

# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



## STAFF REPORT

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**MEETING DATE:** 6/10/2020

**Staff Report No. 20-227**

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**TO:** AC Transit Board of Directors  
**FROM:** Michael A. Hursh, General Manager  
**SUBJECT:** Polling Results for Proposed General Obligation Bond.

### ACTION ITEM

#### **RECOMMENDED ACTION(S):**

Receive polling results and provide direction to staff regarding placing a general obligation bond on the November 3, 2020 ballot.

#### **STRATEGIC IMPORTANCE:**

Goal - Financial Stability and Resiliency

Initiative - Financial Efficiency and Revenue Maximization

The District has a variety of unfunded capital and operational needs, including the infrastructure needed to meet the Innovative Clean Transit mandates to transition to zero emission, that could be realized through a revenue measure such as the bond measure tested in this poll.

#### **BUDGETARY/FISCAL IMPACT:**

The District has entered into contract with EMC Research for public opinion services. Cost of the polling services has been included in the current year's budget. Estimated cost to place a revenue measure on the November 2020 ballot is approximately \$5 million in direct election-related costs, including typesetting and translation costs in Alameda and Contra Costa Counties. This amount would have to be budgeted in the FY2020-2021 budget.

#### **BACKGROUND/RATIONALE:**

The District has a variety of capital needs including aging facilities, sites that are operating at or beyond capacity, and the significant capital investment required to fulfill our obligations under the Innovative Clean Transit (ICT) Regulation from the California Air Resources Board (CARB). These capital needs are outlined in detail in the Facilities Utilization Plan, approved by the AC Transit Board of Directors on February 27, 2019. This capital program is projected to cost approximately \$2.3 billion over the course of seventeen (17) years. Given the current economic crisis and its impact on various District revenue streams, new revenues will need to be identified. Polling is the first step in the process of determining whether a new revenue measure would be successful if put on the November 2020 ballot, and what factors might make that revenue measure most attractive to voters.

EMC Research worked with District staff to develop a survey instrument to test public sentiment on various bond levels and aspects of the capital program to meet the District's capital needs. Staff consulted with KNN Public Finance to clarify the financial aspects of the proposed bond amounts.

During the period between May 19 and May 24, 2020, EMC Research conducted 1,200 surveys throughout the District. These surveys were geographically spread across the service area and were divided into three (3) samples to test various bond sizes: \$2 billion, \$1 billion, and \$500 million.

Among the survey participants, 54%, 56%, and 59%, supported a District bond measure at \$2B, \$1B, and \$500M respectively prior to providing any additional information. After providing additional information about what sort of projects and benefits to the community a bond measure might provide, support increased to 59%, 64%, and 63% for the respective bond amounts. To test the strength of that support, survey participants were introduced to adverse statements. After hearing these statements, support for a bond measure fell to 52%, 58%, and 53% for the respective bond amounts.

The polling numbers indicate that support of likely voters will not meet the two-thirds threshold required to pass a revenue measure at this time.

#### **ADVANTAGES/DISADVANTAGES:**

The advantage of placing a measure on the ballot in November is that there is historically higher voter turnout during Presidential election cycles which may offer an advantage for AC Transit. Considerable resources from Presidential and other candidates will encourage voter turnout. The District would also focus resources toward educating the public on AC Transit capital needs to continue to enhance its service. The future environment may not be as favorable toward an AC Transit revenue measure, and there are significant and immediate capital needs to fulfill in order to meet the CARB ICT rule by 2040.

The disadvantages of placing the AC Transit measure on the November 2020 ballot are that communities across the country, including those in which the District operates, will likely still be dealing with the consequences of the current COVID-19 pandemic, and the associated economic slowdown. The economic uncertainty may make voters less likely to commit resources toward investments in public transit, as the polling seems to indicate. Additionally, it is likely that public transit ridership numbers will not have returned to pre-COVID levels, which may result in fewer voters recognizing the value of an investment into the system.

#### **ALTERNATIVES ANALYSIS:**

The Board could choose to continue community engagement and ballot measure planning in preparation for a November 2020 ballot measure.

The Board could decide not to move forward with a ballot measure for the November 2020 ballot and instruct staff to continue public education around a bond plan that meets AC Transits needs and what our community will support, for a future ballot election that occurs after November 2020.

#### **PRIOR RELEVANT BOARD ACTION/POLICIES:**

None

**ATTACHMENTS:**

1. Survey results summary from EMC Research
2. Survey results detailed report from EMC Research

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