

STAFF REPORT

DATE: July 24, 2023
TO: Sacramento Regional Transit Board of Directors
FROM: Laura Ham, VP, Planning and Engineering
SUBJ: SMART RIDE UPDATE

RECOMMENDATION

No Recommendation - For Information Only.

RESULT OF RECOMMENDED ACTION

No Recommendation – For Information Only.

FISCAL IMPACT

SacRT's June 16, 2023 grant agreement with the Sacramento Transportation Authority (STA) commits SacRT to expected expenditures of \$20,774,871 on SmaRT Ride for the three-year period ending on June 30, 2026. The STA grant will cover \$2,401,200. Additional secured funding includes \$1,637,343 of State of California Low Carbon Transit Operations Program (LCTOP) funds, \$1,600,000 of American Rescue Plan funds and \$101,454 from Sacramento County. The remaining \$15,034,874 for the three-year period will be covered by other state, local, and federal funds, including California Transportation Development Act (TDA) funds, and Sacramento County Measure A funds. SacRT's Fiscal Year 2024 operating budget includes these revenues and expenditures.

DISCUSSION

Effective Monday, August 28, 2023, three changes will be made to the SmaRT Ride system, including a size reduction to the Citrus Heights-Antelope-Orangevale and Downtown-East Sacramento-CSUS zones, an enlargement of the Franklin/Gerber zone, and a reduction in service hours to 7:00 am to 7:00 pm across the board, in response to reduced funding levels for SmaRT Ride. The table on Page 5 provides a more detailed description. Maps of the three zones with changes are included on Pages 6 to 8.

SacRT's expanded SmaRT Ride program dates to 2018, when a \$12 million contribution from the Sacramento Transportation Authority's Neighborhood Shuttle program allowed SacRT to begin scaling the initial single-zone pilot project in Citrus Heights to today's system of nine on-demand microtransit zones, encompassing over 165 square miles and serving a population of almost 788,000.

As one of the largest and most successful microtransit projects in the industry, SmaRT Ride has brought nationwide acclaim and recognition to SacRT. More importantly, it has brought transit to underserved residents throughout SacRT's service area—yielding benefits both in terms of personal mobility as well as public support for transit.

Since 2018, a total of \$14 million in Neighborhood Shuttle funds have covered most of the operational costs of SmaRT Ride, which today operates a fleet of 45 cutaway buses and battery-electric vans, all funded by SacRT. However, with the failure of Measure A at the ballot in November 2022, SmaRT Ride remains without a permanent full-funding source.

June 30, 2023, marked the end of Cycle 1 of STA's Neighborhood Shuttle funding program, which provided \$1,800,808 for SmaRT Ride for Fiscal Year 2023. With that funding source coming to an end, staff has been considering major service reductions or complete elimination of the SmaRT Ride pilot program, while at the same time seeking new grants and other funding sources, to support continued operation of SmaRT Ride over at least another three years.

On June 16, 2023, the STA Board approved an award of \$2,401,200 for SmaRT Ride operations for the three-year period ending on June 30, 2026, amounting to approximately \$800,000 per year, from Cycle 2 of the Neighborhood Shuttle program.

SacRT's application for Cycle 2 discussed the need to reduce costs through service reductions, including reductions to the Citrus Heights-Antelope-Orangevale and Downtown-East Sacramento-CSUS zones, the splitting in two of the Natomas-North Sacramento and Citrus Heights-Antelope-Orangevale zones, and the reduction of service hours to 7:00 am to 7:00 pm across the board. At the same time, SacRT's application and its grant agreement commit SacRT to continuing service to all nine existing zones and maintaining six of the zones unchanged.

In addition to the Cycle 2 Neighborhood Ride funds, SacRT has also been awarded \$1,637,343 in State of California Low Carbon Transit Operations Program (LCTOP) funds for the two-year period ending June 30, 2025 for the Downtown, Natomas/North Sacramento, and Rancho Cordova zones. SacRT also has an agreement with Sacramento County providing approximately \$50,727 per year to support the cost of SmaRT Ride service to the Vineyard area (part of the Florin-Gerber zone).

California Transportation Development Act (TDA) funds that flow to SacRT through the City of Citrus Heights and the City of Folsom have also been designated for SmaRT Ride in the amounts of \$651,031 and \$949,421 per year, respectively, plus annual cost escalation. For Citrus Heights, this represents a commitment to maintain SmaRT Ride or a comparable service at least within the city limits, where it was originally being operated with the same funds, before SacRT's large Neighborhood Shuttle grant. For Folsom, this represents a commitment to maintain a city-wide general public demand response service, because the City of Folsom was already operating a general public dial-a-ride, prior to SacRT's takeover, which was eliminated because of redundancy with SmaRT Ride.

A detailed discussion on SmaRT Ride's performance to date as well as the basis for SacRT's changes can be found in Agenda Item No. 9 of the Sacramento Transportation Authority's May 11, 2023 Board of Directors packet and has been included for reference as Attachment 1.

A key fact to note is that SacRT proposed to match \$800,000 per year of Neighborhood Shuttle funds with \$5.9 to \$7.2 million of other funds, for each of the three years in the application. SacRT's FY 2024 budget reflects these assumptions.

Reducing hours of service to 7:00 am to 7:00 pm was deemed to be the least harmful way to save money, overall. This affected only the Downtown and Citrus Heights zones, which currently operate from 6:00 am to 9:00 pm.

As SacRT's application to the Neighborhood Shuttle describes, all nine SmaRT Ride zones have compelling reasons to continue service, including strong ridership and lack of other transit options, for parts of many zones. Ultimately, equity was one of the top deciding factors in shaping SacRT's proposal. The part of East Sacramento where SmaRT Ride will be eliminated is only 8 percent low-income. For the parts of Orangevale and Fair Oaks that will be eliminated, only 7 percent and 8 percent of households are low-income. This compares to 15 percent of households in SacRT's overall service area being low-income.

Following the May 11, 2023 presentation to STA, a few minor changes were made to the plan, based on input from stakeholders. First, service to the Antelope area, which was originally slated for elimination, was retained as its own new zone. Second, the Florin-Gerber zone was enlarged, to cover approximately two more square miles between Fruitridge Road and 14th Avenue. Third, the Downtown zone, which had been planned to be eliminated east of 16th Street, was revised to be eliminated only east of Alhambra Blvd. These three changes were reflected in the grant agreement approved by STA on June 16, 2023.

Two additional changes were made following this grant award. First, instead of Antelope becoming its own new zone, it will continue to be part of the Citrus Heights zone. Second, the planned division of the Natomas and North Sacramento zones into two separate zones was found to be infeasible. Natomas/North Sacramento will remain one zone, without any changes to boundaries or destinations. Initially, SacRT had proposed divisions in these two zones, to require riders to use SmaRT Ride as a feeder to fixed-route service, rather than making long-distance trips entirely on SmaRT Ride. Staff reversed this recommendation after consultation with SacRT's software provider, who indicated there might be technical difficulties implementing the split with the shared corridors and hot spots that SacRT wanted to retain between the two neighboring zones.

To date, SmaRT Ride remains a pilot program, not subject to the approval requirements that fixed-route service is subject to, such as a 30-day public review and a Title VI service equity analysis prior to major changes, with all changes approvable solely by the General Manager/CEO. Federal law and grant conditions similarly exempt non-fixed route service from the public involvement and equity analysis requirements imposed on fixed-route changes. SacRT may in the future introduce service standards and formal approval procedures (with or without a federal requirement to do so); however, with SmaRT Ride

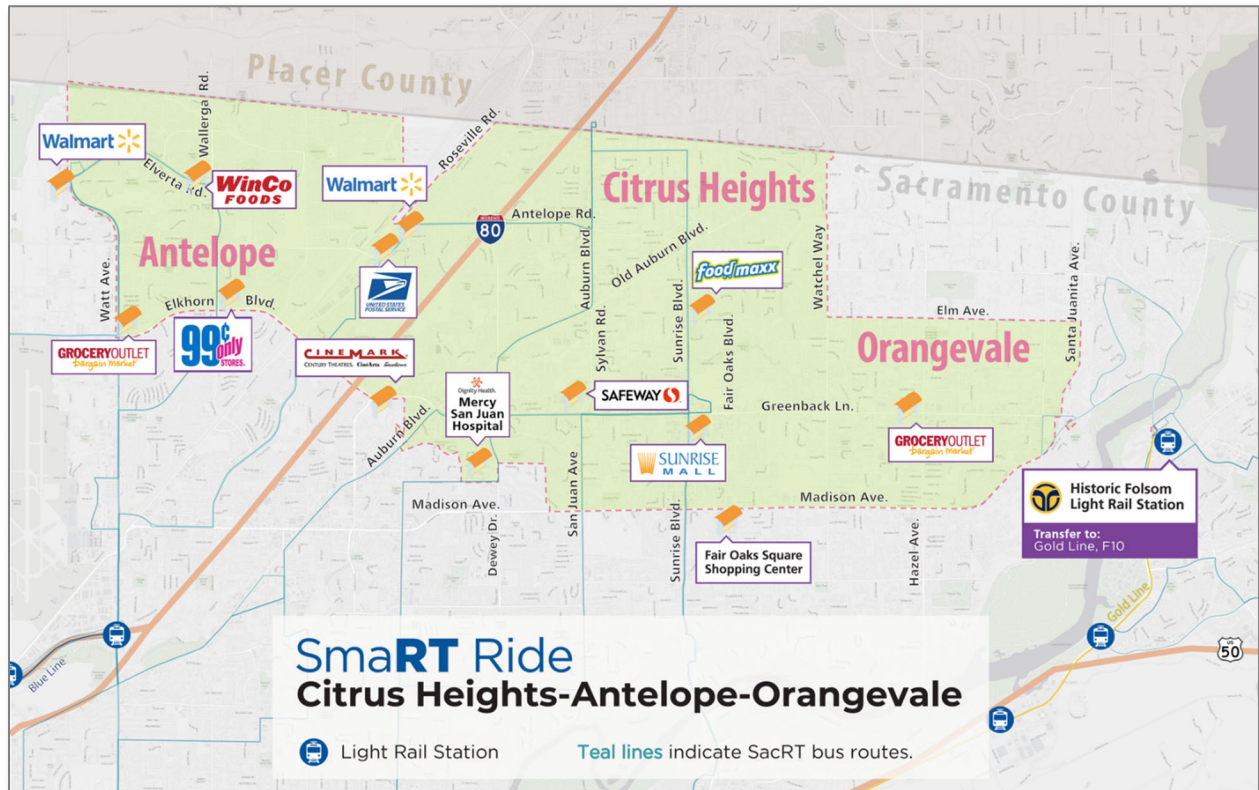
still lacking permanent funding, staff does not believe that it is inappropriate for SmaRT Ride to lack more formal approval requirements at this time. If and when permanent funding is secured, as a matter of fiscal prudence, consistency with public involvement expectations, and assurance of non-discrimination, SacRT will at that time develop more formalized approval procedures.

**SmaRT Ride Changes
Effective August 28, 2023**

Zone	Changes
Arden Carmichael	No changes
Citrus Heights Antelope Orangevale	Eliminate service south of Madison Ave Eliminate service north of Elm Ave and east of Wachtel Way Shorten hours to 7am to 7pm
Elk Grove	No changes
Folsom	No changes
Downtown Midtown	Eliminate east of Alhambra Blvd Maintain service to Marisol Village and Science Museum Shorten hours to 7am to 7pm
Franklin	No changes
Natomas North Sacramento	No changes
Rancho Cordova	No changes
Florin Gerber	Expand zone north from Fruitridge Rd to include area bounded by 14th Ave, Power Inn Rd, and Stockton Blvd

New Smart Ride Boundaries Citrus Heights – Antelope – Orangevale

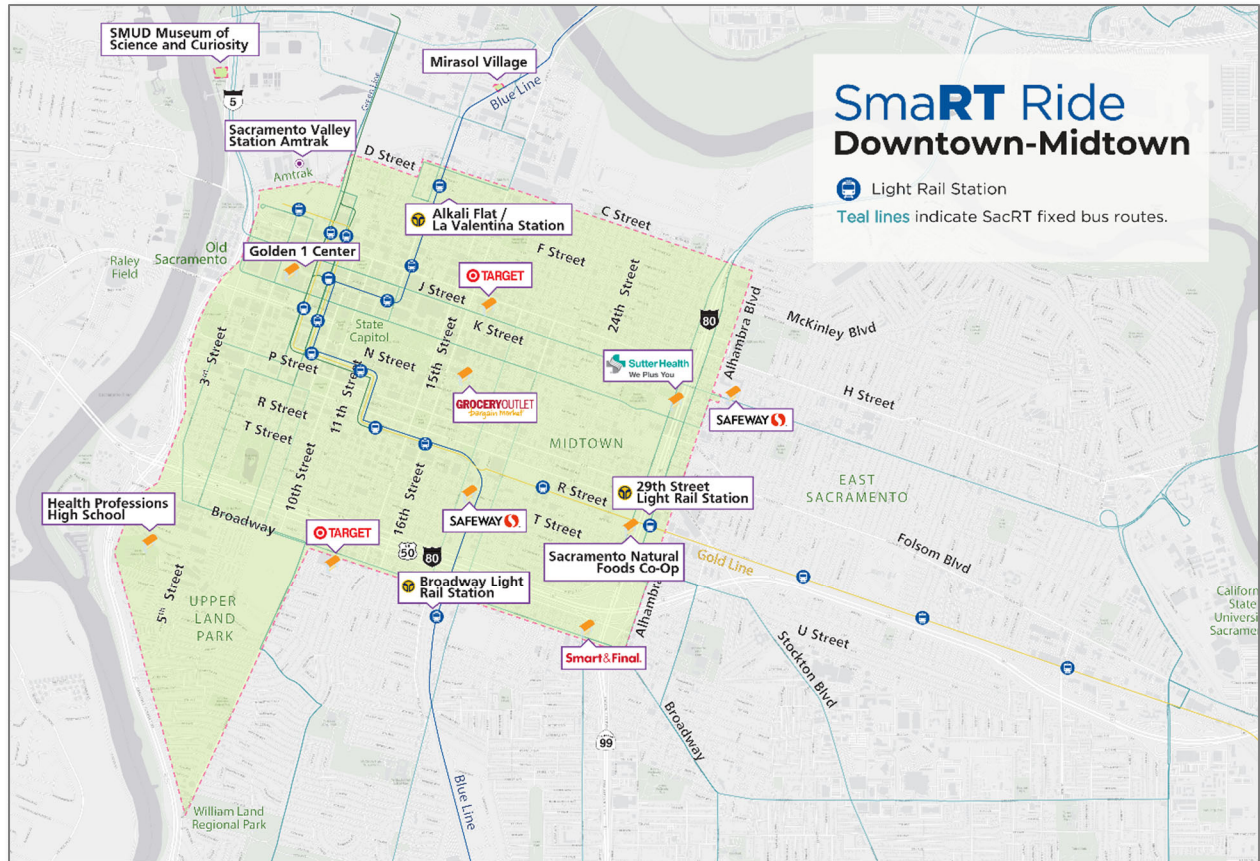
Effective August 28, 2023



- Eliminate service south of Madison Ave
- Eliminate service north of Elm Ave and east of Wachtel Way
- Shorten hours to 7am to 7pm

New Smart Ride Boundaries Downtown – Midtown

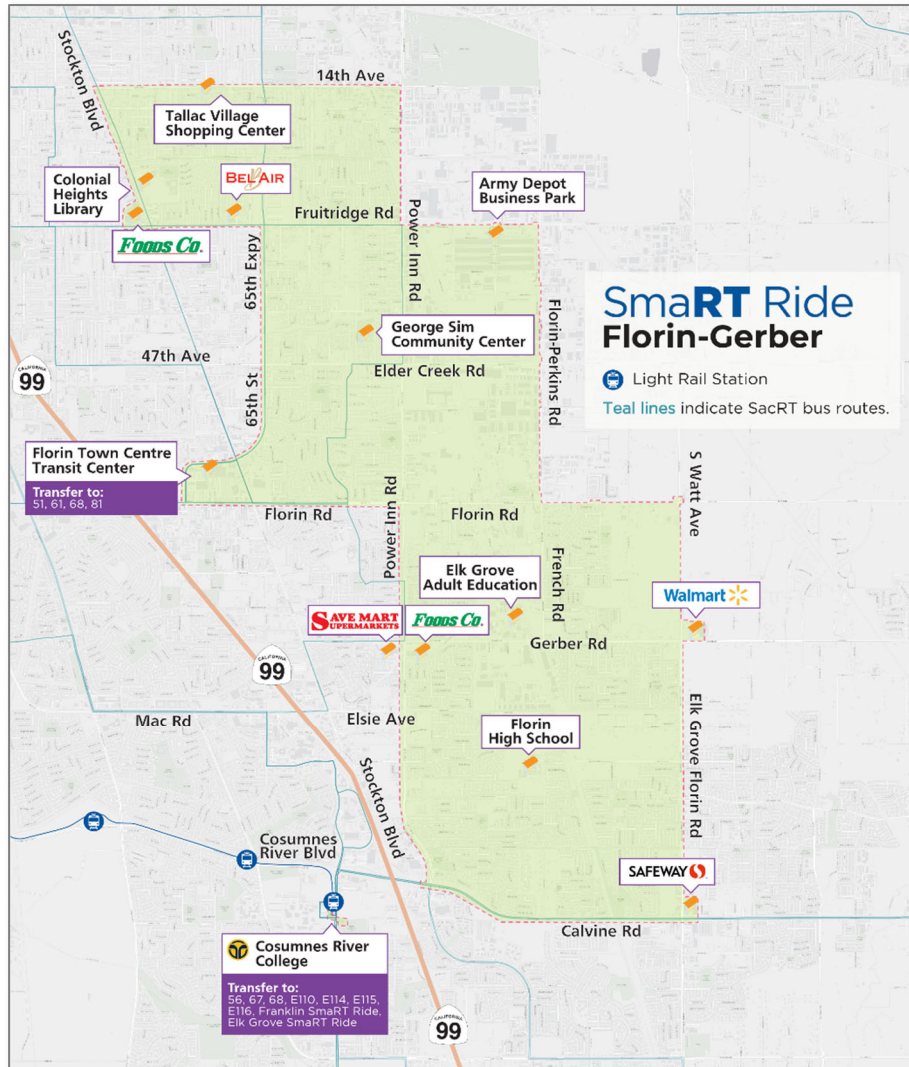
Effective August 28, 2023



- Eliminate east of Alhambra Blvd Maintain service to Marisol Village and Science Museum
- Shorten hours to 7am to 7pm

New Smart Ride Boundaries Florin – Gerber

Effective August 28, 2023



- Expand zone north from Fruitridge Rd to include area bounded by 14th Ave, Power Inn Rd, and Stockton Blvd

Smart Ride Update

Attachment 1

SacRT Smart Ride Application

to

Sacramento Transportation Authority

Neighborhood Shuttle Program – Cycle 2

As presented to the STA Board of Directors

On

May 11, 2023



Regional Transit

**Sacramento Regional
Transit District**
A Public Transit Agency
and Equal Opportunity Employer

Administrative Offices
1400 29th Street
Sacramento, CA 95816
916-321-2800

Mailing Address
P.O. Box 2110
Sacramento, CA 95812-2110

Human Resources
2810 O Street
Sacramento, CA 95816
916-556-0299

**Customer Service &
Sales Center**
1225 R Street
Sacramento, CA 95811

**Route, Schedule & Fare
Information**
916-321-BUSS (2877)
TDD 916-483-HEAR (4327)
sacrt.com

Public Transit Since 1973

April 14, 2023

Kevin Bewsey
Executive Director
Sacramento Transportation Authority
801 12th Street, Floor 5
Sacramento, CA 95814

Dear Mr. Bewsey,

The Sacramento Regional Transit District is pleased to submit the attached proposal for STA's Neighborhood Shuttle Cycle 2 Competitive Grant Funding. SacRT is seeking a total of \$2.4 million in program funding (\$800,000 per year) to continue operation of SacRT's SmART Ride on-demand microtransit program.

SacRT's partnership with STA on SmART Ride dates to 2018, when the STA Board awarded SacRT \$12 million to scale its SmART Ride pilot from a single zone to a system of nine zones encompassing over 165 square miles and serving a population of almost 788,000.

This partnership has brought Sacramento nationwide acclaim and recognition within the transit industry as the largest microtransit implementation in the country. More importantly, it has brought transit to underserved residents throughout Sacramento County—yielding benefits both in terms of personal mobility as well as public support for transit.

Since 2018, a total of \$14 million in Neighborhood Shuttle funds have covered most of the operational costs of SmART Ride, which today operates a fleet of 45 buses, all funded by SacRT. While these service levels can no longer be sustained, through a combination of careful reductions and greater use of matching funds, SacRT proposes to maintain approximately 80 percent of existing SmART Ride service levels with just 25 percent of current annual STA Neighborhood Shuttle funding.

SacRT thanks you for your continued support of SacRT and the SmART Ride program and I look forward to continuing this outstanding partnership.

Sincerely,

A handwritten signature in blue ink, appearing to read "Henry Li".

Henry Li
General Manager/CEO

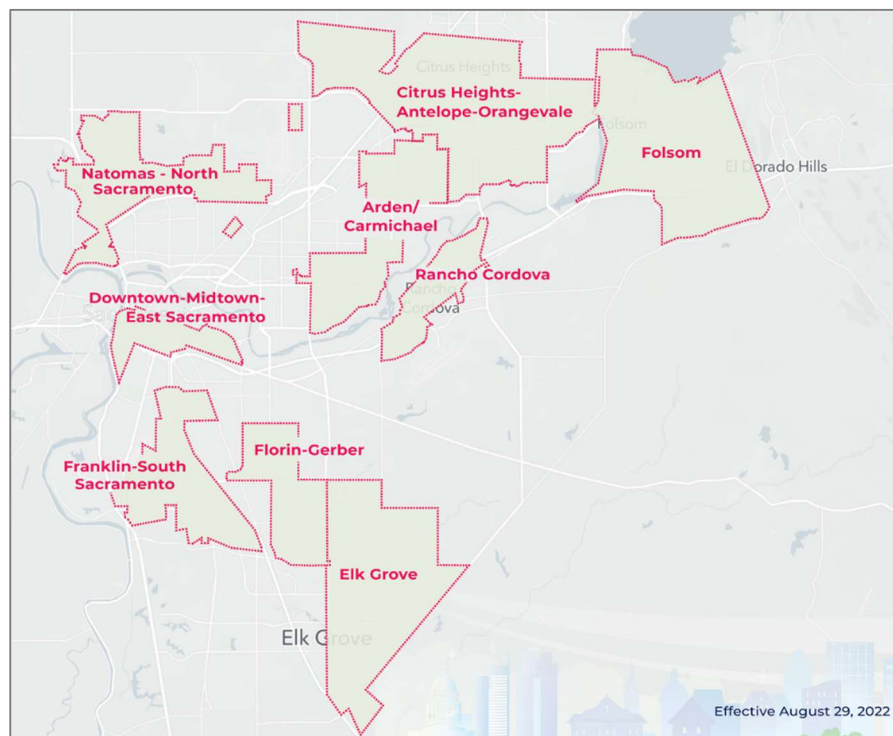
STA Neighborhood Shuttle Cycle 2
SacRT Proposal – Smart Ride – May 2023

2. Experience

The Sacramento Regional Transit District (SacRT) is the public transit provider for the urbanized part of Sacramento County. SacRT services include 80 bus routes, three light rail lines, nine SmaRT Ride microtransit zones, and complementary paratransit. SacRT's active fleet includes 252 full-size buses, 76 light rail vehicles, and 193 smaller buses. SacRT's service area is 434 square miles and includes 1.49 million residents. Approximately 1.29 million persons (87 percent) reside within three quarters of a mile of fixed-route transit.¹ That figure grows to 1.41 million persons (95 percent) if SmaRT Ride is counted. SacRT's Fiscal Year 2022-23 Operating Budget totals \$231 million.

Existing SmaRT Ride Service

Since July 2018, SacRT has operated SmaRT Ride microtransit service with funds from the Sacramento Transportation Authority's (STA's) Neighborhood Shuttle program. SmaRT Ride is an app-based, on-demand microtransit service providing corner-to-corner shared ride services to the general public within nine zones located throughout Sacramento County.² SmaRT Ride is operated and maintained by SacRT, with a fleet of 45 cutaway buses and vans using a combination of Compressed Natural Gas, gasoline, and diesel propulsion. SacRT's standard fixed-route transit fare is in force on SmaRT Ride, which includes a \$2.50 one-way adult fare, unlimited free rides for K-12 students, and several other discount pass programs.



¹ Source: SacRT's Draft Title VI Program Update (2023), Appendix G, Page 86. Available online at: https://www.sacrt.com/apps/wp-content/uploads/Title-VI-Draft-Document_for-Web.pdf

² Exception: Curb-to-curb service is provided in the Citrus Heights/Orangevale/Fair Oaks/Antelope zone.

STA Neighborhood Shuttle Cycle 2
SacRT Proposal – Smart Ride Microtransit – May 2023

Key Stats – Existing Service

SmaRT Ride currently averages 750 passenger boardings per day and has exceeded 188,000 passenger boardings over the twelve months ended March 31, 2023. Productivity averages 3.2 boardings per revenue hour. Eight of nine zones range from 2.8 to 3.3 boardings per revenue hour while the Rancho Cordova zone averages almost 5.3 boardings per revenue hour.³ Direct operating and maintenance costs for SmaRT Ride will total an estimated \$8.3 million for FY 2022-23, at a rate of \$138 per scheduled revenue hour and \$44 per passenger boarding.

Zone	Created	Passengers Per Day	Revenue Hrs Per Day	Passengers Per Hr	Cost Per Psgr
Citrus Heights	Apr 2018	134	50.0	2.7	\$51.34
Franklin	Aug 2018	80	26.7	3.0	\$46.09
Gerber	Sep 2019	41	14.1	2.9	\$47.53
Rancho Cordova	Nov 2019	123	23.0	5.3	\$25.83
Downtown/CSUS	Jan 2020	143	47.3	3.0	\$45.63
Natomas/North Sac	Jan 2020	86	28.7	3.0	\$45.70
Arden/Carmichael	Jan 2020	39	14.1	2.8	\$49.40
Folsom	Jan 2020	63	18.8	3.3	\$41.20
Elk Grove	Jul 2021	41	14.1	2.9	\$47.71
TOTAL		748	236.7	3.2	\$43.51

³ All figures are per scheduled revenue hour. Actual revenue hours may vary from scheduled revenue hours on a day-to-day basis (e.g., due to varying demand levels). Productivity is typically 10-11 percent better per actual revenue hour than per scheduled revenue hour; however, scheduled revenue hours are a better indicator of operating cost, and are therefore used for this analysis (i.e., to compute cost per passenger).

STA Neighborhood Shuttle Cycle 2
SacRT Proposal – Smart Ride Microtransit – May 2023

Today, Smart Ride serves an area of 165 square miles and 788,000 residents. Zones range in size from 7 to 39 square miles with an average size of 18 square miles. Population ranges from 46,000 to 215,000 per zone, with an average of 87,000 residents.

	Zone	Sq Mi	Population	Jobs	Minority	Poverty	Car Free	Pop Per SqMi	Jobs Per SqMi
1	Citrus Heights	39.2	215,000	34,000	38%	10%	4%	5,485	867
2	Franklin	14.2	112,000	16,900	87%	20%	10%	7,887	1,190
3	Gerber	10.3	57,400	11,700	86%	18%	6%	5,573	1,136
4	Rancho Cordova	7.0	46,300	7,700	52%	14%	8%	6,614	1,100
5	Downtown/CSUS	8.1	56,100	76,700	45%	14%	17%	6,926	9,469
6	Natomas/North Sac	15.8	76,100	18,200	74%	11%	4%	4,816	1,152
7	Arden/Carmichael	15.6	78,300	22,900	35%	11%	5%	5,019	1,468
8	Folsom	28.7	78,500	29,500	44%	5%	3%	2,735	1,028
9	Elk Grove	26.4	68,700	10,400	68%	11%	3%	2,602	394
	TOTAL	165.3	788,400	228,000	56%	12%	6%	4,770	1,379

Demographic figures for each zone are computed using Remix software. Source data from U.S. Census Bureau, primarily American Community Survey, 2017-2021. Supporting maps and statistics can be found in Section 6.



STA Neighborhood Shuttle Cycle 2
SacRT Proposal – Smart Ride Microtransit – May 2023

3. Service Plan

Effective on or after July 1, 2023, the following changes would be made to each of the nine existing Smart Ride zones:

Zone	Changes
Arden/Carmichael	No changes
Citrus Heights (includes Antelope, Orangevale, Fair Oaks)	Eliminate Antelope, parts of Fair Oaks, and parts of Orangevale Shorten hours to 7am to 7pm
Elk Grove	No changes
Folsom	No changes
Downtown Sacramento (includes East Sacramento, CSUS, UC Davis Medical Center)	Eliminate East Sacramento and Midtown Maintain service to Alder Grove/Marina Vista neighborhood Maintain service to Amtrak, Target, Safeway, Marisol Village, Museum Shorten hours to 7am to 7pm
Franklin	No changes
Natomas/ North Sacramento	Split zone into two zones along Truxel Road Shared hot spots at Walmart, Safeway, Natomas Library, ARC
Rancho Cordova	No changes
Florin/Gerber	No changes

A detailed discussion on the justifications for these changes can be found later in this section.

STA Neighborhood Shuttle Cycle 2
SacRT Proposal – Smart Ride Microtransit – May 2023

Proposed Service Area Characteristics

The new service would include ten zones, all of which would operate Monday to Friday, excluding holidays, from 7:00 am to 7:00 pm. All zones would have corner-to-corner service, except Citrus Heights, which would have curb-to-curb service.

	Zone	Square Miles	Population	Buses
1	Citrus Heights	21.3	119,000	4
2	Franklin	14.0	105,800	4
3	Gerber	10.0	52,600	2
4	Rancho Cordova	6.9	43,100	3
5	Downtown/CSUS	2.1	13,400	2
6	Natomas	15.1	72,200	2
7	North Sacramento	7.9	35,600	2
8	Arden/Carmichael	15.0	72,900	2
9	Folsom	27.9	76,100	3
10	Elk Grove	26.4	69,900	2
	TOTAL	146.6	660,600	26

A total of 26 existing SmaRT Ride-branded vehicles would be deployed each day on 26 operator shifts, each approximately 8 hours in length. Including seven spares, fleet dedicated to the service would total 33 small buses and would be 100% wheelchair accessible, consisting of either 27-foot cutaways or vans.

Greenpower battery-electric vans would be dedicated to the Franklin zone. Renewable Natural Gas-fueled cutaways would be used for the Downtown Sacramento, North Sacramento, and Rancho Cordova zones. The remainder of zones would be served with 27-foot cutaways using either Renewable Natural Gas, gasoline, or diesel. SacRT is not seeking capital funds for fleet replacement as part of this proposal and will replace depreciated vehicles with comparable vehicles at each vehicle's end of useful life.

STA Neighborhood Shuttle Cycle 2
SacRT Proposal – Smart Ride Microtransit – May 2023

Plan Consistency

SacRT's Short Range Transit Plan (SRTP) for Fiscal Years 2022-2027 was adopted in April 2022 and can be found on sacrt.com. The SRTP plans for Smart Ride service levels to continue at approximately 56,000 to 60,000 revenue hours per year (Table 4.4). At the time of the SRTP's preparation, SacRT was hoping to secure permanent funding for Smart Ride; however, with the failure of the 2022 Measure A local funding measure in Sacramento County, SacRT is now attempting to fund as much of the existing Smart Ride system as possible with a variety of smaller and limited-time sources.

One of the key features and benefits of Smart Ride is its ability to provide public transit service to areas with lower transit demand (e.g., lower-density areas) that tend to have little or no transit service. Lower-density suburban, rural, and industrial areas tend to not only lack fixed-route bus service, but also often have deficient pedestrian infrastructure (e.g., gaps in sidewalks and/or safe street crossings) which makes Smart Ride's corner-to-corner service particularly helpful in improving safety and accessibility.

One of SacRT's objectives for the Smart Ride program has been to encourage the use of Smart Ride as a means to get to fixed-route transit, rather than as a replacement for fixed-route transit. This has been accomplished largely by confining Smart Ride to zones of limited size. The average passenger trip on Smart Ride is 2.6 miles, compared to over 8 miles for SacRT Go (i.e., SacRT's ADA paratransit service) which can be ridden transfer-free across SacRT's entire service area. The shorter average trip length is indicative of the Smart Ride system being used more to feed the fixed-route system than as an alternative to it. Shorter ride distances also increase seat turnover on Smart Ride which increases productivity and decreases cost per passenger trip.



STA Neighborhood Shuttle Cycle 2
SacRT Proposal – Smart Ride Microtransit – May 2023

Fiscal Impact

SacRT requests \$800,000 per year for each of the three years of the program for a total of \$2,400,000 in Neighborhood Shuttle funds for SacRT’s direct operating and maintenance costs, including fuel, labor, management, supervision, and software, but excluding general administration. No capital funds are requested; SacRT would use existing fleet and will replace existing fleet with other funds.

	FY 2024	FY 2025	FY 2026	Total
Revenue hours	46,969	46,969	46,969	140,907
Direct rate	\$142.40	\$147.38	\$152.54	
Operating cost	\$6,688,141	\$6,922,226	\$7,164,504	\$20,774,871
STA funds requested	\$800,000	\$800,000	\$800,000	\$2,400,000
SacRT match	\$5,888,141	\$6,122,226	\$6,364,504	\$18,374,871
Total operating funds	\$6,688,141	\$6,922,226	\$7,164,504	\$20,774,871
STA share	12.0%	11.6%	11.2%	11.6%
SacRT match	88.0%	88.4%	88.8%	88.4%
Passenger boardings	154,877	154,877	154,877	464,630
Cost per passenger	\$43.18	\$44.70	\$46.26	\$44.71
STA funds per passenger	\$5.17	\$5.17	\$5.17	\$5.17
Quarterly bill to STA	\$200,000	\$200,000	\$200,000	

The total operating cost for the project would range from \$6.7 to \$7.1 million per year, assuming 3.5 percent growth per year in SacRT’s operating costs for Smart Ride, which are currently \$137.58 per revenue hour. The Neighborhood Shuttle program would pay approximately 11.6 percent of operating costs for the three-year project. Ridership is estimated at approximately 155,000 passenger boardings per year or 610 passengers per day. Compared to existing ridership of 750 per day, this would be an approximate 20 percent reduction in ridership, reflecting a 22 percent reduction in scheduled revenue hours.

STA Neighborhood Shuttle Cycle 2
SacRT Proposal – Smart Ride Microtransit – May 2023

Innovation

STA's Neighborhood Shuttle Cycle 1 program funded the majority of operating costs for Smart Ride from 2018 to present. Over those five years, service was expanded gradually to the current nine zones. A key factor in choosing the communities where Smart Ride was deployed was geographic balance, i.e., avoidance of the exclusion of any major communities in the SacRT service area, in the hopes of building a broad base of public awareness and support for additional local funding options to sustain Smart Ride and public transit in general.

This proposal would necessarily make a modest reduction to the Smart Ride program, due primarily to reduced funding levels; however, SacRT proposes to maintain a similar strategy of trying to serve a broad and balanced geographic area.

In preparation for this proposal, SacRT considered much more drastic reductions to Smart Ride, and as part of that effort, staff considered a variety of cost-reduction strategies, including:

- Eliminating entire zones
- Eliminating parts of zones
- Combining two lower-ridership zones into one
- Lengthening wait times
- Reducing the hours of service
- Running service midday only
- Running service only on certain days of the week
- Raising fares
- Limiting stops to only major hubs
- Completely restructuring the program into a rideshare scrip program

The proposal primarily employs a combination of partial eliminations and reducing hours of service as the least impactful way to achieve the necessary cost reductions. The pros, cons, and applicability of each approach is discussed in more detail in Section 6.

Another notable change would be splitting the Natomas/North Sacramento zone into two separate zones, to encourage use of the zone for fixed-route feeder service and discourage longer-distance trips that are more likely to compete with fixed-route service. The two new zones would use a comingled fleet and operator pool, which is an emerging best practice, increasingly adopted by peer agencies and by other clients of SacRT's on-demand software provider.

STA Neighborhood Shuttle Cycle 2
SacRT Proposal – Smart Ride Microtransit – May 2023

Justifications

Perhaps even more than fixed-route bus routes, SacRT has found that every SmaRT Ride zone is different, with its own unique travel patterns, design challenges, and other considerations. For each of SacRT's nine zones, SacRT has made a careful evaluation of existing performance, which has guided the current proposal.

Staff's analysis employed both a quantitative/data driven analysis and a qualitative approach, interviewing operations managers and considering input received from riders and other community members on their transportation needs. In addition to the cost reduction strategies discussed above, for evaluating zones and potential changes, SacRT considered the following factors:

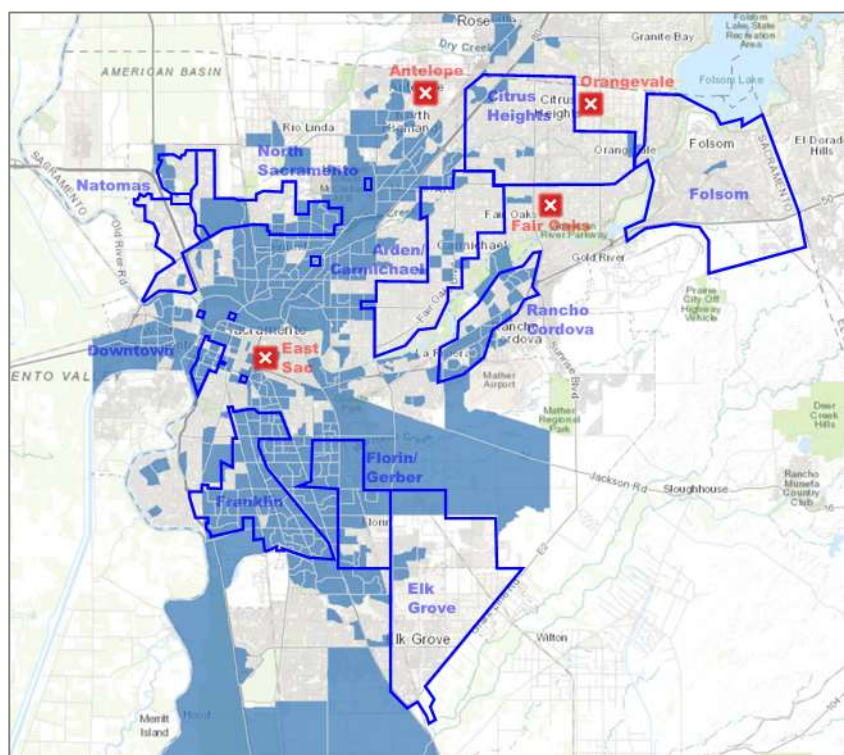
Productivity	Most zones have similar productivity, measured in passengers per revenue hour. The Rancho Cordova zone is a notable overperformer. There were no notably poor performers.
Redundancy	How much fixed-route service does the zone already have? Does it compete with fixed-route transit? Can it be modified to be less redundant without eliminating other more desirable use cases?
Coverage	To what extent does the zone serve an area without any other transit options? Does it complement fixed-route transit well?
Equity	Does the zone serve a high percentage of minority and low-income populations?
Total Cost	Compared to other zones, the Citrus Heights and Downtown zones are considerably more expensive and consume an outsized share of the overall program budget.
Start Date	Given that SmaRT Ride is still a pilot program, without permanent funding, SacRT felt that newer zones ought to be given somewhat more favorable consideration, so that residents get more chance to experience and benefit from SmaRT Ride.

These and other considerations that fed into the proposal for each zone are discussed in more detail in Section 6. The benefits of the overall SmaRT Ride program to disadvantaged communities are also discussed in Section 4.

STA Neighborhood Shuttle Cycle 2
SacRT Proposal – Smart Ride Microtransit – May 2023

4. Disadvantaged Communities

SmaRT Ride, like most transit service, tends to be heavily used by low-income populations. Passenger surveys conducted in 2021 determined that approximately 26 percent of SmaRT Ride customers have household income under \$25,000.⁴ This compares favorably to the 20 percent rate of households under \$25,000 in household income throughout SacRT's service area.⁵ Smart Ride customers are only 37 percent minority,⁶ which is below the 57 percent rate for SacRT's service area.⁷ However, the areas that are served by SmaRT Ride are 56 percent minority,⁸ almost identical to the 57 percent rate that minority populations make up of SacRT's overall service area. SmaRT Ride is therefore being made available to minority populations in proportion to their representation in the overall population; they just are not using it at a proportionate rate. How to increase their utilization of SmaRT Ride is an important goal for further exploration.



As shown in the map above, the parts of the Downtown zone Citrus Heights zone (i.e., in Antelope, Fair Oaks, and Orangevale) that SacRT is proposing to eliminate are not predominately in Disadvantaged Communities⁹ (shown in blue).

⁴ Source: Survey data collected for *A Glimpse of Microtransit at an Early Stage: The SmaRT Ride Consumer Market in the Sacramento Area*. Xing, Yan. University of California, Davis (2022).

⁵ Source: [SacRT's Draft Title VI Program Update \(2023\)](#), Appendix G, Page 86. f

⁶ Xing (2022).

⁷ SacRT (2023)

⁸ See Section 2, Page 4.

⁹ Base map is 2020 Disadvantaged Communities, provided via SACOG's Open Data Portal.

STA Neighborhood Shuttle Cycle 2
SacRT Proposal – Smart Ride Microtransit – May 2023

5. Leveraging

SacRT match would come from three sources—LCTOP, TDA, and Sacramento County CSA-10 levies. SacRT will be applying for \$1.6 million of LCTOP funds for FY 2024 in May 2023. SacRT also expects to execute an agreement with Sacramento County to provide \$103,450 in funds for the Elk Grove zone for FY 2024 and FY 2025. The remaining SacRT match would come from SacRT’s Transportation Development Act (TDA) funds.

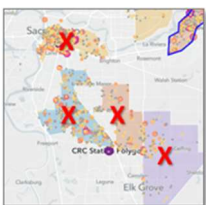
	FY 2024	FY 2025	FY 2026	Total
Revenue hours	46,969	46,969	46,969	140,907
Direct rate	\$142.40	\$147.38	\$152.54	
Operating cost	\$6,688,141	\$6,922,226	\$7,164,504	\$20,774,871
STA funds requested	\$800,000	\$800,000	\$800,000	\$2,400,000
SacRT match	\$5,888,141	\$6,122,226	\$6,364,504	\$18,374,871
Total operating funds	\$6,688,141	\$6,922,226	\$7,164,504	\$20,774,871
STA share	12.0%	11.6%	11.2%	11.6%
SacRT match	88.0%	88.4%	88.8%	88.4%
Passenger boardings	154,877	154,877	154,877	464,630
Cost per passenger	\$43.18	\$44.70	\$46.26	\$44.71
STA funds per passenger	\$5.17	\$5.17	\$5.17	\$5.17
Quarterly bill to STA	\$200,000	\$200,000	\$200,000	

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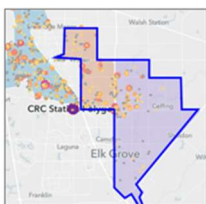
6. Supportive Information/References

Cost Reduction Strategies

As discussed in Section 5, SacRT evaluated a number of different potential design strategies for cost reduction, all with different pros, cons, and applicability:



Eliminating entire zones and eliminating parts of zones are effective ways to reduce cost; however, they both have a direct impact on customers. Many zones are also irreducibly small already. For example, the Gerber, Elk Grove, and Arden/Carmichael zones each use just two buses per day—one morning and one afternoon bus each. Even if these zones were reduced in size, the single morning and afternoon buses would still be needed to maintain the basic 7:00 a.m. to 7:00 p.m. service hours, so there would be no savings. Nevertheless, the inability of other options to achieve certain savings led SacRT to propose elimination of parts of several zones, as a means to achieve definite cost reductions.



Combining two neighboring low-ridership zones can be an efficient and low-impact way to reduce cost. This strategy was actually employed in 2021, when the formerly separate Arden and Carmichael zones were merged into one combined Arden/Carmichael zone. Ridership on each of the original zones had been low enough that the entire combined area could be served with the buses from just one of the zones. So this change essentially cut costs in half, without any severe impacts to customers. This strategy was considered for the Gerber and Elk Grove zones, which are adjacent to one another and which both have had lower ridership. Ultimately, however, it was felt that this strategy would not work for these two zones, because (1) ridership has grown on both zones recently, and (2) a combined zone would be almost 11 miles from end-to-end, through many highly-congested areas. It was felt that one bus alone would be insufficient to serve a combined area such as this at close to existing standards for reliability and wait times.

If *longer wait times* were deemed acceptable, cost could theoretically be reduced on some zones by simply assigning fewer vehicles to the zone; however, many Smart Ride zones already operate with just one bus at certain times, so there is no way to run fewer buses. With the larger multi-zone buses, reduced staffing is an option; however, current Smart Ride wait times are already over 30 minutes on average. Compared to microtransit at many other agencies, 30 minutes is relatively long. Many agencies target 15-minute wait times. The 30-minute wait times on Smart Ride are basically a reflection of Smart Ride being spread very

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thin.¹⁰ SacRT believes this is an appropriate tradeoff; however, earlier in the pilot program, when wait times were *over* 30 minutes, SacRT found that complaint volume were substantially greater, such that 30-minute wait times were informally adopted as an approximate policy ceiling.



Reducing hours of service was felt to be a relatively fair way to reduce cost. Most SmaRT Ride zones operate from 7:00 a.m. to 7:00 p.m.; however, the Citrus Heights and Downtown Sacramento zones currently operate from 6:00 a.m. to 9:00 p.m. As proposed, these service hours would be reduced to 7:00 a.m. to 7:00 p.m., like the remainder of the SmaRT Ride system. This measure alone is projected to save approximately \$950,000 per year.

Staff also explored the possibility of reducing certain zones to *midday hours only*, e.g., from 9:00 a.m. to 4:00 p.m. This would cut the operating cost in half for typical 7:00 a.m. to 7:00 p.m. zones, reducing the vehicle requirement for small zones from two to one bus. It would necessarily abandon the market for student travel in the morning. Ridership data has shown this to be a strong market for SmaRT Ride, despite on-demand microtransit not necessarily being the best service model for everyday fixed-schedule travel. But compared to cutting some zones entirely, there is a basis to instead cut some or all zones down to midday service only, which would at least preserve a baseline level of service to more people for medical and other essential appointments. Midday service from 9:00 a.m. to 4:00 p.m. would also preserve the afternoon school market. If parents could get their children to school in the morning (e.g., by dropping them off on the way to work) SmaRT Ride would at least be an option for students needing to return home on their own. Ultimately, however, SacRT felt this option was too drastic and is instead proposing to find additional funds to preserve more of SmaRT Ride, so that this drastic step need not be taken.



Limiting service to just *certain days of the week* is another option used, for example, by Sacramento County for very low-demand areas, to keep costs minimal. Because SacRT operators are all guaranteed five days a week of work, this would be an option only if it was employed on multiple zones and would introduce considerable rigidity to SacRT's workforce management and scheduling. Nevertheless, for customers, it might be preferred over midday only service. In the end, however, SacRT also declined to suggest this option, and is instead proposing to find additional funds to preserve more of SmaRT Ride as-is.

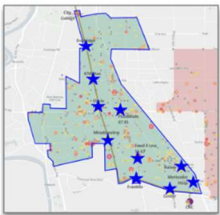
¹⁰ For example, King County Metro's microtransit service includes more than twice as many vehicle hours per day per zone than SmaRT Ride on zones that are only a third the size of SmaRT Ride zones. (KCM's zones average less than 5.5 square miles and fewer than 30,000 residents.)

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Raising fares was also considered as an option to reduce the net cost of Smart Ride. Typically, microtransit fares are priced between fixed-route and paratransit fares, to try to encourage migration of customers from paratransit to microtransit without competing with fixed-route transit.¹¹ SacRT elected to honor the standard fixed-route fare on Smart Ride for two reasons. First, for simplicity. Between single, daily, and monthly passes, regular and discount pricing levels, cash, smart card, and mobile app payment channels, and many other special pass types, there are already more than a hundred different ways to pay a SacRT fare. A new price for Smart Ride would have, at a minimum, required a discount price, as well as called into question the pricing of daily and monthly passes, all of which would have required a Title VI equity analysis and many other administrative hurdles. Secondly, total fare revenue for Smart Ride is less than \$200,000, less than two percent of the approximate \$8.3 million existing annual operating cost. Approximately 80 percent of Smart Ride passengers also board with a pass, which would further diminish the impact of raising the Smart Ride one-way fare, unless pass use was eliminated.

There is potentially greater potential for cost reduction from a fare increase by reducing ridership than by increasing revenue. Typically, doubling the fare will decrease ridership by a third. Because Smart Ride costs vary, essentially according to ridership demand, reducing demand is theoretically an equitable way to reduce cost. However, realization of those savings depends on Smart Ride being scalable, which for most zones, is not the case, because they are already operating with only one bus in service in the early morning and late afternoon.



Restricting zones to certain hubs or hot spots is another option SacRT explored to potentially reduce ridership and allow a reduction in cost. For customers using the app, placement of the second “pin” indicating their destination would be restricted so that trips must either begin or end at one of several hubs defined in advance by SacRT. Careful selection of hot spots could also be a way to reduce cases of Smart Ride competing with fixed-route for riders so that Smart Ride’s limited capacity is used more for first/last mile trips feeding and extending the reach of the fixed-route network.

Staff confirmed that this could be implemented by SacRT’s existing software provider and that they have existing clients using this system; however, they have only one such client: King County Metro in Seattle. Staff reviewed the KCM program and felt that its presentation was understandable to the public; however, KCM staff reported that they are moving away from this approach to a traditional corner-to-corner approach (like Smart Ride).

¹¹ San Joaquin RTD is a notable exception, charging \$4.00 for their VanGo microtransit, compared to a \$1.50 fixed-route fare and a \$3.00 paratransit fare.

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Reasons for KCM’s decision to abandon a hot spot-based approach included customer requests for more destinations, customer and agency preference for simplicity, and belief that there would be minimal difference in operating cost.



Rideshare scrip is an altogether different approach to personal mobility that was also explored by SacRT. For example, rather than directly operating Smart Ride, SacRT could provide customers with discount codes to partially cover their fare on taxi or rideshare service. These programs are more common with cities and other non-transit agencies, but some transit agencies operate such services.¹²

For the operating agency, the advantage of such programs is a fixed and limited contribution per-ride. For example, it is common to offer customers a maximum discount of \$5 per ride. Costs are essentially transferred to the customer, who remains bears the cost for the remainder of the cost to ride; however, this may be an appropriate tradeoff for the operating agency trying to ration limited funds.

Another advantage of rideshare scrip programs is a scalable and variable fleet and staff. Because it is essentially operated by rideshare drivers, who are treated as independent contractors and paid a market price, service need not be limited to Smart Ride’s current Monday to Friday service days and typical 7:00 a.m. to 7:00 p.m. hours. However, if market prices do not attract many drivers to a particular neighborhood or time, the operating agency also lacks any ability to change that.

SacRT operated a pilot program of this type called Station Link for approximately six months, ending in early 2017. Although the program succeeded in containing costs, it failed to attract an enthusiastic following. Complaints also arose in three general areas. First, SacRT’s operators’ union opposed encouragement and subsidy of non-union, independent contractor-based transportation companies. Second, the program was criticized on equity grounds, based on the perception—justified or not—that the program favored higher-income populations. Third, disabled persons expressed concerns that accessibility of rideshare and taxi service did not meet expectations.

These concerns notwithstanding, staff felt that the cost-limiting aspects of this program made it compelling. However, a program such as this would essentially be a completely new program, with no real relation to Smart Ride, beginning from scratch with research, budgeting, public engagement, vendor solicitation, contract negotiation, program initiation, staff training, contract management, etc.

¹² For example, see Livermore Amador Valley Transportation Authority’s [Go Tri Valley](#) program and Central Contra Costa Transit Authority’s [Go San Ramon](#) programs.

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Zone Evaluations

As discussed in Section 5, SacRT evaluated each zone according to the strategies discussed above and guided by the prioritization criteria discussed in Section 5:

Citrus Heights

Includes Antelope, Orangevale, and Fair Oaks

Proposed Changes

Eliminate Antelope, parts of Fair Oaks, parts of Orangevale
Shorten hours to 7am to 7pm

At approximately \$1.9 million per year, the Citrus Heights zone is one of the two most expensive Smart Ride zones, due to its large area of 39.2 square miles and 215,000 residents. It is below-average for minority and low-income populations.

The Citrus Heights zone includes four sub-areas—Citrus Heights itself, Antelope, Orangevale, and Fair Oaks. The zone originally included only Citrus Heights, which was the first zone with which SacRT originally piloted Smart Ride service, prior to STA’s Neighborhood Shuttle Cycle 1 grant, and which replaced a traditional general public dial-a-ride service operated within the city limits. Because of this pre-existing condition, SacRT is committed to maintaining Smart Ride within the Citrus Heights city limits, despite some redundancies with fixed-route transit service.

The Antelope, Orangevale, and Fair Oaks sub-areas all have less fixed-route service, especially Orangevale and Fair Oaks, although the demographics in Orangevale and Fair Oaks are less favorable for transit need and utilization. Although all three sub-areas were felt to be good fits for Smart Ride and to have unmet needs, due to the severity of the funding gap for Smart Ride and the priority on maintaining at least some service in each of the existing nine zones, and the high cost for the very large Citrus Heights zone, SacRT felt that reductions to parts of the Citrus Heights zone were necessary.

Although the Antelope and Fair Oaks sub-areas have strong cases for service, the Orangevale area was felt to be slightly higher priority because (1) Smart Ride replaced a former fixed-route bus service in this area, and (2) with the loss of that fixed-route bus, Smart Ride became the only transit option directly from Citrus Heights to Folsom. Without Smart Ride, transit users going between Citrus Heights and Folsom would have to ride Route 21 all the way down Sunrise Blvd to the Gold Line in Rancho Cordova.

On this basis, SacRT is proposing to eliminate the Antelope and Fair Oaks parts of the Citrus Heights zone, and parts of the Orangevale area.

Hours of service are currently 6:00 a.m. to 9:00 p.m. and would be reduced to 7:00 a.m. to 7:00 p.m. to save money and be consistent with other zones.

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Franklin**Proposed Changes**

No changes

At approximately \$950,000 per year, the Franklin zone is a mid-level zone, in terms of annual operating cost. Although the Franklin zone has the highest rate of minority and low-income populations, the Franklin zone was considered for reductions primarily because much of it is already relatively well-served by fixed-route transit. Moreover, origin/destination data has shown that many customers use the Franklin SmaRT Ride zone for longer-distance north/south travel, somewhat or largely in competition with light rail and other major bus routes.

For this reason, one option that was considered for the Franklin zone was to reduce the size of the zone primarily by eliminating it north of Fruitridge Road and south of Mack Road. By forcing customers to transfer to north/south fixed-route service, the hope was that SmaRT Ride would have greater availability for shorter-distance trips feeding fixed-route service, and possibly that ridership might decrease enough to reduce operator shifts from four to three or two.

The exception would have been that service would have been maintained to Kaiser Hospital and Methodist Hospital on Bruceville Road. Although these destinations are well-served by fixed-route, SacRT felt that maintenance of a direct SmaRT Ride connection to these destinations would have been justified, because customers have reported the importance of the Franklin zone for seniors residing in scattered and isolated enclaves throughout the Franklin zone.

Ultimately, staff felt that between the uncertainty of savings from reducing the zone's size and the high percentage of disadvantaged populations, that the zone should be preserved as-is for now, if possible.

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Gerber**Proposed Changes**

No changes

With just one morning bus and one afternoon bus, options are limited for reducing the cost of the Gerber zone. Staff considered combining the Gerber zone with the adjacent Elk Grove zone. Both zones were historically lower-ridership, so it might have been possible for one bus at a time to have served the entire combined zone, were it not for the large size of the zones and the great length from one end to another. Over the past six months, ridership has also grown on both zones, which would further stretch availability and wait times.

Other reasons to avoid reductions to the Gerber zone include the fact that it is well above average, for SmaRT Ride, for minority and low-income populations and the fact that it was launched partly as a replacement for Route 5, which formerly provided all-day service on Elsie Ave.

Rancho Cordova**Proposed Changes**

No changes

The Rancho Cordova zone is approximately average, for SmaRT Ride, for minority and low-income populations, serving a mixture of older, less-affluent communities and newer, more-affluent communities.

The zone mostly covers areas that already have fixed-route bus or light rail service; however, it is an area that has consistently generated customer complaints about the inability of customers to utilize fixed-route bus or light rail service, because it is geared primarily toward longer-distance east/west trips out of the community. SmaRT Ride has been well-received as a more convenient way to make shorter distance north/south trips.

Rancho Cordova has been the most productive SmaRT Ride zone, averaging 5.3 passenger boardings per revenue vehicle hour. Rancho Cordova also did not see as great an increase in local bus service from the SacRT Forward new bus network (2019) as many other areas. For these two reasons, SacRT believes it is a high priority to preserve Rancho Cordova zone.

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Downtown Sacramento

Includes Midtown, East Sacramento, CSUS, and UC Davis Medical Center

Proposed Changes

Eliminate East Sacramento and Midtown

Maintain service to:

- Alder Grove/Marina Vista
- Amtrak
- Target, Safeway, Grocery Outlet, Smart and Final
- Marisol Village
- Science Museum

Shorten hours to
7am to 7pm

At approximately \$1.7 million per year, the Downtown zone is the second most expensive SmaRT Ride zone (after Citrus Heights).

Given the high cost, the low rate of disadvantaged communities in East Sacramento, and the high level of fixed-route transit in the Downtown area, reductions in cost on this zone were felt to be justified.

One exception is the Alder Grove/Marina Vista neighborhood (south of Broadway and west of Riverside Blvd). This neighborhood includes many low-income families residing in housing developments that rely on transit. But due to the lack of through streets, the neighborhood lacks and cannot be efficiently served by fixed-route transit. Availability of SmaRT Ride has been an alternative for these residents, and based on the frequency of service requests from residents, SacRT determined that preservation of SmaRT Ride to this neighborhood must be a high priority.

The proposed changes would reduce the Downtown zone considerably, so that it essentially serves only the Alder Grove/Marina Vista neighborhood, providing direct connections to other fixed-route service, grocery stores, and Amtrak. This would reduce costs considerably, to approximately \$475,000 per year.

Service would also be maintained to the new Marisol Village housing development on North 12th Street, which SacRT committed to serve as part of a grant agreement, and to the SMUD Museum of Science and Curiosity on Jibboom Street. Hours of service are currently 6:00 a.m. to 9:00 p.m. and would be reduced to 7:00 a.m. to 7:00 p.m. to be consistent with other zones.

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Natomas/North Sacramento

Proposed Changes

Split zone into two zones along Truxel Road with shared hot spots at Walmart, Safeway, Natomas Library, ARC

The Natomas/North Sacramento zone is well above average for minority populations but relative average for low-income populations, relative to other SmaRT Ride zones. The cost for the zone is approximately \$950,000 per year and it requires four buses per day.

The eastern half of the zone serves a more disadvantaged population, so SacRT considered preserving only that half, to save money. One of the main purposes of the zone is to fill a gap in east/west travel from Del Paso Heights to shopping on the Truxel Road corridor.

The western half of the zone, though less disadvantaged, has considerable need for SmaRT Ride due to the low level of fixed-route transit service and numerous poorly served neighborhoods.

SacRT has also sought to reduce the incidence of customers using the zone to make long end-to-end trips (e.g., from North Natomas to Marconi light rail station). Long trips such as these can absorb available capacity and diminish availability of buses for the zone's core function (i.e., transporting persons from unserved areas to fixed-route transit).

For this reason, SacRT is proposing to maintain the entire zone, but split it into two zones at Truxel Road. Major destinations on the Truxel corridor would be served by both zones (i.e., they would be transfer points). Vehicles would also be comingled between the two zones. In other words, customers would see the service as two separate zones, but vehicles would be shared between the two zones, able to respond to calls from either zone.

Folsom

Proposed Changes

No changes

The Folsom zone replaced a traditional general public dial-a-ride service that SacRT inherited from the City of Folsom upon the city's annexation into the SacRT district. For this reason, SacRT considers it an essential commitment to maintain SmaRT Ride (or a comparable service) in Folsom on the same approximate service levels.

The Folsom zone has also been a strong performer, at 3.3 passenger boardings per revenue hour, despite being the third largest zone, having the second lowest population density, and the highest automobile availability of any zone. This may be due to the relative lack of fixed-route transit in Folsom or a tendency toward shorter-distance trips (which allows greater seat turnover).

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**Arden/
Carmichael**

Proposed Changes
No changes

With just one morning bus and one afternoon bus, options are limited for reducing the cost of the Arden/Carmichael zone. Residents are only 35 percent minority, which is the lowest of all SmaRT Ride zones, but are 11 percent low-income, which is approximately average. Productivity is 2.8 passenger boardings per revenue hour, which is the second-lowest zone, but still relatively close to the 3.2 average for SmaRT Ride.

The part of the zone south of Arden Way (i.e., Arden Park) is only 4 percent low-income, much lower than the rest of the zone, but eliminating it would not necessarily result in any savings, because the service is already irreducibly small. The area south of El Camino Ave, is entirely unserved by fixed-route transit, and totals 6 square miles and 23,000 residents, which singlehandedly makes up approximately a fifth of the 122,000 residents who live outside the 3/4-mile catchment of fixed-route service but who are served by SmaRT Ride. The northeast part of the zone, while better served by transit, still includes an “island” of 4 square miles that lacks all-day fixed-route transit, despite being in the heart of SacRT’s service area.

For these reasons, the Arden/Carmichael zone was also designated as important to maintain.

Elk Grove

Proposed Changes
No changes

The Elk Grove zone, like Folsom, covers a large area over 25 square miles with low population density. The Elk Grove zone was intentionally designed to serve only (or primarily) the lower-density rural and industrial areas east of the city, where fixed-route transit is completely absent. Productivity is only 10 percent below average at 2.9 passenger boardings per revenue hour, despite population density being the lowest of all zones.

Like the Arden/Carmichael zone, the Elk Grove zone provides service to approximately 25,000 residents who live outside the 3/4-mile catchment of fixed-route transit, making up more than a fifth of the 122,000 total residents for whom SmaRT Ride is their only available transit service.

The Elk Grove zone is also the newest SmaRT Ride zone, being launched only in July 2021. Given that SmaRT Ride is still a pilot program, SacRT feels that residents of the Elk Grove zone deserve more time to use SmaRT Ride.

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The Elk Grove zone also enjoys a partial subsidy of approximately \$50,000 per year from Sacramento County for the part of the zone that serves the Vineyard area, from Florin Road to Gerber Road, between Elk Grove Florin Road and Bradshaw Road.

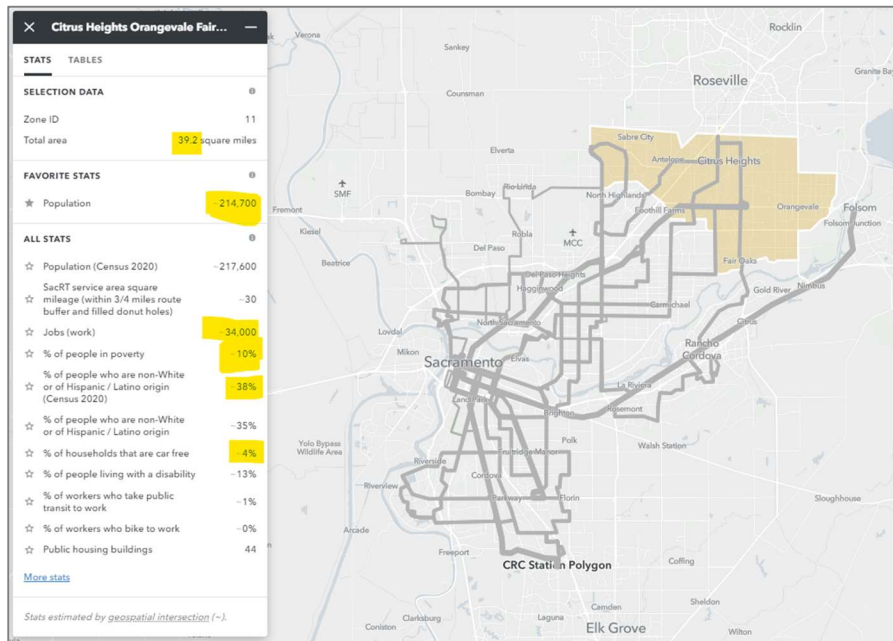
For these reasons, the Elk Grove zone is recommended for continuation as-is.

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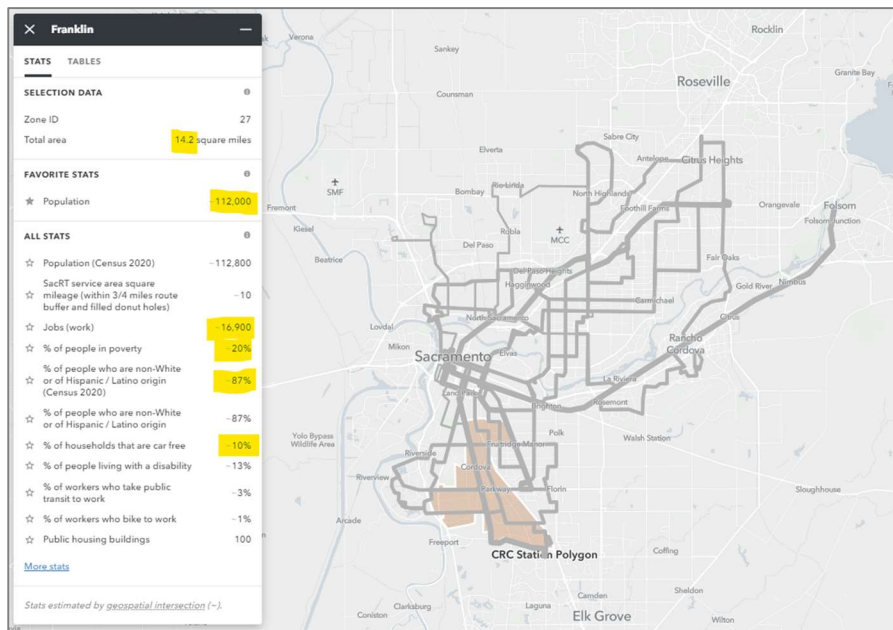
Demographic Maps

SacRT uses Remix software to estimate demographics for each Smart Ride zone. Supporting data on each existing zone has been provided here, as follows:

Citrus Heights/Orangevale/Fair Oaks

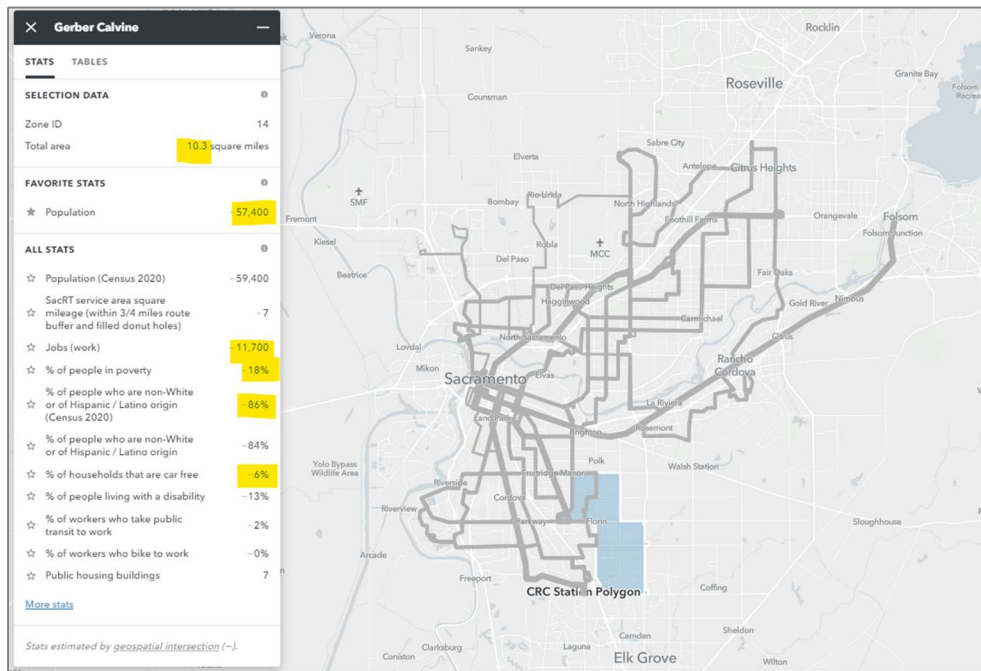


Franklin

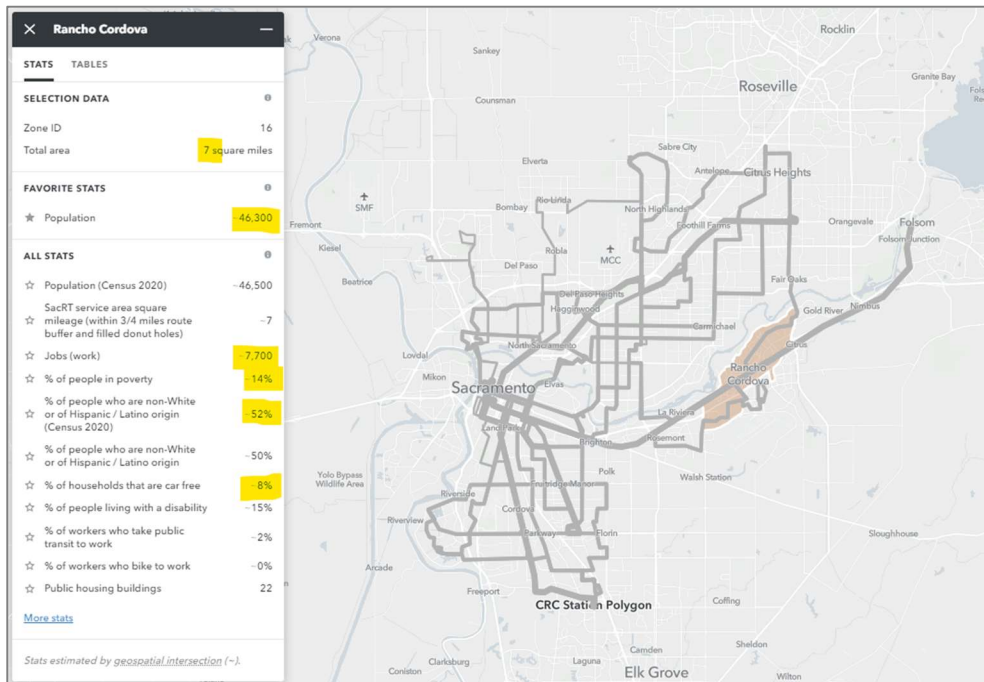


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Gerber

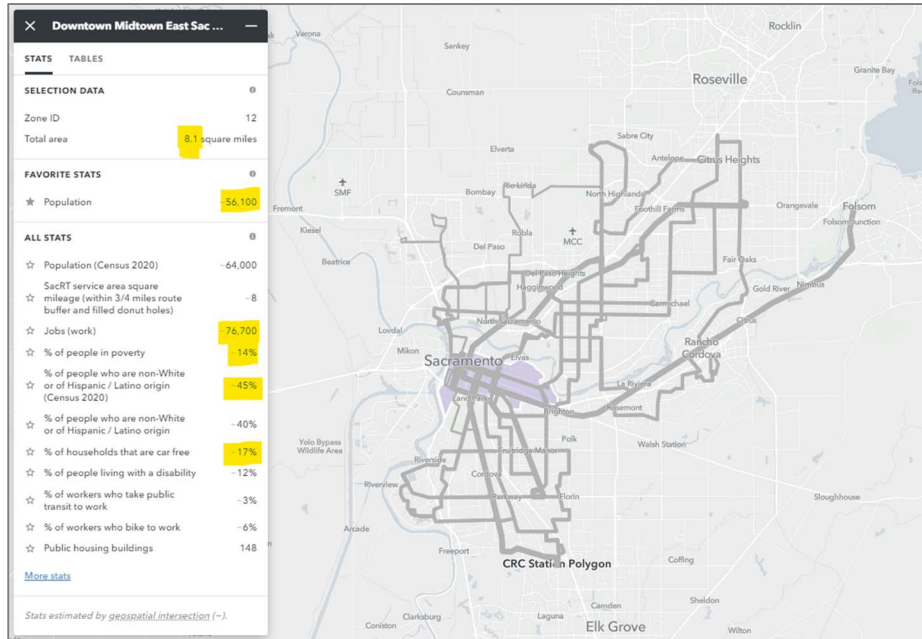


Rancho Cordova

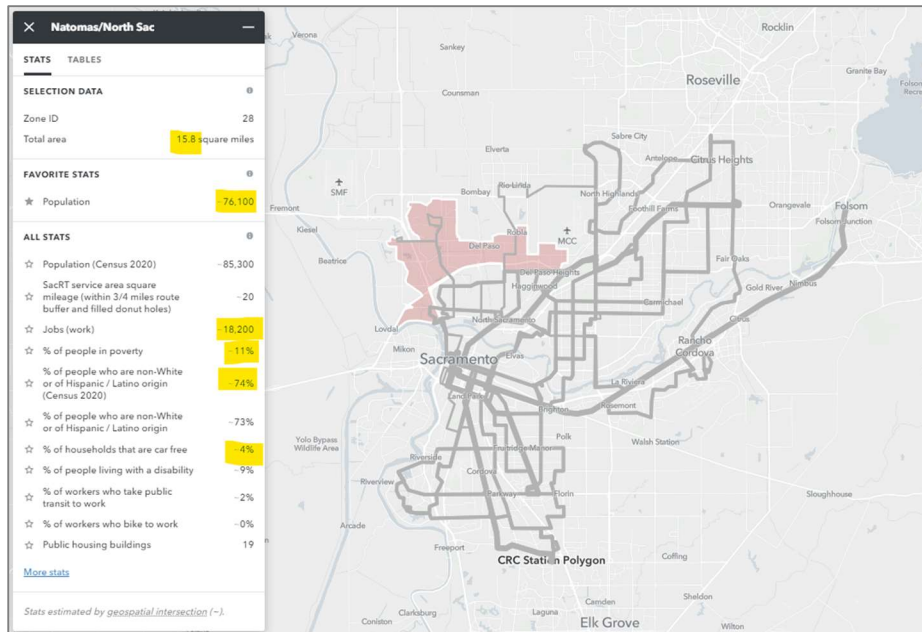


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Downtown/East Sacramento/CSUS

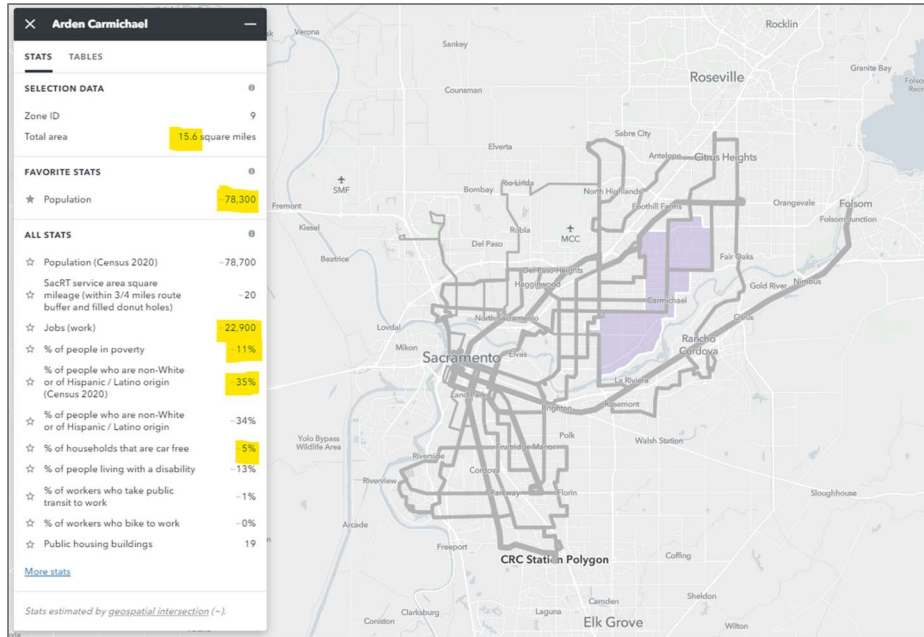


Natomas/North Sacramento

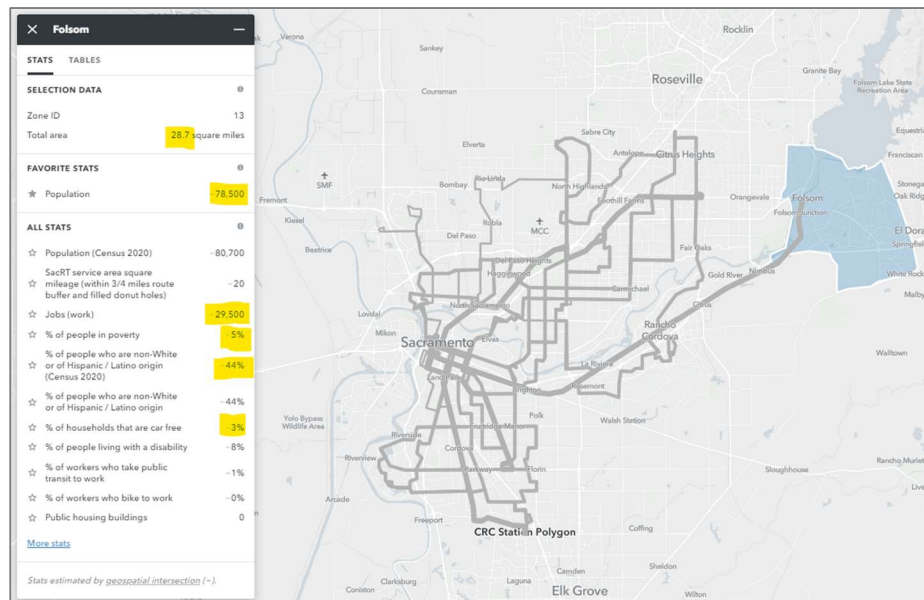


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Arden/Carmichael

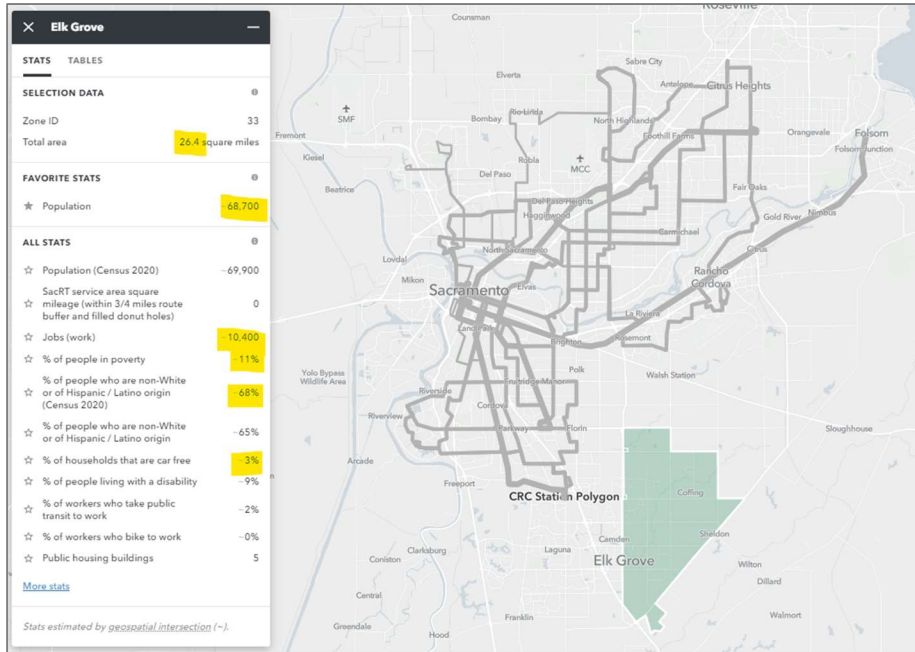


Folsom



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Elk Grove



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7. Grant Agreement

SacRT has reviewed the STA's Grant Agreement (Attachment C to the RFP). Alterations and specifications are noted here:

PROPOSAL NAME

SmaRT Ride Microtransit

Agency Name

Sacramento Regional Transit District (SacRT)

Section 2

Description of Services

The services funded by this Agreement are nine on-demand microtransit zones operating telephone and app-based shared-ride on-demand corner-to-corner public transportation Monday to Friday (except SacRT holidays) from 7:00 a.m. to 7:00 p.m. using a fleet of 100-percent accessible cutaway buses and vans and subject to SacRT's fare structure.

Section 6(d):

Reimbursement requests from SacRT to STA will total \$800,000 per year and \$66,666.66 per month for duration of the agreement, not to exceed SacRT's actual O&M cost of service. Reimbursement requests will be supported by statistics indicating SacRT's actual O&M cost and reimbursement request, broken down by zone, as shown in the tables below. Actual revenue hours may vary depending on holidays and number of weekdays per year. Hourly rate shown in table below assumes 3.5 percent annual cost escalation; however, hourly rate in reimbursement requests will be SacRT direct cost per scheduled revenue hour for SmaRT Ride service, as approved in SacRT's Operating Budget for each fiscal year.

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Fiscal Year 2024 7/1/23 to 6/30/24						
Zone	Rev Hours Per Year	FY 2024 Rate	O&M Cost	Percent of Total	Reimburse Request	Monthly Request
1 Citrus Heights	8,128	\$142.40	\$1,157,389	17.31%	\$138,442	\$11,536.84
2 Franklin	6,773	\$142.40	\$964,491	14.42%	\$115,368	\$9,614.00
3 Gerber	3,577	\$142.40	\$509,372	7.62%	\$60,928	\$5,077.33
4 Rancho Cordova	5,842	\$142.40	\$831,873	12.44%	\$99,504	\$8,292.00
5 Downtown/CSUS	3,577	\$142.40	\$509,372	7.62%	\$60,928	\$5,077.33
6 Natomas	3,577	\$142.40	\$509,372	7.62%	\$60,928	\$5,077.33
7 North Sacramento	3,577	\$142.40	\$509,372	7.62%	\$60,928	\$5,077.33
8 Arden/Carmichael	3,577	\$142.40	\$509,372	7.62%	\$60,928	\$5,077.33
9 Folsom	4,763	\$142.40	\$678,158	10.14%	\$81,118	\$6,759.84
10 Elk Grove	3,577	\$142.40	\$509,372	7.62%	\$60,928	\$5,077.33
TOTAL	46,969		\$6,688,141	100.00%	\$800,000	\$66,666.66

Fiscal Year 2025 7/1/24 to 6/30/25						
Zone	Rev Hours Per Year	FY 2025 Rate	O&M Cost	Percent of Total	Reimburse Request	Monthly Request
1 Citrus Heights	8,128	\$147.38	\$1,197,898	17.31%	\$138,442	\$11,536.84
2 Franklin	6,773	\$147.38	\$998,248	14.42%	\$115,368	\$9,614.00
3 Gerber	3,577	\$147.38	\$527,200	7.62%	\$60,928	\$5,077.33
4 Rancho Cordova	5,842	\$147.38	\$860,989	12.44%	\$99,504	\$8,292.00
5 Downtown/CSUS	3,577	\$147.38	\$527,200	7.62%	\$60,928	\$5,077.33
6 Natomas	3,577	\$147.38	\$527,200	7.62%	\$60,928	\$5,077.33
7 North Sacramento	3,577	\$147.38	\$527,200	7.62%	\$60,928	\$5,077.33
8 Arden/Carmichael	3,577	\$147.38	\$527,200	7.62%	\$60,928	\$5,077.33
9 Folsom	4,763	\$147.38	\$701,893	10.14%	\$81,118	\$6,759.84
10 Elk Grove	3,577	\$147.38	\$527,200	7.62%	\$60,928	\$5,077.33
TOTAL	46,969		\$6,922,226	100.00%	\$800,000	\$66,666.66

STA Neighborhood Shuttle Cycle 2
SacRT Proposal – Smart Ride Microtransit – May 2023

Fiscal Year 2026 7/1/25 to 6/30/26						
Zone	Rev Hours Per Year	FY 2026 Rate	O&M Cost	Percent of Total	Reimburse Request	Monthly Request
1 Citrus Heights	8,128	\$152.54	\$1,239,824	17.31%	\$138,442	\$11,536.84
2 Franklin	6,773	\$152.54	\$1,033,187	14.42%	\$115,368	\$9,614.00
3 Gerber	3,577	\$152.54	\$545,652	7.62%	\$60,928	\$5,077.33
4 Rancho Cordova	5,842	\$152.54	\$891,124	12.44%	\$99,504	\$8,292.00
5 Downtown/CSUS	3,577	\$152.54	\$545,652	7.62%	\$60,928	\$5,077.33
6 Natomas	3,577	\$152.54	\$545,652	7.62%	\$60,928	\$5,077.33
7 North Sacramento	3,577	\$152.54	\$545,652	7.62%	\$60,928	\$5,077.33
8 Arden/Carmichael	3,577	\$152.54	\$545,652	7.62%	\$60,928	\$5,077.33
9 Folsom	4,763	\$152.54	\$726,459	10.14%	\$81,118	\$6,759.84
10 Elk Grove	3,577	\$152.54	\$545,652	7.62%	\$60,928	\$5,077.33
TOTAL	46,969		\$7,164,504	100.00%	\$800,000	\$66,666.66

STA Neighborhood Shuttle Cycle 2
SacRT Proposal – Smart Ride Microtransit – May 2023

Guidelines for Proposal

The following guidelines are provided for standardizing the preparation and submission of proposals. The intent is to assist respondents in the preparation of their submissions and to assist the Authority by simplifying the review process providing standards for comparison of submissions.

Statements submitted in response to this RFP shall include a complete response to the requirements in this section in the order presented. Statements should be a straightforward delineation of the respondent's capability to satisfy the intent and requirements of this RFP.

Proposals shall be submitted electronically to kevin@sacta.org by 5:00 p.m., **April 14, 2023**.

Proposals shall be page limited. Sections 1, 2, 3, 4, & 5 are limited to 12 pages, total.

Proposals shall contain the following information in the sections listed:

1. Introductory letter

The introductory letter should be addressed to:

Kevin Bewsey
Executive Director
Sacramento Transportation Authority
801 12th Street Floor 5
Sacramento, CA 95814

The letter shall include the transit provider's name submitting the proposal, mailing address, telephone number, and contact name. The letter shall address the transit provider's understanding of the Neighborhood Shuttle Program based on this RFP and any other information the Transit Provider has gathered. Include a statement discussing the transit provider's interest and experience for this type of work. A representative of the transit provider authorized to submit this proposal shall sign the letter.

2. Experience

Describe the existing transit services provided by the respondent, including number of routes, types of service, and fleet size. Describe the total population served and percentage of population served with transit. Provide your Annual Budget for Fiscal Year 2022-2023.

If you have provided similar transit services to the Neighborhood Shuttle Program, describe the location and type of service performed in the last five (5) years. Include metrics like boardings per hour per zone, cost per hour per zone, and zone service area size and population served. Where feasible separate out your metrics between pre and post pandemic.

3. Service Plan

The service plan must state your plan to provide a neighborhood shuttle program. The service plan must include the size of each area served, population served, type of service, and fleet vehicles planned per area served.

The service plan must document how the proposed neighborhood shuttle service plan aligns with the Measure A Transportation Expenditure Plan and Definitions of Eligible Expenditures as described below:

Measure A Transportation Expenditure Plan:

Neighborhood Shuttle System. At least \$30 million in sales tax revenues will fund the development of additional Neighborhood Shuttles throughout Sacramento County. The Authority shall develop a program that will allow local jurisdictions to compete for these funds.

Definitions of Eligible Expenditures

Neighborhood Shuttle System. A competitive grant program among local public transit providers to

STA Neighborhood Shuttle Cycle 2
SacRT Proposal – Smart Ride Microtransit – May 2023

promote the development or expansion of shuttle routes in residential and commercial areas that have no—or infrequent—transit service. The objective is to connect neighborhoods to the light rail system and to bus routes on major arterials.

The service plan must document how the proposed neighborhood shuttle service plan aligns with the transit provider's Short-Range Transit Plan (SRTP) or other planning document.

The service plan shall document the amount of funds requested from the Neighborhood Shuttle Program, including the hourly rate and revenue vehicle hours for the services proposed. The service plan fee shall include proposed costs (line-item descriptions and pricing) under both capital and operations. The fee structure shall be proposed in such a way that the reimbursement will not exceed the available Measure A revenue for reimbursement. The maximum award range per transit provider is \$2,100,000 to \$2,400,000 and the minimum award per transit provider is \$150,000.

The service plan shall document the cost effectiveness of the services proposed.

The service plan shall document how proposed service has been improved or innovated from previous experience with the Neighborhood Shuttle Program, Cycle 1 or similar services.

4. Disadvantaged Communities

Document how the proposed neighborhood shuttle program would benefit disadvantaged communities who are more reliant on transit. Disadvantaged communities can be defined using local, regional, state, or federal definitions. However, local and regional definitions such as environmental justice areas in general plans or SACOG's definition from the 2020 MTPS/SCS are preferred.

5. Leveraging

Provide the total cost per fiscal year of the proposed neighborhood shuttle program, proposed funding contribution from Measure A, and funding from local, regional, state, and federal sources. Document funds secured vs unsecured funds. For unsecured funds document status.

Describe how Measure A funds are being used to leverage additional local, regional, state, and federal sources and if there are any grants being pursued to either fully fund the program or expand the program.

6. Supportive Information/References

This section may include maps, graphs, charts, photos, references, and any other relevant information in support of the proposal.

7. Grant Agreement:

Attached to the RFP (Attachment C) is a copy of the Authority's Neighborhood Shuttle Program Cycle 2 Grant Agreement (Agreement). The Authority's Agreement may be modified, in the Authority's sole discretion, to address the specific provisions of this RFP and transit providers should note that any specifications or other requirements specific to this RFP shall be included in the Agreement and exhibits following an award of the Agreement. Please review the Agreement carefully and note in your proposal any exceptions or desired alterations to the Agreement.

STA Neighborhood Shuttle Cycle 2
SacRT Proposal – Smart Ride Microtransit – May 2023

ATTACHMENTS

Attachment A: Evaluation and Selection Criteria

The following represent the evaluation and selection criteria, which will be considered during the evaluation process:

Experience: Experience in performing work of a closely similar nature and size.

Service Plan: Benefits of the service proposed, population served, alignment with the Measure A Transportation Expenditure Plan and Definitions of Eligible Expenditures for the Neighborhood Shuttle Program, cost effectiveness of service plan, and innovations or improvements from previous or existing similar services.

Disadvantaged Communities: Benefits to disadvantaged communities.

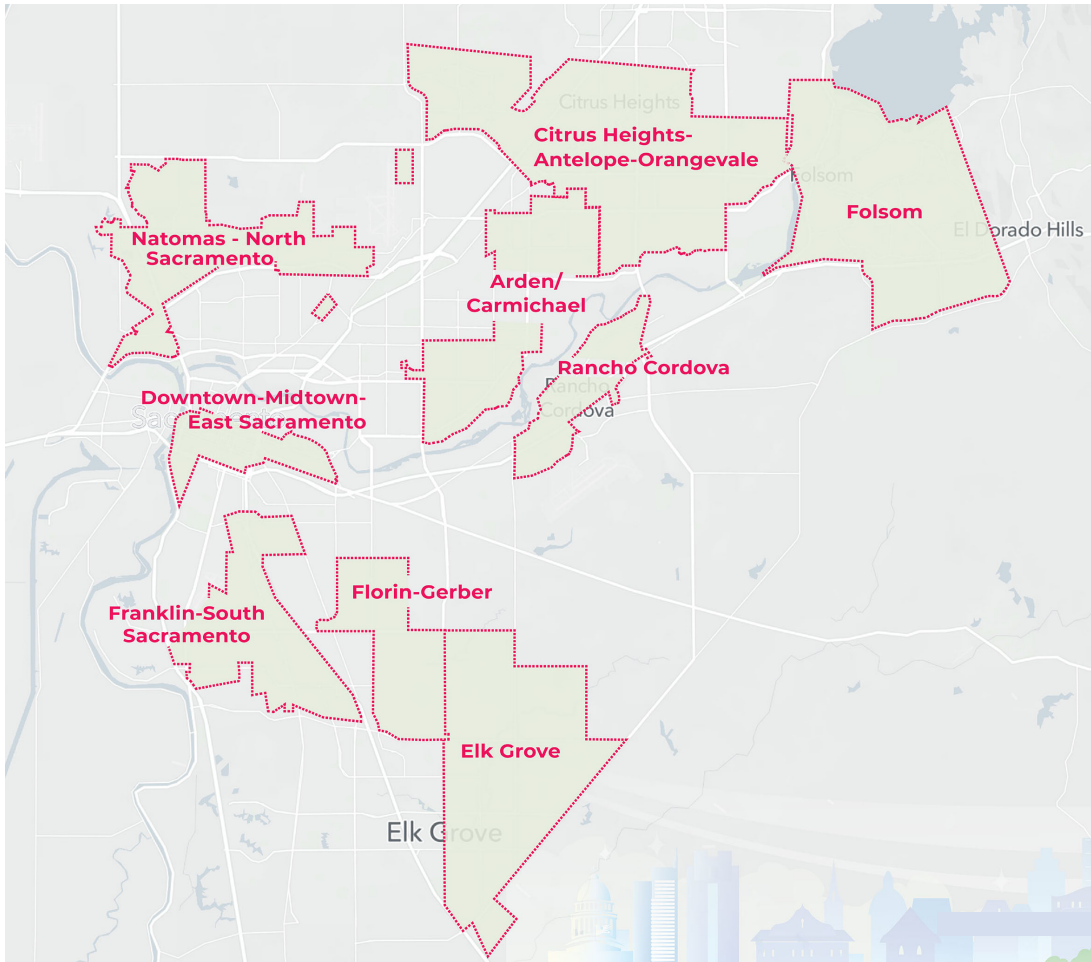
Leveraging: Leveraging of local, regional, state, and federal funds with Measure A dollars.

Quality and Responsiveness of the Proposal: Completeness of response in accordance with the RFP instructions.



Smart Ride Update

July 2023



Smart Ride **microtransit service** is a **form of on-demand transportation** that allows users to **request a ride via a smartphone app**, phone call or online.

Customers can monitor where the **SmaRT Ride vehicle is on the route by checking the free smartphone app**. Riders will receive alerts when the bus is approaching through the Smart Ride app.

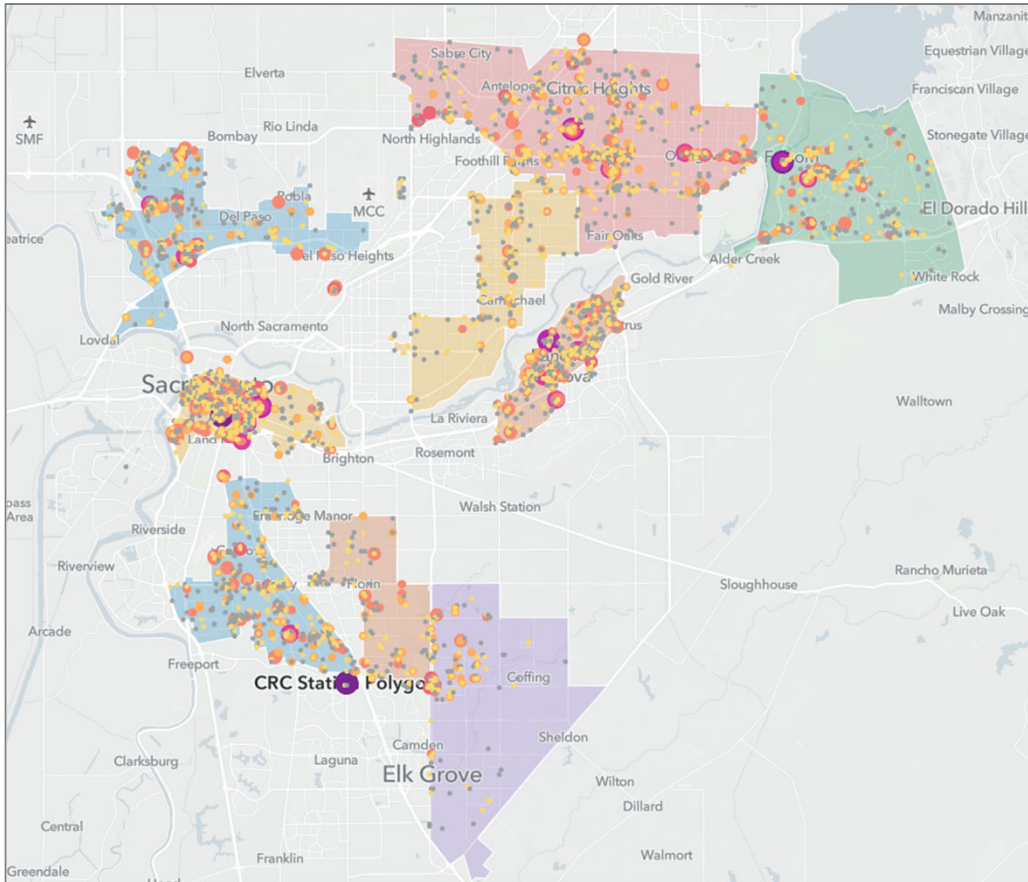
All riders **pay basic fare** (\$2.50 for a single ride) **unless eligible for discount fare** (\$1.25 for a single ride). SacRT daily and monthly passes are valid for unlimited rides. **Groups of five or more people traveling from the same location to the same destination ride for free.**

Smart Ride Service Area – 9 Zones

Secured Funds	FY 2024	FY 2025	FY 2026	Total
STA Neighborhood Shuttle	\$800,000	\$800,000	\$800,000	\$2,400,000
LCTOP	\$1,637,343	\$1,637,343	\$1,637,343	\$4,912,029
Amer Rescue Plan Supplemental	\$800,000	\$800,000	-	\$1,600,000
Citrus Heights TDA	\$651,031	\$673,817	\$697,401	\$2,022,249
Folsom TDA	\$949,421	\$982,651	\$1,017,044	\$2,949,115
Sacramento County	\$49,730	\$51,725	-	\$101,455
Other SacRT operating funds	<u>\$1,800,616</u>	<u>\$1,976,690</u>	<u>\$3,012,717</u>	<u>\$6,790,023</u>
Total revenues	\$6,688,141	\$6,922,226	\$7,164,504	\$20,774,871
SmaRT Ride O&M Cost	\$6,688,141	\$6,922,226	\$7,164,504	\$20,774,871

Assumes 3.5% annual growth in Citrus Heights and Folsom TDA contributions
LCTOP has been secured for FY 2024 only, but eligible and assumed for FY 2025-26
Excludes SacRT's capital contributions to the service, including a fleet of 45 vehicles

Fiscal Impact

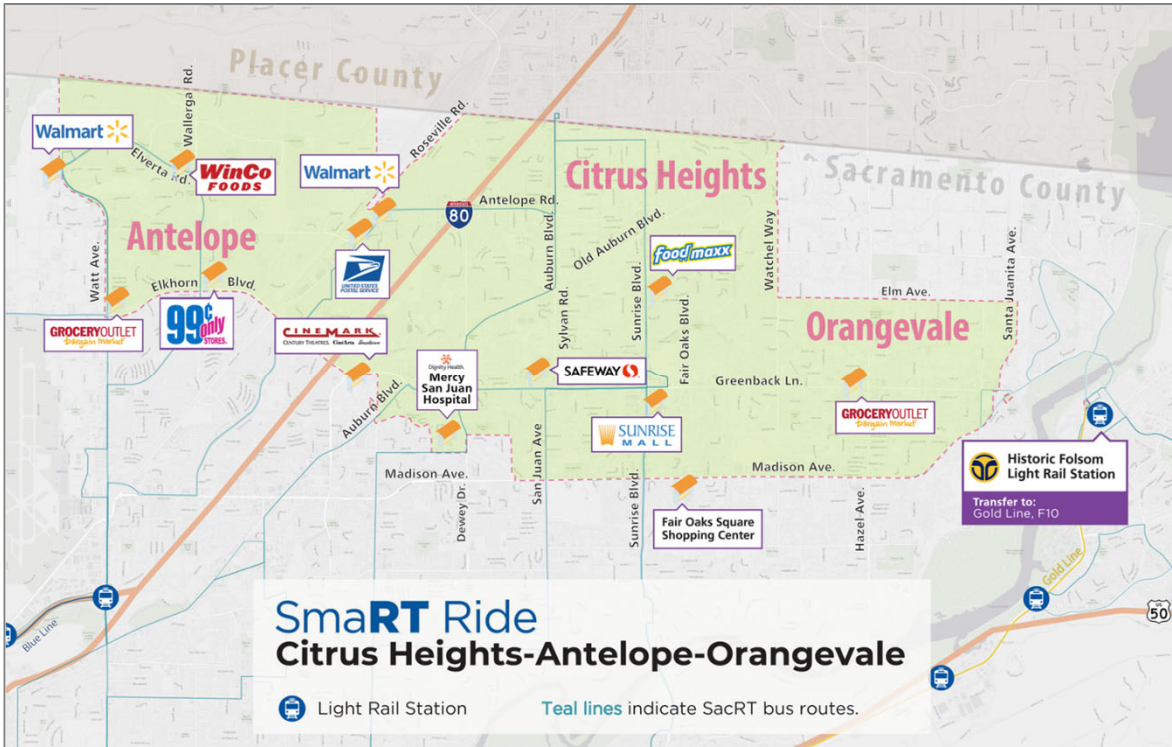


Zone	Changes
Arden/Carmichael	No changes
Citrus Heights/ Antelope	Eliminate service south of Madison Ave Eliminate service north of Elm Ave and east of Wachtel Way Shorten hours to 7am to 7pm
Elk Grove	No changes
Folsom	No changes
Downtown	Eliminate east of Alhambra Blvd Maintain service to Marisol Village and Science Museum Shorten hours to 7am to 7pm
Franklin	No changes
Natomas/North Sac	No changes
Rancho Cordova	No changes
Florin/Gerber	Expand zone north from Fruitridge Rd to include area bounded by 14th Ave, Power Inn Rd, and Stockton Blvd

7am to 7pm service for all zones

Smart Ride Adjustments

Effective August 28, 2023

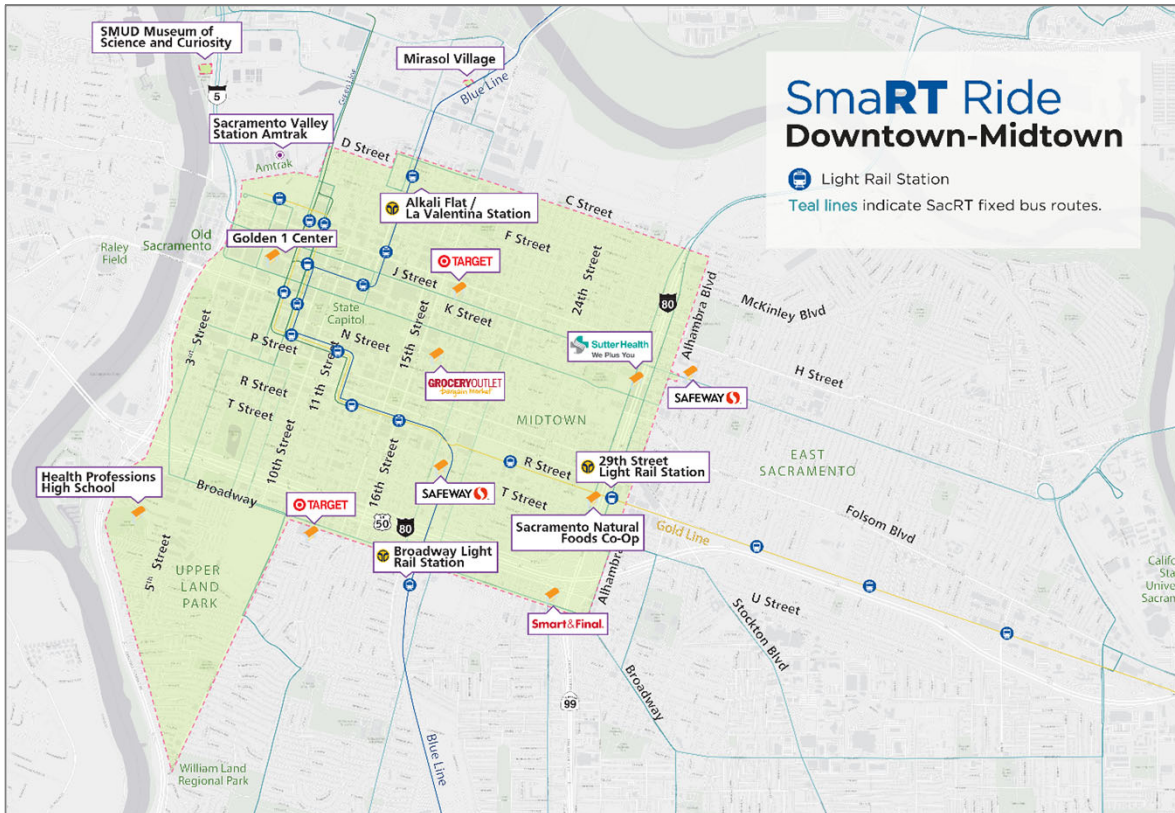


Citrus Heights Service Changes:

- Discontinue service south of Madison Avenue
- Discontinue service north of Elm Avenue and east of Watchel Way
- Shorten hours to 7am to 7pm

New Citrus Heights-Antelope-Orangevale Zone

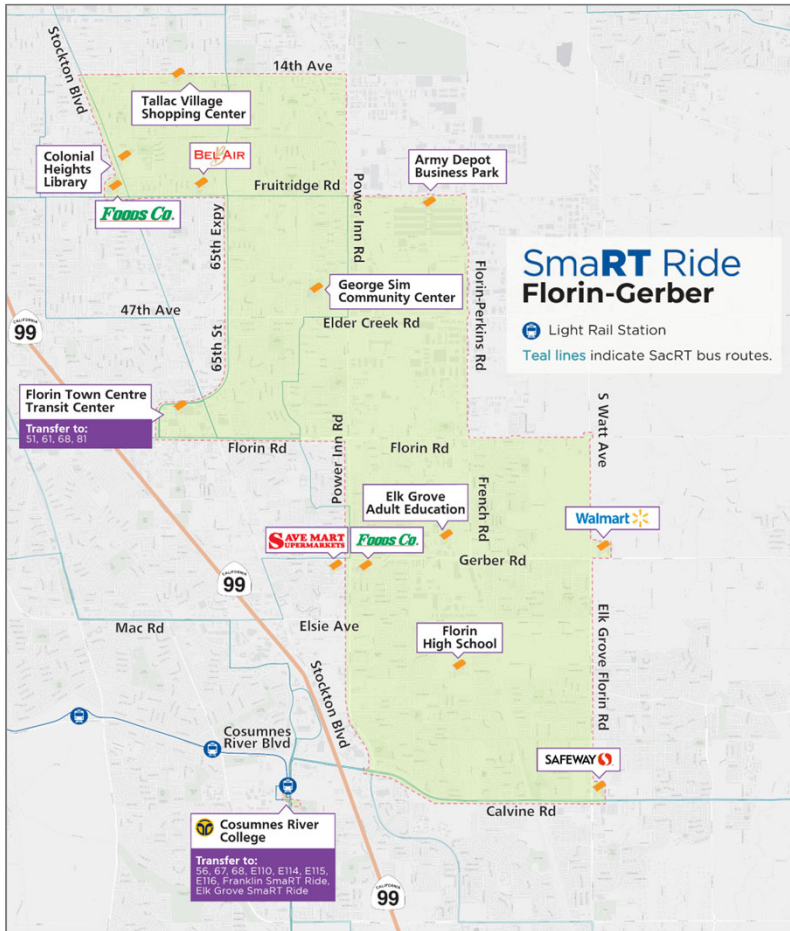
Effective August 28, 2023



Downtown Service Changes:

- Discontinue east of Alhambra Boulevard
- Maintain service to Marisol Village and SMUD Museum of Science
- Shorten hours to 7am to 7pm

New Downtown Zone
Effective August 28, 2023



Florin-Gerber Service Changes:

- Expand zone north from Fruitridge Road to include area bounded by 14th Avenue, Power Inn Road, and Stockton Boulevard

New Florin-Gerber Zone
Effective August 28, 2023