

**Metropolitan Transportation Commission  
Programming and Allocations Committee**

November 12, 2008

Item Number 3d

**Resolution Nos. 3853, Revised and 3863, Revised**

**Subject:** Revision to the FY 2008-09 Regional Measure 2 (RM2) Operating Assistance Program and Allocation of \$3.25 million in new operating funds.

**Background:** This month, staff is proposing both a revision to the FY 2008-09 operating program as well as three new operating allocations.

**Operating Program Revision:**

Resolution 3853 adopted earlier this year sets forth the Operating Assistance Program budget for FY 2008-09. Staff is recommending an augmentation to the operating budget this month of roughly \$4 million. The augmentation is in two program areas: 1) Water Emergency Transportation Authority (WETA) ferry operating and start-up/transition projects (\$2.2 million); and 2) TransLink<sup>®</sup> Launch marketing (\$1.9 million). For the ferries, the program revision aligns the budget with an allocation action taken by the Commission in September. At that time, the Commission approved an emergency request to program and allocate \$1.9 million in additional current-year funding for one year only to the City of Vallejo on behalf of WETA for its ferry services.

**Operating Allocations:**

Staff is recommending three new operating allocations this month totaling \$3.25 million, as described below. These allocations are consistent with the revised operating program for FY 2008-09.

1) Spare Vessel Operations: In April of 2006, the then Water Transportation Authority Board authorized the purchase of two 150-passenger ferry vessels to be used as spares for WETA. The vessels were planned for use on WETA's new South San Francisco (SSF) service. Operation of the SSF route has been delayed to 2010, but the two vessels are due to arrive in the Bay Area in December 2008 and March 2009. Because of the need to place the vessels in service and take advantage of an already purchased warranty rather than having the vessels in dry dock, WETA developed an alternative plan for use of the vessels until the SSF service begins. As outlined in WETA's spare vessel utilization plan, which was approved by the WETA Board in October, the vessels will be operated by the City of Alameda for use in their contract services with Blue and Gold and Harbor Bay Maritime for the provision of Alameda/Oakland ferry service in December 2008 and Harbor Bay ferry service in March 2009, respectively. Consistent with the City of Alameda's service agreement with Blue and Gold, the vessels may also be used to support ferry services between Tiburon and San Francisco operated by Blue and Gold. An allocation of \$0.75 million is recommended for this service under Resolution No. 3863, Revised.

2) Transition Expenses: California Senate Bills 976 and 1093 compelled the transfer of existing city-based ferry services from the cities of Alameda and Vallejo to WETA and identified the elements to be included in a transition plan to be approved by the WETA Board no later than July 1, 2009. The plan

will consider options for service delivery, management of capital assets, and other key transition issues. A second phase of this work will implement activities that need to take place to transition services. WETA has hired a consulting team to help gather and organize pertinent data, facilitate discussions with city staff, develop and coordinate public outreach efforts and prepare a final transition plan document. An allocation of \$0.6 million is recommended under Resolution 3863, Revised and programmed under Resolution 3853, Revised to complete this work.

3) TransLink®: Under RM2 legislation, Section 30914 (f) of the Streets and Highways Code, a portion of the toll revenues shall be made available for the marketing of projects and transit operations funded by RM2 dollars. With the TransLink® system now fully installed on AC Transit, Golden Gate Transit, SFMTA and Caltrain, staff requests a set-aside of \$930,000 to be allocated to the transit agencies to support the public launch of TransLink® on these systems. Staff further requests \$640,000 for MTC's expenses related to website management, production of regional information materials, system and service evaluations, fare incentives and employer benefit program design.

**Issues:**

WETA:

- 1) The allocation of the spare vessels is an estimate of costs for making Alameda and Harbor Bay facilities compatible with the new vessels' physical dimensions, costs for incremental increases in maintenance and crew training, and added insurance. Where possible, WETA will seek to use other capital funds to perform the facility modification work, but they have requested up to this current allocation amount in order to expeditiously prepare for the vessels' arrival.
- 2) In accordance with California SB 1093, Section 66540.11(e), MTC must make the determination that the funds requested for transition costs are reasonable and substantially a result of the transition of the City of Alameda and the City of Vallejo's Ferry Services to WETA.

**Recommendation:**

Refer Resolution Nos. 3853, Revised, and 3863, Revised to the Commission for approval.

**Attachments:**

MTC Resolutions Nos. 3853, Revised, and 3863, Revised

Date: June 25, 2008  
W.I.: 1255  
Referred by: PAC  
Revised: 11/26/08-C

ABSTRACT

Resolution No. 3853, Revised

This resolution adopts the Regional Measure 2 (RM2) Operating Assistance Program for FY 2008-09.

This resolution was revised on November 26, 2008 to program funds to WETA/Vallejo for Ferry Operations; to WETA for Spare Vessel operations, and Transition Planning; and to TransLink<sup>®</sup> for launch marketing.

Further discussion of this action is contained in the Programming and Allocations Committee Summary Sheets dated June 11, 2008 and November 12, 2008.

**FY 2008-09 RM-2 Operating Allocation Plan**

Project #	Project Name	Operator	Route	Allocation Amount (1)
1	Richmond Bridge Express Bus	Golden Gate Transit	Route 40	<b>2,195,925</b>
2	Napa VINE Service	NCTPA	Vallejo Intermodal Express Bus	<b>275,000</b>
3	Express Bus North	Vallejo	Solano County Express Bus	360,226
		Vallejo	Route 80	661,873
		Vallejo	Route 85	201,741
		ECCTA	Route 300	531,835
		CCCTA	Route 980	414,090
		Fairfield/Suisun Transit	Route 40	184,072
		Fairfield/Suisun Transit	Route 90	526,963
		Golden Gate Transit	Route 72	151,264
		Golden Gate Transit	Route 75	145,339
		WestCat	Route 30Z/JPX	249,294
4	Express Bus South	AC Transit	TransBay Bay Bridge Corridor	3,637,657
		AC Transit	Hayward/San Mateo Corridor	1,724,348
		AC Transit	Dumbarton Corridor	311,238
		WestCat	Hercules Transbay	317,950
			<b>Total</b>	<b>5,991,193</b>
6	Ferry Service	WETA/Vallejo	Vallejo Ferry Service to S.F.	2,740,500
		WETA/Vallejo	Vallejo Ferry Augmentation	1,900,000
		WETA	Spare Vessel operations	750,000
		WETA	Transition Expenses	600,000
			<b>Total</b>	<b>5,990,500</b>
7	Owl Service	AC Transit	Owl operations	1,138,949
		CCCTA	Owl operations	297,550
		LAVTA	Owl operations	101,500
		MUNI	Owl operations	187,501
		SamTrans	Owl operations	101,500
			<b>Total</b>	<b>1,827,000</b>
8	MUNI Metro 3rd Street	SF MUNI	Metro 3rd Street extension	<b>2,500,000</b>
9	AC Transit Rapid Bus Corridor	AC Transit	Enhanced Bus Service in the Berkeley/Oakland/San Leandro Corridor	<b>3,000,000</b>
11	WETA planning	WETA	Planning and operations	<b>3,000,000</b>
N/A	RM2 Marketing	MTC	Operating/Capital Projects	<b>950,000</b>
N/A	TransLink® Launch (public outreach, fare incentives, kiosk)	MTC	AC Transit, BART, Golden Gate Transit, Muni, Caltrain	<b>2,567,000</b>
			<b>Grand Total</b>	<b>31,723,315</b>

Notes: 1. The amounts listed reflect the RM-2 base subsidy, with certain projects subject to a 1.5% annual escalation rate through FY 2007-08. Escalation is suspended starting in FY 2008-09 until RM2 BATA RM2 receipts surpass the amounts budgeted to fund the legislative operating projects.

Subject to meeting performance measures

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 11/26/08-C  
11/26/08-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 Operations 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 for Express Bus Operations; and, through Delegated Authority, to SFMTA for Owl Service and Golden Gate Transit for Express Bus Service. After Committee review of performance measures, the final six months of operating funds for FY2008-09 were allocated to the following services: ECCTA Route 300 Express Bus service, LAVTA Owl Service, and Golden Gate Route 75 Express Bus Service.

This resolution was revised on November 26, 2008 to allocate operating funds to WETA for spare vessel operations, and transition expenses; to MTC for TransLink® Marketing; and, through Delegated Authority, to Fairfield-Suisun Transit for Express Bus service.

Additional discussion of these allocations is contained in the Programming & Allocation Committee Summary Sheets dated June 11, 2008, July 9, 2008, and September 10, 2008; the Executive Director's memorandum to the Commission dated September 17, 2008, and the Summary Sheets dated October 8, 2008 and November 12, 2008.

Date: June 25, 2008  
W.I.: 1255  
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Revised: 07/23-08-C 07/23/08-DA  
09/24/08-C 10/22/08-C  
10/22/08-DA 11/26/08-C  
11/26/08-DA

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 Route 300	\$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	\$145,339	19	10/22/08
SFMTA	Owl Bus Service	\$187,501	20	10/22/08 - DA
LAVTA	Owl Bus Service	\$50,750	21	10/22/08
ECCTA	Express Bus Route 300	\$265,917	22	10/22/08
WETA	Spare Vessel Operations	\$750,000	23	11/26/08
WETA	Transition Expenses	\$600,000	24	11/26/08
MTC	TransLink® Marketing	\$1,892,500	25	11/26/08
Fairfield	Express Bus Operations	\$711,035	26	11/26/08 - DA
	TOTAL	\$30,936,469		

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 11/26/08-C  
11/26/08-DA

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 did not meet the farebox recovery performance standard and was allocated 6 months of funding. Though the Programming and Allocations Committee recommended additional funding for the service, the funds will be discontinued at the request of CCCTA as the agency moves forward with discontinuing the service due to low ridership.

**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.
- 2) Routes J and M did not meet their respective farebox recovery performance standards for FY 2007-08. The routes will be allocated full funding through the end of the fiscal year and will be reevaluated to verify accuracy of the data provided by AC Transit.

**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 did not meet the farebox recovery

performance standard. After review by the Committee, the route will be allocated full funding in FY 2008-09.

**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 # 6.1**

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 2008-09 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 did not meet the farebox recovery performance standard in FY2007-08, based on the existing reporting methodology. After review by the Committee, the route will be allocated full funding in FY 2008-09.

**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 just achieved the farebox recovery standard during the FY 07-08 RM2 Compliance Review with a 20% farebox recovery. 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 did not achieve the required farebox recovery standard during the FY 2007-08 RM2 Compliance Review. After Committee review, the route will be allocated full funding in FY 2008-09.

**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.

**Project # 3.7**

Lead Sponsors: Fairfield/Suisun  
Project Title: Express bus service.

- 1) In accordance with MTC's Policies and Procedures, Route 40 express bus peak-hour service is subject to a 30% farebox recovery ratio. This service must meet the farebox standard as required in FY 2008-09. Route 90 express bus all-day service is subject to a 20% farebox recovery ratio. This service was verified to have met the farebox standard as required in FY 2007-08.

**Project # 6.3**

Lead Sponsors: Water Emergency Transportation Authority (WETA)

Project Title: Transition Expenses

- 1) In accordance with California SB 1093, Section 66540.11(e), MTC has hereby determined that the funds requested by WETA are reasonable and substantially a result of the transition of the City of Alameda and the City of Vallejo's Ferry Services to WETA. The requested funds support development of the transition plan and transition-related costs.

## Regional Measure 2 Operating Assistance Proposal Fact Sheet

Legislative Project #: 6.2

Project Description: WETA Spare Vessel Operations - Alameda/Oakland Ferry Service

<b>Administration Expense</b>	
Vessel Facilities Preparation	\$ 570,000
Incremental Maintenance Expenses	\$ 120,000
Insurance	\$ 60,000
<b>Total</b>	<b>\$ 750,000</b>

<b>Revenues</b>	
RM2 Planning/Admin.	\$ 750,000
Other Govt. grants	\$ -
<b>Total</b>	<b>\$ 750,000</b>

**Regional Measure 2 Operating Assistance Proposal Fact Sheet**  
**Legislative Project #: 6.3**

**Project Description: Water Emergency Transit Authority Transition Expenses**

WETA Annual Budget  
WTA Annual Budget

	Sub-Total	FY 2008-09 Proposed
<b>Administration Expense</b>		
Plan Development		\$ 250,000
Staff/Attorneys		
- WETA	\$ 150,000	
- City of Vallejo	\$ 100,000	
- City of Alameda	\$ 75,000	
Total Attorney Fees:		\$ 325,000
Public Outreach		\$ 10,000
Contingency		\$ 15,000
<b>Total:</b>		<b>\$ 600,000</b>
<b>Revenues</b>		
RM2 Planning/Admin.		\$ 600,000
Other Govt. grants		\$ -
<b>Total:</b>		<b>\$ 600,000</b>