

**Metro**Los Angeles County
Metropolitan Transportation AuthorityOne Gateway Plaza
Los Angeles, CA 90012-2952213.922.2000 Tel
metro.net**MEASURE R PROJECT DELIVERY
APRIL 16, 2009****SUBJECT: MEASURE R BUS SYSTEM IMPROVEMENT PLAN****ACTION: RECEIVE AND FILE REPORT****RECOMMENDATION**

Receive and file report to develop a proposed Measure R Bus System Improvement Plan and request that the Bus Service Improvement Plan be merged into the Measure R Bus Project Implementation Plan. The Chief Executive Officer will report in June 2009 on bus service management quality improvements.

ISSUE

In December 2008, the Board of Directors adopted a motion, in view of the passage of Measure R, for staff to prepare a Bus System Improvement Plan (BSIP) based upon feedback obtained from each of the Sector Councils and incorporate the following elements:

An overview of current bus services and their performance;

An estimate of Metro and Municipal Operator shares of Measure R 20% operating funds using FAP shares;

Responses from the municipal operators regarding their plans for the use of Measure R operating dollars; and

Specific improvement recommendations for our portion of Measure R operating dollars including, but not limited to:

New clean fuel bus purchases;
Additional fare freezes or reductions;
Added bus lines;
More frequent service;
Longer hours of operation; and
Restructuring of bus lines

The BSIP is expected to be fully funded through available Measure R 20% operating funds, and is to incorporate a plan to eliminate the current structural deficit by FY2011 without the use of Measure R operating funds, if possible.

DISCUSSION

The feedback from Sector Councils regarding possible bus system improvements was presented to the Operations Committee on February 19, 2009. Responses to the remaining elements of the Board's request follow.

Current Bus Services and Performance

A performance evaluation of the current system was initiated in the fall of 2008. FY2008 data were compiled to establish performance baselines. Beginning in FY2009, quarterly data has been compiled and made available to the sectors for analysis. Presentations have been made to each of the Sector Councils of the quarterly findings. A separate report to the Board this month presents this Performance Indicator program.

Operator Shares of Measure R Operating Funds

Estimates of Included and Eligible Operator shares of Measure R 20% Operating Funds for one, ten and thirty years are shown in Attachment A. In current year dollars, the estimated first full year funding for Metro Operations would be \$98 million.

Municipal Operator Plans for Use of Measure R Operating Dollars

The Municipal Operator General Managers met on January 7, 2009. The use of Measure R operating funds was discussed. Responses from these operators are presented in Attachment B.

Specific Recommendations for Metro's Share of Measure R Operating Dollars

a. New Clean Fuel Bus Purchases

Six gas-hybrid buses have been delivered to us for evaluation. Two were placed in revenue service from Division 6 (Venice) and two were put in service from Division 15 (Sun Valley) in December. The remaining hybrid buses were placed into service from Division 3 (Cypress Park) and Division 9 (El Monte) in January. The continuous evaluation will compare the cost, reliability and durability of these buses to CNG buses. The results will influence the form of future bus procurements, and contribute to the development of a Measure R bus procurement plan.

In the interim, an order for 260 45-foot, composite buses is being produced. These buses will be delivered through early 2010. They are currently exceeding 2010 emission certification requirements.

b. Additional Fare Freezes or Reductions

With the passage of Measure R, the fare changes previously approved by the Board for implementation on July 1, 2009 have been deferred for one year. Additionally, senior, disabled and student fares have been frozen for five years.

The current draft of the Long Range Transportation Plan assumes that we will achieve a 33% fare recovery ratio by 2015. The proposed Plan noted that “achieving this ratio will require a combination of strategies such as reducing unproductive service, achieving operating efficiencies, and increasing operating revenues.” Given this assumption, no additional fare reductions or freezes are being proposed at this time.

c. Added Bus Lines

Two recent studies have identified potential new bus lines that could be implemented with the availability of new operating dollars. A mid-program review of the Metro Rapid project identified several potential corridors for consideration:

Venice Blvd.;
Third St.;
Sunset Blvd.; and
Avalon Blvd.

The Sector Councils have also proposed consideration for additional Rapid services in several corridors:

Line 108 (Slauson Ave.)
Line 212 (La Brea Ave.)
Line 232 (Sepulveda Blvd.)
Line 711 extension (Florence Ave.)
Line 715 extension (Manchester Ave.)

The recently implemented Metro Connections systemwide restructuring project identified a number of new point-to-point services for trial operation:

91 Fwy. To Artesia Transit Center
Burbank-Glendale-Pasadena
Long Beach-LAX
Long Beach-Orange County
Long Beach-West LA
San Fernando Valley-Westwood/West LA
South Bay-San Fernando Valley

d. More Frequent Service

Increased service will be considered on Wilshire Blvd. to address existing crowding. The San Fernando Valley Sector Council has proposed additional north/south service on Lankershim Blvd., Reseda Blvd., Sepulveda Blvd., and Van Nuys Blvd. Additionally, it has been suggested that consideration be given to reducing the maximum headways

to 45 minutes during off-peak periods and 30 minutes in peak periods on Tier 1, and possibly Tier 2, bus lines.

e. Longer Hours of Operation

There are many instances where rail feeder bus lines do not operate as long as the rail line(s) which they serve. These connecting bus lines should be considered for longer hours of operation.

f. Restructuring of Bus Lines

A number of near term service restructuring programs will be implemented:

A bus/rail interface plan has been developed for implementation in June 2009 associated with the start of operation of the East Los Angeles extension of the Metro Gold Line.

A bus/rail interface plan is under development for the planned start of operation of the Expo light rail line (Phase 1) in June 2010. A subsequent plan will be developed for Phase 2 operation as early as June 2013.

A potential Orange Line express operation is under study. A Los Angeles Central Business District restructuring has been considered which would improve operating efficiencies, but would require a significant capital investment in terminal and layover facilities. The Metro Connections systemwide route restructuring program was recently implemented, though a Capital Facilities Plan for that project which would bring passenger amenities at regional and sub-regional facilities up to common standards has not been funded. Also, a study of methods to improve on-time performance may result in restructuring of some services.

Elimination of Structural Deficit

Measure R has afforded the opportunity to improve transit service, but a persistent structural operating deficit requires reduced operating costs and/or increased revenues. Implementation of the BSIP is predicated on the idea that the structural deficit still needs to be addressed. To that end, a variety of strategies will be explored for their potential to simultaneously achieve reduced cost without sacrificing service capacity or convenience including, but not limited to:

Bus speed improvement – as experienced with the Rapid bus program, higher speeds enable the same amount of service to be operated with fewer resources. This strategy could also increase ridership and revenue due to improved travel times. A study of potential opportunities has recently been undertaken;

Excess capacity reduction – many high frequency routes (headways of 12 minutes or better) are scheduled to match capacity with demand. When pockets of excess capacity develop they must be addressed or they become an unnecessary operating expense;

Route streamlining – excess capacity can develop on branches or at the extremities of routes. Turning back unneeded trips (known as shortlining), so long as service frequencies remain convenient, can improve the cost effectiveness of service delivery;

Service reallocation – from less productive to more productive corridors can potentially increase ridership, and revenues, without added cost;

Improved on-time performance – affords the opportunity to increase ridership through more dependable operation, and eliminates unneeded trips which may have been added to compensate for gaps in service;

NEXT STEPS

Staff will continue to develop and refine specific proposals for the use of Measure R operating dollars. Periodic reports will be prepared, as appropriate.

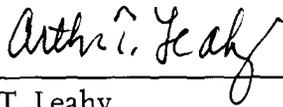
ATTACHMENTS

- A – Estimated Measure R 20% Bus Operations Funding
- B – Municipal Operator Measure R 20% Funds Plans

Prepared by: Conan Cheung, Deputy Executive Officer, Service Development
Ed Muncy, Director, Service Development
Dana Woodbury, Transportation Project Manager IV



Carolyn Flowers
Chief Operations Officer



Arthur T. Leahy
Chief Executive Officer

ATTACHMENT A
ESTIMATED MEASURE R 20% BUS OPERATIONS FUNDING FOR
ALL INCLUDED AND ELIGIBLE OPERATORS
Based on Formula Allocation Procedure*

	FY 2010			
	Estimate	1st Full Year	10 Years	30 Years
Total Estimated Revenue	\$ 361,248,000	\$ 620,000,000	\$ 8,373,000,000	\$ 39,400,000,000
20%	\$ 72,249,600	\$ 124,000,000	\$ 1,674,600,000	\$ 7,880,000,000

<u>Included Operators</u>	<u>%Share</u>				
Arcadia	0.0799%	\$ 57,748	\$ 99,112	\$ 1,338,492	\$ 6,298,411
Claremont	0.0319%	23,050	39,560	534,257	2,513,998
Commerce	0.0669%	48,346	82,976	1,120,572	5,272,967
Culver City	1.2743%	920,642	1,580,072	21,338,621	100,411,042
Foothill	5.7487%	4,153,411	7,128,385	96,267,692	452,997,379
Gardena	1.3120%	947,941	1,626,924	21,971,351	103,388,421
La Mirada	0.0394%	28,448	48,825	659,373	3,102,747
Long Beach	5.5796%	4,031,250	6,918,723	93,436,244	439,673,715
Montebello	1.9250%	1,390,777	2,386,952	32,235,403	151,686,954
Norwalk	0.6860%	495,600	850,585	11,487,011	54,053,295
Redondo Beach DR	0.0066%	4,745	8,144	109,982	517,529
Redondo Beach MB	0.1420%	102,567	176,033	2,377,293	11,186,595
Santa Monica	4.4864%	3,241,381	5,563,093	75,128,675	353,525,593
Torrance	1.4202%	1,026,107	1,761,079	23,783,086	111,913,721
<u>Eligible Operators</u>					
Antelope Valley	1.4506%	1,048,059	1,798,755	24,291,903	114,308,011
Santa Clarita	1.5252%	1,101,967	1,891,276	25,541,378	120,187,542
Foothill - BSCP	0.7954%	574,703	986,347	13,320,457	62,680,760
LADOT Local	1.5323%	1,107,057	1,900,012	25,659,354	120,742,691
LADOT Express	0.8716%	629,728	1,080,785	14,595,832	68,682,167
Included & Eligible Operators Sub-Total	28.9739%	20,933,529	35,927,639	485,196,976	2,283,143,538
Metro Bus Ops.	71.0261%	51,316,071	88,072,361	1,189,403,024	5,596,856,462
	100.0000%	\$ 72,249,600	\$ 124,000,000	\$ 1,674,600,000	\$ 7,880,000,000

* Amounts are estimated and are subject to change to actual revenues collected.

**ATTACHMENT B
MUNICIPAL OPERATOR MEASURE R 20% FUNDS PLAN**

Agency	Project Description
Antelope Valley Transit Authority	Measure R Funds will be used to help backfill those funds lost due to the State Budget crisis.
City of Arcadia	City of Arcadia intends to spend Measure R 20% Funds on implementing some of Arcadia Transit's system strategies as described in Arcadia Transit's Short Range Transit Plan, which include: Gold Line multi-modal transit station, New/Expanded Services (shuttle service to Civic Centers, Gold Line connector), limited "modified" fixed-routes to address peak hour demand, future capital procurements (vehicles), Operational goals and objectives (customer service quality, farebox recovery ratios), Transit system marketing (bilingual brochures, quarterly newsletters, website), Joint Partnerships with local agencies (Sierra Madre DAR, Monrovia DAR) and backfill funding shortfall for transit operators.
City of Claremont	Claremont projects a 12% increase in immediate response dial-a-ride service in FY 2010. The city estimates the cost of this service expansion at \$40,000 and Claremont is planning to fund this expansion in part using Measure R Funds. It will allow Claremont to accomplish the increase without a fare increase.
City of Commerce	May spend new Measure R funding to backfill State Transit Assistance funding and operate shuttle service to the Commerce Metrolink station.

Agency	Project Description
City of Culver City	Culver City Bus is planning on using Measure R 20% Funds on operating costs associated with new services: Bus Rapid on Sepulveda in July 2009; new lines and increased headways for the Exposition Light Rail station in Culver City in 2010; Shuttle between Business/Industrial parks and downtown; new lines and increased headways for the expansion of Playa Vista, LAX and West LA College in the near future.
Foothill Transit	The plan is to use Measure R Funds to backfill as much of lost STA revenue as possible as well as use for the purchase of replacement CNG, electric or hydrogen cell buses.
City of Gardena	In both FY2010 and FY2011, Gardena Municipal Bus Lines (GMBL) proposes to use its Measure R allocation to maintain existing levels of service, keeping itself financially whole. Also, to the extent that it is financially feasible, it will enhance peak hour service frequencies to reduce overcrowding throughout the GMBL service area.
LADOT	LADOT intends to use its Measure R 20% allocation to fund its existing local transit services. Measure R funds will be used to backfill the shortfall in the city's Local Return Funds (projected shortfall of \$145 million over the next ten years) to help mitigate against the need for service reduction.
Long Beach Transit	Because the state of California has severely cut State Transit Assistance (STA) funding used to support transit operations, Long Beach Transit anticipates using its FY10 allocation from Measure R to fund operating costs left unfunded because of these cuts. If there are any remaining Measure R revenues in Long Beach Transit's annual allocation, or regional funds are instead used to backfill the entirety of the STA losses for both the MTA and Municipal Operators, we anticipate pursuing activities which might include a combination of the following, already identified within Long Beach Transit's Short Range Transit Plan (SRTP): increasing bus frequency, adding bus lines or expanding the span of service.
City of La Mirada	The City of La Mirada plans to allocate FY10 Measure R Funds to help backfill losses in local, state and federal funding and to possibly add service hours during peak operating periods.

Agency	Project Description
City of Montebello	Projects to be funded by Measure R 20%: Capital - 8 additional clean fuel expansion buses, upgrade/integrate website and phone system; existing facility/corporate yard upgrades to accommodate administrative building and future bus parking needs; future/next clean fuel bus replacement project; long term modification of fuel island to accommodate a CNG fueling infrastructure for the next clean fuel bus replacement project. Operating - Supplement Lines 40 and 50 with Rapid service lines; connector service improvements for all Gold Line feeder service; fund acquisition and eventual operation of Metro's line 256; increase late night service on all major corridors within the Montebello Bus Lines system as well as to provide supplemental late night service to other operators with the region; Backfill revenue loss resulting from suspension of Phase II fare increase scheduled for FY2010; partial backfill for possible or unforeseen funding shortfalls/budget deficits.
City of Norwalk	Norwalk Transit System intends to spend its portion of Measure R 20% funds for the following: Initially, 1) use funds to backfill for transit funds not received from the State of California (because the state diverted the transit funds for use by other programs), 2) Later - use funds for additional unforeseen operational expenditures, as well as for needed capital expenditures such as a) fuel island improvements; b) bus wash upgrade and relocation, including a clarifier for drainage water; and c) replacement and expansion buses, to better serve the public.
City of Redondo Beach	Addition of three new expansion lines, purchase of additional CNG buses, development of a regional CNG refueling station, and maintenance of the fare freeze
City of Santa Clarita	Santa Clarita Transit is planning to use Measure R 20% Funds for the following: 1) To cover the increased costs associated with the new 3 year (potentially a 10 year) transit contract entered into with MV Transportation on May 1, 2008, for transit maintenance and operation; 2) The Route 8 service will be funded because the JARC grant from MTA will expire this fiscal year; 3) Service Expansion recommendations from the recently adopted Transit Development Plan will be implemented on both local and commuter service.

Agency	Project Description
City of Santa Monica	Big Blue Bus plans on using its FY 2009-10 Measure R Bus Operations funds to offset the shortfall in State Transit Assistance (STA) Funds. The Big Blue Bus' STA Funds are currently used for operational purposes. It is anticipated that even with the use of 100% of our Measure R dollars we will not be able to close the revenue gap without finding additional revenue or reducing service. If, however, there are any remaining Measure R Funds left in our allocation or regional funds are used to backfill Metro and the Municipal Operators STA portions then BBB anticipates pursuing opportunities such as: a) Delaying fare increases b) More frequent service c) Extending bus lines, and d) Longer hours of operation.
City of Torrance	Use portion of Measure R Funds to offset reduced revenue(s) from state and local sources; additionally, consider using Measure R Funding for service improvements and as possible local matching funds for badly needed capital projects (buses).

Measure R

Bus System Improvement Plan (BSIP)

BSIP — Topics to be Addressed

- **Current Service and Performance**
- **Funding Shares of 20% Operating Dollars**
- **Municipal Operator Plans for Measure R Funds**
- **Metro Improvement Recommendations**
 - Clean Fuel Bus Purchases
 - Added Fare Freezes or Reductions
 - Added Bus Lines
 - More Frequent Service
 - Longer Hours of Operation
 - Restructured Bus Lines
- **Plan to Eliminate Structural Deficit**

BSIP – Current Service and Performance

- Updated Performance Monitoring Program
 - Balance between customer mobility needs and service productivity
 - Detailed evaluation of lines by time period and day of week
- FY 2009/Q2 report will be presented in a separate report to Operations Committee



BSIP – Shares of 20% Operating Funds

Estimated from current FAP shares



ALLOCATION OF MEASURE R 20% OPERATING DOLLARS

	% Share	FY2010 Estimate	1st Full Year Estimate
Included Operators	22.7988%	\$16,472,015	\$28,270,464
Eligible Operators	6.1751%	4,461,514	7,657,175
Metro Bus Operations	71.0261%	51,316,071*	88,072,361
Totals	100.0000%	\$72,249,600	\$124,000,000

* Includes \$32M fare increase for FY10

BSIP – Municipal Operator Plans

Most often stated uses for 16 municipal operators:

- Replace lost funding (13)
- Expand existing services (9)
- Buy new buses (6)
- Implement new services (5)



BSIP – Metro Actions

Clean Fuel Bus Purchases

- Six gas-hybrid buses under evaluation
- 260 45-foot composite body buses on order
- 41 45-foot composite buses for Line 910 on order



BSIP – Metro Actions

Added Fare Freezes or Reductions

- Initial Measure R commitment to freeze fare increase for one-year, and senior/disabled/Medicare/student passes for five years
- Long Range Plan assumes 33% fare recovery ratio by 2015
- No additional freezes or reductions proposed



BSIP – Metro Actions

Added Bus Lines

- Potential Rapid routes from mid-program review (Venice, Sunset, Avalon)
- Five New Rapids proposed by Sector Councils (La Brea, Sepulveda, Slauson)
- Seven Point-to-Point lines from Metro Connections study (I-405 corridor)



BSIP – Metro Actions

More Frequent Service

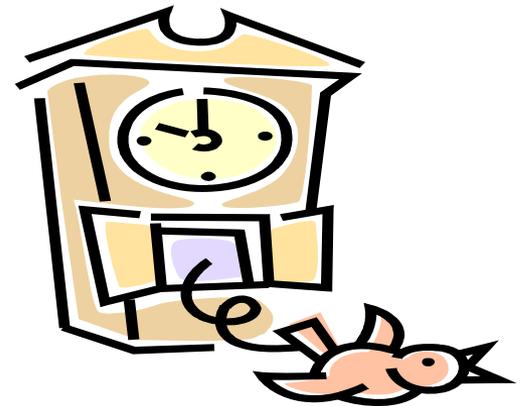
- Wilshire Blvd. to address existing crowding
- Added N/S service in San Fernando Valley
- Consider minimum headways of 30 min. peak/ 45 min. off-peak on Tier 1 routes



BSIP – Metro Actions

Longer Hours of Operation

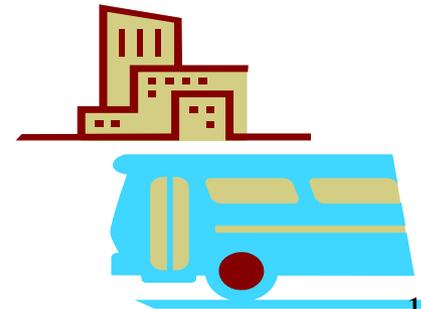
- Consider aligning rail feeder service spans with rail hours of operation



BSIP – Metro Actions

Restructured Bus Lines

- Bus/Rail interface under development for Expo Phases I and II
- Potential Orange Line express operation
- LACBD restructuring
- On-Time performance improvements



BSIP – Elimination of Structural Deficit

Strategies to be explored

- Bus speed improvement
- Excess capacity reduction
- Route streamlining
- Service reallocation
- Improved on-time performance



BSIP – Discussion

