

STAFF REPORT FOR CALENDAR ITEM NO.: 8.3
FOR THE MEETING OF: July 13, 2017

TRANSBAY JOINT POWERS AUTHORITY

BRIEF DESCRIPTION:

Approve the Operating Assistance Proposal dated June 26, 2017, and an Implementing Agency Resolution for the allocation of Regional Measure 2 Funds in an amount not to exceed \$3,000,000.

EXPLANATION:

Regional Measure 2 (RM-2) funding from tolls on the seven State-owned toll bridges in the San Francisco Bay Area is allocated annually by the Metropolitan Transportation Commission (MTC) for the operation and maintenance of the Transbay Temporary Terminal, and will also provide funding for the Transbay Transit Center. The amount identified in the 2004 RM-2 legislation is \$3.0 million annually, escalated by 3.5 percent annually beginning in July 2004. As of July 2017, the escalated amount is \$4,856,084. This amount is calendared for MTC action to allocate on June 28, 2017.

The RM-2 funds have been more than sufficient each year to cover the operating expenses at the Temporary Terminal. This has allowed TJPA to build up an operating reserve with the revenues from Temporary Terminal leases and advertising. However, the RM-2 allocation will not be sufficient for operating expenses at the Transit Center, even when combined with other revenue sources. Staff anticipates that operating deficits would need to be covered by the transit operators utilizing the Transit Center or additional regional funding.

In May 2017, MTC staff contacted TJPA staff regarding the possibility of providing additional RM-2 funding for operations, in the amount of \$3 million. The funding being provided by the RM-2 operating program falls below the level allowed for operating assistance, leaving a balance available for programming. MTC proposes providing funds to the Clipper program and TJPA for Transit Center operations. The additional funds would be provided for five years starting in fiscal year 2017-18, and MTC staff will evaluate the need for on-going support at the end of the five years. MTC's expectation is that the additional funding will reduce contributions that transit operators would otherwise be required to make.

The additional funding required a public hearing, which was held on June 14. The period for public comment on the proposal is May 26 – June 28, 2017. On July 12, the MTC Programming and Allocations Committee will hear a summary of comments received and consider MTC staff's recommendation; the full Commission would hear the item on July 26. If the additional funding is approved, an allocation action would be calendared for September.

As is already standard practice for the legislated allocation, MTC is requiring that TJPA formally request the additional operating and maintenance funds, via submission of an Implementing Agency Resolution approved by the TJPA Board and an Operating Assistance Proposal.

If the additional funds are allocated, staff may return to the TJPA Board with an amendment to the fiscal year 2017-18 operating budget.

RECOMMENDATION:

Approve the Operating Assistance Proposal dated June 26, 2017, and a Resolution of Project Compliance for the allocation of Regional Measure 2 Funds in an amount not to exceed \$3,000,000.

ENCLOSURES:

1. RM-2 Implementing Agency Resolution of Project Compliance
2. RM-2 Operating Assistance Proposal

**TRANSBAY JOINT POWERS AUTHORITY
BOARD OF DIRECTORS**

Resolution No. _____

WHEREAS, SB 916 (Chapter 715, Statutes 2004), commonly referred to as Regional Measure 2 (RM-2), established a Regional Traffic Relief Plan and lists specific capital projects and programs and transit operating assistance eligible to receive RM-2 funding; and

WHEREAS, The Transbay Joint Powers Authority (TJPA) is identified as a recipient of operating assistance, for operation and maintenance expenditures related to the Transbay Terminal Building (codified in California Streets and Highways Code section 30914(b)); and

WHEREAS, The Metropolitan Transportation Commission (MTC) proposes making changes in the RM-2 operating program to provide TJPA with an additional \$3 million per year, for five years beginning in fiscal year 2017-18; now, therefore, be it

RESOLVED, That the Transbay Transit Center Program, including the Temporary Transbay Terminal and Transbay Transit Center facilities, is consistent with the Regional Transportation Plan; and be it further

RESOLVED, That the TJPA is an eligible recipient of Regional Measure 2 funds; and be it further

RESOLVED, That the projected FY 2018 Temporary Transbay Terminal and Transbay Transit Center facilities' operating revenues are insufficient to pay the cost of the operation and maintenance of the facilities without the requested Regional Measure 2 funding from MTC; and be it further

RESOLVED, That the TJPA Board approves and authorizes staff to submit to MTC the application for an additional allocation of Regional Measure 2 funds for operations and maintenance expenses associated with the Temporary Transbay Terminal and the Transbay Transit Center facilities in the amount of \$3,000,000 for FY 2018, including its Operating Assistance Proposal (the "Application"), attached hereto and incorporated herein as though set forth at length; and be it further

RESOLVED, That the Operating Assistance Proposal demonstrates a fully funded operating plan for which the TJPA is requesting that MTC allocate Regional Measure 2 funds; and be it further

RESOLVED, That the projects and purposes for which the TJPA requests allocation of Regional Measure 2 funds in its Application are in compliance with the requirements of the California Environmental Quality Act (Public Resources Code Section 21000 *et seq.*) and the applicable regulations thereunder (14 California Code of Regulations Section 15000 *et seq.*) and

the National Environmental Policy Act (42 USC Section 4321 *et seq.*) and the applicable regulations thereunder; and be it further

RESOLVED, That there is no legal impediment to the TJPA making allocation requests for Regional Measure 2 funds; and be it further

RESOLVED, That there is no pending or threatened litigation which might in any way adversely affect the project, or the ability of the TJPA to deliver the project; and be it further

RESOLVED, That there are no obligations of the TJPA having a statutory or first priority lien against the toll bridge revenues; and be it further

RESOLVED, That Regional Measure 2 funds received by the TJPA in prior years have been included in the TJPA's general fiscal audit for such years. The TJPA will include any Regional Measure 2 funds allocated under the Application in its general audit for the year in which the funds are requested; and be it further

RESOLVED, That the TJPA indemnifies and holds harmless MTC, its Commissioners, representatives, agents, and employees from and against all claims, injury, suits, demands, liability, losses, damages, and expenses, whether direct or indirect (including any and all costs and expenses in connection therewith), incurred by reason of any act or failure to act of the TJPA, its officers, employees or agents, or subcontractors or any of them under the requested allocation of Regional Measure 2 funds in the Application. In addition to any other remedy authorized by law, so much of the funding requested to be allocated under the Application as shall reasonably be considered necessary by MTC may be retained until disposition has been made of any claim against MTC for damages; and be it further

RESOLVED, That the Executive Director is hereby delegated the authority to make non-substantive changes or minor amendments to the Application as he deems appropriate; and be it further

RESOLVED, That the Executive Director, consistent with this resolution and the Application, is hereby delegated the authority to execute such agreements, project reports, allocation packages, and other items, make certifications and assurances, and take actions as may be required in order to receive the Regional Measure 2 allocation requested in the Application.

I hereby certify that the foregoing resolution was adopted by the Transbay Joint Powers Authority Board of Directors at its meeting of July 13, 2017.

Secretary, Transbay Joint Powers Authority

**Regional Measure 2 Operating Assistance Proposal
Project Summary Page**

Project Information

Project Title:

Briefly describe service (provide map as attachment). Include information about markets being served (both travel demand as well as interoperator connections).

Brief Description:

	Start Time	End Time	Headways		Vehicles in service		Daily Rev Veh Hrs
			Peak	Off-peak	Peak	Off-peak	
Weekday	NA	NA	NA	NA	NA	NA	NA
Saturday	NA	NA	NA	NA	NA	NA	NA
Sunday	NA	NA	NA	NA	NA	NA	NA

Lead Agency:

Partnering Agency 1:

Partnering Agency 2:

Contact Information

first name last name

phone fax e-mail

address 1
address 2

city state zip

Regional Measure 2 Operating Assistance Proposal

Implementation Status

Proposed Service Start date

Environmental Clearance:

Type

Actual or expected date

Related Capital Funding

Please identify and discuss any capital funding requests that are needed to accompany the operating plan identified below. For example, please list related projects and legislated project numbers as appropriate and date of most recent IPR submittal.

The Transbay Transit Center Project is an eligible recipient for RM2 capital funds. It is RM2 project number 22, and has been allocated \$150,000,000 in RM2 capital funds to date. The most recent capital allocation occurred February 26, 2014. A small rescission and reallocation is calendared in June 2017.

**Regional Measure 2 Operating Assistance Proposal
Operating Plan, Service Parameters, and Performance Measures**

Enter the amount needed in each program year.
Use State fiscal years (July 1 - June 30).

Operating Plan - Request for RM2 Funds

	FY 11/12 Actuals	FY12/13 Actuals	FY13/14 Actuals	FY 14/15 Actuals	FY 15/16 Actuals	FY 16/17	FY 17/18	Total
Operating Budget								
Estimated Annual Revenue Hrs.	NA	NA	NA	NA	NA	NA	NA	NA
Estimated Operating Cost/Revenue Hour	NA	NA	NA	NA	NA	NA	NA	NA
Total Operating Cost	4,768,697	4,840,349	4,950,298	4,050,735	4,299,304	5,187,168	16,292,076	44,388,627
-- Fare Revenue								
-- RM 2 Operating Assistance	3,740,989	3,491,022	3,716,381	3,644,073	3,817,607	4,691,867	4,856,084	27,958,023
-- RM 2 Additional Operating Request	-	-	-	-	-	-	3,000,000	3,000,000
-- TDA								-
-- Local Sales Tax								-
-- Private Sector Contributions	1,027,708	1,349,327	1,233,917	406,662	481,697	495,301	8,435,992	13,430,604
-- Other Subsidy								-
Total Subsidy	4,768,697	4,840,349	4,950,298	4,050,735	4,299,304	5,187,168	16,292,076	44,388,627
Total Revenues	4,768,697	4,840,349	4,950,298	4,050,735	4,299,304	5,187,168	16,292,076	44,388,627
Surplus/(Deficit)	-	-	-	-	-	-	-	-

Service Parameters -- THIS IS NOT APPLICABLE TO THIS PROJECT

	FY 11/12	FY12/13	FY13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Total
Estimated Annual Ridership	NA	NA	NA	NA	NA	NA	NA	NA
Average Weekday Ridership	NA	NA	NA	NA	NA	NA	NA	NA
Annual Revenue Hours	NA	NA	NA	NA	NA	NA	NA	NA
Annual Revenue Miles	NA	NA	NA	NA	NA	NA	NA	NA

Performance Measures -- THIS IS NOT APPLICABLE TO THIS PROJECT

	FY 11/12	FY12/13	FY13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	Average
Required Measures Per MTC Resolution 3668								
Farebox Recovery Ratio	NA	NA	NA	NA	NA	NA	NA	NA
Passengers/Revenue Hour	NA	NA	NA	NA	NA	NA	NA	NA
Change in Passenger Per Hour	NA	NA	NA	NA	NA	NA	NA	NA
Other Measures								
Cost Per Rider	NA	NA	NA	NA	NA	NA	NA	NA
Subsidy Per Rider	NA	NA	NA	NA	NA	NA	NA	NA
Cost Per Revenue Hour	NA	NA	NA	NA	NA	NA	NA	NA