

Metropolitan Transportation Commission Programming and Allocations Committee

May 13, 2015

Item Number 3a

Resolution No. 4185

Subject: Regional Measure 2 (RM2) Operating Program for FY2015-16 and Program Performance Update

Background: MTC’s RM2 Operating Policies and Procedures state that MTC will adopt a project specific budget for RM2 operating funds prior to the beginning of each fiscal year. All RM2 operating projects must meet farebox recovery standards and maintain or increase passengers per revenue hour by the third year of service. Farebox recovery requirements are established by mode (ferry, bus or rail) and type of service (peak, all day and owl service).

Subject to approval of the FY2015-16 Bay Area Toll Authority (BATA) budget, Resolution 4185 approves the Operating Assistance Program budget for FY2015-16 and includes roughly \$41.6 million in RM2 funds. The FY2015-16 proposed budget is based on previous funding levels and proposes to add an additional \$1.8 million for new projects. The RM2 budget also identifies \$2.8 million in marketing funding for Clipper®, 511 Real-Time Transit, and new transit services. These marketing programs will be included in the proposed FY2015-16 BATA budget.

New Projects

RM2 legislation (Streets and Highways Code Section 30914(d)) allows for an annual 1.5% escalation for certain projects through FY 2015-16. Escalation was withheld in FY2008-09 to ensure that sufficient toll revenue would be available to fund all operating projects at the full level identified in the RM2 legislation. Staff believes there are now sufficient RM2 toll revenues to apply a total of \$1.4 million in escalation for eligible projects. In addition to escalation, staff is proposing to apply funding capacity in the Express Bus North category in the amount of \$419,000 that has gone unused since it was withdrawn from routes that did not meet RM2 Operating performance standards.

The following services are proposed for funding:

Project	Agency	Service	Escalation	Remaining Programming	Total
Express Bus North	Solano TA	New Service Planning and Operation	\$319,200	\$419,000	\$738,200
Express Bus South	WestCat	Hercules/Pinole to SF (New service)	\$601,600	\$0	\$601,600

Staff will work with eligible transit operators to identify suitable projects for the remaining project categories and return to the Commission in Summer 2015 with a recommendation on services to fund. Amounts available are as follows:

Project	Escalation
Richmond Bridge Express Bus	\$277,800
Napa VINE Service	\$36,400
Owl Service	\$177,000

Performance Update

In October 2014, staff reported that one RM2-funded route, The Rapid, operated by Livermore Amador Transit Agency (LAVTA), did not meet required performance standards in FY2013-14. This route was required to meet a 20% required farebox recovery standard by the close of FY2013-14. Their actual farebox recovery is shown below.

Required	FY2012-13	FY2013-14	FY2014-15 (partial)
20%	12.8%	13.7%	14.3%

Staff has been working with LAVTA to develop and implement a corrective action plan for their Rapid service. Several actions have been taken including improved connectivity with BART, transit signal priority measures, and on-going outreach to employers in regard to providing transit benefits. The performance of the Rapid continues to improve, but is not sufficient to meet the RM2 Program standards. The route receives \$580,000 in RM2 Operating funds per year, which covers approximately 18% of the cost of its operation.

LAVTA is waiting to make any significant changes to the Rapid until a system-wide Comprehensive Operational Analysis (COA) is completed in Spring, 2016. The COA is expected to recommend changes to the Rapid to bring the service up to RM2 Operating performance standards. Changes recommended in the COA would be implemented in Summer, 2016.

Staff recommends holding RM2 funding for the Rapid in reserve until the COA is adopted and service adjustments are approved by the LAVTA Board, at which point funding could be reinstated. Staff also proposes that the revised Rapid service be in operation for a full year before performance is reassessed for RM2 funding purposes.

At Risk Routes

Two routes began service in FY2012-13 and are required to meet the RM2-identified farebox recovery standard by the end of FY2014-15. While performance continues to improve on both routes, these routes are

currently not meeting the required performance standard. The two routes are the South San Francisco Ferry operated by the Water Emergency Transportation Authority (WETA) and the DB1 operated by AC Transit on behalf of the Dumbarton Consortium.

The farebox recovery ratios for the two at-risks routes are shown below.

Route	Type of Service	Required Farebox Ratio	FY2012-13 Farebox Ratio	FY2013-14 Farebox Ratio	FY2014-15 (partial) Farebox Ratio
DB1	Peak	30%	21.9%	24.0%	27.8%
South San Francisco Ferry	Peak	40%	10.3%	17.3%	19.4%

MTC staff is working with AC Transit to develop and implement corrective actions with the aim of bringing the route's farebox recovery up to the required level. MTC staff is also working with WETA on their corrective action plan to increase ridership and reduce costs. While ridership has grown, it is unlikely that the South San Francisco Ferry will meet the RM2 performance metric. WETA staff believe that it will take ten years for the South San Francisco service to achieve a 40% farebox recovery.

Staff will provide an update regarding these services in October 2015 when the annual performance update is presented.

Issues: None.

Recommendation: Refer MTC Resolution No. 4185 to the Commission for approval.

Attachments: MTC Resolution No. 4185

Date: May 27, 2015
W.I.: 1255
Referred by: PAC

ABSTRACT

Resolution No. 4185

This resolution adopts the Regional Measure 2 (RM2) Operating Assistance Program for FY2015-16.

Further discussion of this action is contained in the Programming and Allocations Committee Summary Sheet dated May 13, 2015.

Date: May 27, 2014
W.I.: 1255
Referred by: PAC

RE: Adoption of FY2015-16 RM2 Operating Assistance Program

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4185

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to California Government Code § 66500 et seq.; and

WHEREAS, Streets and Highways Code Sections 30950 *et seq.* created the Bay Area Toll Authority (“BATA”), which is a public instrumentality governed by the same board as that governing MTC; and

WHEREAS, on March 2, 2004, voters approved Regional Measure 2, which increased the toll for all vehicles on the nine State-owned toll bridges in the San Francisco Bay Area by \$1.00, with this extra dollar funding various transportation projects within the region that have been determined to reduce congestion or to make improvements to travel in the toll bridge corridors, as identified in SB 916 (Chapter 715, Statutes of 2004), commonly referred as Regional Measure 2 (“RM2”); and

WHEREAS, RM2 establishes the Regional Traffic Relief Plan and identifies specific projects eligible to receive RM2 funding for operating assistance as identified in Sections 30914(d)(3) & (4) of the California Streets and Highways Code; and

WHEREAS, BATA shall fund the projects of the Regional Traffic Relief Plan by bonding or transfers to MTC; and

WHEREAS, RM2 assigns administrative duties and responsibilities for the implementation of the Regional Traffic Relief Plan to MTC; and

WHEREAS, MTC has developed guidelines for the programming and use of the RM2 funds for operating support of transit projects, and

WHEREAS, these guidelines state that MTC will adopt a project specific budget for RM2 operating funds prior to the beginning of each fiscal year, now, therefore be it

RESOLVED, that MTC adopts a program that establishes RM2 operating subsidy amounts for FY2015-16, as outlined in Attachment A and incorporated herewith as though set forth at length.

METROPOLITAN TRANSPORTATION COMMISSION

Dave Cortese, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in Oakland, California on May 27, 2015.

FY 2015-16 RM-2 Operating Assistance Program -- Streets and Highways Code 30914(d)

Project #	Project Name	Operator	Route	Programmed (1,2)	Notes
1	Richmond Bridge Express Bus	Golden Gate Transit	Route 40/42	2,195,925	
		TBD		277,800	
		Total		2,473,725	
2	Napa VINE Service	NCTPA	Vallejo Intermodal Express Bus	390,000	
		TBD		36,400	
		Total		426,400	
3	Express Bus North	SolTrans	Route 78	510,226	
		SolTrans	Route 80	511,873	
		SolTrans	Route 85	201,741	
		ECCTA	Route 300	531,835	
		Fairfield/Suisun Transit	Route 40	184,072	
		Fairfield/Suisun Transit	Route 90	526,963	
		Golden Gate Transit	Route 72x	101,264	
		Golden Gate Transit	Route 101	195,339	
		WestCat	Route JPX	249,294	
		Solano TA	New Service Planning and Operation	738,000	
		Total		3,750,608	
4	Express Bus South (3)	AC Transit	Route F	890,865	
		AC Transit	Route LA	146,761	
		AC Transit	Route NL/BA	2,678,379	
		AC Transit	Route NX1	91,779	
		AC Transit	Route NX2	88,191	
		AC Transit	Route O	779,077	
		AC Transit	Route P	385,034	
		AC Transit	Route U - Dumbarton Corridor	311,238	
		AC Transit	Route W	56,580	
		CCCTA	Route 96X	145,339	
		WestCat	Hercules LYNX/JX	317,950	
		WestCat	Hercules/Pinole to SF	601,600	
				Total	
5	Dumbarton Bus	AC Transit	Routes DB	1,382,828	
			Route DB1	1,284,148	
		Total		2,666,976	
6	Ferry Service	WETA	Alameda Harbor Bay	1,114,450	
		WETA	Alameda/Oakland	4,004,500	
		WETA	Vallejo	7,293,850	
		WETA	South San Francisco	2,887,200	
		Total		15,300,000	
7	Owl Service	AC Transit	Route 800	665,771	
		AC Transit	Route 801	667,852	
		MUNI	Route 14	187,501	
		SamTrans	Route 397	305,876	
		TBD		177,000	
		Total		2,004,000	
8	MUNI Metro 3rd Street	SF MUNI	Metro 3rd Street extension	2,500,000	
9	AC Transit Rapid Bus Corridor	AC Transit	Enhanced Bus Service in the Berkeley/Oakland/San Leandro Corridor	3,000,000	
11	WETA planning	WETA	Planning and operations	3,000,000	
Grand Total				41,614,502	

RM2 Marketing Assistance Program (4)

Project Name	Operator	Description	Programmed (4)	Notes
Clipper®	MTC	Public Information and Marketing	2,825,000	
511 Real Time Transit	MTC	Public Information and Marketing	200,000	
Marketing new services	TBD	Marketing new service	200,000	
Grand Total			3,225,000	

- Notes:
1. The amounts listed reflect the RM-2 base subsidy, with certain projects subject to a 1.5% annual escalation rate through FY2015-16. Escalation was suspended starting in FY2008-09 until BATA RM2 receipts surpass the amounts budgeted to fund the legislative operating projects. Escalation was restored in FY2015-16 for eligible projects.
 2. Amounts shown are subject to approval of the FY 2015-16 BATA Budget.
 3. \$580,836 in funding for LAVTA's Rapid service is held in reserve pending adoption by their board of their Comprehensive Operational Analysis and approval of service changes for the route.
 4. Marketing assistance programs are funded with RM2 toll revenue receipts pursuant to Streets and Highways Code 30914(f) and are outside of the 38% limit on operating funding as described in Streets and Highways Code 30914(d).