



Public Hearing

May 25, 2023



Agenda

1. Fee Schedule for Permits, Easements, and Plan Review
2. Parking Pricing Policy Proposal
3. 2024 and 2025 Productivity-Adjusted Inflation-Based Fare Increase(s) and Clipper[®] STARTSM Discount Increase
4. Fiscal Year 2024 and Fiscal Year 2025 Two-Year Annual Budget

1. Fee Schedule for Permits, Easements, and Plan Review



Fee Schedule Background

- Fees compensate BART for expenses associated with third party needs
- Fee schedules exist at BART for:
 - Construction Permits, Easements and Plan Review (today's subject)
 - Film, Video and Photography
- Board Resolution No. 4515 (1994) authorized staff to create fee schedule for projects affecting district property
- Board Resolution No. 4805 (2001) authorized annual CPI based increases & CEQA filing fees
- Board Resolution No. 4989 (2006) authorized staff to adjust annually based on % wage increase based on labor contracts instead of CPI
- Fee schedule last updated 7/1/2020

Fee Schedule Proposal for FY24 & FY25

- Recalculated:
 - Hourly rate using job classifications most often coding time to permits
 - Application fee to cover new permit software (OpenGov) to be deployed FY24
 - Flat rates for application processing fees using calculations of staff time based on real data from calendar year 2022
- Aligned rates with peer agencies (Caltrans, VTA, SamTrans)
- Increased as-built deposit (reimbursed once as-builts are provided for changes to BART facilities)
- FY25 rates to be adjusted only based on salary / fringe cost increases per Resolution 4989

Fee Schedule Proposal for FY24 & FY25

	Current	Proposed FY24
Hourly Rate	\$150	\$160
Permit Application Fee	\$976	\$2,078
Permit Extension Fee	\$261	\$424
Easement Processing Application	\$1,208	\$1,977
As Built Deposit	\$1,000-\$2,000	\$2,500-\$5,000
1 Day Event Permit Application	\$300	\$350

- State law exempts public agencies from administrative application fees
- Additional costs may be incurred following application processing to cover BART costs, or compensate BART with fair market value for property rights
- Easements require Board approval following BART staff processing
- Current fee schedule does not identify event permits, but staff propose to add this category
- Currently staff charge at least \$300 per event to account for approx. 2 hours of processing time

2. Parking Pricing Policy Proposal



Parking Pricing Policy Proposal*

	Current	Proposed
Price Range		
Daily Fee <i>(per day)</i>	\$1 - \$3	\$3 - \$8
Single/multi-day <i>(per day)</i>	\$4 - \$7	\$4 - \$11
Monthly	\$63 - \$105	\$84 - \$220
Hours		
Until 3pm Weekdays	✓	✓
Weekends & 3-6pm Weekdays	✗	✓

Prices may:

- Increase max 30% at a time /every 6 mos. when 90% full
- Vary by station & time of day / day of week
- Be adjusted for inflation within the range

Also note:

- Weekend & 3-6 PM pricing implemented only if 90% full
- West Oakland has no cap
- Local parking taxes apply in Oakland (18.5%), Berkeley (10%) and San Francisco (25%)

*Proposed fees do not yet include adjustments based on Title VI Analysis

Rationale for Policy Update

- BART sets parking prices to manage demand and support financial stability
- Current policy is outdated (2013)
- Proposed policy supports better management at Transit-Oriented Development stations and is in line with peer agencies



\$5.50/day
24/7



\$3/day
24/7



\$0.50 - \$9.25 / hour
Mon-Sat, 9am-6pm



Boston
\$2 - \$15
24/7



Los Angeles
\$0 - \$5
24/7



Washington DC
\$3 - \$8.95
Mon-Fri, 7:30am-12:30am

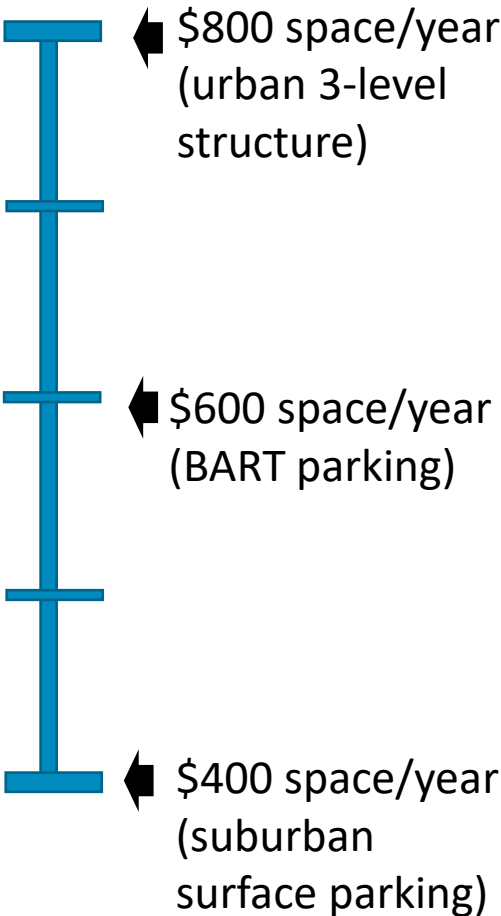
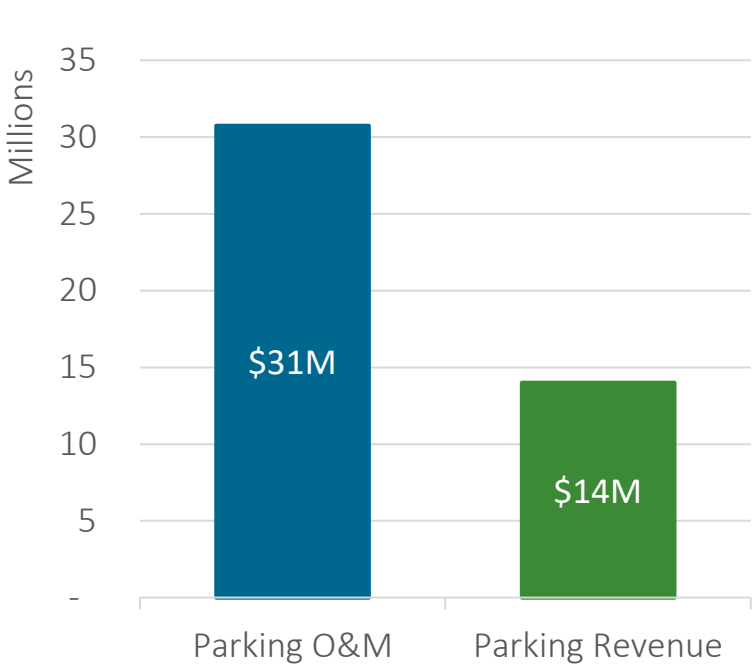


BART Parking Costs Exceed Revenues

Estimated FY23 Parking Operations & Maintenance Deficit (O&M): **\$17M**

Typical National Parking Operating Costs Per Space/Yr*

Example Parking O&M Activities



- Policing
- Parking management
- Revenue collection
- Trash removal
- Landscaping
- Cleaning
- Lighting

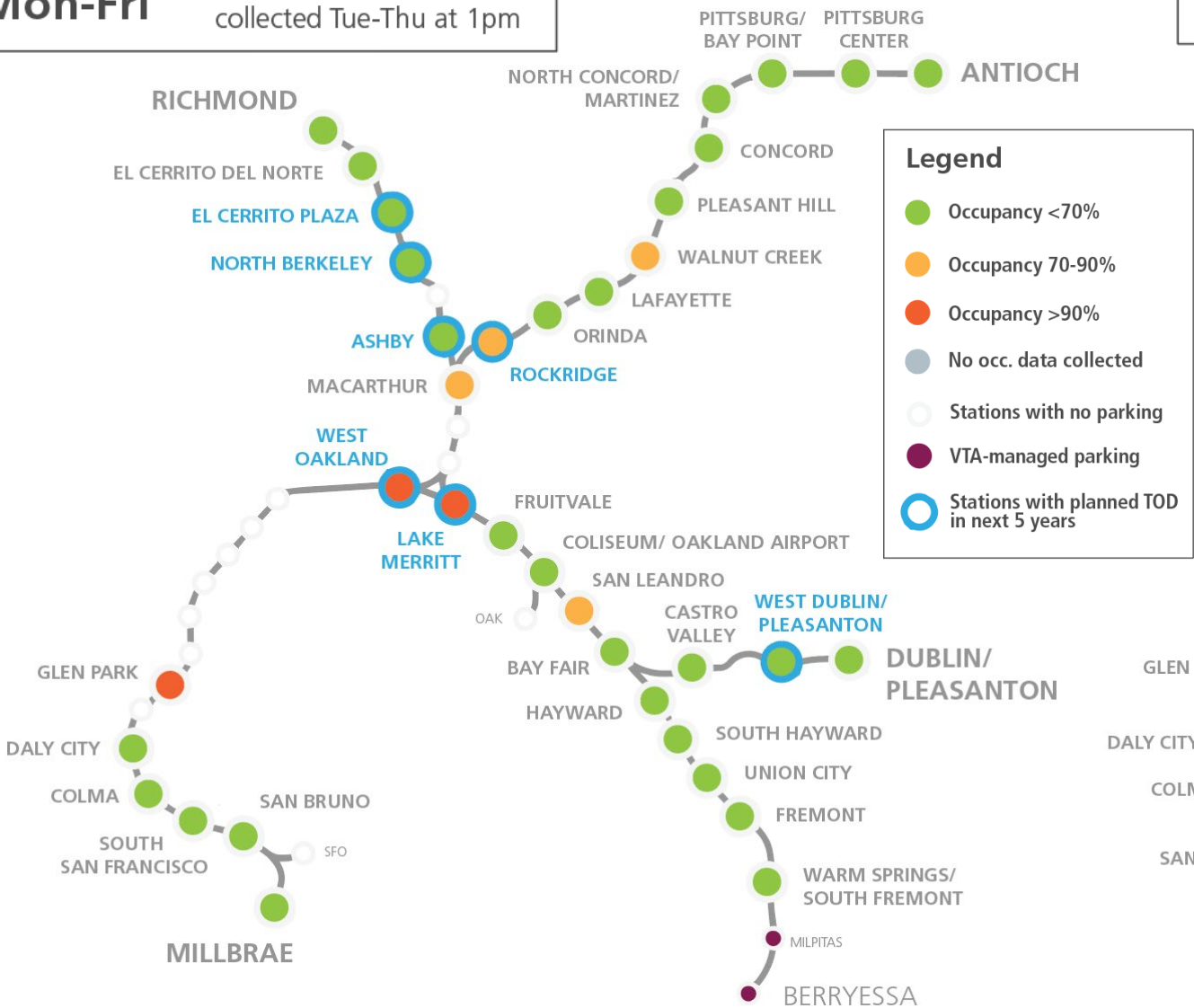
BART has increased the overall safety + security budget by \$30M since FY2019

*Transportation Cost and Benefit Analysis II – Parking Costs Victoria Transport Policy Institute (www.vtpi.org)

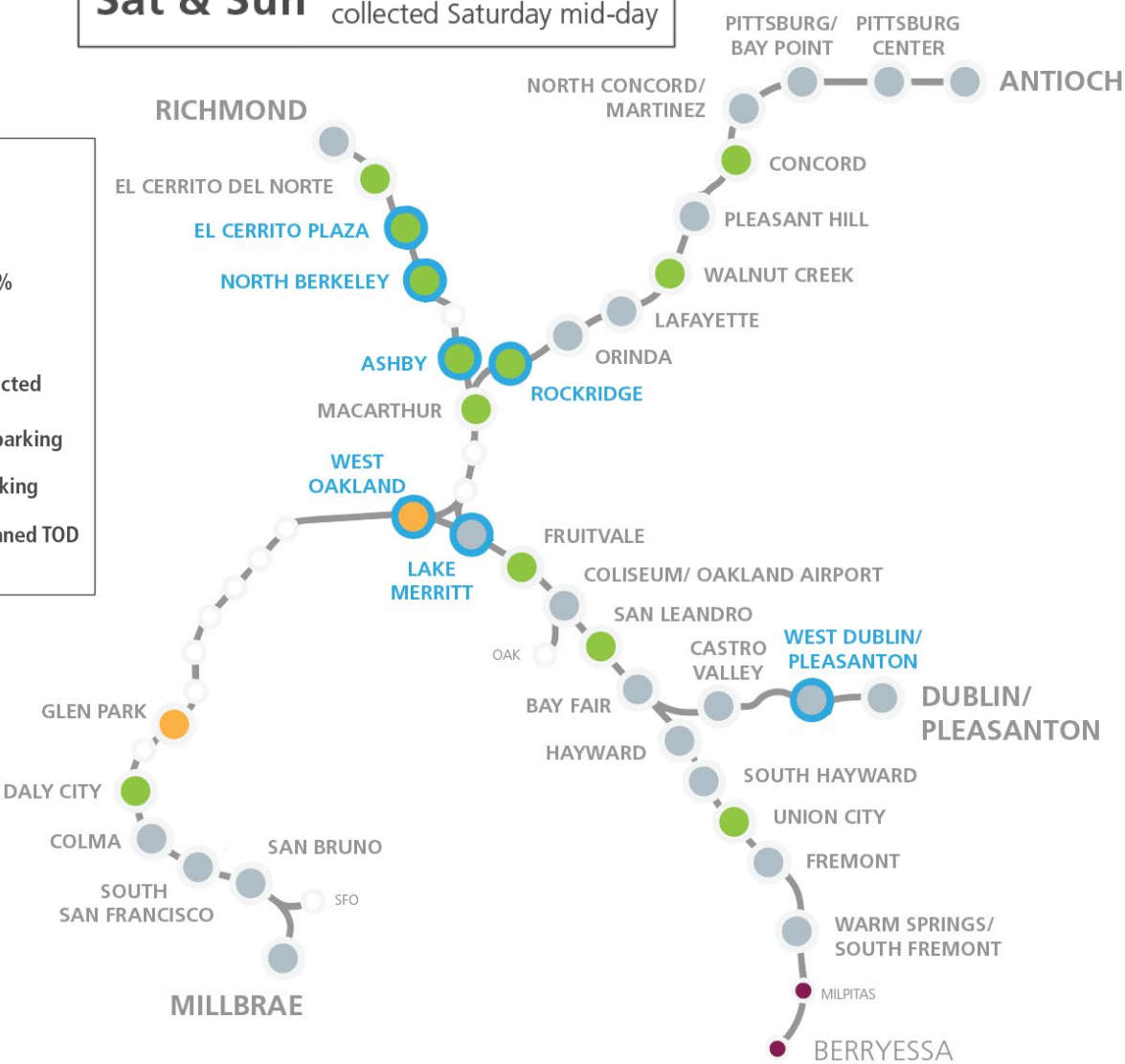


Current Parking Occupancy: Near-Term, Patrons Won't Pay More at Most Stations

Mon-Fri as of March 2023
collected Tue-Thu at 1pm



Sat & Sun as of April 2023,
collected Saturday mid-day



3. 2024 and 2025 Productivity-Adjusted Inflation-Based Fare Increases and Clipper[®] STARTSM Discount Increase



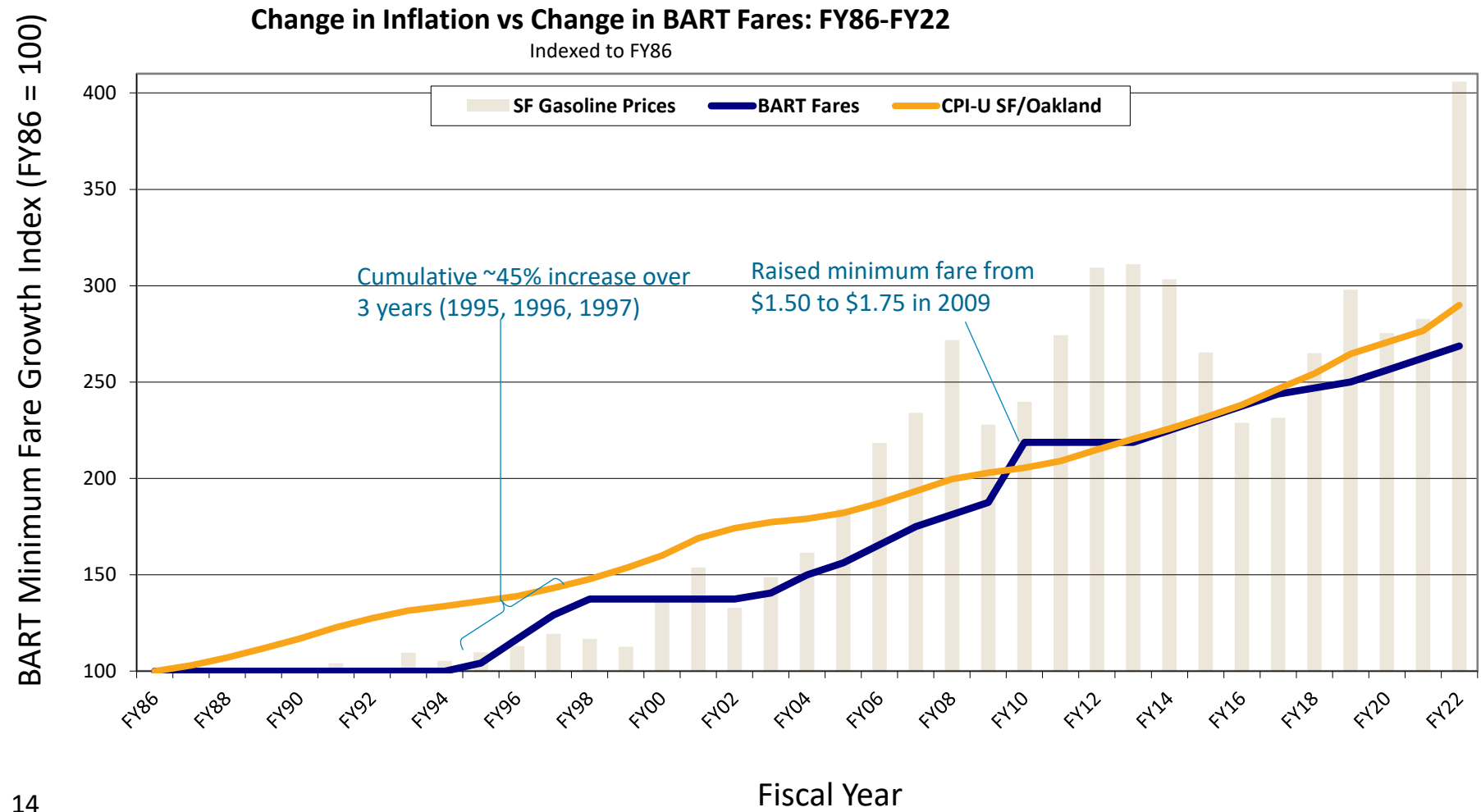
Fare actions

Fare Action	Consider Title VI Analysis	Consider Adoption	Budget Impact Through FY2025	Budget Impact Through FY2028
2024 and 2025 Productivity-Adjusted Inflation-Based Fare Increases up to 5.5% Each	May 25, 2023	June 8, 2023	Up to \$26M	Up to \$120M
Clipper® START SM Discount Increase	May 25, 2023	June 8, 2023	(\$7M)	(\$24M)

What is the Productivity-Adjusted Inflation-Based Fare Increase Program?

- CPI-based fare increase policy adjusts fares **every other year by inflation less 0.5%**
 - Inflation is defined as the average of CPI-U (national) and CPI-W (local)
 - Last increase: July 2022 (deferred 6 months)
 - Next increase scheduled for **January 2024**
-
- For nearly 20 years, CPI-based fare policy has allowed fares to keep up with the cost of providing reliable and safe service
 - Allows for stable fare adjustments as required by the District's 2003 Financial Stability Policy
 - Keeping fares in line with inflation is one critical element for restoring District financial sustainability

BART minimum fares vs. inflation

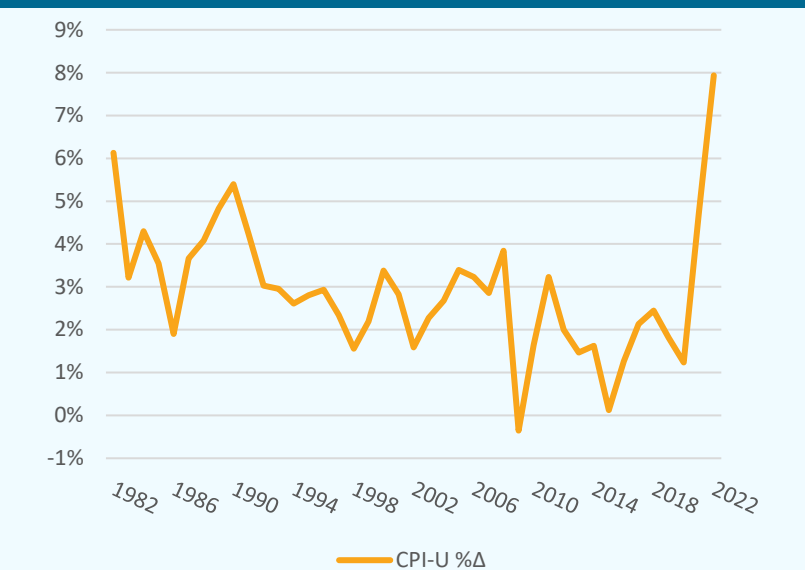


In the past when BART did not implement small fare increases regularly, the Board eventually had to adopt large fare increases during fiscal crises when it was most challenging for riders to pay.

Steady, predictable fare increases help BART operating funds keep pace with inflation and are relatively easier for riders to manage.

Inflation and wages, 2020 to 2022

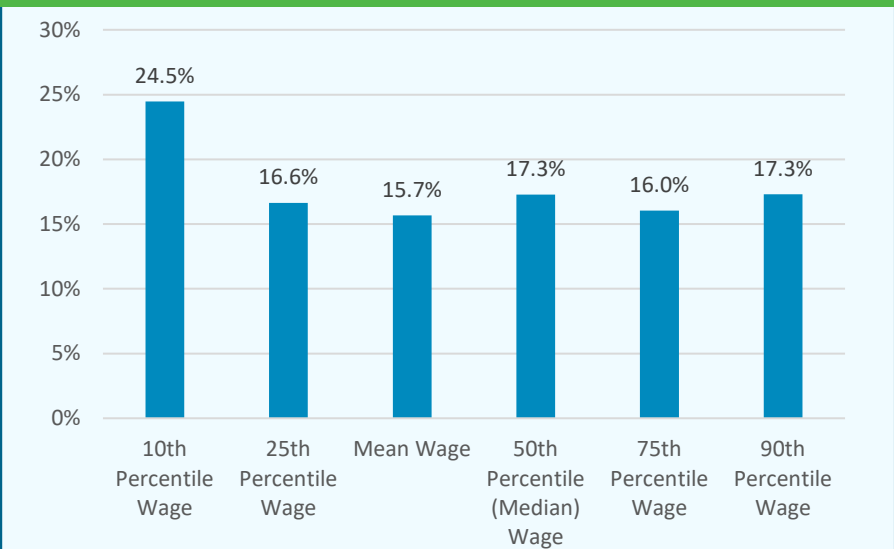
CPI Annual Average Growth



During the period assessed for this increase (Jan 2020 to Dec 2022), inflation was 11.9% (highest since 1982)

Sources: Bureau of Labor Statistics; CA EDD Occupational Employment and Wage Statistics for Oakland and San Francisco Metro Division

% Difference in Wages, 2022 vs. 2020



At the same time, wages in the BART service area increased ~16% on average, with the lowest-income segment of the workforce seeing the fastest wage growth

Local legal minimum wages increased by an average of 10% and total employment has returned to pre-pandemic levels

Calculated Fare Increase per Policy

	CPI-W Local	CPI-U National
Annual Increase		
2021 / 2020	4.10%	4.70%
2022 / 2021	6.34%	8.00%
Cumulative	10.70%	13.08%
Average		11.89%
Less Productivity Factor		0.50%
Calculated Fare Increase Eff. 1/1/24		11.39%

By policy, the resulting fare increase for January 2024 is **11.4%**

To ease impacts of this fare increase, staff proposes implementing **two fare increases, up to 5.5% each**, in January 2024 and 2025, contingent on Board approval of Title VI report

Comparison of proposed sample fares to alternatives

Current policy

Current CPI-based Policy: 11.4% increase eff. January 2024

From	To	Trip Length (Miles)	July 2022	January 2024	Δ from Prior	January 2025	Δ from Prior	Est. Monthly
Balboa Park	Powell	5	\$2.15	\$2.40	0.25	\$2.40	-	\$60
El Cerrito del Norte	19 th St / Oakland	10	\$2.85	\$3.15	0.30	\$3.15	-	\$79
Downtown Berkeley	Embarcadero	12	\$4.50	\$5.00	0.50	\$5.00	-	\$126
Antioch	Montgomery	45	\$8.20	\$9.10	0.90	\$9.10	-	\$229

Staff proposal

Preliminary Budget Proposal: Two 5.5% increases eff. January 2024 and January 2025

From	To	Trip Length (Miles)	July 2022	January 2024	Δ from Prior	January 2025	Δ from Prior	Est. Monthly
Balboa Park	Powell	5	\$2.15	\$2.30	0.15	\$2.40	0.10	\$60
El Cerrito del Norte	19 th St / Oakland	10	\$2.85	\$3.00	0.15	\$3.15	0.15	\$79
Downtown Berkeley	Embarcadero	12	\$4.50	\$4.75	0.25	\$5.00	0.25	\$126
Antioch	Montgomery	45	\$8.20	\$8.60	0.40	\$9.10	0.50	\$229

Other option

Additional Analysis: Two 4% increases eff. January 2024 and January 2025

From	To	Trip Length (Miles)	July 2022	January 2024	Δ from Prior	January 2025	Δ from Prior	Est. Monthly
Balboa Park	Powell	5	\$2.15	\$2.25	0.10	\$2.35	0.10	\$59
El Cerrito del Norte	19 th St / Oakland	10	\$2.85	\$3.10	0.10	\$3.10	0.15	\$78
Downtown Berkeley	Embarcadero	12	\$4.50	\$4.65	0.15	\$4.85	0.20	\$122
Antioch	Montgomery	45	\$8.20	\$8.50	0.30	\$8.85	0.35	\$223

Comparison of fiscal impacts among alternatives

Projected Annual Fare Revenue (\$M)							Total	Total
		FY24	FY25	FY26	FY27	FY28	FY24-FY25	FY24-FY28
Current CPI-based policy	Baseline							
	No fare increase	\$220	\$239	\$256	\$271	\$302	\$459	\$1,289
	January 1, 2024 fare increase	11.4%						
	Annual net fare revenue	\$233	\$266	\$285	\$302	\$337		
	Net change from baseline	\$13	\$27	\$29	\$31	\$34	\$40	\$135
Budget proposal	January 1, 2024 and 2025 fare increases	5.5%	5.5%					
	Annual net fare revenue	\$226	\$259	\$285	\$302	\$336		
	Net change from baseline	\$6	\$20	\$29	\$31	\$34	\$26	\$120
Other option	January 1, 2024 and 2025 fare increases	4.0%	4.0%					
	Annual net fare revenue	\$225	\$253	\$277	\$294	\$327		
	Net change from baseline	\$4	\$15	\$21	\$22	\$25	\$19	\$87

Clipper START Pilot - Current

- Clipper START is a pilot program that provides 20% or 50% fare discounts for eligible low-income individuals in the San Francisco Bay Area
- To qualify for the Clipper START pilot program, riders must:
 1. Be between age 19 to 64 years old
 2. Live in one of the nine Bay Area counties
 3. Not have an RTC Discount Card for persons with disabilities
 4. Have a household income that is at or below the amounts listed here:

Household size	Income limit**
1	\$29,160
2	\$39,440
3	\$49,720
4	\$60,000

**Income limit based on Year 2023 200% of Federal Poverty Level.

Participating Transit Operators

50% discount

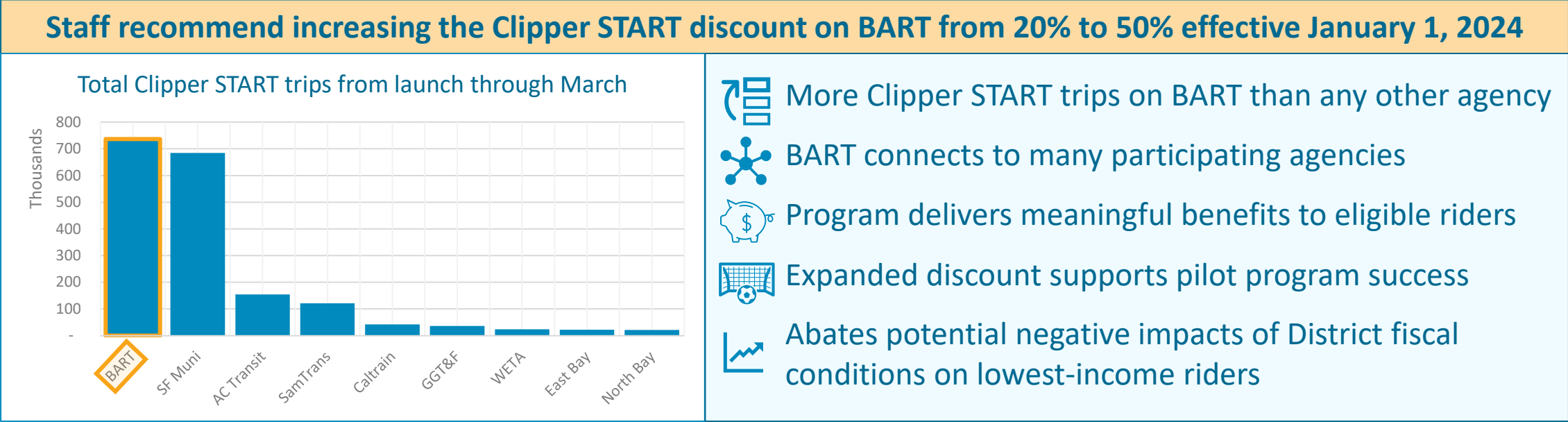
Caltrain
Golden Gate Transit and Ferry
Marin Transit
Muni
SamTrans
San Francisco Bay Ferry
SMART

20% discount

AC Transit	Santa Rosa CityBus
BART	SolTrans
City Coach	Sonoma County Transit
County Connection	Tri Delta Transit
FAST	Union City Transit
Napa VINE	WestCAT
Petaluma Transit	Wheels



Clipper START Pilot - Proposed



Sample BART fares	Current		Preliminary proposed
	Adult Clipper Fare	20% Discount Means-Based Clipper Fare (Current Discount Level)	50% Discount Means-Based Clipper Fare (Proposed)
Pittsburg/ Bay Point to Embarcadero	\$7.70	\$6.15	\$3.85
El Cerrito del Norte to 19 th Street/Oakland	\$3.00	\$2.40	\$1.50
Balboa Park to Powell	\$2.30	\$1.80	\$1.15

These sample preliminary fares incorporate a fare increase of 5.5% (not to be exceeded if adopted), effective January 1, 2024. BART’s fares are in nickel increments, so discounted fares are rounded down to the nearest nickel to ensure the rider receives their full discount.



4. Fiscal Year 2024 and Fiscal Year 2025 Budget



FY24 & FY25 Operating Revenue & Financial Assistance

Regular Revenues	FY23	FY24			FY25		
(\$Millions)	Forecast	Proposed	Change		Proposed	Change	
			\$	%		\$	%
Rail Passenger Revenue	188.9	225.0	36.1	19%	254.4	29.4	13%
ADA Passenger Revenue	0.5	0.5	0.0	0%	0.5	0.0	0%
Parking Revenue	14.0	14.8	0.8	6%	14.9	0.1	1%
Other Operating Revenue	26.5	23.9	(2.6)	-10%	22.8	(1.1)	-5%
Subtotal - Operating Revenue	229.9	264.2	34.3	15%	292.5	28.3	11%
Sales Tax Proceeds	324.1	319.8	(4.3)	-1%	327.2	7.4	2%
Property Tax Proceeds	58.0	61.2	3.2	6%	64.3	3.1	5%
MTA Financial Assistance	35.0	34.7	(0.3)	-1%	34.8	0.1	0%
MTC Financial Assistance Clipper Start	0.2	0.5	0.3	150%	1.2	0.7	140%
Local & Other Assistance	15.2	12.7	(2.5)	-16%	13.6	0.9	7%
State Transit Assistance	34.9	23.5	(11.4)	-33%	23.2	(0.3)	-1%
Low Carbon Transit Operations Program	10.3	10.3	0.0	0%	10.3	0.0	0%
Low Carbon Fuel Standard Program	5.0	6.5	1.5	30%	6.4	(0.1)	-2%
Subtotal - Financial Assistance	482.7	469.2	(13.5)	-3%	480.9	11.7	2%
Total – Regular Revenues	712.6	733.4	20.8	3%	773.5	40.1	5%

- Total regular operating revenue sources (excluding federal assistance) increase 3% in FY24 and 5% in FY25
- Sales tax remains largest single regular revenue source
- Strong sales tax revenues and higher-than-expected State Transit Assistance in FY23 offset below budget ridership revenue

FY24 & FY25 Total Expense

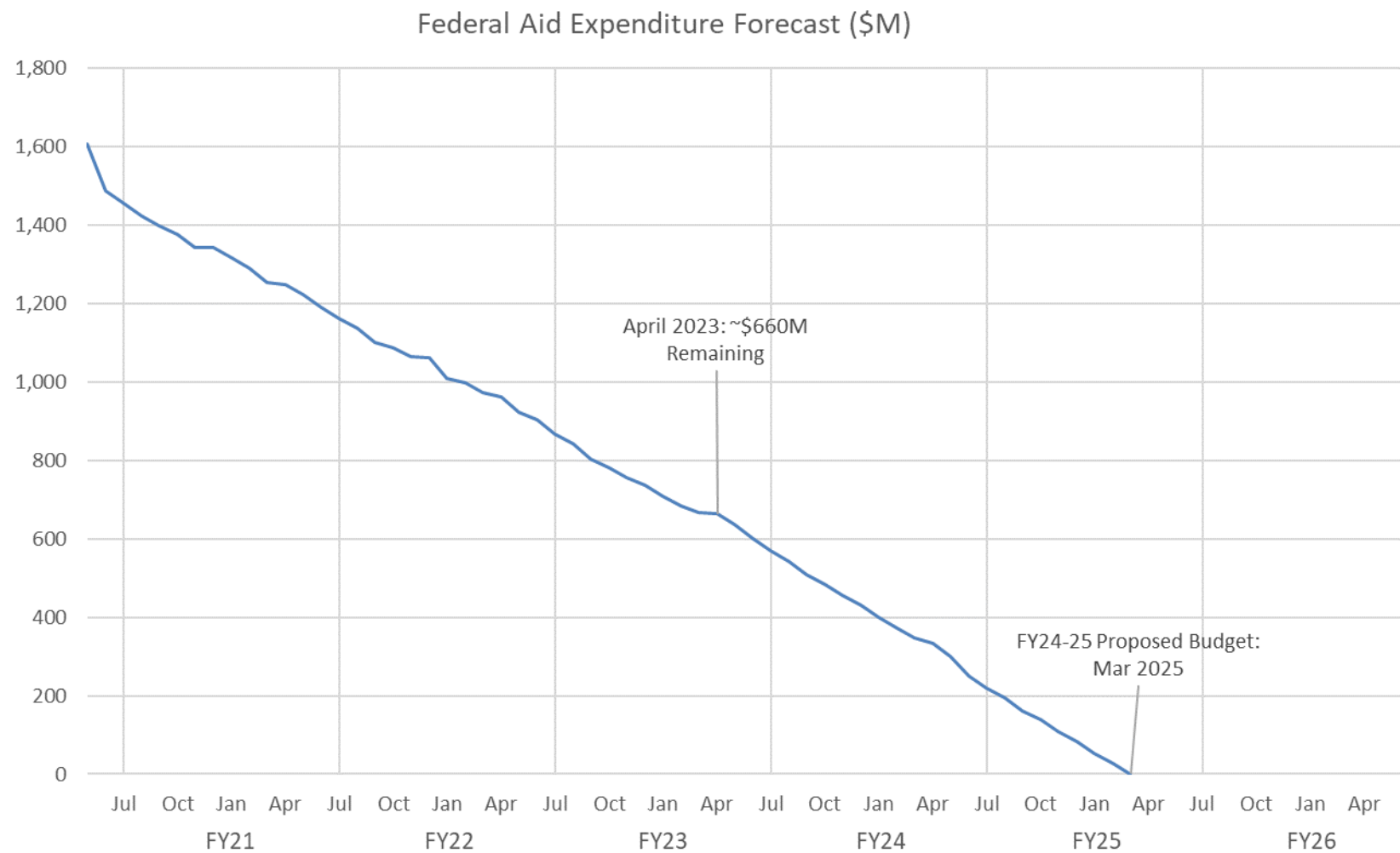
Total Expense	FY23	FY24			FY25		
(\$Millions)	Forecast	Proposed	Prelim to Proposed		Proposed	Prelim to Proposed	
			\$	%		\$	%
Net Wages	364.6	389.5	24.9	7%	411.9	22.4	6%
Net Overtime	65.1	52.9	(12.2)	-19%	55.0	2.1	4%
Net Fringe	222.6	257.5	34.9	16%	259.3	1.8	1%
Subtotal - Labor	652.3	699.9	47.6	7%	726.2	26.3	4%
ADA Paratransit	16.7	18.8	2.1	-13%	20.4	1.6	9%
Purchased Transportation	6.8	7.9	1.1	16%	8.5	0.6	8%
Power	65.7	59.0	(6.7)	-10%	60.7	1.7	3%
Other Non-Labor	127.1	151.8	24.7	19%	152.5	0.7	0%
Subtotal - Non-Labor	216.3	237.5	21.2	10%	242.2	4.7	2%
Debt Service	59.9	60.1	0.2	0%	60.2	0.1	0%
Allocations	87.5	86.0	(1.5)	-2%	86.8	0.8	1%
Subtotal - Debt Service & Allocations	147.4	146.2	(1.2)	-1%	146.9	0.7	0%
Total - Uses	1,016.0	1,083.6	67.6	7%	1,115.3	31.7	3%

- FY23 overall expense projection is nearly on budget, despite significant variances
 - Labor spending is over budget
 - Non-labor and debt service/allocations below budget, partially due to management actions
- FY24 & FY25 expenses increase by 7% in FY24 and additional 3% in FY25

Five-Year Projection

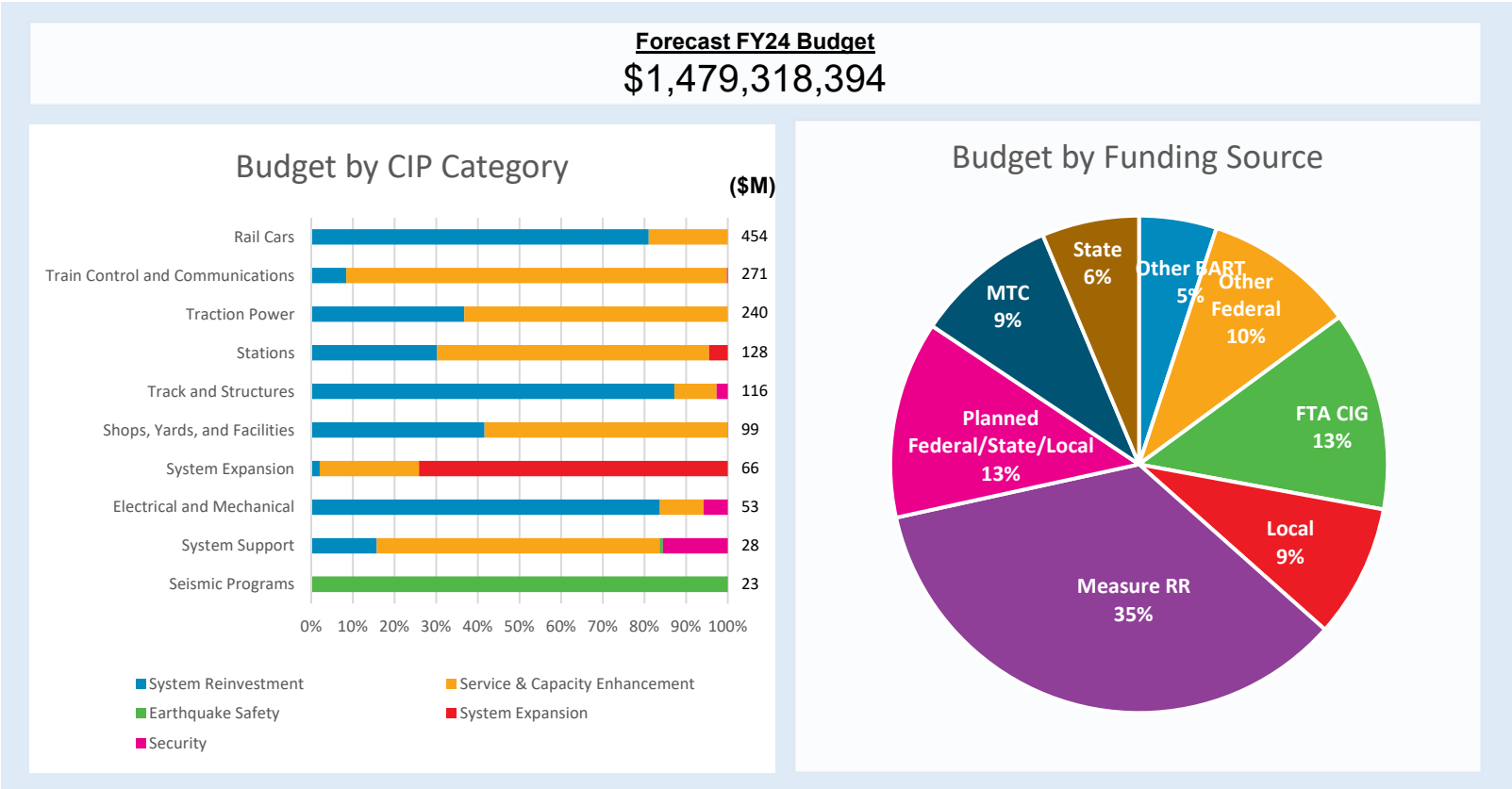
(\$M)	FY24	FY25	FY26	FY27	FY28
Operating Revenues	264	293	318	349	393
Financial Assistance	469	481	496	512	532
Total Regular Revenues	733	773	815	861	925
Operating Expense	937	968	977	1,005	1,114
Debt Service & Allocations	146	147	150	153	153
Total Uses	1,084	1,115	1,127	1,158	1,267
Operating Result	(350)	(342)	(313)	(297)	(342)
Total Federal Assistance	350	250	0	0	0
Total Net Result	0	(92)	(313)	(297)	(342)

BART's Fiscal Runway

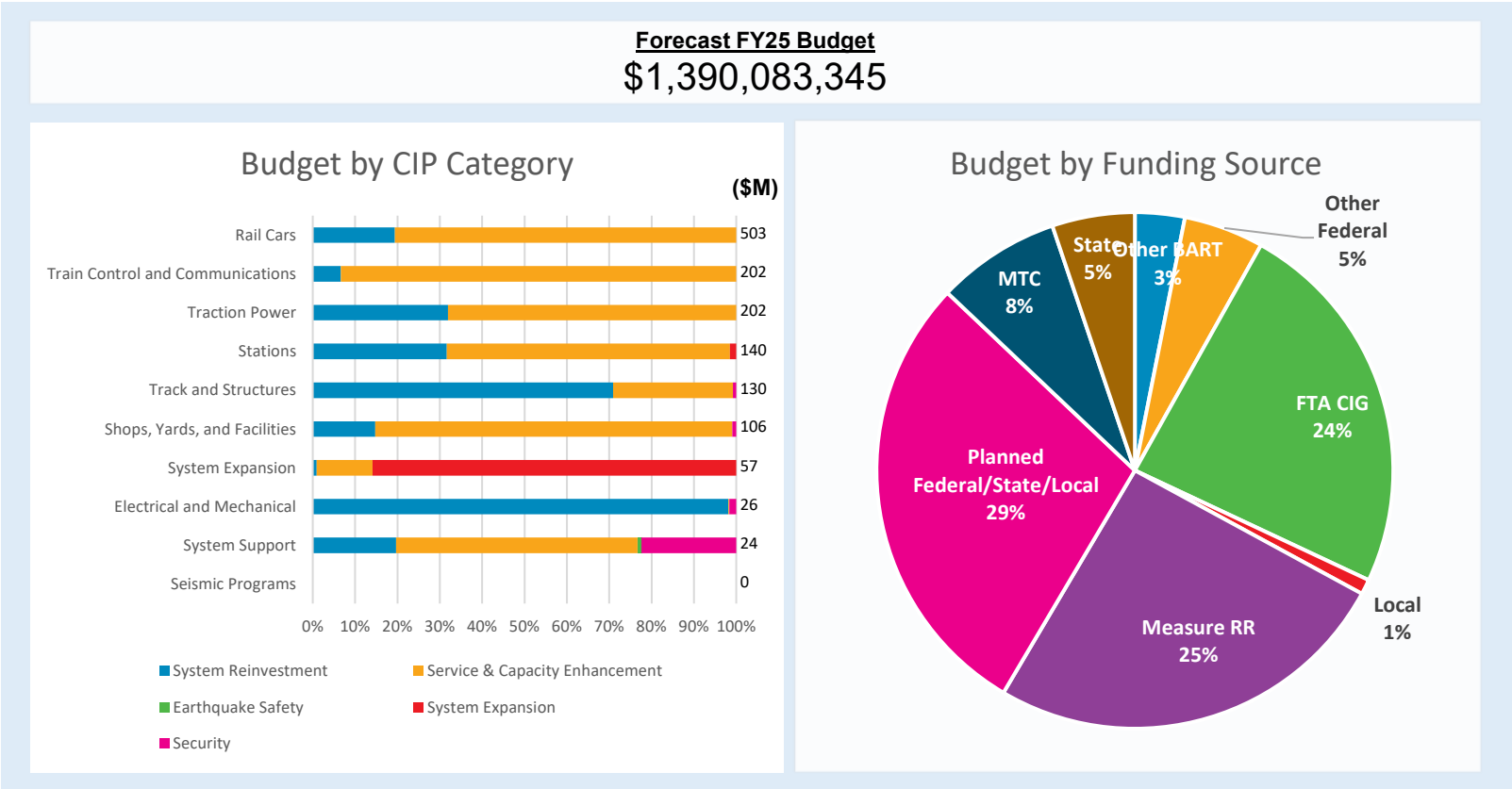


- Federal funding projected to cover deficits until March 2025
- FY24-25 Proposed Budget currently shows a \$92M deficit for FY25

FY24 Capital Sources & Uses



FY25 Capital Sources & Uses



Public Comment