

MEMORANDUM

TO: Board Members

**FROM: Seamus Murphy, Executive Director
Michael Gougherty, Director of Planning
Arthi Krubanandh, Senior Transportation Planner
Dorry Funaki, Transportation Planner**

**SUBJECT: Authorize Release of Proposed Fiscal Year 2024-28 Fare Program
Amendment for Public Comment**

Recommendation

Authorize the Executive Director to release the proposed Fiscal Year 2024-28 Fare Program Amendment for public comment.

Background

The SF Bay Ferry Board adopted the FY 2024–28 Fare Program in 2023, permanently extending fare changes made as part of the Pandemic Recovery Program in 2021. The intent of the Fare Program, supported by SF Bay Ferry Fare Policy, is to be competitive with other regional transit modes as a strategy for increasing ridership and promoting long-term fiscal sustainability. To date, the Fare Program has been successful in this regard. In 2025, systemwide ridership reached three million annual boardings representing approximately 94% of pre-pandemic ridership. Furthermore, by increasing fares incrementally at an annual rate of 3%, SF Bay Ferry has been able to grow fare revenues to partially offset operating cost inflation while minimizing the potential financial impact on riders.

While the Fare Program has helped achieve the goals of the Pandemic Recovery Program since its approval three years ago, modifications will be required to ensure future success. Higher than anticipated cost inflation, regional fare policy developments, and fare changes by other regional operators over the past three years have affected the alignment of SF Bay Ferry's fares with other regional transit modes. Staff is proposing adjustments to the remaining two years of the FY 2024-28 Fare Program to remain competitive with other regional transit modes.

Discussion

The proposed amendment preserves the Board-approved multiyear framework while refining fare adjustments by route to better reflect actual observed conditions over the past three years. The proposed amendment includes:

- Route-specific fare adjustments in FY 2027, replacing the uniform systemwide increase of 3% assumed under the current Program.
- A flexible adjustment limit of up to 6% for FY 2028, delegating to the Executive Director the authority to specify the exact dollar amount of fare increases by route, based on actual cost inflation, regional fare policy, and fare actions by other regional operators.

A detailed description of the proposed fare structures for each service under the amended Fare Program is included in ***Attachment A***.

FY 2027 Route-Specific Adjustments

For FY 2027, staff recommends specific adjustments by route that will maintain alignment and competitiveness with regional transit modes, as indicated in Table 1 below.

Table 1: Proposed FY 2027 Fare Program Adjustments by Route

Route/Route Group	FY 2027 Proposed Adjustment	FY 2026 Adult Fare	FY 2027 Adult Fare (Current Fare Program)	FY 2027 Adult Fare (Proposed Adjustment)
Oakland, Alameda Harbor Bay, Alameda Seaplane	+4.5%	\$4.90	\$5.00	\$5.10
Richmond	+6.0%	\$4.90	\$5.00	\$5.20
Vallejo	+1.5%	\$9.90	\$10.20	\$10.00
South San Francisco	+3.0%	\$7.40	\$7.60	\$7.60
Special Events (Oakland/Alameda)	+3.0%	\$11.25	\$11.50	\$11.50
Special Events (Vallejo)	+3.0%	\$19.25	\$20.00	\$20.00
Short Hop	+\$1.65	\$1.10	\$1.10	\$2.85

Oakland, Alameda Harbor Bay, Alameda Seaplane - The 4.5% increase for FY 2027 proposed for the Oakland, Alameda Harbor Bay, and Alameda Seaplane routes is intended to maintain alignment with comparable BART fares. Upon approval of the FY 2024-28 Fare Program, comparable BART fares were initially lower for these routes. As of January 2026, the comparable BART fare (\$5.10) is now higher than the current ferry fares (\$4.90) as BART fare increases over the past three years have been based on actual cost inflation rates that have outpaced the 3% fare annual fare increase implemented by SF Bay Ferry. The proposed change would align the Oakland, Alameda Harbor Bay, and Alameda Seaplane fares with the comparable BART fare.

Richmond - The FY 2027 increase for the Richmond route is the largest proposed adjustment. The Richmond fare was discounted substantially from \$7.00 to \$4.50 in FY 2022 as part of the Pandemic Recovery Program as an aggressive strategy for attracting riders to a relatively new service offered by SF Bay Ferry. At present, the Richmond fare is the same as the Oakland, Alameda Harbor Bay, and Alameda Seaplane Lagoon fares despite a considerably longer trip distance and higher operating cost. To promote long-term fiscal sustainability, staff is recommending a 6% increase for FY 2027. The ridership base built for the Richmond ferry service is anticipated to remain strong as comparable BART fares (\$6.00) will remain considerably higher even after the proposed FY 2027 adjustment is made. The proposed Richmond fare for FY 2027 (\$5.20) will remain lower than the pre-pandemic fare of \$7.00.

Vallejo – The FY 2027 increase for Vallejo is the smallest proposed adjustment. The fare for Vallejo is currently the highest in the SF Bay Ferry system due to its long trip length and relatively high operating expense. The Vallejo route consistently performs highly in terms of farebox recovery ratio. With the launch of the Clipper 2.0 system, the comparable bus-to-BART trip (\$9.05) operating in the Vallejo to San Francisco corridor will become potentially less expensive due to regional fare policy that will provide Clipper riders transferring between the bus and BART a discount of up to \$2.85. To remain competitive with the other regional transit options in this corridor, staff recommends adjusting the planned fare increase from 3% to 1.5% for the Vallejo

route in FY 2027. The smaller increase will help the Vallejo service remain an affordable option for riders while still performing strongly in terms of farebox recovery ratio.

South San Francisco – No adjustment to the planned 3% increase for FY 2027 is proposed. Staff recently initiated a service restructuring study that will comprehensively evaluate the financial performance of this route over the next year. Future fare adjustments, if necessary, will be considered individually for this route upon completion of the service change trial period.

Special Events – No adjustment to the planned 3% increase is proposed for either the Vallejo or Oakland and Alameda Special Event services to Oracle Park and Chase Center. The SF Bay Ferry Fare Policy stipulates that fares for Special Event services be set to offset the operating costs of those services. Staff analysis has confirmed that this policy requirement has been met through implementation of the FY 24-28 Fare Program to date.

To provide pricing clarity for Special Event services and reduce customer confusion, staff is proposing to change the effective dates for Special Event fare adjustments. Oracle Park fare changes would take effect on March 1 and Chase Center fare changes would take effect on October 1 as part of the proposed Fare Program amendment. This approach ensures that all games within a given season are priced consistently while preserving the approved annual adjustment magnitude.

Short Hop Fares – The Short Hop fare is proposed to be adjusted from \$1.10 to \$2.85 for FY 2027. Short Hop fares apply to short connections such as Alameda-Oakland or Vallejo-Mare Island available on longer regional routes. Future Short Hop routes operated by SF Bay Ferry could include the new Treasure Island and Mission Bay Ferry services connecting to the Downtown San Francisco Ferry Terminal. With the launch of Clipper 2.0, Clipper riders transferring between transit modes are eligible for a discount of up to \$2.85 per trip, the cost of the standard local bus fare adopted by the region. The new proposed fare is aligned with the regional standard short haul bus fare and promotes long-term fiscal sustainability of current and future Short Hop routes.

FY 2028 Adjustments

For FY 2028, staff is proposing that the Executive Director consider fare adjustments on a route-specific basis capped by a Board-determined maximum, in consideration of three factors:

- **Actual inflation trends** – Similar to other regional operators, such as BART, SF Bay Ferry will consider actual inflation data from the National CPI-U Annual Average and the Bay Area CPI-W Annual Average for a preceding 12-month period.
- **Regional fare policy** – SF Bay Ferry will track new programs, such as the Fare Coordination and Integration Study and Clipper 2.0 development, to assess potential impacts on the cost competitiveness of its services.
- **Fare actions by other regional operators** - SF Bay Ferry will consider fare increases implemented by other regional transit operators, such as BART, to ensure alignment of fares in specific transit corridors.

Any adjustment on the fare for an individual route for FY 2028, the final year of the Fare Program, would not exceed an increase of 6% based on the FY 2027 fares. This approach would provide staff with the flexibility needed to ensure SF Bay Ferry services are priced competitively while effectively promoting long-term fiscal sustainability. The proposed adjustments by route for FY

2028 would be calculated and proposed as part of the FY 2028 Ferry Service Operations Annual Budget that would be approved by the Board.

The flexible approach for FY 2028 outlined above is similar to the approach used by BART.

Outreach Plan

Staff conducted public outreach in 2023 prior to adoption of the FY 24-28 Fare Program. In order to vet the adjustments proposed to the Fare Program, an additional round of focused public outreach will be conducted to solicit public comment consistent with SF Bay Ferry's Title VI Program. Outreach activities will be designed to inform riders of the proposed FY 2027 and FY 2028 fare adjustments and provide opportunities for feedback. Elements of the outreach plan will include:

- A Public Hearing held in conjunction with a regularly scheduled Board meeting
- Detailed information about the proposed amendment and how to provide feedback will be posted on the San Francisco Bay Ferry website in English, Spanish, Tagalog, and Chinese
- Media outreach to increase awareness of the proposed changes
- Social media messaging across San Francisco Bay Ferry platforms
- Onboard signage on all vessels notifying riders of the proposed amendment and opportunities to comment
- Translation services, upon request, for the virtual open house to serve Chinese-, Tagalog- and Spanish-speaking communities
- Outreach to community-based organizations, city and county partners, and state and federal legislative offices

Next Steps

Pending Board authorization to initiate public outreach on the proposed amendment to the FY 2024–28 Fare Program, the following steps are anticipated:

- March 2026: Initiate public outreach and begin collecting public comments on the proposed FY 2027 and FY 2028 fare amendments.
- April 2026: Hold a Public Hearing and present proposed adjustments to the FY 24-28 Fare Program to the Board for consideration.
- April–June 2026: Coordinate with SF Bay Ferry vendors and Clipper to prepare for implementation, contingent on Board approval.
- July 1, 2026: Implement approved fare adjustments for FY 2027.
- July 1, 2027: Implement approved fare adjustments for FY 2028.

Fiscal Impact

There is no fiscal impact associated with this informational item. A preliminary analysis indicates that a systemwide fare increase of 3% under the current FY 2024-28 Fare Program is expected to generate approximately \$388,000 in additional revenue for FY 2027. The proposed route-specific adjustments are projected to generate approximately \$422,000 in additional revenue, an increase of \$34,000 compared to no change to the Program. A final fiscal impact assessment will be included with the final recommendation for this item in April.

Attachment A – Detailed Tables of Proposed Fare Program Adjustments by Route

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