

STAFF REPORT

SUBJECT: Valley Express Transit Service

MEETING DATE: May 20, 2010

AGENDA ITEM: 6C

STAFF CONTACT: Scott Spaulding

RECOMMENDATION:

- A. Receive annual performance report of the Valley Express bus service and update on development of service alternatives.
- B. Authorize the Executive Director to sign a revised Memorandum of Understanding with SBMTD to operate the Valley Express through December 31, 2010, with an option to extend the MOU through July 1, 2011, and allocate up to \$50,000 in Measure A funds to continue service.
- C. Direct staff to work with ad hoc regional transit working group to develop a plan to reintegrate commuter bus service from Santa Ynez Valley back into the Clean Air Express system and report back to the board by September 2010. To assist with the integration, request MTD provide 30 days of Valley Express on/off data to SBCAG staff.

SUMMARY:

The Santa Barbara Metropolitan Transit District (MTD) began operating the Valley Express commuter bus service between the Santa Ynez Valley and the South Coast in March 2005. The service features charter-style coaches and operates during peak hours only, south in the morning and north in the afternoon, with pick up locations in Solvang and Buellton and drop off locations in Goleta and Santa Barbara. Originally funded by a three-year federal CMAQ grant that expired in March 2008, the SBCAG board approved \$80,000 in regional Measure D funds in June 2008 for a reduced service level and required MTD to provide SBCAG with annual performance reports to evaluate the cost effectiveness of the service. At the request of MTD, in February 2010 the board approved an additional \$81,000 in Measure D funds to support the service through June 2010. The board also directed staff to develop options for improving the effectiveness and efficiency of the Valley Express following the end of the Measure D program.

The Valley Express performance measures are evaluated annually in the spring prior to any funding recommendation for the following year. Although the Valley Express has been operating for over five years, the service has failed to meet its performance standards, which include passengers per trip, farebox ratio, and subsidy per passenger. Passenger loads have consistently been a fraction of the seats available on the large commuter coaches currently being used, suggesting that smaller vehicles may be more appropriate for the service. Staff has consulted with MTD, the City of Solvang, and other Clean Air Express partners to evaluate the option of reintegrating Santa Ynez Valley commuter bus service back into the Clean Air Express in order to increase the cost effectiveness of the service.

Staff is recommending that the current Valley Express service be continued using Measure A funds through an extension of the MOU termination date to December 31, 2010, with an option to extend the MOU to July 1, 2011. During this time, staff will work with MTD, the City of Solvang, and other Clean Air Express partners to develop a plan for “right-sizing” and reintegrating Santa Ynez Valley commuter bus service back into the Clean Air Express in order to increase the performance and cost effectiveness of the service. Staff estimates the plan will be presented to the board for review and approval in September 2010.

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. 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 for 20-25 customers.

In May 2008, following the end of the federally funded pilot program, the board approved \$80,000 in regional Measure D funds 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. At the request of MTD, in February 2010 the SBCAG board approved an additional \$81,000 in regional Measure D funds to support the service through June 2010. The board also directed staff to develop options for improving the effectiveness and efficiency of the service following the end of the Measure D program.

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, including passengers per trip, farebox ratio, and Measure D subsidy per passenger. While progress was being made towards meeting these standards in the early years of the service, following the decline of gas prices from their historic highs in 2008, ridership appears to have returned to a natural, stable pattern that is significantly lower than projected when the service was initiated.

	Fiscal Year				Performance Standards	FY2010
	2006	2007	2008	2009		YTD July – March
Passengers Per Trip	13.5	15.4	18.5	20.4	30	15.2
Farebox Ratio	44%	53%	59%	74%	85%	53%
Subsidy Per Trip	\$4.49	\$3.29	\$2.53	\$1.51	\$0.50	\$3.77

Over the last fifteen months, while fuel prices have increased more than 50%, ridership has fallen 12% (1Q09/1Q10) and has consistently averaged about 15 riders per trip this fiscal year (see table 2), a fraction of the 52 seats available on the vehicles currently being used. With a population of about 20,000, the Santa Ynez Valley likely does not warrant the level of commuter bus service currently provided by the Valley Express—three daily round trips using large

charter-style buses. For comparison, the Santa Maria Valley population of over 160,000 is served by just five Clean Air Express trips using the same type of vehicle. Low demand for commuter bus service from the Santa Ynez Valley is consistent with prior attempts to serve this market. Under APCD management, the Clean Air Express served Solvang and Buellton with one route between 1996-1998 and again for a six month period in 1999. In both cases service was discontinued due to low ridership.

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 directed by the board in February 2010, staff is in the process of developing options to provide commuter bus service to Santa Ynez Valley residents in a more cost effective manner than it is currently being provided. Alternatives being evaluated include reintegrating the service back into the Clean Air Express, which served Buellton prior to the initiation of the Valley Express in 2005, and using a smaller vehicle type to provide commuter service. The interagency ad-hoc transit working group that in 2009 developed a consensus management option for the Clean Air Express under the Measure A program is an appropriate mechanism to discuss and develop service alternatives. Staff will present the proposed plans for modifying the service to the Buellton and Solvang city councils as requested by the North County Subregional Planning Committee. The service plan will be presented to the SBCAG board for approval.

Staff is confident there is ample time to develop and implement service alternatives by January 2011. Because the current MOU with MTD to provide the Valley Express service expires on June 30, the MOU will have to be extended to continue the service while alternatives are developed. No changes to the existing Valley Express MOU other than the termination date are expected. The continuation of the Valley Express service will be funded with a carryover balance of previously authorized Measure D funds (expected to be at least \$35,000). In addition, the board's action will allocate up to \$50,000 in Measure A funds that will be available to support the service if needed.

COMMITTEE REVIEW:

The North County Subregional Committee reviewed this issue at their May 12 meeting. The committee voted unanimously (Richardson, Siminski, Lavagnino, Farr, Pointer) to recommend to the SBCAG board that staff's recommendations be approved. The committee requested that prior to the adoption of any service modification, that the plan be presented to the Buellton and Solvang city councils.

ATTACHMENTS

1. April 8, 2010 funding request letter from Sherrie Fisher, MTD to Jim Kemp, SBCAG Executive Director
2. May 11, 2010 funding request letter from Sherrie Fisher, MTD to Jim Kemp, SBCAG Executive Director