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November 14, 2018

TO: BOARD OF DIRECTORS

THROUGH: PHILLIP A. WASHINGTON *PAW*
CHIEF EXECUTIVE OFFICER

FROM: JOSHUA SCHANK *JJS*
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SUBJECT: MOBILITY ON DEMAND PILOT

ISSUE

In October 2018 the Board directed staff to negotiate the cost for increasing the size of the North Hollywood catchment area for the Mobility on Demand first and last mile pilot to include Hollywood Burbank Airport (BUR).

BACKGROUND

During the October 2018 Board Meeting, Director Barger emphasized the importance of providing vital first and last mile connections to the Burbank Airport and suggested that the Mobility on Demand service could potentially serve as an additional first and last mile service for Burbank Airport passengers needing access to the North Hollywood Red Line station. Staff worked with Via, Metro's Mobility on Demand partner, to determine what the expanded catchment area would look like, what line items of the budget would be impacted, and negotiated the added cost to the contract.

DISCUSSION

The North Hollywood station catchment area would need to expand by roughly 5 square miles to include Hollywood Burbank Airport (BUR). It would cost between \$683,192 to \$716,392 to service this additional area for the 12-month pilot. This amount includes an additional \$22,295 risk-sharing contribution from Via.

Burbank Airport's pick-up and drop-off point for transportation network companies (TNCs) like Via is at the south-east corner of the airport, across from

Terminal B. Even though Burbank Airport is less than a mile from the existing catchment area, the area needs to be expanded by roughly 5 square miles to accommodate the airport. This is necessary to retain a user-friendly shape that is easily understood to customers, and to allow multiple route options for travel between Burbank Airport and North Hollywood station.

An expansion of the catchment area will increase contract costs related to standard driver hours, driver registration, rider acquisition, and insurance. Via estimates that the cost increases would amount to between \$683,192 to \$716,392 for the twelve-month pilot. A range is provided because the exact amount of additional insurance coverage and additional accessible vehicle driver hours would still need to be determined.

Should LA Metro move forward with the expansion, Via has agreed to make an additional risk-sharing contribution of \$22,295 for the expanded catchment area. This amount reflects estimated demand for service in the zone. This is based on utilization that Via typically sees in airport rides in their consumer markets and then further narrowed because this service would only provide rides for passengers traveling between BUR and the North Hollywood Red Line station. Based on the lower estimated demand, Via is willing to risk share at a .5x utilization rate per driver hour compared to the 3x utilization rate they have agreed to in the three original catchment areas.

Considerations

The purpose of the Mobility on Demand pilot is to test whether providing first and last mile service to/from Metro's existing fixed-guideway facilities can increase transit ridership. The scenario of an expanded catchment area still requires the North Hollywood station to serve as either the origin or destination for the Via service. Customers who are traveling from Burbank Airport would only be able to use the Via service to travel to North Hollywood station. Customers coming from the North Hollywood Station could use the Via service to travel to Burbank Airport, or any other destination within the catchment area. This limitation will likely impact the number of rides originating from the Burbank Airport. Staff did not negotiate a cost scenario for adding Burbank Airport as a dual anchor, which would be considerably more expensive and outside the scope of the FTA pilot.

Anticipated demand for Via rides traveling between North Hollywood Station and Burbank Airport is low. While data demonstrating the actual utilization rate of Via rides traveling between North Hollywood Station and Burbank Airport do not exist, the available data on existing transit ridership near and around Burbank Airport, including service operated by BurbankBus, Metro Bus, and Metrolink, suggest any additional demand to be low. BurbankBus operates a fixed route option that connects the North Hollywood station with the Burbank Airport. From July 2018 to August 2018 the line averaged 18 boardings per service hour on the entire line. Metro Bus operates service near and around BUR, but there is no direct Metro Bus service connecting North Hollywood station with BUR. Lines

that serviced the Burbank Airport – North station averaged 61 daily boardings in September 2018, and lines that serviced the Regional Intermodal Transportation Center (RITC) averaged 46 daily boardings in September 2018.

Impact to Pilot Timeline

If Metro increases the North Hollywood catchment area by 5 square miles to include the Burbank Airport, the contract with Via would have to be amended to raise the not-to-exceed amount from \$2,506,410 to \$3,245,097. Additionally, given an increase in project scope, there may be some impact to the current pilot timeline. Should a decision be made to expand the catchment area, Via will need to begin work for a second dedicated accessible vehicle to be available in the North Hollywood catchment area. However, it is unlikely this second accessible vehicle will be ready by the January 28, 2019 launch. Thus, the service can launch on January 28, 2019 without the second accessible vehicle, or the expanded zone can launch once the second accessible vehicle is available a few weeks later. Depending on demand in the first few weeks, there is the possibility that accessible vehicle service will not meet target wait times in the beginning weeks of launch.

Current Transit Options

Currently, BurbankBus operates a Metro-funded fixed route option that connects the North Hollywood station with the Burbank Airport over 8 stops. It runs Monday through Friday, 5:30am to 10:30pm, every 15 minutes in the peaks and 20 minutes off-peak. In a comprehensive operational analysis done by BurbankBus, they noted that the bulk of activity originated at the North Hollywood station, with the airport stop having considerably fewer boardings and alightings. However, the airport stop still ranked second out of all other stops. This is frequent service that has dedicated Metro funding for at least two more years through the I-5 mitigation project.

Future Transit Alternatives

Metro is currently in the planning and design phase of the MicroTransit Pilot Project, which aims to deliver an on-demand service operated by Metro in 2019. The project, one of the 28 by 2028, is also being led by the Office of Extraordinary Innovation and closely coordinated with Metro's Operations. The project is comprised of two parts, Part A is a data-driven design phase to identify and validate demand for the new service and Part B, is the implementation of the service itself. Part A, the data-driven planning phase includes three private sector teams performing a detailed analysis of potential customer demand for technology enabled services. This is set to be completed in January 2019. Based on the work completed to-date, Metro staff anticipates major trip generators including airports such as the Hollywood Burbank Airport could be selected for a 2019 deployment of the Metro operated service.

Recommendation

Given the design of the Mobility on Demand pilot, in which the North Hollywood station serves as the anchor for all Via trips in the catchment area, the expansion to include Burbank Airport will not effectively serve many first and last mile trips for the airport. This limitation, coupled with the increase in contract costs of at least \$683,192, is likely not worth the limited additional mobility benefit. Metro staff proposes evaluating the expansion of Mobility on Demand following one year of revenue operations with Via. At this point, the project team will have sufficient data to reassess the catchment areas and the Board will have an option to extend the contract.

NEXT STEPS

No further action on this item is needed