

CITY OF LOS ANGELES
INTERDEPARTMENTAL CORRESPONDENCE

Date: April 15, 2010

To: The Honorable City Council



From: Janet Eklund, Acting Commission Executive Assistant
Board of Transportation Commissioners

**Subject: ORDINANCE APPROVAL – DEPARTMENT RECOMMENDATION TO
INCREASE FARES ON DASH TRANSIT SERVICES**

At its regular meeting of April 8, 2010, the Board of Transportation Commissioners considered the evidence presented at the public hearing and approved the Ordinance referenced above. A copy of the Board's action, along with the Ordinance is attached for your information.

If you need further information, please contact James Lefton, Principal Transportation Engineer at (213) 972-8408.

Attachments

c: James Lefton
Jasmin San Luis

BOARD REPORT
CITY OF LOS ANGELES
DEPARTMENT OF TRANSPORTATION

Date: April 8, 2010

To: Board of Transportation Commissioners

Subject: **DEPARTMENT RECOMMENDATION TO INCREASE FARES ON DASH TRANSIT SERVICES**

RECOMMENDATION

That your Board:

- a. **FIND** that the City's DASH transit program and its operating expenses have grown steadily since its inception in 1985, while the fares on the DASH service have never been increased;
- b. **FIND** that the proposed fares, contained in Table 1 of this Report, are fair, reasonable, non-preferential and non-discriminatory; and
- b. **RESCIND** the February 14, 2008 Board approval of Board Order No. 589;
- c. **ADOPT** the attached Board Order No. 595, establishing and incorporating the fares contained in Table 1 of this Report as the fares to be charged for DASH shuttle bus services, effective July 1, 2010;
- d. **INSTRUCT** the Board Secretary to forward the attached draft Ordinance approving Board Order No. 595 to the Mayor and City Council for approval.

BACKGROUND

The City of Los Angeles Department of Transportation (LADOT) assumed operation of the Minibus (later Miniride) shuttle bus program in 1985. The service was originated at the request of the City Council and was initially operated as a single route in Downtown Los Angeles by the Southern California Rapid Transit District (SCRTD) with City, CRA and SCRTD funding. It grew out of a community need for reasonably priced transit service that could circulate around Downtown neighborhoods as well as serving an important role in linking riders with regional bus service. When the LADOT assumed operation of the service, it renamed it DASH, an acronym for Downtown Area Short

Hop. The success of this initial service has led to a significant expansion of the DASH program by LADOT, which currently operates six weekday and three weekend routes in Downtown Los Angeles and 27 other DASH services in communities throughout the City. DASH currently utilizes a fleet of over 200 clean-fueled shuttle buses and serves approximately 28 million passenger trips annually. One feature of DASH that has helped make it so successful is the low \$0.25 cash fare (\$0.10 for seniors and persons with disabilities) as previously established by the Board.

DISCUSSION

Historically, LADOT has believed that the \$0.25 fare, in effect since DASH service was initiated in 1985, was appropriate given the approximately one mile trip lengths on DASH. These short trip lengths have not changed over time. Unfortunately, during this same time period, DASH operating costs have more than doubled and the capital cost of buses has also increased dramatically. LADOT is now facing a substantial deficit in funding for its transit programs due to the economic downturn and the resulting loss of state and local funding. The City's Proposition A local return fund, currently the sole source of City funding for LADOT's transit services, is projected to show a deficit of approximately \$23 million in the next fiscal year (FY 2010-11). The cumulative deficit is expected to grow to \$350 million in the next decade. Therefore, the City must take immediate action to address this projected shortfall.

As a first step in addressing this budget issue, LADOT began an analysis of all its transit services last year with the assistance of Transportation Management Design, Inc. (TMD), a nationally respected transportation consultant. The TMD study found that LADOT is managing all its transit programs, Commuter Express, DASH, Cityride and Charter Bus, in line with industry cost-effectiveness practices including the use of competitive contracting to reduce operating costs. Absent a new revenue source such as Measure R, TMD concluded that addressing the projected deficit will require a multi-prong approach impacting all LADOT transit services. Faced with rising costs and declining revenues, transit agencies from across the country are considering service reductions and/or fare increases to address projected funding shortfalls.

DASH, Commuter Express, Cityride and Charter Bus transit programs were all evaluated as part of the aforementioned Line-By-Line Analysis in order to minimize the potential impacts to any one program. In addition, both service modifications and fare increases were considered in order to minimize and equalize the potential impacts to any one type service or group of users. The study attempted to focus the necessary reductions and cancellations on those services that would have the least rider impact while providing the maximum budget relief. The magnitude and immediacy of the budget deficit resulted in the need to take extraordinary action across all services. Preliminary Recommendations include increasing fares, reductions or adjustments in marginal transit services and cancellation of some unproductive or poorly performing services.

Specific to DASH shuttle bus services, preliminary study recommendations called for increased fares over the next two years, service changes (reductions) on six DASH routes and cancellation of eight non-productive routes. A copy of the brochure given to riders and other stakeholders summarizing the Department's preliminary recommendations is provided as **Attachment 1** of this report.

The preliminary recommendations of our analysis were made widely available to the public for comment beginning in December 2009. Public comment regarding the proposed changes could be made by mail, via internet or by telephone through March 3, 2010. Additionally, LADOT conducted a series of six public hearings throughout the City from February 16, 2010, through March 3, 2010, to further gather public input and comments regarding the proposed program changes.

Generally, public comment on the suggested DASH fare increases was favorable; most who commented on DASH services preferred an increase in existing fares to a curtailment or elimination of services. LADOT received a total of 2,226 comments from all sources: mail, website, emails and telephone plus speaker comments and cards at the public hearings. Of that total, 982 comments were specifically related to DASH services and 308 of those addressed proposed DASH fare increases. Of those fare-specific comments, 24 (7.8%) opposed fare increases, 25 (8.1%) agreed with the fare increases and 259 (84%) agreed with the fare increases in lieu of service reductions.

The fare increases being proposed for DASH will be the first fare increase for this service since the inception of DASH in 1985. LADOT is recommending a fare increase phased over the next two fiscal years in order to ease the financial burden on riders. Because our projected deficit is immediate, the first increase is proposed to be effective on July 1, 2010, with the second increment occurring one year later on July 1, 2011 (see Table 1 below).

Table 1
PROPOSED DASH FARES

Fare Type	Effective July 1, 2010	Effective July 1, 2011
Cash	\$0.35	\$0.50
Senior/Disabled*	\$0.15	\$0.25
Monthly Pass	\$13.00	\$18.00
60 Trip Ticket Booklet	\$21.00	\$30.00

*Persons 65 years of age or older, persons with disabilities and Medicare card holders

Depending upon the fare type, the proposed first year increase varies from 40% to 50% of the current fare, while the second year proposed cumulative fare increase represents an increase of 100% over the current fare. The exception is the senior/disabled fare, which skews somewhat higher due to the fact that the current senior/disabled fare is artificially low at \$0.10 per boarding because of rounding.

While these proposed fare increases may seem drastic when presented as a percentage increase over existing fares, it should be remembered that the existing baseline cash fare is extremely low at only \$0.25 per boarding. The 100% total increase over two years means that the final DASH cash fare will still only be \$0.50 per boarding, remaining an outstanding value. Additionally, the proposed DASH fares remain below other municipal and regional operators. The following are examples of local cash fares in the Los Angeles County region:

- Metro: \$1.25 Cash Fare (\$1.50 effective July 1, 2010)
- Long Beach Transit: \$1.25 Cash Fare
- Foothill Transit: \$1.00 Cash Fare
- Santa Monica Big Blue Bus: \$0.75 Cash Fare (Proposed increase to \$1.25 or \$1.50 effective July 1, 2010)
- Pasadena Arts Bus: \$0.75 Cash Fare
- Monterey Park Spirit Bus: \$0.50 Cash Fare

The recommended DASH fare increases are estimated to generate an additional \$1.6 million in fare revenues for the City during FY 2010-11, and an additional \$3.7 million per year starting with FY 2011-12. Ridership deflection resulting from the recommended fare increases is estimated to result in 1.5 million fewer passenger trips in FY 2010-11, and 3.1 million fewer passenger trips per year starting with FY 2011-12. Please be advised that a rate increase alone will not solve the depth of the program's deficit problem. The Department recommends it as one of the multi-pronged options for stability of our service delivery.

LADOT will forward its final recommendations, including those for fare increases to the City Council for approval. Due to the significant shortfall projected for FY2010-11, LADOT's goal is to implement the fare increases and other changes by July 1, 2010, in order to minimize the magnitude of necessary program reductions in the next fiscal year.

The Department recommends that, if testimony is not presented otherwise at the public meeting, the Board approve the recommended DASH fare increases as outlined in Table 1 of this report and on the attached Board Order No. 595. The first incremental fare increase shall become effective on July 1, 2010 and the second incremental fare increase shall become effective on July 1, 2011, upon publication of Board Order No. 595, and subsequent approval by the Mayor and City Council.

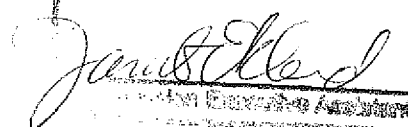
Approved:


RITA L. ROBINSON
 General Manager

Date Signed: 3/30/10

Attachments

Approved: 4-8-10
 Board of Transportation Commissioners


 James H. Anderson
 Board of Transportation Commissioners

FACTS:

LADOT provides services for four public transportation programs:

DASH, Commuter Express, Cityride, Charter Bus

Rider fares only account for a small portion of the cost to operate services.

Greatest portion of costs to operate services comes from federal, state and local subsidies. Due to the economy, subsidies from state and local sources have been substantially reduced or lost.

LADOT transit services are facing an approximately \$350 million budget shortfall over the next decade and \$23 million in the next fiscal year, beginning July 1, 2010.

ANALYSIS:

LADOT is conducting a transit service analysis to examine all its services and determine what measures can be undertaken to address the shortfall.

Part of the analysis process includes public comment and suggestions.

Services that are underperforming, oversubsidized by LADOT and/or duplicating existing transit services are being proposed for reductions or eliminations.

Initial analysis of data and public comments has been completed.

All four LADOT transit services are affected.

PRELIMINARY recommendations are detailed in this brochure.

NEXT STEPS:

Gather public comments/suggestions to the PRELIMINARY recommendations. Comments/suggestions can be submitted via:

1. Internet –
Go to <http://ladotbl.tmdinc.net>
2. Telephone & Leave Message –
Call (213) 455-0880
3. Mail – Send your comments to
LADOT, 201 North Los Angeles St.,
Space 188, Los Angeles, CA 90012

Review comments/suggestions and revise preliminary recommendations as necessary. Schedule and conduct public hearings (tentatively scheduled for February). Public hearing dates and locations will be available at <http://ladotbl.tmdinc.net>, (213) 455-0880 and on buses.

Analyze comments and suggestions from public hearings.

Present FINAL LADOT recommendations to Los Angeles City Council for vote/approval. Implement approved recommendations by 7/1/2010.



CITY OF LOS ANGELES DEPARTMENT OF TRANSPORTATION

For more information, please call
(213) 455-0880
or visit <http://ladotbl.tmdinc.net>

LADOT

LADOT

Results from TRANSIT SERVICE ANALYSIS

Preliminary Recommendations for Fare and Service Changes

COMMUTER EXPRESS

PRELIMINARY RECOMMENDATIONS

ROUTES TO BE ELIMINATED

- 413 - Van Nuys/Burbank/North Hollywood/Los Angeles
- 430 - Brentwood/Pacific Palisades/Los Angeles
- 575 - Simi Valley/Warner Center

ROUTES WITH SERVICE CHANGES

- 142 - San Pedro/Long Beach: Eliminate service to Customs House; reduce frequency to every 30 minutes; end service at 9:00 PM
- 419 - Chatsworth/Northridge/Granada Hills/Mission Hills: Remove service west of Chatsworth Metrolink Station
- 422 - Central LA/Hollywood/San Fernando Valley/Thousand Oaks & 423 - Newbury Park/Thousand Oaks/Woodland Hills/Encino/Downtown LA: Eliminate service to/from Ventura County; end service at Westlake Village

ROUTES WITH NO CHANGES (other than fare increase noted below)

- 409, 431, 437, 438, 448, 534, 549, 573, 574

FARE INCREASE

FARE TYPE	CURRENT FARE	YEAR 1 FARE	YEAR 2 FARE	
Cash*	base	\$0.90	\$1.25	\$1.50
	zone 1	\$1.75	\$2.25	\$2.50
	zone 2	\$2.20	\$2.75	\$3.00
	zone 3	\$2.65	\$3.50	\$3.75
	zone 4	\$3.10	\$4.00	\$4.25
Monthly Pass	base	\$40.00	\$52.00	\$57.00
	zone 1	\$56.00	\$72.00	\$80.00
	zone 2	\$71.00	\$90.00	\$100.00
	zone 3	\$86.00	\$120.00	\$130.00
	zone 4	\$99.00	\$130.00	\$140.00
Trip Ticket Booklet	base	\$18.00	\$25.00	\$30.00
	zone 1	\$32.00	\$45.00	\$50.00
	zone 2	\$39.00	\$55.00	\$60.00
	zone 3	\$46.00	\$70.00	\$75.00
	zone 4	\$52.00	\$80.00	\$85.00

*Persons 65 years of age or older, persons with disabilities and Medicare card holders: 1/2 cash fares listed above

DASH

PRELIMINARY RECOMMENDATIONS

ROUTES TO BE ELIMINATED

- Central City East
- Downtown Route C
- Downtown Route DD
- Fairfax
- Hollywood/West Hollywood
- Hyde Park Shuttle
- Van Nuys/Studio City
- Warner Center (North & South)

ROUTES WITH SERVICE CHANGES

- Downtown Route D: Reduce frequency to every 15 minutes after 6:00 PM
- El Sereno/City Terrace: Reduce frequency to every 30 minutes from 8:00 PM - 10:00 PM
- Highland Park/Eagle Rock: Eliminate service along Yosemite Dr. and Colorado Blvd. east of Townsend Ave.
- Lincoln Heights/Chinatown: Change routing as follows: Serve current routing from Collage St. and Centennial St. in Chinatown to Broadway and Lincoln Park Ave. in Lincoln Heights (both directions). Eliminate all other portions of route including Cesar Chavez Ave., Main St. and Griffin Ave.
- Northridge: Eliminate AM and PM Commuter Service and reduce frequency to every 15 minutes
- Wilmington: Eliminate service after 7:00 PM

ROUTES WITH NO CHANGES (other than fare increase noted below)

- Beachwood Canyon, Boyle Heights/East Los Angeles, Chesterfield Square, Crenshaw, Downtown A, Downtown B, Downtown E, Downtown F, Hollywood, Hollywood/Wilshire, King-East, Leimert/Slauson, Loz Feliz, Midtown, Panorama City/Van Nuys, Pico Union/Echo Park, San Pedro, Southeast/Pueblo Del Rio, Vermont/Main, Watts, Wilshire Center/Koreatown

FARE INCREASE

FARE TYPE	CURRENT FARE	YEAR 1 FARE	YEAR 2 FARE
Cash	\$0.25	\$0.35	\$0.50
Senior/disabled	\$0.10	\$0.15	\$0.25
Monthly Pass	\$9.00	\$13.00	\$18.00
Trip Ticket Booklet	\$15.00	\$21.00	\$30.00

CITYRIDE

PRELIMINARY RECOMMENDATIONS

PROGRAM ELEMENTS TO BE ELIMINATED

- Bus Pass Subsidy: Cityride participants will no longer be able to use Cityride fare value (formerly scrip) to buy Metro Monthly Passes, but can still purchase the substantially discounted Metro Passes for \$14/month.

PROGRAM ELEMENTS TO UNDERGO REDUCTION

- Reduce the annual fare value (formerly scrip) allotment to \$168/year (\$42 per quarter)
- Reduce Dial-A-Ride maximum trip length to 10 miles

FARE STRUCTURE CHANGES

INCREASE QUARTERLY FEES	\$9 for low-income participant, \$21 for other participants
INCREASE DIAL-A-RIDE CASH FARES FOR STAND-BY TRIPS	\$3 for all trips (up to 10 miles)
INCREASE ONE-TIME EMERGENCY FARE VALUE (FORMERLY SCRIP) FEES	\$12 for \$24 of fare value



PRELIMINARY RECOMMENDATIONS

ENTIRE PROGRAM TO BE ELIMINATED*

* Or find other City funding that does not use transit-specific Proposition A funds

PLEASE CONTACT US TO OFFER YOUR COMMENTS ABOUT

- 1. Comments/Inquiries
- Submit your suggestions and comments in one of three ways:
 1. Internet - Go to <http://dot168indirect.net>
 2. Telephone & Leave Message - Call (213) 455-0880
 3. Mail - Send your comments to: LADOT 201 North Hollywood Blvd., Space 188, Los Angeles, CA 90028

BOARD ORDER NO. 595
RESOLUTION OF THE
BOARD OF TRANSPORTATION COMMISSIONERS
CITY OF LOS ANGELES

WHEREAS, the Department desires to adjust the fares charged on the Department's DASH transit services to help alleviate a projected shortfall in operational funding;

WHEREAS, after considering evidence presented at public hearing, together with the Department recommendations; the Board has determined that an adjustment in DASH fares is justified;

WHEREAS, the Board has determined that the following rate schedule for the transportation of passengers on all City DASH services is fair, reasonable, non-preferential and non-discriminatory;

NOW, THEREFORE, BE IT RESOLVED, that Board Order No. 589, establishing the monthly DASH pass price for all City DASH services as \$9.00 is hereby rescinded; and,

BE IT FURTHER RESOLVED that the following fare schedule is fixed and established as the legal fares to be charged for DASH service in the City of Los Angeles:

DASH Fares

Fare Type	Effective July 1, 2010	Effective July 1, 2011
Cash	\$0.35	\$0.50
Senior/Disabled	\$0.15	\$0.25
Monthly Pass	\$13.00	\$18.00
Trip Ticket Booklet	\$21.00	\$30.00

I CERTIFY THAT the foregoing Resolution, designated as Board Order No. 595, was adopted by the Board of Transportation Commissioners at its meeting held on April 8, 2010.

BY ORDER OF THE BOARD.

ATTEST

DOROTHY TATE, Executive Assistant
Board of Transportation Commissioners
City of Los Angeles

ORDINANCE NO. _____

An Ordinance approving a resolution of the Board of Transportation Commissioners of the City of Los Angeles, adopted April 8, 2010, which resolution is designated as Board Order No. 595, changing the fares for the DASH Transit Program.

**THE PEOPLE OF THE CITY OF LOS ANGELES
DO ORDAIN AS FOLLOWS:**

Section 1. The resolution of the Board of Transportation Commissioners designated as Board Order No. 589 is hereby rescinded and repealed, effective June 30, 2010. Those resolutions of the Board of Transportation Commissioners adopted by said Board on April 8, 2010, designated as Board Order No. 595, establishing and prescribing the DASH service fares to be charged effective July 1, 2010, and July 1, 2011, respectively, are hereby approved, as authorized by section 210(2) of the Charter of the City of Los Angeles and section 22.484 of the Administrative Code of the City of Los Angeles as follows:

DASH Fares

Fare Type	Effective July 1, 2010	Effective July 1, 2011
Cash	\$0.35	\$0.50
Senior/Disabled	\$0.15	\$0.25
Monthly Pass	\$13.00	\$18.00
Trip Ticket Booklet	\$21.00	\$30.00

Section 2. The City Clerk shall certify to the passage of this ordinance and cause the same to be published in some daily newspaper printed and published in the City of Los Angeles.

I hereby certify that the foregoing ordinance was passed by the Council of the City of Los Angeles at its meeting of _____.

JUNE LAGMAY, City Clerk

By _____
Deputy

Approved _____

Mayor

Approved as to Form and Legality

CARMEN A. TRUTANICH, City Attorney

By _____

KEITH W. PRITSKER
Assistant City Attorney