

**Metropolitan Transportation Commission
Programming and Allocations Committee**

May 8, 2024

Agenda Item 2f-24-0507

MTC Resolution Nos. 4643 and 4644

Subject:

Adoption of the \$45.2 million FY2024-25 Regional Measure 2 (RM2) Operating and Marketing Assistance Program and the \$29.3 million FY2024-25 Regional Measure 3 (RM3) Operating program.

Background:

MTC's RM2 and RM3 Operating Policies and Procedures state that MTC will adopt a project specific budget for RM2 and RM3 operating funds prior to the beginning of each fiscal year. In addition, RM2 legislation provides for the annual allocation of a portion of RM2 funding for public information and advertising to support the services and projects funded with RM2 toll revenues.

The proposed Fiscal Year (FY) 2024-2025 BATA budget will encompass both the RM2 Operating and Marketing Programs along with the RM3 Operating Program, pending approval.

FY2024-25 RM2 Operating Assistance Program

The RM2 Operating Program receives a maximum of 38 percent of the revenue generated from the \$1 RM2 toll in that fiscal year [SHC Section 30915(d)]. With the prolonged suppression of travel due to factors stemming from the COVID-19 pandemic, such as the sustained prevalence of telework, traffic volumes have remained below pre-pandemic levels and the Bay Area Toll Authority (BATA) is projecting a gradual recovery. Looking ahead to FY2024-25, BATA anticipates \$106.8 million in RM2 revenue, representing a slight increase relative to anticipated FY2023-24 revenues relative to receipts to date. Accordingly, the proposed FY2024-25 RM2 Operating Program total has been increased by 4%, reaching \$40.6 million.

Operators will continue to have flexibility to direct funding to any eligible service so funds can be used where operators determine it is most needed. Last year, the Commission extended the waiver of the RM2 Operating Program performance requirements for FY2018-19 through FY2023-24 in recognition of the difficulty that operators would face in meeting farebox recovery and productivity performance standards associated with RM2 Operating Program funds. Staff recommends continued suspension of the metrics for FY2024-25 as operators continue to adjust

service and ridership recovers from the pandemic, though operators will still be required to report performance data to MTC for monitoring purposes.

FY2024-25 RM2 Marketing Assistance Program

The RM2 Marketing Assistance Program includes \$4.6 million for marketing and public information of RM2 projects. Funds are used primarily to support regional projects that enhance the transit customer experience. Funding primarily will be directed to support the Clipper Program including ongoing Clipper® operations and customer service at San Francisco and Oakland locations and other customer education, communication, and outreach activities. Approximately \$1.8 million will support marketing and public information activities related to other regional coordination efforts, such as the Regional Traveler Information and the Return-to-Transit initiatives.

FY2024-25 RM3 Operating Assistance Program

The RM3 Operating Program receives a maximum of 16 percent, up to sixty million dollars (\$60,000,000), of the revenues generated each year from the toll increase approved by voters through RM3 for operations assistance [California S&HC Section 30914.7(c)]. Within the annual RM3 Operating Program, funding levels for operating assistance are determined for the Transbay Terminal (8%), Regional Express Bus (34%), and Expanded Ferry Service (58%). Looking ahead to FY2024-25, with a \$1 toll increase starting January 1, 2025, BATA anticipates budgeting revenue at a level surpassing that of FY2023-24. Funding is currently programmed only for WETA (\$25.7 million) and TJPA (\$3.5 million) within the RM3 Operating Assistance Program. Staff will return to PAC in the coming months with a proposal for FY2024-25 Express Bus programming that considers feedback received by Commissioners at the March 2024 Programming and Allocations Committee meeting in relation to the programming of Express Bus funds.

Issues:

The Transbay Joint Powers Authority started receiving RM2 Operating funds in FY2017-18 to support operations of the Salesforce Transit Center for an initial five-year period, after which point, the need for funding would be reassessed. Staff recommends continuing RM2 operating

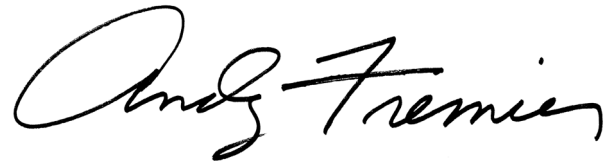
funding through at least FY2024-25, at which point the need for ongoing RM2 Operating support will be reassessed.

Recommendations:

Refer MTC Resolution No. 4643 and 4644 to the Commission for approval.

Attachments:

- MTC Resolution No. 4643
 - Attachment A, RM2 Operating and Marketing Program of Projects
- MTC Resolution No. 4644
 - Attachment A, RM3 Operating Program of Projects

A handwritten signature in black ink, reading "Andrew B. Fremier". The signature is fluid and cursive, with the first name "Andrew" being more prominent and the last name "Fremier" following in a similar style.

Andrew B. Fremier

Date: May 22, 2024
W.I.: 1255
Referred by: PAC

ABSTRACT

Resolution No. 4643

This resolution adopts the Regional Measure 2 (RM2) Operating and Marketing Assistance Program for FY2024-25.

- Attachment A – RM2 Operating and Marketing Program of Projects

Further discussion of this action is contained in the Programming and Allocations Committee Summary Sheets dated May 8, 2024.

Date: May 22, 2024
W.I.: 1255
Referred by: PAC

RE: Adoption of FY2024-25 RM2 Operating Assistance Program

METROPOLITAN TRANSPORTATION COMMISSION

RESOLUTION NO. 4643

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to California Government Code § 66500 et seq.; and

WHEREAS, Streets and Highways Code Sections 30950 et seq. created the Bay Area Toll Authority (“BATA”), which is a public instrumentality governed by the same board as that governing MTC; and

WHEREAS, on March 2, 2004, voters approved Regional Measure 2, which increased the toll for all vehicles on the seven State-owned toll bridges in the San Francisco Bay Area by \$1.00, with this extra dollar funding various transportation projects within the region that have been determined to reduce congestion or to make improvements to travel in the toll bridge corridors, as identified in SB 916 (Chapter 715, Statutes of 2004), commonly referred as Regional Measure 2 (“RM2”); and

WHEREAS, RM2 establishes the Regional Traffic Relief Plan and identifies specific projects eligible to receive RM2 funding for operating assistance as identified in Section 30914(d) of the California Streets and Highways Code; and

WHEREAS, BATA shall fund the projects of the Regional Traffic Relief Plan by bonding or transfers to MTC; and

WHEREAS, RM2 assigns administrative duties and responsibilities for the implementation of the Regional Traffic Relief Plan to MTC; and

WHEREAS, MTC has developed guidelines for the programming and use of the RM2 funds for operating support of transit projects, and

WHEREAS, these guidelines state that MTC will adopt a project specific budget for RM2 operating funds prior to the beginning of each fiscal year, now, therefore be it

RESOLVED, that MTC adopts a program that establishes RM2 operating subsidy amounts for FY2024-25, as outlined in Attachment A and incorporated herewith as though set forth at length; and, be it further

RESOLVED, that the Executive Director is authorized to make programming changes to Attachment A, up to \$350,000 for each project, in consultation with the affected sponsor.

METROPOLITAN TRANSPORTATION COMMISSION

Alfredo Pedroza, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in San Francisco, California and at other remote locations on May 22, 2024.

Attachment A
MTC Resolution No. 4643

FY 2024-25 RM2 Operating Assistance Program -- Streets and Highways Code 30914(d)

				Program Amount	
Project #	Project Name	Sponsor	Service (note 1)	(notes 1 and 2)	
1	Richmond Bridge Express	Golden Gate Transit	Express Bus	\$	2,058,843
2	Napa VINE Service	NVTA	Express Bus	\$	357,096
3	Express Bus North	SolTrans/FAST	Express Bus	\$	2,236,709
		ECCTA	Express Bus	\$	445,049
		Golden Gate Transit	Express Bus	\$	248,203
		WestCAT	Express Bus	\$	208,614
		Total			3,138,574
4	Express Bus South	AC Transit	Express Bus	\$	4,547,557
		CCCTA	Express Bus	\$	121,767
		WestCAT	Express Bus	\$	770,409
		LAVTA	Express Bus	\$	486,631
		Total		\$	5,926,363
5	Dumbarton Bus	AC Transit	Express Bus	\$	3,128,481
6	Ferry Service	WETA	Ferry Services	\$	12,918,018
7	Owl Service	AC Transit	OWL Service	\$	1,263,108
		MUNI	OWL Service	\$	156,779
		SamTrans	OWL Service	\$	255,758
		Total		\$	1,675,646
8	MUNI Metro 3rd Street	SF MUNI	Metro 3rd Street extension	\$	2,110,787
9	AC Transit Rapid Bus	AC Transit	Tempo	\$	2,532,945
11	WETA planning	WETA	Planning and operations	\$	2,532,945
12	Clipper	MTC	Operations	\$	1,688,630
13	Transbay Transit Center	TJPA	Terminal Operations	\$	2,532,945
Grand Total				\$	40,601,273

FY 2024-25 RM2 Marketing Assistance Program (notes 2 and 3)

Project Name	Sponsor	Program Amount
Clipper®	MTC	\$ 2,800,000
Return-to-Transit	MTC	\$ 477,000
Implement Regional Traveler Information Services	MTC	\$ 75,000
Agency Website Operations, Maintenance, and Enhancements	MTC	\$ 75,000
Transit Month	MTC	\$ 50,000
WestCAT Service Promotion	WestCAT	\$ 100,000
Transit Enhancements	MTC	\$ 1,013,000
Grand Total		\$ 4,590,000

- Notes:**
1. Transit operators will be provided increased flexibility for FY 2024-25 to use funds on eligible service to accommodate changing service demand. Eligible routes for Projects 1 - 6 must serve an intended bridge corridor/s and/or provide a direct connection to BART. Before allocating funds, MTC staff and project sponsor will confirm route eligibility.

2. Amounts shown are subject to approval of the FY 2024-25 BATA Budget and funding availability.

3. Marketing assistance program is funded with RM2 toll revenue receipts pursuant to Streets and Highways Code(SHC) 30914(f) and are outside of the 38% limit on operating funding as described in SHC 30914(d).