

**LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY
1362 Rutan Court, Suite 100
Livermore, CA 94551**

**PROJECTS and SERVICES COMMITTEE MEETING / COMMITTEE OF THE
WHOLE**

COMMITTEE MEMBERS

**DAVID HAUBERT – CHAIR
CRAIG EICHER**

**JEAN JOSEY – VICE CHAIR
EVAN BRANNING**

DATE: Monday, March 24, 2025

PLACE: LAVTA Offices, Diana Lauterbach Room,
1362 Rutan Court, Suite 100, Livermore

TIME: 4:00p.m.

AGENDA

- 1. Call to Order and Pledge of Allegiance**
- 2. Roll Call of Members**
- 3. Meeting Open to Public**

Members of the audience may address the Committee on any matter within the general subject matter jurisdiction of the LAVTA Board of Directors.
Members of the audience may address the Committee on items on the Agenda at the time the Chair calls for the particular Agenda item.
Public comments should not exceed three (3) minutes.
Agendas are published 72 hours prior to the meeting.
No action may be taken on matters raised that are not on the Agenda.

- 4. Minutes of the February 24, 2025 Meeting of the Projects and Services Committee.**

Recommendation: Approval

- 5. Capital Projects Update**

Recommendation: None – Information only

- 6. Summer School Service Update**

Recommendation: None – Information only

7. Go-Tri Valley Program Update

Recommendation: None – Information only

8. FY 2026 Budget Outlook

Recommendation: None – Information only

9. Preview of Upcoming P&S Committee Agenda Items

10. Matters Initiated by Committee Members

11. Next Meeting Date is Scheduled for: April 28, 2025

12. Adjourn

Please refrain from wearing scented products (perfume, cologne, after-shave, etc.) to these meetings, as there may be people in attendance susceptible to environmental illnesses.

In the event that a quorum of the entire Board is present, this Committee shall act as a Committee of the Whole. In either case, any item acted upon by the Committee or the Committee of the Whole will require consideration and action by the full Board of Directors as a prerequisite to its legal enactment.

I hereby certify that this agenda was posted 72 hours in advance of the noted meeting.

<u>/s/ Lynn Domagas</u>	<u>3/19/2025</u>
<u>LAVTA Administrative Services Department</u>	<u>Date</u>

On request, the Livermore Amador Valley Transit Authority will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in public meetings. A written request, including name of the person, mailing address, phone number and brief description of the requested materials and preferred alternative format or auxiliary aid or service should be sent at least seven (7) days before the meeting. Requests should be sent to:

*Executive Director
Livermore Amador Valley Transit Authority
1362 Rutan Court, Suite 100
Livermore, CA 94551
Fax: 925.443.1375
Email: frontdesk@lavta.org*

MINUTES OF THE FEBRUARY 24, 2025
LAVTA PROJECTS AND SERVICES COMMITTEE MEETING

1. Call to Order and Pledge of Allegiance

Vice Chair Jean Josey called the meeting to order at 4:00pm.

2. Roll Call of Members

Members Present

Jean Josey, City of Dublin

Craig Eicher, City of Pleasanton

Evan Branning, City of Livermore

Members Absent

Dave Haubert, Alameda County

3. Meeting Open to Public

No public comments were received

4. Minutes of the October 28, 2024 Meeting of the P&S Committee.

Motion: Branning/Eicher

Aye: Josey, Eicher, Branning

No: None

Abstain: None

Absent: Haubert

5. Summer 2025 Service Change Update

Staff presented an update of plans for the June 2025 sign up, including results from a survey conducted on East Avenue, as well as plans for a two-part 10R detour in Downtown Pleasanton over the summer. The committee discussed the item and provided feedback to staff on the 10R detour. The Committee requested that staff look at routing the bus down Second Street in Pleasanton as well as breaking out the Rapid routes in the monthly on-time performance report.

This was an informational only item.

Public comments:

Mr. Herb Hastings spoke in opposition to potential changes to route 10R in Downtown Pleasanton.

Mr. Armaan Rizvi spoke in opposition to potential changes to route 10R in Downtown Pleasanton.

6. LAVTA Operations and Maintenance Contract Award

Staff presented a summary of the procurement process, evaluation committee composition, evaluation criteria, proposals received, scores and the final rankings. The committee inquired about the selection process and how the cost breakdowns were determined.

Staff requested that the Committee forward Resolution 08-2025 to the Board of Directors, awarding the Operations and Maintenance (O&M) contract for LAVTA's fixed-route bus service to MV Transportation, Inc., for a three-year term commencing July 1, 2025, with four one-year extension options. Staff reported that the item will also go to the Finance & Administration Committee on February 25 and will then be presented to the full Board for final approval on March 3, 2025.

Public comments:

Mr. Mark Elias, Senior VP of MV Transportation, expressed gratitude for the staff's recommendation and highlighted MV's long-standing relationship with LAVTA. He acknowledged past challenges but reaffirmed MV's commitment to improvement and open communication.

Motion: Eicher/Branning

Aye: Josey, Eicher, Branning

No: None

Abstain: None

Absent: Haubert

7. LAVTA 2025 Title VI Program Approval

Staff presented the 2025 Title VI Plan with an overview of how Title VI applies to public transit, and the required components of the plan. Limited English Proficiency (LEP) Plan updates were highlighted, indicating Spanish, Chinese (Mandarin), and Korean-speaking populations meeting the Safe Harbor provision requiring document translation. Staff confirmed that additional languages would be translated upon request. Board member Josey inquired as to the data source and timeframe for the LEP data; staff indicated that the data source was the 2024 ACS. Staff recommended forwarding Resolution 09-2025 and the 2025 LAVTA Title VI Program to the Board for approval.

Motion: Branning/Eicher

Aye: Josey, Eicher, Branning

No: None

Abstain: None

Absent: Haubert

7. Preview of Upcoming P&S Committee Agenda Items

A recommendation on 2025 summer school service will be brought to the Committee in March.

8. Matters Initiated by Committee Members

None.

9. Next Meeting Date is Scheduled for: March 24, 2025

10. Adjourn

Meeting adjourned at 5:28pm

STAFF REPORT

SUBJECT: Capital Projects Update
FROM: David Massa, Capital Projects Manager
DATE: March 24, 2025

Action Requested

This is an informational update.

Background

LAVTA staff are working on a variety of capital projects and would like to provide a quarterly status update to the Board of Directors.

Discussion

Rutan Facility Maintenance Bay Hydrogen Retrofit:

This project focuses on upgrading the maintenance shop to safely accommodate hydrogen fuel-cell buses (FCEB). Enhancements include the installation of hydrogen detection systems, alarms, and improved ventilation. Currently, the system control panel and sensors are installed, the electrical system has been upgraded to handle the additional load of the high-flow ventilation system, ductwork has been placed, and the bay door openers have been replaced with fast models capable of opening the doors in 60 seconds should a leak be detected.



Atlantis: Hydrogen Fueling Station: Staff and agency consultant CTE are working on the station design; specifically, the size and storage capacity of the tanks. To determine that, the agency collected data from potential bus manufacturers and electronically surveyed our routes to develop load patterns. CTE is processing the collected data to precisely determine our hydrogen requirements and demand. Once the design is complete, LAVTA will issue a Request for Qualifications (RFQ) that outlines the expectations, qualifications, standards, and evaluation criteria for potential bidders.

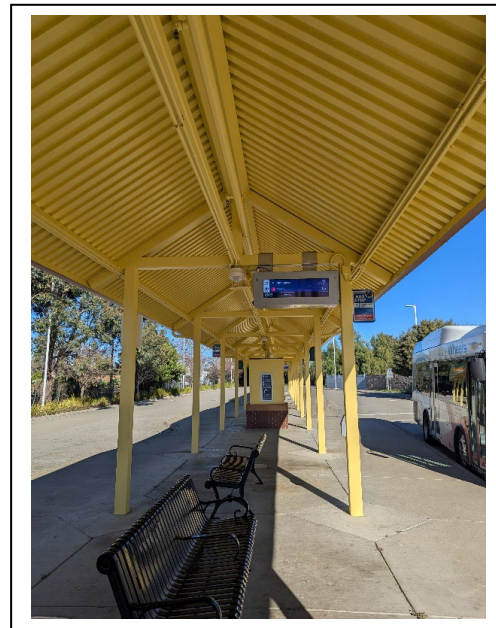
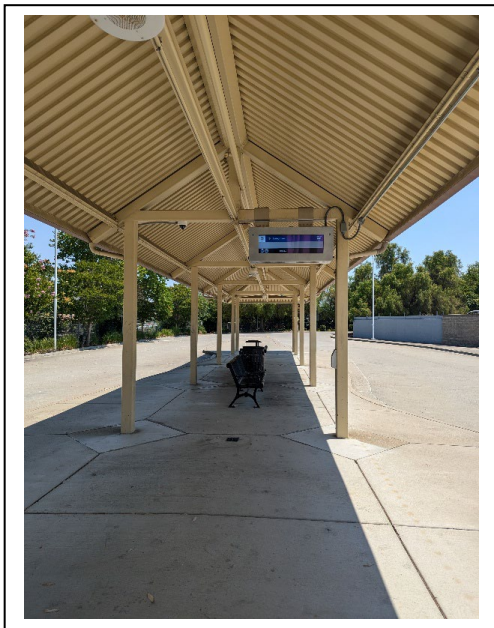
Tri-Valley Passenger Facilities Enhancement Project: At the July Board meeting, staff were authorized to execute Task Order #2 with Kimley-Horn for project design and engineering services for the Tri-Valley Passenger Facilities Enhancement Project. This project improves the passenger amenities (shelters, benches, real time signs) at three high-ridership stops:

Dublin/Pleasanton BART, Las Positas College, and the Lawrence Livermore National Lab. Kimley-Horn has completed 35% designs and is seeking feedback from all parties.

Livermore Transit Center Improvements: The scope of the improvements at the Livermore Transit Center project are subdivided into three smaller projects.

- Repainting: The first project includes fully repainting the passenger canopies at the Transit Center and the 30R signature bus stop on Railroad Ave. This project recently concluded. Please see before and after pictures below.

Transit Center Canopy



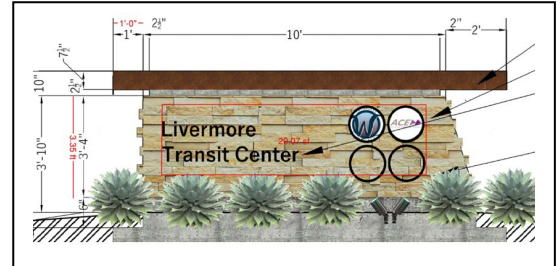
Signature Stop:



- Lighting: The second project improves the lighting in Railroad Court between the Livermore Transit Center and the 30R signature stop on Railroad Ave. LAVTA staff are

collaborated with city staff and were presented a lighting plan for the area that was acceptable to the city. The city's on-call contractor produced 30% designs and developed an engineer's cost estimate. LAVTA will be working with an on-call contractor to bring design to 100% and issue an IFB.

- **Signage:** The third project involves upgrading two monument signs at the Transit Center. Staff have reviewed several preliminary designs and have agreed on one to submit to the city for feedback. Kimley-Horn has provided 95% drawings to the city and is currently collaborating with them to ensure the designs align with the downtown master plan.



Cloud Based Transit Signal Priority (TSP) Upgrade: In December and February, representatives from all three cities and LAVTA held a series of separate kickoff and input meetings to gather feedback on the new system's features, the cities requirements and IT concerns. Kimley-Horn is now compiling this input into a comprehensive needs and requirements assessment. The next step involves reviewing the data and developing specifications for the new system. Once complete, Kimley-Horn will present a unified set of standards based on the meetings for final approval from the cities. Upon approval, LAVTA will move to procure the new system.

Rutan Bus Yard Gate Replacement: Recently, the gate at the Rutan bus yard has been experiencing frequent derailments from its track. This gate, a 34-year-old sliding unit measuring 42 feet in length and 10 feet in height, is original to the facility. Upon consultation with the repair contractor, it was recommended that the gate be replaced with a completely different style. A task order was issued to the Agency's on-call contractor Kimley-Horn for design and engineering services. The design has been completed, and an engineer's estimate is being developed. The agency has applied for CIP funding through an ACTC grant to cover the replacement cost.

Fiscal Impact

There is no fiscal impact associated with this item.

Recommendation

None – Information Only

STAFF REPORT

SUBJECT: Summer School Service Update

FROM: Michael Tobin, Director of Operations & Planning

DATE: March 24, 2025

Action Requested

None – this is an informational update.

Background

Beyond its main academic year programs, the Dublin Unified School District (DUSD) offers a session during the summer for remedial purposes and for students who for other reasons need an extended school year program.

Separately, the Dublin Partners in Education (DPIE) provides a summer enrichment program for all grades, including an academic summer program tailored for middle- and high school students.

Both of the above programs are held at Dublin High School, with similar bell times.

During the main academic year, LAVTA operates five supplemental (school) routes that together serve Dublin High School, Emerald High School, and Wells Middle School. Last year, LAVTA provided service on three of these routes during the summer session at DHS, which on average carried a total of 77 one-way boardings per day.

Based on the above, the operations plan for this year's summer session is to run two buses from East Dublin to DHS in the morning, and vice versa in the afternoon. Operating this service with routes 501 and 502 - both of which connect DHS to and from neighborhoods in East Dublin - is expected to provide the best capacity/coverage combination to accommodate student travel needs for the two programs (DUSD and DPIE) during the 2025 summer.

The anticipated dates of operation would be weekdays, June 9 thru July 18, 2025, excluding holidays, with inbound service during the 8 a.m. hour, and outbound service during the 2 p.m. hour.

Route 18

Furthermore, the Livermore Area Recreation and Park District's Extended Student Services (ESS) is a licensed child development program serving children TK through fifth grade. The program is housed at eight elementary schools throughout Livermore.

While the ESS program is provided throughout the year before and after regular school hours, its summer session spans all day and include frequent midday excursions to various activities in the community, which are able to use public transit if available.

Four of the eight ESS locations are situated along the Wheels Route 18 (Granada / Sunset), a line that provides service during commute hours but not during the midday. The director of the ESS program has asked LAVTA Staff for consideration to extend the a.m. service on the #18 by one additional trip, in order to better facilitate using Wheels for the classes' excursion trips.

When the agency accommodated a similar request last summer, the extra trip carried more passengers, on average, than the regular trips on the #18. With that, Staff is viewing this year's request favorably and is planning to again add an extra a.m. trip during the summer of 2025. The extra trip would arrive at the Transit Center at 9:54a, extending the morning service by forty minutes (compared to the regular schedule that ends at 9:14a). The total cost increment to provide the extra trip over the summer is estimated at approximately \$2,000, minus fare revenue.

Recommendation

None -this item is informational only

STAFF REPORT

SUBJECT: Go Tri-Valley Program Update

FROM: Mike Tobin, Director of Operations & Planning
Martha Nguyen, Senior Operations Analyst

DATE: March 24, 2025

Action Requested

None – this is an informational update.

Background

Go Tri-Valley is a partnership between LAVTA and Transportation Network Companies (TNC) that offers a 50% subsidy up to \$5 dollars per trip for trips that start and end within the LAVTA service area. The program launched in 2017 as Go Dublin; it was originally designed to offer an alternative transportation service in the City of Dublin after LAVTA reduced or eliminated unproductive bus service in 2016. The program was expanded during the COVID pandemic to include Livermore and Pleasanton to offset temporary service reductions and mandated travel restrictions and was rebranded as Go Tri-Valley. Go Tri-Valley users are granted an unlimited number of uses each month across TNC partners.

In spring 2023, staff initiated a very successful Tik-Tok style marketing campaign which resulted in a significant increase in Go Tri-Valley ridership. To mitigate the increasing costs, staff presented several program alternatives and recommended a trip cap of 10 trips per month, per user on each TNC platform. The Board subsequently authorized the recommendation at their February 2024 meeting (Attachment 1). The cap was implemented April 1, 2024.

After monitoring the impacts of the trip cap, staff is returning to provide an updated ridership analysis.

Discussion

Below are the ridership and cost statistics throughout the life of Go Tri-Valley:

Prior to Marketing Campaign

Avg Monthly Ridership	1,218 trips
Program Growth	+2.3% average per month
Annual Cost	\$70k (47% increase from previous year)

Post-Marketing Campaign

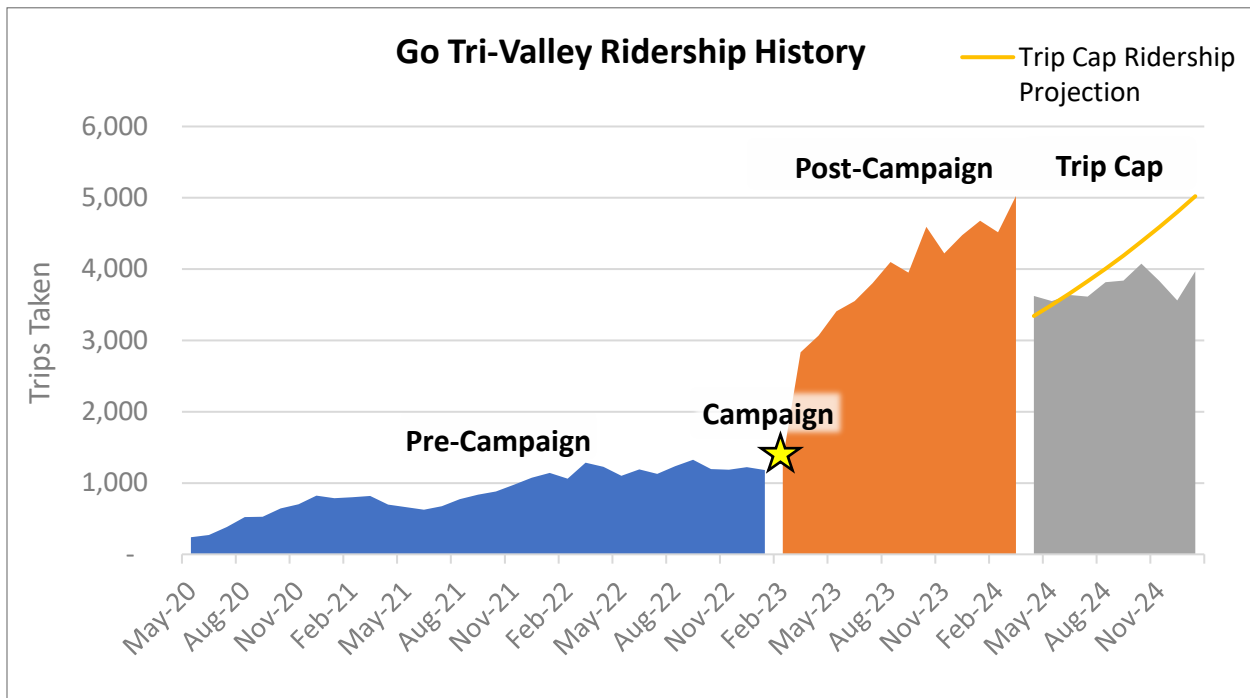
Avg Monthly Ridership	4,115 trips
Program Growth	+5% average per month (excluding initial spike)
Annual Cost	\$231k (230% increase from previous year)

Post-Trip Cap YTD (April 2024 – Jan 2025)

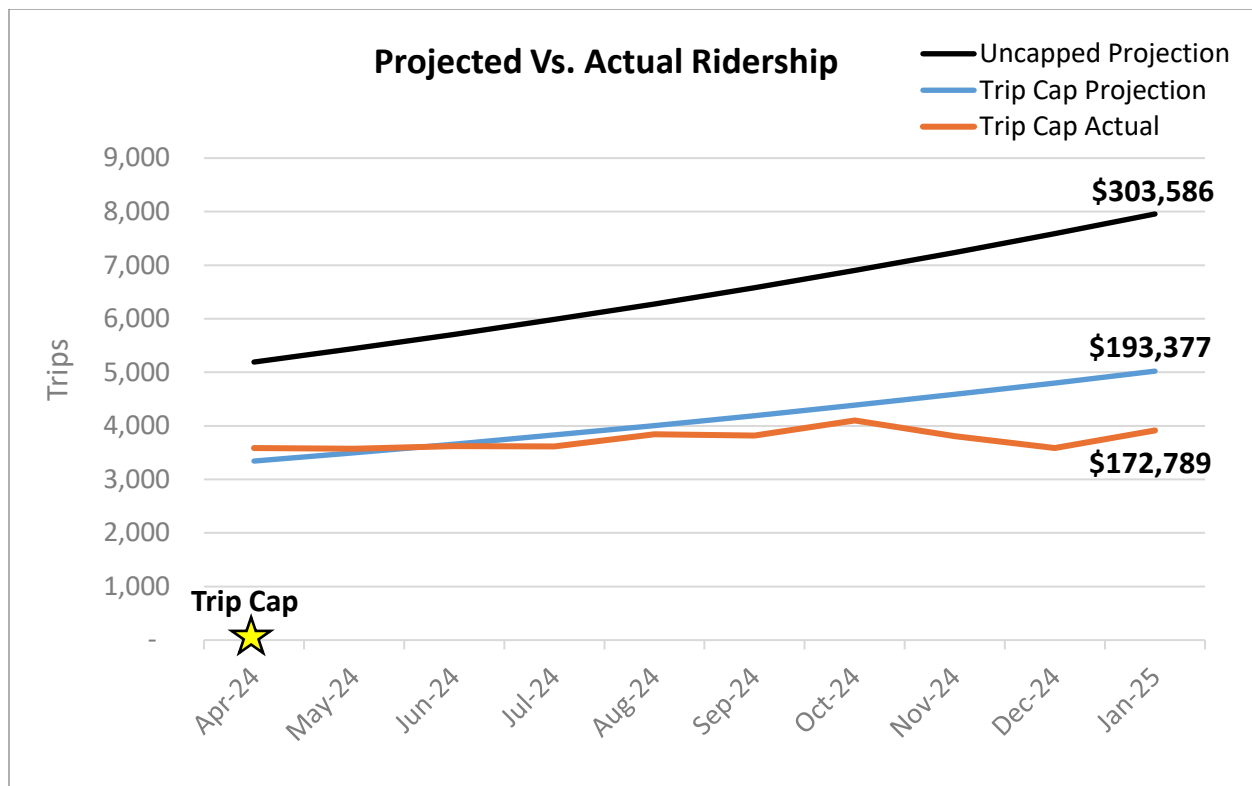
Avg Monthly Ridership	3,752 trips
Program Growth	+1% average per month (excluding initial drop)
YTD Annual Cost	\$173k
Projected Annual Cost	\$208k (10% decrease from previous year)

Staff estimated a 38% reduction of program costs had there been a 10-trip cap in place the previous contract year. Immediately after implementation of the cap, the monthly cost dropped 29% and the growth rate of trips from month to month has decreased from 5% to 1%.

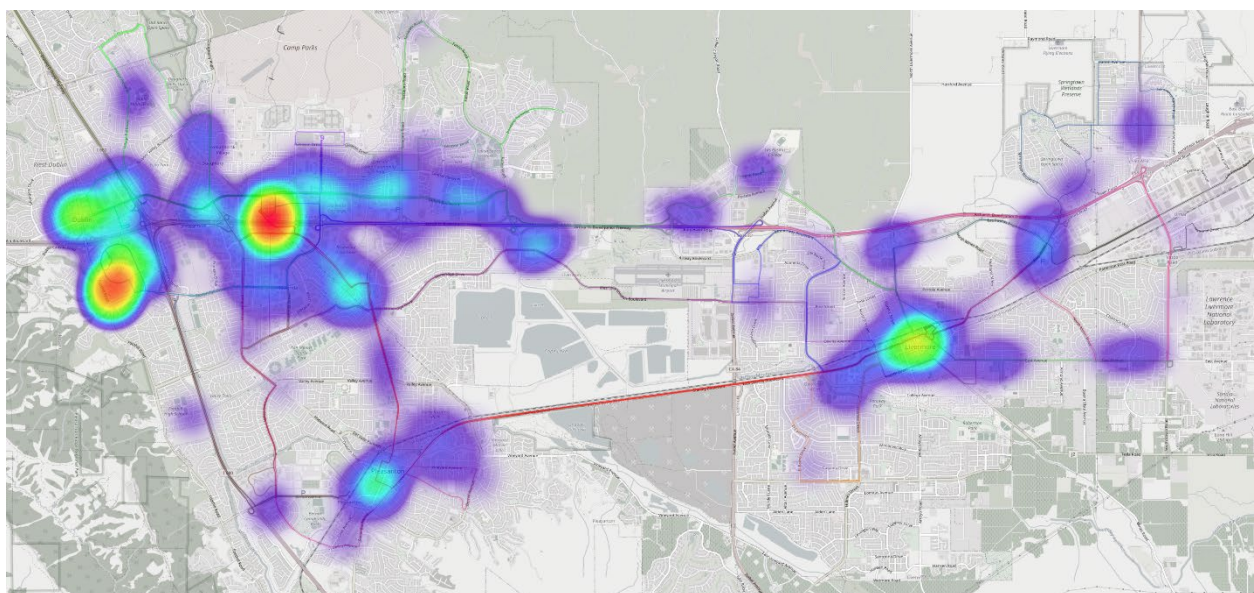
The following chart shows the growth and milestones of the program.



After implementation of the trip cap, the actual cost and ridership have been slightly lower than staff projected although they continue to grow over time.



Below is a heat map of trips taken since April 2024. The brighter red and yellow areas indicate a higher concentration of trips traveling to places such as Dublin/Pleasanton BART, Livermore Transit Center/ACE Station, Downtown Pleasanton/Pleasanton ACE Station, and Stoneridge Shopping Center/DaVita Dialysis.



Current Ridership Statistics

TIME OF TRAVEL	% OF TRIPS
Early AM 4 am – 6 am	1.06%
Peak AM 6 am – 9 am	14.40%
Late AM 9 am – 12 pm	19.70%
Early PM 12 pm – 3 pm	16.58%
Mid PM 3 pm – 5 pm	13.39%
Peak PM 5 pm – 8 pm	17.25%
Late PM 8 pm – 11 pm	11.67%
AFTER HOURS 11 pm – 4 am	5.94%

TRAVEL WITHIN ¼ MILE OF LAVTA MAINLINE ROUTES	% OF TOTAL TRIPS
Boardings	86.04%
Alightings	86.83%
Both Boarding and Alighting	74.42%

RIDER USAGE	
Average Subsidy per Trip	\$4.61
Average Trips per Rider	4-5
Riders Taking More than 6 Trips per Month	33%
Riders Taking 6 or Less Trips per Month	67%

As shown above, roughly 74% of trips both start and end within ¼ mile of a mainline fixed route, and 93% occur between 6 am and 11 pm, which generally falls within our span of service hours.

Staff is currently working on a survey to send a sample of riders to gather feedback on Go Tri-Valley usage and demographics and will report the results at a future date.

Recommendation

None – this is an informational update.

Attachments

1. February 5, 2024 Go Tri-Valley Staff Report

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY

S T A F F R E P O R T

SUBJECT: Go Tri-Valley Program Modification

FROM: Mike Tobin, Director of Operations

DATE: February 5, 2024

Action Requested

Authorize the Executive Director to make programmatic modifications to the Go Tri-Valley Program and implement a monthly subsidized cap of 10 trips per user per TNC platform.

Background

Go Tri-Valley is a Transportation Network Company (TNC) rideshare program that offers a 50% subsidy up to \$5 dollars per trip for trips that start and end within the LAVTA service area. The program launched in 2017 as Go Dublin and was originally designed to offer an alternative transportation service to eliminated low-ridership bus service in the City of Dublin. The program was expanded during the COVID pandemic to include Livermore and Pleasanton to offset temporary service reductions and mandated travel restrictions and was rebranded as Go Tri-Valley. Go Tri-Valley users are granted an unlimited number of uses each month across TNC partners.

At the end of February 2023, a Tik-Tok style social media marketing campaign was released to advertise the program since many customers were still unaware of this supplemental transportation option. Ridership unexpectedly grew exponentially, and program costs were in danger of exceeding contract budgets with both service providers.

In September 2023, the Board authorized budget amendments to the Go Tri-Valley contracts to accommodate the sudden increase in ridership and annual program costs and Staff agreed to return to the Board with program modifications for consideration to reduce program costs.

Discussion

Although the contract budgets were amended, the current level of Go Tri-Valley usage is not sustainable with unrestricted program parameters.

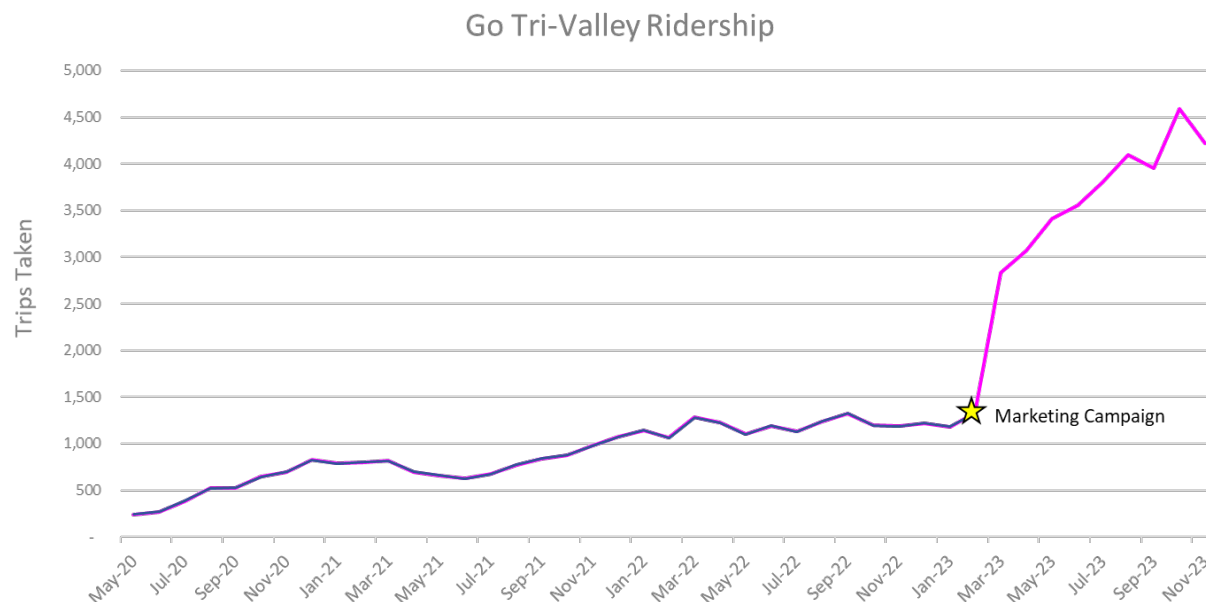
Prior to Campaign

Program Growth	+6% average every month
Annual Cost	\$70k (47% increase from previous year)

Post-Campaign

Program Growth	+17% average every month
Annual Cost	\$201k (91% increase from previous year)

The following chart shows the growth of the program since its inception.



Staff has continued to monitor Go Tri-Valley ridership closely and has been working with program partners to analyze customer travel patterns and gain insight on travel to and from transit hubs and outside of our fixed-route network. One notable observation is that there is a small percentage of “super users” responsible for at least 25% of the total ridership, due to taking over 30 trips per month each.

With the upcoming Wheels in Motion service change which will restore bus service coverage in Livermore and Dublin, it is an opportune time to consider modifications to Go Tri-Valley while promoting additional fixed-route offerings.

Based on Staff analysis, the following program alternatives were presented:

Alternative 1

Action	No changes to Go Tri-Valley program
Rider Impact	No impact
Fiscal Impact	High impact – not fiscally sustainable due to the exponential growth of this program and lack of dedicated funds

Alternative 2

Action	Eliminate Go Tri-Valley program due to Wheels in Motion reintroducing service area coverage
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Rider Impact	Most if not all current riders will be impacted; a lot of communication is anticipated to explain elimination of the program
Fiscal Impact	High impact – current funding can go towards other services and endeavors

Alternative 3a (Recommended)

Action	Introduce a cap of 10 trips per month, per user on each TNC platform
Rider Impact	Estimate 20% of riders impacted; technically riders will be able to receive a subsidy for up to 20 trips if they use both platforms; communication to explain trip cap to current and new riders should be straightforward
Fiscal Impact	Estimate 38% reduction in costs; post-campaign annual cost would have been approximately \$125k vs \$201k

Alternative 3b

Action	Introduce a cap of 6 trips per month, per user on each TNC platform
Rider Impact	Estimate 28% of riders impacted; technically riders will be able to receive a subsidy for up to 12 trips if they use both platforms; communication to explain trip cap to current and new riders should be straightforward
Fiscal Impact	Estimate 52% reduction in costs; post-campaign annual cost would have been approximately \$96k vs \$201k

Alternative 4

Action	Restrict Go Tri-Valley program hours to when fixed-route buses are not running (~11pm – 4am)
Rider Impact	Estimate 87-97% of riders impacted; would impede riders from potentially using Go Tri-Valley to connect to transit lines that operate during the day or riders traveling to/from areas that Wheels buses cannot accommodate
Fiscal Impact	Estimate 89% reduction in program costs but may shift some ambulatory rides of disabled riders to paratransit; post-campaign annual cost would have been approximately \$23k vs \$201k

Alternative 5

Action	Restrict Go Tri-Valley service area to mirror fixed-route bus lines
Rider Impact	Estimate 88% of riders impacted; although there are some trip hotspots at transit hubs and shopping centers, most trips occur throughout the service area, including residential neighborhoods where buses cannot access; difficult to implement numerous

	geofences but easy to circumvent since riders can still take trips to/from a bus stop solely using Go Tri-Valley
Fiscal Impact	Not enough data available to predict

On January 26, 2024, the Projects and Services Committee voted to advance the staff recommendation of Alternative 3a to the Board of Directors for consideration. In discussing the item, the Committee encouraged staff to return with performance metrics approximately six months after the change to reassess costs and demand. The Committee also directed staff to consider offering a trip-cap waiver for those using the program multiple times each day for commuting. Staff will continue to monitor the program and report on the outcome of this modification after six months.

Recommendation

The Projects and Services Committee recommends the Board approve Resolution 05-2024, authorizing the Executive Director to make programmatic modifications to the Go Tri-Valley Program and implement a monthly subsidized cap of 10 trips per user per TNC platform in conjunction with the reintroduction of fixed-route coverage and for the program to remain fiscally sustainable.

Attachments

1. Resolution 05-2024

RESOLUTION NO. 05-2024**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY AUTHORIZING
THE EXECUTIVE DIRECTOR TO EXECUTE A PROGRAM TRIP LIMIT TO
GO TRI-VALLEY**

WHEREAS, in 2017 the Livermore Amador Valley Transit Authority (LAVTA) launched the Go Dublin rideshare discount program with Transportation Network Companies (TNC) Lyft, Inc. (Lyft) and Uber Technologies, Inc. (Uber), that offered a discount of half the fare up to \$5 for rideshare trips taken in the City of Dublin; and

WHEREAS, in 2020, the program was rebranded as Go Tri-Valley and was expanded to cover rideshare trips that start and end throughout the Tri-Valley; and

WHEREAS, in 2023, contracts with Lyft and Uber were amended to extend the program by one year with increased budgets to cover an unexpected growth in ridership; and

WHEREAS, after continuing to monitor the program and analyzing various service modifications to manage and contain costs, LAVTA wishes to implement programmatic modifications which include a monthly 10-trip cap per user per TNC platform; and

WHEREAS, this programmatic modification will be implemented in conjunction with fixed-route service restorations in Spring 2024; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Livermore Amador Valley Transit Authority that the Executive Director is authorized to:

- 1) Modify the Go Tri-Valley program to place a monthly cap of 10 subsidized trips per user per TNC platform.

PASSED AND ADOPTED THIS 5th DAY OF FEBRUARY 2024.

Melissa Hernandez, Chair

ATTEST

Christy Wegener, Executive Director

LIVERMORE AMADOR VALLEY TRANSIT AUTHORITY

STAFF REPORT

SUBJECT: FY2026 Budget Outlook

FROM: Christy Wegener, Executive Director
Tamara Edwards, Director of Finance

DATE: March 24, 2025

Action Requested

Information only

Background

LAVTA staff will be bringing the Fiscal Year (FY) 2026 Budget to the Finance and Administration Committee in April and to the Board of Directors in May. Prior to bringing the budget itself staff wanted to ensure that the Board members were aware of some challenges facing the agency.

Expenses

In addition to expected increases to many budget line items such as utilities, facility repairs, and labor, the Board of Directors approved a new fixed route operations and maintenance contract in March with an anticipated cost increase of 24% over the current fiscal year. As this line item averages between 55% and 65% of LAVTA operating budget this will have a significant impact on the next budget. In the next 2-3 years, as LAVTA begins the transition to hydrogen fuel cell electric buses, there will be additional cost increases once the need to purchase hydrogen fuel is realized as the cost is currently much higher than diesel fuel.

Revenues

LAVTA receives revenues from a number of different sources, the majority of which are taxed based. The largest revenue source for LAVTA is Transportation Development Act (TDA) funds which traditionally makes up between 45% and 55% of LAVTA's operating revenues. LAVTA budgets these revenues based on the forecast provided by the Alameda County Controllers office. Unfortunately, the actual revenues for FY 2025 are coming in lower than anticipated (please see Attachment 1 for more details).

In addition to TDA revenues, LAVTA receives operating funding to operate feeder bus service to BART through AB1107 funds. The funding represents 3.5% of the operating budget. For the last few years, BART has made it clear they intend to

discontinue payment of the feeder bus funds after FY 2026. The potential 2026 regional measure could supplant this funding source.

In Fiscal Year 2024 LAVTA began receiving RM3 funding which for FY 2026 will be \$700,000 while this amount helps to offset the loss of the BART feeder bus money, a formula for the distribution of these funds to the various operators has not yet been established and thus staff does not know how much to expect in the future.

Discussion

At this point, it is looking like there is approximately a \$2.5-2.7M difference between expenditures and revenues for the FY 2026 operating budget. In anticipation of situations such as this, in 2009 the LAVTA Board established a policy of having three to six months' worth of revenues in reserves. LAVTA currently has over a years' worth of revenues in reserves and therefor can weather this sort of situation for a time. To mitigate the situation staff is looking at a number of changes that can be made during the FY 2026 or FY 2027 years. Some of the areas staff are looking at include:

- Decreasing fixed route service
- Increasing fixed route and paratransit fares.
- Modifying or eliminating Go Tri-Valley
- Not filling the new position of Administrative Manager
- Deferring capital projects funded with TDA funds that are not mission critical.
- Delaying the deployment of hydrogen-technology
- Limiting wage increases
- Limiting travel and training for staff
- Paying only the minimum required unfunded accrued liability (UAL) contribution to CalPERS for retirement and not funding the 115 trust this year.

Recommendation

None-Information only

Attachments:

1. MTC Presentation_Fund_Estimate

FY 2025-26 MTC Fund Estimate Overview

MTC Programming & Allocation Committee

February 12, 2025

Agenda

1. Fund Estimate Overview
 - TDA, STA, AB1107 estimates
2. Economic Overview
 - Population, Unemployment, Sales Tax
3. BART-Feeder Bus Agreement
4. Other Considerations
 - Sonoma County TDA formula
 - STA Revenue Based Formula Freeze
 - Sales tax revenue attribution audits

Introduction to the Fund Estimate

- Every year, MTC prepares a Fund Estimate to identify how much funding will be available in the upcoming fiscal year from sources including:
 - Transportation Development Act (TDA) – *statewide sales tax*
 - State Transit Assistance (STA) – *statewide diesel sales tax*
 - Assembly Bill 1107 – *regional sales tax*
- The Fund Estimate is informed by state and county revenue projections and reflects latest macroeconomic and demographic trends
- The Fund Estimate is typically amended twice per year to incorporate the latest revenue information from the state
- Transit agencies, County Transportation Agencies, and MTC use the Fund Estimate for budget development and to request allocation of funds

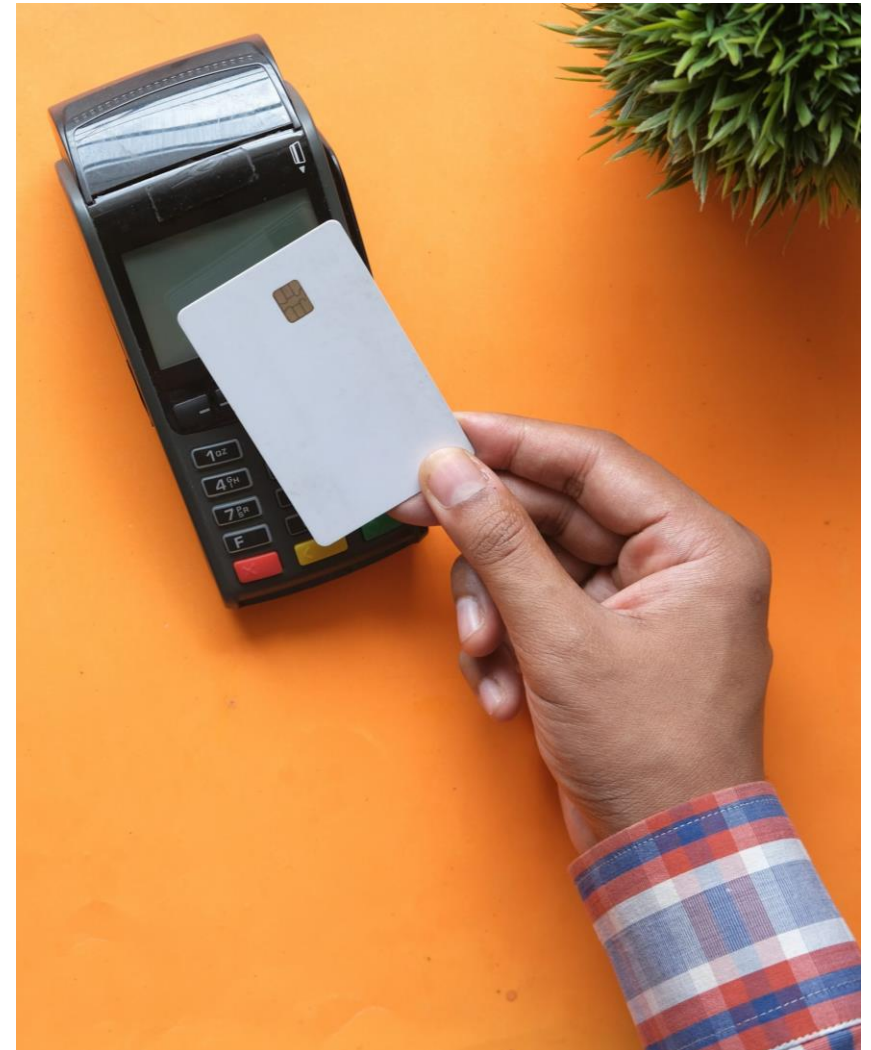


Image Credit: Unsplash

TDA Sales Tax Forecast FY 2025-26

Attachment 1

Estimates for each county prepared by individual county Auditor/Controllers. Funds within counties are distributed to operators based on city/service area population, or by county-specific formulas

TDA receipts in the first half of FY25 are tracking below original estimates

FY25 (Current Year) estimates revised to **\$472M**

- Down 7% from original \$509M FY25 estimate
- Down 3% from FY24 Actuals (\$486M)

FY26 estimates projected to be 2.6% higher at **\$485M**



STA Formula Programs

FY 2025-26

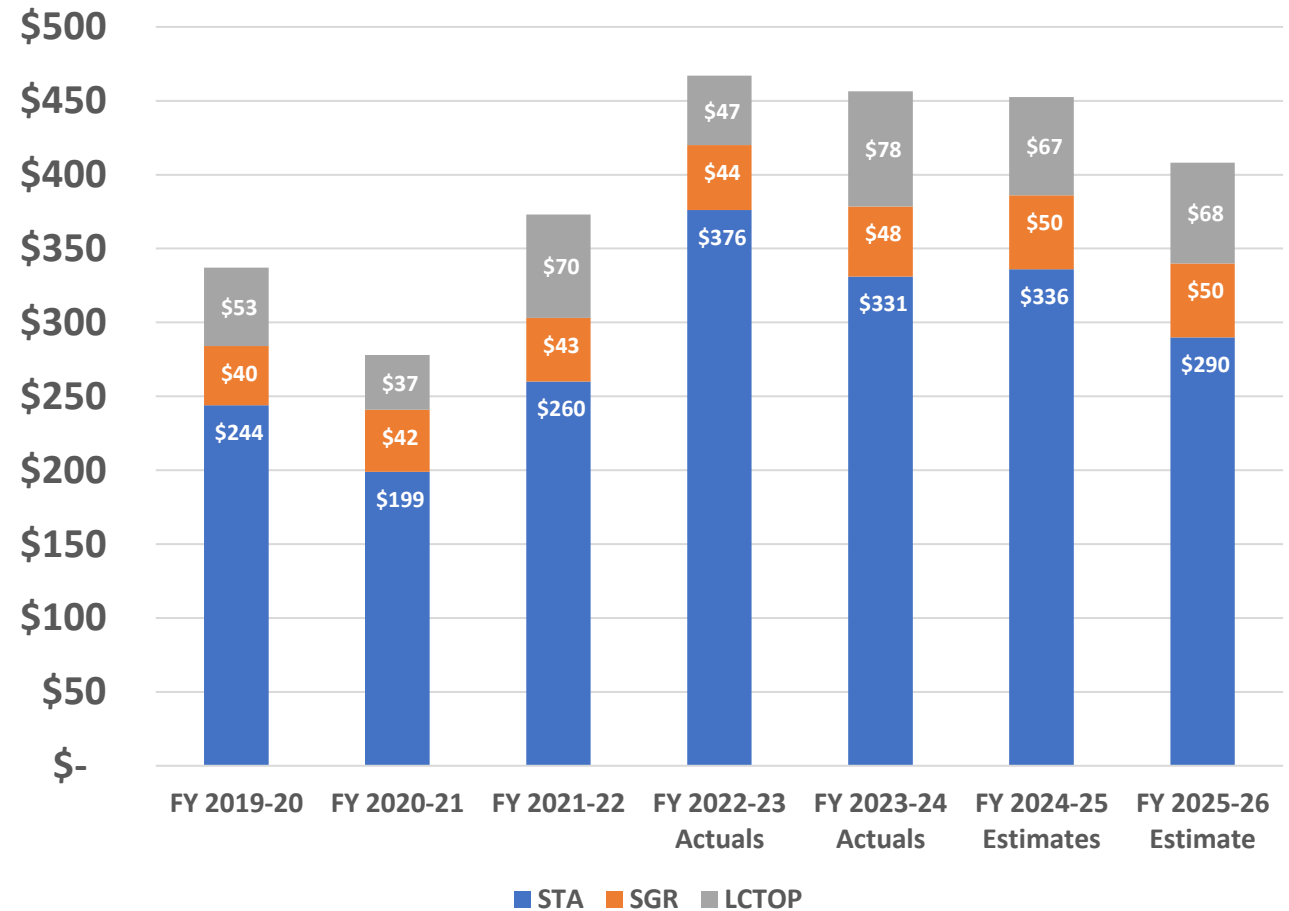
Attachment 1

State Transit Assistance (STA) formula splits statewide revenue 50/50 between a Revenue-Based program and a Population-Based program.

Revenue-Based funds flow to transit operators via MTC based on their qualifying local revenue. **A hold harmless provision has frozen the revenue-based formula until 6/30/26**

Population-Based funds flow to the Bay Area based on our ~19% share of the state's population and are programmed by MTC

FY 2025-26 forecast of \$408 million for the Bay Area in STA, State of Good Repair (SGR) Program and Low Carbon Transit Operations Program (LCTOP) revenue



AB 1107 Sales Tax Forecast FY 2025-26

Attachment 1

- 25% of total revenue from BART's sales tax in Alameda, Contra Costa, and San Francisco counties
- MTC estimates revenue and establishes funding policy
- Only AC Transit, BART, and SFMTA eligible to receive AB 1107 funds per state statute
- Historically, Commission policy is to distribute 50% of funds to AC Transit and 50% to SFMTA (or 12.5% of the total revenues to each)
- **FY 2025-26 forecast of \$104 million is an estimate based on sales tax trends in Alameda, Contra Costa, and San Francisco counties**

FY 2024-25 forecast remains at the original estimate of \$104 million.



Fund Estimate Summary

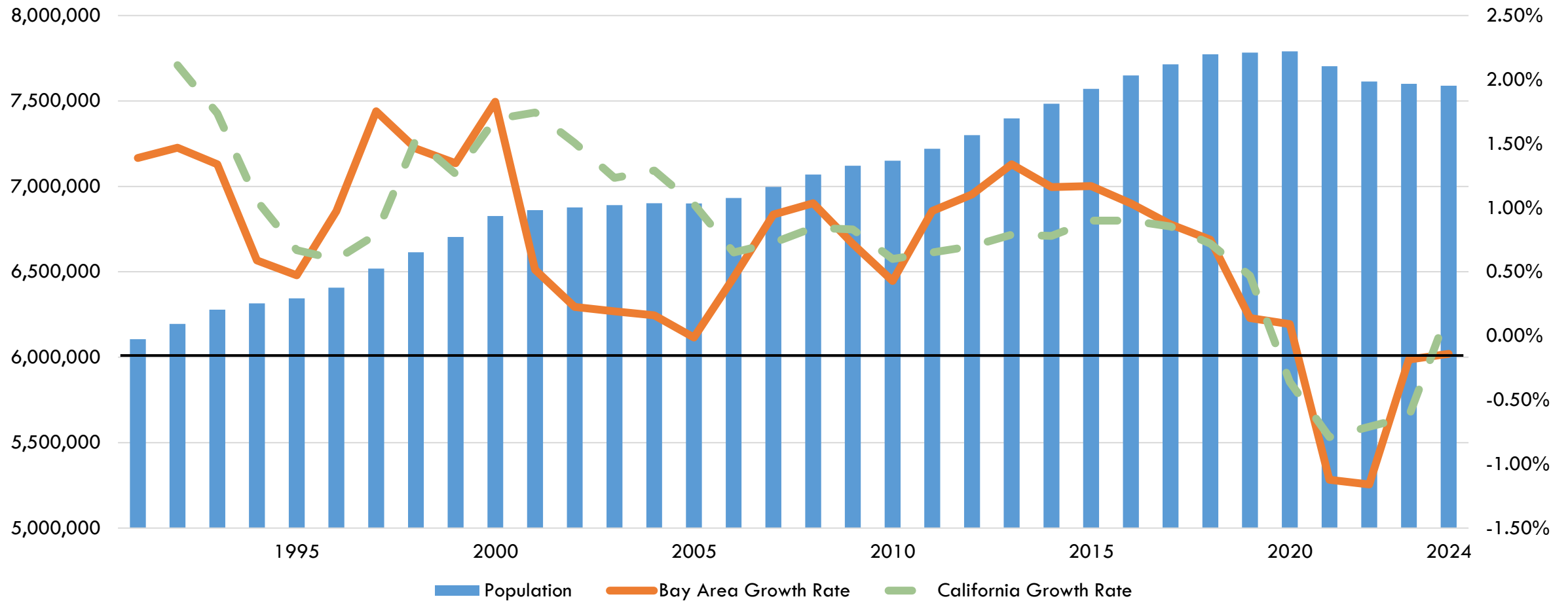
Attachment 1

	Program	Description	FY 2023-24 Actuals	FY 2024-25 Revised Estimates	FY 2025-26 Estimates
Sales Taxes & Tolls	Transportation Development Act (TDA) ¼ ¢ Sales Tax	¼ ¢ sales tax in each county	\$486M	\$472M	\$484M
	AB 1107 ½ ¢ Sales Tax	MTC administers 25% of the revenue from the ½ ¢ sales tax in the three BART district counties	\$107M	\$104M	\$104M
	Bridge Tolls	MTC 2% Toll Revenues and 5% State General Fund Revenues	\$5M	\$5M	\$5M
STA Formula	State Transit Assistance (STA)	Sales tax on diesel fuel in CA.	\$331M	\$336M*	\$290M
	State of Good Repair (SGR) Program	Transportation Improvement Fee (vehicle registration fee)	\$48M	\$50M	\$50M
	Low Carbon Transit Operations Program (LCTOP)	5% of Cap-and-Trade auction revenues	\$78M	\$67M	\$68M

*FY25 STA forecasts are revised down to \$294M based on the Governor's Proposed FY26 budget
 Note: Estimated revenue amounts are rounded to nearest million.

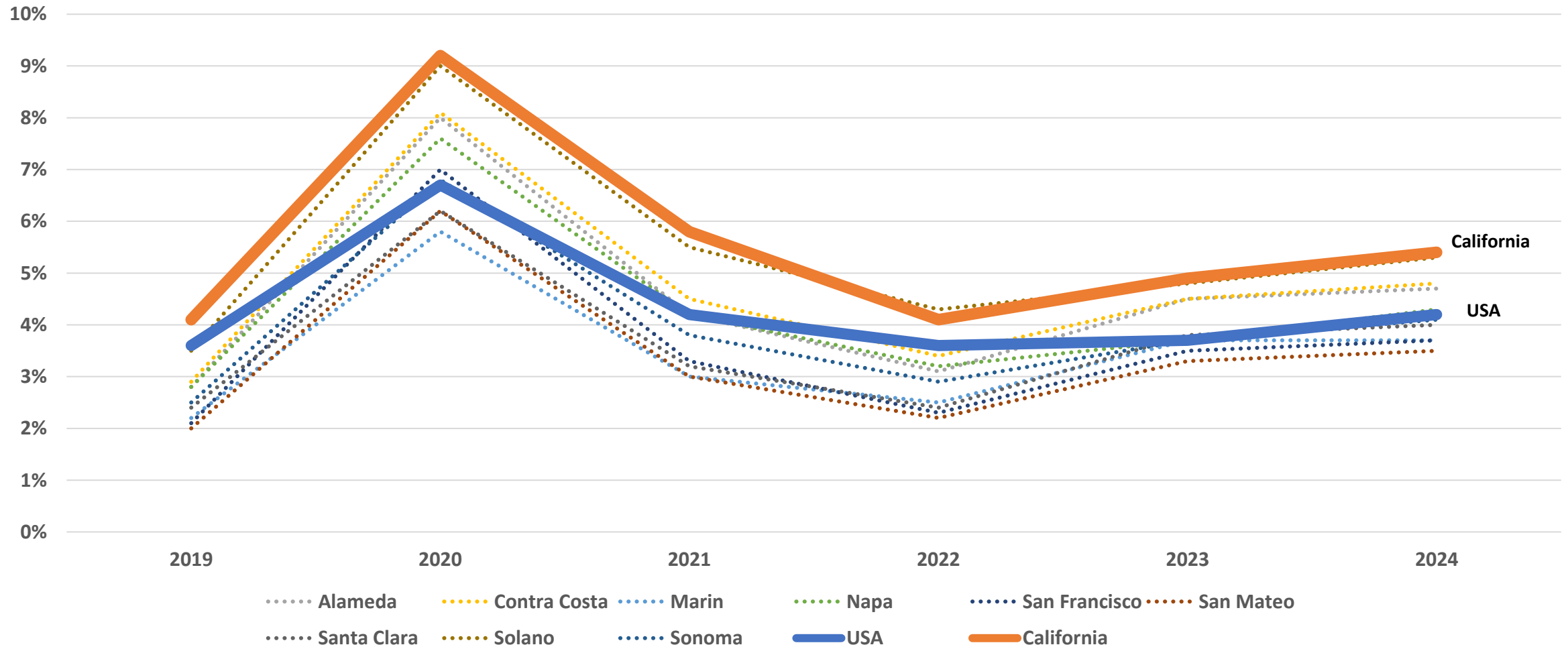
Bay Area Population

- Bay Area Population has declined for 4 consecutive years
- The regional population change continues to track behind the state population, which grew marginally in 2024



Bay Area Unemployment Rate

- Unemployment rates have worsened in the last year, mostly lagging behind the national average



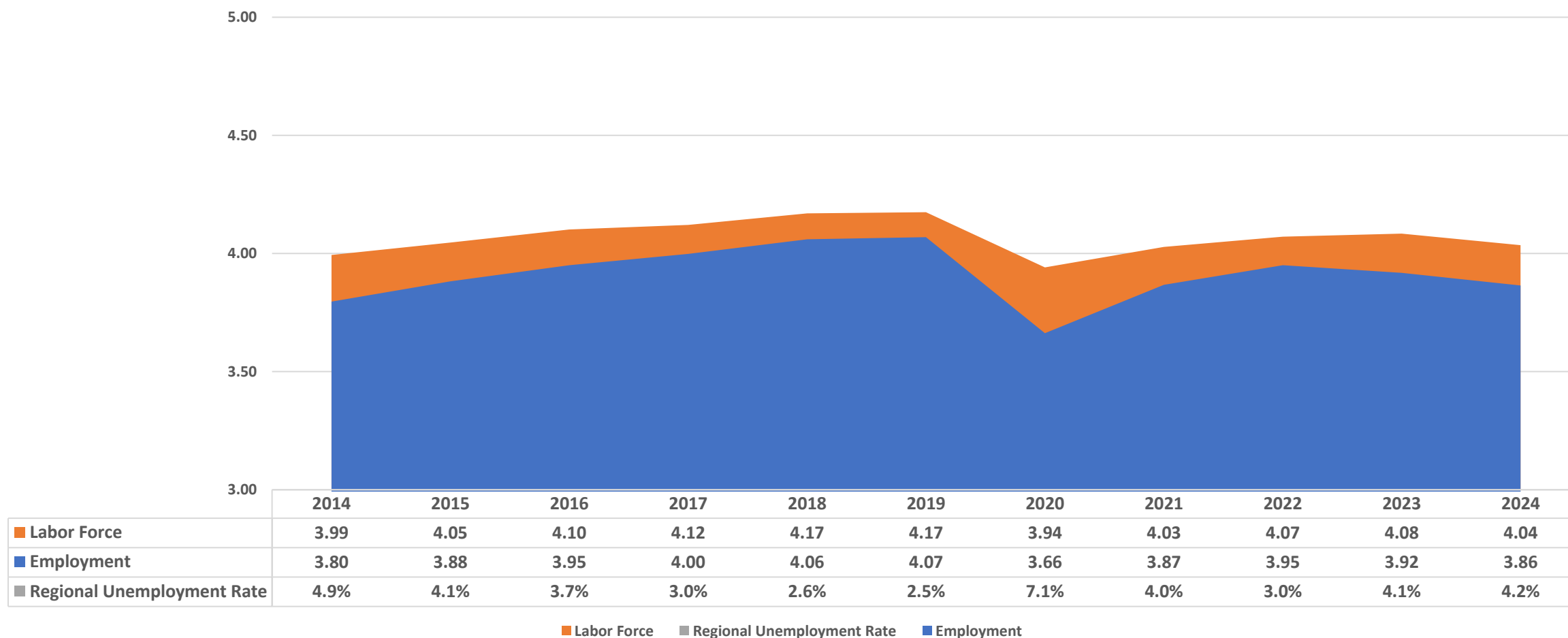
Source: US Bureau of Labor Statistics, Local Area Unemployment Statistics
Graph reflects November unemployment rates of each year

Bay Area Labor Force

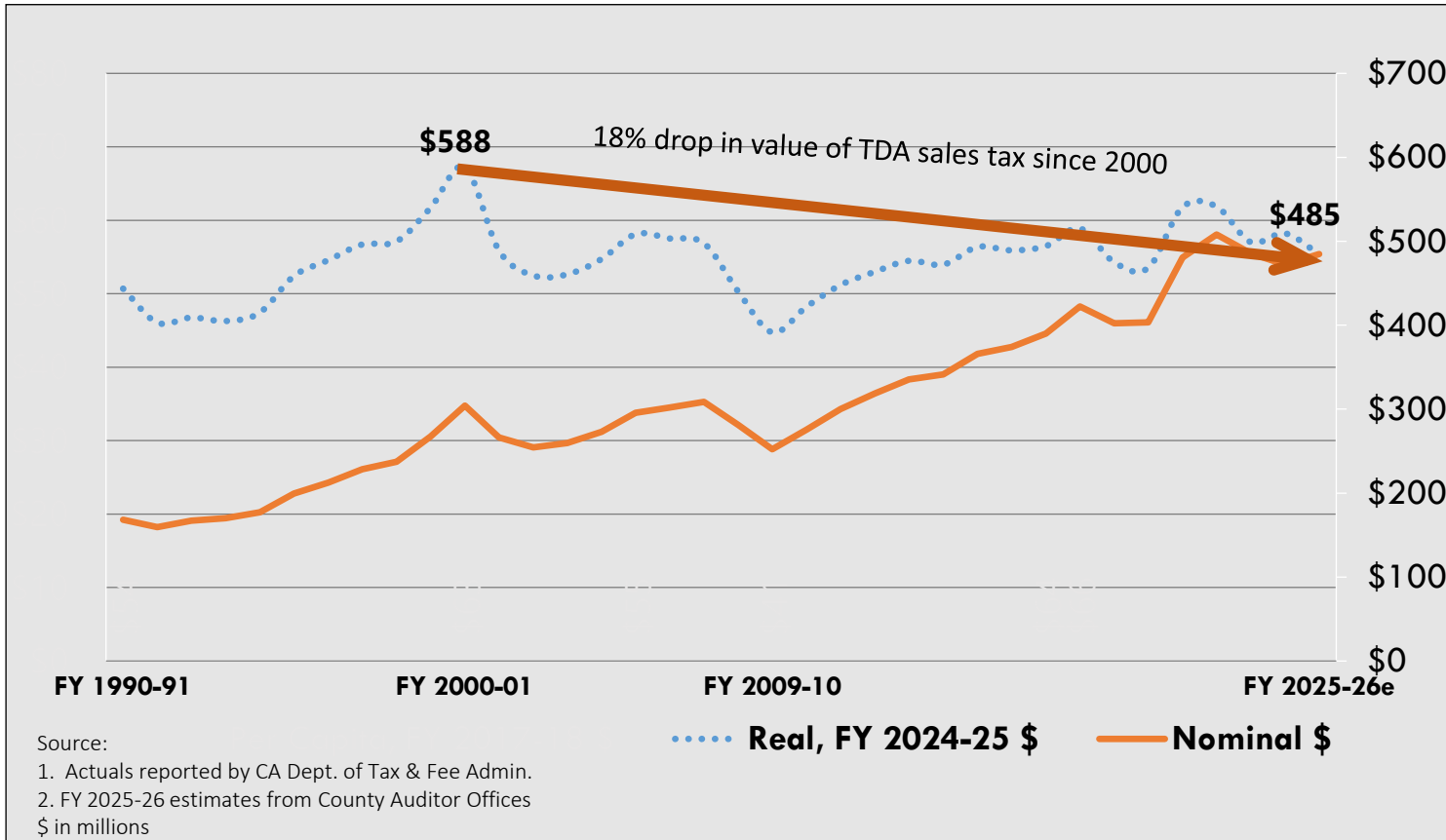
Attachment 1

Neither the regional labor force, nor employment levels have recovered to pre-pandemic levels

Employment and Labor Force



Real Sales Tax Revenue: 18% drop since 2000

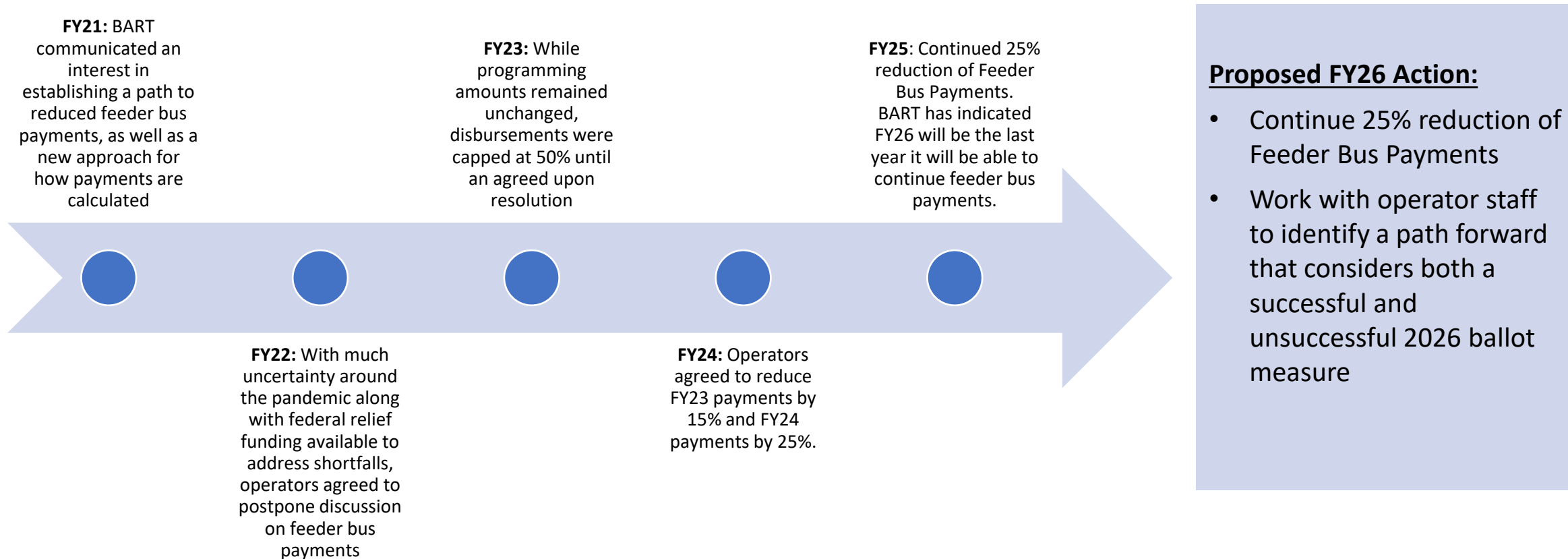


- In addition to the recent plateau in sales tax revenues in nominal terms, revenues have also not kept up with inflation, further diminishing its purchasing power
- Since an all-time high in 2000, real sales tax revenues have declined 18%
- FY 2025-26 Estimates of \$485M are about even with the 20-year inflation-adjusted average of \$481M

BART-Feeder Bus Agreement

Background

- Established in 1997 to transfer feeder bus operations from BART to East Bay bus operators
- Initial payment amounts were established by transition agreements, with subsequent payments adjusted based on changes to AB1107 sales tax revenues
- Payments are made using BART's STA Revenue-Based and TDA Sales Tax Funds



Other Considerations

Proposed Adjustments to TDA Distribution Formula in Sonoma County

- Marin-Sonoma Coordinated Transit Service Plan (MASCOTS) recommended change to formula in Sonoma
- Goal to mirror the formula in Marin, where funds are allocated using a performance-based model
- Revised formula would shift approximately \$2M in funding from Golden Gate to SMART and bus operators in FY26

STA Revenue-Based Formula Freeze Expiration

- Half of statewide STA revenues are distributed based on each operator's share of "qualifying revenues" - i.e., fares and local taxes
- Formulas have been frozen at pre-pandemic levels, with the freeze set to expire at the end of FY2025-26
- There will be opportunities to advocate for the continuation of this freeze
- However, there is a risk of significant changes to STA revenues if the provision were to expire

Sales Tax Attribution for County TDA Revenues

- Resolution of CDTFA audits related to attribution of sales taxes have resulted in negative corrections of revenue
- Ongoing volatility due to these audits is likely for the near future

Staff Recommendation

Staff Recommendation is to refer MTC Resolution No. 4688 to the MTC Commission for approval.