

Clipper BayPass Pilot Participation Agreement

JPB AMP Committee
September 27, 2023



BayPass Phases Overview

- BayPass is an all-transit agency institutional pass pilot under the direction of the MTC Fare Integration Task Force. The pilot is being rolled out in two phases:

PHASE 1

- **Aug. 2022 Launch**
- 5 Higher Ed / Housing participants
- Student / Resident focused
- 50,000 all-agency passes
- \$2.3M programmed by MTC
- No cost to participants

PHASE 2

- **Late 2023 Launch**
- 10 Employer participants
- Broad focus
- 20,000 all-agency passes
- \$1M, increasing to \$5M programmed
- Participants purchase annual passes
- 2 year pilot (1-year agreements)

Caltrain Go Pass – Recap

- The potential impact of BayPass Phase 2 on current and future Go Pass revenue required adjustments to the pilot to limit risk to Caltrain. A recap of Go Pass' importance to Caltrain's bottom line:
 - **\$17 million** in FY2023 Go Pass revenue
 - **One Third** of total FY2023 Caltrain fare revenue
- In the **FY2024 – 2025** budget, Go Pass is expected to be over **35%** of total fare revenue. Caltrain is actively engaged in a Go Pass expansion effort to increase revenue and participants.
- **Caltrain has a projected fiscal cliff of as much as \$550 million over the next 10 years.** Go Pass revenues are projected to generate as much as \$220 million over the same period. Loss of any portion of this revenue will increase the fiscal cliff on a dollar-for-dollar basis.

BayPass Phase 2 – Participation Agreement

- Prior to Phase 2 pilot launch, the 23 Clipper-participating transit operators (including Caltrain) must execute Participation Agreements with MTC.
- Caltrain staff negotiated Participation Agreement language that protects current Go Pass revenue and relationships with existing Go Pass participants:
 - **Santa Clara County:** existing Go Pass customers within 3-miles of the Caltrain corridor may participate in the pilot. Outside of 3-miles, only VTA SmartPass customers may participate.
 - **San Mateo County:** existing Go Pass customers (including the **City of Menlo Park**) may participate within 3-miles of the Caltrain corridor.
 - **San Francisco:** Caltrain will be reimbursed on a per-trip basis for trips taken by pilot participants within the city.

Today's Action – Participation Agreement

Caltrain staff recommend that the JPB authorize the Executive Director, or designee, to execute a Participation Agreement with MTC to advance the BayPass Phase 2 pilot.

BayPass Phase 2 – Next Steps

- August 28:** MTC Fare Integration Task Force
- September 27:** JPB AMP – Action Item (Participation Agreement)
- October 5:** JPB Meeting – Action Item (Participation Agreement)
- October 31:** *No Later Than* – Approval of Participation Agreements by All Operators
- January 2024:** *No Later Than* – Launch of BayPass Phase 2
- Late 2025:** Close of BayPass Phase 2 pilot, evaluation of data and report out