




**February 14, 2019**

**To:** Transit Committee

**From:** Darrell E. Johnson, Chief Executive Officer 

**Subject:** Measure M2 Community-Based Transit Circulators Program  
Project V Ridership Report

### **Overview**

Measure M2 establishes a competitive process, through the Measure M2 Community-Based Transit Circulators Program, to fund local transit services which complement regional transit. As of September 30, 2018, the Orange County Transportation Authority Board of Directors had approved 29 multi-year projects for a total of \$43.3 million for Project V services. A ridership report on Project V services operating through the reporting period is provided for informational purposes. The reporting period is comprised of the fourth quarter of fiscal year 2017-18 and the first quarter of fiscal year 2018-19.

### **Recommendation**

Receive and file as an information item.

### **Background**

Project V is a competitive program under Measure M2 (M2) that provides funding to develop and implement local transit services. Services eligible for this program include community-based circulators, shuttles, trolleys, and demand-responsive services that complement regional bus and rail services, and better suit local needs in areas not adequately served by regional transit.

Project V-funded service performance is evaluated on a quarterly basis. Shuttles, trolleys, and event services must meet or exceed minimum performance standards as established in the Comprehensive Transportation Funding Programs (CTFP) Guidelines. This allows staff to work with local agencies to make adjustments if necessary, to the service plan with a goal to improve ridership.

If services continue to perform below the minimum performance standard, they are evaluated for cancellation of Project V funding. In the event of cancellation, remaining funds are returned to the program for use in subsequent calls for projects (call). To date, there is an estimated \$8.1 million in project savings which has returned to the program.

Staff provides ridership reports (twice yearly) to the Orange County Transportation Authority (OCTA) Transit Committee and the Board of Directors (Board) on active Project V services. This report includes ridership information for 18 projects that were in operation during the reporting period of April 1, 2018 through September 30, 2018. Additional projects will be added to this report as services begin.

### ***Discussion***

Current Project V services include a combination of special event, commuter, fixed-route, and on-demand projects that meet a variety of community needs. The prior ridership report reflected 16 services in operation. Since then, the cities of Anaheim and Costa Mesa have cancelled their services due to low productivity. Additionally, four new services from the 2018 call have initiated. These new services include the City of Laguna Beach Summer Breeze Service, the City of San Juan Capistrano's Special Event and Weekend Summer Trolley Service, and the expansion of existing services in the cities of Newport Beach and San Clemente.

The current ridership report reflects 18 active services. Services must achieve six passenger boardings per revenue vehicle hour (B/RVH) by the end of year one and ten B/RVH by the end of year two. This performance standard was set based on OCTA's operating subsidy of no more than \$9 per boarding plus matching funds provided by local agencies. During this reporting period most services either met or exceeded their respective performance standards. Productivity for special event services averaged 25 B/RVH, commuter services averaged 17 B/RVH, fixed-route services averaged eight B/RVH, and the demand responsive service averaged nine boardings per hour of service (B/HOS)<sup>1</sup>.

Active Project V services are identified below. Complete ridership details and next steps for services that are not meeting performance standards are provided in Attachment A.

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<sup>1</sup> B/HOS does not include layover or recovery time and is more reflective of how demand-based transit services operate.

Services meeting or exceeding the minimum established performance standard include:

- County of Orange - Local Circulator and Special Event Service,
- Dana Point - Summer Trolley and Seasonal Shuttle,
- Dana Point - Pacific Coast Highway and Special Event Trolley,
- Huntington Beach - Holiday and Event Shuttle,
- Laguna Beach - Summer Weekend Trolley and Seasonal Service,
- Laguna Beach - Summer Breeze Bus Service,
- Lake Forest - Commuter Vanpool Service Irvine Station and Ossur,
- Lake Forest - Commuter Shuttle Service Irvine Station and Panasonic,
- Newport Beach - Balboa Peninsula Seasonal Trolley,
- Newport Beach - Balboa Peninsula Seasonal Trolley Expansion,
- San Clemente - Summer Weekend Trolley and Seasonal Service,
- San Clemente - Summer Weekday Trolley and Seasonal Service Expansion, and
- San Juan Capistrano - Special Event and Weekend Summer Trolley Service.

Services below the minimum established performance standard include:

- Huntington Beach - Seasonal Local Transit Service,
- La Habra - Special Event Service,
- Laguna Beach - Residential Trolley Year-Round and Seasonal Service,
- Mission Viejo - Local Community Circulator, and
- San Clemente - On-Demand Services.

For the cities of Huntington Beach and Mission Viejo<sup>2</sup> services, OCTA will notify the cities that these programs did not meet the minimum performance targets in the timeframe required and M2-funded Project V support is scheduled to be cancelled. Staff has worked with both agencies over the last year to modify service hoping to improve ridership which unfortunately, has not been realized. Moving forward, staff will work with the cities on outreach and timing to bring the services to an appropriate conclusion.

For the cities of La Habra and Laguna Beach, these services are currently trending below required performance targets. If these trends continue through the required performance target dates, services will be subject to cancellation.

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<sup>2</sup> With respect to Mission Viejo, it should be noted that this service's performance difficulties were reported to the Board in the last M2 Community-Based Transit Circulators Program Project V Ridership Report, which was presented in July 2018. Huntington Beach's performance difficulties were not reported at that time due to the service being inactive during the reporting period.

In the interim, OCTA will work with these cities to improve the productivity and will also continue to evaluate them in order to provide them with the best opportunity to meet performance standards within the required timeframes.

As part of Project V funding, the City of San Clemente (San Clemente) is operating demonstration demand-responsive service, in partnership with Lyft, Inc, that provides access for San Clemente residents in neighborhoods previously served by OCTA routes 191 and 193, which were eliminated in fall 2016 due to low productivity. This demonstration service offers convenience and efficiency in areas where traditional buses have a challenge for residents and transit operations. The funding for this service was extended by five years by Board action in late 2018, based on the demonstration nature of this service.

San Clemente has requested that this demonstration program utilize a different performance metric, more specifically, B/HOS. San Clemente's rationale for this request was that the B/RVH metric does not accurately measure the performance for this unique service model. For example, B/RVH calculations include layover and recovery time in productivity calculations and these types of service elements do not exist when a vehicle goes into service when a request for service is made. Current research has not settled upon a clear metric for these types of demand responsive services. By policy, OCTA's subsidy is capped at \$9 per boarding and this demonstration service is currently performing at \$4.94 subsidy per boarding, well below OCTA's maximum.

Staff has reviewed San Clemente's request, considered the special operating characteristics of this service, and found this request to be consistent with the CTFP Guidelines. As such, staff is working to amend the current cooperative agreement with San Clemente to incorporate this proposed change (reported B/HOS [no minimum], but no more than \$9 subsidy/boarding), which will also be reflected in future reports. Staff will continue to monitor and measure service performance and assess appropriate next steps for this type of service, which will include evaluation of all project-related efforts and policies to determine how best to support and administer this emerging transit delivery model.

OCTA staff will also continue to closely monitor services that are below minimum performance standards and will meet with local agency staff on ideas and concepts to improve service productivity and ridership. Staff will also continue to provide twice yearly updates to the Board on overall Project V status and performance.

***Summary***

A status report on Project V services is provided for information purposes. Staff will continue to work with local agencies and monitor these services. In addition, information on services starting later this year will be provided in future reports. The next M2 Community-Based Transit Circulators Program Project V Ridership Report is scheduled for July 2019.

***Attachment***

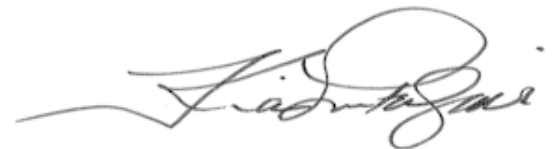
- A. Project V Services – Current Ridership Report

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