



METROPOLITAN
TRANSPORTATION
COMMISSION

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Memorandum

TO: Commission

DATE: September 17, 2008

FR: Executive Director

RE: Regional Measure 2 (RM2) Operating Funds: City of Vallejo Update

This memorandum provides background on a request by the City of Vallejo for \$1.9 million in augmentation funding for its ferry services. As background, faced with a current year budget deficit in FY2008-09, primarily driven by high fuel prices, the City of Vallejo increased monthly ferry ticket prices by over 20%. In the first two months, this has resulted in a 15% drop in ridership.

The City of Vallejo, the Solano Transportation Authority, and the Water Emergency Transportation Authority (WETA) are working together on a request that has the following assumptions:

- Monthly ticket rollback from \$330 to \$290. Last year's price was \$270;
- Average fuel price at \$4.50; a fuel surcharge would be implemented if fuel prices were to exceed this amount (current diesel price is roughly \$3.50 per gallon); and
- The RM2 allocation of \$1.9 million would be for one-year only and any future requests would be subject to completion of the WETA overall service plan and agreement by Vallejo to transition its service to WETA.

As a reminder, WETA is the project sponsor for ferry funding in RM2; therefore, the City is working with and seeking approval from WETA on this supplemental funding request. Specifically, the City of Vallejo is requesting \$1.9 million in RM2 funds to be complemented by \$0.3 million in local contributions from the Solano Transportation Authority and Solano County. This request is in addition to \$2.7 million in current RM2 operating contributions, and would cover an estimated operating budget of \$15.6 million plus a \$0.3 million contingency.

On September 10th, MTC staff presented the allocation request to the Programming and Allocations Committee. The Committee agreed with staff's recommendation to refer the request to the full Commission for approval provided the relevant agencies affected by the proposed allocation gain approval from their own governing bodies. WETA's board is scheduled to act on the proposed allocation on September 17th, the City of Vallejo on September 23rd, and Solano County on October 7th. The Solano Transportation Authority has already taken action to divert \$150,000 to the Vallejo Ferry on September 10th.

Staff will report on the outcome of the approvals from the affected agencies at the next Commission meeting in October. Assuming the approvals occurred, staff is recommending approval of MTC Resolution No. 3863, Revised, which includes \$1.9 million for Vallejo ferry services.

Date: June 25, 2008
W.I.: 1255
Referred by: PAC
Revised: 07/23/08-C 07/23/08-DA
09/24/08-C

ABSTRACT

Resolution No. 3863, Revised

This resolution approves the allocation of the Regional Measure 2 operating and planning funds for FY 2008-09.

This resolution was revised on July 23, 2008 to allocate operating funds to AC Transit and LAVTA for Owl Bus Operations; to AC Transit and Vallejo for Express Bus Operations; to AC Transit for Enhanced/Rapid Bus Operations; to Vallejo/WETA for Ferry Operations; and to ECCTA for Regional Express Bus Operating Programs and MTC for TransLink® Marketing (through delegated authority).

This resolution was revised on September 24, 2008 to allocate operating funds to SFMTA for T-Third light rail operations; and to Vallejo/WETA for Ferry Operations.

Additional discussion of these allocations is contained in the Summary Sheets dated June 11, 2008, July 9, 2008, September 10, 2008 and in the Executive Director's memorandum dated September 17, 2008.

Date: June 25, 2008
W.I.: 1255
Referred by: PAC

Re: Allocation of Regional Measure 2 funds for transit operations and planning for FY 2008-09

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION No. 3863

WHEREAS, pursuant to Government Code Section 66500 *et seq.*, the Metropolitan Transportation Commission (“MTC”) is the regional transportation planning agency for the San Francisco Bay Area; 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, increasing 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 programs eligible for RM2 funding for transit operating and planning assistance as identified in Streets and Highways Code Section 30914(d).

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

WHEREAS, BATA shall fund the projects of the Regional Traffic Relief Plan by transferring RM2 authorized funds to MTC; and

WHEREAS, MTC adopted policies and procedures for the implementation of the Regional Measure 2 Regional Traffic Relief Plan on June 23, 2004, specifying the allocation

criteria and project compliance requirements for RM 2 funding (MTC Resolution No. 3636, Revised); and

WHEREAS, MTC has reviewed the allocation requests submitted for RM2 transit operations and planning funds from the project sponsor(s) listed in Attachment A to this resolution, attached hereto and incorporated herein as though set forth at length funds; and

WHEREAS, project sponsors seeking RM2 funds are required to submit an Operating Assistance Proposal (OAP), pursuant to Streets and Highway Code Section 30914(e) to MTC for review and approval, which demonstrates a fully funded operating plan and consistency with the performance measures, as applicable; and

WHEREAS, MTC staff has reviewed with Federal Highway Administration (FHWA) staff the proposed RM2 funds for specific planning purposes; and

WHEREAS, Attachment A lists the projects requested by project sponsors for RM2 funding and amounts recommended for RM2 allocation by MTC staff; and

WHEREAS, Attachment B to this resolution, attached hereto and incorporated herein as though set forth at length, lists the required project specific conditions which must be met prior to execution of the allocation and any reimbursement of RM2 funds; and

WHEREAS, Attachment C to this resolution, attached hereto and incorporated herein as though set forth at length, includes MTC's Staff review of the OAP for each project listed in Attachment A; now, therefore be it

RESOLVED, that MTC approves Attachment C, MTC staff's review of the OAP for the projects listed in Attachment A; and be it further

RESOLVED, that MTC approves the allocation of RM2 funds in accordance with Attachment A; and be it further

RESOLVED, that the allocation and reimbursement of RM2 funds as set forth in Attachment A are conditioned upon the project sponsor complying with the provisions of the

Regional Measure 2 Regional Traffic Relief Plan Policy and Procedures as set for in length in MTC Resolution 3636; and be it further

RESOLVED, that the allocation and reimbursement of RM2 funds are further conditioned upon the project specific conditions as set forth in Attachment B; and, be it further

RESOLVED, that a certified copy of this resolution, shall be forwarded to the project sponsor.

METROPOLITAN TRANSPORTATION COMMISSION

Bill Dodd, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at the regular meeting of the Commission held in Oakland, California, on June 25, 2008.

Date: June 25, 2008
W.I.: 1255
Referred by: PAC
Revised: 07/23-08-C 07/23/08-DA
09/24/08-C

Attachment A
MTC Resolution No. 3863
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FY 2008-09 ALLOCATION OF REGIONAL MEASURE 2 FUNDS
FOR TRANSIT OPERATIONS AND PLANNING

<u>Implementing Agency</u>	<u>Project Description</u>	<u>Allocation Amount</u>	<u>Allocation Code</u>	<u>Approval Date</u>
MTC	Marketing of Operating and Capital Projects	\$950,000	01	6/25/2008 - DA
Water Emergency Transportation Authority	Planning and administration	\$3,000,000	02	06/25/08
County Connection	Express Bus Route 980	\$414,090	03	06/25/08
County Connection	Owl Bus Service	\$148,776	04	06/25/08
WestCat	Express Bus Route: LYNX	\$317,950	05	06/25/08 - DA
WestCat	Express Bus Route JPX/30Z	\$249,294	06	06/25/08 - DA
AC Transit	Owl Bus Service	\$1,138,908	07	07/23/08
AC Transit	Express Bus Service	\$5,328,087	08	07/23/08
AC Transit	Enhanced/Rapid Bus Service	\$3,000,000	09	07/23/08
LAVTA	Owl Bus Service	\$50,750	10	07/23/08
Vallejo	Express Bus Service	\$1,217,465	11	07/23/08
Vallejo/WETA	Ferry Operations	\$2,700,000	12	07/23/08
ECCTA	Express Bus Operations	\$265,918	13	7/23/2008 - DA
MTC	TransLink® Marketing	\$805,000	14	7/23/2008 - DA
SFMTA	T-Third Light Rail Service	\$2,500,000	15	09/24/08
Vallejo/WETA	Ferry Operations	\$1,900,000	16	09/24/08
	TOTAL	\$23,986,237		

Date: June 25, 2008
W.I.: 1255
Referred by: PAC
Revised: 07/23/08-C 07/23/08-DA
09/24/08-C

Attachment B
MTC Resolution No. 3863
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**REGIONAL MEASURE 2
Project Specific Conditions
Operating and Planning Projects
California Streets and Highway Code 30914(d)**

The allocation and reimbursement of RM2 funds are conditioned upon the following for the projects identified below:

Project: RM2 Marketing Program

Lead Sponsor: MTC

Project Title: RM2 Marketing Program.

- 1) MTC will enter into funding agreements with sponsors to implement the program.

Project # 11

Lead Sponsor: Water Transit Authority (WTA)

Project Title: Planning and administration.

- 1) These funds are limited to planning/administrative expenses consistent with the FY 2008-09 WTA Work Plan submitted to MTC and embodied in the Operating Assistance Proposal.
- 2) This project is not subject to the RM2 operating performance standards.

Project: TransLink® Launch

Lead Sponsor: MTC

Project Title: TransLink® Marketing Program.

- 1) MTC will enter into funding agreements with sponsors to implement the program.

Project # 3.1

Lead Sponsors: CCCTA

Project Title: Express bus service.

- 1) In accordance with MTC's Policies and Procedures, the all-day Express Bus service is subject to a 20% farebox ratio in FY 2008-09.

Project # 7.1

Lead Sponsor: CCCTA
Project Title: Owl bus service.

- 1) In accordance with MTC's Policies and Procedures, this route is subject to a farebox recovery ratio of 10% beginning in FY 2007-08. This service may not meet the farebox recovery performance standard and will be allocated 6 months of funding pending the completion of a performance review.

Project # 4.1

Lead Sponsor: WestCAT
Project Title: LYNX Service between Hercules to the Transbay Terminal

- 1) In accordance with MTC's Policies and Procedures, this route is subject to the following peak-hour farebox recovery ratio of 30%. This service met the farebox standard as required in FY 2005-06 and is projected to continue meeting the standard.

Project # 3.5

Lead Sponsors: WestCAT
Project Title: Express bus service.

- 1) In accordance with MTC's Policies and Procedures, Express bus all-day service for each operator is subject to a 20% farebox ratio. This service met the farebox standard as required in FY 2006-07 and is projected to continue meeting the standard.

Project # 4.2

Lead Sponsors: AC Transit
Project Title: Transbay Service

- 1) In accordance with MTC's Policies and Procedures, these routes are subject to the following farebox recovery ratios:
 - Rte LA: 20% was required in FY 2006-07; this route is anticipated to continue to meet the standard.
 - Rtes J, U, and Bay Br. augmentation rtes.: 30% starting in FY 2007-08.
 - Rtes M and NL: 20% starting in FY 2007-08.

Projects # 7.2 and 7.3

Lead Sponsors: AC Transit and LAVTA
Project Title: Owl bus service.

- 1) In accordance with MTC's Policies and Procedures, the Owl service for each operator is subject to a 10% farebox ratio in FY 2007-08. LAVTA's service may not meet the farebox recovery performance standard and will be allocated 6 months of funding pending the completion of a performance review.

Project # 9

Lead Sponsor: AC Transit

Project Title: Enhanced Bus Service in the Berkeley/Oakland/San Leandro Corridor.

- 1) Because this route functions in part as a feeder to Transbay services, it is not subject to a route-specific farebox recovery target. This project meets the eligibility requirement as long as AC Transit achieves its system wide performance established under state law for receiving TDA, STA, and AB 1107 funds.

Project # 3.3

Lead Sponsor: City of Vallejo

Project Title: Express Bus North

- 1) In accordance with MTC's Policies and Procedures, these routes are subject to the following farebox recovery ratios:
 - Rte 78: 20% starting in FY 2010-11.
 - Rte 80: 20% starting in FY 2006-07.
 - Rte 85: 20% starting in FY 2006-07.

Project # 6

Lead Sponsors: City of Vallejo on Behalf of Water Emergency Transportation Authority (WETA)

Project Title: Ferry – Service to San Francisco

- 1) In accordance with MTC's Policies and Procedures, this route is subject to a farebox recovery ratio of 30% beginning in FY 2006-07. This service met the farebox standard as required in FY 2006-07 and is projected to continue meeting the standard.
- 2) The RM2 allocation of \$1.9 million would be for one-year only for the purpose of retaining ridership and any future requests would be subject to completion of the WETA overall service plan and agreement by Vallejo to transition its service to WETA. The \$1.9 million allocation is to cover FY 2007-08 operating expenses after considering all other revenues including the \$0.3 million local contribution from the Solano Transportation Authority and the County of Solano.

Project # 3.4

Lead Sponsors: Tri-Delta

Project Title: Express bus service.

- 1) In accordance with MTC's Policies and Procedures, Express bus all-day service for each operator is subject to a 20% farebox ratio beginning in FY 2007-08. This service may not meet the farebox recovery performance standard and will be allocated 6 months of funding pending the completion of a performance review.

Project # 8

Lead Sponsor: SFMTA

Project Title: T-Third Light Rail.

- 1) Because this route functions in part as a feeder to Transbay services, it is not subject to a route-specific farebox recovery target. This project meets the eligibility requirement as long as SFMTA achieves its system wide performance established under state law for receiving TDA, STA, and AB 1107 funds.

Regional Measure 2 Operating Assistance Proposal Fact Sheet

Legislative Project #: 6

Revised: 09/24/08-C

Project Description: Vallejo Transit/WETA Ferry Service and Route 200 Ferry Supplemental Bus Service

Operating Plan - Request for RM2 Funds

	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14
Operating Budget							
Total Operating Cost	13,475,658	15,585,073	16,052,625	16,534,204	17,030,230	17,541,137	18,067,371
-- Fare Revenue	6,869,751	8,104,000	8,347,120	8,597,534	8,855,460	9,121,124	9,394,757
-- RM 2 Operating Assistance Request	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000	2,700,000
-- RM 2 Operating - One-time Assistance		1,900,000					
-- Other Subsidy	3,905,907	3,181,073	5,005,505	5,236,670	5,474,770	5,720,013	5,972,614
Total Revenues	13,475,658	15,885,073	16,052,625	16,534,204	17,030,230	17,541,137	18,067,371
Surplus/(Deficit) / Contingency	-	300,000	-	-	-	-	-

Environmental Clearance

Vallejo Transit has adopted a negative declaration for this project.

Ferry	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14
Operating Budget							
Total Operating Cost	12,105,693	14,124,163	14,547,888	14,984,325	15,433,855	15,896,871	16,373,777
-- Fare Revenue	6,246,149	7,464,871	7,688,817	7,919,482	8,157,066	8,401,778	8,653,831
-- RM 2 Operating Assistance Request	2,386,189	2,375,273	2,334,773	2,334,773	2,334,773	2,334,773	2,334,773
-- RM 2 Operating - One-time Assistance		1,900,000					
-- Other Subsidy	3,473,355	2,724,519	4,524,298	4,730,070	4,942,016	5,160,320	5,385,173
Total Revenues	12,105,693	14,464,663	14,547,888	14,984,325	15,433,855	15,896,871	16,373,777
Estimated Annual Ridership	870,000	800,000	824,000	848,720	874,182	900,407	927,419
Average Weekday Ridership	3385	3,113	3,206	3,302	3,401	3,503	3,608
Annual Revenue Vehicle Hours	10,202	9,757	9,757	9,757	9,757	9,757	9,757
Farebox Ratio	51.6%	52.9%	52.9%	52.9%	52.9%	52.9%	53%
Passengers per hour	85.3	82.0	84.5	87.0	89.6	92.3	95
Change in pass per hour	N/A	-3.9%	3.0%	3.0%	3.0%	3.0%	3%

Rte 200	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14
Operating Budget							
Total Operating Cost	1,369,965	1,460,910	1,504,737	1,549,879	1,596,375	1,644,266	1,693,594
-- Fare Revenue	623,602	639,129	658,303	678,052	698,394	719,346	740,926
-- RM 2 Operating Assistance Request	313,811	324,727	365,227	365,227	365,227	365,227	365,227
-- Other Subsidy	432,552	456,554	481,207	506,600	532,754	559,693	587,441
Total Revenues	1,369,965	1,420,410	1,504,737	1,549,879	1,596,375	1,644,266	1,693,594
Estimated Annual Ridership	109,000	110,000	99,000	101,970	105,029	108,180	111,425
Average Weekday Ridership	424	428	424	437	450	464	478
Annual Revenue Vehicle Hours	7,325	7,325	7,325	7,325	7,325	7,325	7,325
Farebox Ratio	45.5%	43.7%	43.7%	43.7%	43.7%	43.7%	44%
Passengers per hour	257.1	257.0	233.5	233.3	233.4	233.1	233
Change in pass per hour	N/A	0.0%	-9.2%	-0.1%	0.0%	-0.1%	0%

Regional Measure 2 Operating Assistance Proposal Fact Sheet

Legislative Project #: 8

Project Description: SFMTA T-Third Light Rail

Operating Plan - Request for RM2 Funds

	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14
Operating Budget							
Total Operating Cost	9,302,551	9,600,233	9,907,440	10,224,478	10,551,661	10,889,314	11,237,773
-- Fare Revenue	2,062,048	2,062,048	2,062,048	2,062,048	2,062,048	2,062,048	2,062,048
-- RM 2 Operating Assistance Request	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000	2,500,000
-- Other Subsidy	4,740,503	5,038,185	5,345,392	5,662,430	5,989,613	6,327,266	6,675,725
Total Revenues	9,302,551	9,600,233	9,907,440	10,224,478	10,551,661	10,889,314	11,237,773
Surplus/(Deficit)	-	-	-	-	-	-	-

Service Parameters

	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14
Estimated Annual Ridership	3,749,179	3,749,179	3,749,179	3,749,179	3,749,179	3,749,179	3,749,179
Average Weekday Ridership	11,940	11,940	11,940	11,940	11,940	11,940	11,940
Annual Revenue Vehicle Hours	43,051	43,051	43,051	43,051	43,051	43,051	43,051
Annual Revenue Vehicle Miles	403,407	403,407	403,407	403,407	403,407	403,407	403,407

Performance Measures

	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13	FY 13/14
Required Measures Per MTC Resolution 3668							
Farebox Recovery Ratio	22.2%	21.5%	20.8%	20.2%	19.5%	18.9%	18.3%
Passengers/Revenue Vehicle Hour	87	87	87	87	87	87	87
Change in Passenger Per Revenue Vehicle Hour	N/A	0%	0%	0%	0%	0%	0%

Environmental Clearance

The Municipal Transportation Agency completed an EIR/EIS for this service.