



**METROPOLITAN
TRANSPORTATION
COMMISSION**

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Memorandum

TO: Select Committee on Transit Sustainability

DATE: February 4, 2011

FR: Executive Director

W.I. 1517

RE: Transit Sustainability Project Update

The Transit Sustainability Project (TSP) is composed of three areas of technical analysis: financial, service and institutional. The primary focus to date has been on the financial analysis of the key transit operating cost drivers. At your February meeting, staff will present the results of the financial analysis completed to date, as well as a general overview of the service analysis that is now underway. (See attached presentation slides.)

Background

The TSP is being informed by significant consultation with the Project Steering Committee (PSC) and two Technical Advisory Committees (TACs) on Financial Analysis and Service Analysis. The PSC is composed of twenty one members and meets every other month in order to secure executive-level input from the transportation agency, government, labor, business, environmental and equity perspectives throughout the course of the project. The Financial and Service TACs are composed of agency staff that provide technical expertise and transit agency perspective to inform the analyses. Material presented today to the Select Committee has been reviewed with the PSC as well as the appropriate TAC(s).

In addition, staff has presented information about the project to the MTC Policy Advisory Council, as well as at public events hosted by organizations including the FOCUS Forum, SPUR, the Silicon Valley Leadership Group, the Bay Area Council, TransForm, Friends of Caltrain, the Oakland Chamber of Commerce and the Alameda County Mobility Management Group. As the technical analysis progresses, a more robust public outreach effort will be initiated and will be coordinated with outreach for the Regional Transportation Plan/Sustainable Communities Strategy (RTP/SCS).

Financial Analysis

The financial analysis includes both cost and revenue components. Work to date focuses primarily on identifying the key drivers of operating costs in the region, recent trends, and strategies to control cost growth. Initial revenue analysis includes an evaluation of recent trends in operating revenues and 10-year operating deficit projections to better understand the order of magnitude challenges facing the region going forward. Much more detailed long-term forecasts are currently being developed as part of the RTP/SCS, and the TSP projections will be informed by those projections as they are further developed. Staff is working with the PSC to develop

financial principles and targets that focus on improving operating efficiency, containing cost growth, and securing more stable operating revenues.

Our goal is to recommend financial principles and targets for the region to pursue as part of the TSP implementation plan. However, the financial analysis is just one component of the overall TSP, and needs to be considered in the context of the overall goal of providing a robust transit system that more people will use for more trips. The analysis to date focuses primarily on the financial challenge of maintaining the existing transit system and levels of service, and as we move forward into the service analysis, we will be looking for ways to strategically improve service throughout the region. Our intent is to revisit the financial analysis in an iterative process as we move through the rest of the project.

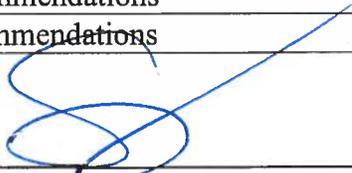
Service Analysis

The service analysis is underway, and will be the project focus this Spring and Summer. *Attachment A* outlines the three areas of work that comprise the service element of the TSP, and the analysis and future outputs associated with each work area. To date the Service TAC has discussed an overall performance framework, a categorization system for service types in the region, and current agency service policies and standards. Initial service material will be reviewed with the PSC starting in March.

Next Steps

The table below outlines the overall schedule for the major elements of the TSP and when we anticipate bringing material to this Committee. The primary focus of the TSP for the next few months will be the service analysis, with initial service findings brought to this Committee in the Summer. In the late Spring, the institutional analysis will be initiated. As these two elements of the TSP advance, we will circle back to the initial financial analysis to refine the initial findings, develop overall final recommendations, and define an implementation plan.

Tentative Select Committee Schedule	Work Area
February 2011	Initial Financial Analysis
June 2011	Initial Service Analysis
October 2011	Additional Service Analysis Additional Financial Analysis
December 2011	Initial Institutional Analysis Additional Service Analysis
January 2012	Draft Recommendations
March 2012	Final Recommendations



Steve Heminger

Service Analysis

System Performance

Regional

Subregional COA

Approach

Applies system-wide
by type of service

- a) TransBay and Express
- b) BART Feeder bus
- c) ADA-paratransit
- d) Major regional markets scan

- a) Inner East Bay
- b) Peninsula

Analysis

- a) Evaluate current system performance using standard metrics
- b) Identify service standards by service type

- a) TransBay and Express service plans
- b) BART Feeder evaluation
- c) ADA-paratransit service delivery
- d) Evaluation of transit competitiveness

- a) Planning-level service plans
- b) Identify opportunities for better coordination in multi-operator and multi-modal service areas

Outcomes

Performance metrics to:

- a) evaluate system over time (SRTP and audit functions)
- b) inform investment decisions and allocation policies (RTP, RM2, R3434)

- a) Strategic plans for TransBay, Express and BART Feeder services
- b) TCI tool to inform investments and transit supportive policy
- c) Proposed ADA-paratransit delivery strategy

- a) Service plans for operators to implement
- b) Strategies to reduce barriers to multi-operator service areas