

Metropolitan Transportation Commission Programming and Allocations Committee

October 14, 2009

Item Number 2i

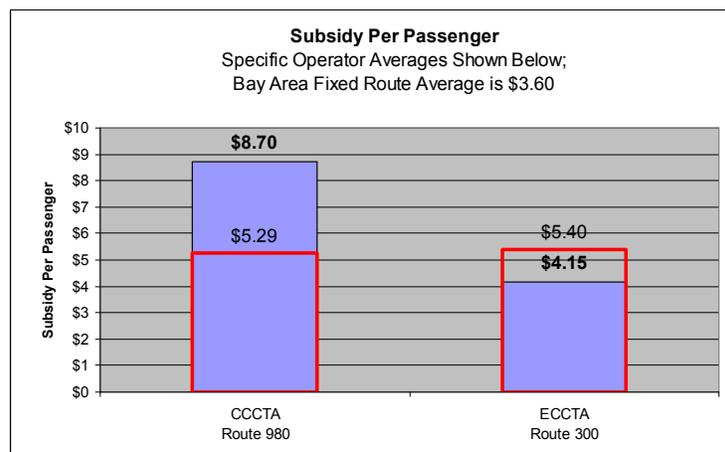
Subject: Regional Measure 2 (RM2) Operating Program Update

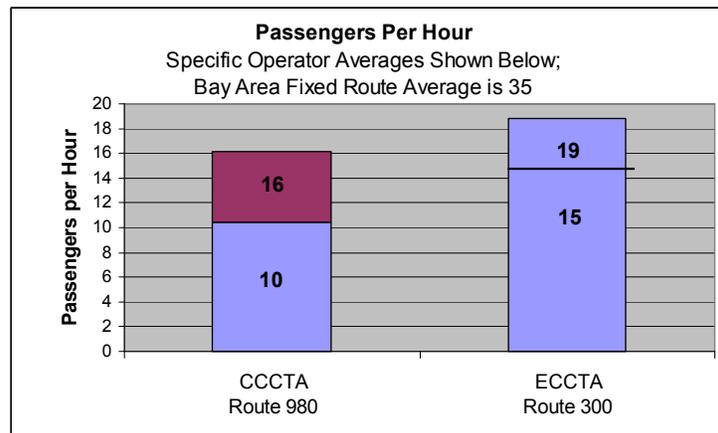
Background: Last March, staff provided an update on the operating projects in the Regional Measure 2 program for FY 2007-08. This month, staff is presenting the annual update on the FY 2008-09 operating program.

In FY 2009-10, \$37.3 million, of RM2 operating assistance has been allocated to 11 projects. All RM2-funded operating projects are subject to MTC-adopted performance standards to be achieved by the 3rd year of service. The operating projects are monitored on an annual basis and the FY 2008-09 analysis is being presented this month.

Attached are presentation slides that summarize the performance review. Two of the twenty-eight routes that received funding in FY 2008-09 did not meet required performance standards as established in MTC's RM2 Policies and Procedures:

- *CCCTA's Route 980* was heavily promoted along the Monument corridor in Concord, but ridership did not increase enough to meet the 20% farebox recovery standard; fares covered 12% of the cost of the service. The route also performed below CCCTA's system-wide averages for subsidy per passenger (\$8.70 compared to \$5.29 system-wide) and passengers per hour (10 vs 16). Staff will work with CCCTA to explore modifications to the service that might allow it to meet the required performance standards. Staff will make a recommendation in Spring 2010 as to whether the \$414,090 in RM2 funding for the route should be maintained beyond the close of FY 2009-10 or reallocated to a more productive service.
- *ECCTA's Route 300* is one of Tri-Delta's most successful lines. The route fell just short of the 20% farebox recovery ratio required for all-day service by collecting 19% of the cost of the service in fares. The route also performed well in terms of subsidy per passenger and passengers per hour compared to ECCTA's system-wide totals (see charts below). Given the positive trend in farebox recovery, staff does not recommend discontinuing funding for this route at this time.





Suburban Projects –Evaluation of Reallocation Policy

At its June meeting, the Commission directed staff to revisit the performance evaluation process used to re-assign RM2 funds. Refinement of the reallocation process could provide a more even playing field for suburban-based operating projects that may not be competitive within the current framework based on fare-box recovery and passengers per hour. Staff will be working with both urban and suburban transit operators in order to develop alternative performance evaluation methods that could take into consideration factors such as corridor demand and suburban service needs in addition to traditional ridership measures like subsidy per passenger. Once consensus among the RM2 Operating project sponsors on an evaluation method is reached, it is possible that these measures could inform the Operating Program Review process through revision of the Regional Measure 2 Policies and Procedures. In February, staff will report on the progress of this process and make recommendations to this committee based on the results.

Issues:

- 1) Staff will work with the operators to identify an alternative service evaluation method for the re-assignment of RM2 Operating funds that takes into account corridor demand and suburban service needs in addition to traditional ridership measures in an effort to make suburban projects competitive within the RM2 evaluation and reallocation framework.
- 2) Staff will return in the Spring with the outcome of the service modification discussions with CCCTA and next steps for RM2 funding for Route 980.

Recommendation:

Notify CCCTA that Route 980 did not meet performance threshold and, without corrective action, CCCTA will be notified in the Spring of 2010 that RM2 funding will end on June 30, 2010.

Attachments:

Presentation Slides

Regional Measure 2: Operating Program Update

October 14, 2009

Programming and Allocations



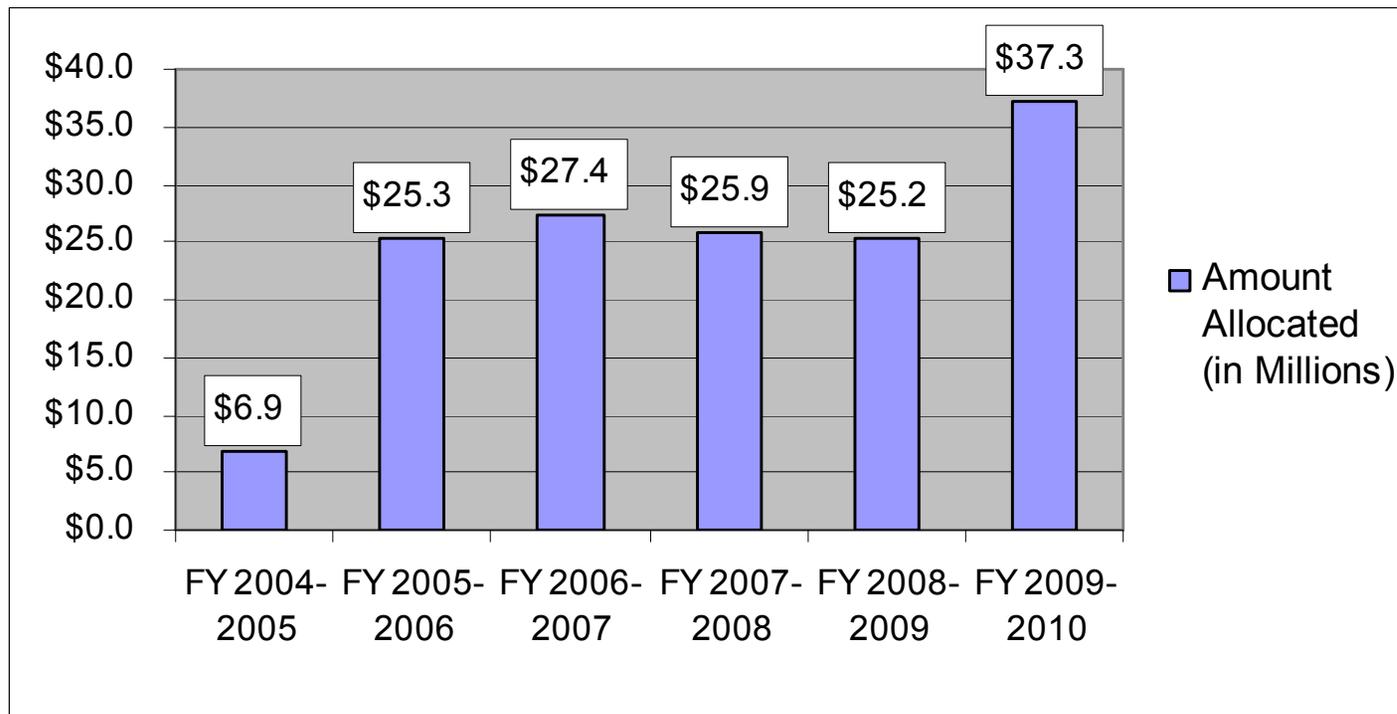
METROPOLITAN TRANSPORTATION COMMISSION

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 2009-2010:

- \$37.3 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			
** Escalation suspended in FY 2007-08; tolls collected not sufficient to continue			

 Project less than 80% implemented

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, legislation provides for reassignment of funds between projects if a project can't use the funds or if a program can't be implemented.
- Commission may vote to modify scope or funding, or reassign funding

(1) Performance Results FY 2008-09 Services Beyond Three-year Ramp Up

	Agency	Route	Standard	FY 06-07 (audited)	FY 07-08 (audited)	FY 08-09 (audited)	Service Productivity
<i>Standards to be met by FY 05-06</i>							
Peak	WestCat	LYNX	30%	49%	57%	76%	↓
<i>Standards to be met by FY 06-07</i>							
All-Day	AC Transit	LA	20%	27%	26%	21%	↔
	Golden Gate	40/42	20%	22%	20%	20%	↔
	Vallejo	85	20%	19%	24%	26%	↔
	Vallejo	80	20%	48%	36%	41%	↓
	WestCat	30Z	20%	23%	28%	23%	N/A
	WestCat	JPX	20%	23%	28%	21%	N/A
Peak	Vallejo	Ferry	40%	58%	54%	62%	↑

Green	= Likely to meet standard
Yellow	= Reason for concern
Pink	= Unlikely to meet standard

- All services met farebox recovery standard
- Not all operators meeting the required increased productivity standard
- WestCAT Route 30Z and JPX separated to allow operator to claim all entire allocation

(2) Performance Results FY 2008-09 Services Beyond Three-year Ramp Up

	Agency	Route	Standard	FY 06-07 (audited)	FY 07-08 (audited)	FY 08-09 (audited)	Service Productivity
<i>Standards to be met by FY 07-08</i>							
Peak	AC Transit	U	30%	26%	30%	36%	↑
	Golden Gate	72	30%	51%	59%	58%	↔
All-Day	AC Transit	NL	20%	31%	21%	22%	↑
	ECCTA	300	20%	12%	16%	19%	↓
	Fairfield	90	20%	42%	40%	43%	↔
Owl	AC Transit	800	10%	22%	19%	14%	↔
	AC Transit	801	10%	25%	19%	18%	↑
	Muni	14	10%	13%	12%	12%	↓
	SamTrans	397	10%	19%	19%	19%	↓

Green	= Likely to meet standard
Yellow	= Reason for concern
Pink	= Unlikely to meet standard

- Tri-Delta continues positive trends; ranks 4th of 20 routes in their service area, carried 18 passengers per revenue hour; recommend continued funding

Performance Results FY 2008-09

Must Meet Standard by FY 2008-09

	Agency	Route	Standard	FY 06-07 (audited)	FY 07-08 (audited)	FY 08-09 (audited)	Service Productivity
<i>Standards to be met by FY 08-09</i>							
All-Day	CCCTA	980	20%	12%	10%	12%	↓
	Fairfield	40	30%	29%	23%	31%	↑

Green	= Likely to meet standard
Yellow	= Reason for concern
Pink	= Unlikely to meet standard

- CCCTA Route 980 was promoted along the monument corridor, but ridership did not increase sufficiently to meet farebox recovery or productivity standards; if a successful corrective action plan is not implemented by the Spring of 2010, funding should be discontinued on June 30, 2010 to allow reallocation to more productive service in the CCCTA service area or within the region.
- Fairfield-Suisun Route 40 is anticipated to continue to meet the farebox recovery standard.

Performance Results: Policy Requirements



October 2009

- Notification sent to project sponsor, CCCTA, that Route 980 did not meet FY 2008-09 performance measures:
 - Unless corrective action, funding to be discontinued in June 2010
- Advisory letters will be sent to project sponsors at risk of not meeting FY 2009-10 performance measures (CCCTA Route 980)

January 2010

- Work with all project sponsors to examine performance standards in an effort to ensure equity for project sponsors operating in suburban areas

Spring 2010

- Present recommendation for possible policy changes to the Programming & Allocations Committee
- If no corrective action, recommend how to redistribute \$400,000 in RM2 Operating funds, originally allocated to CCCTA Route 980, for use in FY 2010-11 as informed by Performance Standard Policy Review Process