

2019 TIP Financial Capacity Assessment Regional Summary

Background

In the San Francisco Bay Area, there are over 20 public transit agencies consisting of bus, ferry boat, light rail, heavy rail, and paratransit service providers. The seven largest transit agencies represent 91 percent of the total transit operating costs in the Bay Area and carry 95 percent of the passenger trips. The table below provides a snapshot of operating and service statistics for Bay Area transit operators. It should be noted that the statistics below are from FY 2016-17, and thus do not incorporate recent funding increases provided through the passage of Senate Bill 1, a new statewide revenue measure, recent voter approval of Regional Measure 3 (RM3), and recent significant service expansions. Also omitted from the table below are the sizable transfers to capital that many operators incorporate into their operating budgets. For these reasons, the statistics in the table below differ significantly from the operating budgets shown later in this assessment, and are primarily intended to provide information on the type and relative size of the region's transit operators.

Table 1. San Francisco Bay Area Transit Provider Statistics* <i>(1,000s)</i>				
Operator	Service Characteristics	Annual Operating Budget	Annual Revenue Hours	Annual Passengers
AC Transit	Motor Bus	\$424,448	2,191	53,106
BART	Heavy Rail	\$691,537	2,295	134,014
Caltrain	Heavy Rail	\$121,741	255	19,084
GGBHTD	Bus and Ferry	\$101,866	284	5,647
SamTrans	Motor Bus	\$148,572	821	12,187
SFMTA	Bus, Cable Car, Light Rail	\$801,262	3,906	216,745
VTA	Motor Bus and Light Rail	\$384,733	1,909	40,229
Small Operators	Motor Bus, Ferry, Heavy Rail	\$252,784	2,374	25,110
Total		\$2,926,944	14,036	506,122

**FY 2016-17 data taken from the Draft 2017 Statistical Summary of Bay Area Transit Operators*

Despite the booming economy in the San Francisco Bay Area, transit operators in the region have experienced a slow-down and even a decline in transit ridership over the last year. There are many potential factors for this phenomenon including an increase in Transportation Network Companies like Uber and Lyft that are providing low-cost last miles services; an increase in the



number of people who are working from home to escape congested roadways and long commutes from home to work; and even increased car ownership rates made possible by the strong economy. In response, while strategic increases in routes and frequencies have been made, many transit operators in the region are focusing on streamlining and rationalizing existing services for improved efficiency and lower costs.

In 2010, MTC launched its Transit Sustainability Project (TSP), a two year, comprehensive effort to address long term sustainability of the region's transit system. The TSP goals are to improve the transit operators' financial condition, improve service to the customers and attract new riders to the transit system. In May 2012, MTC approved the TSP recommendations, including performance measures and targets, an initiative program that included investment and incentive strategies for improving transit service, and additional customer-focused service, institutional, and paratransit recommendations. The seven largest operators in the region will be required to meet TSP performance goals related to cost control by FY 2018, and maintain performance standards on an annual basis.

One new funding opportunity following its passage in June is Regional Measure 3, consisting of a \$3.00 bridge toll increase on seven Bay Area bridges. The toll increase will be implemented over a six-year period, and while a majority of the transit funding in the measure will be used for capacity expanding projects and expanded service, there will likely be some overlap with the funding of existing operations and state of good repair capital replacements. Because the measure was passed only after the majority of calculations for this capacity assessment was completed, and it is still unknown as to the funding impact on the existing system, Regional Measure 3 dollars have not been incorporated into this assessment.

Projections – Transit Operating and Capital

As part of the San Francisco Bay Area's long range transportation plan—Plan Bay Area 2040—development effort, MTC estimated the total cost to operate and maintain existing transit services over the 24-year plan period (FY 2016-17 through FY 2039-40). Between Fiscal Year 2016-17 and FY 2039-40, operating and capital replacement costs for Bay Area transit providers are projected to total \$169 billion. This includes \$122 billion in operating costs plus \$47 billion for capital replacement. The Plan Bay Area 2040 work serves as a basis for much of the projected needs and revenues contained in this Financial Capacity Assessment. However, while the projections developed for Plan Bay Area 2040 are appropriate for a long-range planning effort, they rely on fixed assumptions about economic factors and funding streams and do not take into account recent variations in cost and revenue, and strategies undertaken to balance budgets in the short term. In order to provide the most up to date projections for the 2019 TIP period, MTC updated revenue and cost projections to account for recent growth and investment modifications to ensure that estimates of costs and revenues reflect existing short-range budgets and strategies for facilitating transit operators' ability to operate and maintain their systems over the period covered by the TIP. Estimates of operating needs for the seven largest operators were made consistent with their most recent adopted budgets. Estimates of revenues available to meet transit operating

and capital needs have also been modified to account for recently enacted state legislation that significantly increased annual funding for transit capital and operations.

With existing dedicated revenues plus discretionary revenues that were directed towards transit by Plan Bay Area 2040, MTC estimates that the region will be able to fully address the operating needs for transit at current service levels as well as fund 100 percent of vehicle replacements and most other essential transit capital rehabilitation and maintenance needs over the Plan period.

To demonstrate the financial capacity of the Bay Area transit operators to provide on-going service at existing levels, MTC has provided annual information on operating costs and estimated revenues for each of the region’s seven largest operators, and consolidated information for the region’s small operators, who combined, make up approximately seven percent of total operating costs in the region.

The table below shows the consolidated rehabilitation and maintenance needs of the region’s transit operators in the table below for key project categories (vehicle replacement and fixed guideway rehabilitation/replacement).

**Table 2. S.F. Bay Area Transit Capital Core Rehab/Replacement Needs
(1,000 YOES)**

Category	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	4-Year Total
Vehicles	\$ 1,064,300	\$ 736,443	\$ 509,189	\$ 565,112	\$ 2,875,043
Guideway Elements	\$ 118,909	\$ 118,909	\$ 118,909	\$ 118,909	\$ 475,636
Total	\$ 1,183,209	\$ 855,352	\$ 628,098	\$ 684,021	\$ 3,350,679

MTC estimates that approximately \$3.4 billion in transit capital maintenance needs exist within the 2019 TIP period. Projections for Plan Bay Area 2040 indicate that sufficient revenue is anticipated to fully fund vehicle and fixed guideway needs. Since needs vary significantly from year to year, MTC caps the annual investment in guideway elements for each operator at a calculated level. This allows for a steady funding stream so that operators can plan for anticipated guideway needs and it provides capacity for other needs in a given funding cycle.

A projection of capital revenue summarized in Table 3 below, shows that there is approximately \$3.7 billion available over the TIP time period. Of the total available, over half comes from non-Federal sources. The amounts included in the “Other” category consist primarily of surplus operating funding made available for capital purposes. A significant portion of the capital investment need identified in the previous 2017 TIP is expected to be satisfied by a large regional investment in the Bay Area Rapid Transit (BART) car replacements; for which the region has been setting aside funds and preparing for financing for the past several years in order to prepare for this major investment.

Also provided within the individual operator assessments is a summary of each of the seven large operators' individual capital maintenance needs for assets, and a consolidated summary of the capital maintenance needs for the region's smaller operators.

Table 3. TIP Financial Capacity Assessment						
Transit Capital Maintenance Revenues						
(1,000s YOES)						
Fund Source		2019	2020	2021	2022	4-Year Total
Federal (FTA)	\$	578,455	\$ 588,287	\$ 522,311	\$ 532,027	\$2,221,080
Bridge Toll	\$	30,222	\$ 32,843	\$ 19,243	\$ 19,341	\$ 101,650
Local Sources	\$	140,706	\$ 143,331	\$ 57,174	\$ 57,174	\$ 398,386
Other	\$	450,223	\$ 363,816	\$ 59,351	\$ 88,963	\$ 962,353
Total Revenue	\$	1,199,607	\$ 1,128,278	\$ 658,080	\$ 697,505	\$3,683,470

Conclusion

Attachment A lists the major transit capital projects included in the 2019 TIP. There are approximately \$6.8 billion in planned transit capital projects over the four year period. Of the total, about 36 percent of the funding is assumed to come from Federal sources. Many operators have already assumed local match requirements within their projected operating expenses. It should be noted that funding to support several of the large-cost projects shown in Attachment A—such as Caltrain Electrification and BART to San Jose—is expected to become available from sources such as the California High Speed Rail Authority and future Federal Transit Administration New Starts/Core Capacity grants, in addition to pending local tax measures. These sources are not fully reflected in the 2019 TIP.

Based on the information summarized above and detailed in the following assessments, the San Francisco Bay Area transit agencies have the financial capacity to operate transit service and meet capital match requirements over the period covered by the 2019 TIP.

Regional Summary
Attachment A
2019 TIP Transit Capital Projects

Sponsor	Project Name	Total Project Cost	Total TIP Cost
AC Transit	AC Transit: East Bay Bus Rapid Transit	\$ 205,569,113	\$ 2,750,000
	AC Transit: Paratransit Van Replacement	\$ 27,177,968	\$ 3,879,986
	AC Transit: Purchase (10) 24ft Cut-aways	\$ 910,000	\$ 910,000
	AC Transit: Purchase (24) 60ft Artic Hybrid Buses	\$ 27,568,800	\$ 27,568,800
	AC Transit: Replace (27) 40ft Urban Buses - Hybrid	\$ 22,963,500	\$ 22,963,500
	AC Transit: Replace (6) 24ft Cut-Away Vans	\$ 546,000	\$ 546,000
	San Pablo and Telegraph Ave Rapid Bus Upgrades	\$ 10,000,000	\$ 4,017,000
BART	19th Street BART Station Modernization-GO Uptown	\$ 29,438,837	\$ 3,726,000
	BART Train Control Renovation	\$ 263,968,188	\$ 25,000,000
	BART Transbay Core Capacity Improvements	\$ 3,510,700,000	\$ 1,075,290,000
	BART/MUNI Direct Connection Platform	\$ 3,000,000	\$ 3,000,000
	BART: Fare Collection Equipment	\$ 62,102,214	\$ 15,527,500
	BART: Rail, Way and Structures Program	\$ 297,027,833	\$ 42,500,000
	BART: Railcar Procurement Program	\$ 2,719,241,585	\$ 737,693,936
	BART: Traction Power System Renovation	\$ 245,128,454	\$ 42,500,000
	BART:ADA Paratransit Capital Accessibility Improve	\$ 53,273,167	\$ 6,355,647
	Bay Fair Connection	\$ 150,000,000	\$ 47,341,000
	Concord BART Station Modernization	\$ 13,000,000	\$ 13,000,000
	Embarcadero Stn: New North-Side Platform Elevator	\$ 15,000,000	\$ 13,000,000
	Walnut Creek BART TOD Access Improvements	\$ 11,050,000	\$ 9,150,000
Caltrain	Caltrain Electrification	\$ 1,980,253,416	\$ 209,801,428
	Caltrain: Signal/Communication Rehab. & Upgrades	\$ 47,192,880	\$ 3,000,000
	Caltrain: Systemwide Track Rehab & Related Struct.	\$ 194,082,707	\$ 32,982,500
	Peninsula Corridor Electrification Expansion	\$ 203,638,000	\$ 123,182,000
GGBHTD	GGBHTD - Transit Systems Enhancements	\$ 3,167,987	\$ 461,176
	GGBHTD Ferry Propulsion Systems Replacement	\$ 3,750,000	\$ 625,000
	GGBHTD: Facilities Rehabilitation	\$ 41,077,122	\$ 15,437,500
	GGBHTD: Ferry Channel & Berth Dredging	\$ 47,394,027	\$ 21,250,000
	GGBHTD: Fixed Guideway Connectors	\$ 66,495,992	\$ 24,450,000
	GGBHTD: Purchase 7 Hybrid Buses	\$ 6,479,025	\$ 6,479,025
	GGBHTD: Replace 2 Paratransit Vehicles	\$ 197,500	\$ 197,500
	GGBHTD: Replace 67 Diesel Buses with Hybrid Buses	\$ 59,094,000	\$ 59,094,000
	GGBHTD: Replace 7 - 40' Diesel Buses	\$ 3,760,007	\$ 3,760,007
	GGBHTD: Replace Paratransit Vehicles	\$ 712,000	\$ 712,000
	Larkspur Ferry Terminal Parking Garage	\$ 1,000,000	\$ 1,000,000
	Replace 14 - 22' Gas Body-on-Chassis Vehicles	\$ 1,274,000	\$ 1,274,000
	San Rafael Transit Center Relocation	\$ 46,412,000	\$ 1,412,000
	SamTrans	SamTrans - Purchase of Replacement Minivans	\$ 1,284,900
SamTrans - Replacement of Cutaway Buses		\$ 2,816,925	\$ 1,718,925
SamTrans Express Bus Service		\$ 36,502,574	\$ 16,132,567

2019 TIP Financial Capacity Assessment (cont.)

SFMTA	Additional Light Rail Vehicles to Expand Muni Rail	\$ 366,304,165	\$ 54,178,165
	Cable Car Traction Power & Guideway Rehab	\$ 93,159,463	\$ 16,921,704
	Geary Bus Rapid Transit	\$ 300,000,000	\$ 8,939,000
	Geneva Harney BRT Infrastructure: Central Segment	\$ 40,054,000	\$ 6,069,000
	Geneva Harney BRT Infrastructure: Eastern Segment	\$ 98,115,000	\$ 2,000,000
	Historic Streetcar Extension to Fort Mason	\$ 68,886,966	\$ 741,000
	SF Muni Rail Replacement Program	\$ 290,456,438	\$ 62,794,168
	SFMTA Farebox Replacement	\$ 9,270,800	\$ 420,000
	SFMTA: 40' Motor Coach Mid-Life Overhaul	\$ 61,003,890	\$ 61,003,890
	SFMTA: 60' Motor Coach Mid-Life Overhaul	\$ 32,370,726	\$ 32,370,726
	SFMTA: Cable Car Vehicle Renovation Program	\$ 30,260,341	\$ 3,291,718
	SFMTA: Overhead Line Recon. & Traction Power Prog	\$ 210,466,563	\$ 39,765,645
	SFMTA: Paratransit Vehicle Replacements	\$ 14,653,314	\$ 1,939,358
	SFMTA: Rehab Historic Streetcars	\$ 28,648,723	\$ 16,189,222
	SFMTA: Replace 35 Paratransit Cutaway Vans	\$ 2,742,285	\$ 2,742,285
	SFMTA: Replacement of 30' Motor Coaches	\$ 43,807,856	\$ 23,852,935
	SFMTA: Station-area Ped and Bike Access Improvemnt	\$ 1,500,000	\$ 1,125,000
	SFMTA: Wayside Fare Collection Equipment	\$ 43,878,241	\$ 2,250,000
	SFMTA:Train Control & Trolley Signal Rehab/Replace	\$ 132,053,481	\$ 58,756,644
	Transit Center in Hunters Point	\$ 22,000,000	\$ 2,000,000
VTA	BART - Berryessa to San Jose Extension	\$ 4,779,935,000	\$ 2,569,021,000
	Eastridge to BART Regional Connector	\$ 510,279,000	\$ 268,699,000
	VTA: Light Rail Track Crossovers and Switches	\$ 34,629,066	\$ 1,978,523
	VTA: Non-Revenue Vehicle Procurement	\$ 400,000	\$ 400,000
	VTA: Paratransit Vehicle Procurement	\$ 11,244,000	\$ 6,000,000
	VTA: Rail Replacement Program	\$ 73,483,902	\$ 19,150,319
	VTA: Rail Substation Rehab/Replacement	\$ 43,188,404	\$ 14,240,000
	VTA: Standard & Small Bus Replacement	\$ 316,950,248	\$ 50,000,000
	VTA: Systemwide Security Improvements	\$ 506,948	\$ 506,948
Large Operator Total	\$ 18,051,290,814	\$ 6,632,240,062	
Other Operator Total	\$ 5,400,412,592	\$ 807,857,926	
Total	\$ 23,451,703,406	\$ 7,440,098,024	

Note: Includes rehabilitation/maintenance and expansion projects



Alameda Contra Costa Transit District (AC Transit)

Operator Background & Budget

The Alameda-Contra Costa Transit District, the third-largest public bus system in California, operates a fleet of 639 vehicles on 77 local and 34 transbay routes that serve 13 East Bay cities and adjacent unincorporated areas in Alameda and Contra Costa counties. The routes connect with 16 other public and private bus systems, 25 Bay Area Rapid Transit stations, six Amtrak stations, three ferry terminals, and Oakland International Airport.

East Bay Paratransit Consortium provides ADA paratransit service in the East Bay. The consortium has entered into a contract with a broker to provide the necessary paratransit services. Operating costs are split between AC Transit and BART.

AC Transit's operating budget expenses reflect increased labor and benefit costs as well as planned service expansions. In 2016, AC Transit adopted their Service Expansion Plan – AC Go – funded through Measure BB, the Alameda County sales tax approved by voters in 2014. AC Go is a phased program launched to restructure and rationalize existing service as well as extend service lines and improve frequencies to better meet demand.

In addition to AC Go, AC Transit is launching their Transbay Tomorrow program, aimed at service improvements on the Bay Bridge Transbay Network. Similar to AC Go, but focused on Transbay service, Transbay Tomorrow goals include reconfiguring existing service by reducing inefficiencies and creating new routes to meet demand. Also as part of Transbay Tomorrow and in conjunction with the opening of the new Transbay Transit Center, AC Transit will implement a new fare policy for Transbay routes, including a \$1.00 increase in adult fares beginning in Fiscal Year 2018/19.

AC Transit's budget projections also show that revenues are keeping pace with expenses. Sales tax-based receipts show continued growth since 2011 and are projected to grow at a steady rate. Ridership numbers never quite reached the levels that existed prior to cuts in service in March 2010, and recently, have experienced further downward trends. Farebox revenues, however are expected to grow modestly due to implementation of new fare policies and greater demand for Transbay Service.

In 2014, Alameda County voters passed Measure BB, which renewed and augmented the existing county-wide sales tax. The measure is expected to provide over \$1 billion in revenue for transit operations over the duration of the measure. AC Transit is using at least 85% of the revenue to implement the AC Go service expansion plan.

Assessment

Operating

AC Transit anticipates a cumulative balanced budget over the period of the 2019 TIP. A summary of the operating financial capacity assessment is provided in the table below. The local matching funds from non-federal or state sources that are required for projects listed in the 2019 TIP have been accounted for within AC Transit’s operating costs.

TIP Financial Capacity Assessment –Transit Operations & Maintenance

AC Transit

(1,000s, YOES)

CATEGORIES	Year 1 FY 18-19	Year 2 FY 19-20	Year 3 FY 20-21	Year 4 FY 21-22	4-YEAR TOTAL
Costs					
Existing + Planned Committed Projects	429,153	438,595	448,244	458,105	1,774,097
Total Operational Needs	\$429,153	\$438,595	\$448,244	\$458,105	\$1,774,097

Revenue

Fares	63,351	65,568	67,863	70,238	267,021
Non-Fare Revenue	13,985	14,346	14,718	15,102	58,151
Other	16,701	17,159	17,634	18,124	69,618
Property Tax	124,789	128,533	132,389	136,361	522,072
County Sales Tax	65,692	67,006	68,346	69,713	270,757
Bridge Tolls	12,479	12,479	12,479	12,479	49,914
STA	22,077	22,621	22,817	23,120	90,635
AB 1107	43,484	44,575	45,693	46,839	180,590
TDA	73,577	75,247	76,955	80,489	306,268
LCTOP	5,369	3,300	3,300	3,300	15,268
Total Revenue	\$441,504	\$450,833	\$462,193	\$475,764	\$ 1,830,293

Balance available for Carryover, Transit Capital Investment, Additional Service, or Local Match Needs	\$12,350	\$12,238	\$13,949	\$17,659	\$56,196
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Capital

AC Transit's projected core capital maintenance needs for the period covered by the TIP is provided in the table below. It is projected that there is sufficient funding available through the Federal program, in combination with local and state sources, to maintain the system in the existing state of repair over the TIP period.

TIP Financial Capacity Assessment -- Transit Capital Needs

AC Transit

(1,000s, YOES)

Operator	Category	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
AC Transit	Vehicles	\$ 2,861	\$ 4,542	\$ 64,950	\$ 77,946
AC Transit Total		\$ 2,861	\$ 4,542	\$ 64,950	\$ 77,946

Bay Area Rapid Transit District (BART)

Operator Background & Budget

BART operates rail service on four Transbay routes and one route in the East Bay. The system operates 669 rail cars on 121 miles of track and 48 stations. The Oakland Airport Connector—an automated guideway system that links the Oakland Coliseum BART station with one of the region’s international airports—opened in 2014, and BART to Warm Springs (South Fremont) opened in 2017. BART’s latest extension, BART to Antioch, opened in 2018, allowing riders to transfer onto smaller diesel trains to reach Antioch instead of terminating in Pittsburgh. Ridership is one of the key measures of BART’s success. In 2016, BART set its agency record for ridership with nearly 460,000 in average daily ridership. Ridership growth has occurred with only limited increase in service miles and frequency. Recent trends have shown a slowdown in ridership and even a projected decline in FY 2017-2018 of approximately 3%.

It is estimated that BART’s operating costs will grow at an average rate of about 2.2% per year over the TIP period. Fare revenue is also expected to grow at the same rate over the TIP period due to a combination of growth in passengers on new service lines and planned biennial fare increases to keep pace with inflation. It should be noted that BART is working to keep up with the capital needs of its aging infrastructure, and to that end, incorporates a significant transfer to capital from its operating budget.

Several service modifications are also anticipated in FY 2018-19, including the deployment of more of the new rail cars and a 5 am system opening time on Monday through Friday, compared to 4 am currently. The 5 am opening is necessary to support the Transbay Tube seismic retrofit work; BART plans to leverage the additional work hours to advance rebuilding projects—and in many cases, will be able to reduce project cost and project duration.

Assessment

Operating

BART projects sufficient revenues to cover operating expenses over each year of the 2019 TIP period. A significant amount of operating revenues are projected to be made available for capital replacement and debt service. A summary of the operating financial capacity assessment is provided in the table on the next page.

**TIP Fiscal Capacity Analysis –Transit Operations & Maintenance
BART
(1,000s, YOES)**

CATEGORIES	Year 1 FY 18-19	Year 2 FY 19-20	Year 3 FY 20-21	Year 4 FY 21-22	4-YEAR TOTAL
Costs					
Existing + Planned Committed Projects	940,867	961,566	982,720	1,004,340	3,889,492
Total Operational Needs	\$940,867	\$961,566	\$982,720	\$1,004,340	\$3,889,492

Revenue					
Fares	547,032	569,984	589,965	610,630	2,317,611
Non-Fare Revenue	61,262	63,813	64,837	66,094	256,006
Other	5,564	5,590	5,668	7,152	23,974
Property Tax	37,920	39,058	40,230	41,436	158,644
Bridge Tolls					0
AB 1107	267,309	275,328	283,588	292,096	1,118,321
STA	32,651	33,462	33,594	33,926	133,633
Federal Transit Grants					0
TDA					0
LCTOP	10,403	6,393	6,393	6,393	29,580
Total Revenue	\$962,140	\$993,627	\$1,024,274	\$1,057,727	\$ 4,037,769

Balance available for Carryover, Transit Capital Investment, Additional Service, or Local Match Needs	\$21,274	\$32,062	\$41,554	\$53,387	\$148,276
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Capital

In November 2016, voters passed Measure RR which provides BART with \$3.5 billion to improve BART safety, reliability, and capacity, with the ultimate goal of reducing freeway congestion. During the next decade, BART intends to construct 90 miles of new rail, repair corroding tunnel walls and replace its train control equipment.

BART is replacing its aging rail car fleet and expanding the current fleet from 669 to at least 775 rail cars, and pending funding availability, as many as 1,081. This new fleet will improve reliability, decrease maintenance costs, relieve crowding, and help meet growing demand.

2019 TIP Financial Capacity Assessment (cont.)

BART's capital program in the 2019 TIP includes a continued contribution towards the rail-car replacement program and other high priority capital projects. BART's projected core capital maintenance needs for the period covered by the TIP are provided in the table below. It is projected that there is sufficient funding available through the Federal program, in combination with local and state sources, to maintain the system in its current state of repair.

TIP Financial Capacity Assessment -- Transit Capital Needs

BART

(1,000s, YOES)

Operator	Category	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
BART	Guideway Elements	\$ 50,211	\$ 50,211	\$ 50,211	\$ 50,211
	Vehicles	\$ 506,782	\$ 516,502	\$ -	\$ -
BART Total		\$ 556,993	\$ 566,713	\$ 50,211	\$ 50,211



Peninsula Corridor Joint Powers Board (Caltrain)

Operator Background & Budget

The Peninsula Corridor Joint Powers Board (JPB) — consisting of representatives from San Francisco, San Mateo, and Santa Clara counties — operates Caltrain, which provides commuter rail service between San Francisco and San Jose with additional service to Gilroy in southern Santa Clara County. Under contract with TransitAmerica Services Inc., the system currently operates 123 heavy rail vehicles and 29 locomotives. Caltrain also provides 31 feeder shuttles to transport passengers to and from its stations.

Ridership on Caltrain reached a record high in 2016 with almost 67,000 daily riders on average. Fare revenues account for over 2/3rds of Caltrain's operating revenue. Existing revenues are sufficient to meet projected operating expenses over the four year period of the TIP. Caltrain does not have a dedicated source of operating revenue similar to most operators that receive sales-tax based revenue and subsidies. The agency relies on JPB member contributions to fund a significant portion of their operating costs. Recent state legislation, however, did provide a significant infusion of funding through a new funding program for commuter rail as well as a boost to existing transit funding in the State Transit Assistance Program.

In addition to finding new revenue solutions, a key strategy for improving Caltrain's efficiency and gaining additional passengers is to modernize the system. The Caltrain Modernization Program (CalMod) includes electrification and other projects that will upgrade the performance, efficiency, capacity, safety and reliability of Caltrain's service. Electrification provides the foundation that future CalMod improvements are based on, including full conversion to an electric fleet, platform and station improvements, the extension of service to Downtown San Francisco, and other projects that allow Caltrain to grow and evolve with the Bay Area. Electrification of the system between San Francisco and San Jose will improve Caltrain's limited capacity to run additional trains and carry more passengers, thereby improving fare revenue.

As Caltrain moves forward with electrification they have also begun development of a comprehensive business plan to examine how they can meet demand and provide the maximum value to its customers, communities and the region. The Caltrain Business Plan is expected to inform future service levels and patterns, infrastructure needs, organizational strategies and contracting considerations, as well as the railroad's interactions, benefits and impacts with surrounding communities.

Assessment

Operating

A summary of the operating financial capacity assessment is provided in the table below. Operational needs are anticipated to grow at the rate of inflation over the years contained in the 2019 TIP. Projected revenues are expected to increase by approximately the same rate over the time period, except for years with planned fare increases. Based on these figures, Caltrain anticipates a cumulative operating surplus over the period of the TIP that can be redirected for capital purposes.

TIP Fiscal Capacity Analysis –Transit Operations

Caltrain/Peninsula Corridor JPB

(1,000s, YOES)

CATEGORIES	Year 1 FY 18-19	Year 2 FY 19-20	Year 3 FY 20-21	Year 4 FY 21-22	4-YEAR TOTAL
Costs					
Existing + Planned Committed Projects	151,454	154,786	158,191	161,671	626,102
Total Operational Needs	\$151,454	\$154,786	\$158,191	\$161,671	\$626,102

Revenue

Fares	111,917	115,463	135,490	137,088	499,958
Non-Fare Revenue	47,312	34,032	34,547	35,408	151,298
Other	491	501	511	521	2,023
Property Tax					0
County Sales Tax					0
Bridge Tolls					0
STA	6,571	6,734	6,759	6,824	26,887
State Rail Assistance	3,900	4,100	4,310	4,531	16,841
AB 1107					0
Federal Transit Grants					0
TDA					0
LCTOP	2,123	1,305	1,305	1,305	6,037
Total Revenue	\$172,313	\$162,134	\$182,921	\$185,675	\$ 703,043

Balance available for Carryover, Transit Capital Investment, Additional Service, or Local Match Needs	\$20,859	\$7,348	\$24,730	\$24,004	\$76,941
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Capital

Caltrain’s projected core capital maintenance needs for the period covered by the TIP is provided in the table below. It is projected that there is sufficient funding available through the Federal program, in combination with local and state sources, to maintain the system in its current state of repair.

**TIP Financial Capacity Assessment -- Transit Capital Needs
Caltrain/Peninsula Corridor JPB
(1,000s, YOES)**

Operator	Category	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Caltrain	Guideway Elements	\$ 14,393	\$ 14,393	\$ 14,393	\$ 14,393
	Vehicles	\$ 65,837	\$ 97,988	\$ -	\$ -
Caltrain Total		\$ 80,230	\$ 112,381	\$ 14,393	\$ 14,393

Golden Gate Bridge Highway and Transit District (GGBHTD)

Operator Background & Budget

The Golden Gate Bridge, Highway and Transportation District (GGBHTD) is a special district of the State of California that operates and maintains the Golden Gate Bridge and provides transit service between and within Marin, Sonoma and San Francisco Counties. GGBHTD operates two primary transit services: Golden Gate Transit and Golden Gate Ferry. Currently, their fleet of transit vehicles consists of seven ferry boats and 181 buses. Golden Gate Transit bus services include regional and local routes; regional routes are controlled and operated by GGBHTD, and local routes are operated by GGBHTD under contract with Marin Transit. GGBHTD sets fare policy and service levels for regional service, and Marin Transit sets fare policy and determines service levels for all service that begins and ends within Marin County.

GGBHTD has seen a significant decline in ridership, particularly on their buses, since 2014. Other operating budget impacts include wage and benefit cost increases. On March 6, 2017, GGBHTD began operation of the Tiburon Ferry service which increased operating costs in addition to fare revenue.

Golden Gate Transit has sufficient revenues to meet operating needs within the four years included in the 2019 TIP. Operating costs are projected to grow at approximately 2.4% annually. Revenues are expected to grow by about 3% per year. Golden Gate Transit continues to receive toll-revenue subsidies in order to meet operating expenses. Approximately 50% - 60% of the annual cost of operating Golden Gate Transit is subsidized by tolls collected on the Golden Gate Bridge. The GGBHTD board also authorized a five-year fare increase for all bus and ferry riders, beginning July 1, 2017. The District will receive approximately \$1.5 million in new annual revenue from fares through this increase.

Assessment

Operating

A summary of the operating financial capacity assessment for Golden Gate is provided in the table below. Golden Gate anticipates a balanced budget for each year included in the 2019 TIP.

**TIP Fiscal Capacity Analysis –Transit Operations
GGBHTD
(1,000s, YOES)**

CATEGORIES	Year 1 FY 18-19	Year 2 FY 19-20	Year 3 FY 20-21	Year 4 FY 21-22	4-YEAR TOTAL
Costs					
Existing + Planned Committed Projects	146,125	151,400	158,000	165,400	620,925
Total Operational Needs	\$146,125	\$151,400	\$158,000	\$165,400	\$620,925

Revenue

Fares	37,400	38,336	39,455	40,770	155,961
Non-Fare Revenue	1,045	1,009	1,014	1,019	4,087
Other	87,007	91,825	97,040	102,835	378,707
Property Tax					0
County Sales Tax					0
Bridge Tolls (MTC)	2,770	2,770	2,770	2,770	11,081
STA	3,051	3,127	3,138	3,169	12,485
AB 1107					0
Federal Transit Grants	383				383
TDA	13,483	13,727	13,977	14,231	55,418
LCTOP	986	606	606	606	2,803
Total Revenue	\$146,125	\$151,400	\$158,000	\$165,400	\$620,925

Balance available for Carryover, Transit Capital Investment, Additional Service, or Local Match Needs	\$0	\$0	\$0	\$0	\$0
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Capital

In order to reduce the District’s carbon footprint, in July 2016, GGBHTD transitioned its entire bus fleet to renewable diesel fuel. According to the California Air Resources Board, the product the District is purchasing (RD99 renewable diesel) results in approximately a 67% reduction in greenhouse gas emissions on a well-to-wheels basis when compared to standard petroleum diesel.

2019 TIP Financial Capacity Assessment (cont.)

Golden Gate’s projected core capital maintenance needs for the period covered by the TIP is provided in the table below. It is projected that there is sufficient funding available through the Federal program, in combination with local and state sources, to maintain the system in its current state of repair.

TIP Financial Capacity Assessment -- Transit Capital Needs

GGBHTD

(1,000s, YOES)

Operator	Category	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
GGBHTD	Guideway Elements	\$ 5,108	\$ 5,108	\$ 5,108	\$ 5,108
	Vehicles	\$ 1,702	\$ 2,272	\$ 5,022	\$ 10,536
GGBHTD Total		\$ 1,702	\$ 2,272	\$ 5,022	\$ 10,536

San Francisco Municipal Transit Agency (SFMTA)

Operator Background & Budget

San Francisco Municipal Transportation Agency (SFMTA) operates 77 transit lines over an approximately 47-square-mile service area. The SFMTA currently runs transit service 24 hours a day, seven days a week, providing over 700,000 transit trips each weekday on its fleet of cable cars, streetcars, motor coaches, trolley coaches, and light rail vehicles, and carried an estimated 233 million passengers in FY 2016. SFMTA carries approximately 43% of the total transit passenger trips within the region.

SFMTA completed implementation of its Muni Forward service expansions in FY 2017-18, resulting in a 10% increase in service, the largest service increase since the 1970s. The Muni Forward effort will continue in its effort to address transit delays, improve reliability and increase the safety and comfort of customers along Muni's most popular routes. The operating budget also provides continued funding for free transit service for low-income youth, seniors and disabled riders.

Also in FY 2017-18, SFMTA continued implementation of its Muni Service Equity Strategy, intended to make transit accessible and affordable to all customers. The Equity Strategy will benefit eight selected Equity Neighborhoods, seniors and people with disabilities, by implementing service treatments that can be implemented quickly while delivering measurable improvements to safety, connectivity to key destinations, reliability, frequency and crowding. Moreover, the strategy will establish a performance baseline for Muni routes serving each Equity neighborhood, which will be monitored annually.

In FY 2017-18, SFMTA reached an agreement to extend contracts with eight unions. The increase in wages and benefits resulting from the agreement will add an additional \$17 million to SFMTA's operating cost in FY 2018-19, and increases of similar amounts in subsequent years.

To support operations the City of San Francisco contributes close to \$500 million of general fund, parking, and development fee revenues. Farebox revenues provide for approximately 20% of SFMTA's annual operating budget.

Assessment

Operating

SFMTA projects sufficient revenues to cover operating expenses over each year of the 2019 TIP period. Approximately \$70 million in revenue is projected to be made available for capital expenditures. A summary of the operating financial capacity assessment is provided in the table below.

TIP Fiscal Capacity Analysis –Transit Operations & Maintenance

San Francisco MTA
(1,000s, YOES)

CATEGORIES	Year 1 FY 18-19	Year 2 FY 19-20	Year 3 FY 20-21	Year 4 FY 21-22	4-YEAR TOTAL
Costs					
Existing + Planned Committed Projects	1,051,441	1,074,573	1,098,213	1,122,374	4,346,602
Total Operational Needs	\$1,051,441	\$1,074,573	\$1,098,213	\$1,122,374	\$4,346,602
Revenue					
Fares	218,221	224,222	230,949	237,877	911,268
Non-Fare Revenue	379,019	388,692	400,353	416,367	1,584,431
Other	299,389	305,373	314,534	325,520	1,244,816
Property Tax					0
County Sales Tax	8,769	8,938	9,206	9,528	36,441
Bridge Tolls	2,688	2,688	2,688	2,688	10,750
STA	53,322	54,647	54,847	55,379	218,195
AB 1107	43,484	44,575	45,693	46,839	180,590
Federal Transit Grants					0
TDA	43,855	45,338	46,871	48,457	184,521
LCTOP	16,194	9,952	9,952	9,952	46,048
Total Revenue	\$1,064,940	\$1,084,422	\$1,115,091	\$1,152,606	\$ 4,417,060
Balance available for Carryover, Transit Capital Investment, Additional Service, or Local Match Needs	\$13,499	\$9,849	\$16,878	\$30,232	\$70,458

Capital

SFMTA's capital program in the 2019 TIP is focused on strategic expansions of its light rail service and bus rapid transit routes as well as capital asset rehabilitation and replacement projects. SFMTA's projected core capital maintenance needs for the period covered by the TIP is provided in the table below. It is projected that there is sufficient funding available through the Federal program, in combination with local and state sources, to maintain the system in its current state of repair.

TIP Financial Capacity Assessment -- Transit Capital Needs
San Francisco MTA
(1,000s, YOES)

Operator	Category	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
SFMTA	Guideway	\$ 34,026	\$ 34,026	\$ 34,026	\$ 34,026
	Elements	\$ 387,107	\$ 32,935	\$ 289,229	\$ 331,465
	Vehicles				
SFMTA					
Total		\$ 421,133	\$ 66,961	\$ 323,255	\$ 365,491

San Mateo County Transit District (SamTrans)

Operator Background & Budget

SamTrans operates fixed-route bus service and contracts with MV Transit for operation of some routes. SamTrans has a total fleet of 305 buses, providing more than 12.1 million annual trips in San Mateo County in FY2017. SamTrans also owns a fleet of 93 demand-response vehicles that provide SamTrans' ADA-compliant paratransit service.

SamTrans is one of the three members of the JPB and additionally is the managing agency for Caltrain. The other two member agencies are the City and County of San Francisco and the Santa Clara Valley Transportation Authority. SamTrans is also responsible for the operation of Caltrain and the three agencies together are responsible for funding its operations.

In 2017, SamTrans launched its Express Bus Study, to examine the financial and operational feasibility of a network of long-distance express buses operating on US-101 through San Mateo County. The results of the Study will help SamTrans determine if there is a viable market for long-haul express bus services through San Mateo County serving adjacent cities. Since April 2017, the study team has completed a detailed market analysis and identified 15 potential express bus routes throughout the three-county study area. The study team is currently completing a detailed evaluation process of the routes, after which the team anticipates recommending a network of four to six express bus routes to be implemented in phases. The study is expected to be completed in late 2018. A pilot launch of the express bus routes will be funded in part through newly authorized state revenue.

SamTrans is also the lead agency in development of the Dumbarton Corridor study, funded by Facebook, that explores potential modifications to infrastructure and operations in the Dumbarton Bridge corridor that will reduce traffic congestion and improve mobility.

Assessment

Operating

SamTrans projects a balanced budget over each year of the 2019 TIP period. A summary of the operating financial capacity assessment is provided in the table below. Approximately \$90 million in revenue over the TIP period is available for capital projects or to provide local matching funds for capital projects in the TIP.

TIP Fiscal Capacity Analysis –Transit Operations
SamTrans
(1,000s, YOES)

CATEGORIES	Year 1 FY 18-19	Year 2 FY 19-20	Year 3 FY 20-21	Year 4 FY 21-22	4-YEAR TOTAL
Costs					
Existing + Planned Committed Projects	148,985	152,263	155,612	159,036	615,896
Total Operational Needs	\$148,985	\$152,263	\$155,612	\$159,036	\$615,896

Revenue					
Fares	24,311	25,789	26,047	26,307	102,454
Non-Fare Revenue	8,889	8,976	9,063	9,152	36,080
Other					0
Property Tax					0
County Sales Tax	87,202	89,382	91,616	93,907	362,107
Bridge Tolls	306	306	306	306	1,224
STA	8,386	8,595	8,626	8,710	34,317
AB 1107					0
Federal Transit Grants					0
TDA	39,726	40,664	41,625	42,608	164,623
LCTOP	2,090	1,285	1,285	1,285	5,944
Total Revenue	\$170,910	\$174,996	\$178,568	\$182,274	\$706,749

Balance available for Carryover, Transit Capital Investment, Additional Service, or Local Match Needs	\$21,926	\$22,733	\$22,956	\$23,238	\$90,853
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Capital

SamTrans' projected core capital maintenance needs for the period covered by the TIP is provided in the table below. It is projected that there is sufficient funding available through the Federal program, in combination with local and state sources, to maintain the system in its current state of repair.

TIP Financial Capacity Assessment -- Transit Capital Needs
SamTrans
(1,000s, YOES)

Operator	Category	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Sam Trans	Vehicles	\$ 8,676	\$ 8,676	\$ 13,541	\$ 16,872
Sam Trans Total		\$ 8,676	\$ 8,676	\$ 13,541	\$ 16,872

Santa Clara Valley Transportation Authority (VTA)

Operator Background & Budget

VTA operates 493 motor bus coaches and 99 light rail vehicles on 77 routes throughout an urbanized area of 326 square miles. 18 core bus routes, including two Bus Rapid Transit routes, form the backbone of the system. 19 local bus routes and 20 Community Bus routes feed into the rest of the transit system; VTA's shuttle routes connect light rail and Caltrain stations with industrial areas and San José State University. 17 Express bus routes offer weekday commuter service. VTA operates three light-rail transit lines that total 42 miles in length, serving 62 stations. Together, these services served about 40 million passengers in FY 2016-17.

VTA is a member of the Peninsula Corridor Joint Powers Board. VTA also contracts with the Altamont Commuter Express (ACE) for service. Each provides commuter rail service to Santa Clara County from adjacent counties, and shuttle vans from their stations to destinations within Santa Clara County. VTA belongs to the Highway 17 Express and Dumbarton Express consortium that provide express bus service into Santa Clara County from other adjacent counties.

In 2016 VTA's ½ cent county-wide measure was approved by voters. This initiative is expected to raise over \$11 billion over the course of the measure. A significant portion of the revenue will be devoted to VTA's transit operations and capital needs.

VTA recently conducted its Next Network Study, with a goal to completely redesign its bus and light rail transit network in order to increase ridership, improve farebox recovery, and integrate BART service into the transit network. The new service plan, adopted in mid-2017 for implementation when the Milpitas and Berryessa BART stations open, will be implemented in FY 2018-2019 to provide a better transit network to its riders with higher productivity.

VTA's Fast Transit Program is a policy and planning effort that seeks to accomplish the goals of increasing transit speeds and improving on-time reliability in VTA's transit service network. The major components include the development and adoption of a transit speed policy that is supported at the municipal level, a comprehensive examination of the causes and solutions to VTA's declining speeds and reliability, and a targeted set of cost-effective speed and reliability improvement projects. The program is expected to reduce VTA's transit operating costs, maintain or increase the quantity of routes that can be operated to better serve the needs of VTA riders and Santa Clara County cities.

Assessment

Operating

With the application of operational reserve funding, VTA projects sufficient revenues to cover operating expenses over each year of the 2019 TIP period. A summary of the operating financial capacity assessment is provided in the table below.

TIP Fiscal Capacity Analysis –Transit Operations & Maintenance

Santa Clara VTA

(1,000s, YOES\$)

CATEGORIES	Year 1 FY 18-19	Year 2 FY 19-20	Year 3 FY 20-21	Year 4 FY 21-22	4-YEAR TOTAL
Costs					
Existing + Planned Committed Projects	485,939	496,629	507,555	518,721	2,008,844
Total Operational Needs	\$485,939	\$496,629	\$507,555	\$518,721	\$2,008,844
Revenue					
Fares	51,344	52,371	53,419	54,487	211,622
Other	519	1,591	2,273	2,123	6,506
Property Tax					0
County Sales Tax	300,262	308,406	314,835	322,070	1,245,572
Bridge Tolls					0
STA	28,183	28,883	28,989	29,270	115,326
AB 1107					0
Federal Transit Grants					0
TDA	98,248	100,841	103,503	106,234	408,826
LCTOP	7,382	4,537	4,537	4,537	20,992
Total Revenue	\$485,939	\$496,629	\$507,555	\$518,721	\$2,008,844
Balance available for carryover or transfer	\$0	\$0	\$0	\$0	\$0

Capital

VTA’s projected core capital maintenance needs for the period covered by the TIP is provided in the table below. It is projected that there is sufficient funding available through the Federal program, in combination with local and state sources, to maintain the system in the existing state of repair over the TIP period.

TIP Financial Capacity Assessment -- Transit Capital Needs

Santa Clara VTA

(1,000s, YOES)

Operator	Category	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
VTA	Guideway Elements	\$ 8,529	\$ 8,529	\$ 8,529	\$ 8,529
	Vehicles	\$ 48,360	\$ 35,618	\$ 37,541	\$ 55,610
VTA Total		\$ 56,889	\$ 44,147	\$ 46,070	\$ 64,139

San Francisco Bay Area Small Operators

Collectively, the San Francisco Bay Area’s 17 smaller transit operators account for only nine percent of the total transit operating costs in the region and only about five percent of fixed route transit passengers in the region. SMART, the new Marin and Sonoma County rail operator began service in FY 2017-18.

The small operators contained in this summary include Altamont Commuter Express, County Connection, Fairfield-Suisun Transit, Livermore Amador Valley Transit Authority, Marin Transit, Napa Vine, Petaluma Transit, Rio Vista Delta Breeze, San Francisco Bay Ferry, Santa Rosa CityBus, SMART, SolTrans, Sonoma-County Transit, Tri Delta Transit, Union City Transit, Vacaville City Coach, and WestCat.

Assessment

Operating

The financial capacity assessment for the seventeen San Francisco Bay Area small operators, combined, is shown in the table below. In total, the small operators have sufficient funds to operate at existing service levels over the period of the 2019 TIP.

2019 TIP Fiscal Capacity Analysis –Transit Operations & Maintenance San Francisco Bay Area Small Operators (1,000s, YOES)

CATEGORIES	Year 1 FY 18-19	Year 2 FY 19-20	Year 3 FY 20-21	Year 4 FY 21-22	4-YEAR TOTAL
Costs					
Existing + Planned Committed Projects	323,486	332,122	341,028	350,213	1,346,849
Total Operational Needs	\$323,486	\$332,122	\$341,028	\$350,213	\$1,346,849

Revenue

Fares	67,733	70,782	73,967	77,295	289,777
Non-Fare Revenue	12,959	13,543	14,152	14,789	55,443
Other	24,544	25,649	26,803	28,009	105,006
Property Tax	4,858	5,077	5,305	5,544	20,784
County Sales Tax	40,638	42,467	44,378	46,375	173,858
Bridge Tolls	26,730	26,803	26,878	26,954	107,365
STA	33,704	34,541	34,668	35,004	137,916
State Rail Assistance	7,800	8,200	8,620	9,061	33,681

2019 TIP Financial Capacity Assessment (cont.)

State of Good Repair (Operations Eligible)	1,195	1,195	1,243	1,293	4,926
AB 1107					0
Federal Transit Grants	6,859	7,052	7,245	7,439	28,595
TDA	94,436	96,201	98,003	99,841	388,480
LCTOP	2,037	1,252	1,252	1,252	5,792
Total Revenue	\$323,494	\$332,761	\$342,513	\$352,856	\$ 1,351,623
Balance available for Carryover, Transit Capital Investment, Additional Service, or Local Match Needs	\$8	\$639	\$1,485	\$2,643	\$4,774

Capital

The capital maintenance needs for the combined San Francisco Bay Area small operators is shown in the table below. It is projected that there is sufficient funding available through the Federal program, in combination with local and state sources, to maintain the system in the existing state of repair over the TIP period.

**TIP Financial Capacity Assessment -- Transit Capital Needs
San Francisco Bay Area Small Operators
(1,000s, YOES)**

Operator	Category	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Small Operators	Guideway Elements*	\$ 42,974	\$ 37,909	\$ 98,905	\$ 72,682
	Vehicles	\$ 6,642	\$ 6,642	\$ 6,642	\$ 6,642
Small Operators Total		\$ 49,616	\$ 44,551	\$ 105,547	\$ 79,324

*Guideway element needs are attributable to the Water Emergency Transportation Authority (WETA)



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