

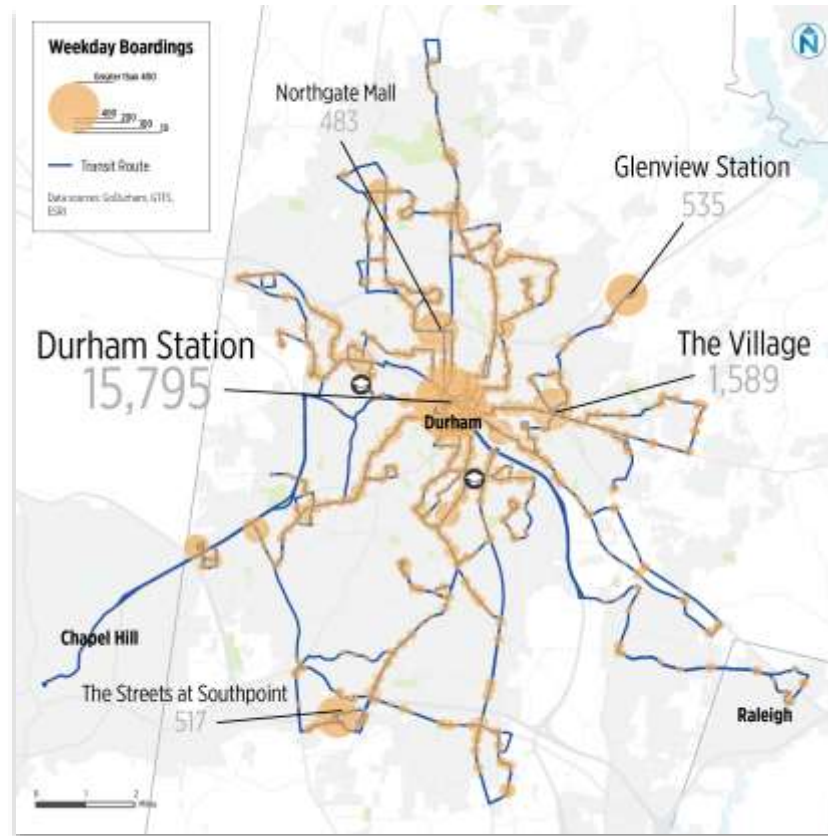


Short Range
Transit Plan
City Council
Budget Retreat

SHORT RANGE TRANSIT PLAN

Opportunities & Challenges

Extensive public outreach, data analysis, and proposal refinement led to the development of the Preferred Service Option. Reductions in state funding, a rise in the cost of service provision, and losses in fare revenue made it necessary to alter the final Preferred Service Option to achieve overall savings while also meeting service improvement goals.



- ▶ Improving Reliability
- ▶ Increasing Frequency
- ▶ Reducing Cost



Public outreach to identify customer service improvement priorities.



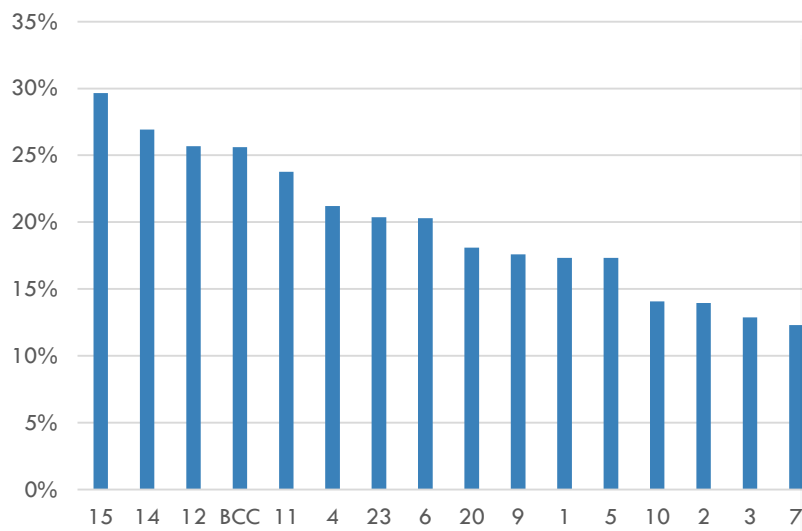
Combine data and survey results to craft service improvement proposals.



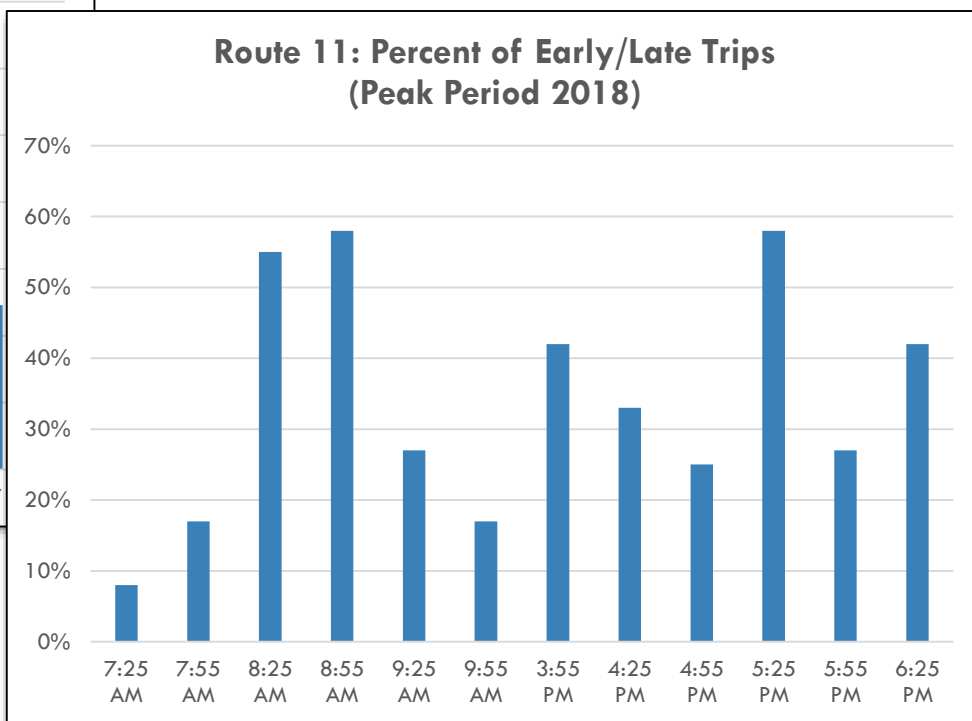
Strategic service adjustments to address budget challenges while improving service.

Improving Reliability is Important for Riders

On-Time Performance: Percent of Early and Late Trips (2018)



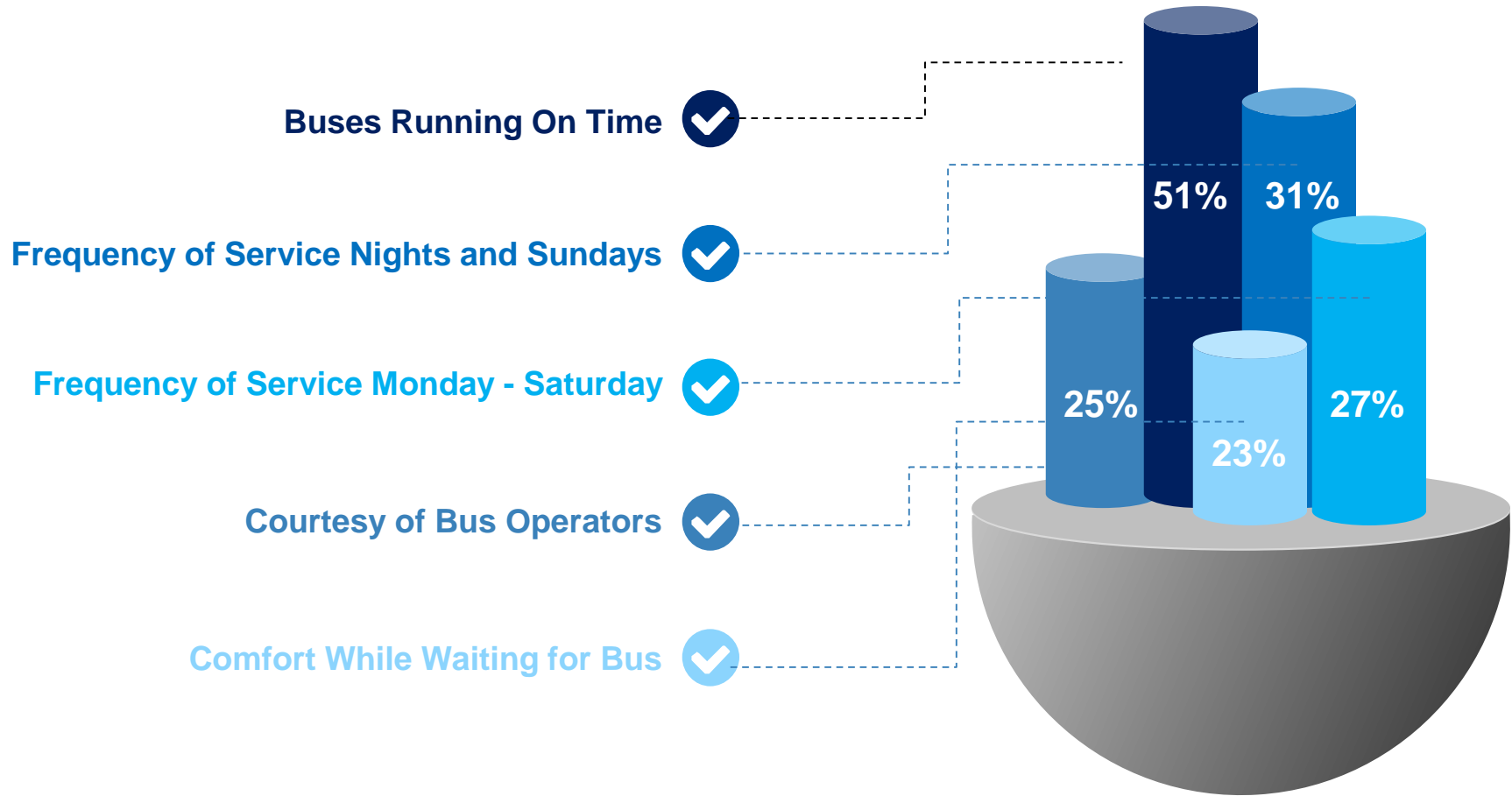
Route 11: Percent of Early/Late Trips (Peak Period 2018)



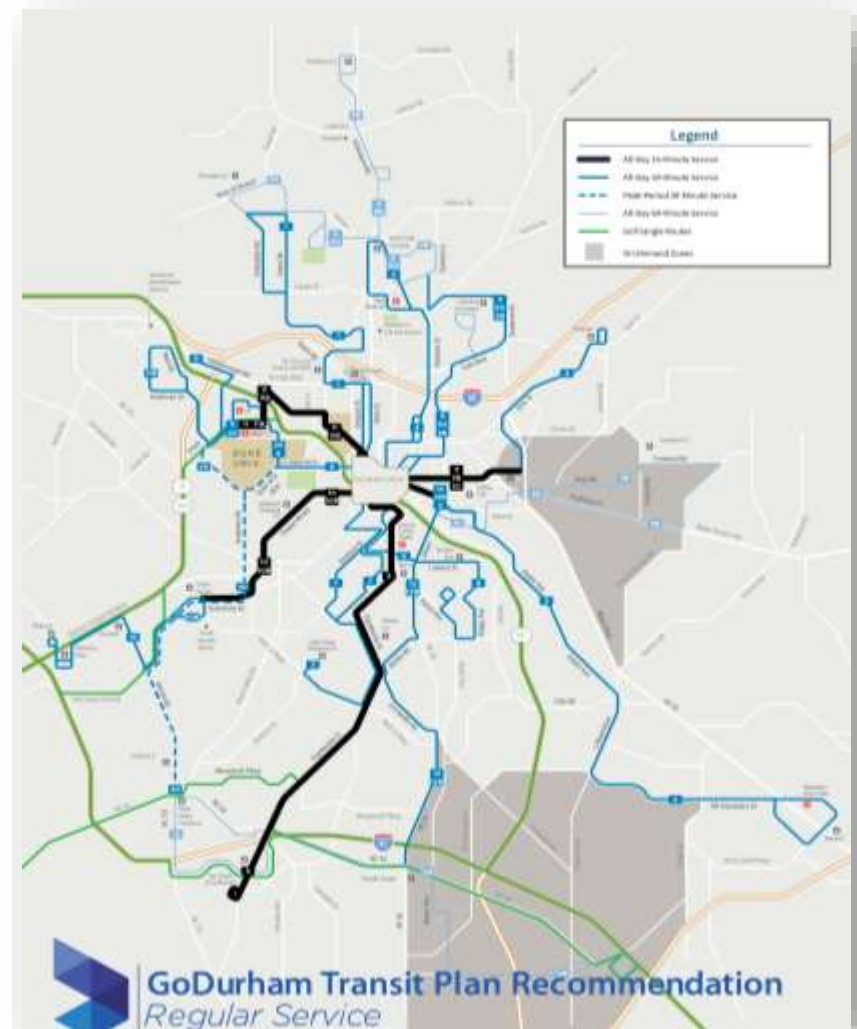
Chronic On-Time Performance Issues

Frequently late trips affect passengers' ability to make connections at Durham Station.

Improving Reliability is Important for Riders

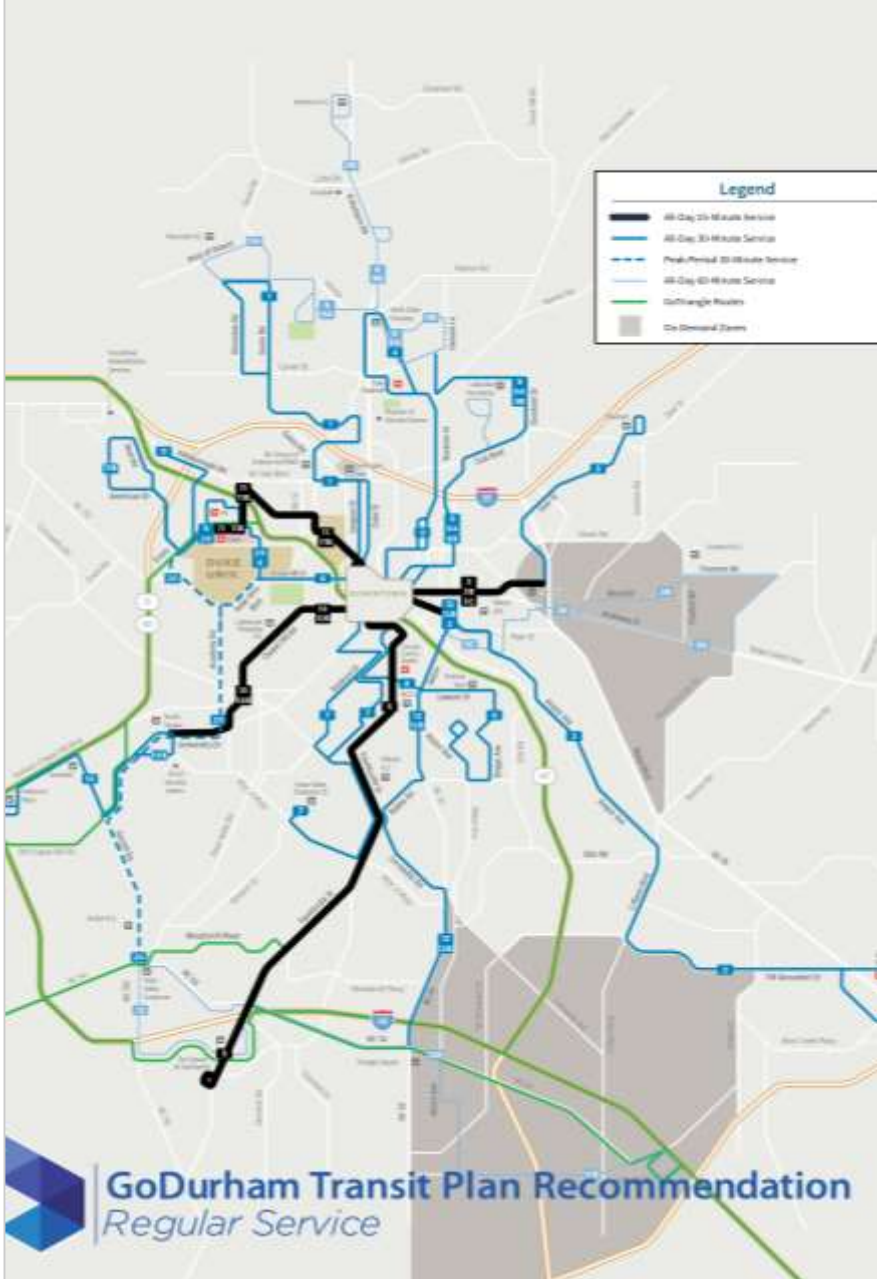


Existing Service and Preferred Option



SHORT RANGE TRANSIT PLAN

Preferred Option



Improved Reliability – Including routes with chronic on-time performance issues



Extended High Frequency Service Network – New destinations with service every 15 minutes: Streets at Southpoint, Duke/VA Hospital, and E. Main Street (to Alston Ave)



Simplified Service – Fewer route variations and deviations



Expanded Sunday and Weekday Evening Service – Destinations with service every 30 minutes: The Village, Duke/VA Hospital, and E. Main Street (to Alston Ave)

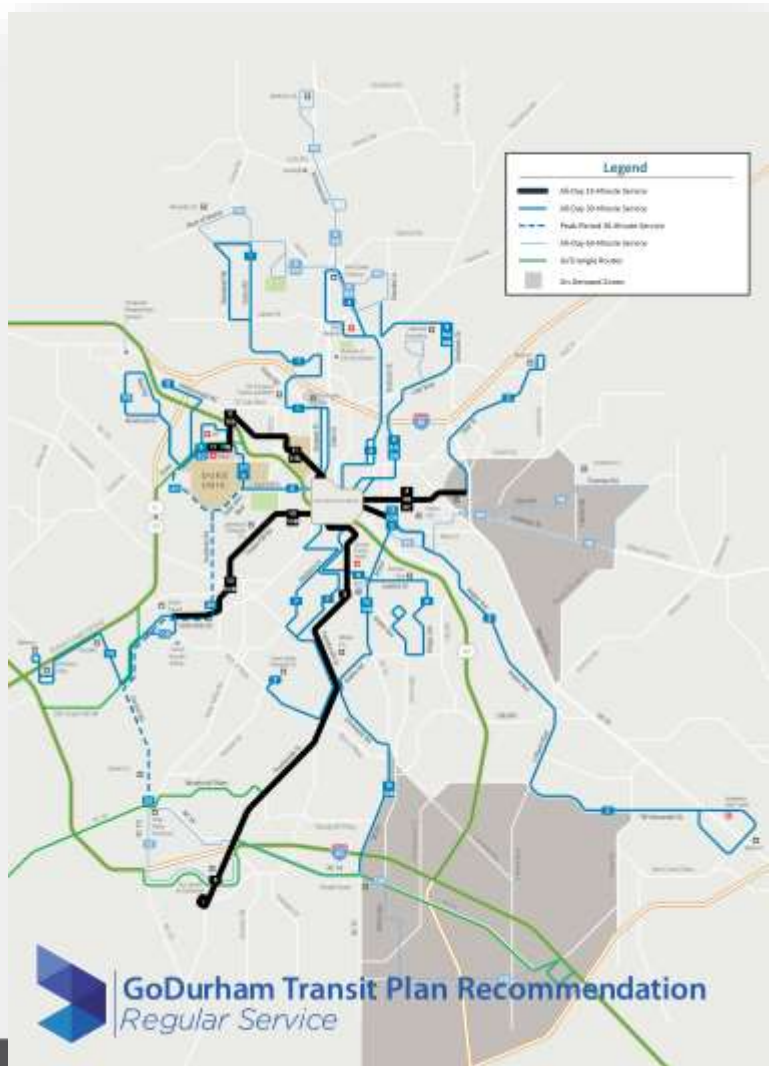


More Direct Service to Major Destinations – Connecting East Durham to RTP, Southpoint, and Brier Creek

Although No
Longer Fare
Free, Service
Will Improve in
BCC Corridor.



Guidelines to Address Original Funding Shortfall



- Maintain system integrity
- Impact least number of customers
- Focus on productivity and cost
- Maintain Coverage
- Social Equity

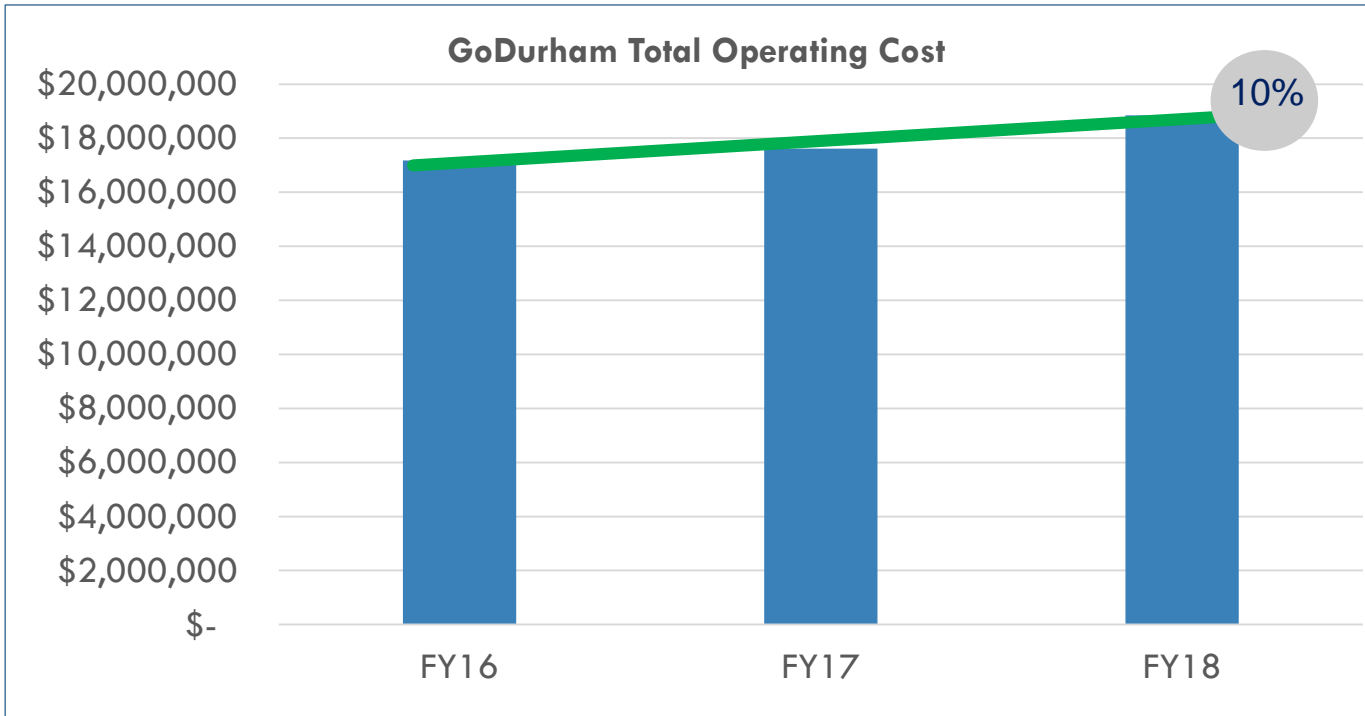
Preferred option with strategic service reduction

Reduced Route 20	Early Morning Trip Reduction	Administrative	Total
948 Revenue Hours	991 Revenue Hours	Onboard Ads Durham Station Ads Run Cutting Software	1,939 Revenue Hours
\$95,748	\$100,091	\$175,000	- 20,270 ANNUAL BOARDINGS
			\$302,031

ON DEMAND ZONE

A new Uber/Lyft on-demand zone is proposed as part of the Preferred Option. The full savings listed above is inclusive of the estimated on-demand program annual cost of **\$68,808.**

Increasing Costs



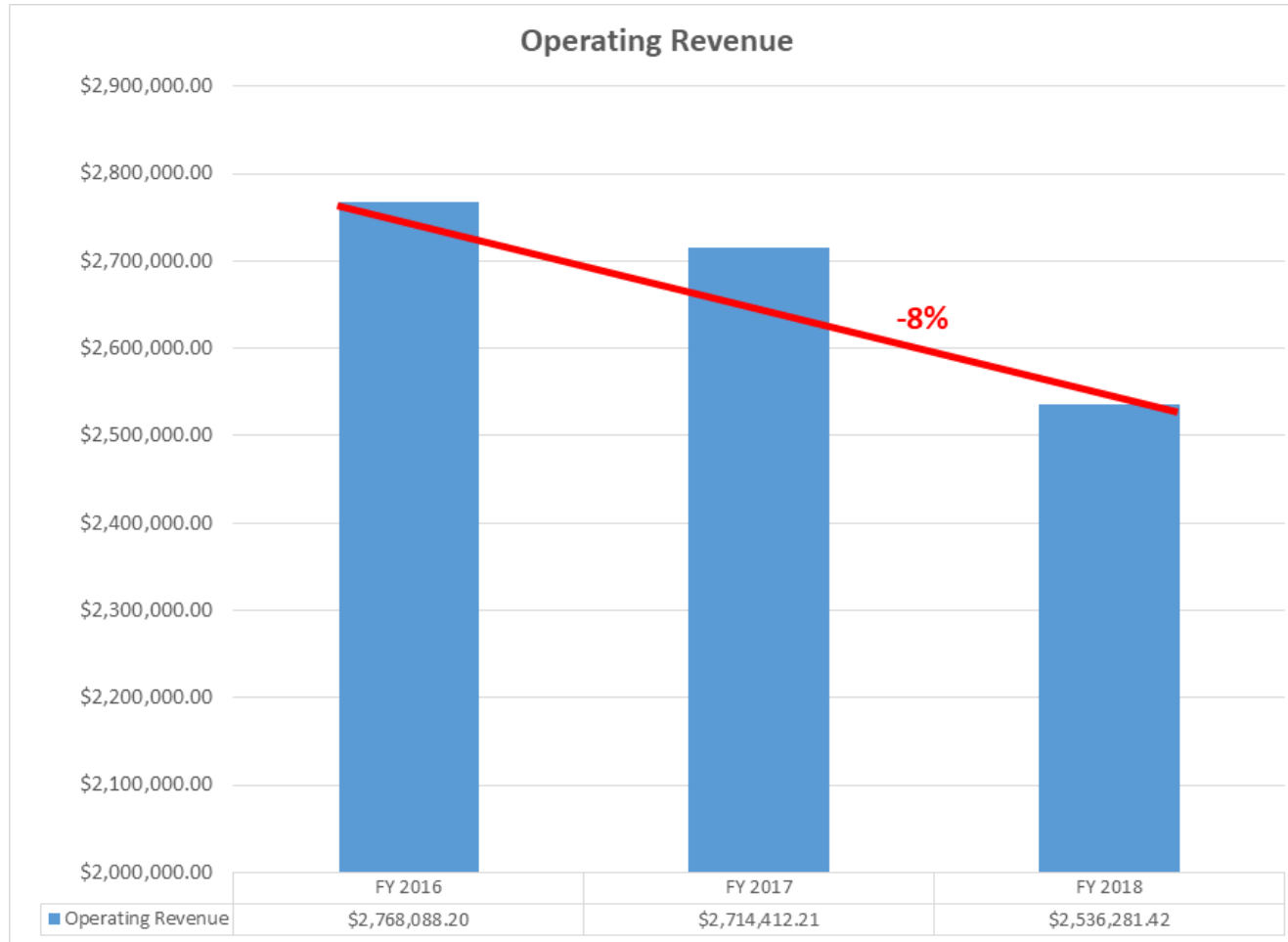
Inflation, pension, insurance, paratransit trips, etc...



Typical transit system administrative and operational costs increase annually.

Paratransit expenses grew in 2017 and 2018 due to wage increases compatible with the City's livable wage policy. FY19 has seen a 7% ADA ridership increase as clients transfer from County-funded service to City-funded.

Decreasing Revenue



Operating Revenue

Includes:

- Farebox, GoPass,
- Advertising, and Vending
- Machine Revenue

Decreasing Revenue

Distribution of GoDurham Boardings by Fare Type:

Boarding Type	FY18	FY19
Free (Including GoPass)	26.4%	30.2%
Fare or Pass	73.6%	69.8%

Factors Contributing to Revenue Decline:



Youth GoPass revenue loss more than anticipated

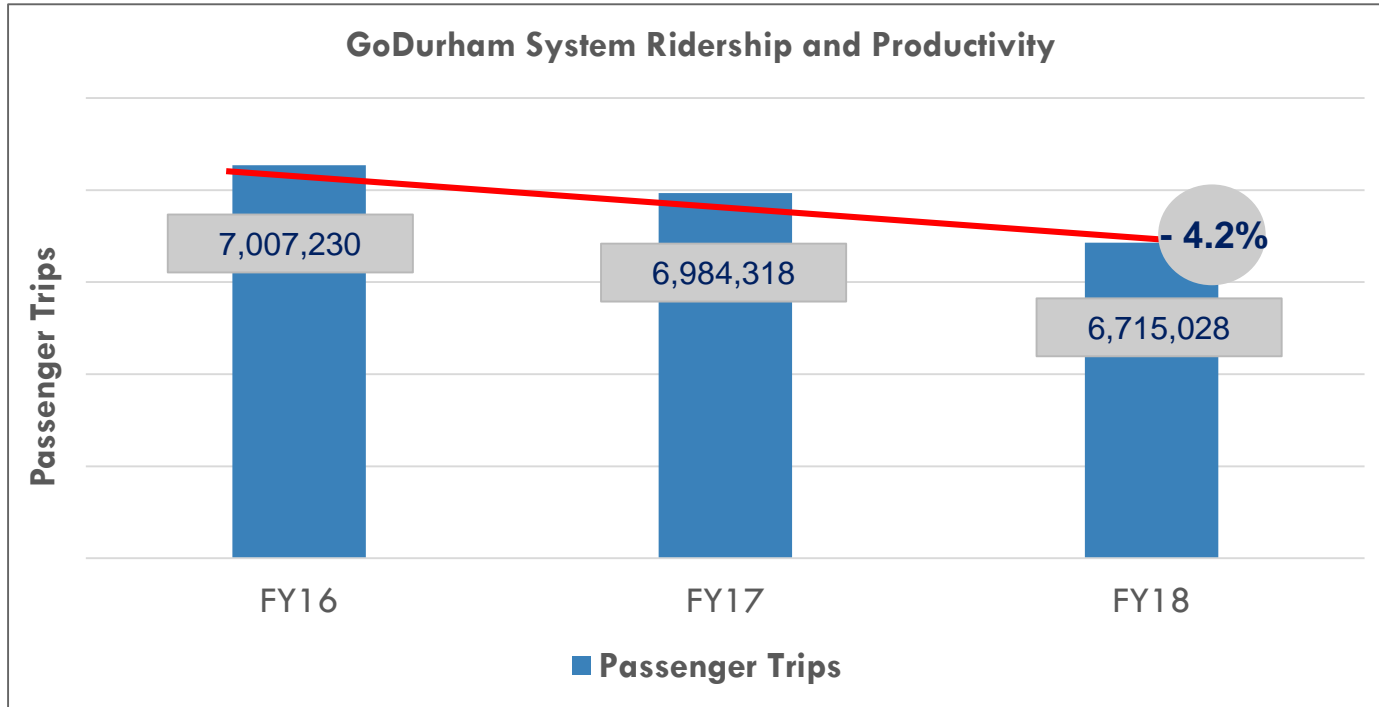


Ridership decrease



Increase in free boardings among 65 & Older passengers

Decreasing Ridership



National trend of declining ridership



GoDurham is highly productive for a system its size, but not immune to the decline in ridership experienced by many transit agencies nation-wide.

FY20 Budget Shortfall

	Equivalent Service Hours	Current Passengers Per Hour	Passengers Affected Annually	Estimated Lost Revenue
Budget Deficit				
\$2,050,000	19,612	33.4	655,040	\$203,063
Deficit Inclusive of Lost Revenue				
\$2,253,063	21,554	—	719,904	\$223,170
			(10% of Total Ridership)	

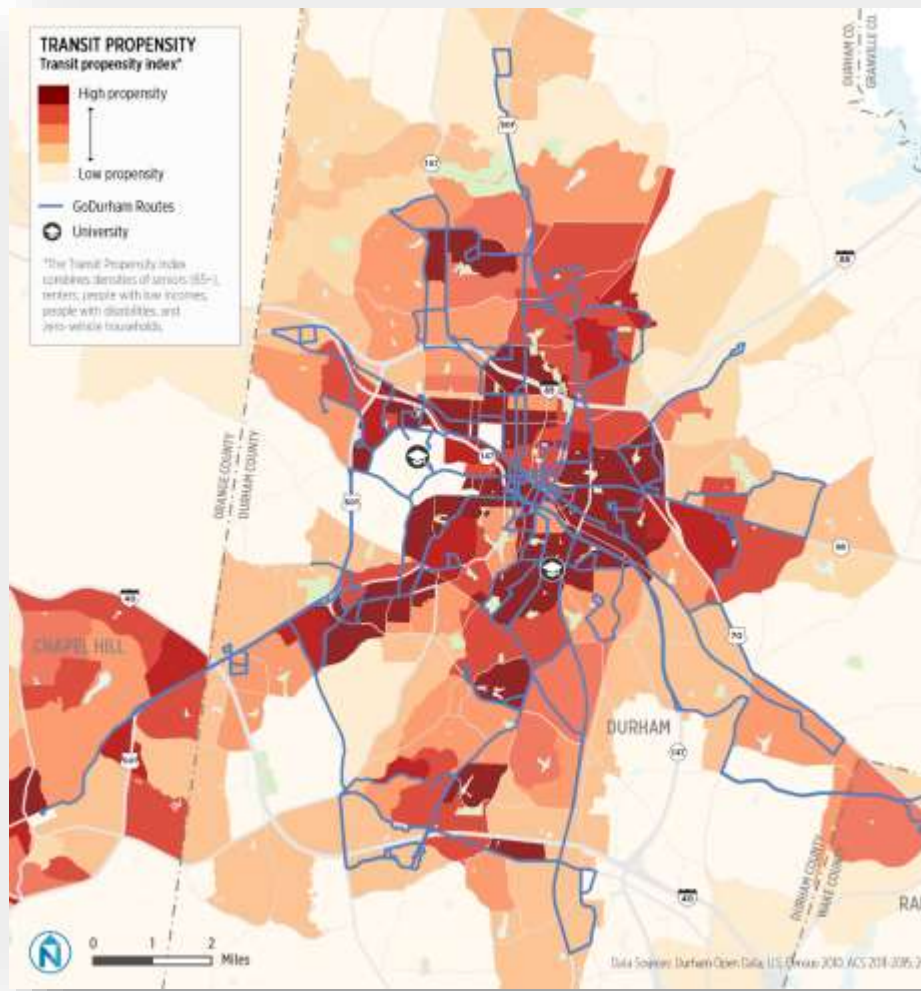


Deficit inclusive of targeted service reduction analysis



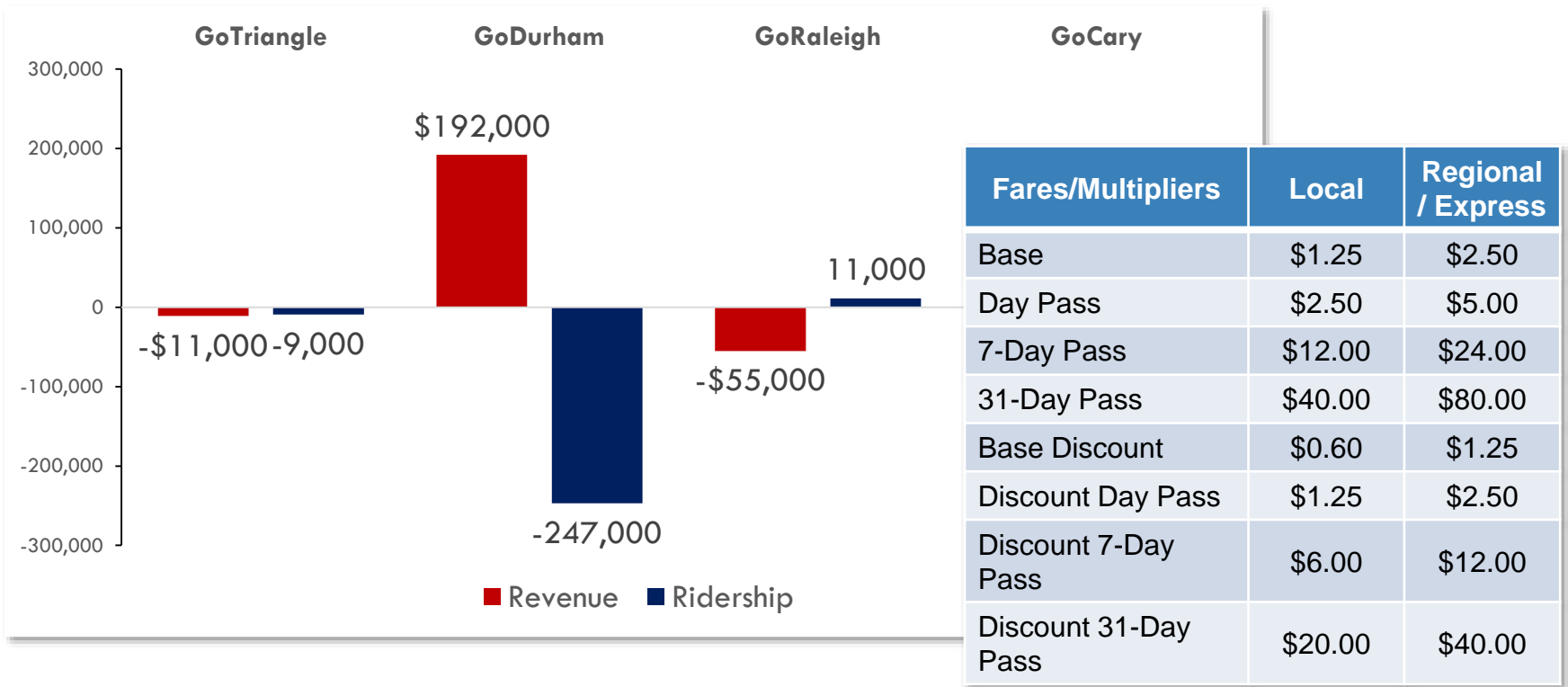
Additional savings could be realized through policy changes

GoDurham's Fares are Lower than Peers



Peer Agency	Local Fare
GoDurham	\$1.00
GoRaleigh	\$1.25
GoCary	\$1.50
Charlotte (CATS)	\$2.20
Richmond (GRTC)	\$1.50
Atlanta (MARTA)	\$2.50
Nashville (MTA)	\$1.70
Minneapolis (Metro)	\$2.00-\$2.50

Raise Fares/Fare Capping



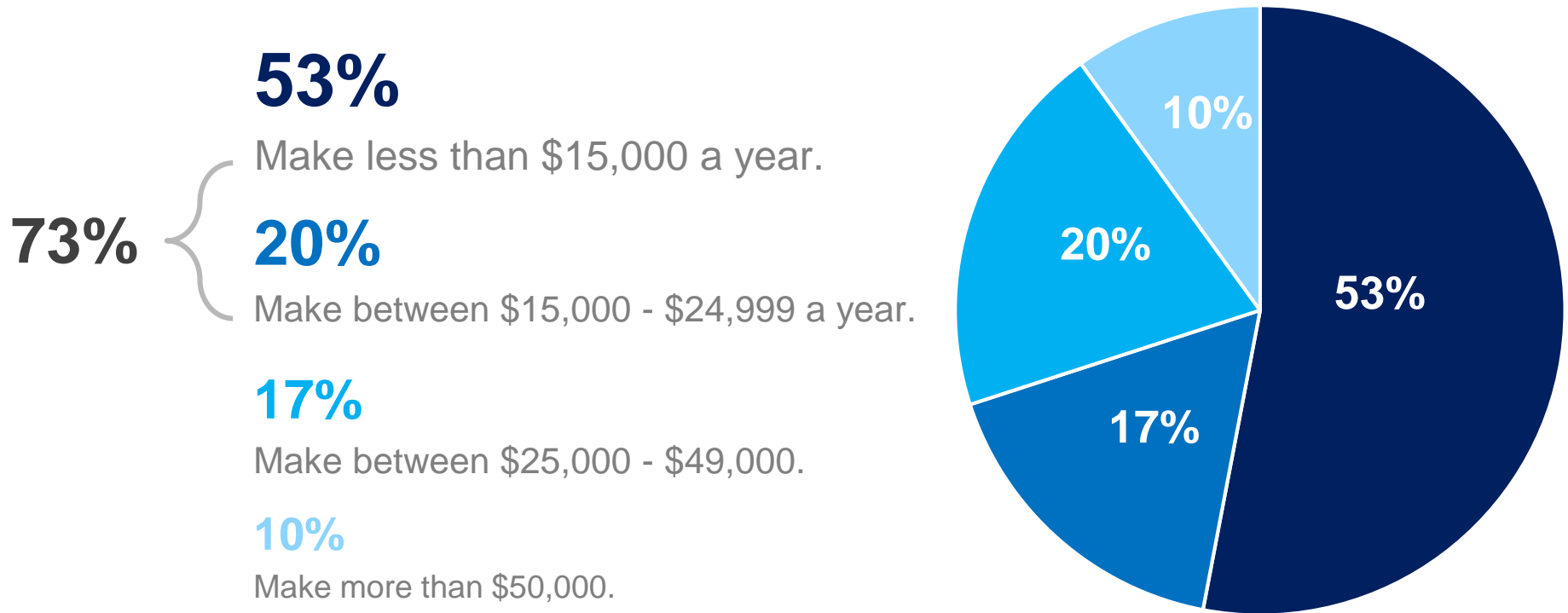
Mobile ticketing, fare capping, and a revenue increase.

Raising fares to \$1.25 covers any loss in revenue due to fare capping and results in an overall revenue increase that could fund mobile ticketing validators on all GoDurham vehicles (\$122,000). Even with a fare increase, passengers paying for day passes every day would end up paying less than they do now with the implementation of fare capping.

GoDurham is Affordable if it is Reliable

Higher cost for low-income customers.

The majority of riders supplementing their transit trips with Uber/Lyft are below the poverty line.

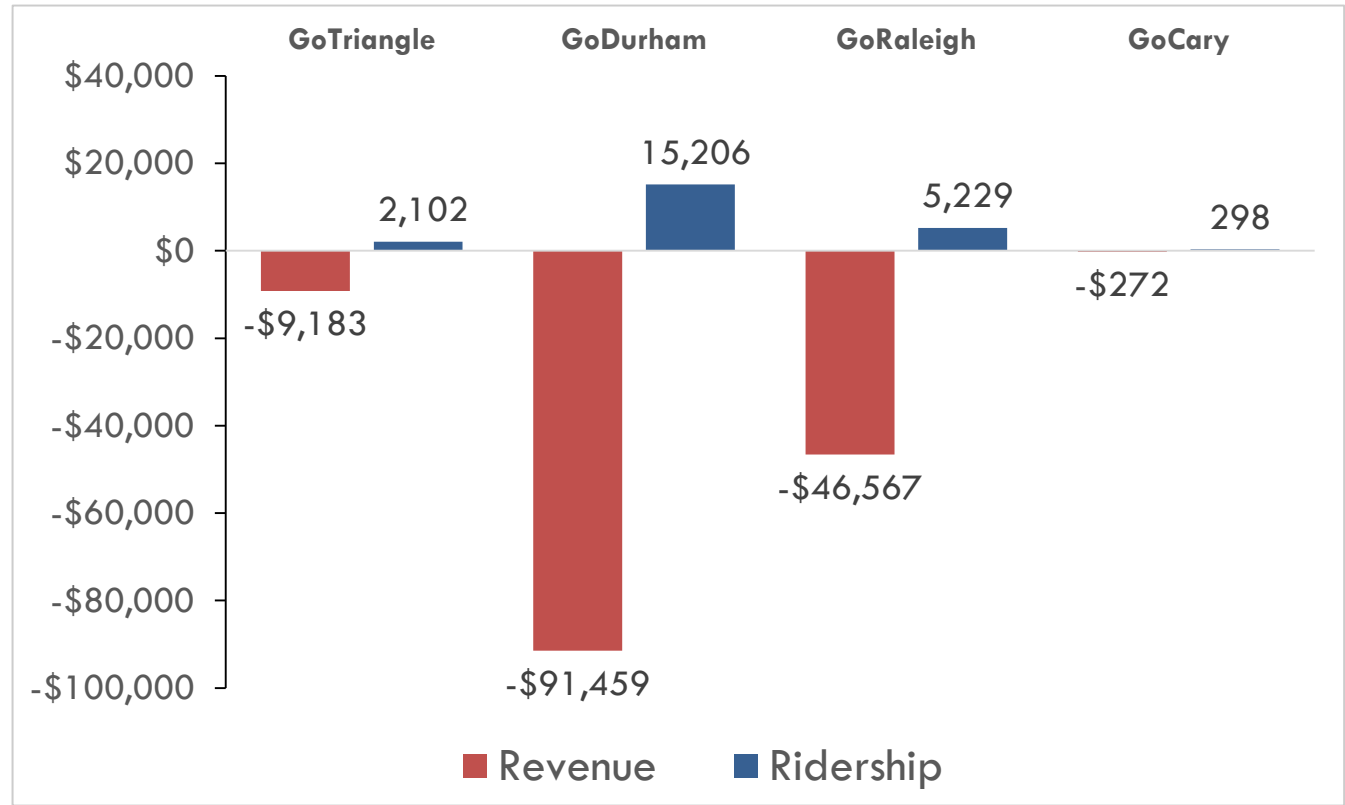


Source: GoDurham Customer Satisfaction Survey, 2017

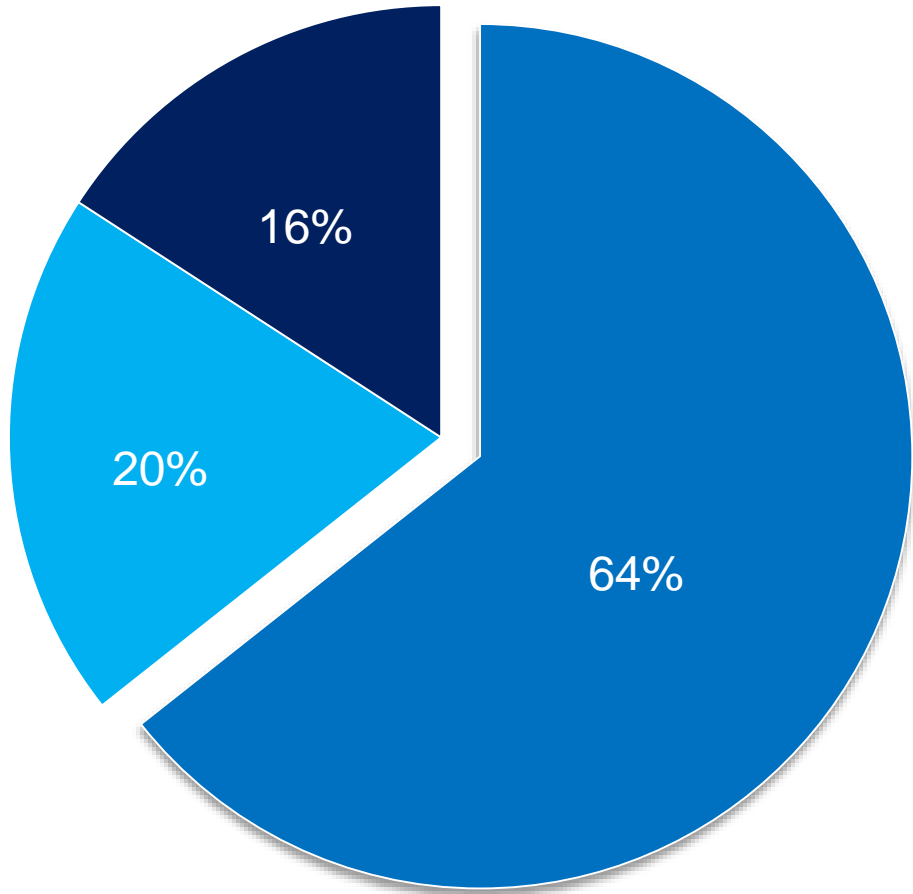
Fare Capping Ridership/Revenue Impacts

Revenue Loss if fares remain \$1

Passengers paying for a single trip/day pass every day will save money with fare capping, which causes a loss in revenue for GoDurham if fares remain \$1.



Who Benefits from Fare Capping

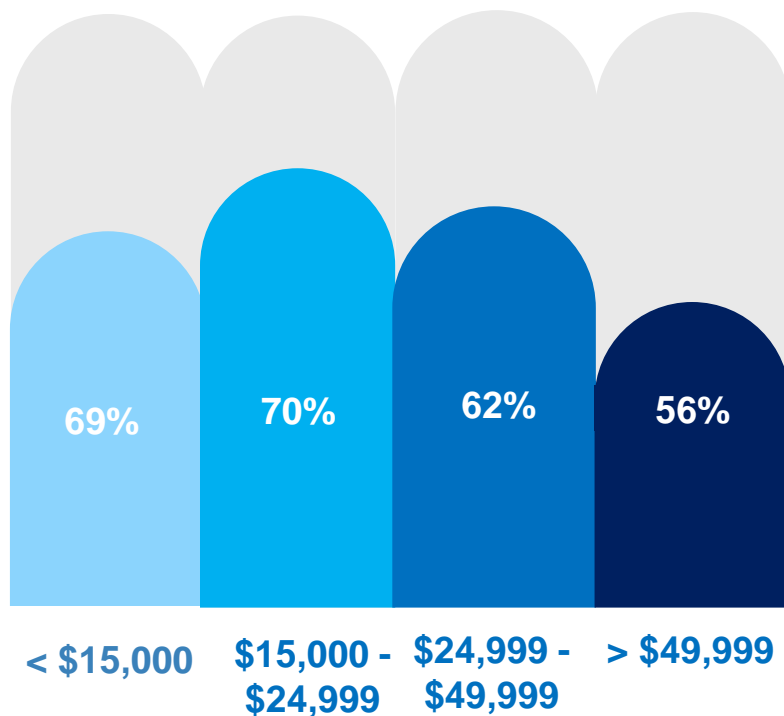


Pass Usage by Type

Short-Term Pass Passengers buying a Single-Trip or Day Pass.	40%
Longer-Term/Prepaid Pass Passengers buying a 5-day or 31-day Pass.	20%
GoPass	16%

Who Benefits from Fare Capping

Short-Term Pass Purchase by Income Level



Smart Phone Usage

According to the most recent 2017 GoDurham Customer Satisfaction Survey, 62% of passengers have a smart phone (91% report owning a cell phone).

Cost of Mobile Ticketing

Installing electronic validators on all GoDurham vehicles would cost an estimated [\\$122,000.](#)

Further Addressing Shortfall Through Policy

GoDurham ACCESS “City-Wide” Paratransit Policy:



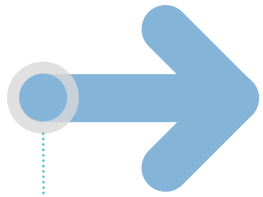
The City of Durham currently has a policy that ADA-eligible clients can use the GoDurham ACCESS services if their origin and destination are within the Durham city limits. This policy goes beyond what is required by [US Code: Title 49. Transportation, Subpart F, §37.131](#), which is three-fourths of a mile radius around fixed routes.

Currently, 10% of the GoDurham ACCESS ADA trips begin and/or end beyond three-fourths of a mile of a fixed route. This will equate to approximately 14,800 trips in FY20. Based on the projected cost per trip in FY20 (\$24.59), the City could save up to approximately **\$364,000** by changing their policy.

Further Addressing Shortfall Through Policy

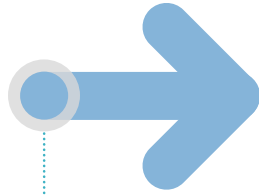
		Current: \$2.00 Fare	Scenario 1: \$2.25 Fare	Scenario 2: \$2.50 Fare
Service Policy	City-Wide Service Area			
	Projected Ridership	150,564	144,918	139,272
	Projected Revenue	\$214,337	\$231,869	\$247,904
	Projected Expenses	\$3,575,601	\$3,441,799	\$3,307,703
	¾-Mile Service Area			
	Projected Ridership	135,658	130,571	125,484
	Projected Revenue	\$192,635	\$208,914	\$223,361
	Projected Expenses	\$3,221,881	\$3,301,061	\$2,980,240

Next Steps



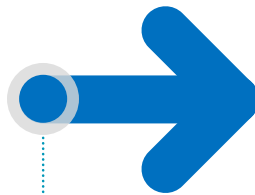
March-April 2019

Refine proposal and provide update to Council. Get Council direction and perform additional analysis/make any necessary changes to SRTP.



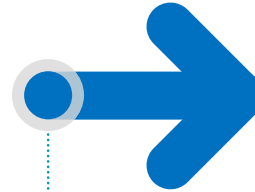
May-June

Perform additional public outreach based on proposed changes to SRTP.



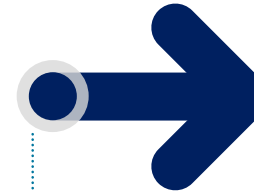
July

Council Approval.



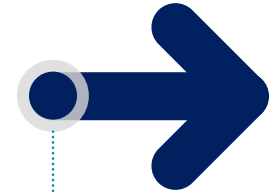
Aug-Oct

Develop service change and marketing materials.



Nov-Dec

Service change outreach.



January

Full Implementation of SRTP.

Transit Multi-Year Projection

Fiscal Year	Proposed FY 2020	Projected FY 2021	Projected FY 2022	Projected FY 2023	Projected FY 2024	Projected FY 2025
TRANSIT FUND						
REVENUES						
PASSENGER REVENUE	2,298,425	2,302,712	2,307,084	2,311,544	2,316,094	2,320,734
NEW SERVICE REVENUE	3,376,941	3,525,536	3,387,546	3,242,333	3,339,295	3,439,165
MISCELLANEOUS REVENUE	278,626	304,927	312,447	308,192	352,170	324,387
FEDERAL	5,843,157	8,498,715	4,801,425	5,396,624	4,890,596	5,557,391
STATE	2,369,877	2,894,902	2,455,976	2,530,375	2,454,621	2,550,470
LOCAL REVENUE	13,526,390	13,903,327	14,291,010	14,689,752	15,099,873	15,521,702
TOTAL REVENUES	27,693,416	31,430,118	27,555,488	28,478,821	28,452,648	29,713,848
APPROPRIATIONS						
TOTAL FIXED ROUTE SERVICE	21,052,571	21,684,148	22,334,673	23,004,713	23,694,854	24,405,700
TOTAL PARATRANSIT SERVICE	4,446,576	4,579,974	4,717,373	4,858,894	5,004,661	5,110,023
ADMINISTRATION	2,462,231	2,485,106	2,422,431	2,525,817	2,486,406	2,592,480
TOTAL DEBT SERVICE	235,249	205,778	205,778	205,778	205,778	205,778
TOTAL OPERATIONS	28,196,627	28,955,006	29,680,255	30,595,203	31,391,699	32,313,980
CAPITAL	1,550,939	5,409,794	969,887	1,713,883	956,348	1,914,841
TOTAL APPROPRIATIONS	29,747,566	34,364,800	30,650,142	32,309,086	32,348,047	34,228,821
(SHORTFALL)	(2,054,150)	(2,934,681)	(2,861,227)	(3,277,672)	(3,402,810)	(3,937,347)
EXPANSION SURPLUS (SHORTFALL)	0	0	(233,427)	(552,593)	(492,589)	(577,627)
TOTAL SURPLUS (SHORTFALL)	(2,054,150)	(2,934,681)	(3,094,654)	(3,830,266)	(3,895,399)	(4,514,974)
CURRENT RAX RATE	0.0356	0.0356	0.0356	0.0356	0.0356	0.0356
Additional to Close Gap - Existing Service	0.0068	0.0095	0.0090	0.0100	0.0101	0.0113
Additional to Close Gap - Expansion Service	0.0000	0.0000	0.0007	0.0017	0.0015	0.0017
Total Tax Rate Needed for Specific Year	0.0424	0.0451	0.0453	0.0473	0.0471	0.0486