert their traditional powers and free themselves from the burden of federal mandates.

Wallis (1994b) concludes that “despite a rather unimpressive record of achievements, the second wave added some important new dimensions in the search for regional governance,” including its attempts to accommodate polycentrism; its emphasis on process over structure; its greater role for citizen participation through environmental review processes; and its provision of a foundation of analysis techniques for studying the dynamics of regional development.

Despite losing steam during the 1980s, procedural regionalism remains alive and well at the federal level. Early in the 1990s, the Clean Air Act Amendments and the Intermodal Surface Transportation Efficiency Act gave a major boost to regional planning organizations by giving them new powers and responsibilities in the planning process. Under the new transportation law, MPOs were made equal partners with state departments of transportation in selecting transportation projects, and were given unprecedented flexibility in determining how federal funds would be used. At the same time, they were given a wide range of new planning mandates, including the need to consider a long list of planning factors, develop fiscally constrained plans, and ensure that transportation plans conform to state air quality implementation plans.

2.3. Collaborative Governance and the New Regionalism

2.3.1. A third wave of regionalism?

Despite the many changes of the past century, there remains a sense that government’s effectiveness is in decline (Peters, 1996, p. 1). Critiques from across the political spectrum charge that traditional government and politics have failed to solve societal problems, prevent the division of society, engage citizens in the political process, provide leadership, communicate its ideas effectively, adapt to changing needs, and provide a climate for the debate of complex issues (Chrislip, 1993; Bradley, 1995; Kersh 1998). The frequent success of land use planning and transportation planning ballot initiatives in states that allow them suggests that many voters remain dissatisfied with the effectiveness of existing efforts to address these regional concerns.

In response to this declining faith in the government's ability to address region problems, a distinct, third approach to regionalism has been emerging (Wallis, 1994c). Instead of promoting formal structural arrangements or coordination procedures, this new wave emphasizes informal governance structures, cross-sectoral strategies, proactive collaboration, visioning and consensus-building processes, and network-like organizational approaches. Factors enabling this trend are more activist private and non-profit sectors, pragmatic and centrist urban and gubernatorial leadership, and the rise of facilitated techniques for building consensus and resolving conflicts. According to Wallis (*ibid.*), recent efforts to build regionalism have focused on three "strategic arenas": economic development (especially the region's capacity to respond to global economic competition), infrastructure and environmental protection (in order to keep costs low and quality of life high), and fiscal equity (based on the idea that a region's fortune as a whole depends upon how it addresses urban decline).

Meanwhile, earlier efforts toward devolution have continued. The Personal Responsibility and Work Opportunity Reconciliation Act of 1996, along with earlier waivers granted to the states by the Clinton Administration, returned to the states a significant measure of autonomy over social welfare programs. Advocates of these policies argued that granting broader discretion to state and local governments would unleash a wave of creative planning and policy development. It is not yet clear how these policy changes will redefine local and regional roles in providing these services, but some efforts, such as programs to assist inner-city residents' access to suburban jobs, have tended to include a substantial regional planning component.

The "New Regionalism" has not yet developed a coherent body of theory of its own. Rather, it borrows heavily from a variety of themes emerging elsewhere in the planning literature. These theories are both positivist and normative: at the same time that emerging trends are being identified and described, they are also being promoted as models for future regional planning efforts.

One of the fundamental themes of the New Regionalism has been its emphasis on governance rather than government. One succinct definition states that systems of governance are "the processes through which collective affairs are managed" (Healey 1997, p. 206). Government, the machinery of the state, is but one component of these processes. But others are important as well, including the constitutional basis of government, public policies created by government, non-governmental institutions (universities, the media, etc.), civic and business organizations, and political culture (Kirlin 1993, pp. 377-378).

A slightly different sense of the term "governance" implies the use of less formal structures and/or means for achieving public objectives than the formal ones of government. Participants in these structures can range from the regional councils of government promoted by the federal government in the 1960s – which consist entirely of elected officials or their appointees – to advisory councils consisting entirely of citizens or representatives of interest groups. Often they involve both.

Furthermore, the purposes of governance differ somewhat from those of government.

Both include a variety of planning, policy-development, and dispute resolution activities. Governments are empowered to make and institutionalize decisions in a way that less formal governance structures are not. Governments also conduct routine business, including the provision of services; governance provides no alternative to this. Rather, governance seeks to foster or provide aspects of political leadership rarely possible for government agencies. Some forms that this leadership can take include facilitating governments' ability to understand difficult issues or coordinate their activities; resolving multijurisdictional or multidisciplinary disputes; or involving non-governmental actors in planning or policy development. By bringing traditionally marginalized groups into the process, these efforts can resolve or contain conflict by incorporating their perspectives, or in some cases, by co-opting them and fragmenting opposition alliances.

A second idea that has strongly influenced the New Regionalism is the importance of communicative processes and consensus-building. In his *Theory of Communicative Action* (1984), Habermas argued that society and its internal relationships are both created and transformed by communication and social interaction. In recent years, these ideas have served as a foundation for new theories of the planning process (Innes 1995) that emphasize discourse as a means for generating and acting upon shared knowledge. Numerous studies of real-world planning processes have demonstrated the importance of group processes and different forms of communication in shaping outcomes (e.g. Innes 1992, Forester 1996). Innes (1996) has argued that consensus-based processes produce decisions that are more comprehensive, reflective of the public interest, innovative, and politically feasible than their counterparts from conventional comprehensive planning processes.

The public's resistance to creating formal regional governments, and the mixed record of the regional institutions that have been created both contribute to a bleak outlook for governmental approaches to regionalism. Instead, today's regional reformers are looking to civic institutions to play a central role in the next wave of metropolitan governance efforts. Increasingly, the organizations and networks of daily social and economic life are seen as essential because they work far more effectively than government-provided forums for the public communication and debate of ideas, and they help generate the familiarity and trust that must precede meaningful cooperation. In some cases, these extragovernmental arrangements already help govern the distribution of certain public resources, such as water and grazing rights (Ostrom 1990, 1993).

Much of the interest in civic institutions has grown from the writings of Robert Putnam. His groundbreaking study of politics and civic institutions in Italy provides a wealth of insights into the factors affecting the performance of government institutions. He found two strong linkages between traditions of democratic government and civic engagement. First, societies with strong civic traditions tend to demand better government, and are better organized to exert the power necessary to achieve this demand. Second, the performance of government is facilitated by a civic community's ability to collaborate for shared interests (Putnam 1993, p. 182).

Factors that promote the development of a regional civic infrastructure include an atmosphere of trust, a regional sense of identity, and some degree of homogeneity of

values (Wallis 1993). Putnam points out that these characteristics can be deeply embedded in a region's culture and history, but can also be fostered gradually through the reform of political practices and the concerted efforts of a regional leadership (governmental or civic). For example, he cites evidence that the creation of new regional governments in Italy created new opportunities for institutional socialization that contributed to the political depolarization of regions (Putnam 1993, p. 38).

Closely related to the concept of civic infrastructure is the idea that cooperation yields positive externalities, which can then be held in reserve for future use. The existence and observance of social norms builds a climate of mutual trust and reciprocity within society, which in turn reinforces society's willingness to abide by these norms. The resulting accumulation of social capital can later be "reinvested" for the benefit of the owner or society. Networks of civic institutions represent highly evolved structures of this reciprocity and vast stores of social capital. They can penalize those who betray the trust extended to them, foster dense cooperative exchanges, facilitate the circulation of information about the trustworthiness of certain individuals, and serve as a model for future collaboration (Putnam 1993, pp. 167-175).

Gruber (1994) identifies several additional forms of capital. At the start of regional consensus-building efforts over contentious issues such as growth management, the various stakeholders often harbor animosity and distrust for one another. This can be due to their uncertainties or caricatured expectations of one another's values and motives. These uncertainties must be reduced in order for cooperation to become possible. By imposing clear rules of behavior and creating credible sanctions for violations of these rules, a well-structured forum can establish social norms and a basis for communication that can allow opponents to begin to understand one another better. As confidence in the integrity of these norms and channels grows, a limited degree of trust or social capital is created.

Through their interactions, the groups build a common language, set of understandings about the situation, and reserve of mutually-accepted facts. This gradually expanding circle of agreement represents accumulating intellectual capital. Finally, if some political consensus is reached, the agreement among this diverse coalition of interests to cooperate on implementing their agreement generates political capital, some additional potential for meaningful action that is greater than the sum of its parts (*ibid.*).

Wallis (1994d) employs similar concepts in his description of an incremental approach for creating the conditions necessary for addressing regional challenges. Wallis' argues that metropolitan governance can be built through an incremental process of broad-based collaboration on issues of strategic interest. Each step of this process focuses on improving the political legitimacy of the consensus-building effort and the regional governance structures they ultimately endorse, or building the capacity of civic and regional governance institutions to implement the envisioned solutions. As Wallis sees it,

"Capacity and legitimacy are reciprocal conditions of governance. To the extent that a regional governance structure is perceived as legitimate, it is more likely to be granted the capacity to develop and carry out decisions

or implement a vision. Conversely, if governance is imposed, for example through a top-down mandate, regardless of the capacity it is given it likely will withhold exercising it for fear of provoking challenges to its popular if not legal legitimacy” (*ibid.*)

Both Gruber and Wallis emphasize that the accumulation of capital necessary for regional leadership is an inherently gradual and incremental process. Others have reached similar conclusions. Nash (1967) reports that his research on the status of metropolitan planning in America found “one overriding conclusion. Agencies which deal with metropolitan problems are patiently and painstakingly made effective by their members and staffs, not instantaneously born by brilliantly drafted legislation” (p. 699). Ostrom (1990, p. 137) found that institutional change toward greater regional cooperation “involved many small steps that had low initial costs.” Baldassare *et al.* (1996) cite evidence that experience with regional governance helps build trust and support for it.

New Regionalism proponents claim a long list of successes over the past decade, in which governments sponsored collaborative planning or dispute resolution processes among conflicting interest groups about matters of regional concern. Many of these have been in the environmental arena, such as agreements to restore natural water flows in the San Francisco Bay/Delta and the Florida Everglades; and to protect critical habitats from development in the Long Island Pine Barrens, and in San Diego, Riverside, and other southern California counties. Other initiatives have focused on regional economic development, including Joint Venture: Silicon Valley, and the cooperative efforts of Cleveland Tomorrow and the Citizens League of Greater Cleveland. There have also been successful planning responses to disasters, like the 1994 Northridge Earthquake in Los Angeles, that have been collaborative (Wachs and Kamel, 1996).

2.3.2. Looking for the New Regionalism in transportation planning.

Given the challenging new planning responsibilities that MPOs received under ISTEA, there has been a broad expectation that they would turn to interest-based consensus building to resolve difficult tradeoffs among their multiple policy objectives. So far, however, MPOs’ relationships with interest groups and other government agencies generally have not exhibited the characteristics of other “New Regionalism” efforts. Most MPO “partnerships” with other agencies and organizations have been limited to consultation and cooperation, rather than true collaboration or consensus building (Goldman and Deakin 2000). In general, MPOs act primarily to accommodate the decisions already made by a complex constellation of higher- and lower-level governments: they continue to work in the tradition of procedural regionalism. In some cases where MPOs have initiated collaborative regional planning efforts, they have been undermined by a reassertion of power by local governments (Innes and Gruber 2001).

A number of factors may explain why the New Regionalism has not been more evident in metropolitan transportation planning. First, although the sources of motor vehicle traffic are regional in nature, the road space on which drivers depend for mobility is not a common pool resource shared regionally. Most transportation projects, from road widenings to transit extensions, have highly localized benefits. Truly network-wide

approaches to addressing traffic, such as road pricing, are far less politically feasible. Because of this, metropolitan planning often reduces to a zero-sum game in which funds are allocated to address the competing claims of local areas.

Besides congestion, there is no other strategic regional interest typically addressed in these transportation plans that would make them suitable for interest-based negotiation. Regional transportation plans may be framed superficially as being about a region's economy or quality of life, but they rarely set about finding the best ways to solve problems: their main purpose is to allocate federal funds in accordance with a predetermined set of rules. As a result, most major civic and business groups are content to watch from the sidelines rather than invest resources in helping shape the outcomes of these plans. Environmental disputes are quite different: in attempting to constrain growth to protect endangered species or a scarce water supply, these issues often deal directly with questions about what the area's future economy will look like. These are the types of questions that make stakeholders pay close attention, and want to get involved.

Another key explanation is that plans developed by MPOs involve relatively low stakes, since long-range transportation plans are revisited every few years. If an opportunity is lost to win funding for a key project, it will always be possible to revisit the issue in a short while. And if a truly unacceptable decision is made in metropolitan planning process, opponents can always reverse it later through political or legal actions at the federal, state, or local levels. The metropolitan transportation planning process is never final, and is never the arena of last resort.

The successful models of collaborative planning held up in the literature differ in important ways from the metropolitan transportation planning process. Environmental or natural resource disputes often involve very high stakes, and the collaborative processes that seek to resolve them are seen as a one-time opportunity to find a solution or set the ground rules for all future debates on the topic. Opposing sides are often brought to the table by an external threat, such as the possible invocation of the Endangered Species Act (in the case of California's habitat conservation plans), or the threat of an externally-mandated solution (in the case of the Long Island Pine Barrens). In most cases, a policy dispute never reaches the stage where it is ripe of a consensus-based solution until the opposing parties have exhausted all other alternatives to winning their demands outright.

2.4. Counties step forward.

Meanwhile, in some states counties have quietly re-emerged to play an important role in the intergovernmental system. In many urban areas, counties have shed their "dark continent" status and become highly visible government entities. In the tradition of first-wave regionalism, they have reformed their governance structures, gained home rule powers, become major providers of municipal services, and accumulated new planning functions. Although counties continue to face voter distrust and numerous legal restrictions on their autonomy, some counties have demonstrated an ability to combine their various powers and activities into a regional, cross-sectoral policymaking role. This has raised hopes that counties could emerge as vehicles for regional reform (Hamilton 1999, pp. 254-275), or as "centers of action in addressing the fundamental challenges to

governance” (Fosler 1991, p. 34).

As noted in Section 2.2., ambivalence toward federally-mandated metropolitan planning organizations has led some states to establish rival structures for the coordination and planning of transportation infrastructure. In California, this has taken the form of new county-scale authorities governed jointly by county governments and their internal municipalities. In most cases, these congestion management agencies (responsible for the routine prioritization of transportation projects) and transportation tax authorities (which administer the large-scale expenditure programs approved by voters) have been merged into single entities.⁶ Some have even combined with transit operators, further increasing their size, capabilities, and institutional knowledge.

Except for their sub-metropolitan geographic size (only one of California’s major metropolitan areas covers a single county), these transportation authorities are truly regional, in the sense that they are not units of their county governments, but simultaneously responsible to multiple jurisdictions. Their structures may be similar to the councils of governments that were characteristic of the second wave of regionalism, but they possess taxation and decision-making powers rarely attained under that model.

Perhaps more significant than the statutory powers granted to these agencies is the larger process by which they are created, and eventually seek to perpetuate themselves. The legal and political frameworks under which local option transportation taxes are adopted can themselves be described as a type of regional policy. The real-world incarnations of this policy process are difficult to define and describe, because they occur outside of traditional governmental channels and are highly idiosyncratic. Yet this is a key objective of this dissertation: describing the characteristics of the planning processes that precede the adoption of local option transportation taxes. Do they represent a form of regionalism, and if so, do they fit within the framework of contemporary theory?

⁶ One key exception is Alameda County, where the Congestion Management Agency and Alameda County Transportation Authority remain separate organizations.

3. Evolving Approaches to Taxation and Transportation Finance.

“In the domain of highways the county, under the pressure of the good-roads movement, has been rapidly yielding its control to the central [state] government. The good-roads problem simply outgrew the county. It could not be handled efficiently through so small a unit.”

– Gilbertson (1917), pp. 140-141.

“California’s local ‘Self-Help’ transportation movement has been a model of efficiency and success. Projects are delivered on time. Citizens have tremendous input. Local elected officials are more easily held accountable.”

– Guardino (1999).

Transportation finance is a second major policy stream that provides insight into the emergence of local option transportation taxes. In the deregulated economy of surface transportation, the most significant intervention the government makes is the decision to spend money. As Brian Taylor has argued, transportation finance is a fundamental driving force in the transportation planning process (Taylor, 1995, 2000).

The degree and methods of public financing for transportation infrastructure has varied significantly through American history, according to the time period, transportation mode, and level of government being considered.

3.1. Early transportation funding: From land grants to trust funds.

Although this study focuses on the surface transportation modes included in contemporary metropolitan planning – roads, transit, and non-motorized transportation – it is instructive to start with a quick look at the infrastructure of an earlier era: railroads and canals.

In the late 19th Century, state and federal governments used vast land grants to help bankroll the nation’s investment in an extensive transcontinental railroad network. State and local governments also subsidized railroad ventures with loans and direct investments in the railroad corporations. These practices of direct involvement in the private sector invited corruption as well as unacceptable levels of public financial risk, leading reformers to phase them out in the latter half of the century (Healy, 1940, pp. 103-107; Goodrich, 1950).

Waterways also received significant investments from the public sector. State governments played the lead role in promoting the construction of canals, seeking to duplicate the Erie Canal’s success as an economic development strategy. They financed canal development with land grants, bonds, direct corporate investments, and special dedicated taxes. The federal government played a small role in canal construction. After 1900, however, Congress began investing heavily in the development of other types of

navigable waterways, such as river and estuary channels (Healy, 1940, pp. 114-116).

In contrast to the railways and waterways, roads did not benefit from strong state and federal support. Roads were relatively inefficient for long-distance travel, so they were seen as providing primarily localized benefits, and hence were left as a local responsibility. Federal subsidies for highway projects were rare, but when they occurred they were generally paid for with land sales, as was done for the National Road. Federal aid was phased out by 1838, except for some ongoing construction of defense-related roads on the western frontier (Richter 1995, p. 186). Most major road projects were built and operated by private turnpike authorities, occasionally with small subsidies provided by state governments. By the middle of the century, regulatory burdens, toll evasion and competition with other modes forced most turnpikes into bankruptcy, and their continued maintenance fell back to local governments (Levinson, 1999).⁷

Counties and municipalities took the lead public role in maintaining and improving roads. In some cases, they undertook expensive projects: in the colonial era, cities such as Philadelphia, Boston and Charleston financed roads far out into their hinterlands to enhance their economic competitiveness (Richter, 1995, p. xv). But for the most part, these local projects consisted of maintenance and repair of existing roads. These were funded in a variety of ways. Early on, property owners were responsible for maintaining the roads in front of their property, a commitment that they could fulfill through sweat equity or payment based on road frontage. Later, these payments evolved into property taxes that funded generalized efforts to keep roads passable. For occasional larger expenses, local governments floated bonds, which were ultimately repaid by property taxes or tolls.⁸

This system began to change in the 1890s, when the bicycle craze and the emergence of the automobile led to a nationwide “Good Roads Movement.” Recreational users of roads, farmers, automobile interests, and later the military found common cause in urging the government to build durable, paved highways. A few states began to respond: by 1900, New Jersey, Massachusetts, Connecticut and New York had started construction programs or were providing aid to local road agencies (Healy, 1940, p. 119). By 1915, all but six states were assisting their counties in some way, by supplying direct aid, authorizing the use of prison labor, or providing technical assistance (Gilbertson, 1917).

The federal government got involved with the passage of the Federal Aid Highways Act of 1916, which used general federal revenues to provide matching grants for rural “post roads” in states with road departments. State or local governments typically borrowed to provide the necessary match (Paxson, 1946). In the following years, successive highway

⁷ In the Western states, turnpikes continued to be built into the late 1800s. See Klein and Yin (1996).

⁸ Bonds were also used by some cities to fund major improvements and transformations to their street railway systems. These systems were initially built and operated with private funds, but soon reached the limits of what private corporations were willing to finance on their own. In 1894, Boston and New York both approved the sale of bonds to build subway systems. Within the next decade, Chicago and San Francisco authorized the use of public funds to municipalize the streetcar service providers.

acts required that states establish a hierarchy of roads and rationalize their spending.

The need to find a sustainable revenue source to improve roads that were still only used by a small segment of the population led to two important fiscal innovations: user fees and trust funds. User fees were not entirely new: various types of user charges (road tolls, railroad tariffs, etc.) already had a long history, but these were generally found when private enterprises operated transportation facilities. The idea of the government financing system improvements from fees collected by the users of the system was relatively new in the transportation arena, at least on the scale that it came to be adopted in the case of highways.

In practice, user fees for road improvements date back at least a century. A 1901 California law authorized cities and counties to charge license fees for bicycles and automobiles of up to \$1 per year, with funds used “only for the purpose of constructing and maintaining paths and walkways for the use of pedestrians, and the wheeling of the above-named vehicles” (Henning 1901, p. 556). In 1913, California extended this concept statewide, charging automobile owners a privilege tax, and returning the revenues to the counties for road improvements.

But the most important user fee innovation was the gasoline tax. Oregon became the first state to adopt the gas tax in 1918, and was quickly followed by others. Within a decade, it had been adopted in every state.

Motor fuel taxes proved very lucrative, and state governments soon began to siphon off revenues for other social purposes. This angered the road advocates, who lobbied for safeguards to prevent this diversion of funds. This led to the second important fiscal innovation of the era, the establishment of dedicated “trust funds,” accounting mechanisms that ensure that user fees go only to specified purposes, while freeing legislatures from the business of earmarking individual projects. The trust funds were governed by sets of rules that governed the geographic allocation of revenues to states or local governments, the purposes to which they may be applied, and the ways in which decisions about their use must be made. Automobile clubs campaigned vigorously for state constitutional amendments to ban gasoline tax “diversions.” Even Congress got into the act: the Hayden-Cartwright Act of 1934 reduced federal highway aid for states that allowed diversion of their gas taxes for non-roads purposes (Paxson, 1946, p. 250).

In 1932, Congress approved a series of excise taxes to close a budget deficit, including a penny-per-gallon gasoline tax, and taxes on tires, lubricating oils, and motor vehicle parts. Originally intended to last just one year, these taxes were extended numerous times. The motor fuel tax was increased by a half cent in 1940 to help fund the war effort, and increased by another half cent in 1951 to help fund the Korean War (Talley, 2000). With the Highway Revenue Act of 1956, Congress finally embraced the user fee/trust fund model. It increased the gasoline tax to three cents per gallon, extended it for 15 years, and earmarked all of it for a new Highway Trust Fund. It also reclaimed the revenues from the tire and lubricating oils taxes for the Trust Fund. Together, these taxes provided the strong financial footing needed to make the Interstate Highway System possible. The 1956 act marked a significant reversal for Congress, which had long

resisted the earmarking of taxes.

The user fee/trust fund model provided a far more robust revenue stream than would have been possible if Congress had continued with annual appropriations. In contrast, Britain adopted similar policies at the dawn of its road-building era, but wars, economic troubles, and other factors led it to abandon this approach in favor of annual appropriations from general revenues. The need for road investments to compete against other public priorities led to a lower overall level of road investment in the U.K. (Dunn, 1978).

Another important model that emerged at this time was the creation of public authorities to finance and build major infrastructure projects. These entities were designed to promote professional management, isolated from politics, to promote stable policies and clean administration (Doig and Mitchell, 1992). Essentially, they represented an effort to recapture some of the efficiencies and other benefits of the private sector without risking a return to the previous era's patterns of corruption. Early examples included the Port of New York Authority (1921), the California Toll Bridge Authority (1929), and the Triborough Bridge Authority (1933). Public authorities generally had governing boards appointed by state or local governments, and were funded with tolls and other user fees rather than taxes. A closely related alternative was the special taxing district, which did possess taxation powers, and typically had an elected governing board. An early example of a special district was the Golden Gate Bridge and Highway District (1928).

3.2. The search for public transportation funding.

To this day, the principles established at the dawn of the Interstate era remain the dominant features of the transportation policy landscape. But even as the nation was gearing up to build the greatest public works project in its history, it was changing in ways that forced it to look beyond the user fee model.

One important change was the gradual transformation of urban transit from a private enterprise to a public service. Previously, outside of a few cities like New York, Chicago, and San Francisco that municipalized their systems early in the century, urban passenger rail was rarely publicly funded.⁹ But as conflicts with automobiles and competition from jitneys grew, the street railways began to abandon fixed rail routes in favor of providing more flexible bus services (Bianco, 1999). And with the urban decline brought by suburbanization, even these services faced massive ridership losses, service cutbacks, and in some cases, bankruptcy.

This brought two different drives for a public sector role in the provision of transit services. First, cities sought to salvage their transit services by buying them out and making them public services for the first time, either as a direct function of the city government, or through creation of independent special districts. Second, civic and

⁹ Even San Francisco, which had run its own municipal railway since 1912, was dominated by much larger private operations until the city purchased the Market Street Railway in 1944 and the California Street Cable Railroad in 1952 (San Francisco Municipal Railway 2000).

business leaders began to advocate public sector investment in a new generation of urban rail systems able to serve their regions' rapidly suburbanizing populations. In both cases, local governments found they needed to look for new sources of funding; they ultimately found them in two places: the federal highway trust fund and new local option taxes.

The story of the rail rapid transit systems begins in the 1950s, when planners in San Francisco, Los Angeles, Washington, Atlanta, and other growing cities began to develop plans for systems which were to be the transit equivalents of the grade-separated freeways just then coming to widespread use (see Figure 3-1). The first proposals to fund these systems relied on the traditional tools of local government finance: general obligation bonds, ultimately backed by property taxes.

However, by the time planners began to seek voter approval for financing these systems in the late 1960s, the public was no longer as accepting of this funding strategy as it had once been. In the San Francisco region, voters approved a bond measure to fund the Bay Area Rapid Transit District in 1962; but when it came time to raise property taxes to start repaying the bonds, the state legislature quickly imposed a regional sales tax in their place. In Los Angeles, policymakers concluded that voters would never approve a rapid transit system funded with property taxes, so they too proposed a sales tax (Sechler, 2001). Finally, voter dissatisfaction with property taxes played a key role in the defeat of a proposed rail rapid transit system in the Atlanta region in 1968, but the electorate approved the proposal three years later when financing was changed to a 1% sales tax (Marando, 1973, pp. 25-28). (The Washington metropolitan region did approve property taxes to fund construction of the Metrorail system, but this project received a higher degree of federal subsidy, so it is not comparable).

Meanwhile, elsewhere around the country, local governments began to acquire failing

Figure 3-1. Ad supporting BART district referendum.



San Francisco Chronicle, Nov. 4, 1962.

private transit franchises, or start new public-sector transit services where none had existed previously. By the 1970s, political resistance was weakening the prospects of property tax-based finance. The federal government stepped in to provide some help: the Urban Mass Transportation Assistance Act of 1970 provided subsidies for transit operations, and the Federal-Aid Highway Act of 1973 enabled Highway Trust Fund revenues to be used for public transit capital projects (Weiner, 1997, pp. 81-93). This was significant: for the first time since the beginning of the Interstate era, gasoline taxes were being used as a transportation revenue source, not just an automobile user fee.

Despite these subsidies, the overall amount of federal transit subsidies remained small. Local governments had to look inward for funding. By the mid-1970s, other cities and rapidly growing suburbs began to seek special taxing authority to fund the development of new transit services, or to keep their existing systems solvent. Table 3-1 lists some of the regions that adopted local option transportation taxes between 1969 and 1978, the first decade in which these taxes appear to have been used.

Table 3-1. Some early permanent transit taxes in U.S. cities.

City/Region	Type of Tax	Year Adopted	Method of Enactment
New York City	Mortgage Recording	1969	State Legislation
Portland	Payroll	1969	Local Ordinance
San Francisco	Sales	1969	State Legislation
Atlanta	Sales	1971	Voter Approval
Cincinnati	Payroll	1973	Voter Approval
Denver	Sales	1973	Voter Approval
Seattle	Sales	1973	Voter Approval
Santa Clara, CA	Sales	1974	Voter Approval
Cleveland	Sales	1975	Voter Approval
San Mateo, CA	Sales	1976	Voter Approval
Santa Cruz, CA	Sales	1978	Voter Approval

Source: Goldman, Corbett, and Wachs (2001b).

3.3. Fiscal crisis, devolution, and changes to traditional funding models.

As in many sectors of public expenditure, the availability of funding dominates decision-making in the transportation field. For the past two decades, a dominant focus of transportation policymaking has been the “crisis” brought on by lagging funding growth and increasing backlogs of capital and maintenance needs. The origins and dimensions of this crisis have been examined in detail elsewhere (Taylor, 1995; Ang-Olson, Wachs, and Taylor, 2000), but a brief review is in order here.

Many of the seeds of the transportation funding “crisis” were planted in the 1970s. The decade’s economic troubles disrupted transportation finance in numerous significant ways. One set of consequences flowed directly from the decade’s twin gasoline shortages. Rapidly rising gasoline prices led to drops in motor vehicle usage in the short term, and the introduction of fuel efficiency standards in the longer term. Together, these

two effects disrupted the trend toward higher gasoline consumption, de-linking for the first time in decades the connection between economic growth and fuel consumption.

The sharp inflation that accompanied the oil crises also played a significant role. Unlike other revenue sources such as income taxes and sales taxes, gasoline tax revenues do not inherently keep pace with inflation. Because gasoline taxes are based on the volume of fuel sold, rather than the sales price, the real revenue per gallon consumed declines over time as the value of money declines. Typically, legislative action is required to raise gasoline tax rates, but this can be particularly difficult during periods of rapid inflation.

Another consequence of the economic instability of the 1970s was a degree of fiscal pressure on local governments not seen since the Great Depression. Cities and counties had to struggle with new policy mandates and demands for social services due to devolution, while higher levels of government cut back the assistance they have traditionally provided to meet these needs. Yet they still lacked a free hand to set their own revenue and taxation policies. In several states, rebellious taxpayers capped property taxes, local governments' traditional revenue base, and/or required voter approval for any new local taxes (Mullins and Cox, 1995). These constraints grew particularly strong in California, where voters passed a series of initiatives and constitutional amendments to impose spending caps on state and local governments and requiring supermajority voter approval for most new taxes. As a result of these policies, traditional areas of local transportation spending, including transit services and local street maintenance, were sharply curtailed.

Moreover, a declining proportion of gasoline tax revenue was available for new investments in highway capacity. This pattern started with mandatory planning processes in the early 1960s, and soon followed with safety and public transit investments, and most recently, set-asides for "enhancements" and air pollution mitigation. At the same time, aging infrastructure and deferred maintenance sharply increased the portion of expenditures applied to keeping the existing system operating effectively. Although these investments may produce a more efficient system overall, they were often perceived as obstacles to new highway capacity.

Just as investment in new highway infrastructure was facing competing demands for funds, the purchasing power of funds that were committed to this purpose was in decline. Inflation was driving up the costs of labor and materials needed for road construction and maintenance. Federal regulations also took a toll, as escalating design and environmental standards also drove up construction and right-of-way costs (Taylor, 1995).

These trends combined to have a dramatic effect. On the revenue side, less gasoline was being consumed, less revenue was being generated per unit of gasoline used, and the overall fiscal health of local governments was declining. On the expenditure side, new transportation needs were emerging, and the costs of addressing these needs were rising. Furthermore, state and federal elected officials did not feel that the public would support higher taxes to address these needs.

Governments have responded to these fiscal pressures in part by seeking to exploit all

politically and legally feasible revenue options. In many states, local governments have won authority to diversify their revenue base by pursuing new taxes and other revenue options. Since the tax revolts of the 1970s, local finance has shifted away from property taxes and toward sales taxes and user fees (Krmenc, 1991; Mullins and Cox, 1995).

In this way, the scarcity of transportation trust fund revenue has driven many local governments back into a lead role in transportation finance and project implementation. The difficulty of traditional funding options has led cities, counties, and transit districts to turn increasingly to local option taxes to fund new transportation investments.

The pursuit of new jobs and land development has been another important factor leading to the wider adoption of local option transportation taxes. Cities have a strong interest in enhancing their relative political or economic positions through the pursuit of pro-development policies (Peterson, 1981). The desire for economic development has long motivated local governments to seek transportation infrastructure improvements (Ward, 1998; Brown, 1999). Several state governments have made economic growth a central objective of their highway programs (Forkenbrock and Plazak, 1986). During the 1980s, a growing number of states authorized local option sales taxes targeted for roads and other infrastructure, in order to allow local governments to finance their own economic development strategies.

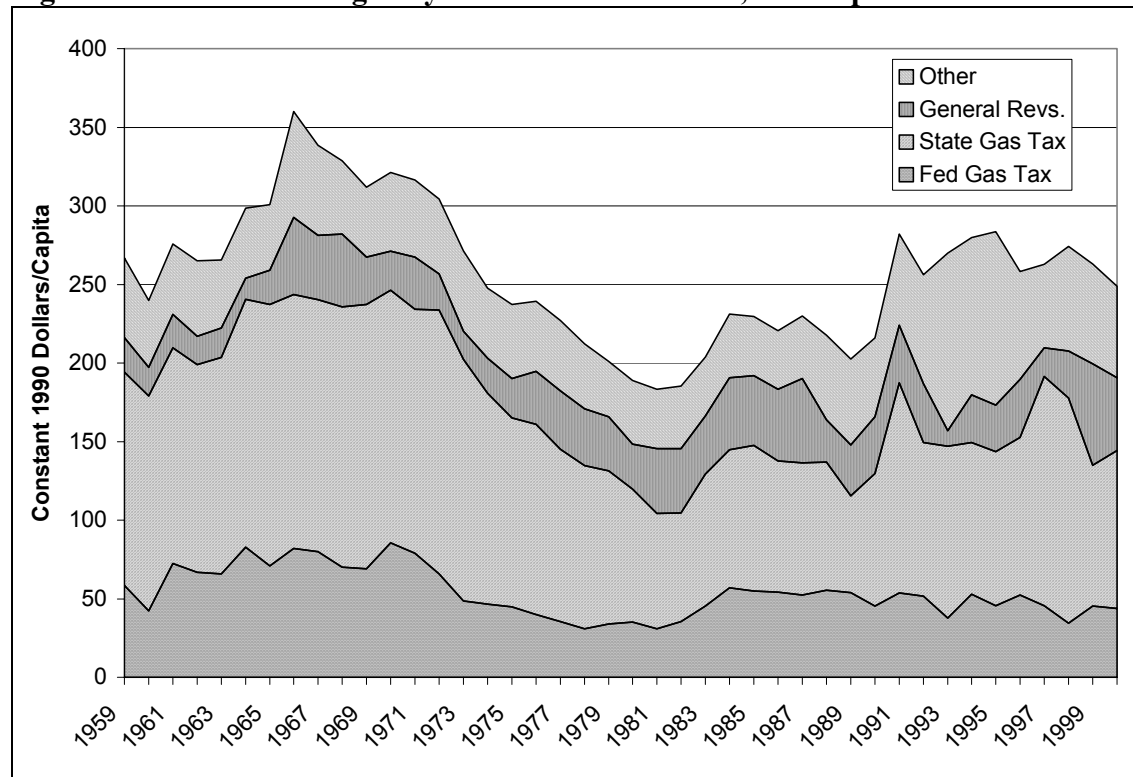
Local governments have also coped with these fiscal pressures by pursuing pro-development policies to expand their tax bases. Municipalities have intensified competition with one another by pursuing sales tax-enhancing development patterns. "Fiscalization of land use," or the tendency of local governments to favor retail investment over new housing because of their revenue prospects, has been cited as a distorting force in local land use policy and a leading cause of the jobs-housing imbalances troubling many metropolitan areas (Lewis, 2001).

Nationwide, local option transportation taxes have been a growing phenomenon. The trend started in the 1970s with permanent taxes administered by public transit agencies, they broadened in the 1980s to include a wide range of different taxing arrangements. A particularly noteworthy and common form has been the authorization of voter-approved sales taxes for limited time periods (typically 5-20 years). Different states give local governments different amounts of autonomy in administering these taxes. Some require that local governments simply identify a category of spending for the revenues (e.g. "roads") but otherwise grant them flexibility in administering their programs. Others require the development of detailed, legally binding expenditure plans, and structure the administration of the taxes to be maximally accountable to the voters. This approach to transportation finance marks a sharp departure from the federal grants-in-aid system that otherwise dominates planning and decision-making in surface transportation in the U.S.

3.4. Local option taxes in the 1990s

Today, local option transportation taxes are ubiquitous: they are used in one form or another in at least 46 states (Goldman, Corbett, and Wachs 2001a). Over time, their use has started to diversify, as they are being applied to achieve a broadening range of policy

Figure 3-2. Sources of Highway Finance in California, Per Capita.



*Sources: FHWA Office of Highway Policy Information (various years);
U.S. Bureau of Labor Statistics (2002);
State of California Department of Finance (2002c).*

objectives.

Public declarations of a transportation funding “crisis” persist, but the situation has clearly improved. An examination of transportation funding trends suggests that progress has been made in recovering from the structural deficits of the 1970s and 1980s. On a per-capita basis, transportation spending levels are comparable to what they were in the early 1960s, just before the peak of the Interstate construction era (see Figure 3-2).

This is not to deny that significant local transportation funding deficiencies exist. Today, a large share of transportation funds must be spent on maintaining the existing system. In major cities around the country, some of the largest transportation projects (e.g. the Boston’s Central Artery Tunnel, the San Francisco Bay Bridge, Oakland’s Cypress Freeway, and Brooklyn’s Gowanus Expressway) simply replace existing infrastructure. Furthermore, the need for expanded transportation facilities is spatially uneven, as some areas have relatively stable populations, while others are growing rapidly. These variable patterns create localized pockets with tremendous infrastructure needs and inadequate transportation funding streams from traditional revenue sources.

These localized crises continue to drive the adoption of local option transportation taxes in particular markets around the country. In 2000, Silicon Valley voters overwhelmingly approved a 30-year sales tax to fund an extremely expensive extension of the BART

system into San Jose, an outcome that clearly reflected a sense of transportation crisis.

Elsewhere, competitive motivations for the adoption of local option taxes also continue to be important. A new dimension to this competition in the 1990s has been the race to provide urban public amenities, such as parks, light rail, sports stadiums, and arts centers – particularly among medium-sized cities seeking to strengthen their economic competitiveness. Many of these cities have experienced weaker economic growth than the nation's larger cities; many also have lacked the home rule taxation powers enjoyed by larger, older cities. In recent years, however, several cities (including Charlotte, Phoenix and Salt Lake City) have won voter approval for new sales taxes to build light rail projects, and over a dozen others are planning to seek voter support for these taxes in the near future.

Transportation tax proponents have also increasingly sought to highlight quality-of-life issues in order to broaden the coalition of support for their proposals. As a result, plans are growing more diverse and innovative, with new emphasis on open space protection, recreational trails, bicycle facilities, urban design and other nontraditional investments.

3.5. California's experience with local option transportation taxes.

California's pioneering use of local option transportation taxes, and strong reliance on them to fund major new investments in transportation infrastructure and services in metropolitan areas has led the way for the broader adoption of these taxes across the western U.S. Because the state is so large and varied, California's experience with local option transportation taxes reflects some of the diversity of the nation's experience with these taxes.

Early in the automobile era, local governments bore most of the cost of highway development. In Los Angeles, most of the funding for construction of boulevards and parkways (then the primary high-capacity roadways) was raised through special assessment districts. Other funding for roads came from property taxes, including a 5-year levy approved by city voters in 1927. After the viability of special assessment districts collapsed during the Great Depression, L.A. and other cities campaigned successfully for a share of revenues from statewide gasoline taxes, which could previously only be used for inter-city connections. Ultimately, that city's vast freeway network was built entirely with state and federal funding (Jones 1989, pp. 7-13, 147-163).

But even during the peak years of state and federal investment in the Interstate system, some local governments still raised their own revenues in highway development. Santa Clara County, which experienced a population boom after World War II due to growth of its defense-related industries, found the pace of freeway investment far too slow for its needs. In 1960, four years after the San Francisco Board of Supervisors voted to oppose any further freeway development in that city, Supervisors in Santa Clara County enacted a special property tax to fund construction of a 377-mile network of eight expressways.¹⁰

¹⁰ Freeways have full access control and grade separation; expressways have limited access, and may not have grade separation at all intersections.

This was the first phase of a plan that would eventually have upgraded the new routes to full freeway standards, but voters defeated a 1974 measure that would have authorized bonds for the second phase (Faigin, 2002). Today, Santa Clara's expressways remain the backbone of its highway system, carrying more traffic than Hwy. 85, U.S. 101, and I-280 combined.¹¹

Within California, Los Angeles was the first to explore sales taxes as a transportation revenue source. The region had unsuccessfully searched for a viable proposal to build a regional rail transit system since as far back as the 1920s. In 1964, the legislature established the Southern California Rapid Transit District, and authorized it to use property taxes to fund construction of a regional rail system, subject to voter approval. But public hearings found public resistance to property tax increases, L.A. persuaded the legislature to authorize sales taxes as an alternative.¹² Voters didn't exactly embrace sales taxes either: they rejected proposals in 1968, 1974, and 1976, before finally approving a sales tax to fund a rail system in 1980 (Sechler, 2001).

Northern California generally had an easier time winning voter support for development of rapid rail systems. In 1962, voters in three counties (San Francisco, Alameda, and Contra Costa) approved a ballot measure creating the Bay Area Rapid Transit District. The measure included bonding authority for the construction of the system, backed by fares and property tax revenues, but did not specifically authorize collection of a sales tax. Seven years later, the state legislature determined that the completion of the BART system was "endangered by a lack of funds" and imposed a temporary, half-percent sales tax within the district to ensure its solvency. This tax was made permanent in 1977, as part of a revenue-sharing agreement among BART and the region's two other major transit agencies, the San Francisco Municipal Railway and AC Transit.¹³

Besides Los Angeles County and the BART District, the California legislature has granted six counties authority to seek voter approval for permanent sales taxes to fund the creation of new transit systems.¹⁴ Only three of these counties – San Mateo, Santa Clara, and Santa Cruz – have since approved the adoption of these taxes (see Table 3-2).

¹¹ Gary Richards, "Crowded expressways due for an overhaul," *San Jose Mercury News* (January 27, 2002).

¹² Stats. 1st Ex. Sess. 1964, ch. 62 (PUC § 30800); Stats. 1967, ch. 1215 § 12 (PUC § 30820).

¹³ Stats. 1969, ch. 24 § 1; Stats. 1977, ch. 1204 § 5 (California Public Utilities Code § 29142.2).

¹⁴ Stats. 1974, ch. 502 § 2 (PUC § 103350); ch. 508 § 2 (PUC § 40330); ch. 1204 § 7 (PUC § 100250); Stats. 1977, ch. 672 (PUC §§ 70223 and 98290); and ch. 948 § 3 (PUC § 102350).

Table 3-2. California’s early sales tax proposals: permanent transit taxes.

County	Authorized	Adopted
Los Angeles	1967	1980
BART District	1969 (<i>legislatively enacted</i>)	
Orange	1974	-
Santa Clara	1974	1974
San Mateo	1974	1976
Marin	1977	-
Sacramento	1977	-
Santa Cruz	1977	1978

Source: Goldman, Corbett, and Wachs (2001b).

In 1978, passage of Proposition 13 sharply cut back the ability of California’s cities and counties to meet routine needs like road maintenance. This constitutional amendment¹⁵ had far-reaching implications for local public finance across the state (Chapman 1998). The law’s most significant and immediate effect was a dramatic reduction and cap on property tax rates. This made it difficult for cities to use their own general funds for street repair and other transportation needs. Another requirement was that new “special-purpose” taxes (i.e. taxes earmarked for a specific purpose rather than general revenues) had to be approved by two-thirds of voters.¹⁶

Frustrated by the perceived inadequacy of existing revenue streams, counties began to seek more power to fund their own capital improvements. In the late 1970s, California authorized counties to adopt their own motor fuel taxes, but no county successfully passed such a tax.¹⁷

Looking toward their earlier successes in winning voter approval for transit district sales taxes, several of the state’s urban counties began to seek sales tax powers of their own to fund capital transportation projects. Achieving this goal in the post-Prop. 13 era required a strategy that satisfied three sets of concerns: the aversion of voters to tax increases, the reluctance of state legislators to authorize tax increases in an anti-tax climate, and the legal constraints of Prop. 13.

The strategy ultimately pursued by policymakers was largely shaped by these constraints. Counties were given the power to propose transportation sales taxes, but only if they developed legally binding expenditure plans in advance, secured the political support of a broad cross-section of elected officials, and won approval from a majority of voters. An

¹⁵ Cal. Const. Art. XIII A, § 4.

¹⁶ Subsequent court decisions concluded that this limitation applied only to existing governments and special districts with property taxation powers. In *Los Angeles County Transportation Commission v. Richmond* (31 Cal. 3d 197; 643 P.2d 941 (1982)), the courts found that the measure passed by voters in Los Angeles in 1980 was not bound by the two-thirds requirement because it could not impose property taxes.

¹⁷ Stats. 1977, ch. 956 § 1 (PUC § 99500). In 1980, San Francisco voters appeared to approve of a penny-per-gallon gasoline tax with a majority just barely over 50%. However, due to legal uncertainties about whether this tax increase could stand in light of Prop. 13’s supermajority voter approval requirement, no attempt was made to implement the measure.

independent “transportation authority” governed jointly by the county and its municipalities would administer the revenues, and both the tax and the authority would expire after a pre-determined number of years.

Using this model, the legislature began to authorize transportation authority sales tax powers on a county-by-county basis, starting with the two jurisdictions that had pushed most aggressively for them: Orange and Santa Clara counties.¹⁸ Santa Clara voters became the first to approve a transportation authority sales tax in 1984, when they approved a 10-year, half-percent sales tax dedicated entirely to freeway improvements.

By enacting the state’s first temporary sales tax for capital improvements, Santa Clara County did more than simply provide a model for others to emulate: it also unwittingly set in motion concrete incentives for them to follow suit. Opponents to Santa Clara’s proposal expressed the concern that the county risked shooting itself in the foot by adopting the tax, because the state government might direct resources toward counties with the greatest unmet needs. Even though California’s formula-based allocation of highway dollars theoretically protected against this type of diversion, this argument was politically potent. The California Transportation Commission soon lent credibility to these fears by not funding one of Santa Clara County’s priority interchange improvements precisely because (according to commission’s staff) voters might approve local funds to address the problem. The commission soon attempted to defuse the issue by pledging to reward counties undertaking their own transportation taxes.¹⁹

Meanwhile, other counties began to push for their own authorizing legislation. The legislature passed special legislation for San Diego County in 1985; Fresno, Tuolumne, and the nine Bay Area counties in 1986; and San Bernardino and Riverside counties in 1987; before passing blanket legislation that applied to all counties later in 1987.²⁰ By 1990, seventeen counties had adopted transportation authority sales taxes (see Table 3-3).

¹⁸ Stats. 1983, ch. 1320 (PUC § 130400); Stats. 1984, ch. 446 (PUC § 140000; repealed effective April 1, 1997).

¹⁹ “Wrong way on roads,” Editorial, *San Jose Mercury News* (June 17, 1984); Bert Robinson, “State backs local road projects,” *San Jose Mercury News* (June 29, 1984).

²⁰ Stats. 1985, ch. 1576 § 23 (PUC § 132300); Stats. 1986, ch. 301 §§ 3-4 (PUC §§ 131000 and 142000); Stats. 1986, ch. 1521 § 2 (PUC § 150000); Stats. 1987, ch. 270 §§ 3-4 (Revenue and Taxation Code §§ 7252.21 and 7252.22); Stats. 1987, ch. 786 § 3 (PUC § 180000).

Table 3-3. California's second wave of sales taxes: transportation expenditure plans.

County	Tax Authorized	Unsuccessful Tax Votes	Tax Successfully Enacted	Duration
Santa Clara	1984	1992	1984	10 years
Alameda	1986	-	1986	15 years
Fresno	1986	-	1986	20 years
San Diego	1985	-	1987	20 years
Contra Costa	1986	1986	1988	20 years
Riverside	1987	-	1988	20 years
Sacramento	1987	1988	1988	20 years
San Benito	1987	-	1988	10 years
San Mateo	1986	-	1988	20 years
Imperial	1987	-	1989	20 years
San Bernardino	1987	1987	1989	20 years
San Francisco	1986	-	1989	20 years
Santa Barbara	1987	-	1989	20 years
Los Angeles	1976	-	1990	Unlimited
Madera	1987	-	1990	8 years
Orange	1983	1984, 1989	1990	20 years
San Joaquin	1987	-	1990	20 years
Tuolumne	1986	1986	-	-
Placer	1987	1988	-	-
Tulare	1987	1988, 1990	-	-
Kern	1987	1989	-	-
Monterey	1987	1989	-	-
Nevada	1987	1989	-	-
Marin	1986	1990	-	-
Sonoma	1986	1990	-	-
Ventura	1987	1990	-	-

* The sales tax measure approved by L.A. voters in 1990 used the same authorizing legislation as L.A.'s 1980 measure. Like other taxes authorized during the 1970s, the new tax was permanent and supported public transit; however, it also resembled the taxes adopted during the 1980s because its revenues were allocated to a variety of different transportation projects and programs.

Ironically, in the mid-1980s, the state was beginning to take the first steps toward addressing its infrastructure backlog. Indeed, some of the increased congestion experienced by commuters may have been the result of what state transportation officials characterized as the most extensive highway construction program in the Bay Area's history. Between 1984 and 1986, Caltrans spent nearly \$700 million on projects covering almost half of the 1400-mile network of state highways in the region.²¹

As more and more heavily populated counties voted to tax themselves to obtain more transportation funding, it remained difficult to enact statewide increases in the gasoline

²¹ Harre W. Demoro, "Highway boom snarling traffic in Bay Area," *San Francisco Chronicle* (May 28, 1985).

tax. Soon the California Transportation Commission was facing its own funding shortfalls. The commission proposed solving its fiscal crisis by borrowing funds from counties that had adopted local option sales taxes. This provoked a forceful backlash, and state legislators soon rewarded “self-help counties” with access to extra transportation funds, as part of a ballot initiative that voters approved in June, 1990.²² The consequence of this measure was that counties that did not practice “self-help” transportation finance would lose out on their “fair share” of state transportation funds. This became an additional argument in subsequent debates over local transportation sales tax measures.

However, the proliferation of transportation sales taxes in California was soon halted, as the state’s anti-tax movement gained power and tightened restrictions on local taxation. In 1986, voters passed Prop. 62, which sought to close the “loophole” in Prop. 13 that enabled transportation sales tax measures to be passed by a simple majority of voters.²³ However, the impact of this new law was not fully felt until 1991, when state courts reached a new legal interpretation of Prop. 13’s scope.²⁴ The test of this ruling came the following year, when a majority of Santa Clara County voters approved a new sales tax to succeed the expiring tax originally passed in 1984. In the landmark *Guardino* ruling, a state appellate court upheld the constitutionality of Prop. 62 and concluded that the 1992 Santa Clara County sales tax had failed to garner the supermajority voter approval that it needed to be adopted.²⁵ After the *Guardino* ruling, the adoption of new transportation sales tax measures slowed dramatically.

Since *Guardino*, most areas found the two-thirds supermajority impossible to achieve; many other areas may have been deterred from even proposing new taxes because of this apparently insurmountable obstacle. Nonetheless, the past decade has seen a further evolution in the use of sales taxes to fund transportation investments, including some noteworthy success stories.

Santa Clara County’s immediate response to its defeat in the *Guardino* decision was to seek a way around it. The county’s innovative solution was to place two separate measures on the ballot: a sales tax initiative without constraints on how the revenue could be used, and a nonbinding referendum expressing a preference that any new sales tax revenues be used for transportation purposes. Because the new tax would have no legal connection to the referendum, it required only the simple majority voter approval

²² Virgil Melbert, “State might borrow tax hike funds from counties,” *Contra Costa Times* (1/27/89); Greg Lucas, “Transit task force proposes funds for ‘self-help’ counties,” *San Francisco Chronicle* (3/8/89); Judy Ronningen, “Sales-tax shortfall threatens road relief,” *Oakland Tribune* (10/12/89).

²³ Government Code §§ 53720-53730.

²⁴ In *Rider et al. v. County of San Diego et al.* (1 Cal. 4th 1; 1 Cal. Rptr. 2d 490 (1991)), the courts reached a different conclusion than they had in 1982 (see note 11). This time, they found that a special-purpose tax is subject to Prop. 13’s two-thirds requirement even if the special district administering it lacks property taxation powers, if the special district was created for the purpose of circumventing the two-thirds vote requirements.

²⁵ *Santa Clara County Local Transportation Authority v. Guardino et al.* (11 Cal. 4th 220 (1995)).

required of general-purpose taxes under Prop. 62. Santa Clara County pursued this approach in 1996, when it became known popularly as the “A+B strategy” after the letters designating the two measures on the ballot. This tactic proved successful for Santa Clara County: both measures won voter approval, and were soon legitimized by the courts.²⁶

However, the possibility of other counties duplicating Santa Clara’s success appears to have been blocked by the passage of Proposition 218, also in November, 1996. This new law defined a “special purpose tax” to include any tax that is intended for a designated purpose — regardless of whether the revenues are placed in the general fund. Under this rule, even taxes adopted as part of an “A+B” scheme would require supermajority voter approval. To date, this law has not been tested in the courts, as the three counties that have attempted the “A+B” approach (Marin, Sonoma, and Tuolumne) have failed to garner even simple majority voter support for a tax increase. The City of West Sacramento approved a transportation sales tax using an “A+B” approach in 2002, but this has not yet been challenged in court.

In November of 2000, major proposals to extend transportation sales taxes in Alameda and Santa Clara counties were approved by voter majorities of 81% and 71%, respectively, stunning many political observers. These political successes challenged the presumption that supermajority voter support for taxes was an unreachable goal. The overwhelming degree of voter support for these measures was widely seen as the result of a unique climate of economic optimism, so it lent slim encouragement to other counties with sales taxes that will expire soon.

²⁶ *Coleman et al. v. County of Santa Clara* (64 Cal. App. 4th 662 (1998)).

Table 3-4. California's third round of sales taxes: assorted recent experiments.

Jurisdiction	Unsuccessful Tax Votes	Successful Tax Votes	Duration
Santa Clara County	-	1996*, 2000	9 yrs.; 30 yrs
Town of Truckee	-	1998	5 years
Alameda County	1998	2000	20 years
Riverside County	-	2002	30 years
City of Sebastopol	2000	2002***	Indefinite
City of W. Sacramento	-	2002*	10 years
Sutter County	1994	-	-
Yuba County	1994	-	-
Monterey County	1998	-	-
San Benito County	1998	-	-
Marin County	1998*	-	-
Sonoma County	1998*, 2000, 2000**	-	-
Fresno County	2000	-	-
Imperial County	2000	-	-
Merced County	2000	-	-
NLTTA****	2000	-	-
Tuolumne County	2000*	-	-
Solano County	2002	-	-

* Employed "A+B Strategy"

** In 2000, Sonoma County voted on two separate transportation sales tax measures.

*** For general fund, partially to improve street maintenance.

**** North Lake Tahoe Transportation Authority, in Placer County.

The past decade has also seen the quiet emergence of new constituencies for transportation sales taxes. A growing number of small cities has been authorized to seek voter approval for sales taxes to fund street and road maintenance. In 1998, Truckee voters provided supermajority support for the measure, making the city the first in the state to have its own transportation sales tax. More recently, Sebastopol and West Sacramento followed suit with taxes unofficially earmarked for road maintenance and repair. The legislature has also given sales tax powers to the North Lake Tahoe Transportation Authority, the first transportation district not coterminous with county boundaries to be given such powers.²⁷

3.6. Some convergences.

The two policy histories reviewed above converge in several ways that help explain the emergence of local option transportation taxes.

First, both stories illustrate the changing roles of counties in the intergovernmental system. Counties were an important unit of governance early in the nation's history, but faded from significance in the late 1800s. In the 1970s, they began to re-emerge, because of their potential to provide centralized planning and services to otherwise fragmented

²⁷ Stats. 1998, ch. 1044.

metropolitan areas. Having shed their image of corruption and backwardness, counties began to seek and receive increasing levels of home-rule powers, including powers of taxation. Meanwhile state and federal governments were reaching the limits of public acceptance for gasoline tax increases, creating an opportunity for local leadership in transportation policy for the first time in many decades.

Second, public opposition to tax increases and general mistrust of government led to a number of approaches to governance that have further contributed to the success of local option transportation taxes. The requirement that new taxes win voter approval, often by a supermajority of voters, shifts transportation planning and administration to new ground. It empowers opinion leaders and civic groups to advocate significant shifts in spending priorities, or the development of new types of projects that wouldn't have been possible under federal grants-in-aid. It also empowers local governments and community groups that strongly oppose particular projects. The need to win voter approval has also led to tight constraints on the administration of any new taxes and expenditure programs, and policies to increase accountability and public oversight.

A final area of convergence has been the rise of direct democracy and ballot-box planning. Local initiatives and referenda have long been part of the political landscape in California, but since the 1970s, they have become the dominant ways that many important policy decisions get made in the state. Early on, voter initiatives were used for approvals of bond sales, as in the early rapid transit votes in Los Angeles. But they were not generally used for most other planning decisions, such as land use changes and local tax increases. This began to change in the 1970s, when the California Supreme Court issued a series of rulings that enabled zoning changes to be made by citizen initiative (Orman, 1984). Also beginning in the 1970s, Proposition 13 launched a gradually-tightening series of laws that required that all local tax increases be subject to voter approval. Since that time, the practice of making planning, zoning, and financing decisions at the ballot box has become commonplace, both in the land use and transportation policy arenas. Although California engages in direct democracy to a much greater extent than other states, the growing use of local option transportation taxes requiring voter approval is truly a nationwide trend (Goldman, Corbett and Wachs, 2001a).

4. Introduction to the Case Studies.

The purpose of this chapter is to introduce the tax measures by comparing their spending priorities and administrative structures, to set the context for the more detailed examination of their planning processes in subsequent chapters.

4.1. Three Bay Area counties.

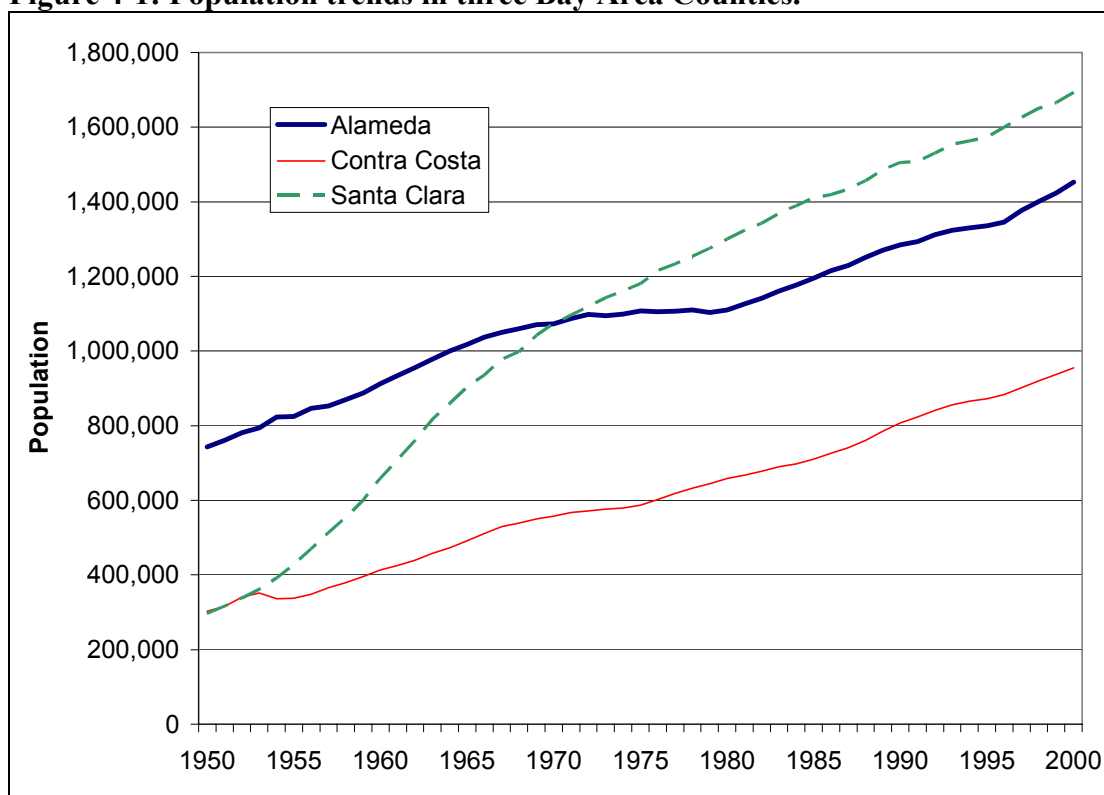
The case studies occur within three California counties: Alameda, Contra Costa and Santa Clara. These provide a convenient subset for analysis, by virtue of their proximity and similar policy contexts. They are the three most populous counties in the San Francisco Bay Area, and have been the fastest growing counties in the region (in absolute numbers) for the past four decades. During the time periods examined in this study, all three counties added population at a comparable pace (see Figure 4-1).

The region has multiple population and employment centers, yet their economies are increasingly interwoven. In 2000, 26% of the employed residents of these three counties worked outside their home county, up from 15% forty years earlier (Metropolitan Transportation Commission, 2003). The Bay Area's rapidly growing population, combined with the growing commute distances associated with the regionalization of its labor force, has created ongoing public demand for improved transportation infrastructure and services.

Despite fragmented governance and a strong tradition of local home rule, the Bay Area has taken some incremental (if often reluctant) steps toward metropolitan cooperation. In transportation, for example, this cooperation resulted in the creation of the Bay Area Rapid Transit (BART) District, and the Metropolitan Transportation Commission, which helps determine the distribution of state and federal transportation funds within a larger nine-county area. Both of these organizations are central to the region's transportation policy debates, and thus represent an important common denominator among the case studies.²⁸

²⁸ Santa Clara County is neither a member of the BART district, nor the site of any BART service. However, Santa Clara County has long been active in BART policy debates, it has sought an expansion of the BART network into its territory.

Figure 4-1: Population trends in three Bay Area Counties.



Source: California Department of Finance (2002).

Another commonality is that all three counties were among the first in the state to pass permanent sales taxes to finance the operations of transit districts. In Alameda, Contra Costa, and San Francisco counties, the legislature imposed a sales tax in 1969 to finance operation of the BART District. In 1977, in the face of financial crises faced by public transit agencies statewide, BART was required to share the revenues from this tax with the two other major transit operators sharing its service area—the Alameda-Contra Costa Transit District and the San Francisco Municipal Railway.²⁹ In 1976, Santa Clara County voters approved a tax to create a new countywide transit district and begin building a light rail system.

A final similarity becomes clear only after an examination of the history of the efforts to adopt these taxes: as neighbors, these counties have tremendous influence over one another. They often find themselves in competition for resources; they share media outlets and civic organizations that shape opinion across county borders; and they learn from each others' mistakes. Despite the formal independence of these tax measures from one another, the story of their adoption across the San Francisco Bay Area is very much a regional story.

²⁹ California Public Utilities Code, §29142.2.

4.2. Four transportation expenditure plans.

Critics of state and federal grants-in-aid have long argued that they distort local spending priorities. Often this is by design: categorical grants may seek to steer investment in directions that meet state or national objectives that otherwise might get overlooked at the local level. Matching funds provide localities with strong incentives to invest more than they might otherwise spend on a particular program, because of the economic and political benefits of leveraging funds from outside the area. Alternatively, spending rules may be written to ensure that funds are not diverted away from a narrow, legislatively determined range of uses. When grants are awarded competitively, there is an additional incentive to tailor project proposals to the policy preferences of the funding agency, narrowing the breadth of options considered.

Local financing of transportation improvements provides much greater flexibility in project selection and design than is possible when funding sources are limited to traditional grants-in-aid. Arguably this flexibility may enable counties to tailor expenditure packages that better reflect local needs and aspirations.³⁰ A review of how transportation sales taxes have been used in California illustrates that there has been considerable diversity in how counties have chosen to invest their new revenues (Crabbe *et al.*, 2002). As would be expected, urban counties devoted more money than their suburban and rural counterparts to non-automobile modes. But within this overall pattern, counties made very different choices about whether to favor transit capital or operations; subsidize paratransit in excess of mandated levels; emphasize capacity expansion relief, system maintenance, or quality-of-life goals. Each county also developed a unique organizational structure, with urban counties tending to centralize program administration, and rural counties choosing to devolve a higher share of funds to city control.

This flexibility is illustrated by how transportation taxes have been used in a single county, Santa Clara. Each of the five major transportation ballot measures that Santa Clara voters have approved over the years has had a distinctive character: a permanent tax for transit operations (1976), a ten-year tax for highway capacity improvements (1984), a ten-year tax for a multimodal program of investments (1996), a thirty-year tax for transit capital projects (2000), and a thirty-year earmark of existing gas tax revenues for street and highway projects (2002). The four voter-approved sales tax expenditure plans examined in this study further demonstrate this flexibility.

Also noteworthy is how the framers of the transportation sales tax measures responded to the freedom they had to negotiate new governance structures for the county transportation authorities they were creating. In three of the four cases, they selected a more equitable allocation of voting powers than that employed by the regional MPO; in the fourth case, the voting powers were still unusually equitable compared with the majority of MPOs statewide.

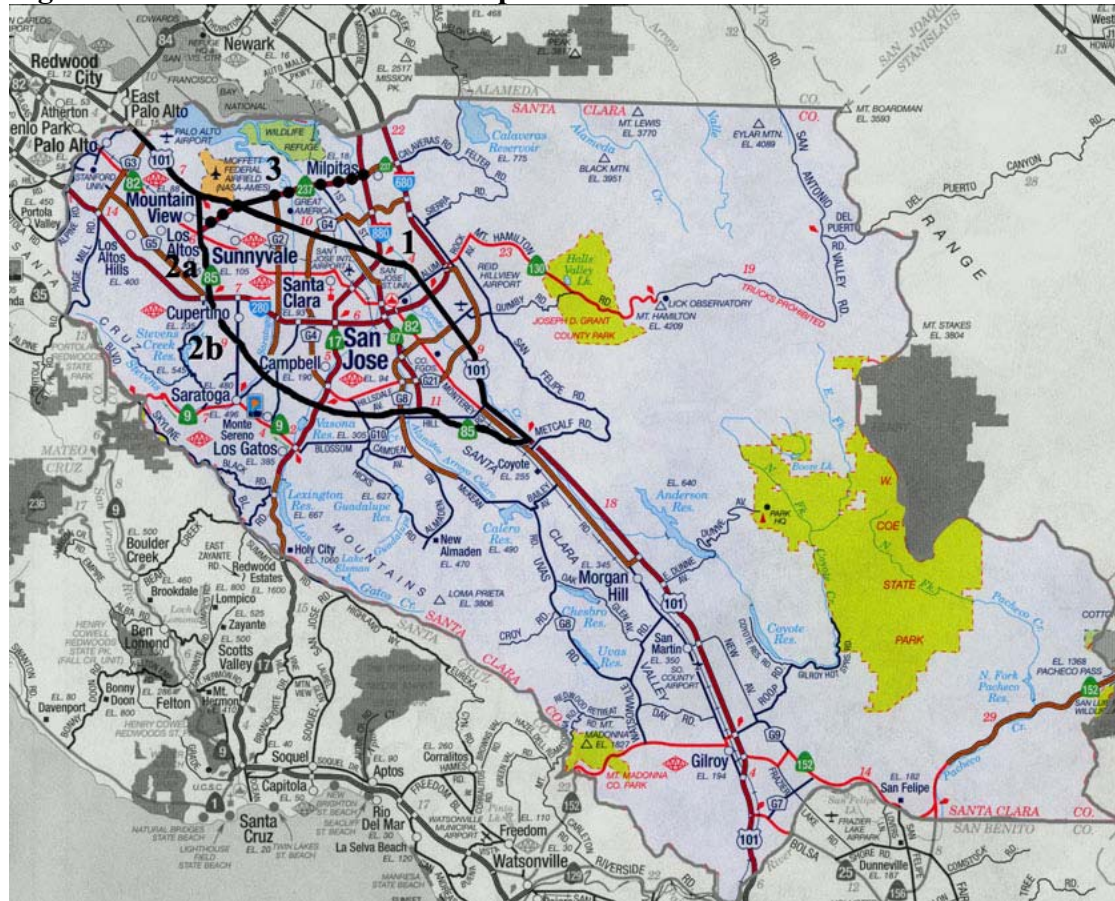
³⁰ On the other hand, without adequate accountability provisions, it risks leading to funds being diverted toward purposes the electorate never intended.

4.2.1. Santa Clara County's Measure A (1984).

Santa Clara's Measure A was the first countywide transportation sales tax proposal to win voter approval in California.³¹ It was also the most straightforward. It funded just three major projects, unified by a simple policy objective: peak-hour congestion relief for automobile commuters. All three projects significantly expanded freeway capacities in key commute corridors. In all, the sales tax was projected to raise \$1.1 billion over its 10-year duration.

The plan's first project widened U.S. Highway 101, the county's primary transportation artery, through the urbanized northern portion of the county (see **1** on the map in Figure 4-2). At the time, Hwy. 101 had six lanes from the San Mateo County line to central San José, and had four lanes south from there. In June of 1984, the California Transportation Commission pledged \$7.1 million to widen four miles of the highway in the heart of the county to eight lanes. With the sales tax, the county proposed expanding this eight-lane

Figure 4-2: The 1984 Measure A Expenditure Plan.



Key	Corridor	Description	Length	Cost
1	U.S. 101	Widen to 8 lanes	25.0 miles	\$131.5 M
2a	Hwy. 85	Widen to 6 lanes, north of Cupertino	5.8 miles	\$80.0 M
2b	Hwy. 85	Extend south of Cupertino	17.8 miles	\$350.0 M
3	Hwy. 237	Widen to 6 lanes, rebuild 11 interchanges	6.6 miles	\$155.0 M

section to a 25-mile stretch from the county's northern line to Bernal Road, just south of San José. It estimated that this would cost \$131.5 million, and be completed by 1995.³²

The second project completed State Highway 85, a major new route around the western side of the county. In 1984, the four-lane highway terminated in Cupertino, but acquisition was nearly complete of a right-of-way stretching across the central part of the county, to Hwy. 101. A freeway had been planned for this corridor decades earlier, but the communities through which it would run had not reached consensus about what should be built. Caltrans and Santa Clara County began to hold a series of community meetings to determine public support for a range of alternatives, including a freeway, expressway, bus/carpool roadway, light rail, and various combinations of these. At the time the sales tax expenditure plan was being finalized, this debate was still not settled.³³

The sales tax measure proposed widening the existing portion of Hwy. 85 to six lanes (2a), and extending it southeast to rejoin Hwy. 101 (2b). The details of the extension were left open pending the recommendations of local advisory board studying the corridor; however, it was made clear that sales tax funds would only be used for the highway component of the project. The amount budgeted for the extension was \$350 million, the amount Caltrans had estimated an eight-lane freeway would cost. The total expense for the two Hwy. 85 projects was projected to be \$430 million.³⁴

The final project upgraded State Highway 237 to freeway standards, including full access control and grade separation (3). This east-west connector had grown increasingly congested as the East Bay emerged as an affordable housing alternative for Silicon Valley workers. The expenditure plan allocated \$38 million to widen a portion of Hwy. 237 to six lanes between the Lawrence Expressway and Hwy. 101. It also funded upgrades to eleven interchanges for an estimated cost of \$117 million.

Many of the administrative provisions of Measure A were written directly into state law.³⁵ (Unlike most other tax measures, which relied on more general authorizing legislation, Measure A had its own dedicated legislation). The authorizing language creates a new Santa Clara County Traffic Authority, subject to voter approval. The authority is governed by a 5-member board of directors: a county supervisor, two representatives of the city of San José (the mayor and a member of the city council), an appointee of the mayors of "north zone" cities (Los Altos, Los Altos Hills, Milpitas,

³² Bert Robinson, "State backs local road projects," *San Jose Mercury News* (June 29, 1984); Bert Robinson, "Tax hike could mean \$1.1 billion for roads," *San Jose Mercury News* (July 31, 1984).

³³ Ellen Goodwin, "Saratogans offer their variations on Route 85 theme," *San Jose Mercury News* (March 21, 1984); Pamela Kramer, "Panel trims Route 85 alternatives, but West Side cities still disagree," *San Jose Mercury News* (July 3, 1984).

³⁴ Pamela Kramer, "Panel trims Route 85 alternatives, but West Side cities still disagree," *San Jose Mercury News* (July 3, 1984); Bert Robinson, "Tax hike could mean \$1.1 billion for roads," *San Jose Mercury News* (July 31, 1984).

³⁵ Santa Clara County Commuter Relief Act, Public Utilities Code §§ 140000 ff., effective July 16, 1984, repealed April 1, 1997.

Mountain View, Palo Alto, Santa Clara, and Sunnyvale), and an appointee of the mayors of “south zone” cities (including Campbell, Cupertino, Gilroy, Los Gatos, Monte Sereno, Morgan Hill, and Saratoga).

The authority was intended to be small and temporary. According to the legislation, it would expire twelve years from the day that the sales tax was first imposed. Furthermore,

“The authority shall rely to the extent possible on existing state, regional, and local transportation planning and programming data and expertise, rather than on a large duplicative authority staff and set of plans. The authority shall not expend more than six-tenths of 1 percent of the funds generated pursuant to this division in any year for salaries and benefits of its staff.” (P.U.C. §§ 140107).

The new authority was also given a degree of flexibility in managing the construction of projects that other transportation agencies did not have. It was required to procure equipment and services competitively, and given the ability to contract with either public or private sector entities. If lower prices could be found on the open market, then the authority could discard the bids and purchase them directly.

4.2.2. Alameda County’s Measure B (1986).

The sales tax expenditure plan approved by Alameda County voters in November, 1986 was significantly broader in scope than the plan approved in Santa Clara County two years earlier. Alameda’s half-percent sales tax lasted fifteen years, financed a more diversified package of eight transit and highway projects, and set aside revenues for transit, paratransit, and local streets programs. In contrast, the Santa Clara tax lasted ten years and funded only highway projects.

Measure B’s largest project was a \$220 million package of improvements to Interstate 880, the Nimitz Freeway.³⁶ This route had previously been considered part of State Highway 17, but was redesignated as part of the federal Interstate system. State and federal funds had already been secured to upgrade the road to Interstate standards, and to widen it to eight lanes between San Leandro and Union City. The sales tax expenditure plan augmented this effort by widening the freeway to eight lanes between Union City and Warm Springs (see **1a** on the map in Figure 4-3); and expanding it to ten lanes south to the Santa Clara County line (**1b**). It also modified three interchanges in the northern part of the corridor, at Hegenberger Road, 98th Avenue, and Route 92.

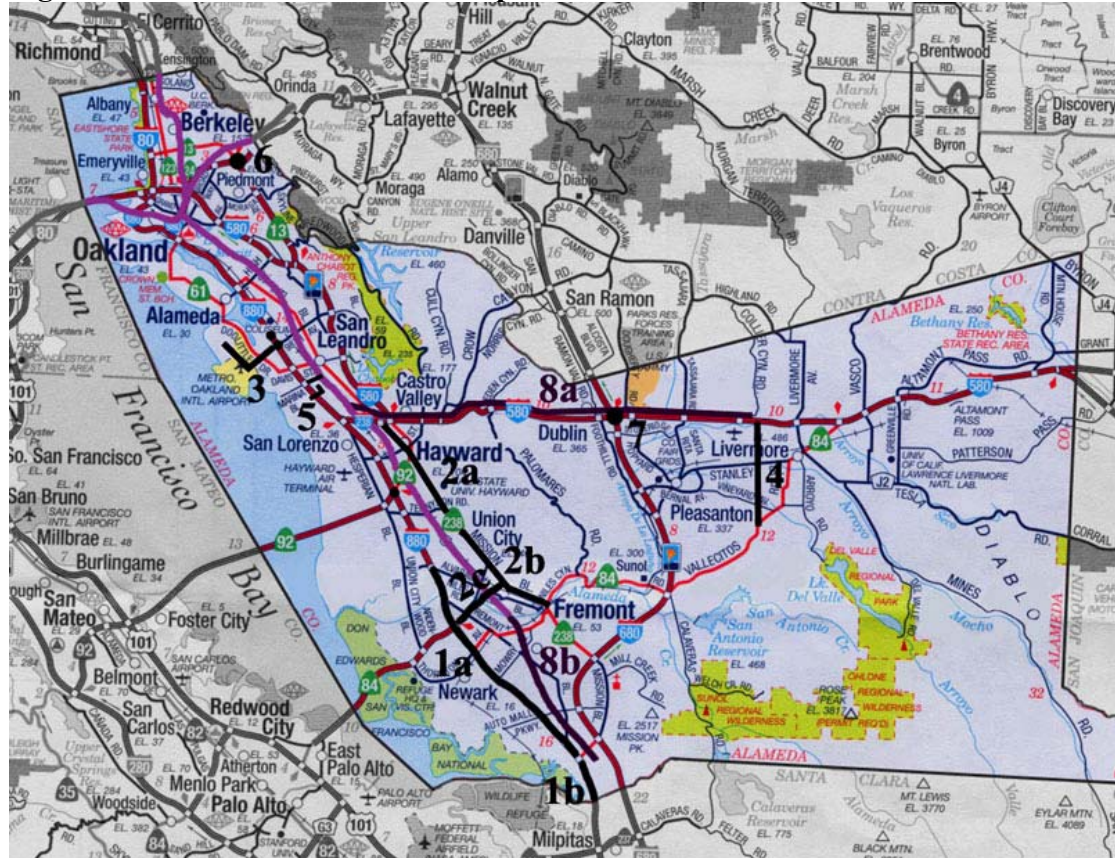
Another group of projects would have widened State Highway 238 to create a second major north-south corridor in the western part of the county, known as the Hayward

³⁶ Except as noted otherwise, information in this section is from: *The Alameda County Transportation Expenditure Plan*, Hayward, California: Alameda Countywide Transportation Advisory Committee (August, 1986).

Bypass. This proposal had three components: a \$70 million upgrade to a six-lane expressway/freeway north of Industrial Parkway (**2a**), an \$18 million widening to six lanes south from there (**2b**), and a \$66 million realignment of an east-west spur of State Highway 84 (**2c**). The plan claimed that the projects were necessary to relieve congestion on Foothill and Mission boulevards, as well as on I-880. Funding for the Hwy. 84 component of the project was made contingent on a \$20 million local contribution.

The Hayward Bypass project had been the subject of controversy and litigation since the

Figure 4-3: The 1986 Measure B Expenditure Plan.



Key	Project	Description	Cost
1	I-880	Widen freeway, improve interchanges	\$220 M
2	Hwy. 238/84	Hayward Bypass	\$134 M
3	Oakland Airport	Build new roadway between airport and I-880	\$60 M
4	Hwy. 84	New north/south alignment in East County	\$20 M
5	San Leandro	Improve connectivity/circulation in San Leandro	\$13.5 M
6	Hwy. 13/24	Improve interchange	\$11 M
7	I-580/I-680	Improve interchange	\$44 M
8a	E. County BART	Dublin Canyon BART Extension	\$170 M
8b	S. County BART	Warm Springs BART Extension	\$0 M
-	Local Streets		(18.3%) \$183 M
-	AC Transit		(11.6%) \$115 M
-	Paratransit		(1.5%) \$15 M

early 1970s. Caltrans had long planned for this facility to be a “Foothill Freeway” located on a new right of way in the hills above the city of Hayward, a proposal that had the support of most of that city’s political and business leadership. However, since that route would cut through open space and some low-income neighborhoods, it met strong opposition from local environmentalists and affordable housing advocates. Instead of funding that route, Measure B proposed upgrading Mission Boulevard, the main arterial running through Hayward. This change enabled the project to be included in the plan without significant controversy. Following passage of Measure B, however, Alameda County Transportation Authority and Caltrans officials sought to proceed with the Foothill Freeway alignment, but have so far been blocked from doing so by the courts.

One project that was controversial during the development of Measure B was construction of a new six-lane roadway linking I-880, the Oakland Airport, and the Harbor Bay Business Park north of the airport (3). The project was sponsored by the Port of Oakland, which argued that it was necessary to accommodate projected increases in traffic to the airport. Critics charged that the project was selected to benefit the developer of the geographically isolated business park. Measure B provided \$60 million of the estimated \$77 million cost of this project.

The plan also contributed \$20 million toward a \$45 million project to realign the eastern portion of Hwy. 84. The original alignment of the highway ran through the heart of Livermore before joining I-580, bringing significant amounts of traffic into the downtown area. The plan called for the construction of a new 2-lane roadway shirting the edge of town and joining I-580 west of the city (4). The plan also raised the possibility of expanding this new section to six lanes if additional funding became available from private sources.

The city of San Leandro received \$13.5 million for a package of local street improvements (5). These projects, including constructing a new overpass on I-880, and completing gaps in the street grid, were intended to improve access and circulation in an underdeveloped, industrial part of the city.

Two final road projects in the plan provided for the reconstruction of major freeway interchanges. The first covered the full \$11 million cost of rebuilding the interchange at Highway 13 and Highway 24 to build full freeway-to-freeway connections (6). According to the expenditure plan, this project would reduce traffic accidents at the interchange, and cut congestion on surrounding local streets. The other project contributed \$44 million to a \$54 million project for interchange and ramp improvements at interstates 580 and 680 (7). As with the airport roadway proposal, this project was controversial because it was seen as benefiting developers rather than existing county residents. But according to the expenditure plan, “[the area’s] recent growth is creating a cumulative impact which will cause a breakdown of the Route 580/680 Interchange before the freeways themselves reach capacity.” It also noted that congestion in this area was as bad on the weekends as it was during commute hours. Funding of this project was made contingent on a \$10 million local match.

On the transit side, the expenditure plan included two major rail extensions, but provided

only \$170 million, enough to partially fund one of these. The higher-priority line would build a new rail line following the I-580 corridor through Dublin Canyon **(8a)**, using a rail technology to be determined by subsequent studies. The plan estimated that if the project were built as a BART extension, it would cost a total of \$220 million, with at least \$50 million provided by BART itself and federal grants. Once this project was fully funded, any remaining funds could be put toward a \$345 million extension of BART from Fremont to Warm Springs **(8b)**. These rail lines were treated in the plan as a single, two-phase \$565 million project, with the Dublin extension given priority.

Aside from specific capital projects, the plan also allocated funds for a number of less specific programs. It set aside 11.6% of revenues for AC Transit to support transit operations, totaling a projected \$115 million over the 15-year duration of the tax. It also earmarked 1.5% of revenues (\$15 million total) for paratransit services.

Finally, the plan set aside revenues for local street and road projects. These funds were allocated according to a two-tiered formula. First, all cities and unincorporated portions of the county would share 10.3% of revenues (\$102 million total), allocated on the basis of population and road miles. In addition, cities in the urbanized northern part of the county (all areas north of San Leandro) would receive an additional allocation starting at 7.48% in the first five years, and increasing to 8.6% for the final ten (\$83 million total).

The expenditure plan also established a number of administrative policies. First, it created a new Alameda County Transportation Authority (ACTA) to administer the implementation of the expenditure plan during the 15-year duration of the sales tax. It had a nine-member governing board, consisting of all five county supervisors, a representative of the mayor of Oakland, an appointee of the cities north of San Leandro, and two others designated by the cities in the remainder of the county.

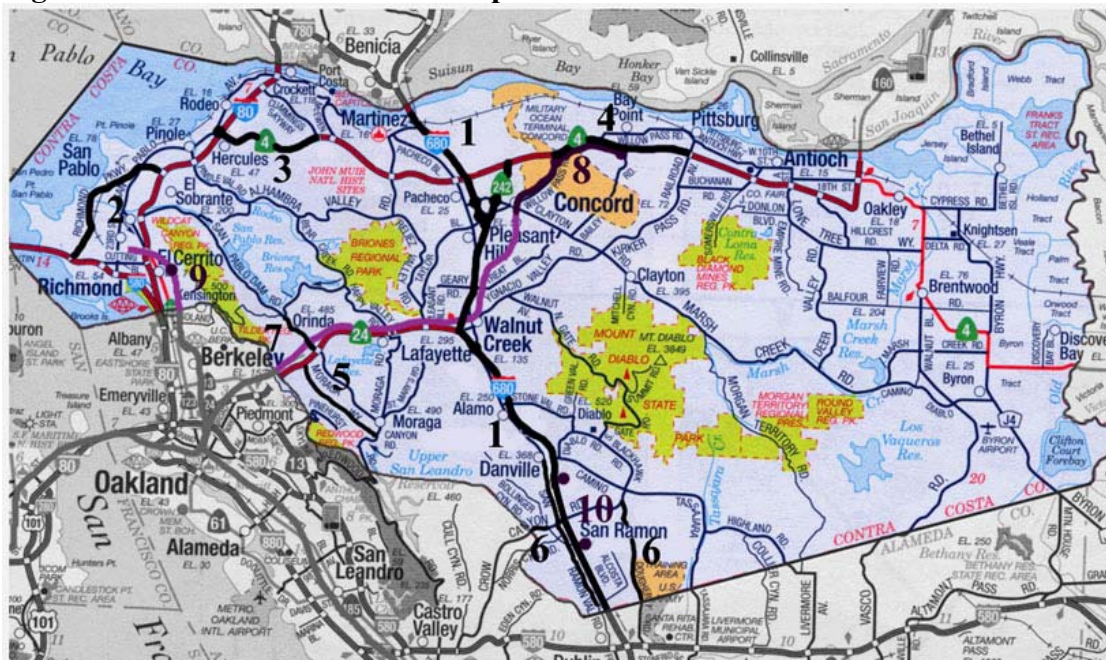
4.2.3. Contra Costa County's Measure C (1988).

The transportation expenditure plan approved by Contra Costa voters in 1988 continued the trend toward greater expenditure plan length and diversity. In addition to introducing several innovative funding categories, it was the first in the state to include broad policy prescriptions along with the allocation of dollars.

The expenditure side of the plan did not have a clear unifying theme. Its major infrastructure projects included four highway projects totaling \$295 million, three arterial projects at \$37.1 million, three transit and intermodal projects costing \$229 million, and a \$3 million package of bicycle trails. The plan also included \$242.4 million for non-project-specific "programs" in areas ranging from street improvements to growth management.³⁷

³⁷ Except as noted otherwise, information in this section is from: *The Revised Contra Costa Transportation Improvement and Growth Management Program*, Martinez, California: Contra Costa Transportation Partnership Commission (August 3, 1988).

Figure 4-4: The 1988 Measure C Expenditure Plan.



Key	Project	Description	Length	Cost
1	I-680/Hwy. 242	Widen freeways, improve interchanges	27.3 miles	\$100.0 M
2	Richmond Bypass	Construct new expressway	6.5 miles	\$70.0 M
3	Hwy. 4 - West	Widen freeway, reconstruct interchange	4.8 miles	\$45.0 M
4	Hwy. 4 - East	Widen/regrade freeway, interchanges	5.4 miles	\$80.0 M
5	Lamorinda Gateway	Plan and build traffic mitigation project	-	\$19.0 M
6	SW Arterials	Improve several major arterials	14.0 miles	\$13.6 M
7	Camino Pablo	Improve and realign, add ped/bike paths	0.8 miles	\$4.5 M
8	Rail Extension	Extend rail to East County	7.8 miles	\$178.0 M
9	BART Parking	Add parking at El Cerrito del Norte station	-	\$5.5 M
10	Reg'l Commuterway	Park & ride lots and van pool lanes	-	\$46.0 M
-	-	Local street maintenance and improvements	-	\$155.5 M
-	-	Bus transit improvements and coordination	-	\$42.4 M
-	Paratransit		-	\$25.9 M
-	Growth Mgmt.	Regional planning and growth management	-	\$10 M
-	-	Carpools, vanpools, and park-and-ride lots	-	\$8.6 M
-	Recreational Trails	Regional bicycle and pedestrian trails	-	\$3.0 M

The largest freeway project provided \$100 million to accelerate and complete a package of upgrades to Interstate 680, the county's primary north-south corridor, along its entire route through the county, along with the adjoining State Highway 242 (see 1 in Figure 4-4). A second major highway project, the Richmond Bypass, created a new expressway linking the county's northern I-80 corridor with the Richmond-San Rafael bridge (2).

The first of two projects on State Highway 4 widened and upgraded the route to a full freeway in the western part of the county, and reconstructed its interchange with Interstate 80 in Hercules (3). A second project widened and regraded Hwy. 4 east from Willow Pass Road near Concord (4).

The expenditure plan included \$19 million for a project to be determined locally to ease

congestion on the local streets near Moraga (5). Leaders in Orinda and Lafayette had initially promoted construction of a new four-mile Gateway Boulevard, but fierce opposition from Moraga led to the details of the project being left open pending the results of a local planning process.³⁸

Other arterials would also be improved. A package of \$13.6 million was set aside for arterials in the southwestern corner of the county. The plan stated that local jurisdictions would jointly determine the details of these improvements, but named particular segments that should receive priority (6). In addition, the plan funded a realignment of Camino Pablo in Orinda, and the addition of pedestrian and bicycle paths (7).

A centerpiece of the expenditure plan was a \$178 million project to bring rail to eastern Contra Costa County (8). The rail line would extend from BART's terminus at Concord over the Willow Pass Grade to as far east as funds would allow. The plan left open whether the rail line would be a BART extension, light rail, or some other technology, pending the outcome of a feasibility study. Residents of the eastern part of the county had long resented paying sales taxes to support BART without receiving service; many believe that they were promised extensions to Antioch and Hercules when the BART district was approved in 1962.³⁹ A second BART-related project provided additional parking at El Cerrito del Norte (9) and unspecified other stations in the county.

One of the plan's more distinctive projects provided \$46 million for a "regional commuterway" system. It would establish a network of park and ride lots (two of which are shown at 10) and bus/van "commute lanes" connecting some of the county's primary residential and employment centers. The plan did not specify the exact nature of these lanes, but stated that they would "use available rights-of-way and planned highway widening along the Route 4 and Interstate 680 corridors." It also included right-of-way purchases aimed at eventually integrating the western part of the county into the system.

In addition to the \$3 million allocated for pedestrian and bicycle trails, the expenditure plan established a series of funding pools for countywide transportation programs. These include \$25.9 million for paratransit services for the elderly and handicapped; \$155.5 million to be used by local jurisdictions for street maintenance and arterial improvements; \$8.6 million in grants to facilitate carpools, vanpools, and park and ride lots; \$42.4 million to improve bus services and coordination; and \$10 million for biennial Comprehensive Transportation Plans and ongoing growth management studies.

The specific expenditures financed by the sales tax were only one part of the overall policy package approved by voters. The second part was an eight-step "Growth Management Program" that all local jurisdictions must adopt in order to receive their share of the \$155.5 million in street maintenance funds. Under this program, each municipality must:

³⁸ Roland De Wolk, "How politicians cut a transit tax deal," *Oakland Tribune* (June 9, 1986).

³⁹ Bill Snyder, "County residents support tax, if it will unclog traffic," *Antioch Daily Ledger* (April 11, 1986).

- Add a Growth Management Element to its General Plan, based on a model developed by the county;
- Adopt traffic level-of-service standards appropriate for surrounding land uses (rural, semi-rural, suburban, urban, and central business district), and direct future capital planning toward improving intersections which fall short of these standards;
- Adopt performance standards for the provision of services and infrastructure—including fire, police, parks, wastewater, water supply, and flood control—and incorporate these standards into the development review process;
- Adopt a development mitigation program to ensure that new growth pays its share of costs associated with growth, and impose regional traffic mitigation fees set by the regional transportation authority, which will use the revenues for additional regional and subregional projects;
- Participate in a “cooperative, multi-jurisdictional planning process to reduce cumulative regional traffic impacts of development” and develop a countywide database on traffic conditions and impacts.
- Develop a five-year capital improvement plan for investments, aimed at attaining the traffic level-of-service and other service and infrastructure performance standards discussed above;
- Develop an implementation program to create “housing opportunities for all income levels,” while addressing land use and transportation implications of this housing; and
- Adopt a “transportation systems management (TSM) ordinance” to promote carpools, vanpools, and park-and-ride lots.

An accompanying “Transportation Improvement and Growth Management Ordinance” contained several other important provisions. Many of these were aimed at strengthening local authority and fiscal standing. The ordinance directed the Contra Costa Transportation Authority to implement the expenditure program so as to “maximize state and federal transportation funding to the region.” Before spending any funds, the Transportation Authority was required to certify annually that the county was receiving its fair share of funds, and that no funds have been diverted away from the county because of the sales tax. All projects, even projects on state and federal highways, were required to have a local sponsor or co-sponsor. The ordinance also gave preference to local and minority- and women-owned businesses in contracting.

The Transportation Authority was also given some additional powers. It could allocate funds to help accelerate projects funded through the State Transportation Improvement Program, provided Caltrans agreed to refund this investment to the county as the funds it had allocated for the improvements became available. It also had relatively strong powers to amend the expenditure plan and ordinance without a popular vote. It was further responsible for determining local governments’ compliance with the Growth

Management Program in order to receive street funding.

Finally, the ordinance limited the powers of the Transportation Authority in several ways. Although the power of eminent domain was granted to the Authority by the state enabling legislation, the ordinance forbade this power from being used. In addition, the ordinance limited the Authority's administrative expenditures to 1% of revenues, and specified that it must defer to its four "Regional Transportation Planning Committees" on certain planning matters (including the southwest arterials improvement program, and the cooperative planning process to reduce regional traffic impacts).

4.2.4. Alameda County's Measure B (2000).

The final ballot measure examined in this study was adopted twelve years after the Contra Costa measure, in a different era in transportation policymaking in California. Whereas the practice of planning and implementing transportation projects at the county level was in its infancy in the 1980s, it had since been expanded by a series of changes in state transportation policy. By the late 1990s, county-level planning had started to supplant the state and metropolitan levels as the dominant venue for transportation decision-making. Yet this heightened importance was threatened by another policy change of the intervening years: the requirement that dedicated local option taxes win two-thirds majority approval from the voters. With most of the transportation sales tax measures in California due to expire by 2010, the future viability of local transportation funding initiatives was uncertain. Alameda County's Measure B was one of the first due to expire, and so the effort to win voter approval for a successor measure became an important test case of whether winning supermajority approval was feasible.

The sales tax expenditure plan enacted in 2000 anticipates \$1.42 billion in revenues over the 20-year life of the tax. Of these, only 16% are committed to highway improvements, a sharp reduction from the 49% given to highways in the 1986 measure. Transit is allocated the largest share of the revenues, 43%, of which just over half is earmarked for operations. Approximately one-quarter of the revenues are earmarked for local streets and roads. Paratransit increased its share sevenfold, claiming over 10% of the revenues this time around. Finally, an unprecedented 5% of the revenues are dedicated to pedestrian and bicycle projects.⁴⁰

The plan makes significant new investments in rail projects around the county. The largest single project is a \$165 contribution to the cost of extending BART beyond Fremont to Warm Springs (see 1 in Figure 4-5). This project was included as a "Priority 2" project in the 1986 expenditure plan, but did not receive any funding from the first sales tax. A provision in the plan states that construction may not begin on this project until full funding for the proposed extension to San José is secured. A second major transit capital investment is \$66 million for an automated, fixed-guideway connection between the Coliseum BART station and the Oakland International Airport (2). The plan

⁴⁰ Except as noted otherwise, information in this section is from: *Alameda County's 20-Year Transportation Expenditure Plan*, Oakland: Alameda County Transportation Authority (July 2000).

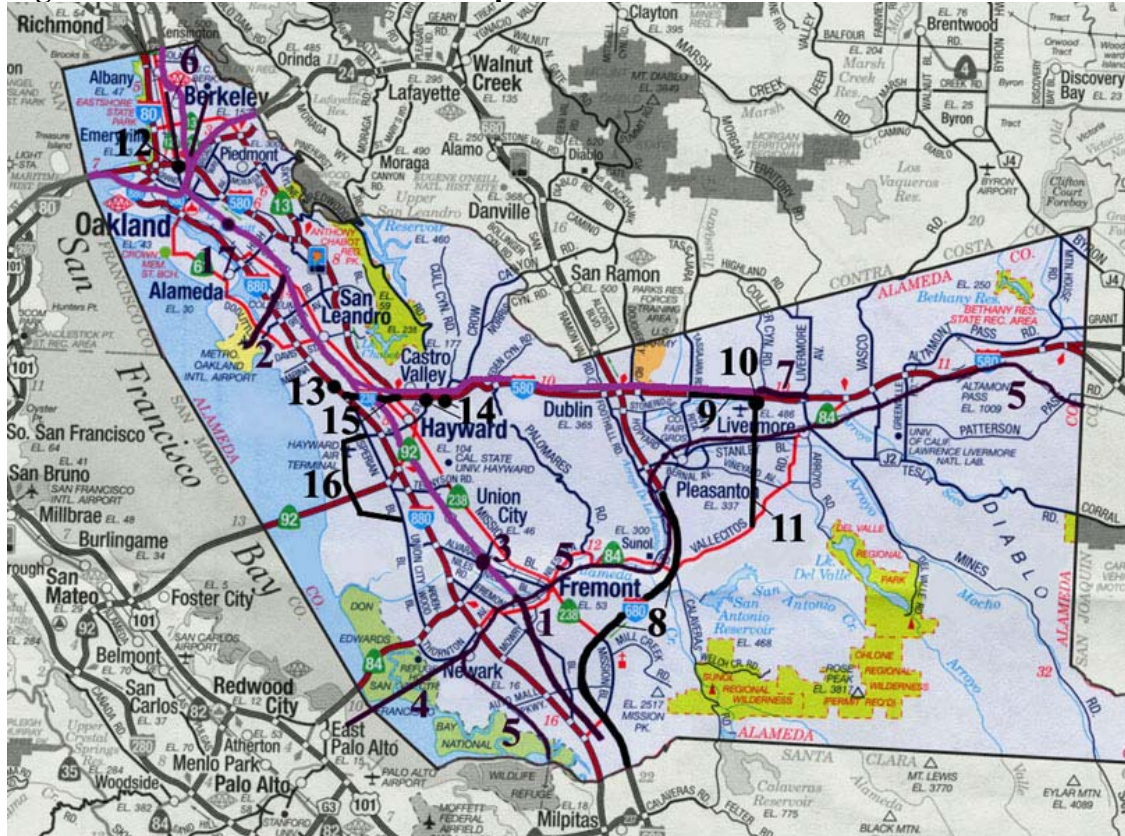
also includes funding for some smaller projects, including \$9.2 million for an intermodal transit center in Union City (3); \$14.7 million toward the rehabilitation of an unused bridge to provide rail service in the Dumbarton Corridor between Alameda and San Mateo counties (4); \$10 for improvements to the Altamont Commuter Express (5); \$20 million toward the establishment of express bus services between Oakland and Berkeley (6); and \$8.7 million to study the proposed Livermore BART extension (7)

Instead of receiving a fixed dollar amount, transit services are granted a fixed percentage of annual sales tax revenues. The largest share goes to AC Transit, which receives 17% of revenues (projected to be \$246 million). Most of these funds are used to operate local and feeder bus services, but about \$21 million is set aside for services helping welfare recipients access jobs. Smaller amounts go to the Livermore Amador Valley Transit Authority (\$10 million), Union City Transit (\$5 million), the Altamont Commuter Express (\$30 million), ferry services (\$11 million), and a new countywide express bus service (\$10 million). Paratransit services receive about 10.5% of revenues, or an estimated \$149 million.

The most innovative capital project in the plan provides \$26 million for the construction of a southbound “express” or “HOT” lane on the most congested freeway in the region, the Sunol Grade (8). Carpools will have free use of this lane, and solo drivers may choose to purchase access to the lane by paying a toll. The toll rates will be set to ensure free-flowing traffic at all times. Toll lanes that operate on a similar principle are in use in Southern California, but these have generally been implemented on much wider and longer sections of freeway. Nearby are other highway capital projects, including \$10 million toward an auxiliary lane on Interstate 580 (9), \$20 million toward an interchange at I-580 and Hwy. 84 (10), and \$70 million to realign Hwy. 84 through Livermore (11). This final project that was included in the 1986 sales tax expenditure plan, but adequate funding did not materialize to complete it.

Elsewhere in the county, the tax provides \$16 million for ramp improvements in Oakland (12), San Leandro (13), and Castro Valley (14); \$66 million for widening a busy section the Interstate 238 (15); and \$19.5 million for a new roadway expected to relieve congestion on Interstate 880 and Highway 92 (16). Finally, the plan contributes \$3.5 million to the construction of a parking facility for the Fruitvale Transit Village, a transit-oriented development initiative in a low-income neighborhood (17).

Figure 4-5: The 2000 Measure B Expenditure Plan.



Key	Project	Description	Cost
1	S. County BART	BART Extension to South Fremont	\$165.5 M
2	BART to Airport	BART Oakland Airport Connector	\$65.8 M
3	Intermodal Hub	Station linking BART, Amtrak, and buses in Union City	\$9.2 M
4	Dumbarton Rail	Rehabilitate rail bridge from x-bay passenger svc.	\$14.7 M
5	ACE Rail	Capital improvements for Altamont commuter rail	\$10.0 M
6	Quality Bus	Enhanced bus service on two AC Transit corridors	\$20.0 M
7	Livermore BART	Study BART extension to Livermore	\$8.7 M
8	I-680	Express commuter lanes on the Sunol Grade	\$25.8 M
9	I-580	Auxiliary lanes near Livermore Airport	\$10.0 M
10	I-580/Hwy. 84	Interchange improvements	\$20.0 M
11	Hwy. 84	Relocate and widen to four lanes	\$70.0 M
12-14	Misc.	Freeway ramp improvements	\$16.3 M
15	I-238	Widen to six lanes	\$66.0 M
16	I-880/Hwy. 92	Reliever route for truck traffic	\$19.5 M
17	Transit Village	Parking structure for transit village at Fruitvale BART	\$3.5 M
-	Misc. Projects	Earmarks for local street and traffic improvements	\$25.4 M
-	Bike/Ped Projects	Iron Horse recreation trail; Oakland streetscape improvements	\$9.5 M
-	Cong. Relief Fund	Additional funds for emerging capital needs	\$7.6 M
-	Local Allocations	Distributed to cities for discretionary projects	(22.3%) \$317.9 M
-	Bus Operations	Express, local, and welfare-to-work bus services	(19.0%) \$270.6 M
-	Paratransit	Various paratransit programs	(10.5%) \$148.6 M
-	Bike/Ped Safety	Grants for bike and pedestrian facilities	(5.0%) \$71.1 M
-	ACE Rail	Operating subsidies for Altamont Commuter Express	(2.1%) \$30.1 M
-	Alameda Ferries	Expand transbay service from Alameda	(0.8%) \$11.1 M
-	Transit Centers	Grants to encourage retail development near transit	(0.2%) \$2.8 M

The plan's largest ongoing program allocates 22% (\$318 million) to municipalities for investments in local streets and roads. These funds are distributed to cities and the counties based on their populations and road mileage. The expenditure plan also contains \$25 million in additional earmarks for specific local road improvements.

The plan commits a higher level of funding for pedestrian and bicycle safety projects than any comparable transportation tax plan in the state. Each year, it dedicates 5% of total revenues for these projects (estimated to total \$71 million), with an emphasis on "gap closures and intermodal connections." One-quarter of these funds are reserved by the county for regional projects, while the remaining three-quarters are distributed to the cities on the basis of population. In addition, the plan grants \$5 million for streetscape improvements in Oakland, and \$4.5 million for the construction of a recreational trail along an abandoned rail right-of-way.

The plan also provides a \$7.6 million "Congestion Relief Emergency Fund" to meet unanticipated future needs; and a \$2.1 million repayment to Alameda County for the costs of the 1998 and 2000 ballot measure elections.

The tax and expenditure program is to be administered by a new Alameda County Transportation Improvement Authority (ACTIA) governed by an 11-member board. The membership of this board consists of all five county supervisors; three representatives from the county's southern and eastern cities; two from its northern cities; and one selected by the Mayor of Oakland. This is similar to the composition of the old ACTA board, except it has one additional representative from each of the two groups of cities.

Finally, the plan establishes a 17-member Citizens Watchdog Committee that will "report directly to the public" on the Authority's expenditures and accounting practices. Members of this committee are to be nominated by elected officials, and by a variety of citizens organizations, including the Sierra Club, League of Women Voters, East Bay Bicycle Coalition, and the county Taxpayer's Association, Labor Council, Economic Development Alliance for Business, and the Paratransit Advisory Panel. Committee members serve two-year terms and must be selected to ensure geographic balance.

4.3. How do these plans compare?

These four plans emphasize significantly different spending priorities (see Table 4-1). In the most recent measure, transit operations, paratransit services, and bicycle and pedestrian projects capture a significant share of funding away from the more traditional capital spending categories. Whereas Santa Clara's tax dedicated its revenues for a single purpose – expansion of highway capacity – the subsequent measures examined here have increasingly tended to diversify their spending priorities and policy objectives.⁴¹

⁴¹ The reader should not read too much into the "trends" indicated by the comparison of these four cases. Other transportation tax measures adopted in the intervening years have focused exclusively on highways or transit.

These tendencies are apparent even within a spending category. The most recent measure in Alameda County includes ferry subsidies within its transit operations, something which was not funded previously. It also broadens its local turnback funding from what was originally primarily a street maintenance fund to a more discretionary pool that can be also be used for transit, bicycle and pedestrian projects, and other enhancements.

Table 4-1: Spending priorities of the four expenditure plans.

Expenditure Category	Santa Clara 1984	Alameda 1986	Contra Costa 1988	Alameda 2000
Road & Hwy. Capital	100%	51%	41%	18%
Transit Capital	-	17%	28%	21%
Transit Operations	-	12%	6%	22%
Local Turnbacks	-	19%	19%	23%
Bicycle, Pedestrian	-	-	<1%	6%
Paratransit	-	2%	3%	10%
Other	-	-	1%	<1%

The ballot measures also took different approaches with regard to the governing structures for the new county transportation authorities (see Table 4-2). In only one case, Alameda County in 1986, did the Board of Supervisors retain majority control of the board of directors of the new agency. In the other cases, the cities retained the balance of power. In three of the cases, the mayors or councils of central cities (Oakland and San José) won the right to make appointments directly to the board. Most of the other board appointments were made by groupings of cities based on geographic proximity.

Table 4-2: Governing boards of the four transportation authorities.

Representation	Santa Clara 1984	Alameda 1986	Contra Costa 1988	Alameda 2000
County Supervisors	1	5	2	5
Central Cities	2	1*	0	1**
Other Cities	2	3	9***	5
Stakeholder Agencies	0	0	0	0
Index of Central City Voting Power	0.97	0.99	0.48	0.88
Index of Deviation from Proportionality	13.9	11.8	29.4	15.5

* Also participates with other cities in the appointment of one board member

** Also participates with other cities in the appointment of two board members

*** One appointed by the Conference of Mayors, two by each of the four regional transportation planning committees.

These complex divisions of power resulted from carefully negotiated compromises, in which two different conflicts had to be resolved. First, there had to be agreement on the apportionment of power between regional interests (the county) and local interests (the

cities). And second, a balance had to be found between reassuring geographic areas that they wouldn't be outvoted by other areas with competing interests, and ensuring that representation on the board is roughly proportionate to population.

This latter tension is a persistent problem in regional bodies of all kinds. Since regional governance in the U.S. typically relies on the voluntary participation of municipalities as equals, the residents of central cities tend to be underrepresented. Benjamin et al. (1994) use an "Index of Central City Voting Power" (a city's share of voting power to its share of population) to illustrate that central cities have disproportionately low voting power in vast majority of Metropolitan Planning Organizations around the country. Of the 69 MPOs for which they were able to calculate this index, all but seven had disproportionately weak central cities, and the median value in all regions was 0.33. Applying this index to the four county transportation authorities shows that in three of four cases, the central cities have very close to proportionate voting power (see Table 4-2).⁴² Only in Contra Costa (where the city of Concord is the largest municipality but doesn't really function as a central city) is the index significantly lower than one.

A more comprehensive metric is the Index of Deviation from Proportionality, developed by Taagepera and Shugart (1989) to describe the division of power among parties in parliamentary systems, and adapted by Lewis and Sprague (1997) to examine geographic equity on MPO boards in California. This index is calculated as $D = \frac{1}{2} \sum |s_i - p_i|$, where for each jurisdiction i , s is its percentage of votes on the governing board, and p is its percentage of regional population. A low value for this index indicates a voting system that is nearly proportionate. According to Lewis and Sprague, the two largest MPOs in the state have the most representative voting systems. Their analysis suggests that the Southern California Association of Governments deviated only 3% from proportionality, while the Metropolitan Transportation Commission deviated by 17%. The other 14 MPOs had scores ranging from 24-59%.

Results for the four countywide transportation authorities appear in Table 4-2. They indicate that the governance structures adopted for the sales taxes in Alameda and Santa Clara counties are more representative (in terms of cities' populations) than the region's MPO, the Metropolitan Transportation Commission. The Contra Costa Transportation Authority board deviates more from proportionality but is still typical by the standards of California MPOs.

⁴² Methodological note: Some important assumptions were necessary in the calculation of the two indices used in this section. First, for the three measures adopted in the 1980s, population data was used from 1990 (State of California Department of Finance, 2002a); for the most recent measure, estimates were used for 2002 (State of California, Department of Finance, 2002b). For the purposes of allocating voting powers among the cities, it was assumed that county supervisors represent cities in proportion to their populations (following Lewis and Sprague, 1997), and that appointees of mayors' conferences or other "committees of cities" represent cities on a one jurisdiction-one vote basis. This latter assumption is based on the idea that cities will choose to share the power on a rotating basis.

5. Case Study #1: Santa Clara County's Measure A (1984).

“We’re living in a dream world if we think we’ll get the money we need in any kind of reasonable time frame.”

—Supervisor Zoë Lofgren⁴³

Santa Clara County pioneered the law and politics of local option transportation finance in California. While some of the earliest legislative proposals for local transportation taxes originated in the southern part of the state, Silicon Valley was where the idea first gained broad voter acceptance.

In 1960, Santa Clara County adopted a property tax that enabled it to build an extensive network of expressways (multilane highways without full grade separation), bucking the pattern of reliance on state and federal funding found elsewhere in California (Faigin, 2002). Although voters rejected a 1974 proposal that would have upgraded this system to freeway standards, the expressway network remains one of the dominant features of the county's transportation system.

On five subsequent occasions, a majority of the Santa Clara County electorate has voted in favor of funding transportation improvements through higher sales taxes:

- 1976: Santa Clara County voters approved a permanent, half-percent sales tax to fund public transit services in the county, the state's first such tax to be enacted by the voters.⁴⁴
- 1984: Voters became the first in the state to adopt a temporary sales tax increase for transportation capital projects.
- 1992: As the second tax approached the end of its 10-year period of authorization, the county became the first to return to its voters to seek renewal of its temporary transportation sales tax. Although this effort won 54% support, the state Supreme Court found that it fell short of the 2/3 majority required under recent constitutional amendments.⁴⁵
- 1996: The county tried again, circumventing the supermajority requirement by separating the sales tax increase and the political guidance for how new revenues should be used into two legally distinct ballot questions. Voters approved the tax

⁴³ Burt Robinson, “Santa Clara County leaders back plan to hike sales tax,” *San Jose Mercury News* (May 1, 1984).

⁴⁴ The Bay Area Rapid Transit District's sales tax predates the Santa Clara County tax by several years, but was imposed by an act of the California Legislature.

⁴⁵ *Santa Clara County Transportation Authority v. Guardino* (1995) 11 Cal. 4th 220.

increase by a narrow margin (52% approved), and the new tax withstood challenges in court.⁴⁶

- 2000: When the county turned to the voters for a fifth time, it needed to convince more than two-thirds of voters. Defying the expectations of many observers, a 30-year, \$6 billion package of transit capital improvements won 70.6% approval in November, 2000.
- 2002: Not an actual tax increase, this can be seen as codifying a political promise that helped win voter approval for the 2000 measure. This time, 74.3% voted to earmark all state and federal discretionary transportation funds to highways, streets, and roads for the next 34 years.

While each of these ballot measures was a landmark in its own way, the 1984 measure had the greatest statewide influence. Its success at the ballot box at a time of crisis in local public finance led to a wave of imitators, profoundly shifting how major transportation investments were planned and financed in California. In less than seven years, 18 counties (covering 82% of the state's population) adopted local transportation sales tax measures.

Despite its influence, Santa Clara's 1984 Measure A was not typical of most of the other measures that followed. It was an extremely simple proposal, designed to address a single problem in a way that would have broad, countywide appeal. See Section 4.2.1. for a detailed description of Measure A.

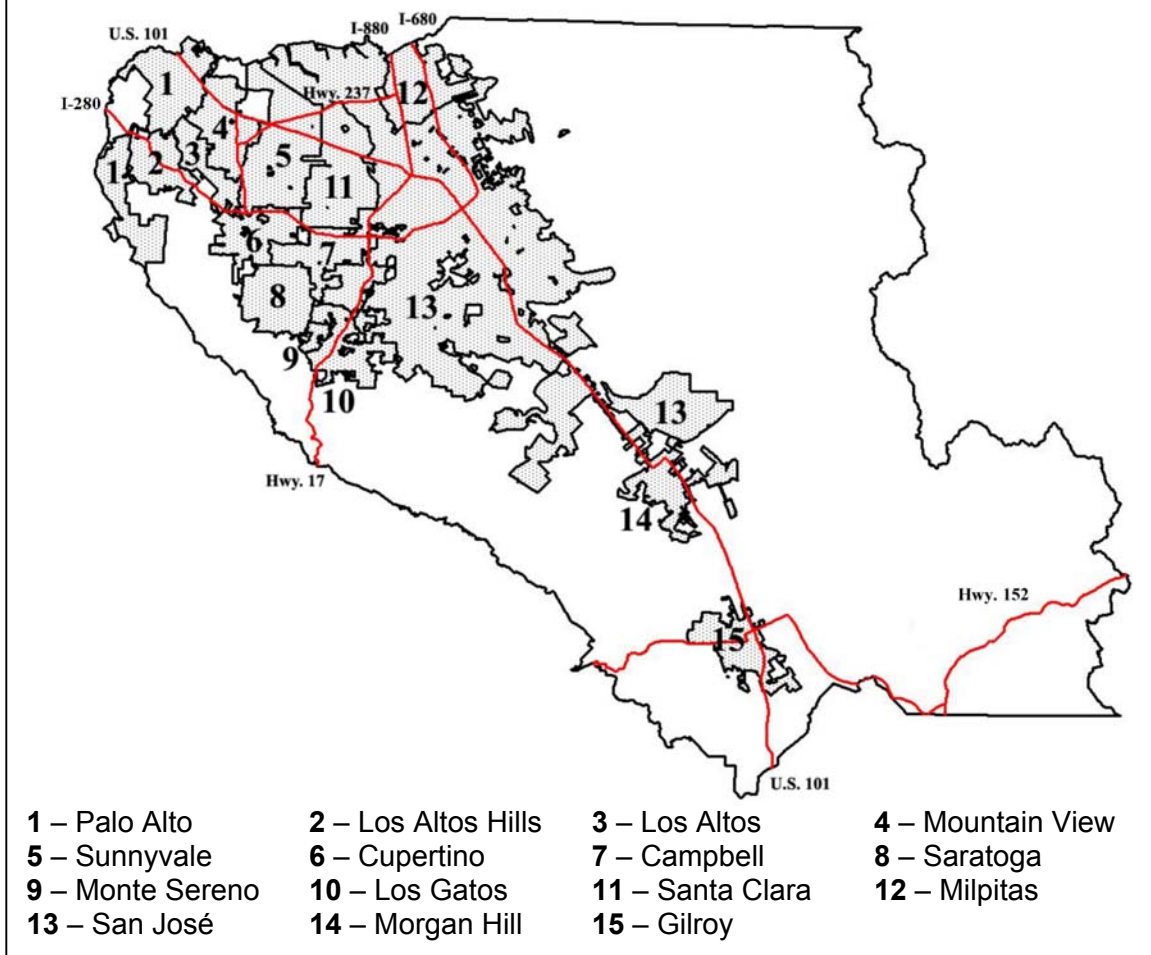
5.1. The planning context.

Santa Clara's record of innovation and political success in convincing its electorate to vote for higher transportation taxes may be a consequence of its unique economy and politics. After World War II, Silicon Valley's emergence as a major center for defense and technology research propelled Santa Clara County into an extended period of robust population and employment growth. Prolonging this success became the county's central political objective, and gave rise to a political culture that emphasizes cooperative problem solving between government and industry. The resulting policy debates more closely resemble those driven by a central city business elite than those led by developer-dominated growth coalitions typically found in outlying suburban areas.

Santa Clara County is bounded by mountains on both the east and the west, which has driven most of its development into its broad northern valley (see Figure 5-1). As a result, its residents and institutions have evolved a sense of belonging to a single geographic region. Many of its government, business and civic organizations, operate on a countywide basis, rather than dividing their activities among several subareas.

⁴⁶ *Coleman v. County of Santa Clara* (1998) 64 Cal. App. 4th 662. However, the viability of this strategy was short-lived: also in the November 1996 election, California voters approved Proposition 228, which closed the legal loophole which made the "A+B Strategy" possible.

Figure 5-1: Geography of Santa Clara County.



Nonetheless, the county does have different areas with their own distinct characters (see Table 5-1). The northwestern corner of the county has relatively high incomes and slow growth, and identifies as much with the Peninsula as with the South Bay. In the north-central region is a band of cities including Sunnyvale, Cupertino, Campbell, and Santa Clara, that serves as the heart of Silicon Valley. It has an income and a growth rate near average for the county. Slightly to the south are the small, wealthy suburbs of Saratoga, Monte Sereno, and Los Gatos. In the east is San José, which has grown to include more than half of the county's population due to aggressive land annexation. The populations of San José and Milpitas are relatively poor, but these two cities are likely to see strong employment growth in the future. Finally, the small agricultural towns of Gilroy and Morgan Hill in the south have been experiencing some of the region's fastest residential growth.

During the 1970s, Santa Clara County crossed over from a bedroom community to a business district that relies on workers commuting from elsewhere.⁴⁷ Although it lacked

⁴⁷ Aside from San Francisco, Santa Clara remains the only county in the Bay Area with a net inflow of workers (Metropolitan Transportation Commission, 1992).

the physical form of a central city, San José was emerging as the Bay Area's most populous municipality. By 1990, its population would reach 782,000, making it the 11th largest city in the nation. Yet, as will be discussed below, many of its residents and political leadership felt that the city was still treated as a satellite of San Francisco in regional policymaking.

Despite having the economy of a central city, the county has grown physically like a suburb. During the 1980s, the population of the county grew by more than 200,000 people, reaching nearly 1.5 million by the end of the decade. Most of this residential growth followed a centerless pattern of moderate-density development. As the most accessible areas filled up, and local zoning laws prevented the formation of a higher-density core, residential development spread outwards into Alameda, San Mateo, Santa Cruz, and southern Santa Clara counties. Combined with continued growth of high-density office parks throughout the valley, this created a severe spatial imbalance between jobs and housing, condemning workers who couldn't afford the county's expensive local housing market to long commutes.

Table 5-1: Five Regions of Santa Clara County.

Region	Incorporated Cities	1990 Population	Share of County Population	Annual Growth 1990-2000	1989 Per Capita Income
North-West	Palo Alto, Los Altos, Los Altos Hills, Mountain View	175,500	12%	0.2%	\$28,800
North-Central	Campbell, Cupertino, Santa Clara, Sunnyvale	290,000	20%	1.2%	\$22,100
South-Central	Los Gatos, Monte Sereno, Saratoga	58,700	4%	0.5%	\$37,900
East	Milpitas, San José	852,700	59%	1.5%	\$16,900
South	Morgan Hill, Gilroy	57,500	4%	3.0%	\$16,800

Source: U.S. Bureau of the Census, Census of Population and Housing (1990, 2000).

The firms that established themselves in the valley initially had little need to work with local government: their success was more dependent on federal policies, such as defense research and procurement. But as the county's growth-related problems worsened, the technology sector detected a threat to its own continued success: if housing costs or long commutes made it difficult to recruit a growing high-skill labor force, the region's economic dominance would suffer. As a result, the county's largest employers, began to play an activist role in the region's public policy debates. In the late 1970s, under the leadership of David Packard, they formed the Santa Clara Valley Manufacturing Group (later known as the Silicon Valley Manufacturing Group). The initial 33 companies participating in this group were dominated by technology firms, but some banks and the San Jose Mercury News also participated.⁴⁸ Among other initiatives, the Manufacturing Group promoted transportation improvements as a means to ensure continued access to

⁴⁸ Interview SC1.

an expanding, highly skilled workforce. Aware that the state's dominant anti-tax sentiment was unlikely to produce significant new resources to address these problems, the county's public and private leadership turned to its own taxpayers for help.

In 1984, the year efforts to adopt a new sales tax got underway, Santa Clara County was engaged in several policy debates related to the adequacy of existing transportation funds. One prominent issue early that year concerned the future of rail transit in the county. The Metropolitan Transportation Commission was developing its first comprehensive transit capital plan for the nine-county region, and it was focusing the available resources on extensions to the BART system. The San Jose Mercury News editorialized that the plan sold Santa Clara County short by including only one of its proposals, the first segment of a proposed light rail system. County supervisors complained that MTC leaders favored counties served by the BART District and that Santa Clara County deserved to get a proportionate share of the region's transit capital funds. The Santa Clara County Manufacturing Group argued that transit improvements were crucial to the future growth of industry in Silicon Valley, and thus to the entire region's economy.⁴⁹

MTC's board emphasized the need for consensus so the region could present a united front when seeking funding in Sacramento and Washington, but Santa Clara politicians threatened to promote their projects directly in Congress if their county's needs were not accommodated.⁵⁰ In late February, county leaders made a final effort to expand Santa Clara's benefits from the regional rail plan. The county Board of Supervisors proposed a compromise: the county would acknowledge benefits its residents derive from projects outside the county (such as BART extensions in southern Alameda County and CalTrain improvements in San Mateo County), if MTC would add \$205M for a new light rail line in the Highway 85 corridor. Jim Beall, a city council member in San José, said he would recommend that his city withdraw from the MTC if the organization didn't show more flexibility: "I recognize the need for a regional planning agency, but when it deteriorates into a pork barrel and parochial kind of thing, then it isn't a regional agency anymore." County Supervisor Rod Diridon, a commissioner of MTC, argued that Santa Clara county's fair share of the regional rail funds would be 30%, rather than the 19% in the current plan.⁵¹ When the commission approved the rail plan the following day, it included an additional \$58M for a project in Santa Clara County to be determined at a future date. Diridon cast the lone dissenting vote, and Beall reiterated his threats to seek creation of a new Santa Clara County metropolitan planning organization.⁵²

Meanwhile, Santa Clara County's highway planning debates proceeded on a separate

⁴⁹ "Circle the Bay," Editorial, *San Jose Mercury News* (January 22, 1984); Sidney Hill, "Regional transit panel hit/South Bay called victim of S.F. bias," *San Jose Mercury News* (February 9, 1984); Sidney Hill, "Transit funds urged/South Bay needs called critical," *San Jose Mercury News* (February 10, 1984); "Fairness and rail funds," Editorial, *San Jose Mercury News* (February 19, 1984).

⁵⁰ Michael Dorgan, "County put low on list for transit funds," *San Jose Mercury News* (February 17, 1984).

⁵¹ Armando Acuna, "County pursues more transit money," *San Jose Mercury News* (Feb. 22, 1984).

⁵² Michael Dorgan, "Light rail priority in transit plan," *San Jose Mercury News* (Feb. 23, 1984).

track. As the year began, the Board of Supervisors was sharply divided over its priority list of highway improvement projects, a first step in the statewide transportation planning process.⁵³ At issue was what priority to assign a dangerous stretch of State Highway 152, a lightly-traveled roadway in the southeastern part of the county that had been the scene of several recent fatal accidents. Representatives from the southern part of the county favored placing the project at the top of the list, as the board had voted to do the previous November. However, representatives of the more densely populated portions of the county feared the expense of the project could delay other needed improvements by five years or more. Ultimately, the board agreed to keep a smaller segment of Hwy. 152 at the top of its priority list, in order to emphasize its importance but still allow other projects to receive funding. Other priority projects included capacity improvements on U.S. 101, Hwy. 85, and Hwy. 237, and interchange improvements on Hwy. 87 as part of the Guadalupe Corridor light rail project.⁵⁴

When MTC adopted its five-year plan, funding was available only for three major Santa Clara County projects. Improving Hwy. 152 and widening a 4-mile segment of Hwy. 101 were ranked relatively high on the regional priorities list, while Hwy. 85 was ranked last. Funding for the Hwy. 237 and Guadalupe Corridor projects were left off the list entirely. Staff estimated that the Hwy. 152 project would consume all of the county's money for the first four years of the plan. County political leaders expressed dissatisfaction at this outcome, arguing that MTC should push to expand the state transportation funding pie through higher taxes.⁵⁵

When the California Transportation Commission approved the final project list, largely deferred to the county's stated transportation preferences. Once again, U.S. 101 and Hwy. 152 topped the priority list. It also added two smaller projects after local governments agreed to pay some of the costs: a safety project that would re-route Hwy. 82 around the University of Santa Clara, and Guadalupe Corridor interchange improvements. The net result was that only one significant capacity improvement project received funding, and that a large portion of the Commission's expenditures in Santa Clara County were being spent on projects that were favored at the local level, but that would do little to address the region's worsening rush-hour congestion.⁵⁶

These two controversies illustrate Santa Clara County's sense of marginalization within a regional planning environment it felt was inappropriately focused on propping up San

⁵³ The state's planning process at the time started with the counties establishing their priorities and passing them on to their metropolitan planning organizations. These regional bodies would then reconcile any conflicts and develop a single list to be passed up to the California Transportation Commission (CTC); and then the commission would make the final decisions about which projects would be funded.

⁵⁴ Joanne Grant, "Highway 152 work divides supervisors," *San Jose Mercury News* (January 18, 1984); Bert Robinson, "Higher priority for work on routes 237, 85," *San Jose Mercury News* (February 1, 1984); Tom Philp, "Highway 85 gets low funding priority," *San Jose Mercury News* (February 1, 1984).

⁵⁵ Tom Philp, "Highway 85 gets low funding priority," *San Jose Mercury News* (February 1, 1984); Sidney Hill, "Improvements in sight for highways," *San Jose Mercury News* (April 26, 1984).

⁵⁶ Bert Robinson, "State backs local road projects," *San Jose Mercury News* (June 29, 1984).

Francisco, the declining metropolitan center. They also indicate the degree to which the county's elected officials felt compelled to demonstrate that they were doing all they could to secure more transportation funding, even if this meant playing to the media in long-shot efforts to wrest funding from their neighbors. Finally, they suggest why county political leaders felt they had no option but to take the political risk of suggesting tax increases to generate new transportation revenues.

5.2. Development of the expenditure plan.

5.2.1. The proposal.

The idea of adopting a countywide sales tax to finance transportation improvements in Santa Clara County was first floated in April 1984 by county supervisors and the mayor of San José, in conjunction with local business leaders. The tax effort was modeled after a similar drive in Orange County, which had earlier secured legislative approval for a June 1984 ballot initiative on a 20-year, 1% transportation sales tax.⁵⁷

The proposal itself was developed at a private meeting between County Supervisor Zoe Lofgren, and the director of the Santa Clara County Manufacturing Group, Peter Giles.⁵⁸ Although the specific nature of the improvements that could be funded with a 10-year sales tax wasn't determined until later, the outlines of the proposal – upgrading Hwy. 237, widening U.S. 101, and widening and extending Hwy. 85 – were decided at that meeting. In late April, county political and business leaders gathered for an official launch of the tax proposal. Tom McEnery, the Mayor of San José, argued that the stakes were economic survival, warning that the deteriorating traffic conditions resulting from the county's booming economy threatened eventually to “strangle” its continued success.⁵⁹

From the very beginning, the backers of the tax knew what they wanted their proposal to be. The county would adopt a half-cent sales tax for ten years, and use the estimated \$550-600 million in revenues for just three projects: widening Hwy. 101 to eight lanes, extending Hwy. 85 down to Hwy. 101, and upgrading Hwy. 237 to freeway standards. The tax would be implemented by a new Traffic Authority, which would be governed by a board consisting of the five county supervisors, three members of the San José City Council, and three members of other city councils around the county. State enabling legislation was needed to allow the tax to be approved by a simple majority of voters, and time was running short, so city governments were asked to adopt resolutions of support within two weeks.⁶⁰

⁵⁷ Bert Robinson, “Extra tax for roads may be put to voters,” *San Jose Mercury News* (April 21, 1984).

⁵⁸ Interviews SC1, SC2, A2.

⁵⁹ Bert Robinson, “Santa Clara County leaders back plan to hike sales tax,” *San Jose Mercury News* (May 1, 1984).

⁶⁰ *Ibid.*

The presentation of the tax plan as a finished product requiring rapid rubber-stamp approval by local governments raised the hackles of many local politicians. Some began raising a variety of objections to the proposal: the time frame was too short to allow city councils to weigh the merits carefully; the public was in no mood to approve higher taxes; the sales tax was regressive; and highway investment would eventually lead to increased traffic congestion. The loudest and most persistent complaint concerned the governing body of the new Traffic Authority: some local governments felt that they would be outnumbered on the board, and would be unable to protect their residents' interests in the planning process.⁶¹

Despite reassurances from tax proponents that the Traffic Authority would not be a decision-making body, Palo Alto, Saratoga, Mountain View, Sunnyvale, and other small cities openly revolted, refusing to endorse the package unless they were given greater control over the process. Ultimately a compromise was reached: the board would consist of one supervisor, two members of the San José City Council, and two council members from other cities; four votes would be required on major decisions. In addition, the board would be advised by a policy committee with representatives from each city in the county. This agreement succeeded in defusing most of the opposition to the tax among local officials. An effort was made to add two projects to the expenditure plan, safety improvements on Hwy. 152 and Hwy. 82, but there were was strongly opposed by the tax proponents because they would dilute the package's central objective of congestion relief (as discussed above, these projects ultimately won inclusion in the state transportation improvement plan).⁶²

Further minor amendments to original proposal smoothed the way for other cities to endorse the package: the City of Santa Clara won limits on the use of funds for projects beyond the original three corridors, and Sunnyvale won bond-issuing powers for the Traffic Authority. In the end, only three cities formally opposed the proposal: Palo Alto, Los Gatos, and Los Altos Hills.

The final version of the enabling legislation encoded these agreements in detail. It provided for one opportunity for voters to approve or reject a ten year half-percent sales tax, with no second chance if voters disapprove. It established a Santa Clara County Traffic Authority to administer the expenditure program. It directed the authority to cap its expenditures on staff salaries to 0.6% of revenues, and to dissolve as an organization at the end of twelve years. It specified the membership of the board of directors and the policy advisory committee, limited expenditures to the Hwy. 85, Hwy. 101, and Hwy. 237 corridors, and forbid spending on anything other than highway capital projects (except associated planning, administration, and engineering). Finally, it imposed some

⁶¹ Peter McCormick, "Board boosts road tax/Legislature's aid will be sought," *San Jose Mercury News* (May 9, 1984); Bert Robinson and S. L. Wykes, "Cities wary of highway tax plan," *San Jose Mercury News* (May 15, 1984); Paul Engstrom and Miranda Ewell, "County road tax: Sunnyvale likes it; Santa Clara hates it; legislative panel OKs," *San Jose Mercury News* (May 16, 1984).

⁶² *Ibid.*, plus Bert Robinson, "Pact may avert road-tax squabble," *San Jose Mercury News* (May 26, 1984); Bert Robinson, "Highway tax compromise backed," *San Jose Mercury News* (May 30, 1984).

additional constraints on the planning process: the final form of the Hwy. 85 project must win approval from local governments in the corridor, and efforts should be made to preserve bicycle rights-of-way threatened by road expansions.⁶³

5.2.2. The campaign and election.

The Manufacturing Group started laying the groundwork for making its case to the public long before the ballot measure was formally placed on the ballot. It encouraged large companies to hire “commute coordinators” who would help plan ridesharing services, but would also help the group communicate with employees throughout the county. It also started reaching out to automobile dealerships, which had campaigned to defeat the Orange County proposal because they feared higher tax rates would hurt business.⁶⁴

On the day that the Board of Supervisors voted to place the tax and expenditure package on the November ballot, backers of the measure announced their plans to establish a “Committee on Traffic Relief,” which would seek to raise \$250,000 - \$600,000 for an “educational campaign” on the measure’s behalf. Local industry—concerned about the consequences of severe congestion on the region’s housing affordability, economic competitiveness, and ability to recruit skilled workers—mobilized behind the measure as they never had for any previous local ballot question. Numerous high technology companies, including Advanced Micro Devices, Hewlett Packard, IBM, Intel, National Semiconductor, TRW, and Varian, donated more than \$10,000 each to the campaign; Lockheed took the additional step of lobbying its own workers.⁶⁵

Tax advocates struck several themes early in the campaign. First and foremost, highway improvements would bring much-needed relief to commuters. Extraordinary financing efforts were needed because the local share of state and federal transportation funds has lagged far behind the explosive pace of growth experienced in the county, and some improvements were needed soon to ensure the county’s continued economic health. Finally, they argued that Measure A’s innovative approach to public finance provided voters with an unprecedented level of certainty that tax dollars would be used transparently, efficiently and accountably.

⁶³ “The Santa Clara County Commuter Relief Act,” Stats. 1984, c. 446 (effective July 16, 1984). This law was codified in the California Public Utilities Code §140000 but sunset when the 1984 tax expired.

⁶⁴ Interview SC1.

⁶⁵ Bert Robinson, “County to vote on sales tax hike of ½-cent for highway projects,” *San Jose Mercury News* (August 8, 1984); Bert Robinson, “Sales-tax-for-roads fight shifts into overdrive,” *San Jose Mercury News* (September 28, 1984).

Whereas it had long been clear that having a sales tax would ensure that these projects would move forward sooner than otherwise possible, advocates began arguing as the election approached that failure to pass the tax increase would delay the projects for “as long as 40 years, if ever.” If the tax is not adopted, county leaders argued, “existing highways will stay jammed, residential neighborhoods will be used as speedways by drivers avoiding stop and go traffic... and air pollution will increase.”⁶⁶ The mayor of San José warned that Measure A’s failure would “signal a significant drop in the livability of every neighborhood in our city,” and would bring major construction projects in the city to a “screeching halt.”⁶⁷

In the last month before the election, new constituencies began to contribute to the campaign. Several development-related corporations each contributed more than \$10,000, including Zanker Development, Rudolph and Sietten, CPS Commercial Real Estate, Koll Co., and Sobrato Development. But the county’s industrial base, especially Lockheed Missiles and Space, Hewlett-Packard, and National Semiconductor, continued to drive the campaign with large financial contributions, direct lobbying of employees, and donations of employees’ time. By the end of October, the “yes” campaign had raised over \$500,000. Finally, throughout the campaign, the San Jose Mercury News and Palo Alto Times-Tribune provided strong editorial support for the tax effort.⁶⁸

Opposition to the measure was spread thinly and broadly across the political spectrum. The “Alliance Against A,” which one newspaper called “a ragtag group of

Figure 5-2: Ad Supporting Measure A



⁶⁶ Zoe Lofgren, Susanne Wilson, Thomas L. Legan, Rod Diridon, and Rebecca Q. Morgan, “Argument in Favor of Measure A,” *Santa Clara County Voter Information Guide* (November 1984 Election). The authors of this argument were all members of the Board of Supervisors.

⁶⁷ David Kutzmann, “S.J. council urges ‘yes’ on road-tax ballot measure,” *San Jose Mercury News* (October 5, 1984).

⁶⁸ Bert Robinson, “\$500,000 raised for Measure A/Road-tax supporters get aid from industry,” *San Jose Mercury News* (October 28, 1984); “‘Yes’ to road tax,” Editorial, *San Jose Mercury News* (October 16, 1984); “‘Yes’ on highway tax” Editorial, *Palo Alto Times-Tribune* (October 24, 1984).

environmentalists, transit buffs, and tax opponents” had such disparate political orientations that it had difficulty coordinating an effective message. Despite announcing their opposition to the measure, several politically powerful groups (including the Sierra Club, the county Republican Party, and the American Association of Retired Persons) pulled their punches and didn’t actively campaign against the tax. As a result, the core of the opposition consisted of less well-known groups such as the Modern Transit Society, the Committee for Green Foothills, and United Taxpayers.⁶⁹

The anti-tax members of the coalition were generally better organized and more successful than their other coalition partners at getting public exposure for their message. For example, they seized an early opportunity to submit their own ballot argument against the tax. As a result, the most prominent free editorial outlet—the voter information guide—represented only a narrow range of the ballot measure’s opponents’ views.⁷⁰ In the pamphlet, they argued that the projects would subsidize commuters from other counties, that it would lose sales tax revenue to other counties (particularly from motor vehicle sales), that local politicians have failed to fight for the county’s fair share of state and federal funds, that the tax would raise twice as much money as is necessary, and that the simple majority vote violates the letter and spirit of Proposition 13. They also sought to sow fear that the tax would create an unaccountable “new bureaucratic authority” with powers of eminent domain, or that revenues might be diverted to other purposes by local politicians or the Metropolitan Transportation Commission.⁷¹

Due to a lack of funding (it raised only “several hundred dollars” for its campaign), other members of the Alliance Against A had to rely on free coverage in the newspapers to get its message out.⁷² Their central argument was that the tax simply would not be effective at reducing congestion, and that better coordination with land use planning was necessary for any long-term gains. One columnist blamed congestion on “years and years of calculated negligence and lack of cooperation” on land use,⁷³ while the mayor of Los Gatos warned that unless more emphasis was placed on planning, “we’re going to end up just like Los Angeles.”⁷⁴ unless more emphasis is placed on land use planning. One letter-writer asked, “why spend millions to create four lanes of bumper-to-bumper traffic where now there are three lanes of bumper-to-bumper traffic?”⁷⁵

⁶⁹ “Local GOP opposes sales-tax rise,” *San Jose Mercury News* (August 21, 1984); Bert Robinson, “Sales-tax-for-roads fight shifts into overdrive,” *San Jose Mercury News* (September 28, 1984).

⁷⁰ Bert Robinson, “Sales-tax-for-roads fight shifts into overdrive,” *San Jose Mercury News* (September 28, 1984).

⁷¹ Hal M. Rogers, John R. Puckett, Henry J. Severin, Charles Rieker, and Merlyn F. Rokas, “Argument Against Measure A,” *Santa Clara County Voter Information Guide* (November 1984 Election).

⁷² Bert Robinson, “\$500,000 raised for Measure A,” *San Jose Mercury News* (October 28, 1984).

⁷³ Steve Lopez, “Jammed roads, empty heads,” *San Jose Mercury News* (May 11, 1984).

⁷⁴ Tom Ferrito as quoted in Bert Robinson, “Highway tax compromise backed,” *San Jose Mercury News* (May 30, 1984).

⁷⁵ F.R. Toppiano, Letter to the Editor, *San Jose Mercury News* (October 15, 1984).

Equity concerns were also high on their agenda: “Lower-income people don’t own cars, but they pay sales tax. They’ll be subsidizing well-paid employees in Silicon Valley.”⁷⁶ They cited recent studies showing that 49% of peak-hour users of Hwy. 237 live in Alameda, Contra Costa, or San Mateo Counties. These out-of-county residents would contribute little for the benefits they would receive from the freeway upgrade project.⁷⁷

Finally, they argued that the financial shortfall was a myth. They estimated that Santa Clara County would receive \$1 billion in gas tax revenues over just the next five years, not 40 years as tax backers claimed.⁷⁸

Santa Clara County voters approved Measure A with 56% of the vote. Support for the measure was strong throughout the county. Due to concerns over the expansion of Hwy. 85, Saratoga was the only city not to provide majority approval (it voted 46% in favor). In Milpitas and Cupertino, more than 60% of voters endorsed the measure. Because the vote coincided with a presidential election, over 73% of the county’s registered voters participated in the election (Santa Clara County Registrar of Voters, 1984).

Santa Clara County’s success proved that even as voters continued to resist increased taxation in general, they were willing to pay more for improved transportation if they feel confident that their money will not be squandered. This unleashed a frenzy of planning efforts statewide aimed at duplicating Santa Clara’s victory.

5.3. Findings and observations.

5.3.1. Participation and leadership.

The decision-making process that led to Measure A involved a very small circle of participants. The basic features of the plan were sketched at an informal meeting between a county supervisor and the leader of the county’s major business group. In this initial determination of spending priorities, they did not rely heavily on extended outreach to constituents and stakeholders, or technical studies; both based their decisions primarily on a shared understanding of the most congested commuting corridors in the county.⁷⁹ A consultant with technical expertise was used only to determine the amount of revenue the sales tax could be expected to generate, and the specific nature of improvements that could be funded from this revenue stream. Local elected officials were able to provide input only in the final stage of the planning process, the determination of how a new transportation authority would be governed.

⁷⁶ Palo Alto city council member Ellen Fletcher, as quoted in Bert Robinson, “County to vote on sales tax hike of ½-cent for highway projects,” *San Jose Mercury News* (August 8, 1984).

⁷⁷ Richard S. Gaines, “Should Santa Clara County voters approve Measure A? No: Unfair tax won’t loosen the gridlock,” Op-ed, *San Jose Mercury News* (October 22, 1984).

⁷⁸ *Ibid.*

⁷⁹ Some limited polling was done by the Manufacturing Group that contributed to the project selection. The inclusion of improvements on Hwy. 101 in the plan was due in part to polling results (Interview SC1).

Throughout the process, leadership was provided by the Santa Clara County Manufacturing Group, county supervisors, the mayor of San José, and the San Jose Mercury News. By the time of the election, the Manufacturing Group consisted of over 90 firms. Funding for the campaign came from both the technology sector and the real estate and construction, and development interests. Real estate, construction, banking, and labor were strong financial backers of the initiative, but kept a low profile. They did not play a role in designing the measure.

While the development of Measure A did not explicitly recognize the existence of other transportation planning processes in the region, it didn't entirely ignore them, either. The plan's language concerning the extension of Hwy. 85 achieved the goals of the county's business community (creation of a six-lane roadway to freeway standards), while still potentially accommodating plans for light rail in the corridor. Two major freeways, I-280 and State Highway 17 (which was on the verge of being redesignated I-880), were not included in the plan because of the belief that they stood a greater chance of being awarded federal funding in other planning processes because of the greater availability of funding for the Interstate system.

5.3.2. Planning and policy objectives.

It is often difficult to ascribe motives or objectives to a document as complex as a transportation expenditure plan. But in the case of Measure A's straightforward project list and clear progeny, its policy objective was clear: it sought to increase the capacity of the county's most congested commuting corridors. Different constituencies may have interpreted the benefits of these actions in different ways. Voters may have seen the measure as its authorizing legislation proclaimed it to be: a "commuter relief act" designed to reduce their travel times to work. The region's major technology firms may have seen it as a means for expanding Silicon Valley's commute shed, expanding the region's potential workforce by enabling commutes from farther-flung, lower-cost suburbs. The real estate and construction industries, which provided significant support for the campaign promoting Measure A, was likely attracted by the tremendous potential for new development once Hwy. 237 was upgraded to a freeway, and once Hwy. 85 was extended down to the central part of the county. Yet these varying motives don't change the basic fact that Measure A was about speeding rush-hour traffic on high-volume roads.

Other proposed projects that met different policy objectives were excluded from the Measure A expenditure program. Two projects that had earlier been identified by county officials as leading priorities – safety improvements on Hwy. 152 and Hwy. 82 – were not included because they would have contributed little to easing regional congestion. Similarly, proposals for helping develop San José's nascent light rail system, although favored by the region's major employers, were not seen as having sufficient impact to make a difference on rush hour traffic. The exclusion of these locally-favored projects also reinforces the conclusion that the plan's authors were concerned with addressing regional needs (as they saw them), rather than winning the favor of local constituencies.

Although Measure A is the only measure to have passed in the Bay Area devoted entirely to freeway projects, it probably should not be interpreted as the product of an exclusively

pro-highway agenda. The omission of transit from the measure reflected several considerations. The county had approved a permanent tax for transit operations just eight years earlier; funding had just been obtained to break ground on a new light rail system; and highway projects were the most important unmet needs in the county at the time. Also, after Orange County's unsuccessful effort to pass a larger and more complex plan, simplicity seemed like a prudent strategy. The plan sought to provide funding for major transportation projects that had been desired for a long time, but for which funding was not expected to become available for the foreseeable future. At the time, highway projects were the ones that fit this description.

Immediately after passage of Measure A, the Santa Clara Valley Manufacturing Group declared its intention to balance its success on the highway front by pushing for greater transit investment and stronger rideshare programs.⁸⁰ It made good on this promise by working throughout the 1990s to obtain funding for various light rail corridors in the county, and for an extension of BART to San José.

The planning process for Measure A, such as it was, did not explicitly consider the plans of MTC or any other regional agencies, or account for the views of neighboring jurisdictions. But even if Measure A did not account for regional perspectives, its focus on facilitating commutes into and within Santa Clara County meant that it inherently addressed regional goals.

5.4. Epilogue.

The implementation of Measure A was not without its setbacks. First, the projects turned out to be significantly more expensive than the measure's lightly-scrutinized cost estimates had assumed. Several factors contributed to this, including the omission of engineering expenses from the project cost estimates,⁸¹ and an escalation of expectations within Caltrans about project scopes. On top of this, a downturn in the Silicon Valley economy significantly depressed sales tax revenues, and a projected 8% population growth rate failed to materialize. This created an embarrassing \$550 million funding shortfall that endangered the credibility of transportation sales tax proposals elsewhere.⁸²

But the same unity and political savvy that helped the county's political and business leaders to win approval for Measure A enabled them to accommodate these setbacks and ultimately declare the measure a success. In some cases, the county scaled back project components, such as three major interchanges on Hwy. 85 that were initially supposed to be completed as part of the 1984 measure, but didn't actually receive funding until passage of the 1996 sales tax (California Department of Transportation, 2002). In other cases, the county successfully leveraged its voters' expression of political will to seize

⁸⁰ Mario Dianda, "Passage of Measure A gives new life to other transit projects," *Peninsula Times Tribune* (November 8, 1984).

⁸¹ Interview SC2.

⁸² Larry Spears, "Transit tax foes cite Santa Clara troubles as reason to be wary," *Oakland Tribune* (November 1, 1986).

control of project implementation away from Caltrans, and persuade MTC and the state to contribute to meeting its funding shortfalls. In the end, the county did manage to complete a scaled-back version of its original plans by the time the tax expired, enabling it to claim success in implementing Measure A “on time and under budget” (Razo et al., 1996; Guardino, 1999).

Measure A’s electoral success also created an enduring local legacy: it enabled Santa Clara County to develop a capacity to plan and deliver transportation infrastructure projects that had not previously existed at the county level. Although authorizing legislation for the new Santa Clara County Traffic Authority required it to disband after 12 years, this happened only on paper. The Traffic Authority merged with the county Transit Authority and Congestion Management Agency to form a new, combined planning, construction, and service delivery agency known as the Valley Transportation Authority. VTA has taken a lead role in developing long-term transportation capital plans for the county, which served as the basis for the 1992, 1996, 2000, and 2002 transportation ballot proposals.

Another legacy of Measure A has been to help lend credibility to close collaboration between government and industry. Santa Clara County had already been a place where the electorate trusted local government,⁸³ and the success of Measure A showed that voters were not reflexively suspicious of policies favored by business leaders.⁸⁴ The Santa Clara County Manufacturing Group took an increasingly high profile in the county in subsequent years. It convened the “Citizens Coalition for Traffic Relief,” which drafted the proposal that served as the basis for the 1992 and 1996 transportation sales tax measures. It also set the stage for the formation of Joint Venture: Silicon Valley Network, a public/private collaborative initiative that seeks to be a “civic catalyst” on a wide range of policy issues facing the region, including growth management, housing, education, workforce development, and environmental quality.

Finally, at the end of the decade, the Manufacturing Group teamed up with the mayor of San José and the Valley Transportation Authority to spearhead a fourth transportation sales tax campaign, this time without full consensus from county elected officials. The 2000 Measure A proposal – a 30-year tax dedicated entirely to transit improvements, with a BART extension to San José as its centerpiece – was assembled and placed on the ballot at the last minute, over the strong opposition of environmental, transit, and neighborhood groups and the opposition or skepticism of much of the county’s political establishment. Among the proposal’s opponents were a majority of the county’s supervisors, including Jim Beall, who chaired the MTC, and Blanca Alvarado, who chaired the VTA board.⁸⁵ Coming at the height of an historic economic boom in Silicon

⁸³ Bert Robinson, “Why county’s highway tax measure passed,” *San Jose Mercury News* (November 8, 1984).

⁸⁴ This contrasts with the political culture of San Francisco, which has a long history of tensions between neighborhoods and downtown business interests (DeLeon 1992).

⁸⁵ Marcia Alicia Gaura, “BART-to-San José plan a slow train coming,” *San Francisco Chronicle* (June 28, 2000); Barry Witt, “Transit authority plan spurs concern in San Jose,” *San Francisco Chronicle* (November

Valley, which brought unprecedented traffic congestion and housing shortages, the timing of the proposal was impeccable. It won support from 70.6% of voters, which although in line with pre-election polls, nonetheless surprised virtually all long-time observers of transportation politics in the state. But this measure should not be seen as a decisive turn toward transit. To win voter support for the measure, its sponsors promised that all state and federal discretionary funds would be committed to road projects. This policy was codified in 2002 by another voter approved ballot measure.

These new measures exposed the county to a new round of risks. In 2003, after losing nearly 200,000 jobs following the collapse of the dot-com economy, the county highways are generally free-flowing, eliminating the need for the expensive investments to which the county has committed. At the same time, sales tax revenues have fallen sharply, delaying some projects, and significantly deteriorating the fiscal health of the county's bus system. With no flexibility to shift funds where they are needed to serve existing county residents during a fiscal crisis, it is tempting to declare these results failures in the county's approach to transportation financing.

But serving existing residents hasn't been the county's central planning objective for over 20 years. Most of these plans are designed to maximize the accessibility of the heart of Silicon Valley from as wide an area as possible. If the capital projects move forward, even at a slower pace than expected, the region may well gain significant new transportation capacity in time for the next extended economic boom. Instead of continuing to grow outwards – a possibility that would be difficult due to the region's topography – San José may well achieve its goal of maturing into a dense, vertical, high-amenity city like San Francisco. So any short-run stress on local residents or apparent mismatch between expenditure priorities and current needs may look less important two or three decades from now.

1, 2000); Alan Gathright, "Debate rages over best BART route to Silicon Valley/Foes assail Measure A's San Jose focus," *San Francisco Chronicle* (November 3, 2000).

6. Case Study #2: Alameda County's Measure B (1986).

“We must do something that the President of the United States and the governor of California refuse to do.”

— Supervisor Don Perata, on the need to raise transportation revenues⁸⁶

Alameda County's 1986 sales tax measure grew from the success in Santa Clara County two years earlier. It managed to win easily, despite a turbulent path to the ballot, highlighted by a skeptical media, a sharply divided political establishment, a narrow sponsoring coalition, and minimal public involvement. It overcame these handicaps through the selection of a savvy political strategy – ensuring that each part of the county had more to vote in favor of than against – and by the inability of its opposition to organize effectively.

Like its neighbors to the north and south, Alameda County was experiencing rapid suburban residential and employment growth, resulting in an inevitable rise in traffic congestion. However, the county's political climate was more fragmented than those of its neighbors, and this posed greater challenges for reaching a political consensus on transportation priorities.

Alameda County's expenditure plan projected \$990 million in revenues over the fifteen-year duration of the sales tax. Freeway and highway projects were slated to receive 49% of the revenues, and local streets were allocated 20%. Transit was to receive 29% (of which 2/5 was targeted for operations), and paratransit another 1.5%. Less than half of one percent was allocated for administrative expenses. Unlike the Santa Clara and Contra Costa programs, the projected revenues were fully committed to projects, with no provisions for a “contingency fund” in case of shortfalls. See Section 4.2.2. for a detailed description of Measure B.

6.1. The planning context.

Historically, Alameda County has conducted its planning on a subregional, rather than countywide, basis. Early on, when much of its area was unincorporated, Alameda County was divided into eight “judicial townships” for administrative purposes. In the early 1900s, it even considered shifting to a borough or federal governance structure (Gilbertson 1917, pp. 159-162). Later, in the 1950s, when Alameda developed its first land use master plan, the instinct to subdivide the county began to re-emerge. It formed four geographic “planning units” based on these old township boundaries (Alameda County Planning Commission, 1958). Today, Alameda County continues to develop its transportation and land use plans on the basis of these four distinct planning areas.

These four planning regions (see Table 6-1) each have distinct characters and political identities. The county's political and business establishments tended to be sharply

⁸⁶ Michael Collier, “Transit tax plan put on ballot,” *Oakland Tribune* (August 6, 1986).

divided between urban and suburban interests. This rivalry was a dominant political dynamic in the county's transportation policy debates.

The urban north, stretching from Oakland to Albany, was largely settled before World War II. In the 1980s, it retained just about half of the county's population and still wielded substantial political power. Its greatest transportation problems were those typical of an aging urban area: crumbling infrastructure and endangered transit services. The feasibility of addressing these problems locally was hampered by the declining fiscal health of local governments, brought about by a combination of their weakening economies and the taxation and spending limits imposed by statewide voters.

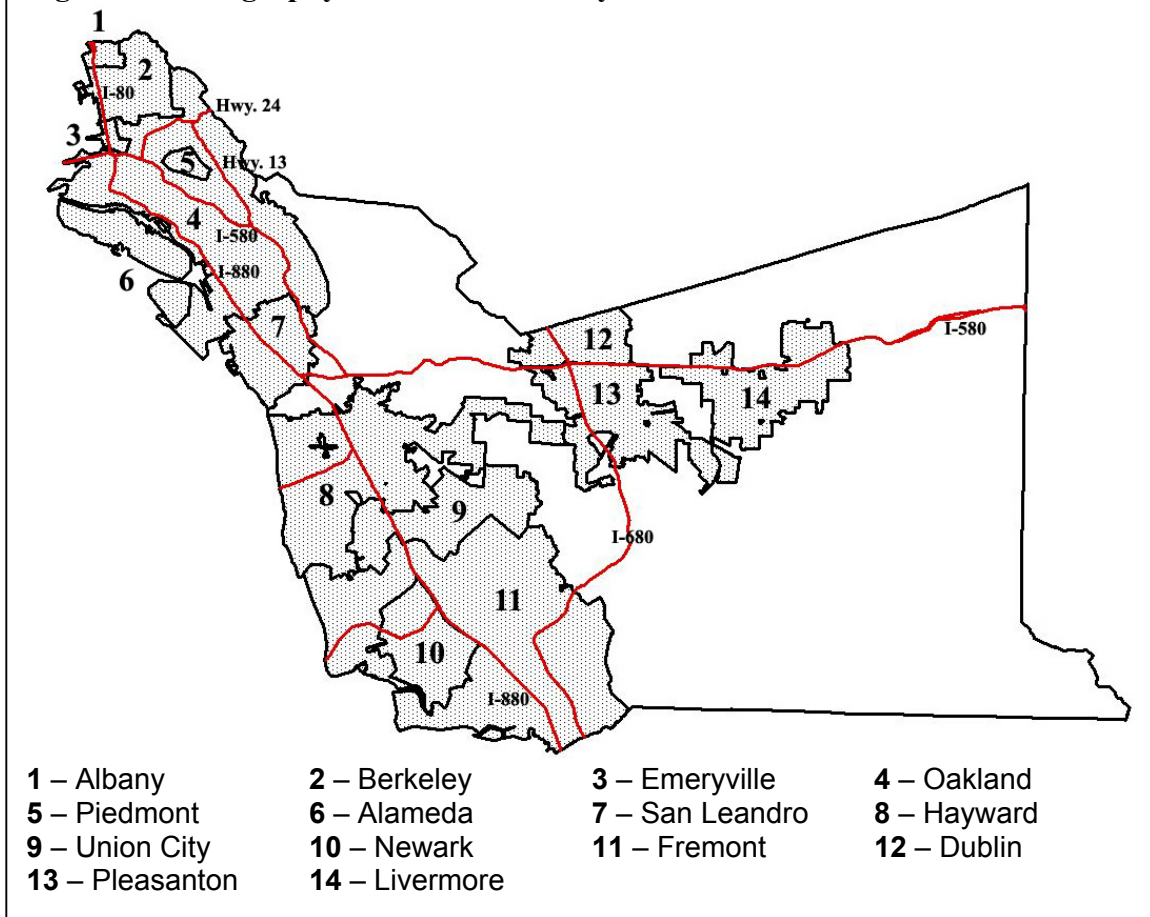
Table 6-1: Four Regions of Alameda County

Region	Incorporated Cities	1990 Population	Share of County Population	Annual Growth 1990-2000	1989 Per Capita Income
North	Alameda, Albany, Berkeley, Emeryville, Oakland, Piedmont	584,100	46%	0.9%	\$16,800
Central	Hayward, San Leandro, and unincorporated villages	284,900	22%	1.1%	\$16,600
South	Newark, Union City, Fremont	265,000	21%	2.7%	\$18,600
East	Dublin, Livermore, Pleasanton	130,500	10%	2.9%	\$21,000

The central region of the county consisted of the cities of Hayward and San Leandro, and the unincorporated villages of Ashland, Cherryland, Castro Valley, Fairview, and San Lorenzo. It contained a diverse mix of declining industrial and agricultural land uses, formerly small towns that had been swamped by the region's urbanization, and areas of very low income settlements. Central County's political leaders had two major priorities for capital investment. First, because the region served as a crossroads for north-south and east-west traffic in the county, they wanted to expand its freeway network to relieve the impact of this traffic on local roads. Second, they wanted capital funds to upgrade local access and circulation in industrial areas to make the area more attractive for development. In addition, like the northern cities, Central County faced an infrastructure maintenance deficit. Finally, transit advocates argued that better bus transit services were needed in the region's low income communities, which they felt were underserved by AC Transit.

The county's southern and eastern regions faced a different set of challenges. There, rapid suburban growth kept local governments' coffers full, but simultaneously brought rising demands for higher-capacity transportation facilities of all kinds. Like their

Figure 6-1: Geography of Alameda County.



counterparts in eastern Contra Costa County, some residents of eastern Alameda County felt they were being forced unjustly to pay the half-percent BART District sales tax, without receiving a fair share of rail service in return. As their political strength and traffic problems grew, BART extensions became a major political objective.

External forces were also creating new transportation needs within Alameda County. The rise of major new employment centers in Silicon Valley and central Contra Costa County began to shift the county's traditionally radial commuting patterns. During the 1980s, the number of Alameda County workers commuting to Contra Costa and Santa Clara counties grew by 88% and 91%, respectively. The number of Contra Costa residents commuting through Alameda County to San Mateo and Santa Clara counties was also growing rapidly (Purvis, 1999). The existing freeway network was not able to handle this demand, and was becoming increasingly congested.

The most congested corridor at the time was the Nimitz Freeway, the county's major north-south corridor stretching southward from Oakland to near San José. Historically, the Nimitz was part of State Hwy. 17, which stretched from Santa Cruz to San Rafael via the East Bay (Faigin, 2002). In the mid 1980s, the route was redesignated Interstate 880, which qualified it for greater access to federal transportation funds. Despite this, the California Transportation Commission was only able to allocate \$50 million for the

corridor in the 1986 State Transportation Improvement Plan, enough to begin a gradual program of widening the freeway to eight lanes between San Leandro and Union City. Improvements south of Union City were considered a project for the longer-term future. The potential to accelerate these improvements became a primary motivation behind Alameda County's sales tax effort.

6.2. Development of the expenditure plan.

“Never has so much been said about so little.”

— Supervisor Robert Knox, on the debate over Measure B spending priorities⁸⁷

6.2.1. Early stages of the process.

Initial discussions about a transportation sales tax for the East Bay began in mid-1985 as Alameda and Contra Costa counties began to discuss how to duplicate Santa Clara's success several months earlier. The push for a sales tax in Alameda initially came from a group of real estate, development, and other businesses in South and East County that had been strategizing since the late 1970s on ways to boost the region's economy. Several individuals from this group became involved in helping pass Measure A in Santa Clara, and wanted to see if they could replicate this effort in Alameda.⁸⁸

These private sector leaders had a single primary objective for their proposed sales tax: widening the southern portion of Nimitz Freeway, which had a severe bottleneck between Alameda and Santa Clara counties. Beyond that, their only unified agenda was to find a balance among the competing interests that could ensure support for the measure. They started efforts to expand their consensus that a sales tax program was needed. They also raised funds and commissioned polls to gauge public support for various transportation projects.⁸⁹

Early on, elected officials characterized discussions about a new sales tax in Alameda and Contra Costa Counties as a partnership to establish a new “regional” revenue source and solve transportation problems cooperatively. One of the first projects they touted in the media was a new light rail line paralleling the Interstate 680 corridor and connecting the counties' rapidly growing suburbs with their massive new business parks.⁹⁰

During late 1985, informal efforts to develop a project list were led by a supervisor from the north-central part of the county, Robert Knox, and his staffer, Mary King. They gathered a small group of advisors from around the county, to begin discussions on what

⁸⁷ Kathy Zimmerman and Michael Collier, “Transit tax's bumpy path to the ballot,” *Oakland Tribune* (August 3, 1986).

⁸⁸ Interview A2.

⁸⁹ Interviews A2, A4.

⁹⁰ Harre W. Demoro, “Tax boost studied for East Bay transit,” *San Francisco Chronicle* (May 21, 1985).

would be required for a sales tax measure to be successful. The group quickly reached the conclusion that Alameda County lacked the strong private sector leadership that had made Santa Clara County's sales tax possible. It determined that it would need to tailor a package of expenditures to appeal to all geographic areas of the county. The group also concluded that the plan should seek to avoid controversy; only projects without organized opposition should be included. Through this informal advisory group, and telephone conversations with elected officials from around the county, Knox pieced together the outlines of a workable package. This phase of the planning process was conducted without assistance from technical staff.⁹¹

6.2.2. Formalization of the planning effort.

A more formal planning effort began in March 1986. The county Board of Supervisors and Mayors' Conference kicked off this process by establishing an Alameda Countywide Transportation Committee (ACTC) to develop a ballot proposal. The ACTC consisted of 35 members (one representing each city; two appointed by each county supervisor, and other participants from the Port of Oakland, various chambers of commerce, AC Transit, BART, and organized labor), and was chaired by Supervisor Knox.⁹² The committee in turn established a Finance Subcommittee, which consisted of largely of transportation consultants.

The ACTC soon established a process and timetable for the development of a formal ballot proposal. Engineers and planners from Caltrans, the county, the cities, the Port, and the transit agencies would be invited to propose projects for inclusion in the expenditure plan. The Finance Subcommittee would vet these proposals in a series of public hearings, featuring testimony from the project sponsors and other interested parties. It would then evaluate the proposals based on need; effectiveness at reducing congestion, increasing capacity, or "helping to complete backlogged needs;" cost-effectiveness; ability to complete project within sales tax budget and time frame; and political acceptability. Next the subcommittee would develop a recommended expenditure plan with a final list of projects, cost estimates, and other components required under the state authorizing legislation. (Exactly how the final list of projects would be selected, and by whom, was not specified). Finally, the full committee would approve the plan and submit it to the cities, county, and MTC for approval.⁹³

In order to get on the November ballot, the sales tax ordinance and expenditure plan had to pass through the lengthy approvals process by August. To meet this tight timetable, the ACTC set target deadlines of April 9th for the submission of project proposals, April 24th for the approval of a draft expenditure plan, and May 12th for submission of a plan to

⁹¹ Interviews A2, A3.

⁹² Bill Parks, "Permission sought for sales tax hike," *Fremont Argus* (March 28, 1986); Alameda Countywide Transportation Committee, "Membership List," undated document.

⁹³ Alameda Countywide Transportation Committee, "Expenditure Plan Development Process," Attachment to Memorandum from Supervisor Robert G. Knox dated April 7, 1986.

MTC for approval.⁹⁴

In principle, the ACTC was to start with a blank slate and develop its plan based on the recommendations it received. But in many cases, these recommendations reflected discussions that had been going on for some time. For example, the mayor of Hayward had publicly supported construction of a new freeway bypass in the hills above Hayward, but he instead nominated the less-controversial expressway alignment along Mission Blvd.⁹⁵ Similarly, Caltrans had sought sales tax funding to help widen I-80 in the northern part of the county, but didn't formally nominate the project after it was warned that North County cities would likely oppose it. In both cases, potential project sponsors refrained from nominating their preferred projects based on discussions that had occurred in the earlier, informal stage of the planning process.

The ACTC's main work was done by one-on-one phone calls. Instead of a deliberative process, it developed its plan through a decentralized process of negotiations and deal-making. The key decisions were made by elected officials, in close consultations with developers and other interest groups backing the measure.⁹⁶

Thus, the primary role of the Finance Subcommittee was not so much the selection of projects as it was figuring out how to stretch the available dollars in order to include many priority projects as possible in the final package. It focused on identifying opportunities for matching funds (with assistance from the Metropolitan Transportation Commission), phasing the implementation of projects to match the anticipated revenue flow, etc.⁹⁷

In all, the commission received \$1.4 billion in proposals for a tax that was projected to raise \$600 million over its ten-year duration.⁹⁸ In order to accommodate more of the proposed projects, the commission extended the tax proposal to last fifteen years instead of the original ten. By the end of April, the commission had approved a draft package consisting of 15 projects totaling \$1.125 billion. Of the five projects considered but rejected by the committee, three were BART projects: an extension from Fremont to Warm Springs, a connector to Oakland Airport, and the addition of 2,200 parking spaces at various stations.

In May, the finance subcommittee made its final recommendation, and it was in turn

⁹⁴ Alameda Countywide Transportation Committee, "Schedule for November, 1986 Ballot Attempt," Attachment to Memorandum from Supervisor Robert G. Knox dated April 7, 1986.

⁹⁵ Alameda Countywide Transportation Committee, Minutes of Transportation Finance Subcommittee Meeting (April 16, 1986).

⁹⁶ Interview A4.

⁹⁷ Interview A2.

⁹⁸ Bill Parks, "Agencies forward transit wish-lists," *Hayward Daily Review* (April 11, 1986); Dennis J. Rockstroh, "Tax hike could be on ballot," *San Jose Mercury News* (April 14, 1986); Dennis J. Rockstroh, "Transit package bulging/New county panel to oversee funding," *San Jose Mercury News* (April 17, 1986).

approved by the full ACTC. The project list included in this expenditure plan was virtually identical to the package that was ultimately placed on the November ballot.⁹⁹ The total cost of the plan was \$831.5 million over 15 years.

6.2.3. A more political phase.

Almost as soon as this slate of projects was unveiled, political opposition to it began to emerge. Political leaders in the Fremont area were particularly upset about the package's failure to fund the BART extension to Warm Springs. Inclusion of funds for a new rail line to Dublin without also providing for an extension to Warm Springs would run counter to policies established by BART's board, which required simultaneous extensions in eastern Contra Costa, eastern Alameda, and southern Alameda counties.¹⁰⁰

Also vocal in expressing dissatisfaction with the allocation of funds were Oakland and the other cities in the northern part of the county. Their complaints took several forms. Initially, in mid-May, Oakland leaders complained about their lack of a major project, and demanded addition of a Broadway light rail line. By the end of May, this request gave way to a broader critique of the program's overall fairness to the northern part of the county. Oakland and other northern cities demanded more funding for local street maintenance and for AC Transit.¹⁰¹

Finally, in mid-June, the Oakland Tribune ran an influential story arguing that developers involved in drafting the expenditure plan stood to reap tremendous windfalls from it. The article drew specific linkages between two proposed projects, the Cross-Airport Roadway and the Interstate 580/680 interchange, and the developers of two major nearby business parks. It also put on the defensive the county supervisor who chaired the Commission, by revealing that he had received significant campaign contributions from these same developers. Finally, the article quoted a member of the Commission who believed that the draft plan would be "a waste of taxpayers' money" and "a shadow form of socialism for developers."¹⁰²

This report helped to solidify the opposition of Oakland and other northern cities to the ACTC proposal, and opened the door for development of the ballot proposal to shift into a more public realm, with political leaders advocating and debating alternatives through the newspapers. Prominent proposals by two state legislators pulled in opposite directions, with one shifting more funds toward transit and local streets, and the other

⁹⁹ The only difference is that the ACTC proposal did not include an earmark for street improvements in San Leandro; the final plan added \$13.5 million for these projects. [Memo]

¹⁰⁰ Bill Parks, "Tax to benefit transit could cost more," *Hayward Daily Review* (April 30, 1986); Bill Parks, "Public comments sought on transit tax plan," *Fremont Argus* (May 19, 1986).

¹⁰¹ Del Lane, "Half-cent transit tax clears another hurdle," *Oakland Tribune* (May 15, 1986); Bill Parks, "Public comments sought on transit tax plan," *Fremont Argus* (May 19, 1986); Pearl Stewart, "Half-cent sales taxes worries Oakland panel," *Oakland Tribune* (May 28, 1986).

¹⁰² Kathy Zimmerman and Virgil Meibert, "Sales tax hike linked to developers," *Oakland Tribune* (June 10, 1986). The quotation is from Roy Nakadegawa.

emphasizing a full-length overhaul of the Nimitz Freeway (I-880).¹⁰³

Over the next couple of weeks, several efforts were made to broker a compromise. ACTC adopted a revised plan in late June, featuring a higher revenue forecast that enabled greater spending on local streets and on the Dublin rail line. However, these changes did not appreciably change the plan's overall geographic funding balance, and failed to win over the northern cities.¹⁰⁴

Finally, the mayors of Oakland and Hayward, along with the chair of the ACTC, engaged in a halting negotiation process that ultimately led to an agreement. The deal was hammered out behind closed doors, and approved unanimously by the commission on the same day. This plan addressed concerns over geographic equity by splitting the local streets funding into two pools: 58 percent to be divided among all of the cities in the county, and the remaining 42 percent to be shared only among the cities north of San Leandro. The plan met the other key demand of the county's urban areas by boosting funding for AC Transit by over 50 percent from the June proposal. This funding increase was funded by requiring local contributions for some projects, and by eliminating the earlier plan's contingency fund. The compromise did not eliminate funding for the controversial projects.¹⁰⁵

The original ACTC proposal and the final compromise are compared in the table below. Although the project lists of the two plans are virtually identical, the revisions shift the plan significantly in the direction of more funding for transit and paratransit.

¹⁰³ Virgil Meibert and Kathy Zimmerman, "Bates offers new transit tax proposal," *Oakland Tribune* (June 11, 1986); Kathy Zimmerman, "Santana: 'Tainted' transit tax may be doomed," *Oakland Tribune* (June 13, 1986); Sam Delson, "Bates, Lockyer propose tax plans," *Hayward Daily Review* (June 25, 1986).

¹⁰⁴ Bill Parks, "Proposal to raise sales taxes for transportation approved," *Hayward Daily Review* (June 29, 1986); Kathy Zimmerman, "County transit plan approved," *Oakland Tribune* (June 30, 1986); Bill Parks, "Transit tax's last chance," *Hayward Daily Review* (July 4, 1986).

¹⁰⁵ Kathy Zimmerman, "Hold up transit tax for accord, two mayors urge," *Oakland Tribune* (July 8, 1986); Sam Delson, "Oakland officials rush to finish sales-tax plan," *Hayward Daily Review* (July 10, 1986); Abby Cohn, "Formula adopted for transit/Accord reached on sales tax plan," *San Jose Mercury News* (July 18, 1986); Kathy Zimmerman, "Compromise on county's transit plan," *Oakland Tribune* (July 18, 1986); Dennis Rockstroh, "Cities get tough on tax hike for roads," *San Jose Mercury News* (August 1, 1986).

Table 6-2: Proposed and Adopted Expenditure Plans for Alameda County.

Project	Original ACTC Proposal			Final Ballot Measure		
	Priority	Sales Tax Funds (\$M)	Local Funds (\$M)	Priority	Sales Tax Funds (\$M)	Local Funds (\$M)
<u>Highways</u>						
I-880: Widen to 8/10 Lanes	1	220		1	220	
Foothill Pkwy. (Hwy. 238 & 84)	1	155		1	135	20
Airport Roadway	1	65	12	1	60	17
Route 13/24 Interchange	2	11		1	11	
I-580/I-680 Flyover Lanes	3	54		1	44	10
Hwy. 84: Realign near Livermore	4	20	25	1	20	25
<u>Streets & Roads</u>						
Local Streets and Roads	1	104		1	183	
San Leandro Projects				1	13.5	
<u>Transit</u>						
Dublin Canyon Rail Extension	1	110		1	170	
AC Transit	2	75		1	115	
Paratransit	3	7.5		1	15	
BART Ext. to Warm Springs				2	0	
<u>Other</u>						
Planning/Administration		10			4.5	
Total		831.5			990	
<i>Percent Highways</i>		63%			49%	
<i>Percent Streets & Roads</i>		13%			20%	
<i>Percent Transit</i>		23%			30%	

With time running short before the deadline for placing initiatives on the November ballot, the tax proposal cleared a series of procedural hurdles in rapid succession. The legislation authorizing transportation sales taxes in Bay Area counties became law on July 14, 1986. The ACTC reached its compromise and endorsed the final expenditure plan three days later. The Oakland City Council and Metropolitan Transportation Commission approved the plan by unanimous votes on successive days, July 22nd and 23rd. Finally, the Board of Supervisors voted unanimously to place the measure on the November ballot on August 5th.¹⁰⁶

Ultimately, nearly every city in the county endorsed the measure. Only the Berkeley and Emeryville city councils rejected it outright. Newark abstained from taking a position, and San Leandro expressed its displeasure with the expenditure plan but voted to place it on the ballot anyway. Fremont made its endorsement conditional on the Nimitz Freeway receiving top funding priority, and soon received verbal assurances that it would receive

¹⁰⁶ Michael Collier, "Transit tax plan put on ballot," *Oakland Tribune* (August 6, 1986).

its wish.¹⁰⁷

6.2.4. The campaign and election.

By the time Measure B was placed on the ballot in early August, it was under a cloud. The county's political climate was tainted by the bruising struggle over the allocation of funds and the accusations of impropriety in the selection of projects. A lingering atmosphere of distrust seemed to undermine support for the measure. South County mayors complained about the last-minute concessions they had to make to the urban north, and North County officials still felt they were being asked to subsidize suburban expansion. Political leaders expressed reluctant support for the measure, or gave pessimistic assessments of its chances for voter approval. Despite voting to endorse the package, some politicians said they would not campaign on its behalf; others said they feared reprisals if they spoke out in opposition.¹⁰⁸

This weakened state caused proponents of the Contra Costa County tax measure to distance themselves from any association with the Alameda County effort. Contra Costa refused to campaign jointly with the Alameda measure, and even took steps to ensure that their measure was designated by a different letter on the ballot.¹⁰⁹

Despite these liabilities, the fortunes of Measure B began to change that August. Tax proponents hired a leading political consultant to run their campaign, the chief of staff to Assembly Speaker Willie Brown. As they began making plans to raise \$300,000-\$500,000 for the effort, they recognized that the proposal's greatest liability was its perceived backing from developers. To mitigate this problem, the campaign announced a voluntary \$1,000 donation limit for developers.¹¹⁰

The Yes on Measure B campaign also rejected the approach adopted by the Santa Clara and Contra Costa campaigns, which featured a highly visible alliance between government and business leaders as the lead advocates for the tax increase. Instead, it adopted more "grassroots" tactics, including "panhandling" at key congested intersections to emphasize the urgent need for more transportation funds. It also invested in mass mailings (Figure 6-2) and humorous radio ads. It also sought to sway the views of opinion leaders, by offering newspaper editors and reporters helicopter rides over the

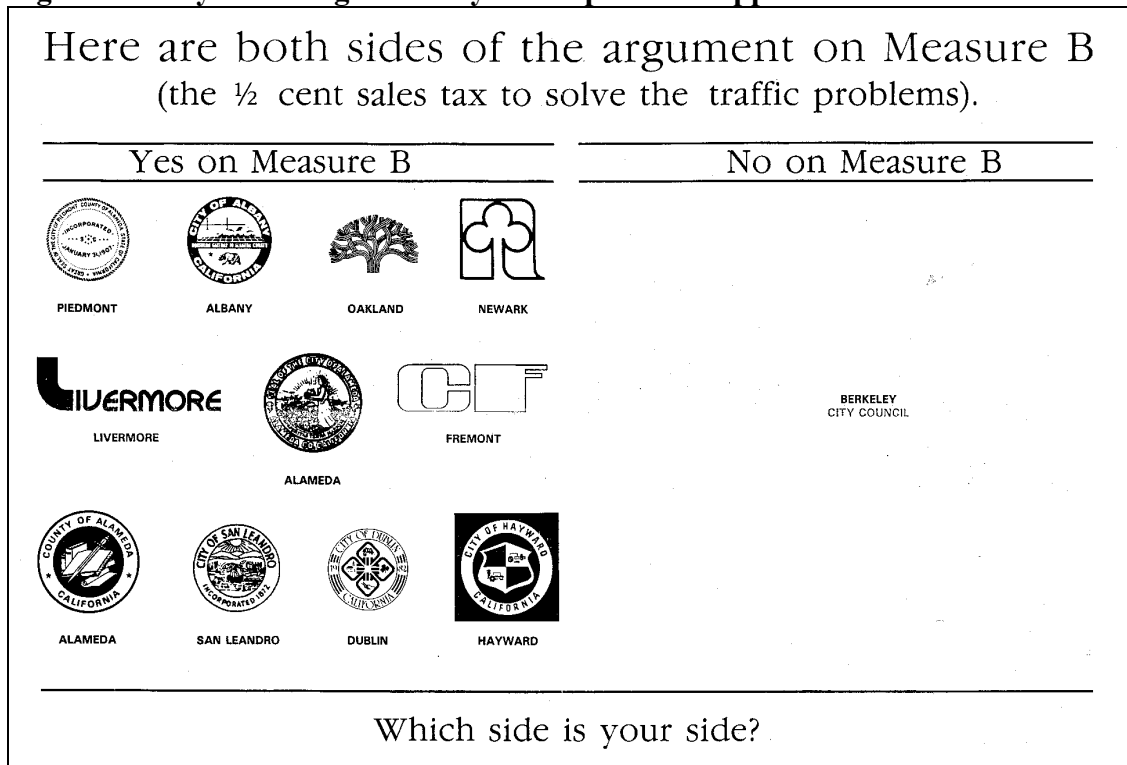
¹⁰⁷ Kathy Zimmerman and Michael Collier, "Transit tax's bumpy path to the ballot," *Oakland Tribune* (August 3, 1986).

¹⁰⁸ Michael Collier, "Transit plans OKd; sales tax hike nears ballot," *Oakland Tribune* (July 24, 1986); Dennis Rockstroh, "Cities get tough on tax hike for roads," *San Jose Mercury News* (August 1, 1986); Kathy Zimmerman and Michael Collier, "Transit tax's bumpy path to the ballot," *Oakland Tribune* (August 3, 1986).

¹⁰⁹ Sam Delson, "Contra Costa pushes own transit tax plan," *Hayward Daily Review* (August 17, 1986); Sandy Kleffman, "Transit tax proponents begin busy campaign ride," *Hayward Daily Review* (September 26, 1986).

¹¹⁰ Sam Delson, "Big drive for sales-tax hike," *Hayward Daily Review* (August 12, 1986).

Figure 6-2: Flyer seeking to convey broad political support for Measure B.



Source: Undated flyer paid for by Yes on Measure B.

proposed project sites.¹¹¹

The campaign enjoyed the endorsements of the vast majority of the county's political leadership, the Bay Area Council, Alameda County Taxpayers Association, and the chamber of commerce of every city in the county except Fremont.¹¹²

Despite its high-profile voluntary contribution limit, the campaign accepted donations larger than \$1,000 from development-related industry groups throughout the fall. Less than two weeks before the election, "with a great deal of anguish and hand-wringing," according to its campaign manager, Yes on Measure B dropped its contribution limit entirely. This enabled the campaign to raise an additional \$200,000 in the campaign's final week, to reach a total of \$475,000. Lead contributors to the campaign included the associations of development businesses, including the Building Industry Council and the Sentinels (a group of development and property management firms); construction firms, including highway contractor Oliver de Silva Inc.; two sand and gravel companies,

¹¹¹ Michael Collier, "Lines start to form for transit battle," *Oakland Tribune* (August 13, 1986); Sandy Kleffman, "Transit tax backers rake in cash," *Hayward Daily Review* (October 24, 1986).

¹¹² Sandy Kleffman, "County taxpayer group backs transit tax," *Alameda Times Star* (September 20, 1986); Sandy Kleffman, "Councilman seeks backing for tax plan," *Hayward Daily Review* (October 1, 1986); Michael Collier, "Backers of transportation tax mount last-minute fund drive," *Oakland Tribune* (October 24, 1986).

Rhodes-Jamieson and Kaiser Sand & Gravel; financial institutions, including Dean Witter Reynolds, First Boston, Smith Barney, and Paine Webber; and the Peterson Tractor Company of San Leandro.¹¹³

Meanwhile, opponents of the measure had a difficult time organizing and getting their message across. With the Sierra Club taking a neutral stance on the measure due to its funding for public transit, there was no organization in the county capable of taking the lead in a campaign. Individuals affiliated with the Hayward Area Planning Association and the county Libertarian Party drafted a ballot argument opposing the measure. This effort first ran into trouble when prominent local elected officials known to oppose the measure refused to sign the opposition's ballot argument, citing fears of blacklisting. Then, their ballot argument was rejected by the Registrar of Voters in favor of a rival argument written by a San Mateo County transit advocate. This alternate argument favored constructing a series of Peninsula rail projects, including a "South Bay Trolley" over an unused Dumbarton rail link, but raised no specific objections to Alameda County's tax proposal. Frantic efforts to get the courts to overturn the registrar's decision failed, and Measure B opponents found they were deprived of their most effective, free means for spreading their message.¹¹⁴

Finally, opponents were hobbled by the lack of an effective advocacy organization willing to campaign against the measure. Whereas local and regional environmental groups campaigned actively to defeat the Contra Costa's Measure C in 1986, People for Open Space and the Greenbelt Congress did not campaign in Alameda County that same year. The Sierra Club voted to stay officially neutral. Due to a lack of funds and organization, opponents ended up limiting their efforts to being quoted in the newspapers. The only grassroots organization to campaign actively against the measure was the Coalition for Accessible Transportation (a disabled advocacy group).¹¹⁵

The strongest voice against the measure was Alameda Newspapers, an important East Bay newspaper chain. It ran an editorial urging rejection of Measure B because of uncertainty over the adequacy of revenue and cost forecasts, earlier broken promises to fund extensions from the BART District sales tax, a lack of consideration of less-regressive alternative revenue sources, the inclusion of unnecessary projects such as the

¹¹³ Sandy Kleffman, "Transit-tax fundraising lags," *Fremont Argus* (October 7, 1986); Katherine Conrad, "Transit tax campaign falls short on fund raising," *Contra Costa Times* (October 9, 1986); Sandy Kleffman, "Transit tax backers rake in cash," *Hayward Daily Review* (October 24, 1986); Michael Collier, "\$1 million drive for transit tax," *Oakland Tribune* (November 2, 1986).

¹¹⁴ Michael Collier, "Lines start to form for transit battle," *Oakland Tribune* (August 13, 1986); Sam Delson, "Tax foes file arguments," *Contra Costa Times* (August 16, 1986); Rich Riggs, "Transit-tax opponents 'sick' their ballot language snubbed," *Fremont Argus* (August 26, 1986); Dennis Rockstroh, "Sales tax foes lose in court," *San Jose Mercury News* (September 9, 1986).

¹¹⁵ Sandy Kleffman, "Supporters of transit tax proposal set up shop," *Alameda Times Star* (September 16, 1986); Daniel Bornstein, "Half-cent plan attacks gridlock," *Pleasanton Valley Times* (October 12, 1986); Sandy Kleffman, "Fairness, effectiveness questioned in debate of transportation tax," *Alameda Times Star* (October 18, 1986); Michael Collier, "Backers of transportation tax mount last-minute fund drive," *Oakland Tribune* (October 24, 1986).

Airport Roadway, and the lack of a guarantee that the Nimitz Freeway would receive top priority.¹¹⁶

Alameda Newspapers opened a second front in its opposition to the measure by reviving concerns about inappropriate relationships between politicians and developers. In an echo of the earlier *Oakland Tribune* article criticizing developer connections to the Airport Roadway and 580/680 Interchange projects, Alameda Newspapers documented how the plan's package of street improvement projects in San Leandro would directly benefit major political contributors, including the Sentinels. It followed this up with a second editorial criticizing the role of "special interests" in drafting the measure.¹¹⁷

Others focused on adequacy of the planning process. Sherman Lewis, chair of the Hayward Area Planning Association, and one of Measure B's leading critics, claimed that the plan "bypassed technical expertise in favor of political logrolling," and added that "most of the projects are worthwhile, but some of them will encourage over-growth and more traffic." This view gained credibility when a senior planner at the Metropolitan Transportation Commission, explaining why his agency was not analyzing the impacts of the plan, admitted "There's a very real political reason no to... There's some people who don't want that information to be known one way or another." (The official quickly retracted this statement).¹¹⁸

The San Francisco Bay Guardian and San Francisco Examiner also editorialized against the measure's planning process. The Examiner criticized the "consensus building" process used to forge the Alameda and Contra Costa expenditure plans for distributing funds but not solving problems. The Bay Guardian called the efforts "a complete failure of regional planning."¹¹⁹

Opponents also argued that the sales tax was regressive, and that gasoline taxes and developer fees were more appropriate revenue sources because the beneficiaries of new investment would pay more directly. They also argued that putting administration of a billion-dollar expenditure plan under the control of county elected officials, rather than MTC, could be problematic because local officials might support changes in the plan in exchange for campaign contributions.¹²⁰ Other organizations opposing Measure B

¹¹⁶ "Sales tax hike isn't the answer," Editorial, *Fremont Argus* (October 5, 1986). In 1986, Alameda Newspapers included the *Fremont Argus*, the *Hayward Daily Review*, the *Pleasanton Valley Herald*, and the *Alameda Times Star*. Today, the Alameda Newspaper Group also publishes the *Oakland Tribune*.

¹¹⁷ Sandy Kleffman, "San Leandro's transit sales tax coup," *Hayward Daily Review* (October 27, 1986); "Special interests mar transit plan," Editorial, *Hayward Daily Review* (October 28, 1986). The San Leandro article also noted that the Peterson Tractor Company would be a major beneficiary of the street improvements, but the company didn't donate to the Yes on Measure B campaign until after the article ran.

¹¹⁸ Sam Delson, "Tax foes file arguments," *Contra Costa Times* (August 16, 1986); Sandy Kleffman, "Voters won't get data on transit tax project plans," *Hayward Daily Review* (September 15, 1986).

¹¹⁹ "No to East Bay 'traffic' tax," Editorial, *San Francisco Examiner* (October 20, 1986); "Measure B: No," Editorial, *San Francisco Bay Guardian* (October 29, 1986).

¹²⁰ Mike McGrath, "Blue Highways: The case against Measure B," *Express* (October 31, 1986).

included the Hayward Democratic Club and the Coalition for Accessible Transportation (a disabled advocacy group).¹²¹

On November 4, 1986, as Contra County's measure was soundly defeated, Measure B won with 57 percent of the vote. It received its strongest support in Newark, followed by the North County cities of Piedmont, Oakland, and Emeryville, all of which approved by over sixty percent. The one northern city to run counter to this pattern was Berkeley, which approved the measure by just under 51%.

The only city to vote against the measure was Livermore. Voters there rejected the plan despite being the direct beneficiaries of several of the plan's most ambitious projects, including rail extension, Hwy 84 realignment, and 580/680 interchange; and indirect beneficiary of Nimitz and Foothill freeway projects. Its neighboring cities of Dublin and Pleasanton approved the measure by a slim majority.

The two East Bay measures' reversal of fortunes was widely noted. One official, still bitter at Contra Costa County's abandonment of a joint campaign strategy when Alameda struggled to agree on an expenditure plan over the summer, declared that Contra Costa leaders "got their just desserts. They were very arrogant and refused to cooperate with us." He and others argued that Measure B emerged from controversy a stronger plan. Still other observers suggested that the differing results were due to the contrast between the lack of organized opposition in Alameda County, and the highly effective opponents in Contra Costa County.¹²²

Throughout the campaign, public support for the tax remained stable. Polls conducted in the late spring showed that 57% of 400 likely voters supported a transit tax in principle, while only 31% opposed it, and 12% had no opinion. In late September, a poll of 600 likely voters found virtually identical results. The Yes on Measure B campaign appeared to fail in its effort to win the support of the county's undecided voters.¹²³

6.3. Findings and observations.

6.3.1. Participation and leadership.

Measure B was driven from outside the county's core, by the real estate, construction, and development industry and elected officials from the county's southern and eastern suburbs. These groups, some of which were involved in (but not central to) Santa Clara County's Measure A, initiated much of the groundwork that was necessary for the measure's success. They selected a flagship project that could galvanize support for a tax

¹²¹ Denise Minor, "Hayward Demos oppose transit tax," *Fremont Argus* (October 10, 1986).

¹²² Katherine Conrad, "Big smiles over transit tax victory in Alameda County/Politicians blame loss in Contra Costa on arrogance," *Pleasanton Valley Times* (November 6, 1986). The quote is from Alameda County Supervisor Robert Knox.

¹²³ Sam Delson, "Big drive for sales-tax hike," *Hayward Daily Review* (August 12, 1986); Sandy Kleffman, "Poll: Transit sales tax has wide support," *Hayward Daily Review* (September 26, 1986).

increase (widening the Nimitz Freeway), conducted extensive polling, supplied staff to assist with the early stages of the planning effort, and provided the bulk of the funding for the eventual ballot campaign.

On the political front, there were three primary leaders behind Measure B. The first was Supervisor Robert Knox, who represented the north-central section of Alameda County. From the earliest informal discussions through the political campaign, he shepherded the sales tax proposal through its planning and political hurdles. He was also the main public face of the planning effort. The other major elected officials involved in the effort were the co-chairs of the “Yes on B” campaign, Alex Giuliani (the mayor of Hayward), and Joe Bort (another county supervisor).

Different groups played prominent roles at different stages of the planning process. Initial planning for the measure (before March 1986) took place behind closed doors. It was an informal, ad hoc process through which political leaders and policy entrepreneurs assessed the preferences of local governments and sketched the outlines of an expenditure plan. There was no particular process for determining who could participate at this stage. Rather, Supervisor Knox “tried to put together what we thought was a broad base of constituents and sort of civic leaders that could come up with an expenditure plan that would satisfy all members of the county and who then would be able to spearhead and pass an initiative” (Knox 2001, p. 15).

The second phase was more formalized. Development of a specific expenditure proposal was supervised by the Alameda Countywide Transportation Committee, which consisted of 35 public officials and citizen appointees. Overall, the membership on this committee was strongly weighted to real estate, construction, and business groups, that had a significant stake in the outcome of the proposal (see Table 6-3 for a breakdown of the committee’s membership). Outside of these interests, the committee included one member of the Sierra Club, one West Oakland community activist, and one representative of a homeowners association.

A smaller finance subcommittee held public hearings and collected proposals from potential project sponsors. The participants in this process included a small number of transportation consultants and staff experts from various transportation agencies, local commissions, and the offices of elected officials. The subcommittee drafted an expenditure plan, in keeping with criteria established by the broader committee. However, most of the key decisions about what projects would be considered were inherited from the first phase of the planning effort. The subcommittee’s primary contribution was determining how many projects the sales tax could support, and filtering out proposals that could not be constructed within the expected time frame and budget of the expenditure program.

The third phase took place in the broader political arena. Constituencies that disapproved of the plan acted to block its approval by city councils. They used this leverage to negotiate broad shifts in the plan’s allotment of funds. The resulting compromise shifted funds toward transit and paratransit services, and allocated additional funding for street maintenance in the northern cities. A significant amount of lobbying was involved, and

the balance of funding in the measure shifted toward the population centers.¹²⁴ Nonetheless, most of the key projects nominated established early on in the process, many of which reflected the wishes of the real estate and development businesses that were backing the campaign, remained largely intact in the final proposal.

Table 6-3: Interests Represented on the ACTC Board.

Interests	Number
Businesses/Chambers of Commerce	7
City Representatives	13
Civic Groups	0
County Agencies	0
County Supervisors	1
Environmental Groups	1
Homeowner/Local Associations	1
Labor	2
Real Estate/Construction/Development	3
Transit Agencies	3
Transportation Interests	2
Various Others	2

During the political campaign, the main supporters of the measure were the construction, development, and financial services industries, which collectively donated over \$475,000 to the campaign. Groups endorsing the measure included the Alameda County Taxpayers Association, most of the local chambers of commerce in the county, the Building Industry Council, the Sentinels, and the Bay Area Council. Opponents included the Berkeley Commission on Disability, the Hayward Area Planning Association, the Fremont Chamber of Commerce; the Alameda Newspapers Group; the Hayward Democratic Club; People for Open Space; Greenbelt Congress; the Berkeley and Emeryville City Councils; and the Coalition for Accessible Transportation. The Sierra Club and the Newark City Council did not take positions on the issue.¹²⁵

6.3.2. Planning and policy objectives.

Aside from the broadly-held goal (among Measure B's backers in the political and business communities) of widening the Nimitz Freeway, the primary objective of the expenditure plan development effort was a political one: to craft a plan that could win voter approval. The ACTC believed that the key to this success was including only

¹²⁴ Interview A2.

¹²⁵ Sandy Kleffman, "Supporters of transit tax proposal set up shop," *Alameda Times Star* (September 16, 1986); Sandy Kleffman, "County taxpayer group backs transit tax," *Alameda Times Star* (September 20, 1986); Sandy Kleffman, "Councilman seeks backing for tax plan," *Hayward Daily Review* (October 1, 1986); "Sales tax hike isn't the answer," Editorial. *Fremont Argus* (October 5, 1986); Sandy Kleffman, "Transit-tax fund raising lags," *Fremont Argus* (October 7, 1986); Daniel Borenstein, "Half-cent plan attacks gridlock," *Pleasanton Valley Times* (October 12, 1986); Michael Collier, "Backers of transportation tax mount last-minute fund drive" *Oakland Tribune* (October 24, 1986).

projects that had strong local support, and avoiding anything that might spur controversy or local opposition.¹²⁶

Avoidance of controversy became one of the main decision-making criteria. According to one participant in the early stages of the process, "...projects that were controversial were seen as projects that either could sink the plan... or that would end up in litigation... and then not be able to [be] deliver[ed]. And being able to deliver was certainly a major consideration in the plan's formation" (Deakin 2001, p. 60). Because of the desire to avoid controversy, the Hwy. 13/24 Interchange in Berkeley was chosen over capacity improvements in the I-80 corridor, and the Mission/Foothill Expressway project was included over the earlier Hayward Bypass proposal.¹²⁷

The Mission/Foothill Expressway project illustrates this objective. A broad coalition of pro-growth interests in central Alameda County supported Caltrans' plans to construct a freeway (the "Hayward Bypass") on a new right-of-way through largely undeveloped land in the hills. However, strong opposition from environmental groups and the working class neighborhoods that would lose over 300 homes to the freeway prompted the mayor of Hayward to propose an alternative project, the widening of Mission Boulevard into an expressway. This alternative had not been previously described in any MTC or Caltrans planning documents. Nonetheless, specification of a project that did not cut through homes and open space was seen as essential to minimize potential opposition to the plan.¹²⁸

Although it was not articulated as an explicit objective, ACTC did make an effort to avoid a strictly parochial approach to planning. Despite the county's tradition of parceling planning out to its four subregions, the ACTC did not follow this approach. A sharp debate over the division of resources between urban and suburban areas arose toward the end of the process, but geographic equity was not a primary objective of the planning effort. Rather, the focus was on giving people in each part of the county projects to vote for, and avoiding giving them projects to vote against.¹²⁹ While the planning process included representatives from each individual city, these representatives asked to look beyond representing only their cities' interests. "Nobody said, 'You're only here to talk about your city.' Everybody was there to talk about [the] expenditure plan. And the whole purpose of the plan... was to fund projects that would do some good, that would... have a lot of support from the public" (Deakin 2001, p. 60).

The Metropolitan Transportation Commission was neither invited to play a role in developing the expenditure plan, nor did it seek one. According to the terms of the authorizing legislation for transportation sales taxes in the Bay Area, MTC was obligated to approve the draft plan unless it concluded that one of the following was true:

¹²⁶ Interview A3.

¹²⁷ Interviews A1, A3.

¹²⁸ Interview A1; Knox (1997).

¹²⁹ Interview A4.

“(a) There would be a significant negative regional impact as a result of the proposed projects.

(b) There are insufficient funds available to implement the proposed projects.

(c) Conflicts exist within the county transportation expenditure plan.

(d) The estimates of proceeds from any proposed retail transaction and use tax ordinance are not reasonable.”¹³⁰

In a memorandum to staff involved in the review of the proposed Alameda County expenditure plan, MTC’s Executive Director emphasized that “MTC’s review is not to extend to the merit or priority of the projects” (Dahms, 1986).

Because Alameda County officials were facing a tight schedule in their navigation of the procedures necessary to place the sales tax proposal on the November ballot, MTC began to review the draft expenditure plan early, before the authorizing legislation had even become law. In its review, MTC staff noted several technical deficiencies in the draft plan, including the failure to identify project sponsors, and insufficient documentation of project scope and cost estimates. MTC staff recommended that its board approve the plan once these problems were addressed. In its comments, the commission did not take note of whether or not projects had previously appeared in a regional transportation plan. It also did not publicly discuss any of the more controversial aspects of the plans.¹³¹ It did, however, play a supportive role in the process by helping to identify sources of matching funds for projects.¹³²

Many traditional planning factors were not taken into account by ACTC. Project costs were considered only in terms of what would fit in the budget. The relative cost-effectiveness of projects was not a consideration.¹³³ Where additional fund were required, it was assumed they would materialize, a poor assumption that ended up costing county taxpayers in the long run.¹³⁴ Similarly, the potential impacts of projects were not specifically examined during the expenditure plan development process.

The somewhat unformed climate of transportation politics in Alameda County helped enable the freewheeling nature of the planning process, and the measure’s easy victory despite its political difficulties. The lack of an organized transportation advocacy

¹³⁰ California Public Utilities Code, §131053.

¹³¹ Dahms (1986); Roland De Wolk, “MTC gears up for look at transit tax,” *Oakland Tribune* (June 20, 1986); Roland De Wolk, “MTC sidesteps furor, OKs special tax plans,” *Oakland Tribune* (June 21, 1986).

¹³² Interview A2.

¹³³ Interview A4.

¹³⁴ “Alameda County raises its share to ensure I-580/680 improvements,” *Pleasanton Valley Times* (July 9, 1997).

community hindered the formation of an opposition campaign and prevented environmental groups from effectively demanding a say in the planning process.

Similarly, the lack of ongoing transportation dialogues at the subregional level enabled developers to wield significant influence in project selection. Several parts of the county lacked any type of pre-existing consensus about what projects should be funded. In these cases, inside participants in the process were able to advocate for projects they favored. The newspapers took note of three cases where this may have happened: the I-580/I-680 interchange, the Airport Roadway in Alameda, and the street connectivity projects in San Leandro. Another project that received less press attention, the realignment of Hwy. 84 through Livermore, was also included at the insistence of the developers involved in the planning effort.¹³⁵ The Dublin Canyon rail project was able to advance because the business community in that area had already sponsored a significant amount of planning work in support of the project.

Ultimately, politics trumped most other considerations in project selection. The key decisions about which projects would be priorities (in the earliest phase of the plan development process) and the big picture of how funds would be allocated (at the very end of the process) were largely brokered in private meetings or telephone calls between key players. The chair of the ACTC described it this way:

“The projects were pretty much agreed upon two or three months prior to August, but there was some last minute, for lack of a better word, horse trading that went on to actually get everyone to agree” (Knox 2001, pp. 26-27).

“Very few issues are ever decided in public. Usually they’re decided prior to that and then everyone kind of comes and sort of — I realize there’s sunshine laws and all of that, but these things kind of evolve not at committee meetings, but that kind of are decided in various negotiations and horse trading...” (Knox 2001, p. 40).

While Measure B was successful in winning voter support, it was not hailed as a model for future planning efforts. As will be seen in the next two chapters, it soon became politically necessary to make more substantial efforts at public involvement, consensus building, and consideration of multiple policy objectives in the planning process. These ambitious planning efforts were indeed undertaken, sometimes successfully, but “horse trading” would still remain an essential and fundamental part of the process.

¹³⁵ Interview A2.

7. Case Study #3: Contra Costa County's Measure C (1988)

“Defeat this turkey, and you’ll see how quickly ideas and money to fix this mess will develop.”

— Byron Campbell, Vote No on the 7 Percent Sales Tax, Oct. 22, 1986¹³⁶

“I’ve seen the light and I’ve been born again.”

— Byron Campbell, Coalition Supporting Revised Measure C, Oct. 20, 1988¹³⁷

Contra Costa’s transportation sales tax measure is unusually elaborate. It was the first in the state to include policies designed to link future transportation planning and land development. This program was the result of a difficult, three-year-long path to approval. After suffering an unexpected electoral defeat in 1986, county political leaders recruited a former adversary to help develop and win support for a revised proposal.

The 20-year sales tax expenditure plan finally adopted in 1988 was projected to raise \$807 million. It allocated about 37% of its revenues for four major highway projects; 24% for arterials and local street projects; 28% for a rail transit extension and a series of park-and-ride facilities; and 10% for transit, paratransit, and vanpool services. The plan also provided small amounts of funding for bicycle and pedestrian trails and growth management initiatives (Contra Costa Transportation Partnership Commission, 1988). See Section 4.2.3. for a detailed description of Measure C.

7.1. The planning context.

The outer East Bay experienced rapid growth in the 1970s and ’80s. Contra Costa County had a strong, pro-growth political culture that was fostering the swift urbanization of essentially rural areas. The region’s hilly topography helped shape both the nature of its transportation problems and the strategies that it developed to address them. Because the hills formed geographic barriers between areas of development, travel between these areas was often limited to a small number of highly congested transportation corridors.

The different “regions” of the county were culturally and economically distinct (see Figure 7-1 and Table 7-1). West County, including the cities of El Cerrito, San Pablo, Richmond, Hercules, and Pinole, was gritty, with refineries and pockets of poverty. Central County, including Walnut Creek, Concord, Pleasant Hill, and Martinez, was booming, with tremendous growth in population and employment. The East (Pittsburg, Antioch, and Brentwood) mixed rural ranches and farms with pockets of wealth and rapid

¹³⁶ Jerry Cornfeld, “Transportation-tax measure argued on local TV forum,” *Antioch Ledger* (Oct. 21, 1988).

¹³⁷ Bert Robinson, “Santa Clara County leaders back plan to hike sales tax,” *San Jose Mercury News* (May 1, 1984).

development of lower-cost suburban homes. The South consisted of two subareas, the wealthy southwestern suburbs of “Lamorinda” (Lafayette, Moraga, and Orinda), and the rapidly growing area of business parks and moderate income suburbs along the I-680 corridor (including Alamo, Danville, and San Ramon).

The physical separation of these areas led to a political culture in which county policies increasingly deferred to local preferences. It fostered a tendency for neighboring cities to self-organize into inter-local “committees” to solve problems in a way that asserts municipal, rather than county control.¹³⁸ In the 1970s, two areas of the county developed “regional transportation planning committees” (RTPCs), groups of elected officials and appointees that helped set transportation priorities.¹³⁹ These committees started out very informally, but over time accumulated significant responsibilities and influence.

Table 7-1: Four Regions of Contra Costa County.

Region	Incorporated Cities	1990 Population	Share of County Population	Annual Growth 1990-2000	1989 Per Capita Income
West	El Cerrito, Hercules, Pinole, Richmond, San Pablo	214,300	27%	1.1%	\$16,100
Central	Clayton, Concord, Martinez, Pleasant Hill, Walnut Creek	276,900	34%	0.6%	\$21,400
South	Danville, Lafayette, Moraga, Orinda, San Ramon	143,900	18%	1.7%	\$33,400
East	Antioch, Brentwood, Oakley, Pittsburg	167,200	21%	3.9%	\$15,000

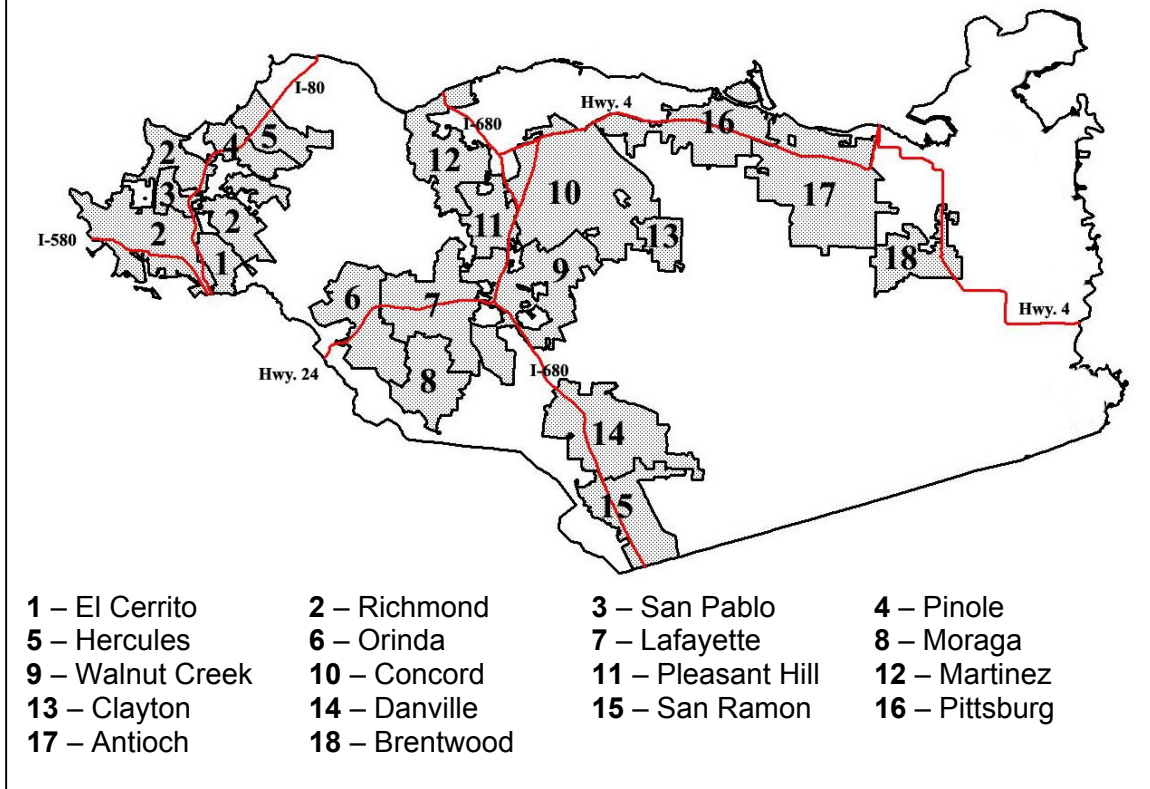
Source: U.S. Bureau of the Census, Census of Population and Housing (1990, 2000).

In some cases, regional identities crossed county lines. For example, the Contra Costa cities of Danville and San Ramon, together with the Alameda County cities of Dublin and Pleasanton, formed a “Tri-Valley Area” served

¹³⁸ Interview CC2.

¹³⁹ These two groups were, Central County’s Transportation Partnership and Cooperation Committee (TRANSPAC) and the West Contra Costa Transportation Advisory Committee (WCCTAC), both of which predate the Measure C effort. Two others, the Southwest Area Transportation Committee (SWAT) and East County’s Transportation Planning Committee (TRANSPLAN) were established later.

Figure 7-1: Geography of Contra Costa County.



by its own newspaper and business associations. In the 1990s, this bi-county area would initiate its own transportation planning process and begin levying regional development fees.

Contra Costa residents were decidedly ambivalent about growth. Contra Costa had rejected the creation of a countywide expressway system in the early 1970s.¹⁴⁰ Many of eastern Contra Costa's key transportation corridors still resembled winding country roads, and preservation of East County's rural character was an important priority for many residents. By mid-decade, quality-of-life concerns related to growth were emerging as some of the county's most potent political issues.

Residents of Central County, in particular, increasingly believed that political leaders were allowing too much development, too fast. An anti-growth revolt was gaining steam. Beginning in March 1985, voters passed a series of local initiatives aimed at controlling growth in Walnut Creek and Pleasant Hill, imposing caps on building heights in those cities' rapidly growing and densifying centers, or banning development completely until traffic conditions at key intersections improved. In addition, growth management

¹⁴⁰ Elliot Diringer and George Snyder, "Suburbs in uproar over growth-snarled traffic," *San Francisco Chronicle* (October 21, 1985).

activists began winning seats on local city councils.¹⁴¹ A quieter, but parallel movement sought to require new development to pay a larger share of the social costs that it incurred, including roads and other infrastructure. Orange County instituted a set of development fees to finance transportation improvements after its transportation sales tax effort failed in 1984, and Contra Costa was beginning to adopt similar policies.¹⁴²

Despite the rise of this slow-growth advocacy, the county lacked a mature, organized environmental movement. Most of the group calling for growth controls were community groups without a strong history of environmental advocacy, joined at times by regional environmental groups such as the Sierra Club or People for Open Space. The goals of the community and environmental groups were not always in agreement: the local groups primarily wanted to prevent high-density office development near BART stations, while the regional groups preferred transit-oriented development to construction on greenfields.

Cutbacks in already-planned capital improvements further aggravated concerns over inadequate infrastructure. In 1985, the California Transportation Commission announced a major shortfall in the state highway trust fund, caused by inflation and declining gasoline consumption. As a result of this unexpected deficit, the commission postponed \$470 million in projects for Alameda and Contra Costa counties by one to two years. Most significant of these were \$318 million to widen Interstate 680 and reconstruct its major interchanges, and \$25 million to add carpool lanes to Interstate 80.¹⁴³ The delay in these projects became an important motivating factor for efforts to pass a sales tax in Contra Costa County.

Transit finance was also an important issue in the county. In the wake of Proposition 13, AC Transit had to raise fares 140% and cut service on 20 lines over the previous 7 years. Other transit operators were also struggling with funding problems. But East County officials opposed increasing funding for bus systems, instead favoring construction of BART extensions.¹⁴⁴

¹⁴¹ Francisco Garcia, "Voters split on growth measures," *San Francisco Chronicle* (March 13, 1985); Elliot Diringer and George Snyder, "Suburbs in uproar over growth-snarled traffic," *San Francisco Chronicle* (Oct. 21, 1985); Andy Jokelson, "Walnut Creek curbs growth/Measure H passes by 405 votes," *Oakland Tribune* (Nov. 6, 1985); Andy Jokelson, "Growth-control activists win," *Oakland Tribune* (Nov. 6, 1985).

¹⁴² Robert J. Dattel, "Partnerships for Highway Building," *Going Places* (March/April 1986); Elliot Diringer, "Contra Costa OKs \$11 million road program," *San Francisco Chronicle* (February 13, 1985); Scott J. Wilson, "Officials want Highway 4 job developer-paid," *Contra Costa Times* (January 1, 1986).

¹⁴³ Ray Tessler, "Highway fund deficit could slow CC plans," *Contra Costa Times* (November 25, 1984); Ray Tessler, "State urged not to halt CC highway projects," *Contra Costa Times* (August 23, 1985); Virgil Meibert, "Freeway cuts: more good and bad news," *Oakland Tribune* (September 28, 1985).

¹⁴⁴ Bill Snyder, "County mayors seek funding for transportation," *Antioch Daily Ledger* (April 24, 1986).

7.2. Development of the expenditure plan.

7.2.1. The 1986 plan.

Even before Santa Clara's sales tax victory in 1984, Contra Costa began exploring the possibility of a similar effort. The impetus behind this effort came from the county's business community, led by Dean Leshner, publisher of the Contra Costa Times, and Alex Mehran, developer of the Bishop Ranch business park in Danville. In the mid-1980s, Leshner and Mehran had led the reorganization of the Contra Costa Council (formerly the Contra Costa Development Association) to make it independent of government funding and a more effective advocate for the development industry on public policy issues.¹⁴⁵

The county public works department hired a consultant to examine the feasibility of a campaign. On the consultant's advice, political leaders established a Transportation Advisory Committee (TAC) to develop a viable proposal. The TAC was chaired by Robert Schroder, a county supervisor who also chaired the Metropolitan Transportation Commission. It also included one other supervisor, five city representatives (mayors or council members), two developers, a major employer (Dow Chemical) that advocated a BART extension to East County, and a civic organization (the League of Women Voters).

Contra Costa County's development industries were worried by the rising anti-growth sentiment, and concluded that a major, publicly-financed construction program aimed at reducing traffic congestion was needed to defuse the opposition they were encountering. Business leaders saw a local option sales tax as an opportunity to address the county's transportation funding problems and ease its mounting tensions over the pace of development. By financing needed investment, a dedicated tax would also help shield developers from having to finance infrastructure through impact fees.

Political leaders agreed that the traffic crisis stemmed from under-investment, but some also saw problems in the lack of coordination between land use and transportation planning. Early in 1985, they began examining the feasibility of reforming the county's planning practices by centralizing transportation and other planning functions into a single new agency that could take a more comprehensive approach.¹⁴⁶

These differing industry and governmental approaches soon merged into an effort to establish a powerful new county transportation agency. Under a plan that was debated strenuously within the TAC, the new agency would be empowered to administer a new voter-approved sales tax, control the county's existing funding from federal and state sources, and play a lead role in coordinating transportation and development throughout the county. At the same time, State Senator Dan Boatwright (D - Concord) was developing the necessary enabling legislation.

¹⁴⁵ Interview CC4; Contra Costa Council (2002).

¹⁴⁶ Elliot Diringer, "Ways to handle Contra Costa traffic heard," *San Francisco Chronicle* (January 9, 1985); "Super agency for planning in Contra Costa," *San Francisco Chronicle* (February 6, 1985).

Discussions about how the revenues from a sales tax should be used began in earnest in May 1985, when Alameda and Contra Costa officials started planning a coordinated drive to adopt sales taxes in their counties. At the time these discussions began, those involved sought to paint a picture of cooperative, inter-county problem solving. One of the first projects discussed was a light rail transit line along an old rail freight corridor running through San Ramon Valley and linking Pleasanton with Pleasant Hill. In 1985, the two counties had started purchasing the right-of-way, which they believed had the potential to ease congestion by linking the counties' rapidly growing bedroom communities with their massive new business parks.¹⁴⁷

However, the nascent planning effort and proposal for a new county transportation agency soon ran into opposition from both above and below. Although the Metropolitan Transportation Commission had become an advocate of local efforts to generate new transportation revenues, it saw the proposed creation of a new planning agency as a serious threat. MTC strongly opposed any loss of its control over the region's share of state and federal gas tax funds, including the creation of a possible competitor for other scarce resources. Supervisor Schroder said that having each county establish its own transportation planning agency "would dilute the effectiveness of MTC" and "balkanize" the planning process. Under MTC's favored approach, voters would first be asked to approve an MTC-administered sales tax increase, and only after their approval was secured would the county and MTC cooperatively plan specific improvements to be financed with the revenues.¹⁴⁸

The transportation agency proposal also worried local governments, particularly in the western part of the county. They strongly opposed giving up their traditional home-rule powers to regulate land use and development, and feared that the new agency would be dominated by the county's more populous central region. Local resistance emerged in the Tri-Valley area as well, where many neighbors became vocal opponents of the proposed light rail line. Others feared that the new agency would consolidate transportation and land use decision-making in an agency that would be beholden to pro-growth interests. One developer on the committee acknowledged that other committee members "became suspicious because they saw a railroad job." Agreement on the broad outlines of a spending proposal became gridlocked by power struggles among the TAC's leadership, parochial disagreements about fairness in the allocation of funding, and concerns about the influence wielded by developers on the committee. In June, the cities and MTC formally pronounced their opposition to the proposal, effectively killing the

¹⁴⁷ Harre W. Demoro, "Tax boost studied for East Bay transit," *San Francisco Chronicle* (May 21, 1985); Elliot Diringer, "Land deal may ease car snarl," *San Francisco Chronicle* (November 30, 1985).

¹⁴⁸ Roland De Wolk, "Plan for new county highway commission worries the MTC," *Sunday Daily Ledger – Post Dispatch* (March 3, 1985); Roland De Wolk, "Transit agency backers see meeting as threat," *Oakland Tribune* (June 21, 1985); Roland De Wolk, "How Contra Costa County's traffic agency died aborning," *Oakland Tribune* (June 28, 1985); Andrew Ross, "Transit sales tax gets OK," *San Francisco Examiner* (December 19, 1985).

chances for Boatwright's bill in the legislature.¹⁴⁹

The controversy over the proposal led to a reorganization of the TAC, and the replacement of Schroder as chair. Despite these changes, the TAC kept essentially the same membership, adding just two members, a transportation consultant and a labor representative with close ties to the development community.¹⁵⁰

After several months of stalemate, MTC and county leaders worked out a compromise on governance matters, modeled after the approach taken in Santa Clara County. Any Bay Area county would be authorized to adopt a transportation sales tax, provided an expenditure plan was developed in advance, and approved by local governments, the Board of Supervisors, and a majority of voters. Each county would choose whether to create a local transportation authority or ask MTC to administer the expenditure program.¹⁵¹

Senator Boatwright shepherded the new bill through the state legislature, where its progress was facilitated by the broad support it enjoyed from public officials throughout the region. The legislation passed the Senate unanimously early in 1986, and overcame resistance from conservative Republicans in the Assembly to become law in July.¹⁵²

Meanwhile, county policymakers had agreed that the best way to move forward on developing an expenditure proposal was to de-politicize the planning process. In early 1986, the effort to develop an expenditure plan regained its footing when the TAC agreed to delegate project selection to a subcommittee of county and local transportation engineers and city managers.

During the course of the campaign, backers of Measure C claimed that this subcommittee ranked some 158 candidate projects in terms of "current traffic volumes, congestion problems, and accident history" to determine which should be the highest priority.¹⁵³ Nonetheless, opinion polls also played a large role in determining which projects were selected. The subcommittee wanted to focus on high-profile projects of regional

¹⁴⁹ Roland De Wolk, "Plan for new county highway commission worries the MTC," *Sunday Daily Ledger – Post Dispatch* (March 3, 1985); Lester On, "Regional unity grows in west Contra Costa," *Oakland Tribune* (June 24, 1985); Roland De Wolk, "How Contra Costa County's traffic agency died aborning," *Oakland Tribune* (June 28, 1985); Bill Snyder, "Transit tax: what a change a year makes," *Contra Costa Times* (July 27, 1986). Quote from Eric Hasseltine in Roland De Wolk, "Transit tax's bumpy path to the ballot/The conflict behind the transit tax," *Oakland Tribune* (August 3, 1986).

¹⁵⁰ Mike Myslinski, "Contra Costa transit panel gives up fight," *San Ramon Valley Herald* (Jan. 14, 1987).

¹⁵¹ Marc Sandalow, "New effort to place transportation tax on ballot clears hurdle," *Martinez News-Gazette* (Sept. 12, 1985); Andrew Ross, "Transit sales tax gets OK," *San Francisco Examiner* (Dec. 19, 1985).

¹⁵² Virgil Meibert, "Boatwright's tax hike for transit OKd," *Oakland Tribune* (February 2, 1986); Virgil Meibert, "Assembly OKs tax for transit projects," *Oakland Tribune* (June 27, 1986); *San Francisco Chronicle* (July 12, 1986). Boatwright's bill was known as S.B. 878, and was codified in the California Public Utilities Code, §131000.

¹⁵³ Robert Schroder, "Measure C will help ease crunch for traffic and transit," Op-Ed. *Contra Costa Times* (October 31, 1986).

significance that had strong countywide support. Although local public works officials participated in this subcommittee, it was largely driven by county engineering staff.¹⁵⁴

The resulting proposal included 18 projects totalling \$590 million, to be financed by a half-percent sales tax lasting 15 years. The TAC made only minor adjustments before giving its approval, and the package was endorsed quickly by every city council in the county, many unanimously. The few elected officials to dissent were mostly those swept into office as part of the 1985 anti-growth backlash. One reporter noted, “The final product was agreed upon with surprising speed. Approval took a few polite meetings, where the loudest protest was an occasional eyebrow being raised.”¹⁵⁵

Highlights of the package included extending rail service from the BART station in Concord into the eastern part of the county (\$185 million), upgrading State Highway 4 to freeway standards (\$94 million), construction of a northern bypass around Richmond (\$49 million), converting Ygnacio Valley Road to one-way in downtown Walnut Creek (\$36 million), and increasing parking at BART stations and building park & ride lots (\$35 million). The plan also provided \$50 million to accelerate two projects already slated for construction by Caltrans: car pool lanes on Interstate 80, and the interchange at I-680 and Hwy. 24. The proposed light rail line in San Ramon Valley failed to make the list due to vocal opposition by neighboring homeowners (Contra Costa Transportation Advisory Commission, 1986).

7.2.2. The 1986 campaign and election.

Early polling suggested conditional public support for a transportation sales tax measure. When asked if they would vote for a half-percent sales tax that would fund freeway, highway, and local street improvements, 54 percent of Contra Costa voters said “yes” (versus 31 percent “no,” and 15 percent undecided). However, when asked if they would vote for the tax if it were also used to fund BART extensions and other transit projects, 84 percent said they would vote for it.¹⁵⁶

As they voted to place the tax measure on the November ballot, Contra Costa political leaders confidently predicted smooth sailing for the initiative. But they still took precautions to ensure the public’s support. Aware of the concerns about developer control that nearly derailed the tax effort in neighboring Alameda County, and burned by their struggles on the Contra Costa Transportation Advisory Committee in 1985, developers and other backers of a sales tax kept a very low profile as the expenditure plan was being assembled and approved. They quietly made plans to raise \$600,000 to promote the ballot initiative that would enact the tax, and hired the political firm that ran

¹⁵⁴ Interviews CC3, CC4.

¹⁵⁵ Roland De Wolk, “How politicians cut a transit tax deal,” *Oakland Tribune* (June 9, 1986); Bill Snyder, “½¢ sales tax hike irritates slow-growthers,” *Sunday Daily Ledger – Post Dispatch* (July 17, 1986); Bill Snyder, “Transit tax: what a change a year makes,” *Contra Costa Times* (July 27, 1986). The quote is from Roland De Wolk, “Transit tax’s bumpy path to the ballot,” *Oakland Tribune* (August 3, 1986).

¹⁵⁶ Bill Snyder, “County residents support tax, if it will unclog traffic,” *Daily Ledger* (April 11, 1986).

Santa Clara's successful transportation sales tax campaign in 1984.¹⁵⁷

Contra Costa officials were also wary of being tarnished by the controversy that surrounded Alameda County's tax effort, and sought distance from what started as a cooperative effort. They canceled plans to campaign jointly with the Alameda proposal. They even changed the name of their ballot initiative from "Measure B," which they were to share with their neighbors to the south, to "Measure C" in order to avoid the measures being linked in voters' minds.¹⁵⁸

The process of building consensus around an expenditure plan had proven difficult, but the result was a strong and united front. By the time the Contra Costa Citizens for Traffic Relief kicked off its campaign in August, nearly all the major political institutions in the county had endorsed the tax proposal. In addition to virtually every important political figure in the county, major organizations endorsing the tax included the Bay Area Council, Contra Costa Taxpayers Association, the Contra Costa Council (a development organization), the Industrial Association, the Central Labor Council, and ten chambers of commerce. During the campaign, this broad base of support became one of the proponents' main arguments for the tax. The argument that the measure's merits were demonstrated by the breadth of its backers was the key point made in endorsements by the *Contra Costa Times* and its affiliated newspapers.¹⁵⁹

Just about the only leading political figure in the county not to endorse the tax was a Republican State Assemblyman, the former head of the Contra Costa Taxpayers Association. Because he objected to allowing a local tax increase with only a simple majority vote, he abstained when the assembly authorized the tax, and took a neutral position on the ballot initiative.¹⁶⁰

The proponents' ballot argument, signed by all five county supervisors, set out a straightforward rationale for the tax: "State and Federal funding for local roads and transit has been permanently reduced. This loss must be replaced locally." It sought to reassure voters that the projects were not being built in isolation, but were part of an "integrated program" including commuting alternatives, developer fees "to assure that future growth pays its own way," and an update of the county General Plan to assure coordination of transportation and land use. It also pointed out that the tax had been endorsed by every city council in the county, and estimated the cost for the "average person" to be 50 cents per week (Contra Costa County Elections Department, 1986).

Responding to criticisms that the expenditure plan was a developers' wish list, tax

¹⁵⁷ Edward Iwata and Elaine Herscher, "East Bay counties to vote on transit sales tax measure," *San Francisco Chronicle* (August 6, 1986); Bill Snyder, "Strategy formed for county drive to hike sales tax," *Contra Costa Times* (July 13, 1986).

¹⁵⁸ Sam Delson, "Contra Costa pushes own transit tax plan," *Hayward Daily Review* (August 17, 1986).

¹⁵⁹ Daniel Borenstein, "Half-cent plan attacks gridlock," *Pleasanton Valley Times* (October 12, 1986); "Transit measure in public interest," Editorial, *Contra Costa Times* (October 13, 1986).

¹⁶⁰ Ray Tessler, "Assembly OKs sales tax hike," *Contra Costa Times* (June 27, 1986).

backers emphasized that the projects were selected on their merits from 158 candidate projects by city managers and engineers, that all addressed existing congestion problems, and that collectively they represented a balanced, regional approach to the county's transportation situation.¹⁶¹

In all, contributions to the pro-tax campaign exceeded the \$600,000 target, making it the most expensive campaign that had been waged in the county's history. Ninety percent of this support came from real estate and development interests, with most of the rest coming from key employers in the county, including Pacific Bell, Wells Fargo, and Chevron. The campaign used these funds to hire four full-time campaign workers, to broadcast radio ads, to send direct mailings (see Figure 7-2), to organize a speakers bureau that made over 100 appearances, and even to sponsor a fair (complete with balloon rides) to get the word out about the initiative.¹⁶²

Opponents of the tax had a significantly smaller base of support. Their group, "Vote No on the 7 Percent Sales Tax," was led by Concord Citizens for Responsible Growth director Byron Campbell, and included other leaders of the county's 1985 growth revolt, including various newly-elected city council members. In all, the campaign raised less than \$1400 for its cause. It relied on volunteers handing out flyers and posting signs, as well as the use of the "fairness doctrine" to get free media access. Local groups campaigned most actively, but a number of other organizations also announced their opposition to the package, including the Sierra Club, People for Open Space, Greenbelt Congress, and Gray Panthers. The only major newspaper to urge rejection of the tax, the San Francisco Examiner, was based outside the county.¹⁶³

The opponents' ballot argument slammed the high rate of the tax and the projects that it would finance. It repeatedly called the proposal a "7% sales tax," and predicted that it would become permanent just like the BART district tax. Calling the tax "developer relief, not traffic relief," the statement argued that the county's traffic jams were the result of "politicians allow[ing] runaway development to swamp road capacity." It warned that the plan would "prepare East County for massive overdevelopment," creating a traffic situation comparable to that already faced in the central part of the county, and pointed out the resources that developers poured into the pro-tax campaign. In addition, it raised a number of equity concerns with the proposal, including its over-investment in East County, the regressivity of the sales tax and the "dangerous precedent" set by using

¹⁶¹ Robert Schroder, "Measure C will help ease crunch for traffic and transit," Op-Ed. *Contra Costa Times* (October 31, 1986).

¹⁶² Sandy Kleffman, "Transit tax proponents begin busy campaign ride," *Hayward Daily Review* (September 26, 1986); Sandy Kleffman, "Contra Costa leads transit tax drive," *Hayward Daily Review* (October 8, 1986); Bill Snyder, "Costly campaign," *Antioch Daily Ledger* (October 24, 1986); Walt Gibbs, "East Bay divides over transit tax," *San Francisco Examiner* (November 5, 1986); Betsy Wing, "Big money may have killed support," *West County Times* (November 6, 1986).

¹⁶³ Bill Snyder, "½¢ sales tax hike irritates slow-growthers," *Sunday Daily Ledger – Post Dispatch* (July 17, 1986); Daniel Borenstein, "Half-cent plan attacks gridlock," *Pleasanton Valley Times* (October 12, 1986); "No on East Bay Traffic Tax," Editorial, *San Francisco Examiner* (October 20, 1986); Donna Hemmila, "Transpac launches sales tax drive," *Contra Costa Times* (June 26, 1987); Interview CC1

Figure 7-2: Mailing seeking to counter criticism of Measure C.



Source: Undated direct mailing paid for by Contra Costa Citizens for Traffic Relief

it to fund highways, and its disproportionate impact on seniors. Finally, it estimated that the average cost per person from all transportation taxes in the county would be \$1600 over fifteen years (Contra Costa County Elections Department, 1986).

During the campaign, opponents continually challenged the rationale for the projects, calling the package "an unholy combination of bad planning and unfair financing." They characterized the expenditure plan as a "pork barrel," charging that the committee that selected the projects overlooked many of the "most needed" projects in Central County in favor of other, less effective investments desired by developers in East County. Since the majority of benefits from these projects would be enjoyed by the future residents of new developments in East County, they argue, they should be financed with targeted development fees. Tax supporters countered that opponents' assertions about geographic equity were false, because it had been a central criterion in the distribution of projects.¹⁶⁴ In fact, either of these apparently contradictory perspectives can be true, depending on how one classifies large projects like the rail extension that are located in Central County but benefit primarily East County residents.

Tax opponents also raised a range of equity concerns about the tax beyond the geographic distribution of revenues. They pointed out that sales taxes disproportionately hurt the poor, and that they are also "unfair to non-commuters" who "don't cause our traffic

¹⁶⁴ Bill Snyder, "½¢ sales tax hike irritates slow-growthers," *Sunday Daily Ledger* (July 17, 1986); Byron Campbell, "Measure C is no answer to traffic woes," Op-Ed, *Oakland Tribune* (October 31, 1986).

problems.” They also questioned the governance structure of the future Contra Costa Transportation Authority, pointing out that East County residents would have three times the representation per capita on the agency’s board than Central County residents, and twice the representation of West County residents.¹⁶⁵

On November 4, 1986, Contra Costa County voters rejected Measure C, giving it less than 47% support. Its sister measure in Alameda County, which had attracted significantly more controversy, won soundly. The measure carried in eastern and western parts of Contra Costa County, where it won 54 percent and 55 percent of the vote, respectively. But the opposition’s decision to target voters in the county’s populous central region appeared to pay off, as the measure won less than 43 percent there. The tax had particularly strong centers of support in Hercules, Pittsburg and Richmond (it received more than 58 percent of the vote in all three cities), and extremely strong opposition in Moraga (where it won less than 32 percent).¹⁶⁶

This outcome took Contra Costa’s political and economic leadership by surprise, and left many grasping for explanations. Observers advanced a wide range of theories for the loss: East County residents felt that they would be paying twice for BART, Central County residents felt shortchanged by the plan, turnout was low in Democratic areas, and the county was simply too conservative to support a tax increase. Others speculated that voters were turned off by the slick campaign and a lack of confidence in their elected officials. One Alameda County official said, “Elected leaders there rolled over for the developers for too long. Now the public doesn’t trust them.”¹⁶⁷

Figure 7-3: Flyer Opposing Measure C.

**Vote NO on C,
the 7% Sales Tax!**

The 7% sales tax is unfair.

- Regardless of how little you add to traffic problems, you'll still pay a full share of the traffic bill in sales taxes.
- You'll pay higher prices for consumer goods. Senior citizens and families will be especially hard hit.
- Local businesses suffer as buyers make major purchases in low-tax counties.
- 7% is California's highest rate. And federal tax reform eliminates sales tax deductions.
- The Committee distributing sales tax funds is stacked against Central and West County, where most Contra Costans live.

Sales taxes don't go away.

- The 6½% sales tax was a "temporary" tax to raise \$150 million to bail out BART. About one billion dollars has been collected and we're still paying the tax. It's a bottomless pit: BART gets 40% of the Measure C tax increase.
- The tax promoters promised us the 6½% sales tax would solve our transportation needs. It didn't. Now they're making the same old promise for the 7% sales tax. Just say "NO".

The 7% sales tax is developer relief, not traffic relief.

- The politicians chose to tax us rather than make developers pay a fair development fee. Developers make fortunes from runaway development, we pay the bill.
- Most of the sales tax money will be spent to prepare East County for massive over-development, not fix existing problems. Result: Experts predict traffic throughout Contra Costa County will double.

This tax scheme is a disaster! Vote NO on C.

I want to help defeat Measure C, the UNFAIR TAX. I enclose \$_____ to help pay for campaign literature and signs.
 I will ☐ distribute literature ☐ put up a lawn sign ☐ other _____

Name _____ Phone _____
 Address _____

Please make check payable to Vote "NO" on the 7% Sales Tax. Mail with this coupon to P.O. Box 21554, Concord, CA 94521.
 If you have any questions, please contact Campaign Coordinator Byron Campbell at 685-4396.

Source: Undated flyer distributed by Vote No on the 7% Sales Tax (1986).

¹⁶⁵ Byron Campbell, “Measure C is no answer to traffic woes,” Op-Ed, *Oakland Tribune* (Oct. 31, 1986).

¹⁶⁶ Daniel Bornstein, “Central CC responsible for sales tax hike defeat,” *Contra Costa Times* (November 7, 1986); “How Contra Costa voted on Measure C,” *Contra Costa Times* (November 7, 1986).

¹⁶⁷ Betsy Wing, “Big money may have killed support,” *West County Times* (November 6, 1986); Larry Spears, “Backers of failed Contra Costa transit tax say they will try again,” *Oakland Tribune* (November 7, 1986); Daniel Bornstein, “Central CC responsible for sales tax hike defeat,” *Contra Costa Times* (November 7, 1986). Quote from Alameda County Supervisor Robert Knox in Michael Collier, “Contra Costa voters: transit tax not a solution,” *Oakland Tribune* (November 6, 1986).

Environmentalists argued that defeat of the measure was due to the public's concern over the lack of planning for long-term growth. Mark Evanoff, an organizer for People for Open Space suggested, "We'll find solutions to funding [transportation improvements] once you define what the county is going to look like." He said that if environmentalists were satisfied with the outcome of the county general plan revision process, then underway, they might be willing to support more transportation funding in the future.¹⁶⁸

But subsequent events showed that the county's leaders gained two key lessons from this experience. First, they had to take seriously the opponents' demand that transportation investments be coordinated with growth management policy. In addition, they had to take pains to avoid the appearance that the tax would simply subsidize developers.

7.2.3. The 1988 plan.

Immediately following their defeat, tax proponents were promising to try again. In private, county leaders began reaching out to the opposition leaders to see what changes would be needed to win their support. In public, they also began signaling their willingness to negotiate. The day after the election, Eric Hasseltine, a developer and a former county supervisor, suggested that "we need to build peoples' confidence with some new growth-management techniques that tie development to transportation needs."¹⁶⁹ That theme addressed the core criticism of the original measure, and was taken up by many county and political leaders in the coming months.

In order to build public confidence in the new effort, the Mayors' Conference and the Board of Supervisors disbanded the Transportation Advisory Committee and began working to create a new forum for developing transportation policy.¹⁷⁰ The Mayors' Conference developed a proposal for a successor to the Transportation Advisory Committee "providing for maximum participation of public agencies in the county" (Dunne 1987). This new Contra Costa Transportation Partnership was conceptualized as a pyramid with three major sections. Its "foundation" would consist of four regional transportation planning committees (RTPCs),¹⁷¹ each of which would be comprised by an elected official and a planning commissioner from each city, and the relevant county supervisor. These regional committees could also opt to include representatives from transit agencies and "special interest groups such as homeowner associations, chamber[s] of commerce, and taxpayer associations." Each committee would be served by its own technical advisory committee to "allow a grassroots approach for gaining information" (Contra Costa County Mayors' Conference 1987).

¹⁶⁸ Daniel Borenstein, "Backers look at future of tax idea," *West County Times* (Nov. 6, 1986).

¹⁶⁹ Michael Collier, "Contra Costa voters: transit tax not a solution," *Oakland Tribune* (November 6, 1986); Interviews CC1, CC2, CC3, CC4.

¹⁷⁰ Larry Spears, "Backers of failed Contra Costa transit tax say they will try again," *Oakland Tribune* (Nov. 7, 1986); Mike Myslinski, "Contra Costa transit panel gives up fight," *San Ramon Valley Herald* (Jan. 14, 1987).

¹⁷¹ Three RTPCs already existed by this time.

The middle layer of the Transportation Partnership pyramid consisted of the “key administrative staff” that would operate and coordinate the Partnership’s activities. There would also be a Technical Advisory Coordinating Committee that would “serve as a linkage between the regional committees and the key staff.” At the top of the pyramid was the Partnership Commission, which consisted of elected officials, two appointed by each RTPC, one appointed by the Mayors’ Conference, and two county supervisors. The commissioners would serve rotating two-year terms. They “would have the option of including advisory representatives on the Commission. Possible representatives may include MTC, transit, League of Women Voters and private sectors” (*ibid.*).

As proposed, the Transportation Partnership was to have been squarely under the control of local staff and elected officials, with a limited range of outside players invited to provide advice. The initial launch of the Transportation Partnership in early 1987 followed this approach, but quickly collapsed because of disagreements over whether this was the best way to win voter support. Soon the Board of Supervisors decided that a more substantial effort was needed to bring environmental and other advocacy groups inside the planning process. Two county supervisors again reached out to opponents of the earlier measure to gauge the prospects of forging common ground. In June, they held meetings with environmental and community groups to float the idea of linking the transportation plan to growth management by using some of the sales tax revenues as a carrot to get city governments to opt into a countywide growth control plan.

The slow-growth advocates, represented by Byron Campbell, wanted to improve growth management planning and ensure that future development didn’t detract from the existing residents’ access to infrastructure and services. The committee accommodated the first demand by building growth management policies and performance measures into the Measure C proposal, and by setting aside a pool of funds as a carrot to encourage local government participation. The environmentalists, represented by Mark Evanoff of People for Open Space, wanted a share of funds to be used to protect important lands that were vulnerable to development. Ultimately, it was determined that open space purchases could not legally be funded with Measure C revenues.¹⁷² Instead, developers agreed to sponsor a separate ballot measure to raise funds for open space.¹⁷³

Once the broad outlines of a compromise were reached, the activists agreed to participate in an advisory committee to the new Transportation Partnership. Every major interest group in the county that was perceived to be open to discussions about the details of a new ballot initiative was invited to participate in the Transportation Partnership’s Advisory Committee. Organizations sharing similar interests (e.g. environmental groups) were invited jointly to nominate representatives to participate in the Advisory Committee. Participants were chosen on the basis of the interests they represented, and their perceived willingness to negotiate in good faith. Although the county had no organized

¹⁷² California law forbids initiatives that address multiple topics. The committee’s legal counsel advised that it would be difficult to find a legal argument that open space and transportation were a single topic.

¹⁷³ Interview CC1. Regional Measure AA, a \$225 million bond authorization for the East Bay Regional Parks District, was approved in November 1988 with 68% of the vote.

citizens groups that focused on transportation issues, the committee was able to identify suitable candidates for the Advisory Committee in part by drawing upon individuals already participating in the county's general plan revision process.

Ultimately, the Advisory Committee included representatives of 25 organizations. Campbell, the leader of the 1986 "Vote No on the 7 Percent Sales Tax" campaign, was selected as its chair.¹⁷⁴

As a final step in getting the planning process started, the Board of Supervisors agreed to relinquish control over the development of a new ballot initiative, and instead charged the Transportation Partnership with developing a workable proposal.¹⁷⁵

Despite the establishment of a deliberative body composed of elected officials (the Transportation Partnership Commission) and an advisory body representing a broad array of interest groups (the Transportation Partnership Advisory Committee), the real work of forging consensus was done by a third, less formal group. This "Steering Committee" had six members, including the leaders of the environmental, community, development, and labor constituencies, plus key staff from the county public works agency and the consulting firm hired to assist with the process. Although this committee played the primary role in developing the details of the expenditure plan and the growth management policy, it was essential to the success of the Transportation Partnership that it keep a low profile, and let the other two committees perform their advisory and decision-making functions.¹⁷⁶

The Steering Committee met every two weeks. It relied heavily on polling and consultations around the county to shape policies and projects that could win broad political support. These suggestions were then considered by the Advisory Committee, and often adopted without significant changes.¹⁷⁷ The Transportation Partnership first developed a list of potential projects exceeding \$2 billion, and then whittled it down. Projects with soft local support, such as construction of a fourth bore in the Caldecott Tunnel, were dropped in order to boost spending in other areas.

After a series of public meetings in July, the final version of the expenditure plan was approved by 16 of the county's 18 city councils, adopted by the Transportation Partnership Commission in early August, and placed on the November ballot by the Board of Supervisors days later.¹⁷⁸

¹⁷⁴ Betsy Wing, "New vote sought on sales tax for transit," *Contra Costa Times* (June 12, 1987); Donna Hemmila, "Transpac launches sales tax drive," *Contra Costa Times* (June 26, 1987); Interview CC1.

¹⁷⁵ Donna Hemmila, "Growth control linked to transit tax measure," *Contra Costa Times* (August 26, 1987), Donna Hemmila, "Supervisors back sales tax increase," *West County Times* (Sept. 2, 1987).

¹⁷⁶ Interview CC1.

¹⁷⁷ Interview CC3.

¹⁷⁸ Larry Spears, "Transportation tax strategy: countywide traffic fixes," *Oakland Tribune* (Aug. 8, 1988); Elizabeth Fahey, "Sales-tax rise on Contra Costa ballot," *San Francisco Chronicle* (Aug. 10, 1988).

The final project list closely resembled the 1986 proposal (see Table 7-2). The 1988 proposal expanded the pool of available funding in two ways. First, it extended the duration of the tax from fifteen to twenty years, raising the total amount of funding available from about \$600 million to nearly \$890 million. Second, it eliminated two projects (the 680/24 Interchange and the I-80 HOV Lane) that had been included in the original expenditure plan to help accelerate projects Caltrans had postponed because of revenue shortfalls. In the time since the 1986 election, Caltrans had found the resources to be able to complete these projects as originally planned.

Table 7-2: Comparison of 1986 and 1988 Expenditure Plans.

Projects	1986		1988	
	Cost (\$M)	Pct. Of Funding	Cost (\$M)	Pct. Of Funding
<u>Highways</u>	248.5	42.5%	295	36.6%
Hwy 4 - East: Widen; regrade at Willow Pass	53		80	
Hwy 4 - West: Widen and upgrade to freeway	41		45	
Hwy 4 - East: Acquire ROW for realignment	5			
I-680 & Hwy. 242: Improve interchanges	50.5		100	
Construct Richmond Bypass	49		70	
680/24 Interchange	30			
I-80 HOV lane	20			
<u>Streets and Roads</u>	87.0	14.9%	192.6	23.9%
Ygnacio Valley Rd.: convert to 1-way in Walnut Cr.	36			
Arterial improvements in SW corner of county	24		13.6	
Gateway/Lamorinda Study and implementation	19		19	
Olympic Boulevard: arterial improvements	4			
San Pablo Dam Road: improve north of I-80	4		4.5	
Local street maintenance and traffic improvements			155.5	
<u>Transit Capital</u>	230.0	39.3%	229.5	28.4%
Eastern Contra Costa rail extension	185		178	
Parking and park/ride lots / "Reg'l Commuterway"	35		46	
Parking lot at El Cerrito del Norte BART station			5.5	
Purchase ROW for future transportation corridor	10			
<u>Transit Operations</u>	19.0	3.3%	76.9	9.5%
Matching grants for vanpools, park/ride, buses	19		8.6	
Bus transit improvements and coordination			42.4	
Paratransit services			25.9	
<u>Enhancements</u>	0.0	0.0%	13.0	1.6%
Growth management program			10	
Bicycle and pedestrian trails			3	
Total Project/Program Costs	584.5	100%	807.0	100%
<u>Non-Project Costs</u>				
Administrative costs	6		8.9	
Contingency fund	5.5		57	
Board of Equalization Administrative Fee			14.6	

Source: Contra Costa Transportation Advisory Commission (1986);
Contra Costa Transportation Partnership Commission (1988).

Despite the similarities between the two project lists, the two plans differed significantly in their overall allocation of funds. The largest increases in funding were \$155.5 million for local streets and roads; \$49.5 million for interchange improvements on I-680 and Hwy. 242; \$42.4 million for improved bus operations; \$27 million for the Willow Pass grade; and \$25.9 for paratransit. The new package also set aside a \$57 million “contingency fund” in case of project cost escalations or revenue shortfalls. In relative terms, the new package sharply increased the percentage of funding for local street and transit operations, while it cut funding for transit and highway capital projects. The overall modal balance remained about the same, split roughly 60/40 between road and transit projects (with a slight increase for road projects in the latter measure).

But for Measure C’s former opponents, the proposal’s real selling point was not any shift in expenditure priorities, but its Growth Management Plan. Transportation Partnership Advisory Committee chair Byron Campbell claimed, “It’s historic in scope. If this is successful, it will be a model for all future transportation taxes in the state.”¹⁷⁹

7.2.4. The 1988 campaign and election.

Although the 1988 ballot measure emerged from an agreement between environmentalists and developers, the campaign emphasized the support from citizens’ groups and downplayed the role of development interests. Backers of the initiative believed they could run a successful campaign on a much smaller budget than the \$600,000 they spent in 1986, if they avoided the potentially damaging appearance that their campaign was dominated by developers. Major developers pledged to sit out the campaign, agreeing to limit their support to one-quarter of the total cost of the campaign.¹⁸⁰

In their official ballot argument, proponents emphasized the breadth of their coalition, including “community leaders, business leaders, labor leaders, environmentalists, ranchers, Chambers of Commerce, and groups such as the League of Women Voters and the County Taxpayers Association.” They also argued that the measure was “the first program in California to link transportation construction projects to growth management,” and then proceeded to describe the highlights of this program. In their rebuttal to the opponents’ arguments, proponents touted their consensus-based planning process, the fact that their campaign was chaired by the leading opponent of the 1986 proposal, and emphasized the general statewide trend toward local funding of transportation projects. These statements were signed by individuals representing the range of interests backing the tax: Campbell, plus leaders of the League of Women

¹⁷⁹ Annie Nakao, “Contra Costa takes second attempt at transportation tax,” *San Francisco Examiner* (Oct. 2, 1988); Jerry Cornfield, “Transportation-tax measure argued on local TV forum,” *Antioch Daily Ledger* (Oct. 21, 1988).

¹⁸⁰ Chris Lewis, “Half-cent tax increase ballot-bound,” *Livermore Daily Herald* (August 8, 1988); Denis Cuff, “6 big developers say they’ll limit support of transportation tax,” *Contra Costa Times* (August 19, 1988); Annie Nakao, “Contra Costa takes second attempt at transportation tax,” *San Francisco Examiner* (Oct. 2, 1988).

Voters, Taxpayers Association, Richmond Chamber of Commerce, and the East Bay Regional Park District (Contra Costa County Elections Department, 1988a).

Campbell's "Coalition Supporting the Revised Measure C" raised and spent \$357,000 in the 1988 campaign, just 58 percent of what tax proponents had spent in their losing campaign two years earlier. Major donors included Chevron, Waste Management Inc., California Voter Manual (a conservative political organization), Wells Fargo, and numerous investment, construction, and real estate firms.¹⁸¹ In addition to emphasizing the growth management components of the plan, they argued that the tax was necessary to ensure the county received its full fair share of state transportation funds (including special incentive funds reserved for "self-help counties").¹⁸²

The coalition opposing Measure C was narrower than it had been in 1986. Despite their former ally's strong endorsement of the revised proposal, Citizens for a Better Contra Costa once again took a lead role in the opposition campaign. This time, however, regional environmental groups such as the Sierra Club and People for Open Space remained neutral. While unhappy about the freeway components of the plan, the Sierra Club did not oppose the tax because its funding for the rail extension was a key component of a \$2.1 billion regional rail agreement that the organization supported.¹⁸³

There was also minor opposition from the right. Assemblyman Bill Baker, the only senior county elected official to withhold endorsement of the 1986 measure, announced his strong opposition to the 1988 measure because of the growth management component. But he was virtually alone among county conservatives in opposing the measure.

The opponents' official ballot argument made four key cases against the initiative. First, it warned that the tax was likely to become permanent, just like the 1969 BART district tax, and that it was a "boondoggle" that would only subsidize mismanagement. Second, the development fees in the plan were only "token," and builders stood to profit tremendously from a "county-wide development explosion." Next, it said the growth management program would not succeed in halting the major development projects causing the county's traffic problems. Finally, it argued that the proposal would not ensure sufficient accountability from the transportation authority administering the expenditure program, raising the risk that developers could win changes without voter approval. In their rebuttal, opponents argued that the costs of the program would be high (\$2,000 per person over 20 years), that it would increase traffic and subsidize developers,

¹⁸¹ Donna Hemmila, "Measure C victorious at half the price," *Contra Costa Times* (Feb. 8, 1989).

¹⁸² Annie Nakao, "Contra Costa takes second attempt at transportation tax," *San Francisco Examiner* (Oct. 2, 1988); Jerry Cornfield, "Transportation-tax measure argued on local TV forum," *Antioch Daily Ledger* (Oct. 21, 1988).

¹⁸³ Donna Hemmila, "Two years later, another Measure C brings out foes," *Contra Costa Times* (August 31, 1988); Kathy Bodovitz, "'Growth management' is key to Contra Costa tax measure," *San Francisco Chronicle* (September 29, 1988); Larry Spears, "Contra Costa's new C worries backers," *Oakland Tribune* (Nov. 3, 1988).

and that it would provide less funding for transit and local streets than the 1986 proposal. These arguments were signed by representatives of Citizens for a Better Contra Costa, the Lamorinda Environmental Association, the California Transit League, and Brentwood Citizens for Quality Growth (Contra Costa County Elections Department, 1988a).

The public officials opposing the measure gave various reasons for their stance. The mayor of Walnut Creek, a member of the Transportation Partnership Commission, believed there were “too many loopholes” in the growth management plan for it to work. The leader of the Lamorinda Environmental Association was worried that the affordable housing requirement would lead to increased development of low-income housing in existing communities. A city council member from Pleasant Hill believed that the plan did not invest enough in improving the bus system. Citizens for a Better Contra Costa also argued that millions of dollars of the existing half-percent sales tax for BART and AC Transit was being squandered by those agencies, and that better management of these agencies would free up enough funds to fund needed improvements.¹⁸⁴

The Oakland Tribune also opposed Measure C. While acknowledging that the proposal “has much to recommend it,” the newspaper found two key features of the tax objectionable. First, it argued that the \$426 million BART extension to the eastern part of the county would be “wasteful” and could “jeopardize [the] fiscal health” of the entire transit agency. Second, the editorial pointed out that gasoline taxes, assessment districts, or congestion fees would be more equitable than a sales tax.¹⁸⁵

Contra Costa voters strongly endorsed the revised Measure C by a wide margin November 8, 1988, with 57.5 percent voting “yes.” In every city in the county, support for the measure increased over 1986 levels. Moraga, where a mere 32 percent of voters favored the measure in 1986, and where the city council refused to endorse the revised measure, narrowly approved the tax with 51 percent of the vote. In Walnut Creek, Lafayette, and Danville, three other strongholds of opposition to the tax the first time around, all supported the measure by 58 percent or greater. Pittsburg, Richmond, and Hercules remained the centers of strongest support. Countywide, voter turnout was 75% (Contra Costa County Elections Department, 1988b).

A separate transportation finance ballot measure also won voter approval in 1988. Regional Measure 1, a \$1.4 billion bridge and rail extension program, was submitted to voters in seven Bay Area counties that year by the Metropolitan Transportation Commission. The measure increased tolls on all Bay Area bridges (except the Golden Gate Bridge, which was not administered by MTC) to \$1, and dedicated the revenues to adding new lanes, improving approaches, and funding BART extensions in the East Bay and other rail improvements on the peninsula. The measure ultimately ended up helping fund the BART extension that was included in the Measure C proposal.

¹⁸⁴ Kathy Bodovitz, “‘Growth management’ is key to Contra Costa tax measure,” *San Francisco Chronicle* (September 29, 1988); Margaret Young, “Transit tax ballot issue debated,” *Livermore Daily Herald* (Oct. 5, 1988).

¹⁸⁵ “No on Measure C,” Editorial, *Oakland Tribune* (October 25, 1988).

7.3. Findings and observations.

7.3.1. Participation and leadership.

The main impetus for the measure came from the Contra Costa Council, which included the county's real estate, development and construction industries, as well as the Contra Costa Times and other pro-growth business interests in the county. During the first ballot effort, the development and construction communities were heavily represented on the Transportation Advisory Committee and were said to dominate its agenda. During the 1988 effort, the representation of these interests on the Transportation Partnership Advisory Committee was balanced by the inclusion of other interests, and they kept a lower profile. But in both campaigns, they provided the bulk of the political and financial support.

Within the public sector, leadership came primarily from county-level staff and elected officials. At different times, various county supervisors took the lead in building political support for a transportation sales tax, and in shaping the planning process that led to a specific proposal. In each of the two ballot attempts, the supervisors created distinct institutional arrangements, and invited very different groups into the planning process.

On the initial trip to the ballot, the planning process was largely driven by three members of the Board of Supervisors, along with the mayor of Concord. Their Transportation Advisory Committee had both elected officials and interest groups as members. The TAC included two county supervisors, four city council members, one mayor/MTC commissioner, two developers, a labor delegate (also closely affiliated with a developer), a transportation consultant, and representatives from the League of Women Voters and the East Bay BART Coalition. The TAC was chaired by the supervisor representing East County. The group had a difficult time winning public confidence and reaching internal agreement because of the perception that it was too heavily weighted by pro-development interests.¹⁸⁶ The TAC ultimately asked a technical subcommittee of city and county public works officials to assemble the expenditure plan (but the TAC and county elected officials remained actively involved in the process). Despite a high level of local participation, much of the work of the subcommittee was done by county staff. Neither the county's development interests nor its slow-growth advocates directly participated in the subcommittee's planning process.¹⁸⁷

The Board of Supervisors continued to provide leadership during development of the 1988 measure. This time around, the Supervisors consciously ceded a greater degree of control over the detailed planning work to representatives from the local level: city council members and the citizens advisory committee. But again, the supervisors continued to be actively engaged in the process. The 1988 process provided for the

¹⁸⁶ Roland De Wolk, "Transit tax's bumpy path to the ballot/The conflict behind the transit tax," *Oakland Tribune* (August 3, 1986); Mike Myslinski, "Contra Costa transit panel gives up fight," *San Ramon Valley Herald* (January 14, 1987).

¹⁸⁷ Interview CC3.

separation of elected and non-elected participants, and broader representation overall. The Transportation Partnership Commission consisted of elected officials (two supervisors and nine city representatives) who acted as the steering committee for the new effort. By nearly doubling the number of local government representatives from the previous effort, the supervisors hoped to ensure stronger local support for the outcome.

Table 7-3: Groups Represented in the Planning Process.

Group	Transportation Advisory Comm. (1986)	Trans. Partnership (1988)	
		Commission	Advisory Committee
Business/Chambers of Commerce	1	0	2 ½
City Representatives	5	9	5
Civic Groups	1	0	1
County Agencies	0	0	2
County Supervisors	2	2	0
Environmental Groups	0	0	3
Homeowner/Local Associations	0	0	3
Labor	0	0	1 ½
Real Estate/Construction/Develop.	2	0	3
Transit Agencies	0	0	0
Transportation Interests	0	0	2
Various Other Groups	0	0	2

The Transportation Partnership Commission, as formulated by the Mayors' Conference, did not itself provide for participation by a broader array of interests than the last time around. As noted by the city manager who drafted the proposal, the purpose of the commission was to provide for "maximum participation of public agencies" (Dunne 1987). The original concept paper describing the commission lists only homeowner associations, chambers of commerce, taxpayer associations, and the private sector as possible groups that could serve in an advisory role, not the types of environmental or transit advocacy groups that opposed the measure in its previous incarnation. The intervention of two county supervisors ensured that a separate 25-member Transportation Partnership Advisory Committee would be created to include a broad range of interest groups, including business, development, environmental, slow growth, senior citizens, labor, and taxpayers.

Despite early pledges to link with Alameda County's planning effort for Measure B, the development of the plan did not link directly with any other planning processes. However, the second Measure C did interact in an important way with a separate effort to revise the county's general land use plan. The county's general planning process became an important focal point around which various unorganized interests to begin organizing their thoughts about growth and development. It also became a venue for the individuals involved to meet and interact with one another. The 1988 measure took advantage of this emerging civic community by recruiting participants from it for the Transportation Partnership Advisory Committee. The idea of linking the transportation plan to a growth

management plan may have originated with planners working on the county's general plan.¹⁸⁸

In both cases, the development community was the primary political and financial sponsor of the sales tax campaign. In 1986, businesses paid for polling and worked with supervisors to get the sales tax planning effort started. These efforts were led by Contra Costa Council (formerly the Contra Costa Developers Association), but major employers were also heavily involved. The largest donors to the campaign included the California Association of Realtors, Wells Fargo, Chevron, Pacific Bell, and numerous developers and construction firms. Eighty-four percent of the donations in support of the measure were made by financial, real estate, development, and construction firms.¹⁸⁹

The county's newspapers made a particularly strong push for the measure. Instead of the usual anonymous positive editorial, the Contra Costa Times (and its affiliated papers) printed an unusual editorial signed by the newspaper's publisher, Dean Leshner.¹⁹⁰ Leshner became a lead advocate for a tax, and his newspapers ran numerous editorials in support of the measures (including at least five editorials endorsing the 1986 proposal alone). Several major newspapers outside the county, including the San Francisco Examiner and the Oakland Tribune, editorialized against Measure C.

7.3.2. Planning and policy objectives.

The policy objectives underlying Measure C were multiple and contradictory. The businesses supporting the measure wanted to facilitate the county's continued real estate development by addressing the transportation problems that were undermining the public's support for continued growth, while also minimizing the need for the adoption of development fees. The community groups that came to support the measure wanted to ensure that new growth would pay for itself and not further burden existing infrastructure and services.

The planning process itself also had multiple goals. One overarching objective was the development of a proposal that could win voter support at the ballot box. This goal shaped both the 1986 and 1988 planning efforts, but was interpreted and pursued in different ways each time.

In 1986, this objective was included in the planning process only through opinion polling. The engineering staff that developed the project list for the 1986 expenditure plan relied heavily on polling. Although this single committee made decisions countywide, it

¹⁸⁸ Betsy Wing, "New vote sought on sales tax for transit," *Contra Costa Times* (June 12, 1987).

¹⁸⁹ Bill Snyder, "County residents support tax, if it will unclog traffic," *Antioch Daily Ledger* (April 11, 1986); Dean Leshner, "Transit measure is good for us," Editorial, *Contra Costa Times* (July 3, 1986); Bill Snyder, "Strategy former for county drive to hike sales tax," *Contra Costa Times* (July 13, 1986); Sandy Kleffman, "Contra Costa leads transit tax drive," *Hayward Daily Review* (October 8, 1986); Bill Snyder, "Costly campaign," *Antioch Daily Ledger* (October 24, 1986).

¹⁹⁰ Dean Leshner, "Transit measure is good for us," Editorial, *Contra Costa Times* (July 3, 1986).

examined polling results on a geographic basis to determine whether projects had local opposition. But the main objective of the polling was to identify high-profile projects that had broad regional support.¹⁹¹

In the 1988 measure, the need to win voter support played an even more fundamental role in shaping the measure. First, citizens groups representing potential opponents to a sales tax were brought into the process, and their concerns addressed through the inclusion of a growth management component to the expenditure package. In addition, regional committees were invited to develop project lists from the bottom up. Yet despite the second effort's focus on locally-favored projects, in contrast to the first effort's focus on regionally-favored projects, the two efforts arrived at virtually identical project lists.

Equity was also a dominant concern in the planning process. In this case, the central equity debate was whether new development was paying its fair share of transportation and other social costs. Developers were supporting the sales tax in large part because they hoped it would help them avert sharply higher development fees. But a key goal of the Transportation Partnership Commission was to ensure voters that their investments were meeting existing needs, not facilitating new development. Measure C's expenditure plan and growth management policy sought to balance these competing concerns by significantly improving transportation capacity while ensuring that the pace of growth did not exceed the local ability to absorb it.¹⁹²

Geographic equity was also a consideration. Early on, the TAC was stumped because it had found projects for the East, Central, and West areas of the county, but couldn't find a suitable unfunded project for South County.¹⁹³ In the 1988 Measure, one of the Transportation Partnership's highest priorities, a fourth bore for the Caldecott Tunnel, had to be canceled to accommodate East County's concerns that it wasn't receiving a fair share of funding.¹⁹⁴ But geographic equity never dominated the debate to quite the degree that it did in Alameda County.

Despite the leadership role played by countywide interests in organizing and promoting Measure C, accommodation of localized interests was another dominant factor in determining the contents of the proposal. As with Alameda County's Measure B, Contra Costa's plan sought to avoid controversial projects. The need to ensure that voters in all parts of the county would support the measure gave local opponents to a particular project an effective veto, regardless of the level of support elsewhere in the county. The proposal for a rail line on what is now known as the "Iron Horse Trail" illustrates this pattern. Years before Measure C, the county had decided to build a light rail line along

¹⁹¹ Interviews CC3 and CC4; Bill Snyder, "½¢ sales tax hike irritates slow-growthers," *Sunday Daily Ledger – Post Dispatch* (July 17, 1986).

¹⁹² Donna Hemmila, "Transit tax projects unveiled," *Contra Costa Times* (June 18, 1988).

¹⁹³ The most urgent project in South County, widening I-680, was already guaranteed funding by the state. Bill Snyder, "Rush to draft ballot measures for transit tax," *Contra Costa Times* (May 12, 1986).

¹⁹⁴ Jon Ann Steinmetz, "Transit wish list revised," *Contra Costa Times* (July 6, 1988); Donna Hemmila, "County cuts tunnel from sales tax project list," *Contra Costa Times* (July 7, 1988).

the Southern Pacific corridor that paralleled I-680. Alameda and Contra Costa counties had already purchased the right of way. But neighbors of the line were strongly opposed to running transit service of any kind along the route. As a result, neither county even nominated the project for consideration as part of its spending package.¹⁹⁵

The Gateway project in South County was another example of Measure C's responsiveness to local concerns. Lafayette and Orinda wanted to build a new roadway to relieve local Moraga-bound traffic, but Moraga opposed the proposal. Rather than try to resolve this dispute, the plan provided funding for a study, and implementation of a project ultimately recommended by the study. It gave the cities veto powers over the outcome.¹⁹⁶

A final embodiment of the importance of local interests in Measure C is the large share of funding set aside for local discretionary projects. As in Alameda County, this was an important step to cultivate the strong support of local governments, and to reassure voters that they would see a return for their tax dollars.

Certainly, there were several important ways in which Measure C took a regional planning perspective. Its growth management program was a novel attempt to address both growth and transportation at a regional level. Unlike many other transportation sales tax measures, which insulate the administration of their transportation expenditure programs and pay little regard to creating a role for planning, Measure C creates new, continuing transportation planning functions at the county and sub-county levels.

The outlines of Measure C were shaped by a process of negotiation between Contra Costa's two major power centers, Central County and East County. Of course, other parts of the county took a strong interest in Measure C as well, but these two regions dominated the debate. Because of its extremely long travel times and outmoded transportation facilities, East County's main interest was the acquisition of transportation infrastructure. Its representatives in the process wanted improved facilities both within its own area, and in other congested areas (e.g. Central County) leading to major employment centers. In contrast, Central County was enduring an anti-growth backlash, so it opposed the public provision of infrastructure for new development, while the transportation needs of existing residents went unmet. Slow-growth advocates in Central County ultimately won the addition of a growth management component. But in exchange, they dropped their objections to the plan's growth-inducing capital projects.

The development of this compromise and the other key elements of Measure C was done by direct negotiations among a few key players, including some county supervisors, business leaders, planning staff, and former opponents of the 1986 measure. These discussions started before the Transportation Partnership even convened, and then continued in the partnership's Steering Committee. While the decision-making formally took place in the Advisory Committee, the Commission, and ultimately the Board of

¹⁹⁵ Roland DeWolk, "How politicians cut a transit tax deal," *Oakland Tribune* (June 9, 1986).

¹⁹⁶ *Ibid.*; James Bruggers, "Moraga, Orinda OK road-link compromise" *Contra Costa Times* (July 8, 1988).

Supervisors and City Councils. Much of the crucial problem-solving and development of ideas took place at this insider level.

7.4. Epilogue.

The decision to include growth management planning provisions in Measure C won national attention. It was influential for a time, but perhaps not as its proponents had expected. With respect to transportation sales tax proposals in California, Measure C was not imitated widely. After passage of Measure C, only one other sales tax plan, Orange County's 1990 Measure M, specifically linked transportation funding to the adoption of local growth management ordinances. San Joaquin included a requirement in its plan for a countywide growth management plan, but did not provide funding for any incentives that might be added to such a plan. Part of the reason for this may be questions about whether Measure C's model for linking land use and transportation is an effective one. Some advocates of growth control in the county believe that the policy is flawed, and that the county transportation authority has chosen an overly weak interpretation of the law. No municipality has ever had funding withheld under the program.¹⁹⁷

Some of the formal planning requirements contained in Measure C were replicated in other ways. In 1990, California required¹⁹⁸ that all metropolitan counties designate congestion management agencies responsible for developing plans and allocating resources to ensure that level-of-service standards are maintained in key corridors. This policy was specifically modeled on Contra Costa County's congestion management planning requirement. The following year, when Congress passed the Intermodal Surface Transportation Efficiency Act, it mandated that metropolitan planning organizations establish "congestion management systems" (P.L. 102-240, §1024), that were partially based on the California model. The state and federal policies were each significantly weaker than their predecessors. The federal requirement was only implemented in a few states before being repealed by Congress four years later (P.L. 104-59, §205a).

Within Contra Costa County, Measure C has left an enduring institutional legacy. The Contra Costa Transportation Authority, created for the purpose of administering Measure C, now has many other responsibilities as well. In 1991 it was designated as the county's Congestion Management Agency, a role that fit well with its planning requirements under the sales tax ordinance. Today it is responsible for the county's growth management program and a land use and transportation modeling program (but established to implement Measure C), its congestion management program (pursuant to state law), corridor studies, a bicycle and pedestrian plan, and planning for Measure C's successor.

Measure C also formalized the role of Regional Transportation Planning Committees in countywide transportation planning. In Central and West County, RTPCs had been operating informally since the 1970s. But Measure C created two additional committees

¹⁹⁷ Gruber (1994), p. 177; Interview CC1.

¹⁹⁸ This requirement was enacted by the legislature, but made contingent on voters approving Prop. 111, an increase in the state gasoline tax.

to ensure that the entire county was covered, and gave them important roles in the planning process. Today these committees determine “routes of regional significance” in their areas, establish level-of-service objectives for these routes, and set the county’s priorities for transportation investments (Zabierek and Pickrell, 1993).

This tremendous expansion of planning mandates has significantly complicated the planning process. One observer noted that in the mid-1980s, 15-20 people were seriously involved in transportation planning in the county. Now there are probably more than 200. This has added complexity, and reduced the potential for individuals to provide “leadership.” Most of the power has been ceded back to the local level.¹⁹⁹

¹⁹⁹ Interview CC4.

8. Case Study #4: Alameda County's Measure B (2000).

In 1996, six years before Alameda County's original Measure B was due to expire, its political leadership began to plan for a possible successor measure. They initiated a bold experiment in transportation planning, in what became one of the most open and freewheeling sales tax planning efforts of any in the state. The new expenditure plan was crafted by a committee of citizens, acting as individuals rather than as representatives of their communities or interest groups. After failing in 1998, county elected officials entered into direct talks with interest groups to forge a compromise all could support. The final package was approved overwhelmingly by voters in November, 2000.

8.1. The planning context.

The transportation planning landscape in Alameda County was transformed in several important ways in the decade following voter approval of Measure B in 1986. The greatest change was the approval by voters of Prop. 62, which required that any new special-purpose sales taxes win the approval of two-thirds of voters; and the 1995 *Guardino* decision, which upheld Prop. 62's constitutionality (see Section 3.5). Under this requirement for supermajority voter approval, the adoption of new transportation sales taxes came to a nearly complete halt in California.

There were few precedents for achieving two-thirds voter support for a transportation sales tax increase in California. The three measures that had gained more than two-thirds voter support previously seemed to be exceptional cases. In 1988 in rural San Benito county, 83% of voters approved a ten-year sales tax to straighten out a dangerous stretch of highway, a project around which there was a broad public consensus. San Francisco voters gave 68% support to a sales tax in 1989, just days after the Northridge Earthquake. Newspapers dedicated less coverage to the local transportation sales tax measure than they did to a proposed statewide sales tax to rebuild highways and other damaged infrastructure. In light of the crisis atmosphere and the confusing newspaper coverage, it is far from clear that voters understood what they were voting for.²⁰⁰ Riverside County's measure, which won 79% voter support in 1988, came amid a climate of extremely rapid growth in the county. Riverside County's population grew by 73% during the 1980s, the fastest growth rate in the state, and it added nearly a half-million new residents, behind only Los Angeles, San Bernardino, and San Diego counties.²⁰¹

²⁰⁰ Another possible contributing factor to voter confusion is that neither of San Francisco's major dailies carried a single article about the transportation tax planning process from the time the planning committee was established to the weeks leading up to the election. All of the other transportation sales tax proposals in the Bay Area generated significant amounts of newspaper coverage throughout the process.

²⁰¹ This, however, doesn't fully explain Riverside's degree of success, because several proposals in other fast-growth areas have been defeated. Its popularity may perhaps be due to its development on a sub-county planning area basis, with each area setting its own expenditure priorities. Also, the measure passes through a very high share of its funds local governments. As this chapter will show, Alameda County adopted the same strategies in its reauthorization effort. Nobody interviewed for this research cited Riverside County as a model, but the planners involved in shaping the Alameda County effort would

A second major change was the emergence of institutionalized constituencies for the continuation of the tax. The first was the Alameda County Transportation Authority (ACTA), created in 1986 by the original Measure B. It was responsible for turning the often-sketchy project descriptions in the voter-approved expenditure plan into completed projects within Measure B's fixed budget and timeframe. Like other such authorities across the state, ACTA developed a capacity for project management and delivery that had not previously existed at the local level. Its existence put local officials, rather than state highway engineers, in charge of key decisions about the detailed design, community outreach procedures, timing, and contracting arrangements for locally-funded projects (Razo, Murray, and Sumi 1996).

ACTA's legal authority to continue collecting sales taxes was to expire in 2002, and the agency was to dissolve upon the retirement of all related debt. But as all organizations seek to preserve their own existence, these agencies have a strong interest in ensuring a continued role for them to play after their initial charge is complete. Their state authorizing legislation anticipated this, and assigned them the responsibility of developing proposals for a second round of sales taxes and transportation investments.²⁰² So even as ACTA's responsibilities were winding down, its staff would be working to persuade voters to establish a successor agency with a new set of projects to administer.

Measure B also created a constituency for its own renewal through the way it allocated its funds. Although initially envisioned as a strategy for financing capital improvements, in practice winning local support for transportation sales tax measures often required that revenues be devoted to street repairs, public transit, paratransit services, and other ongoing programs. One-third of Measure B's funds were earmarked in this way. The agencies administering these programs (municipal public works departments, transit operators, paratransit agencies) became fiscally dependent on the subsidy that the sales tax provided, and neither their workers nor the public would easily accept the sharp service cuts that might be required when the tax expired.

This dependency on Measure B funds dovetailed with another key issue facing the county: the weak fiscal footing of public transit. AC Transit had come to rely on two sales taxes to fund its operations: a permanent, one-eighth percent tax that it shared with the San Francisco Municipal Railway; and a temporary sales tax just under half that size earmarked to the agency in the original Measure B. The agency's budget was thrown into disarray when sales tax revenues sagged in the early 1990s, just as the Federal government was phasing out its transit operating subsidies. As a result, AC Transit cut service by 16% and eliminated late night service.²⁰³ AC Transit officials warned that the loss of Measure B funding would necessitate further cutbacks.²⁰⁴ As a result, many in the

certainly have been familiar with it because of their close involvement in the California Self-Help Counties Association, and the circulation of a small number of political consultants through many transportation sales tax campaigns around the state.

²⁰² California Public Utilities Code, §131056 and §131280.

²⁰³ Tara Shioya, "Vote tonight on cuts to AC Transit," *San Francisco Chronicle* (Sept. 13, 1995).

²⁰⁴ Catherine Bowman, "Tax renewal may boost AC Transit," *San Francisco Chronicle* (Feb. 9, 1998).

transit-dependent community saw extending the Measure B operating subsidy beyond 2002—and increasing the amount of this subsidy—as critically important objectives. AC Transit officials encouraged this through their public statements, outreach programs, and advertisements on their buses.

A third major change in the transportation policy landscape since the 1980s was the emergence of a new capability to undertake comprehensive transportation planning at a countywide level. The Alameda County Congestion Management Agency (CMA) was established in 1990 following passage of Proposition 111. Like other congestion management agencies across the state, CMA was responsible for designating key travel corridors, developing monitoring systems and computer models, establishing service standards for each transportation mode, and prioritizing transportation projects for future funding. Some of these skills had only previously resided in state departments of transportation or metropolitan planning organizations; others (such as the ability to look at congestion at both neighborhood and regional scales) were entirely new competencies not found in other public agencies. Some counties, including Alameda, had contact groups within which city and county public works officials could coordinate projects and discuss priorities, but before the establishment of the CMAs these lacked a clear mandate to conduct ongoing planning efforts.

Together, these three changes would shape the effort to renew Measure B. The need for a coalition of support of unprecedented breadth in the county, the existence of an institutional constituency for an extension of the tax, and the advent of technical planning expertise in the county all played significant roles in how this planning effort unfolded.

There were other important changes in the transportation planning climate as well. Arguably the most significant transportation policy shift in the intervening decade was passage in 1991 of new federal authorizing legislation, the Intermodal Surface Transportation Efficiency Act (ISTEA). This law significantly changed the role of metropolitan planning organizations in determining the uses of federal transportation funds. Among the many important changes made by ISTEA, metropolitan planning organizations were made equal partners with state departments of transportation in determining the allocation of federal transportation funds, and required to develop a planning methodology that protected progress on air quality and considered a wide range of other nontraditional planning factors. As a result of this law, the Metropolitan Transportation Commission was prepared to begin asserting a more active leadership role in setting the region's transportation priorities. However, because it lacked a specific mandate to participate in decisions about how to use local funds, MTC largely stood by the sidelines during the Measure B reauthorization process.²⁰⁵

²⁰⁵ For a detailed study of how county interests overwhelmed MTC's effort to build a regional consensus around transportation priorities, see Innes and Gruber (2001).

8.2. Development of the expenditure plan.

8.2.1. The 1998 plan.

In the mid-1990s, California was just beginning to emerge from a particularly deep recession. With the state's economy and tax revenues sagging, transportation officials in Alameda County were having to cut transit services and reduce the scope of projects funded under the original 1986 Measure B. In 1995, policymakers began to contemplate asking voters for a tax extension just to finish their original slate of projects.²⁰⁶

From the beginning, policymakers recognized the enormity of the task before them: it would be extremely difficult to develop an expenditure program that could garner support from more than two-thirds of voters in a large and politically diverse county. They quickly concluded that their best hope for developing this broad a base of support from a tax increase is to develop a plan that provokes no opposition, while winning enthusiastic support from as many constituencies as possible.

The development of a proposal that seemed to meet these objectives became a long, intensive process. By the time the proposal reached the ballot in June 1998, it had gone through four basic phases: (1) framing the planning approach and determining the participants; (2) attempting to establish priorities on a countywide basis; (3) selecting projects on a planning area basis; and (4) refining and completing the plan.

8.2.2. First steps: setting the process in motion.

The county's two transportation agencies, ACTA and CMA, jointly took the first step to move the reauthorization effort forward. In July 1996, they adopted a "Measure B Reauthorization Plan of Action" that established broad outlines for a process and a timetable for preparing a new expenditure plan for consideration by the voters.

This plan called for the establishment of two committees. The Measure B Reauthorization Steering Committee would consist of 11 elected officials: three county supervisors, five representatives of cities, and two directors of transit agencies, drawn from the ACTA and CMA boards of directors. The Steering Committee's role was to review the general reauthorization effort; oversee the work of a separate Expenditure Plan Development Committee (EPDC); and ultimately "make recommendations to the ACTA governing board."²⁰⁷ In selecting the membership of the Steering Committee, the chairpersons of ACTA and CMA sought geographic balance and individuals with "a

²⁰⁶ Projects scaled back or delayed included the Hwy. 84 realignment in Livermore; the Foothill Freeway in Hayward; and the widening of I-880 south of Mission Blvd. See Boni Brewer, "Measure B runs out of gas on stretch of road projects slated for Alameda County," *Pleasanton Valley Times* (October 29, 1995); and Vince Harris, "Strategies for Measure B Reauthorization," Memorandum to Members of the Alameda County Transportation Authority (February 15, 1996).

²⁰⁷ Alameda County Transportation Authority and Alameda County Congestion Management Agency Measure B Reauthorization Steering Committee, "Report of Meeting: Monday, July 15, 1996."

world view not a parochial view.”²⁰⁸ ACTA employees, plus some additional consultants, served as staff to the Steering Committee.

One of the Steering Committee’s first tasks was to establish the EPDC that would do the work of crafting a plan that could garner broad support. The Steering Committee asked ACTA to begin searching for candidates as part of its broader outreach efforts to stakeholder groups throughout the county. It then selected four of its members – elected officials from each of the county’s four geographic planning areas – to act as “captains” for their regions and assist staff with the final selection of EPDC members.²⁰⁹ To guide the process, the Steering Committee established selection criteria designed to promote geographic, interest group, modal, ethnic, and gender balance.

ACTA staff also initiated an aggressive program of public outreach. It produced a video to help educate city governments and civic groups about what was at stake with the reauthorization process. It mailed out 225 letters to stakeholder groups inviting them to participate in the nomination of members of the EPDC. It designed “workshop kits” to foster a decentralized series of workshops around the county sponsored by local governments or community groups. It also commissioned surveys; met with newspaper editorial boards and all fourteen city councils and chambers of commerce; held four community meetings around the county; and hired political and public relations consultants that had been instrumental in other successful sales tax campaigns.²¹⁰

While this was underway, CMA staff worked with the Steering Committee to prepare and refine a “conceptual framework” to guide the EPDC. These guidelines established some basic procedures under which the EPDC would operate, defined a timetable (delivery of final expenditure plan by September 1997), and set out some basic policy objectives (modal and geographic balance, social equity). It also specified that the committee would receive assistance from technical and public participation consultants, as well as the Alameda County Technical Assistance Committee (ACTAC), a pre-existing group that facilitated ongoing staff-level consultations among the cities, transit agencies, Caltrans, the port, and the county.²¹¹

CMA and the Steering Committee also established a series of “project selection criteria” that the EPDC was to use in its deliberations. These criteria were grouped into three

²⁰⁸ Interview A4.

²⁰⁹ Alameda County Transportation Authority and Alameda County Congestion Management Agency Measure B Reauthorization Steering Committee, “Report of Meeting: Monday, August 19, 1996,” p. 4.

²¹⁰ Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, “Report of Steering Committee Meeting #6” (December 16, 1996); Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, “Report of Steering Committee Meeting #7” (January 27, 1997); Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, “Report of Steering Committee Meeting #8” (February 24, 1997).

²¹¹ Measure B Reauthorization Steering Committee, “Conceptual Framework for use by Expenditure Plan Development Committee (EPDC).” (October 21, 1996).

tiers: “musts” or “screening criteria,” basic standards that all projects were required to meet; “wants” or policy metrics according to which projects could be weighed against each others; and “overall” criteria that the expenditure plan as a whole had to meet. To provide the raw material that the EPDC needed for its work, the Steering Committee asked technical staff to develop standardized budgets and project descriptions for the proposals that had been gathered through the various consultations and public workshops.

8.2.3. The work of the Expenditure Plan Development Committee.

The EPDC began to set the groundwork for reviewing capital projects by having a consultant begin applying the Steering Committee’s project selection methodology. The “screening criteria” consisted of basic standards required of all projects being considered for inclusion in the plan: a qualified sponsoring agency, a project description, a cost estimate prepared according to ACTA guidelines, ability to be delivered within the measure timeframe, and a detailed financial plan.²¹² Nearly all of the 105 nominated projects passed these screening criteria. Only ten were rejected outright: two highway projects because they lacked support from Caltrans; two other highway projects and two light rail proposals because they could not be completed within the timetable; and four additional rail projects because they lacked an “appropriate project sponsor.” Three were reclassified as set-aside programs rather than capital projects.²¹³

The second set of criteria was called “wants” (or later, “project selection criteria”). Developed jointly by a consultant and CMA pursuant to Steering Committee guidelines, these attempted to incorporate a wide range of decision factors into scores that could then be used to select priority projects within regions or funding categories. The factors considered are described in Table 8-1.

The scoring results were received with consternation by the EPDC and the public attending its hearings, despite warnings that they were intended only as qualitative guides and not as authoritative assessments of project quality. The committee circled around the issue of refining project scores for several meetings, debating the merits of the criteria and their application to specific projects. But it couldn’t quite move into the more difficult stage of selecting which projects would be included in the final plan, because it couldn’t decide how much money was available for capital projects.

²¹² Nelson/Nygaard Consulting Associates, “Technical Memorandum: Screening Results,” Measure B Reauthorization Expenditure Plan Development (May 1997), p.3.

²¹³ Bonnie Weinstein Nelson, “Information Update: Screening Results and Transit Operator Statistics,” Memorandum to Christine Monsen (June 2, 1997). One of the rejected rail projects, Dumbarton Commuter Rail Service, was ultimately revived and approved as part of the revised expenditure plan in 2000.

Table 8-1: 1998 Measure B Project Selection Criteria.

• <i>County-wide and local/regional support:</i> Did the project score favorably in public opinion polls? – 20 points • <i>Impact/visibility:</i> Was the project discussed in the public's comments? Does it add a significant new facility or service? Is it in an area of extreme need? – 20 points • <i>Congestion relief:</i> Separate criteria used for auto and transit/non-motorized projects – 20 points • <i>Maintenance:</i> Is maintenance primary purpose of the project? – 10 points • <i>Connectivity/Gap Closure</i> – 15 points • <i>Cost/Benefit:</i> Projects sorted into quartiles of cost groups and benefit groups; points awarded based on relative position in these groups – 15 points • <i>Bonus Scores:</i> Additional points awarded for safety, air quality/alternative modes, economic development, or system reliability benefits – 20 points
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Source: Nelson/Nygaard Consulting Associates, "Scoring Results," (July 9, 1997).

From its earliest meetings, the EPDC realized that one of the first issues it needed to tackle was how much money to set aside off the top for programmatic spending. Funding for transit operations and local street repairs had been among the most popular components of the previous measure. Only after agreement was reached on how to apportion funds between these types of set-aside programs and new capital projects would the amount of capital funding available become clear. But this basic question about how to split the expenditures became one of the most contentious issues faced by the committee, and defied easy resolution.

The early stakeholder outreach efforts produced numerous proposals for special funding categories. In May, the EPDC consolidated these into four general funding categories: Local Streets and Roads (including maintenance as well as bicycle, pedestrian, and wheelchair-related investments), Special Transportation Needs (including paratransit and welfare-to-work programs), Transit Operating Subsidies, and Transportation Operations/Efficiency Measures (including transportation system management projects). Initial efforts to add separate categories for bicycle and pedestrian facilities, and open space purchases, were rejected by the committee.²¹⁴

Various advocacy groups packed public meetings with members calling for funding to be dedicated to particular programs. Most prominent was the Alliance for Sensible Transportation, which included the League of Women Voters, the Sierra Club, bus riders, and other groups. Activists participating in groups belonging to the Alliance turned out at nearly every meeting of the EPDC and the Steering Committee, calling for a doubling

²¹⁴ Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, "Report of Expenditure Plan Development Committee Meeting #4" (May 8, 1997).

the original Measure B's operating subsidy for AC Transit, and additional funding for paratransit services, bicycle paths, and open space. Restoration of late-night bus service was also an important priority for the coalition.²¹⁵ Bicycle advocacy groups, the East Bay Regional Parks District, and environmentalists also united to push for a 5% set-aside for non-motorized transportation modes.²¹⁶ The California Alliance for Jobs, which represented labor interests, had observers at many meetings of the EPDC, but generally did not speak up until the very end of the process. When they did, they pushed to limit the share of funds being diverted to these set-aside programs, arguing that capital projects were the most important investment for the region's economy.

In the following weeks, the EPDC continued to debate a set-aside for bicycle and open space investments. A legal consultant advised that recreational bike paths and open space purchases not directly mitigating transportation projects could not be justified as "public transportation purposes" under the law. But this opinion was quickly challenged, since ISTEA's Transportation Enhancements program can fund exactly these types of projects. Following this discussion, the EPDC decided to add a fifth set-aside category for "Transportation Enhancements."²¹⁷

In June, the EPDC held a straw poll to assess its members' preferences for a division of funds between projects and programs. The results of the poll suggested an average split of 55% for programs and 45% for capital projects, but many individual members' preferences tilted strongly in one direction or the other. But the poll did not produce consensus: following the poll, a proposed motion endorsing this split was not successful.²¹⁸ Faced with continuing disagreements about appropriate funding levels for transit and other set-asides, the EPDC could not begin determining how much funding was available for capital investments.

This impasse was resolved by the formation of four area planning groups within the EPDC, following Alameda County's traditional North, Central, South and East planning regions. Participants from each area would determine the balance of programmatic vs. capital spending within their areas, as well as what specific programs and projects should be given priority in their areas. Formally, this course of action was recommended by the ACTAC, and quickly agreed by the EPDC. Participants interviewed for this research had conflicting recollections as to whether there was an understanding from the beginning that the committee would eventually form these subregional planning groups.

²¹⁵ Catherine Bowman, "Cities, Suburbs, Vie for Transit Tax Funds in Alameda County," *San Francisco Chronicle* (July 14, 1997).

²¹⁶ Lisa Vorderbruegg, "Transit Tax Uses Debated at Forum," *Pleasanton Valley Times* (Sept. 16, 1997).

²¹⁷ R. Zachary Wasserman, "Definition of 'Public Transportation Purposes'," Memorandum to Members of the Expenditure Plan Development Committee (June 4, 1997); Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, "Report of Expenditure Plan Development Committee Meeting #6" (June 11, 1997).

²¹⁸ Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, "Report of Expenditure Plan Development Committee Meeting #7" (June 25, 1997).

Nonetheless, no strong objections were made at the time by participants in the process.

As the date for these sub-area group sessions approached, the EPDC asked the Steering Committee for guidance concerning a formula for allocating funds among the regional planning areas. Ultimately, the Steering Committee declined to provide this guidance. According to ACTA staff, “the Steering Committee’s action was based on its desire for the Measure B program to reflect a countywide plan, not four separate area plans.” After considerable debate, the EPDC decided to use projected 2005 populations.²¹⁹

When it broke up into planning areas, each sub-county group adopted a different set of priorities. The share of funds dedicated to set-aside programs (mostly transit operations, local projects, and paratransit) ranged from 21% in South County to 70% in North County. Capital spending priorities also varied sharply, from nearly all transit projects in North and South County to nearly all highway projects in Central and East County. All four regions had difficulty staying within their capital budgets. All included projects with only partial funding, in order to be able to spread their available funds across more projects. In a few cases, they scaled projects back in order to be able to include them (e.g. a Warm Springs BART extension with only one station).²²⁰

Discussion then switched to the ground rules for the conversion of these sub-county priority lists into a single, fiscally-constrained, countywide expenditure plan. The EPDC discussed whether there were any countywide priorities that would be funded off the top, before funds were allocated to planning area. A proposal to set aside 3% of the total countywide funds for “transportation enhancements” including nonmotorized transportation and open space, was rejected by the committee. The committee also decided to ask sponsors of partially-funded projects to “re-scope” them to fit within the budget available; not to make geographic equity the single overriding criteria in the distribution of funds (but to keep it as a strong consideration).²²¹

At subsequent meetings, the EPDC finalized its project list, and began to finalize its work. The majority of public comments at its meetings continued to tilt strongly in favor of countywide set-asides for transportation enhancements. This became the final issue the committee wrestled with. At its very last meeting, the committee considered and

²¹⁹ Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, “Report of Expenditure Plan Development Committee Meeting #9” (July 23, 1997); Bonita Brewer, “Alameda County Transportation Tax Raises Growth Issue,” *Contra Costa Times* (July 21, 1997); Lisa Vorderbrueggen, “A Compromise on Formula for Road Tax Funds,” *Pleasanton Valley Times* (July 24, 1997).

²²⁰ Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, “Report of Expenditure Plan Development Committee Sub-Area Group Sessions #1” (July 23, 1997); Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, “Report of Expenditure Plan Development Committee Sub-Area Group Sessions #2” (August 23, 1997).

²²¹ Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, “Report of Expenditure Plan Development Committee Meeting #11” (August 27, 1997).

rejected several new formulations for countywide set-asides for non-motorized transport and open space.²²²

Over six months, the Expenditure Plan Development Committee met for a total of 14 times. On October 8, 1997, it approved its proposed plan without a dissenting vote.²²³ The plan finally adopted by the EPDC appears in Table 8-2. It is a complex plan, and it reveals the deep divisions within the committee. The most apparent regional disparity was the degree of support given to programmatic “set-asides” such as allocations for local capital projects, or operational subsidies to transit agencies. East and South County earmarked the lion’s share of their funds to specific capital projects, leaving only about one-third for such programs, while North County reserved over three-fourths of its budget for set-asides. Countywide, a total of 55% of the sales tax revenues were dedicated for set aside programs of all kinds, matching the result of the straw poll taken within EPDC four months earlier.

The plan also reflected sharp differences over spending priorities. The project lists for East and Central county were dominated by conventional arterial and road widening projects. South County channeled nearly all of its capital funding into a major transit capital project: the extension of BART (or other rail service) from Fremont to the county line. North County project list contains a mix of transit capital projects (such as the BART/Oakland Airport connector) and unconventional transit-oriented projects (including investment in a transit village and the development of bus rapid transit systems). No projects or programs were funded on a countywide basis.

8.2.4. Final refinements: back to the Steering Committee.

In December, the Steering Committee began to consider possible revisions to the EPDC’s recommended expenditure plan. It attempted to address the dissatisfaction with the plan that was coming from several quarters. On the advocacy side, the East Bay Regional Parks District, the Sierra Club, the League of Women Voters, and several bicycle advocacy organizations renewed their call for a 5% set-aside for non-motorized transportation projects. Three cities, Alameda, Dublin, and Union City, complained that the plan failed to address critical local needs in their areas, and threatened to withhold support. In addition, a cash-flow analysis of the EPDC proposal suggested that the program was “not fundable as presented.” Finally, an additional round of polling suggested that several projects in the plan had weaker public support than projects not in the plan.²²⁴

²²² Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, “Report of Expenditure Plan Development Committee Meeting #14” (October 8, 1997).

²²³ *Ibid.*

²²⁴ Bonnie Weinstein Nelson, “Potential Adjustments to the EPDC Recommendations,” Memorandum to the Steering Committee (December 9, 1997).

The Steering Committee made several key changes to the expenditure plan, as shown in the final column of Table 8-2. Overall, it included just a few significant changes from the draft plan. The most politically significant change was the establishment of a 4% countywide set-aside for transportation enhancements (including improvements for non-motorized modes and open space).

Table 8-2: 1998 Measure B Draft and Final Expenditure Plans.

Region/Project	EPDC Proposal		Plan As Adopted	
	\$M	Pct.	\$M	Pct.
<u>North</u>				
BART/Airport Connector	52.0		65.8	
Oakland Coliseum Intermodal Station	13.8			
AC Transit Enhanced Corridors	22.0		20.0	
I-880 Jackson/Broadway Interchange			6.0	
Broadway/14 th St. Transit Center	5.0		5.0	
San Pablo Corridor – Bike/Ped Projects	4.5		4.5	
Fruitvale Transit Village	7.5		3.5	
Set Aside : Local Transportation	143.3	30.0%	149.5	31.3%
Set Aside : Nonmotorized Projects	14.3	3.0%		
Set Aside : Local Enhancements			8.1	1.7%
Set Aside : AC Transit Operations	124.2	26.0%	109.9	23.0%
Set Aside : AC Transit Welfare to Work			14.3	3.0%
Set Aside : Paratransit	66.9	14.0%	66.9	14.0%
Set Aside : Alameda Ferries	9.1	1.9%	9.1	1.9%
Set Aside : Alameda County Bridges	7.2	1.5%	7.2	1.5%
Set Aside : Oakland Streets & Roads	4.0	0.84%	4.0	*
Set Aside : Oakland Bike/Ped Projects	4.0	0.84%	4.0	*
<u>Central</u>				
I-238 Widening	66.0		66.0	
I-880/Hwy. 92 Reliever Route	19.5		19.5	
San Leandro Street Improvements	11.5		11.5	
Widen Lewelling in San Lorenzo	9.8		9.8	
I-580 Interchange in Castro Valley	9.2		9.2	
Set Aside : Local Transportation	58.5	23.0%	50.8	20.0%
Set Aside : Nonmotorized Projects	5.1	2.0%		
Set Aside : Open Space	2.5	1.0%		
Set Aside : Local Enhancements			10.2	4.0%
Set Aside : AC Transit Operations	33.0	13.0%	30.5	12.0%
Set Aside : AC Transit Welfare to Work			2.5	1.0%
Set Aside : Paratransit	22.9	9.0%	22.9	9.0%
<u>South</u>				
BART Extension to Warm Springs	165.5		165.5	
Union City Intermodal Station			9.2	
I-680/I-880 Connector Studies	7.5		1.0	
Set Aside : Local Transportation	36.8	15.0%	31.6	12.9%
Set Aside : Local Enhancements			5.2	2.1%
Set Aside : AC Transit Operations	18.6	7.6%	18.6	7.6%
Set Aside : Paratransit	12.3	5.0%	12.3	5.0%
Set Aside : Altamont Rail Operations	11.3	4.63%	11.3	4.63%
Set Aside : Union City Transit Oper.	3.9	1.6%	3.9	1.6%
Set Aside : Newark Street Projects	1.2	0.5%	1.2	*

Continued on next page

Table 8-2 (continued): 1998 Measure B Draft and Final Expenditure Plans.

Region/Project	EPDC Proposal		Plan As Adopted	
	\$M	Pct.	\$M	Pct.
<u>East</u>				
Route 84 Expressway in Livermore	70.0		70.0	
I-680 HOV Improvements	36.0		25.8	
Route 84/I-580 Interchange	35.0		20.0	
I-580 Eastbound Auxiliary Lane			10.0	
Iron Horse Bike/Ped/Transit Route			5.0	
Altamont Commuter Rail	10.0		10.0	
Set Aside : Local Transportation	31.0	19.0%	24.2	14.8%
Set Aside : Local Enhancements			3.5	2.2%
Set Aside : Altamont Rail Operations	9.1	5.6%	9.1	5.6%
Set Aside : LAVTA Bus Operations	8.0	4.9%	8.0	4.9%
Set Aside : Paratransit	2.4	1.5%	2.4	1.5%

Tier 2 projects not shown.

* Converted to a capital project

Source: Bonnie Weinstein Nelson, "EPDC Recommended Expenditure Plan," Memorandum to the Steering Committee (October 10, 1997).

This appeared to be a victory for many of the advocacy groups that had followed the process, as the EPDC had repeatedly rejected establishing this pool of funding. However, it was only a partial victory, since the Steering Committee allowed each planning area to credit against any relevant capital projects against their 4% set aside. This meant a net reduction in non-motorized funds in North County, and increases of just 1-2% elsewhere.

Another key shift was the reallocation of some funds originally earmarked to restore and enhance AC Transit services in North and Central county, to fund transit vouchers for former welfare recipients who were transitioning back into the labor market. Transit advocacy groups strongly criticized these new welfare-to-work set-asides. To the extent that they detracted from the funding available to restore nighttime and off-peak service, they argued, these vouchers would actually harm the mobility of many low-income workers. Ultimately, the exact uses of these funds were left to the discretion of AC Transit, which could use them to increase service or provide fare subsidies to the transportation disadvantaged.²²⁵

Several other changes focused on particular capital projects. Despite directions from the EPDC that the Oakland Airport Connector was the lowest-priority project in North County, the Steering Committee allocated additional funding for the project by combining it with the proposal to build an intermodal Amtrak/BART connection at the Oakland Airport station. The committee also scaled back funding for other projects in order to free up funds for a freeway off-ramp project favored by the City of Alameda, an

²²⁵ John Katz *et al.*, Letter to Chairman Mark Green and the Members of the Expenditure Plan Development Committee (December 22, 1997); Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, "Report of Steering Committee Meeting #20" (Jan. 5, 1998).

intermodal station in Union City, and two projects near Dublin.

In finalizing the plan, the Steering Committee also established a number of administrative policies for the new Measure B. It proposed that the sales tax be enacted pursuant to Sec. 180000 of the Public Utilities Code, which had been used by Contra Costa County in 1988, but which didn't exist in 1986 when the original Measure B was enacted. Shifting to the newer legislation offered a variety of advantages: its was not subject to the approval of MTC, the expenditure plan could be amended more easily in future years, and sales tax funded could be used for more than 50% of the cost of BART expansion projects.²²⁶

The new legislation also prevented county supervisors from controlling a majority of votes on the board of the sales tax authority, so two new city-designated board members were added. The new sales tax authority, dubbed the Alameda County Transportation Improvement Authority (ACTIA) would be governed by the five supervisors, one representative of the City of Oakland, one mayor from North or Central County, one mayor from South or East County, and three other designees of the Mayors' Conference.²²⁷

The committee also voted to replace the first measure's Citizens Advisory Committee, which was appointed by the ACTA board, with a more independent Citizens Watchdog Committee that would include representatives appointed by civic groups. In 1996, Santa Clara County had established a similar structure to boost public confidence that there would be accountability in the administration of its new sales tax, and polling indicated that Alameda County voters favored the idea as well. The Citizens Watchdog Committee would include ten members appointed by the ACTIA board, as well as participants appointed by the Taxpayers Association, Labor Council, League of Women Voters, Sierra Club, East Bay Bicycle Coalition, Paratransit Advisory and Planning Committee, and the Economic Development Alliance for Business.²²⁸

The Steering Committee approved the expenditure plan on January 5, 1998. The new Measure B quickly won all of the endorsements it needed to be placed on the ballot. Within two months, it won support thirteen of fourteen city councils, the Alameda County Transportation Authority, and the county's Board of Supervisors. This indicated more widespread support for the measure than was achieved in 1986, when three cities did not endorse the package, and several others gave only lukewarm support to it. The one dissenting city was Fremont, which along with the BART District, objected to the measure's definition and funding level for the rail extension to Warm Springs.²²⁹

²²⁶ Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, "Report of Steering Committee Meeting #19" (Dec. 22, 1997).

²²⁷ *Ibid.*

²²⁸ *Ibid.*

²²⁹ Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, "Report of Steering Committee Meeting #20" (Jan. 5, 1998); Alameda

8.2.5. The 1998 campaign and election.

“We’re absolutely torn in two because of the stuff we love and the stuff we hate.”

—Fred Beddell, Sierra Club²³⁰

Measure B posed a dilemma to Alameda County progressives. On one hand, it represented their greatest achievement thus far in efforts to steer transportation funding away from highway construction and toward their social agenda. On the other hand, it still fell short of what some felt they could and should achieve. Citizens groups that had worked together during the plan’s development were split on whether to lend their endorsements.

The Sierra Club initially considered taking a neutral position on the measure, as it had on other measures in the past. But the Environmental Defense Fund (EDF), a group that did not previously have a high profile on local transportation issues, made a strong stand against the use of sales taxes to fund highway improvements. It argued for a better deal that relied more on transportation user fees for highway projects and dedicated a higher share of sales tax revenues to other transportation projects. In the hopes that it could win a better package later on, the Sierra Club agreed to join EDF in opposing the tax proposal. But this decision was a difficult one, and not all of the club’s local chapters agreed.²³¹

Together, EDF and the Sierra Club became the most visible opponents of Measure B. Other groups joining them in opposition were the Greenbelt Alliance, the East Bay League of Conservation Voters, and the Green Party of Alameda County. The opponents organized a campaign against the measure, and hired a political consultant to run it. The Sierra Club provided most of the No on B Campaign’s \$5,000 budget.²³²

In their ballot arguments and in the media, opponents argued that the package overemphasized expensive capital projects that would subsidize sprawl and waste scarce public funds. They reserved some of their harshest criticism for the BART extension to Warm Springs, which they claimed would amount to subsidizing a small number of BART riders by over \$140 per day, “enough to buy each BART rider a new BMW every three years and pay the mortgage on a \$300,000 house.” They argued that lower-cost

County Transportation Authority (1998); Ronna Abramson, “Tax issue one step closer to June vote.” *ANG Newspapers* (Feb. 27, 1998); Mary Nauman, “County’s OK of transit tax irks council.” *ANG Newspapers* (March 4, 1998). Fremont ultimately endorsed the measure after it was placed on the ballot.

²³⁰ Catherine Bowman, “Tax renewal may boost AC Transit.” *San Francisco Chronicle* (February 9, 1988).

²³¹ Ronna Abramson, “Voters asked to pay for roads and transit.” *ANG Newspapers* (May 17, 1988); Lisa Vorderbrueggen, “Tri-Valley Sierra Club group taxes stand.” *Pleasanton Valley Times* (May 30, 1998).

²³² Catherine Bowman, “Green groups pledge to fight extension of transit tax.” *San Francisco Chronicle* (February 28, 1988); Bonita Brewer, “Trouble brews for transit plan.” *Pleasanton Valley Times* (March 5, 1998); Lisa Vorderbrueggen, “Perata decries tax for transit,” *West County Times* (May 23, 1998).

commuter rail options could take passengers all the way to San José, instead of just to the county line.²³³

The emphasis on highway projects in East County also came in for criticism, since growth in neighboring Contra Costa and San Joaquin counties was expected to be responsible for much of the traffic growth in that area. Opponents also argued that since the original measure wasn't due to expire for four years, there was time to re-negotiate it to "get it right." They pledged to support a revised measure that addressed their concerns.²³⁴

Several public officials also spoke out against the plan. Don Perata, a member of the State Assembly from the City of Alameda, called the expenditure plan "pure, unadulterated pork barrel politics," and criticized the planning committee for focusing on voters' preferences rather than the county's transportation needs. His opposition was notable because as a county supervisor in 1986, he played an important role in shaping the original Measure B. The mayor of Pleasanton was among those arguing that user fees were more appropriate for funding transportation improvements. The chair of the Bay Area Air Quality Management District, a member of the Emeryville City Council, also publicly opposed the measure. And the San Francisco Chronicle urged voters to reject the plan, as it did with the original Measure B in 1986.²³⁵

The plan was also strongly criticized by BART's General Manager and another BART director, for shortchanging the agency's funding requests for the Warm Springs Extension and Oakland Airport connector. BART and Fremont officials also objected to the description of the Warm Springs project in the plan, which was described as a "BART/Rail" project in order to preserve flexibility in case subsequent studies found commuter rail or light rail to be more cost-effective options. But neither BART itself nor the City of Fremont actively campaigned against the measure once it was on the ballot.²³⁶

Aside from the elected officials mentioned above, nearly every major elected official in the county endorsed the measure. The proposal had support from several local chambers of commerce and large employers (especially New United Motor Manufacturing, a motor vehicle assembly plant located near the proposed Warm Springs BART station). The strongest backer of the plan was the California Alliance for Jobs, which donated nearly half of the total funds to the "yes" campaign on behalf of the heavy construction industry.

²³³ Lisa Vorderbrueggen, "Transit tax plan moving along," *Pleasanton Valley Times* (January 25, 1998); Alameda County Registrar of Voters (1998a).

²³⁴ Catherine Bowman, "Alameda County seeks extension of half-cent tax," *San Francisco Chronicle* (March 4, 1988); Bonita Brewer, "Trouble brews for transit plan," *Pleasanton Valley Times* (March 5, 1998).

²³⁵ Lisa Vorderbrueggen, "Transit tax plan moving along," *Pleasanton Valley Times* (January 25, 1998); Lisa Vorderbrueggen, "Perata decries tax for transit," *West County Times* (May 23, 1998); "Alameda County pork barrel." Editorial, *San Francisco Chronicle* (May 27, 1998).

²³⁶ Lisa Vorderbrueggen, "BART blasts Alameda County spending plan," *Contra Costa Times* (January 23, 1998); Ronna Abramson, "Tax issue one step closer to June vote," *ANG Newspapers* (February 27, 1998).

Real estate and development businesses were also involved throughout the planning process, but kept a very low profile during the campaign and successfully avoided becoming identified with the measure. But there was no organized effort to win the endorsement and backing of chambers of commerce, contractors, and other groups, so many did not take a position on the measure.²³⁷

Measure B also won support from citizens groups across the political spectrum. Some of the advocates that had been allied with the mainline environmental groups during the plan development process broke ranks with them on the final proposal. The East Bay Bicycle Coalition – which fought particularly hard for a significant share of Measure B funds, and in the end won many of its demands – decided to endorse the measure. At least two of the leaders of the Alliance for AC Transit also publicly supported the measure, as did the Alameda County League of Women Voters. Some local environmental groups, including the Tri-City Ecology Center (located in South County) found the measure was worthy of an endorsement, while others, including the Tri-Valley Chapter of the Sierra Club (located in East County) took a neutral stance. The Alameda County Taxpayers Association also lent their support.²³⁸

Supporters emphasized that the plan was the result of a broad public consensus-building process tailored to meet the needs of each area of the county, and wasn't driven by the "hard-line politics" that shaped the earlier plan. They also argued that it would ease congestion in key corridors, provide greater balance to the county's transportation spending, and not raise taxes from current levels.²³⁹

But by choosing to focus on the process as the main selling point for the package, supporters left themselves open to the criticism that the plan itself was flawed. Indeed, they often appeared ambivalent about the merits of the plan itself. For example, Supervisor Scott Haggerty, the chair of the Yes on B campaign, responded to environmentalists' criticisms of the plan's focus on highway projects in East County:

"Unfortunately, like it or not, that's where the growth is, and that's where we'll see an increase in roads. The needs of Oakland are not the same as the need in Livermore or

²³⁷ Lisa Vorderbrueggen, "Perata decries tax for transit," *West County Times* (May 23, 1998); Alameda County Registrar of Voters (1998a); Interview A5. According to its website, the California Alliance for Jobs is "a unique partnership of three contractor associations and two labor unions... [that] strives to create construction jobs, improve the climate for public works investment and promote the value and benefits of unionized heavy construction."

²³⁸ Catherine Bowman, "Alameda County seeks extension of half-cent tax," *San Francisco Chronicle* (March 4, 1988); Alec Rosenberg, "Measure B backers make their big pitch," *ANG Newspapers* (May 20, 1998); Letter from Robert Raburn (May 27, 1998); Vivian Robinson, "Voters must approve Measure B to maintain public transportation," Op-Ed. *San Francisco Chronicle* (May 29, 1998); Lisa Vorderbrueggen, "Tri-Valley Sierra Club group taxes stand," *Pleasanton Valley Times* (May 30, 1998); Alameda County Registrar of Voters (1998a).

²³⁹ Lisa Vorderbrueggen, "Transit tax plan moving along," *Pleasanton Valley Times* (January 25, 1998); Bonita Brewer, "Trouble brews for transit tax," *Pleasanton Valley Times* (March 5, 1998); Alameda County Registrar of Voters (1998a).

Pleasanton or Fremont. I don't like everything about it, either. But I also see a list of projects that will make the quality of life in Alameda County better."²⁴⁰

AC Transit was one of the most aggressive public supporters of Measure B. Without Measure B, it warned, extensive service cuts would be required. In an unusual measure for a public agency, AC Transit posted signs and distributed leaflets on its buses urging voters to support the measure.²⁴¹

Supporters of the measure expressed surprise and disappointment at the opposition from the environmental community. The vice chairwoman of the Yes on B campaign, a leader of the EPDC, said, "The environmental community was on board; I don't know what the miscommunication was." AC Transit strongly criticized the citizens groups that were opposing Measure B for being unwilling "to look beyond their narrow self-interest to look at the common good for the county."²⁴²

The Yes on B campaign, "Citizens for Balanced Transportation," raised \$100,000, and distributed leaflets to 680,000 voters. But few political leaders campaigned aggressively for the measure, and the newspapers did not provide the active editorial support that had been seen earlier in Contra Costa and Santa Clara counties. There was no significant advertising or door-to-door campaigning.²⁴³

The vote on Measure B's reauthorization was held on June 2nd, 1998. Support for the measure was high—59% voted in favor of it, 2% more than voted for the original sales tax in 1986. Yet this fell short of the two-thirds majority required under Proposition 62.

Geographically, support for the measure hovered within a narrow range throughout the county, with approval rates in all cities falling between 54% and 63%. The cities in East County provided average or above-average support; those in South County provided average or below-average support; and those in Central County provided weak support. The cities in North County were the most polarized, with support much stronger in

²⁴⁰ Catherine Bowman, "Alameda County seeks extension of half-cent tax." *San Francisco Chronicle* (March 4, 1988); Bonita Brewer, "Trouble brews for transit tax." *Pleasanton Valley Times* (March 5, 1998). See also Ronna Abramson, "Voters asked to pay for roads and transit." *ANG Newspapers* (May 17, 1988); Vivian Robinson, "Voters must approve Measure B to maintain public transportation." Op-Ed. *San Francisco Chronicle* (May 29, 1998); Laura Hamburg, "Measure B transit tax tougher sell this time." *San Francisco Chronicle* (May 30, 1998).

²⁴¹ Catherine Bowman, "Tax renewal may boost AC Transit." *San Francisco Chronicle* (February 9, 1988).

²⁴² Catherine Bowman, "Green groups pledge to fight extension of transit tax." *San Francisco Chronicle* (February 28, 1988); Sam Richards, "No middle ground for supporters, foes on Measure B." *Pleasanton Valley Times* (May 14, 1998); Alec Rosenberg, "Measure B backers make their big pitch." *ANG Newspapers* (May 20, 1998).

²⁴³ Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, "Report of Steering Committee Meeting #21" (June 16, 1998), p. 3; Dan Hatfield and Bob Cuddy, "Why voters rejected measures that addressed nagging problems." Editorial, *Contra Costa Times* (June 14, 1998).

Albany, Emeryville, Piedmont than in Berkeley and Oakland. Forty percent of registered voters participated in this election.²⁴⁴

8.2.6. Re-negotiating the plan.

Immediately after the defeat of Measure B, proponents pledged to try again. Too much work had gone into creating the proposal, and the county's dependence on sales tax funds to provide basic transit services was too great, to allow the tax to expire after 2002. An AC Transit official pledged, "It just means we have to try and try and try again until we get it right. We'll fine-tune Measure B and put it back on the ballot."²⁴⁵

But initially, there was no agreement on where the measure had gone wrong. Blame was cast in several directions. Environmental groups eagerly took credit for the defeat, claiming that the public wanted fewer freeway projects and more cost-effective alternatives to the Warm Springs BART extension. But Supervisor Haggerty and other elected officials defended these projects, arguing that their removal would jeopardize overall public support for the plan.²⁴⁶

Others blamed the defeat on the lackluster campaign and poor decisions of the proponents. Very little money was raised, and it was done late. The board ignored its political consultants and pressed ahead with a June vote, a decision that led the consultants to bow out. Several members of the Board of Supervisors who might otherwise have taken a leadership role were unavailable because they were running for other public office. One newspaper article noted the difference between the reauthorization campaign and its predecessor, when members of the press were treated to helicopter rides highlighting the need for key projects. A signed article by the editorial page editors of the Contra Costa Times and the Pleasanton Valley Times criticized the backers of Measure B for taking "a snooze" during the campaign after working so hard to develop a workable plan.²⁴⁷

AC Transit funded an exit poll that yielded some explanations for the failure. They concluded that opposition to the plan or any specific project in it was not a major factor in its failure. Rather, voters opposed tax increases for a plan that they weren't sure could really solve transportation problems. According to the poll, opposition from environmentalists on the grounds that the plan would exacerbate sprawl explained only

²⁴⁴ Alameda County Transportation Authority, "June 1998 Election Results," (January 1999); Alameda County Registrar of Voters (1998b).

²⁴⁵ Laura Hamburg, "Alameda County backers regroup after failure of transit tax measure." *San Francisco Chronicle* (June 4, 1988).

²⁴⁶ *Ibid.*

²⁴⁷ Interview A5; Dan Hatfield and Bob Cuddy, "Why voters rejected measures that addressed nagging problems." Editorial, *Contra Costa Times* (June 14, 1998). See also Laura Hamburg, "Measure B transit tax tougher sell this time." *San Francisco Chronicle* (May 30, 1988); Lisa Vorderbrueggen, "Planners regroup after vote." *Pleasanton Valley Times* (June 4, 1998).

1% of the votes against the measure.²⁴⁸

Despite these findings, the environmental and social justice groups were successful in arguing that their support was essential for passage of a sales tax. County leaders recognized that any organized opposition could defeat a measure, and as the largest group organized in opposition to the current proposal, the environmental groups were a force that had to be dealt with.

Meanwhile, there was considerable evolution underway within the advocacy community itself. New groups, including the Bay Area Transportation Choices Forum and the Bus Riders Union, were organizing and becoming important forces in regional transportation politics. Others, such as the Congress for New Urbanism and the Surface Transportation Policy Project, were just beginning to engage transportation issues in the Bay Area. In early 1998, these groups, along with others not traditionally involved in transportation policy debates (including low-income advocacy groups), joined forces under a broad umbrella organization, the Bay Area Transportation and Land Use Coalition (BATLUC). BATLUC's first efforts focused on reorienting MTC's investment priorities as it developed its new regional transportation plan. The MTC board agreed to work with the coalition, and ultimately sided with BATLUC and overrode MTC staff recommendations on regional transit funding.²⁴⁹

Other groups were changing as well. The Environmental Defense Fund, which had previously stayed silent on local transportation debates, decided to speak out strongly against transportation sales tax measures in Alameda, Marin, and Sonoma counties in 1998, and played a central role in the defeat of those measures. Also, the Sierra Club was initiating a new effort to combat sprawl in the Tri-Valley region. It proposed a controversial series of local "Citizens Alliance for Public Planning" (CAPP) initiatives that would have required a ballot referendum before any General Plan variances could be rewarded to major development projects in those areas.

Given the high level of political support for Measure B in the county, and the roles that they played in defeating Measure B, these groups were aware that they would need to follow through on earlier pledges to work constructively for new transportation finance options in the county. EDF initially signaled that it would not support a revised sales tax package, and would instead support development of a regional gas tax proposal. But it soon came around and agreed to work on a revised sales tax plan that it could support.²⁵⁰

²⁴⁸ Strategy Research Institute (1998); Lisa Vorderbrueggen, "Sales tax issue still alive in Alameda County," *Pleasanton Valley Times* (June 23, 1998).

²⁴⁹ Robert Oakes, "Transit backers gaining strength," *Contra Costa Times* (Nov. 15, 1998); Ronna Abramson, "Bus riders union rolls into spotlight," *ANG Newspapers* (Feb. 15, 1999); Ronna Abramson, "'Smart growth' campaign urges tying transportation to housing," *ANG Newspapers* (June 24, 1999); Interview A6.

²⁵⁰ Lisa Vorderbrueggen, "Planners regroup after vote," *Pleasanton Valley Times* (June 4, 1998); Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, "Report of Steering Committee Meeting #23" (January 11, 1999).

Less than three weeks after the election, the Expenditure Plan Steering Committee reconvened to discuss possible reasons for their loss, and options for moving forward with another ballot attempt. Some committee members favored returning to the voters with the same expenditure proposal that they defeated in June, but this time adopting Santa Clara County's successful 1996 "A+B" approach, which would only require majority voter approval.²⁵¹ This course of action was appealing because voters had already demonstrated support for the existing expenditure plan, and the committee wouldn't have to enter into negotiations with what several of its members considered to be special interest groups. However, over the course of the year the feasibility of the A+B scenario appeared to dwindle. First, public officials gradually became aware that Prop. 218, passed by voters in 1996, may have closed the loophole that allowed Santa Clara's measure to succeed – although whether the loophole was really closed was an untested proposition. Second, in November, voters in Marin and Sonoma counties soundly defeated sales tax proposals despite showing strong support for their companion advisory measures. This made the political chances of the strategy look like less of a sure thing than it had previously. Nonetheless, the Steering Committee continued to explore the possibility well into 1999.²⁵²

While the Steering Committee explored whether it could move forward without making changes to its plan, it also asked staff to begin quietly reaching out to the Sierra Club and other groups to see what changes would be required for their approval. Thus began a process of direct negotiations with interest groups, an approach that had been avoided during the development of the 1998 measure.²⁵³

In September, the Steering Committee invited environmental groups that had campaigned against the measure to explain their position to the committee. The Sierra Club presented the preliminary proposal of an emerging "Environmental Coalition." It called for major changes to the plan, including removal of major highway projects; replacement of rail projects to Warm Springs and the Oakland Airport with more cost-effective alternatives; increases in transit and paratransit funding; and a 5% set-aside for growth management projects.²⁵⁴

In early 1999, ACTA staff developed a strategy for revising the expenditure plan. The

²⁵¹ This model uses two legally distinct ballot measures – one raising the sales tax, and another establishing spending priorities should taxes increase – to circumvent the supermajority vote requirement. See Section 2.5 for an explanation.

²⁵² Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, "Report of Steering Committee Meeting #21" (June 16, 1998); Lisa Vorderbrueggen, "Sales tax issue still alive in Alameda County," *Pleasanton Valley Times* (June 23, 1998); Sam Diaz, "Dual-transit measures likely to be hard to pass," *Pleasanton Valley Times* (November 10, 1998). Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, "Report of Steering Committee Meeting #26" (May 17, 1999).

²⁵³ Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, "Report of Steering Committee Meeting #21" (June 16, 1998).

²⁵⁴ "Environmental Coalition Proposal for Measure B Transportation Sales Tax" (September 1998).

Expenditure Plan Development Committee would not be re-convened, because this would be very time-consuming. Instead, during the spring, the staff would hold meetings throughout the county with city councils, transit agencies, community organizations and interest groups. These meetings would seek to answer three questions:

“Find out what people like/don’t like about the Plan in their area. Find out if there are any missing regional problems. Find out if there are any ‘fatal flaws’ in the Expenditure Plan.”²⁵⁵

For these meetings, the staff would compile a list of potential changes, and conduct public opinion polls to determine whether these would strengthen or weaken support for the measure. The Steering Committee would present a draft revised plan to the ACTA and CMA boards for approval in May, followed by the city councils, transit agencies, and interest groups over the summer. It would seek formal approval in the fall in time for the measure to be placed on the ballot for a March or November 2000 election.²⁵⁶

Meanwhile, the environmental community was working to expand its coalition and attempting to define the conditions under which it could lend enthusiastic support. Under the umbrella of BATLUC, environmentalists began working closely with an Oakland-based social justice group, Building Opportunities for Self-Sufficiency (BOSS), with which they had worked earlier on lobbying MTC and the Oakland City Council. In written correspondence with ACTA staff, and in its verbal presentations at Steering Committee meetings, the Coalition repeatedly emphasized its willingness to campaign aggressively in support of a measure that addressed its concerns. It paired this policy-based approach with grassroots activism, organizing dozens of campaigners to speak and chant at meetings of the steering committee, creating an unprecedented level of political theater at the Steering Committee’s meetings.²⁵⁷ BATLUC’s newsletter crowed, “Our constituents and Coalition members have turned out in such force for ACTA’s meetings that the committee has changed locations twice in the past three months looking for a big enough room.”²⁵⁸

In March, the Coalition was invited to present its case to the Steering Committee. It called for six specific additions to the expenditure plan:

²⁵⁵ Christine Monsen and Steve Castleberry, “Process and Schedule for Revising the Expenditure Plan,” Memorandum to the Expenditure Plan Development Steering Committee (January 4, 1999).

²⁵⁶ Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, “Report of Steering Committee Meeting #23” (January 11, 1999); Ronna Abramson, “Officials to rework failed Measure B” *ANG Newspapers* (January 12, 1999); Christine Monsen and Steve Castleberry, “Process and Schedule for Revising the Expenditure Plan,” Memorandum to Project Sponsors, Reviewing Agencies and Interested Parties (January 13, 1999)

²⁵⁷ Ronna Abramson, “Activists: tax for public transit, not freeways,” *ANG Newspapers* (March 23, 1999); Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, “Report of Steering Committee Meeting #28” (July 19, 1999); Interview A6.

²⁵⁸ “Working for a Better Measure B in Alameda County” *Bay Area Transportation and Land Use Coalition Update*, Number 7 (June 1999).

- A 5% growth management set-aside for transit oriented development and agricultural easements (\$58 million);
- Additional funding for county-wide express buses, and expanded local bus service in central county (\$80 million);
- Additional operating funds for transit in the Tri-Valley area, as well as the Altamont Commuter Express;
- Increased paratransit funding in East and South County (\$23 million);
- Consideration of cost-effective rail options for South County, including commuter rail connections to San José (\$75 million) and San Mateo County (\$40 million); and
- Consideration of cost-effective alternatives to the Oakland Airport Connector.

The proposal said that funds for these improvements should be found by reducing spending on highway projects. It also called for rail capital projects to be selected on the basis of objective evaluation criteria such as cost per new rider and construction time. Similarly, it asked that all earmarked “transportation enhancements” projects be dropped from the plan, with the funds shifted to a more competitively awarded program dedicated exclusively to non-motorized projects.²⁵⁹ These proposals were endorsed by 21 groups, including organizations focusing on environmental, transit, poverty, community development, and pedestrian and handicapped accessibility issues.²⁶⁰

BATLUC’s emphasis on providing more transit funding in the suburbs ran counter to the instincts of elected officials in these areas, but was supported by recent ridership trends. Bus use in rapidly growing suburban areas of the county was growing rapidly, and existing funding was not able to keep up. For example, the Livermore Amador Valley Transit Authority saw 27% ridership growth between 1998 and 1999.²⁶¹

Following the Coalition’s presentation, representatives of BATLUC met with ACTA staff, and individually with most of the Steering Committee and several other elected officials. ACTA staff prepared an analysis of how the BATLUC proposal (now called

²⁵⁹ Bay Area Transportation and Land Use Coalition (March 1999); Jeff Hobson, Letter to Christine Monsen (April 9, 1999).

²⁶⁰ According to a flyer circulated at the March 22, 1999 meeting of the Steering Committee, the following organizations were part of BATLUC: Alliance for AC Transit, Bay Area Transportation Choices Forum, BayPeds, Berkeley Gray Panthers, Building Opportunities for Self-Sufficiency, Bus Riders Union, Center for Third World Organizing, Coalition for Alternative Transportation Strategies, East Bay Asian Local Development Corporation, Emergency Services Network of Alameda County, Environmental Defense Fund, Greenbelt Alliance, Hayward Area Planning Association, International Council for Local Environmental Initiatives, Latino Issues Forum, San Francisco Bay Trail, Sierra Club, Urban Ecology Urban Habitat Program, West Downtown Neighborhood Alliance, World Institute on Disability.

²⁶¹ Michael Cabanatuan, “Suburbanites buck trend, ride the bus; traffic fuels surprising boom in public transit,” *San Francisco Chronicle* (February 1, 1999).

the “Transportation Alternatives Plan” or “TAP”) would change the expenditure plan’s overall funding balance (see Table 8-3). According to their analysis, the TAP proposal would shift approximately \$189 million away from highway capital projects. Since the majority of proposed funding increases were for transit services in Central County, ACTA staff concluded that highway projects in this region (including the widening of Hwy. 238) would be the most likely candidates for cuts. Overall, they concluded, the TAP proposal would keep 84% of the expenditure plan intact, and shift 16% from highways to transit, paratransit, and growth management. The Steering Committee made the TAP proposal the centerpiece of its April meeting, when it held a detailed, facilitated discussion of the proposal.²⁶²

Table 8-3: Comparison of 1998 Expenditure Plan with BATLUC Alternative.

Category	1998 Plan	BATLUC Proposal
Local Transportation Funds	\$263,278,000 – 23%	\$263,278,000 – 23%
Transit Operations	\$217,330,000 – 19%	\$326,865,000 – 28%
Paratransit	\$104,453,000 – 9%	\$125,453,000 – 11%
Growth Management	\$0 – 0%	\$57,930,000 – 5%
Enhancements (Nonmotorized)	\$27,000,000 – 2%	\$45,500,000 – 4%
Enhancements (Earmarked)	\$18,500,000 – 2%	\$0 – 0%
Capital – Transit	\$272,000,000 – 23%	\$272,000,000 – 23%
Capital – Alternatives to SOV	\$28,300,000 – 2%	\$14,375,000 – 1%
Capital – Highway Access	\$71,240,000 – 6%	\$21,200,000 – 2%
Capital – Highway Widening	\$156,500,000 – 14%	\$31,000,000 – 3%
Total	\$1,158,600,000 – 100%	\$1,158,600,000 – 100%

Source: Christine Monsen and Steve Castleberry, “Evaluation of Bay Area Transportation and Land Use Coalition Proposal,” Memorandum to the Expenditure Plan Development Steering Committee (April 11, 1999).

Besides BATLUC, several other groups came forward with proposals that influenced the Steering Committee’s deliberations. The Environmental Defense Fund amplified BATLUC’s suggestion that highway projects be funded with user fees. It issued a report arguing that the apparent shortage in traditional funding for highway projects was a short-lived anomaly due to budget politics, and that the supply of revenues from user fees would begin growing again in the near future. It proposed making the new Sunol Grade (I-680) HOV lanes into “high occupancy toll lanes,” allowing single-occupant vehicles to access the lanes by paying a toll. The revenues from these user fees could be used to fund transit services in the corridor, including increased services on the Altamont Commuter Express. CMA began to study the proposal in late 1999.²⁶³

²⁶² Jeff Hobson, Letter to Christine Monsen (April 9, 1999); Steve Castleberry, “Transportation Alternatives Plan Proposal,” Memorandum to Christine Monsen (April 11, 1999); Christine Monsen and Steve Castleberry, “Evaluation of Bay Area Transportation and Land Use Coalition Proposal,” Memorandum to the Expenditure Plan Development Steering Committee (April 11, 1999); Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, “Report of Steering Committee Meeting #25” (April 19, 1999); Interview A6.

²⁶³ Environmental Defense Fund (1999a, 1999b); Ronna Abramson, “AC Transit should receive surplus funds, group says should go to transit,” *ANG Newspapers* (May 13, 1999); “A new outlook for public

The East Bay Bicycle Coalition, which had endorsed the 1998 measure and did not participate in BATLUC, also proposed a slate of amendments to the proposal. The group's main request was that all earmarked enhancement projects be dropped from the plan. In their place, the EBBC favored dedicating funds to improving the planning process for nonmotorized transportation projects in Alameda County: creation of an "Office of the Countywide Bicycle/Pedestrian Coordinator;" the development of countywide and local bicycle master plans; funding support for the county's bicycle/pedestrian citizens advisory committee; a countywide technical assistance program to help cities design pedestrian and bicycle facilities; and a centralized program of bicycle/pedestrian injury reporting through the county's public health department.²⁶⁴

The California Alliance for Jobs and the Business and Labor for Better Transportation Coalition, representing the county's heavy construction industries, also advanced detailed proposals for revising the plan. They argued that shifting funds away from highway projects would cause them to drop their earlier support for the measure. Specifically, their requests included:

- Reallocating funds only to other capital projects if a particular funded project cannot be implemented;
- Funding a study on congestion in the I-880, I-680, and Dumbarton Bridge corridors;
- Limiting the use of "local transportation fund" set-asides to street reconstruction and repair (the 1998 plan allowed any type of locally-favored transportation project), and requiring competitive bidding for any projects over \$10,000;
- Requiring transit agencies to submit a "specific operating plan" designating how new operating funds would be spent; and
- Removing growth management in the expenditure program (but if it is added, specific uses of the funds should be identified).²⁶⁵

Later in the year, the groups focused on a clearer political objective: ensuring that at least 40% of the sales tax funds were earmarked for capital projects. Their concerns about the high level of spending on programs and services were shared by a member of the Steering Committee, who argued that the "Expenditure Plan does not put enough

transit," Editorial. *The Oakland Tribune* (May 13, 1999); Lisa Gardiner, "Pay-for-use I-680 car pool lanes to be studied," *ANG Newspapers* (October 16, 1999).

²⁶⁴ Robert Raburn, Letter to Christine Monsen (March 18, 1999).

²⁶⁵ Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, "Report of Steering Committee Meeting #26" (May 17, 1999), p. 11; Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, "Report of Steering Committee Meeting #27" (June 21, 1999), pp. 8-9; California Alliance for Jobs (1999).

resources into substantial long term investments to help mobility in Alameda County.”²⁶⁶ By the end of the year, the construction and labor groups began to adopt the successful tactics of BATLUC. They began to pack their members into meetings of the Steering Committee, carrying bright signs advocating at least 40% for capital projects.

In May, ACTA staff presented recommendations to the Steering Committee based on its meetings with city councils and interest groups from around the county. The TAP proposals were not in every case embraced by ACTA, but they clearly played an important role in shaping the agency’s consultations. In its report, staff made several proposals to move the expenditure plan in the direction of the TAP: a partial shift of highway funds to other purposes in Central and East County, and the creation of set-asides for growth management and non-motorized transportation modes. Staff did not recommend altering the plan’s wording for the Warm Springs BART extension or the Oakland Airport connector. Significantly, the report also notes that lengthening the duration of the proposed tax from 15 to 20 years would provide enough additional revenue that the TAP’s proposed additional programs could be funded without requiring any cuts elsewhere.²⁶⁷

The following month, staff presented a revised spending proposal that showed what would be possible if the duration of the tax were lengthened to 20 years. The new 20-year scenario expanded paratransit funding to 11% of net revenues; created a new 2.5% set aside for growth management and transit oriented development; added a 1.1% set-aside for countywide express buses; held harmless all of the 1998 expenditure plan’s capital projects (and even provided additional funding for several projects with shortfalls); and added additional funding pools for local capital projects, studies, and “emerging projects.” In a later memo, the staff noted that this plan “has at least partially addressed all major comments” received from the various interest groups on the earlier plan.²⁶⁸

After the Steering Committee adopted the staff proposal “in principle” in July, the staff continued meeting with interest groups and elected officials to reach consensus on the details of the plan. Largely by shuttle diplomacy, they worked to resolve debates over competitive bidding on local projects, distribution of non-motorized and paratransit funds, the proposal for high-occupancy toll lanes on I-680, refinements to the Warm Springs BART extension and Oakland Airport Connector, and increased bus services in Central County. As part of this process, they met with business and labor groups about

²⁶⁶ Thomas Blalock, Letter to Mayor Mark Green, Chair of the Expenditure Plan Development Steering Committee (October 5, 1999).

²⁶⁷ Christine Monsen and Steve Castleberry, “Expenditure Plan Issues,” Memorandum to the Expenditure Plan Development Steering Committee (May 10, 1999).

²⁶⁸ Christine Monsen and Steve Castleberry, “Revised Expenditure Plan – 20 Year Plan,” Memorandum to the Expenditure Plan Development Steering Committee (June 4, 1999); Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, “Report of Steering Committee Meeting #27” (June 21, 1999); Christine Monsen and Steve Castleberry, “20 Year Plan Review,” Memorandum to the Expenditure Plan Development Steering Committee (July 12, 1999).

capital projects funding; a local transit agency and a consultant on paratransit funding; and the cities, the East Bay Bicycle Coalition and the East Bay Regional Parks District about nonmotorized transportation funding.²⁶⁹

Meanwhile, formal action by the Steering Committee slowed while its members assessed the most advantageous time to hold a new Measure B election. They wanted to see whether a piece of pending legislation, Senate Constitutional Amendment 3 (SCA-3), would appear on the ballot in November of 2000. If SCA-3 were to win majorities both statewide and in Alameda County, then Measure B would be automatically extended for another 20 years, eliminating the need for another Measure B election. Ultimately, SCA-3 was defeated in the Assembly in late 1999, and efforts to revive it failed to win the governor's support early the next year.²⁷⁰

The Steering Committee also hosted a delegation from the San Mateo County Transportation Authority, which urged Alameda County's cooperation in establishing new transit services along unused freight tracks in the Dumbarton Corridor (running across San Francisco Bay between Union City and Palo Alto). While some Steering Committee members were enthusiastic about the project, others objected because it went beyond simply "tweaking" the expenditure plan.²⁷¹

As the Steering Committee was making its final decisions about the contents of the plan, both groups showed up in force to hold signs and press their cases. A spokesperson for Buildings Opportunities for Self-Sufficiency, a low-income advocacy group argued that without more money for bus services in Central County, "[the tax] will exacerbate pre-existing conditions of poverty and homelessness." A spokesperson for the California Alliance for Jobs countered, "We've seen that capital projects keep getting pirated for other uses. At some point we have to stand up and say enough, otherwise you're not serving taxpayers."²⁷²

The final plan approved by the Steering Committee in January steered a course between the competing demands of BATLUC and the construction industry coalition (see Table 8-4). It met the California Alliance for Jobs demand that 40% of the funds be dedicated to capital projects, and adopted its suggestions that funds be reallocated if projects don't

²⁶⁹ Christine Monsen and Steve Castleberry, "Review of 20 Year Conceptual Plan," Memorandum to the Expenditure Plan Development Steering Committee (September 28, 1999); Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, "Report of Steering Committee Meeting #29" (Oct. 5, 1999).

²⁷⁰ Catherine Bowman, "Alameda County has transit tax reform plan" *San Francisco Chronicle* (July 20, 1999); Michael Cabanatuan, "Davis dims transit leaders' funding hopes; amendment they want on ballot, he's against," *San Francisco Chronicle* (January 13, 2000).

²⁷¹ Sean Holstege, "Wrangle over imaginary ballot cash/County officials have wish list if Measure B is approved," *ANG Newspapers* (December 15, 1999); Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, "Report of Steering Committee Meeting #31" (January 10, 2000)

²⁷² Sean Holstege, "Measure B proponents fighting an uphill campaign," *ANG Newspapers* (January 23, 2000); Sean Holstege, "Major transit plan gets panel approval," *Oakland Tribune* (January 25, 2000)

move forward within a specified time frame, and that locally-funded projects be subject to competitive bidding. The plan also reduced much of the funding that had been added to the conceptual 20-year plan the previous summer to meet the environmentalists' concerns, including almost all of the funding for growth management and transit oriented development, one-third of the funding for express buses, and about 28% of the additional annual funding for paratransit. In addition, it rejected BATLUC's proposed policy changes on the Airport Connector and Warm Springs BART projects. The environmental coalition won an additional increase in transit funds for Central County, as well as an inclusion of the "high occupancy toll lane" concept in the Sunol Grade project description. They also held on to some of their earlier victories, including most of the increased funding for paratransit, transit, and non-motorized transportation. Other changes in the final plan included an expansion of funding for Dumbarton Corridor projects (including the rail project favored by San Mateo County, or other non-rail alternatives), and funding for studies on extending BART to Livermore.²⁷³

Table 8-4: Evolution of 2000 Measure B Expenditure Plan.

Category	15-Year Measure B Plan (1998)	15-Year BATLUC Proposal (Mar. '99)	20-Year Staff Proposal (June '99)	Approved Concept Plan (July '99)	Final Plan (2000)
Capital – Transit	23.4%	23.4%	19.4%	19.8%	20.8%
Capital – Highway & Arterials	21.9%	5.5%	19.5%	19.3%	18.3%
Local Transportation Funds	22.7%	22.7%	22.7%	22.7%	22.3%
Transit Operations	18.8%	28.2%	19.8%	19.8%	21.9%
Paratransit	9.0%	10.9%	11.0%	11.0%	10.4%
Enhancements/Non-Motorized*	3.9%	3.9%	4.3%	5.1%	5.5%
Growth Mgt./Transit Oriented Dev.*	0.3%	5.3%	2.8%	1.7%	0.4%
Other	0.0%	0.0%	0.5%	0.5%	0.4%
Total	100%	100%	100%	100%	100%

* Includes both capital projects and set-asides

Source: Author's analysis based on Christine Monsen and Steve Castleberry, "Revised Expenditure Plan – 20 Year Plan," Memorandum to the Expenditure Plan Development Steering Committee (June 4, 1999); Christine Monsen and Steve Castleberry, "Review of 20 Year Conceptual Plan," Memorandum to the Expenditure Plan Development Steering Committee (September 28, 1999); Christine Monsen and Steve Castleberry, "20 Year Plan Staff Recommendations," Memorandum to the Expenditure Plan Development Steering Committee (January 10, 2000); Alameda County Transportation Authority (2000).

In the end, the revised Measure B Expenditure Plan was similar to its 1998 counterpart (see Table 8-5). Individual capital projects received nearly the same level of funding in absolute terms, but spread over 20 years instead of 15. The programmatic spending was roughly the same on a percentage basis, with small increases in the shares going to transit

²⁷³ Christine Monsen and Steve Castleberry, "20 Year Plan Staff Recommendations," Memorandum to the Expenditure Plan Development Steering Committee (January 14, 2000); Benjamin Pimentel, "County explains plans for proposed sales tax money," *San Francisco Chronicle* (January 25, 2000); Lisa Vorderbrueggen, "Alameda panel completes transportation spending plan," *Contra Costa Times* (January 25, 2000).

operations, paratransit, and pedestrian and bicycle projects. However, these small adjustments to the set-aside percentages translated into significant increases in total funding due to the longer duration of the new tax. Thus, while funding for highway and transit capital projects increases only slightly in the new package, funding for the other spending categories rose dramatically.

Table 8-5: Comparison of 1998 and 2000 Expenditure Plans.

Funding Category	1998 Plan		2000 Plan		Change in Funding, 1998-2000
	Projected Funding (\$M)	Share of Total	Projected Funding (\$M)	Share of Total	
Capital: Highway/Arterials	254.0	21.9%	261.6	18.3%	+ 3.0%
Capital: Transit	271.0	23.4%	296.2	20.8%	+ 9.3%
Local Transportation Funds	263.3	22.7%	317.9	22.3%	+ 20.7%
Paratransit	104.5	9.0%	148.6	10.4%	+ 42.3%
Transit Operations	217.3	18.8%	311.9	21.9%	+ 43.5%
Nonmotorized	45.0	3.9%	78.4	5.5%	+ 74.2%
Other Enhancements	3.5	0.3%	6.3	0.4%	+ 79.0%

Source: Author's analysis, based on Alameda County Transportation Authority (1998, 2000).

8.2.7. The 2000 campaign and election.

“If we win, we make history. If we lose, we will have to roll up our sleeves to figure out what will happen to this county with respect to transportation. Nobody can point a finger at another – because we worked together.”

– Jim Earp, California Alliance for Jobs²⁷⁴

The final expenditure plan was unanimously approved by the Expenditure Plan Development Steering Committee in January, by the ACTA board of directors in February, and the Alameda County Board of Supervisors in July. Along the way, it also won approval from every state legislator in the county and all 14 city councils.²⁷⁵ As of late 1999, support for Measure B was in the “low to mid 70%” according to polls commissioned by the Steering Committee. By the time the measure was placed on the ballot, estimated voter support had risen to 81 percent.²⁷⁶

²⁷⁴ Benjamin Pimentel, “Builders’ group, Sierra Club back transit measure/Odd alliance endorses Alameda County tax,” *San Francisco Chronicle* (August 14, 2000).

²⁷⁵ Don Frances, “Rail growth would mean 20 years’ tax/Transportation improvements tied to approval of Measure B,” *ANG Newspapers* (July 28, 2000).

²⁷⁶ Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, “Report of Steering Committee Meeting #30” (December 13, 1999); Sandra Gonzales, “Alameda County half-cent transit tax to appear on November ballot,” *San Jose Mercury News* (July 26, 2000).

Although the expenditure plan fell far short of its demands, BATLUC endorsed the measure and announced plans to campaign on its behalf. One spokesperson for the coalition characterized the plan as “a tremendous victory,” yet acknowledging that “while this program remains primarily a tax subsidy for roads, we feel the gains in funding for improved transportation choices merits our support.”²⁷⁷

Coalition members had promised after the 1998 election to campaign in favor of a measure that met their concerns, and they fulfilled this promise by becoming some of Measure B’s most visible supporters. They showed up in force to voice support for the measure at all city councils around the county. They also distributed flyers at street fairs, spoke to community groups, sent mass mailings, and conducted get-out-the-vote efforts by phone. In a newsletter mailed to coalition members, a leader of BATLUC argued, “If we can continue, as a Coalition, to show our strong support and help pass Measure B in November, we will get all the benefits of the improved expenditure plan. We will also strengthen our ability to get future changes in transportation and land use policies and funding. Additionally, we’ll prove that the inclusion and support of environmental and social justice groups is the only way to win a two-thirds vote on these issues.”²⁷⁸

The California Alliance for Jobs also provided strong support to the measure. A large share of the half-million dollars that the Alliance raised for Measure B came from the development and real estate industries, but through the Alliance, the construction industry and organized labor served as the public face of the business side of the Measure B team.

Even though they had been opponents during the process of negotiating Measure B, and had never spoken directly about how to resolve their differences, BATLUC and the California Alliance for Jobs agreed to campaign together. The California Alliance for Jobs and the Sierra Club made a point of emphasizing that their mutual support for the measure was a sharp contrast to their history of bitter disagreements. Even during the campaign for Measure B itself, they were struggling mightily over two other Alameda County ballot measures that addressed growth management in East County.²⁷⁹

Beyond the organizations comprising BATLUC and the California Alliance for Jobs, the new sales tax proposal won the support of nearly every major civic group in the county. It gained endorsements from the Alameda County Taxpayers Association, the Bay Area Council, 14 local chambers of commerce, the Silicon Valley Manufacturing Group, ten labor groups, eight chapters of the League of Women Voters, nine organizations representing senior citizens and the disabled, several prominent religious leaders, and

²⁷⁷ Lisa Vorderbrueggen, “Environmentalists win support for Alameda County transit tax” *Contra Costa Times* (February 17, 2000); Benjamin Pimentel, “Support builds for transit tax in Alameda County,” *San Francisco Chronicle* (February 25, 2000).

²⁷⁸ “Alameda County Measure B Update.” *Bay Area Transportation and Land Use Coalition Update*, Number 10 (Summer 2000); “Coalition works to push Alameda’s ‘B’ above 2/3 vote,” *Bay Area Transportation and Land Use Coalition Update*, Number 11 (Fall 2000).

²⁷⁹ Benjamin Pimentel, “Builders’ group, Sierra Club back transit measure/Odd alliance endorses Alameda County tax,” *San Francisco Chronicle* (August 14, 2000); Interview A6.

grassroots organizations representing lower-income Latino, Asian, and African-American communities. It was supported by the Alameda Newspaper Group, as well as the San Francisco Chronicle, which had traditionally scorned transportation tax proposals in the East Bay.²⁸⁰

Public agencies, including the Alameda County Transportation Authority, AC Transit, and the East Bay Regional Parks District, also took highly visible roles campaigning in favor of voter approval of Measure B. For example, ACTA produced a 30-minute infomercial on the successes of the first Measure B that aired on local cable systems throughout the county. It also joined all of the business chambers in the county in order to open channels of communication with their members and seek their endorsements. AC Transit posted signs and distributed literature in its buses in support of the measure.²⁸¹

Supporters of Measure B, the “Committee to Save Local Transportation Funding,” marshaled several arguments to support their cause. Their official ballot arguments (signed by two county supervisors, and representatives of the Sierra Club, the Alameda County Taxpayers Association, and the California Alliance for Jobs) emphasized the strong funding commitments made to all transportation modes. They also highlighted the inclusive process through which the proposal was developed, and the breadth of its support. In the media, supporters tended to raise more vivid arguments, such as the potentially disastrous consequences for public transit programs if the set-asides funded by the 1986 measure were allowed to expire, and the risk of the county becoming further mired in congestion if no additional steps were taken. Transit officials spoke of the need for “triage” if the measure were to fail.²⁸² They occasionally went as far as to suggest that the failure of Measure B might even threaten services that had never received funding from the 1986 Measure B, such as the Altamont Commuter Express.²⁸³

There was no organized opposition. There was nominal opposition from a group named Voters Against Special Taxes, but their campaign did not win very much media exposure. Beyond that, a few organizations declined to endorse it. The Rail Passenger Association withheld its endorsement because it felt that the \$165 million earmarked for the Warm Springs BART Extension should be spent on other projects in the corridor.²⁸⁴

The measure did encounter some rough sailing because of its relationship to two other

²⁸⁰ “An Alameda County U-Turn,” Editorial, *San Francisco Chronicle* (October 4, 2000).

²⁸¹ Sean Holstege, “Wrangle over imaginary ballot cash/County officials have wish list if Measure B is approved,” *ANG Newspapers* (December 15, 1999); Interview A5.

²⁸² Ronna Abramson, “Bus lines at mercy of county voters,” *ANG Newspapers* (May 6, 1999); Alameda County Registrar of Voters (2000a); Don Frances, “Rail growth would mean 20 years’ tax/Transportation improvements tied to approval of Measure B,” *ANG Newspapers* (July 28, 2000); Matthew Yi, “Transportation tax initiative gets a big push,” *San Francisco Examiner* (October 18, 2000).

²⁸³ Kara Shire, “Additional ACE route now faces road block,” *ANG Newspapers* (October 9, 1999).

²⁸⁴ Sandra Gonzales, “Alameda County half-cent transit tax to appear on November ballot,” *San Jose Mercury News* (July 26, 2000); Benjamin Pimentel, “Few fight transit tax this time,” *San Francisco Chronicle* (October 17, 2000).

measures on the ballot. Measures C and D were rival proposals dealing with land use issues in the Livermore area. Measure D was sponsored by the Sierra Club, and would permanently protect a large tract of open space north of Livermore, overruling the County's plan for the development of the area. Measure C was an industry-sponsored alternative, which would have allowed the development to go forward, and limited other efforts to protect open space in the area. The heated campaign by the building industry and most of the county's political leadership against Measure D argued in part that it would undermine the possibility of a BART extension to Livermore. Mass mailings against the Measure D resembled a large BART card, and raised the possibility that the public would think that they were sent in opposition to the transportation measure.

Concerns that Measure B could be sunk by voter confusion turned out to be unfounded. Measure B received support from 81.5% of voters, easily surpassing the two-thirds vote requirement in every part of the county. It received its strongest support in the northern cities of Albany, Berkeley, Emeryville, Oakland, and Piedmont, all of which gave over 85% approval. The measure received its weakest (but still overwhelmingly positive) support from the unincorporated townships in the central part of the county (Alameda County Registrar of Voters, 2000b). Measure D, supported only by the Sierra Club and other environmental groups, passed with 57% of the vote.

8.3. Findings and observations.

8.3.1. Participation and leadership.

There is no simple answer to the question of who was behind Measure B, due to the complex and messy process that led to its approval. Back in 1996, when the idea of initiating a planning effort for a new Measure B was first gaining steam, there were several distinct constituencies pushing for renewal of the tax.

The first group behind the tax renewal effort was the coalition that had backed the original measure: the county's real estate, development, and construction industries, as well as South and East county elected officials who tended to be closely allied with them. As they had a decade earlier, these businesses shared a strong interest in promoting projects that would fuel growth and development in the county. But they also recognized that Measure B could not hope to win this time if it again came to be labeled as a developers' boondoggle. To avoid this, the developers (who had been among the most prominent supporters of the 1986 measure) took a back seat and allowed the construction industry and allied labor groups to take the lead role in advocating for the measure. This had the beneficial effect of shifting the debate toward the reliable theme of job creation. Since the construction and labor groups had less vested interest in specific projects than they did in the overall level of capital spending, it also allowed the coalition to avoid internal divisions over which capital projects should have priority.

Another set of constituencies were those fiscally dependent on the 1986 tax. As discussed in Section 8.1, transit operators, paratransit service providers, and local public works departments realized that they would have to undergo painful service cuts if they were to lose their annual subsidies from Measure B. Similarly, the Alameda County

Transportation Authority, the agency established to administer the 1986 measure and due to expire with the tax in 2002, also saw renewal of Measure B as a matter of survival (or at least an affirmation that the 1986 measure had been a success).

These two sets of stakeholders – the growth and labor groups, and the transportation agencies who stood to lose funding if the renewal effort failed – provided an unconditional foundation of support for the Measure B renewal effort. They provided the energy and political support necessary to carry the reauthorization process forward on its four-year journey to voter approval.

Other groups provided more conditional support to Measure B. Advocates of increased spending on transit and paratransit services, and bicycle and pedestrian improvements, jumped at the opportunity to participate in this once-in-a-generation allocation of an important transportation revenue stream. Throughout the four-year reauthorization process, these groups spoke up firmly for their causes, and seemed to be getting their way. Their members were often critical of the planning process while it was taking place, but generally endorsed both the 1998 and 2000 proposals. These groups eventually lent their support and were essential for Measure B's ultimate success, but they were not driving forces behind it.

Environmental organizations never loved any of the incarnations of Measure B, but made a strategic decision to lend their public support to the 2000 measure. Generally, environmentalists saw themselves playing defense against capital projects that facilitated the county's centrifugal patterns of development. They were deeply ambivalent about the construction of major transportation facilities (highways or transit) in the southern or eastern segments of the county, as well as about the principle of using sales taxes to fund highway projects more generally. They were largely unsuccessful in their efforts to set aside a segment of the sales tax revenues to purchase land or development rights in order to preserve open space along key growth corridors. But ultimately, after helping the transit and nonmotorized advocates win higher funding levels, environmentalists decided they did not want to play a spoiler role a second time and lent their support to the plan.

Other groups that supported the process more conditionally were those who only wanted to advance specific projects. Among these were areas that felt they were waiting in line for funding, and feared the door would close just as they reached the front. Several projects promised under the 1986 plan would not be finished due to legal obstacles or a lack of funds: the widening of I-880 near the Santa Clara County line, the construction of the Foothill Freeway, and the re-routing of Hwy. 84 in Livermore. Advocates of those projects hoped that an extension of the tax would enable them to be completed.²⁸⁵ A fourth project, the BART Warm Springs Extension, was contained in the 1986 expenditure plan but not actually promised money. Its supporters felt that they had been promised the project and that their turn to receive funding had come.

²⁸⁵ Boni Brewer, "Measure B runs out of gas on stretch of road projects slated in Alameda County," *Pleasanton Valley Times* (October 29, 1995).

Who provided leadership throughout this process? In this case, credit must be divided between the elected officials and supporting staff who designed and implemented the planning process that brought the expenditure plan to fruition. The leadership role that elected officials provided in this process contrasted sharply with the roles they played in the county's previous sales tax measure. The 1980s effort was largely personality-driven, with elected officials serving as deal-makers and power brokers, and often clashing publicly over the substance of the plan.

In the 1990s, more elected officials were directly involved in the process, and they still formally made all of the key decisions in the plan. They provided leadership by submerging their individual preferences to a shared vision of what the planning process should look like. While it is true that many of the elected officials leading the Measure B effort succumbed to parochialism from time to time, threatening not to support the package unless their favored improvements were included, it is also true that they showed a significant degree of self-restraint. They collectively took the recommendations of the citizens advisory committee seriously, and resisted the temptation to challenge the process from the outside by campaigning for alternative proposals.²⁸⁶

After they created the planning framework, and hand-picked the expenditure plan development committee, the members of the steering committee generally avoided interfering with the EPDC's deliberations. Even when asked by the EPDC for guidance on how to resolve internal debates, the elected officials serving on the steering committee resisted the temptation to weigh in on the debate. They genuinely appeared to buy into the notion that a plan developed by a committee of citizens would have the greatest chance for electoral success. After the 1998 measure failed at the ballot box, elected officials took a stronger role in steering the reauthorization process forward to a second ballot attempt. But even during this process, they sought to protect the compromises and decisions that had been reached earlier by the EPDC.

The professional staff of the Alameda County Transportation Authority, and the consultant they hired to help manage the expenditure plan development process, also played important leadership roles on a day-to-day basis. During the 1997-98 planning process, they provided leadership through procedural guidance and technical analysis that supported, rather than undermined, the role of the EPDC in determining the content of the expenditure plan. In the 1998 campaign, they took a low profile because they were concerned about the propriety of acting in an electoral campaign. During 1999-2000, they were more visibly leading the process, directly engaging all of the competing constituencies in order to assess their interests and demands, and crafting recommendations and compromises that accommodated as many of these as possible. At election time, they were also very active and publicly visible. CMA staff were less visible, but played an important role advising the EPDC on the technical aspects of the transportation problems and projects they were discussing.²⁸⁷

²⁸⁶ Interview A4.

²⁸⁷ Interviews A2, A4, A5.

ACTA staff and its technical consultants scrupulously avoided the appearance of being in the drivers' seat. The role of ACTA staff in 1998 was primarily to answer questions raised by the EPDC, not to impose ideas on the process. Nonetheless, the record suggests that staff at times did seek to steer the process more actively. At one point, the consultant maintained that reducing the capital share of funding below 50% was inadvisable, because previous experience had shown it was difficult to win voter approval for tax proposals with a low capital content. While it is true that the norm among successful measures was below 50 percent, she did not disclose that several counties dedicate a very high share of their funds to programmatic expenses. For example, Imperial County dedicated 95% of its sales tax revenues to local streets and roads funding.²⁸⁸

Another important question is who was able to participate in the planning process. Here, the answer is also complicated. ACTA staff received applications from a total of 84 candidates for membership in the Expenditure Plan Development Committee. Elected officials acting as regional "captains" were asked to choose a total of 40 participants for the committee, based in part on geographic, interest group, modal, ethnic, and gender balance. They had mixed success in meeting some of these objectives, but by other measures balance appears to have been elusive. Geographically, the EPDC did reflect the county's diversity, with 35% of its members associated with North County, and 20-23% associated with the other three sectors. Some 15% of the participants worked in Alameda County, but resided elsewhere. The committee was less balanced demographically – it was 89% non-Latino white and 73% male – reflecting in part the pool of applicants.

When individuals applied for membership on the EPDC, they were also asked to identify the top three modes in which they were interested. Table 8-6 summarizes their reported priorities. It shows that while the committee had a very strong orientation toward freeways as a top-priority mode, it represented a more balanced set of interests if all three top priorities are considered. Either way, it had a very low representation of individuals identifying paratransit, non-motorized transportation modes, or freight as priorities.

²⁸⁸ Interviews A2, A4; Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, "Report of Expenditure Plan Development Committee Meeting #7" (June 25, 1997), p. 9; Crabbe *et al.* (2002), p. 12.

Table 8-6: Modal Priorities on the 1998 EPDC.

Mode	% Listing as top priority	% Listing as one of three top priorities
Auto - Freeway	45.0%	26.5%
Rail	20.0%	26.5%
Auto - Local	12.5%	16.2%
Bus	10.0%	19.7%
Paratransit	5.0%	6.0%
Walk/Bike	5.0%	4.3%
Freight	2.5%	0.9%

Source: Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, "Expenditure Plan Development Committee Composition Matrix," Undated Document.

Table 8-7 examines the membership of the committee based on the professional and civic associations of its members. It shows that the committee drew heavily on constituencies with a strong pro-spending bias in regard to transportation policy.

The largest single group of members was associated with public works agencies of one kind or another, including local public works departments, sanitary districts, the Port of Oakland, and Caltrans. These agencies build and operate infrastructure and many of the individuals associated with them were also closely affiliated with various business groups with an interest in seeing infrastructure expanded.

Table 8-7: Interests Represented on the 1998 EPDC.

Interests	Number
Public Works	9
Businesses/Chambers of Commerce	8
Transportation Interests	6
Consultants	4
Real Estate/Construction/Development	4
Transit Agencies	4
Homeowner/Local Associations	2
City Representatives	2
Civic Groups	1
County Agencies	1
Labor	1

Source: Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, "Expenditure Plan Development Committee Composition Matrix," Undated Document.

Seventeen of the committee members had direct ties to traditional "growth coalition" interests, including business groups, real estate and construction groups, consulting firms, and labor. Advocates of improved public transit or paratransit services were also strongly represented, with six members; as were transit agencies with four members.

However, no representatives of major environmental, low-income advocacy, or land use reform groups were invited to join the committee.²⁸⁹ Of the candidates considered for the EPDC, eight had affiliations with environmental advocacy or bicycle advocacy groups; none was chosen for membership on the committee.²⁹⁰ The only two “environmental” representatives were advocates of more recreational trails, one affiliated with the League of Women Voters, and another with the East Bay Regional Parks District.

Soon after the EPDC was selected, environmentalists complained that the committee was stacked in favor of pro-highways interests.²⁹¹ Representatives of various citizens groups began to call for members of the committee to disclose their personal economic interests in the outcome of the expenditure plan, but these requests were rebuffed by the committee.²⁹²

Overall, the steering committee achieved a measure of diversity in its selection of the EPDC, but only within the range of viewpoints that was consistent with the county’s traditional pro-growth consensus. Individuals who might challenge that consensus – by raising concerns about the consequences of growth, the wisdom of additional transportation expenditures, or the equitable distribution of benefits – were not invited to be committee members.

But these groups were still able to have a significant influence over the final expenditure plan. In the 1998 effort, the meetings of the steering committee and the EPDC were each attended by an average of 27 members of the public, and a significant amount of time was set aside for these attendees to make statements. The very public nature of the process enabled advocacy groups to express their views to the committees and be heard by the media. Following their defeat of the 1998 proposal, the environmental and low-income advocacy groups were invited to enter into direct talks with ACTA staff and the steering committee, and secured changes that enabled them to endorse the 2000 proposal.

²⁸⁹ Environmental interests represented on the committee included the a member of the Walpert Ridge Group (which was dedicated to challenging development proposals at a particular location); a member of Citizens for Eastshore State Park; and a director of the East Bay Regional Parks District.

²⁹⁰ Alameda County Transportation Authority, “Expenditure Plan Development Committee (EPDC) Composition Matrix,” Undated Document; Alameda County Transportation Authority, “Expenditure Plan Development Committee.” (May 8, 1997).

²⁹¹ Catherine Bowman, “Cities, Suburbs, Vie for Transit Tax Funds in Alameda County,” *San Francisco Chronicle* (July 14, 1997).

²⁹² Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, “Report of Expenditure Plan Development Committee Meeting #2” (April 17, 1997); Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, “Report of Steering Committee Meeting #10” (April 21, 1997).

Table 8-8: Results of requests to amend Measure B between 1998 and 2000.

Group	Policy	Cost	Result
East Bay Bicycle Coalition	Bicycle coordinator; master plans; funding for advisory committees; design services; education; injury reporting.	n/a	Yes
	Transportation Enhancement Set-Asides	-	Yes
Bay Area Transportation and Land Use Coalition	Growth Management: 5% Set-Aside	\$58M / 15 yrs	No
	Express Bus Service	\$45M / 15 yrs	Some
	Local Bus Service: Increase AC Transit funding	\$35M / 15 yrs	Yes +
	Increased transit service: ACE & LAVTA	-	Yes
	Increased Paratransit funding in East and South	\$22M / 15 yrs	Yes +
	Warm Springs BART: Broaden options	-	No
	Oakland Airport BART: Broaden options	-	No
Environmental Defense Fund	Reduce highway capital spending	-	No
	High Occupancy Toll Lanes on I-680	-	Yes
California Alliance for Jobs	Extend I-580 Auxiliary Lanes	\$8.4M	No
	Local Capital Projects can be used only for roads	-	No
	Administrative review of transit operations funding	-	No
	Eliminate funding for open space	-	Yes
	Competitive bidding for local projects > \$10,000	-	No
San Mateo County	40% for capital projects	-	Yes
	Dumbarton Rail Corridor	n/a	Yes

*Sources: Letter from Robert Rayburn to Christine Monsen (March 18, 1999);
Letter from Jeff Hobson to Christine Monsen (April 9, 1999);
Environmental Defense Fund (1999b); California Alliance for Jobs (1999).*

Each of the interest groups involved in revising Measure B ultimately succeeded in winning at least part of what they asked for (see Table 8-8).

In some cases, influence can be wielded by groups that aren't even in the room. In the case of the funding allocations for East County, deliberations outside the Measure B process proved to be very influential. These discussions were led by the Tri-Valley Transportation Council, a regional planning group formed by five cities (Danville, Dublin, Livermore, Pleasanton, and San Ramon), and Alameda and Contra Costa counties in 1991. In 1995, the council produced an action plan identifying eleven transportation projects that were in the greatest need of funding. These projects were later nominated for inclusion in the Measure B expenditure plan. The EPDC's recommended project list included only projects contained in TVTC's action plan.

But TVTC's wish list exceeded the available funding, and divisions remained within the group over which projects should be given priority. Between 1995 and 1997, the council debated how to generate funding for its plan, focusing primarily on development fees. Convincing its member cities to enact the development charges proved extremely difficult, and vigorous competition and horse-trading ensued involving anticipated development fee revenues and allocations of funds from the original 1986 Measure B. This struggle to enact development fees came to a head at the same time that the Steering

Committee was finalizing the plan for the new Measure B. Ultimately, a small group of elected officials hammered out a compromise that shifted Measure B funding around in a way that appeared to improve its appeal to the voters, and also resolved the remaining debates within the TVTC.²⁹³

8.3.2. Planning and policy objectives.

Overall, the Measure B reauthorization was characterized by efforts to rationalize the planning process; minimal coordination with other planning efforts; and uneven efforts to address issues of regional interest. The following sections will address these in turn.

8.3.2.1. Rational, structured process.

Each in their own ways, both the 1998 and 2000 reauthorization efforts were deliberate and methodical. In the 1998 ballot attempt, there was a strong emphasis on rationality. But this was not the same engineering-driven rational planning that tends to be used when policy is driven by local public works departments. Rather, it was focused on the single pragmatic objective of winning supermajority voter approval.

On one hand, the Steering Committee paid careful attention to developing a political process that could produce a plan calculated to win broad political support from around the county. Assisted by a transportation consultant and the ACTA and CMA staff, it sought to infuse this process with decision-making criteria that balanced political, qualitative, and technical considerations. This criteria-driven approach was visible in one form or another through every step of the process, from the selection of the EPDC, to the establishment of uniform costing methodologies, to the screening and scoring of projects, to the repeated use of polls.

Yet this emphasis on a criteria-driven approach may not have had much influence in the ultimate project selection and priority-setting process. During the weeks in which the EPDC was developing and debating the contents of the plan, scores earned by proposals in the project selection criteria process were rarely discussed by the participants.²⁹⁴ Furthermore, as shown in Table 8-9, the projects included in the final 1998 expenditure plan did not earn scores that were significantly higher than those that were rejected. There was a negative association between project selection scores and inclusion in the final expenditure plan in Central County, a weak but significant positive association in North County, and a stronger positive association in the south and east.

²⁹³ Lisa Vorderbrueggen, "Traffic forum seeks fixes," *Pleasanton Valley Times* (October 7, 1996); "Alameda County raises its share to ensure I-580/680 improvements," *Pleasanton Valley Times* (July 9, 1997); Lisa Vorderbrueggen, "Tax use, road projects at crux of debate" *San Ramon Valley Times* (December 10, 1997); Sean Holstege, "Traffic planners seem ready to compromise: cash sources may be pooled," *ANG Newspapers* (December 10, 1997); Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, "Report of Expenditure Plan Development Committee Meeting #18" (December 15, 1997), p. 5.

²⁹⁴ Minutes of EPDC meetings and sub-area group sessions.

Table 8-9: Scores for projects evaluated in the 1998 planning process.

Region	Number of projects	Mean Score of Projects		Are the scores of the selected projects significantly higher?*
		In Plan	Not In Plan	
Countywide	94	61.7	54.1	No
North County	37	73.0	55.1	Yes
Central County	19	48.0	66.6	No
South County	17	77.3	54.3	Yes
East County	15	66.0	40.9	Yes

** Based on a small-sample differences of means test, at a 95% confidence level.*

Source for project scores: Bonnie Weinstein Nelson, "Final Project Scores," Memorandum to the Measure B Reauthorization Steering Committee (October 9, 1997).

In the 2000 ballot attempt, an equal degree of thoroughness and comprehensiveness was applied to the task of broadening the political base for the proposal. Starting from the premise that it should "do no harm," the Steering Committee carefully explored strategies for reducing opposition or ambivalence to the tax without sacrificing any of its previous support. This appeared to be a difficult balancing act, since the demands of the measure's former opponents were to reduce the overall level of capital spending in the measure, a move that would undermine Measure B's base of support in the construction and development industries. In retrospect, once the voters gave the measure 81% support, it became clear that there was a broader margin for error than had been apparent at the time.

From the beginning of the process, geographic equity was a central concern. From its first meeting, the Steering Committee was concerned with resolving questions of "how to distribute funds equally around the county, [and] how to geographically breakup [sic] the projects."²⁹⁵ Initially, geographic fairness was one issue of many. However, it quickly shifted from a matter of concern to an organizing principle for the whole enterprise. Concern over geographic equity evolved into geographic self-determination.

A first step in this direction was taken when the Steering Committee designated regional "captains" to choose EPDC members from their areas. The record is unclear as to why this step was taken. It wasn't necessary to ensure balanced geographic representation, since ACTA staff could do this on its own. More likely, elected officials wished to exert a degree of control over the screening process in their areas. Or perhaps the elected officials simply wanted to lend ACTA their insights into the personalities involved in their communities.

This step was soon followed by others that increasingly devolved decisions to geographic sub-areas. In a memo identifying issues that the Steering Committee needed to address, the directors of the county's two transportation agencies asked,

²⁹⁵ Alameda County Transportation Authority and Alameda County Congestion Management Agency Measure B Reauthorization Steering Committee, "Report of Meeting: Monday, July 15, 1996," p. 4.

“How should the project/project selection process address geographic equity? Should the process rely on the CMA’s planning areas approach, as has been agreed to for the selection of members of the Expenditure Plan Development Committee (EPDC)? If so, should each area be given the equivalent of a budget? If not, what other approach might be used?”²⁹⁶

Initially, this question was resolved in the direction of a regional approach:

“Members concluded there should be a regional concept, that each of the cities need to concur with the project/program list and that the list needs to meet the needs of all residents.”²⁹⁷

In giving instructions to the EPDC, the Steering Committee placed a bit more emphasis on local priorities, but did not specify regional self-determination of projects:

“...the EPDC is to keep in mind the needs of the various areas of Alameda County and to attempt to distribute projects/programs equitably throughout the county while at the same time providing a cohesive plan for improving transportation services.”²⁹⁸

The written record and the interviewees’ memories are unclear as to how the decision was made to break the EPDC into planning area subcommittees. It is unknown how the issue was placed before the county’s standing technical advisory committee (made up of local engineers), which recommended it to the EPDC. Regardless, it seems clear that this important decision was not based on any formal guidance from the Steering Committee.

Whatever its origin, this decision helped minimize local opposition to the plan by funding locally-favored priorities. However, this lack of concentrated opposition may have come at a certain cost. Having each area rather than the county as a whole select the capital projects meant that the projects with greatest overall support were not necessarily included in the plan, which could have tempered the level of support that the measure experienced countywide.

8.3.2.2. Minimal coordination with external planning efforts.

Another characteristic of the planning process for Measure B was its relative isolation from the swirl of related policy debates going on around it.

The Metropolitan Transportation Commission had no formal role in shaping Measure B.

²⁹⁶ Dennis R. Fay and Vincent J. Harris, “Project & Project Selection Process Issues,” Memorandum to the Measure B Reauthorization Steering Committee (September 10, 1996).

²⁹⁷ Alameda County Transportation Authority and Alameda County Congestion Management Agency Measure B Reauthorization Steering Committee, “Report of Steering Committee Meeting #3” (September 16, 1996), p. 2.

²⁹⁸ Measure B Reauthorization Steering Committee, “Conceptual Framework for use by Expenditure Plan Development Committee (EPDC).” (October 21, 1996).

When the 1986 measure was enacted, the state authorizing legislation (Public Utilities Code §130000) required MTC approval of the plan's financial plan before it could be placed on the ballot. But in 1998, the Steering Committee opted to use more recent legislation (P.U.C. §180000) that bypassed the MTC and provided greater flexibility in other ways.²⁹⁹

Furthermore, the Steering Committee initially overlooked the possibility that MTC might play an advisory role in the process. In establishing the EPDC's conceptual planning framework, the Steering Committee specified that the EPDC "may receive recommendations" of potential projects from the Congestion Management Agency, the Economic Development Alliance for Business, cities, counties, transit agencies, and the Tri-Valley Transportation Council, but did not name MTC or its plans as potential sources of project ideas.³⁰⁰

Nonetheless, MTC did have some opportunities to present its views on selected issues. MTC's executive director spoke to the Steering Committee in September 1996, and urged that any new sales tax continue to provide strong support for transit operations and local street funding. He also emphasized the importance of capital funding for transit system rehabilitation (e.g. BART seismic retrofit upgrades) rather than system expansion.³⁰¹

The first time MTC addressed the EPDC was in August 1997, when it briefed the committee on "Track 2," the agency's regional priority list for unfunded transportation improvements. MTC urged that the new Measure B prioritize three projects that were incompletely funded by the 1986 measure: the Route 84 realignment through Livermore; the Hayward Bypass; and the Warm Springs BART extension.³⁰² The MTC also offered ACTA some guidance on what its priorities should be in the expenditure plan reauthorization process: system maintenance; operational efficiency improvements; community enhancements; and flexible set asides (especially transit and paratransit operations).

But there was little to no interaction between the Measure B planning process and MTC's various planning efforts. Back in 1986, MTC's Resolution 1876 gave the Dublin BART extension priority over the Warm Springs extension, which may have helped East County

²⁹⁹ Bertha A. Ontiveros, Letter to Vincent J. Harris and Dennis Fay (March 21, 1996); Alameda County Transportation Authority and Alameda County Congestion Management Agency Measure B Reauthorization Steering Committee, "Report of Steering Committee Meeting #19" (December 22, 1997).

³⁰⁰ Measure B Reauthorization Steering Committee, "Conceptual Framework for use by Expenditure Plan Development Committee (EPDC)." (October 21, 1996).

³⁰¹ Alameda County Transportation Authority and Alameda County Congestion Management Agency Measure B Reauthorization Steering Committee, "Report of Steering Committee Meeting #3" (September 16, 1996), p. 1.

³⁰² Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, "Report of Expenditure Plan Development Committee Meeting #11" (August 27, 1997), pp. 3-4.

officials prevail in winning priority for the Dublin extension in the first Measure B.³⁰³ However, in 2000, MTC's Bay Area Transportation Blueprint process had no real interaction with the planning for Measure B.³⁰⁴

Similarly, ACTA (and therefore the Measure B reauthorization process) did not participate in MTC's "Bay Area Partnership," which was established to forge consensus on transportation priorities for the region.³⁰⁵ The Partnership included all of the region's major transit agencies and congestion management agencies. But as an autonomous transportation sales tax authority, ACTA was excluded, perhaps because they did not operate infrastructure and were not perceived to have planning responsibilities.

The exception to this pattern was the interaction between Measure B and the Tri-Valley Transportation Council's development fee, which was described in the previous section. In this case, both planning efforts were working independently to resolve funding issues for the same projects. Elected officials developed a proposal that helped the two groups coordinate their efforts.

8.3.2.3. Uneven efforts to address issues of regional interest.

Measure B achieved mixed success in addressing transportation needs of a regional nature. Regionalism was never an important factor in the EPDC's deliberations, but several of the largest capital projects funded by the plan do address regional issues. Many of these projects involve direct coordination with other jurisdictions, whether due to direct policy coordination (as with the Altamont Commuter Express and the Dumbarton Rail Corridor projects), or simply fortuitous timing (as with the Warm Springs BART Extension and Santa Clara County's San José BART Extension). Others, such as the commitment of funds for new countywide express bus services, were regional in scope but could be enacted without inter-county coordination.

However, other projects of regional significance were overlooked. A prime example of this was the BART Seismic Retrofit Project, which received no first-tier funding from Measure B despite strong support from MTC, environmentalists, and several members of the EPDC, as well as very high polling results. Ultimately, the consultant said that the project was difficult to score because it received no letters of support from BART, was not a significant new facility, and provided no congestion relief.³⁰⁶

The Dumbarton Rail corridor was rejected in the initial screening process because it wasn't proposed by an agency that could sponsor it. It was not included in the 1998 plan, but was ultimately added to the 2000 plan after the project started to gain momentum in

³⁰³ Interview A4.

³⁰⁴ *Ibid.*

³⁰⁵ Interview A5; Innes and Gruber (2001).

³⁰⁶ Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, "Report of Expenditure Plan Development Committee Meeting #9" (July 23, 1997), p. 5.

San Mateo County and it scored high in polls of Alameda County voters. At the time the Dumbarton Rail project was added to the plan, some Steering Committee members saw it as an opportunity for the county to demonstrate regional leadership.³⁰⁷

Several other projects that were prominent in contemporary policy debates and would benefit Alameda County residents, but were not seriously considered for funding by Measure B. These included the proposal to build a fourth bore for the Caldecott Tunnel (an important bottleneck impacting Alameda County reverse commuters), the construction of a new San Francisco Bay Bridge, and a plan to modernize and expand the regional ferry system as a strategy for congestion relief. All of these projects were seen as the responsibility of the state or MTC, even though Alameda County residents would be among the greatest beneficiaries of these projects.

Overall, two factors appeared to determine the extent that the Measure B process was able to address regional transportation concerns. First, in several cases, projects were overlooked due to the lack of a strong sponsor for the project. This is what happened with the BART Seismic Retrofit Project, which was not funded in part because the BART leadership saw system expansion as a greater priority. This is also what caused the Dumbarton Corridor project to be rejected initially. While the Measure B decision-makers were comfortable allocating funds, they were clearly uncomfortable telling other agencies that they should modify their priorities.

The second factor was the participants' sense of the county's self-interest. They were very concerned with congestion faced by county residents, but were much less concerned by inconveniences to non-county residents traveling into Alameda County. Thus projects that affected commutes between Alameda and San Mateo counties (e.g. the Dumbarton Corridor) or between Alameda and Santa Clara counties (e.g. Altamont Commuter Express) were seen as benefiting the county, while projects involving the border with Contra Costa County (e.g. the Caldecott Tunnel) were not.³⁰⁸

*

Although the possibility of using Measure B funds to limit urban sprawl was discussed from the earliest days of the reauthorization effort, growth management was another key issue that Measure B did not successfully address. In 1995, two county supervisors began meeting with ranchers and environmentalists to float a proposal to use a portion of tax revenues to purchase conservation easements on agricultural land near Livermore. The theory behind this measure was that protecting open space would mitigate the growth-inducing effects of transportation investments, but the political motivation was that "if the environmental community sees a benefit in preserving open space, it may help

³⁰⁷ Sean Holstege, "Wrangle over imaginary ballot cash/County officials have wish list if Measure B is approved," *ANG Newspapers* (December 15, 1999).

³⁰⁸ Lisa Vorderbrueggen, "Oakland-area officials seek solution to tunnel traffic problems," *Contra Costa Times* (December 18, 1999).

pull the vote up.”³⁰⁹ The environmental community embraced this concept, and pushed hard for it throughout the 1998 campaign.

Opponents argued that the small amount of money involved “isn’t going to buy you anything and it will take away from other more easily identifiable projects.”³¹⁰ The California Alliance for Jobs strongly opposed growth management funding because it would take funds away from capital projects. The counsel to the reauthorization process tried several times to throw cold water on the possibility of using funds for open space purchases, and while some of his legal theories were flawed, they did weaken the EPDC’s support for including open space purchases in the expenditure plan.

The 1998 measure reserved only a tiny fraction of its budget for open space purchases, not enough to purchase conservation easements over an area of any significance. On balance, environmentalists felt the development-inducing effects of Measure B far outweighed any conservation protections these funds could provide. Concerns over sprawl became one of the primary reasons environmentalists opposed Measure B in 1998. By the 2000 measure, funding for open space purchases was dropped entirely, replaced instead by a small pool of funding to encourage development near transit stations. Despite this backsliding on what they had previously identified as a critical issue, environmentalists ultimately supported the new Measure B because of the higher levels of support it provided to public transit operations.

This result is noteworthy for several reasons. First, the political consensus in the county was beginning to turn toward policies that required stronger linkages between transportation and land use. Even BART, which as a transit agency had no direct mandate for addressing land use policies, was interested in linking its policies better with land use. Its board adopted a policy that called for any future extensions to be preceded by the adoption of supportive local land use plans. These policies were opposed by elected officials in the affected areas, including some who were leading the Measure B reauthorization process.³¹¹ But elsewhere in the county, they had strong political support.

Second, during the four years over which Measure B was being planned, debates over land use issues in the region grew heated, particularly in relation to growth in the Tri-Valley area (including eastern Alameda County). The issues brought environmentalists and developers into direct and sharp conflict, even as they cooperated on the development of a transportation sales tax proposal. The Sierra Club and other environmental groups placed “CAPP initiatives” on the November 1999 ballot that would have prevented large subdivisions in four Tri-Valley cities (Livermore, Pleasanton, San Ramon and Danville) without voter approval, sharply curtailing the pace of development of these areas. All four of these measures were vigorously opposed by business groups and elected officials,

³⁰⁹ Alameda County Supervisor Gail Steele as quoted in Boni Brewer, “County will weigh using sales tax to halt development,” *Pleasanton Valley Times* (April 27, 1995).

³¹⁰ Boni Brewer, “Panel says transit tax won’t fund open space,” *Pleasanton Valley Times* (May 15, 1997).

³¹¹ Leslie Mladinich, “BART demands ‘smart growth’/Housing part of future extensions,” *ANG Newspapers* (July 16, 1999).

and were defeated by the voters.

Environmental groups quickly returned with two other measures for the November, 2000 ballot. The most far-reaching of these was Measure D, sponsored by the Sierra Club, which would amend the county general plan to rezone over 150,000 acres slated for development near Livermore and Castro Valley. The second ballot proposal, Measure M, would place a 30-year urban limit line around the City of Dublin. Both of these measures won voter approval, as did another urban growth boundary around the nearby City of Danville in Contra Costa County. But despite the Sierra Club's close involvement in both Measure B and Measure D, there was no discussion within the organization of how to make Measure B better reflect the group's goals for East County.³¹²

Other efforts to broaden the debate beyond traditional transportation concerns also met with mixed success. In the discussions leading up to the 2000 measure, Jerry Brown, a new member of the steering committee by virtue of his recent election as Mayor of Oakland, requested information on how the alternative plans compared according to various performance measures, including air quality impacts, and the relative cost-effectiveness of the transportation projects. Staff showed no interest in undertaking a detailed evaluation of this kind at such a late stage. Instead, they reported on an analysis MTC had done on its own plan, showing negligible differences in emissions among three different planning scenarios, and concluded that "air quality [could] not be used as a measurable tool" in developing the expenditure plan.³¹³

³¹² Interview A6.

³¹³ Christine Monsen and Steve Castleberry, "Air Quality Analysis." Memorandum to the Expenditure Plan Development Steering Committee (May 31, 1999); Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, "Report of Expenditure Plan Development Committee Meeting #25" (April 19, 1999), pp. 4, 7; Alameda County Transportation Authority and Alameda County Congestion Management Agency Expenditure Plan Development, "Report of Expenditure Plan Development Committee Meeting #27" (June 21, 1999).

9. Conclusions.

This study has examined in depth the planning processes for four transportation sales tax expenditure plans in the San Francisco Bay Area. Each of the four case studies concluded with a discussion of who participated in the planning process; who provided leadership, funding and political support; what consideration was given to regional perspectives; how policy objectives were considered in the planning process; what consideration was given to other ongoing planning processes; and how decisions were ultimately made. This concluding chapter summarizes the findings of these four case studies, and considers their implications for transportation planning more generally.

First, a caveat is in order. The qualitative, case-based methods employed in this study have enabled us to gain deeper insights than would have been possible with a larger-sample study. However, they limit the generalizations we can make about the broader population. We can neither conclude that we have witnessed the full range of experience developing local transportation tax expenditure plans, nor that the patterns we have found are in any way typical. We can only demonstrate that the observed dynamics are within the range of possibility, and examine whether this possibility is adequately explained by existing theory.

9.1. How did various groups participate in the planning efforts?

9.1.1. Elected officials.

Most counties in California lack an elected executive, so no single elected official is in a position to lead the entire county toward a particular policy vision. Instead, that leadership role is often taken on by one or more county supervisors. While their mandates and perspectives come from the local areas they represent, supervisors often take an interest in attempting to provide countywide leadership. Occasionally, mayors and other local elected officials attempt to do the same, but they are often confronted by skepticism that their motives are parochial.

Santa Clara County's Measure A (1984) was developed and advanced by a very small circle of participants. Among the county's elected officials, a single county supervisor was responsible for developing the proposal, and another supervisor and the mayor of San José joined her in the effort to build political support for it. Other local elected officials were able to influence only the final stage of the planning process, the determination of how the new transportation sales tax authority would be governed.

Alameda County's first Measure B (1986) involved a greater range of participants, but on the political front, there were three primary leaders. The key figure was a supervisor who shepherded the sales tax proposal through its planning and political hurdles, and served as the main public face of the planning effort. The campaign to win public support for the measure was co-chaired by the mayor of the county's third-largest city, and another county supervisor. Beyond these three leaders, several other supervisors, mayors, city councilors, and even members of the state assembly played active roles in the public debates and back-room politicking that produced the final spending package. But many

were ambivalent about or opposed to the final package.

Contra Costa County's Measure C (1988) went through several phases of development, each with a different role for elected officials. On the initial trip to the ballot, the planning process was largely driven by three members of the Board of Supervisors, along with the mayor of the county's largest city. They established an advisory committee consisting of elected officials and interest group representatives. This committee had a difficult time winning public confidence and reaching internal agreement because of the perception that it was too heavily weighted toward pro-development interests.

Ultimately, many of the key decisions about the plan were not made by the elected officials, but rather a subcommittee of public works staff. Elected officials provided stronger leadership during development of the 1988 measure. This time around, they nearly doubled the number of city representatives on the steering committee, in the hope that this would ensure stronger local support for the final plan. Two of the supervisors took the lead in inviting the former chair of the opposition campaign to become the chair of the new citizens advisory committee. Through the establishment of these committees, and through informal negotiations, these supervisors forged many of the compromises needed to win broader support for the tax proposal.

Elected officials displayed similar forms of leadership in Alameda County's second Measure B (2000). More politicians were directly involved in this process than were in its predecessor, and they still formally made all of the key decisions in the plan. But the leadership they provided took the form of submerging their individual preferences to a shared understanding that the planning process needed to be led by a group of citizens to be successful. After the 1998 measure failed at the ballot box, elected officials took a stronger role in steering the reauthorization process forward to a second ballot attempt. But even during this process, they sought to protect the compromises and decisions that had been reached earlier by the citizens' committee.

Several individuals interviewed for this study noted a shift in the role of elected officials in the selection of transportation projects between the mid-1980s and the late 1990s. One suggested that the proliferation of transportation governing authorities – for local transportation sales tax measures, congestion management agencies, sub-county planning units – significantly increased the number of elected officials involved in transportation decision-making. This didn't make the overall process more or less political, but rather diffused the power to determine investment priorities more broadly, making the exercise of raw political power by a single local elected official less common. There are, of course, still exceptions to this governance-by-committee. Santa Clara's 30-year sales tax extension, adopted in 2000 to extend BART to San José, in many ways echoed the development of the 1984 measure. Without public hearings or the approval of the Board of Supervisors, the mayor of San José, the Valley Transportation Authority, and business leaders pushed an expenditure plan onto the ballot. Despite strong opposition from environmental groups and several elected officials, the measure was overwhelmingly approved by voters. But the cases described here in Alameda and Contra Costa counties suggested a trend toward different forms of leadership by local elected officials that will not easily be reversed.

Altshuler and Luberoff (2003) also note the critical entrepreneurial roles played by public officials:

“Even when others initiated, they commonly took the lead in crafting strategies, tactics, and plans; in lobbying for federal and state aid; in securing other types of needed legislation; in obtaining regulatory permissions; and in dealing with project critics” (p. 224).

They also note that not every project had a highly visible public sector advocate (p. 227). This is also consistent with the findings in this study, that one of the most important forms of leadership in the context of these voter-approved taxes may be to maintain a low profile and seek to prevent interference with the consensus-building process.

9.1.2. The business community.

In all four cases, the local business community was a primary force in advancing the transportation sales tax. The makeup and motivations of these business coalitions varied from case to case, as did the methods by which they wielded influence.

Silicon Valley’s cluster of large high-technology employers was responsible for putting Measure A on the political agenda. Acting through the umbrella of the Santa Clara County Manufacturing Group, these businesses pushed the county to finance its own transportation projects because they felt it was necessary to protect their ability to recruit and retain a competitive workforce. The leader of this group literally sat at the table when the plan was produced – he co-wrote it at a breakfast meeting with a county supervisor. The Manufacturing Group took the lead in advocating for the plan by reaching out to local governments, the media, and their own employees. Other businesses, including real estate, construction, banking, and labor were strong financial backers of the initiative, but did not play a role in designing the measure and kept a low profile in the campaign. The San Jose Mercury News became a prominent booster of the proposal.

The 1986 Measure B was primarily driven from outside the county’s core, by the real estate, construction, and development industries and elected officials from the county’s southern and eastern suburbs. The developers favored the tax because they wanted to foster growth in these areas, and to ensure infrastructure would be to support the investments that they were making. They selected a flagship project that could galvanize support for a tax increase, conducted extensive polling, supplied staff to assist with the early stages of the planning effort, and provided the bulk of the funding for the eventual ballot campaign. Development of a specific expenditure proposal was supervised by the Alameda Countywide Transportation Committee, which consisted of 35 public officials and citizen appointees. Overall, the membership on this committee was strongly weighted to real estate, construction, and business groups that had a significant stake in the outcome of the proposal. Measure B won endorsements from many of the county’s chambers of commerce, but was opposed by its major newspaper chain.

The main impetus for Measure C came from the Contra Costa Council, which included the county’s real estate, development and construction industries, as well as the county’s

major newspaper chain and other pro-growth interests in the county. Development in the central part of the county was at a different stage than that in Alameda County's suburbs, so the developers' interest here was different: they wanted sales taxes to address the county's growing traffic problems, in order to stave off opposition to additional growth, and spare themselves from the possible imposition of burdensome development fees. During the first ballot effort, the development and construction communities were heavily represented on the transportation advisory committee and were said to dominate its agenda. During the 1988 effort, the representation of these interests on the advisory committee was balanced by the inclusion of growth control advocates, and they kept a lower profile. But the development community was the primary political and financial sponsor of both campaigns.

The effort to renew Alameda's Measure B was backed by the same business coalition that had supported the original measure: the county's real estate, development, and construction industries, as well as South and East county elected officials who tended to be closely allied with them. But this time the developers took a back seat and allowed the construction industry and allied labor groups to take the lead role in advocating for the measure. This had the beneficial effect of shifting the debate toward the safer theme of job creation and freed the business coalition to focus on general principals rather than which specific corridors should be targeted. It is unclear whether this was a purely tactical move, or whether it truly represented the emergence of the construction industry as a distinct voice in local transportation finance debates. Among the 40-member citizens' committee that developed the expenditure plan, 17 members had direct ties to traditional "growth coalition" interests, including business groups, real estate and construction groups, consulting firms, and labor. The business groups didn't fund a very aggressive campaign in 1998, but did raise considerable funds for campaigning in 2000.

In each case, business groups were the lead constituency for the tax, but there was no clear pattern as to which sectors took the lead. Over time, the business community grew increasingly sophisticated in its message and its communications strategy with the public (except in Santa Clara, where by the mid-1980s, the business community was already fairly experienced in addressing these types of issues).

These findings are consistent with the findings of Altshuler and Luberoff that proposals for major infrastructure projects are "almost invariably led by business," and generally never succeed in the face of business community opposition (2003, p. 222).

9.1.3. Civic and advocacy groups.

The time period spanned by this study coincided with the development and maturation of a new community of transportation-focused civic organizations in the San Francisco Bay Area. In the early 1980s, the Sierra Club may have organized to block a particular freeway proposal, or the League of Women Voters may have taken a public stand on a particular transportation ballot measure, but none of these groups featured ongoing campaigns focused on the region's transportation planning process. By the late 1990s, new transportation civic groups were emerging and growing increasingly sophisticated at forging nontraditional coalitions and influencing complex planning processes. At the

same time, the public's expectations were rising about the degree of public consultation and involvement that should be incorporated into the planning process.

The backers of Santa Clara County's 1984 Measure A made little effort to draw civic groups and stakeholders into the planning process. Because automobile dealerships had successfully mobilized to defeat Orange County's sales tax proposal earlier that year, Measure A boosters worked preemptively to reach out to dealerships in Santa Clara County to win their support. Environmental groups and other citizens organizations were not seen as a threat, and no effort was made to bring them into the coalition. As a result, many civic groups – including the Sierra Club, the American Association of Retired Persons, the county Republican Party, United Taxpayers, and other groups – ended up opposing the measure.

The 1986 Measure B was similarly developed behind closed doors. Projects were formally nominated for inclusion in the expenditure plans at public hearings, but most of the real decisions were made out of the public eye. There was some civic participation on the committee that was charged with drafting the plan (one Sierra Club member, one Oakland community activist, and one representative of a suburban homeowners association), but most of the key decisions about the plan were made before this committee even convened.

The surprise defeat of Measure C by an ad-hoc group of slow-growth activists in 1986 led to greater citizen involvement in the development of the 1988 proposal. On Measure C's initial trip to the ballot, the advisory committee included only representatives from the League of Women Voters and the East Bay BART Coalition in addition to several elected officials and individuals with ties to the development industry. The new advisory committee created to develop the 1988 measure included representatives nominated by business, development, environmental, slow growth, senior citizens, labor, and taxpayers groups. Committee membership also drew upon the emerging civic community that formed around efforts to revise the county's land use plan. The activist who led the effort to defeat Measure in 1986 was made chair of the committee, and he and other former opponents played major roles in shaping a new measure they could support.

The second Alameda County measure needed to win approval from two-thirds of voters, and its approach to including the public was shaped by this difficult challenge. The two main committees developing the expenditure plan encouraged public participation by holding meetings throughout the county and including ample time for the public to speak. The very public nature of the process enabled advocacy groups to express their views to the committees and be heard by the media. The citizens advisory committee itself was chosen to be representative of many of the transportation interests within the county, but did not explicitly include representation of the county's major civic groups. Some committee members had affiliations with the Economic Development Alliance for Business, Gray Panthers, United Seniors, the League of Women Voters, the Sierra Club, and the Regional Alliance for Transit, but could not necessarily speak for these groups. Other organizations – including groups representing bicyclists and pedestrians, land use reformers, bus riders, and the economically disadvantaged – had no members on the committee at all. They organized independently and attempted to influence the process

by actively participating in public hearings and occasionally engaging in political theater. After Measure B failed in 1998, several of these groups formed a new coalition that directly negotiated changes in the expenditure plan. They were not entirely successful in winning their agenda, but they followed through on a political pledge to campaign vigorously on the revised measure's behalf.

These four cases exhibit evidence of a trend over time toward increased citizen and civic group participation in the planning process. While it is also possible to muster other circumstantial evidence of this trend over time, caution should be used in how this is interpreted. Clearly the political culture shifted in Alameda County between 1986 and 2000, but these changes have not necessarily been universal. As mentioned earlier, the Santa Clara County sales tax effort in 2000 saw a transportation sales tax placed on its ballot without any extensive public involvement, and over the objections of its Board of Supervisors and the environmental community. Yet like the Alameda County measure, it too won overwhelming voter approval.

Environmentalists struck similar deals in Alameda and Contra Costa counties: they dropped their hopes for the new sales taxes to help fund land conservation efforts, and their objections to major growth-inducing capital projects. In exchange, they won significant funding increases for transit operations. In both cases, environmentalists successfully bet on separate ballot measures that addressed their open space concerns more directly. In Contra Costa, they won the additional prize of a new comprehensive growth management planning process, but soon came to realize that this process was easily abused and would have little measurable environmental benefit. Nonetheless, in both counties, they have learned to play proactive roles in seeking allocation of funds toward projects they support – transit, bike facilities, open space, concentrated housing – while accepting spending on projects that they do not. This finding runs counter to Altshuler and Luberoff's (2003) findings that these groups “pay little attention except when threatened” and “rarely constitute an alternative basis for positive or enduring political leadership” (p. 259).

9.1.4. Professional planners and engineers.

Technical experts and public agency staff also played varying roles in the four cases. The time period spanned by this study featured a rapid evolution in the roles of local public agencies in decision-making, due to the passage of landmark federal and state transportation planning legislation.

The basic features of Santa Clara's Measure A plan were sketched out by a county supervisor and the leader of the county's major business group, based on their shared understanding of the county's most congested commuting corridors. A consultant with technical expertise was brought in later to determine how much revenue the sales tax could be expected to generate, and the specific improvements that could be funded from this revenue stream. There was no involvement by county planning or engineering staff in this process. At the same time the expenditure plan was being developed, an ambitious effort was underway to develop the county's first comprehensive transportation and land use plan, but there was no interaction between the two efforts and the larger planning

effort was soon abandoned.

The earliest stages of the development of the 1986 Measure B involved a county supervisor conferring with a handful of advisors through telephone calls and a few group meetings. In addition to several political aides, a mayor, and a developer, this informal group included a transportation consultant and the chair of a city transportation commission. The inclusion of these experts helped the supervisor sketch the outlines of a realistic expenditure plan before the public process got underway. When the countywide transportation committee was convened, it was staffed by political aides to the elected officials involved, rather than by planning or engineering staff. The main exception was the finance subcommittee, which relied on consultants and technical staff to determine how many projects the sales tax could support, and to filter out proposals that could not be constructed within the expected time frame and budget of the expenditure program. The countywide transportation committee did include representatives of AC Transit, BART, the Port of Oakland, and Caltrans, but these participants mainly provided details of their own proposals rather than analysis of the expenditure plan overall.

In Contra Costa's planning effort, there was an even greater degree of leadership played by planning and engineering professionals. On the initial trip to the ballot, the transportation advisory committee was unable to resolve internal disputes, and decided to delegate project selection to a subcommittee of county and local transportation engineers and city managers. This group prioritized projects using technical criteria, and also relied heavily on the results of opinion polling. Although there was extensive consultation with local officials, county engineering staff largely shaped the plan and tried to focus it on projects of regional significance. The substance of Measure C was important because it codified a trend that had been taking place within the county for some time—the delegation of decision-making to the subcounty level. Measure C gave each of four regional transportation planning committees (RTPCs) the responsibility to develop level-of-service objectives and transportation priority lists, which would then be filtered up to the county level.

By the late 1990s, the Alameda County Transportation Authority and the Alameda County Congestion Management Agency were both professionally involved in, and stakeholders in the renewal of Measure B. ACTA and hired consultants played central roles in the 1997-98 expenditure plan development process, by providing the citizens committee with procedural guidance and technical support. When the campaign began, they kept a low profile because they were concerned about the propriety of taking an advocacy position in a political campaign. During 1999-2000, the professional planners were more visibly leading the process, directly engaging all of the competing constituencies in order to assess their interests and demands, and crafting recommendations and compromises that accommodated as many of these as possible. At election time, they were also very active and publicly visible. CMA staff were less apparent, but played an important role advising the EPDC on the technical aspects of the transportation problems and projects they were discussing.

Other public employees also weighed in on Measure B. As discussed in Section 8.1, some transportation agencies, notably AC Transit and the paratransit service providers,

realized that they would have to undergo painful service cuts if they were to lose their annual subsidies from Measure B. They were very active in the planning process and took strong public positions in favor of the measure, both in the media and through direct outreach to their customers. The East Bay Regional Parks District was also active in the plan development process.

In the 1980s cases, consultants and public works staff generally played a supporting role to the elected officials making the important decisions. The exception was in Contra Costa county, where local transportation engineers helping to depoliticize the project selection process, and county staff later helped to broker the compromises that led to the measure's success in 1988. In Alameda County's second Measure B, the county transportation authority's staff and hired consultants took professional responsibility for the stewardship of the decision-making process. Among the cases examined here, this was the first time planners were formally given such a central role.

One interviewee made a more general observation about transportation programming in the Bay Area that is consistent with this conclusion. In the 1980s, when transportation projects were selected on the basis of more engineering-driven criteria, county or local public works engineers would redefine their projects to maximize their evaluation scores. They would work aggressively to prepare strong funding proposals and submit them to funding agencies early. Agencies with the skills and inclination to game the system tended to be rewarded. Under the new process, there is less opportunity to "steal" funding from other areas. The criteria used in the process may have become less rationally-based, but the process itself has become more rational and more fair. This shift reflects the rising role of planners in the project selection process.

9.1.5. Opponents.

All four transit tax measures faced some opposition, but the nature of the opponents and their level of organization varied from case to case. In Santa Clara County, opposition to Measure A was spread thinly and broadly across the political spectrum. The most powerful opponents – the Sierra Club, the county Republican Party, and the American Association of Retired Persons – did not campaign actively against the tax, leaving smaller groups such as the Modern Transit Society, the Committee for Green Foothills, and United Taxpayers as the lead voices against the measure. Three of fifteen city councils also declined to endorse Measure A.

Opponents of the first Measure B similarly lacked organization. Other than a small handful of groups speaking out against the measure (the Coalition for Accessible Transportation, the Hayward Democratic Club and the Hayward Area Planning Association), most of the opponents acted as individuals. Because the plan was perceived to be less sprawl-inducing than its 1986 companion measure in Contra Costa County, the Sierra Club, People for Open Space, and the Greenbelt Congress decided not to oppose it. The strongest voice was the Alameda Newspaper Group, an important East Bay newspaper chain. It ran news articles highlighting how the projects would benefit developers closely associated with the planning effort, and its editorial pages urged voters to reject the measure. Three city councils declined to endorse the measure. But no actual

campaign was organized against it.

In both of these cases, the fragmentation or poor organization of the opposition prevented it from getting its message to voters. In both Santa Clara and Alameda counties, core members of the opposition coalitions were prevented from having their arguments printed in official voter information guides because better-organized advocacy groups beat them to it. In Santa Clara county, United Taxpayers submitted a ballot argument that excluded many of the environmental and equity issues other opponents felt most strongly about. In Alameda county, a transit advocate from another county filed an idiosyncratic argument that had little connection to the issues at hand.

Because of ongoing anti-growth advocacy in central Contra Costa County, the 1986 Measure C encountered better-organized resistance. The core opponents were small grassroots organizations like the Concord Citizens for Responsible Growth, as well as a number of people who had recently been swept into public office on a slow-growth platform. Some regional groups also campaigned against the measure, including the Sierra Club, People for Open Space, Greenbelt Congress, and Gray Panthers, but mostly the campaign flew beneath the radar of the media and the tax proponents. In 1988, after a revised measure was negotiated with the former leader of the opposition groups, the Sierra Club and other regional environmental groups decided to remain neutral. Some of the grassroots groups, including Citizens for a Better Contra Costa, the Lamorinda Environmental Association, and Brentwood Citizens for Quality Growth, continued to fight against it, but were not as effective because the highest-profile opponents had switched sides.

The revised Measure B was the only one of the four to face an opposition campaign organized and funded by professional, regional advocacy groups. The Sierra Club and the Environmental Defense Fund became the most visible opponents of Measure B, and were joined by the Greenbelt Alliance, the East Bay League of Conservation Voters, and the Green Party of Alameda County, Voters Against Special Taxes, one city council, and various other elected officials. The full-time staff and expertise of the environmental groups enabled them to assemble a relatively well-funded and media-savvy campaign. But smaller environmental groups in East and South county, as well as bicycle and transit advocacy groups, endorsed the measure or took a neutral stance. In 1999, as opponents were being asked what they would want to change, a new umbrella environmental and transit advocacy coalition was taking shape. This group threatened to increase the strength of the opposition by enabling groups to speak with one voice, and by joining forces with social justice advocacy groups. But at the same time, the new coalition promised to endorse the measure if its concerns were met. In the end, some of its concerns were addressed, and the coalition campaigned on the measure's behalf. The only remaining opponent to the tax proposal was Voters Against Special Taxes.

One clear lesson from these cases is that an organized opposition can signal doom for a transportation sales tax measure. Of the six campaigns described in these four cases, none succeeded when there was an organized opposition, and none failed when there was

not. The participation of mainline environmental groups such as the Sierra Club is often key to the ability of tax opponents to organize.³¹⁴ The leverage of organized opposition groups has only increased since the new requirement for supermajority voter approval.

Of course, there are numerous counterexamples to these observations. In Marin and Sonoma counties in 1998, an environmental group without any grassroots organizing capacity (the Environmental Defense Fund) was able to defeat a Sierra Club-backed transportation sales tax by teaming up with anti-tax organizations. And in Santa Clara County in 2000, the BART-to-San José sales tax won strong voter approval despite the strong opposition of environmentalists, transit advocates, and many elected officials.

Conservative fiscal organizations have been similarly ambivalent about whether to support the tax proposals, but have not campaigned as vigorously as the environmental groups and have not been as influential. United Taxpayers vigorously opposed Santa Clara's Measure A, and Voters Against Special Taxes opposed Alameda County's renewal of Measure B, but the Contra Costa Taxpayers Association and Alameda County Taxpayers Association have generally endorsed their counties' transportation sales tax proposals. The early measures were also opposed by the Howard Jarvis Taxpayers Association, which believed they violated the letter and spirit of Proposition 13.

9.2. What considerations influenced the planning process?

9.2.1. Overarching planning style and objectives.

The Santa Clara County measure was unique in the clarity of its formulation and objective. The basic outlines of the plan were formulated by an elected official and the leader of a business coalition; there was no deliberative process. The plan's single purpose was congestion relief on the county's major highways. Only three projects were authorized, the value of each was easily understood by the public. A new agency would be established to implement the expenditure plan, but it would be kept small, and would automatically dissolve twelve years after its creation. This clarity enabled the expenditure plan to navigate the local approvals process relatively unscathed. While sharp debates arose over the governance of the traffic authority, calls to modify the plan to include projects of strictly local interest were easily deflected. At no point was there any public debate over the core features of the spending plan.

In contrast, the backers of the other measures lacked a unified rationale that could win support countywide, and the planning processes that emerged in each case attempted to overcome this potential liability. In each case, the need to win voter approval became a central organizing principle of the planning effort. The main decision-making criteria

³¹⁴ Ironically, if the Sierra Club had decided to campaign actively against Santa Clara's Measure A in 1984, they would have needed to reduce support for it by only 6% in order to defeat it. If they had succeeded, there's a good chance the whole "self-help transportation finance" movement might never have gotten off the ground statewide. It was only Santa Clara's success after numerous failures by Orange and Los Angeles counties that convinced other counties that voter-approved sales taxes were even feasible in California's anti-tax climate.

became avoidance of controversy and projects that might spur local opposition, and the provision of favored projects to as many stakeholder groups as possible. Funds were doled out to each of the major transportation modes, and a share was earmarked directly for the individual cities.

Alameda County's first Measure B was largely improvised. The developers, elected officials, and other backers of the measure agreed that widening the lower portion of the Nimitz Freeway was a priority — and that the county would benefit if it could begin financing its own infrastructure improvements like Santa Clara had started to do. Formulation of the plan went through three phases. First, the county supervisor who spearheaded the effort assembled a small informal committee of advisors from around the county, including members of the business community and some outside experts. Largely through private discussions with these advisors and other elected officials from around the county, he developed the outlines of an expenditure plan and established the guiding principle that controversial projects would be avoided. This advisory group was expanded and formalized into an Alameda Countywide Transportation Committee that included representatives from each city, the business community, and other interest groups. The role of this committee was to consider projects nominated by transportation agencies at public hearings, and shape a formal project list, but most of the decisions continued to be made by a smaller advisory group. In the end, the final allocations of funds in the plan were determined in the political arena, complete with hardball politics and backroom deal-making.

The main policy objective underlying Measure C was the business community's desire to facilitate the county's continued real estate development by addressing the transportation problems that were undermining the public's support for continued growth, while also minimizing the need for the adoption of development fees. As in Alameda County, the overarching objective of the planning process was the development of a proposal that could win voter support at the ballot box, but this was interpreted differently over time. In 1986, after several abortive attempts to develop a plan through a citizen/politician committee structure, the task was delegated to a committee of public works and engineering professionals. They selected projects based on a mix of technical criteria and polling, with priority given to high-profile projects that had broad countywide support. In the 1988 measure, a new citizens advisory group was formed, and a prominent role given to the environmental groups that opposed a sales tax the first time. Their concerns were addressed through the addition of a growth management plan to the expenditure package. The projects were selected by subregional committees that were intended to put a greater emphasis on projects with strong support at the local level. Most of the strategic decisions concerning the details of the growth management policy and tradeoffs needed to finalize the plan were made within a small steering committee of elected and interest group representatives.

From the outset, the reauthorization of Measure B was a far more ambitious and premeditated planning process. But whereas the East Bay sales tax plans of the late 1980s represented different things to different places, by the late 1990s the number of stakeholders and range of expectations for what the tax should accomplish had grown manyfold. So although the Measure B reauthorization effort was in many ways

deliberate and methodical, the need to win public support, rather than any particular policy objective, had to remain paramount.

In the 1998 planning process, a citizens' committee without the participation of elected officials was convened and charged with developing an expenditure plan. Consultants and county staff were assigned to give the committee technical and procedural support. The committee used many different ways to assess proposed projects, including a rationally-driven screening and scoring system, testimony from experts, extensive input from the public, and repeated polling. But it was unable to resolve its competing visions and ultimately decided to break up into separate working groups for each quadrant of the county. That enabled each area to choose projects that were popular locally, but prevented the plan from addressing the concerns of groups with a normative policy vision for the county as a whole, such as those concerned about inadequate bus services in auto-oriented areas, or with the spread of sprawl in the suburbs.

After the plan was defeated, the steering committee of elected officials responsible for shepherding the proposal tried a different approach. Starting from the premise that it should "do no harm" by eliminating popular projects, the Steering Committee carefully explored strategies for reducing interest group opposition without sacrificing any of its previous support. This was achieved largely through the entrepreneurial efforts of the staff of the county transportation authority.

9.2.2. Accommodation of equity concerns.

If the primary planning objective was electoral success, the issue that most dominated debates was equity, or fairness. A transportation sales tax affects individuals in two ways: as it taxes money from them (known as "tax incidence"), and as it delivers benefits to them when these revenues are spent. The fairness of these impacts is contested on many different grounds, including the effects on individuals of different incomes, different transportation mode constituencies, and different locations of residence (see Table 9-1).

Table 9-1: Equity aspects of transportation sales tax expenditure plans.

	Revenues	Expenditures
Vertical Equity (<i>Fairness across incomes</i>)	The sales tax is regressive.	Expenditure plans are often, but not necessarily, regressive.
Horizontal Equity (<i>Fairness across user groups</i>)	Neutral, controlling for income.	Benefits to users of different modes reflect leverage, not efforts to equalize treatment.
Geographic Equity (<i>Fairness across places</i>)	Neutral, since identical tax rates are charged everywhere.	Usually neutral with regard to dollars; typically centripetal with regard to benefits.
Benefit Equity (<i>Costs = Benefits</i>)	The sales tax is inequitable because there is no relationship between the amount a person pays and the amount they benefit from the improvements in the plan.	

Vertical equity addresses fairness with regard to individuals of different incomes. On the revenue side, sales taxes are generally considered to be highly regressive, since poorer households pay a much larger share of their income toward the tax than do wealthier families. On the expenditure side, the plan's equity depends on the specific spending allocations it contains. But for example, if a plan focused disproportionately on BART extensions while neglecting local bus service, it would be inequitable because BART has a significantly wealthier user profile.

In all four cases, opponents of the tax proposal used the regressivity of the sales tax as a key political argument. But while this is usually an effective strategy in a progressive region like the Bay Area, in these cases it didn't tend to catch hold as an issue (as measured by the lack of media attention it received relative to other concerns). One can only speculate about the reasons for this, but the fact that advocates for the poor generally did not voice concern about the matter probably undermined the impact of the argument. Perhaps they understood that contrary to the claims of sales tax opponents that the gasoline tax was more equitable because "poor people don't drive," the gasoline tax in fact tends to be slightly more regressive than the sales tax (Dill et al. 1999, p. 139).

Beyond its use as a political issue, there were two cases in which vertical equity arose in the policymaking process. Early in the Measure A debate, before California had decisively settled upon sales taxes as its choice for local transportation finance, one mayor proposed funding transportation improvements with a payroll tax, as is done in four other states. But this idea failed to win support from business community.

Alameda County's effort to renew Measure B was the only one of these cases to attempt to address vertical equity in a meaningful way. In 1998, one of the county's leading transportation controversies was the elimination of overnight bus service, and its impact on low-wage, night-shift workers. County elected officials wanted to ensure that the reauthorization proposal made an explicit effort to benefit the working poor. At the outset, they included social equity as one of the criteria in the scoring process used to evaluate the projects. After the citizens committee recommended an expenditure plan that boosted bus service funding but didn't specifically target low-income groups, the steering committee created a special category of transit funding earmarked for welfare-to-work programs. After the 1998 defeat of Measure B, as environmentalists were launching their campaign for a revised spending plan, they invited a grassroots social justice group to join their coalition. This low-income advocacy group hadn't opposed the 1998 proposal, but still made a formidable ally. Together, these groups pushed successfully for more bus funding for Central County, an area with a large low-income population. Taken together, the plan's large progressive subsidy for bus and paratransit services, and its large income-neutral allocations to cities, do much to counterbalance its largely regressive capital priorities.

Horizontal equity relates to how a policy affects different categories of transportation system users. If they have similar income levels, users of different components of the transportation system should pay equivalent amounts of sales tax. This differs from the

gasoline tax, which exempts non-drivers from contributing to the cost of transportation improvements. The benefits different groups derive from the expenditure program are highly dependent on the plan's details.

Surprisingly, Santa Clara's 1984 plan to spend all of its sales tax dollars on highways did not prompt criticism that it was unfair to non-drivers. This was most likely because the county had approved an all-transit sales tax eight years earlier that was being used to finance the beginnings of a light rail system. But in 2000, Santa Clara's all-transit expenditure plan did provoke criticism from transit advocacy groups that feared that the costs of buying into the BART system and making so many capital investments would drain funds from bus services.

In Alameda's first Measure B, a sizable share of the overall spending package was shifted to local streets and transit in the final, political horse trading stage of the plan development process. But the modal priorities of the plan were not the central issue; rather, they were incidental to the larger struggle between the county's urban core and its suburbs. When North County gained a larger slice of the pie, its spending priorities gained as well.

Only in the second Measure B did the balance of spending across the different transportation modes become a central issue. Environmentalists strongly criticized the expensive highway and transit capital projects in the plan, arguing that they benefited relatively few people and weren't justified by their cost. They wanted to see lower-cost transit alternatives, such as commuter rail in South County, and more funding for transit operations and non-motorized modes. The construction lobby argued that capital-intensive projects were exactly what the county needed from a job-creation and economic development perspective. The struggle between the two groups became the central debate of the Measure B reauthorization process.

In none of these cases was an attempt made to benefit users of different modes equally, or even to try to figure out how to do so. Rather, the allocations of funding to different modes resulted from their constituencies' abilities to apply political leverage.

Geographic equity tends to be the most sharply contested aspect of transportation finance debates. On the revenue side, the sales tax is generally felt to be equitable since it is imposed at a uniform rate countywide. On the expenditure side, local areas typically fight aggressively for what they perceive as a "fair share" of projects and their associated benefits, although they tend to measure this benefit in terms of dollars rather than actual impacts.³¹⁵

³¹⁵ These debates take on different characteristics in different fora. At the city level, the sales tax is often considered inequitable, because cities with a successful retail sectors can generate more far revenue than similarly-sized cities with smaller commercial districts. Proposals to share this tax base are often resisted by the tax-rich cities, but this debate generally didn't surface in the cases examined here. Similarly, at the federal level, the balance of gasoline tax revenues to apportionments typically becomes the dominant controversy within Congressional surface transportation finance reauthorization debates.

Concerns about geographic equity in the larger region were at the core of Santa Clara's decision to strike out on its own and find a new way to finance transportation projects. Several of its leading elected officials expressed the sentiment that the county was not getting its fair share of regional transportation funds, and some even called for the county's secession from MTC. But while there were significant equity concerns within the county as well, these did not play a major role in shaping the expenditure plan. The three projects in the expenditure plan crisscrossed the most densely portions of the county, but the rapidly growing cities in the southern part of the county were not given a slice of the pie. When elected officials in the southern portion of the county tried to add one of their high-priority highway projects to the package, they were blocked because the project did not serve the business groups' goal of easing peak-hour congestion.

As planning for the 1986 Alameda County measure got underway, regional equity was not a central concern: the emphasis was on giving each area projects to vote for and not against. Only after the plan was nearing final approval did it get caught in the crosscurrents of geographic equity. The northern cities, led by Oakland, argued that they didn't get their fair share of the funds, and threatened to block adoption of the measure. They succeeded in winning for themselves a larger share of the revenues, by creating a special pool of funds for street maintenance in North County, and by increasing funding for AC Transit by 50%. But there was really no effort here to determine what would be equitable; rather the shift in funds reflected the reality that North County's share of funds was not proportionate to its political power.

Geographic equity was also a consideration in Contra Costa County. The 1986 measure was hit by criticisms that projects physically located in Central County would primarily serve to fuel development in the East. Two years later, one of the Transportation Partnership's highest priorities, a fourth bore for the Caldecott Tunnel, was dropped from the plan to accommodate East County's concerns that it wasn't receiving a fair share of funding. Geographic equity was also behind the decision to provide funding for a "Lamorinda Gateway" project, even though nobody could agree on what that project should be. But geographic equity never dominated the debate to quite the degree that it did in Alameda County.

In the second Alameda County measure, the equitable distribution of funds to all geographic areas of the county became a dominant organizing principle of the planning effort. In the 1998 planning process, the expenditure plan development committee started tracking the funds dedicated to each sector of the county, and developed measures to define each area's proper share of the total budget. But this concern over geographic equity soon evolved into geographic self-determination, as the task of project selection was delegated to smaller groups consisting entirely of representatives from each area. Because the 1998 proposal succeeded in finding an equitable way to distribute the funds (in terms of the indicators that it established for itself), the effort to revise the proposal for the 2000 ballot left this distribution largely intact.

Benefit equity is an important fourth concept that often arises in transportation finance debates. It measures fairness according to the extent to which the costs of new transportation facilities or services are borne proportionately by the individuals who

benefit from them. Under the pure form of this framework, transportation is not seen as a public good that should be funded from general taxes, but rather a private good that should be funded as much as possible from user fees. By this standard, gasoline taxes and tolls are preferable to sales taxes because individuals pay them in proportion to their use of the transportation system.

A variant on the concept of benefit equity accepts the notion of transportation as a public good that can be funded from general taxes, but still asks whether there is alignment between the group of people paying for a project and the group of people benefiting from it. This notion of benefit equity leads local communities to ask, “Why should we pay for this project if somebody else is going to benefit from it?” The lack of support for some important projects that crossed county lines – such as the BART seismic retrofit project and improvements to the Caldecott Tunnel – was likely due to a hesitancy to get too far in front of paying for projects that would benefit outsiders.

Both of these concepts came into play in the debate over Santa Clara’s Measure A. Some opponents expressed the concern that San José’s carless poor would have to pay sales tax to benefit Silicon Valley’s high-income commuters. The improvements to Hwy. 237 were of particular concern to these critics: half of the peak-hour users of the highway lived outside the county, and they would benefit without sharing in the project’s costs. The mayor who proposed a payroll tax as a more equitable alternative to the sales tax emphasized that his proposal would benefit all Silicon Valley commuters, regardless of where they lived, since this was the group the tax was designed to help.

A different form of benefit equity became an issue in Contra Costa County. In this case, the central equity debate was whether new development was paying its fair share of transportation and other social costs. Developers were supporting the sales tax in large part because they hoped it would help them avert sharply higher development fees. But a key goal of the Transportation Partnership Commission was to ensure voters that their investments were meeting existing needs, not facilitating new development. Measure C’s expenditure plan and growth management policy sought to balance these competing concerns by significantly improving transportation capacity while ensuring that the pace of growth did not exceed the local ability to absorb it.

9.2.3. Regional perspectives and other planning processes.

The purpose of the federally-mandated metropolitan planning process is to promote a regional approach to transportation programming decisions, and to ensure integration with other transportation planning processes. To the extent that county-led planning efforts have come to substitute for the metropolitan planning process as the place where the most important funding decisions are made, it becomes important to examine how they approach regional needs, however these are defined.

Measure A was one that arguably did adopt a regional perspective. It was conceived of by the county’s major employers, whose concern was ensuring access to the region’s labor force. The employers’ plan for highway congestion relief included improving segments of highways that were heavily used by out-of-county residents. The inclusion

of a project that faced strong local opposition (the southern extension of Hwy. 85), and refusal to include others that could have sweetened the package for some localities, reinforces the conclusion that the plan's authors were concerned with addressing regional needs (as they saw them), rather than winning the favor of local constituencies. Yet Measure A's backers showed little interest in addressing another important goal of regional planning, integration with other ongoing planning efforts. They did not explicitly consider the plans of MTC or any other regional agencies, attempt to interact with the Transportation 2000 planning effort, or account for the views of neighboring jurisdictions.

Measure B was not similarly driven by regional objectives. The plan's largest project, widening the lower Nimitz Freeway, addressed one of the region's top transportation bottlenecks and benefited commuters from three counties. But aside from this, most other projects in the plan were of far more local interest. The plan was crafted to include projects that had strong local support, and to avoid anything that might spur controversy or local opposition. In support of that goal, two projects that would have regional benefits were not included in the plan because they faced strong local opposition: widening I-80 and building the Hayward Bypass. But Measure B's approach wasn't entirely parochial: city representatives participating on the planning committee were encouraged not to view the process from their cities' narrow self-interest. Still, the Metropolitan Transportation Commission was neither invited to play a role in developing the expenditure plan, nor did it seek one beyond fulfilling its narrow legal obligations.

Contra Costa's Measure C took two opposing approaches on this issue, but it didn't seem to make a difference. In 1986, the planning committee relied on polling to identify high-profile projects that had broad regional (countywide) support. In 1988, subregional planning committees were invited to develop project lists from the bottom up. Yet despite the second effort's focus on locally-favored projects, in contrast to the first effort's focus on regionally-favored projects, the two planning efforts arrived at virtually identical project lists. In both cases, local opponents had an effective veto over project selection, significantly limiting the range of projects that was considered.

While Measure C excluded MTC from participating in the planning process, it did recognize a role for regional planning. Its growth management program included a novel attempt to address the county's transportation need in a systematic way into the future. Unlike most other transportation sales tax measures, which insulated the administration of their transportation expenditure programs and paid little regard to creating a role for planning, Measure C created new, continuing transportation planning functions at the county and sub-county levels.

The reauthorization of Measure B achieved mixed success in addressing transportation needs of a regional nature. The steering committee instructed the expenditure plan development committee to develop a "regional concept" for the plan, but this was generally ignored. The citizens committee resisted off-the-top programmatic allocations that would fund "regional" programs and projects, and decided instead to allow each area of the county to determine its own priorities. Several of the largest capital projects in the plan did end up addressing regional issues, by involving direct coordination with other

jurisdictions (e.g. the Dumbarton Rail Corridor project), or simply by being countywide in scope (e.g. the express bus program). But regional projects that were recommended to the committee as priorities, such as the BART seismic retrofit, the Caldecott Tunnel, and an expansion of ferry services, were not funded. As in the other efforts, there was no formal effort to interact with the region's other planning processes, including those underway at the MTC. But this time, at least the MTC was given an opportunity to present its views on selected issues.

The exception to this pattern was the interaction between Measure B and the Tri-Valley Transportation Council. In this case, both planning efforts were working independently to resolve funding issues for the same projects. Elected officials developed a proposal that helped the two groups coordinate their efforts.

9.2.4. Accommodation of environmental concerns.

Environmentalists pose a unique challenge to the transportation planning process. Unlike social justice groups, pro-transit groups, or other interests who essentially want a slice of the pie, environmentalists demand that the planning process focus on long-term outcomes. Because this is difficult and inconvenient, this demand is often easy to dismiss. But in the context of voter-approved sales taxes, where environmental groups have the occasional ability to sink sales tax plans with which they disagree, their demands can carry some additional weight. In all four of the cases examined here, the plans as initially placed on the ballot faced criticism over their land use and environmental consequences. In the two cases where these arguments contributed to the defeat of the proposals, environmental groups won a seat at the table and a chance to participate in subsequent planning efforts.

In Santa Clara County, Measure A made no effort to address environmental concerns. One of the strongest criticisms leveled at it was that the new highways would be ineffective because they failed to reform the land use policies that were causing traffic congestion in the first place. They criticized this lack of attention to land use issues as “a failure of planning” and predicted that any mobility improvements would be short-lived.

Measure B faced similar criticism about the inadequacy of its planning process and the likelihood that the project would fuel growth, which would then lead to more traffic. But the intensity of local environmental opposition to the measure was muted, in part, due to the planners' focus on selecting projects that did not face local opposition. If the expenditure plan had included a widening of I-80 or construction of the Hayward Bypass, it would have provoked far stronger protests from environmentalists. As it turned out, the Sierra Club and other major groups felt that the plan's significant investment in public transit was a sufficient reason to overlook the likely sprawl-inducing effects of the plan's capital components.

In Contra Costa County, Measure C was developed in a climate where growth was already a matter of heated debate. The county's grassroots slow-growth movement was growing in response to the perception that rapid urbanization in Central County was causing local traffic congestion, a declining quality of life, and a rising tax burden. The

developers promoting Measure C saw it as a way to stave off the imposition of new regulations and development fees, by creating enough traffic capacity to handle the growth in traffic. But the slow-growth advocates made common cause with more traditional environmentalists (who worried that unplanned and low-density outward growth was consuming open space) and defeated the measure. In order to win the support of its former opponents, Measure C added a novel growth management program that attempted to address both growth and transportation at a regional level. The business groups also pledged their support for a separate measure that raised funds for purchases of open space.

The possibility of using Measure B funds to purchase conservation easements was debated from the earliest days of the reauthorization effort. The environmental community pushed hard for this program throughout the 1998 planning process, but only succeeded in securing a tiny fraction of the total budget for these open space purchases. On balance, environmentalists felt the development-inducing effects of Measure B far outweighed any conservation protections these funds could provide, and they strongly opposed the ballot measure. When environmentalists were invited to present their proposed changes to the plan, they again pushed for a 5% growth management set-aside, but their proposal failed to make any headway. In the end, the 2000 proposal completely eliminated the small amount of funding for conservation easements that appeared in the 1998 plan. The environmental groups also failed in their efforts to reduce the plan's sprawl-inducing effects by cutting highway capital spending and redefining the scope of the Warm Springs BART extension. Despite this defeat on several of their leading issues, environmentalists ultimately supported the new Measure B because of the higher levels of support it provided to public transit operations. As in Contra Costa County twelve years earlier, environmentalists turned to an alternative, unrelated ballot measure to achieve their land conservation aims.

9.3. Are these cases atypical?

This study makes no claim to be able to generalize its findings to a broader population of transportation sales tax planning efforts. But it is nonetheless important to consider whether the cases examined here are so unusual that they may serve as poor examples of their type.

On one hand, there is good reason for concern that these particular cases may be atypical. The San Francisco Bay Area is out of step politically with much of the rest of California, which in turn is quite different from other parts of the country. For example, environmental groups and other special interests are unusually well-organized in the region, and elected officials there may be unusually receptive to their ideas. It may well be argued that only because progressive interests have such power in the Bay Area were any efforts made any effort to accommodate their viewpoints. In most other regions, where pro-development interests wield stronger influence over local government, elaborate efforts to minimize opposition to these planning efforts might not be necessary.

But other factors suggest that the experiences documented in this study might not be so unusual. Throughout California and nationwide, whether subject to a simple majority or

supermajority voter approval, local option transportation tax efforts must struggle to win voter approval. For whatever reason, it appears that as many of these proposals fail at the ballot box as succeed, and the political leanings of an area are a poor predictor of whether or not they will support the measure. Any time these measures are often closely contested, then organized interests should be empowered to play a role in shaping them or determining their success. Of course, the nature of the minority interests that are able to organize, and the types of roles available to them, will depend on an area's particular political and policy environment.

The degree to which these measures broaden their constituencies and their policy focus varies widely. Georgia, 1% local option taxes for transportation or any other infrastructure are virtually uncontested and nearly always approved because they have only five year durations and the state's base sales tax is very low. Despite Georgia's strong pro-highway sentiment, and the apparently easy path to adoption for these taxes, some of the spending plans that have been adopted bear the marks of compromise. A tax approved in rapidly growing Gwinnett County in 2000 included no funds for projects that expand road capacity because of public concern over sprawl. And archconservative Cobb County set aside 10% of its funding for pedestrian and bicycle projects (Goldman, Corbett, and Wachs 2001b). In California, conservative and anti-tax jurisdictions like Orange and Riverside counties have approved sales tax measures that include developer fees, growth controls, and habitat protections that are in some cases stronger than those that have been adopted in the liberal Bay Area.

Of course, in most other counties in Georgia, as well as many in California, minority interests (even organized ones) are not able to influence the process. A higher threshold for voter approval should improve their chances at getting to the table, but it will not always guarantee it. But in those areas where these groups are weak, they are also unlikely to wield influence at the MPO level. The planning efforts for local option taxes don't ensure civic group participation, but in some cases, they create opportunities for greater influence than might exist otherwise.

9.4. Concluding thoughts and observations.

“We could take a minimalist approach in satisfying federal, state, and local regulations in order to build our communities and public works projects. We ought to challenge ourselves to go beyond that. The RCIP [Riverside County Integrated Project] is a vehicle to show the public that we can create a county that is an outstanding place to live.”

– Riverside County Supervisor, Bob Buster³¹⁶

The four transportation planning processes described here are examples of how metropolitan areas of California are making decisions about billion-dollar investment plans that will determine their shape and character for decades to come. They are messy

³¹⁶ From the Riverside County Integrated Project website, <http://www.rcip.org/>.

and idiosyncratic processes, and not well understood, but they are responsible for much of the state's current creativity in transportation infrastructure and program development.

What can we learn from the four cases examined here? How have they heightened our understanding of the development of countywide transportation expenditure plans, and the metropolitan transportation planning process more generally? To answer these questions, it would be helpful to review the context in which these planning efforts are taking place.

Chapter Two examined how the evolution of metropolitan transportation planning dovetailed with larger trends in federalism and regionalism. Metropolitan planning organizations grew out of policies that aimed to promote consultation and coordination across the many layers and types of government actors involved in regional decisionmaking. Over time, MPOs accumulated mandates to harmonize transportation plans with other policy objectives not traditionally considered within the transportation planning process, including air quality, social equity, and transportation efficiency. As the nature of metropolitan regionalism began to shift toward consensus-building and policy entrepreneurship, MPOs were also saddled with the expectation that they would convene true collaborative, interdisciplinary, regional transportation policy planning processes. But MPOs turned out to be poorly suited for this assignment, due in part to the rising power and capacities of subregional governments and planning forums, the absence of a unifying regional interest in the way federal funds are allocated, and the lack of finality in the transportation programming process. Despite their greatly expanded powers, most MPOs today continue to coordinate decision-making much as they were initially assigned to do in the 1970s.

Chapter Three described how local option transportation taxes sit at the junction of several important trends in transportation finance. First, the primary role of federal funding has shifted from building the nation's vast network of interstate highways, to maintaining the existing system and promoting new programs that maximize the system's overall efficiency. Second, as the purchasing power of fuel tax revenues has declined, and funds they generate increasingly have been consumed by maintenance needs, local and regional taxes have played a growing role in financing major new transportation investments in many parts of the country. Third, local interest in funding transportation infrastructure is largely associated with an economic development agenda, but the nature of this agenda is evolving to incorporate quality of life and other factors that determine an area's interregional competitiveness. As a result of these trends, local areas are increasingly in a position to shape their own transportation investment priorities, and as user fee-based finance has declined, they have been freed to define these priorities in increasingly creative ways.

In short, the federal metropolitan planning framework has had a difficult time adapting to the changing planning and fiscal needs of the contemporary metropolis. This is not to say that MPOs are incapable of meeting these needs, but their political clout and fiscal powers are severely limited by their structure and voluntary nature. Other studies have documented in detail some of the difficulties MPOs have had in implementing their new mandates (Dempsey, Goetz, and Larson, 2000; Innes and Gruber, 2001).

In the face of these limitations, self-help strategies have emerged as an alternative model. In transportation finance, they have emerged because rapidly growing metropolitan areas have shown a greater willingness to pay more for transportation improvements than their states have as a whole; and because sales taxes are a more politically palatable revenue option than the traditional user fee alternatives. They are a part of the greater trend toward devolution in transportation finance, but illustrate the states' reluctance to invest greater powers in MPOs. By linking the ability to conduct planning processes informally with the ability to use formal powers of government to implement the plans, they circumvent two of the greatest limitations of MPOs: their direct control by the municipalities that sit on their boards, and their lack of formal governmental powers.

Nationally, local option taxes have become a key strategy by which local areas finance the major new transportation initiatives that would otherwise not be possible using the state and federal user fees that are allocated through the metropolitan planning process (Goldman and Wachs, 2003). But these are not simply stopgap fiscal measures. They enable subregional areas to formulate policy relatively free from the usual constraints of government, particularly the highly complex, spatially and functionally fragmented, and (to local governments and progrowth interests) disempowering metropolitan transportation planning process. They codify the results of these efforts into law, guaranteeing a long-term source of financing, and creating stable, ongoing arrangements between the public and private sector to achieve mutually-beneficial goals. Although nominally temporary, these arrangements have demonstrated an ability to overcome difficult political hurdles to their ongoing existence, and a tendency to spread to neighboring jurisdictions. They generate within the extragovernmental realm a capacity to envision and give legal form to favored policy outcomes that might otherwise be unachievable in a highly devolved and fragmented policy environment.

These are exactly the patterns and characteristics described by urban regime theory (Stone, 1993; Stoker, 1995). The originator of these theories describes an urban regime as having the following characteristics:

“There is an identifying agenda – arrangements adhere to some set of recognizable purposes... [linked to] concrete courses of action through which diverse bases of support are gained and maintained.

The arrangements are relatively stable – though not static...

The arrangements have a cross-sector foundation (and thus are broader than an informal aspect of the workings of a single organization or institution) and their foundation is embodied in a governing coalition.

The arrangements are informal – that is, they are not fully specified by the formal structure of government. The informal character combined with the cross-sectoral foundation means that no power of command directs the overall arrangement and hence some form of cooperation plays an important role.

The arrangements have a productive character – that is, they produce a capacity to act and bring resources to bear on the identifying agenda to a degree that would not happen without the arrangements that constitute the regime.” (Stone, 2001, p. 21).

While urban regime theory was developed to describe the politics of city government, not the regional cooperation underlying local option transportation taxes, the theory appears to describe well the observations made in this study. One potential difference is that Stone takes pains to differentiate the “coalitions” he describes from earlier elite-driven models of urban politics. The cases described in this study exhibit a spectrum of “coalitions,” from the elite big business coalition in Santa Clara County, to the suburban developer-central city coalition in Alameda County’s first measure, to the developer-slow growth advocacy coalition in Contra Costa, to the labor-low income-environmental coalition that backed Alameda County’s second measure. Earlier models of urban theory would appear to describe Santa Clara County at least as well.

But just as the voter-approved sales tax enables the achievement of certain goals, they also prevent the achievement of others. By empowering local communities or organized interest groups to veto projects that they dislike, these countywide transportation planning efforts make it more difficult than ever to build broadly-beneficial projects that face localized opposition. To the extent that local option transportation taxes act as “a defensive system of governance designed to block and filter big business power and to protect [against] ... unregulated market forces and grandiose progrowth schemes” (DeLeon, 1992, p. 11) they might be understood as a type of “urban antiregime.” They might also be seen as an embodiment of the “do no harm” ethos that characterized the development of large economic development initiatives beginning in the 1970s (Altshuler and Luberoft, 2003, pp. 27-29.).

As shown in this study, these regimes are highly diverse with regard to the participants and interests they incorporate and the decision-making procedures they follow. The authorizing legislation governing these four cases provided similar procedural and structural legal requirements, but provided enough flexibility to adapt to local political cultures and policy concerns. In each case, the process was able to accommodate all organized interest groups that sought to influence the outcome. While other transportation tax proposals have faced opposition from organized interest groups and won anyway, it is safe to conclude that the avoidance of organized opposition is characteristic of many successful transportation tax measures.

Depending on the array of organized groups in a particular county; their receptiveness to accommodating each others’ interests; and the consensus-building skills of the county’s political, civic, or business leaders; it should be possible for local option transportation taxes to address an even wider range of policy concerns than those witnessed here. Some, but not all, of the policy objectives assigned to MPOs are likely to be embraced by these planning efforts. Advocacy of environmental and social justice objectives, as well as opposition to locally unpopular projects, all potentially have strong organizational bases at the local level, and are in a position to influence the shape of transportation tax expenditure plans. Transportation system efficiency and the cost-effectiveness of

investments are less likely to have organized constituencies, and are less likely to be addressed.

Given the necessary consensus and political will, these tax expenditure plans have relatively strong tools at their disposal for the realization of their policy goals.

- Codification into law. Sales tax initiatives enact into law policies that reach well beyond the simple division of funds. Examples from the cases examined in this study included the Contra Costa growth management plan, Alameda County's 1986 adoption of a "Foothill Expressway" with a specified alignment different from the "Hayward Bypass" being advanced by Caltrans; and Alameda County's 2000 provision to create high occupancy toll lanes on the Sunol Grade unless subsequent studies found them to be infeasible.
- Political capital. To a greater degree than they must for a regional transportation plan, elected officials must take firm public positions for or against a transportation sales tax ballot measure. As seen in the case studies examined here, the vast majority of elected officials tend to go on record supporting them. Once a measure wins endorsements from most elected officials, and wins public approval at the ballot box, the decisions that it represents attain a level of political inevitability that is much greater than anything a regional transportation plan can achieve.
- Funding Flexibility. It empowers opinion leaders and civic groups to advocate significant shifts in spending priorities, or the development of new types of projects that wouldn't have been possible under federal grants-in-aid. Funding can swing between 100% for highways and 100% for transit (as happened in Santa Clara County), and can be dedicated in significant proportions to spending categories that are sparsely funded by state or federal grant programs (such as Alameda County's 5% earmark for projects benefiting bicyclists and pedestrians).
- Accountability. The need to win voter approval has also led to tight constraints on the administration of any new taxes and expenditure programs, and policies to increase accountability and public oversight (such as citizen watchdog committees appointed by stakeholder groups). Because individual projects and timetables for their construction are written into law, this creates strong incentives for elected officials to ensure they are completed on time.

Back in Section 2.3.2, it was noted that metropolitan transportation planning has some key differences with the strategic regional consensus building success stories cited in the "New Regionalism" literature. In short, the metropolitan transportation planning processes typically:

- Address an issue (congestion) that is experienced locally, not regionally;
- Deal with other regional issues (e.g. environment, economic development) in a superficial manner, since they primarily distribute funds, but do not shape policy.

- Grant no standing to businesses, pressure groups, and civic organizations with a direct interest in the outcomes of the planning processes.
- Provide no finality, since long-range decisions are revisited every few years, and since projects are easily blocked in other legislative or judicial fora.

The cases in this study have much more in common with the environmental and economic development consensus-building “success stories” cited by the New Regionalists. First, by addressing a smaller geographic area, these plans increase the likelihood that participants will see their common interest. The opportunities for bargaining on the basis of mutual benefit should become greater within subregional areas that are mutually dependent on the same set of transportation facilities. If this does not happen, the funds can be divided up so that each corridor or subarea can determine its priorities on its own.

Second, because of the aforementioned ability of organized interest groups to block passage of these plans at the ballot box, there is an ability and an incentive to deal seriously with related policy problems that are placed on the agenda. The Contra Costa Growth Management Plan and the Sunol Grade High Occupancy Toll Lane are examples of policy decisions being made to address problems and reach beyond the simple allocation of funds.

Third, the planning processes were flexible enough to be able to provide for direct participation of organized interest groups, in one form or another. While in most cases there was an initial effort to limit the participation of outsiders with potentially competing agendas, when these outsiders were organized they were generally able to force open the process.

Fourth, by creating plans and funding mechanisms that are encoded into law and endure for ten to 30 years, these efforts carry with them a degree of certainty and finality that metropolitan transportation plans do not. They are truly once-in-a-generation opportunities to set a county’s transportation policy agenda, and demand to be taken seriously by all interested parties.

Based on the findings of this study, it appears many of the trends discussed in the New Regionalism literature are happening in the transportation arena, just not within the metropolitan planning organizations where most other studies have looked. Outside the MPOs, voluntary networks of local elected officials, civic organizations, and business leaders are meeting and developing consensus around their areas’ transportation and associated policy problems. While these efforts can be organized on a variety of different geographic scales, ranging from the municipal to the metropolitan, in California, it is most commonly organized at the county level, with the joint oversight of both county and city governments. MPOs continue to determine the allocation of federal funds to meet regional investment priorities, but the most significant decisions about what these priorities should be are made at the county level, by interests that have organized long beforehand. As seen in the Alameda and Contra Costa cases in this study, and noted earlier by Greenberg (1990), a potent kind of grassroots regionalism is at work as well,

pushing ideas and priorities up from an even more localized level. The flexible, non-governmental, and consensus-based nature of the local initiatives has contributed significantly to their success in dictating the transportation planning agenda.

Efforts to promote metropolitan-level approaches to decision-making have persisted since the earliest days of the profession of transportation planning. Transportation is the critical link among the urban, suburban, and rural economies that make a metropolitan region a functional whole. Planners have traditionally argued that transportation must be addressed at a metropolitan scale in order to adequately mediate the externalities and reallocations of environmental, economic, and transportation benefits that inevitably flow from transportation investments. They have believed that the metropolis provides a natural geographic level for addressing transportation, environmental, economic, and political interdependencies, and have long pushed for stronger tools for decision-making at this level. To the extent that the “new subregionalism” observed in this study undermines the ability of MPOs to play a leadership role at a metropolitan level, it may be seen as a threat to these traditional objectives of regionalism. But given the other observations in this study, and the much-noted difficulties that MPOs have had in becoming regional consensus-builders, a different conclusion might be reached.

There is no single, generalized conclusion to be reached here about whether or not transportation planning-by-tax-initiative is better or worse than MPOs at achieving the objectives of metropolitan regionalism. These findings can, however, suggest some outer bounds for what might exist in practice.

One might imagine that local option transportation taxes, at their worst, enable the forces of parochialism to run rampant over regional interests. A well-funded campaign could entice voters to approve a transportation sales tax that projects that benefit speculative real estate development projects on a county’s outer fringe. This would have negative spillover effects on the surrounding areas, including neighboring counties, in the form of increased traffic and air pollution.

But there would be limits to how much damage could be done this way. Such a spending package would be unlikely to win support from the elected officials and residents of the county’s existing communities. Some of the benefits of the investments are likely to be enjoyed by the county’s neighbors, and some of the adverse consequences are likely to be experienced within the county itself, so it seems likely that parochialism could work as an effective planning principle. Furthermore, the MPO would still retain responsibility for producing a transportation plan that conforms to the region’s air pollution budget, so compensating air quality improvements will have to be generated through other funding streams. But nonetheless, a developer-driven initiative that steps away from environmental, socioeconomic equity, and transportation efficiency objectives could win voter approval.

Another adverse outcome could be passage of a transportation expenditure plan that generates no particular harm, but achieves no great benefit either. Perhaps, as Taylor (1992, p. 186) suggests, ballot box transportation finance is, a form of “sunshine porkbarreling,” in which public negotiation processes create highly earmarked plans that

are functionally indistinguishable from the backroom legislative deals they are intended to replace. Certainly many of these planning efforts do produce mediocre plans that achieve no identifiable policy purpose beyond the funding of individual projects favored by local constituencies. But at least in this case, it is much more difficult for unpopular projects to be slipped in the back door.

On the positive side, one might envision local option transportation taxes being used to solve important regional problems that might otherwise go unaddressed by MPOs. Just the four transportation tax planning efforts examined here showed an ability to address concerns about the pace of suburban development, the adequacy of funding for nonmotorized transportation modes, socioeconomic equity, and the laborforce access needs of the high-technology industry.

Casting a broader net, it appears that even more ambitious problems are being addressed elsewhere. Exactly how far this problem-solving ability might reach is an open, and mostly untested question. But based on the experienced documented here, as well as newer efforts emerging elsewhere in California, there is cause for optimism that the potential exists for these planning efforts to rise to the occasion and tackle some very difficult, complex issues if the political will exists to make that happen.

Equity. Peterson (1981, pp. 38, 64) argues that economically redistributive policies are not easily implemented at the local level, since wealth or capital can always flee for a friendlier jurisdiction nearby. He argues that the developmental interests of cities will tend to trump redistributive ones at the local level. Most local option transportation taxes do tend to favor growth over equity, by virtue of their use of a regressive form of taxation to finance projects that relieve peak-hour traffic congestion. In Los Angeles and Santa Clara counties, there have been some particularly controversial examples of sales taxes that have promoted rail capital projects to the detriment of bus services primarily used by lower-income populations.

But examples of progressive transportation tax packages can be found as well, lending hope to the possibility that Peterson's theory can be overcome. The second Alameda County case showed that it is possible for these plans to devote a significant share of funds to programs that benefit the transportation disadvantaged, including off-peak bus services, paratransit services, and targeted programs for former welfare recipients reentering the workforce. Similarly, San Francisco's 1989 Measure B selected that city's poorest neighborhood as the site for investing in an important new light rail line. An organized constituency for a more socially equitable spending package will often be able to win concessions from the developmental interests backing the transportation tax proposals.

Habitat protection and land conservation. Two of the initiatives documented here grappled with the issue of land conservation but ultimately decided not to incorporate it into the transportation measure. In Alameda County, the issue was dropped entirely, although an unrelated measure on the ballot legislatively rezoned a large area in East County for open space. In Contra Costa County, developers who were backing the transportation measure also lent support to a separate measure that raised funds for the

purchase of parkland and open space.

In both cases, the framers of the transportation expenditure plan were warned away from including land conservation within their ballot measures. The legal advice given to the planning teams argued that combining transportation and land use would run afoul of California's legal prohibition against ballot measures that addresses more than a single topic. This turns out to be an important constraint on the ability of transportation ballot measures to address a broader array of problems. This good government reform is intended to protect against unrelated, unpopular measures from being enacted by being attached to popular legislation on a different topic.

But there is a growing recognition that transportation and open space protection are closely intertwined policy concerns. Policies that directly link transportation infrastructure and habitat conservation are being implemented in places that are struggling to balance growth pressures and endangered species protection. In order to avoid triggering even more draconian development restrictions under the Endangered Species Act, Riverside and San Diego counties have adopted "habitat conservation plans," which identify critical ecosystems and require steps to protect them. In San Diego, which has more endangered species than any other county in the nation (Dobson *et al.* 1997), there is growing momentum behind an effort to dedicate a portion of its next transportation sales tax to open space purchases.³¹⁷ Both environmentalists and developers are beginning to see a common interest in ensuring that funding is secured for the county's habitat conservation efforts (Nathanson, 2002).

Riverside County has already linked transportation and habitat protection. The county's new transportation sales tax, approved by the voters in 2002 to replace a measure originally adopted in 1988, required that municipalities in the western portion of the country implement their obligations under the area's Multi-Species Habitat Conservation Plan before they could be eligible to receive their share of the transportation tax revenues. Because of the political difficulty in following through with the threats to withhold funds, this type of conditional grant structure is usually a weak instrument for leveraging local policy changes (e.g. penalties are almost never imposed under the Clean Air Act's conformity regulations and Contra Costa County's growth management plan). But the Endangered Species Act is a very strong law, and represents enough of a credible threat to development in the county that these incentives have a chance to be given real meaning.

Future policy goals. The future direction of local option transportation taxes will depend on the broader transportation decision-making environment. These sales tax planning efforts have an ability – apparently a greater ability than the metropolitan planning process – to embrace new policy goals and enact real changes in public policy that reach beyond the expenditure of funds. If public opinion demands that transportation investments be integrated with new policy goals in the future, local option taxes have the potential to serve as effective instruments for this policy integration. However, if public

³¹⁷ Dave Downey, "Scope of TransNet could broaden" *North County Times* (September 12, 2003).

opinion shifts back in favor of the pursuit of more traditional, single-purpose transportation goals such as capacity expansion and geographic equity, local option transportation taxes are unlikely to seek to protect any earlier policy innovations.

Local option transportation taxes are poorly suited for top-down planning mandates, such as those contained in federal transportation planning legislation. Because their planning processes take place outside formal governments, there is no way to ensure that any predetermined set of policy goals are considered in the decision-making process. But the Riverside and San Diego cases demonstrate that local option taxes can be responsive to indirect policy mandates, such as the fear of regulation or the enticement of potential financial incentives.

In states where local option transportation taxes have become dominant, the selection of major transportation investments is increasingly a bottom-up process, driven not by MPOs but from a subregional level. To remain relevant, future federal and state transportation legislation will need to acknowledge this development. If legislators wish to continue the trend toward devolution, while still ensuring that key policy objectives are addressed in regional transportation investment, they will need to consider ways to influence local transportation tax planning efforts. The way to do this will not be through MPO planning mandates, but through fiscal sticks and carrots addressed directly to subregional self-help transportation financing efforts.

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Despite their arbitrary boundaries, counties might in some ways provide an ideal geographic level for addressing certain transportation problems creatively and strategically. In many states, they have come a long way from their image as “the dark continent of American politics” (Gilbertson, 1917) and now provide an increasing number of regional and municipal services (Salant, 1994; Berman and Salant, 1996; Pammer, 1996). Counties have existing democratic institutions, and the potential for leadership by elected officials. Most importantly, many counties have the potential for policy integration between transportation, housing, land use, and other issues, because they are already real, multipurpose governments with taxation, zoning, legislative, and other powers. This has raised hopes that counties could emerge as vehicles for regional reform (Hamilton, 1999, pp. 254-275), or as one author put it, “centers of action in addressing the fundamental challenges to governance” (Fosler, 1991, p. 34).

While voters mistrust efforts to weaken municipal government and are very reluctant to give counties more power (Hamilton, 1999, p. 259), the same is true of metropolitan-level institutions. Counties, because they are closer to the local level, are often more successful in winning local support for expansions of their authority than are metropolitan-scale alternatives. The powers of counties are limited in that they often extend only outside incorporated cities. But this can be a strength rather than a weakness: cities and counties can enter into joint exercise of powers agreements, under which they can jointly undertake new initiatives as coequal partners. This is the mechanism used to establish the county transportation authorities that administer local sales tax expenditure programs in California.

The use of local option taxes as a vehicle for transportation policy reflects many current trends in contemporary governance: the devolution of state and federal power, the sidelining of expertise-led planning, and the emergence of voluntary, extragovernmental policy-making processes. For good or for ill, by democratizing decisionmaking, it has made the selection of major new transportation investment priorities more responsive to public opinion and the interests that have organized to shape it.

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