

CITIZENS TRANSIT ADVISORY GROUP (CTAG)
Meeting Summary
January 19, 2010
DISCUSSION SUMMARY

Present: Tom Cox, CTAG Co-Chair
Gerald Fox, CTAG Co-Chair
Mary Barker, Town of Cornelius
Craig Lewis, Town of Davidson
Henry Antshel, City of Charlotte
Samuel Spencer, CMS
Robert Bischoff, Mecklenburg County

Staff: Carolyn Flowers, Wanda Braswell, Olaf Kinard, Larry Kopf, Tom Livingston, Dee Pereira, and John Trunk

Meeting time 7:30 – 9:00 am

I. Call to Order

Gerald Fox, CTAG Co-Chair called the meeting to order at 7:36 am.

II. Approval of November 17, 2009 meeting summary

Mr. Fox asked for approval of the November 17th meeting summary. Bob Bischoff stated that his name does not appear on the attendance. Also, it was mentioned that the ridership numbers on Page 4 seemed to be high. John Muth stated that the numbers are inclusive with the Northeast Corridor projected ridership. Sam Spencer stated in the second paragraph on Page 4, Mayor Foxx's name should be corrected from Fox to Foxx.

Mary Barker reminded all members that the request for changes/corrections in the meeting summary should be brought to Wanda Braswell's attention prior to the meeting.

The minutes were approved with the three corrections.

III. Action Items

NONE

IV. Information Items

A. Marketing Report

Olaf Kinard

Mr. Kinard made a presentation on marketing of CATS services. At the November MTC meeting, a presentation was given showing how CATS compares this year in ridership to other transit systems that are in North Carolina in addition to the cities of Dallas, Denver, Portland and San Diego. These cities have bus and/or light rail systems comparable to CATS.

All transit systems are experiencing significant decreases in ridership during this recessionary period.

There are two main reasons for the decline in ridership, (1) last year's excessive gas prices brought people in droves to public transit and (2) the decline in employment. Two-thirds to three-fourths of riders commute during peak hours. As the work force experienced large layoffs, ridership declined. Other comparable transit systems have suffered a 10 percent to 12 percent decline in ridership due to the decline in employment. The exception is Portland, Oregon. Their overall ridership shows only a three or four percent decline. The reason is they are capturing more of the auxiliary, non-commute work trips based upon their easy access to **Transit Oriented Development (TOD)**. **It appears that transit systems developed with TOD** weather the effect of a recession better than other transit systems that do not implement TOD.

Discussion

Mr. Antshel asked if all transit systems have the same fiscal year. Mr. Kinard said that they typically are the same. Mr. Antshel asked if the chart could be extended to include the unemployment rates for the respective municipalities. Mr. Kinard says the unemployment rates can be incorporated into the figures. Mr. Bischoff asked about the ridership figures on the off-peak and weekend services. Mr. Kinard stated the LYNX weekend service is good. The CATS bus side was not typically designed to be an off-peak system but a commuter service. Within the last decade, CATS' focus has been to expand the bus system while implementing a rapid transit system. As CATS continues to mature, the public will benefit from the enhancement of off-peak service. Mr. Fox asked about change in the ridership. Mr. Kinard stated that the second quarter has not been reviewed, but through observing the economy and news reports, CATS' sister transit services are experiencing the same type of economic impact. In November and December 2009, the ridership numbers showed a leveling off, remaining around 10 to 11 percent. The first quarter of the fiscal year had only two or three routes that were positive. At the end of December, CATS had six to 10 routes that were positive.

Mr. Fox asked about if there is any improvement in the marketing standpoint. Mr. Kinard responded that pass sales have declined approximately three-and-a-half percent and the majority of decline is seen in the express-related services. CATS' ridership is based on commuting to work riders so marketing for the peak period express transportation is difficult until the job market begins to improve. Ms. Flowers and Mr. Kinard conveyed to the members that the focus for ridership improvement has been toward special events and weekend riders and working with Center City Partners and surrounding area hotels to inform visitors of the transportation opportunities available. Mr. Cox asked if the job opportunities have impacted the pass sales. The pass sales recorded last year were 28 percent higher than this year figures so the assumption is that the drop in sales is due to the unemployment although there is no exact unemployment number. Mr. Spencer asked if consideration has been given to increasing commuting services to suburban areas businesses and offering reverse commuter fares. Mr. Kinard stated that the express routes do have the reverse commute fares, i.e. fare is half price going out in the morning and coming back into town in the evening. Since 1998, CATS has worked with the Hospitality Tourism Alliance, an

organization representing all the hotels, restaurants and entertainment venues in the Charlotte area, to organize job fairs and promote the use of the transit system.

Mr. Kinard concluded the presentation with Marketing Strategy, the Sprinter Service, Social Media and Mobile Apps Development. The Mobile Apps will allow a customer to access bus scheduling through the web by cell phone. CATS will continue with Transportation Fairs and work on increasing the off-peak ridership. (Example: inclusion of the Second and 3rd Third shift employees along with merging the tourism and uptown entertainment venues.) In January CATS added online pass sales as a soft market and are working with organizations so that when event goers purchase tickets to an event, the event ticket is also a transit ticket. The marketing division is continuing with stakeholders meeting and public meetings and will soon begin the campaign of Clear the Air.

Discussion

Mr. Bischoff asked about the chance of companies building bus shelters in exchange for advertising privilege. Mr. Kinard stated that the biggest obstacle is the City zoning ordinance which prevents off-premise advertising. Charlotte is a strong neighborhood-oriented city and neighborhoods typically do not like advertising. CATS would not have control over the types of advertisements being done. Mr. Antshel asked about advertising on the buses. Mr. Kinard stated that this type of advertising would only bring around \$60,000 a year. Advertisements on the sides of buses were previously done but it did not generate enough revenue, approximately \$.04 per customer. The second problem with this type of advertising was the glue used to secure the advertisement to the buses. It was not easily removed and it attracted dirt, making the buses look extremely dirty. CATS did not have control of the type of advertisement that was placed on the buses. Since the removal of all outside bus advertisement, customers have responded through a survey that the buses look cleaner, more professional and more relaxing. Cities like Orlando, Los Angeles, etc. that have a lot of entertainment industry dollars to spend on tourism can profit from using bus advertising to draw the tourists into the events.

Mr. Fox asked about the expansion of the Sprinter service. Mr. Kinard stated that any expansion considered would depend on how the budget works and if the tax dollars continue to decline.

B. Bus Livability Grant

John Muth

In December 2009, DOT announced approximately \$150 million of grant money in a Bus Livability Grant category to be distributed for projects across the country with no minimum or maximum grant request. The grant money can be used for the purchasing of buses, upgrade passengers amenities, etc. CATS has developed a \$15 million project that would be modeled off the September 2009 Sprinter service. The project could be funded with \$12 million from the Federal grant and \$3 million in a local match that is already in the budget. The proposed project will extend the Sprinter service from Beatties Ford Road to Central Avenue, Eastland Mallard a proposed park and ride at Albemarle Road. Route 9 Central Avenue and Route 7 Beatties Ford represent approximately 15 percent of the ridership across the system. The local services would continue to run but frequency would change to 20-minute headway instead of the eight-minute headway in the morning and a 15-minute headway during the

midday. Overlapping the local service will be the new Sprinter service with a 20-minute frequency. The schedules will be staggered so the passengers would have only a ten-minute wait for either a local bus or the enhanced service bus. The riders have the option to choose the local service with more stops or the enhance service with fewer stops, offering a 20 percent improvement on the travel time. There is an opportunity to inter-line the Central Avenue route with the Sprinter to the airport making some travel a one-seat ride. The project allows CATS to offer an improved service for no additional money. Another improvement the project offers is the reduction of overcrowded buses during the midday hours by offering more frequent service throughout the day.

The grant application process has begun and must be submitted by February 8. There will be a presentation to the Council Transportation Committee. All grant applications must have City Council approval to insure that the local match is available.

The Sprinter bus service is a pre-cursor to the streetcar project recommended for the Beatties Ford and Central Avenue corridor. As bus shelters are put in place for the Sprinter Enhanced service, CATS will also take the opportunity to implement the stops, where feasible, for the streetcar service. The Streetcar Team is finalizing the placements of the streetcar stops along the corridor. The grant money can be used to help realize the infrastructure for the future streetcar project.

The Enhanced Sprinter service will utilize the same type hybrid buses purchased for the Airport Sprinter. The hybrid buses show a 30 percent reduction in emission compared to the regular buses and 40 percent reduction in maintenance care.

Discussion

Mr. Fox stated that the Sprinter service was branded as the airport service and asked if there was a plan to implement a different brand for the enhanced service. Mr. Kinard responded that the brand Sprinter represents a higher level of service with less stops and quicker travel time than a regular bus service. The distinguishing feature between the different routes would be the headway sign on each bus, i.e. Sprinter Central Avenue changing to Sprinter Airport. Mr. Fox asked about the color identity. Mr. Kinard stated that the color green was chosen several years ago to go with the streetcar. Depending on what happens with the Northeast Corridor, the color may change some things but will not know until later in the development of the Northeast Corridor. Ms. Flowers added that the Sprinter service is not only a brand but a tool (in the toolbox) for providing a different service for the community. As CATS continues to expand its different types of amenities to communities, the objective is to ensure that CATS offers not only convenient services but point-to-point as well. Mr. Fox added that he thought the Sprinter service was related to the airport service only and that he is concern about neglecting the marketing potential just for the airport. Ms. Flowers responded that there is an opportunity to increase the airport ridership. Mr. Kinard added that the service also provides access to the hospitality and airline related job opportunities. The Sprinter airport service has a greater opportunity to sustain in difficult economic times than just a destination stop. Mr. Antshel asked about the strength of the grant application for approval. Mr. Muth stated that the grant reviewers are looking at sustainability and livability. CATS is focusing on using the hybrid buses and taking advantage of using the already existing service. There

are several areas in the criteria that CATS can make a good case for qualifying for the grant. (1) CATS will show how the service will bring more convenient transportation to neighborhoods that have a strong dependency on the public transit system and (2) attracting riders from the neighborhoods along the corridor. Mr. Antshel asked about the highest ridership route. Mr. Muth said it is the Central Avenue route.

The Urban Circulator Projects was announced in November 2009 and has \$130 million available across the country for the streetcar projects. The City of Charlotte wants to develop a short route from Presbyterian Hospital up to the Charlotte Transportation Center (CTC) that would leverage the streetcar track put in at Elizabeth Avenue. The drawback to this grant is it is limited to \$25 million for any one city or region. The Presbyterian/CTC project is approximately \$37 million to \$45 million meaning that the City of Charlotte would have to find the match. The match is not in CATS' budget. The City is currently looking at ways to provide the match money. The operating cost is approximately \$1.5 million per year.

Mr. Antshel asked about express routes that use the Central Avenue corridor. Mr. Kopf stated that there is an express route on the outer portion of the Central Avenue route but not in the inner portion of the route.

Mr. Antshel asked about the no fare zone; a rider would ride for free within certain parameters of uptown Charlotte and the chance of that type of program being implemented again. Mr. Muth added that the Gold Rush service allows passengers to travel within uptown Charlotte free of charge. The no fare zone has been discussed before, but CATS would need to review how it would complement current service.

Mr. Spencer asked about future marketing plans for advertising the new brand of the Sprinter service. (i. e. tie in with the Route 9 Central Avenue, the advertising of events, entertainment and significant sites other than the Panthers games and Speedway, to new and regular customers to promote the transit system and its availability). Mr. Muth stated that the planning has not advanced that far.

V. Chief Executive Officer's Report

Carolyn Flowers

Under the CEO's Report, Ms. Flowers discussed the following:

A. Budget

Staff is currently working on the FY2011 budget and there is a shortage. Staff is reviewing ways to contain future costs with the main focus being protecting the basic service, maintaining excellent customer service and convenience. A need for transit coalition support is needed in the efforts to obtain funding for projects along with the building of regional relationships that can be used to approach State and Federal organizations for funding. Sustainability and initiative is another focus. Staff is looking at fleet replacement with hybrid vehicles in supporting the green initiative with emission reduction. CATS is looking at safety. Safety is the primary goal of any transit system. Staff is seeking ways to improve safety in both the bus and rail system. Workers Compensation is another area that can be reduced through safety while providing an opportunity to use the money in other areas. After the MTC January meeting, Ms.

Flowers stated that she wants to present to CTAG a project plan of what CATS will be working with a timeline.

B. MTC Meeting

The MTC Meeting is Wednesday, January 27. Staff will present the same presentation as today about the projects along with the Bus Livability Grant. CATS will give a report concerning the future plans for the streetcar project.

C. Diesel Spill

On December 23, 2009, CATS experienced a diesel spill at the South Tryon Street facility. By the time it is mitigated the approximate cost could be \$300,000. The incident and cost will be reported to the Council on January 25. Mr. Antshel asked if there was insurance coverage to help with the cost. Ms. Flowers stated that the City of Charlotte is self insured. Mr. Antshel also asked if this was in the media. Mr. Kinard confirmed that it was, but it did not have a lot of coverage. Ms. Barker asked what caused the spill. Mr. Kinard stated there were a couple issues, a valve between two tanks failed allowing more fuel to go into another tank, and that tank had a spill bucket with a crack. When the tanks and buckets were recently tested, the crack was not revealed. Ms. Barker asked if the valve was old and needed to be replaced. Mr. Kinard responded no and the spill bucket is being replaced with an improved spill bucket. Mr. Spencer wanted to know if the spill bucket manufacturer can be held liable. The insurance company and attorneys will review that aspect of the claim but right now, CATS is the responsible party.

Discussion

Mr. Fox asked if the budget presentation to the MTC will be the first cut. Ms. Flowers stated yes and CTAG would be given the presentation in February. Ms. Flowers stated that CATS must have MTC approval prior to any budget cuts. Ms. Barker asked if that is when CTAG will be informed about how and what areas the budget will affect CATS staff and service. Ms. Flowers said yes. Ms. Barker asked if Ms. Flowers had any ideas of possible areas that would be affected. Ms. Flowers stated that areas being researched are the Guarantee Ride Home program, County services that have been provided in the past and Special Transportation Services (STS) II. In the past, CATS have provided services beyond the requirements specified by the American Disability Act (ADA) and if there is a need to reduce some of the service, CATS will have to do it. STS services are provided at a higher cost than CATS basic transportation services. Mr. Fox asked if there were other options being considered for reducing the budget shortage. Ms. Flowers said yes, and that Dee made a list of internal and external reductions and cuts. The plan is to do a combination of both external and internal before looking at scenarios of service reduction. Mr. Kopf has prepared a service reduction scenario that uses optional services instead of cuts. Revenues are down 16 to 18 percent from last year and though December customers were buying more, the items were small purchases. It is believed that the recovery period will be slow. Mr. Fox asked if the reserve fund will be used. Ms. Pereira stated that at the close of the year, actual reserve fund over and above a \$100 million was approximately \$3 million. It was decided by Ms. Flowers that CATS could not draw on the reserve fund and so significant budget cuts have to be made.

VI. Adjourn

The meeting was adjourned at 8:38 a.m.

NEXT CTAG MEETING: TUESDAY, FEBRUARY 16, 2010, 7:30 A.M.

CTAG Meeting Summary of January 20, 2010