Presentations for July 17, 2023 Board of Directors Meeting
Item 11: Regional Measure 3 Five-Year Operating Plan
RM3 5-year Operating Plan

July 13, 2023
Regional Measure 3 Overview

• $300M in capital funding to support expansion and enhancement projects

• 16% of revenue reserved for Operations for: Express Bus, Transbay, WETA
  • WETA receives 58% of RM3 Operating Revenue, not to exceed $35M
  • Stepped allocation with $35M max allotment starting Year 5

• Unused operating revenue can be carried over to reserve fund for flexible use in future years

• Legislation requires preparation of 5-year Operating Plan (5YOP) to execute Operating Agreement with MTC to receive funds

• WETA adopts Performance Measures deemed appropriate by WETA in consultation with MTC
Five-year RM3 Operating Plan (5YOP) – Key Assumptions

WETA

- Base year: adopted FY24 WETA Budget
- Pandemic Recovery Plan continuation
- Existing and Expansion Network consistent with SRTP
- Expansion projects pushed out 1 year
- Pilot projects
- Electrification

MTC

- Operating funds for FY24-28
- $35M begins in FY26, not Year 5
- Initial carryover balance of $60M
- Future operating funds dependent on tolling, traffic levels
- "Placeholder" operating performance measures for both Express Bus and WETA
## 5YOP – by the Numbers

### WETA Overall Program

<table>
<thead>
<tr>
<th></th>
<th>FY24</th>
<th>FY25</th>
<th>FY26</th>
<th>FY27</th>
<th>FY28</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Operating Expenses</td>
<td>$68,427,220</td>
<td>$69,660,163</td>
<td>$72,767,057</td>
<td>$79,942,668</td>
<td>$85,147,690</td>
</tr>
<tr>
<td>Annual Operating Revenues</td>
<td>$68,427,220</td>
<td>$69,660,163</td>
<td>$72,767,057</td>
<td>$79,942,668</td>
<td>$85,147,690</td>
</tr>
</tbody>
</table>

### WETA RM3 Program

<table>
<thead>
<tr>
<th></th>
<th>FY24</th>
<th>FY25</th>
<th>FY26</th>
<th>FY27</th>
<th>FY28</th>
</tr>
</thead>
<tbody>
<tr>
<td>RM3 Operating Expenditure</td>
<td>$8,768,288</td>
<td>$28,121,504</td>
<td>$30,072,573</td>
<td>$32,068,614</td>
<td>$33,801,396</td>
</tr>
<tr>
<td>RRM3 Transfer to Reserve</td>
<td>$12,909,792</td>
<td>$0</td>
<td>$4,927,427</td>
<td>$2,931,386</td>
<td>$1,198,604</td>
</tr>
<tr>
<td>RM3 Operating Reserve</td>
<td>$60,047,971</td>
<td>$72,957,763</td>
<td>$72,957,763</td>
<td>$77,885,190</td>
<td>$80,816,576</td>
</tr>
</tbody>
</table>

## 5YOP – Key Assumptions

- Ridership increases 3-5% annually
- Operating expenses increase 3% annually
- Mission Bay, Treasure Island, Berkeley open during Plan Period
- No service enhancements to existing service planned beyond pilot program and electrification
- Electrification cost savings potential up to 20% of operating expenses by route
<table>
<thead>
<tr>
<th>WETA Overall Program</th>
<th>FY24</th>
<th>FY25</th>
<th>FY26</th>
<th>FY27</th>
<th>FY28</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Operating Expenses</td>
<td>$68,427,220</td>
<td>$69,660,163</td>
<td>$72,767,057</td>
<td>$79,942,668</td>
<td>$85,147,690</td>
</tr>
<tr>
<td>Annual Operating Revenues</td>
<td>$68,427,220</td>
<td>$69,660,163</td>
<td>$72,767,057</td>
<td>$79,942,668</td>
<td>$85,147,690</td>
</tr>
<tr>
<td>WETA RM3 Program</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RM3 Operating Expenditure</td>
<td>$8,768,288</td>
<td>$28,121,504</td>
<td>$30,072,573</td>
<td>$32,068,614</td>
<td>$33,801,396</td>
</tr>
<tr>
<td>RRM3 Transfer to Reserve</td>
<td>$12,909,792</td>
<td>$0</td>
<td>$4,927,427</td>
<td>$2,931,386</td>
<td>$1,198,604</td>
</tr>
<tr>
<td>RM3 Operating Reserve</td>
<td>$60,047,971</td>
<td>$72,957,763</td>
<td>$72,957,763</td>
<td>$77,885,190</td>
<td>$80,816,576</td>
</tr>
</tbody>
</table>

- Base year: adopted FY24 WETA Budget
- $21.7M available in RM3 Operating revenue, $12.9M unused and goes to reserve
### 5YOP – by the Numbers

<table>
<thead>
<tr>
<th></th>
<th>FY24</th>
<th>FY25</th>
<th>FY26</th>
<th>FY27</th>
<th>FY28</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>WETA Overall Program</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Annual Operating Expenses</td>
<td>$68,427,220</td>
<td>$69,660,163</td>
<td>$72,767,057</td>
<td>$79,942,668</td>
<td>$85,147,690</td>
</tr>
<tr>
<td>Annual Operating Revenues</td>
<td>$68,427,220</td>
<td>$69,660,163</td>
<td>$72,767,057</td>
<td>$79,942,668</td>
<td>$85,147,690</td>
</tr>
<tr>
<td><strong>WETA RM3 Program</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RM3 Operating Expenditure</td>
<td>$8,768,288</td>
<td>$28,121,504</td>
<td>$30,072,573</td>
<td>$32,068,614</td>
<td>$33,801,396</td>
</tr>
<tr>
<td>RRM3 Transfer to Reserve</td>
<td>$12,909,792</td>
<td>$0</td>
<td>$4,927,427</td>
<td>$2,931,386</td>
<td>$1,198,604</td>
</tr>
<tr>
<td>RM3 Operating Reserve</td>
<td>$60,047,971</td>
<td>$72,957,763</td>
<td>$72,957,763</td>
<td>$77,885,190</td>
<td>$80,816,576</td>
</tr>
</tbody>
</table>

- First year without COVID Relief operating assistance
- $28M available in RM3 Operating revenue, $0 transferred to reserve
## 5YOP – by the Numbers

<table>
<thead>
<tr>
<th>WETA Overall Program</th>
<th>FY24</th>
<th>FY25</th>
<th>FY26</th>
<th>FY27</th>
<th>FY28</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Operating Expenses</td>
<td>$68,427,220</td>
<td>$69,660,163</td>
<td>$72,767,057</td>
<td>$79,942,668</td>
<td>$85,147,690</td>
</tr>
<tr>
<td>Annual Operating Revenues</td>
<td>$68,427,220</td>
<td>$69,660,163</td>
<td>$72,767,057</td>
<td>$79,942,668</td>
<td>$85,147,690</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>WETA RM3 Program</th>
<th>FY24</th>
<th>FY25</th>
<th>FY26</th>
<th>FY27</th>
<th>FY28</th>
</tr>
</thead>
<tbody>
<tr>
<td>RM3 Operating Expenditure</td>
<td>$8,768,288</td>
<td>$28,121,504</td>
<td>$30,072,573</td>
<td>$32,068,614</td>
<td>$33,801,396</td>
</tr>
<tr>
<td>RRM3 Transfer to Reserve</td>
<td>$12,909,792</td>
<td>$0</td>
<td>$4,927,427</td>
<td>$2,931,386</td>
<td>$1,198,604</td>
</tr>
<tr>
<td>RM3 Operating Reserve</td>
<td>$60,047,971</td>
<td>$72,957,763</td>
<td>$72,957,763</td>
<td>$77,885,190</td>
<td>$80,816,576</td>
</tr>
</tbody>
</table>

- First year full $35M in RM3 Operating is available
- $4.9M transferred to reserve
- Pilot program is fully funded at $4.5M
- Oakland/Alameda and Seaplane Lagoon terminals electrified
### 5YOP – by the Numbers

<table>
<thead>
<tr>
<th>WETA Overall Program</th>
<th>FY24</th>
<th>FY25</th>
<th>FY26</th>
<th>FY27</th>
<th>FY28</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Operating Expenses</td>
<td>$68,427,220</td>
<td>$69,660,163</td>
<td>$72,767,057</td>
<td>$79,942,668</td>
<td>$85,147,690</td>
</tr>
<tr>
<td>Annual Operating Revenues</td>
<td>$68,427,220</td>
<td>$69,660,163</td>
<td>$72,767,057</td>
<td>$79,942,668</td>
<td>$85,147,690</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>WETA RM3 Program</th>
<th>FY24</th>
<th>FY25</th>
<th>FY26</th>
<th>FY27</th>
<th>FY28</th>
</tr>
</thead>
<tbody>
<tr>
<td>RM3 Operating Expenditure</td>
<td>$8,768,288</td>
<td>$28,121,504</td>
<td>$30,072,573</td>
<td>$32,068,614</td>
<td>$33,801,396</td>
</tr>
<tr>
<td>RRM3 Transfer to Reserve</td>
<td>$12,909,792</td>
<td>$0</td>
<td>$4,927,427</td>
<td>$2,931,386</td>
<td>$1,198,604</td>
</tr>
<tr>
<td>RM3 Operating Reserve</td>
<td>$60,047,971</td>
<td>$72,957,763</td>
<td>$72,957,763</td>
<td>$77,885,190</td>
<td>$80,816,576</td>
</tr>
</tbody>
</table>

- Treasure Island, Mission Bay (SF REEF) service begins
- $2.9M transferred to reserve
- Downtown SF, Harbor Bay terminals + Central Bay facility electrified
- 5 electric vessels in WETA fleet
## WETA Overall Program

<table>
<thead>
<tr>
<th></th>
<th>FY24</th>
<th>FY25</th>
<th>FY26</th>
<th>FY27</th>
<th>FY28</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Operating Expenses</td>
<td>$68,427,220</td>
<td>$69,660,163</td>
<td>$72,767,057</td>
<td>$79,942,668</td>
<td>$85,147,690</td>
</tr>
<tr>
<td>Annual Operating Revenues</td>
<td>$68,427,220</td>
<td>$69,660,163</td>
<td>$72,767,057</td>
<td>$79,942,668</td>
<td>$85,147,690</td>
</tr>
</tbody>
</table>

## WETA RM3 Program

<table>
<thead>
<tr>
<th></th>
<th>FY24</th>
<th>FY25</th>
<th>FY26</th>
<th>FY27</th>
<th>FY28</th>
</tr>
</thead>
<tbody>
<tr>
<td>RM3 Operating Expenditure</td>
<td>$8,768,288</td>
<td>$28,121,504</td>
<td>$30,072,573</td>
<td>$32,068,614</td>
<td>$33,801,396</td>
</tr>
<tr>
<td>RRM3 Transfer to Reserve</td>
<td>$12,909,792</td>
<td>$0</td>
<td>$4,927,427</td>
<td>$2,931,386</td>
<td>$1,198,604</td>
</tr>
<tr>
<td>RM3 Operating Reserve</td>
<td>$60,047,971</td>
<td>$72,957,763</td>
<td>$72,957,763</td>
<td>$77,885,190</td>
<td>$80,816,576</td>
</tr>
</tbody>
</table>

- Berkeley service opens
- $1.2M transferred to reserve
- First diesel-electric vessel conversion
- 9 electric vessels in WETA fleet
Electrification

Figure 1.0 WETA Battery-electric Ferry Improvement Program

- Terminal conversion
- Electric vessel

2025
- Main Street
- Seaplane Lagoon
- 1st Electric vessel

2026
- Treasure Island
- 2nd, 3rd Vessels

2027
- Downtown SF
- Central Bay
- Harbor Bay
- 4th, 5th Vessels

2028
- Mission Bay SF
- Berkeley
- 6th, 7th, 8th Vessels
- 1st Vessel Conversion

2029
- Richmond
- South SF
- 2nd Conversion

2030
- Oakland
- 9th Vessel
- 3rd Conversion

2031
- 4th Conversion

2032
- Pier 9, SF
- Gate A, SF

2034
- Gemini, Pisces replacements

2035
- Scorpio, Taurus replacements
Fare, Ridership, Cost Impacts

In years 6-10 of RM3 program, WETA will face operating shortfalls.

*Without a new funding source, what are conceptual options for balancing budget?*

- **Fares up 20%, RM3 subsidy down ~5%**
- **Ridership up 20%, RM3 subsidy down ~5%**
- **Op Expense up 5%, RM3 subsidy up 5%**
- **Op Expense down 20%, RM3 subsidy down 20%**
Next Steps

• 5YOP updated annually
• Submit to MTC
• Develop performance measures for “permanent” RM3 program
• Future adjustments based on progress of capital program
• Explore future funding sources
Item 12: Update on Pilot Institutional Pass Program
Fare Coordination has a role in Restoring Ridership and Improving Rider Experience

**Customer Value**

Current fare policies can lead to a disconnect between the fare charged and the value a customer places on their trip.

**Payment Experience**

Current fare products, passes, payment technologies, and payment experiences may not be legible.

**Key Issues**

Current fares may not consistently meet the needs of Equity Priority Communities.

Current fares may not optimize the ridership and benefits of proposed transportation investments.

**Future Transit**

---

**Bay Area Fare Coordination and Integration Study**

Draft Business Case Summary

Bay Area Transit Transformation Action Plan

July 2021

Metropolitan Transportation Commission
Clipper BayPass

Unlimited regional transit pass for rides on all bus, rail and ferry services in the Bay Area - anytime, anywhere

Phase 1:
Pilot with University Students and Affordable Housing Residents
Launched 2022

Phase 2:
Pilot with Employers, Transportation Management Associations and Property Managers
Launching 2023

*Excludes Muni Cable Cars
Clipper BayPass Objectives

Objectives:

• Understand how an all-agency transit pass may better meet the needs of transit riders

• Understand how an all-agency transit pass may increase transit ridership and support regional climate change and sustainability goals

• Evaluate pilot impacts to inform a permanent program
Clipper BayPass - Phase 1

- 50,000 students and residents across the Bay Area invited to participate
- Launched August 2022 at four universities/colleges
- Launching at 12 MidPen Housing properties in October 2022
More than 2 Million Trips Taken (Phase 1)

BayPass Trips by Operator

- AC Transit: 38%
- BART: 18%
- Caltrain: 10%
- SamTrans: 3%
- SF Muni: 4%
- SMART: 1%
- VTA: 25%
- Other: 4%

“I can go from school to work to my home without having to worry about refilling my Clipper and counting how much money I’ve spent on it.”

“I really like how convenient it is to have all the public transportation options in one card.”

“I love the Clipper BayPass. It makes commuting so much easier and more convenient than using a regular Clipper card.”

Clipper BayPass Pilot Tips – Preliminary Data 8/15/2022 to 6/8/2023
Student Feedback on Clipper BayPass

“The BayPass helps me not worry about the cost and where I’m going. If I want to go somewhere, I can go.”

- San Jose State University Student

“I use it everyday pretty much. I hop on the bus to get to the train and from the train to the bus again. It’s wonderful. I’m back to watching the beautiful landscape here in Sonoma County on the train.”

- Santa Rosa Junior College Student
“Clipper BayPass is essential for our students as we think about the future of our university. In order for our students to be able to navigate a close commute or a commute across the entire Bay Area, they need access to viable and efficient transportation. This was one of the easiest decisions that I had to make.”

Patrick Day
San Jose State University
Vice President of Student Affairs
Student Survey Highlights

“I can go from school to work to my home without having to worry about refilling my Clipper and counting how much money I’ve spent on it.”

“I really like how convenient it is to have all the public transportation options in one card.”

“I love the Clipper BayPass. It makes commuting so much easier and more convenient than using a regular Clipper card.”
Phase 1 Video Testimonials

Phase 2 – Employer Pass Goals

Objectives:

1. Increase regional transit ridership and improve passenger experience
2. Evaluate the impacts of an all-agency institutional pass on behavior
3. Expand into new models of funding to support transit operator financial sustainability
4. Reduce cost-burden for transit-dependent communities and serve a broader set of employers beyond traditional office workers
5. Support region’s climate change and sustainability goals with reduced VMT

Phase 2 of the BayPass program will pilot an unlimited regional transit pass covering all operators
Approach and Timeline to Launch

Managing Risk and Implementation with a phased approach and limited scale pilot for up to 10 employers and a total of up to 20,000 employees

- **Soft Launch**
  - Summer 2023
  - Up to 3 employers and up to 5,000 employees

- **Full Launch**
  - Fall 2023
  - Approximately 7 employers and up to a total of 15,000 employees (on a rolling basis)
Milestones for Launching Employer Pass Pilot

**Summer 2023**
- Transit operators secure consent (if needed) for soft launch
- Sign contracts with first few employers for soft launch

**Late Summer / Early Fall 2023**
- Soft launch with first few employers on a rolling basis
- Secure Participation Agreement from all Operators for Full launch

**Late 2023**
- Full pilot launch begins on rolling basis

**Spring 2024**
- Continued employer enrollment for full launch

**Fall 2024**
- Release Soft Launch Year 1 Evaluation

**Late 2023**
- Full pilot launch begins on rolling basis

**Late 2023**
- Full pilot launch begins on rolling basis

**Fall 2024**
- Release Soft Launch Year 1 Evaluation
Thank you!

For more information please visit:

http://clipperbaypass.com