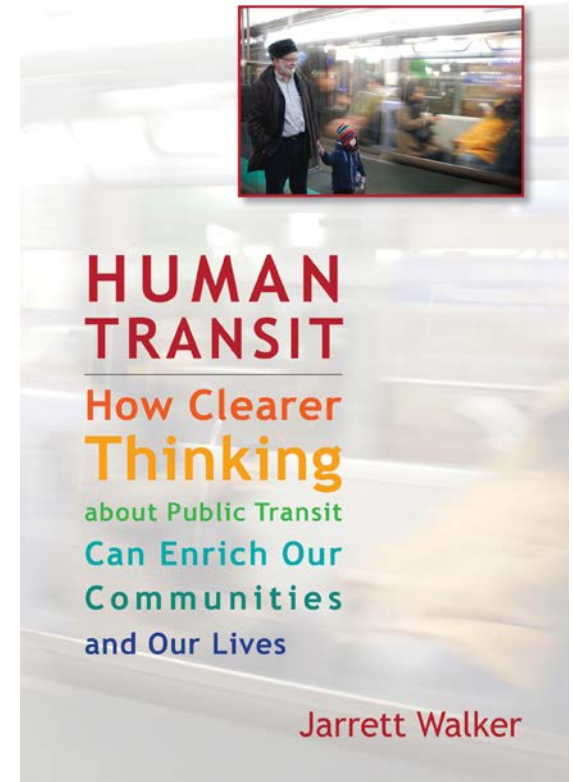


GRTC

Regional Public Transportation Plan



Update to GRTC Board January 2021

Three big questions

1. How big is the pie or how much service can we afford?
2. What kinds of service should the regional money fund?
3. How should that service be distributed?

How big is the pie?

FY 2021 to 2024 Projections

What's the financial situation:

- If service remains the same
- Revenues grow modestly, 2-3% per year
- Costs rise about 4.8% per year

Fiscal Year:	FY2021	FY2022	FY2023	FY2024
Revenues	\$80,809,732	\$71,378,072	\$73,645,082	\$75,457,090
Expenditures	\$60,274,723	\$63,212,364	\$66,322,883	\$69,433,401
Difference	\$20,535,009	\$8,165,708	\$7,322,199	\$6,023,689

- Surplus in FY2021 is due to CVTA funds being collected but not spent this year and CARES Act Funding.
- Significant surpluses continue, but decline in size over time.

FY 2021 to 2024 Projections

What if we use the 2021 Surplus to support service expansion?

Fiscal Year:	FY2021	FY2022	FY2023	FY2024
Surplus/Deficit	\$20,535,009	\$8,165,708	\$7,322,199	\$6,023,689
Minus Capital & Operating Reserves		\$2,927,561	\$2,972,902	\$3,009,142
Available for Expansion (88%)		\$4,609,569	\$3,827,382	\$2,652,802
Spend down of FY2021 Surplus		\$5,400,707	\$6,776,553	\$8,357,749
Total Available for Fixed Route Expansion		\$10,010,277	\$10,603,935	\$11,010,550

Spending the surplus over 3 years would provide about \$10-11 Million per year in expanded service.

Boiling it down to Revenue Hours

- With these assumptions the region could afford
 - About 93,000 additional revenue hours of service
 - About 18% more than today
 - For comparison, Route 19 costs about 22,000 revenue hours of service.
- Spending the entire FY2021 surplus over three years means:
 - To maintain all existing and new services in FY2025, local partners would need to provide additional funding, fares would have to increase, or some combination.
 - None of the surplus can go to capital priorities.
 - If new funding is provided before FY2025, some of the FY2021 surplus could be shifted to capital priorities.

2. What Kind of Service?

- What kind of service is regionally fundable?
 - Any transit service anywhere in the region?
 - Transit services that meet a standard of regional usefulness
 - Connect across jurisdictions
 - Connect major activity centers
 - Serve major regional corridors
- We understand that GRTC Staff and Board have expressed a strong desire that regionally funded services meet some threshold of “regional connectivity” to be eligible.
- 50% of TPO Working Group Members agreed, many weren’t sure, and only one disagreed.
- We’ll refine proposed rules for that during the planning process.

What's a Fair Way to Distribute Service across a Region?

It's not like parks

- A park benefits the area around it.
- So it's easy to say that a park in an area is for that area.

- Transit's not like that.
- A transit line between areas X and Y benefits both X and Y.
- So it's wrong to say that service in area X is for area X. The entire line is “for” both X and Y.

Does ridership matter?

It usually seems fair to divide up a regional pie using something like:

- Local return (where the taxes come from).
- Population
- Population + jobs.

But as we'll show, these approaches tend to lead to low-ridership networks.

Some of your funding sources require high ridership.

What is high ridership transit?

Density

How many people are near transit?

The more people are going to and from the area around each stop, the more people will ride transit.

High
Ridership



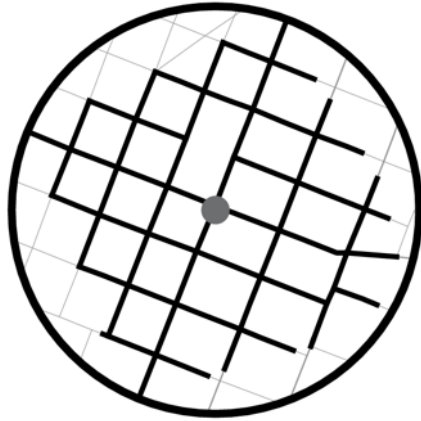
Lower
Ridership



Walkability

Can the people around the stop walk to the stop?

High
Ridership



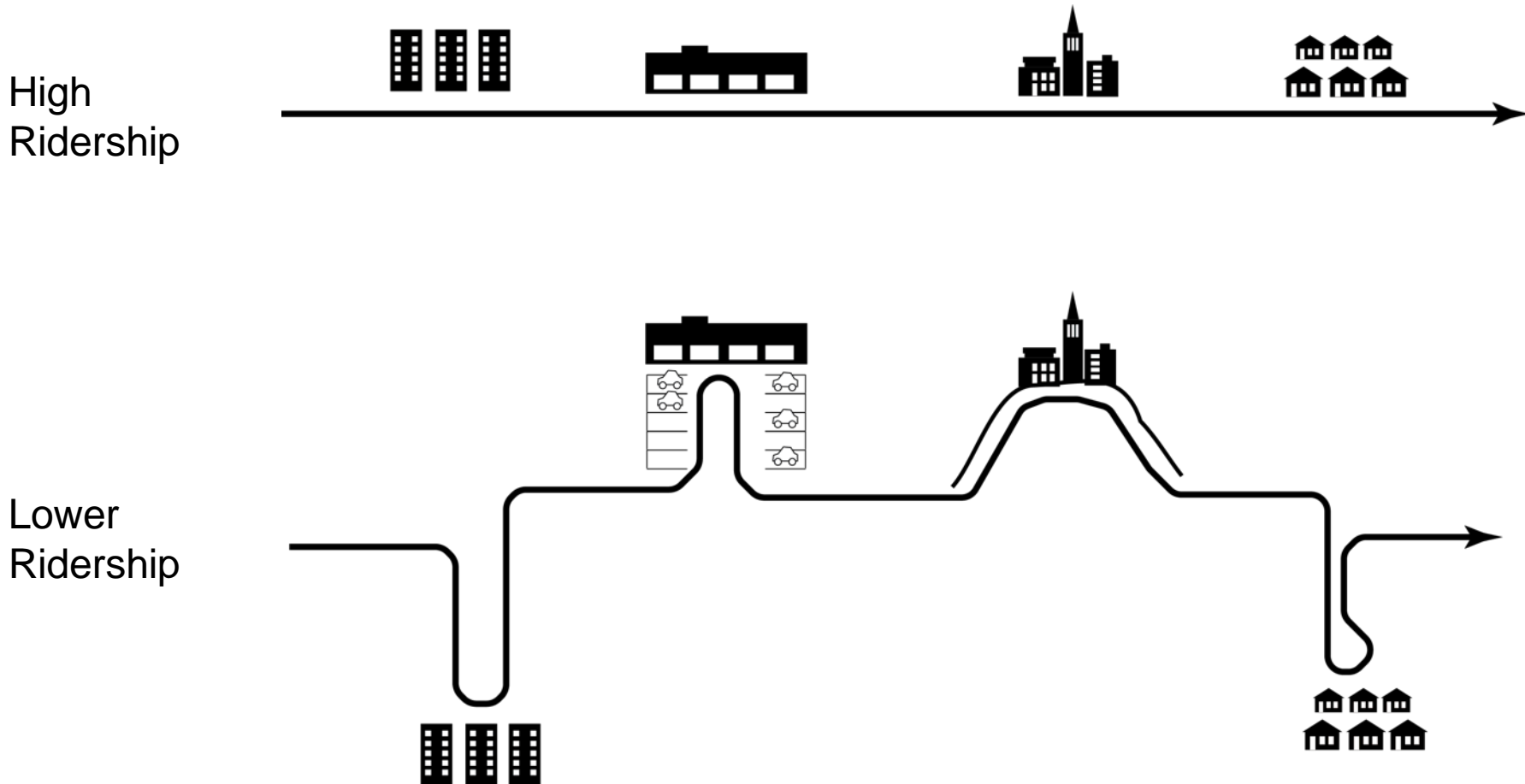
Lower
Ridership



Linearity

Can transit run in straight lines that are useful to through-riders?

The straighter the line, the shorter the journey, and the more people can find it useful.



Proximity

How far do we have to drive to connect people to destinations?

PROXIMITY *Does transit have to traverse long gaps?*



+ Short distances between many destinations are faster and cheaper to serve.

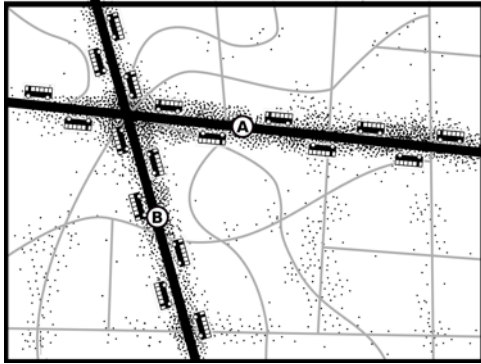


- Long distances between destinations means a higher cost per passenger.

But is Ridership What You Want?

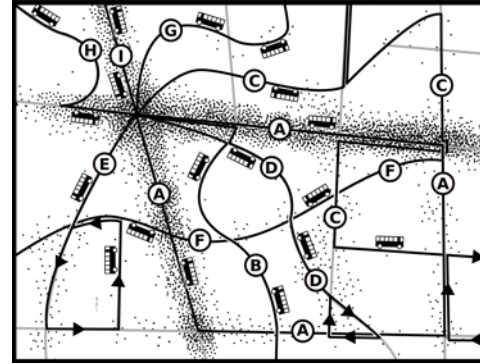
The Ridership-Coverage Tradeoff

So is ridership what you want?



Ridership Goal

- “Think like a business.”
- Focus where ridership potential is highest.
- Support dense and walkable development.
- Max. competition with cars
- Maximum VMT reduction



Coverage Goal

- “Think like a public service.”
- “Access for all”
- Support low-density development.
- Lifeline access for everyone.
- Service to every member city or electoral district.

A maximum ridership network ...

Would go here:

- Long, straight corridors lined with many people and destinations.
- Links to big regional destinations in the three core jurisdictions.

... but not here:

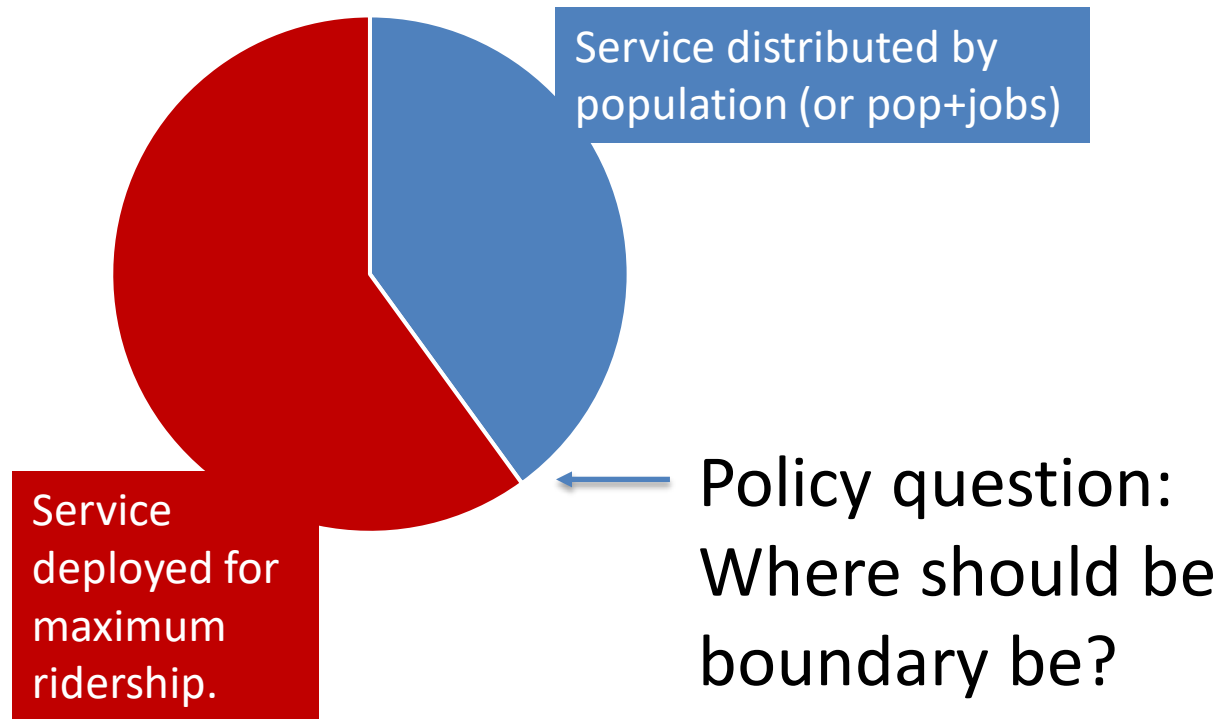
- Rural areas.
- Small, distant towns.
- Most single-family residential in car-oriented patterns.
- Most industrial parks.



This will mean more service in Richmond, but only because Richmond's development pattern is more favorable to ridership.

Ridership and Coverage formulas

- This approach puts the goal question in front: coverage or ridership?



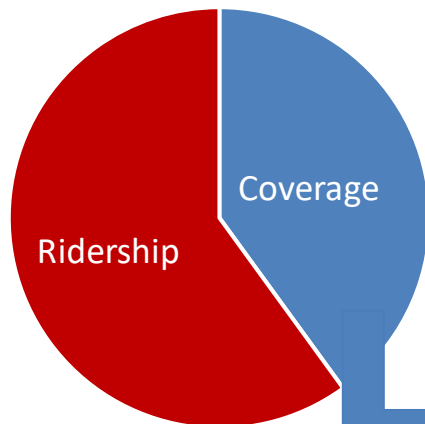
Coverage Service in Regional Context

- What does it mean to have a regionally-oriented coverage service?
 - Coverage service doesn't go just anywhere
 - Coverage services would still need to meet some standard of regional usefulness
 - Connect across jurisdictions
 - Connect major activity centers
 - Serve major regional corridors
 - ... but it it could tolerate much lower ridership/cost than the Ridership service, as it would need to to serve outer counties well.

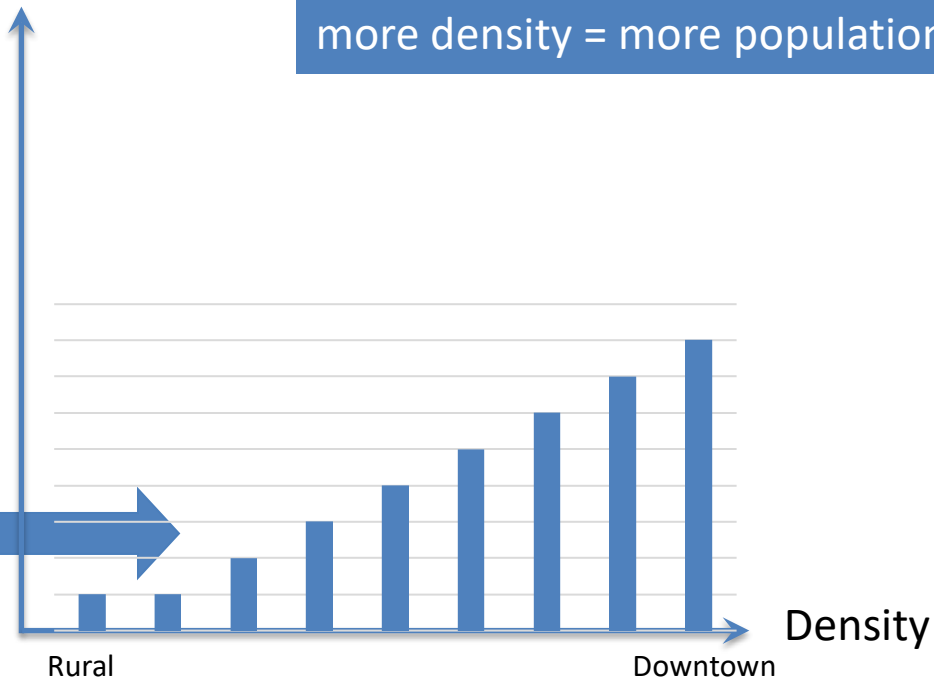
- Nearly all Working Group participants said we should use a Ridership-Coverage Policy to determine the use of CVTA funding.

Ridership and Coverage formulas

Decide how pie should be split between ridership and coverage goals.



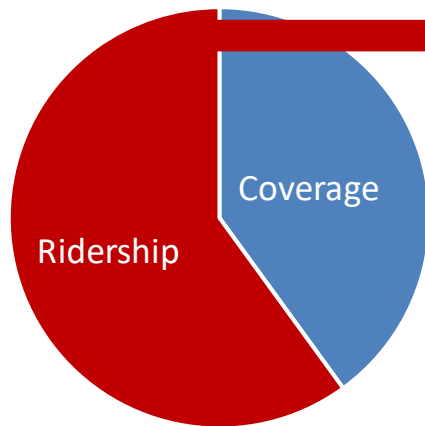
Service Quantity



Coverage slice is distributed by population of each area.
It goes up with density because more density = more population

Ridership and Coverage formulas

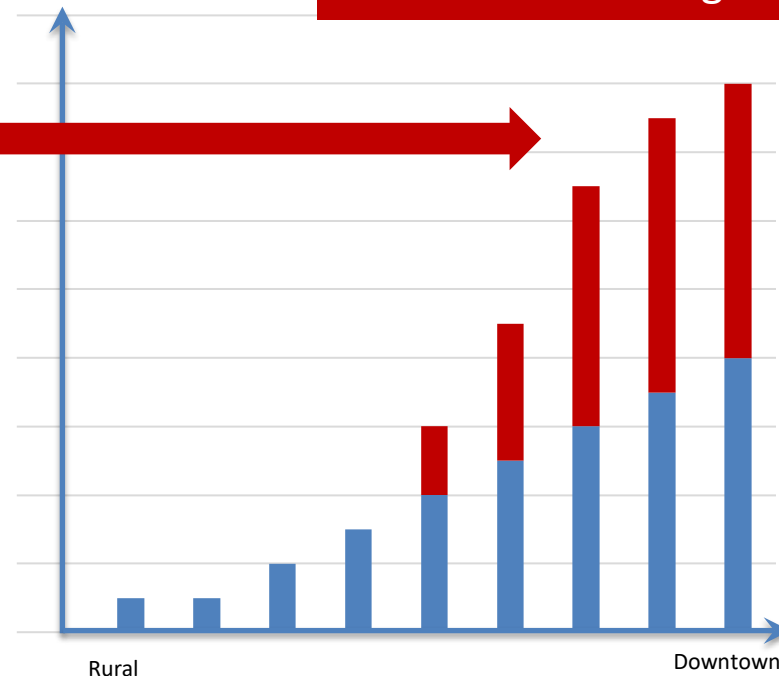
Decide how pie should be split between ridership and coverage goals.



Ridership slice is spent to maximize ridership.

This means more service linking denser areas across the region.

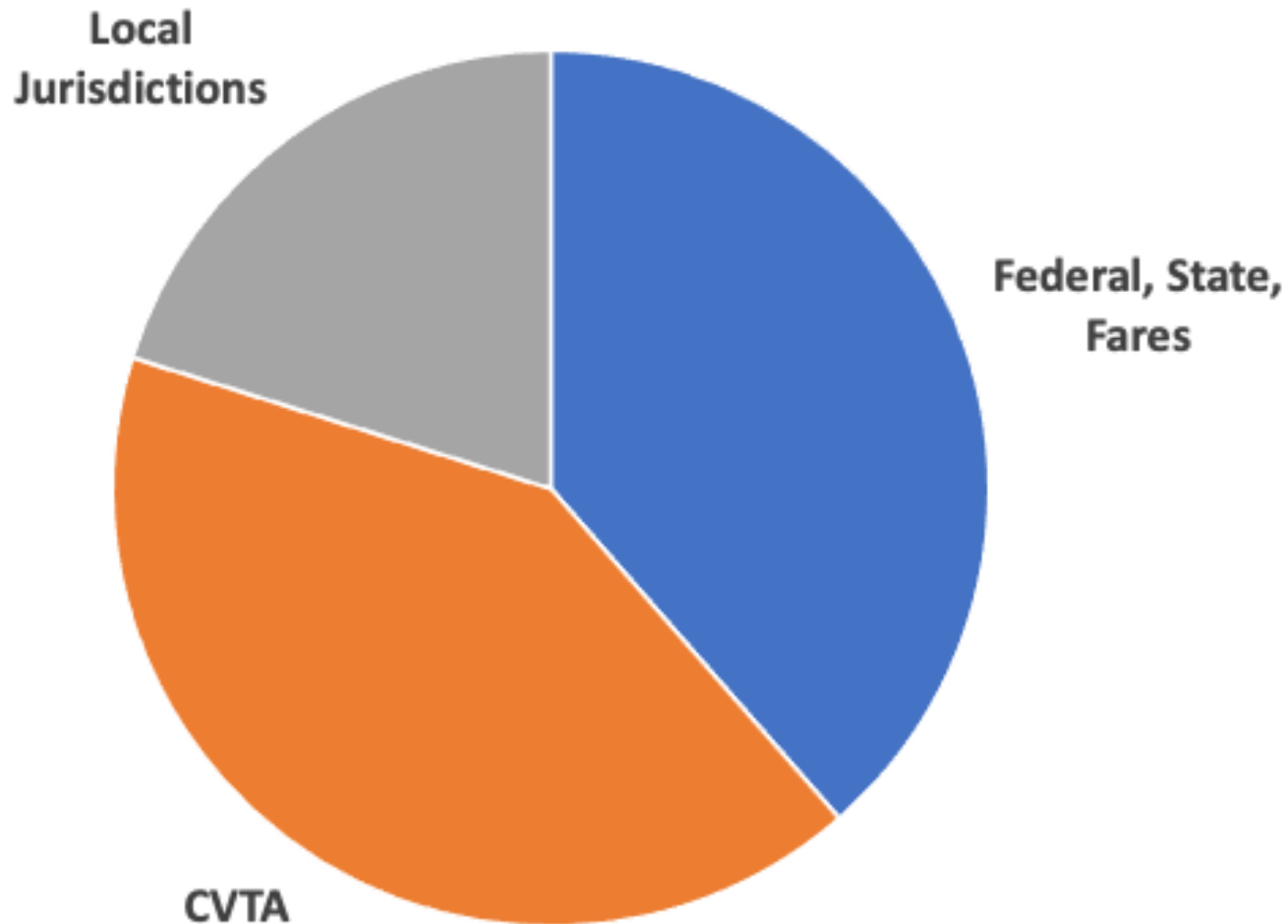
Service Quantity



Density

3. Then how do we divide the pie?

What are the primary contributors to GRTC?



Distribute by Contribution

Operating Contributions/ Revenues	% of Contribution	Revenue Hours (Projected)
Fed/State/Fares (Ridership Bucket)	39%	239,820
CVTA (distributed by policy)	42%	256,619
City of Richmond*	12%	73,247
Henrico County*	4%	26,436
Chesterfield County	2%	11,352

- Each entity that pays in, gets a share of revenue hours equal to contribution, but fed/state/fares is a separate bucket
- Fed/State/Fares bucket would be used primarily for ridership-oriented services.
- *Henrico and Richmond contributions adjusted to account for CARE PLUS obligations.

Next Steps

- Refine these financial projections (GRTC and Consultant Team)
 - Local input on any revised assumptions about local contributions
- Develop alternatives for stakeholder/public consideration
 - Core Design Retreat January 19-22
 - Local representatives are invited to participate
 - Will design two alternatives that vary on the Ridership/Coverage Spectrum

Discussion