

STAFF REPORT

SUBJECT: Valley Express FY2008-09 Performance Report and FY2009-10 Funding

MEETING DATE: May 21, 2009

AGENDA ITEM: 9

STAFF CONTACT: Scott Spaulding

RECOMMENDATION:

- A. Receive report from SBMTD on the performance of the Valley Express transit service and approve MTD's request to use unexpended Measure D funds for operation of service in FY 2009-10.
- B. Authorize the Executive Director to negotiate and sign a revised Memorandum of Understanding with SBMTD to operate the Valley Express through June 30, 2010.

SUMMARY:

The Santa Barbara Metropolitan Transit District (MTD) has been operating the Valley Express regional transit service between the Santa Ynez Valley and the South Coast since 2005. The service features commuter-style coaches and operates during peak hours only, south in the morning and north in the afternoon, with pick up locations in Solvang and Buellton and drop off locations in Goleta and Santa Barbara. Originally funded by a three-year federal CMAQ grant that expired in March 2008, the SBCAG board approved \$80,000 in regional Measure D funds in June 2008 to support three daily round trips for one year and required MTD to provide SBCAG with a report to evaluate how the service was performing. Due to higher than expected fare revenue, MTD anticipates the service will only use about half of the \$80,000 in Measure D funds approved for use the current fiscal year and has submitted a letter to SBCAG requesting that the balance of the funds be made available to continue operating the service in FY2009-10. MTD has not requested any additional funding to operate the service next year.

The current Memorandum of Understanding with SBMTD to operate the Valley Express expires on June 30, 2009 and in order to continue operating the service for FY2009-10 using the unexpended Measure D funds the MOU will need to be revised. The revised MOU will include MTD's current system wide hourly cost and a new termination date of June 30, 2010. The Valley Express is an inter-regional transit service and is eligible to receive dedicated funding under the Measure A Inter-Regional transit program beginning in July 2010.

DISCUSSION:

The Santa Barbara Metropolitan Transit District (SBMTD) began operating the Valley Express regional transit service between the Santa Ynez Valley and the South Coast in 2005. There are

Member Agencies

Buellton ■ Carpinteria ■ Goleta ■ Guadalupe ■ Lompoc ■ Santa Barbara ■ Santa Maria ■ Solvang ■ Santa Barbara County

currently three round trips per day, with morning trips picking up commuters in Solvang and Buellton before arriving at the South Coast destinations of Goleta, UCSB and Santa Barbara, with corresponding return trips to the valley during the afternoon peak commute period.

The service was initially funded by a federal CMAQ grant approved by the SBCAG Board in October 2004. Prior to the award of this funding, two Clean Air Express routes serving Santa Maria had morning and afternoon stops in Buellton, providing public transit service between the Santa Ynez Valley and South Coast. Under federal CMAQ program rules, a transit service may be operated with CMAQ funding only for a three-year pilot period. At the time of the Board's approval of CMAQ funding, MTD indicated that at the completion of the Valley Express pilot service, they believed the service would be self-sufficient and not need additional funding resources from SBCAG or other local agencies to maintain operations.

In February 2008, MTD submitted a request to SBCAG to fund all four Valley Express routes for two years, through the end of the Measure D program in 2010. In consultation with SBCAG staff, MTD modified their request to include one year of funding for three routes to improve system performance and to allow the service to be evaluated following the November 2008 election. If Measure A passed, SBCAG could continue the service for an additional "gap" year until Measure A funds became available or, if Measure A did not pass, a service termination plan could be adopted if no other funding could be identified. In June 2008, the SBCAG board approved \$80,000 in regional Measure D funds to operate the service for one year and authorized the Executive Director to negotiate and sign an MOU governing the provision of the Valley Express, including performance standards to evaluate the effectiveness of the service.

Valley Express Performance Measures

MTD has provided data demonstrating that consolidating the service from four routes to three and implementing a substantial fare increase has resulted in improved system performance. Although the service is not currently meeting the performance standards established in the MOU, key system indicators, including passengers per trip and farebox ratio, have increased each year while the subsidy per passenger has decreased. A fare increase in January 2009 improved the farebox ratio and reduced the subsidy per passenger significantly. With continued operation, MTD expects these performance measures to continue improving.

	Fiscal Year			FY2009 Performance Standards	2009		
	2006	2007	2008		July – Dec	Jan - April	YTD
Passengers Per Trip	13.5	15.4	18.5	30	24.2	17.0	21.3
Farebox Ratio	44%	53%	59%	85%	67%	89%	73%
Subsidy Per Passenger	\$4.49	\$3.29	\$2.53	\$0.50	\$1.50	\$0.85	\$1.41

Notes: Valley Express reduced to three routes (from four) in July 2008; fares increased effective January 1, 2009 as follows: Monthly pass: \$120 to \$150, 10 Ride pass: \$35 to \$50, cash fare: \$4 to \$5; 2009 financial information preliminary.

Valley Express Funding for FY2009-10

In April 2009, MTD submitted a letter to SBCAG requesting that unexpended Measure D funds approved in June 2008 for the Valley Express be "rolled over" and made available for FY2009-10 for continued operation of the service. Due to higher than anticipated fare revenue, MTD projects the service will only use an estimated \$45,000 of the \$80,000 to operate the service this year, leaving nearly half of the original amount unused. Staff recommends approving this request and including updated terms in a revised MOU with MTD that will allow the Valley

Express to continue operating through June 2010. The Valley Express, along with the Clean Air Express (serving Lompoc and Santa Maria) and the Coastal Express (operating between Ventura and Santa Barbara counties) will all be evaluated as part of the Measure A strategic plan, and all three services are eligible to receive operating and capital funding under the measure. MTD is not requesting any additional funding for the Valley Express for FY2009-10.

COMMITTEE REVIEW:

None.

ATTACHMENTS

Attachment 1: April 24 letter from Sherrie Fisher, SBMTD to Jim Kemp, SBCAG Executive Director



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April 24, 2009

Mr. Jim Kemp
Executive Director
Santa Barbara County Association of Governments
260 N. San Antonio Road, Suite B
Santa Barbara, CA 93110

RE: "Rollover" to FY 2010 of approved Measure D funds for Valley Express

Dear Mr. Kemp:

The Santa Barbara Metropolitan Transit District (MTD) requests the Board of Directors of the Santa Barbara County Association of Governments (SBCAG) to approve a "rollover" to FY 2010 of the remainder of the regional Measure D funds that the Board approved at the meeting of May 15, 2008 for operation of the Valley Express. The City Councils of both Solvang and Buellton have expressed support for the continuation of the service.

MTD was awarded a Congestion Mitigation and Air Quality Improvement (CMAQ) grant for a three-year pilot program for the Valley Express, an interregional transit service that transports commuters between the Santa Ynez Valley and the South Coast. The CMAQ pilot period ended February 29, 2008. In May 2008, the SBCAG Board approved \$80,000 in regional Measure D funds to subsidize the Valley Express. MTD requests that the SBCAG Board approve the "rollover" to FY 2010 of all of the funds remaining of the \$80,000. (MTD expects that, as of June 30, 2009, approximately \$35,000 will remain of the approved \$80,000 in funding.) In the years following FY 2010, the "Interregional Transit Program" of Measure A is expected to provide funding for the Valley Express.

The residents of the Santa Ynez Valley have demonstrated that there is a need for the Valley Express service, and MTD hopes to continue to meet this need. At the start of the service, MTD was hopeful that the Valley Express would be self-supporting by the end of the pilot program. However, despite substantial growth in ridership, the service still requires a public subsidy to continue. In FY 2009, as of March, the Valley Express has transported an average of approximately 22 passengers per trip. MTD expects that ridership on the Valley Express will continue to grow, as is the case with the other interregional services in the County, the Clean Air Express and the Coastal Express.

Sincerely,

Sherrie Fisher
General Manager