



## Board Report

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### FINANCE, BUDGET AND AUDIT COMMITTEE

JUNE 17, 2015

### EXECUTIVE MANAGEMENT COMMITTEE

JUNE 18, 2015

**SUBJECT: RIDERSHIP INITIATIVES**

**ACTION: RECEIVE AND FILE RESPONSE TO BOARD MOTION NO. 8: MTA RIDERSHIP**

#### **RECOMMENDATION**

RECEIVE AND FILE status report on **response to Board Motion No. 8: MTA Ridership** (March 19, 2015) to develop an Action Plan to increase Metro ridership.

#### **ISSUE**

Since April 2014, ridership across the Metro system, including bus, rail, and BRT service, has declined by 4%. This decline contrasts with a 3% increase in ridership that occurred in the previous four years, from 2010 to 2014. The March 19, 2015 Board Motion No. 8: MTA Ridership (Attachment A) instructed the Metro CEO to develop an action plan to reverse the recent downward trend in boardings and to report back to the Board within 90 days of the Motion. This report provides the requested response and action plan.

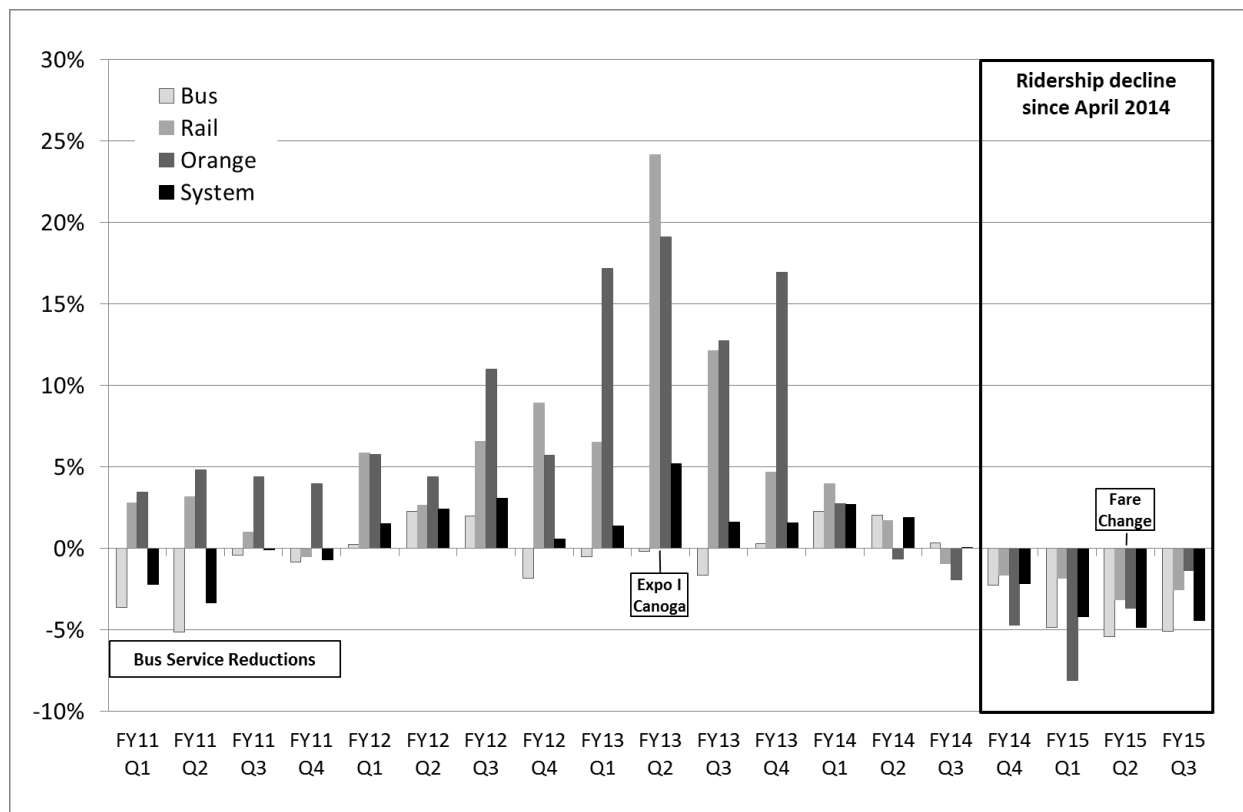
#### **DISCUSSION**

##### **Ridership Trends**

As shown in Figure 1, Metro ridership has been declining on a year-over-year basis since April of 2014, in the fourth quarter of FY14. This decline precedes the September 2014 fare restructuring by six months and is part of a larger national trend of declining transit ridership, as shown in Figures 2 and 3.

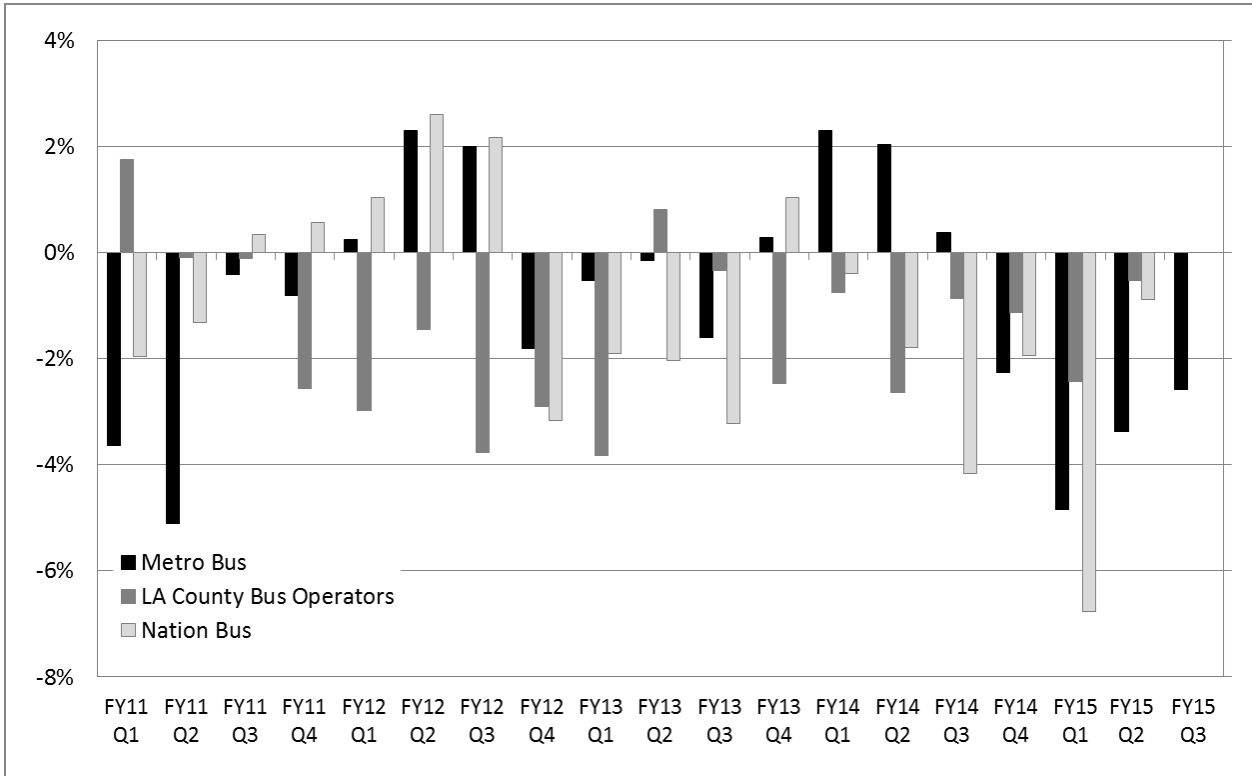
Figure 1 shows that, through the third quarter of FY15, over the past year Metro boardings have decreased on average by 4% on a year-over-year basis, impacting all modes, including bus, rail, and bus rapid transit (BRT). As shown in Figure 1, bus boardings have decreased by 5%, rail by 2%, Orange Line BRT by 4%, resulting in a total system boardings decline of 4%.

**Figure 1**  
 Year-Over-Year Percent Change in Boardings  
 FY11 - Current

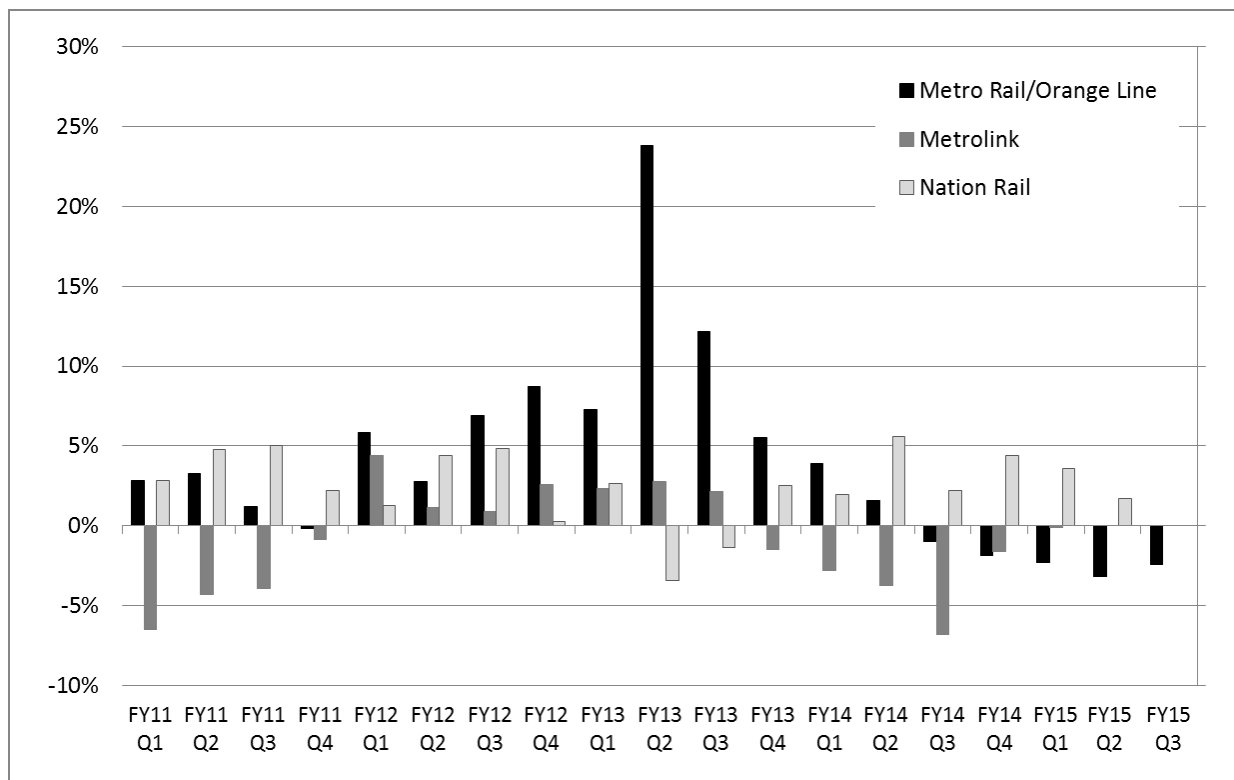


Figures 2 and 3 compare Metro ridership trends by bus (Figure 2) and rail and BRT (Figure 3) with regional and national trends. As shown in Figure 2, national bus ridership began declining in the first quarter of FY14, while Metro bus ridership began declining in the fourth quarter of FY14. Figure 3 shows that, despite a significant increase in rail and BRT ridership with the opening of the Expo Line and Orange Line Canoga Extension in the second quarter of FY13, rail and BRT ridership has been declining since the third quarter of FY14. This trend is particularly worrisome as national rail ridership continues to increase.

**Figure 2**  
 Year-Over-Year Percent Change in Local, Regional, National Bus Boardings  
 FY11 - Current



**Figure 3**  
 Year-Over-Year Percent Change in Metro Rail/BRT, Metrolink, and National Rail Boardings  
 FY11 - Current



Metro staff has analyzed several factors that could influence ridership in different transit modes, including employment by industry sector, school enrollment, gas prices, and car sales. This analysis shows that bus ridership has very little relationship to these identified factors, indicating that bus ridership is not determined solely based upon any one factor. Based on Metro’s Spring 2014 customer satisfaction survey, 83% of bus riders did not have a car available for their trip, indicating that Metro’s bus system is providing basic mobility for residents who do not have access to a car. By contrast, rail/BRT ridership has a strong relationship with employment and new car sales, indicating that an improving local economy leads to increased Metro rail and BRT ridership.

**Board Motion No. 8: MTA Ridership (March 19, 2015)**

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In response to this observed decline in Metro ridership, the Metro Board of Directors passed Motion No. 8, which directs the Metro CEO to develop an action plan to address the downward trend in ridership, including:

- Evaluate existing travel demand and identify new ridership opportunities;
- Optimize the existing transit network, including but not limited to: 1) Improving bus service between rail service and key destinations, 2) Establishing a frequent bus network, 3) Developing new types of bus service to attract discretionary riders, and 4) Coordinating better with municipal operators and Metrolink;
- Develop a campaign to market, promote, and outreach to potential new and discretionary riders about MTA transit services, including but not limited to 1) a revenue-neutral residential TAP bulk purchase program, 2) an incentive to travel during times of excess capacity, and 3) exciting marketing programs such as MTA's recent Red Line Speed dating event;
- Recommend strategies to improve on-time performance, including but not limited to 1) testing All-Door Boarding, 2) installing Stand-Alone TAP Validators, and 3) working with local jurisdictions to implement bus-only lanes in key locations and at key times;
- Evaluate the reliability of existing rail station countdown clocks and installing countdown clocks at additional rail stations and high-use bus stops;
- Develop and utilize a frequent network map;
- Other innovative strategies to increase ridership.

### **American Public Transit Association (APTA) Peer Review**

As part of the September 2014 fare restructuring, the Board requested an APTA Peer Review of Metro's Fare Policy that also identified methods to increase ridership and considered new approaches to revenue generation. The resulting report identified a number of strategies that could be implemented by Metro to increase ridership, many of which are incorporated into the Action Plan presented in this report. Further, some of the proposed measures could establish Metro as a leader in taking innovative approaches to address the national decline in transit ridership.

### **Ridership Task Force**

In response to Board Motion No. 8 and following up on the APTA Peer Review, Metro staff is taking an "all hands on deck" approach to increasing ridership by convening a new Ridership Task Force, comprised of representatives from Metro Operations, TAP, Management and Budget, Communications, Planning, Information Technology, and Security. The Ridership Task Force has identified a series of "immediate actions" that could be undertaken within existing budgeted resources and initiated by the second quarter of FY16 (Attachment B).

In addition to the immediate actions identified in Attachment B, the Task Force has also outlined a set of longer term strategies that are presented in Attachment C. These longer term strategies require further evaluation of cost, benefit, and implementation before proceeding.

Given that the current bus system is primarily serving the transportation needs of riders who do not have access to a car, there are opportunities to redefine and refocus the transit system to

- Attract new markets, including new employment and educational institution ridership, as well as recreational trips such as tourists, late night, weekend, and event- and activity-based travel;
- Improve the quality and convenience of bus service that would help to increase the number of trips taken by the existing ridership base; and
- Further expand into the commuter market by addressing first-/last-mile needs as many rail and BRT stations are not immediately adjacent to employment centers.

Based on these goals, the Ridership Task Force is developing an action plan focused on the following objectives:

- Attract new markets,
- Provide customer-focused service,
- Remove barriers to transit use,
- Get the word out, and
- Foster partnerships.

The action plan addresses these objectives by incorporating the following strategies toward attracting new ridership:

1. Market Research
2. Service Design
3. Service Management
4. Transit Priorities and Technology
5. Safety and Security
6. Customer Amenities
7. Fare Subsidies
8. Marketing, Outreach, and Promotions
9. Partnerships

Each of these nine strategies is discussed in further detail below.

### **Market Research**

One of the keys to success in attracting new riders is to know what they need and want. Changing customer demographics and lifestyles is identified by APTA as one of the “Megatrends” that transit is facing in the next five years. Understanding this trend and its impacts in LA County will aid in developing products for new riders and markets. At present, staff is working on efforts to better understand new markets, including:

- Identifying travel patterns for major employment centers within the region,

- Surveying existing riders, including those who use the “Owl” bus network, and
- Planning pre- and post-implementation surveys for Expo Phase 2 and Gold Line Foothill Phase 2A Extensions.

Staff will also research opportunities to better understand tourist travel needs through partnerships with the tourism and convention industry, hotels, and major attractions. Social media also provides an opportunity to seek information and opinions from riders to develop products and to suit services to their needs.

### **Service Design**

Where, when, and how services are provided is critical to attracting new riders, and influencing existing riders to ride more often for different trip purposes. Staff is currently composing a plan that will:

- Maximize the availability of bus service, with consideration of Metro and its Municipal partners,
- Take advantage of the expansion of the rail and BRT network
- Analyzing successful services and identify best practices to help refine Metro’s service delivery regimens
- Study the Rapid bus network and seek to optimize its performance,
- Review and make recommendations for changes to the Owl service network to meet the needs of employees, visitors, and area residents so that they can use transit to travel to and from late night venues,
- Develop bus services oriented to serve Metrolink and Metro Rail connections,
- Begin refining the core frequent bus network based on a Strategic Bus Network Plan, and
- Develop point-to-point commuter services, based on market research of employment centers.

### **Service Management**

Planning and designing optimal services is important; however, equally important is ensuring that services are delivered as planned. The APTA Peer Review identified improved transit service quality as a key means to increase ridership. Management should take a customer-focused approach to minimize the impact of service interruptions on riders, including:

- Proactive, real-time service management that minimizes the impact of delays and service disruptions and that ensures service is on time and available according to rider expectations;
- Regular review and updates to Standard Operating Procedures and training for on-street Vehicle Operations Supervisors and Transit Operations Supervisors in the Bus and Rail Operations Control Center;
- Timely and consistent customer information on service issues distributed through multiple forms; and,
- Planned service disruptions due to maintenance or construction that minimize impacts to riders.

### **Transit Priorities and Technologies**

Transit vehicles are impacted by auto congestion, competition for road space by other modes, and traffic flow condition variability. Transit operations can therefore benefit from measures such as

- Dedicated bus lanes,
- Queue jumpers,
- Signal priorities, and
- Countdown timers to provide advance notice of green lights.

Technologies to improve customer convenience and flow on and off the vehicle include

- All-door boarding,
- Off-board fare payment, and
- Mobile apps to streamline fare payment and transit information.

### **Safety and Security**

Riders must feel and be safe when riding Metro services. Efforts are underway to continue to improve Metro's transit policing programs, including

- Increased security presence,
- Greater use of analytics to identify when and where crime occurs for more-focused security dispatching, and
- Improved real time surveillance and interaction between riders and security.

In addition, policies and procedures need to be improved and developed to control illegal activities at stations and on vehicles, including vending, harassment, and fare evasion.

### **Customer Amenities**

Customer amenities complement transit services, helping to attract more riders by making information simple, clear, and immediate; improving the safety and comfort of the wait environment; and providing additional products and services that are important to riders. Customer amenities are provided at key stops and stations to help disseminate information on service, schedules and fares; improve passengers' wait experience; and include conveniences such as WiFi and concessions.

### **Fare Subsidies**

Metro currently maintains partnerships with employers and educational institutions to provide transit benefits through the Employer Annual Pass Programs, including the Annual Transit Access Pass (A-TAP), Business Transit Access Pass (B-TAP), and Institutional Transit Access Pass (I-TAP), designed for colleges and universities. However, Metro has numerous other opportunities to access new markets in transit-oriented housing, including housing in Metro joint developments.

Additionally, outside of peak commute hours, the Metro rail network has spare capacity that could be offered at a discounted rate through an Off-Peak Downtown LA Rail Pass. Such a pass could give downtown commuters the opportunity to use the rail network for lunch, meetings, or errands during



the midday, and it would also allow downtown residents the opportunity to use the rail network during nights and weekends at a reduced fare.

### **Marketing, Outreach, and Promotions**

Attracting new riders means new efforts to “get the word out” about Metro’s products and services. Efforts under consideration include

- Better use of social media to develop targeted marketing and outreach campaigns,
- Social media ads ahead of major events with information on using Metro and the resources available to complete the first-/last-mile connection,
- Giveaways to incentivize the use of Metro services and partnerships with the media to “Tell the Metro Story” and put a friendly face to the agency and its service,
- An interactive frequent bus network map showing various service levels depending on the trip and time that a rider is planning to illustrate the ease and convenience of navigating Metro.

Given the success of promotional strategies that involve creative events, like Speed Dating on the Metro Red Line, Metro could consider establishing a department responsible for launching a series of brand-positive events to engage new and existing riders. This department would work with Metro staff and vendors to curate and execute events that will continually promote Metro.

### **Partnerships**

Partnerships with public and private entities help Metro to coordinate inter-agency efforts and to leverage information to increase ridership. Since ridership decline is happening across the region, partnerships can increase data sharing, strengthen intermodal planning efforts, and improve trip planning. Current Metro staff partnership efforts include:

- Working with the City of Los Angeles to coordinate the City’s Mobility Plan and Metro’s Strategic Bus Network Plan,
- Developing a Buses and Bicycles Road Share document to improve coordination between bus operations and bike planning,
- Coordinating service plans between Metro and Municipal Operators to reduce duplication and coordinate schedules,
- Sharing ridership trend analysis and strategies to increase ridership with other agencies including participating in the Orange County Transportation Authority’s (OCTA) APTA Peer Review on Ridership Trends, and
- Working with 3<sup>rd</sup> party partners and mobile app developers to provide first-/last-mile services and aid in trip planning.

### **Task Force Action Plan**

Numerous ridership initiatives could be initiated by the second quarter of FY16, as outlined in Attachment B to this report, “Ridership Initiatives: Immediate Action Plan.” Other initiatives require

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further evaluation as to cost and benefit as well as barriers to implementation, and additional resources to implement. These efforts have been included in Attachment C, and will be presented to the Board for approval after passing further evaluation.

In addition, as requested in Supervisor Antonovich's Amendment to Board Motion No. 8, Attachment D presents Board Motions from the last 5 years that sought to increase ridership, as well as the status of these Motions.

### **FINANCIAL IMPACT**

Efforts identified in the Attachment B, "Ridership Initiatives: Immediate Action Plan," can be initiated within budgeted resources by the second quarter of FY16. Additional efforts identified in Attachment C may require additional resources and will be presented to the Board under separate cover for approval prior to initiation.

### **ALTERNATIVES CONSIDERED**

If no action is taken on ways to increase ridership, the recent downward trend in boardings could continue, which will hinder Metro's ability to continue to provide excellence in service and support and negatively impact fare revenues.

### **NEXT STEPS**

Staff will return to the Board on a quarterly basis with a status update on the Immediate Action Plan and Other Ridership Increase Strategies.

### **ATTACHMENTS**

Attachment A - Motion 8: MTA Ridership

Attachment B - Ridership Initiatives - Immediate Action Plan

Attachment C - Ridership Initiatives - Other Ridership Increase Strategies


Attachment D - Prior Board Motions on Increasing Ridership

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