

## STAFF REPORT

TO: Mayor Bellamy and Asheville City Council                      DATE: May 8, 2007  
VIA: Gary Jackson, City Manager  
FROM: Bruce Black, Transit  
SUBJECT: Fare Free Transit Promotion

Summary Statement: The following is a summary of the findings concerning the transit system free fare promotion from Mid August through Mid November, 2006.

### Background:

- The Asheville Transit System fleet consisted of nineteen buses operating over 24 routes prior to and during the free-fare promotion.
- Four additional evening routes were added on July 1, 2006.
- The system serves Asheville, Warren Wilson College, Weaverville and Black Mountain. It connects with Apple Country Transit to serve Hendersonville.
- Ninety percent of the population in Asheville, where density exceeds 4000 people per square mile, is within ¼ mile of a bus route.
- Seventy-five percent of the population in Asheville, where density is less than 4000 people per square mile, is within ¼ mile of a bus route.

### Ridership:

- Pre-promotion ridership has been growing at twice the national average.
- Ridership grew by 8.5 percent in FY'06.
- During the no-fare promotion ridership increased by 58 percent over the same period last year. Fifty percent of the 58 percent increase can be attributed to the fare-free promotion.
  - Number of trips transported during promotion period: 484,118
- Since the promotion ridership has increased by 19.4 percent over the same period last year. In round numbers:

- Eight percent of the 19.4 percent increase can be attributed to the promotion.
- Seven percent of the 19.4 percent increase can be attributed to new evening service
- Three percent of the 19.4 percent increase can be attributed to normal growth
- One percent of the 19.4 percent increase can be attributed to the Passport program
- Topeka Kansas exhibited a 5.6 percent post program growth after an increase of 83 percent during their fare free program
- After the promotion, evening service ridership has increased by 82 percent
  - Evening service is now transporting  $\frac{1}{2}$  as many trips per hour as the core daytime services.
- During the promotion the number of bicycle trips declined by 6 percent
- During the promotion the number of wheel chair trips increased by 14percent
- Ridership for FY '07 is projected to exceed 1.4 million trips, up from 1.1 million trips in FY '06. This includes the additional riders during fare free.
- Ridership for FY '08 is projected to exceed 1.38 million trips.

Performance Characteristics:

- The total number of complaints has declined from one in every 7,521 trips to one for every 12,500 trips after promotion ended.
- Forty two percent of all complaints by the 45<sup>th</sup> day of operation concerned buses running late.
  - During the promotion, on time performance was 89 percent.
  - After the promotion on-time performance for first quarter of 2007 rose to 97 percent overall.
  - The amount of time needed for each passenger to board decreased about 20 percent (From 4 to 3+ seconds)
  - The overall amount of boarding time increased due to the increase in passengers

- People used the bus for shorter distances increasing the number of times the bus had to decelerate to stop, and accelerate back into traffic.
  - 30 percent of riders transfer and can be affected by late buses.
- The major reasons for riding were:
  - The convenience of the system and not having another means of transportation.
  - Five percent stated that parking was a problem
  - One percent rode for environmental reasons
  - Seven percent stated that they were “Just Riding”
- Twenty one percent of passengers were unhappy with the crowded buses
- Ridership by those who had vehicles they could have used for the trip remained steady at 14%. This increase of 4 percent over last year.
- The number of riders with incomes of \$10,000 and below increased 7.5% during fare free.
- Those in the \$10,000 and above range decreased by 7.5 percent.

#### Financial Impacts:

- There were no additional significant increases in direct operating expenditures during the promotional period
- Several transmissions had to be replaced post promotion
- The buses were used much harder and required more manpower to clean.
  - People were shifted from other tasks.
  - Maintenance did increase, but no additional people were hired.
    - Preventive maintenance that could legitimately be delayed was postponed
- Net increase in revenue from post promotion ridership levels and lower per passenger yield:

- Fare box revenue per trip is down 6.7 percent December through March
- Fare box revenue is up 10.2 percent December through March. Fare box revenue was up 11.8 percent July through August
- Fare box revenue is projected to up 11 percent for fiscal year.
- Per trip revenue is projected to be down 6 percent for fiscal year
- The operating subsidy for promotion period operations were increased to replace fare box revenue lost:

Estimated net loss of bus fare revenue vs. last year:	\$ 96,300
Estimated net loss of Para-transit revenue vs. last year:	\$ 13,125
Cost of additional security:	\$ 10,000
<u>Cost of advertising:</u>	<u>\$ 12,000</u>
Total subsidy from City of Asheville:	\$132,125

Externalities:

The free-fare promotion had no direct effect on parking demand in downtown Asheville.