City Council Retreat: Transit Discussion

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Presentation Overview

National Trends in Transit

- Zero-fare
- Labor challenges
- Mobility as a service
- Bus restructuring
- Microtransit
- Funding Options/Strategies

Implementing the Transit Master Plan

- Overview of the current system
- Transit Master Plan Discussion
- Challenges and Opportunities
- Recommended Next Steps to Consider



Key Takeaways

- The industry is changing.
- System needs to be reliable in order to attract ridership.
- Additional funding sources are needed.
- Implementation of Transit Master Plan must be paired with available resources.

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Zero Fare

Zero fares are being considered around the nation as a way to sustain and increase ridership (Olympia, Kansas City, Washington DC). Justification has been based on social justice issues as well as cost savings associated with fare collection.

- Technically it is not “free fares” because of the loss of farebox recovery.
  - Funding sources need to be identified to offset cost of lost revenue form fares (municipal and private contributions).
  - Other options being considered are discounts for low income, age and student or unlimited trips based on income.
- Service quality and reliability are higher concern of many customers than fares.
  - Fare free implementations have been made in conjunction with service improvements.
  - Adequate capacity in system to provide staffing, equipment and services to support the potential surge in ridership.
  - Efficiencies in on-time performance from not collecting fares.

Relevance to Asheville: Balancing current service improvement initiatives with ways to attract and increase ridership.

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Labor Challenges

- **“RTD says critical driver shortage is causing daily disruptions to light rail and bus routes - Riders say reliability of service is suffering.”**
  - The Denver Channel, September 2019
- **“Driver shortage a challenge for all transportation industries.”**
  - Metro News, January 2020
- **“Driver Shortages Causing Transit Delay Nationwide - St. Louis Commuters put up with extensive wait times during rush hour last week - they haven’t been the only ones.”**
  - StreetsBlogUSA, August 2019

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Mobility as a Service (MaaS)

Enhanced customer experience is a key factor in attracting and retaining ridership. Customer expectations are rising concerning access to technology.

- MaaS integrates services and provides seamless connections between different types of mobility options (bus, taxi, ride hailing services, on-demand services, bikes, scooters) to enable an end to end journey paid for by the user as a single charge.
  - Wireless connectivity
  - Shared data
  - Real time service updates
  - More amenities at stops and hubs

Relevance to Asheville: Customer experience can be improved with connectivity through technological improvements. Smartphone and ticketing platforms are becoming prevalent. Customers and tourists are expecting the convenience of applications to assist them in using the system.

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Bus Restructuring

Improvements in service frequency, reliability and convenience is a priority for customers. Nationwide, agencies are reexamining services, redesigning routes and overhauling timetables to make service faster and more effective.

- Streamline routes, increasing frequency, respond to travel demand changes, improve amenities.
  - Results: Increased in ridership and better service networks.
  - Austin, Houston, Indianapolis, Pace (Chicago), Seattle, Fresno
- Trend is continuing in other cities with studies underway:
  - Miami, Los Angeles, Charlotte, Bloomington IN, Cleveland, Orlando

Relevance to Asheville: The Transit Master Plan is providing a template for restructuring service to address concerns about frequency and reliability.

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Microtransit

On-demand and first-mile/last-mile services that addresses the need for increased reliability of services to locations that are not served well by fixed routes:

- Flexible routing and scheduling.
- Routes are built to match demand.
- Coverage for lower demand service areas.
- Uses smaller capacity vehicles (minibuses).

Relevance to Asheville: Could service off-peak (late night) and routes that are lower demand with lower capital and operating costs.





Local Funding Options

Obtaining resources to fund future transportation operating expenses, service expansions and capital requirements.

What we can do:

- Dedicated local sales taxes*
  - Current: Charlotte, Tampa, Los Angeles, Seattle, Atlanta
  - Proposed: Orlando, Nashville (again), Northern California-Bay area, San Diego
- Property taxes/millage increases: Proposed: Austin, Detroit area, Passed: Saginaw, Kalamazoo

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Local Funding Options

What we can't do (without Legislative approval):

- Taxes on real estate transactions (transit oriented development-value capture)
- Ride hailing taxes and fees (Proposed: Massachusetts, Georgia, Passed: DC, Chicago, Seattle)
- Gas taxes (Massachusetts, HRT-VA)
- Hotel room/hospitality taxes (Proposed HRT-VA)
- Taxes on transportation and shipping providers such as UPS/FedEx/Amazon
- Corporate taxes/corporate & developer contributions (employee based and other fees)
- Congestion pricing/tolling (Proposed: New York, Los Angeles, San Francisco)

Relevance to Asheville: Aligning revenue sources to the level of service planned for the future.

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North Carolina Transit Funding Examples

Chapel Hill:

- Zero-fare system (2001)
- UNC provides 36%
- Chapel Hill provides 23% through dedicated property tax (6 c.)
- Town of Carrboro provides 8%
- Special event fees provide 4%
- Federal/State funding 20%
- Other funding 9%

Greensboro:

- Fares provide 14%
- Greensboro provides 41% (property tax)
- Federal/State funding 24%
- Sales Tax 11%
- Other funding 10%
- Capital improvement bonds

Piedmont/Triad:

- Fares provide 5%
- Rental car tax 47%
- Vehicle registration fee 2%
- Federal/State funding 44%
- Other funding 3%
- There is authority for a 5% local sales/use tax that would require voter referendum which is not active

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Discussion

Current Transit Service

- City contracts with 3rd Party (RATPDev) to Operate and Maintain Transit System.
  - Current RATPDev contract cost = $7.8 M
  - Total adopted FY20 Budget = $10.2 M
- We operate 19 routes with varying frequency depending on corridor/route (20/30/60/90 min).
- Current fleet (including 7 buses to be delivered & 6 to be retired in next several months) = 30.
- Ridership = approx. 2 million annually.

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Transit Master Plan Background

- Original Transit Master Plan adopted in 2009.
- Population and development growth necessitated an update due to severe issues with on-time-performance and convenience.
- City contracted with Tindale Oliver in Sept. 2017 to update the master plan.
- Public engagement included on-board surveys, on-line surveys, public meetings, stakeholder interviews, transit committee and other committee input.
- Recommended route reconfigurations, new routes, more frequency, extended hours, etc. over 10-year period.
- Confirmed need for new transit garage.
- Adopted in July 2018.

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Transit Master Plan Recommendations

Year	New Service Hours	% Increase	Added buses	Description of New Service Added
1	34,107	41.8%	2	Route reconfigurations; new W6 route; crosstown routes; increase frequency of S4; extend W4 on New Leicester; extend service hours to 10 pm (some to 12 am)
2	12,410	10.7%	2	New north/south crosstown route; Add frequency to S3 and S6
3	18,615	14.5%	3	Add new route to Weaverville via Broadway; Add new route to Enka/Candler; increase frequency of E1
4	12,410	8.5%	2	Increase north/south crosstown route frequency; Add new route to Sweeten Creek Rd via McDowell
5	12,410	7.8%	2	Possible addition of frequency to W1 or other routes
6-10	52,000	6%/yr	8	Downtown shuttle; other additions TBD based on need

Transit Service Enhancements

January 5th implementation of Yr. 1 (partial) Transit Master Plan (TMP) recommendations:

- Focused on route reconfiguration to increase on-time-performance.
- Increased from 18 to 19 routes.
- Added 2 buses to peak fleet.
- Operating hours: No change
  - Most routes return to the station after 9:00 pm
  - 5 routes return to the station after 10:00 pm



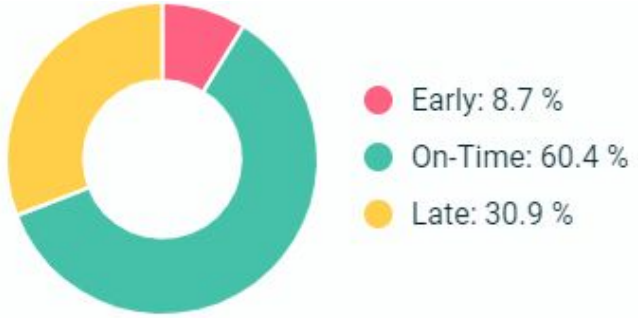
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Transit Service Enhancements

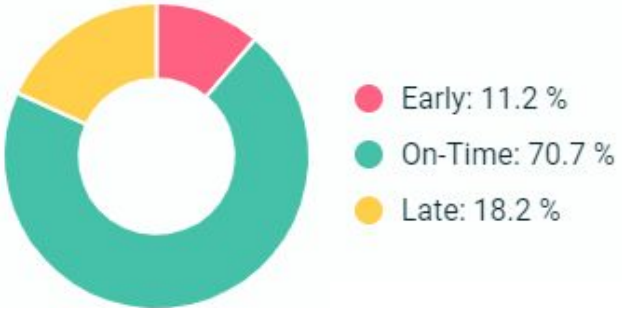
Initial outcomes since January 5th service increase:

- On-time-performance increase of approximately 10% so far.
- Complaints have decreased.
- Largely positive feedback from drivers and riders about buses running on time more often and added convenience.

November 2019

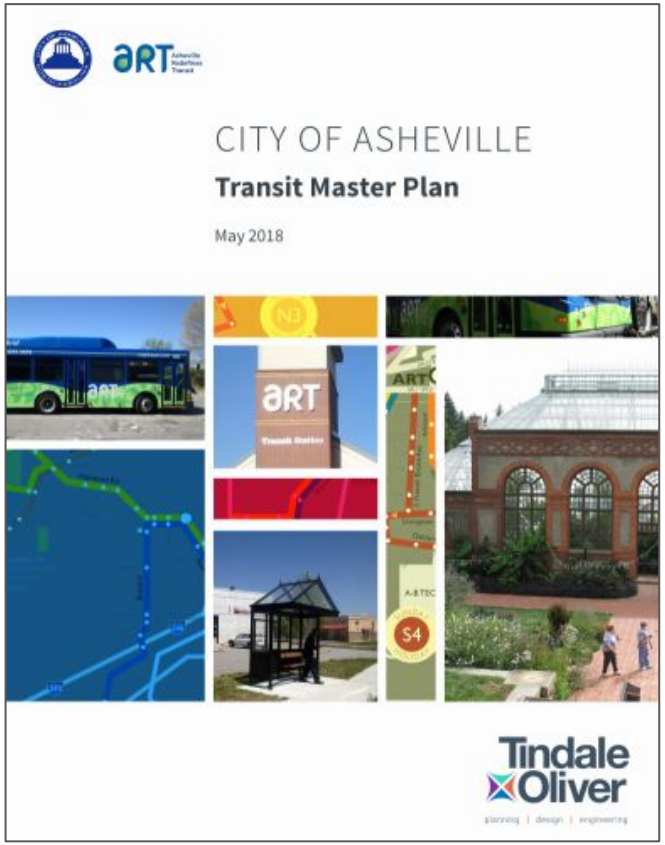


January 2020



Transit Master Plan Strengths

- TMP was developed with & by transit riders.
- Focuses on:
  - increasing on-time performance,
  - adding frequency, and
  - improving service for existing riders
- Recommendations represent most pressing needs (esp. Yr. 1 and Yr. 2).
- Explored many options for extending routes into the County, but recognizes importance of focusing resources in the COA.



Transit Master Plan Challenges

- Recommendations and implementation schedule are “unconstrained,” meaning that expenditures aren’t matched to expected revenues.
- Plan “front loaded” Yr. 1 and 2 with more than 50% service increase.
- TMP set public expectations that recommendations would be implemented annually (i.e. Yr. 1 in 2020, Yr. 2 in 2021..).
- Need for maintenance facility; more buses.
- Does not consider Paratransit costs.
- Underestimated total costs.





Transit Fund Status Details

- In October, Council asked staff to monitor the budget to see if the last half of the 1st year of the Transit Master Plan (extended hours of operation) could begin this fiscal year.
- A cost analysis was prepared and considered:
  - When would the extended hours of operation begin
  - Paratransit increase
  - Maintenance impacts
  - ART staff increases (drivers/dispatch/mechanics)
  - Vehicle availability
  - Additional security needs at transit station
  - Fuel increase + increased fuel cost

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Current Transit Funding Status

Trending $300,000 over budget due to increased cost of:
Fuel/Electricity
Paratransit service

City Portion of Paratransit Service Costs

FY18 Act.	FY19 Act.	FY20 Bgt.	FY20 Est.	FY21 Est.
$439,045	$548,866	$735,000	$1,123,709	$1,750,000

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Transit Fund Status Details

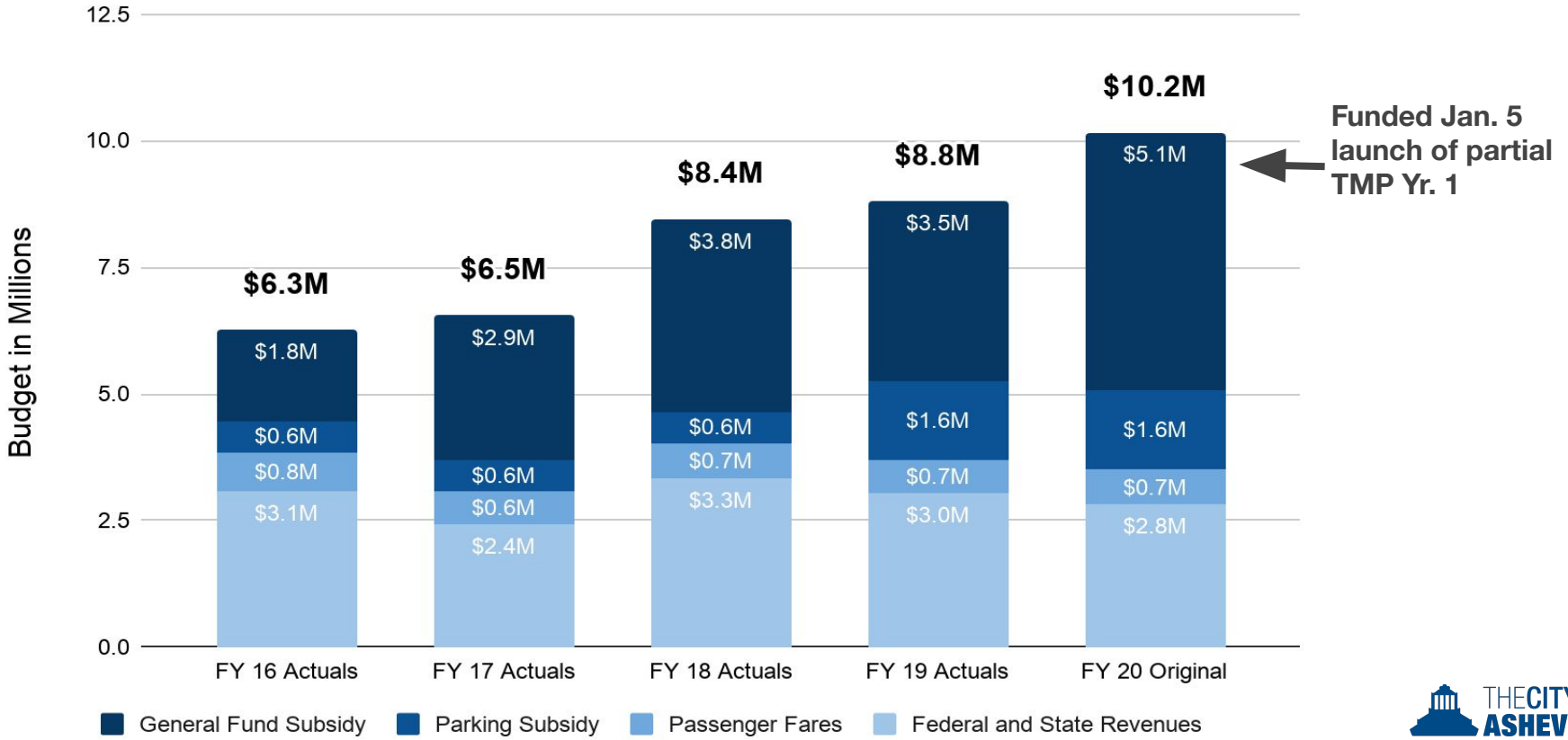
Cost to extend the hours of operation to complete Yr. 1 of the Transit Master Plan **(+ $1.1M for full year)**:

- Extended hours of operation - $950,000
- Upgrade/purchase operational software - $150,000

Due to existing projected shortfall in Transit Fund of $300,000, cost to implement for partial year approximately $250,000-$300,000, and logistical challenges of quick turnaround, it is unlikely for this fiscal year.

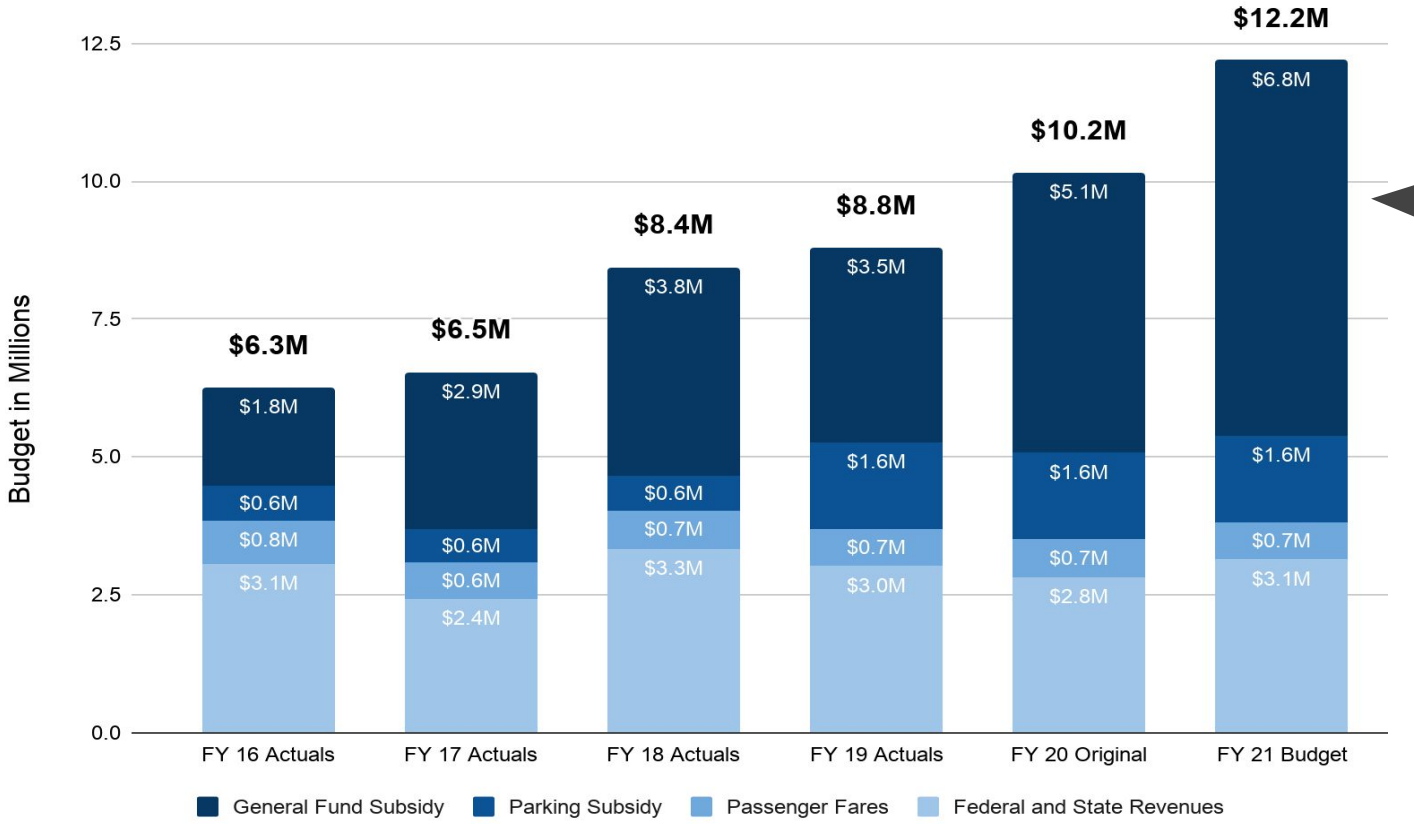
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Transit Budget 2016 to 2020



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Transit Budget FY 2021 Proposed



Additional $ 1.7M of General Fund needs to be added to base budget to continue Jan.5th increase.

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Completing the Transit Master Plan

- Implementation of recommendations are cumulative.
- Assuming City implements recommendations annually as laid out in TMP:
  - Total 10-yr cost = $204M
  - General Fund 10-yr cost = $148M (assuming 2% growth in Federal/State funds and fare revenue)
- Need dedicated and reliable funding source.





Discussion

Budget Requests

FY 2021 Transit Budget Requests:

1. **Base Budget (+ $2.1M)**
   - Annualizes first portion of Year 1 (launched Jan. 5th).
   - Increases paratransit cost.
   - Increases fuel/electricity cost.
2. **Additional Service - Transit Master Plan Year 1 (+ $1.1M for full year)**
   - Add extended hours of operation by August 2020 - $950,000.
   - Upgrade operational software - $150,000.
3. **Additional Service - Transit Master Plan Year 2 (+ $1.1M for full year)**
   - Additional north & south crosstown route.
   - Added frequency on S3 and S6.

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Policy Review and Analysis

- Consider additional Policy Review and Analysis:
  - Update and revise implementation schedule of the Transit Master Plan and better link to funding strategy.
  - Review zero-fare impacts and work with Just Economics and others to look at options.



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Funding Options

Consider other funding options:

- Pursue additional non-General Fund revenue opportunities:
  - Buncombe County
  - $7 vehicle registration fee
  - ¼ cent sales tax
- Tourism Development Authority
- Seek additional Passport Program partners.
- Continue to seek federal, state and other grants to support capital needs.



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