



Central Oregon Intergovernmental Council

REGIONAL TRANSIT MASTER PLAN

Volume V: Funding Sustainability Plan

August 2013



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INTRODUCTION

Cascades East Transit (CET) was founded in 2008 by the Central Oregon Intergovernmental Council (COIC) in response to a series of planning processes – the Coordinated Human Services Transportation Plans for Crook, Deschutes, and Jefferson Counties and the Confederated Tribes of Warm Springs – which identified the need for enhanced general public transit *within* cities and transit connections *between* cities to allow residents to access work, school, medical services and other critical destinations.

COIC was able to leverage a wide variety of start-up funds and local contributions to get CET off the ground, and actually expand services between 2008 and 2010. As the Great Recession deepened, CET was faced with the twin specter of diminishing local contributions and rising costs, culminating in two separate service cuts in March and October 2012. These cuts were very difficult for riders who lost service hours, service availability, or even service altogether in some areas. The goal of the Transit Funding Sustainability Plan is to develop a sustainable local funding base for predictable and reliable operation of CET’s services. If possible, increases in funding would allow CET to implement highly-desired service additions that are fully explained in Volume IV Service Plan.

BASIC SERVICE OR SERVICE TO ATTRACT “CHOICE RIDERS”

CET’s current service is designed to meet the needs of “transit reliant” riders – e.g. seniors, people with disabilities, low-income individuals and households, and other groups such as students. In reality, CET’s current service level is insufficient to meet the needs of these riders, as service capacity was reduced in 2012 to the extent that CET has been forced to deny rides due to lack of vehicles and drivers to meet demand. This is particularly evident in Redmond, Madras, and Prineville. CET’s service level in Bend approaches that required by “choice riders” – riders who do not depend on transit but rather choose it due to desires for convenience or cost savings; to avoid parking, traffic congestion or other barriers; or for environmental and quality of life reasons. However, it is inadequate to meet the needs of a critical mass of choice riders due to insufficient frequency of buses, early closing hours, and lack of funding for marketing, conveniences such as wi-fi, and other amenities.

In various places in the previous four Volumes, the case was made that current and prospective riders desire enhanced convenience and flexibility, in addition to later service hours and expanded Saturday service, to meet their needs. Convenience and flexibility can be offered through the provision of fixed-route services throughout the system, rather than dial-a-ride service requiring a reservation. Offering fixed-route service also provides the added feature of being more attractive to choice riders. These riders would also now have room on the system due to the fact that fixed-route buses, which don’t travel all over a community offering curb-to-curb service, can “fill up” completely without creating extended ride times for passengers. As evidence to this fact, Bend fixed route buses are serving approximately 20 riders per hour while dial-a-ride buses elsewhere in the system are maxed out at 5-9 riders per hour¹.

¹ The DAR rides/hour figures for CET services far exceed industry averages, which tend to be in the range of 3-4 rides/hour.

Figure 1 provides a simplified rendition of the tradeoff between providing a service that minimally meets the needs of transit-reliant populations and service that meets the needs of both transit-reliant and choice riders.

Figure 1 Convenience/Cost and Service Level Tradeoffs



CURRENT FUNDING MIX AND FUNDING NEED

Central Oregon’s transit system is dependent on discretionary funding, with approximately 60% of all revenues being sourced from non-transit-dedicated sources. The system must compete for funding each year and is subject to fluctuations in funding as other public priorities emerge. While federal grants have been stable or increasing, the region needs to develop 50% local match for federal grants (fares do not count as local match), and local sources have diminished. Fares recovered 10.8% of the total cost of service in 2012, and CET and COIC are planning to increase fare revenues (discussed in more detail later). Instability in funding makes it difficult to plan for future service, and forces transit administrators to spend an inordinate amount of time seeking funding rather than working on service quality. A lack of stable funding and diminishing local sources of funding means that there will likely be additional service cuts over the next two years.

BEND VS. RURAL FUNDING

Figure 2 provides a simplified version of COIC’s budget for fiscal year 2013-14, and separates CET rural service (everywhere outside of Bend) and small urban service (Bend service). The Federal Transit Administration defines urban areas as those with a population 50,000 or greater. Under this definition, Bend is the only urban area in Central Oregon and as such has funding sources that are earmarked for urban areas. The other cities in Central Oregon are categorized as rural and have different funding sources.

Figure 2 FY 2014 Service Budget

| FY 2014 | Rural Service (includes Community Connector shuttles) | Bend |
|--|--|--------------------|
| Total Budget | \$2,398,304 | \$2,831,484 |
| Personal Services – Wages, Benefits | \$1,388,828 | \$460,674 |
| Materials and Services | \$789,476 | \$2,150,810 |
| ▪ Contracted labor portion | NA | \$1,399,721 |
| Capital | \$220,000 | \$220,000 |
| Revenue | | |
| Total Revenue | \$2,398,304 | \$2,831,484 |
| ▪ Fares | \$234,674 | \$322,107 |
| ▪ Local | \$854,417 | \$1,072,124 |
| ▪ Federal | \$1,057,342 | \$1,386,554 |
| ▪ Other ² | \$251,871 | \$50,699 |

² Other includes: contract income, advertising, and non-government partner contributions

Local funding for Bend services is nearly 100% provided by the City of Bend, in the form of an approximately \$1 million annual contribution from the General Fund to the system as per an IGA between the City and COIC for transit services. This contribution – which amounts to 25 times the contribution level of the next local government served by CET – has created excellent service stability in Bend. However, the agreement expires in late 2015 and City decision-makers have communicated that the City would prefer to utilize those general fund dollars to meet other needs – notably emergency services.

The local match portion of funding for CET’s rural services is cobbled together from a hodge-podge of dozens of individual, non-dedicated sources, many of which have been declining or eliminated altogether since 2011.

In Bend and the rest of the communities served by transit, CET and its operator COIC need to identify a stable, reliable local funding mechanism.

LOCAL FUNDING NEED

The exact amount of sustainable local funding needed to maintain and improve CET’s transit services depends on the amount of service desired by each community (and the region as a whole), balanced with the willingness to pay by community members and leaders. COIC is testing these factors through a variety of processes, including a community telephone survey, being conducted in September 2013, the COIC Board Local Transit Funding Subcommittee (discussed later in this Volume), and at meetings with City Councils and other partners around the region.

For the purposes of estimation, COIC staff currently estimate that the total local funding needed to:

- sustain current levels of transit service = broad estimate of \$2.25 million.
- expand service offerings to the “Mid-Term Service Plan” (see Volume IV) = broad estimate of a further \$2 million (or a total of \$4.5 million).

These figures will be refined by COIC staff over the coming weeks and months. It should be noted that the above figures do not include funding for expanded marketing, capital replacement (e.g. replacing buses and transit shelters and other capital), or capital enhancement (e.g. new fixed route stops).

FUNDING PLAN

As of the publication of this document, COIC staff continue to work with a variety of regional partners to refine the specifics of the overall CET Local Funding Plan. Regardless of the details, the Plan will have three elements:

- Develop “Backbone” Local Funding: Identify a tool or tools to provide sustainable, dedicated, and predictable local funding for the backbone of local service. Backbone funding will allow CET to provide predictable, stable service which will, in turn, increase the potential to achieve the remaining revenue generation components.
- Increase Fare Revenues and the Farebox Recovery Rate: CET’s current system-wide farebox recovery rate of 10-11% is fairly low by industry standards. Community feedback has indicated that a higher farebox recovery rate should be established before developing additional funding sources.
- Pursue Strategic Partnerships: Once backbone funding has been secured, CET can enter into partnerships to enhance service and better meet the needs of strategic local partners, including especially regional health care, education, and social service providers and tourism businesses.

These elements are explained more thoroughly in the following sections.

BACKBONE FUNDING

The most significant element of the Funding Plan is the development of “Backbone Funding”, or sufficient, dedicated local funding to enable CET to provide a critical mass of service, regardless of the vagaries of partnerships and fare revenues.

COIC Board Local Transit Funding Subcommittee

The COIC Board recently developed the COIC Board Local Transit Funding Subcommittee, which has been charged with providing recommendations on the following:

Committee Purpose:

To develop recommendations for the COIC Board on four primary questions:

- Governance: Should transit continue to be operated at the regional scale by COIC, and/or should a transit district or districts be formed?
- Funding Geography: Should there be a single tri-county local funding solution, or a combination of funding solutions tailored to the service needs/priorities and willingness to pay of individual communities?
- Local Funding Tool: Considering the broad array of dedicated funding tools in use in Oregon, what/which are appropriate for CET? If a fee or tax is recommended, what should the rate be?
- Level of Service: Should the funding solution(s) be aimed at maintaining the current level of service, a highly expanded level of service, or somewhere in between?

The Subcommittee is meeting from August-December 2013, and will explore a variety of approaches and tools to developing a dedicated backbone funding level for CET. Figure 3 provides an overview of Subcommittee meetings and meeting goals.

Figure 3 COIC Board Local Transit Funding Subcommittee Meetings

| Meeting Date | Meeting Discussion Topics/Goals |
|--|---|
| Meeting #1 – August 16 Committee Orientation and CET Overview | <ul style="list-style-type: none"> • Discuss committee goals, process and timeline • Orient participants to CET funding framework; Work to date on system vision, planning, and sustainable system funding concepts • High level review of governance options • High level review of funding mechanism options • Determine CET Committee need for additional information, data, research |
| Meeting #2 – September 6 Data and Info on Budget and Funding Mechanisms | <ul style="list-style-type: none"> • Review of CET service level/cost scenarios • Detailed review range of transit system funding mechanism options • Determine CET Committee need for additional information, data, research, etc. |
| Meeting #3 – September 20 Data and Info on Governance | <ul style="list-style-type: none"> • Detailed review range of options for transit system governance • Review preliminary outcomes of regional public phone survey • Determine CET Committee need for additional information, data, research, etc. |
| Meeting #4 – October 4 Regional Options | <ul style="list-style-type: none"> • Discussion of geographic options • Review final survey outcomes and findings • Determine CET Committee need for additional information, data, research, etc. |
| Meeting #5 – October 18 Facilitated Discussion – CET Sustainability Concepts | <ul style="list-style-type: none"> • Facilitated Committee discussion regarding options for a sustainable funding approach. Preliminary identification of recommendations. • Determine CET Committee need for additional information, data, research, etc. |
| Meeting #6 – November 1 Develop Draft/Preliminary Recommendations | <ul style="list-style-type: none"> • Develop draft recommendations on sustainable funding approach • Achieve concurrence on recommendations to COIC Board |
| November 1-November 15 Outreach | <ul style="list-style-type: none"> • Provide draft recommendations to COIC Board, city councils, County boards of commissioners, and stakeholders; solicit comment and feedback. |
| Meeting #7 – November 15 Develop Revised/Final Recommendations | <ul style="list-style-type: none"> • Based on COIC Board questions and feedback, revise/refine recommendations • Achieve concurrence on revised recommendations to COIC Board |
| December 5 Acceptance of Recommendations | <ul style="list-style-type: none"> • COIC Board accepts final recommendations • COIC Board approves sustainable funding plan for CET system |

The Subcommittee will guide COIC in identifying the appropriate, most-feasible mix of funding tools for the communities served by CET.

CET Governance and Funding Options

Options for governance and funding of CET are interrelated. That is, some funding options necessitate certain governance models and some governance models enable or preclude funding models.

Funding Options

The Backbone Funding effort is focused on identifying a sustainable, dedicated local funding source for transit in Central Oregon. The Subcommittee is currently investigating the feasibility of a variety of funding options presented in Figure 4.

Figure 4 Local Transit Funding Tools in Oregon

| Local Funding Tool | Description | Impact to Transit | Who pays? | Who decides? | Governance Implications |
|--|----------------------------------|---|--|---|--|
| Maintain Reliance on General Fund (current CET model) | Continue relying on City funding | Likely to result in less funding and impacts to other City/County spending priorities | Taxpayers | Cities, Counties | Status quo – COIC manages/governs |
| Property Tax Measure (Hood River, Tillamook, Klamath Falls) | Levy new property tax | Grows as community grows | Property owners | Voters within selected geography or geographies | Requires development of transit district, elected Board. |
| Payroll Tax Measure (Eugene, Salem) | Levy new payroll tax | Grows as employment grows | Employers | Voters within selected geography | Requires enabling legislation or development of mass transit district. |
| City Transit Utility Fee (Corvallis) | A levy to all utility accounts | Easy to apply, distributes burden widely | All residences, businesses, agencies, etc. | City Council action | Can be utilized by any governance model. |
| Local Sales Tax (Ashland) | | Locals & non-locals share cost | Anyone buying goods/ services | Voters | Administered by the City that passes it. |

Governance Implications

Some of the transit funding options have implications for transit governance as well as the ability to continue to provide a regionally-based transit system. For instance, establishment of a transit district in one community means that service within the boundaries of the district is governed by the new district entity, including a directly-elected Board of Directors. Figure 5 provides a simple overview of some of these implications.

Figure 5 Governance Implications

| TOOL | GEOGRAPHY | | |
|---------------------------------|---|--|--|
| | LOCAL | REGIONAL | HYBRID/OTHER |
| PROPERTY OR PAYROLL TAX | Multiple transit districts or mass transit districts. May or may not contract with regional entity to provide regional service. | Regional transit or mass transit district. | Transit or mass transit district serves some areas, COIC serves others |
| UTILITY FEE OR SALES TAX | Locally-based services funded by City fees or sales tax | COIC operation, under contract with Cities | Fees in some areas, other tools elsewhere |
| STATUS QUO | N/A | Operated/governed by COIC, funded by local governments | N/A |

Potential Governance Models:

- **Council of Governments (Current Model):** Transit would remain operated by the regional COG, governed by a Board composed of appointed elected representatives from the eight cities and three counties, with additional private-sector representatives. COIC currently does not have any statutory authority to levy taxes or fees.
- **Transit districts and Mass Transit Districts:** Transit districts are the primary transit governance/funding tool used in Oregon. They are formed by a popular vote, and are generally formed with a permanent property tax rate. Mass transit districts are also allowed the use of a payroll tax and various other fees. The Governor appoints the governing Board and MTDs are only allowed in MSAs (the Bend MSA is Deschutes County)
- **Individual Jurisdictions:** Devolve the regional system to a network of systems operated by individual cities and counties. Governance by each City/County, with efforts to develop regional coordination, or not.
- **Non-profit:** Transit could be operated by a non-profit entity, with governance by the non-profit Board.
- **County Service District (?):** Transit could be operated by a county service district, although this model has not been fully explored to this point.

Regardless of the governance model, operations could be coordinated to one or multiple public, private, or non-profit operators.

FARES

COIC staff performed a fare analysis and have developed a draft fare increase proposal. **At the time of this publication, the fare increase proposal is on hold, pending further analysis of the implications of the fare increases (e.g. in regards to retaining or losing riders) and outreach feedback. CET staff are currently preparing a more modest fare increase proposal.**

Purpose of Fare Study

The reasons for conducting the study and proposing the changes are:

1. COIC has not changed fare policy since Cascades East Transit (CET) opened.
2. CET has experienced steady budget cuts for the past 2 years, and in the absence of dedicated local funding should look to new revenue generation opportunities.
3. COIC staff believed that CET fares were low compared to industry averages, particularly in regard to dial-a-ride services.
4. Passengers have often stated a preference for paying higher fares versus losing services.
5. Community Connector shuttle fares are not sensitive to distance traveled – e.g. a rider traveling from La Pine to Madras pays the same fare as a rider traveling from Bend to Redmond.

Analysis/Peer Review and Recommendations

COIC staff analyzed fares for comparable types of service on transit systems in Oregon. Staff gathered information on population served, area served, route miles, etc. in order to help provide context for the comparisons. The tables that begin on the following page compare the following types of fares: local fixed route and complementary paratransit (CET in Bend), long-distance shuttles (CET Community Connector shuttles), and general public dial-a-ride services (CET local transit outside Bend). Furthermore, staff compared single-ride fares, day passes, month passes, and discounted fares of all types.

The analysis and a draft list of staff recommendations were discussed by the RPTAC at their March 19 and April 23, 2013 meetings. The RPTAC then developed the fare policy recommendations presented in the last section of this document. These changes include significant increases in certain fares as well as a restructuring of the Community Connector shuttle fare system. The COIC Board considered the peer review and proposal at their June 6, 2013 Board Meeting and requested that staff further analyze the implications of large fare increases.

Peer Review Tables

Figure 6 Fixed-Route/Deviated Fixed-Route Peer Review

| Agency | Basin Transit | Cascades East Transit | Josephine County Transit | Northeast Oregon Public Transport | Rogue Valley Transport. District | Yamhill County Transit Area | Tillamook County Transport. | Sunset Empire | Snake River Transit |
|---|---------------------|-----------------------|--------------------------|-----------------------------------|----------------------------------|---|-------------------------------|-----------------------------|--|
| Service Area Description | Klamath Falls UGB | Bend | Josephine County | Union County | Medford and surrounding s | McMinnville, Newberg and Surrounding s ³ | Tillamook County ⁴ | Clatsop County ⁵ | Ontario |
| Service Area Population | 40,100 ⁶ | 76,639 | 82,713 | 14,071 | 155,276 ⁷ | 76,126 (54,255 M&N) | 25,250 | 26,389 | 11,366 |
| Route Miles | 60 | 58.9 | 52 | | 155.8 | - | 13.7 | 167.8 ⁸ | 34.4 |
| Headways | 30 minutes | 40 minutes | 30-60 minutes | 60 minutes | 30-60 minutes | 60 minutes | 60 minutes | 1-2 hours | 60 minutes |
| Fare (General Public) | \$1.50 | \$1.50 | \$1 | \$1.50 | \$2 | \$1.25 | \$1.50 | \$1-\$4 ⁹ | \$1 |
| Reduced Fare (Youth/Senior/Disabled) | \$.75 | \$.75 | \$.50 | \$4 | \$1 | NA | NA | Reduced monthly pass | \$.75 youth/ \$.50 senior and disabled |

³ Amity, Carlton, Dundee, Grande Ronde, Lafayette, Sheridan and Yamhill

⁴ Deviated fixed-route

⁵ Westport, Warrenton, Hammond (no population info), Astoria, Gearhart, Seaside, Cannon Beach, Knappa

⁶ UGB population from the Klamath Falls Chamber of Commerce

⁷ In District

⁸ Does not include weekend only or seasonal routes (total = 321.1)

⁹ Fare range based on distance

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| Agency | Basin Transit | Cascades East Transit | Josephine County Transit | Northeast Oregon Public Transport | Rogue Valley Transport. District | Yamhill County Transit Area | Tillamook County Transport. | Sunset Empire | Snake River Transit |
|--|----------------------------|--|---|--------------------------------------|----------------------------------|-----------------------------|---|--------------------------------|--------------------------------|
| Day Pass (General Public/Reduced) | \$3 | \$2.50/\$1.25 | \$3 | | \$5 | \$2.50 | NA | \$5 | NA |
| Monthly Pass (General Public/Reduced) | \$54/\$27 | \$30/\$20 youth/\$15 seniors | \$38 | \$50 | \$56/\$28 | \$35 | \$40/\$30 | \$45/\$30 | \$30/(\$20/\$15) |
| % Farebox Recovery | 21% | 16.2% | NA ¹⁰ | NA ¹¹ | 30% | NA ¹² | 8.7% | NA ¹³ | - |
| Complementary DAR | \$3 | \$2.50/1.25 | \$2-\$6 each way ¹⁴ | \$2.50 | \$4 | \$2 | \$2 | \$2-\$8 | \$2 |
| Service Geography | Within BTS area boundaries | Bend City limits | Fruitdale, Redwood, Demaray, Murphy, Merlin and City of Grants Pass | 3/4-mile radius of fixed-route | 3/4-mile radius of fixed-route | 3/4 mile of fixed-route | 3 zones: North, South, and Central | 3/4-mile radius of fixed-route | 3/4 mile radius of fixed route |
| Eligibility | Seniors and disabled | Disabled, low-income disabled or low-income senior | Seniors and disabled | Inability to use fixed-route service | Disabled | Disabled | Anyone (Disabled for multi-zone travel) | Disabled | Disabled |
| % Farebox Recovery | 7% | 7.5% | 10.4% | NA ¹⁵ | 14% | NA ¹⁶ | 2.4% | NA ¹⁷ | - |

¹⁰ 26% (includes in town and commuter service)

¹¹ 4.65% (includes fixed-route and paratransit services, paratransit accounts for 59% of fares collected)

¹² 18% (includes fixed-route, dial-a-ride and commuter services)

¹³ 13.5% (includes fixed-route and dial-a-ride, does not include contracted fares), 16.8% (includes fixed-route, dial-a-ride and contracted fares)

¹⁴ 5317 services that go beyond the 3/4 mile service area have a graduated fare up to \$6.00

Figure 7 Long-Distance Shuttle Peer Review

| Agency | Cascades East Transit | Canby Area Transit | Curry Public Transit | Salem Area Mass Transit ¹⁸ | Columbia Area Transit | Tillamook County | Northeast Oregon Public Transport | Snake River Transit | Lane Transit District | Josephine County Transit |
|--|---|----------------------------|--|---|---|--------------------|--|---|---|--|
| Route Description | Bend-Redmond Bend-La Pine Redmond-Madras Redmond-Prineville Redmond-Sisters | Woodburn-Canby-Oregon City | Coastal Express: Smith River, CA to North Bend, OR | Woodburn/Salem Silverton/Salem Canyon Connector/Salem Polk County/Salem Dallas/Salem Express | Hood River-The Dalles The Dalles-Portland | Tillamook-Portland | Baker City/Haines Baker City/North Powder Baker City/La Grande | Ontario-Vale Ontario-Nyssa | Eugene-Venetta Eugene-Junction City Eugene-Cottage Grove Eugene-McKenzie Bridge Eugene-Coburg | Grants Pass-North County Grants Pass-Cave Junction |
| Service distance (Miles, One-way) | Shortest: Bend-RDM: 17 Longest: La Pine-Madras: 72 | 21 | 121 | Woodburn/Salem: 19 Silverton/Salem: 14 Canyon Conn./Salem: 35 Polk County | Hood River-The Dalles: 24 The Dalles-Hood River-Portland: 87 | 73 | Baker City/Haines: 11 Baker City/North Powder (NP): 21 Baker | Ontario-Nyssa: 13 mi Ontario-Vale: 17 mi | Shortest: Eugene-Coburg: 9 mi Longest: Eugene-McKenzie Bridge: 53 | Grants Pass/Cave Junction: 25 mi Grants Pass/North County: 34.5 |

¹⁵ See footnote 9

¹⁶ See footnote 7

¹⁷ See footnote 11

¹⁸ Deviated fixed route service to rural communities

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| Agency | Cascades East Transit | Canby Area Transit | Curry Public Transit | Salem Area Mass Transit ¹⁸ | Columbia Area Transit | Tillamook County | Northeast Oregon Public Transport | Snake River Transit | Lane Transit District | Josephine County Transit |
|--------|-----------------------|--------------------|----------------------|---------------------------------------|-----------------------|------------------|--|---------------------|-----------------------|--------------------------|
| | | | | /Salem: Dallas/ Salem: 15 | | | City/La Grande: 45 Haines/NP: 9 Haines/La Grande: 33 NP/La Grande: 24 | | mi | |

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| Agency | Cascades East Transit | Canby Area Transit | Curry Public Transit | Salem Area Mass Transit ¹⁸ | Columbia Area Transit | Tillamook County | Northeast Oregon Public Transport | Snake River Transit | Lane Transit District | Josephine County Transit |
|---------------------------------------|-----------------------|--------------------|-------------------------|---------------------------------------|---------------------------|---------------------|-----------------------------------|---------------------|---|--------------------------|
| Fare (General Public, one-way) | \$3.75 | \$1 | \$4 -\$24 ¹⁹ | \$2 | \$3-\$8 | \$15 | \$3-\$8 | \$5 | \$1.75 | \$2 |
| Fare (Sr/Disabled) | \$3 | NA | Half-fare | \$1.25 | NA | NA | NA | | \$.85 | \$1 |
| Passenger Cost/mile | \$.05-.22 | \$.05 | \$.20 | \$.06-\$.13 | \$.09 -\$.13 | \$.21 | \$.18-\$.27 | \$.29-\$.38 | \$.03-\$.19 | \$.06-\$.08 |
| Round-trip (General/Reduced) | \$6.25/\$4 (Day pass) | No discount | No discount | \$4/\$2.50 (Day pass) | No discount | \$20 | \$5-\$11 | No discount | \$3.50 (Day pass)/\$1.75 (Day pass reduced) | \$6 (Day pass) |
| Monthly Pass General/Reduced) | \$100 | NA | \$50 | \$55 (\$27.50) | NA | In-county pass only | \$50/\$80/\$110/\$60/\$90/\$80 | | \$48/\$24 | \$50 |
| % Farebox Recovery | 17.4% | NA ²⁰ | NA ²¹ | 13.9% ²² | 10.6%/10.8% ²³ | 53.8% | NA ²⁴ | - | NA ²⁵ | NA ²⁶ |

¹⁹ \$4 per city segment, cost depends on distance traveled

²⁰ Only record fares paid in cash

²¹ Cost/ride = \$25.22, Cost/revenue mile = \$1.38, Cost/revenue hour=\$39/48, 50% of passengers ride 1/2 price

²² Determined from 2012-2013 First Quarter financials

²³ 10.6% for Hood River to Portland, 10.8% for The Dalles-Hood River

²⁴ Overall farebox recovery for Union County is 4.65% (includes local and intercity travel)

²⁵ Overall farebox recovery is 20%, paratransit is 10%. Do not break out the rural connections from their urban system.

²⁶ 26% (includes both in town fixed-route and commuter service)

Figure 8 General Public DAR Peer Review

| Agency | Cascades East Transit | Canby Area Transit | Curry Public Transit | Columbia Area Transit | Mid-Columbia Council of Governments Transportation Network (The LINK) | Northeast Oregon Public Transportation |
|---|--|----------------------|---|---|---|---|
| Service Area Description | UGB La Pine, Redmond, Prineville, Madras. Extended service area in Sisters | Canby UGB | Brookings and Gold Beach | Hood River, Odell, Parkdale and Cascade Locks | The Dalles and other areas of Wasco County | Enterprise, Joseph, Wallowa |
| Service Area Population | 45,234 ²⁷ | 15,829 ²⁸ | 8,589 | 10,877 | 14,930 ²⁹ | 3,829 |
| Population Density Range (Persons / Square Mile) | 237-1561 | 4,221 | 892-1,638 | 497-2,808 | 2,146 (The Dalles) 10.5 (Wasco County) | 1,222-3,685 |
| Hours of Operation | La Pine/Prineville/Madras/Culver/Metolius: 7a-5:30p, M-F RDM: 6:30a-6p, M-F Sisters: 9a-3:30p, T | 8a-8p, M-F | Brookings: 8:30-4p, M-F Gold Beach: 9a-2p, M,T,W,F | 8-5, M-F | 8-5, M-F | Enterprise: 10a-2:30p, M,W,F 8:30a-2:30p, T. Joseph: 8:30a-2:30p, T. Wallowa: 10a-2:30p, M,W,F |
| Fare (General) | \$1.25 | \$1 | \$4 | \$1.25-\$2.25 | \$1.50 | \$3 |

²⁷ Does not include La Pine and Sisters service areas outside of UGB

²⁸ Does not include service area outside of Canby

²⁹ The Dalles, Dufur, Tygh Valley, Maupin, Shaniko, Antelope

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| Agency | Cascades East Transit | Canby Area Transit | Curry Public Transit | Columbia Area Transit | Mid-Columbia Council of Governments Transportation Network (The LINK) | Northeast Oregon Public Transportation |
|---|-----------------------|--------------------|---------------------------------|--|---|--|
| Public) | | | | | | |
| Fare (Reduced) | \$1 | NA | \$2 | Same as general | NA | NA |
| Monthly Pass (General Public/Reduced Price) | \$35/\$25 | None | \$50 (includes Coastal Express) | None (20-ticket book, \$25-\$45/\$22.50-\$40.50) | None | NA |
| % Farebox Recovery | 5.8% | NA ³⁰ | 22% ³¹ | 2.1% ³² | Not Available | - |

³⁰ Only track cash collected. When implemented \$1 fare, only expected to cover 1-2% of overall operational cost.

³¹ Cost per ride \$11.33, 75% of riders pay half-price reduced rate

³² Includes DAR and inter-city fixed route

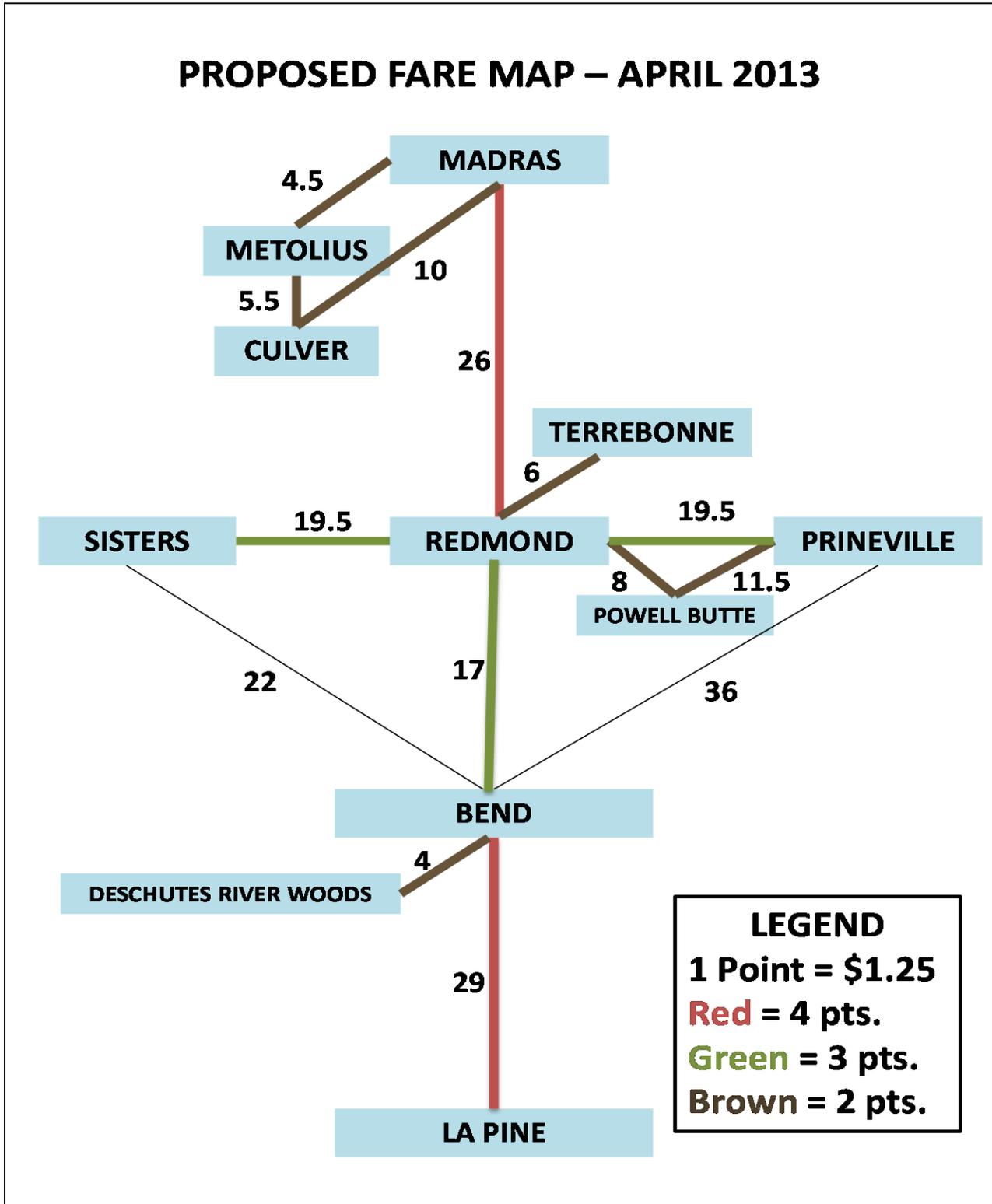
RPTAC Fare Change Recommendations

At their March 19 and April 23 Regional Public Transit Advisory Committee (RPTAC) meetings, the RPTAC agreed on the following recommended fare change proposal. However, as noted above, COIC staff are currently working on a more modest fare increase proposal, due to Board and staff concerns about potential losses in ridership that would result from an aggressive fare increase.

Figure 9 Proposed Fare Increases - On Hold

| Current Single Trip/Discount | PROPOSED Single Trip/Discount | Current Day pass/Discount Month Pass/Discount | PROPOSED Day Pass/Discount Month Pass/Discount | Justification |
|---|--|---|---|--|
| Bend Fixed-Route (Local Fixed Route) | | | | |
| \$1.5/\$.75 | \$2/\$1 | \$2.50/\$1.25 \$30/\$20/\$15 | \$3.50/\$1.75 (with incremental increase to \$5/\$2.50, timeline tbd) \$50/\$25 | The RPTAC felt that the Day Pass should cost more than one RT as is the case with other systems. However, due to the fact that most customers use the day pass, an increase to \$5 in the short run was considered too much of a hardship on current riders. |
| Bend Complementary Paratransit | | | | |
| \$2.50/\$1.25 | \$2.75/\$2 | N/A | N/A | The RPTAC acknowledged the larger increase for low-income riders but maintained that the high cost of Dial-A-Ride service should be accompanied by a higher fare. The increase may persuade some riders to switch to fixed-route service which would save CET money. |
| Long-Distance Shuttles (CC Shuttles) | | | | |
| \$3.75/\$3 | \$1.25/point. CC shuttle routes will cost 2, 3, or 4 points, dependent on distance (see attached map). | \$6.25/\$4 \$100/None | \$15/No discount No month pass – discounted point punch cards will be available. | The RPTAC felt that the cost to the rider should be sensitive to distance travelled. They agreed on the proposed point system, with each leg of travel costing 2, 3 or 4 points depending on distance (see map). The \$15 day pass includes all fixed route services (e.g. fixed route in Bend and Redmond) and was developed to create a cap on maximum cost per rider per day. |
| General Public DAR | | | | |
| \$1.25/\$1 | \$2.50/\$2 (with increase to \$2.75 for parity with Bend DAR system over time) | NA/\$35/\$25 | No day or month pass | The RPTAC discussed the implications of a 2x increase in fare; however, Karen stated that the increase is essential for CET to continue to provide service in those areas. Community stakeholders have requested a larger demonstrated “user pay” before contributing more funding to the system. |

Figure 10 Proposed Community Connector Shuttle Fare Map



STRATEGIC PARTNERSHIPS

In addition to developing sustainable “backbone” funding and raising fares, CET has the potential to develop strategic partnerships with key regional sectors: health care, education, and social service providers; and regional tourism businesses. However, most of the partnership potential is only viable in areas where CET offers fixed-route services providing the convenience of service necessary to meet partners’ needs.

COIC staff have proposed an Oregon Solutions process that would come on the heels of the COIC Board Local Transit Funding Subcommittee’s work in December 2013. This process would convene strategic partners to develop a partnership and service improvement plan utilizing partner contributions to further improve services over and above what could be achieved through backbone funding alone.

Target partners include, but are not limited to:

Health Care

- St. Charles Health System – with campuses in Bend, Redmond, Prineville, and Madras
- Bend Memorial Clinic – with locations in Bend, Redmond, and Sisters
- Mosaic Medical Clinics –with clinics in Bend, Prineville, Redmond, and Madras.

Education

- Central Oregon Community College – with campuses in Bend, Redmond, Prineville, and Madras
- OSU-Cascades Campus – expanding campus in Bend, but pulling students from across the region.
- High Desert Education Service District – serving K-12 school systems across the Region.

Social Services – all of the following serve individuals and families across the region.

- Neighbor Impact
- OR Department of Health and Human Services
- Full Access Brokerage
- Abilitree
- Opportunity Foundation of Central Oregon

Tourism

- Mt. Bachelor
- Roberts Field Airport
- Destination resorts and lodging partners across the region
- Visit Bend
- Central Oregon Visitors Association
- Chambers of Commerce