

## STAFF REPORT

**SUBJECT:** Coastal Express Fare Adjustment

**MEETING DATE:** October 16, 2008

**AGENDA ITEM:** 6E

**STAFF CONTACT:** Jim Kemp, Scott Spaulding

### RECOMMENDATION:

Authorize the Chair to send a letter to the Ventura County Transportation Commission requesting the status of adjusting Coastal Express fares as approved by the joint SBCAG-VCTC Coastal Express Policy Advisory Committee in May 2008.

### SUMMARY:

The Coastal Express bus service operates between Ventura and Santa Barbara counties and is jointly managed and funded by SBCAG and the Ventura County Transportation Commission (VCTC). Coastal Express fares have not been adjusted since the service began in 2001, and in December 2007, the Coastal Express Policy Advisory Committee (PAC) directed staff to develop a fare increase proposal for consideration. Staff presented the proposal at the Coastal Express PAC meeting in May 2008 and the committee voted unanimously to recommend the VCTC board approve and implement the proposal. At the May PAC meeting, VCTC staff indicated that the fare increase would be effective January 1, 2009.

### DISCUSSION:

The Coastal Express bus service operates daily between Oxnard, Ventura, Carpinteria, and Santa Barbara, with express weekday commute hour service to Goleta and UCSB. The service began in 2001 and has proven to be highly successful, carrying 210,000 passengers in FY2008 and providing an attractive commuting option for residents of Ventura County traveling to their jobs in Goleta and Santa Barbara. Fares are \$2.00 per trip or \$75.00 for a monthly pass and have not been increased since the service began more than seven years ago. During that period, the cost of providing the service has increased significantly, with the overall operating cost rising from \$52.95 to \$86.80 per service hour (64%), and the cost of fuel increasing dramatically.

The net cost of the service is shared equally between VCTC and SBCAG, with SBCAG's portion coming solely from regional Measure D funds. This funding source ends in March 2010, and without the passage of Measure A in November 2008, fare revenue will be the only funding source available to SBCAG to be able to continue operating the service. Without revenues from

Measure A or some other source, the board will have to consider cancellation of this successful service.

In order to avoid a larger fare increase at a later date, the Coastal Express PAC, composed of three members of SBCAG and three members of VCTC, directed staff at the December 2007 PAC meeting to develop a fare adjustment proposal for consideration at the following meeting. At the next meeting, in May 2008, the PAC unanimously approved a proposal to increase the cash fare to \$3.00 and the monthly fare to \$110.00. Under the Memorandum of Understanding governing the Coastal Express, VCTC is the lead agency and the VCTC board must approve any fare adjustment.

At the May PAC meeting, VCTC staff indicated that given the federally mandated notification and public hearing requirements for fare adjustments, the expected date of implementation of the Coastal Express fare increase would be January 1, 2009. Although discussions between VCTC and SBCAG staff are ongoing, SBCAG staff remains unclear about when the fare adjustment proposal recommended and approved by the Coastal Express PAC will be placed on the VCTC board agenda. Staff is concerned that if the VCTC board does not hold a hearing and adopt the fare increase soon, the January 2009 implementation date will be missed and needed revenues from the fare increase will be lost. As the Coastal Express PAC directed staff in May to implement the fare increase "as soon as possible", and given that fare revenue is such a crucial part of our ability to continue operating this successful service, a letter requesting additional information will provide VCTC an opportunity to identify their timeline for how they plan to implement the Policy Advisory Committee's recommendation.

**COMMITTEE REVIEW:**

None

**ATTACHMENTS:**

Letter to VCTC on status of Coastal Express fare increase



■ 260 North San Antonio Road., Suite B ■ Santa Barbara, CA ■ 93110  
■ Phone: 805/961-8900 ■ Fax: 805/961-8901 ■ www.sbcag.org

October 16, 2008

Mr. Darren Kettle  
Executive Director  
Ventura County Transportation Commission  
950 County Square Drive, Suite 207  
Ventura, CA 93003

Re: Coastal Express Policy Committee Recommendation to Increase Fares

Dear Mr. Kettle:

On behalf of the SBCAG board, I am writing to inquire about VCTC's proposed timeline for implementing a fare adjustment for the Coastal Express. At the December 2007 Coastal Express Policy Advisory Committee (PAC) meeting, VCTC and SBCAG staff were directed to develop a fare increase proposal for consideration at the next PAC meeting. At the following meeting, held in May 2008, the Coastal Express PAC unanimously recommended the VCTC board approve the staff proposal to increase the cash fare from \$2.00 to \$3.00 and the monthly fare from \$75.00 to \$110.00. The PAC supported the fare increase because of rapidly rising operating costs and because Coastal Express fares have not been adjusted since the service started seven years ago. The PAC recommended that the fare increase be implemented as soon as possible. Under the MOU between SBCAG and VCTC governing the Coastal Express, VCTC is the managing agency for the service and the VCTC board is responsible for approving fare adjustments.

At the May PAC meeting, you indicated that the expected date of implementation of the Coastal Express fare increase would be January 1, 2009 to allow time for the federally mandated notification and public hearing requirements for fare adjustments,. SBCAG is concerned that no action has been taken yet by VCTC to implement the fare increase recommended by the PAC. In light of the fact that the fare increase process can take several months, our concern is that fares will not be increased on January 1 as planned. Any delay in implementing the fare increase will result in lost revenue that is needed to operate and expand the Coastal Express.

Please provide SBCAG staff the date of the VCTC meeting you intend to place this item on the agenda in order to follow the PAC's direction.

Thank you for all of the hard work you and your staff have contributed to making the Coastal Express a successful and popular transportation option for residents of Ventura and Santa Barbara counties.

Sincerely,

Brooks Firestone  
Chair, Santa Barbara County Association of Governments