

Metropolitan Transportation Commission Programming and Allocations Committee

October 8, 2008

Item Number 4b

Regional Measure 2: Operating Program Monitoring Update, Resolution 3863, Revised

Subject: Regional Measure 2 Operating Program Update and Allocations

Background: Last February, staff provided an update on the operating projects in the Regional Measure 2 program for FY 2006-07. This month, staff is presenting the annual update on the FY 2007-08 operating program.

In FY 2008-09, \$23.9 million, not including allocations made this month, of RM2 operating assistance has been allocated to eight projects so far. All RM2-funded operating projects are subject to MTC-adopted performance standards; however, these measures do not have to be met until the 3rd year of service. The operating projects are monitored on an annual basis and the FY 2007-08 analysis is being presented this month.

Six of the twenty-four RM2 operating project routes receiving funding did not meet required performance standards by the end of FY 2007-08. Of these routes, two are Owl bus service lines and four are Express Bus routes. Staff is recommending that RM2 Operating Project funding for routes that did not meet the performance standards be discontinued by December 31, 2008. The routes are outlined in the chart and are described in detail below:

	Route & Description	Farebox Standard	Performance			% Difference from Standard	Allocated in FY 2008 (In Millions)
			FY 2006	FY 2007	FY 2008		
CCCTA	Rt. 820, Oakland, Orinda & Concord BART	10%	1%	2%	3%	-73%	0.4
AC Transit	Rt. J, Berkeley, Emeryville, SF Transbay Terminal	30%	11%	22%	11%	-63%	0.7
Golden Gate	Rt. 75, San Rafael, Santa Rosa	30%	16%	15%	17%	-45%	0.1
AC Transit	Rt. M/MA, UC BART, Dumbarton & San Mateo bridges, Hayward	20%	N/A	18%	13%	-37%	1.7
LAVTA	Rt. 810, Livermore, Dublin, Pleasanton, Bay Fair	10%	2%	5%	8%	-25%	0.1
ECCTA	Rt. 300, Pittsburg/Bay Point BART, Antioch, Brentwood	20%	11%	12%	16%	-20%	0.5

Total funding recommended to discontinue: \$ 3.5 million

- *CCCTA Route 820 Owl service* is significantly below the farebox performance standard. The agency voted to discontinue the service at its September 18, 2008 meeting based on the low farebox recovery ratio of less than 3%. The required farebox recovery ratio is 10%.
- *Golden Gate Route 75 service* was granted \$29,000 in one-time RM2 marketing funds in FY 2007-08 to promote the changes made through GGT's corrective action plan, including service changes and passenger

incentives geared toward increasing use by county employees who use it to travel to the Marin Civic Center. Unfortunately, the route has not increased ridership and productivity has declined. The route collected 17% rather than 30% of its operation costs in fare revenue.

- *AC Transit Route M* was combined with former Route MA in October 2007. The changes combined to increase the number of rider destinations like Sun Microsystems and Oracle, but even with the service changes the route only reached a 13% farebox recovery ratio instead of the required 20%.
- *AC Transit Route J* did not reach the 30% farebox recovery standard required for peak-hour service and no corrective action plan was implemented. The route reached an 11% farebox recovery ratio.
- *LAVTA's Route 810 Owl* service is close to the farebox standard because it is interlined with another route that is successful during the day, *Wheels Route 10*. They have implemented a corrective action plan that includes promotion of the service and more accurate accounting of fares, but still fell short of the 10% farebox recovery ratio with 8%.
- *ECCTA's Route 300* is one of Tri-Delta's most successful lines. While ridership continues to increase, and they have implemented a corrective action plan that increases the farebox recovery ratio by changing the cost allocation plan for evaluating the service, the route fell short of the 20% farebox recovery ratio required for all-day service by collecting 16% of the cost of the service in fares.

Golden Gate's Route 40/42, which received a warning letter, did achieve the 20% farebox requirement. However, the route is at 20% farebox recovery, so it will be critical to maintain this performance in FY 2008-09 to continue to receive RM2 funding in future years. The full allocation amount of \$2.1 million is recommended for Route 40/42 and is included in Resolution 3863 as part of this item.

Policy requirements and associated timelines are outlined in the presentation.

Issues:

1. Attached are several letters from the transit operators requesting either a revision to the performance standard, an extension of time for meeting the standard, or a reframing of how a service is evaluated.
2. Ability of operators to discontinue service by December given the one-month delay in reporting the findings to the Commission. Service changes are generally made quarterly to allow for the reassignment of operators, printing of updated maps and schedules, and informing the public.

3. Should new or adjusted services be provided with the discontinued funds? There are some limitations to how funds maybe redirected. Staff will work with the affected operators on recommendations.

4. Update to the RM2 Policies and Procedures to address how to evaluate projects that meet the performance measures in the first two years, as an example, but do not meet those measures in the third year of service. Staff will return in early 2009, after consulting with the operators, on any necessary revisions to the RM2 Operating Performance Policies.

Recommendation: Refer MTC Resolution No. 3863, Revised to the Commission for approval.

Attachments: Letters from operators
Presentation Slides
MTC Resolution No. 3863, Revised



Livermore Amador Valley Transit Authority

September 25, 2008

Steve Heminger, Executive Director
Metropolitan Transportation Commission
101 Eighth St.
Oakland, CA 94607

Dear Mr. Heminger:

We are writing to convey our concern over the possible elimination of All Nighter service funding that partially finances LAVTA's Route 810 between Bayfair BART and Livermore. This service currently carries consistently more than 1100 riders per month and carried over 1400 passengers in August 2008. The ridership is comprised of many service workers who ride the route to commute to/from their night shift employment. While our farebox recovery ratio is under 10%, it has been growing and improving since the inception of service.

We also believe that it is important to view the All Nighter service as a complete network of services, not just line by line. If less productive portions of the system are deleted, the network becomes less robust, which could reduce ridership on segments of the network which currently meet or exceed the farebox recovery standard.

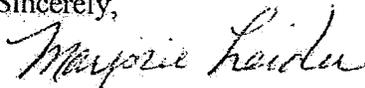
LAVTA's concern is that our current FY budget was developed under the assumption that RM2 funds would flow at least through June 30, 2009. We have received partial year funding from MTC through December 31, 2008. If the MTC terminates funding at the end of the calendar year, it will have negative consequences for LAVTA that we wish to avoid. Specifically:

- Our current budget assumes that RM2 monies will be there to help support the service through June 2009.
- If we want to change service, we would need to hold a public hearing and initiate a service change in the next three months – our service change process typically takes six months.
- We had not planned to publish a new Bus Schedule Book, so the change would necessitate unexpected expenditures not included in our budget.

Because of these issues, LAVTA respectfully requests that RM2 funding for our All Nighter service be continued through at least June 30, 2009. In the meanwhile, the LAVTA Board will consider continued plans to try to increase ridership to meet the 10% farebox recovery level, and/or consider policy options for continuing the service absent RM2 monies by either reducing or reconfiguring, or possibly eliminating the service beginning in the fiscal year starting July 1, 2009.

Thank you for your consideration of our request. If you have any questions about this matter, please do not hesitate to call me.

Sincerely,

A handwritten signature in cursive script that reads "Marjorie Leider".

Marjorie Leider, Chair
LAVTA Board of Directors

Cc: All LAVTA Boardmembers
Paul Matsuoka, Executive Director, LAVTA



September 29, 2008

Mr. Steve Heminger
Executive Director
Metropolitan Transportation Commission
101 Eighth Street
Oakland, CA 94607

Re: Regional Measure 2 Performance Measures

Dear Mr. Heminger:

We urge you to reconsider the MTC staff proposal that is recommending the rescission of AC Transit's FY 2008-09 Regional Measure 2 (RM2) operating allocations for Line J and Line M. The rescission is being recommended because the routes do not meet the Commission imposed farebox recovery performance measures for RM2 operating revenues. Together, the RM2 funding for these two routes represent over \$2.4 million in critical operating revenues to AC Transit, without which we would not be able to operate these transbay services.

We encourage the Commission to reevaluate the RM2 performance measures. Ridership on our Transbay lines has had consistent growth over the four year period since the services began. This is partially attributable to the sharp increases in fuel costs which have encouraged record numbers in new riders. At the same time that we are seeing substantive growth in Transbay ridership, our fuel costs have gone up almost 90%, having a devastating impact on our budget.

Table 1 below compares AC Transit's FY 2004-05 and FY 2007-08 operating costs for budget items that we have little or no control over. These items make up almost a third of our total operating costs and on average have increased 44% in the four year period since the Commission established the RM2 performance criteria, weakening our farebox recovery performance. Conversely, our revenues have increased by only 20% during the same period.

Table 1: AC Transit Operating Cost Comparison – FY 2005/FY 2008

Budget Line Item	FY 2004-05	FY 2007-08	Increase / (Decrease)	
			\$	%
Health Care	21,678,662	29,013,718	7,335,056	33.8%
Security Services	6,782,495	9,738,598	2,956,103	43.6%
Fuel and Lubricants	10,088,000	18,920,699	8,832,699	87.6%
Utilities and Taxes	4,806,000	6,375,401	1,569,401	32.7%
Casualty and Liability	4,316,000	8,893,737	4,577,737	106.1%
ADA Consortium	16,818,000	20,030,531	3,212,531	19.1%
Non Discretionary Operating Costs Total	64,489,157	92,972,684	28,483,527	44.2%
Total District Operating Expenses	248,087,000	313,872,804	65,785,804	26.5%

Recently the AC Transit Board considered fare increases but received significant public opposition to the proposal. The Board also approved putting Measure VV on the November ballot which would increase our parcel tax revenues by an estimated \$14 million annually both to help mitigate rising costs but also to alleviate the impact of fare increases to our economically disadvantaged riders.

We had further hoped that public transportation revenues generated by the high fuel costs would relieve the pressures on our budget. Indeed, economic conditions are generating record levels of Spillover funds that should have been deposited in the Public Transportation Account. Instead, the Governor and Legislature diverted all of the Spillover funds and a portion of the base State Transit Assistance reducing AC Transit's anticipated revenues by over \$20 million.

Now is not the time to further cut revenues to public transit. We are at historical crossroads where fuel costs are having a profound impact on trip behavior. Significant progress has been made and trends show we will continue to make progress getting people out of their cars and on to transit. In its 2035 Plan, the Commission has established environment/climate protection as a key tenet and has prioritized billions of dollars in transit expansion during the 25 years of the plan. Services funded with Regional Measure 2 operating revenues already support these goals. Rather than rescind these funds, we encourage you to direct MTC staff to work with RM2 operators to develop revised performance measures so that we can maintain these vital services.

The Commission has also established smart growth priorities and emphasized transit oriented developments. The Ardenwood Park and Ride is being developed with RM2

funds to facilitate commute trips on the Line U and Line M. The Ardenwood Park and Ride when completed will have a profound affect on these lines. We are contemplating developing the facility as a transit oriented development. We will need to have a fully developed transit system in the vicinity of this facility to make such a project feasible.

We would appreciate this request being submitted to the Commission with MTC's staff report. Please contact me or my staff member, Kate Miller (510) 891-4859, should you have any questions or require additional information.

Sincerely,



Rick Fernandez
General Manager

cc: Therese McMillan, MTC
Alix Bockelman, MTC
Board of Directors, AC Transit
Kate Miller, AC Transit

RF/km/clt



TRI DELTA TRANSIT

EASTERN CONTRA COSTA TRANSIT AUTHORITY
801 Wilbur Avenue
Antioch, California 94509
925.754.6622
925.757.2530 FAX

September 30, 2008

Mr. Steve Heminger
Executive Director
Metropolitan Transportation Commission
101 Eighth Street
Oakland, CA 94607

re: Regional Measure 2 Funding for ECCTA's Express Route 300

Dear Mr. Heminger:

MTC staff is proposing revisions to Resolution 3863 which allocates RM2 funds to the Eastern Contra Costa Transit Authority (ECCTA), also known as Tri Delta Transit, for the operation of ECCTA's Express Route 300. The revisions include the termination of funding to ECCTA for failure to meet the 20% fare recovery ratio requirement associated with RM2 funds. We request that the recommendation to terminate Express Route 300 be withdrawn.

BACKGROUND

Prior to the appropriation of RM2 funds, ECCTA's Route 300 existed in an infrequent peak-time only format. The additional funding from RM2 allowed ECCTA to expand the route in frequency and expanse of service so that it met the criterion of an Express Route. The original performance measurements used to gain approval of RM2 funding and subsequent performance reporting took into consideration the fares and costs associated with the overall operation of the route, not just the service enhancements. This methodology was adopted due to its simplicity as well as a belief that all performance standards would be met using this approach.

ISSUE

In early 2008, it was determined that the route would not achieve the required 20% fare recovery ratio when performance was calculated on a *total service basis*.

CONSIDERATIONS

- Since the implementation of the RM2-funded service enhancements, patronage on Express Route 300 has grown by 33% with a larger increase in fare revenue because fares were increased.
- Costs beyond the control of ECCTA -- mostly fuel prices -- grew at a faster pace yet ECCTA was able to increase the fare recovery ratios on Express Route 300 from 11% when the expanded service began to 16% last year through prudent operation and fiscal restraint.
- To move toward increasing the fare recovery ratio even more, ECCTA staff conducted a series of public hearings in early 2008 to gather comments on a proposed additional fare increase on the express service to achieve the RM2-required fare recovery ratio.



Recycled Paper

- During the public hearing process, ECCTA staff worked closely with MTC staff and determined that the *additional* Route 300 service funded by RM2 funds was generating a better-than-20% fare recovery ratio. MTC staff approved a new methodology to apply for and report performance standards for only the *additional* service provided with RM2 funds rather than the total service so ECCTA dropped the fare increase consideration and used the new methodology when applying for RM2 funds for the FY09 year.
- The new methodology for reporting RM2 operating performance will be used for the quarterly operating reports beginning with the first quarter of FY2009 ending today, September 30, 2008, which will confirm a fare recovery ratio of well over 20%.

REGIONAL PERSPECTIVE:

Express Route 300 is a crucial route for the residents of Eastern Contra Costa County.

- ✓ Reduction in single vehicle trips: Some 1,400 commuters per day use Express Route 300 to access the Pittsburg/Bay Point BART station, located in the ECCTA service area. This generates a significant reduction in single vehicle trips on SR4, the heavily congested freeway arterial in East County, meeting one of the goals of RM2.
- ✓ Parking demand decrease: Express Route 300 decreases the demand for parking at the Pittsburg/Bay Point BART station which is currently at capacity by 7:00 AM each weekday.
- ✓ Future demand for Express Route 300: ECCTA is acquiring park and ride lot sites in East County as part of a long-range plan to enhance Express bus/BART feeder bus service to the Pittsburg/Bay Point BART station.
- ✓ Partnership: ECCTA staff is currently working closely with BART staff to enhance park and ride opportunities for BART commuters in Eastern Contra Costa County that will encourage heavier use of Express Route 300 to the Pittsburg/Bay Point BART station.

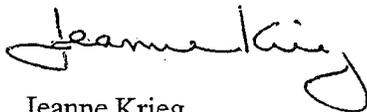
CONCLUSION

ECCTA respectfully requests:

- Use the MTC staff-approved reporting methodology to analyze fare recovery ratios for ECCTA's Express Route 300, and
- continue RM2 funding for ECCTA's Express Route 300.

ECCTA's Express Route 300 does -- and will -- meet all of the RM2 performance requirements to receive such funding.

Sincerely,



Jeanne Krieg
Chief Executive Officer

c: Contra Costa County Supervisor and MTC Commissioner Federal Glover
ECCTA Board of Directors
Therese McMillan, MTC
Alix Bockelman, MTC
Christina Verdin, MTC

Regional Measure 2: Operating Program Update

October 8, 2008

Programming and Allocations



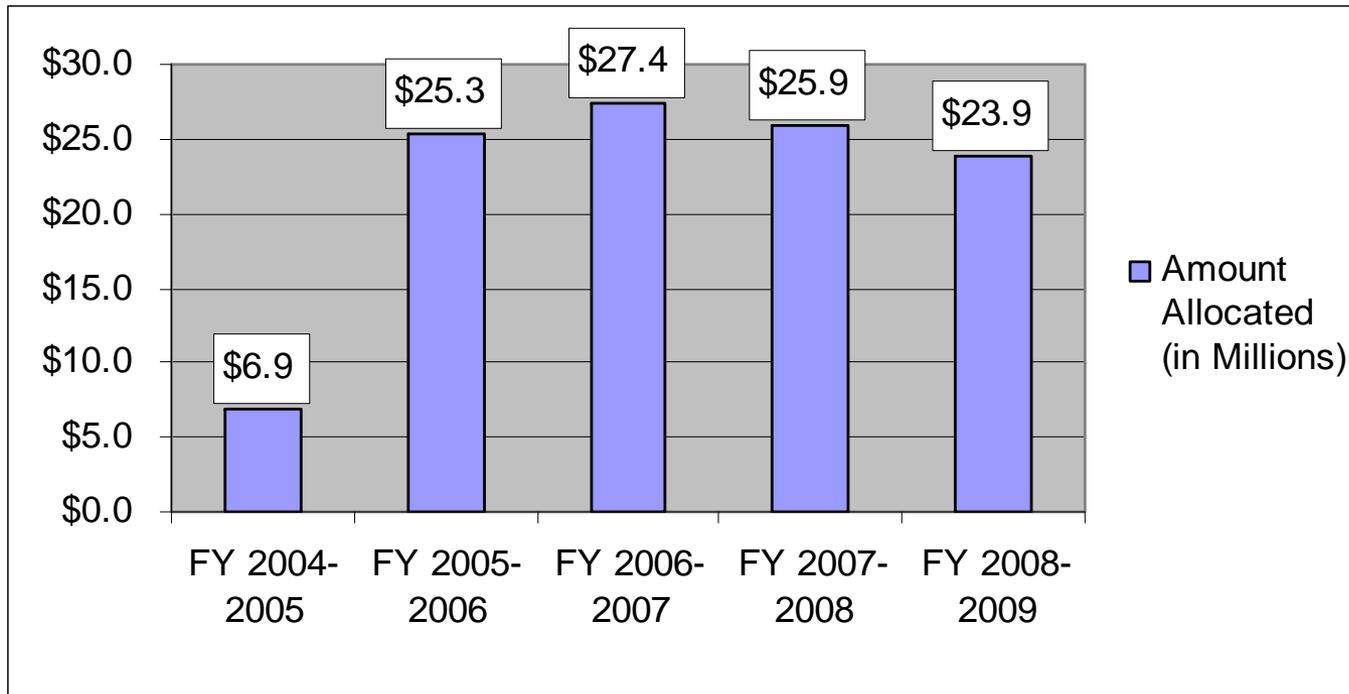
METROPOLITAN TRANSPORTATION COMMISSION

RM2 Operating Program: Overview

- Operating support for 11 projects
 - 4 ferry projects were combined by SB 976
- Allocations by Fiscal Year
- Program cap of 38% of RM2 Revenues
- 1.5% annual escalation for trunkline projects permitted in statute
 - RM2 collection less than projected
 - Escalation ended in FY 2008-09 so that the base amount for remaining projects is covered
- Trunkline projects are required to meet MTC-adopted performance standards



RM2 Operating Program: Annual Allocations



FY 2008-2009:

- \$23.9 million allocated through September

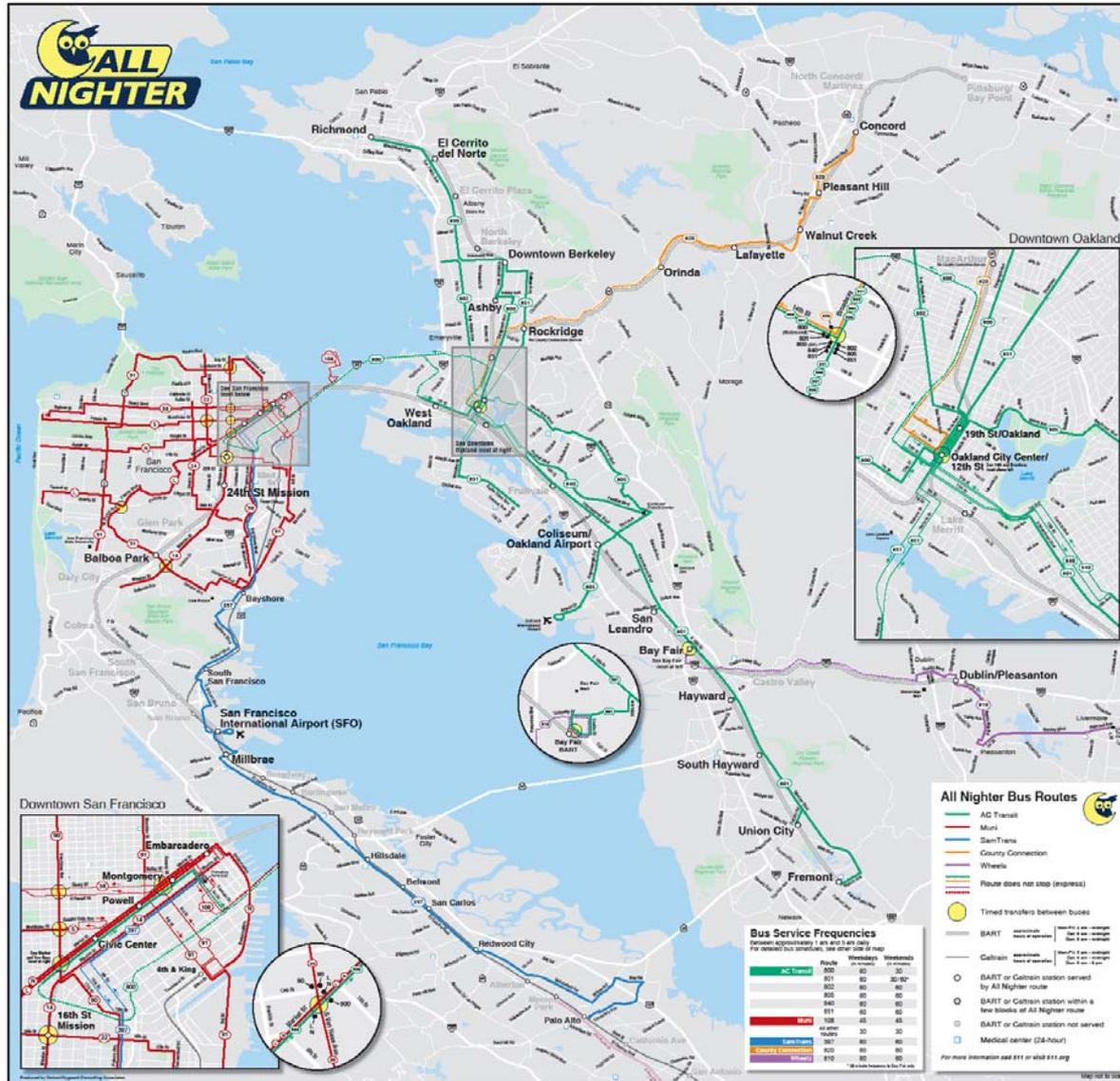
RM2 Operating Program

Projects	Mode	Annual Amount (\$ in Millions) 1st Year of Funding	Escalation Rate
Trunkline			
Dumbarton Rail	Rail	\$5.5	1.5%
WTA: Alameda/ Oakland/ Harbor Bay; Albany/ Berkeley - S.F.; South S.F. - S.F. ; Vallejo Ferry	Ferry	\$15.4	1.5%
Golden Gate Express Bus Service over the Richmond Bridge (Route 40)	Bus	\$2.1	1.5%
Napa Vine service terminating at Vallejo Intermodal terminal	Bus	\$0.4	1.5%
Regional Express Bus South Pool (Bay Bridge, San Mateo, and Dumbarton)	Bus	\$6.5	1.5%
Regional Express Bus North Pool (Carquinez, and Benicia Bridge)	Bus	\$3.4	1.5%
Owl Bus Service on BART Corridor	Bus	\$1.8	1.5%
Non Trunkline			
WTA System	Misc	\$3.0	0%
MUNI 3rd street	Rail	\$2.5	0%
TransLink® **	Misc	--	0%
AC Transit Enhanced Bus Service: International Blvd and Telegraph Ave.	Bus	\$3.0	0%
Total:		\$43.5	

* **TransLink® shall receive a total of \$20 million in operating funds in non-consecutive years

 Project less than 80% implemented

Owl Service Overview



- Operates when BART is not in service.
- Service provided by AC Transit, County Connection, LAVTA, SF MTA, and SamTrans.
- County Connection and LAVTA were the only two operators that did not have Owl service prior to RM2 funding.

Performance Standards

- Farebox ratio, stratified by mode and type of service, is the primary standard
- 2nd standard requires positive trend in service productivity (passengers/hr.)
- Standards must be achieved by 3rd year of service

Farebox Standard

<i>Service Type</i>	Ferry	Rail	Bus
Peak	40%	35%	30%
All Day	30%	25%	20%
Owl	n/a	n/a	10%

Performance Standards

If Standards not achieved:

- MTC Staff consults with project sponsor
- Operator prepares Corrective Action Plan
- If approved, operator given date certain to achieve standards
- If standards still not met and operator wants to maintain the service, Commission holds public hearing on the project
- Commission may vote to modify scope or funding, or reassign funding

Some projects required to achieve standards in FY 2007-08 did not meet standards; recommend discontinuation of funding.

Performance Results FY 2007-08 Services Beyond Three-year Ramp Up

	Agency	Route	Standard	FY 05-06 (audited)	FY 06-07 (audited)	FY 07-08 (audited)	Service Productivity
<i>Standards to be met by FY 05-06</i>							
Peak	WestCat	LYNX	30%	33%	49%	57%	↑
<i>Standards to be met by FY 06-07</i>							
All-Day	AC Transit	LA	20%	30%	27%	26%	↔
	Golden Gate	40/42	20%	20%	22%	20%	↑
	Vallejo	85	20%	27%	19%	24%	↑
	Vallejo	80	20%	44%	48%	23%	↓
	WestCat	30Z/JPX	20%	24%	23%	28%	↑
Peak	Vallejo	Ferry	30%	44%	58%	54%	↓
Green	= Likely to meet standard						
Yellow	= Reason for concern						
Pink	= Unlikely to meet standard						

- Golden Gate Route 40/42 performance just met the farebox standard; MTC staff monitoring
- All other services met farebox recovery standard
- Not all operators meeting the required increased productivity standard

Performance Results FY 2007-08

Must Meet Standard by FY 2007-2008

	Agency	Route	Standard	FY 05-06 (audited)	FY 06-07 (audited)	FY 07-08 (audited)	Service Productivity
<i>Standards to be met by FY 07-08</i>							
Owl	AC Transit	800/801	10%	10%	23%	19%	↓
	CCCTA	820	10%	1%	2%	3%	↑
	LAVTA	810	10%	2%	5%	8%	↑
	Muni	14	10%	14%	13%	12%	↓
	SamTrans	397	10%	18%	19%	19%	↑
All-Day	AC Transit	NL	20%	37%	31%	21%	↑
	ECCTA	300	20%	11%	12%	16%	↑
	Fairfield	90	20%	N/A	42%	40%	↑
Green	= Likely to meet standard						
Yellow	= Reason for concern						
Pink	= Unlikely to meet standard						

- CCCTA Owl Ridership is very low - Agency voted to discontinue service.
- LAVTA service closer to standard - LAVTA uses local TDA funds to operate route segment from BART station to Livermore; serves local trip generators.
- Tri-Delta has seen positive trends; ranks 4th of 20 routes in their service area, carried 17 passengers per revenue hour and approximately 1,400 riders per day.

Performance Results FY 2007-08

Must Meet Standard by FY 2007-2008

	Agency	Route	Standard	FY 05-06 (audited)	FY 06-07 (audited)	FY 07-08 (audited)	Service Productivity
<i>Standards to be met by FY 07-08</i>							
All-Day	AC Transit (combined 12/07)	M	20%	19%	17%	13%	↓
		MA	30%	12%	3%	Combined with M	
Peak	AC Transit	J	30%	11%	22%	11%	↔
	AC Transit	U	30%	37%	26%	30%	↓
	AC Transit	Bridge Augm.	30%	10%	38%	Funds redistributed to NL	
	Golden Gate	75	30%	16%	15%	17%	↓
	Golden Gate	72	30%	56%	51%	59%	↓
Green	= Likely to meet standard						
Yellow	= Reason for concern						
Pink	= Unlikely to meet standard						

- Golden Gate Transit Route 75 - GGT corrective action plan implemented in fall of 2007 through June 2008. Passengers increased, but productivity decreased.
- AC Transit Route M was combined with route MA to create a route with more populated destinations, but the change was not sufficient to improve ridership, fares and productivity.
- AC Transit Route J was anticipated to reach the 30% standard, so no corrective action plan was implemented.

Performance Results FY 2007-08 Must Meet Standard by FY 2008-2009

	Agency	Route	Standard	FY 05-06 (audited)	FY 06-07 (audited)	FY 07-08 (audited)	Service Productivity
	<i>Standards to be met by FY 08-09</i>						
All-Day	CCCTA	980	20%	N/A	12%	10%	↑
	Fairfield	40	30%	N/A	29%	23%	↑
Green	= Likely to meet standard						
Yellow	= Reason for concern						
Pink	= Unlikely to meet standard						

- Both operators will be asked to submit a corrective action plan for each route.

Performance Results FY 2007-08

Summary of Routes Not Meeting Performance Standards

Recommendation: Discontinue Funds

	Route	Description	Farebox Standard	Performance			% Difference from Standard	Allocated in FY 2008 (In Millions)
				FY 2006	FY 2007	FY 2008		
CCCTA	820	Owl to Oakland, Orinda & Concord BART	10%	1%	2%	3%	-73%	\$ 0.4
AC Transit	J	Berkeley, Emeryville, SF Transbay Terminal	30%	11%	22%	11%	-63%	\$ 0.7
Golden Gate	75	San Rafael, Santa Rosa	30%	16%	15%	17%	-45%	\$ 0.1
AC Transit	M/MA *	UC BART, Dumbarton & San Mateo bridges,	20%	N/A	18%	13%	-37%	\$ 1.7
LAVTA	810	Owl to Livermore, Dublin, Pleasanton, Bay Fair	10%	2%	5%	8%	-25%	\$ 0.1
ECCTA	300	Pittsburg/Bay Point BART, Antioch, Brentwood	20%	11%	12%	16%	-20%	\$ 0.5

Total funding recommended to discontinue: \$ 3.5 million

* M/MA were separate routes in FY 2006; FY 2007 is for M only; routes combined in FY 2007-08.

Performance Results: Policy Requirements

October 2008

- Notification sent to project sponsors that did not meet FY 2007-08 performance measures:
 - Funding to be discontinued in December 2008
- Advisory letters will be sent to project sponsors at risk of not meeting FY 2008-09 performance measures

Early 2009

- Technical clean-up revisions to RM2 Policies related to operating performance measures

Next Steps for FY 2008-09

June 2009

- RM2 Allocations begin - projects not projected to meet FY 2008-09 performance standard would be allocated 6 months of funding, through December 2009
- Additional funding contingent on improved performance in FY 2008-09

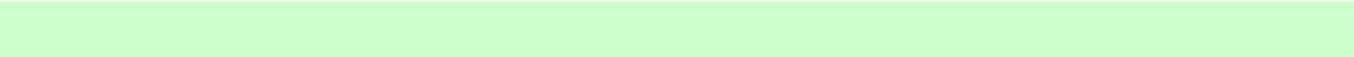
September 2009

- Report on FY 2008-09 performance data
- For projects not meeting standards, RM2 funds to end in December 2009

December 2009

- RM2 funds end for projects not meeting performance measures

Contact Information



- **MTC Staff:**
 - Christina Verdin (cverdin@mtc.ca.gov, 510.817.5869)
- **TY Lin International:**
 - Francis Lo (flo@tylin.com, 510.457.3038)
 - Jerry Kaplan (MtDana@aol.com, 925.932.4524)



Metropolitan Transportation Commission

Date: June 25, 2008
W.I.: 1255
Referred by: PAC
Revised: 07/23/08-C 07/23/08-DA
09/24/08-C 10/22/08-C
10/22/08-DA

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.

This resolution was revised on October 22, 2008 to allocate operating funds to Golden Gate Transit for Express Bus Operations over the Richmond Bridge and Express Bus North Operations; to SFMTA for Owl Service Bus Operations and Golden Gate Transit for Express Bus Service (through Delegated Authority).

Additional discussion of these allocations is contained in the Summary Sheets dated June 11, 2008, July 9, 2008, September 10, 2008, and October 8, 2008 and in the Executive Director's memorandum dated September 17, 2008.

Date: June 25, 2008
W.I.: 1255
Referred by: PAC
Revised: 07/23/08-C 07/23/08-DA
09/24/08-C 10/22/08-C
10/22/08-DA

Attachment A
MTC Resolution No. 3863
Page 1 of 1

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
Golden Gate	Express Bus Route 40	\$2,195,925	17	10/22/08
Golden Gate	Express Bus Route 72x	\$151,264	18	10/22/08 - DA
Golden Gate	Express Bus Route 75	\$72,670	19	10/22/08 - DA
SFMTA	Owl Bus Service	\$187,501	20	10/22/08 - DA
	TOTAL	\$26,593,597		

Date: June 25, 2008
W.I.: 1255
Referred by: PAC
Revised: 07/23/08-C 07/23/08-DA
09/24/08-C 10/22/08-C
10/22/08-DA

Attachment B
MTC Resolution No. 3863
Page 1 of 4

**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.

Project # 1

Lead Sponsor: Golden Gate Bridge, Highway & Transportation District
Project Title: Express bus service over the Richmond Bridge.

- 1) In accordance with MTC's Policies and Procedures, this route is subject to a farebox recovery ratio of 20% beginning in FY 2006-07. This route met the farebox recovery standard during the FY 2006-07 RM2 Compliance Review. This route fell just short of the farebox recovery standard during the FY 07-08 RM2 Compliance Review when a 19.9% farebox recovery was confirmed. It is recommended that the remaining RM2 funding will be allocated for this service.

Projects # 3.5 & # 3.6

Lead Sponsor: Golden Gate Bridge, Highway & Transportation District
Project Title: Express bus service.

- 1) In accordance with MTC's Policies and Procedures, these routes are subject to a farebox recovery ratio of 30% beginning in FY 2007-08. Route 72x met the farebox recovery standard during the FY 2007-08 RM2 Compliance Review. Route 75 was verified not to have achieved the required farebox recovery standard during the FY 2007-08 RM2 Compliance Review and will be allocated 6 months of funding. It is recommended that funding for Route 75 will be terminated as of December 31, 2008.

Project # 10.4

Lead Sponsors: SFMTA
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. This service was verified to meet the farebox recovery standard as required in FY 2007-08 and is projected to continue meeting the standard.

Regional Measure 2 Operating Assistance Proposal Fact Sheet

Legislative Project #: 1

Project Description: Golden Gate Express Bus Service Over the Richmond Bridge

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	3,024,737	3,249,615	3,379,599	3,514,783	3,655,375	3,801,590	3,953,653
-- Fare Revenue	602,123	632,230	663,841	697,033	731,885	768,479	806,903
-- RM 2 Operating Assistance Request	2,195,925	2,195,925	2,195,925	2,195,925	2,195,925	2,195,925	2,195,925
-- Other Subsidy	226,688	421,460	519,833	621,825	727,565	837,186	950,825
Total Revenues	3,024,737	3,249,615	3,379,599	3,514,783	3,655,375	3,801,590	3,953,653
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	268,393	281,813	281,813	281,813	281,813	281,813	281,813
Average Weekday Ridership	918	930	930	930	930	930	930
Annual Revenue Vehicle Hours	19,687	19,687	19,687	19,687	19,687	19,687	19,687
Annual Revenue Vehicle Miles	278,584	278,584	278,584	278,584	278,584	278,584	278,584

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	19.9%	19.5%	19.6%	19.8%	20.0%	20.2%	20.4%
Passengers/Revenue Vehicle Hour	14	14	14	14	14	14	14
Change in Passenger Per Revenue Vehicle Hour	N/A	5%	0%	0%	0%	0%	0%

Environmental Clearance

Notice of Exemption filed with the County Clerk's Office