



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

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

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.

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.

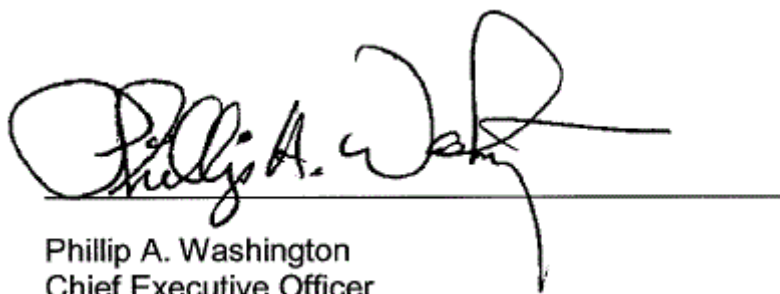
ATTACHMENTS

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

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

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