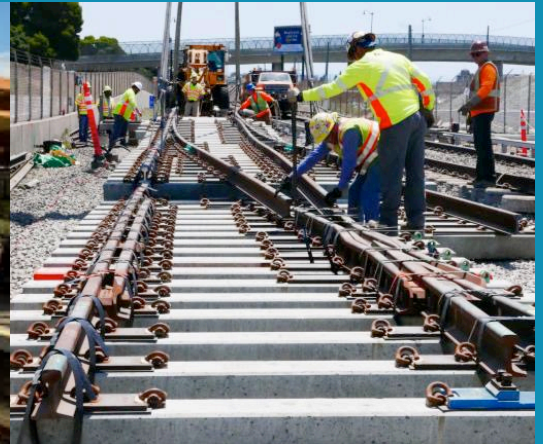
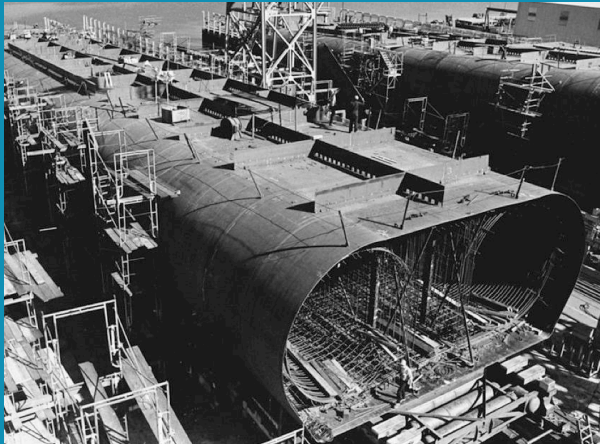




BART's Business Model



July 31, 2018

What is Public Transit's Business Model?



BART Background

Basic Facts

- Regional rail rapid transit
- Elected Board of Directors: 9
- Comprised of 3 Counties:
 - Alameda, Contra Costa & San Francisco
 - Serves San Mateo
 - Will serve Santa Clara in 2019
- 414,166 weekday riders (FY18)
- 121 revenue route miles
- 5 lines, plus Oakland Airport
- 48 stations
- 48,000+ parking spaces





BART Background

Basic Facts

- FY19 Adopted Budget
 - Operating: \$ 922 M
 - Capital: \$1,355 M
- Rail Farebox Ratio (FTA FY14):
(Fare Revenue/Operating Costs)
 - SF/OAK (BART) 78%
 - NYC (NYCTA) 63%
 - Wash DC (WMATA) 62%
 - Boston (MTBA) 60%
 - Philadelphia (SEPTA) 55%



Better BART, Better Market Street

2/3rds of BART trips begin or end on Market Street

Weekday Trips by Sub-Area

- 52%: Transbay
- 27%: intra-West Bay
- 21%: intra-East Bay

Weekday Ridership (FY10 – FY16)

- Growth: 29%
- Growth: ~100,000
- June 2015 433,000



BART's Business Model

Related to the BART Strategic Plan

- Core: Related to BART's Vision and Mission
 - Seamless Mobility
 - Move people safely and reliably
 - Reduce Risk (safety/service/reputational/financial)
 - How do today's decisions affect BART's long-term outlook?
- Dynamic: Related to BART's current and future environment
 - Improve Customer Experience
 - Generate Revenue
 - Reduce Costs/Cost Neutral

BART Strategic Plan Framework

Vision

BART supports a sustainable and prosperous Bay Area by connecting communities with seamless mobility.

Mission

Provide safe, reliable, clean, quality transit service for riders.

Goals

Leadership & Partnership in the Region

ECONOMY

EQUITY

ENVIRONMENT

Riders & Public

EXPERIENCE

Infrastructure & Service

SYSTEM
PERFORMANCE

Organization

SAFETY

WORKFORCE

FINANCIAL
STABILITY

Strategies (FY2016-FY2020)

ENGAGE
COMMUNITY

CONNECT
& CREATE
GREAT
PLACES

ADVANCE
SUSTAINABILITY

EXPAND CAPACITY,
MANAGE DEMAND

FIX, MAINTAIN,
& MODERNIZE

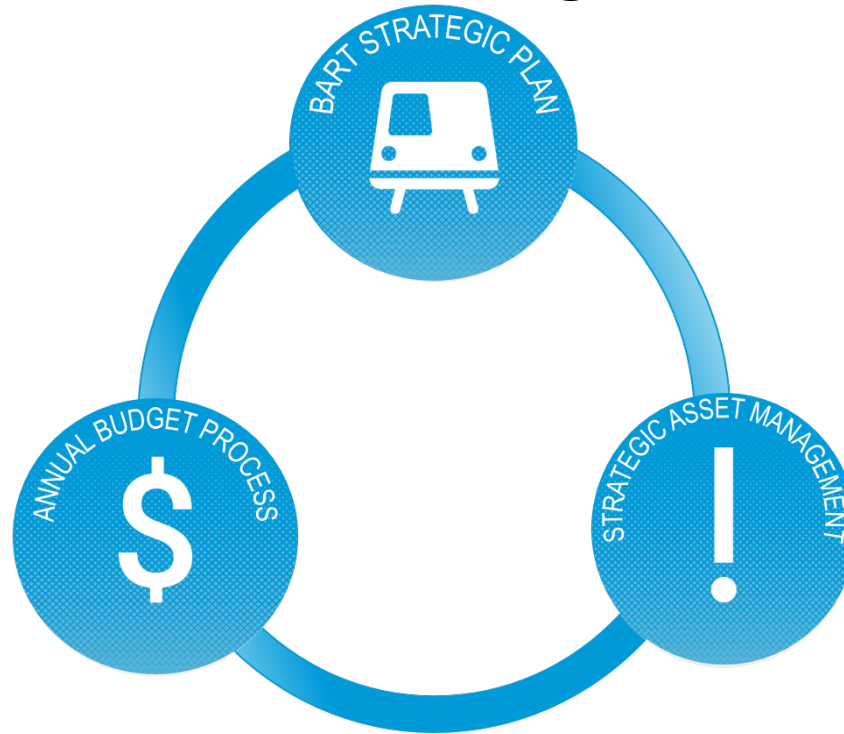
ALIGN WORKFORCE
WITH NEEDS

MODERNIZE
BUSINESS PRACTICES



Strategic Plan and FY19 Budget

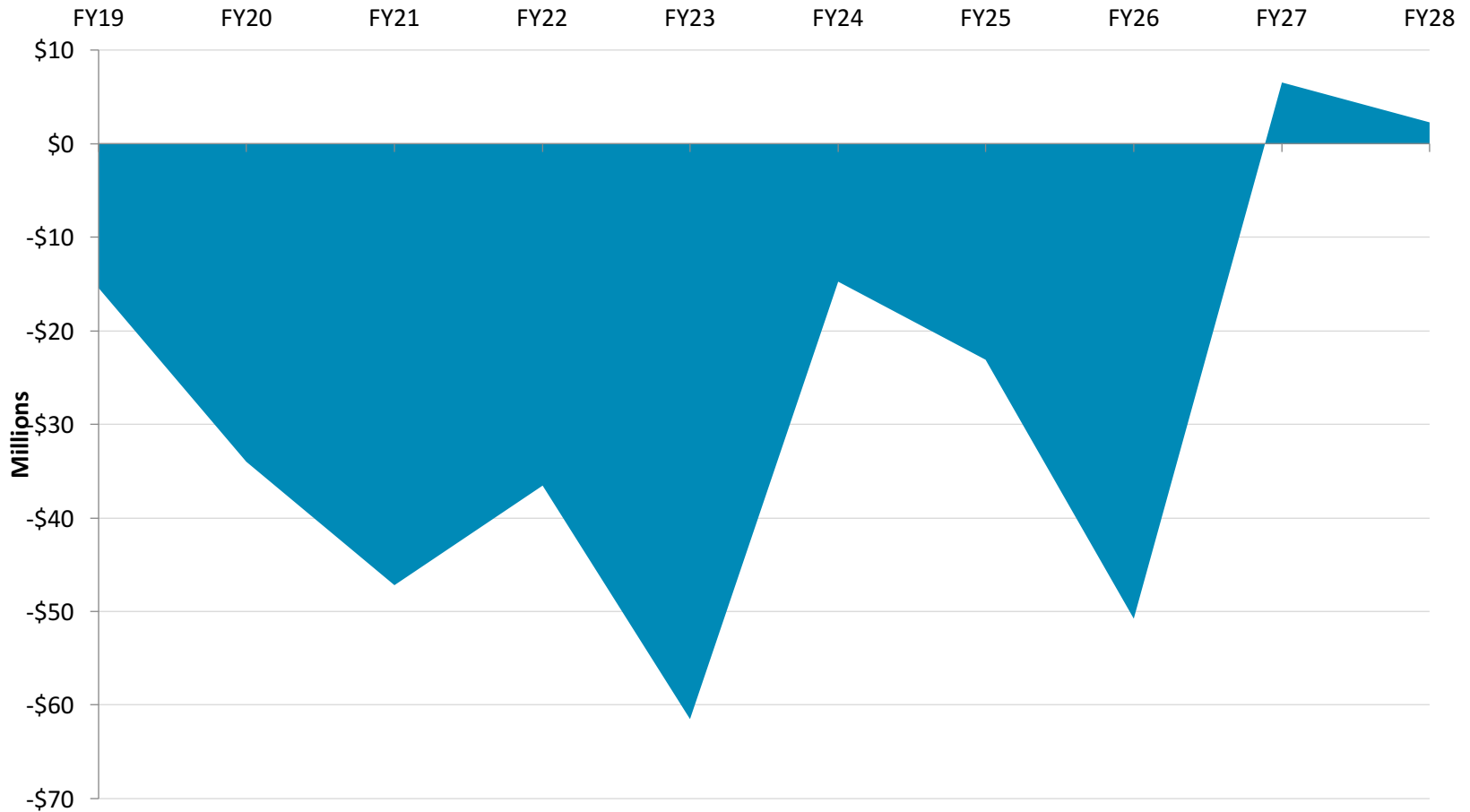
Strategic Plan function: Linking **Policy** guidance, **Risk** information, and **Budget** decisions



Strategic Plan provides policy direction to
Budget process & decisionmaking



Ten-Year Financial Outlook

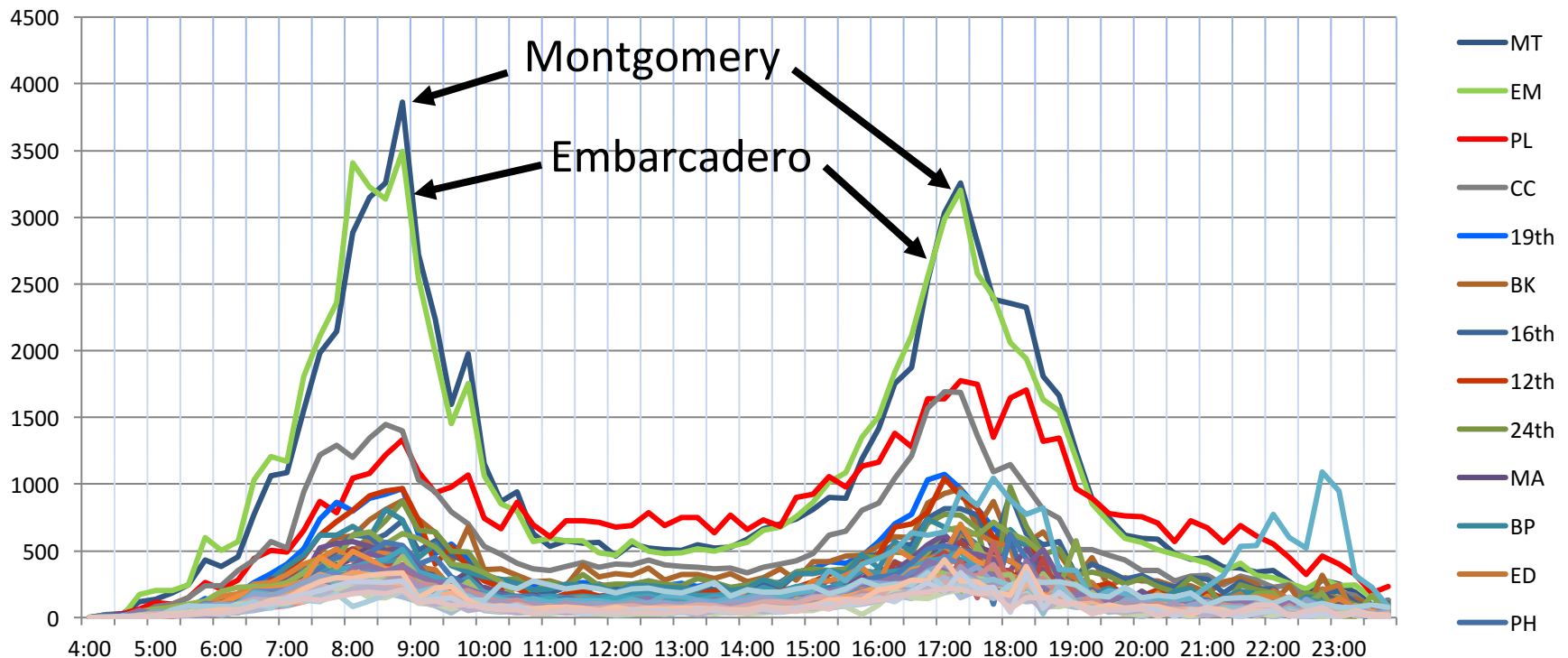




BART DAS, July 2014

Riders by Station, by Time of Day

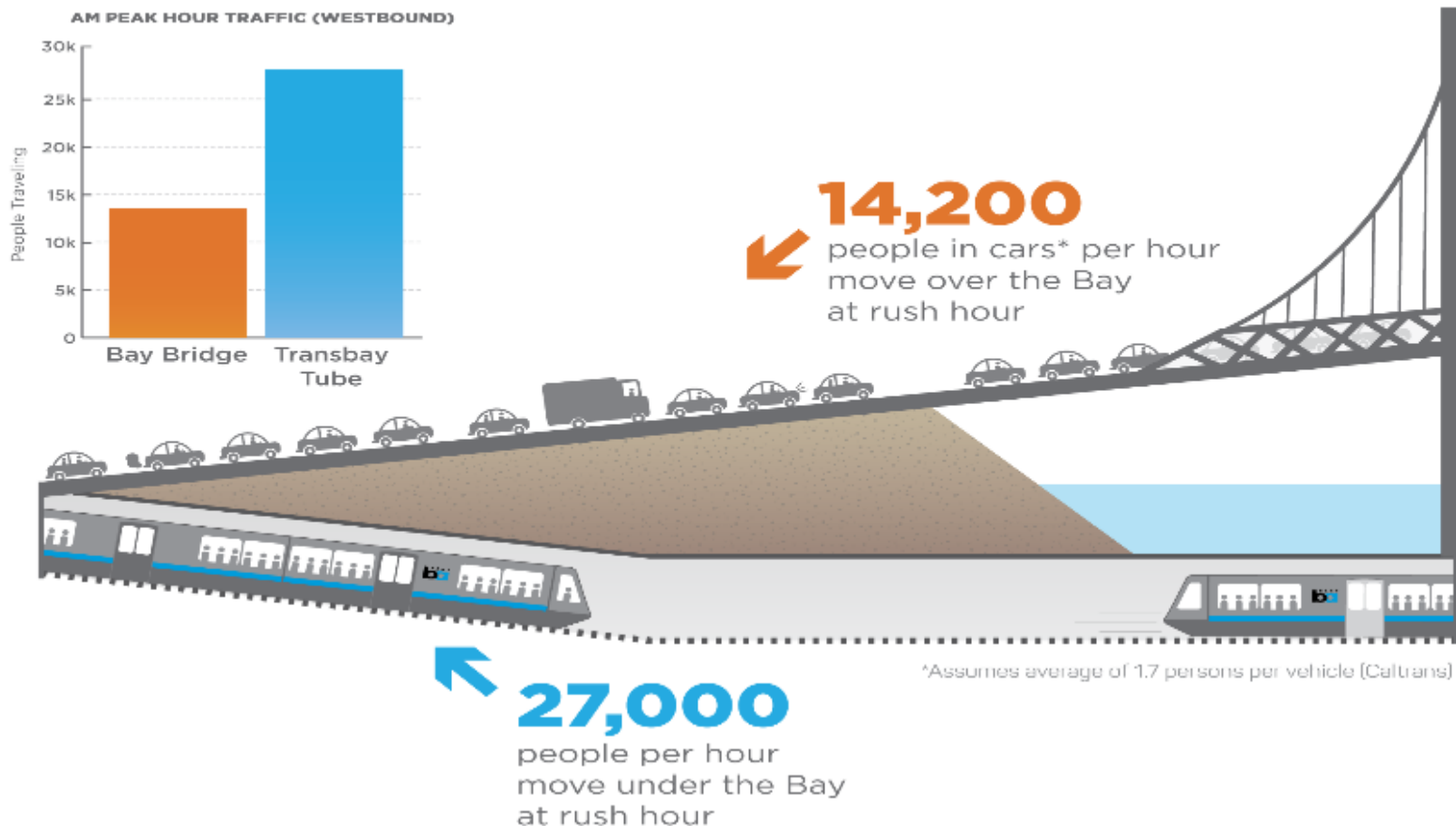
Combined Station Entries & Exits in 15 Minute Increments





The Before and After Effects of BART

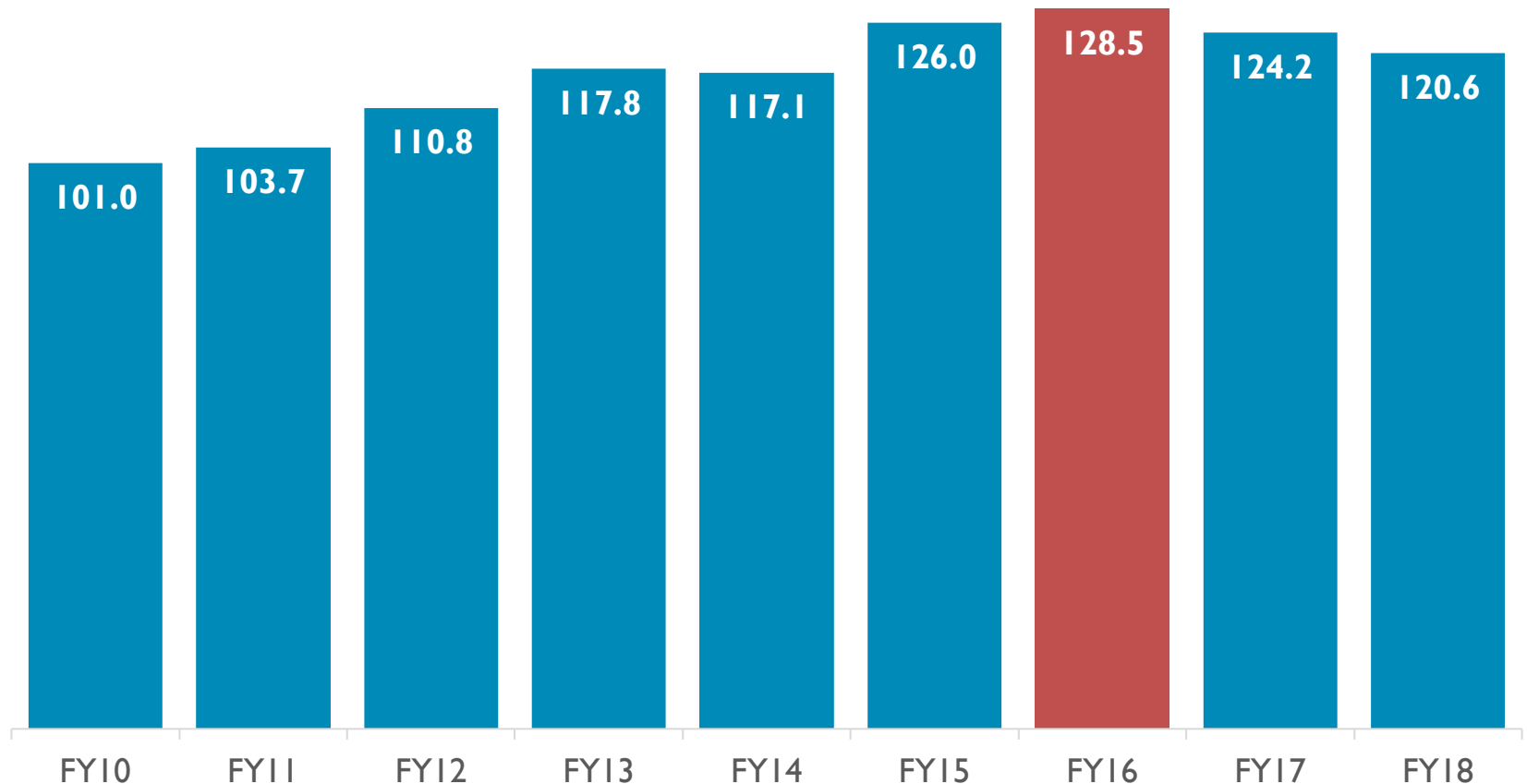
Transbay Service





Recent BART Ridership Trends

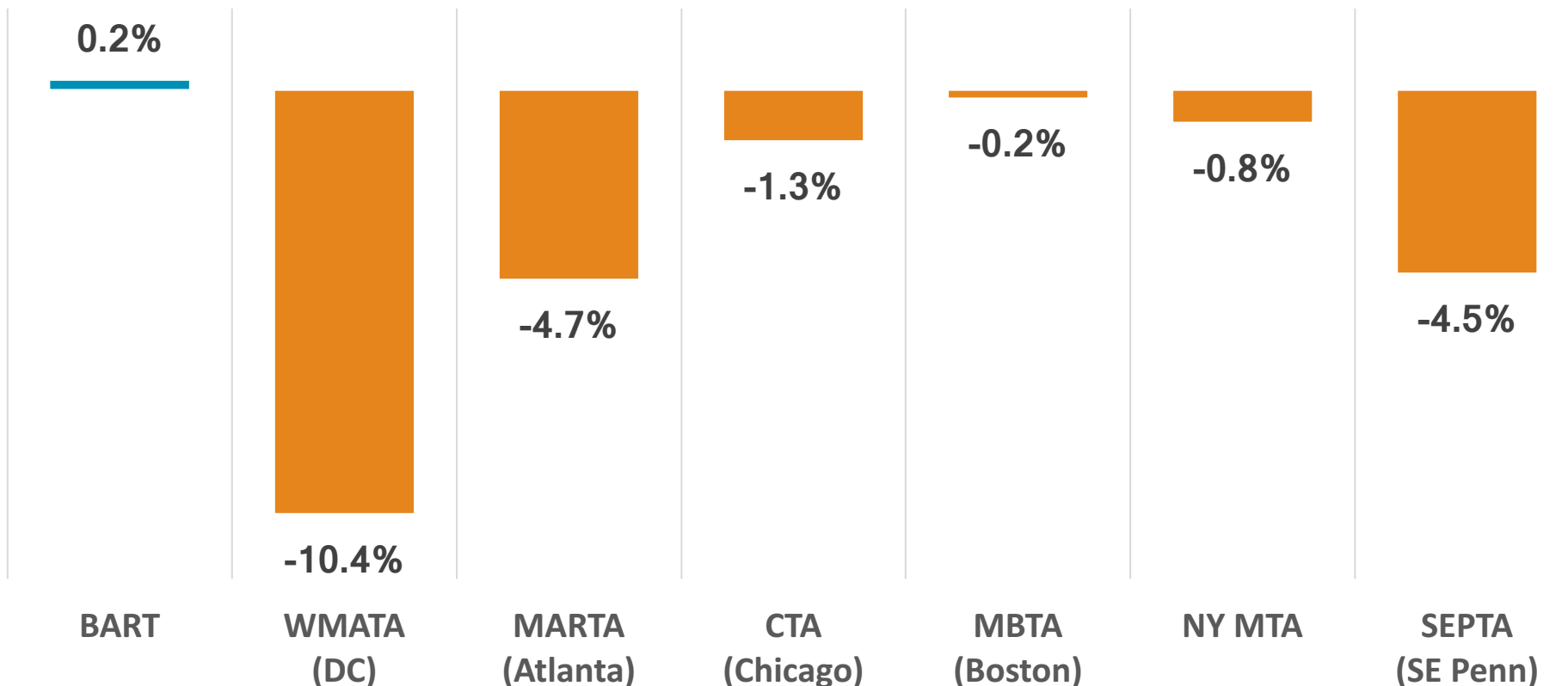
Annual Trips (millions)





Rail Ridership Trends At Peer Agencies

Year-to-year % change (Calendar Year 2016 vs 2015)



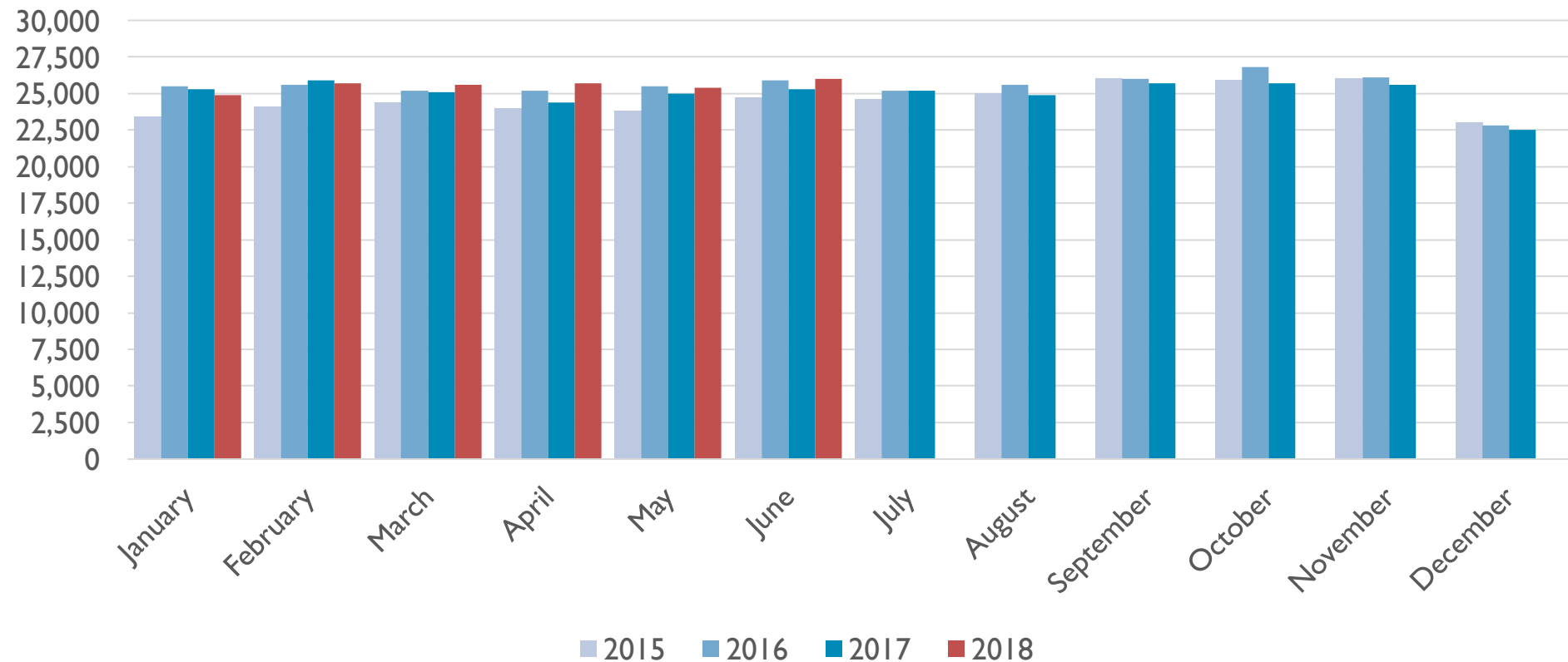
Note: These data are based on "unlinked passenger trips."

<http://www.apta.com/resources/statistics/Documents/Ridership/2016-q4-ridership-APTA.pdf>



Transbay AM Floating Peak Hour, Peak Direction Ridership

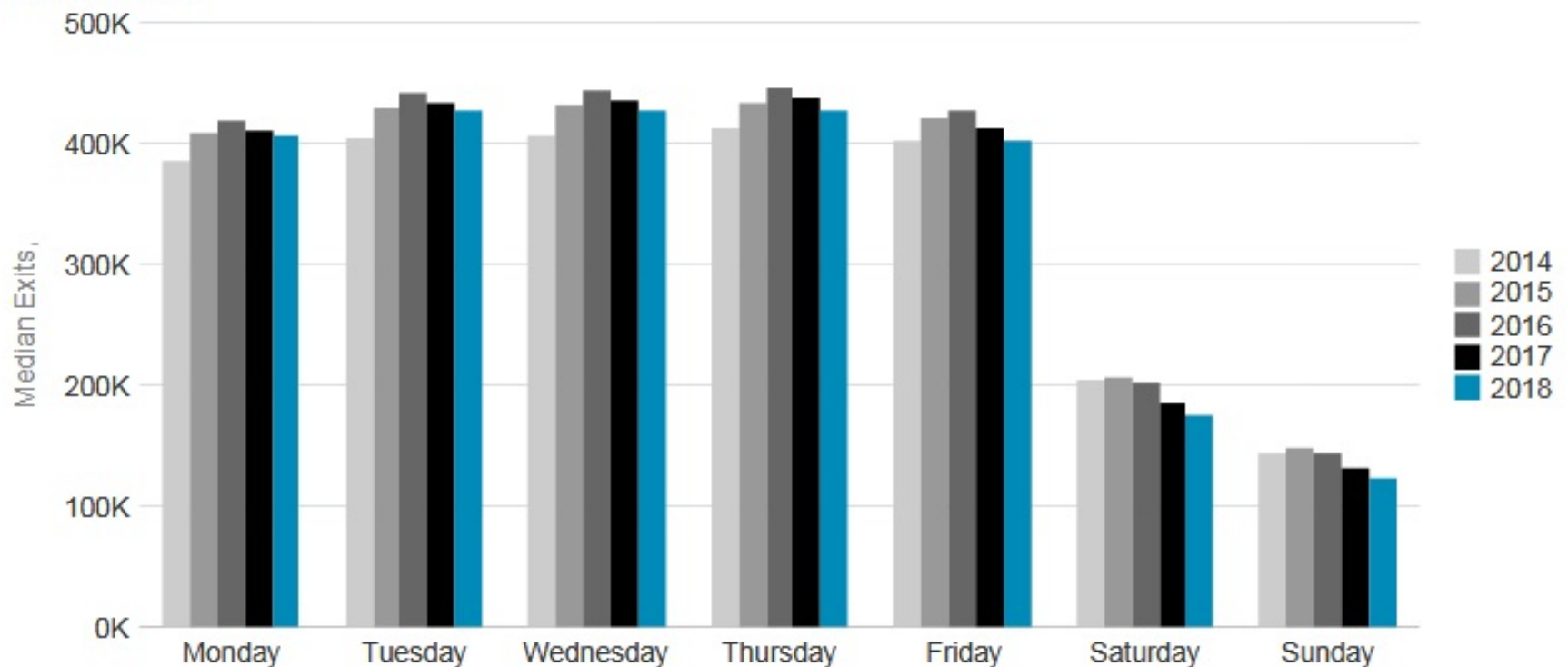
Peak Hour Ridership





Ridership by Day of Week

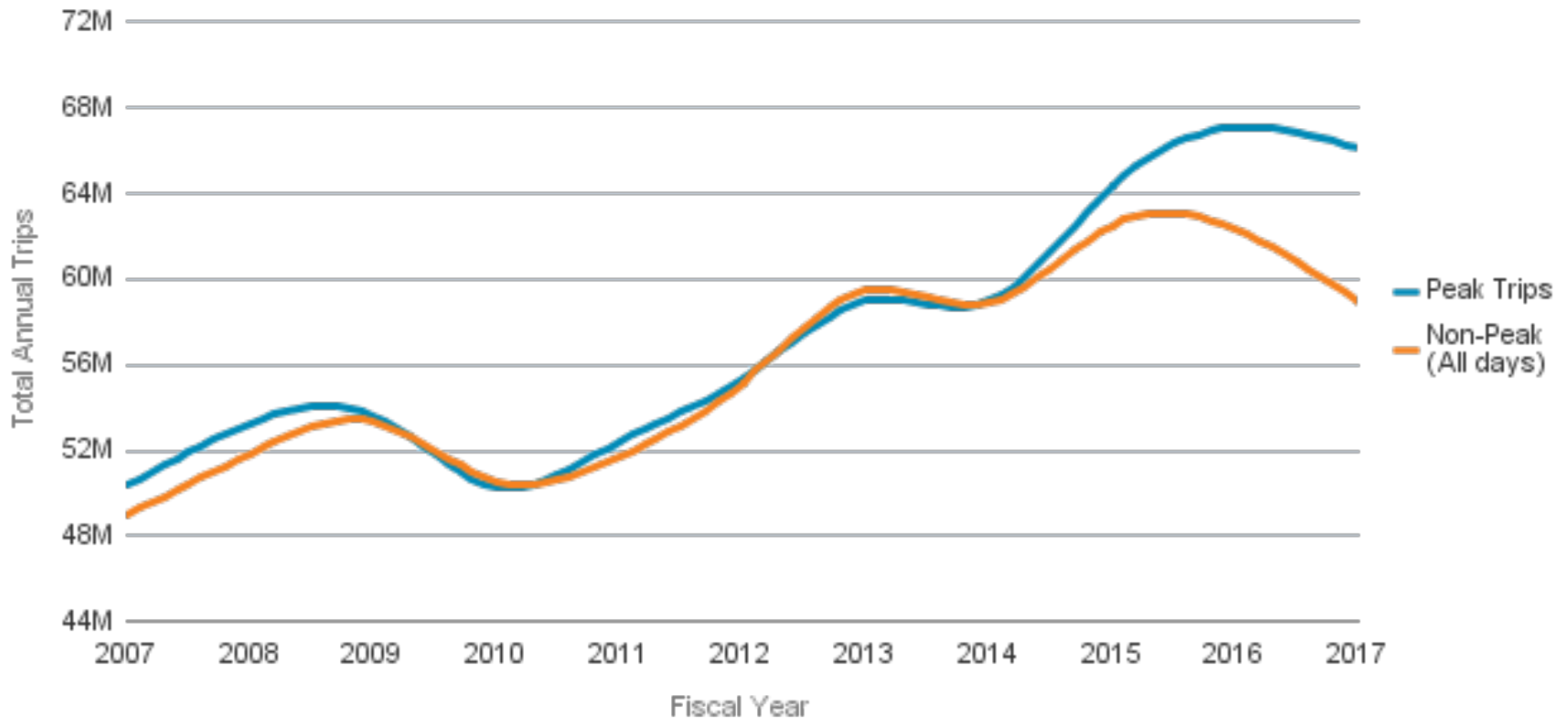
Median Exits





Ridership Trends

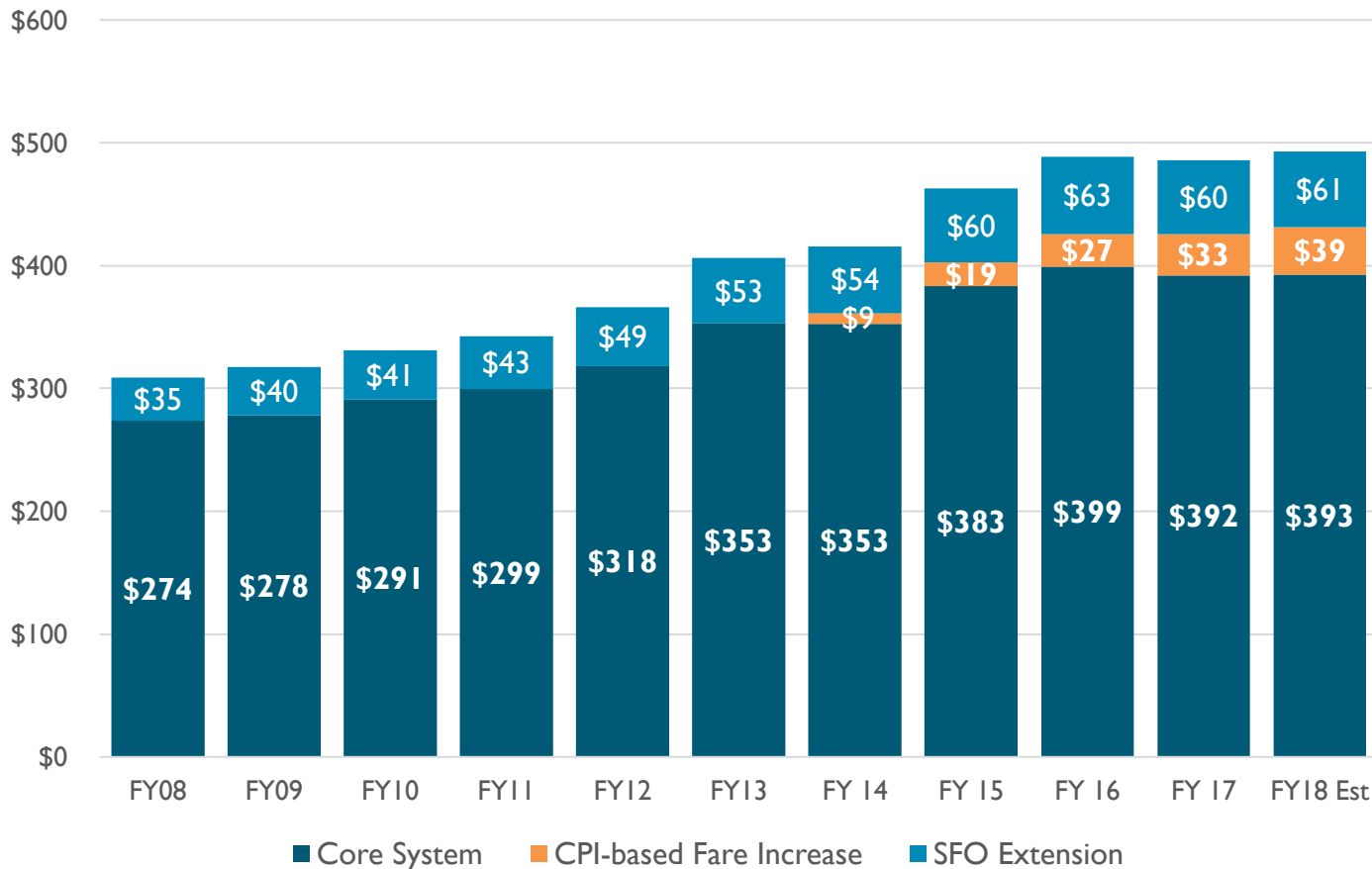
Peak vs. Non-Peak Trip Growth





Fare Revenue

Annual Fare Revenue (millions)

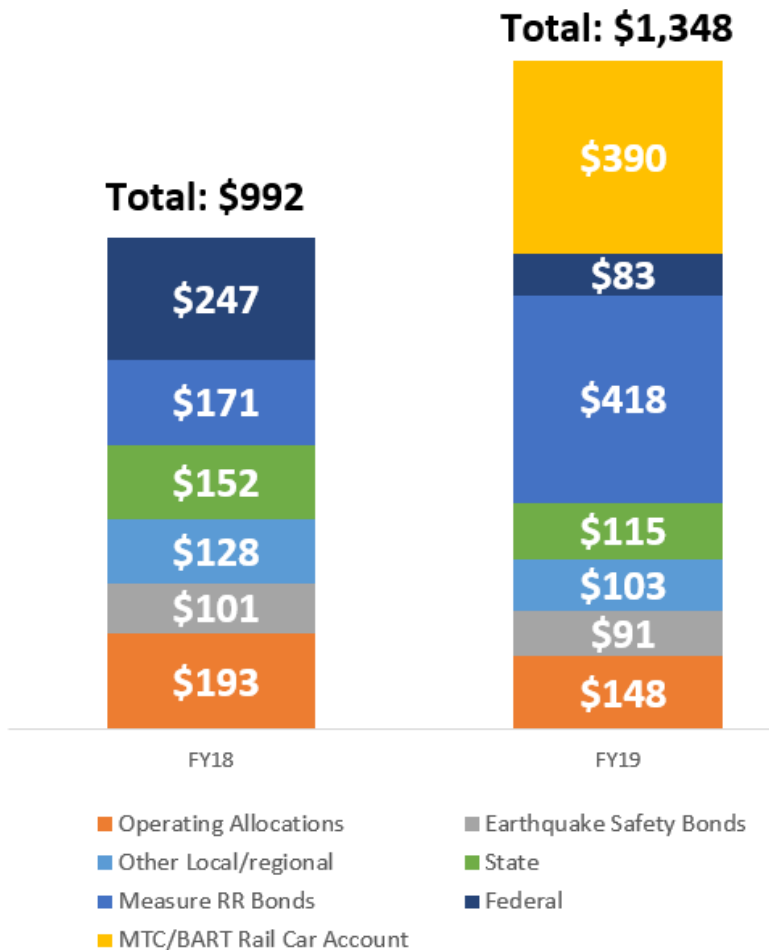


Date of Increase	Average Increase
1/1/2006	3.7%
1/1/2008	5.4%
7/1/2009	6.1%
7/1/2012	1.4%
1/1/2014	5.2%
1/1/2016	3.4%
1/1/2018	2.7%

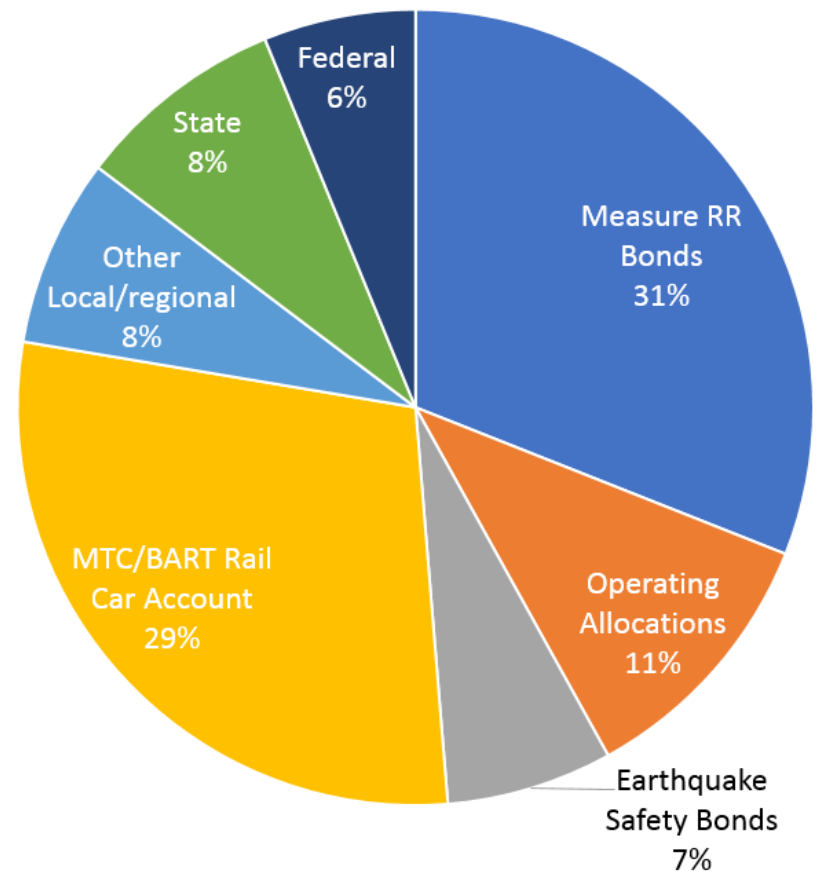


Capital Sources

FY18 and FY19 Capital Sources (millions)



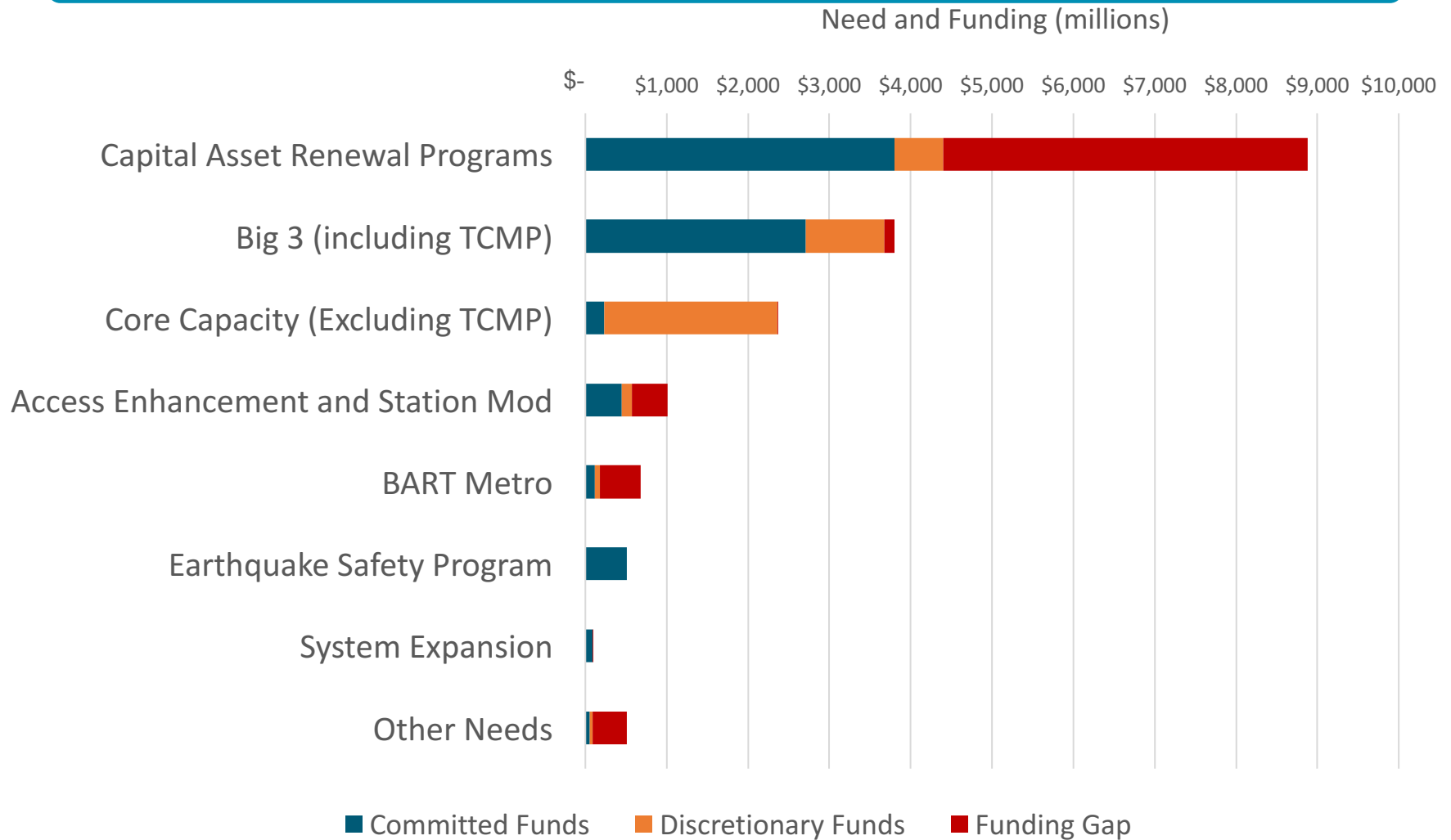
Capital Sources: FY19 Budget



Total excludes \$7M in reimbursable capital expenses

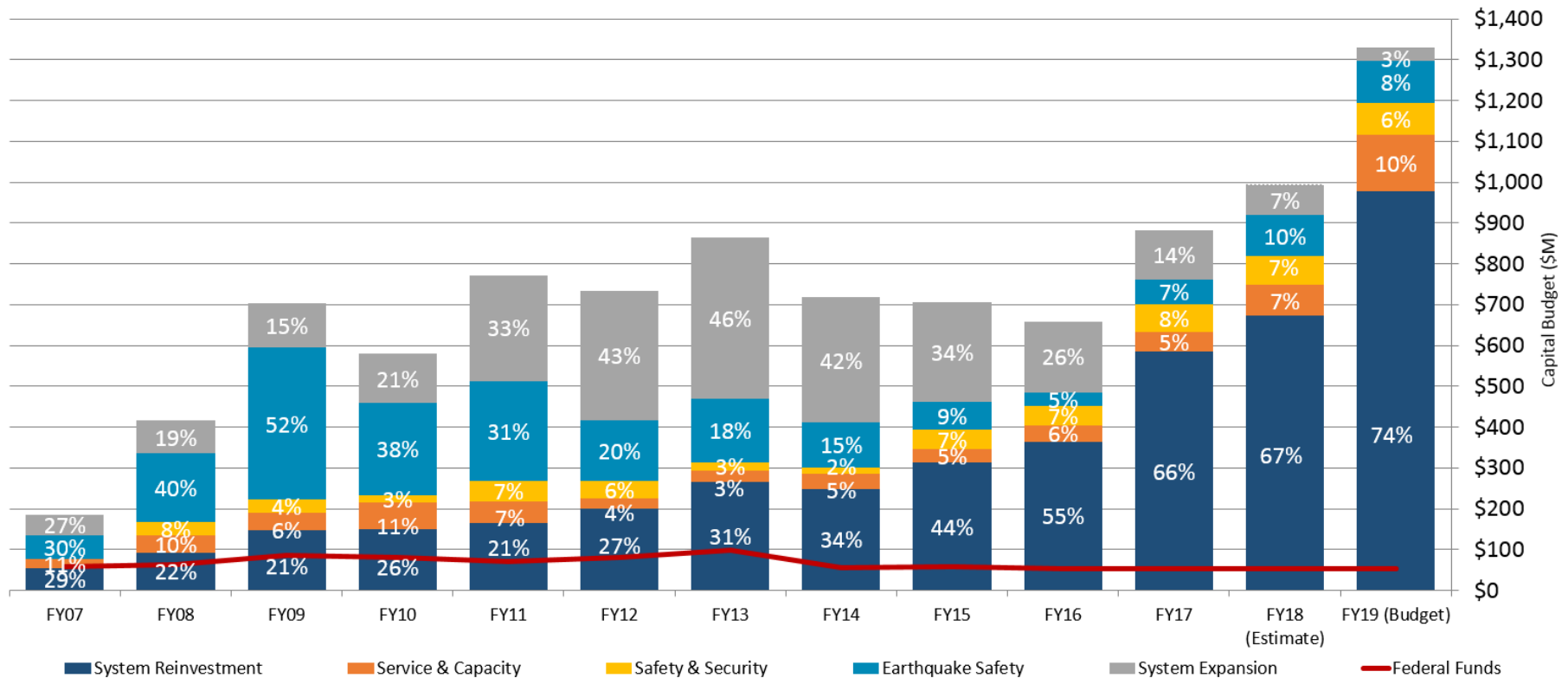


FY17-31 CIP Major Investment Programs Need and Funding





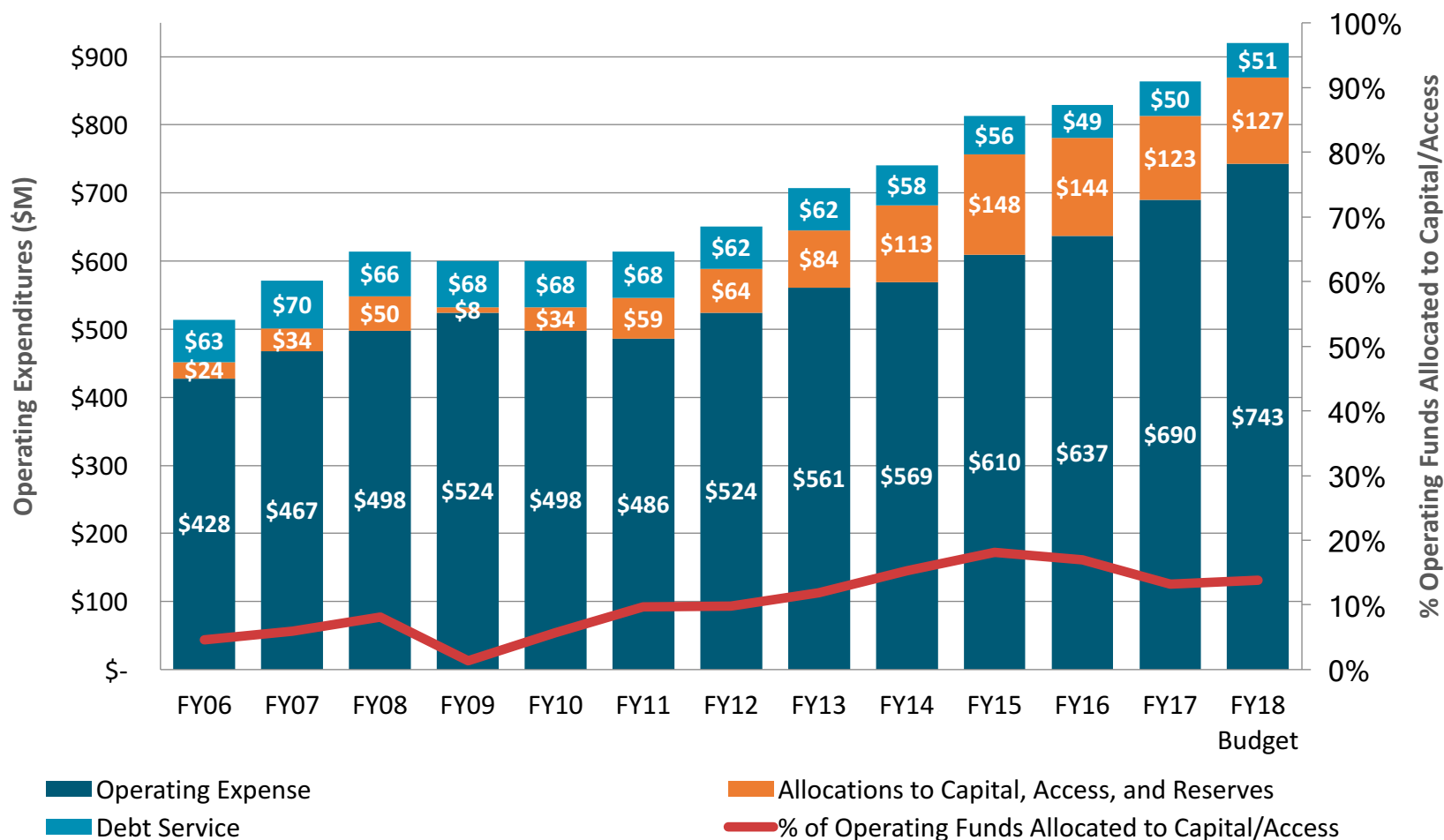
Capital Budget History



Note: Federal Funds exclude Rail Car Fund Swap. Operating Allocations to Capital exclude Debt Service. Percentages do not total 100% because appx. \$5M in reimbursable funds are not included in the chart.



Operating to Capital Allocations





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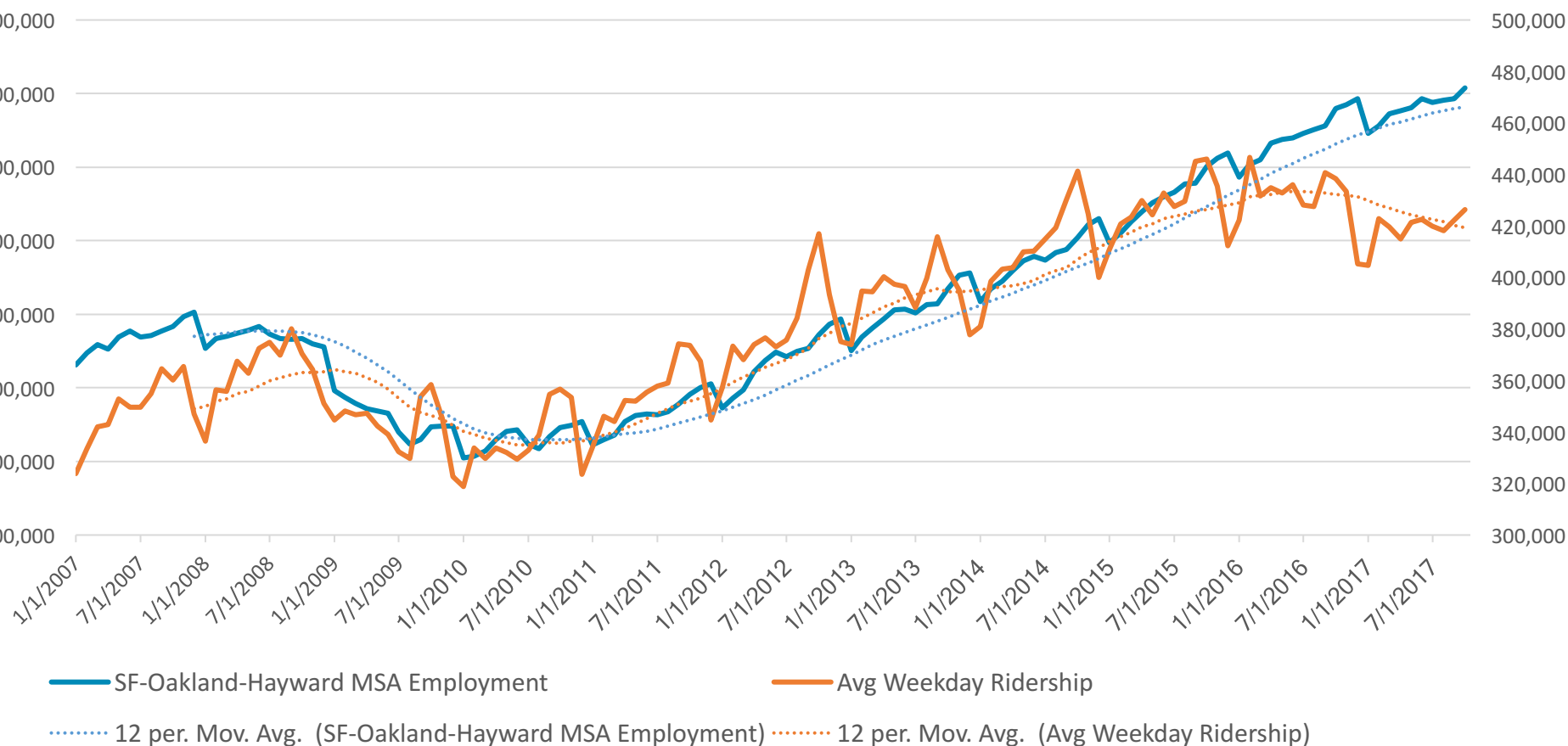
Near Term Focus and Issues

- Operating Essentials
 - Open BART to Antioch – May 2018
 - Integrate New Rail Cars into revenue service
 - Staff an expanded Hayward Maintenance Complex
- Initiatives to Improve Customer Experience, Reduce Costs, Generate Revenue
 - Quality of Life
 - Homelessness
 - Cleanliness
 - Fare Evasion
 - Safety & security
 - Administrative process efficiency improvements
 - Access and Parking improvements



Ridership and Employment Trends

BART Ridership vs SF-Oak-Hayward MSA Employment





Non-Passenger Revenue Opportunities

- Transit Oriented Development
- Advertising
- The BART Digital Railway and Digital Strategy

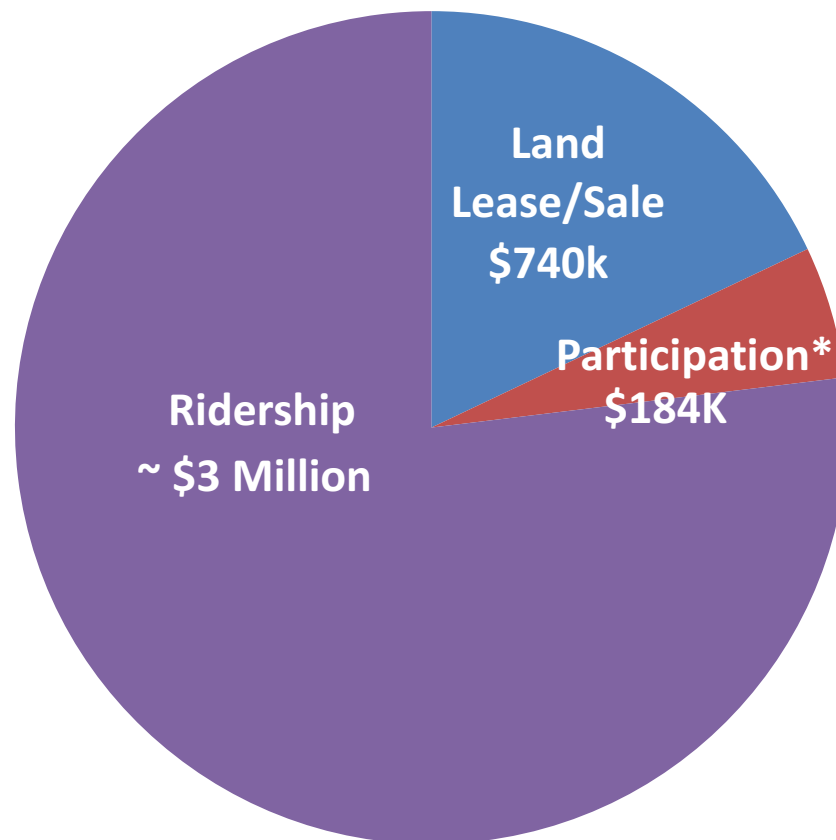
Status	Station	Total Units	Affordable Units	% Affordable	Office (SF)	Retail (SF)
Completed	Castro Valley (1993)	96	96	100%		
	Fruitvale Phase I (2004)	47	10	21%	27,000	37,000
	Pleasant Hill Phase I (2008)	422	84	20%		35,590
	Hayward (1998)	170	0	0%		
	Ashby (2011)	0	0	0%	80,000	
	Richmond Phase I (2004)	132	66	50%		9,000
	MacArthur Ph I (2016)	90	90	100%		
	San Leandro Ph I (2017)	115	115	100%	5,000	1,000
	West Dublin (2013)	309	0	0%		
	East Dublin (2008)	240	0	0%		
	South Hayward Ph I (2017)	354	152	43%		
TOTAL COMPLETED		1975	613	31%	112,000	82,590
Construction/ Planned	MacArthur Ph II (begins 2017 & 2018)	787	56	7%		39,100
	San Leandro Ph II (2017-2019)	85	85	100%		
	Walnut Creek (began 2017)	596	0	0%		
	Coliseum Phase I (2017-2019)	110	55	50%		
	West Pleasanton (2017-2019)	0	0	0%	410,000	
	Pleasant Hill Block C (begin 2018)	200	0	0%		
	Fruitvale Phase IIA (begin 2018)	94	92	98%		
TOTAL UNDER CONST. & PLANNED		1872	288	15%	410,000	39,100
	GRAND TOTAL	3847	901	23%	522,000	121,690



Revenue from Transit-Oriented Development

- Revenue is long term: from choices made 10-20 years ago
- Past priorities: ridership, parking replacement, long term revenue
- City Redevelopment played major role in most completed projects
- Decisions made today could affect revenue in 7-10 years

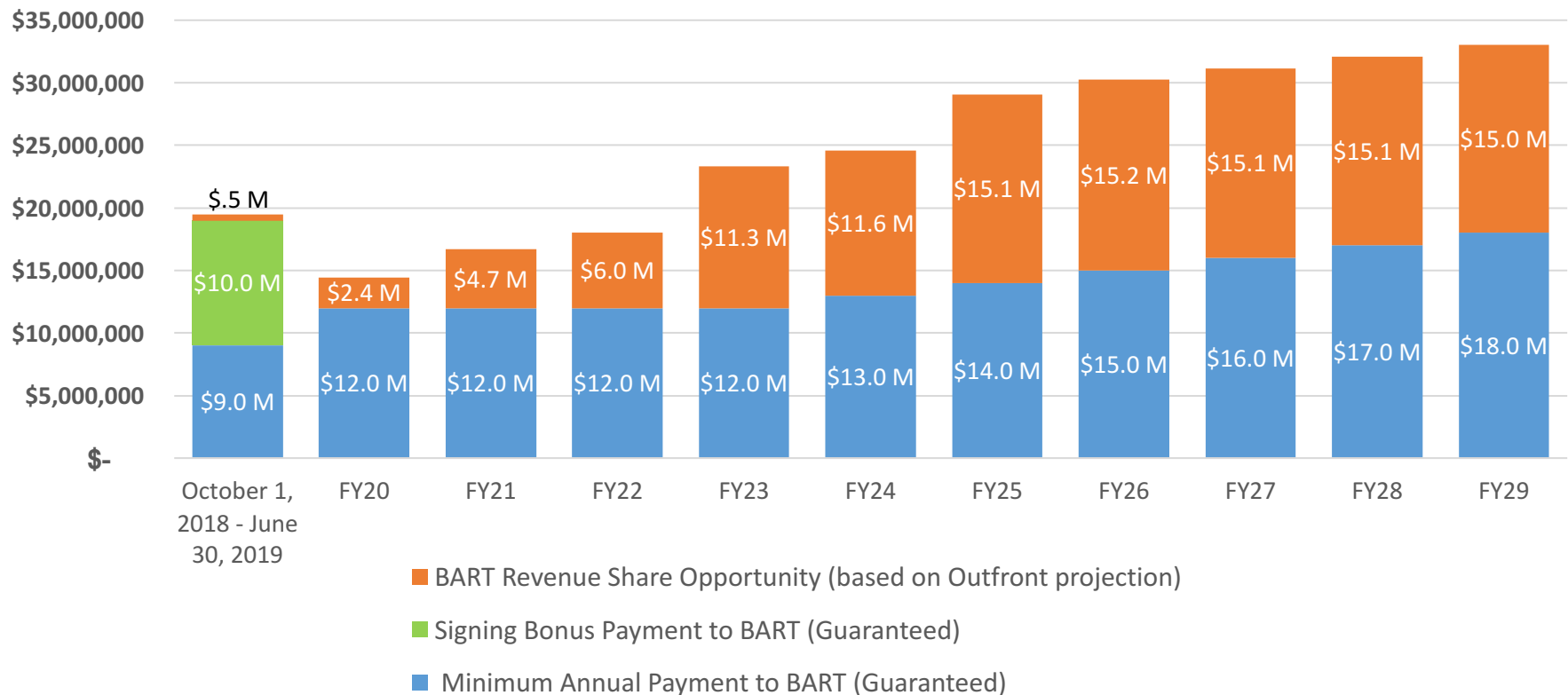
2018 BART TOD-Generated Revenue



*Transit Benefit Fees, Revenue Sharing for Retail, Parking Garages



Revenue Share Opportunity



Based on OUTFRONT net revenue projection, total estimated payments to BART could be approximately \$272M, of which \$160M is guaranteed.



Digital Railway – Current State

FY16

\$8.5M

Fiber & Cellular
Revenue

- Underground Cellular Network
- Above Ground Cellular Towers
- Dark Fiber

FY17

\$9.7M

Fiber & Cellular
Revenue

verizon  AT&T  T-Mobile  Sprint





Digital Railway – Business Units

Commercial Proposals - \$50M Capital

1.



SFMTA
Underground
Cellular

2.



Train
Wireless
Services

3.



Station
Wireless
Services

4.



Fiber
Optic
Cables



Areas to Watch

- Potential for further ridership declines
- Ballot measure to repeal SB1, reducing BART's STA allocation
- Next Economic Downturn
- Impacts of National Policies



Concluding Remarks

Discussion and Questions