

**Metropolitan Transportation Commission
Programming and Allocations Committee**

June 8, 2022

Agenda Item 2f - 22-0852

MTC Resolution No. 4521

Subject:

Adoption of the \$48 million FY2022-23 Regional Measure 2 (RM2) Operating and Marketing Assistance Program.

Background:

MTC's RM2 Operating Policies and Procedures state that MTC will adopt a project specific budget for RM2 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.

FY2022-23 RM2 Operating Assistance Program

The Regional Measure 2 (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 shelter in place order implemented due to the COVID-19 pandemic, traffic volumes have remained below pre-pandemic levels and the Bay Area Toll Authority (BATA) is projecting a gradual recovery. For FY 2022-23, bridge toll revenue is currently projected to be 90 percent of FY 2018-19 revenue. The proposed operating program is \$1.3 million more than the FY 2021-22 program and staff recommends a program of \$43.4 million to fit within projected revenue. The proposed operating program includes the following adjustments:

- Increase to all projects to fit within forecasted revenue levels. The amount of the funding increase is a combination of a proportionate increase to move the funding levels for all operators back toward FY 2018-19 levels, and an increase based on FY 2021-22 project programming relative to the originally designated RM2 legislation statutory amounts;
- Continue increased flexibility for transit operators 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 performance requirements for FY 2018-19 through FY 2022-23 in recognition of the difficulty that operators would face in

meeting farebox recovery and productivity performance standards associated with RM2 operating funds.

Staff will continue to monitor the performance of RM2 Operating projects and work with project sponsors to develop corrective actions for poorly performing routes, as needed and as appropriate.

FY2022-23 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. Proposed projects include:

- \$2.8 million for Clipper® operations and customer service at San Francisco and Oakland locations and other customer education, communication, and outreach activities.
- \$1.3 million for projects related to the Blue Ribbon Transit Transformation Action Plan including regional mapping and wayfinding, Return to Transit efforts, and a set aside to support Blue Ribbon Transit Recovery Task Force efforts.
- \$300,000 of marketing support for AC Transit for RM2-funded service. As has been done for the past few years, these funds will free up other local funds for AC Transit to use in support of school bus service.

Both the RM2 operating and marketing programs are included in the proposed FY2022-23 BATA budget and are subject to its approval. Staff will monitor bridge toll revenue during FY2022-23. Should revenues be higher than the adopted program, staff will return to the Programming and Allocations Committee to propose additional programming.

Issues:

As required by statute, the annual RM2 operating program may not exceed 38 percent of that year's revenue. For FY 2021-22, the actual RM2 revenues may be insufficient to fully fund the previously approved FY 2021-22 operating program. To reduce impacts to external project sponsors should revenues come in lower than originally estimated, staff proposes to make any

necessary FY 2021-22 program reductions to the Clipper operations project, up to \$500,000. An equivalent amount has been reserved in the FY 2022-23 program to keep the Clipper project whole if an adjustment to its FY 2021-22 program funding is needed.

Recommendations:

Refer MTC Resolution No. 4521 to the Commission for approval.

Attachments:

- MTC Resolution No. 4521 - Attachment A, RM2 Operating and Marketing Program of Projects



Alix Bockelman

Date: June 22, 2022
W.I.: 1255
Referred by: PAC

ABSTRACT

Resolution No. 4521, Revised

This resolution adopts the Regional Measure 2 (RM2) Operating and Marketing Assistance Program for FY2022-23.

Further discussion of this action is contained in the Programming and Allocations Committee Summary Sheets dated June 8, 2022.

Date: June 22, 2022
W.I.: 1255
Referred by: PAC

RE: Adoption of FY2022-23 RM2 Operating Assistance Program

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4521

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 FY2022-23, 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 \$200,000 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 June 22, 2022.

**Attachment A
MTC Resolution No. 4521**

FY 2022-23 RM-2 Operating Assistance Program -- Streets and Highways Code 30914(d)

Project #	Project Name	Sponsor	Service (note 1)	Program Amount (notes 2,3)
1	Richmond Bridge Express	Golden Gate Transit	Express Bus	\$ 2,135,450
2	Napa VINE Service	NVTA	Express Bus	\$ 370,384
3	Express Bus North	SolTrans/FAST	Express Bus	\$ 2,319,934
		ECCTA	Express Bus	\$ 461,609
		Golden Gate Transit	Express Bus	\$ 257,438
		WestCat	Express Bus	\$ 216,376
Total				3,255,357
4	Express Bus South	AC Transit	Express Bus	\$ 4,716,766
		CCCTA	Express Bus	\$ 126,297
		WestCat	Express Bus	\$ 799,075
		LAVTA	Express Bus	\$ 504,738
Total				\$ 6,146,877
5	Dumbarton Bus	AC Transit	Express Bus	\$ 3,244,888
6	Ferry Service	WETA	Ferry Services	\$ 13,398,683
7	Owl Service	AC Transit	OWL Service	\$ 1,310,107
		MUNI	OWL Service	\$ 162,613
		SamTrans	OWL Service	\$ 265,275
Total				\$ 1,737,994
8	MUNI Metro 3rd Street	SF MUNI	Metro 3rd Street extension	\$ 2,189,327
9	AC Transit Rapid Bus	AC Transit	Tempo	\$ 2,627,193
11	WETA planning	WETA	Planning and operations	\$ 2,627,193
12	Clipper	MTC	Operations	\$ 1,751,462
13	Transbay Transit Center	TJPA	Terminal Operations	\$ 2,627,193
	FY 2021-22 Reconciliation	MTC	Clipper Operations	\$ 1,250,000
Grand Total				\$ 43,362,000

FY 2022-23 RM2 Marketing Assistance Program (note 3 and 4)

Project Name	Sponsor	Program Amount
Clipper®	MTC	\$ 2,800,000
Regional Mapping and Wayfinding	MTC	\$ 500,000
511 Program	MTC	\$ 155,000
Return-to-Transit	MTC	\$ 370,000
Transportation Poll	MTC	\$ 100,000
Agency Website Operations and Enhancements	MTC	\$ 50,000
AC Transit Service Marketing	AC Transit	\$ 300,000
Transit Transformation Action Plan Implementation	TBD	\$ 315,000
Grand Total		\$ 4,590,000

Notes:

1. Transit operators will be provided increased flexibility for FY 2022-23 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. For FY2022-23, two factors were used to increase program amounts: a) FY 2021-22 programming compared to statutory programming and b) Proportionate increase to FY 2021-22 programming level. The RM2 operating program is limited to 38% of annual receipts by statute. Programming amounts will be adjusted, as necessary, to stay within available revenue.
3. Amounts shown are subject to approval of the FY 2022-23 BATA Budget and funding availability.
4. Marketing assistance program are 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).