

PLEASE DO NOT REMOVE



Public notice was given to
The Register-Guard for publication
on October 6, 2016.

LANE TRANSIT DISTRICT SPECIAL BOARD MEETING/WORK SESSION

**Monday, October 10, 2016
5:30 p.m.**

**LTD BOARD ROOM
3500 E. 17th Avenue, Eugene
(off Glenwood Boulevard in Glenwood)**

A G E N D A

	<u>Page No.</u>
I. CALL TO ORDER	
II. ROLL CALL	
Gillespie _____ Pierce _____ Wildish _____ Yeh _____	
Grossman _____ Necker _____ Nordin _____	
III. PRELIMINARY REMARKS BY BOARD PRESIDENT	
IV. ANNOUNCEMENTS	
V. WORK SESSION	
A. Eugene Airport Connector Service (15 minutes)	2
[Tom Schwetz]	
B. Fares and Fare Management (45 minutes)	16
[Mark Johnson]	
C. Public Safety (20 minutes)	24
[Frank Wilson]	
VI. ADJOURNMENT	

The facility used for this meeting is wheelchair accessible. If you require any special physical or language accommodations, including alternative formats of printed materials, please contact LTD's Administration office as far in advance of the meeting as possible and no later than 48 hours prior to the meeting. To request these arrangements, please call 682-5555 (voice) or 7-1-1 (TTY, through Oregon Relay, for persons with hearing impairments.

AGENDA ITEM SUMMARY

DATE OF MEETING: October 10, 2016

ITEM TITLE: EUGENE AIRPORT CONNECTOR SERVICE

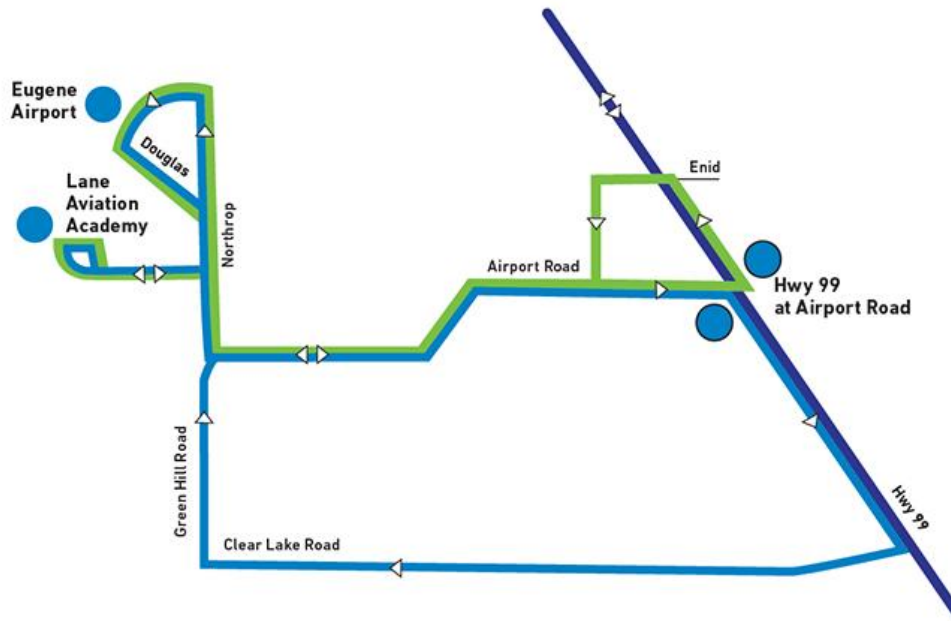
PREPARED BY: Tom Schwetz, Director of Planning and Development

ACTION REQUESTED: None; information only.

BACKGROUND:

On December 1, 2015, Lane Transit District, in partnership with the Eugene Airport and Lane Community College, began a one-year pilot project to provide a connector service from the Route 95 serving Junction City, to the Eugene Airport, including the Lane Aviation Academy and area business locations. See the route in the graphic below.

Airport Connector Route



AirportConnector

- 95** Route 95
- AC** Eugene Airport to Hwy 99 at Airport Road
- AC** Hwy 99 at Airport Road to Eugene Airport
- Transfer stop

Through a contract with the City of Eugene, under this pilot project, riders take the Route 95 bus and transfer (at no additional cost) to the Airport Connector shuttle provided by OmniShuttle. The Connector provides eight (8) weekday trips.

It was determined at the project inception that project partners (Eugene Airport, Lane Community College, and LTD) would evaluate the success of the pilot based on criteria related to ridership of area employees, airline passengers, and students, as well as cost-per-passenger data. Passenger and stakeholder feedback also would be considered. The OmniShuttle contract runs through November 30, 2016.

The average number of airline passengers departing and arriving via the Eugene Airport is 2,400 per day. About 1,500 people work on the airport property, including workers in the terminal building, at businesses on the field, and in private hangars. There are approximately 120 Lane Community College students in the Lane Aviation Academy, including 60 in aviation maintenance and 60 in the flight training program.

The ridership on this connector service has been low, with a weekly average of 35 boardings, or seven daily boardings. With eight trips per day, this represents an average of less than one boarding per trip. The cost of operating the service is \$100,000, split between the three partnering agencies. The cost to provide the Connector service is estimated at \$40 per trip. A survey conducted in May indicated that the Airport Connector was used primarily by students traveling to the Lane Aviation Academy (43 percent) and travelers flying out of the airport (41 percent).

Additional marketing costs have been incurred by LTD and the Eugene Airport, including in-kind staff support by all partners. Marketing for the connector service has included print advertising; billboard promotion; social media; web information; signage; and on-site material at businesses, the airport, and the aviation academy.

To staff's knowledge, no community of similar size to the District's operates a public transit route to the airport.

A series of meetings with the Airport Connector partner team have occurred periodically since before the service launched on December 1, 2015. The most recent meetings, which were held in May and September, 2016, included a discussion about the service performance, a survey of riders, a summary of service marketing, and several discussions regarding continuance of the service. The partners are in agreement to discontinue the service at the end of the current contract period due to low ridership and high cost per trip -- despite significant marketing efforts to promote the service. Exploration is underway to consider transportation options for the aviation academy students to get to and from the airport campus once the shuttle is discontinued.

A coordinated communications effort of the partners is being planned to notify stakeholders, riders, and the media regarding the discontinuation of the service.

ATTACHMENTS:

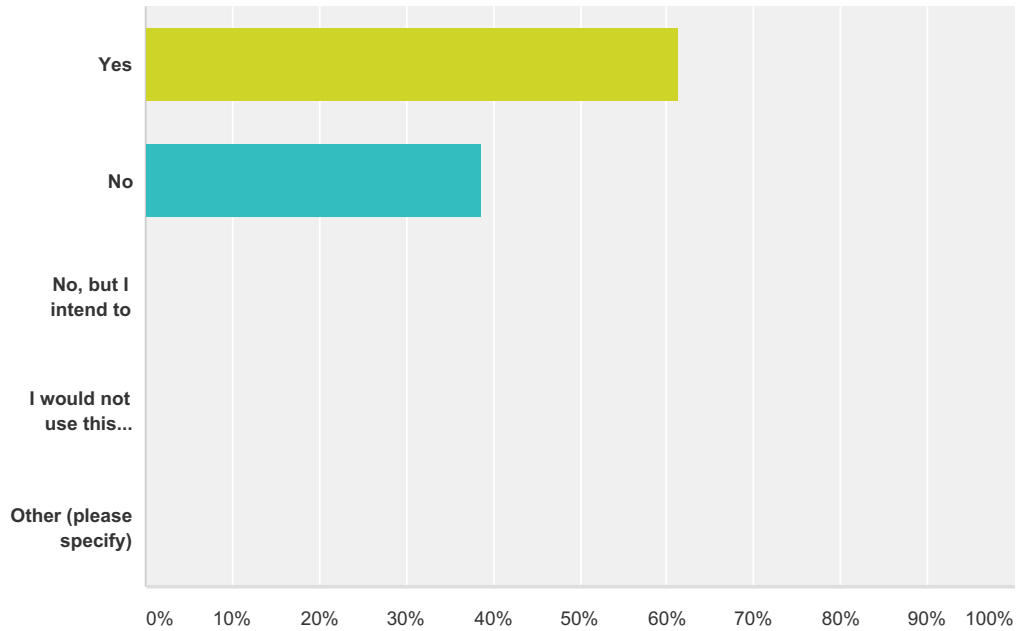
- 1) Airport Connector Service Survey, February 2016
- 2) Airport Connector Service Survey, May 2016

PROPOSED MOTION: None.

Q:\Reference\Board Packet\2016\October\Oct 10 Work Ssn\AirportConnectorService-KH.docx

Q5 City of Eugene, LCC, and LTD created a pilot airport connector service that began in December 2015. The AirportConnector allows individuals to take LTD's Route 95 and connect to a shuttle service to the airport. Have you heard of this service?

Answered: 432 Skipped: 43

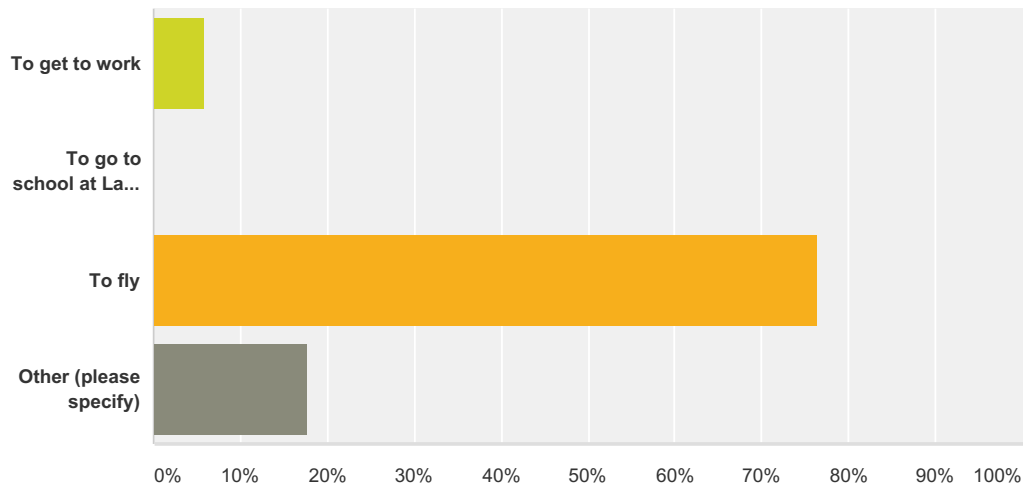


Answer Choices	Responses
Yes	61.34% 265
No	38.66% 167
No, but I intend to	0.00% 0
I would not use this service.	0.00% 0
Other (please specify)	0.00% 0
Total	432

#	Other (please specify)	Date
	There are no responses.	

Q7 Please select how you have used the service.

Answered: 17 Skipped: 458

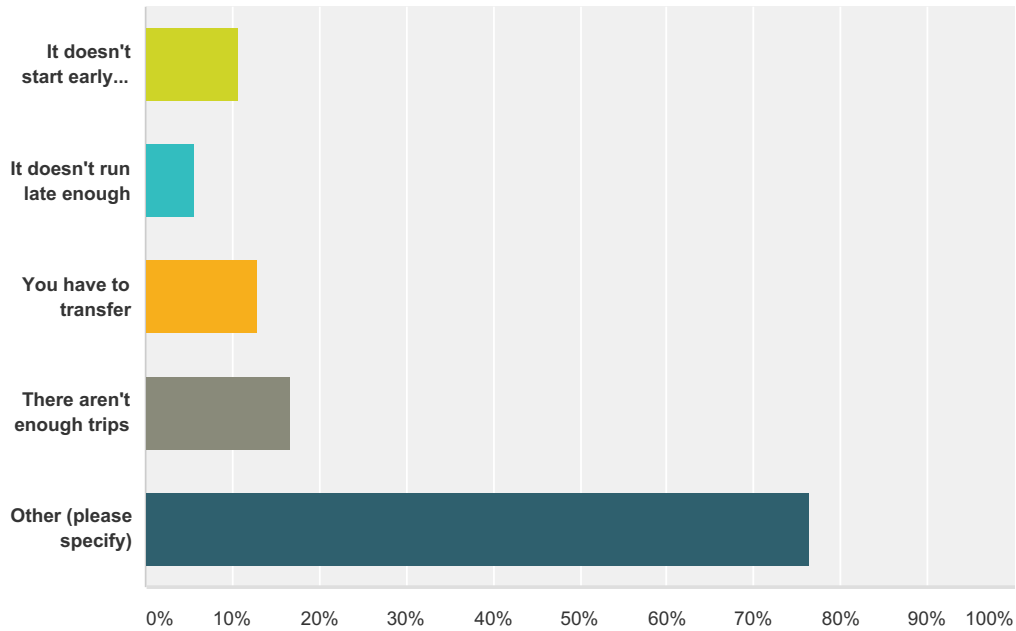


Answer Choices	Responses
To get to work	5.88% 1
To go to school at Lane Aviation Academy	0.00% 0
To fly	76.47% 13
Other (please specify)	17.65% 3
Total	17

#	Other (please specify)	Date
1	Trial run to see if I could fly and handle my luggage. It worked fine. Sidewalk would be better. You can also use it to go to the air and space museum.	2/19/2016 10:45 AM
2	I drive the 95	1/29/2016 8:47 AM
3	meet passenger arriving at airport	1/23/2016 7:22 PM

Q8 Why have you not used the service?

Answered: 246 Skipped: 229

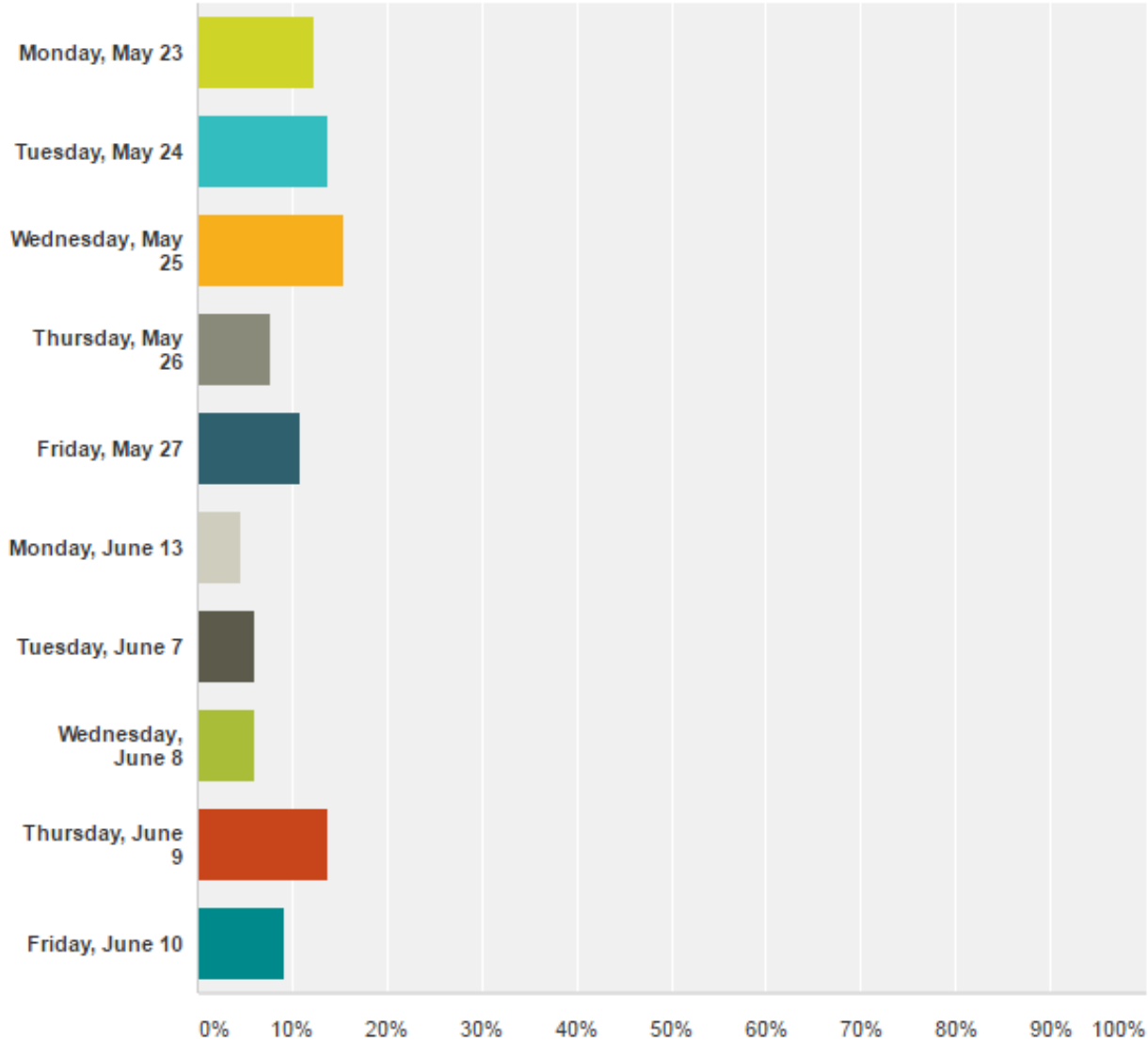


Answer Choices	Responses
It doesn't start early enough	10.57% 26
It doesn't run late enough	5.69% 14
You have to transfer	13.01% 32
There aren't enough trips	16.67% 41
Other (please specify)	76.42% 188
Total Respondents: 246	

#	Other (please specify)	Date
1	Not needed	2/19/2016 9:50 AM
2	Don't need	2/17/2016 4:17 PM
3	I have not yet taken a trip. I will use it when I go to Alaska in 2017	2/17/2016 4:14 PM
4	No Need	2/17/2016 3:16 PM
5	not on my normal schedule	2/17/2016 2:33 PM
6	I don't need to go there	2/16/2016 8:51 PM
7	No need to fly, especially with lack of money for airfare	2/16/2016 9:08 AM
8	Have not travelled to the airport since the route was introduced.	2/15/2016 7:29 PM
9	haven't flow at the right time	2/15/2016 10:45 AM
10	No direct connect from Santa Clara River Road to that new line. I need to go all the way downtown and back out again. I can drive to the airport in 7 minutes.	2/15/2016 8:06 AM
11	I don't go to the airport.	2/14/2016 8:51 PM

Date

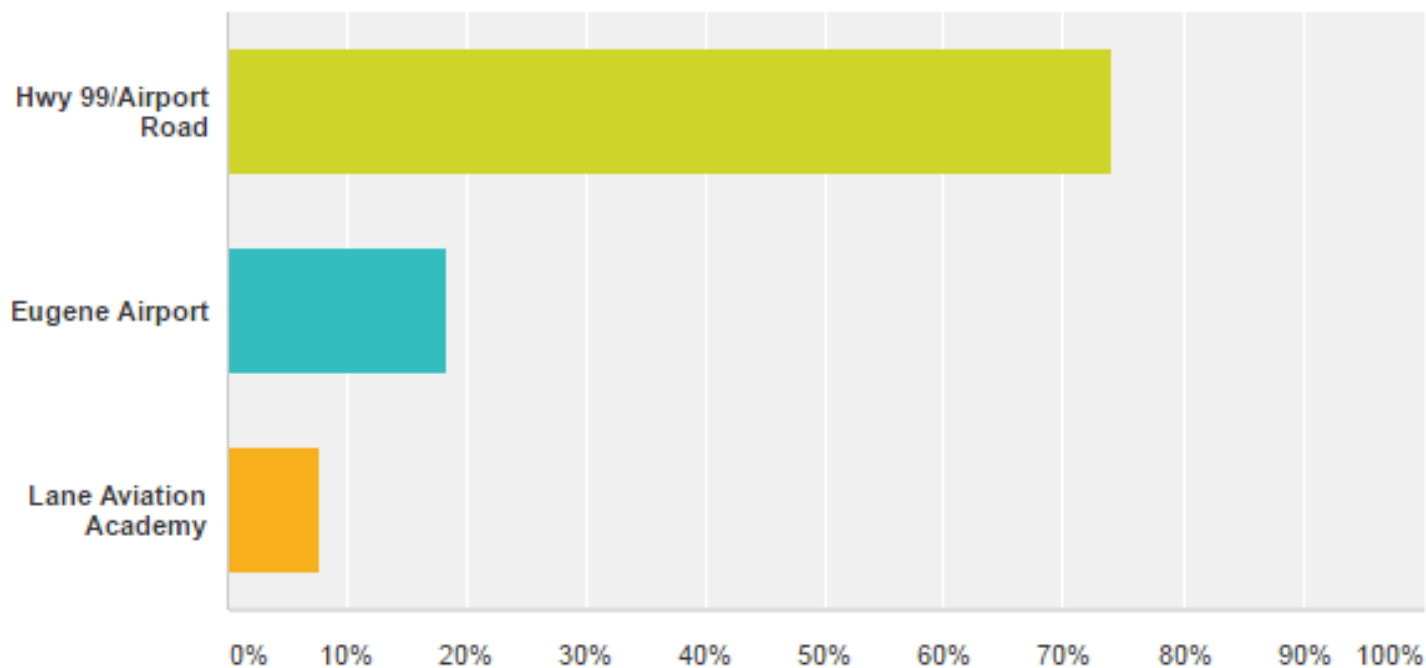
Answered: 65 Skipped: 0



Answer Choices	Responses
Monday, May 23	12.31% 8
Tuesday, May 24	13.85% 9
Wednesday, May 25	15.38% 10
Thursday, May 26	7.69% 5
Friday, May 27	10.77% 7
Monday, June 13	4.62% 3
Tuesday, June 7	6.15% 4
Wednesday, June 8	6.15% 4
Thursday, June 9	13.85% 9
Friday, June 10	9.23% 6
Total	65

Pick-up Stop

Answered: 65 Skipped: 0



Answer Choices	Responses
Hwy 99/Airport Road	73.85% 48
Eugene Airport	18.46% 12
Lane Aviation Academy	7.69% 5
Total	65

Pick-up Time

Answered: 65 Skipped: 0

11:45a
6/24/2016 10:25 AM

12:15p
6/24/2016 10:25 AM

9:45a
6/24/2016 10:24 AM

9:45a
6/24/2016 10:24 AM

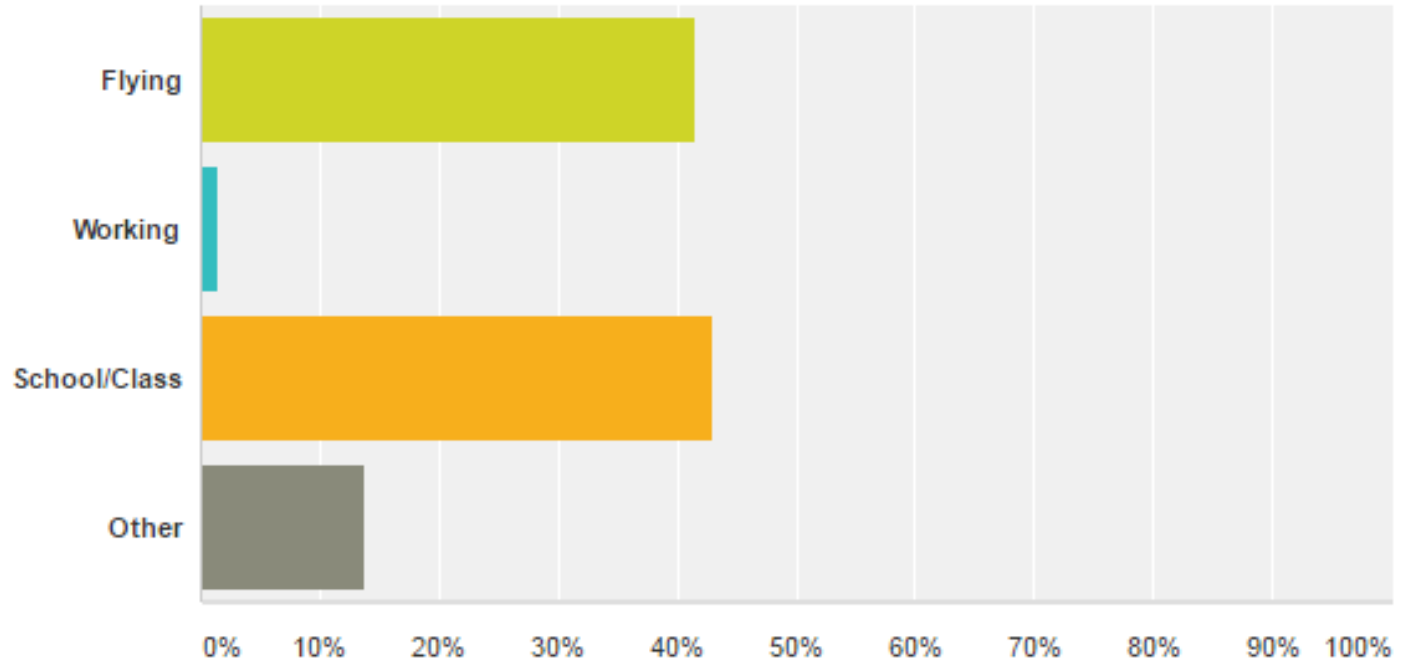
9:45a
6/24/2016 10:23 AM

9:45a
6/24/2016 10:23 AM

6:20p
6/24/2016 10:20 AM

What is your trip purpose

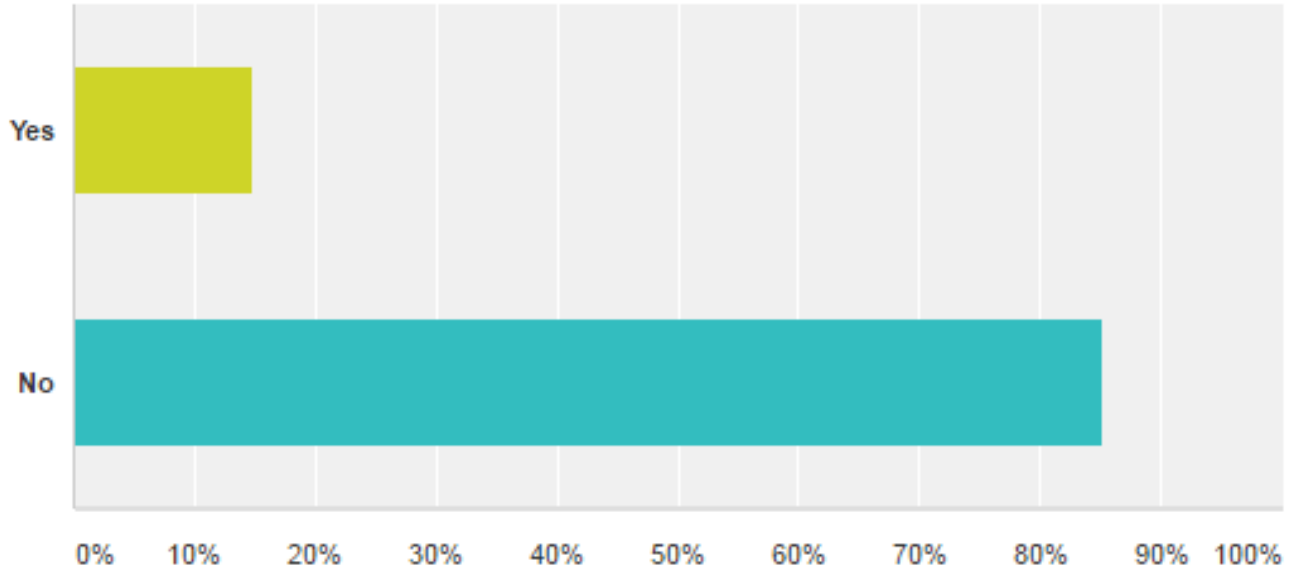
Answered: 65 Skipped: 0



Answer Choices	Responses
Flying	41.54% 27
Working	1.54% 1
School/Class	43.08% 28
Other	13.85% 9
Total	65

Are you a Student?

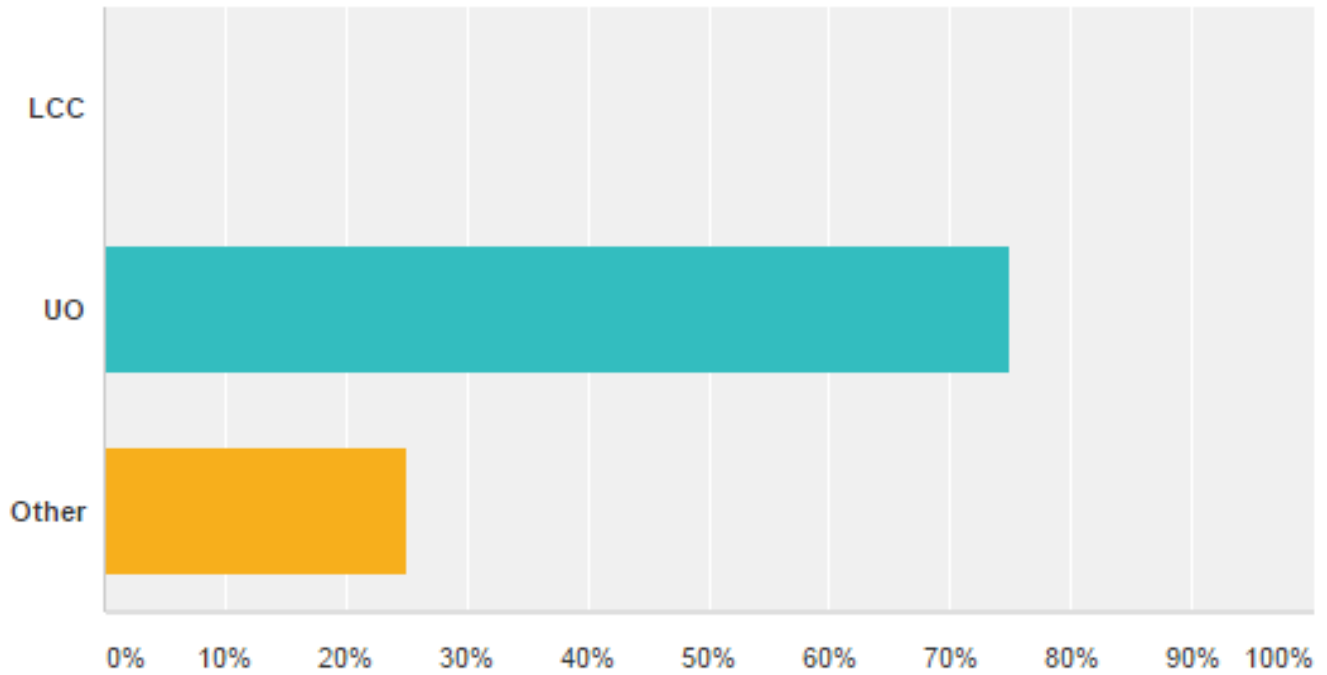
Answered: 27 Skipped: 38



Answer Choices	Responses	
Yes	14.81%	4
No	85.19%	23
Total		27

What school do you attend?

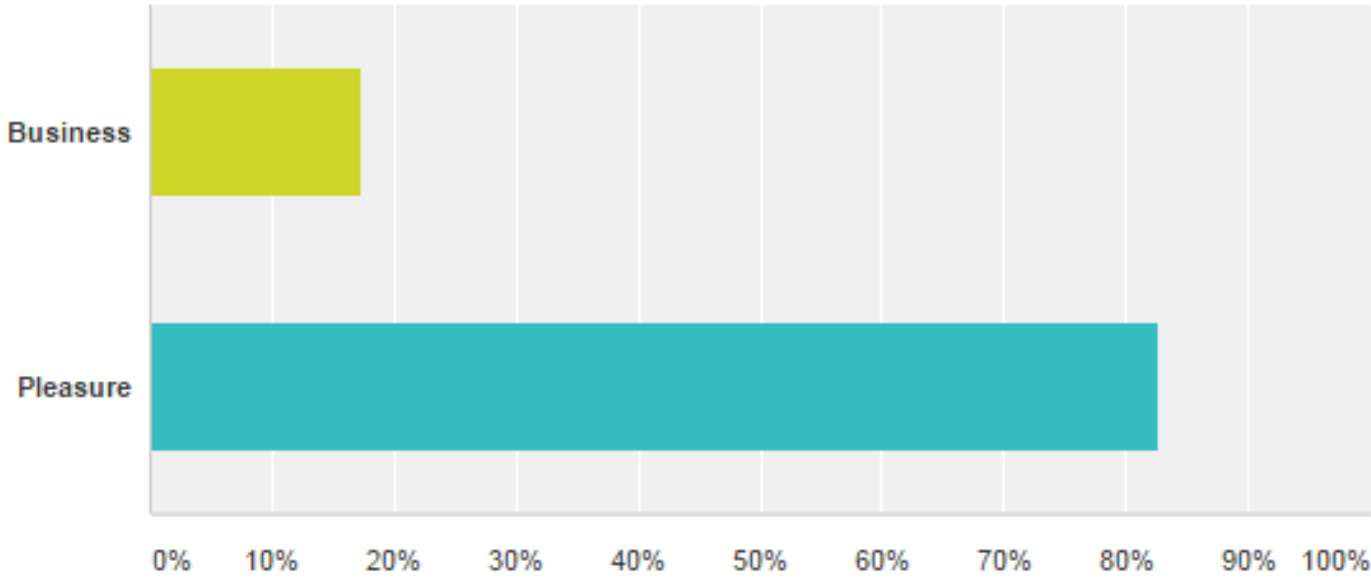
Answered: 4 Skipped: 61



Answer Choices	Responses
LCC	0.00% 0
UO	75.00% 3
Other	25.00% 1
Total	4

Are you traveling for business or pleasure?

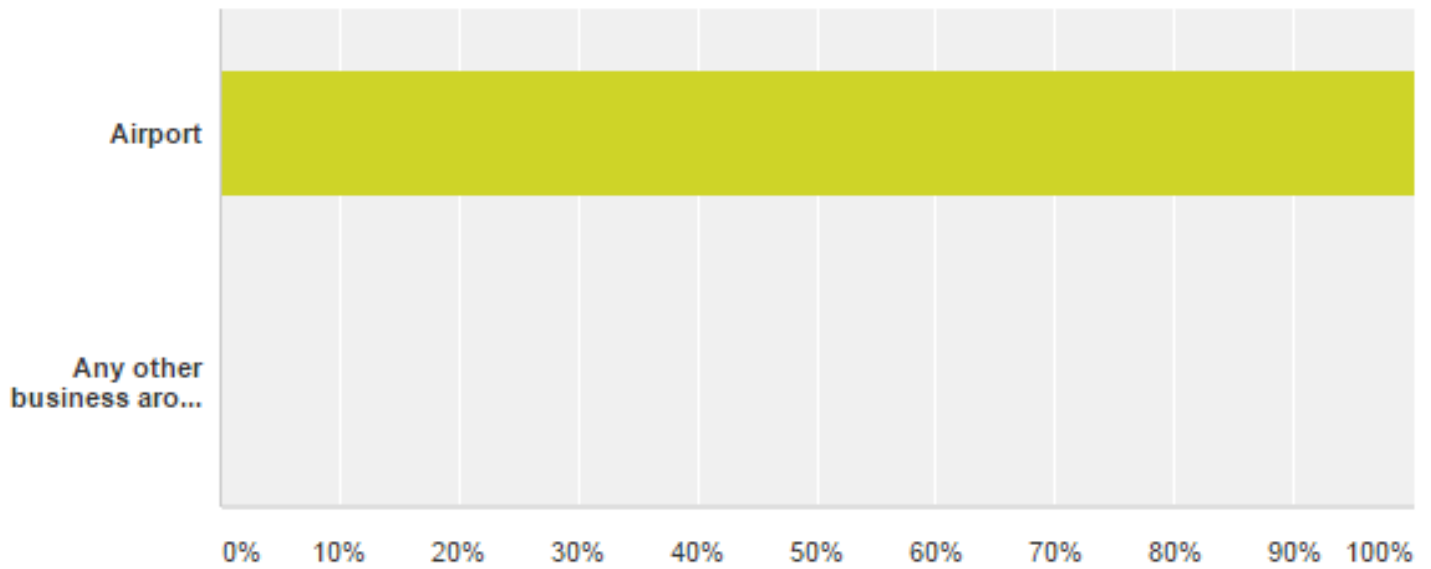
Answered: 23 Skipped: 42



Answer Choices	Responses
Business	17.39% 4
Pleasure	82.61% 19
Total	23

Where do you Work?

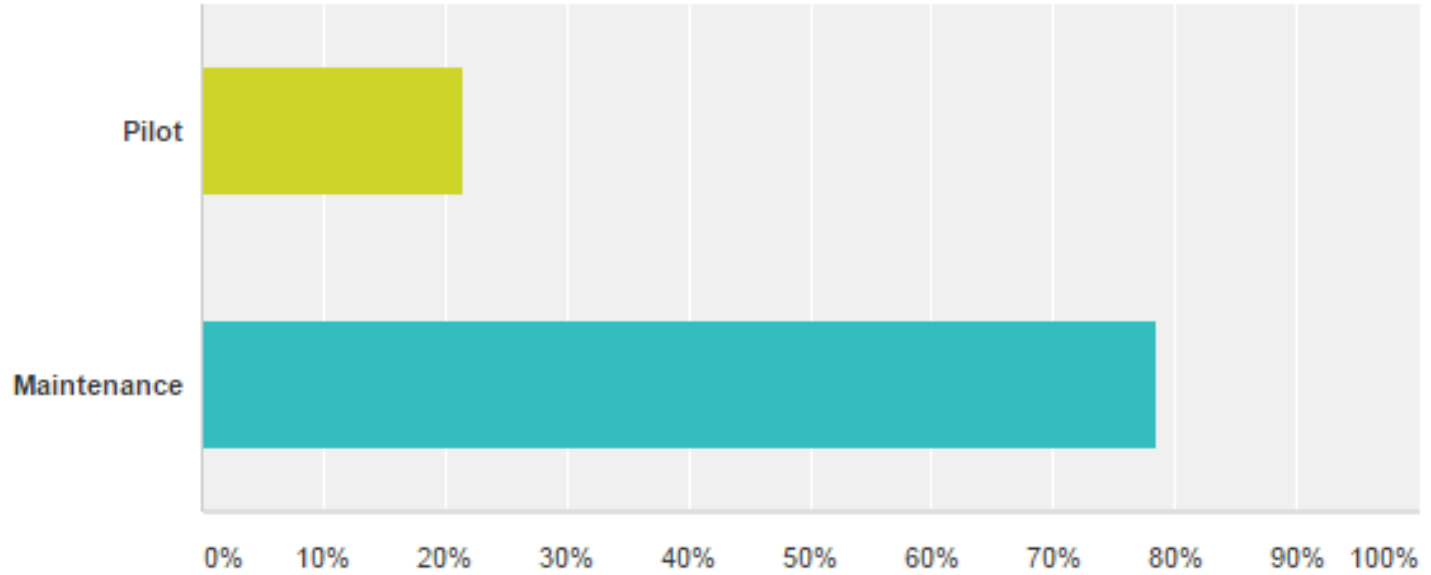
Answered: 1 Skipped: 64



Answer Choices	Responses	
Airport	100.00%	1
Any other business around airport	0.00%	0
Total		1

Which Aviation Academy program are you in?

Answered: 28 Skipped: 37



Answer Choices	Responses	
Pilot	21.43%	6
Maintenance	78.57%	22
Total		28

AGENDA ITEM SUMMARY

DATE OF MEETING: October 10, 2016

ITEM TITLE: FARES AND FARE MANAGEMENT

PREPARED BY: Mark Johnson, Assistant General Manager, Service Delivery

ACTION REQUESTED: None; discussion only.

BACKGROUND:

Board members have shown interest in LTD providing a fare free transit system. The attached analysis relies on a Transit Cooperative Research Program (TCRP) study that was completed in 2012, along with more recent experiences other Districts have had regarding the implementation or elimination of a fare free system.

The analysis attempts to address the pros and cons--both operationally and financially--that LTD might experience in implementing a fare free system. For instance, while a ridership increase would be a likely scenario with a fare free system, the loss of \$7.5 M in yearly operating revenue would be problematic. In addition, although a fare free system might improve boarding times, managing the public safety problems could create other costs and delays.

This is meant to be a first step in a discussion regarding fares as the Board and staff develop a 10-year transit plan to guide LTD into the future.

ATTACHMENT: Free Fare Analysis

PROPOSED MOTION: None.

Q:\Reference\Board Packet\2016\October\Oct 10 Work Ssn\Free fare AIS.docx

Fare-free Service at Lane Transit District: An Overview of Financial and Operational Impacts

Prepared by
Mark Johnson, Assistant General Manager, Service Delivery

Issue

The Lane Transit District Board of Directors has shown interest in pursuing a fare-free system. While the overall goal of the Board is unclear, generally speaking, there are some positive motivations and goals for a fare-free system. Some of these goals include: decreasing traffic congestion and reducing the community's carbon footprint; recognizing that farebox revenue is sometimes relatively minimal and not worth the effort to collect; a desire to fill "empty buses"; a strategy to introduce young riders to public transit in an effort to cultivate future riders; encouraging development or redevelopment of a particular area; and attaining other public policy goals.

All operational policy changes have impacts, and many factors influence whether or not a fare-free system would be a negative or positive experience. Therefore, it is important for decision makers to be aware of these possible effects. The financial and operational factors will have the most immediate impacts. Much research exists that examines various factors, such as the size of the community and transit system, the degree of commitment to a fare-free service by the community and transit system personnel, and the age and establishment of the transit service. The Transit Cooperative Research Program (TCRP) Synthesis 101 provides an extensive analysis of fare-free systems. Some of the findings are outlined in the appendix that follows this Overview.

Objectives

Through an internal analysis of key factors, the following information reviews the immediate impacts of fare-free service in an effort to answer these fundamental questions:

- 1) How much would it cost to implement a fare-free policy at Lane Transit District?
- 2) How would a fare-free policy impact existing transit services?

1) How much would it cost to implement a fare-free policy at Lane Transit District?

The most immediate financial impact would be the loss of fare revenue. Fare revenue is composed of cash in the farebox, prepaid fare sales, and group pass contract payments. The combination of farebox cash and pass sales, and revenues from group pass contracts, currently totals more than \$7.1 million annually.

While the institution of a fare-free system would result in a loss of fare revenue, there would be some savings since the cost of fare collection would be eliminated. Fare collection costs include coin room equipment and maintenance, printing and distribution of fare instruments, farebox equipment and maintenance, and labor costs.

These costs can be quite high for districts that employ more advanced fare collection technologies. For small districts, the cost of fare collection can be an incentive to stay or become fare free. As a percentage of total revenue collected, fare collection costs become greater for small systems; therefore, the institution of a fare-free system may be feasible.

If LTD discontinued fare collection, the annual savings would not be as great as would be at like-sized or larger districts because LTD employs a simple fare collection system that uses very basic farebox technology. Costs also are lower because of LTD's success in transitioning customers to prepaid fare instruments, which includes monthly passes and group passes. Cash fare customers represent between 20 and 30 percent of total ridership, which is approximately one half of the percentage of cash fare customers in other districts. The less cash that is handled, the lower the fare collection costs. LTD empties fare boxes only three days per week, as compared with large districts that empty fare boxes every day and have entire groups of employees who process cash from the farebox.

LTD estimates that an annual savings of \$250,000 to \$500,000 may result by offering a fare-free system. (This range exists because the savings depends upon assumptions made about the need for advertising, the level of staffing of certain functions, and the fact that many employee responsibilities include multiple tasks.) The difficulty in realizing greater savings is that much of the work represents a portion of what an employee does, and no one position is completely dedicated to work associated with fare collection. For example, a customer service representative sells fare instruments, but also conducts trip planning over the telephone and with walk-in customers. If the sales function was eliminated, it may be possible that a position would be cut. However, it also is possible that the same number of positions would be necessary to cover the operation during the span of hours and days the Customer Service Center is open to the public. The same is true for a general service worker who currently removes the fare boxes and empties the money into a vault. These employees fuel the buses, take the buses through the bus wash, and do other light maintenance work. Eliminating the collection of cash fares, which requires emptying the fare boxes three nights per week, is not likely to result in enough time savings to reduce staffing. This also is true for staffing in the coin room, where cash is counted and prepared for delivery to the bank.

There also is the unknown cost of increased public safety for the system if it were to be fare-free. Fare-free systems in metropolitan areas have reported an increase in problem behavior and public safety issues.

LTD has been discussing purchasing a fare management system. The cost of a fare management system can be expensive. Current estimates are close to \$3,000,000 of which up to \$750,000 would have to be local match for federal funds that would pay for the bulk of the project. There are also ongoing costs for the fare management system that could be up to \$250,000 per year. Fare Management systems are less about fare collection and more about data collection so that transit systems can build better service based on the knowledge of how customers use the system.

2) How would a fare-free system impact existing transit services?

A \$7.1 million loss in revenue would likely result in budget reductions across the District. The majority of costs are associated with the delivery of bus service, which includes bus operators, maintenance staff, and customer service staff. If we assume that \$1 million

could be found in administrative cost reductions, the remaining \$6.1 million would be eliminated from operations; \$6.1 million equates to nearly 20 percent of bus service hours currently operating.

A 20 percent reduction of service hours would require a restructuring of how service is delivered, and it is likely that neighborhood coverage would be significantly reduced. If fare revenues were replaced through a new subsidy, then service could continue in the current configuration. With the current system configuration and free fares, it is not difficult to predict that ridership demand would increase, as current customers paying cash would ride more frequently, and a percentage of the population of potential riders would begin using the system. Considering that LTD ridership (although declining slightly) is still experiencing overloads during peak travel periods, increasing demand by offering free fares would exacerbate current operational challenges. With no identified capital funds for fleet expansion and no additional operational funds to run service to meet increased demand, more overcrowding and overloads would occur.

Creating a fare-free system also will have a direct impact on paratransit (*RideSource*) services offered by LTD. The Americans with Disabilities Act (ADA) mandates that complementary paratransit services be provided to people who cannot use the fixed-route public transportation due to a disability. This origin-to-destination service is partially funded through a state cigarette tax. However, these state resources have been flat or declining for many years and do not provide adequate funding to address the increasing need for the service. Over the next two years, state funding for this program is expected to decrease 10 to 13 percent. LTD is required to provide these services, which has resulted in a transfer of between \$1.5 and \$2.5 million per year in LTD general funds to cover this service. Fares on paratransit service are prescribed in the ADA and may be set at a maximum of two times the fixed-route cash fare. While the current \$3.50 one-way fare may seem high, it should be noted that the cost per ride for a one-way *RideSource* trip is approximately \$35.20. The law also requires districts to maintain a non-denial policy, which means that LTD must meet demand.

On the fixed-route system, a policy of leaving customers behind is considered acceptable if the wait time for the next departure is reasonable. LTD's service policy defines a reasonable wait time as 30 minutes. This is not an option for paratransit services that offer origin-to-destination service for individuals. Giving up the small amount of farebox revenue (\$305,000 annually) is not as significant an issue as the increased demand for service would be. One additional paratransit customer riding three times per week generates an added cost of more than \$10,900 annually. The operating cost for 100 additional riders with similar riding characteristics would add \$1,098,240 annually.

The ability to charge a fare is one small factor that gives districts some ability to manage growing demand. If LTD provided a fare-free fixed-route system, it would be required to provide a fare-free paratransit system as well. LTD's system is functional at current levels; encouraging additional demand through free fares would require expansion of fleet, personnel, facilities, etc.

The immediate impact of a free paratransit service is the loss of \$305,000 in fare revenue; but, as explained, even a small number of new frequent riders could have a significant cost impact. These paratransit costs would need to be addressed as part of any fare-free system implementation.

Conclusions

Lane Transit District currently cannot absorb or replace a loss in fare revenue or respond to any significant increase in demand. With a low cost for fare collection, and considering that current operations would be severely impacted, staff do not recommend the implementation of a fare-free system. Should subsidies become available to maintain and expand bus service hours as well as to provide the necessary personnel to maintain system security, the implementation of a fare-free system could be studied.

While there appear to be a number of attractive aspects to a fare-free system, they are most attainable for newly developing systems or smaller systems where the cost of fare collection outweighs fare recovery potential, and where available subsidies fully cover the costs of operation. Current overcrowding during peak travel periods and routes struggling to meet transfer connections make recommending a fare-free system inappropriate at this time. While every transit provider would like to carry more customers, an increase in ridership, coupled with a reduction in operating revenues, would severely hamper LTD's ability to provide effective bus service throughout the community.

Lane Transit District provides a high level of service hours per capita. This service is well used, as evidenced by overall ridership of more than 10 million annual boardings and by system-wide productivity that approaches systems five to ten times its size.

It should be noted that: a) LTD's group pass programs provide "free" bus access to more than 70,000 area residents; 2) children under six years of age ride for free; and 3) LTD's Honored Rider program provides free bus access to anyone age 65 and over. In addition, LTD works with social service agencies to provide bus passes to people who are most in need in our community. LTD also funds a half-price fare program whereby local non-profit service organizations purchase fares at half price for distribution to their clients.

While staff do not recommend pursuing a fare-free system, there is value in working with the Board to define its objectives related to fare structure and to pursue other avenues to accomplish its goals for the community.

Q:\Reference\Board Packet\2016\October\Oct 10 Work Ssn\Analysis of a Fare-Free Policy1 .docx

Appendix

Are additional subsidies available?

One of the commonalities of fare-free systems is the availability of subsidies to cover all operational costs. For medium and large transit systems, this appears to be out of reach. The federal government provides minimal transit operating support; instead investing in capital and maintenance. If LTD were to pursue a fare-free system, it would look to local and state resources for additional funding. At this point, there have not been conversations with local governments who continue to struggle to meet existing budgetary needs; and the state has yet to take a significant role in supporting transit operating needs, providing only 3 percent of transit operating funds statewide. It would require substantial investment to recover the roughly \$7 million in foregone revenue from eliminating transit fares.

At the state level, the 2009 Legislature increased the payroll tax cap from \$7 per thousand of gross payroll to \$8 per thousand of gross payroll (.007 to .008) in an effort to provide TriMet and LTD with the ability to meet growing needs.

The rate increase that was authorized by the LTD Board of Directors in September 2015 was predicated on investing new revenue in expanded service. It would pose political challenges to redirect new payroll tax revenues away from improved service to offset lost fare revenue.

The Oregon Legislature has increased funding to support transportation of seniors and people with disabilities, maintaining a nearly \$10 million biennial investment in each of the two prior biennia. These investments have helped decrease the amount of General Fund revenue transferred to subsidize the Accessible Services Fund. Additionally, it is widely anticipated that the 2017 Legislature will take up a comprehensive transportation package, which would likely include increased transit funding. This new revenue may be a source of funding to permit reduced or eliminated fees; however, there also will be an expectation that increased transit funding will yield increased transit service. Furthermore, some legislators have expressed displeasure with LTD's current farebox recovery ratio. These legislators would likely be further displeased if LTD were to fully eliminate fares, and such a proposal may be a poison pill to efforts to increase transit funding.

Would there be unintended consequences with a fare-free system?

A number of negative impacts have been noted by larger systems that have implemented fare-free systems. These include:

- An increase in disorderly behavior by riders
- The use of the buses as a shelter by people who are homeless
- Driver morale issues as schedule adherence becomes more difficult and overcrowding creates tension
- An increase in maintenance costs associated with more vandalism
- A decrease in choice riders who react negatively to overcrowding

Research indicates that aggressive zero-tolerance policies aid in maintaining a positive environment on buses and trains. LTD has been successful using its *Ordinance No. 36*,

Conduct on District Property, to manage disruptive behavior; but even with a zero-tolerance policy and strict enforcement, there have been and will continue to be complaints related to these poor behaviors. As seen recently in Portland, the ability to provide adequate security and manage negative behaviors is becoming a bigger challenge for large systems. For TriMet, these challenges have led to elimination of their long-standing “fareless square,” and an evaluation of ways to enclose MAX train platforms that would eliminate the honor system of fare payment currently in use. Some in Portland have suggested that the fareless square and honor payment system on MAX are not the issue; however, law enforcement personnel disagree and the dialogue continues.

Research does indicate that the few smaller systems currently offering a fare-free system have not seen these same negative impacts. In some cases, this may be a reflection of ridership levels that afford adequate space for customers. In a discussion with staff from Island Transit in Coupeville, Washington, the comment was made that there are few, if any, homeless people in their area, and that the community culture values transit service. The staff member did state that there had been some vandalism issues that were frustrating staff. Island Transit abandoned its fare-free system and began collecting fares last year. Aggressive security policies also have aided the smaller systems in handling negative behavior.

On the positive side, a fare-free system does:

- Speed the boarding process
- Increase ridership
- Reduce administrative overhead costs

A study of districts that currently offer, or recently ceased offering, fare-free systems found that these systems appear to be similar in that they receive subsidies covering the full cost of operations and that they operate in smaller urban or rural areas. The following information provides a brief overview of these systems.

1. Coupeville, Washington – Island Transit is a small rural provider offering service on Whidbey Island and Camano Island in northern Washington. A sales tax of six-tenths of one percent generates enough revenue to meet service demands. The system has 1.1 million annual boardings and has an annual operating budget of \$10.1 million. Island Transit recently began collecting fares to increase revenue.
2. Hasselt, Belgium – A city of about 70,000 people, Hasselt is approximately an hour away from Brussels and is Belgium’s fourth largest city. Hasselt draws riders from the approximately 300,000 people in the surrounding area. Funding for free transit comes from an allocation of 1 percent of municipal taxes. This system operates 11 bus routes.
3. Wilsonville, Oregon – South Metro Area Regional Transit (SMART) was formed in 1988 when the City of Wilsonville withdrew from the TriMet service area. SMART is funded by a payroll tax of three-tenths of one percent. SMART offers free service within the City of Wilsonville but charges for commuter services that connect to Portland, Canby, and Salem. The fare charged for commuter service began in fall

2006 in response to pressure from the business community who felt it was unfair that riders did not pay for a share of the cost to provide bus service. Ridership initially dropped 17 percent following the institution of fare payment, but recovered over time.

4. Logan, Utah – Cache Valley Transit District (CVTD) is a small urban and rural provider in northern Utah. CVTD is funded by a 0.25 percent sales tax and has an operating budget of \$4.0 million and annual ridership of 2.0 million boardings.

Is charging a fare a barrier to ridership growth?

Charging a fare is a barrier for some low-income individuals, but research indicates that other factors are more commonly cited as barriers by potential riders and by a majority of current riders. While a number of large transit districts have conducted testing of fare-free systems, the last large system test took place at Capital Metro in Austin, Texas, and ended in 1990. Following the conclusion of the fare-free demonstration at Capital Metro, a survey of riders and the general public found that the five most important factors in determining whether to ride the bus were:

- 1) On-board safety
- 2) On-time performance
- 3) Convenience of routes
- 4) Cleanliness inside the buses
- 5) Frequency of service

The three least important factors were:

- 1) Cost of service
- 2) Outside appearance of the bus
- 3) Courtesy of bus operators

Consistent with the Capital Metro survey results, data gathered from LTD Group Pass participants found that a free ride is not the most important factor for potential riders who are considering riding public transportation. If the free ride were the key factor, mode split within LTD's Group Pass companies would be much higher. Operating characteristics, such as travel time, frequency of service, convenience, and comfort, are often more important for potential riders who have another mode choice available for their trips.

AGENDA ITEM SUMMARY

DATE OF MEETING: October 10, 2016

ITEM TITLE: PUBLIC SAFETY

PREPARED BY: Frank Wilson, Public Safety Services Manager

ACTION REQUESTED: None; discussion only.

BACKGROUND:

The Board has expressed a desire to have a discussion regarding the Public Safety Services Department's plan to replace personnel from a contracted security vendor with District employees.

The purpose of the discussion is for staff to answer questions that the Board may have regarding community impact, logistics, costs, training, hiring, testing, qualifications, timelines of the transition, and what benefits the District and its customers will receive from the transition.

Additional discussion may include topics listed in the attachment, as well as others the Board may mention.

This is meant to be the final discussion prior to the Board's decision regarding implementation of any intended changes.

ATTACHMENT: Additional Board Discussion Topics

PROPOSED MOTION: None.

Q:\Reference\Board Packet\2016\October\Oct 10 Work Ssn\AIS public safety discussion.docx

PUBLIC SAFETY Attachment

Additional Board Discussion Topics:

- New structure
- Implementation timetable
- Recruitment and vetting process
- Training (local, state, and federal opportunities and requirements)
- Community impact
- Advantages to the District
- Budgetary impact.
- Shortcomings of current configuration; motivation for change
- Historical issues with contracted service
- Other government agencies in Lane County
- Other transit agencies in Oregon
- Q & A

LTD Fare Free Analysis

Mark Johnson – Assistant General Manager



LTD.org

Overview



- Justification for a fare-free system
- Characteristics of fare-free systems
- TCRP Summary of fare-free systems
- LTD Analysis
- Staff Recommendation

Justification For a Fare-free System

- Increased ridership
- Cost consumes revenue collected
- Improved running times
- Taxes already pay for service
- Reduced congestion/automobile use
- Reduced cost for commuters
- Social equity



Characteristics of Fare-free Systems

Small Rural Systems

- Have always been free
- Revenue is not worth the cost of collecting
- Lost fare revenue is covered by FTA
- Taxes cover the level of service provided
- Low to modest ridership

Characteristics of Fare-free Systems

Resort Communities

- Seasonal peaks
- Community expectations
- Increased capacity on roads
- Short trips
- Tourist taxes pay for service

Characteristics of Fare-free Systems

University Communities

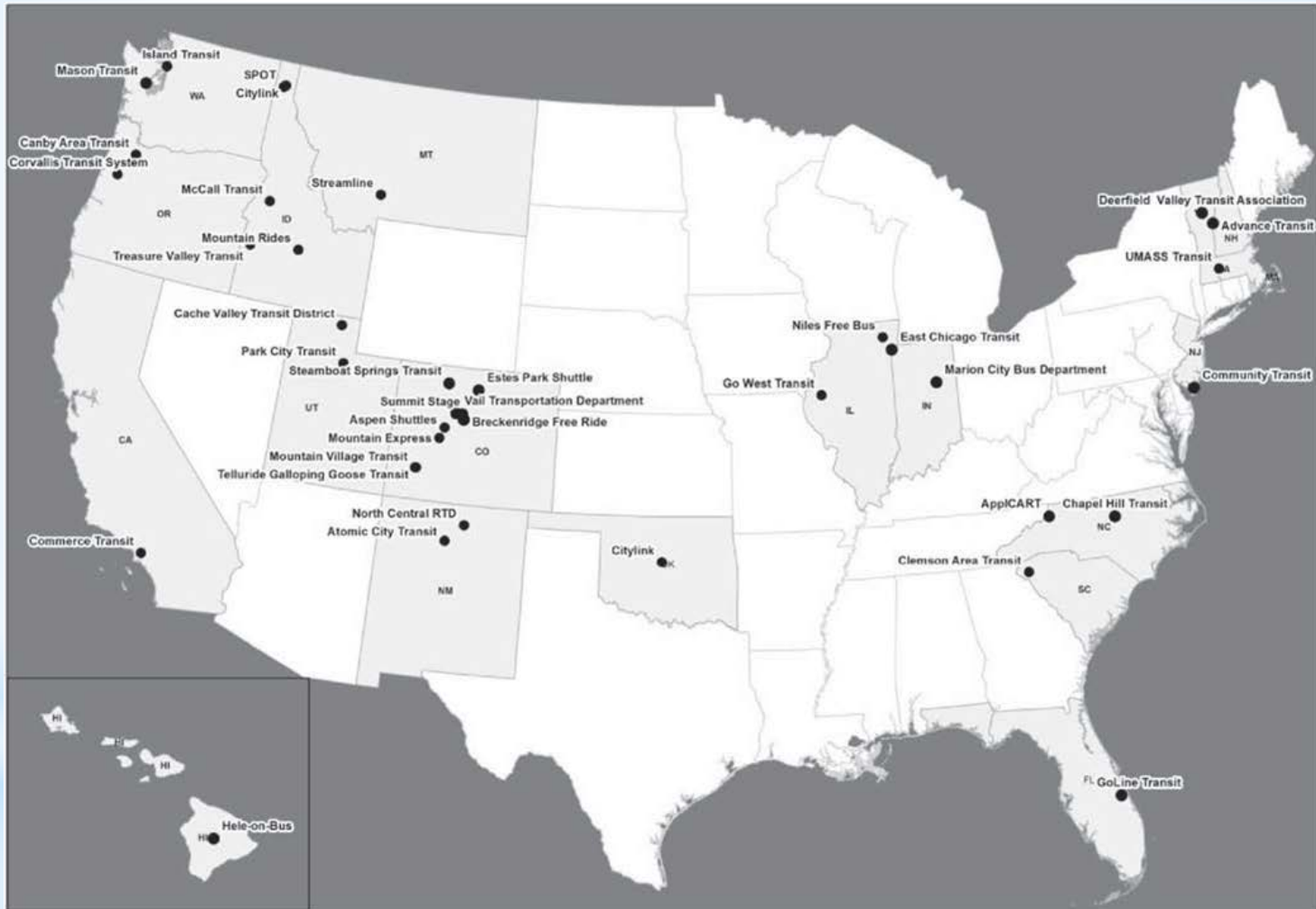
- Fare revenue covered by third party
- More than 75% of riders are students with a prepaid fare
- Low fare collection outside of university
- Cost of collection outweighs revenue

University Communities with Fare-free Systems

Transit Agency	Service Area Population	Annual Ridership	Source of Local Revenue	Number of Vehicles
ApplCART–Watauga, NC	15,000	1,144,000	University, town of Boone	16
Cache Valley Transit District	80,000	2,000,000	Local option sales tax	32
Chapel Hill Transit–NC	100,000	7,500,000	University of North Carolina, towns of Chapel Hill and Carrboro	98
Clemson Area Transit–SC	50,000	1,600,000	Clemson University, city and county	26
Corvallis Transit System–OR	54,845	Projected to be 850,000	City services fee	11
Go West Transit–Macomb, IL	20,000	1,750,000	Student fees, JARC, county	29
Streamline–Bozeman, MT	75,000	250,000	Montana state and city	10
UMASS Transit–Amherst, MA	110,000	2,766,000	Student fees, parking fees	38



Fare Free Systems in the United States



Summary of TCRP Analysis

- Replacing lost revenue is challenging
- The largest jurisdictions currently providing fare-free service have populations of approximately 175,000.
- Fare-free public transit makes the most internal business sense for systems with low farebox recovery ratio.
- FTA Section 5311 grants to small urban and rural public transit systems are reduced by the amount of fares the systems collect, providing further incentive for such systems to not collect fares.
- Fare free systems provide faster boarding with crush loads.



Summary of TCRP Analysis

- Fare-free public transit in resort communities is regarded as a vital component of what makes the community attractive to visitors.
- In some states part of the transit agency's financial support is determined by formulas, including total ridership; more riders provides more state money than can be collected by fares.
- Providing fare-free public transit service is virtually certain to result in significant ridership increases.
- Although public subsidy and sometimes total cost may increase, the subsidy per passenger drops significantly.



Summary of TCRP Analysis

- Systems offering fare-free service can result in the need for additional maintenance, security, and possibly additional equipment, to provide sufficient capacity and/or maintain schedules.
- Reports documenting past fare-free experiments indicate that a relatively small percentage of the additional trips (from 5% to 30%) were made by people switching from other motorized modes.
- Fare-free transit has been a source of community bonding and pride that also has helped local communities earn positive recognition.
- Some transit systems with a fare-free policy have been challenged by the presence of disruptive passengers, including loud teenagers and vagrants.



LTD Analysis

Immediate Impacts

- Loss of fare revenue (\$7.5 million)
- Increased public safety costs
- Increased ridership
- Reduced cost of fare collection (\$250,000-\$500,000)
- Political fallout



LTD Analysis

Impact on Existing Service

- Loss of revenue would result in a reduction in service
- Overloads during peak times
- Increase in problem passengers
- Increased cost of paratransit and reduction in revenue (\$350,000)
- Decrease in choice riders who act negatively to overcrowding



Conclusions

- LTD currently cannot absorb a significant loss of revenue and would lead to service reductions.
- An increase in ridership while having to reduce service because of reduced funding would have negative impacts on service quality.
- An increase in public safety problems would increase costs.
- A fare-free system would be difficult to sell politically.

Staff Recommendations

- Under current conditions, continue to operate a system that requires a fare.
- Board and staff should develop a fare policy with specific goals in mind.
- If the political climate or funding conditions change, the board can revisit the fare structure.

Questions and Discussion

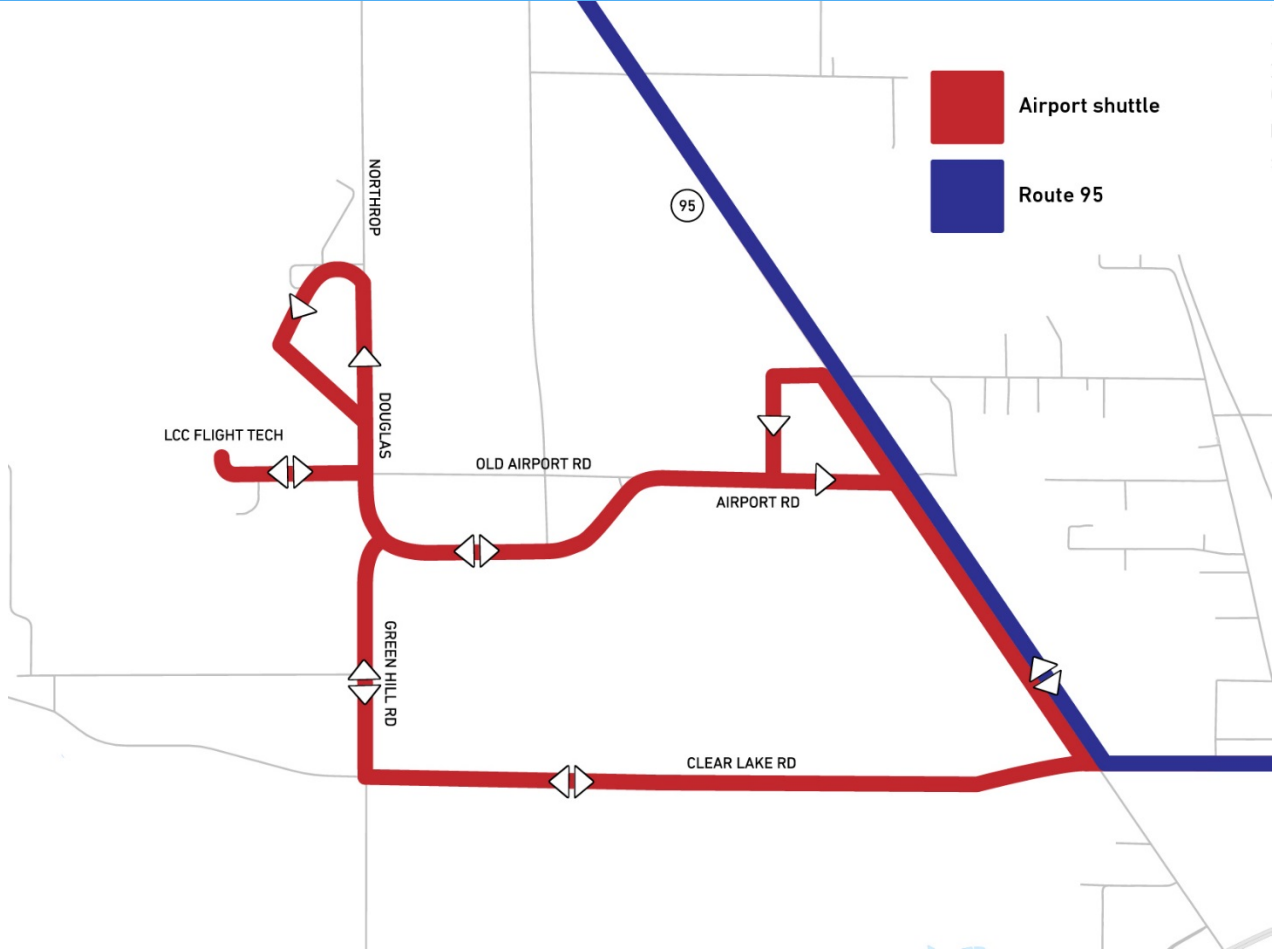


Airport Connector Service Pilot Evaluation



LTD.org

Airport Connector Service Pilot



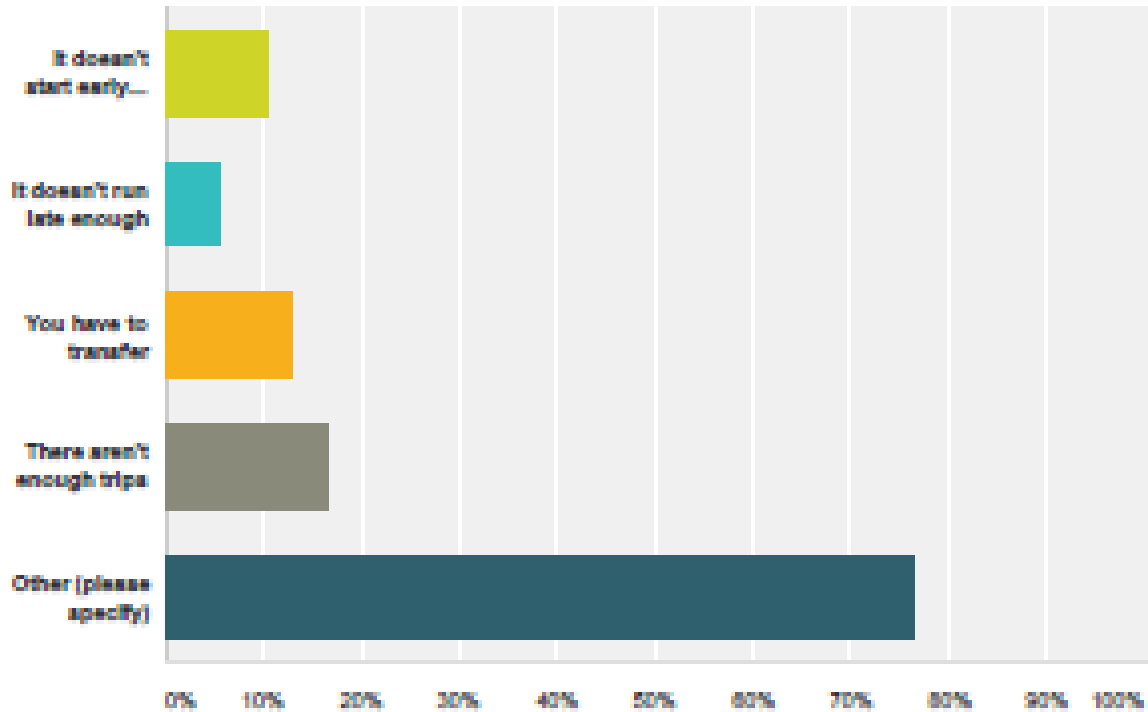
ltd.org



LTD Community Input Survey

Q8 Why have you not used the service?

Answered: 348 Skipped: 229



ltd.org



Answer Choices	Responses
It doesn't start early enough	10.57%
It doesn't run late enough	5.69%
You have to transfer	13.01%
There aren't enough trips	16.67%
Other (please specify)	76.42%
Total Respondents: 246	



ltd.org



Outcomes

- Based on poor performance, partners have decided to discontinue the service
- LTD will work with LCC to identify solutions for connecting students to the Airport Classroom
- Future surrounding industrial land development will create a stronger transit market for employment trips



ltd.org

