

## STAFF REPORT

**SUBJECT:** MTD Valley Express Interregional Transit Service Funding Request

**MEETING DATE:** February 3, 2010

**AGENDA ITEM: 6**

**STAFF CONTACT:** Stephen VanDenburgh, Scott Spaulding

### RECOMMENDATION:

- A. Recommend to the full board that up to \$81,000 in additional regional measure D funding be allocated to continue operation of the Valley Express service for the remainder of the current fiscal year.
- B. Direct staff to work with SBMTD to develop a strategy for FY 2010/11 to improve service efficiency and cost effectiveness.

### SUMMARY:

In May 2008 the SBCAG board approved \$80,000 to continue operating Santa Barbara Metropolitan Transit District's (MTD) Valley Express, which provides commuter bus service between the Santa Ynez Valley and the South Coast, through June 2009. Under an MOU with SBCAG, service was reduced from the four trips operated during the federally funded pilot program to three in order to improve the efficiency of the service. In May 2009, MTD requested that the MOU be extended through June 2010 but did not request any additional funding. Due to lower than expected ridership, the \$80,000 in funding that was anticipated to be sufficient to operate the service through a second year was exhausted in October 2009. MTD is requesting an additional \$81,000 in regional Measure D funds to continue operating the three Valley Express trips through June 2010.

The MOU with MTD to fund the Valley Express contains performance measures that are evaluated annually in the spring prior to any funding request for the following year. Although earlier than planned, the performance of the service to date this fiscal year is included in this report. Staff is recommending the \$81,000 in regional Measure D funds requested by MTD for the Valley Express be provided to continue operations through this fiscal year. As part of the annual service evaluation in the spring, the Valley Express performance will be compared to the standards in the MOU as part of the development of inter-regional funding commitments under the Measure A Program of Projects. As it does annually, SBCAG staff will evaluate the performance of the Valley Express and request that MTD adopt any appropriate modifications that will increase the efficiency and effectiveness of the service.

## DISCUSSION:

MTD operates the Valley Express commuter transit service between the Santa Ynez Valley and the South Coast. There are currently three round trips per day, reduced from four during the federally funded pilot period, which ended in June 2008. Trips originate and terminate in Solvang, stop in Buellton to pick up and drop off passengers, and serve Goleta, UCSB and Santa Barbara. The service was originally funded by a federal CMAQ grant approved by the SBCAG Board in October 2004. Before the launch of the Valley Express in 2005, two Clean Air Express routes originating in Santa Maria served Buellton, providing commuter service between the Santa Ynez Valley and South Coast.

In May 2008, following the end of the federally funded pilot program, the board approved \$80,000 to continue operating the Valley Express through June 2009. Under an MOU with SBCAG, service was reduced from four trips to three in order to improve the efficiency of the service. In May 2009, MTD requested the MOU be extended through June 2010 but did not request any additional funding. Due to lower than expected ridership, the \$80,000 in funding that was anticipated to be sufficient to operate the service through a second year was exhausted in October 2009. MTD is requesting an additional \$81,000 in regional Measure D funds to continue operating the three Valley Express trips through June 2010. This figure represents the high end of project cost estimates, which assumes ridership will continue at the historically low levels that occurred in December. Both MTD and SBCAG staff anticipate ridership for the remainder of the fiscal year will increase modestly from December, so that the full \$81,000 will not be needed.

The Valley Express is evaluated annually prior to any funding recommendation. The MOU with SBCAG to provide the service includes performance measures used in the annual evaluation. While progress was being made towards meeting these standards in 2009, economic conditions and a substantial fare increase implemented in January 2009 have resulted in a trend of falling ridership and declining productivity for the service since the service was consolidated to three routes in July 2008. Monthly ridership for the three Valley Express trips since July 2008 is included in Attachment A. Even with the increase in the monthly pass fare from \$120 to \$160, the farebox ratio has fallen and the subsidy per trip has risen significantly. As evident in the ridership chart, the bulk of the ridership decline occurred following the January 2008 fare increase.

	Fiscal Year				FY2010 Performance Standards	FY2010
	2006	2007	2008	2009		YTD July – December
Passengers Per Trip	13.5	15.4	18.5	20.4	30	15.0
Farebox Ratio	44%	53%	59%	74%	85%	49%
Subsidy Per Trip	\$4.49	\$3.29	\$2.53	\$1.51	\$0.50	\$4.11

While the Valley Express is eligible for Measure A Inter-Regional transit funding, it is important to ensure that all Measure A funds are spent as efficiently as possible. As part of the annual

Valley Express performance evaluation that takes place in the spring, options for increasing the cost effectiveness of the service will be considered.

Staff will be returning to the board in April with a more detailed service evaluation of the Valley Express and a recommendation for measures to improve the efficiency of the service if ridership plateaus or continues to decline. Further route consolidation and reintegration of Santa Ynez Valley commuter service back into the Clean Air Express are options that may be considered.

**COMMITTEE REVIEW:**

None

**ATTACHMENTS**

Attachment 1: MTD Valley Express Ridership July 2008 – December 2009

