



BART & Transit's Changing Business Model

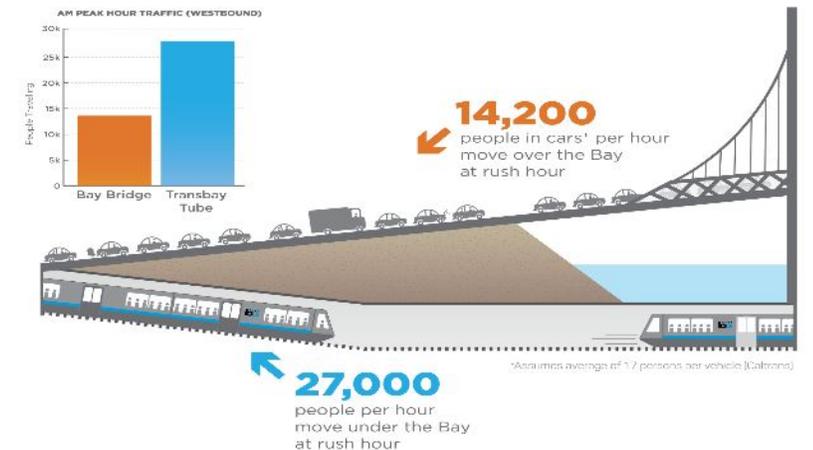
SPUR Digital Discourse, April 27, 2023



BART Connects the Bay Area

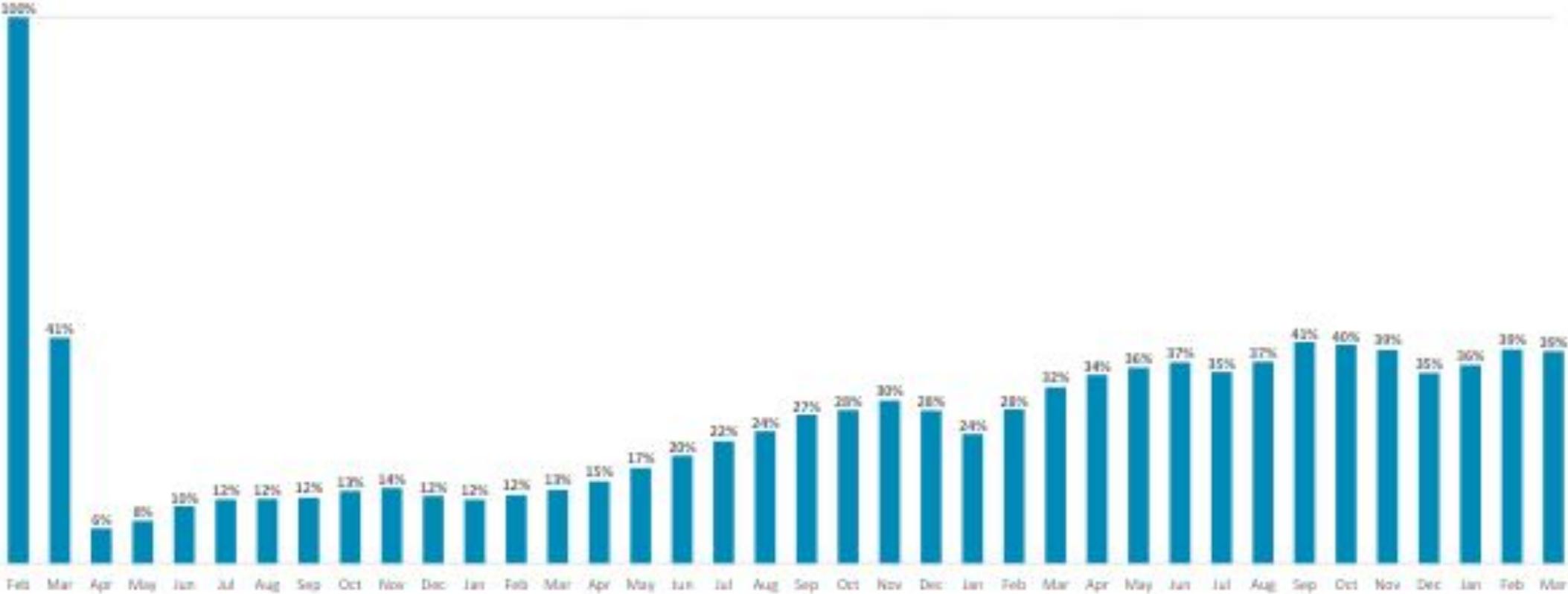
5 counties, 5 lines, 50 stations, 131 miles

- Equitable and accessible mobility
 - Ridership demographics matches the Bay Area
 - Fares average \$0.28/mile (vs \$0.62/mile for driving)
- Reduces VMT and emissions
 - Average trip length 13-miles
 - Carried >25% of statewide transit passenger miles in 2019
 - 100% GHG-free traction power
- Supports economy, relieves congestion, provides critical capacity
 - >60% of BART trips are for work
 - > half the capacity in the critical Transbay corridor
- Backbone of the *regional* transit network
 - 1/5 BART trips involve a transfer to another agency
 - Almost 90% of inter-agency transfers include BART



BART and the pandemic

BART Monthly Ridership During COVID Pandemic
% of Pre-COVID Baseline



Who rides BART now?

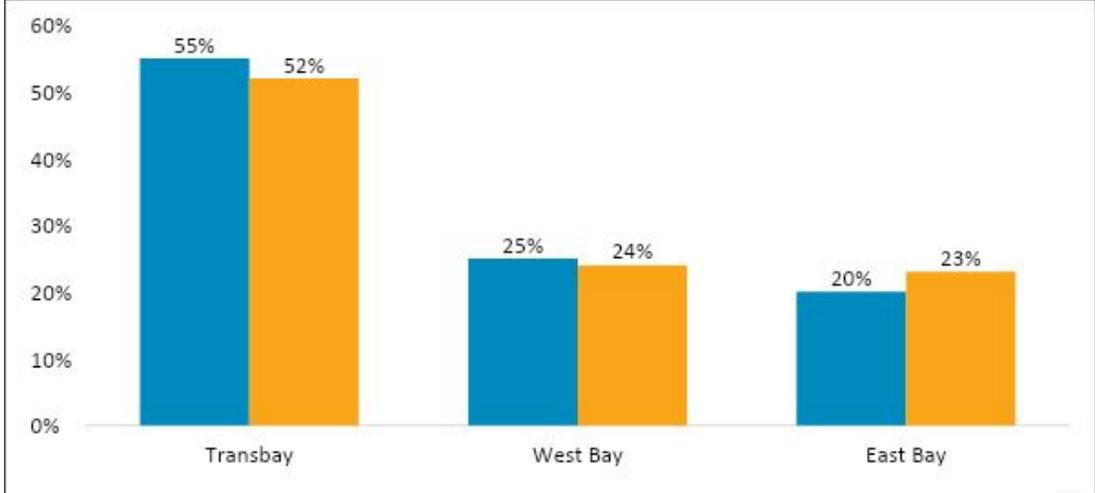
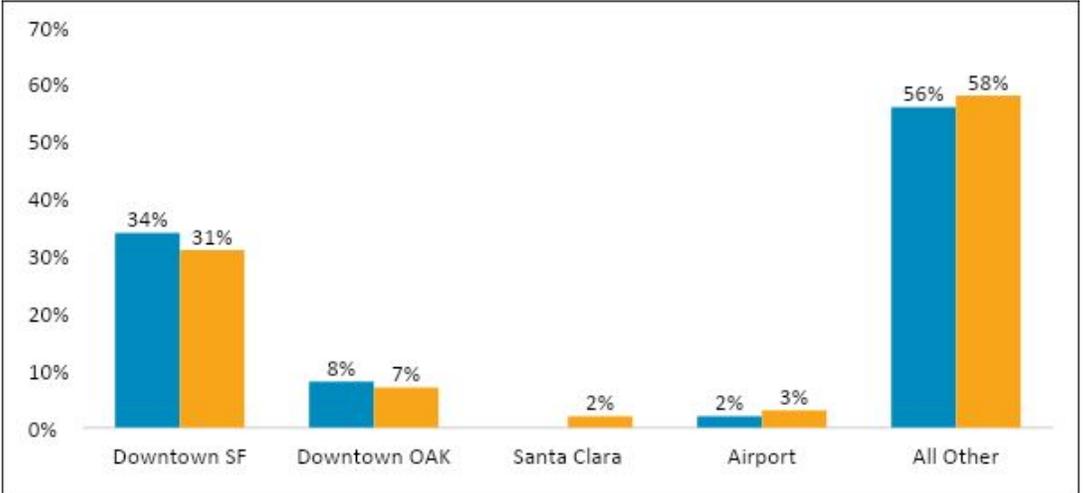
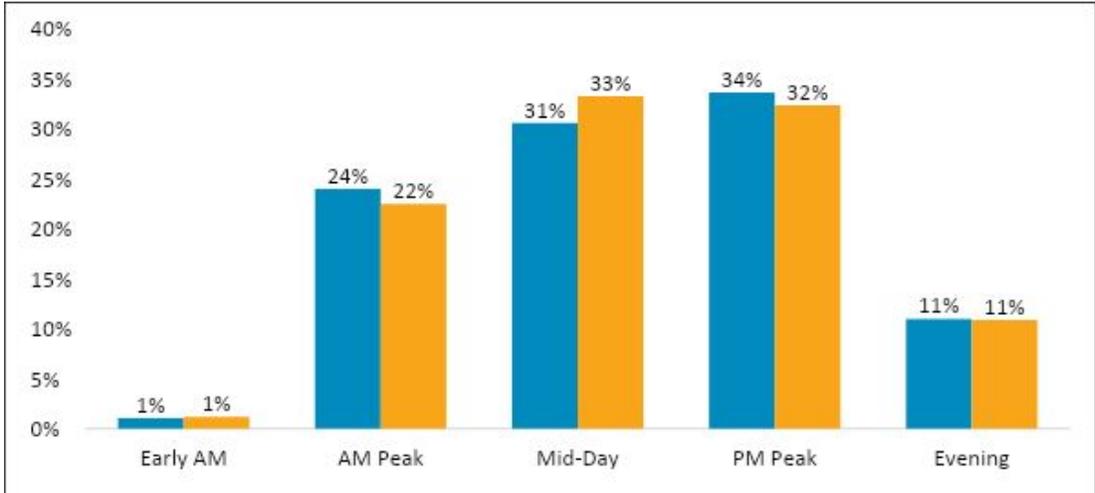
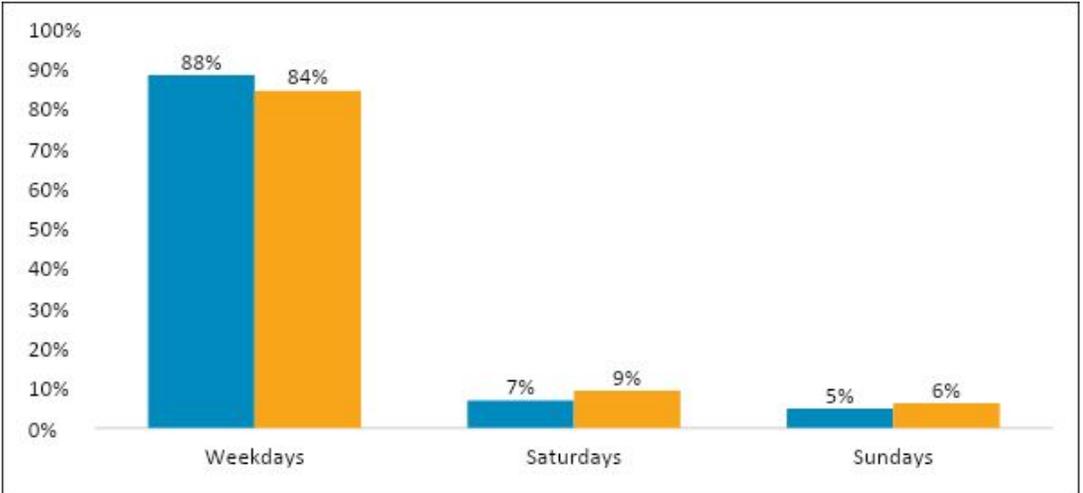
	2022	2020	2018
Household income under \$50K/yr	31%	51%	26%
Do not have a vehicle	44%	53%	31%
Identify as non-white	67%	75%	65%
Primary trip purpose – work	61%	64%	68%
Primary trip purpose – school	7%	2%	6%

- Stations serving low-income riders tend to have higher recovery rates
- Stations serving commute markets have the highest ridership numbers but the lowest recovery rates



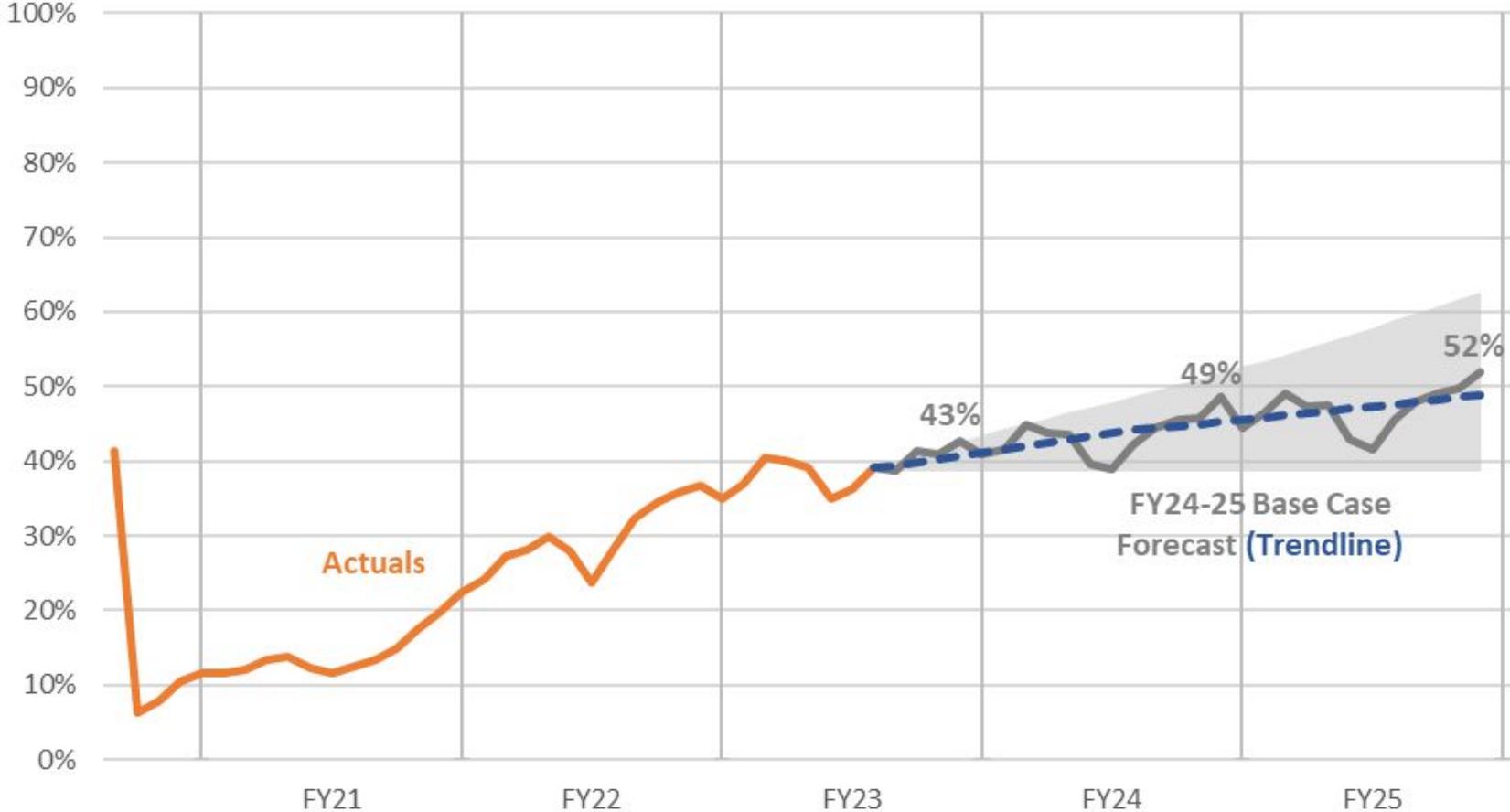
BART Ridership Patterns – Pre/Post Pandemic

Weekdays, peak periods, downtown San Francisco, and Transbay trips have decreased as a share of all exits

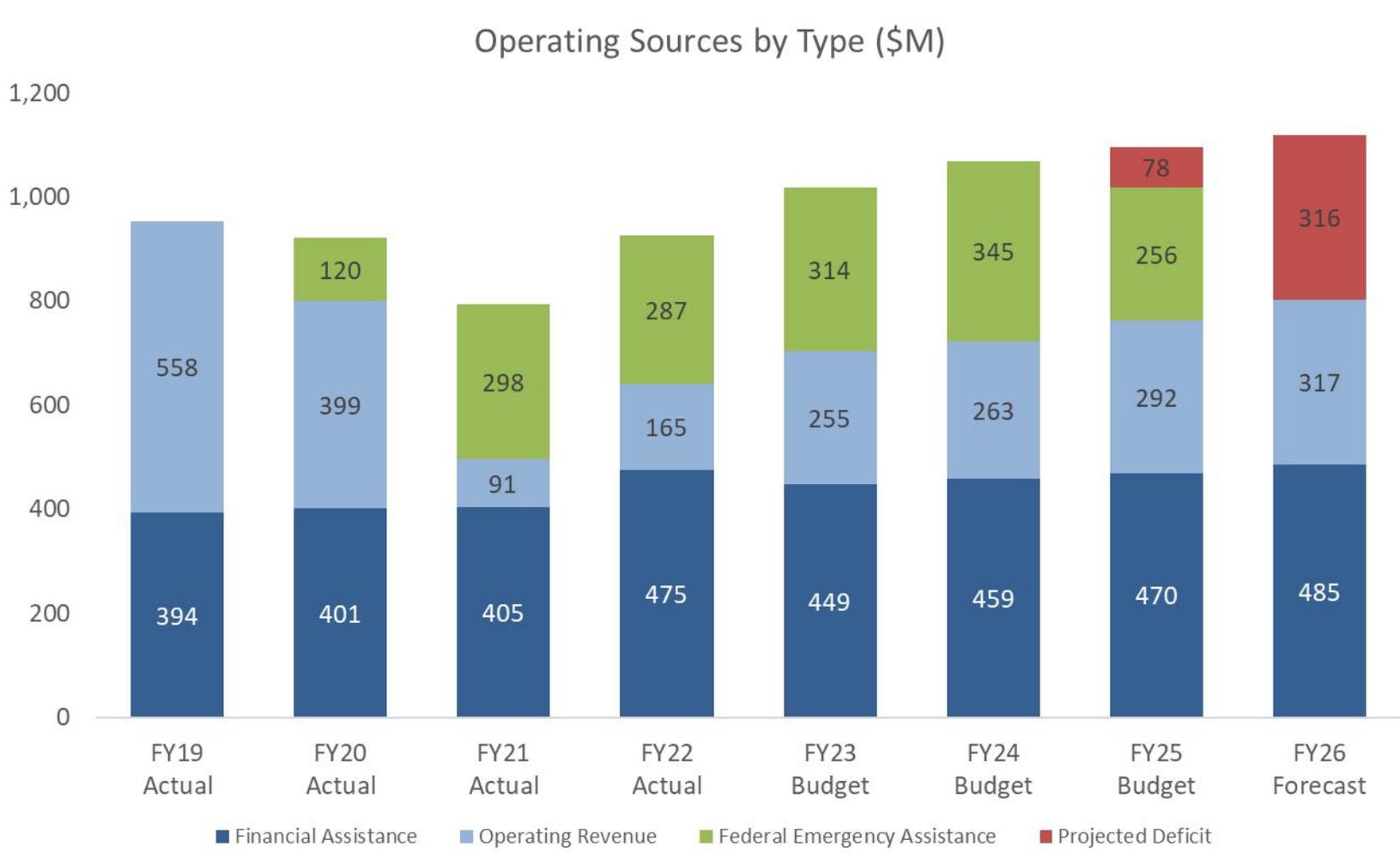


BART ridership outlook

% of Pre-Pandemic Expectations:
Actuals and FY24-25 Budget Forecast



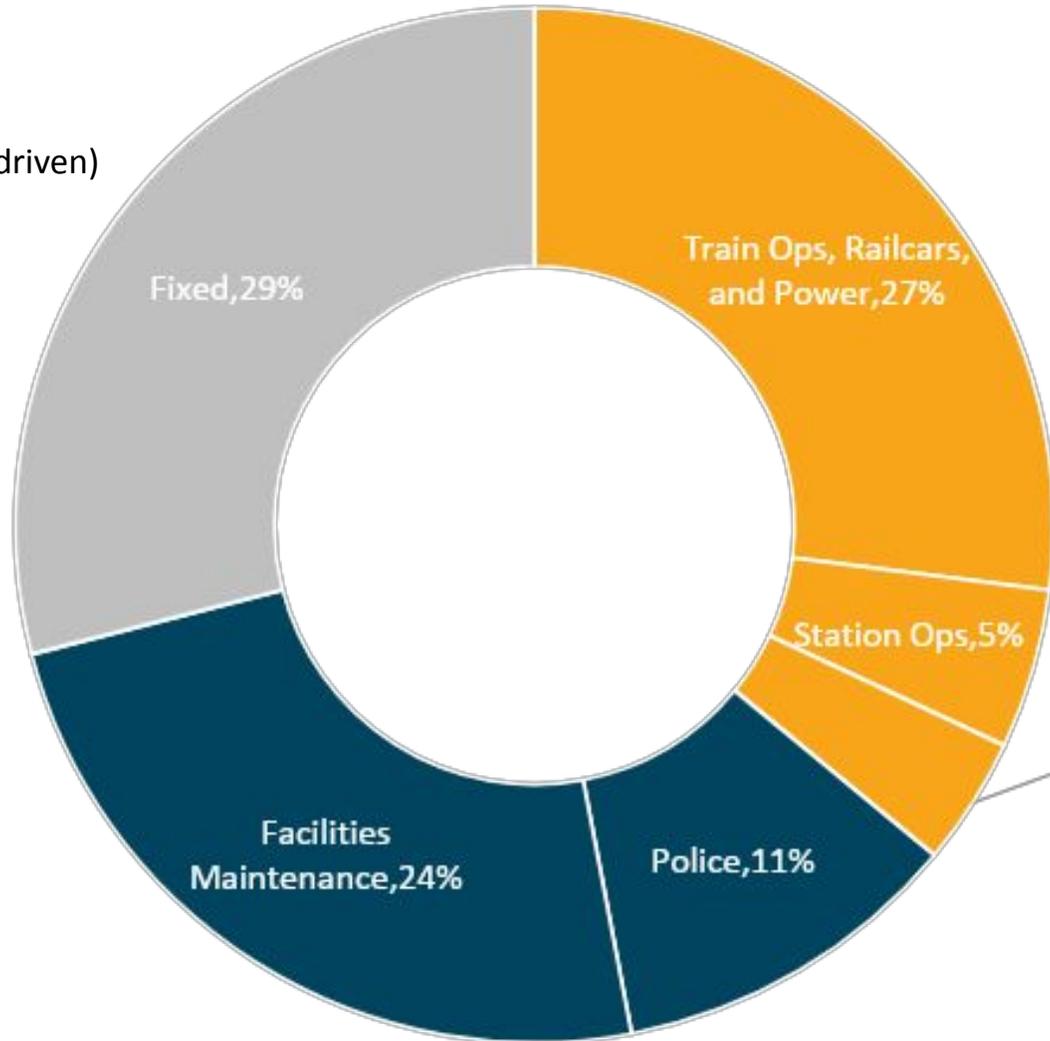
What does the pandemic mean for BART revenues?



- Pre-pandemic, BART was highly self sufficient
 - 60-70% farebox recovery
 - Dedicated sales tax funds allowed for allocations to capital reinvestment program
- Post-pandemic, \$1.6B federal emergency assistance filling fare revenue gap through early 2025

Rail has high fixed costs and low marginal costs

- Varies with service level
- Semi-variable (not service driven)
- Fixed



- Less than 36% of BART's operating expenses scale proportionally with service
- Less service limits ridership revenue without proportional savings

Source: BART O&M Cost Model

SRTP conclusions: BART cannot significantly reduce costs and support ridership

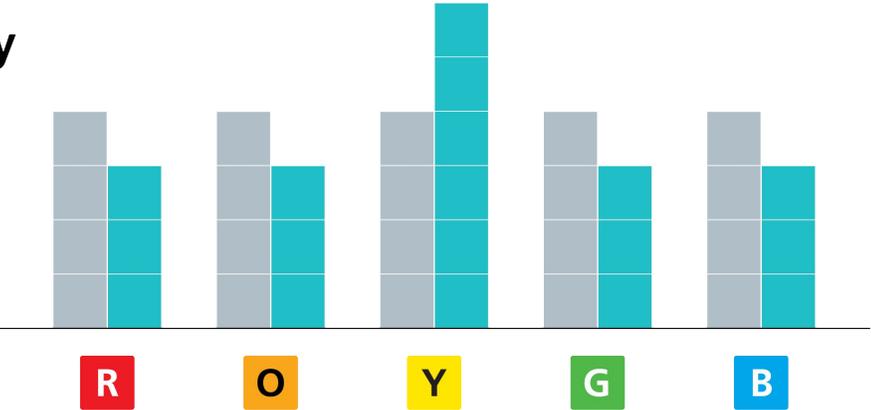
- Rail has high fixed costs / low marginal cost – service reductions do not save a proportional expense
- Cutting to balance ‘Some Progress’ and ‘Fewer Riders’ revenue scenarios results in minimal service levels that would not meet the region’s needs
- Minimal service would result in a ‘death spiral,’ with further loss of ridership & fare revenue
- Sustaining service after federal funding will require a new revenue model

Reimagined Service Plan Concept

- BART board is evaluating a rebuilt service plan proposal that is less focused on downtown workers
- Could help BART evolve from a commute-focused service to one that spreads high-quality service across all 7-days of the week

Weekday

until 9pm
Trains Per Hour



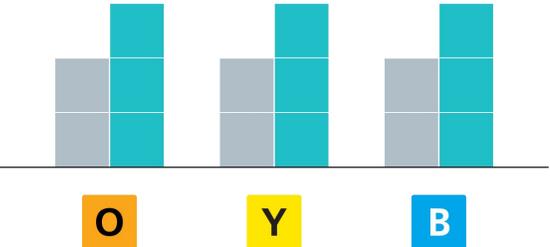
Weekend

until 9pm
Trains Per Hour



Nights

after 9pm
Trains Per Hour



Current Schedule
 Proposed Schedule

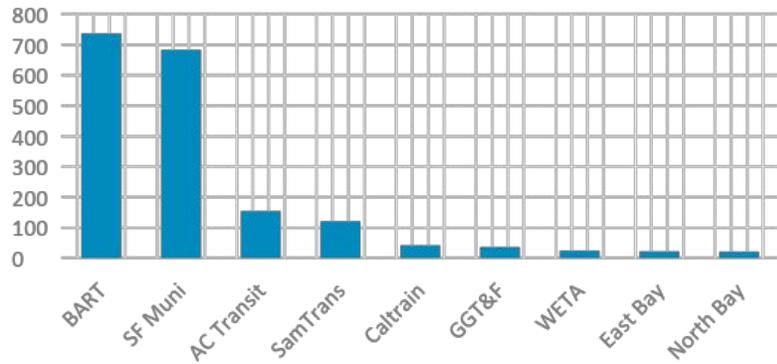
Reaching New Riders



Means-based discounted fare product

20% discount for qualifying low-income riders, expect to increase to 50%

Total Clipper START Trips Since Inception



Institutional unlimited pass



Next generation fare system expected mid-2024

Ability to introduce free/reduced cost transfers, open payments



Identifying opportunities for external funds

- Additional federal funding opportunities appear limited
- Pursue state/regional strategy
 - **Near-term – some gap funding from the state**
 - Build coalition with MTC, regional and state operators to advance proposals for state operating support
 - **Long term – potential voter measure options**
 - MTC lead regional (9-county) measure
 - BART revenue measure in 3-county BART District
 - BART’s 5-county service area measure
- Any revenue measure is likely to require authorizing legislation
- Any measure will require substantial public engagement

