

2015 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 93 percent of the total transit operating costs in the Bay Area and carry 96 percent of the passenger trips. The table below provides a snapshot of operating and service statistics for Bay Area transit operators

Operator	Service Characteristics	Annual Operating Budget	Annual Revenue Hours	Annual Passengers
AC Transit	Motor Bus	309,461	2,071	58,085
BART	Heavy Rail	557,266	1,942	118,873
Caltrain	Heavy Rail	101,174	184	12,999
GGBHTD	Bus and Ferry	102,701	426	9,145
SamTrans	Motor Bus	108,350	786	12,952
SFMTA	Bus, Cable Car, Light Rail	656,144	3,358	219,705
VTA	Motor Bus and Light Rail	310,273	1,701	43,488
Small Operators	Motor Bus, Ferry, Heavy Rail	168,450	1,422	19,885
Total		2,313,819	11,890	495,132

**FY 2011-12 data taken from the 2012 Statistical Summary of Bay Area Transit Operators*

The Bay Area economy is continuing to make gradual gains after the sharp downturn that began in Fiscal Year 2007-08. The recession necessitated significant cuts to transit services in order to match operating and capital budgets to available revenues. During the constrained financial environment from FY 2009 to FY 2011, transit agencies carefully examined their service and opportunities to reduce costs and improve productivity, where possible.

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 system. In May 2012, MTC approved the TSP recommendations, including performance measures and targets, an initiative program that includes investment and incentive strategies for improving transit service, and additional customer-focused service, institutional, and paratransit recommendations.



Projections – Transit Operating and Capital

As part of the Plan Bay Area development effort, MTC estimated the total cost to operate and maintain existing transit services over the 28-year plan period.

Over the next 28 years, operating and capital replacement costs for Bay Area transit providers are projected to total \$161 billion. This includes \$114 billion in operating costs plus \$47 billion for capital replacement. With existing dedicated revenues plus discretionary revenues directed towards transit by Plan Bay Area, MTC estimates that the region can fully address the operating needs for transit at current service levels as well as fund 100 percent of vehicle replacements and approximately 70 percent of other essential transit capital rehabilitation and maintenance needs over the Plan period.

The projections developed for Plan Bay Area are appropriate for a long-range planning effort; however, they rely on fixed assumptions about economic factors and funding streams and do not take into account recent variations in revenue, and strategies undertaken to balance budgets in the short term. For the years covered by the 2015 TIP, MTC updated revenue projections to account for recent growth to ensure that estimates of costs and revenues reflected existing short-range budgets and strategies for ensuring the transit operators' ability to operate and maintain their systems over the period covered by the TIP.

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.

Based on the Plan Bay Area projections, 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 YOE\$)

Category	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	4-Year Total
Vehicles	330,602	458,867	381,129	587,685	1,758,283
Guideway Elements	236,418	124,074	842,297	128,271	1,331,060
Total	567,020	582,940	1,223,425	715,956	3,089,343

MTC estimates that approximately \$3.1 billion in transit capital maintenance needs exist within the 2015 TIP period. A projection of capital revenue summarized in the Table 3 below, shows that there is approximately \$3.2 billion available over the same time period. This summary does not include un-programmed regional discretionary funds that have been committed through

Plan Bay Area to capital rehabilitation and or expansion projects. Of the total available, nearly half comes from non-Federal sources. The amounts included in the "Other" category consist primarily of surplus operating funding made available for capital purposes. In addition, the "Other" category for FY 15 includes surplus capital funds carried over from the prior year. The Proposition 1B program was established in 2007 for a set amount of funding. The FY15 state budget includes the final installment of funds for the program. The amount of revenue that is above and beyond the amount needed to maintain core assets can be used to address other capital maintenance needs on the existing system or to provide local matching funds for other capital projects contained in the TIP.

Also provided within the individual operator assessments is a summary of each of the seven large operators' individual capital maintenance needs for core 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	2015	2016	2017	2018	4-Year Total
Federal	400,092	390,745	376,717	388,019	1,555,573
Bridge Toll	13,680	13,748	13,817	13,886	55,131
Proposition 1B	214,486	0	0	-	214,486
Local Sources	106,996	101,996	86,996	86,996	382,984
Other	391,151	263,153	171,138	176,272	1,001,714
Total Revenue	1,126,405	769,642	648,668	665,173	3,209,888

Conclusion

Attachment A lists the major transit capital projects included in the 2015 TIP. There are approximately \$3 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. Those funds, combined with funding contained in Table 3 above, are sufficient to meet capital match requirements.

Based on the information summarized above and detailed in the following assessments, the San Francisco Bay Area transit agencies generally have the financial capacity to operate transit service and meet capital match requirements over the period covered by the 2015 TIP. As noted later, Caltrain is projecting future operating deficits and is working with member agencies on possible revenue enhancement strategies.

Regional Summary
Attachment A
2015 TIP Transit Capital Projects

(Note that the FTA formula funds have not yet been programmed for FY 2015 – FY 2018)

Sponsor	Project Name	Total Project Cost	Total TIP Cost
AC Transit	AC Transit: East Bay Bus Rapid Transit	\$177,986,000	\$69,742,357
	AC Transit: Transit Security Projects	\$34,395,266	\$6,445,164
BART	BART - Warm Springs Extension	\$890,000,000	\$69,000,000
	BART Car Exchange (Preventive Maintenance)	\$607,113,998	\$3,198,849
	BART Metro Priority Track Elements	\$8,500,057	\$5,041,000
	BART Station Modernization Program	\$19,750,000	\$3,250,000
	BART/MUNI Direct Connection Platform	\$3,000,000	\$3,000,000
	BART: Railcar Replacement Program	\$1,976,886,000	\$270,339,090
	Daly City BART Station Intermodal Improvements	\$1,100,000	\$1,100,000
	Downtown Berkeley BART Plaza/Transit Area Imps.	\$11,419,360	\$8,441,000
	E-BART - East Contra Costa Rail Extension	\$459,911,000	\$118,000,000
	eBART Railroad Avenue Station	\$18,500,000	\$2,000,000
	Walnut Creek BART TOD Access Improvements	\$9,150,000	\$9,150,000
Caltrain	Caltrain Control Point Installation	\$4,975,566	\$1,000,000
	Caltrain Electrification	\$1,225,000,000	\$622,835,800
	Caltrain Positive Train Control System	\$231,000,000	\$41,950,000
	Caltrain South Terminal Phase II and III	\$15,500,000	\$14,000,000
GGBHTD	GGBHTD: Replace 11 - 1997 45' MCI Buses	\$6,997,000	\$6,997,000
	Larkspur Ferry Terminal Parking Garage	\$4,000,000	\$500,000
SamTrans	SamTrans - Replacement of Articulated Bus Fleet	\$41,488,128	\$8,134,483
	SAMTRANS: Preventive Maintenance	\$55,267,969	\$776,280
SFMTA	19th Ave. & Parkmerced M-Line Realignment	\$80,940,000	\$2,000,000
	Additional Light Rail Vehicles to Expand Muni Rail	\$44,473,000	\$2,000,000
	Geneva/Harney Limited/Express Bus Service	\$28,000,000	\$2,000,000
	Geneva-Harney BRT to Hunters Point - Geneva Extn	\$34,000,000	\$2,000,000
	Geneva-Harney BRT to Hunters Point - Geneva Portion	\$53,000,000	\$2,000,000
	Geneva-Harney BRT to Hunters Point - Harney Portion	\$80,910,000	\$2,000,000
	Historic Streetcar Extension to Fort Mason	\$49,958,760	\$384,034
	Light Rail Vehicle Overhaul Program	\$57,534,370	\$600,000
	SF Muni Third St LRT Phase 2 - New Central Subway	\$1,578,000,000	\$771,179,399
	SFMTA: TEP Capital Implementation Program	\$7,624,064	\$1,000,000
VTA	BART - Berryessa to San Jose Extension	\$3,962,300,000	\$18,672,000
	BART - Warm Springs to Berryessa Extension	\$2,521,899,512	\$1,163,775,177
	LRT Extension to Vasona Junction	\$176,000,000	\$3,000,000
	Mountain View Double Track Improvements - Phase II	\$30,000,000	\$24,700,000
Total		\$14,506,580,050	\$3,260,211,633

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 632 vehicles on 78 local and 31 transbay routes that serve 13 East Bay cities and adjacent unincorporated areas in Alameda and Contra Costa counties. The routes connect with nine other public and private bus systems, 21 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 multi-year budget projections show that operating costs generally increase at the level of inflation. Recently negotiated labor agreements and compensation changes implemented for non-union and contracted employees have helped to control operating costs. In addition, labor reductions resulting from the closure of two facilities – one maintenance and one paratransit – created additional savings.

AC Transit's budget projections also show that revenues are keeping pace with expenses. Farebox revenue and sales tax-based receipts have shown a significant recovery since December of 2011 and are projected to grow at a modest but steady rate. Ridership numbers are close to the levels that existed prior to cuts in service in March 2010.

The improved budgetary outlook led to the cancellation of service reductions that had been planned for FY 2012-13. Further financial support is anticipated from a county-wide sales tax measure that would add approximately \$20 million annually, on top of existing revenues, to both the operating and capital maintenance budgets. The sales tax is anticipated to go before the voters in Alameda County in 2014. Anticipated revenue from the sales tax has not been included in this financial capacity assessment.

Assessment

Operating

AC Transit anticipates a cumulative balanced budget over the period of the 2015 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 2015 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 2014-15	Year 2 FY 2015-16	Year 3 FY 2016-17	Year 4 FY 2017-18	4-YEAR TOTAL
Costs					
Existing System	330,006	337,131	353,098	342,461	1,362,695
Planned Committed Projects					
Total Operational Needs	\$330,006	\$337,131	\$353,098	\$342,461	\$1,362,695

Revenue					
Fares	59,881	59,843	62,407	62,407	244,537
Non-Fare Revenue	110,177	114,612	116,463	119,633	460,884
County Sales Tax	24,417	25,394	26,410	27,466	103,687
Sales Tax Reserve Fund					0
County Registrations Fees	2,477	2,502	2,527	2,553	10,060
Bridge Tolls	9,762	9,762	9,762	9,762	39,046
TDA	59,280	60,913	62,591	64,316	247,099
AB 1107	35,813	36,848	37,912	39,007	149,580
STA	17,913	19,142	20,477	21,927	79,460
Federal Transit Grants*	9,764	9,907	5,054	5,205	29,930
Prior Year Savings	521				
Total Revenue	\$330,006	\$338,922	\$343,602	\$352,275	\$1,364,805

Balance available for Carryover, Transit Capital Investment, Additional Service, or Local Match Needs	\$0	\$1,792	(\$9,496)	\$9,814	\$2,110
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*Includes ADA set aside and capital exchange funds.

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 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
AC Transit	Vehicles	27,314	87,040	120,866	7,262
AC Transit Total		27,314	87,040	120,866	7,262

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 104 miles of track and 44 stations. The San Francisco Airport (SFO)/Millbrae extension opened in June 2003 and the West Dublin/Pleasanton infill station in February 2011. Currently, there are 62 trains online during the peak. The peak train requirement is anticipated to remain stable through FY 2017; however, train sizes will be rebalanced as needed to accommodate patronage growth. BART's latest SRTP was adopted in September 2007.

Operating revenue sources for FY 2013 increased by approximately \$55 million over FY 2012 levels, due to strong ridership and sales tax growth during FY 2012. The FY 2014 budget estimates that average weekday trips will be an additional 7% higher than FY 2013. Fare revenue is expected to grow at an average rate of approximately 4% over the TIP period due to a combination of growth in passengers and planned biennial fare increases to keep pace with inflation.

Operating expenses are expected to grow at about 3% on average during the TIP period. BART's FY 2014 operating budget contained a moderate increase in staffing of 65 operating positions to ensure the District continues to operate reliably and efficiently.

BART's near-term budgets anticipate transfers from operating to capital to cover local match needs, amounts necessary to meet the BART match for Phase I of the Rail Car Replacement Program, and allocations to cover debt service requirements.

Assessment

Operating

BART projects sufficient revenues to cover operating expenses over each year of the 2015 TIP period. Approximately \$191 million in revenues is projected to be made available for capital replacement. 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 2014-15	Year 2 FY 2015-16	Year 3 FY 2016-17	Year 4 FY 2017-18	4-YEAR TOTAL
Costs					
Existing System	627,350	654,869	697,446	707,890	2,687,555
Planned Committed Projects	40,089	39,130	33,721	34,643	147,583
Total Operational Needs	\$667,439	\$693,999	\$731,166	\$742,532	\$2,835,137
Revenue					
Fares	396,192	400,893	428,919	447,962	1,673,967
Non-Fare Revenue	79,954	79,190	74,703	76,985	310,831
County Sales Tax					0
Sales Tax Reserve Fund					0
County Registrations Fees	10	11	11	11	43
Bridge Tolls	0	0	0	0	0
TDA	0	0	0	0	0
AB 1107	214,877	221,085	227,472	234,043	897,477
STA	27,703	30,638	33,835	37,315	129,492
Federal Transit Grants	3,538	3,644	3,754	3,866	14,803
Total Revenue	\$722,275	\$735,462	\$768,693	\$800,183	\$3,026,612
Balance available for Carryover, Transit Capital Investment, Additional Service, or Local Match Needs	\$54,835	\$41,463	\$37,527	\$57,650	\$191,475

Capital

BART's capital program in the 2015 TIP consists primarily of contribution towards the rail-car replacement program and the Oakland Airport Connector, eBART, and Warm Spring extension 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 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
BART	Guideway Elements	43,466	81,083	158,307	66,518
	Vehicles	41,709	41,480	157,768	434,547
BART Total		149,033	122,563	316,076	501,065

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 92 weekday trains.

Although ridership on Caltrain is at a historic level and fare revenues account for over 50% of Caltrain's operating revenue, existing revenues are not sufficient to meet projected operating expenses. 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. Caltrain's financial plan anticipates operating deficits in the last three years of the TIP period unless additional revenues are made available.

Currently, JPB members are involved in discussion on a cost sharing formula as well as working on developing a permanent, dedicated revenue stream to fund Caltrain operations. A possible long term solution is a future sales tax measure that could be presented to voters. This is still under discussion.

In addition to finding new revenue solutions, a key strategy for improving Caltrain's efficiency and gaining additional passengers is to modernize the system. 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. On March 28, 2012, MTC approved an agreement and established a funding framework among MTC, the California High Speed Rail Authority, the JPB, the SFCTA, the SMCTA, VTA, the City of San Jose, the City and County of San Francisco, and the TJPA, for a High Speed Rail Early Investment Strategy that includes electrification. Electrification is expected to be completed by 2019.

Assessment

Operating

A summary of the operating financial capacity assessment is provided in the table below. Operational needs and fare revenues for FY 15 were updated based on the agency's adopted

budget, and are assumed to grow at a rate of 2.2% over the years contained in the TIP. Based on these figures, Caltrain anticipates a cumulative operating deficit of \$45 million over the period of the TIP. JPB members are currently discussing options to fund Caltrain’s operating costs through a combination of a revised JPB member cost sharing formula and the development of a long-term, permanent revenue stream.

**TIP Fiscal Capacity Analysis –Transit Operations
Caltrain/Peninsula Corridor JPB
(1,000s, YOES)**

CATEGORIES	Year 1 FY 2014-15	Year 2 FY 2015-16	Year 3 FY 2016-17	Year 4 FY 2017-18	4-YEAR TOTAL
Costs					
Existing System	125,736	128,504	132,166	128,359	514,764
Planned Committed Projects					
Total Operational Needs	\$125,736	\$128,504	\$132,166	\$128,359	\$514,764
Revenue					
Fares	75,044	75,043	75,042	75,041	300,169
Non-Fare Revenue	46,930	29,775	30,430	31,100	138,235
County Sales Tax					0
Sales Tax Reserve Fund					0
County Registrations Fees					0
Bridge Tolls	0	0	0	0	0
TDA	0	0	0	0	0
AB 1107					0
STA	6,972	7,571	8,221	8,927	31,690
Federal Transit Grants	0	0	0	0	0
Total Revenue	\$128,945	\$112,388	\$113,692	\$115,067	\$470,093
Balance available for Carryover, Transit Capital Investment, Additional Service, or Local Match Needs	\$3,210	(\$16,116)	(\$18,473)	(\$13,292)	(\$44,671)

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

2015 TIP Financial Capacity Assessment (cont.)

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 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Caltrain	Guideway Elements	68,748	37,466	15,865	20,489
	Vehicles	11,223	-	-	-
Caltrain Total		79,971	37,466	15,865	20,489



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. Historically, approximately 40% of the annual cost of operating Golden Gate Transit was subsidized by tolls collected on the Golden Gate Bridge.

Golden Gate Transit has sufficient revenues to meet operating needs within the four years included in the 2015 TIP. Operating costs are projected to grow at approximately two percent annually, and fares are projected to remain relatively flat. Golden Gate Transit continues to receive toll-revenue subsidies in order to meet operating expenses.

In an effort to reduce the reliance on toll revenues, Golden Gate Transit continues to work on implementing deficit reduction initiatives contained in the District's ten year Financial Plan. Examples of these initiatives include the elimination of duplicative bus/ferry trips, reduction of bus and ferry fare discounts, ferry parking fees, and other cost control measures.

Assessment

Operating

A summary of the operating financial capacity assessment for Golden Gate is provided in the table below. Golden Gate anticipates balanced budget for each year included in the 2015 TIP.

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

CATEGORIES	Year 1 FY 2014-15	Year 2 FY 2015-16	Year 3 FY 2016-17	Year 4 FY 2017-18	4-YEAR TOTAL
Costs					
Existing System	113,369	115,905	89,590	87,004	405,867
Planned Committed Projects					0
Total Operational Needs	\$113,369	\$115,905	\$89,590	\$87,004	\$405,867
Revenue					
Fares	28,797	28,929	29,062	29,195	115,982
Non-Fare Revenue	21,075	22,038	20,474	20,511	84,098
County Sales Tax					0
Sales Tax Reserve Fund					0
County Registrations Fees	589	595	601	607	2,391
Bridge Tolls	38,014	38,280	18,817	14,808	109,917
TDA	15,645	16,095	16,560	17,040	65,341
AB 1107					0
STA	7,900	8,578	9,315	10,115	35,908
Federal Transit Grants	1,350	1,390	1,432	1,475	5,647
Total Revenue	\$113,369	\$115,905	\$96,260	\$93,750	\$419,284
Balance available for Carryover, Transit Capital Investment, Additional Service, or Local Match Needs	\$0	\$0	\$0	\$0	\$0

Capital

Golden Gate Transit's capital program in the 2015 TIP focuses on ferry channel and berth dredging and the replacement or rehabilitation of capital assets. 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 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
GGBHTD	Vehicles	10,482	13,793	10,848	46,383
GGBHTD Total		10,482	13,793	10,848	46,383

San Francisco Municipal Transit Agency (SFMTA)

Operator Background & Budget

San Francisco Municipal Transportation Agency (SFMTA) operates 74 transit lines over an approximately 47-square-mile service area. SFMTA provides service by five modes: buses, trolley coaches, light rail, cable car, and paratransit and carried an estimated 220 million passengers in FY 2012. SFMTA carries approximately 44% of the total passenger transit trips within the region.

San Francisco contributes close to \$250 million of general fund, parking, and development fee revenues to support SFMTA's approximately \$650-\$700 million operating budget. Farebox revenues provide for approximately 30% of SFMTA's annual operating budget.

SFMTA projects that there are sufficient revenues to meet operating needs within the four years included in the 2015 TIP. To ensure long term sustainability, the SFMTA Board adopted a five-year strategic plan. The framework for this plan focuses on a new vision and mission for the agency and the goals and objectives needed to achieve this vision. The four main goals of the plan are to create safer transportation experience for everyone, make non-automobile modes the preferred means of travel, improve the environment and quality of life in San Francisco, and to create a workplace that delivers outstanding service.

Assessment

Operating

SFMTA projects sufficient revenues to cover operating expenses over each year of the 2015 TIP period. Approximately \$82 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 2014-15	Year 2 FY 2015-16	Year 3 FY 2016-17	Year 4 FY 2017-18	4-YEAR TOTAL
Costs					
Existing System	694,988	727,646	817,861	815,847	3,056,343
Planned Committed Projects					
Total Operational Needs	\$694,988	\$727,646	\$817,861	\$815,847	\$3,056,343
Revenue					
Fares	207,269	213,487	217,757	222,112	860,625
Non-Fare Revenue	348,976	369,129	458,614	483,412	1,660,131
County Sales Tax	9,670	9,670	9,670	9,670	38,680
Sales Tax Reserve Fund					0
County Registrations Fees	1,184	1,196	1,208	1,220	4,807
Bridge Tolls	2,688	2,688	2,688	2,688	10,750
TDA	40,472	41,646	42,853	44,096	169,067
AB 1107	35,813	36,848	37,912	39,007	149,580
STA	49,768	54,043	58,684	63,725	226,219
Federal Transit Grants	4,520	4,656	4,795	4,939	18,911
Total Revenue	\$700,359	\$733,361	\$834,181	\$870,868	\$3,138,769
Balance available for Carryover, Transit Capital Investment, Additional Service, or Local Match Needs	\$5,371	\$5,715	\$16,319	\$55,021	\$82,427

Capital

SFMTA's capital program in the 2015 TIP is focused on strategic expansions of its light rail service and bus rapid transit routes as well as capital asset rehabilitation and replacement project. 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 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
SFMTA	Guideway Elements	115,972	3,492	48,764	37,554
	Vehicles	158,434	213,123	3,650	43,711
SFMTA Total		274,407	216,615	52,414	81,266

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 324 buses, providing more than 12.9 million annual trips in San Mateo County in FY2012. SamTrans also owns a fleet of 64 demand-response vehicles that provide SamTrans' ADA-compliant paratransit service. In addition to its own bus service, SamTrans provides the staff as well as financial subsidies for the Caltrain commuter rail service.

In 2009, SamTrans restructured its service and now operates 48 fixed routes. 16 routes serve San Mateo County's six BART stations and 19 routes serve Caltrain stations.

Since 2003, SamTrans has collaborated with BART to provide rapid rail transit service by committing to fund a portion of the capital and operating costs associated with the extension of BART service into San Mateo County.

SamTrans is leading discussions with other JPB members to find alternatives for on-going funding support for Caltrain. Beyond FY 2014, SamTrans' operating costs are projected to grow at roughly the pace of inflation. Fare revenues are also projected to grow at a modest rate of approximately three percent annually.

As seen in the table below, SamTrans' budget is balanced in the four years covered by the TIP; however, the agency has acknowledged a structural deficit that requires the contribution of approximately \$12 million per year on average, in sales tax operating reserves in order to cover operating expenses in the first three years of the TIP period. These reserves are expected to be exhausted by FY 2018 at which point, revenues are expected to be sufficient to meet operating needs. To address deficits in the short term and re-build their operating reserve, SamTrans is continuing to focus on implementing cost saving and service improvement elements of their strategic plan. One initiative contained in their strategic plan, the SamTrans Service Plan (SSP), is an in-depth study of their fixed route bus system. The purpose of the study is to determine how SamTrans can continue to best serve its customers given existing revenue streams. Stated goals of the SSP include the investment of resources where they will have the maximum benefit to customers and to increase efficiency and effectiveness of SamTrans service.

Assessment

Operating

SamTrans projects a balanced budget over each year of the 2015 TIP period as a result of using agency reserves. 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 2015 TIP have been accounted for within SamTrans' operating costs.

TIP Fiscal Capacity Analysis –Transit Operations

SamTrans

(1,000s, YOES)

CATEGORIES	Year 1 FY 2014-15	Year 2 FY 2015-16	Year 3 FY 2016-17	Year 4 FY 2017-18	4-YEAR TOTAL
Costs					
Existing System	163,596	167,405	169,269	165,178	665,446
Planned Committed Projects					0
Total Operational Needs	\$163,596	\$167,405	\$169,269	\$165,178	\$665,446
Revenue					
Fares	19,025	19,596	20,184	21,101	79,906
Non-Fare Revenue	19,812	17,437	17,943	22,054	77,246
County Sales Tax	68,825	70,821	72,875	73,292	285,813
Sales Tax Reserve Fund	11,855	13,702	10,412	0	35,969
County Registrations Fees	1,530	1,545	1,560	1,822	6,457
Bridge Tolls	306	306	306	306	1,224
TDA	35,589	36,763	37,976	39,229	149,557
AB 1107					0
STA	5,593	6,142	6,738	7,386	25,858
Federal Transit Grants	1,061	1,093	1,275	1,313	4,742
Total Revenue	\$163,596	\$167,405	\$169,269	\$166,504	\$666,773
Balance available for Carryover, Transit Capital Investment, Additional Service, or Local Match Needs	\$0	\$0	\$0	\$1,326	\$1,327



Capital

Funding for SamTrans’ bus and ADA-related capital replacement projects is from federal sources included in the TIP. The balance of SamTrans’ capital program (for matching funds and for locally funded projects) is available from county sales-tax generations and reserves. 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 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Sam Trans	Vehicles	33,520	17,928	1,721	2,183
Sam Trans Total		33,520	17,928	1,721	2,183

Santa Clara Valley Transportation Authority (VTA)

Operator Background & Budget

VTA operates 424 motor bus coaches and 99 light rail vehicles on 77 routes throughout an urbanized area of 326 square miles. 19 core bus routes, including one Bus Rapid Transit route, form the backbone of the system. 16 local bus routes and 17 Community Bus and 11 Shuttles 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. 12 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 44 million passengers in FY2012.

Although VTA bus and light-rail services are accessible to individuals with disabilities, a separate ADA paratransit service provides over 750,000 trips each year for people in the county who cannot use conventional transit.

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 2000, Santa Clara County voters approved Measure A, a thirty-year sales tax to fund transit operations and capital expansion. In 2008 Santa Clara County voters also approved an additional 1/8th cent sales tax to support operation of the BART extension.

In 2008, VTA completed a Comprehensive Operations Analysis (COA) and established a Transit Sustainability Policy for the agency that culminated in the restructuring of bus service to attract additional riders.

VTA has sufficient revenues to meet operating needs within the four years included in the 2015 TIP. Operating costs are projected to grow at an average of about three percent per year over the four year period. Fare revenues are also projected to grow at about seven percent per year on average.

Assessment

Operating

VTA projects sufficient revenues to cover operating expenses over each year of the 2015 TIP period. Approximately \$224 million in revenues 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
Santa Clara VTA
(1,000s, YOES\$)**

CATEGORIES	Year 1 FY 2014-15	Year 2 FY 2015-16	Year 3 FY 2016-17	Year 4 FY 2017-18	4-YEAR TOTAL
Costs					
Existing System	376,927	393,056	404,762	395,976	1,570,722
Planned Committed Projects					0
Total Operational Needs	\$376,927	\$393,056	\$404,762	\$395,976	\$1,570,722
Revenue					
Fares	44,084	47,783	49,709	53,794	195,370
Non-Fare Revenue	20,928	24,364	25,733	32,903	103,928
County Sales Tax	234,866	245,568	251,842	258,114	990,389
Sales Tax Reserve Fund					0
County Registrations Fees					0
Bridge Tolls	0	0	0	0	0
TDA	94,417	98,761	103,304	108,056	404,537
AB 1107					0
STA	18,371	19,948	21,662	23,522	83,503
Federal Transit Grants	4,148	4,272	4,400	4,532	17,352
Total Revenue	\$416,813	\$440,696	\$456,650	\$480,921	\$1,795,080
Balance available for Carryover, Transit Capital Investment, Additional Service, or Local Match Needs	\$39,886	\$47,640	\$51,888	\$84,944	\$224,358



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 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
VTA	Guideway Elements	8,232	2,032	1,586	3,709
	Vehicles	26,802	36,818	9,984	15,461
VTA Total		35,034	38,850	11,570	19,171

San Francisco Bay Area Small Operators

Collectively, the San Francisco Bay Area's 17 smaller transit operators account for only seven percent of the total transit operating costs in the region and only about four percent of fixed route transit passengers in the region.

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 2015 TIP.

2015 TIP Fiscal Capacity Analysis – Transit Operations & Maintenance San Francisco Bay Area Small Operators (1,000s, YOES\$)

CATEGORIES	Year 1 FY 2014-15	Year 2 FY 2015-16	Year 3 FY 2016-17	Year 4 FY 2017-18	4-YEAR TOTAL
Costs					
Existing System	185,566	190,689	195,760	200,998	773,012
Planned Committed Projects	21,235	21,854	22,451	23,065	88,606
Total Operational Needs	\$206,801	\$212,543	\$218,211	\$224,063	\$861,618
Revenue					
Fares	41,556	43,270	44,712	45,975	175,513
Non-Fare Revenue	25,974	33,255	29,326	30,523	119,078
County Sales Tax	35,944	36,250	35,225	29,976	137,395
Sales Tax Reserve Fund	0	0	0	0	0
County Registrations Fees	531	537	542	547	2,158
Bridge Tolls	24,836	24,836	24,836	24,836	99,343
TDA	75,438	77,934	80,516	83,186	317,074
AB 1107	0	0	0	0	0
STA	21,583	23,122	24,783	26,578	96,067
Federal Transit Grants	7,693	7,545	5,287	5,389	25,914
Total Revenue	\$233,556	\$246,749	\$245,228	\$247,009	\$972,542
Balance available for Carryover, Transit Capital Investment, Additional Service, or Local Match Needs	\$26,755	\$34,206	\$27,017	\$22,946	\$110,923



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 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Small Operators	Vehicles	21,117	48,686	76,291	38,138
Small Operators Total		21,117	48,686	76,291	38,138

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