



**David Rabbitt, Chair**  
 Sonoma County Board of Supervisors January 4, 2023

**Barbara Pahre, Vice Chair**  
 Golden Gate Bridge,  
 Highway/Transportation District

Mr. Terence Lee  
 Policy & Financial Analyst  
 Metropolitan Transportation Commission  
[tplee@bayareametro.gov](mailto:tplee@bayareametro.gov)

**Vacant**  
 Marin County Board of Supervisors

**Melanie Bagby**  
 Sonoma County Mayors' and  
 Councilmembers Association

Dear Terence:  
 SMART is submitting the required narrative document regarding the Short-Range Transit Plan: Bay Area Transit Recovery Scenario Planning. This narrative includes responses to the questions posed in your December 8, 2022, response to our draft document.

**Kate Colin**  
 Transportation Authority of Marin

**Vacant**  
 Marin County Board of Supervisors

**Pre-pandemic State of Service – FY 2018-2019**

**Chris Coursey**  
 Sonoma County Board of Supervisors

SMART started revenue service on August 25, 2017, with service from Downtown San Rafael to the Sonoma County Airport in Santa Rosa, which included 43 miles of passenger rail and 10 stations.

**Debora Fudge**  
 Sonoma County Mayors' and  
 Councilmembers Association

Ridership in Fiscal Year 2019 was 716,847, with total route miles of 85.8, 32,890 revenue vehicle hours and 923,002 revenue vehicles miles.

**Patty Garbarino**  
 Golden Gate Bridge,  
 Highway/Transportation District

**Gabe Paulson**  
 Marin County Council of Mayors and  
 Councilmembers

Time Frame	Weekday Ridership	Weekend Ridership
July 2018 – June 2019	616,113	100,734

**Eric Lucan**  
 Transportation Authority of Marin

**Chris Rogers**  
 Sonoma County Mayors' and  
 Councilmembers Association

In 2019, SMART had yet to establish a baseline ridership figure. Between the start of revenue service in August 2017 and the end of Fiscal Year 2019, the North Bay experienced two devastating fires and one major flooding event that impacted ridership.

**Eddy Cumins**  
 General Manager

**Fiscal Year 2020 – Fiscal Year 2022**

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In December 2019, SMART extended passenger service 2.1 miles to Larkspur and the Golden Gate Ferry Terminal. In addition, two new stations were added, one at Larkspur and one at downtown Novato. In January 2020, service was increased to 38 weekday trips and 10 trips on Saturday and Sunday.

Within weeks of the opening of the extension and the increased service, Governor Newsom issued “Stay-at-Home” orders due to the onset of the COVID-19 pandemic. In March 2020, service was reduced to 16 trips per weekday and weekend service was annulled.

The following chart shows the impact of COVID on ridership on the SMART system.

Time Frame	Weekday Ridership (Annual)	Weekend Ridership (Annual)
July 2019 – June 2020	496,369	70,734
July 2020 – June 2021	119,986	2,863
July 2021 – June 2022	306,528	47,800

In May 2021, as the Stay-at-Home orders started to lift, SMART restored 10 weekday trips for a total of 26 weekday trips and 12 trips on Saturday. Sunday service remained annulled. In addition, to the service increase, SMART reduced fares by approximately 40%. In May of 2022, Sunday service was restored with 12 trips per day and in June 2022 service was increased by an additional 10 trips on the weekdays, for a total of 36 trips.

### **Current State of Service – FY 2022-23**

In October 2022, SMART added an additional 2 trips per day for a total of 38 weekday trips. SMART is currently operating more service than prior to the pandemic. Ridership is at approximately 80% of pre-pandemic levels and has been rising steadily.

Time Frame	Weekday Trips	Saturday Trips	Sunday Trips
January 2020	38	10	10
March 2020	16	0	0
May 2021	26	12	0
May 2022	26	12	12
June 2022	36	12	12
October 2022	38	12	12

SMART has a goal to reach ridership of 594,028, or 82% of our Fiscal Year 2019 ridership in Fiscal Year 2023. Weekend ridership came back more quickly than weekday ridership and boardings are spread more evenly throughout the day. SMART has focused on trying to align schedules to meet the Golden Gate Ferry schedule at the end of line station in Larkspur.

### **Scenario Planning FY 2024 – 2028**

SMART utilized the planning numbers provided in the three scenarios. All three scenarios result in revenue, revenue hours, and revenue miles less than what we

operated in Fiscal Year 2020. Fiscal Year 2023 operating budget, hours, and miles, reflect a full year of service at a level above what we operated pre-pandemic. To meet the budget scenarios provided by MTC, service would need to be cut by the percentages outlined in the table below in Fiscal Year 2024 with a 2% increase per year in Fiscal Years 2025-2028. SMART has included Scenario #4 which is a more probable reflection of the future.

	Scenario 1	Scenario 2	Scenario 3	Scenario 4
FY 23 Operating Budget (BOD Adopted)	\$38.2 million	\$38.2 million	\$38.2 million	\$38.2 million
FY 24 MTC Operating Budget	\$30.7 million	\$29.3 million	\$26.1 million	
SMART Forecasted Operating Budget for FY 24				\$40.6 million
\$ Difference	(\$7.5 million)	(\$8.9 million)	(\$12.1 million)	\$2.4 million
% Difference	(20%)	(23%)	(32%)	5%

SMART is currently operating 38 trips per day during the week and 12 trips per day on Saturday and Sunday. This equates to approximately 11,000 trips per year or 212 trips per week.

Scenario #1 – Robust Recovery

The following chart demonstrates the percentage reduction in operating budget, the percentage reduction in weekly trips and the number of trips.

	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
Operating Budget	\$38.2 M	\$30.7 M	\$31.3 M	\$32.0 M	\$32.7 M	\$33.4 M
FY 23 Weekly Trips	212					
Number of Weekly Trips		170	173	177	181	185
Weekly % Decrease in Trips from FY 23		20%	18%	16%	15%	13%

### Scenario #2 – Revenue Recovery, Fewer Riders

The following chart demonstrates the percentage reduction in operating budget, the percentage reduction in weekly trips and the number of trips.

	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
Operating Budget	\$38.2 M	\$29.3 M	\$29.9 M	\$30.6 M	\$31.3 M	\$31.9 M
FY 23 Weekly Trips	212					
Number of Weekly Trips		162	165	169	173	176
Weekly % Decrease in Trips from FY 23		23%	22%	20%	18%	17%

### Scenario #3 – Some Progress

The following chart demonstrates the percentage reduction in operating budget, the percentage reduction in weekly trips and the number of trips.

	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
Operating Budget	\$38.2 M	\$26.1 M	\$26.6 M	\$27.2 M	\$27.8 M	\$28.4 M
FY 23 Weekly Trips	212					
Number of Weekly Trips		144	147	150	154	157
Weekly % Decrease in Trips from FY 23		32%	30%	29%	27%	26%

Based on current ridership, fare revenues, and sales tax collections, unless another shutdown occurs, SMART doesn't foresee any of these three scenarios as a likely outcome over the next five years. Scenario #4 which is presented below is a more accurate depiction of the operating budget and trips.

### Scenario #4 – SMART's Projections

	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
Operating Budget	\$38.2 M	\$40.6 M	\$43.3 M	\$44.6 M	\$46.1 M	\$47.7 M
Weekly Trips	212	212	212*	212	212	212

\* SMART is anticipating the opening of the Windsor extension in the calendar year 2024. 38 trips per weekday and 12 trips per weekend would extend to Windsor.

Several things account for the difference between the MTC scenarios and SMART's projections.

- SMART applied for and received an additional \$7.5 million of ARP discretionary funds in FY 23.
- SMART will start receiving 5337, State of Good Repair (SOGR) funds, in FY 25 estimated at \$6 million per year. This will allow funds that are currently used for SOGR to be utilized for operations.
- Strong rebound in the ¼ cent sales tax. Continued growth is expected although at a much slower rate than in the previous two years.
- SMART's debt service will be paid off in FY 29.
- Ridership is at approximately 80% of pre-pandemic levels.

## Challenges

- SMART's sales tax expires in FY 29; it will need to be re-authorized prior to that date.
  - The SMART Board has not yet decided when it might seek an extension.
- Uncertainty of funding for extension to Windsor, Healdsburg, and Cloverdale
  - Waiting for the release of RM3 funds for Windsor. SMART has applied for other grants in case the RM3 funds are delayed even further. The current plan assumes opening of the Windsor extension in calendar year 2024, with operations starting in FY 25
  - SMART has also applied for grant funding for the Windsor to Healdsburg extension and the Healdsburg to Cloverdale extension
- Ridership
- Funding for zero emission DMUs
- Future of funding levels as gas tax revenues decrease (electric vehicles)

## Conclusion

Unlike many other transit systems, SMART was in a growth phase and had not reached its full potential prior to COVID. Ridership has rebounded as service has been added back post shut down. As was mentioned previously, fares were reduced by 40% in May of 2021 and rates are not anticipated to increase anytime soon. Fare revenues make up a small percentage of the total operating revenue, so SMART was less impacted than some agencies that rely more heavily on those revenues. Sales taxes have also increased in the latter half of Fiscal Year 2022 and in the first few months of Fiscal Year 2023.

Future growth includes adding an on-demand service at our end of line station in Sonoma County, the possibility of adding additional evening service on Friday and Saturday, and the extension of service to Windsor in Fiscal Year 2025.

Please feel free to reach out to Heather McKillop, our Chief Financial Officer at [hmckillop@sonomamarintrain.org](mailto:hmckillop@sonomamarintrain.org) if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Eddy Cumins', with a stylized flourish at the end.

Eddy Cumins  
General Manager

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Heather McKillop, [hmckillop@sonomamarintrain.org](mailto:hmckillop@sonomamarintrain.org)  
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