



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: July 2, 2013

TO: Mayor and Councilmembers

FROM: Transportation Division, Public Works Department

SUBJECT: Options For Addressing The Revenue Shortfall On The Downtown Waterfront Shuttle

RECOMMENDATION:

That Council provide direction on resolving the \$40,000 revenue shortfall for the Downtown/Waterfront Shuttle.

DISCUSSION:

At the Council meeting of June 18, 2013, Council approved the renewal of the City Master Agreement with MTD for the Downtown/Waterfront Shuttle at a cost of \$1,148,180 for Fiscal Year 2014. The sources of funding are listed below.

Current Source of Funding (Fiscal Year 2014)

Measure "A" Fund	\$582,015
Downtown Parking Fund	\$393,978
Fare Box Revenue (Credit)	<u>\$172,187</u>
Total:	\$1,148,180

At that Council meeting, as well as during the Public Works Department budget presentation on May 6, 2013, staff advised the Council that they were projecting a revenue shortfall of \$40,000 for the current fiscal year and for Fiscal Year 2014.

Funding Shortfall

Prior to the dissolution of the City Redevelopment Agency (RDA), the RDA was providing \$300,000 for transit services to support the traffic mitigation requirement of the Central City Redevelopment Area. In acknowledgment that these funds are no longer available, the City and Santa Barbara Metropolitan Transit District (MTD) eliminated the shuttle service to the Carrillo Commuter Lot, reduced the midday service on the Crosstown Shuttle and increased the fare on the Downtown/Waterfront Shuttle from \$0.25 to \$0.50.

By MTD estimates, the fare increase would generate \$75,000 in additional revenue that would partially offset the loss of RDA funding. Additionally, the changes that Council approved to address the loss of RDA funding left a shortfall of \$22,000 for the Downtown Waterfront Shuttle. At the time the fare increase was proposed, City and MTD staffs were optimistic that the fare increase would not cause a significant decrease in ridership and that additional fare revenue might be realized and offset the \$22,000 shortfall. Staff reviewed the fare box revenue during the first nine months of Fiscal Year 2013, and discovered that it was less than expected, resulting in a projected revenue shortfall of \$40,000 for Fiscal Year 2013 and a projected revenue shortfall of \$40,000 for Fiscal Year 2014.

Staff has been working with MTD to develop options to address the revenue shortfall. In reviewing options for addressing the shortfall, staff focused on the Waterfront portion of the service, which has low ridership. The average ridership on the Wharf to Harbor service is 3.3 passengers per trip, and 4.8 passenger per trip for the entire Waterfront service between 10:00 and 11:00 AM. The summer ridership on the Waterfront service is 6.2 passenger per trip. In comparison, the average passenger per trip on the State Street service during the summer is 27.8.

Options to Address Funding Shortfall

Below is a list of options that the City and MTD have developed to address the revenue shortfall and presented to Council at the May 6, 2013 budget presentation.

<u>Option</u>	<u>Savings</u>
1. Funding from the Waterfront Fund to maintain current level of service	\$40,000
2. Remove Wharf to Harbor Shuttle	\$67,929
3. Remove 10 – 11 AM service for Waterfront Shuttle (Zoo to Harbor)	\$36,620
4. Increase headways on Waterfront Shuttle from 15 to 30 minutes during summer (except for 6 PM – 9 PM Friday and Saturday, which stays at 15 minutes due to the State Street “dog leg”)	\$40,000
5. Remove 9-10 AM for Downtown Shuttle (Sola St. to Cabrillo Blvd.)	\$43,400

During the budget presentation, Council expressed concern about changing the frequency of the Waterfront portion of the service, as outlined in Option 4. The State Street leg is performing well and has experienced denied boardings, where someone could not get on the shuttle. As such, staff does not recommend changing the hours on the State Street service as outlined in Option 5.

Council requested staff to determine if the increase in passengers related to cruise ship visits could offset the revenue shortfall. MTD charges the Waterfront Department the actual cost to provide additional shuttles during cruise ship visits. Federal regulations will not allow MTD to charge cruise ship visitors a different rate for the downtown shuttle than is charged to the general public. For these reasons no substantive revenue will be generated by cruise ship passengers utilizing the waterfront shuttle.

Additionally, if MTD eliminates the Wharf to Harbor service as described in Option 2, the cruise ships cannot be accommodated with shuttle service since MTD cannot provide service where there is not regular transit service.

Since the Summer 2013 service began over the Memorial Day weekend, and there was not sufficient time for MTD to make service changes, the General Manager of MTD advised the Council at the May 6, 2013 budget presentation that MTD would maintain the service for Summer 2013. MTD requested direction by the end of June to allow time to address the long term budget imbalance if the schedule changes are to go into effect in September 2013.

Council directed staff to seek input from the Transportation and Circulation Committee (TCC). On May 23, 2013, the TCC review options to address the revenue shortfall and recommended that the Council provide funding in the amount of \$40,000 from the Waterfront Department to cover a portion of the cost to operate Waterfront Shuttle service. The TCC did not select an alternative option but expressed an interest in Option 2, the elimination of the Wharf to Harbor service due to low ridership.

The MTD Board of Directors reviewed options for addressing the revenue shortfall at their June 25, 2013, Board Meeting and recommended Option 1 with the Waterfront Fund providing funding of \$40,000 to cover the service. As an alternative, the MTD Board recommended delaying the start time of the Waterfront Shuttle (Zoo to Harbor) to 11 AM. The Board did not support elimination of the Stearns Wharf to Harbor service (Option 2).

Recommendation

Staff is seeking Council direction to assist MTD on any service changes that may go into effect this fall. If MTD is given no specific direction, changes in service on the waterfront shuttle will go into effect starting on the 2014 Memorial Day weekend.

Should additional funding not be provided, staff recommends the elimination of the waterfront service between Stearns Wharf and the Harbor, due to low ridership.

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SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office



Downtown/ Waterfront Shuttle Revenue Shortfall Options

Council Meeting
July 2, 2013

Downtown /Waterfront Shuttle

- ◆ Mitigation for the Central Redevelopment Area
- ◆ Began as the Commuter Lots and noon time State Street Shuttle 1988
- ◆ MTD began providing service in 1993



Downtown Waterfront Shuttle Funding

- ◆ \$582,015 Measure A
- ◆ \$393,978 Parking Fund
 - \$350,000 (former enhanced service on transit lines, 1,2,6 and 11) Council agreed to freeze at this level
 - \$43,978 has been ongoing
- Fare box revenue \$172,187 (credit)
 - FY 12 fare box breakdown
 - 82.3% State Street
 - 12.6% Zoo to Stearns Wharf
 - 5.1 % Stearns Wharf to Harbor



Ridership Data

- ◆ Waterfront Shuttle (Zoo to Harbor)
 - 6.2 passenger per trip (summer)
 - 5.2 passengers per trip (non summer)
 - 5.7 passengers per trip (all year)
- Waterfront Shuttle (Zoo to Wharf)
 - 8.8 passengers per trip (summer)
 - 7.1 passengers per trip (non summer)
 - 8.0 passengers per trip (all year)
- ◆ Waterfront shuttle- (Stearns Wharf to Harbor)
 - 3.4 passengers per trip (summer)
 - 3.1 passenger per trip (non summer)
 - 3.3 passengers per trip (all year)



Ridership Comparison

- ◆ Waterfront Shuttle (Zoo to Harbor)
 - 6.2 passenger per trip (summer)
 - 5.7 passengers per trip (all year)
- ◆ Downtown Shuttle- State Street
 - 27.8 passengers per trip (summer)
 - 23.9 passengers per trip (all year)



MTD Board and TCC Recommendations

- MTD Board recommendation
 - \$40,000 Waterfront Department funding
 - Alternate recommendation-Remove the first hour of Waterfront service (10-11 am)
- TCC Recommendation
 - \$40,000 Waterfront Department funding
 - No alternate recommendation but leaned toward the elimination of the wharf to harbor service due to low ridership.
 - » This option will not provide a way for MTD to boost shuttle service for the cruise ships



Other Options Considered

- Remove the first hour of Downtown service (9-10 am) 10.1 passengers per trip
- Changing summer headway on Waterfront shuttle from 15 minutes to 30 minutes 6.2 passengers per trip



Summary of Options

- \$40,000 Waterfront Department funding
- Remove the first hour of Waterfront service (10-11 am)
- Eliminate wharf to harbor service
- change summer headway on Waterfront shuttle to 30 minutes
- Remove the first hour of Downtown service (9-10 am)