



Transit Sustainability Project Final Recommendations

Select Committee
April 11, 2012



Overview

1. Project Context
2. Project Findings
3. Performance Measures and Targets
4. Transit Performance Initiative
5. Service, Institutional and Paratransit Recommendations



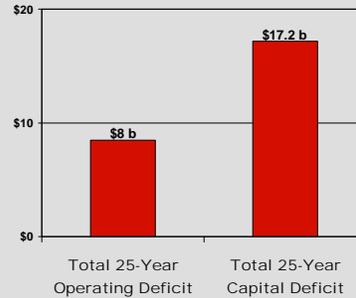
Project Context



Challenge for Bay Area Transit System

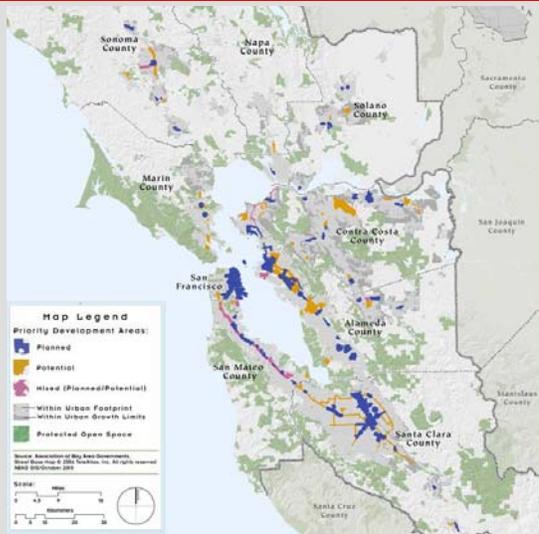


Projected Deficits Transportation 2035



Opportunity for Bay Area Transit System

- Bay Area seeks to focus growth around transit
- Plan Bay Area forecast growth in Priority Development Areas:
 - 74% new housing
 - 67% new jobs
- More intense development near high quality transit



What is Important for Transit's Success?

- **Improve financial position:** Contain costs, cover a greater percentage of operating and capital costs with a growing share of passenger fare revenues; secure reliable streams of public funding.
- **Improve service for the customer:** Strengthen the system so that it functions as an accessible, user-friendly and coordinated network for transit riders, regardless of mode, location or jurisdiction.
- **Attract new riders to the system:** Strengthen the system so that it can attract and accommodate new riders in an era of emission-reduction goals, and is supported through companion land use and pricing policies.



How can the Bay Area Continue to Improve?

- Control costs – building on recent successful efforts
- Reinvest savings in service
- Build public confidence
- Attract additional revenue
- Invest strategically to improve customer experience and attract more passengers
- Interagency initiatives focused on the customer and cost reductions

Project Findings

Financial Findings

1. Operator base wage appears reasonable when compared to national peers and Bay Area wage indices.
2. Fringe benefits are a major cost driver in the short and long term, as is true for most all government sectors.
3. Changes in work rules and business model provide meaningful opportunities for cost savings.
4. Bay Area Paratransit cost structure performs better than national peers but faces increasing cost pressure through future growth in demand.
5. Sales tax receipts, the single largest source of non-fare subsidy in the Bay Area, have been flat in real terms over the past decade.



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Service and Institutional Findings

Service

6. Improving transit travel times on major corridors will provide significant gains in productivity.
7. Integrated land-use/transportation planning will attract new transit riders.
8. A consistent fare structure across multiple transit systems can boost transit ridership and improve the customer experience.

Institutional

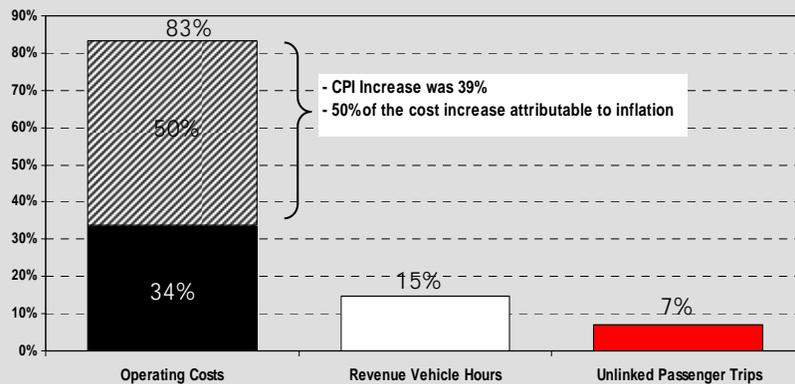
9. Integrated transportation policy decision making, across jurisdictions and across modes (transit, arterial management, parking, etc), can lead to more effective investment and service decisions.
10. Bay Area transit administrative costs are higher than national peers, owing in part to the existence of multiple operators serving a metropolitan region of this size.



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Recommendations: Performance Measures and Targets

Bay Area Large Operators: Percent Change in Cost and Performance Indicators (1997 – 2008)



Source: National Transit Database, "Big 7" only.
Excludes ferry, cable car and paratransit.

Performance Measures and Targets - Big 7 Operators

Reduce “real” operating cost per service hour, cost per passenger, or cost per passenger mile by 5% within 5 years

- Financial targets would be set compared to the highest cost per hour experienced by each agency between 2008 and 2011 to include savings from labor agreements since 2008
- Based on evaluation and possible savings in areas including:
 - Fringe Benefits
 - Work Rules and Business Model
 - Administrative Costs
- Cost per passenger or cost per passenger mile target could also be achieved by a combination of attracting more passengers and operating efficiencies



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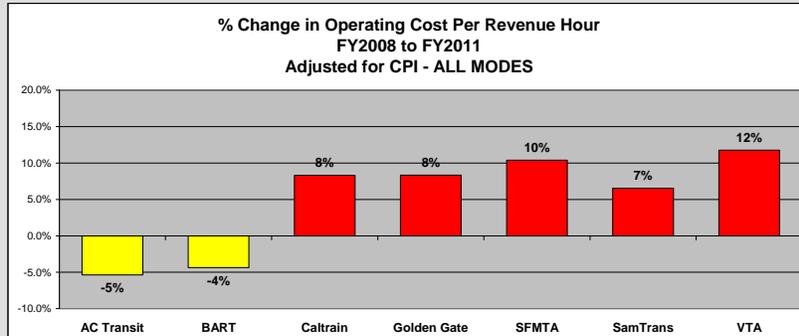
Operators to Chart Performance Roadmap

FY 2013	Year 1	<ul style="list-style-type: none"> ▪ Agencies develop strategic plan for meeting targets ▪ Boards adopt strategic plans and submit to MTC
FY 2014	Year 2	<ul style="list-style-type: none"> ▪ Report progress to Boards and MTC
FY 2015	Year 3	<ul style="list-style-type: none"> ▪ Report progress to Boards and MTC
FY 2016	Year 4	<ul style="list-style-type: none"> ▪ Report progress to Boards and MTC
FY 2017	Year 5	<ul style="list-style-type: none"> ▪ Report progress to Boards and MTC
FY 2018	Analyze data	<ul style="list-style-type: none"> ▪ Report to MTC for next year's allocations
FY 2019	1 st year of Compliance and after	<ul style="list-style-type: none"> ▪ Fund allocations based on progress towards target

- Existing and new operating and capital funds administered by MTC may be linked to progress towards target



Cost Per Hour - Some Operators are on Track



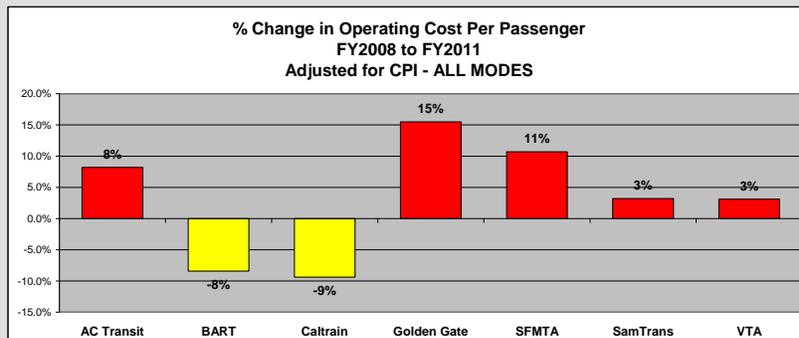
Cost	↓ -5%	↓ -11%	↑ 4%	↑ 6%	↑ 6%	↓ -7%	↓ -4%
Hours	↑ 1%	↓ -7%	↓ -4%	↓ -2%	↓ -4%	↓ -13%	↓ -14%

- 1) Data from TDA submittals; except SamTrans FY 2010-11 (audited actuals), Caltrain from CAFRs and NTD reports
- 2) FY2011-12 data will be revised to reflect audited final numbers



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Cost Per Passenger - Some Operators are on Track



Cost	↓ -5%	↓ -11%	↑ 4%	↑ 6%	↑ 6%	↓ -7%	↓ -4%
Passengers	↓ -12%	↓ -3%	↑ 15%	↓ -8%	↓ -4%	↓ -10%	↓ -7%

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- 2) FY2011-12 data will be revised to reflect audited final numbers



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Feedback on Performance Framework

Proposal	Performance Measure	Target	Implementation
MTC Staff Proposal	Cost Per Hour or Cost Per Passenger	5% real reduction in metric over 5 year period and no growth beyond CPI thereafter	Existing and new operating and capital funds administered by MTC may be linked to progress towards target
Big 7 Transit Agencies Proposal	Cost Per Passenger Mile	Use best efforts to keep annual costs at or below the rate of inflation	Only new funding sources should be subject to an agency's success or failure in meeting performance objectives

Recommendations: Transit Performance Initiative

Transit Performance Initiative

Investment and incentive approach to achieve improved service performance

Investment

1. Regional investment in supportive infrastructure to achieve performance improvements in major transit corridors

Incentive

2. Reward agencies that achieve improvements in ridership and service productivity



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Investment – Detailed in Agenda Item #4

■ Initial Round:

MTC released call for projects for \$30 million pilot program focused on major transit corridors of AC Transit, SFMTA, SamTrans and VTA. Funding recommendations detailed in agenda item #4.

■ Future Rounds:

If pilot successful, future rounds could include projects with high benefit/cost such as additional major bus and light rail corridors, BART Metro and Caltrain operational improvements



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Incentive – All Operators

Financial reward for improved ridership and productivity

- Formula program that rewards actual growth in annual passengers and productivity improvement as well as total ridership
 - Link to existing regional funding sources – roughly \$20 million
 - Link to a new funding source (e.g. regional gas tax)
- Proposal for specific formula distribution to be brought back to the Commission



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Recommendations: Service, Institutional and Paratransit Policies



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Service Recommendations

- Integrate bus/rail scheduling software to facilitate schedule coordination and customer travel planning. Establish a regional schedule change calendar.
- Conduct multi-agency Short Range Transit Plans (SRTPs) at the county or subregion-level to promote interagency service and capital planning.
- Support transit agency operations on major corridors by requiring local jurisdictions to consider transit in project development (per OneBayArea grant).
- Consider fare policies focused on the customer that improve regional/local connections.



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Service Recommendations (cont.)

▪ Marin/Sonoma

- Adopt countywide Short Range Transit Plan in Sonoma County
- Adopt two-county corridor transit plan integrating SMART train service
- Conduct multi-agency Short Range Transit Plans (SRTPs) at the county or subregion-level to promote interagency service and capital planning.



▪ Solano

- Adopt countywide Short Range Transit Plan
- Complete Soltrans merger
- Adopt coordinated fare policy
- Consider expanding Soltrans to include additional member cities



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Institutional Recommendations

- Complete service consolidations for Soltrans and ferry services (Vallejo, Alameda-Oakland, and Harbor Bay).
- Apply lessons learned from existing consolidations to pursue benefits of functional and institutional consolidation among smaller operators, including coordinated service planning and fare policy setting.
- Integrate multiple transportation functions (transit operating, planning, sales tax, etc) to make more integrated transportation policy decisions.
- Expand regional capital project planning/design to include sharing existing expertise (e.g., BRT) and facilities (e.g., maintenance shops).
- Formalize joint procurement of services and equipment through the region's transit capital priorities process.



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Paratransit Recommendations

Agency-Specific

- Consider Fixed-Route Travel Training and Promotion to Seniors
- Consider Charging Premium fares for trips that exceed ADA Requirements

Regional or Sub-area

- Consider Enhanced ADA Paratransit Certification Process which may include in-person interviews and evaluation of applicant's functional mobility to confirm rider eligibility.
- Implement Conditional Eligibility for paratransit users who are able to use fixed-route service for some trips
- Create one or more sub-regional Mobility Managers (e.g. CTSA) to better coordinate resources and service to customers

Regional

- Improve Fixed-Route Transit to provide features that accommodate more trips that are currently taken on paratransit.
- Implement Plan Bay Area programs that improve access and mobility options for ADA eligible transit riders



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Next Steps

1. **April 25, 2012 – Commission adopts recommendations**
2. **May 23, 2012 – Commission adopts OneBayArea Grant (OBAG) program – including proposed \$30 million initial Transit Performance Initiative (TPI) Investment program of projects, companion Freeway Performance Initiative, and requirement for roadway owner/operators to consider transit improvements.**
3. **Ongoing – Implementation and monitoring of Transit Sustainability Project performance measures, targets and policies**
4. **Spring 2012 – Inner East Bay Comprehensive Operational Analysis Recommendations – AC Transit and BART Boards to commence discussions related to draft recommendations**
5. **Summer 2012 – In coordination with transit operators, staff will develop a distribution formula for TPI Incentive program, for Commission consideration in late 2012.**

