

To: Marketing, Planning, & Legislative Committee

Date: 03/27/2023

From: Melody Reeb, Director of Planning, Marketing, & Innovation

Reviewed by: *Ref*

SUBJECT: Clipper BayPass Update

Background:

In late 2019, the Metropolitan Transportation Commission (MTC) began a Regional Fare Coordination and Integration Study (FCIS) to evaluate the impacts of the region's disparate fare systems on ridership and develop goals for a regional system that would improve the passenger experience and promote higher ridership. The Fare Integration Task Force was formed as a "Special Committee" of the Clipper Executive Board (CEB) to oversee the study, and in late 2021, this Task Force adopted a Policy Vision Statement for fare integration in the 9-county region based on the study recommendations. Concurrently, the Blue Ribbon Transit Recovery Task Force (BRTF) adopted the Transit Transformation Action Plan, which called for the implementation and funding of the recommended pilot projects from the FCIS.

Institutional Pass Pilot:

In June 2022, the Board approved County Connection's participation in the Clipper BayPass pilot program, which is an all-transit agency institutional/employer pass. The initial phase was launched in August and focused on educational institutions and affordable housing properties that already offer an "all you can use" transit pass under pre-existing agreements, including San Francisco State University, San Jose State University, UC Berkeley, Santa Rosa Junior College, and MidPen Housing.

The second phase will expand the program to employers and include developing a pricing structure for the passes. The first few partners are expected to launch this summer, and additional ones will be added to the program on a rolling basis. The pricing structure is intended to be revenue neutral, with pass costs offsetting any fare revenue losses. However, because this is a new pass product, actual usage and willingness to pay are still unknown. In order to manage risk, MTC is proposing an incremental and phased approach starting with a limited number of partners in order to gather data and be able to refine the pricing offerings. The pilot will also focus on recruiting employers not already participating in existing pass programs in order to avoid impacting transit agencies' current revenue streams.

Potential Use in Contra Costa:

As it is scaled up in the future, there are several existing and planned locations within County Connection's service area that could benefit from the Clipper BayPass program. County Connection currently has partnerships with various employer sites such as Bishop Ranch and Shadelands and educational institutions such as St. Mary's to provide subsidized service and/or rides to their employees, students, and visitors. Expanding access to regional transit services such as BART would be extremely valuable for many of these partners. The program would also be able to provide more flexibility and a wider range of pricing options to better fit each institution's needs. This could make the program more

attractive and feasible for institutions such as Diablo Valley College (DVC) where implementing a transit pass program has historically been challenging. In addition, the program could potentially be expanded to housing developments, including those planned at Bishop Ranch and Concord Naval Weapons Station.

Financial Implications:

Funds collected from participating employers will be distributed to transit operators based on ridership and lost fare revenue. If the pass is overutilized and foregone revenue exceeds what is paid by participants, MTC has set aside \$1M in backstop funding. However, it's possible that usage could exceed that funding as well, in which case each operator would have to take a proportional reduction in funds, although MTC staff believes this will be highly unlikely.

Recommendation:

None, for information only.

Action Requested:

None, for information only.

Attachments:

None