

**Metropolitan Transportation Commission
Programming and Allocations Committee**

June 14, 2023

Agenda Item 2f - 23-0579

MTC Resolution No. 4569

Subject:

Adoption of the \$43.6 million FY2023-24 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.

FY2023-24 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 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. For FY2022-23, RM2 revenue is currently trending about 10% less than budgeted and for FY2023-24, BATA is expected to budget revenue to equal the FY2022-23 budgeted amount. Since revenue has been lower for the last three fiscal years and adjustments to allocations were needed to stay within available funding, staff recommends adopting a slightly reduced RM2 Operating Program compared to that of FY2022-23. The proposed operating program is approximately seven percent (7%) lower than FY2022-23 programming levels.

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 FY2022-23 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 FY2023-24 as operators continue to adjust service and ridership recovers from the pandemic.

FY2023-24 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 \$800,000 will be used to specifically support outreach related to the new features the Clipper system that will soon be available. Approximately \$1 million will support marketing and public information activities related to other regional coordination efforts, such as the Transit Transformation Action Plan and the Return to Transit initiatives.

Both the RM2 Operating and Marketing Programs will be included in the proposed FY2023 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 revised programming.

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. 4569 to the Commission for approval.

Attachments:

- MTC Resolution No. 4569 - Attachment A, RM2 Operating and Marketing Program of Projects



Andrew B. Fremier

Date: June 28, 2023
W.I.: 1255
Referred by: PAC

ABSTRACT

Resolution No. 4569

This resolution adopts the Regional Measure 2 (RM2) Operating and Marketing Assistance Program for FY2023-24.

Further discussion of this action is contained in the Programming and Allocations Committee Summary Sheets dated June 14, 2023.

Date: June 28, 2023
W.I.: 1255
Referred by: PAC

RE: Adoption of FY2023-24 RM2 Operating Assistance Program

METROPOLITAN TRANSPORTATION COMMISSION

RESOLUTION NO. 4569

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 FY2023-24, 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 June 28, 2023.

**Attachment A
MTC Resolution No. 4569**

FY 2023-24 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	\$	1,978,952
2	Napa VINE Service	NVTA	Express Bus	\$	343,240
		SolTrans/FAST	Express Bus	\$	2,149,916
		ECCTA	Express Bus	\$	427,779
3	Express Bus North	Golden Gate Transit	Express Bus	\$	238,572
		WestCAT	Express Bus	\$	200,519
			Total		3,016,786
		AC Transit	Express Bus	\$	4,371,096
		CCCTA	Express Bus	\$	117,042
4	Express Bus South	WestCAT	Express Bus	\$	740,514
		LAVTA	Express Bus	\$	467,748
			Total	\$	5,696,400
5	Dumbarton Bus	AC Transit	Express Bus	\$	3,007,085
6	Ferry Service	WETA	Ferry Services	\$	12,416,754
		AC Transit	OWL Service	\$	1,214,095
		MUNI	OWL Service	\$	150,695
7	Owl Service	SamTrans	OWL Service	\$	245,834
			Total	\$	1,610,625
8	MUNI Metro 3rd Street	SF MUNI	Metro 3rd Street extension	\$	2,028,881
9	AC Transit Rapid Bus	AC Transit	Tempo	\$	2,434,658
11	WETA planning	WETA	Planning and operations	\$	2,434,658
12	Clipper	MTC	Operations	\$	1,623,105
13	Transbay Transit Center	TJPA	Terminal Operations	\$	2,434,658
			Grand Total	\$	39,025,800

FY 2023-24 RM2 Marketing Assistance Program (notes 2 and 3)

Project Name	Sponsor	Program Amount
Clipper®	MTC	\$ 3,600,000
Return-to-Transit	MTC	\$ 477,000
511 Program	MTC	\$ 75,000
Agency Website Operations, Maintenance, and Enhancements	MTC	\$ 75,000
Transit Month	MTC	\$ 50,000
Transit Transformation Act Plan Implementation	MTC	\$ 313,000
Grand Total		\$ 4,590,000

Notes:

1. Transit operators will be provided increased flexibility for FY 2023-24 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 2023-24 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).