

RM3 IOC
August 3, 2026
Agenda Item 5d, Attachment B
MTC Resolution No. 4404, Revised, Excerpted

Regional Measure 3 Policies and Procedures
A p p e n d i x B

MTC Resolution No. 4404

PART 2 – RM3 PERFORMANCE MEASURES FOR OPERATING PROJECTS

Note that the RM3 performance measures detailed in this section are interim measures that may evolve in a future fiscal year to include additional focus areas and specific numeric targets, where appropriate. Project sponsors should proceed with monitoring performance for these performance measures until this Policies and Procedures manual is revised.

The objective in establishing performance measures is to ensure that RM3 operating dollars are directed toward services that are financially well-managed, aligned with regional policies, and effective at meeting customer needs. Given that the three components of the RM3 operating program have varying market demands and policy goals, different performance measures apply.

Recipients shall report progress toward performance measures through their annual Operating Agreements. In the interim, performance shall be measured in terms of year-to-year improvement. In the future, the RM3 Policies and Procedures manual may be revised to adopt numeric performance targets against which performance would be measured. In the case of Regional Express Bus, performance shall be measured for RM3-funded routes and not systemwide.

Recipients shall have five years following the establishment of performance measures to meet the standards set for RM3 operating projects. If sponsors have not met the adopted performance measure targets by the close of this period, MTC and project sponsors will take steps as outlined in the RM3 Policies and Procedures. Potential responses include extending the time frame allotted to meet performance measures, revising performance measures, or adjusting future RM3 funding amounts. Meeting performance targets, in the case of Regional Express Bus, is not guarantee of continued funding in future years. MTC may revise this Policies and Procedures document to identify a new methodology to determine the programming of Regional Express Bus funds, irrespective of the performance, of any route.

For the purposes of RM3 operating program performance measures, the following definitions of terms shall apply:

1. Ridership: ridership shall be measured as change in boardings (total of all adult, youth and student, senior and disabled, inter-operator paid transfer, and non-revenue boardings) on an RM3-funded service divided by the revenue vehicle hours (the total number of hours that each transit vehicle is in revenue service, including layover time) for the same RM3-funded service.
2. Farebox recovery: farebox recovery shall be defined as the ratio of fares collected on the RM3-funded segment to the total operating costs for that same segment. Operating costs are defined as the fully allocated cost for providing service to the RM3-funded segment (consistent with data provided as part of the annual Operating Agreement). Operators may adjust fare revenues for discounted products (e.g., youth fares, senior fares, multi-ride passes, etc.) to the Clipper standard one-ride fare for the purposes of this calculation.
3. Operating cost: operating cost shall be quantified as the fully loaded operating cost, unless an alternative methodology is approved by MTC staff. Fully loaded operating cost is defined as the hourly operating rate that includes both direct and indirect costs. The total service cost shall include both revenue and non-revenue hours for the segment or route/s receiving funds.

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Express Bus Performance Measures

Performance Measure	Performance Target
1. Farebox recovery ratio	Greater than or equal to prior year (yes/no)
2. Passengers per total hour	Greater than or equal to prior year (yes/no)
3. Percent of trips departing on-time	Greater than or equal to prior year (yes/no)
4. Percent of missed trips	Less than or equal to prior year (yes/no)

Expanded Ferry Service Performance Measures

Performance Measure	Performance Target
1. Farebox recovery ratio	Greater than or equal to prior year (yes/no)
2. Passengers per total hour	Greater than or equal to prior year (yes/no)
3. Percent of trips departing on-time	Greater than or equal to prior year (yes/no)
4. Percent of missed trips	Less than or equal to prior year (yes/no)

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Appendix B

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Transbay Terminal Performance Measures

Performance Measure	Performance Target
1. Estimated annual boardings	Greater than or equal to prior year (yes/no)
2. Percent of trips departing Salesforce Transit Center on-time	Greater than or equal to prior year (yes/no)
3. Annual change in lease revenue	Greater than or equal to prior year (yes/no)
4. Provide MTC with the latest version of the following maintenance planning documents, including any review drafts, as an attachment to the operating agreement: a. Asset Management Plan b. Building Maintenance Plan c. Risk Management Plan	Documents provided by deadline (yes/no)
5. Provide MTC with the following customer experience documents, including any review drafts, as an attachment to the operating agreement. This memo should include topics such as: a. Memo describing coordination with transit operators b. Memo describing enhancements to cleanliness, safety, elevator/escalator asset condition, wayfinding, park facilities, and commercial facilities c. Customer experience survey results	Documents provided by deadline (yes/no)
6. Provide MTC with the latest version of the following financial planning documents, including any review drafts, as an attachment to the operating agreement: a. 5-year Operations Funding Plan identifying the envisioned revenue sources and amounts to meet projected operating needs b. Budget, including a comparison of budgeted and actual expenditures and a comparison of revenues and expenditures between the current and past year c. Reserve Summary comparing target reserve amounts to actual reserve amounts	Documents provided by deadline (yes/no)
7. Annual meeting of TJPA partners and MTC to be held within three months of delivering the information listed above to discuss performance and pertinent issues related to the capital, operating, and financial performance of the Salesforce Transit Center.	Meeting held by deadline (yes/no)
8. Percent of near-term recommendations for the Salesforce Transit Center Wayfinding Improvement Plan (a joint TJPA-MTC study concluding in 2020) implemented within 5 years of report completion	Greater than or equal to prior year (yes/no)