

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
8	01/11/16	Open	Action	12/18/15

Subject: Potential Corrective Actions to Address Low-Productivity Routes

ISSUE

Whether or not to pursue corrective actions to address low-productivity bus routes.

RECOMMENDED ACTION

Motion: Direct Staff to Continue to Pursue Corrective Action to Address Low-Productivity Routes According to the Scope of Work and Timeline Discussed Below.

FISCAL IMPACT

Any service changes arising from this process would be cost neutral or result in a net savings. A fixed budget goal for the project has not been established at this stage, but will be determined over the next several months as part of RT's Fiscal Year 2017 operating budget development process. Under an aggressive cost-reduction strategy, staff believes that elimination of four low-productivity routes could reasonably yield approximately \$840,000 in annual savings beginning in January 2017, which could be reallocated (e.g., to offset a budget deficit, contribute to reserves, improve service elsewhere, enhance security or maintenance, etc.)

DISCUSSION

As part of RT's service standards and productivity monitoring process, the following report identifies low-productivity bus routes that are candidates for corrective action. Corrective action may include: (a) schedule adjustments; (b) promotional campaigns; (c) cost-sharing agreements; and/or (d) service cuts.

Since 2010, routine monitoring has led to low-cost improvements to Routes 11 (Truxel) and 24 (Greenback/Madison) which have yielded ridership growth of over 20 percent and almost 50 percent, respectively. Headway improvements on Routes 25 (Marconi) and 55 (Scottsdale) have similarly yielded ridership growth of over 25 percent and almost 70 percent, respectively, over a five-year period where overall bus ridership has declined almost 10 percent.

Based on productivity over the last two years, staff analyzed fourteen low-productivity services, and has made recommendations for each on Page 3. Staff recommends that Routes 5, 34, 47, 54, 74 be designated as priorities for corrective action, following the guidelines on Pages 4-6, targeting January 2017 implementation. Staff recommends the Green Line be included in the analysis, as discussed on Page 7. Potential changes to Routes 6, 19, 24, 38, and 95 would be designated as longer-term/lower-priority items and pursued upon approval of any changes to the priority routes. See Page 9 for a project schedule.

Approved:

Presented:

Final 01/16/16

General Manager/CEO

Service Planner

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Low Productivity Routes

The thirteen regular routes identified below failed to meet RT’s productivity standards for at least six of the last eight quarters.

Route	Name	Riders Per Day	Boardings Per Rev Hour	Farebox Recovery	Cost Per Passenger
2	Riverside	500	19.8	15%	\$7.38
5	Meadowview-Valley Hi	261	17.3	13%	\$8.45
6	Land Park	366	13.9	10%	\$10.49
19	Rio Linda	949	23.3	18%	\$6.26
24	Madison-Greenback	192	14.8	11%	\$9.86
28	Fair Oaks-Folsom	432	14.1	11%	\$10.37
34	McKinley	278	10.6	8%	\$13.77
38	P/Q Streets	547	19.5	15%	\$7.46
47	Phoenix Park ¹	189	14.0	11%	\$10.44
54	Center Parkway	493	17.0	13%	\$8.56
62	Freeport	1,532	25.0	19%	\$5.83
74	International	247	13.8	10%	\$10.58
95	Citrus Heights-Antelope Rd ¹	94	8.7	7%	\$16.69

Standards
 Full-Size = 20.0
 CBS = 15.0

Notes:

This list is based on productivity over the prior two years; however, the statistics in the table reflect data for the period 9/8/15 – 10/15/15, after the Blue Line to CRC extension and other major system changes.

This table includes weekday service only. Only five of these routes have weekend service (Routes 2, 19, 38, 54, and 62). Weekday productivity standards are 20.0 boardings per revenue hour for full-size bus routes and 15.0 boardings per revenue hour for CBS routes (Routes 47 and 95). Routes 19 and 62 meet weekday productivity standards but fail to meet weekend standards (not shown).

Farebox recovery is fare revenue over fully-allocated operating cost. Fare revenue is daily boardings multiplied by systemwide average fare (\$1.09 per passenger boarding). Fully-allocated operating cost includes non-transportation overhead but excludes paratransit (\$143.27 per revenue hour). Cost per passenger is the fully-allocated operating cost over passenger boardings.

¹ Denotes CBS route. Productivity standards are 15.0 boardings per revenue hour for CBS routes.

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Low-Productivity Routes Summary of Recommendations

Route	Recommendations
2 Riverside	No changes recommended. Productivity (19.8 boardings per hour) is close to meeting goals and has been stable. Higher daily ridership (500 boardings) increases risk of ridership loss.
5 Meadowview/ Valley Hi	High priority. Consider realignment or elimination. Route appears to have lost riders due to competition with Blue Line extension. Most riders on western half can now walk to a light rail station.
6 Land Park	Low/medium priority. Route is in need of improvement; however, no clear opportunities for net improvement have been identified to date.
19 Rio Linda	Medium priority. Review weekend schedules. Implement any no-cost schedule adjustments that might improve schedule adherence. Develop a budget for further improvements. Weekday and Saturday service meet productivity standards, but Sunday/Holiday service is slightly deficient. Schedule adherence is a known issue on weekends.
24 Madison/ Greenback	Medium priority with three major options: 1. Adjust trip times to better coincide with Bella Vista HS. 2. Assess feasibility of conversion to general dial-a-ride. 3. Assess feasibility of expanding fixed-route service to Folsom light rail.
28 Fair Oaks/ Cordova Town Center	No changes recommended. Route was extended to Butterfield station (and Rancho Cordova library) in April 2015. Ridership response has been highly favorable. Productivity (14.1 boardings per hour) is trending upward. Higher daily ridership (432 boardings) increases risk from changes.
34 McKinley	High priority: Realign through future development at former Sutter Memorial site to improve travel time and reduce resident complaints. Consider eliminating or restructuring entire route.
38 P/Q Streets	Low priority. Route needs improvements to several low-productivity segments; however, no clearly beneficial changes have been identified to date. Higher daily ridership (547 boardings) and productivity (19.5 boardings per hour) increase risk of ridership loss from major changes.
47 Phoenix Park	High/medium priority. Consider elimination. Route is partially redundant with nearby routes (Routes 54, 56, 81).
54 Center Pkwy	High priority. Consider restructuring. Route appears to have lost riders due to competition with Blue Line extension. Most riders can now walk to a light rail station or a more frequent bus route, except in a few segments.
62 Freeport	No changes recommended. Productivity (25.0 boardings per hour) actually exceeds standards on a revenue hour basis due to a highly efficient schedule, and is only deficient on a service hour basis. High daily ridership (1,532 boardings) also increases risk from major changes.
74 International	High priority. TransitRenewal identified options for improving productivity that are now possible due to recent roadway changes. Work is already in progress, in cooperation with City of Rancho Cordova.
95 Citrus Heights Antelope Road	Medium priority. Restructuring or elimination should be considered due to low productivity; however, Citrus Heights contract requires City consent to major changes.
Green Line to Richards	High priority. Productivity is moderate, compared to fixed-route bus, but low for a light rail line. Opportunity may exist to achieve productivity improvements through schedule adjustments.

Although it is not comparable to bus routes and does not appear on the list on Page 2, staff also recommends the Green Line to Richards also be treated as a high priority route. All high priority routes are discussed in greater detail in the next section.

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Priority Routes

Routes 5, 47, and 54 (South Area) – Ridership on Routes 5 and 54 has decreased approximately 40 percent since the Blue Line to CRC extension opened. Although, this was partly anticipated, staff did not feel it was certain enough to justify preemptively changing the routes; however, with this real-world data in hand, there is now a clear justification to consider eliminating or restructuring either or both routes, at least on segments that are within walking distance of light rail.



Route 47 is a CBS route and its productivity and daily ridership is reasonably strong for a CBS route; however, it has always been largely redundant of other nearby routes with greater frequency. Staff believes that elimination of Route 47 should be considered in concert with other potential options related to Routes 5 and 54.

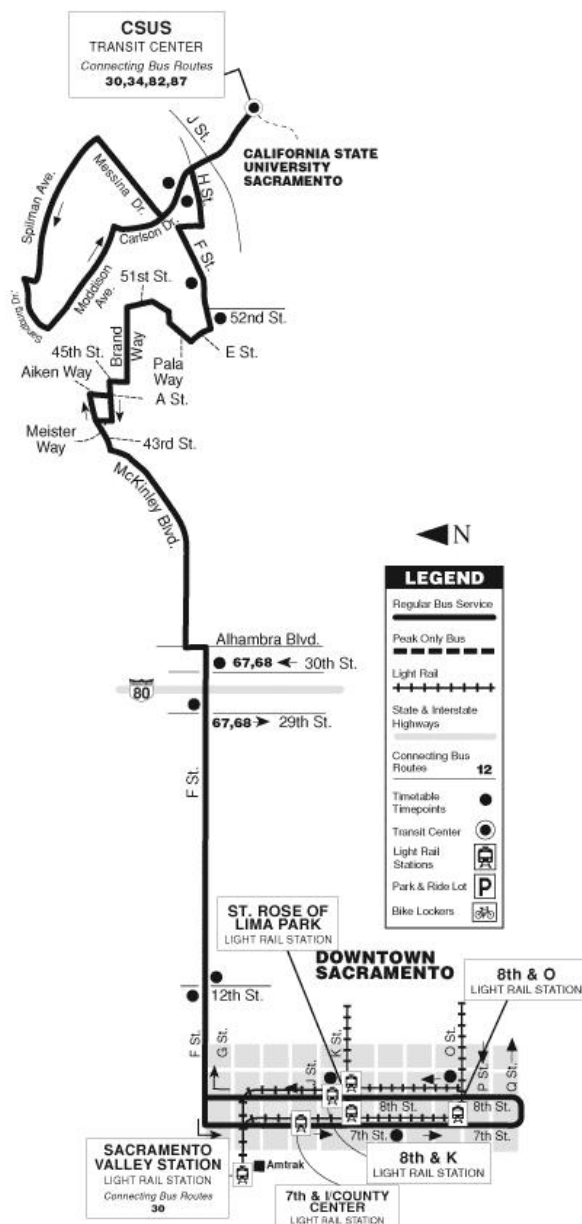
With the assent of the Board, staff will proceed with developing options for restructuring or eliminating Routes 5, 47, and 54.

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Priority Routes, cont.

Route 34 (McKinley) – Staff is currently working on adjustments to Route 34; however, staff believes there may be a need to completely restructure the route, as well as to consider it for outright elimination.



The immediate changes to Route 34 are prompted by the redevelopment of the former Sutter Memorial Hospital site. RT is currently drafting plans to reroute Route 34 through the Sutter site. This would eliminate several tight turns as well as operation on several small, neighborhood streets, which have been a source of complaints from residents.

Staff believes that a longer-term analysis of the route is also necessary. In 2012, following RT’s TransitRenewal study, direct service to/from University/65th Street station was eliminated. This appears to have eliminated several former travel patterns on the route. For example, workers commuting from the east going to Cannery Park can no longer feasibly use Route 34. Reversing this change would, however, necessitate changes to the segment of Route 34 serving River Park.

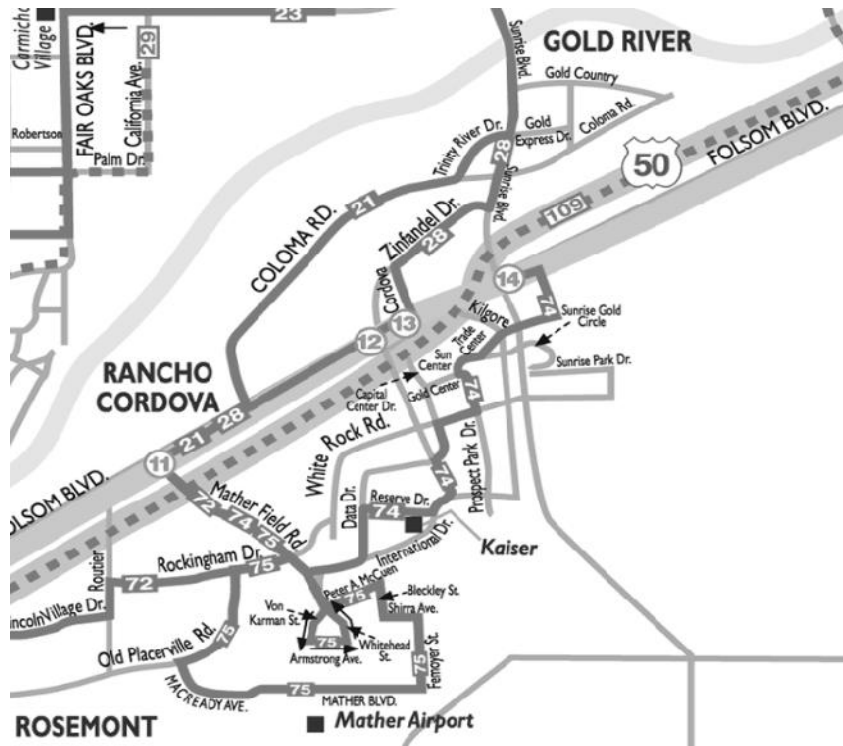
Lastly, there is a case to eliminate Route 34 entirely. Its productivity (10.6 boardings per hour) and farebox recovery (8 percent) are among RT’s worst. It is also fairly close to and parallel to Route 30, which provides much more frequent service on the J/L Street corridor. Many East Sacramento residents have also complained that the quiet residential nature of their neighborhood is inappropriate for a city bus route (although other residents have requested increased service).

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Priority Routes, cont.

Routes 74 and 75 (Rancho Cordova) – In 2012, TransitRenewal identified an opportunity to restructure Routes 74 and 75 in Rancho Cordova. The extension of Bleckley Street from Peter McCuen (on the base) to International Drive (off-base) allows a more efficient route design (e.g., a single route could serve both the Veterans Administration Medical Center (VAMC) and Kaiser Hospital on one efficient loop). The introduction of the CordoVan has also rendered a great deal of the eastern part of Route 74 somewhat redundant, a part of the route that was already relatively unproductive.



These factors create an opportunity to consolidate Routes 74 and 75 into a single, lower-cost, higher-productivity route. Staff began working on alternatives earlier in 2015, in cooperation with staff from the City of Rancho Cordova, although the objective of that analysis was focused on reallocating any savings to new service elsewhere in Rancho Cordova.

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Priority Routes, cont.

Green Line to Richards – Staff believes there may be an opportunity through schedule adjustments to reduce net operating cost on the Green Line without significantly impacting ridership and recommends the Green Line be included in Phase 1 as a priority route.

As a light rail line, the Green Line is not necessarily comparable to bus routes, is not necessarily as amenable to corrective measures, and is not subject to the same productivity standards. At 28.6 boardings per revenue hour, the Green Line would be above average for a bus route; however, it is deficient compared to RT’s standard of 85 boardings per hour for weekday light rail service and compared to the Blue Line and Gold Line, both of which average approximately 150 boardings per hour.

Staff has developed a conceptual operating plan where the Green Line and Gold Line would be combined (e.g., some Sunrise or Folsom trains would run to Township 9 instead of Sacramento Valley). This would reduce the number of trips to the Sacramento Valley station, but it would have the potential to reduce labor costs significantly.

At this stage, the conceptual plan needs additional work to incorporate potential impacts from several projects, including special event service to the Golden 1 Center, the Green Line “loop” extension from 7th Street to Sacramento Valley station, operating considerations for Republic FC service at Railyards Boulevard, Downtown/Riverfront Streetcar operations, and construction impacts from each associated project.

Phase 1 - Fiscal Impacts

If four of the five Phase 1 routes (Routes 5, 34, 47, 54, and 74) were entirely eliminated, the estimated savings would be approximately \$840,000 annually, net of fare revenue, as shown in the chart on Page 8. Although Route 54 may need restructuring, staff does not believe Route 54 is a likely candidate for elimination. Changes to the Green Line could provide additional savings; however, staff has not yet quantified the amount.

Phase 2 – Medium/Low Productivity Routes

Staff recommends pursuing corrective action for Routes 6, 19, 24, 38, and 95 (identified as low/medium priority on Page 3) in a second phase of improvements. The planning portion of Phase 2 would begin shortly after approval of the Phase 1 improvements. The table below shows an approximate timeline for both phases.

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Phase 1 Potential Savings From Route Eliminations

	<u>Route</u>	<u>Net Cost Per Year</u>
5	Meadowview-Valley Hi	\$158,967
34	McKinley	\$324,138
47	Phoenix Park	\$154,335
54	Center Parkway	\$306,247
74	International	\$205,423
	Subtotal	\$1,149,110
	Less Route 54	-\$306,247
	Total potential savings	\$842,864

Net cost per year is a fixed cost per revenue hour multiplied by revenue hours per year less fare revenue. Fare revenue is the systemwide average fare (\$1.08 per FY 2016 budget) multiplied by boardings per year. Staff believes \$60.00 per revenue hour best approximates actual savings from a change of this magnitude. Complementary paratransit costs would probably be slightly decreased, but are not reflected in this chart.

Additional savings may be possible through Green Line changes.

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Next Steps

With the assent of the Board, staff will continue work on Phase 1 improvements, including potential changes to Routes 5, 34, 47, 54, 74, and the Green Line. Implementation will be targeted for January 2017 to avoid conflicts with final preparations for the Golden 1 Center opening. Following August 2016 approval of Phase 1, staff would begin planning Phase 2, which would target September 2017 for implementation.

Timeline

Phase 1 High Priority	Develop Alternatives Routes, Schedules, and Cost Estimates	January – April 2016
	Approval Process Public Review and Title VI Analysis	May – August 2016
	Pre-Implementation Scheduling, Bidding, Training, Customer Information	September – December 2016
	Changes Take Effect Customer Assistance, Ridership Monitoring	January 2017
Phase 2 Low/Medium Priority	Develop Alternatives Routes, Schedules, and Cost Estimates	September – December 2016
	Approval Process Public Review and Title VI Analysis	January – April 2017
	Pre-Implementation Scheduling, Bidding, Training, Customer Information	May – August 2017
	Changes Take Effect Customer Assistance, Ridership Monitoring	September 2017