



*July 9, 2020*

**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 program through the Community-Based Transit Circulators Program (Project V), which is designed to complement regional transit services. A ridership report on 19 active Measure M2 Project V services operating through the second and third quarter of fiscal year 2019-20 is provided for Board of Directors' information.

### **Recommendation**

Receive and file as an information item.

### **Background**

The Measure M2 Community-Based Transit Circulators Program (Project V) is a competitive program under Measure M2 (M2) that provides funding to eligible jurisdictions to develop and implement local transit services. Eligible services under this program include community-based circulators, shuttles, trolleys, and demand-responsive services in areas not adequately served by regional transit.

M2 Project V services are required to adhere to performance standards to gauge if the services are meeting the intended program goals. If services are not meeting standards, or are trending toward not meeting minimum standards, Orange County Transportation Authority (OCTA) staff will meet with the local agency and discuss adjustments, with an overall goal of attempting to improve ridership (i.e., boardings per revenue vehicle hour [B/RVH]). If a service continues to perform below minimum performance standards, M2 Project V funds will be subject to cancellation, consistent with Board of Directors (Board)-approved program guidelines and each project's cooperative agreement. If M2 Project V funds are cancelled, local agencies can still participate in future funding cycles of the program with new service concepts that are anticipated to be more productive.

M2 Project V-funded service performance is reported to the OCTA Board twice a year. This reporting period includes ridership information for the second and third quarter of fiscal year (FY) 2019-20 (October 1, 2019 through March 31, 2020), and reports on 19 active services.

### ***Discussion***

Current M2 Project V services include a combination of seasonal, special event, commuter, fixed-route, and demand-responsive projects, which meet a variety of community needs. The prior ridership report, presented to the Board on January 13, 2020, reflected 20 M2 Project V services in operation. Since then, the City of Laguna Beach's weekend Residential Trolley Service was discontinued due to low productivity. As such, this ridership report reflects 19 services.

All services must achieve or exceed six B/RVH by the end of the first year of service and ten B/RVH by the end of the second year. After the second year of service, ten B/RVH must be maintained (or exceeded) throughout the remainder of the M2 Project V grant period<sup>1</sup>.

Active M2 Project V services are identified below. Ridership details and performance standards are provided in Attachment A.

Services meeting or exceeding their respective minimum performance standards include the following:

- Dana Point – Dana Point Trolley,
- Irvine – Irvine iShuttle Route F,
- La Habra – Special Event Service,
- Laguna Beach – Off-Season Weekend Trolley Service,
- Lake Forest – Commuter Vanpool Service between the Irvine Metrolink Station and Ossur,
- Mission Viejo – Mission Viejo Local Transit Circulator,
- County of Orange – Local Circulator and Special Event Service (OC RanchRide), and
- San Clemente – On-Demand Services<sup>2</sup>.

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<sup>1</sup> Note: Performance standards for demand-responsive and/or shared ride-hailing services are defined based upon a cost per user, cost per mile, or other applicable performance measures, which OCTA and the local agency define. All other M2 Project V services are subject to the B/RVH requirements described above.

<sup>2</sup> The City of San Clemente's minimum performance standard is reported as boardings per hour of service (no minimum), so long as the cost per boarding remains under OCTA's specified

Services not operating at minimum performance standards include:

- Irvine – Irvine iShuttle Route E, and
- Lake Forest – Commuter Shuttle Service Irvine Metrolink Station and Panasonic (Panasonic Service).

Seasonal and/or Special Events Services not operating during the reporting period include:

- Dana Point – Dana Point Trolley Expansion,
- Dana Point – Dana Point Trolley Continuity,
- Huntington Beach – Huntington Beach Special Events,
- Laguna Beach – Summer Breeze Bus Service,
- 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.

During this reporting period, the City of Mission Viejo's service satisfied the Board's requirement to achieve ten B/RVH prior through June 2020. Therefore, this service, consistent with Board action, will continue operating beyond August 2020 as long as it maintains ten B/RVH per reporting period.

The City of Irvine's (Irvine) iShuttle routes E and F were initiated last year and originally had until January 2020 to achieve six B/RVH. However, due to recent routing changes, the Board authorized a six-month extension to the year one minimum performance period for these services. As such, Irvine has through June 2020 to meet its minimum productivity requirement for these routes. It should be noted that both routes E and F were suspended at the request of Irvine effective Wednesday, March 25, 2020, due to the novel coronavirus (COVID-19) pandemic. Because the services are not operating, there will be no opportunity to determine if they met the minimum performance requirement from March through June 2020. Once these services are reinitiated, they will have lost any growth in ridership momentum and would need to essentially start over to build ridership again. Ultimately, they may need to enter into a new minimum performance start-up period. Staff will return to the Board with a recommendation once the service restoration requested is made by Irvine.

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\$9.00 per boarding. The service's cost was approximately \$5.73 per boarding, based on the latest invoicing from the City of San Clemente.

The City of Lake Forest's (Lake Forest) Commuter Shuttle Service from the Irvine Metrolink Station to Panasonic Service has been in operation since June 2017 and as such, must continue to maintain a minimum performance standard of ten B/RVH. Unfortunately, the service did not maintain its minimum performance standard requirement of ten B/RVH for this reporting period. This service is now subject to cancellation and OCTA has issued a cancellation notice to the Lake Forest.

It should be noted that the ridership productivity data that is reported in Attachment A is through March 31, 2020. Therefore, the report shows limited initial impacts of COVID-19. Accordingly, a more complete picture of COVID-19-related impacts on M2 Project V services will be provided in the next regularly scheduled M2 Project V Ridership Report, which will cover the period most affected by the Governor's stay-at-home order <sup>3</sup>.

However, in the interim, OCTA can report on the following COVID-19-related activities it has conducted with local agencies in order to support them during this challenging time:

- Confirmed that most M2 Project V services that were previously scheduled to operate this summer will be inactive<sup>4</sup>,
- Reopened the March 2020 M2 semi-annual review process and incorporated M2 Project V transfer of savings requests in order to allow local agencies (who will not be providing M2 Project V services during the pandemic) with the ability preserve unused M2 Project V funds for subsequent FYs,
- Provided local agencies with state guidance for providing transit service during the COVID-19 pandemic, and
- OCTA is also currently evaluating whether exceptions to M2 Project V minimum performance standards may be necessary for M2 Project V services.

OCTA staff will continue monitoring ridership productivity and COVID-19-related issues like those described above and continue working with local agencies in order to support them to the fullest extent possible. Staff will also continue

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<sup>3</sup> It should be noted that during the "stay-at-home" period of the COVID-19 pandemic, only three services, two Lake Forest Rideshare services, and the San Clemente Rideshare Program were operational. All other M2 Project V services were suspended. Separately, the Project S-funded Anaheim Canyon Circulator was also providing limited service.

<sup>4</sup> As of the publishing of this report, the cities of Huntington Beach and San Clemente had not made final determinations as to whether or not they will be providing M2 Project V services this summer. All other M2 Project V services, with the exception of the Anaheim Canyon Circulator and San Clemente's Rideshare Program, will not be operating this summer.

providing twice yearly updates to the Board on M2 Project V status and performance, with the next update scheduled to occur in early 2021.

***Summary***

A status report on M2 Project V services is provided for information purposes. Staff will continue to work with local agencies and monitor these services and COVID-19-related issues in order to support local agencies to the fullest extent possible. The next scheduled M2 Project V Ridership Report is scheduled for early 2021.

***Attachment***

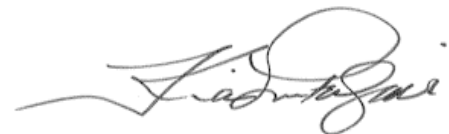
- A. Project V Services - Ridership Report

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