

# ALAMEDA-CONTRA COSTA TRANSIT DISTRICT



## STAFF REPORT

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**MEETING DATE:** 7/23/2025

**Staff Report No.** 25-389

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**TO:** AC Transit Board of Directors  
**FROM:** Salvador Llamas, General Manager/Chief Executive Officer  
**SUBJECT:** Economic Impact of AC Transit Spending

### BRIEFING ITEM

**AGENDA PLANNING REQUEST:** ☒

**RECOMMENDED ACTION(S):**

Consider receiving a report on the economic impact of AC Transit spending. [Requested by Director Shaw - 4/9/25]

Staff Contact:

Chris Andrichak, Chief Financial Officer

Claudia Burgos, Interim Executive Director of External Affairs Marketing & Communications

**STRATEGIC IMPORTANCE:**

Goal - Strong Public and Policymaker Support

Initiative - Financial Efficiency and Revenue Maximization

Informing the public, riders, and policymakers where AC Transit's funding ultimately flows to - and what the District's economic impact is - helps to garner support for District initiatives and funding measures.

**BUDGETARY/FISCAL IMPACT:**

There is no fiscal impact associated with this report.

**BACKGROUND/RATIONALE:**

With an FY 2024-25 operating budget of \$606 million and capital budget of \$267 million, AC Transit spends a significant amount of money each year purchasing goods and services across the region, state and country. The "economic impact" of the District includes not only those purchases, but also the wages and benefits that are paid out to employees. This report includes two different analyses:

1. Payments (excluding wages) to vendors and contractors for the period of May 2023 to May 2025
2. Economic impact based on the economic impact model developed by the American Public Transit Association (APTA) for Fiscal Year 23-24.

Staff notes the data in this staff report is for two different timeframes (May 2023 - May 2025 and FY 23-24). The reason for this is that the APTA economic impact tool uses National Transit Database (NTD) information

for a single fiscal year. Staff used the FY 23-24 District data, which has been submitted to NTD but is not yet published.

### **Spending - Goods and Services**

Staff analyzed the prior two years of vendor payment data (May 2023 - May 2025) to produce the following high-level statistics.

- Total paid to vendors: \$620.9 million
  - 891 vendors (approximately)
- Goods vs Services
  - Goods: \$148.2 million (23.9%)
    - Goods are the physical things that AC Transit purchases - bus parts, fuel, cleaning supplies, paper, uniforms, etc.
  - Services: \$472.8 million (76.1%)
    - Services are the external assistance of people or leased items - financial auditor, capital project management consultants, landscaping, facility security guards, rental porta-potties, etc.
- National Breakdown - The District did business with vendors throughout the Country. An analysis of vendor payments shows that vendors are located across 41 states and two Canadian provinces. Further analysis shows that more than 95% of funds were spent in the following five states:
  - California: \$417.3 million
  - Illinois: \$111.4 million
  - Texas: \$27.7 million
  - Alabama: \$23.6 million
  - Oregon: \$5.9 million
- California Breakdown - Within California, almost 92% of funds were spent in the following five counties:
  - Los Angeles County: \$249.0 million (with the largest vendor by payments being Kaiser Foundation Health Plan)
  - Alameda County: \$56.2 million
  - San Francisco County: \$25.9 million
  - Contra Costa County: \$18.2 million
  - Sacramento County: \$15.9 million
- Regional Breakdown - Within the Nine-County Bay Area Region: \$105.9 million was spent in the region. The County level breakdown is as follows:
  - Alameda County: \$56.2 million
  - San Francisco County: \$25.9 million
  - Contra Costa County: \$18.2 million
  - Santa Clara County: \$2.5 million
  - Sonoma County: \$2.3 million

- Solano County: \$455,000
- San Mateo County: \$344,000
- Marin County: \$ 103,000
- Napa County: \$17,000

Attachment 3 illustrates the spending noted above in graphic form.

### **America Public Transportation Association (APTA) Economic Impact Analysis**

In 2017, APTA created an “Economic Impact Tool” for use by transit agencies to help advocate for additional public transit funding and to illustrate the return on investment from investing in transit (attachment 2). The APTA tool uses a fiscal year of agency financial data from the NTD along with other economic and geographic data to produce estimates of economic and job impacts for that year. The analysis included in this report uses the nine-county Bay Area region as the geographic area on which the impacts are based. The results of AC Transit’s economic impact based on the APTA tool are contained in Attachment 1.

AC Transit plays a significant role in the economy of the Bay Area 9-county region. In FY 23-24, the agency’s investment in its service operations, maintenance, and capital projects supported 5,194 jobs representing \$604 million in worker income. This impact can also be seen as supporting \$705 million dollars of Gross Regional Product or \$1.1 billion of area business sales. This activity includes people employed directly by the District or in public transit construction projects, as well as jobs at contractors and suppliers who provide goods and materials to the District.

These impacts come through the various ways that AC Transit spends its funding. Wages alone are about 30% of the District's budget, and those funds flow out through employees to the wider region where those employees live. Another of AC Transit’s most significant yearly expenses is providing healthcare to employees, and those funds support the workers at the insurance companies and the long chain of medical professionals and facilities that provide the services. The vendors and contracts that AC Transit uses in turn purchase goods and services both locally and nationally and have their own staff to pay. It is through these chains of people, vendors, and contractors that AC Transit plays such a large role in the regional economy.

### **ADVANTAGES/DISADVANTAGES:**

There are no disadvantages to receiving this report.

### **ALTERNATIVES ANALYSIS:**

This report provides two distinct economic impact analyses that staff was able to produce with existing in-house staff resources. More in-depth or other types of analyses could be done with the support of external economic consultants.

### **PRIOR RELEVANT BOARD ACTION/POLICIES:**

None

### **ATTACHMENTS:**

1. AC Transit's FY 23-24 Economic Impact
2. APTA Economic Impact Tool Documentation
3. AC Transit Goods and Services Payments Visual
4. Agenda Planning Request

**Prepared by:**

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**In Collaboration with:**

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**Approved/Reviewed by:**

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