

# **Transit Sustainability Project**



**SPUR**

**September 9, 2010**



FEBRUARY 23, 2010

## Riders squeezed by transit cuts



JANUARY 17, 2010

### Editorial:

## Bay Area transit agencies need new strategies to survive

THE BAY AREA'S public transportation agencies, both rail and bus services, are in deep financial trouble as taxpayer subsidies and ridership decline. In an attempt to

is ridership. The reason bus systems are less efficient than cars is a lack of riders during non-commute hours or even during commute times on some routes.

CENTRAL AND EAST COUNTY

## CONTRA COSTA TIMES

FEBRUARY 24, 2010

## Bay Area public transit may take another budget hit

By Denis Cuff  
Contra Costa Times columnist

Bay Area public transit agencies have complained bitterly about the state's plan to raise fares and cut service because state law prohibits them from raising fares to cover the cost of the state's share of the transit system.

Now, transit leaders say the state budget bill that cuts state sales tax on gasoline will increase the per-gallon cost of gasoline.

Consumers would pay more for gasoline, but transit agencies would have less money.

The bill, which the Legislature passed last week, would give local governments the authority to raise fares.

## San Francisco Chronicle

NORTHERN CALIFORNIA'S LARGEST NEWSPAPER

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

## San Francisco Chronicle

NORTHERN CALIFORNIA'S LARGEST NEWSPAPER

JANUARY 14, 2010

## 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, LA's transit use has surpassed

## THE WALL STREET JOURNAL

JANUARY 2, 2010

## Public Transit Passengers Face Rough Ride



FEBRUARY 23, 2010

## BART explores more fare hikes, cuts

By Will Reisman  
Examiner Staff Writer

SAN FRANCISCO — BART faces a \$14 million shortfall for the upcoming fiscal year and a four-year projected deficit of more than \$60 million, meaning fare and fee increases, service reductions, and employment cuts are again being considered to help balance the budget.

Declining ridership and dwindling sales tax revenue brought on by the recession have been the root causes of BART's fiscal woes, according to the transit agency's preliminary budget projection for the 2010 fiscal year, which begins in July. Ridership has been dropping consistently in the past year and is expected to drop further until at least 2011. And a drop in sales tax revenue has been so dramatic that the amount of funding received this fiscal year (\$163 million) was less than that of 2006. The total budget is \$379 million.

up 6 percent in July — while entertaining the idea of raising fees at its parking lots, according to transit agency documents. Service adjustments, employee reductions and labor negotiations also will be in the mix.

The 6 percent fare increase in July was six months ahead of schedule under BART's formula to raise fares every two years based on inflation. Because of the poor economy, the next scheduled fare increase — in 2012 — will only be 1 percent.

Last month, BART's board of directors approved an amended budget that plugged a \$25.2 million midyear shortfall. The approved measures included using \$19 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.



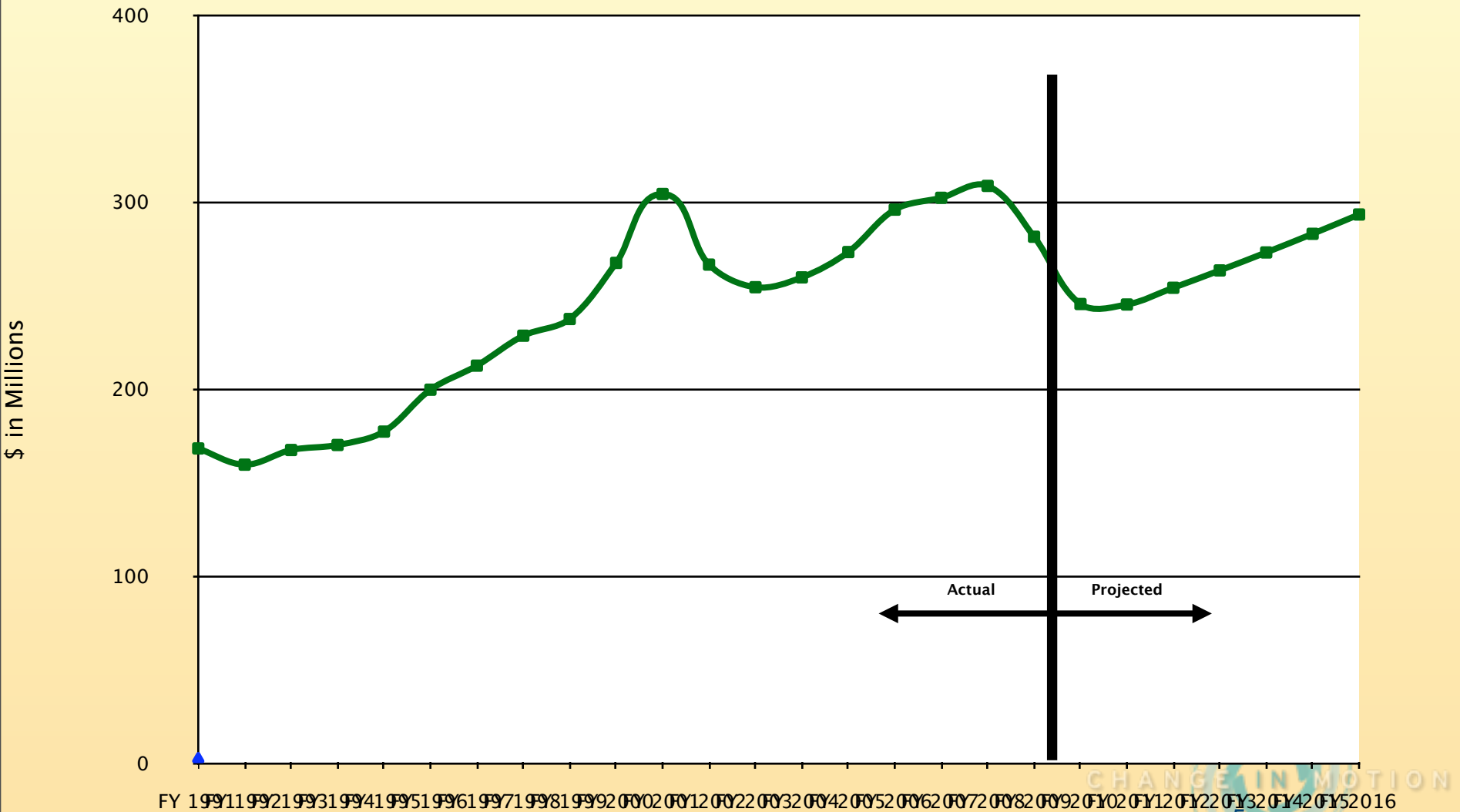
# Critical Challenges for Transit

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



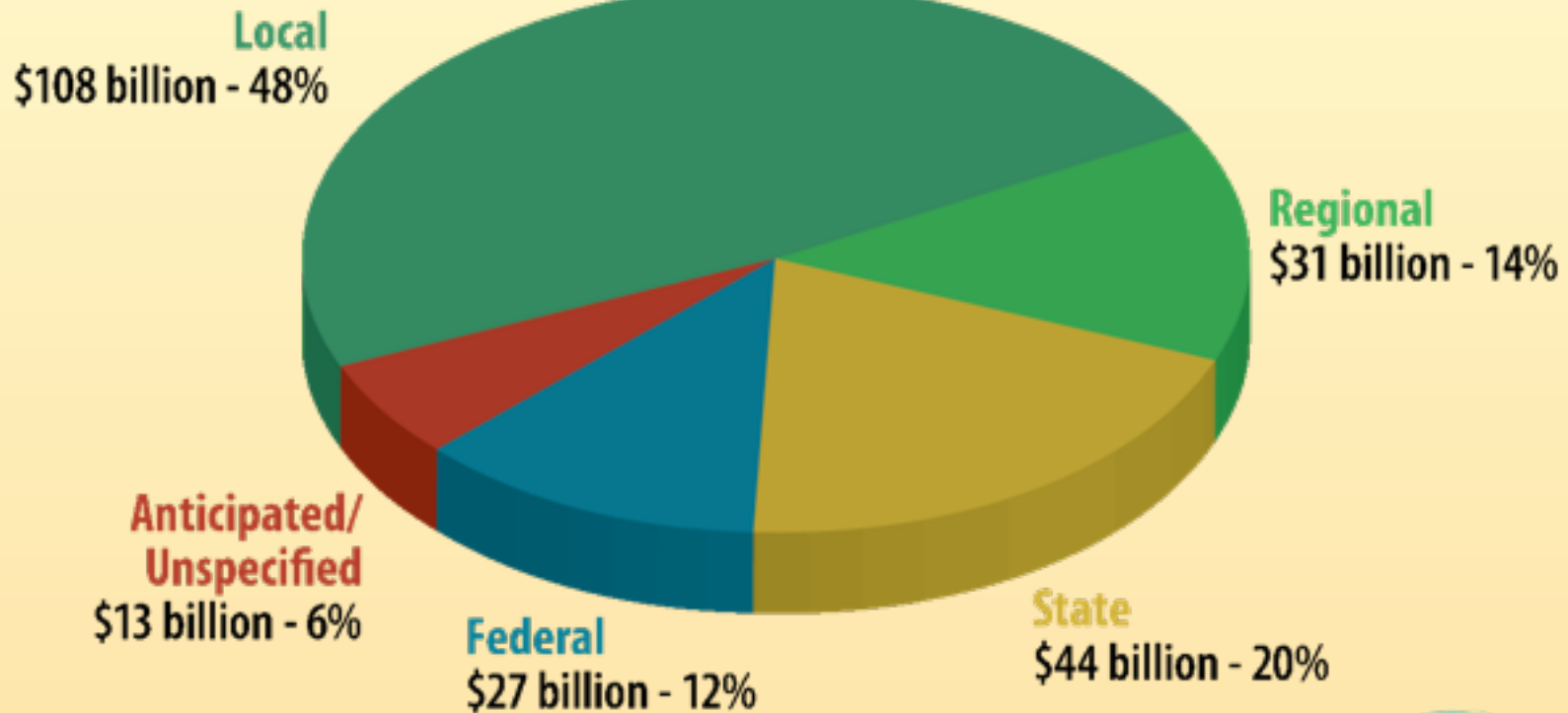
# Unpredictable Revenues: Sales Tax

TDA Revenue Funding Levels (in millions)



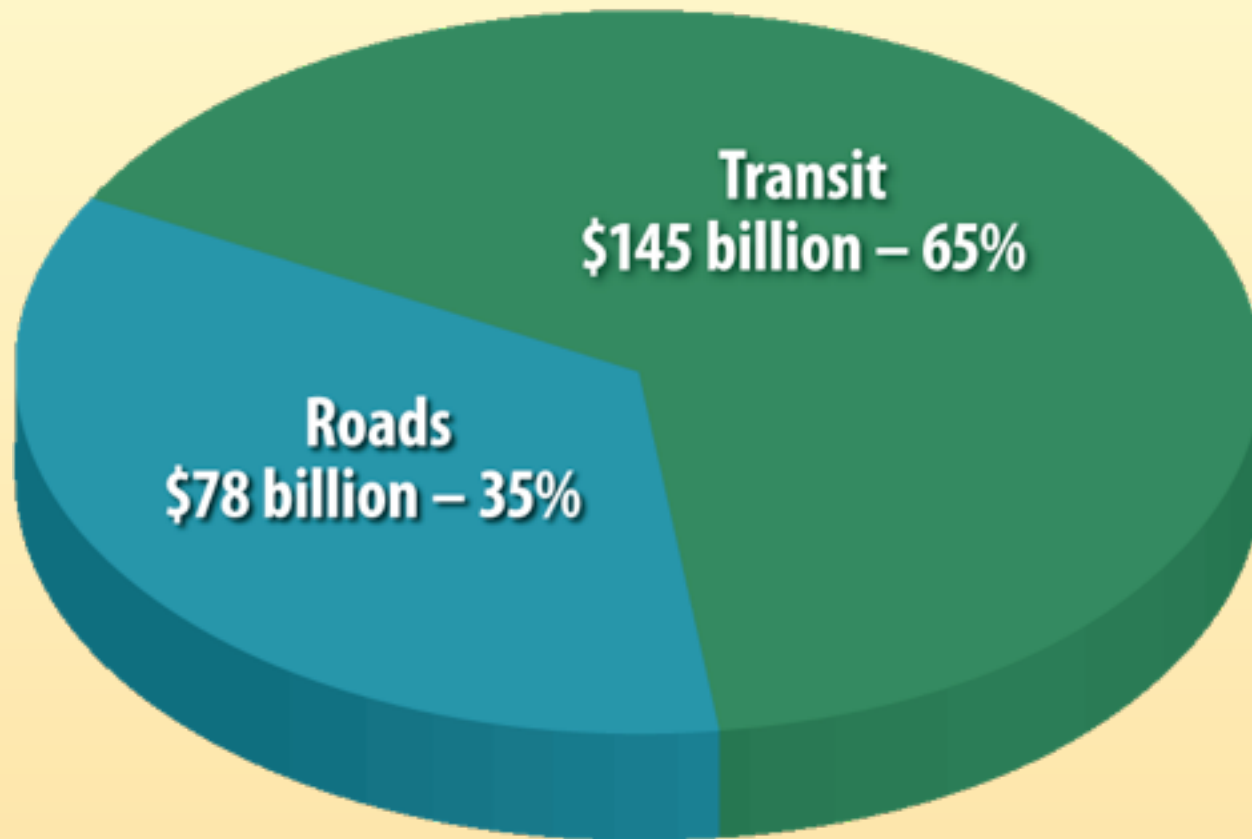
# Transportation 2035 Revenues

Total Revenues = \$223 billion

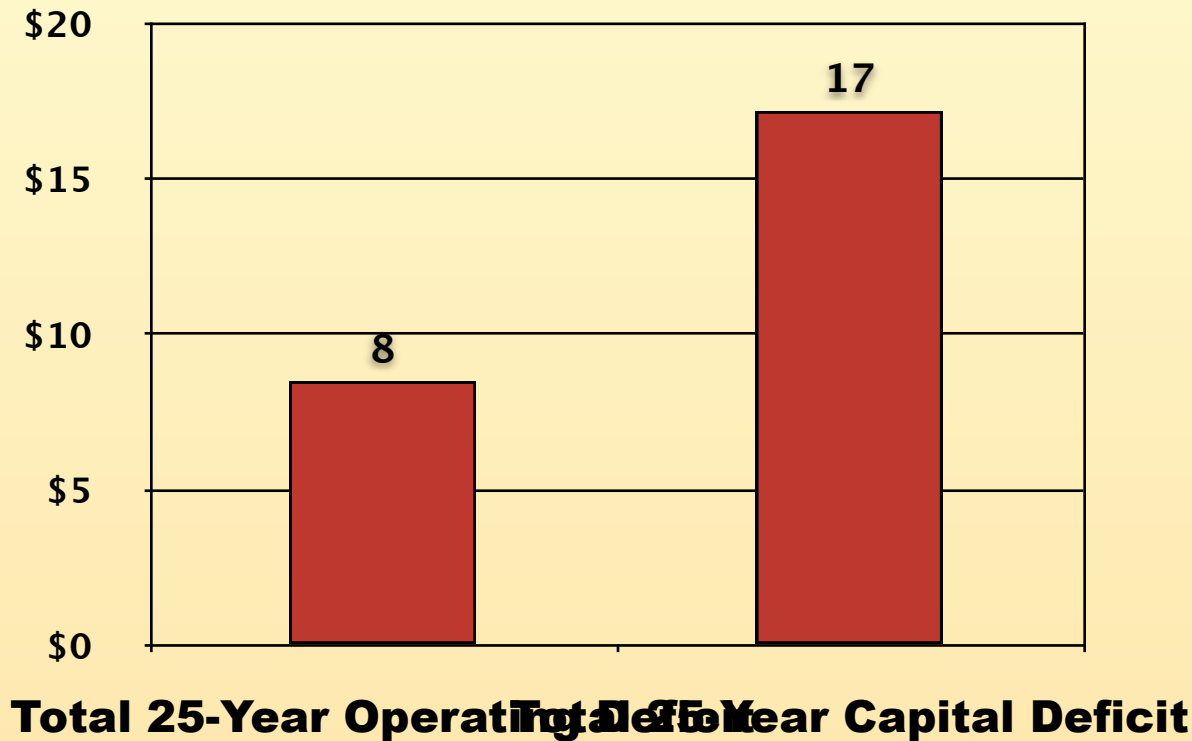


# Transit Focus

## Transportation 2035 Plan



# Financial: Short and Long Term Problem



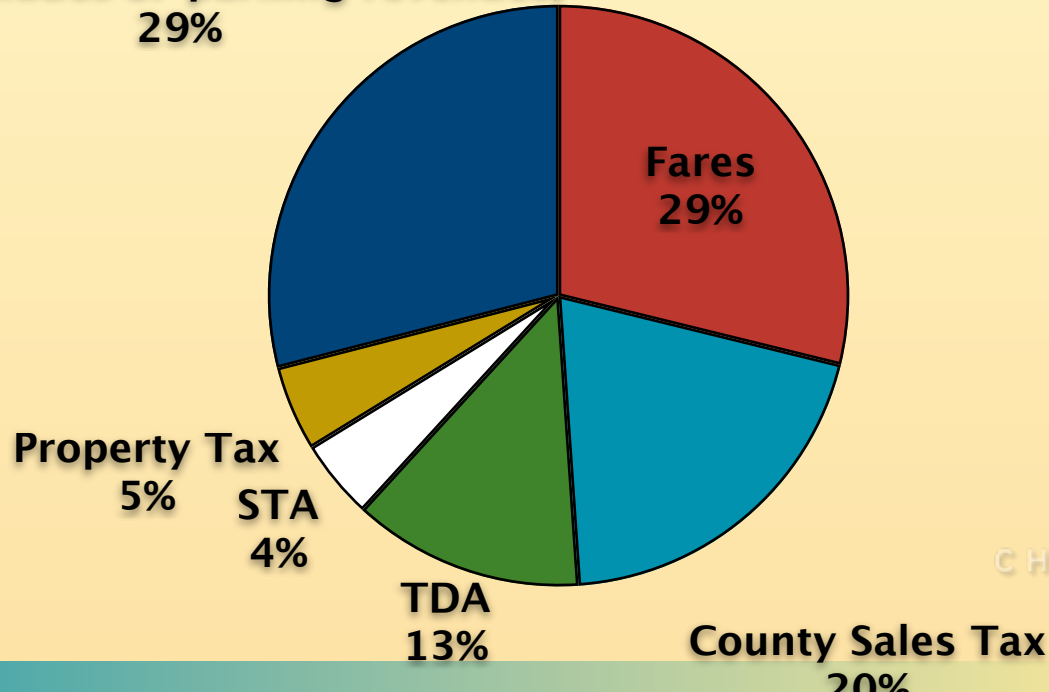
## Projected Deficits Transportation 2035



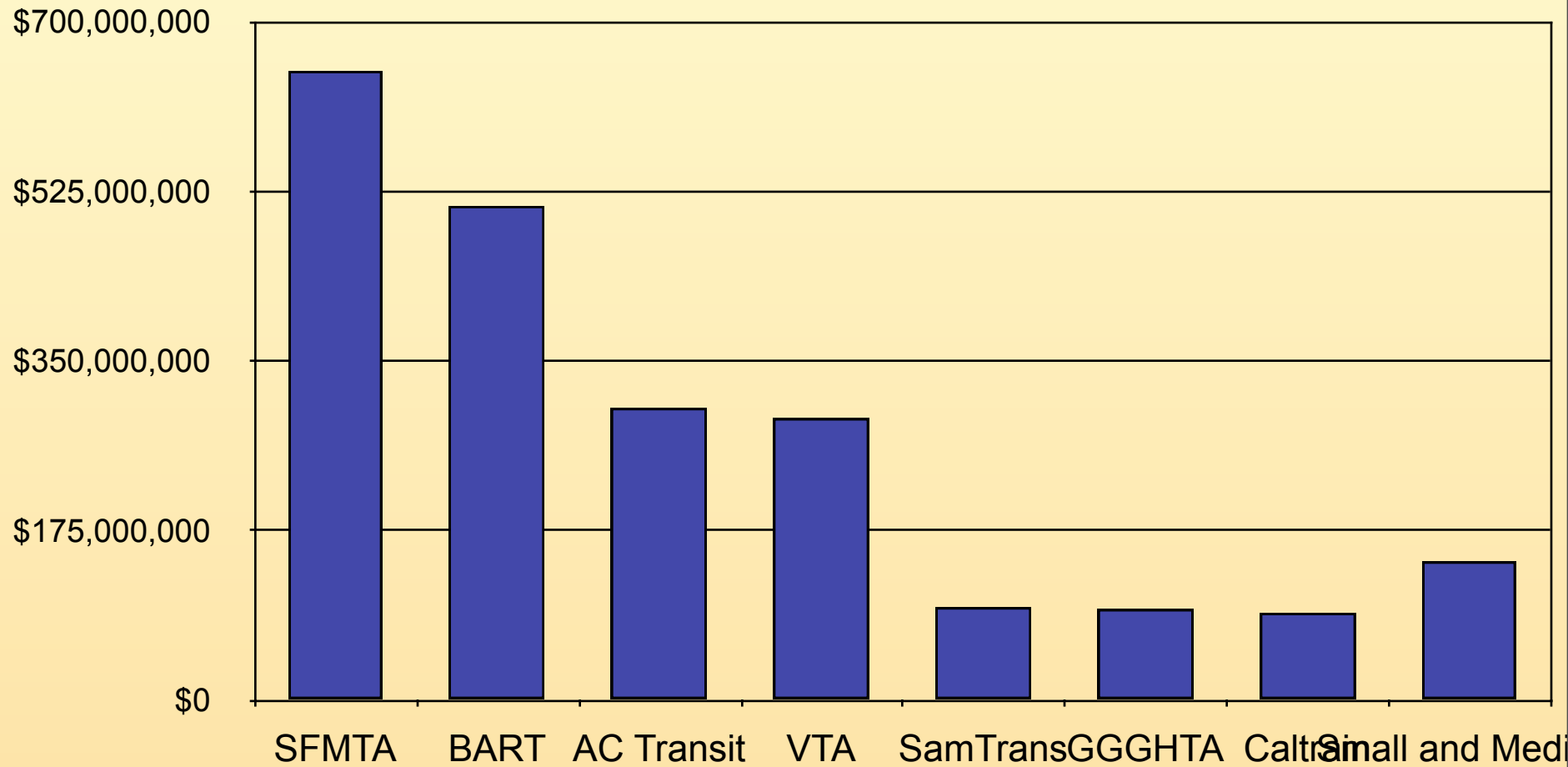
# Where are we?

- 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

**Other (includes SF parking revenues)**



# Total Operating Cost FY 2008-09

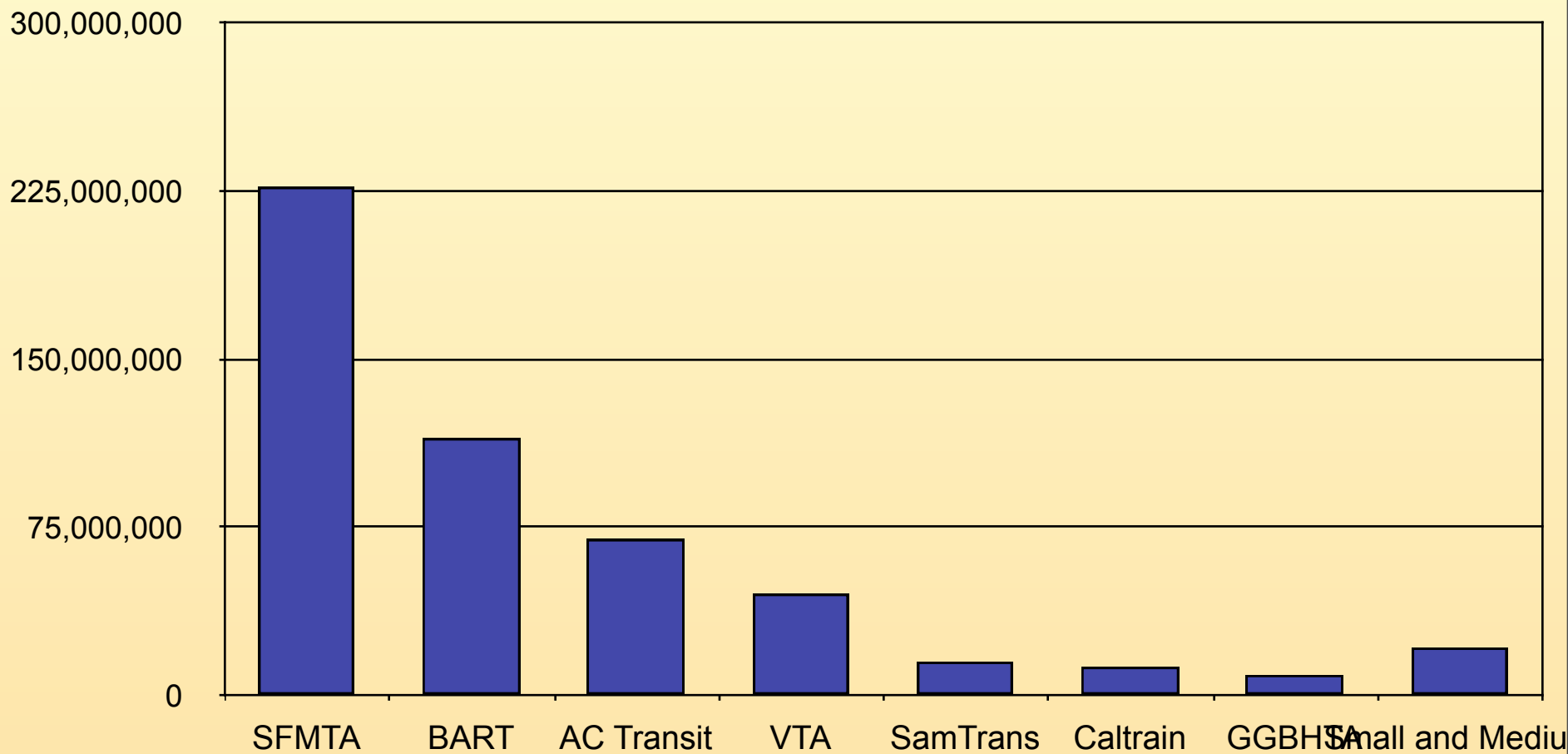


Source: MTC Statistical Summary, May 2010

Monday, October 4, 2010

# Total Passengers

## FY 2008-09



Source: MTC Statistical Summary, May 2010

Monday, October 4, 2010

# 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.



# 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



# **So what are the current challenges facing transit?**

- Lots of opinions and assumptions;
- Little comprehensive analysis.

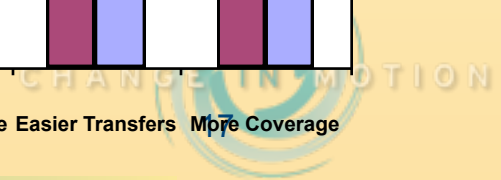
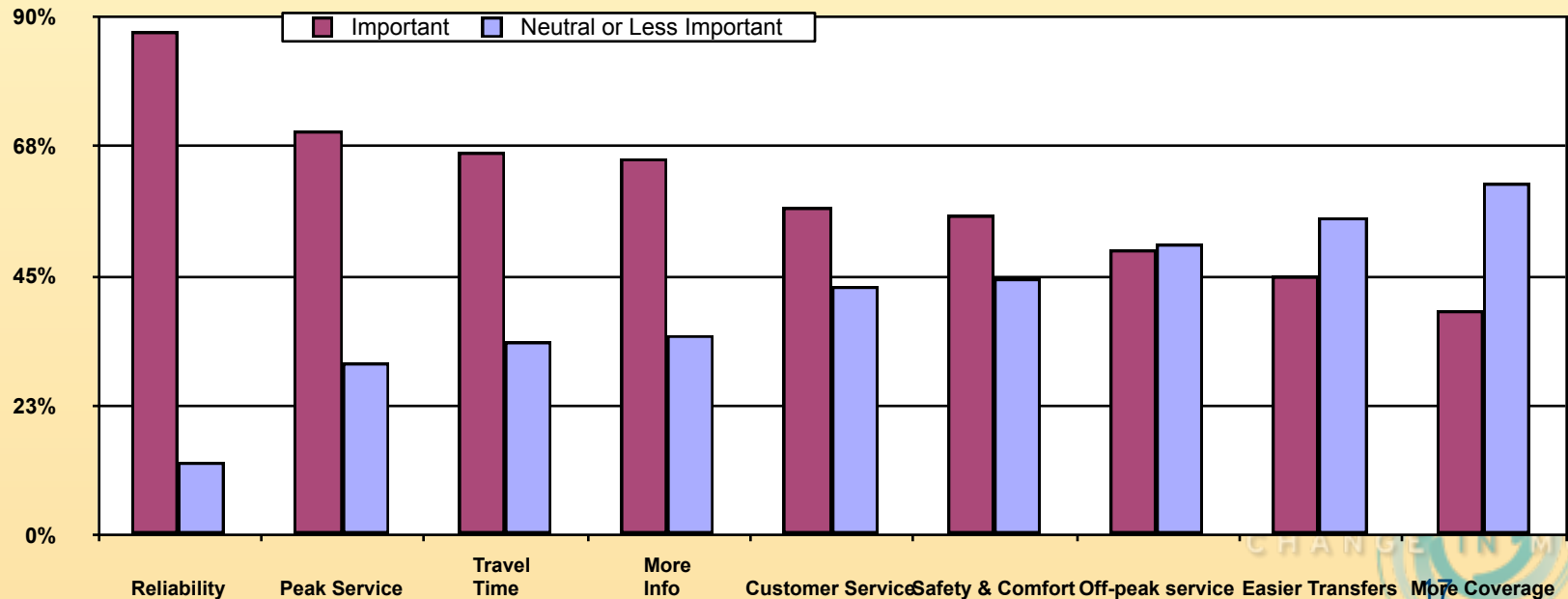


# Myth or Reality?

## Service

1. Transit is not reliable, safe or convenient
2. Transit system is confusing; connections are difficult, time consuming
3. Transit service is not price or time competitive with the auto alternative
4. There is too much service; too little service; service is in the wrong place
5. Duplicative services compete for the same riders
6. Lack of uniform fare policies disadvantages riders

SFMTA TEP Survey: How Important is it to Improve...

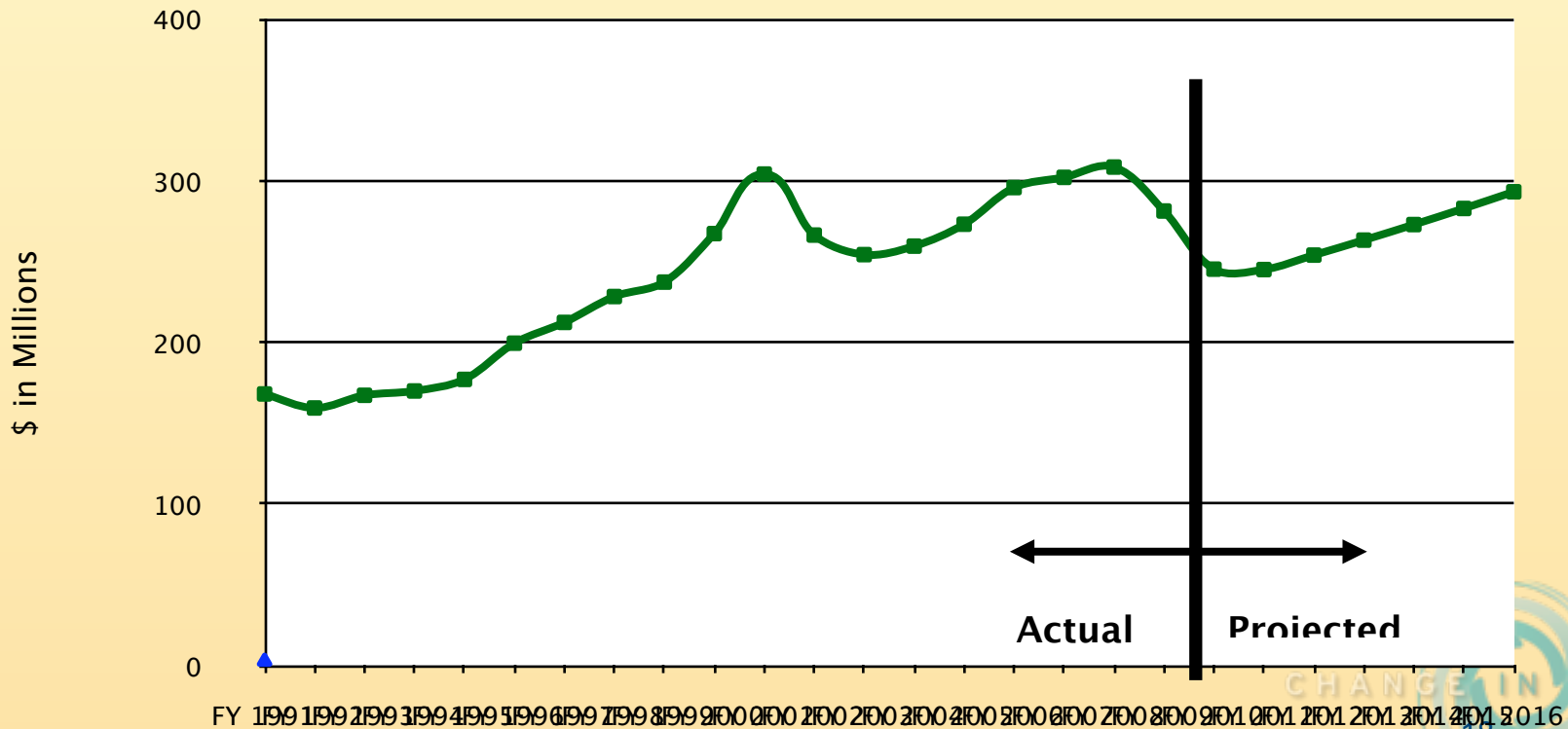


# Myth or Reality?

## Financial

- 7. Salaries and benefits are costly
- 8. High cost of service is a result of large administrative structure
- 9. Inefficient work rules inflate cost of delivering service
- 10. Unpredictable revenues result in unstable service and fares

TDA Revenue Funding Levels (in millions)



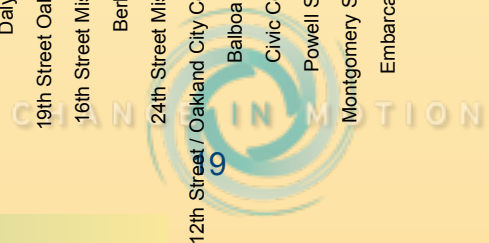
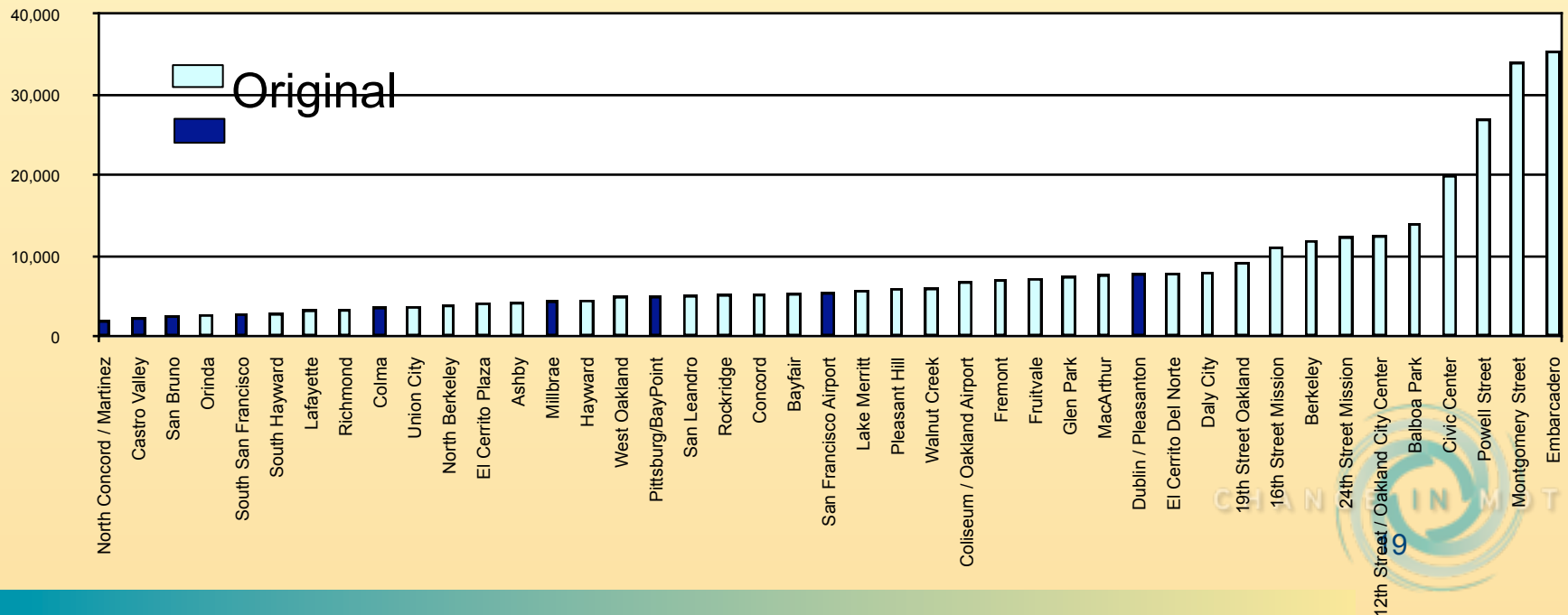
Projection based on TDA 20-year average annual growth rate

# Myth or Reality?

## Institutional

11. Expansion policies resulted in increased operating costs but few riders
12. Political pressure and “return to source” policies keep unproductive routes in service
13. Land uses and other external factors confound transit’s effectiveness
14. Multiple operators results in a fractured decision-making process and works against a cohesive regional transit network
15. Decision-making does not match markets – regional/commute, local/ lifeline

**BART Average Weekday Exits by Station - FY 2009**

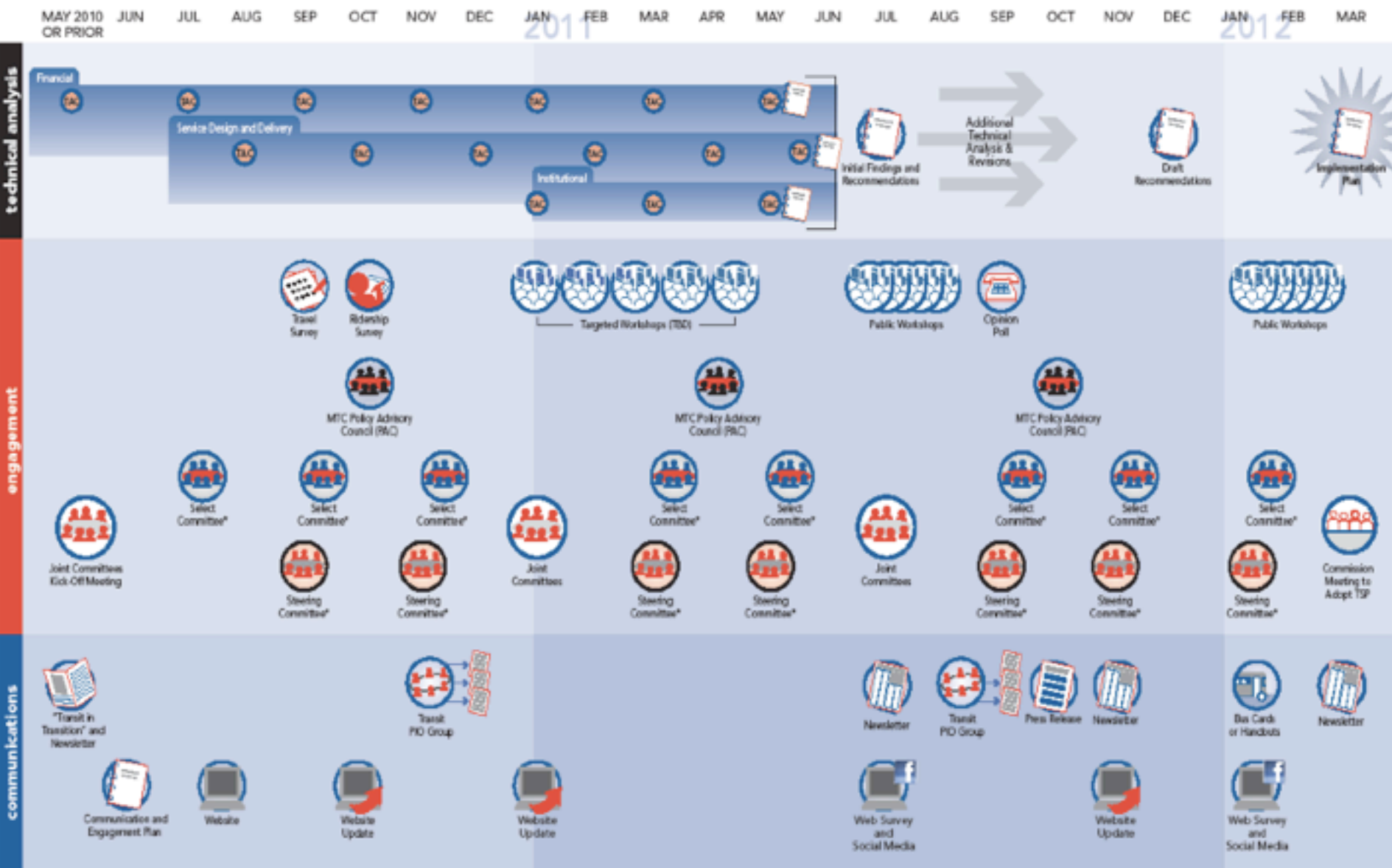


# Potential Opportunities

Service	<ul style="list-style-type: none"><li>■ Develop a regional vision for an appropriately scaled transit system with performance measures</li><li>■ Expand vision of what transit service includes – e.g. dynamic ride sharing</li></ul>
Financial	<ul style="list-style-type: none"><li>■ Identify cost containment strategies and reinvest savings in the transit system</li><li>■ Consider how pricing and tolls can support transit</li></ul>
Institutional	<ul style="list-style-type: none"><li>■ Better utilize existing transit expertise in the region to get a better product to the customer</li><li>■ Identify institutional structure that aligns with service objectives</li></ul>

# DRAFT

## MTC Transit Sustainability Project Project Schedule and Process Plan



\*Meeting dates are subject to change. Please check the website for latest information on meeting dates, project updates and schedules. [www.mtc.ca.gov/planning/tsp](http://www.mtc.ca.gov/planning/tsp)

# Sustainable Communities Strategy (SCS): Planning Process

Three Es, Goals and Targets  
March 2010 — December 2010

Economy + Environment + Equity



Start Round One Vision Scenario

## Scenario Assessment

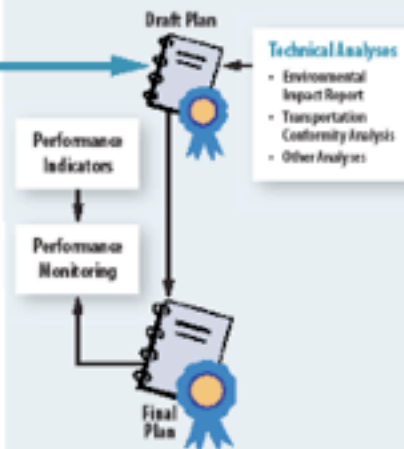
Round One: Vision Scenarios  
How Can We Reach Our Targets?  
October 2010 — April 2011



Round Two: Detailed SCS Scenarios  
What Can We Realistically Accomplish?  
May 2011 — January 2012



Plan Technical Analysis and Document Preparation  
February 2012 — April 2013



ABAG/Regional Planning Committee

NTC Policy Advisory Council

Regional Advisory Working Group

Executive Working Group

County and Corridor Working Groups

Ongoing Public and Local Government Engagement (May 2010 through 2013)

- For more information please see:

<http://www.mtc.ca.gov/planning/tsp/>

