

2017 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 92 percent of the total transit operating costs in the Bay Area and carry 95 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	\$335,448	1,970	55,986
BART	Heavy Rail	\$578,422	1,932	131,957
Caltrain	Heavy Rail	\$119,403	190	17,029
GGBHTD	Bus and Ferry	\$109,356	650	9,689
SamTrans	Motor Bus	\$117,001	465	13,098
SFMTA	Bus, Cable Car, Light Rail	\$715,303	3,470	230,027
VTA	Motor Bus and Light Rail	\$340,597	1,808	44,540
Small Operators	Motor Bus, Ferry, Heavy Rail	\$209,542	2,030	24,835
Total		\$2,525,072	12,515	527,161

**FY 2013-14 data taken from the 2015 Statistical Summary of Bay Area Transit Operators*

The Bay Area economy has recovered from the downturn that began in Fiscal Year 2007-08 and the region's transit systems have been adding service in order to meet public demand. The region exceeded pre-recession service levels in FY 2014-15 and while transit operators continue to add passengers and service hours, they are cautious about expanding operations too quickly given limited revenue from state and Federal sources, the susceptibility of sales tax revenues to economic swings, and an increasing needs for capital maintenance investments.

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 transit 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. The seven largest operators in the region will be required to meet TSP performance goals related to cost control by FY 2018, and maintain performance standards on an annual basis.

Projections – Transit Operating and Capital

As part of the San Francisco Bay Area’s long range transportation plan—Plan Bay Area 2040—development effort, MTC estimated the total cost to operate and maintain existing transit services over the 24-year plan period (FY 2016-17 through FY 2039-40). While Plan Bay Area 2040 is still in development and is not expected to be adopted until 2017, much of the work associated with projecting the costs and available revenues for transit operations and capital maintenance has been completed and vetted through stakeholders and appropriate Committees. The costs and revenues provided in this Financial Capacity Assessment are the most up to date and appropriate for use.

Over the next 24 years, operating and capital replacement costs for Bay Area transit providers are projected to total \$169 billion. This includes \$122 billion in operating costs plus \$47 billion for capital replacement. With existing dedicated revenues plus discretionary revenues that will likely be directed towards transit by Plan Bay Area 2040, MTC estimates that the region will be able to fully address the operating needs for transit at current service levels as well as fund 100 percent of vehicle replacements and most other essential transit capital rehabilitation and maintenance needs over the Plan period.

The projections developed for Plan Bay Area 2040 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 2017 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 YOES)**

Category	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	4-Year Total
Vehicles	\$ 637,152	\$ 1,121,555	\$ 968,943	\$ 789,500	\$ 3,517,150
Guideway Elements	\$ 405,184	\$ 107,988	\$ 98,570	\$ 62,850	\$ 674,591
Total	\$ 1,042,336	\$ 1,229,543	\$ 1,067,513	\$ 852,350	\$ 4,191,741

MTC estimates that approximately \$4.2 billion in transit capital maintenance needs exist within the 2017 TIP period. This figure includes the replacement and modernization of train control systems for several of the Bay Area’s rail operators. A projection of capital revenue summarized in the Table 3 below, shows that there is approximately \$4.1 billion available over the same time period. This summary does not include un-programmed regional discretionary funds that will be committed through Plan Bay Area 2040 to capital rehabilitation and or expansion projects, federal grant (non-formula), or funds from local revenue measures slated for the 2016 ballot. 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. It should be noted that a significant portion of the capital investment need identified in the previous 2015 TIP has been satisfied by a large regional investment in the Bay Area Rapid Transit (BART) car replacements; for which the region has been setting aside funds for the past several years in order to prepare for this major investment.

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	2017	2018	2019	2020	4-Year Total
Federal (FTA)	\$ 526,365	\$ 504,920	\$ 582,006	\$ 752,292	\$2,365,582
Bridge Toll	\$ 45,054	\$ 191,869	\$ 30,222	\$ 32,843	\$ 299,989
Local Sources	\$ 117,518	\$ 145,485	\$ 140,706	\$ 143,331	\$ 547,041
Other	\$ 81,133	\$ 233,061	\$ 295,723	\$ 304,806	\$ 914,723
Total Revenue	\$ 770,071	\$ 1,075,335	\$ 1,048,657	\$ 1,233,272	\$4,127,335

Conclusion

Attachment A lists the major transit capital projects included in the 2017 TIP. There are approximately \$1.7 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.

Based on the information summarized above and detailed in the following assessments, the San Francisco Bay Area transit agencies have the financial capacity to operate transit service and meet capital match requirements over the period covered by the 2017 TIP.

Regional Summary
Attachment A
2017 TIP Transit Capital Projects

(Note that most FTA formula funds have not yet been programmed for FY 2017 – FY 2020)

Sponsor	Project Name	Total Project Cost	Total TIP Cost
AC Transit	AC Transit: East Bay Bus Rapid Transit	\$181,251,242	\$2,000,000
BART	BART Metro Priority Track Elements	\$8,500,057	\$5,041,000
	BART: Railcar Procurement Program	\$2,028,072,421	\$508,371,000
	BART/MUNI Direct Connection Platform	\$3,000,000	\$3,000,000
	Concord Yard Wheel Truing Facility	\$14,000,000	\$13,071,640
	Daly City BART Station Intermodal Improvements	\$1,100,000	\$550,000
	Downtown Berkeley BART Plaza/Transit Area Improvements	\$12,963,039	\$8,016,000
	eBART Railroad Avenue Station	\$13,400,000	\$11,900,000
	Walnut Creek BART TOD Access Improvements	\$9,150,000	\$9,150,000
Caltrain	Caltrain Electrification	\$1,612,000,000	\$425,727,108
	Caltrain South Terminal Phase II and III	\$15,500,000	\$14,000,000
GGBHTD	ACIS Radio Communications System	\$21,600,048	\$935,885
	GGBHTD Ferry Major Components Rehab	\$3,375,000	\$3,375,000
	Larkspur Ferry Terminal Parking Garage	\$4,000,000	\$500,000
	MS Sonoma Ferry Boat Refurbishment	\$20,665,042	\$12,333,739
SFMTA	19th Ave. & Parkmerced M-Line Realignment	\$80,940,000	\$2,000,000
	Additional Light Rail Vehicles to Expand Muni Rail	\$136,470,000	\$2,000,000
	Geneva Harney BRT Infrastructure: Eastern Segment	\$98,115,000	\$3,000,000
	Geneva Harney BRT Infrastructure: Central Segment	\$43,000,000	\$8,785,000
	Historic Streetcar Extension to Fort Mason	\$68,530,000	\$342,912
	Light Rail Vehicle Overhaul Program	\$67,531,300	\$6,037,401
	SF Muni Third St LRT Phase 2 - New Central Subway	\$1,578,000,000	\$185,669,294
	SFMTA - Replacement of 40' Motor Coaches	\$87,340,719	\$29,788,693
	SFMTA Replacement of 60' Motor Coaches	\$122,017,424	\$29,788,693
	SFMTA: Muni Forward Capital Implementation Program	\$172,360,000	\$5,754,000
	Transit Center in Hunters Point	\$22,000,000	\$2,000,000
	Van Ness Avenue Bus Rapid Transit	\$195,000,000	\$39,790,213
VTA	BART - Berryessa to San Jose Extension	\$3,962,300,000	\$18,672,000
	BART - Warm Springs to Berryessa Extension	\$2,521,899,512	\$373,776,177
	LRT Extension to Vasona Junction	\$176,000,000	\$1,000,000
	Montague Expy Ped Bridge at Milpitas BART	\$12,747,143	\$3,127,251
	VTA: Stevens Creek Bus Rapid Transit	\$161,506,653	\$7,200,000
Total		\$13,454,334,600	\$1,736,703,006

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 639 vehicles on 122 local and 34 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. Negotiated labor agreements and compensation changes implemented for non-union and contracted employees several years ago have helped to control operating costs.

In 2016, AC Transit completed a Comprehensive Operations Analysis (COA) intended to maximize the efficiency and effectiveness of their transit system. The COA included a review of all transit services within a given area, assessment of route performance and current and future demand, and recommendations on how to better link trips.

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

In 2014, Alameda County voters passed Measure BB, which renewed and augmented the existing county-wide sales tax. The measure is expected to provide over \$1 billion in revenue for transit operations over the duration of the measure. While most of the revenue is intended for service expansion, 15% of the total annual revenue for mass transit purposes is intended to assist with balancing the budget for existing operations.

Assessment

Operating

AC Transit anticipates a cumulative balanced budget over the period of the 2017 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 2017 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 16-17	Year 2 FY 17-18	Year 3 FY 18-19	Year 4 FY 19-20	4-YEAR TOTAL
Costs					
Existing System	366,557	377,486	386,454	397,524	1,528,022
Planned Committed Projects	24,294	25,059	28,136	29,473	106,962
Total Operational Needs	\$390,851	\$402,545	\$414,590	\$426,997	\$1,634,984

Revenue

Fares	59,139	61,209	63,351	65,568	249,267
Non-Fare Revenue	132,856	136,773	140,815	144,985	555,429
County Sales Tax	64,070	66,312	68,633	71,035	270,050
Bridge Tolls	12,541	12,862	13,191	13,529	52,124
TDA	59,855	61,328	62,837	64,383	248,403
AB 1107	39,773	40,791	41,836	42,907	165,307
STA	28,648	31,022	33,429	35,869	128,968
Cap and Trade (LCTOP)	3,157	3,157	3,157	3,157	12,627
Federal Transit Grants	4,092	4,187	11,262	4,357	23,898
Total Revenue	\$404,130	\$417,640	\$438,510	\$445,790	\$1,706,070

Balance available for Carryover, Transit Capital Investment, Additional Service, or Local Match Needs	\$13,279	\$15,095	\$23,920	\$18,793	\$71,087
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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 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
AC Transit	Vehicles	\$ 71,947	\$ 36,477	\$ 2,861	\$ 4,542
AC Transit Total		\$ 71,947	\$ 36,477	\$ 2,861	\$ 4,542

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 681 rail cars on 108 miles of track and 45 stations. The West Dublin/Pleasanton infill station opened in February 2011, and the Oakland Airport Connector—an automated guideway system that links the Oakland Coliseum BART station with one of the region’s international airports—opened in 2014. Ridership is one of the key measures of BART’s success. Between FY2004 and FY2015, BART’s ridership has grown by approximately 30%, and passenger counts have gone from 307,000 to over 400,000 on an average weekday. BART’s latest SRTP was adopted in September 2014.

BART estimates that operating costs will grow at an average rate of about 3% per year over the TIP period. Fare revenue is expected to grow at an average rate of approximately 3% over the TIP period due to a combination of growth in passengers and planned biennial fare increases to keep pace with inflation.

BART has implemented a number of strategies to meet the goals of its 2003 Financial Stability Policy, including implementing small regular fare increases tied to CPI and surcharges tied to capital needs, increasing revenue from other sources such as parking and advertising, and maintaining a reserve of at least 5% of total annual operating expenses. BART also shifts a significant portion of its annual operating revenue to its capital budget, in anticipation of upcoming large maintenance and replacement needs.

Assessment

Operating

BART projects sufficient revenues to cover operating expenses over each year of the 2017 TIP period. According to BART’s operating budget projections and their most recent Short Range Transit Plan, approximately \$500 million in revenues is projected to be made available for capital replacement and debt service. 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 16-17	Year 2 FY 17-18	Year 3 FY 18-19	Year 4 FY 19-20	4-YEAR TOTAL
Costs					
Existing System	890,495	910,977	950,867	981,238	3,733,577
Planned Committed Projects	0	13,817	14,434	14,718	42,969
Total Operational Needs	\$890,495	\$924,794	\$965,301	\$995,956	\$3,776,546

Revenue

Fares	505,119	525,821	547,032	569,984	2,147,956
Non-Fare Revenue	100,015	103,157	104,746	108,461	416,379
County Sales Tax	0	0	0	0	0
Bridge Tolls	0	0	0	0	0
TDA	0	0	0	0	0
AB 1107	251,964	259,523	267,309	275,328	1,054,124
STA	24,207	27,058	29,944	32,868	114,077
Cap and Trade (LCTOP)	7,252	7,252	7,252	7,252	29,008
Federal Transit Grants	1,938	1,983	9,018	2,063	15,002
Total Revenue	\$890,495	\$924,794	\$965,301	\$995,956	\$3,776,546

Balance available for Carryover, Transit Capital Investment, Additional Service, or Local Match Needs	\$0	\$0	\$0	\$0	\$0
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Capital

BART's capital program in the 2017 TIP consists primarily of contribution towards the rail-car replacement program and the 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 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
BART	Guideway Elements	\$ 234,693	\$ 43,241	\$ 35,942	\$ 2,918
	Vehicles	\$ 171,083	\$ 482,918	\$ 429,630	\$ 458,896
BART Total		\$ 405,775	\$ 526,159	\$ 465,573	\$ 461,814

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 123 heavy rail vehicles and 29 locomotives. Caltrain also provides 28 feeder shuttles to transport passengers to and from its stations.

Ridership on Caltrain is at a historic level and fare revenues account for over 50% of Caltrain's operating revenue. Existing revenues are sufficient to meet projected operating expenses over the four year period of the TIP, however, some balancing of costs and revenues will be required to avoid single-year deficits. 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.

A possible long term revenue solution for Caltrain is a future sales tax measure in Santa Clara County that would provide a new source of funding. An initiative is expected to be on the ballot in November, 2016.

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 2020.

Assessment

Operating

A summary of the operating financial capacity assessment is provided in the table below. Operational needs are growing at an average rate of 2.8% over the years contained in the TIP. Projected revenues are expected to increase by approximately 1.7% annually over the same time

period. Based on these figures, Caltrain anticipates a cumulative operating surplus of \$1 million over the period of the TIP.

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

CATEGORIES	Year 1 FY 16-17	Year 2 FY 17-18	Year 3 FY 18-19	Year 4 FY 19-20	4-YEAR TOTAL
Costs					
Existing System	146,910	152,894	158,237	163,777	621,819
Planned Committed Projects	0	0	0	0	0
Total Operational Needs	\$146,910	\$152,894	\$158,237	\$163,777	\$621,819
Revenue					
Fares	92,458	95,269	111,917	115,463	415,107
Non-Fare Revenue	45,209	46,418	47,803	34,532	173,961
County Sales Tax	0	0	0	0	0
Bridge Tolls	0	0	0	0	0
TDA	0	0	0	0	0
AB 1107	0	0	0	0	0
STA	6,036	6,573	6,088	4,287	22,985
Cap and Trade (LCTOP)	1,784	1,784	1,784	1,784	7,135
Federal Transit Grants	899	916	933	952	3,700
Prior Year Savings/Reserves	526				
Total Revenue	\$146,911	\$150,960	\$168,524	\$157,019	\$622,888
Balance available for Carryover, Transit Capital Investment, Additional Service, or Local Match Needs	\$0	(\$1,934)	\$10,287	(\$6,758)	\$1,069

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 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 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Caltrain	Guideway Elements	\$ 117,341	\$ 19,887	\$ 19,768	\$ 17,073
	Vehicles	\$ 84,467	\$ 53,755	\$ 47,632	\$ 208,652
Caltrain Total		\$ 201,809	\$ 73,642	\$ 67,400	\$ 225,725

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. GGBHTD operates two primary transit services: Golden Gate Transit and Golden Gate Ferry. Currently, their fleet of transit vehicles consists of seven ferry boats and 176 buses. Golden Gate Transit bus services include regional and local routes; regional routes are controlled and operated by GGBHTD, and local routes are operated by GGBHTD under contract with Marin Transit. GGBHTD sets fare policy and service levels for regional service, and Marin Transit sets fare policy and determines service levels for all service that begins and ends within Marin County.

Golden Gate Transit has sufficient revenues to meet operating needs within the four years included in the 2017 TIP. Operating costs are projected to grow at approximately 2% annually, and fares are projected to increase by 4% annually over the same time period. Golden Gate Transit continues to receive toll-revenue subsidies in order to meet operating expenses. Historically, approximately 40% of the annual cost of operating Golden Gate Transit was subsidized by tolls collected on the Golden Gate Bridge.

GGBHTD has developed three strategic plans aimed at ensuring the near- and long-term sustainability of each operating division. The Strategic Vision for Golden Gate Transit Regional Bus Service was developed in late 2013 and includes a plan for more effectively using available resources, expanding service where warranted, restructuring or eliminating inefficient service, and retaining and attracting new riders in both existing and emerging travel markets.

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 2017 TIP.

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

CATEGORIES	Year 1 FY 16-17	Year 2 FY 17-18	Year 3 FY 18-19	Year 4 FY 19-20	4-YEAR TOTAL
Costs					
Existing System	115,087	118,050	121,092	124,216	478,444
Planned Committed Projects	4,735	4,839	4,946	5,054	19,574
Total Operational Needs	\$119,822	\$122,889	\$126,037	\$129,270	\$498,018

Revenue					
Fares	38,534	40,460	42,483	44,608	166,085
Non-Fare Revenue	14,909	15,288	15,678	16,077	61,952
County Sales Tax	0	0	0	0	0
Bridge Tolls	38,155	37,667	37,135	36,546	149,502
TDA	18,642	19,130	19,633	20,150	77,555
AB 1107	0	0	0	0	0
STA	7,239	7,974	8,718	9,472	33,403
Cap and Trade (LCTOP)	1,183	1,183	1,183	1,183	4,733
Federal Transit Grants	1,159	1,186	1,208	1,234	4,788
Total Revenue	\$119,822	\$122,889	\$126,037	\$129,270	\$498,018

Balance available for Carryover, Transit Capital Investment, Additional Service, or Local Match Needs	\$0	\$0	\$0	\$0	\$0
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Capital

Beyond vehicle replacement, Bus Division capital projects include rehabilitation, refurbishment, and replacement of facilities, equipment, and technologies. The Ferry Division has programmed capital projects including refurbishment of vessels, planned replacement of propulsion systems, berth and channel dredging, security system upgrades and enhancements, and the continuation of the Gangways and Piers project. The Gangways and Piers project includes the replacement of floats and ramps and is intended to rehabilitate the ferry terminals to ensure customer (and maintenance) accessibility. 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

2017 TIP Financial Capacity Assessment (cont.)

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 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
GGBHTD	Guideway Elements	\$ 8,185	\$ 304	\$ 304	\$ 304
	Vehicles	\$ 21,073	\$ 50,565	\$ 1,702	\$ 2,272
GGBHTD Total		\$ 21,073	\$ 50,565	\$ 1,702	\$ 2,272

San Francisco Municipal Transit Agency (SFMTA)

Operator Background & Budget

San Francisco Municipal Transportation Agency (SFMTA) operates 77 transit lines over an approximately 47-square-mile service area. The SFMTA currently runs transit service 24 hours a day, seven days a week, providing over 700,000 transit trips each weekday on its fleet of cable cars, streetcars, motor coaches, trolley coaches, and light rail vehicles, and carried an estimated 234 million passengers in FY 2015. SFMTA carries approximately 44% of the total passenger transit trips within the region.

SFMTA's Muni Forward operations plan has as its objectives to improve customer service, communications, and transit performance on its fixed route service. In January 2015, SFMTA's Board of Directors approved a three percent increase in transit service in FY 2015 and a seven percent increase in FY 2016. An additional two percent service increase is proposed for FY 2017 or FY 2018. This significant increase in service results in an operations budget that is expected to top \$1 billion annually, over the 2017 TIP period.

To support operations the City of San Francisco contributes close to \$500 million of general fund, parking, and development fee revenues. Farebox revenues provide for approximately 20% of SFMTA's annual operating budget. San Francisco is also contemplating an initiative for the November 2016 ballot that could raise over \$7 billion over the course of the measure. A significant portion of the revenue generated from the measure would be used for transit operating and capital needs.

Assessment

Operating

SFMTA projects sufficient revenues to cover operating expenses over each year of the 2017 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 16-17	Year 2 FY 17-18	Year 3 FY 18-19	Year 4 FY 19-20	4-YEAR TOTAL
Costs					
Existing System	1,006,430	1,009,537	1,033,204	1,057,445	4,106,616
Planned Committed Projects	0	0	0	0	0
Total Operational Needs	\$1,006,430	\$1,009,537	\$1,033,204	\$1,057,445	\$4,106,616

Revenue					
Fares	206,696	212,380	218,221	224,222	861,519
Non-Fare Revenue	640,613	653,297	668,395	683,854	2,646,159
County Sales Tax	8,440	8,603	8,769	8,938	34,749
Bridge Tolls	2,688	2,688	2,688	2,688	10,750
TDA	50,250	52,355	54,549	56,835	213,989
AB 1107	39,773	40,791	41,836	42,907	165,307
STA	40,875	45,022	49,223	53,480	188,599
Cap and Trade (LCTOP)	13,213	13,213	13,213	13,213	52,854
Federal Transit Grants	3,883	3,972	4,044	4,134	16,034
Total Revenue	\$1,006,430	\$1,032,322	\$1,060,938	\$1,090,270	\$4,189,960

Balance available for Carryover, Transit Capital Investment, Additional Service, or Local Match Needs	\$0	\$22,785	\$27,734	\$32,825	\$83,344
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Capital

SFMTA's capital program in the 2017 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 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
SFMTA	Guideway Elements	\$ 34,026	\$ 34,026	\$ 34,026	\$ 34,026
	Vehicles	\$ 133,266	\$ 152,036	\$ 387,107	\$ 32,935
SFMTA Total		\$ 167,292	\$ 186,062	\$ 421,133	\$ 66,961

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 305 buses, providing more than 13.5 million annual trips in San Mateo County in FY2015. SamTrans also owns a fleet of 90 demand-response vehicles that provide SamTrans' ADA-compliant paratransit service.

SamTrans is one of the three members of the JPB and additionally is the managing agency for Caltrain. The other two member agencies are the City and County of San Francisco and the Santa Clara Valley Transportation Authority. SamTrans is also responsible for the operation of Caltrain and the three agencies together are responsible for funding its operations.

Since 2003, SamTrans has committed to fund a portion of the capital and operating costs associated with the extension of BART service into San Mateo County.

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 could impact service in the future should revenue sources dip as a result of an economy, or should costs grow in excess of the 2% assumed in their financial forecast. Samtrans' 2015-19 Strategic Plan – provides a blueprint for the District that shapes the agency's direction for the next five years. The Strategic Plan includes initiatives to implement cost saving and service improvements.. Stated goals of the Plan 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 2017 TIP period. 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 2017 TIP have been accounted for within SamTrans' operating costs.

TIP Fiscal Capacity Analysis –Transit Operations

SamTrans

(1,000s, YOES)

CATEGORIES	Year 1 FY 16-17	Year 2 FY 17-18	Year 3 FY 18-19	Year 4 FY 19-20	4-YEAR TOTAL
Costs					
Existing System	156,294	161,195	166,278	169,301	653,068
Planned Committed Projects	0	0	0	0	0
Total Operational Needs	\$156,294	\$161,195	\$166,278	\$169,301	\$653,068

Revenue

Fares	20,988	21,596	23,445	24,914	90,943
Non-Fare Revenue	7,526	7,601	7,677	7,754	30,558
County Sales Tax	83,000	85,075	87,202	89,382	344,659
Bridge Tolls	306	306	306	306	1,224
TDA	39,411	40,526	41,673	42,852	164,462
AB 1107	0	0	0	0	0
STA	4,066	4,560	5,060	5,567	19,253
Cap & Trade (LCTOP)	1,300	1,300	1,300	1,300	5,200
Federal Transit Grants	1,032	1,056	1,075	1,099	4,263
Total Revenue	\$157,629	\$162,020	\$167,738	\$173,174	\$660,561

Balance available for Carryover, Transit Capital Investment, Additional Service, or Local Match Needs	\$1,334	\$825	\$1,461	\$3,873	\$7,493
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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 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Sam Trans	Vehicles	\$ 43,445	\$ 10,069	\$ 8,676	\$ 8,676
Sam Trans Total		\$ 43,445	\$ 10,069	\$ 8,676	\$ 8,676

Santa Clara Valley Transportation Authority (VTA)

Operator Background & Budget

VTA operates 495 motor bus coaches and 99 light rail vehicles on 80 routes throughout an urbanized area of 326 square miles. 18 core bus routes, including two Bus Rapid Transit routes, form the backbone of the system. 19 local bus routes and 18 Community Bus 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. 18 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 FY2015.

Although VTA bus and light-rail services are accessible to individuals with disabilities, a separate ADA paratransit service provides over 720,000 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. Another ½ cent county-wide measure is planned for the 2016 ballot. If successful, the initiative could raise over \$11 billion over the course of the measure. A significant portion of the revenue would be devoted to VTA's transit operations and capital needs.

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 2017 TIP period. Approximately \$141 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 16-17	Year 2 FY 17-18	Year 3 FY 18-19	Year 4 FY 19-20	4-YEAR TOTAL
Costs					
Existing System	423,647	440,027	458,295	479,012	1,800,980
Planned Committed Projects	0	0	0	0	0
Total Operational Needs	\$423,647	\$440,027	\$458,295	\$479,012	\$1,800,980

Revenue

Fares	41,599	50,344	52,139	56,476	200,558
Non-Fare Revenue	19,352	10,428	10,241	10,241	50,262
County Sales Tax	272,103	283,063	291,527	299,711	1,146,404
Bridge Tolls	0	0	0	0	0
TDA	105,846	109,519	113,320	117,252	445,937
AB 1107	0	0	0	0	0
STA	14,854	16,361	17,887	19,434	68,536
Transfers	0	0	0	0	0
Cap and Trade (LCTOP)	3,983	3,983	3,983	3,983	15,931
Federal Transit Grants	3,448	3,528	3,592	3,671	14,239
Total Revenue	\$461,185	\$477,226	\$492,688	\$510,769	\$1,941,868

Balance available for Carryover, Transit Capital Investment, Additional Service, or Local Match Needs	\$37,539	\$37,199	\$34,393	\$31,757	\$140,887
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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 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
VTA	Guideway Elements	\$ 8,529	\$ 8,529	\$ 8,529	\$ 8,529
	Vehicles	\$ 35,618	\$ 198,893	\$ 48,360	\$ 35,618
VTA Total		\$ 44,147	\$ 207,422	\$ 56,889	\$ 44,147

San Francisco Bay Area Small Operators

Collectively, the San Francisco Bay Area's 17 smaller transit operators account for only eight 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 2017 TIP.

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

CATEGORIES	Year 1 FY 16-17	Year 2 FY 17-18	Year 3 FY 18-19	Year 4 FY 19-20	4-YEAR TOTAL
Costs					
Existing System	253,298	260,407	265,936	271,620	1,051,262
Planned Committed Projects	22,878	30,750	34,147	35,461	123,237
Total Operational Needs	\$276,177	\$291,157	\$300,083	\$307,081	\$1,174,499
Revenue					
Fares	54,464	57,000	59,607	61,210	232,282
Non-Fare Revenue	31,928	33,806	35,381	35,998	137,113
County Sales Tax	66,966	69,246	70,173	71,804	278,190
Bridge Tolls	6,883	7,546	7,903	7,903	30,234
TDA	100,547	102,464	104,419	106,414	413,844
AB 1107	0	0	0	0	0
STA	13,519	14,464	16,455	19,779	64,217
Transfers	7,014	7,168	7,326	7,487	28,995
Cap and Trade (LCTOP)	1,461	1,461	1,461	1,461	5,844
Federal Transit Grants	5,149	5,272	5,388	5,488	21,297
Total Revenue	\$280,917	\$291,259	\$300,787	\$310,057	\$1,183,020

Balance available for Carryover, Transit Capital Investment, Additional Service, or Local Match Needs	\$4,741	\$102	\$703	\$2,976	\$8,521
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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 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Small Operators	Guideway Elements*	\$ 2,409	\$ 2,000	\$ 0	\$ 0
	Vehicles	\$ 247,336	\$ 136,842	\$ 42,974	\$ 37,909
Small Operators Total		\$ 249,745	\$ 138,843	\$ 42,975	\$ 270,327

*Guideway element needs are attributable to the Water Emergency Transportation Authority (WETA)