Transit Sustainability Project

TransForm

June 22, 2010
Riders squeezed by transit cuts

Oakland Tribune

Editorial: Bay Area transit agencies need new strategies to survive

San Francisco Chronicle

Is Bay Area transit failing?

Northern California residents have long considered Los Angeles to be less environmentally-conscious and progressive than our decentralized, bucolic Bay Area. But after two decades of smart investment, L.A.’s transit use has surpassed

THE WALL STREET JOURNAL

Public Transit Passengers Face Rough Ride

FEBRUARY 24, 2010

Bay Area public transit may take another budget hit

By Dennis Cuff
Contra Costa Times columnist

The bill, which the Contra Costa Times shall consider is ridership. The reason bus systems are less efficient than cars is a lack of riders during non-commute hours even during commute times on some routes.

San Francisco Chronicle

FRIDAY, JANUARY 29, 2010

Muni looks at some of deepest service cuts ever

Rachel Gordon, Michael Cabanatuan, Chronicle Staff Writers
San Francisco Muni riders face the prospect of some of the deepest service cuts ever

FEBRUARY 23, 2010

BART explores more fare hikes, cuts

Last month, BART’s board of directors approved an amended budget that plugged a $12.2 million midyear shortfall. The approved measures included using $90 million in capital money for operating purposes and the elimination of 74 positions, although only seven employees are currently scheduled to be let go. BART has the next several months to come up with
Why now?

1. Severe budget shortfalls in the immediate term.
2. Service cuts are degrading the transit system.
3. Long term viability of the existing system is at risk, let alone the ability of the region to provide service expansion.
4. Need to provide a system that more people will use – customer-focused, not agency-centric.
5. A robust transit system is fundamental to the mode shift needed for the Sustainable Communities Strategy per SB 375.
6. The region has a significant opportunity to alter course as budget situation improves.
Critical Challenges for Transit

1. Unsustainable cost structure
2. Unpredictable revenues
   • State Transit Assistance uncertain
   • Local sales tax revenues swing wildly
3. Some routes have low productivity
4. Underpriced auto alternative
5. Insufficient transit-supportive land uses
Transit Sustainability Project

- Goal: to identify the major challenges facing transit, confront them directly, and identify a path toward a flexible, affordable, well-funded transit system that more people will use for more trips

- Project Principles
  - Objective, fact-based analysis
  - Build on work already completed and underway
  - All issues are on the table
What is a sustainable transit system?

- **Customer**: A system that functions as an accessible, user-friendly and coordinated network for transit riders, regardless of mode, location or jurisdiction.

- **Financial**: A system that can cover its operating and capital costs with a growing share of passenger fare revenues as well as reliable streams of public funding.

- **Environmental**: A system that can attract and accommodate new riders in an era of emission reduction goals and is supported through companion land use and pricing policies.
Where are we?

- Current transit use and infrastructure is robust
  - 500 million annual passengers
  - Average of 1.7 million passengers per weekday
  - 200 million revenue vehicle miles; 19 million revenue vehicle hours
  - 4,551 total vehicles, 994 miles of track and 54 maintenance facilities
  - 14,059 FTEs
- Operating funds: over $2 billion a year

![Pie chart showing revenue sources]

- Fares: 29%
- County Sales Tax: 20%
- TDA: 13%
- STA: 4%
- Property Tax: 5%
- Other (includes SF parking revenues): 29%
Where are we?

- Bay Area residents historically support transit
  - 78% of voters said “increasing the use of public transit” is an “extremely important” or “very important” priority for the transportation future of the Bay Area (Spring 2008)
  - 63% of voters said “investing in public transit to encourage less driving” should be the region’s most important transportation investment priority when asked to choose among other priorities (Spring 2008)
- But that support may not be endless:
  - When asked in March 2010 which of fourteen areas of state government spending they would favor cutting, 48% of Californians said public transportation – up from only 30% in 2008
Financial: Short and Long Term Problem

Projected Deficits Transportation 2035

Total 25-Year Operating Deficit: $8 b
Total 25-Year Capital Deficit: $17.2 b
Unpredictable Revenues: Sales Tax

TDA Revenue Funding Levels (in millions)
Comparison of Performance Trends
Overall Percent Increases

Notes:
1) Operating costs only.
2) Data from the NTD database.
3) All modes except Demand Response are included.
4) For all rail service, passenger car revenue hours was used.
Three Legs of the Stool

1. Financial
2. Service Design and Delivery
3. Institutional and Decision-making
Project Approach

- Financial analysis
  - Cost containment strategies
  - New revenue sources and transit/transportation pricing
- Service Analysis
  - Focused analysis based on function or geography
  - Efficient, cost-effective service that meets the public’s needs regardless of jurisdiction
- Institutional Analysis
  - Transit decision making structure
  - Best practices, policies and institutional structures from a variety of locations and industries
- Implementation Plan
  - Prioritized strategies for maximizing ridership and revenue and increasing service efficiencies
  - Short, medium and long term actions
Potential Opportunities

- **Financial**
  - Identify cost containment strategies and reinvest savings in the transit system
  - Consider how pricing and tolls can support transit

- **Service**
  - Develop a regional vision for an appropriately scaled transit system with performance measures
  - Expand vision of what transit service includes – e.g. dynamic ride sharing

- **Institutional**
  - Better utilize existing transit expertise in the region to get a better product to the customer
  - Identify institutional structure that aligns with service objectives
Preliminary Regional Advisory Structure

Commission

Select Committee

MTC Policy Advisory Council
(E&D, EJ, Economy, Environment)

MTC Project Mgt
(Consultant Support)

Project Steering Committee (~20)
Provide executive-level input transportation agencies, labor, business, advocate, and user perspectives.

Transit General Managers
MTC
JPC
FTA
Labor
Business/Employers
CMA
Transit Dependent/Equity
Environmental/Bike and Ped Access

Technical Advisory Committees
Provide transit agency expertise to assist in analysis.

• Finance/Cost Control
• Service Delivery/Planning
• Paratransit
• Trans Bay, Express and Feeder Bus
• Inner East Bay
• Peninsula
• North Bay
• Outer East Bay

Additional Public Involvement
Riders, General Public
## Schedule

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<th>Project kick off</th>
<th>Stakeholder outreach</th>
<th>TAC activity begins</th>
<th>Begin Financial and Service Analysis</th>
<th>Financial and Service Analysis</th>
<th>Develop Draft Recommendations</th>
<th>Additional Analysis</th>
<th>Draft Implementation Plan</th>
<th>May ‘10</th>
<th>Fall ‘10</th>
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