


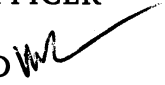


Metro

AUGUST 30, 2006

TO: BOARD OF DIRECTORS

FROM: ROGER SNOBLE 
CHIEF EXECUTIVE OFFICER

THROUGH: MATTHEW RAYMOND 
CHIEF COMMUNICATIONS OFFICER

SUBJECT: COUNTYWIDE VANPOOL PROGRAM GOALS

ISSUE

At the June 2006 Special Board meeting, the Board approved the staffing and implementation of a grant-funded countywide vanpool program in the FY07 Budget. Further, the Board requested staff to provide quantifiable goals for increasing vanpool ridership in the proposed Metro Vanpool Program.

BACKGROUND

In September '01 the Board directed staff to develop a method for collecting vanpool operating statistics as a means to generate additional Federal Transit Administration (FTA) Section 5307 Capital funds. In May '03 the Board adopted the Metro Vanpool Program model. The model, in summary, provides an on-going incentive to public vanpools operating through 3rd party vendor lease agreements. In return the participating vanpool must be open to any commuter traveling to a Los Angeles County worksite and must submit operating and financial data to Metro. Vanpool data shall be included in the agency's Annual National Transit Database (NTD) Report to the FTA. The FTA utilizes the data to apportion Section 5307 Capital funds to the region. Staff have evaluated similar mature program models from other parts of the nation for operational and fiscal efficacy, and have found the model proposed to be highly successful.

The Metro Vanpool Program will stimulate the formation and operation of general public vanpools destined for employment sites within Los Angeles County. Program goals and grant proposal standards established for Metro Vanpool Program implementation are to:

Identify, capture, and register 600 vanpools in first year of service.

Staff estimates that as many as 626 vanpools or approximately 5,000 riders, generating a projected 4 million revenue miles and more than 30 million passenger miles countywide will register as a Metro [public] Vanpool in its first year of implementation. Aggressive and sustained employer outreach, advertising campaigns, and increased public recognition

efforts will be significant in achieving program development. In year two of implementation, the Metro Vanpool Program is projected to register 132 additional public vanpools with a net growth rate of 10% per year thereafter.

Subsidize vanpool lease costs at 20% - 30%; reduces cost and increases benefit to commuter.

On-going incentive to public vanpools will be provided by way of periodic start-up promotions and an on-going \$400 flat rate lease subsidy to each eligible registered Metro Vanpool Program lease. This level of subsidy represents about 20% - 30% of the vanpool costs which is generally the amount of funding necessary to qualify for NTD. In response, FTA returns nearly 40 cents per revenue vehicle mile to the region. The projected incentive to the end-user will produce commuter cost savings, commute time savings and reduced drive-alone costs. Approximately \$2.6 million in subsidy expenditure will be significant in capturing and growing Metro [public] Vanpools at a net rate of 10% annually. This is a considerable growth rate for vanpools given that the region has only been able to maintain current levels of vanpools. By making this travel mode more accessible to a broader range of commuters, the region will now have an opportunity to grow this rideshare travel mode category.

Provide expanded ride-matching services to achieve a vehicle occupancy rate of 80%.

The vanpool industry reports one of the greatest failures to sustaining vanpool routes are insufficient occupancy to support operation/operating costs. The Metro Vanpool Program will endeavor to reduce vanpool termination rates through Metro's regional rideshare matching services. Metro Commute Services utilizes a database containing more than 130,000 individuals either participating in or seeking ridesharing alternatives. Vanpool routes and seats will be maintained in the same database and readily available to commuters throughout the region.

NEXT STEPS

The Metro Vanpool Program launch is scheduled January 2007. Staff is preparing the vanpool vendor solicitation document for release in September 2006, returning to the Board with staff recommendation in November 2006. Staff is also developing a comprehensive campaign to promote the program once it is ready for operation.