

VTA RoundTable

Zero Fare Transit

September 29th, 2021



Introductions

- **Lauren Fishbein**, Statewide Program Manager at the Virginia Department of Rail and Public Transportation
- **Julia Timm**, Chief Executive Officer at the Greater Richmond Transit Company (GRTC)
- **Garland Williams**, Director of Transit at Charlottesville Area Transit (CAT)

Zero Fare Transit at the State Level

VTA Conference- Wednesday, September 29th

Lauren Fishbein, Statewide Program Manager
Department of Rail and Public Transportation



State Resources and Role in Zero Fare Operations

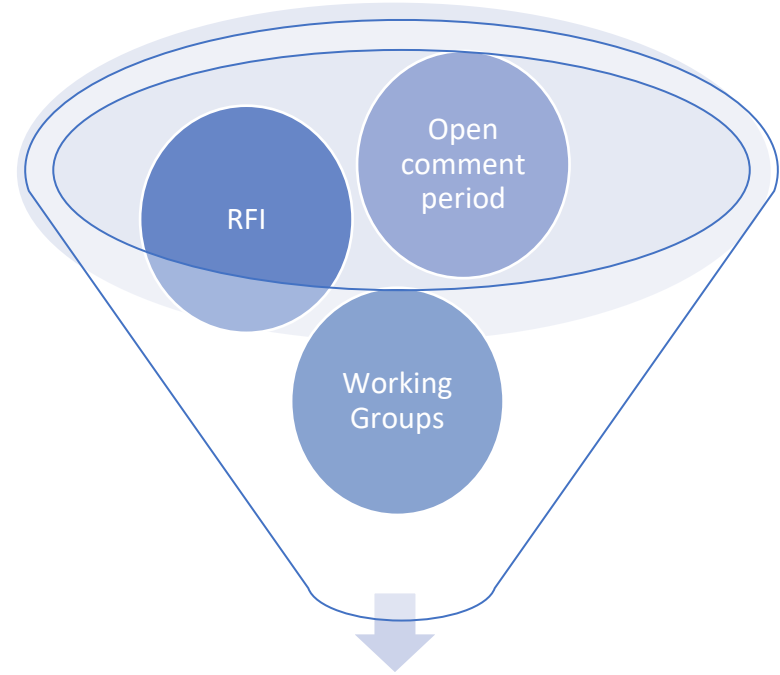


- Provides state funding to regional connectivity projects and zero fare/subsidized fare projects
- Open to Virginia transit providers/local governments/nonprofits
- Multi-year funding agreement
- Competitive grant, reimbursement program
- The pilot application period closed September 17-- application details to follow
- VTA created Zero Transit Fare for Working Families Grant Program
- Annual competitive grants to organizations providing transportation to eligible persons (below 200% of federal poverty level) or a dependent child
- No match requirement, grant covers 100% of eligible project costs
- Reimbursement Program

DRPT

COVID-19 and Zero Fare Outreach

- COVID-19's impact on TRIP
- Additional \$10 M in 2021 Transportation Initiative Funding dedicated to zero fare pilots
- Request for Ideas (RFI) helped frame the development process
- Working groups helped refine the application materials
- Open comment period allowed for formal review of policy documents
- Collaborative process, focused on agency and rider needs



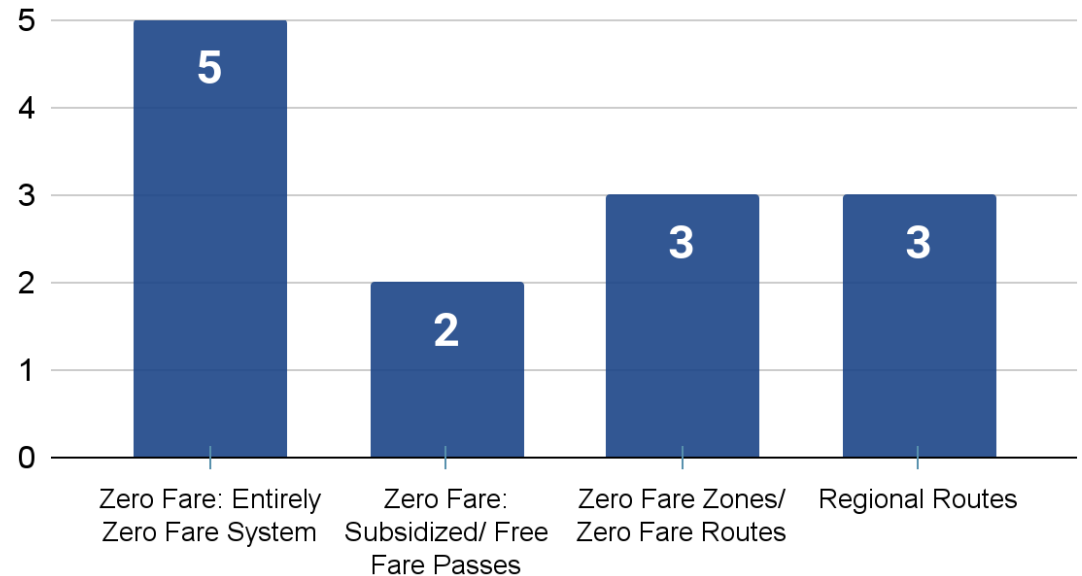
Recommended Policy

DRPT

TRIP Zero Fare Applications at a Glance

- Received **10** fare projects and **3** regional projects
- Total state ask for fare projects: **\$11,274,486**
- Total state ask for regional projects: **\$2,184,327**
- Funding projects in year 1, but also ensuring that we can fund these projects throughout their requested duration
- Funding recommendations to CTB during the October meeting

FY 22 TRIP Applications Received



DRPT

TRIP Funding Breakdown

	FY22	FY23	FY24	FY25	FY26	FY27	Total
Total	\$20.9	\$15	\$22.5	\$23.3	\$24.0	\$24.2	\$130M

- Beyond FY22, up to 25% annually can be utilized for Zero-Fare/Low Income projects (big drop in zero fare funding after year 1)
- 3 years for Zero Fare, up to 5 years for regional connectivity
- Multi-year projects with increasing local commitment- reaching a local consensus

Opportunities and Challenges of Deploying Zero Fare Operations

There is 'no one size fits all' solution for transit providers, fare collection needs to correspond with the rider's needs and agencies' resources

Challenges:

- Local commitment: finding partnerships, getting support from local government, working with regional bodies
- Identifying a clear need and providing clear cut support for your solution (planning documentation, modeling, etc)
- Performance tracking for zero fare projects
- Ensuring long term, sustainable change with your fare collection policy

Opportunities:

- Creating a more accessible system that more appropriately meets the needs of the most marginalized riders
- Incentivizes new ridership by providing free rides to those who may not have used transit before
- In cases of a public health emergency, decreases human bottlenecks and interactions with operators- can experience faster service



Transit Fare Considerations

Costs/Benefits of GRTC Fare Collections

Julie E. Timm

GRTC Chief Executive Officer

RVA Public Mass Transit

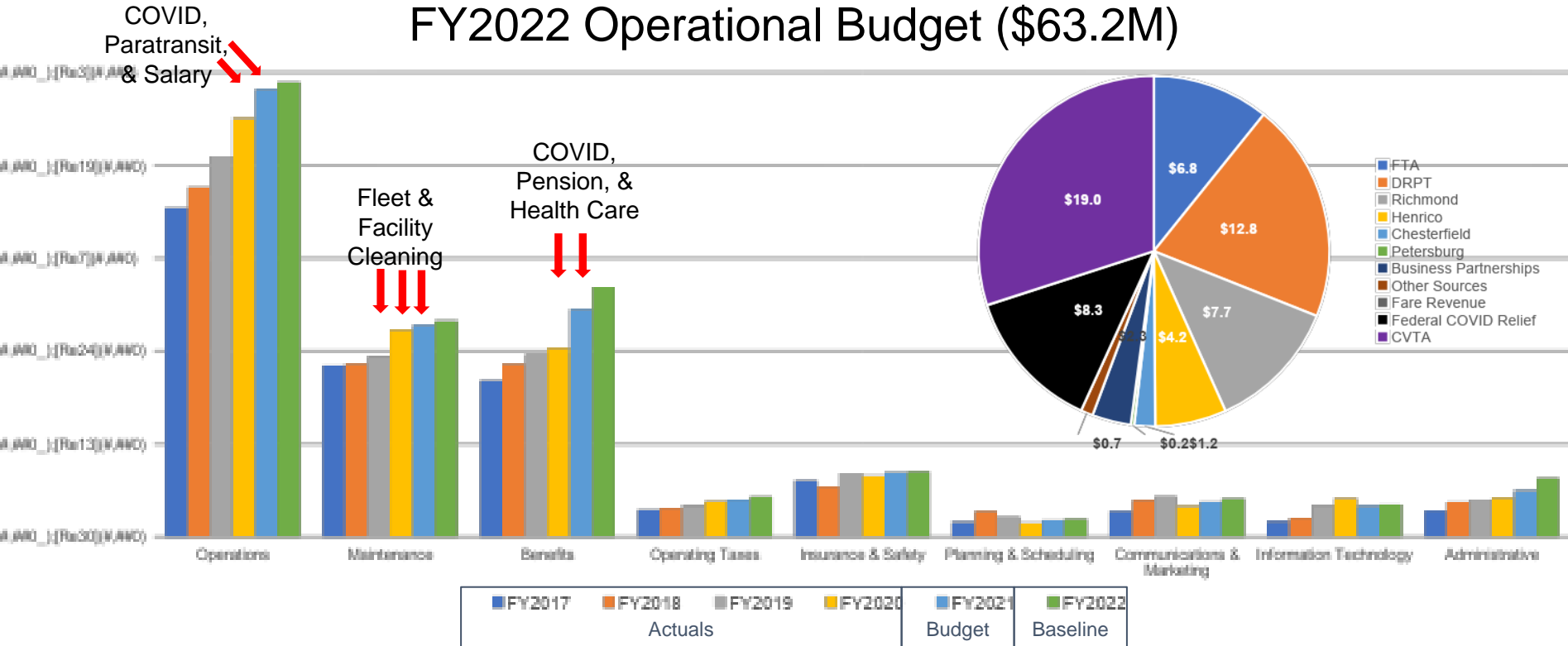
GRTC Quick Facts

- Greater Richmond Transit Company
 - Public Mass Transit for RVA region (population ~ 1.3M)
 - Primarily serving Richmond and Henrico, Virginia (service population ~ 500,000)
- Providing Local Bus, Commuter Bus, Bus Rapid Transit, and Paratransit services
- Launch of BRT service and System redesign in 2018 resulted in double digit ridership growth in direct contrast to national trends showing double digit ridership drops
- Expansion of service area routes and core route frequencies starting in FY2022 with new dedicated regional funding (In planning phase now)

GRTC Snapshot

GRTC Expenses to Revenues

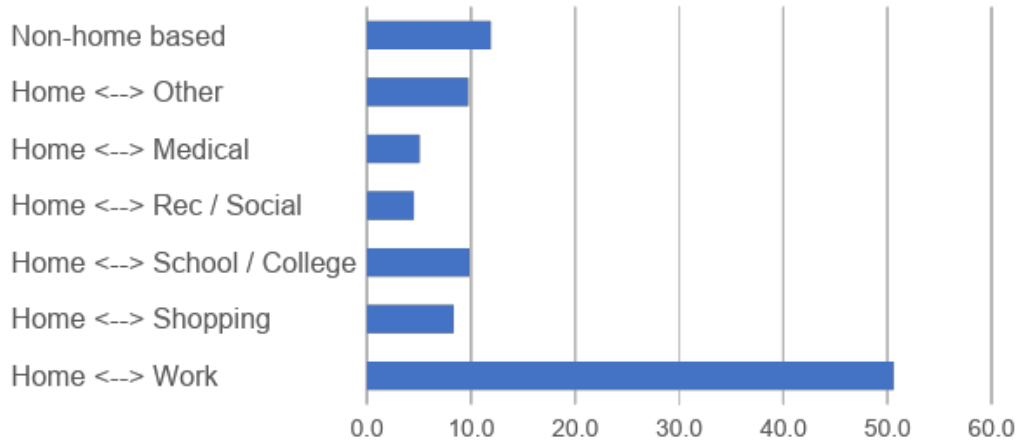
FY2022 Operational Budget (\$63.2M)



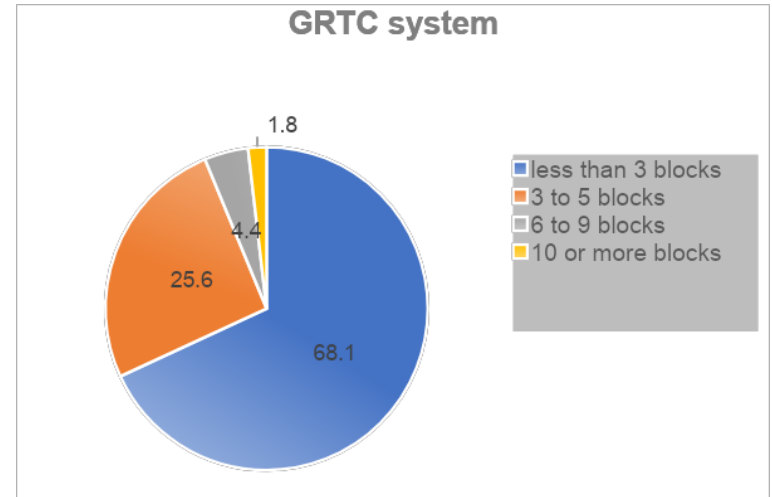
Defining GRTC's Target "Market"

Market Size and Use – Total Ridership

GRTC Originally Projected to Serve 10,000,000 Trips in FY21



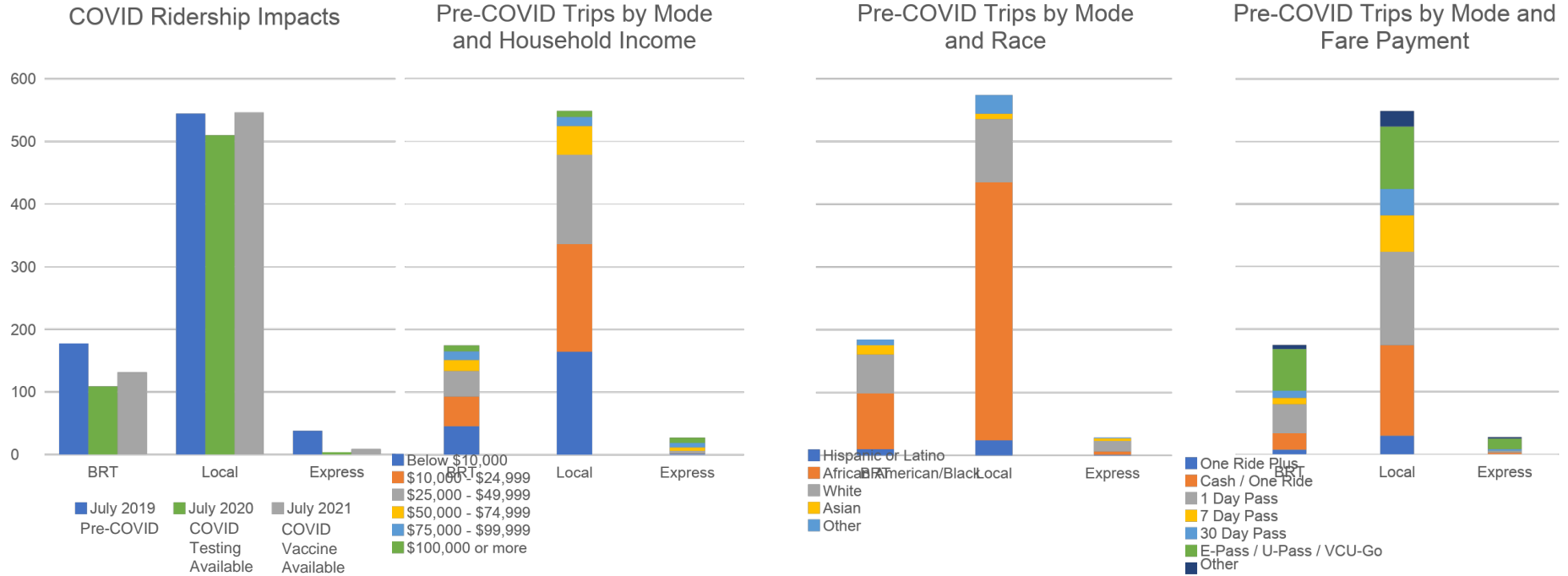
Half of GRTC trips are for part of the commute. On the express routes, 92 percent of travelers are going between home and work.



A very small share of riders who walk to their home end bus stop have to walk more than five blocks to catch the bus.

Defining GRTC's Target "Market"

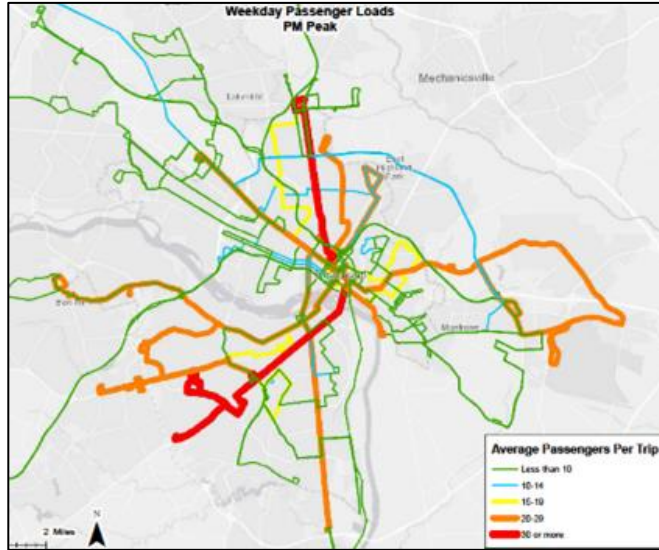
Transit Use by Mode and Rider Demographics



Defining GRTC's Target "Market"

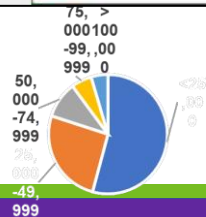
Ridership by Route and Location

COVID Essential Transit Trips

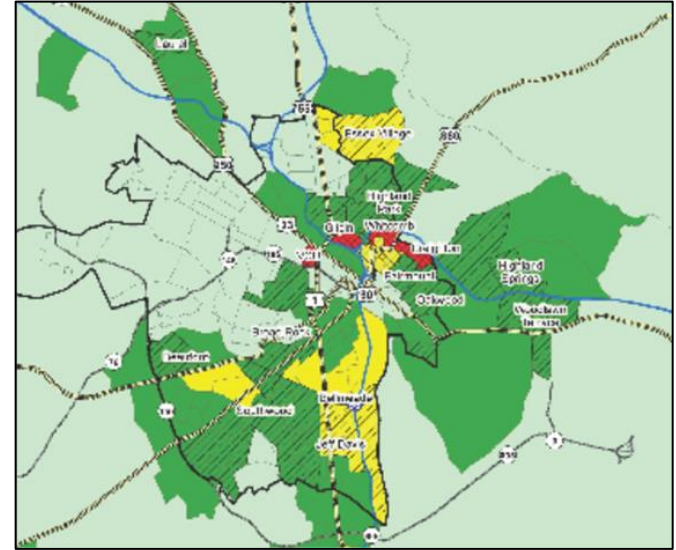


54 % of the People served by GRTC have an annual household income below \$25,000.

79% have annual household incomes below \$50,000



Economically Distressed Areas



Average per capita income = \$29,829

Red = 30% per capita income

Yellow = 50%

Green = 80% per capita income

Average labor force participation = 65%

Hatch is 50% to 65%

Double Hatch is <50%

Richmond Regional Comprehensive Economic Development Strategy FY18

Labor Force Participation in RRPDC's Most Distressed Neighborhoods



Richmond Region 2017-2018 Economic Development Strategy
Table 6.2: Most Distressed Neighborhoods by Census Tract

FY2019 Fare Revenue

Local Bus service accounts for ~ \$5.2M in Revenue

Fixed Route Fares Collected FY19, \$7.4M (includes VCU)

		<u>in \$ M</u>
By Jurisdiction		
	Richmond	\$5.9
	Henrico	\$1.2
	Chesterfield	\$0.1
By Mode		
	Local	\$5.2
	Express	\$0.5
	BRT	\$1.6

Fixed Route Fares Collected FY19, \$7.4M (includes VCU)

		<u>in \$ M</u>
By Mode and Jurisdiction		
	Richmond Local	\$4.4
	Henrico Local	\$0.8
	Chesterfield Local	\$0.0
	Richmond Express	\$0.1
	Henrico Express	\$0.3
	Chesterfield Express	\$0.1
	Richmond BRT	\$1.4
	Henrico BRT	\$0.2
	Chesterfield BRT	\$0.0



Evaluating a **ZERO-FARE** service model

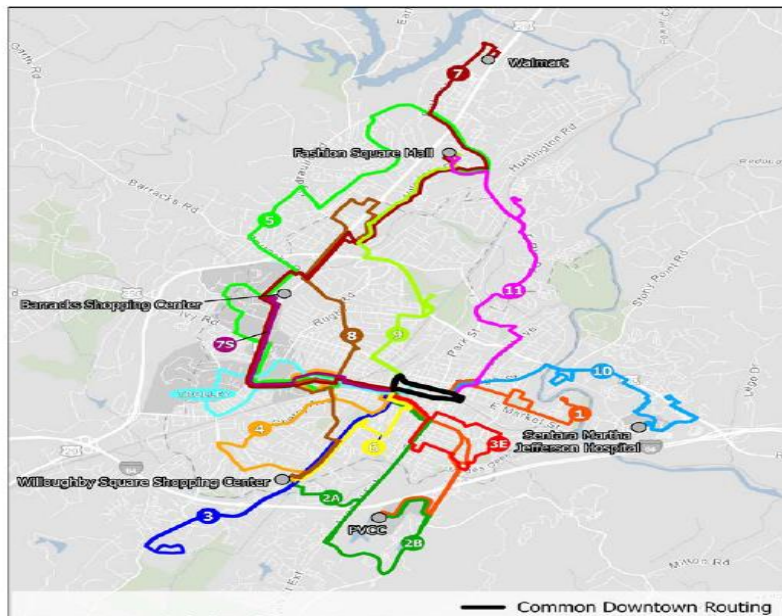
CAT

charlottesville area transit

By: GARLAND W. WILLIAMS

Director of Transit

Overview — Service stats



Pre-COVID

- 13 routes (including Free Trolley)
- Service span generally 6 am to 12 midnight
- Limited Sunday service (4 routes)
- Accessibility (within ¼ mile of weekday service):
 - 62,500 population
 - 19,700 minority population
 - 4,500 low-income households
 - 2,850 no-vehicle households

COVID

- No change in service coverage
- Evening service ends by 9 pm
- Reduced frequency on select routes
- Sunday service eliminated to provide for cleaning day

Historical Trends

Reporting Categories	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
Annual Ridership	2,275,515	2,423,740	2,337,877	2,189,612	2,052,376	1,871,952	1,323,176
Annual Rev. Hours	93,823	104,572	103,199	97,665	103,824	108,033	99,096
Annual O&M Cost	\$7,125,489	\$7,188,657	\$6,998,446	\$7,421,700	\$7,915,506	\$8,435,078	\$8,264,887
Riders/Rev. Hour	24.3	23.2	22.7	22.4	19.8	17.3	13.35
Cost/Rev. Hour	\$75.95	\$68.74	\$67.82	\$75.99	\$76.24	\$78.08	\$83.40

Source: National Transit Database Reports

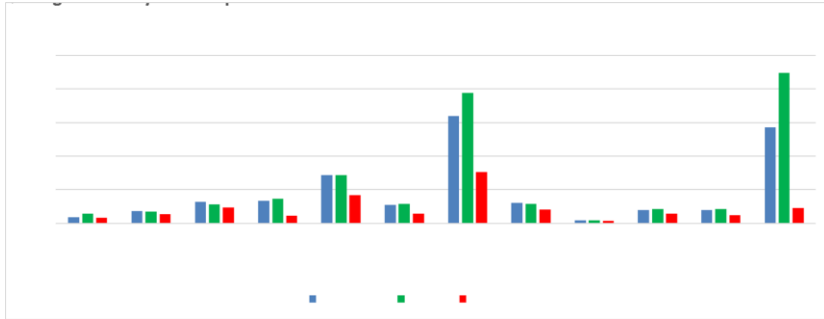


Historical Trends

Summer 2019 period ridership: 7/22-8/24

Fall 2019 period ridership: 9/29-11/2

Summer 2020 period ridership: 7/20-8/25



- Summer 2019 Ridership = **5,734**
- Fall 2019 System Ridership = **6,966**
- Summer 2020 Ridership = **2,650**

- In 2019, Routes 5, 7 and the Free Trolley consists of **65-70% of weekday** system ridership
- Fall 2019 weekday ridership **21% higher** than Summer 2019, with over 90% of the increased ridership on Route 7 and the Free Trolley
- Summer 2020 weekday ridership is **54% lower** than Summer 2019
- Weekday service hours have been **reduced by 29%** in response to ridership loss
- **75%** of the weekday ridership loss is on Routes 5, 7 and the Free Trolley

19



Why Zero-fare?

Table 1: Costs Associated with Fare Collection

	Administrative	Maintenance	Operations
Employee Time	<ul style="list-style-type: none"> • Money counting and preparation of deposits • Daily accounting of Revenues • Printing and accounting for pass sales • Customer service related to fares • Federal Reporting Requirements 	<ul style="list-style-type: none"> • Regular farebox maintenance • Vault pulling 	<ul style="list-style-type: none"> • Operator Programming of fareboxes • Time spent responding to fare dispute calls
Fixed Cost	<ul style="list-style-type: none"> • Armored truck • Cash vault/coin machine and bill counter • Credit card processing 	<ul style="list-style-type: none"> • Annual farebox maintenance agreement 	



Why Zero-fare?

REVENUES:	FY2021	FY2022
State Assistance	1,787,000	2,052,025
Federal Assistance	1,891,217	1,691,217
Albemarle County	516,560	1,000,000
Charlottesville	2,513,651	2,513,651
UVA Trolley Service	80,040	80,040
UVA Contract Service	-	-
UVA Fixed Route Service	186,760	-
Transit Pass & Farebox	360,624	Fare-Free
Advertising/Other	96,122	50,000
CARES Act Funding	1,550,692	2,729,593
TOTAL	8,982,666	10,116,526
Zero-fare Shortfall	\$ 627,424	

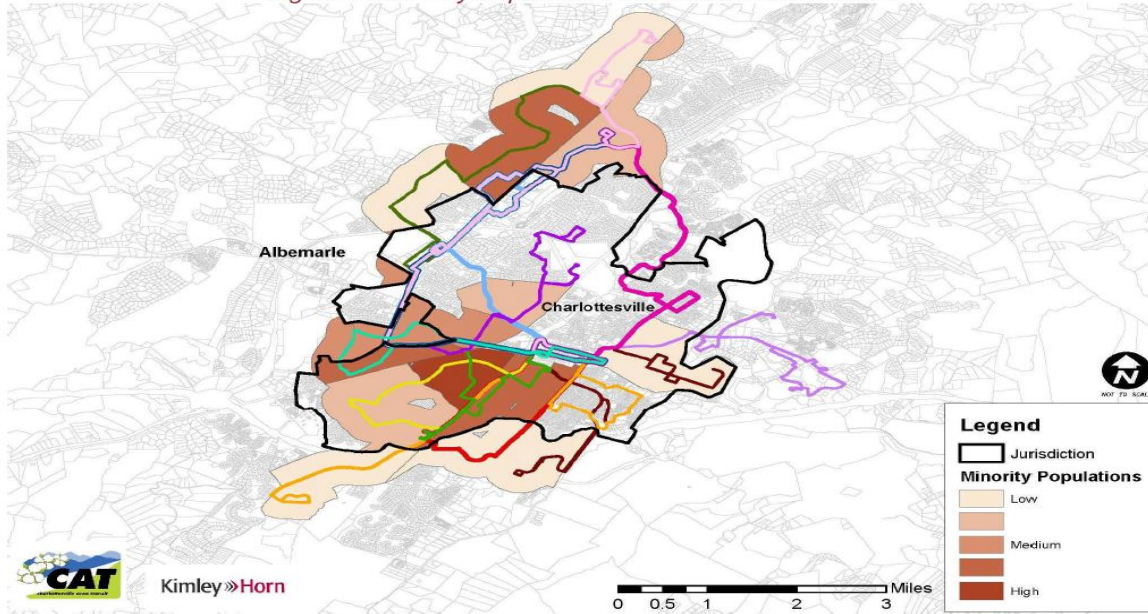
FAREBOX RECOVERY

- FY 2018 – 9.67%
- FY 2019 – 8.18%
- FY 2020 – 7.46%
- FY 2021 – Zero Fare



Why Zero-fare?

Figure 1: Minority Populations in the CAT Service Area



ZERO-FARE

- Removes a financial barrier for low-income passengers.

Questions?

Contact Us:

Lauren.Fishbein@drpt.virginia.gov

Julie.timm@ride.grtc.com

Williamsga@charlottesville.gov