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Memorandum

TO: Commission

DATE: April 17, 2013

FR: Deputy Executive Director, Policy

RE: Transit Performance Initiative – Incentive Program Formula Distribution

The Programming and Allocations Committee referred MTC Resolution No. 4072, Revised, to the Commission without selecting an alternative for the large operator distribution formula. Alternatives 1 and 2, discussed at the Committee's meeting on April 10th, are summarized below and discussed in detail in the attached staff memorandum. Staff has added Alternative 3, which sets the "annual passenger" metric at the midpoint of the two original alternatives with a greater weight distributed to "increases in passengers" and "passengers per hour". We believe this alternative addresses the split among committee members and provides a basis for possible consensus.

Alternative #1 – Original February 2013 Staff Proposal

- 25% based on Passenger Increase (absolute)
- 25% based on Passenger Per Hour Increase (absolute)
- 50% based on Annual Passengers

Alternative #2 – Increased Focus on Existing Ridership

- 20% based on Passenger Increase (absolute)
- 10% based on Passenger Per Hour Increase (absolute)
- 70% based on Annual Passengers

Alternative #3 – New Staff Alternative

- 25% based on Passenger Increase (absolute)
- 15% based on Passenger Per Hour Increase (absolute)
- 60% based on Annual Passengers

Attachment A compares the results of the three alternatives using the most recent three-year data available. Note that actual annual distribution in future years will be based on updated data, which may vary from results shown in Attachment A.

As requested by the Committee, Attachment B summarizes funding allocated by MTC over the past five fiscal years to provide context on large operator capital and operating funding.

Ann Flemer

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Attachment A

Alternatives for Consideration

Estimate Distribution of Transit Performance Initiative Incentive Funding*

Alternative:	Alt. #1	Alt. #2	Alt. #3	Transition Year	Alt. #1	Alt. #2	Alt. #3	Transition Year
Annual Passengers Increase:	25%	20%	25%	0%	25%	20%	25%	0%
Annual Passengers per Hour Increase:	25%	10%	15%	0%	25%	10%	15%	0%
Annual Passengers:	50%	70%	60%	100%	50%	70%	60%	100%
Transit Operator	**Dollars**				**Percent of Total**			
AC Transit	2,360,111	2,183,705	2,329,863	1,802,676	15.7%	14.6%	15.5%	12.0%
BART	2,867,409	2,907,501	2,873,623	3,493,189	19.1%	19.4%	19.2%	23.3%
Caltrain	1,565,642	975,482	1,225,750	395,353	10.4%	6.5%	8.2%	2.6%
Golden Gate	222,983	221,842	218,666	270,338	1.5%	1.5%	1.5%	1.8%
SF Muni	4,136,309	4,934,630	4,569,803	6,720,704	27.6%	32.9%	30.5%	44.8%
SamTrans	367,181	362,472	356,578	423,651	2.4%	2.4%	2.4%	2.8%
SC VTA	1,230,365	1,164,368	1,175,718	1,302,018	8.2%	7.8%	7.8%	8.7%
Large Operator Subtotal	**$12,750,000**	**$12,750,000**	**$12,750,000**	**$14,407,929**	**85%**	**85%**	**85%**	**96%**
Small Operator Subtotal	**$2,250,000**	**$2,250,000**	**$2,250,000**	**$592,071**	**15%**	**15%**	**15%**	**4%**
BAY AREA TOTAL	**$15,000,000**	**$15,000,000**	**$15,000,000**	**$15,000,000**	**100%**	**100%**	**100%**	**100%**

Total annual funding distribution $15 million: 85% to Large Operators and 15% to Small Operators

Data Source: National Transit Database (NTD) – Passenger Trips, Passenger Miles, Revenue Hours, and Passenger Trips Per Revenue Hour

*Based on FY 2007-08 thru FY 2010-11

Attachment B

Large Operator Capital & Operating Programming by MTC (FY 2008-09 thru FY 2012-13)

Table 1: Capital Fund Programming – Capital Replacement & Rehabilitation

Operator	FTA & STP + AB 664	% of Total	Annual Average
AC Transit	155.0	10%	31.0
BART	465.6	29%	93.1
Caltrain	117.7	7%	23.5
GGBHTD	71.2	5%	14.2
SFMTA	432.9	27%	86.6
SamTrans	72.6	5%	14.5
VTA*	263.5	17%	52.7
Total	**$1,578.4**	**100%**	**$315.7**

**VTA receives all of San Jose UZA funds, except funds allocated to Caltrain by agreement*

Table 2: Operating Fund Programming

Operator	TDA (4.5 & 4/8)	AB 1107* (25% of BART District Sales Tax)	STA (Revenue-Based)	Operating Total	% of Total	Annual Average
AC Transit	247.2	154.6	35.9	437.7	26%	87.5
BART	1.7	0.0	90.9	92.6	6%	18.5
Caltrain	0.0	0.0	20.2	20.2	1%	4.0
GGBHTD	67.3	0.0	15.5	82.8	5%	16.6
SFMTA	170.1	154.6	128.8	453.4	27%	90.7
SamTrans	152.6	0.0	16.3	168.9	10%	33.8
VTA	378.3	0.0	46.3	424.7	25%	84.9
Total	**$1,017.2**	**$309.2**	**$353.9**	**$1,680.3**	**100%**	**$336.1**

**per MTC policy funds split 50/50 between AC Transit & SFMTA*

Table 3: Combined Operating and Capital Fund Programming

Operator	Capital Total	Operating Total	Total	% of Total	Annual Average
AC Transit	155.0	437.7	592.7	18%	118.5
BART	465.6	92.6	558.2	17%	111.6
Caltrain	117.7	20.2	137.9	4%	27.6
GGBHTD	71.2	82.8	154.0	5%	30.8
SFMTA	432.9	453.4	886.3	27%	177.3
SamTrans	72.6	168.9	241.5	7%	48.3
VTA	263.5	424.7	688.2	21%	137.6
Total	**$1,578.4**	**$1,680.3**	**$3,258.7**	**100%**	**$651.7**