

Metropolitan Transportation Commission Programming and Allocations Committee

June 14, 2017

Item Number 4a

Resolution No. 4278

Subject: Adopt the FY2017-18 Regional Measure 2 (RM2) Operating Program and provide an update about routes at risk of losing funding.

Background: This item adopts the FY2017-18 Regional Measure 2 (RM2) Operating Program and provides a brief summary of routes at risk of losing funds. The overall program is very similar to last year's program.

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. RM2 operating projects must meet farebox recovery standards and maintain or increase passengers per revenue hour by the third year of service. Farebox recovery requirements are established by mode (ferry, bus or rail) and type of service (peak, all day and owl service).

Subject to the approval of the FY2017-18 Bay Area Toll Authority (BATA) budget, Resolution 4278 adopts the Operating Assistance Program for FY2017-18 and includes roughly \$43.7 million in RM2 funds. In general, the same transit routes and services as last year are proposed for funding. However, as discussed in agenda item 2e, minor adjustments continue to be made to the programming for the Richmond Bridge, Express Bus North, and Express Bus South categories as operators who received additional funding in FY 2015-16 respond to service needs. A small amount of funds in Express Bus North is unprogrammed.

The RM2 program also identifies \$3.9 million in marketing funding for Clipper® and other RM2 projects. Notably, the marketing budget includes \$500,000 for AC Transit for RM2-funded service such as the Bus Rapid Transit/1R service and Transbay service/Transbay Comprehensive Operational Analysis. The RM2 marketing support will free up funds for AC Transit to use in support of school bus service. The marketing program is also included in the proposed FY2017-18 BATA budget and subject to its approval.

At-risk Routes: The Dumbarton Express DB1, AC Transit's Route LA and County Connection's Route 96x are currently not meeting RM2 performance standards. Below is a preliminary update on these routes. Staff will return in the Fall to provide a comprehensive update on the performance of RM2-funded routes. The farebox recovery of the at-risk routes is as follows:

Service	Type of Service	Required Farebox	FY2016-17 thru 12/2016 Farebox (unaudited)	FY2015-16 Farebox	FY2014-15 Farebox
DBROC-DB1	All day ¹	20%/30%	22.4%	25.9%	26.9%
AC Transit-LA	Peak	30%	19.1%	24.0%	24.6%
CCCTA-96x	Peak	30%	24.1%	24.1%	25.0%

Note 1: DB1 changed to all day in FY2016-17. It was peak-only service prior to this fiscal year.

The Dumbarton Express DB1 has not met the RM2-required farebox recovery standard of 30% since the RM2 Program began to provide full support of service in FY2012-13. The DB1 was required to achieve the performance standard by the end of FY 2014-15. It was in its grace year of funding in FY2015-16. Based on ridership patterns showing a demand for mid-day service and in anticipation of the recommendations of a study of the Dumbarton corridor, MTC agreed to provide additional funding for all-day service rather than peak-only service for FY 2016-17 contingent upon cost per passenger not worsening. However, ridership continues to decline on the service and the route will need another grace year of funding in FY 2017-18.

Improving transit ridership on the corridor is a challenge. Lack of parking along the Dumbarton corridor is a major obstacle to ridership growth with the only park and ride lot often filled by 7:00 am. Acting as the head of the transit consortium operating DB1, AC Transit is exploring expansion of the park and ride and other parking opportunities. The aforementioned corridor study draft report includes several short-term capital improvements that would benefit transit service and potentially increase ridership. Private entities served by the DB1 also have expressed interest in partially funding the service.

Over the last several years, AC Transit's Route LA and County Connection's (CCCTA's) Route 96x were restructured to include fewer mid-day trips, causing these routes to need to conform to the 30% farebox requirement for peak service routes. Due to this higher standard, both routes are now at-risk of losing funds.

Both AC Transit and CCCTA have been informed that they will be in a grace year of funding in FY2017-18. Staff may recommend termination of funding starting in FY 2018-19. In the meantime, AC Transit is conducting a Comprehensive Operational Analysis of its Transbay Service. Preliminary recommendations are expected this Fall and AC Transit will provide a corrective action proposal for Route LA at that time. CCCTA is currently considering options and will send MTC a proposed corrective action plan.

Finally, some good news. Last year, the South San Francisco (SSF) ferry was given until the end of FY 2018-19 to meet the RM2-required 40% farebox recovery standards. The farebox continues to grow at a rapid rate and after three quarters of reporting in FY2016-17, farebox recovery is at 37%.

Issues: This proposed program does not include funding for the two projects that are the subject of the public hearing in item 3a. Staff will return to the Commission at a future date with program revisions pending the outcome of the hearing process.

Recommendation: Refer MTC Resolution No. 4278 to the Commission for approval.

Attachments: MTC Resolution No. 4278

COMMISSION AGENDA ITEM 8a

Date: June 28, 2017
W.I.: 1255
Referred by: PAC

ABSTRACT

Resolution No. 4278

This resolution adopts the Regional Measure 2 (RM2) Operating Assistance Program for FY2017-18.

Further discussion of this action is contained in the Programming and Allocations Committee Summary Sheet dated June 14, 2017.

Date: June 28, 2017
W.I.: 1255
Referred by: PAC

RE: Adoption of FY2017-18 RM2 Operating Assistance Program

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4278

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 FY2017-18, 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 \$100,000 for each project, in consultation with the affected sponsor.

METROPOLITAN TRANSPORTATION COMMISSION

Jake Mackenzie, Chair

The above resolution was entered into by the
Metropolitan Transportation Commission
at a regular meeting of the Commission held
in San Francisco, California on June 28, 2017.

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Date: June 28, 2017

W.I.: 1255

Referred by: PAC

Attachment A

MTC Resolution No. 4278

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FY 2017-18 RM-2 Operating Assistance Program -- Streets and Highways Code 30914(d)

Project #	Project Name	Sponsor	Route	Programmed (1,2)	Notes
1	Richmond Bridge Express Bus	Golden Gate Transit	Route 40	2,130,612	
		Golden Gate Transit	Route 40 Express Service Pilot	343,113	
			Total	2,473,725	
2	Napa VINE Service	NCTPA	Route 29	426,400	
			Total	426,400	
3	Express Bus North	SolTrans	Route 78	731,700	
		SolTrans	Route 80	578,000	
		SolTrans	Route 85	201,741	
		ECCTA	Route 300	531,835	
		Fairfield/Suisun Transit	Route 40	433,100	
		Fairfield/Suisun Transit	Route 90	636,600	
		Golden Gate Transit	Route 72x	101,264	
		Golden Gate Transit	Route 101	195,339	
		WestCat	Route JPX	249,294	
		SolTrans	Route 82 Pilot	30,000	
		Solano TA	TBD	61,734	
			Total	3,750,608	
4	Express Bus South	AC Transit	Route F	890,865	
		AC Transit	Route LA	146,761	
		AC Transit	Route NL/BA	2,678,379	
		AC Transit	Route NX1	91,779	
		AC Transit	Route NX2	88,191	
		AC Transit	Route O	779,077	
		AC Transit	Route P	385,034	
		AC Transit	Route U - Dumbarton Corridor	311,238	
		AC Transit	Route W	56,580	
		CCCTA	Route 96X	145,339	
		WestCat	Hercules LYNX/JX	819,550	
		WestCat	Bay Bridge Forward Service Start-up	100,000	
		LAVTA	Rapid	580,836	
			Total	7,073,629	
5	Dumbarton Bus (3)	AC Transit	Routes DB	1,432,828	
		AC Transit	Route DB1	1,534,148	
			Total	2,966,976	
6	Ferry Service	WETA	Alameda Harbor Bay	900,800	
		WETA	Alameda/Oakland	5,123,400	
		WETA	Vallejo	6,353,000	
		WETA	South San Francisco	2,922,800	
		WETA	Bay Bridge Forward Service Expansion	1,200,000	
			Total	16,500,000	
7	Owl Service	AC Transit	Route 800	665,771	
		AC Transit	Route 801	667,852	
		MUNI	Route 14	187,501	
		SamTrans	Route 397	305,876	
		AC Transit	Route 800 Service Enhancements	227,000	
			Total	2,054,000	
8	MUNI Metro 3rd Street	SF MUNI	Metro 3rd Street extension	2,500,000	
9	AC Transit Rapid Bus Corridor	AC Transit	Enhanced Bus Service in the Berkeley/Oakland/San Leandro Corridor	3,000,000	
11	WETA planning	WETA	Planning and operations	3,000,000	
Grand Total				43,745,338	

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Attachment A
MTC Resolution No. 4278
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RM2 Marketing Assistance Program (4)

Project Name	Operator	Description	Programmed (4)	Notes
Clipper®	MTC	Public Information and Marketing	2,700,000	
511 Real Time Transit	MTC	Public Information and Marketing	200,000	
Seamless Transit Map	MTC	Public Information	270,000	
Wayfinding	MTC	Public Information	40,000	
The Hub Regional Resource Center	MTC	Center Operations	100,000	
AC Transit Services	AC Transit	Public Information and Marketing	500,000	
New or Expanded Transit Services	TBD	Public Information and Marketing	50,000	
Grand Total			3,860,000	

Notes:

1. The amounts listed reflect the RM-2 base subsidy, with certain projects subject to a 1.5% annual escalation rate through FY2015-16. Escalation was suspended starting in FY2008-09 until BATA RM2 receipts surpass the amounts budgeted to fund the legislative operating projects. Escalation was restored in FY2015-16 for eligible projects.
2. Amounts shown are subject to approval of the FY 2017-18 BATA Budget.
3. The funding for Route DB1 is consistent with the cost to provide full-day service for one fiscal year. Future funding levels are contingent upon successful performance of all-day service, i.e., satisfactory cost/passenger ratio.
4. Marketing assistance programs are funded with RM2 toll revenue receipts pursuant to Streets and Highways Code 30914(f) and are outside of the 38% limit on operating funding as described in Streets and Highways Code 30914(d).