



EXECUTIVE DECISION DOCUMENT

GENERAL MANAGER APPROVAL: <div style="float: right; text-align: right;"> <small>DocuSigned by:</small> <small>47000790F2D7463...</small> </div>		GENERAL MANAGER ACTION REQ'D:		
DATE: 4/20/2022 5/5/2022		BOARD INITIATED ITEM: No		
Originator/Prepared by: Patricia Nelson Dept: Financial Planning <div style="text-align: right;"> <small>DocuSigned by:</small> <small>2C70690039C64FD...</small> </div> Signature/Date: <div style="text-align: right;">5/3/2022</div>	General Counsel <div style="text-align: right;"> <small>DocuSigned by:</small> <small>F8FD7B3A73E74E8...</small> </div> Signature/Date: <div style="text-align: right;">5/4/2022 []</div>	Controller/Treasurer <div style="text-align: right;"> <small>DocuSigned by:</small> <small>EE11C8CEEEA04FD...</small> </div> Signature/Date: <div style="text-align: right;">5/4/2022 []</div>	District Secretary <div style="text-align: right;"> <small>DocuSigned by:</small> <small>3BB24D65B8724F5...</small> </div> Signature/Date: <div style="text-align: right;">5/4/2022 []</div>	BARC <div style="text-align: right;"> <small>DocuSigned by:</small> <small>3BB24D65B8724F5...</small> </div> Signature/Date: <div style="text-align: right;">5/4/2022 []</div>

Extension of the Letter Agreement for the BART Ridership Incentive Program for SFO Airport-Badged Employees

PURPOSE: To authorize the General Manager to extend the Letter Agreement for the BART Ridership Incentive Program for SFO Airport-Badged Employees. (Two-thirds vote required).

DISCUSSION: The Letter Agreement ("Agreement") between the District and the San Francisco International Airport ("SFO") was executed in 2013. The Agreement waives the \$4.79 SFO premium fare applied to trips to and from the SFO BART station for all participating airport-badged employees.

In October 2010, BART entered into an agreement with SFO to mitigate a one-time increase in the SFO premium fare from \$1.50 to \$4.00, by waiving the increase in the premium fare for SFO Airport-Badged employees. In the subsequent 2013 Agreement, SFO and BART agreed to waive the remaining \$1.50 of the premium fare, so participants paid only the base fare with no premium for trips to and from the SFO Station. SFO actively promoted the discount program to employees, and due to the high utilization, the elimination of the SFO premium fare was revenue positive before COVID. Between FY13 and FY19, SFO Airport-Badged Employees' annual trips increased from 130,000 to 500,000. Annual trips for FY22 are projected to be 190,000.

The 2013 Agreement between BART and SFO is set to expire at the end of the current fiscal year, June 30, 2022. Given the program's success, staff proposes to extend the Agreement for an additional year, from June 2022 to June 2023, and includes two one-year options to extend the Agreement. Staff expects to migrate this fare program to Clipper by late 2023 or early 2024. Further, staff intends to explore working with SFO as a potential participant in the second phase of the all-agency institutional pass demonstration project co-led by BART

and the Metropolitan Transportation Commission. As such, the extension options allow for further opportunities to innovate and enhance the program.

The Incentive Program revision does not constitute a "project" subject to review under the California Environmental Quality Act (CEQA), because it does not have the potential for causing a significant effect on the environment [CEQA Guidelines section 15061(b)(3)]. Nor would the Incentive Program require a Title VI equity analysis under these circumstance according to FTA guidance.

FISCAL IMPACT: The Agreement will be revenue neutral to BART. Should ridership fall below the agreed upon baseline threshold, SFO will reimburse BART accordingly to the terms of the Agreement.

ALTERNATIVES: Do not authorize the General Manager to extend the Agreement. Eligible BART passengers utilizing the discount will begin paying full BART fares effective June 30, 2022, upon expiration of the Agreement.

RECOMMENDATION: Approval of the following motion.

MOTION: The General Manager is authorized to extend the Letter Agreement for Ridership Incentive Program for SFO Airport-Badged Employees Program extension, including the two one-year options to extend. (Two-thirds vote required).