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Memorandum

TO: Commission

DATE: 10/15/09

FR: Executive Director

W. I.

RE: Commission Workshop on Transit Sustainability

The analysis for Transportation 2035 suggests that the region's transit system is not sustainable based on current projections of transit costs and reasonably anticipated revenues. The collective magnitude of anticipated operating and capital shortfalls is a cause for regional concern and action. As a result, the Commission made a commitment to proceed with a regional Transit Sustainability Project to (1) identify service productivity improvements that could yield more from the region's existing investment in transit services, and (2) pursue strategies to secure new transit operating and capital revenues.

The Transit Sustainability Project represents a significant undertaking. This project will need to engage multiple stakeholders to tackle tough questions about how to contain the growth in transit costs, how to boost the system's productivity and reinvest savings to meet the growing demand for transit, and how to improve service reliability and convenience to attract more riders. Clearly, at this stage we have many more questions than answers.

Before staff proceeds with this effort, we want to be sure the Commission has a clear understanding of what is involved, has an opportunity to discuss the overall framework and approach to engaging stakeholders, and can provide direction on next steps. Based on your input at the workshop, staff will prepare a specific scope of work for Commission approval by the end of the year.

In preparation for the workshop, staff interviewed a number of stakeholders, including a subset of the region's transit general managers, academic researchers, interest groups, and business organizations, to gather their ideas about what we should consider when addressing transit sustainability. Admittedly, this is a small subset of the full set of stakeholders that will be involved once the project gets underway. Nonetheless, we believe several themes have emerged from those interviews that provide a good starting point for the Project.

Staff has compiled statistics that provide a regional-level picture of current conditions. Results of this work are summarized in the attached presentation. Staff also gathered information from recently completed analyses at SF MTA and Santa Clara VTA that addressed this very issue for their respective service areas. We have invited Nathaniel Ford, Executive Director and Chief Executive Officer of the SF MTA, and Michael Burns, General Manager of the Santa Clara VTA, to attend the workshop to offer insight into how the approach taken in their respective jurisdictions could be conducted on a regional or sub-regional scale. We will

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also be joined by Subhash Mundle, who has conducted performance audits of the Bay Area transit agencies for the past 15 years and will offer his perspectives on the biggest challenges to the long term viability of the region's transit system.

We look forward to your discussion and direction.



Steve Heminger