Metropolitan Transportation Commission

Regional Network Management Committee

April 11, 2025 **Agenda Item 4e**

MTC Resolution No. 4662, Revised: Clipper BayPass Phase 2 Pilot – Allocation and Authorization to Distribute Revenues to Transit Operators

Subject:

Amend MTC Resolution No. 4662 to allocate and authorize the distribution of Clipper BayPass Phase 2 Pilot revenues to transit operators for trips taken during the period from July 1, 2024, to December 31, 2024.

Background:

In January 2024, MTC and transit operators jointly launched Phase 2 of the Clipper BayPass Pilot Program. Phase 2 involves selling the Clipper BayPass product to institutions (employers, educational institutions, housing properties, transportation management associations, etc.) around the Bay Area, with the intent that the revenues generated from the sale of the Clipper BayPass are sufficient to reimburse transit operators for all trips taken using Clipper BayPass.

In November 2023, MTC and transit operators signed a Clipper BayPass Participation Agreement which defines roles and responsibilities for MTC and transit operators during the Clipper BayPass Phase 2 Pilot. Under the terms of the Participation Agreement, MTC is responsible for allocating revenue generated from the sale of Clipper BayPass to the transit operators every six months for the duration of the Phase 2 Pilot. MTC staff intend to bring forward these allocations each fall and spring to reimburse operators for Clipper BayPass trips taken in the preceding six months (January to June for fall allocations and July to December for spring allocations).

From July 1, 2024 to December 31, 2024, 1,158,042 trips were taken with the Clipper BayPass Phase 2 Pilot transit pass. These trips represent $4,212,340 of reimbursable fare revenue to transit operators. Over that same six-month period, the sales of Clipper BayPass to institutional customers generated a minimum contract value revenue of $6,396,015, with the full contract value revenue to be reconciled following each contract's first year. Funds in excess of the amount needed to reimburse operators for actual trips taken over this period will remain available to support reimbursement to operators for the duration of the Phase 2 Pilot as specified

in the Clipper BayPass Participation Agreement. Details on the amount proposed to be allocated and distributed (by transit operator) are included in Attachment A to MTC Resolution No. 4662, Revised.

The number of trips taken with Clipper BayPass Phase 2 Pilot transit pass from July 1, 2024 to December 31, 2024 increased significantly from the 440,142 trips taken in the first six months of 2024 (January 1, 2024 to June 30, 2024). This increase was attributed to both San Francisco State University (SFSU) expanding Clipper BayPass to their whole student body and by the expansion of the Clipper BayPass pilot at the University of California at San Francisco (UCSF) in April 2024 to include a large group of employees and all currently enrolled full- and part-time.

Issues:

None.

Next Steps:

Staff will return to this committee in the fall of 2025 to present the next allocation of revenues from the Phase 2 Pilot to transit operators.

Recommendations:

Refer MTC Resolution No. 4662, Revised to the Commission for approval.

Attachments:

- Attachment A: MTC Resolution No. 4662, Revised

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