

PRIMARY ARGUMENT AGAINST MEASURE X

Contra Costa Transportation Authority (CCTA) already gets its fair share of taxes. Yet they want to **double** their tax rate.ⁱ

CCTA's first sales tax began in 1988; it produced **\$1 billion**.ⁱⁱ

CCTA's second sales tax provides **\$2.7 billion**. It took effect in 2009 and was supposed to satisfy needs for 25 years.ⁱⁱⁱ

Now – only 7 years later – they want **ANOTHER \$3 billion** sales tax.^{iv} *What happened?!*

We oppose Measure X because:

- **It's unfair.**
 - Measure X will raise sales tax rates to 10% or more in several communities.^v
- **We already pay enough.**
 - CCTA gets enough money. Its annual sales tax revenue has more than **doubled** since 1988, increasing from \$36 million to \$80 million.^{vi}
 - Without Measure X, CCTA expects its sales tax revenue to **double again** by 2033.^{vii}
 - We also pay BART sales and property taxes, plus car registration fees, tolls and gas taxes.^{viii}
- **They spend too much on debt.**
 - About a third of CCTA sales tax goes to pay interest on borrowed money – \$27 million last year alone.^{ix}
- **They waste our money.**
 - CCTA approved \$3.5 million for polling and one-sided “public education” to push their new tax.^x
- **They shortchange their biggest responsibility: our roads!**
 - Relieving traffic congestion should be #1 priority.
 - Census figures show 79% of Contra Costa commuters drive to work; only 11% use transit.^{xi}
 - Most CCTA sales tax money goes to transit programs and debt instead of roads.^{xii}

Measure X is a **NEW** tax for **30 YEARS**. It **increases** the transportation **sales tax** to a whole cent, making our rates **among the highest in the state**.^{xiii}

Doubling taxes is OUTRAGEOUS, coming only 7 years into a 25-year tax.

Stop this tax increase!

Vote **NO** on Measure X!

www.SayNOtoX.com

ⁱ Measure X would double Contra Costa Transportation Authority's sales tax rate from one-half cent to one cent. See full text of measure at: http://www.cocovote.us/wp-content/uploads/MeasWordList_072116.pdf. CCTA's proposed Transportation Expenditure Plan to be funded by Measure X is available at:

http://ccta.granicus.com/MetaViewer.php?view_id=1&clip_id=265&meta_id=22671.

See more materials at: http://www.ccta.net/funding/our_future

ⁱⁱ CCTA website states, "[Measure C] was estimated to generate \$1 billion over 20 years."
http://www.ccta.net/funding/measure_c

ⁱⁱⁱ CCTA website states, "Measure J will provide approximately \$2.5 billion for countywide and local transportation projects and programs through the year 2034."

http://www.ccta.net/funding/measure_j The dollar total subsequently was revised to \$2.72 billion; see page 10 of revised Measure J Strategic Plan dated 3/16/2016 at:
<http://www.ccta.net/uploads/572902dd8be32.pdf>.

^{iv} With the addition of another half-cent sales tax from 2017-2037, on top of the Measure J half-cent sales tax 2009-2034, the Contra Costa sales tax rate would double for a period of 17 years during which both tax measures overlap. The staff report financial impact statement from the 7/20/2016 CCTA governing board meeting states: "*The proposed TEP would, if approved by the voters, generate \$2.9 billion in sales tax revenues over 30 years.*" Agenda item 1.2; page 1.2-1 at: http://ccta.granicus.com/MetaViewer.php?view_id=1&clip_id=265&meta_id=22671; page 1.2-42 of this agenda item states total revenue estimate as "\$2,873,520,000." For reading ease, this argument characterizes this amount as "\$3 billion."

^v See current Contra Costa sales tax rates at the California Board of Equalization website.
<http://www.boe.ca.gov/app/rates.aspx?LETTER=C&LIST=COUNTY>

^{vi} Actual Measure C tax receipts are listed on page 9 of December 2011 Strategic Plan. Tax revenues for fiscal year 1989/90 were reported as \$36,250,000.
<http://www.ccta.net/uploads/5297b0eb4a98f.pdf>.

Actual Measure J tax receipts are listed on page 73 of CCTA's FY 2015 financial statements. Tax revenues for fiscal year 2014/15 were reported as \$79,454,678.
http://ccta.granicus.com/MetaViewer.php?view_id=1&clip_id=197&meta_id=16565

See also CCTA 2015 financial report at: <http://ccta.net/AR/financials.php>, which states: “CCTA sales tax revenues are derived from a half-cent sales or use tax on retail receipts collected in Contra Costa County. At the end of Fiscal Year 2015 (July 1, 2014 - June 30, 2015), sales tax revenues of \$79.455 million were received, an increase of \$3.6 million or 4.7% over the prior year.”

^{vii} CCTA’s Measure J Strategic Plan dated March 16, 2016 includes a Measure J Sales Tax Forecast (Table 3 – Page 12) that estimates revenues for 2033 at \$160,567.
<http://ccta.net/uploads/572902dd8be32.pdf>

^{viii} Contra Costa residents pay several taxes and fees that fund transportation, including a ½ cent sales tax that funds BART/AC Transit/SF Muni, the CCTA’s Measure J half-cent sales tax, a ¼ cent sales tax for the state Local Transportation Funding/Transportation Development Act. In addition, drivers pay gas taxes, auto registration fees, tolls; and property owners pay a portion of property taxes for special districts, including BART.
<https://ca-contracostacounty2.civicplus.com/1125/Tax-Information>

^{ix} See Strategic Plan dated 3/16/2016, Table 6, page 20, which states estimated FY 2015 debt service cost of \$27,905,000. This represents 35% of CCTA’s Measure J sales tax revenues for FY 2015 (\$79,454,678). <http://www.ccta.net/uploads/572902dd8be32.pdf>

^x At the CCTA governing board meeting on 9/16/2015, Agenda Item 2.B.13 authorized amendment to Authority’s contract with Gray-Bowen-Scott to increase the existing agreement value from \$1.8 million \$3.5 million. This contract provided a wide range of services, including polling and “public education.”

http://ccta.granicus.com/GeneratedAgendaViewer.php?view_id=1&clip_id=169

CCTA governing board meeting, 7/20/2016, Agenda Item 1.5, reallocates “up to \$100,000 of unspent funds from Agreement No. 366 with Gray-Bowen-Scott” for Public Education and Outreach Plan related to the revised Transportation Expenditure Plan (TEP). This TEP sets forth spending plans for the tax placed on the countywide November 2016 ballot.

http://ccta.granicus.com/MetaViewer.php?view_id=1&clip_id=265&meta_id=22683

^{xi} See U.S. Census data for Contra Costa County, 2014 American Community Survey 1-Year Estimates:

<http://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmlk>.

^{xii} See Official Statement to Investors dated 9/30/2015 at <http://emma.msrb.org/ER922063-ER720121-ER1121463.pdf> (revenue anticipation bonds re Measure J). Page 21 of Official Statement says:

“Programs receive a total of approximately 57.5% of annual Sales Tax Revenues. The balance of 42.5% of Sales Tax Revenues is allocated by the Authority, as provided in the Expenditure Plan, to pay costs of capital projects, including debt service on the Series 2015A Bonds and any additional Bonds and Parity Obligations.”

See Strategic Plan dated 3/16/2016, Table 6, which shows Measure J estimated total bond debt service cost of \$887,361,000 <http://www.ccta.net/uploads/572902dd8be32.pdf>. The Strategic Plan projects total Measure J revenues of \$2,720,277,000. Investors were told that 57.5% of total revenues are designated for “programs and non-capital expenditures,” or \$1,564,158,000.

Investors were told that 42.5% of total revenues are designated “capital projects and debt service,” is \$1,156,117,000. Subtracting total bond debt service cost of \$887,361,000 from revenues designated for capital projects/debt service, \$1,156,117,000, leaves a balance of \$268,756,000 available for capital projects.

Thus, from total Measure J revenues of \$2,720,277,000: 32.5% is designated for debt service (\$887,361,000); 57.5% is designated for programs and non-capital expenditures (\$1,564,158,000); and 9.9% is available for capital projects (\$268,756,000).

It is further noted that Page 4 of the 11/2/2004 Measure J spending plan identifies road improvements comprise 26.4% of Measure J capital projects; in addition, 18% of revenues are allocated for “Local Streets Maintenance & Improvements.”

<http://www.ccta.net/uploads/5297b121d5964.pdf> However, in light of the expensive debt costs outlined above, many Measure J capital projects cannot be completed. CCTA 2016 Strategic Plan, page 25, states: ***“Funding shortfalls still exist for several projects that have been included in the Measure J Expenditure Plan. To the extent that Measure J funds are not sufficient to complete the original Expenditure Plan approved as part of Measure J, the Authority is committed to seeking other Supplementary funds to implement the vision passed by the voters. The Authority may elect to submit projects, partially funded with Measure J funds, as candidates for federal or state funds in order to conserve Measure J funds.”*** (emphasis added) <http://www.ccta.net/uploads/572902dd8be32.pdf>

^{xiii} See comparative sales tax rates at <https://www.salestaxhandbook.com/california/rates>. City and county sales tax rates statewide can be downloaded via Excel from the Board of Equalization website <http://www.boe.ca.gov/sutax/pam71.htm>.