



Board Report

File #: 2021-0228, **File Type:** Project

Agenda Number: 41.

**EXECUTIVE MANAGEMENT COMMITTEE
MAY 20, 2021**

SUBJECT: MICROTRANSIT OPERATIONS FARE STRUCTURE AND SERVICE ZONES

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

CONSIDER:

- A. APPROVING the proposed MicroTransit Fare Structure with the introductory rate of \$1 for the remainder of calendar year 2021 and adopt the \$2.50 full fare effective January 1, 2022 for zones 1-8. Additional zones will be set to full fare once the first six months of Revenue Service Operations has concluded.

- B. APPROVING the service maps for MicroTransit Zones (6-8)

ISSUE

In October 2020, the Board of Directors approved an introductory fare of \$1 for the first six months of Revenue Service Operations for all MicroTransit (Micro) zones. June 13, 2021 will mark the sixth month of operation for our first two Micro zones (Watts/Willowbrook and Inglewood/LAX).

BACKGROUND

By design, MicroTransit is a flexible transit service built in alignment and synchronization with our NextGen Bus Plan. The goals of the service are to retain and grow ridership, to improve customer experience and to invest in workforce training and skill-building.

To date, Metro operates MicroTransit in 5 of 9 zones. Metro staff is on track to stand up an additional 4 zones later this year. The zone launch schedule for the three-year pilot is outlined below.

December 2020

- Watts/Willowbrook
- LAX/Inglewood

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January 2021

- Compton/Artesia
- El Monte
- North Hollywood/Burbank

June 2021

- Highland Park/Eagle Rock/Glendale
- Altadena/Pasadena/Sierra Madre

August 2021

- Northwest San Fernando Valley

September 2021

- UCLA/Westwood/Century City

The agency's on-demand service has been planned to address systemic ridership losses by investing and prioritizing customer experience elements such as public safety, cleanliness, and responding directly to the needs of how women and girls travel on our system.

DISCUSSION

In 2020, MicroTransit Operations assembled an internal working group to develop a recommendation on the MicroTransit Fare Structure. The working group aimed to identify a fare structure that was consistent with Metro's family of services and similar to regional operators such as our paratransit provider Access Services. MicroTransit trips are reported as National Transit Database 5307 demand-responsive.

Participants represented the following departments and business units:

- Office of Civil Rights
- Office of Marketing and Commute Services
- Office of Equity and Race
- Office of Management and Budget
- Transit Access Pass (TAP)
- System Security and Law Enforcement
- Women and Girls Governing Council

As such, Metro staff recommended the full price to be set at \$2.50 per trip, aligned with the fare structure of the Silver Line. As a new on-demand service, MicroTransit is similarly priced to Access Services rates which are \$2.75 per trip for trips up to 19.9 miles and \$3.50 for trips more than 20 miles. In light of the pandemic, the working group recommended an initial introductory rate of \$1

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per trip which was approved by the Board in October 2020 (Attachment A).

As part of current Board action, Metro staff seek an extension of the current introductory rate of \$1 through December 2021 and a roll out of the full fare of \$2.50 in January 2022. A transfer to Metro's fixed-route network (bus and/or rail) will be honored within the full fare of the trip, unless otherwise directed.

To ensure that community members are served in areas that have seen reductions in bus service under NextGen, passengers in Equity Focused Communities in Metro Micro zones will continue to be charged the \$1 rate through December 31, 2022.

Service Maps

Operations staff has closely monitored the impacts of COVID-19 pandemic and has adjusted the MicroTransit service model to support the needs of essential workers as well as new and emerging travel patterns resulting from the rapid growth in telecommuting.

Metro Micro has developed an avid following, with the average user having taken approximately 10 rides on the service since our December launch. As such, Metro staff seeks approval for the three service maps and hours of operations in Attachment B.

DETERMINATION OF SAFETY IMPACT

Customer and operator safety are core to maintaining the highest standards of security and the optimal service design for MicroTransit.

FINANCIAL IMPACT

Moving to the originally proposed fare of \$1.00 per trip will decrease revenue during the promotional rate period. In addition, subject to Board approval of the FY22 Budget, funding of \$39.5M is allocated under cost center 3595 - in support of operations and maintenance activities for the MicroTransit pilot program. Since this is a multi-year project, the cost center manager, Sr. Director, Special Projects will be accountable for budgeting the cost in future years.

Impact to Budget

The current source of funding for this action will come from Proposition C 25% funding. Using this funding source will maximize fund use given designated provisions and guidelines.

IMPLEMENTATION OF STRATEGIC PLAN GOALS

This recommendation supports the following goals of the Metro Strategic Plan:

Goal 1: Provide high quality mobility options.

This contract modification increases the amount of service zones for the pilot project, thus providing access to MicroTransit for a larger part of the population. This service will increase the number of customers to the Metro system by offering more entry points to Metro's family of services.

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Goal 3: Enhance communities and lives through mobility and access to opportunity.

The expansion of the MicroTransit pilot will supplement the agency's bus service and ensure our customers maintain mobility and access to major trip generators including employment centers, health services, parks and schools across Los Angeles County.

NEXT STEPS

Upon Board approval, Metro staff will prepare announcements of coming fare changes, maps for Micro zones, including execution of a comprehensive customer acquisition plan comprised of paid, digital and in-person activities in all Micro zones.

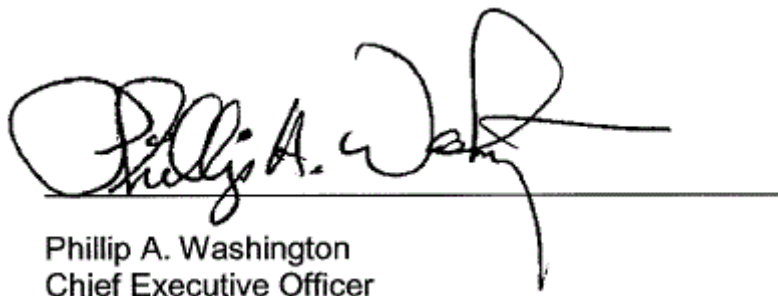
ATTACHMENTS

Attachment A - October 2020 Item # 23 (MicroTransit Fare Structure)

Attachment B - Microtransit Service Zones (Maps and Hours of Operations)

Prepared by: Rani Narula-Woods, Sr. Dir. Special Projects, (213) 922-7414

Reviewed by: James T. Gallagher, Chief Operations Officer, (213) 418-3108



Phillip A. Washington
Chief Executive Officer

Metro



Board Report

File #: 2020-0122, **File Type:** Plan

Agenda Number: 23.

**OPERATIONS, SAFETY & CUSTOMER EXPERIENCE COMMITTEE
OCTOBER 15, 2020**

SUBJECT: MICROTRANSIT OPERATIONS

ACTION: APPROVE RECOMMENDATIONS

RECOMMENDATION

AUTHORIZE the Chief Executive Officer to:

- A. APPROVE the proposed MicroTransit Fare Structure
- B. APPROVE adjustments to Service Zones per the NextGen Bus Plan

ISSUE

- A. Approve the proposed MicroTransit Fare Structure

Metro staff seeks approval of the proposed fare structure including introductory pricing for our new on-demand service, MicroTransit.

In May 2020, Operations assembled an internal working group to develop a recommendation on the MicroTransit Fare Structure.

Participants represented the following departments and business units:

- Office of Civil Rights
- Office of Marketing and Commute Services
- Office of Equity and Race
- Office of Management and Budget
- Transit Access Pass (TAP)
- System Security and Law Enforcement
- Women and Girls Governing Council
- MicroTransit Operations

The working group aimed to identify a fare structure that was consistent with Metro's current offerings and similar to regional operators such as our paratransit provider Access Services.

As such, Metro staff recommends the full price to be set at \$2.50 per trip, aligned with the fare

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structure of the Silver Line. As a new on-demand service, MicroTransit is similarly priced to Access Services rates which are \$2.75 per trip for trips up to 19.9 miles and \$3.50 for trips more than 20 miles. MicroTransit trips have been deemed as eligible for National Transit Database 5307 demand-responsive reporting.

In light of the impacts of COVID-19 on our communities, Metro staff recommends a discount be applied for the first six months of Revenue Service Operations for each service zone launched in calendar years 2020 and 2021. As such, the introductory cost of each MicroTransit trip will be \$1.00 for all customers and will not include a transfer. MicroTransit passes will be sold at the introductory price in all MicroTransit service zones.

Operations staff will report back on a proposed timeline for the implementation of full fare 120 days following the launch of Revenue Service Operations.

B. Approve adjustments to Service Zones per the NextGen Bus Plan

MicroTransit Service Zones as approved at the February 2020 Board Meeting continue to be adjusted to support the buildout of Metro's NextGen Bus Plan.

Initial operations for MicroTransit will consist of up to a 12-hour service span, up to 7 days per week. Upon launch, hours of operation will be 7am-6pm Monday to Friday and 8am to 4pm on Saturday and Sunday in the Watts/Willowbrook service zone and 5am to 10am and 2pm to 7pm Monday to Friday in the LAX/Inglewood service zone.

MicroTransit is featured within Metro's NextGen Bus Plan recommendations and was presented as part of Metro's public hearings held in August 2020.

BACKGROUND

In light of the COVID-19 pandemic, which has resulted in new travel patterns across our fixed-route transit network, Metro staff is preparing for the roll out of MicroTransit Operations in alignment with Metro's NextGen Bus Plan.

By design, MicroTransit is a flexible transit service built in alignment and synchronization with our NextGen Bus Plan. The goals of the service are to retain and to grow ridership for Metro while improving the customer experience for current and future riders of the Metro network.

As approved in February 2020, the agency's on-demand service will allow Metro customers to order trips on the new service and to connect to our bus routes and train lines using internet browsers, mobile applications and our in-house call center. MicroTransit has been planned to address systemic ridership losses by investing and prioritizing customer experience elements such as public safety, cleanliness, and responding directly to the needs of how women and girls travel on our system. MicroTransit will make rideshare a viable mode for many communities which may not be able to afford the cost of privately operated services.

Metro staff is currently preparing to launch MicroTransit in the six unique service areas listed below:

- Watts/Willowbrook
- LAX/Inglewood

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- Northwest San Fernando Valley
- Highland Park/Eagle Rock/Glendale
- Altadena/Pasadena/Sierra Madre
- UCLA/Westwood/Century City

Operations staff has closely monitored the COVID-19 pandemic and has adjusted the MicroTransit service model in order to safely operate while still serving the transportation needs of vulnerable populations and disadvantaged communities. Operations will fully comply with all safety protocols to ensure that the risk of COVID-19 is minimized for both employees and customers.

In an effort to adjust and respond to evolving State and County directives, Operations staff ran on-street testing in this new operating environment. Testing was run with virtual customers and Metro employees in partnership with technology partner RideCo and vehicle partner Access Services in the summer of 2020. Additional testing will be conducted throughout the fall.

The technology being utilized and developed in this pilot continues to be a highly effective means to adjust public transit to be responsive to an evolving operational environment, including essential trips.

Revenue Service Operations remain on track to launch in December 2020 in the Watts/Willowbrook and LAX/Inglewood service zones.

FINANCIAL IMPACT

The revenue and funding sources will be finalized during future budget processes.

NEXT STEPS

MicroTransit Operations will continue to advance at pace with our NextGen Bus Plan. As a tool of NextGen, MicroTransit will be reviewed and service zones potentially reconfigured to best support the roll out of our systemwide changes to transit operations

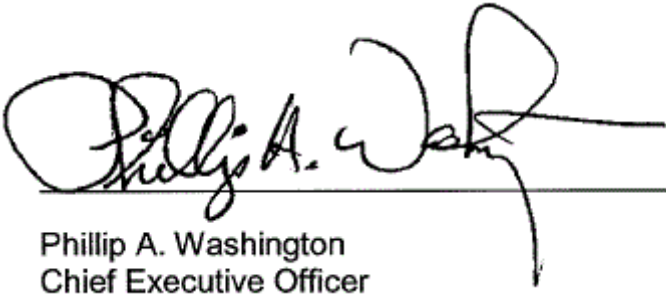
Metro staff will continue to pursue funding at local, state and federal levels as well as sponsorship, private financing and related methods for revenue generation.

Prepared by: Rani Narula-Woods, Sr. Director of Special Projects, (213) 922-7414

Reviewed by: James T. Gallagher, Chief Operations Officer, (213) 418-3108

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Phillip A. Washington
Chief Executive Officer

MicroTransit Pilot

Overview

By design, MicroTransit is a flexible transit service built in alignment and synchronization with our NextGen Bus Plan.

The goals of the service are to:

- retain ridership
- grow ridership
- improve the customer experience for current and future riders

Per approval by the Board in February 2020, Metro staff is currently preparing to launch

MicroTransit in the six unique service zones listed below:

- Watts/Willowbrook
- LAX/Inglewood
- Northwest San Fernando Valley
- Highland Park/Eagle Rock/Glendale
- Altadena/Pasadena/Sierra Madre
- UCLA/Westwood/Century City

Fare Working Group

In May 2020, Operations assembled an internal working group to develop a recommendation on the MicroTransit Fare Structure.

The working group aimed to identify a fare structure that was consistent with Metro's current offerings and similar to regional operators such as our paratransit provider Access Services.

Participants represented the following departments and business units:

- Office of Civil Rights
- Office of Marketing and Commute Services
- Office of Equity and Race
- Office of Management and Budget
- Transit Access Pass (TAP)
- System Security and Law Enforcement
- Women and Girls Governing Council
- MicroTransit Operations

MicroTransit Fare Structure

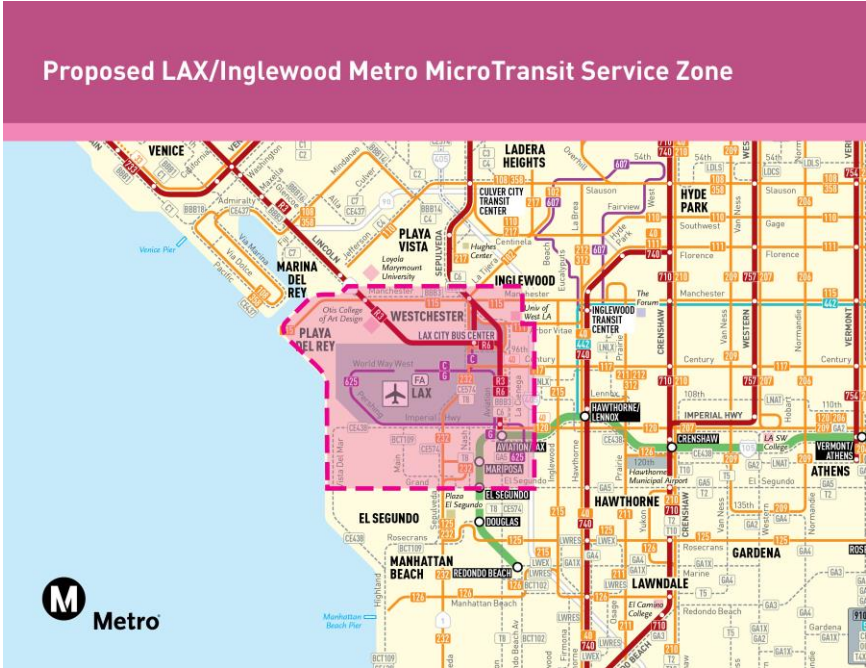
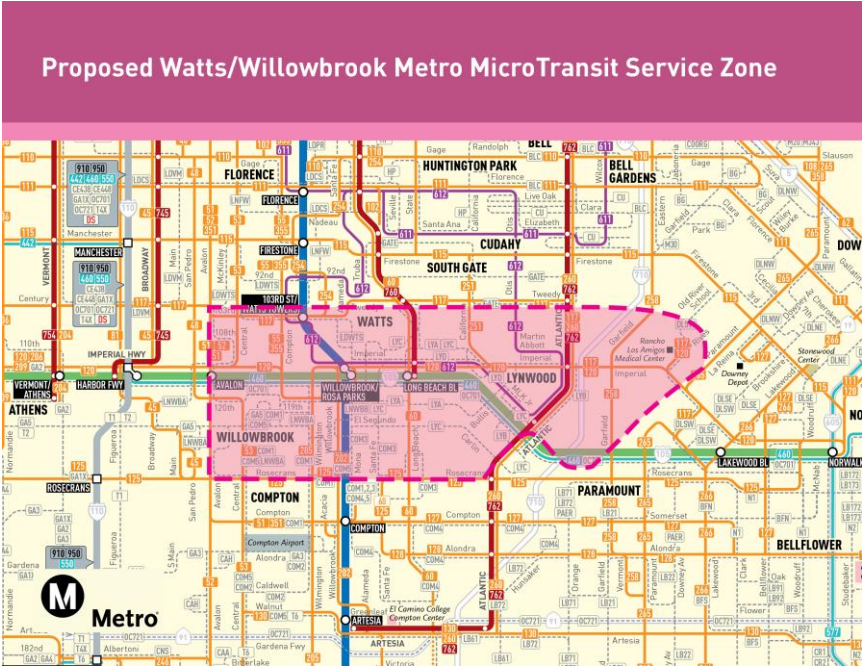
Description	Cost
Full Fare	\$2.50 per trip
Introductory Fare	\$1.00 per trip

Service Zone	Introductory Fare
Watts/Willowbrook	December 2020-May 2021
LAX/Inglewood	December 2020-May 2021

*Introductory fare to apply for first six months of operation in each service area in calendar years 2020 and 2021.

Service Zone Maps and Hours of Operation

Service Zone	Monday-Friday	Saturday and Sunday
Watts/Willowbrook	7am to 6pm	8am to 4pm
LAX/Inglewood	5am to 10am and 2pm to 7pm	



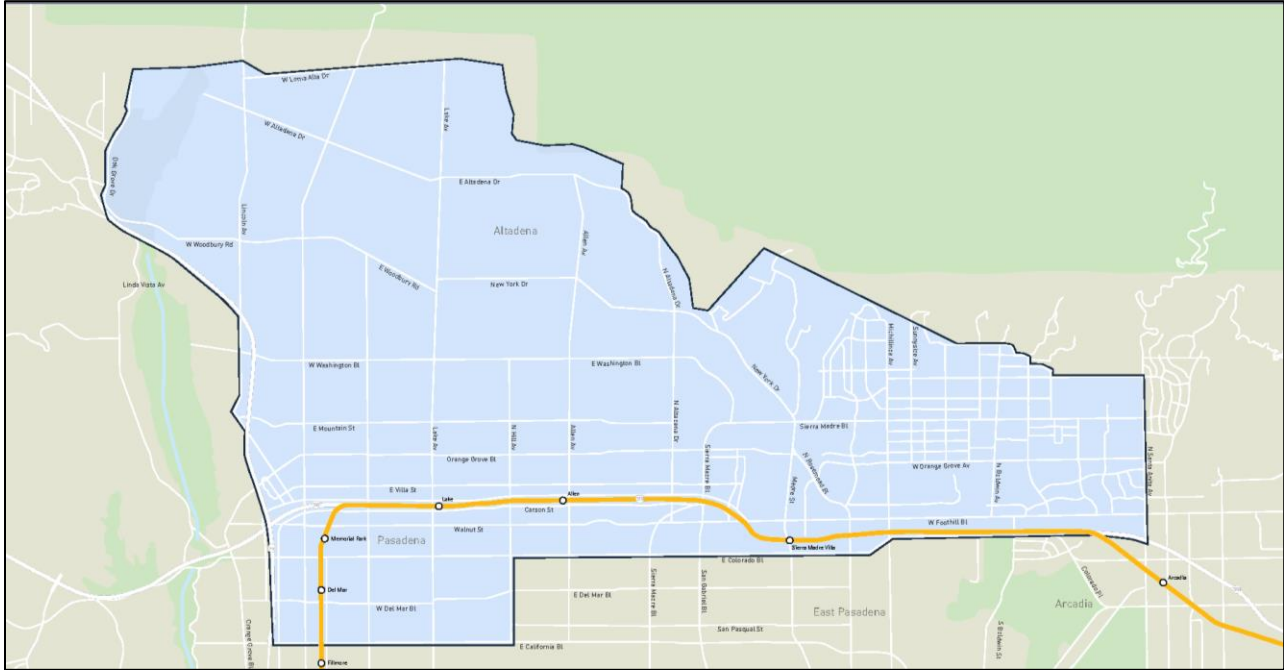
Zone boundaries and hours of operation will be adjusted based upon customer demand and utilization of the new service



Attachment B1

Zone 6: Altadena / Pasadena / Sierra Madre

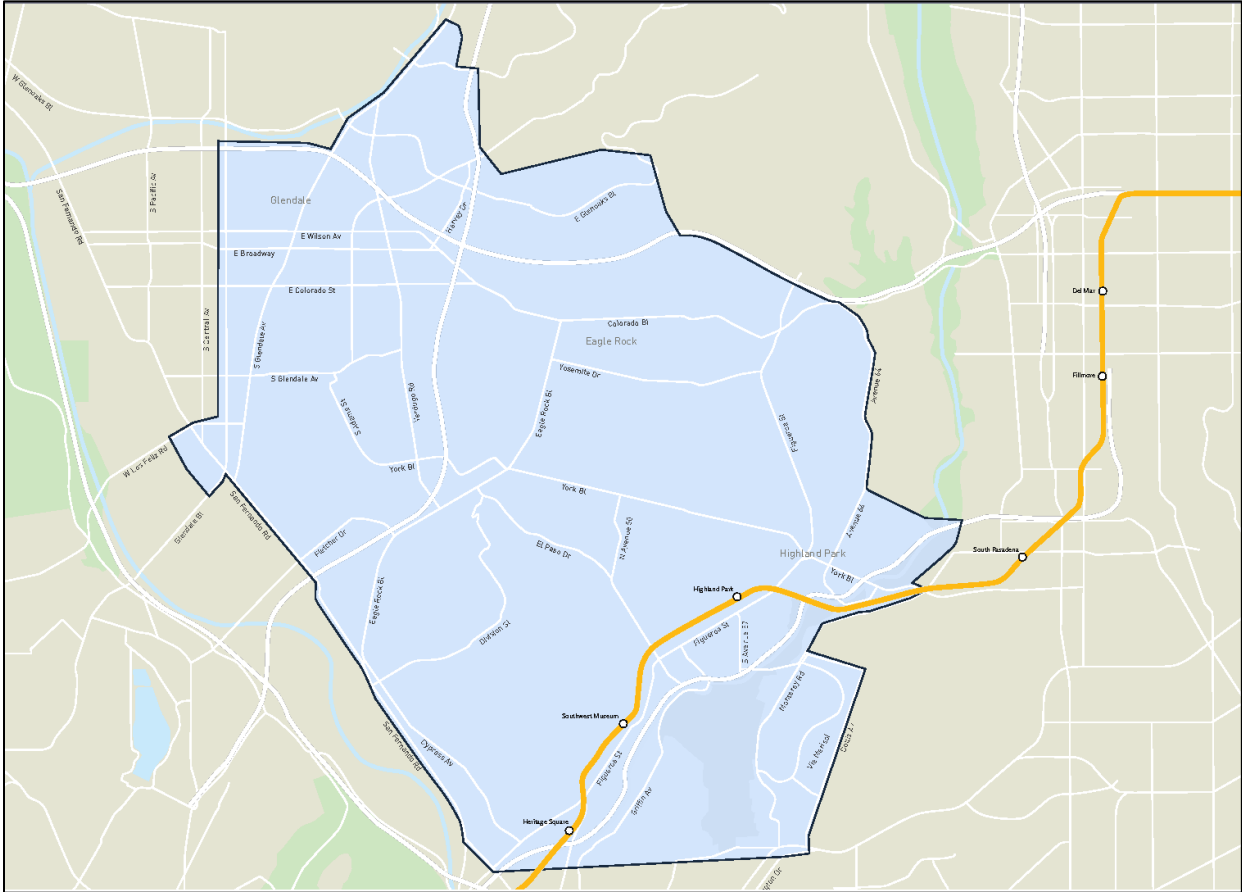
Daily Hours of Operation: 5:30 am to 9:30 pm



Attachment B2

Zone 7: Highland Park / Eagle Rock / Glendale

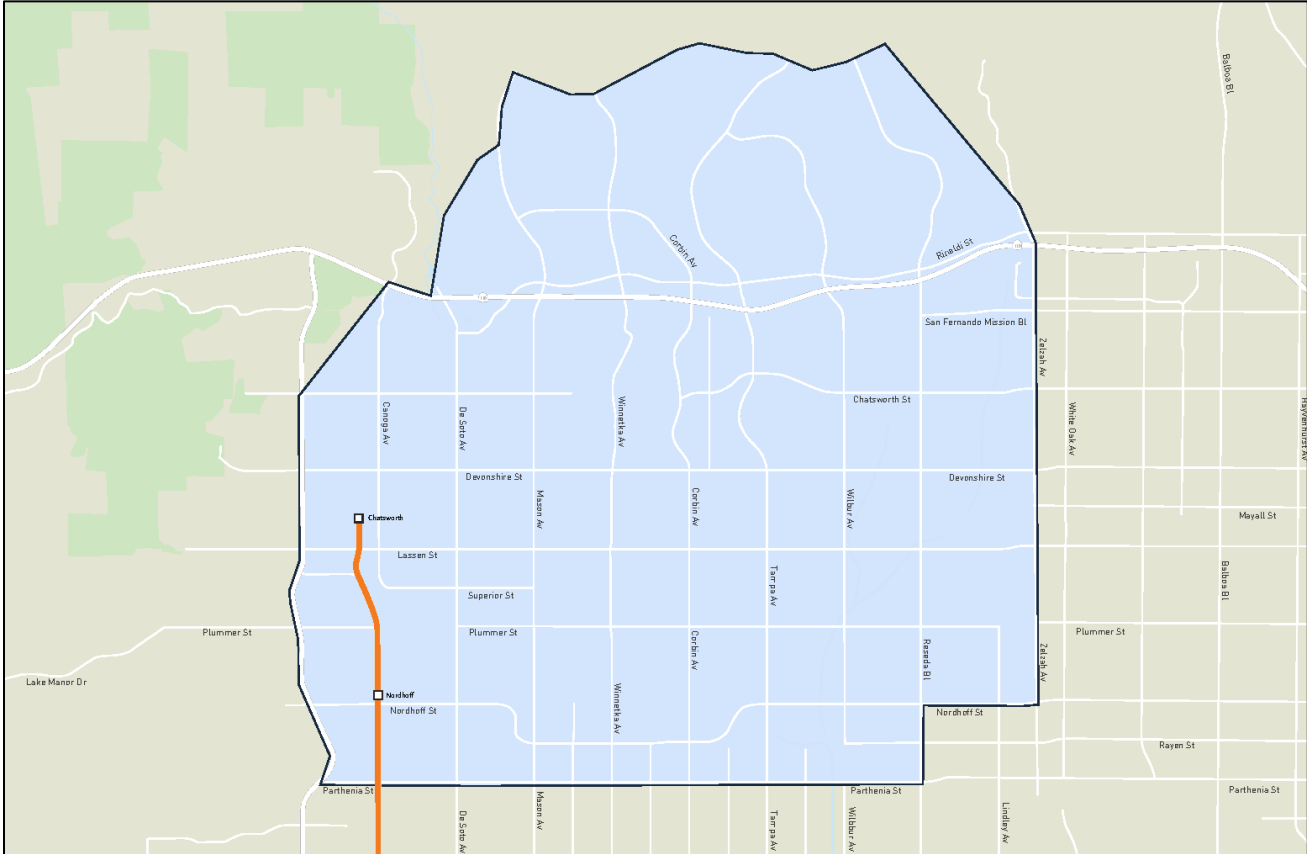
Daily Hours of Operation: 5:30 am to 9:30 pm



Attachment B3

Zone 8: Northwest San Fernando Valley

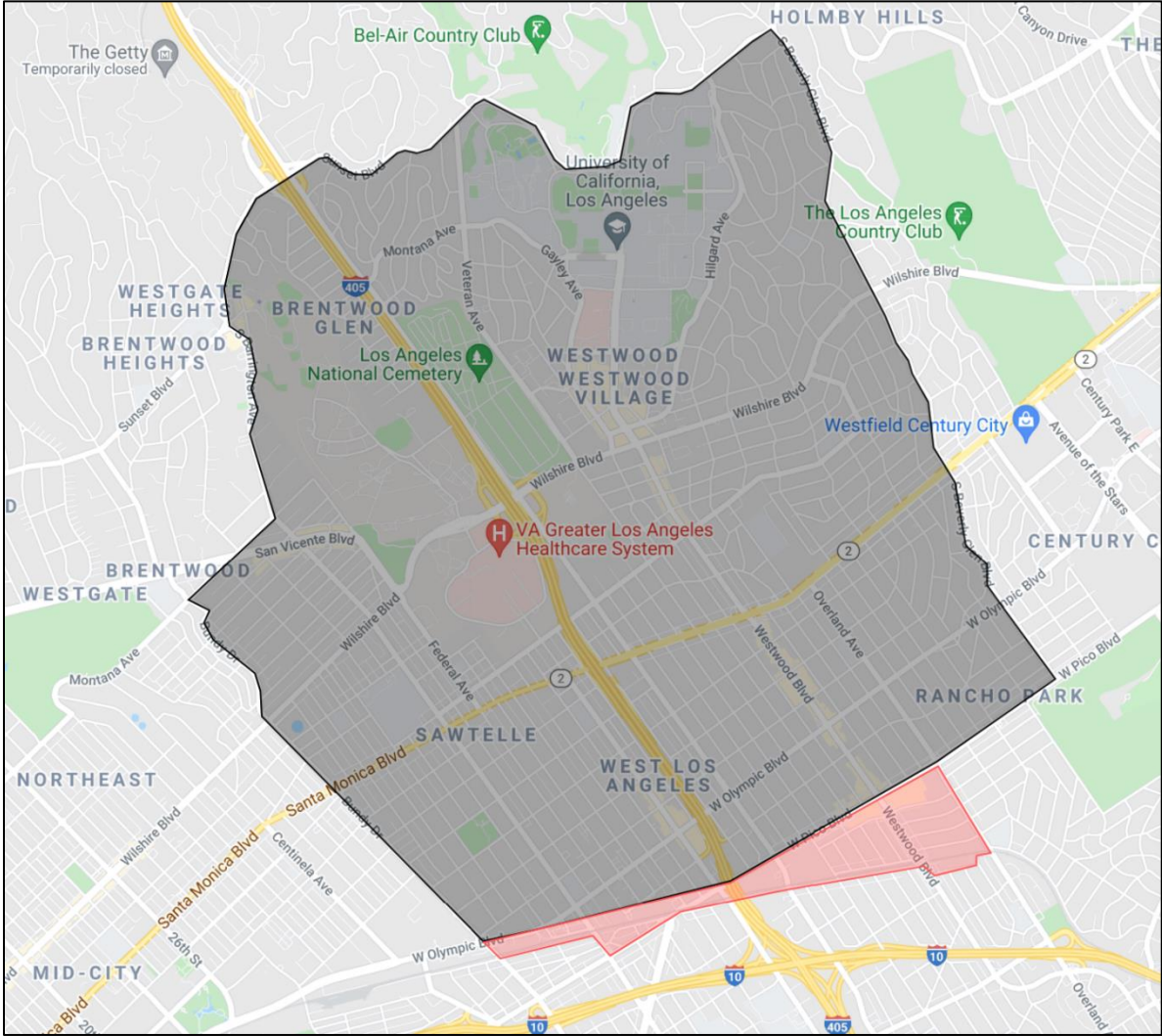
Daily Hours of Operation: 5:30 am to 9:30 pm



Attachment B4

Zone 9: UCLA / Westwood / Century City (Currently in Development)

Daily Hours of Operation: Currently in Development





MicroTransit

Operations Fare Structure and Service Zones

Executive Management Committee
May 20, 2021

Micro Launch Schedule

December 2020:

- ✓ Zone 1: Watts/Willowbrook
- ✓ Zone 2: LAX/Inglewood

January 2021:

- ✓ Zone 3: El Monte
- ✓ Zone 4: North Hollywood/Burbank
- ✓ Zone 5: Compton/Artesia

June 2021:

- ✓ Zone 6: Altadena/Pasadena/Sierra Madre
- ✓ Zone 7: Highland Park/Eagle Rock/Glendale

August 2021:

- ✓ Zone 8: Northwest San Fernando Valley

September 2021:

- ✓ Zone 9: UCLA/Westwood/Century City

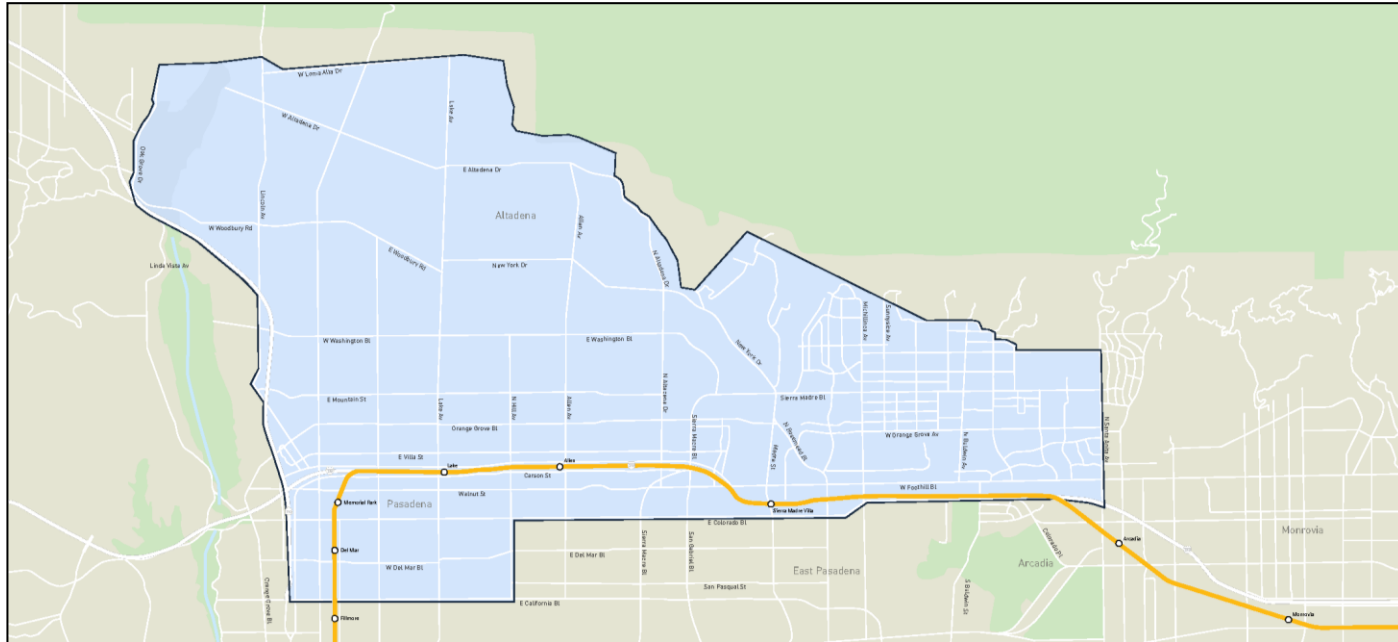


Recommendation

- ✓ In 2020, MicroTransit Operations assembled an internal working group to develop a recommendation on the MicroTransit Fare Structure.
- ✓ Metro staff recommended the full price to be set at \$2.50 per trip, aligned with the fare structure of the Silver Line. As a new on-demand service, MicroTransit is similarly priced to Access Services rates which are \$2.75 per trip for trips up to 19.9 miles and \$3.50 for trips more than 20 miles.
- ✓ In light of the pandemic, the working group recommended an initial introductory rate of \$1 per trip which was approved by the Board in October 2020.
- ✓ As part of current Board action, Metro staff seek an extension of the current introductory rate of \$1 through December 2021 and a roll out of the full fare of \$2.50 in January 2021. A transfer to Metro's fixed-route network (bus and/or rail) will be honored within the full fare of the trip, unless otherwise directed.

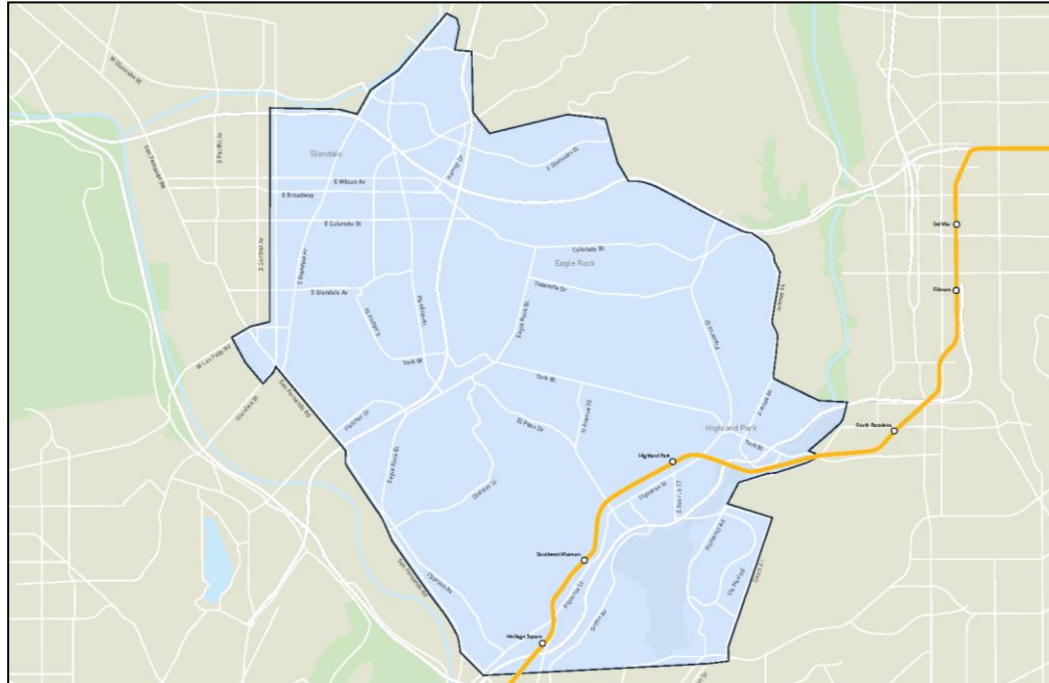
Zone 6: Altadena/Pasadena/Sierra Madre

Daily Hours of Operation: 5:30 am to 9:30 pm



Zone 7: Highland Park/Eagle Rock/Glendale

Daily Hours of Operation: 5:30 am to 9:30 pm



Zone 8: Northwest San Fernando Valley

Daily Hours of Operation: 5:30 am to 9:30 pm



Zone 9: UCLA/Westwood/Century City

(Currently in Development)

Daily Hours of Operation: Currently in Development

