

Staff Report

To: Finance Committee Date: April 3, 2012

Via: Lauren Bradley, Finance Director

From: Ken Putnam, PE Prepared By: Mariate Echeverry
Transportation Transportation
Department Director Planning Manager

Subject: Fare-Free promotion during the Implementation of the Transit Master Plan.

Summary Statement: Approval of a three week fare-free promotion as part of the implementation of the first phase of the Transit Master Plan (TMP), which is May 21. The promotion would last from May 21 to June 8, 2012.

Review: The first phase of the Transit Master Plan (TMP) implementation was approved by Council on April 27, 2010. The specific recommendations included a fare increase, operational changes, and a marketing strategy. The fare increase was effective in July 1st 2010 and affected monthly and annual passes and ticket books; the cash fare remained the same. The rest of the recommendations are going to be implemented on May 21, 2012 and include:

- Operational Changes

In order to provide better service to our customers, 30-minute frequency will be implemented along the main corridors in the densest sections of the corridor. In order to accomplish this task, existing routes are staggered in five corridors; namely, Patton Avenue – Routes 15 and 16, Haywood Road – Routes 1 and 9, Biltmore Avenue – Routes 4 and 8, Tunnel Road – Routes 13 and 26, and Merrimon Ave. – Route 2.

System-wide on-time performance changes are also included. Currently, one of the biggest challenges the transit system faces is keeping the buses on-time mainly due to route deviations and Dial-A-Ride service. In order to accomplish this task, existing route deviations will be reduced or eliminated and Dial-A-Ride service will be stopped. The subject action will address driver's concerns with the current route schedules and the pressure they constantly receive from riders to be on-time.

The operational changes are incorporating two cross-town routes, one serving the southeast-southwest and other serving the northeast-northwest. Also, new areas will be served, New Leicester Highway to Land of Sky and ABCCM on Tunnel Rd.

The evening routes will be consolidated with the day routes, eliminating the existing gap; the evening routes will end earlier as recommended in the TMP, based on ridership. The routing will be the same for day and evening trips making navigation of the system smoother for the rider.

In addition, the bus stop system has been streamlined, new bus stops have been installed, some existing bus stops have been removed and other stops have been relocated.

These system-wide changes are achieved without impacts in the current operating budget.

- Marketing

One of the most important elements to enhance the Asheville Redefines Transit System, as expressed in the Transit Master Plan, was to develop a marketing strategy that focuses on the creation of a new image for the system and promotion of route changes including system "branding" (logo), color schemes for the buses, signs, and new maps. The City hired Urban Trans Consultants Inc., from Atlanta to support and assist in the implementation of the marketing strategy. Urban Trans has developed all the material that will be used during this implementation, including, a new brand, new image for the signs, new route numbers, maps and miscellaneous material. Some of these changes have been already implemented, such as the Asheville Redefines Transit logo (ART) and the art work in the five new hybrid-electric buses.

Staff is working on polishing the final details to roll out the new routes. As part of the communications plan six public meetings will be held to inform the public about the changes and provide assistance navigating the system. The meetings will be in Downtown Asheville and five meetings in different neighborhoods: North, East, West, South and the River District. Agencies and organizations have been contacted to inform their constituents about the changes. Also there will be mobile information stations at the Asheville Redefining Transit (ART) Station and on the buses and additional phone lines will be available to assist customers during implementation. All of these will be complemented with information to the media, press releases and social media.

As part of the marketing strategy the Transit Commission has requested a fare free promotion from May 21 to June 8, 2012. This was voted 6-1 in their March 6, 2012 meeting. The fare free is intended to ease the transition to the new routes for existing riders and to attract new riders to the system that would like to give it a try.

The city has implemented fare free promotions in the past. In 2007 there was a three-month fare free promotion that increased ridership 23%. In 2011 there was a one-week fare free promotion to promote Strive not to Drive that increased ridership by 3%. In both occasions ridership increases have been maintained after the promotion has ended.

The increase in ridership not only reduces the cost/hour to operate the system but also increases the Federal Transit Administration Section 5307 apportionment that pays for transit operations, since passenger miles vs. operating costs count for 9.2% of the apportionment.

The cost of the fare free promotion (i.e. lost revenue) will be approximately \$42,000. Staff has analyzed revenues and expenses and concluded that the promotion would not have a negative impact in the overall FY2012 budget and can be absorbed in the current operational budget.

This action complies with the current City Council's Strategic Operating Plan for Fiscal Year 2011-12 within the fiscal responsibility and multimodal transportation focus areas by operating the City of Asheville to the highest levels of fiscal responsibility; and helping establishing a multimodal transportation plan by making needed transit system improvements.

The Transit Commission supports the subject action.

Pros:

- The fare free promotion will ease the transition to route changes for existing riders and will attract new riders.
- The fare free has been an effective marketing tool to increase ridership in the past.
- If there is an increase in ridership this will reflect in the system's performance measures, reducing the cost/hour of operating the system and potentially increasing the federal allocation.

Cons:

- The cost of the project is approximately \$42,000.
- The \$42,000 cost would be absorbed by the current fiscal year's transit operational budget.

Fiscal Impact: The fiscal impact of this project is estimated to be approximately \$42,000 in lost revenue. Based on current year revenue to date, staff anticipates that budget estimates will still be met even with the \$42,000 in revenue that will not be received during the fare-free promotion.

Recommendation: City staff recommends that the Finance Committee approve a three week fare-free promotion as part of the implementation of the first phase of the Transit Master Plan (TMP), which is May 21.