January 13, 2020

Honorable Board of Directors
Marin County Transit District
3501 Civic Center Drive
San Rafael, CA  94903

SUBJECT:  Proposal to Change Service Area and Fares for Marin Transit Connect Pilot Program

Dear Board Members:

RECOMMENDATION:  Approve fare and fare policy changes to the Connect pilot program and expand the service area.

BACKGROUND: In October 2019, your Board approved an amendment with Via to extend the use of their technology and continue the on-demand Connect pilot program through June 2020. Staff requested this extension to continue to test the pilot and consider changes to attract more senior/ADA riders to use the service. Staff is conducting a procurement to identify and select a longer-term technology platform that will enable the District to continue to support on-demand accessible service. This new service will begin in July 2020.

Throughout the current pilot, planning staff have monitored and adjusted service levels to best match vehicle supply to rider demands. In July 2019, staff brought to your Board a one-year evaluation report of the Connect program. The report concluded that the program is succeeding in providing first-last mile connections to major employment sites from the Civic Center SMART station. It also found that the service was not meeting expectations for attracting senior and ADA eligible riders, the primary objective of the program.

The report also analyzed Connect financial and performance data to determine subsidy per rider and passengers per hour. Despite improvements over the course of the program, this analysis demonstrated that Connect had not met the recommended $15 per passenger subsidy or 4 passengers per hour performance targets. The District has made continuous adjustments to the supply of service to better target demand and productivity. The results indicate that performance is improving (Figure 1). The changes staff recommends will assist the program to achieve the 4 passenger per
hour target, in tandem with the expanded SMART schedules effective January 2, 2020.

Cost effectiveness, or subsidy per passenger trip, has also improved since the start of the program (Figure 2). The first two quarters of operation showed an extremely high subsidy per passenger trip due to the high start-up costs and low ridership. The subsidy rates have reduced significantly as the program has matured, though they remain below the District’s target of $15 per passenger trip. The proposed fare and service area changes are intended to increase fare revenue and offset the high subsidy per passenger.

Figure 1: Productivity Performance
The one-year evaluation report also highlighted that over two-thirds of Connect riders used the service to access jobs and nearly half earned over $100,000 per year. The service was effective in serving the first or last mile connection from SMART to employment centers in Terra Linda. Yet, the primary goal of the program was to provide an on-demand service for those who do not have other options due to accessibility issues or lack of income. Staff proposes changes that will make the Connect service more attractive for these populations by expanding the service area and asking the general public to pay fares closer to the market rate, or take advantage of other options to complete their first/last mile connections to other services.

**SUMMARY:** Staff requests that your Board make changes to the Connect service area, fare policy, and fare pricing. If approved, staff will implement these changes on February 3, 2019. Staff recommends the proposal to expand the current service area to increase the attractiveness of the program for senior/ADA passengers, especially those needing wheelchair access. Based on surveying done with these passengers through the app, these changes are expected to attract more senior/ADA riders by providing travel into Downtown San Rafael and connections to targeted destinations for many paratransit trips. These include the Downtown San Rafael Transit Center/SMART station, Whistlestop’s Active Aging Center, the Marin Center for Independent Living, the San Rafael Community Center, Kaiser Downtown San Rafael, and local grocery stores. The expanded service area will include more areas in Santa Venetia adjacent to North San Pedro Rd, Marinwood adjacent to Miller Creek Rd, and Lucas Valley expanding west on Lucas Valley towards Mt McKinley Rd. See Attachment A for a map of Connect’s current and proposed service area.
In November 2018, Marin Transit surveyed users (active riders) and non-users (who have only downloaded the app) to better understand user needs and requests. The survey asked both groups to identify changes that will improve the program or make it a more attractive option. Overwhelmingly, both groups responded that an expanded service area that includes downtown San Rafael and the San Rafael Transit Center will improve the Connect program.

While Marin Transit wants to increase the areas Connect serves, the program currently only has four dedicated vehicles. Staff are proposing to change fares for general public riders to distance-based fares and leave senior/ADA riders as a flat fare to determine whether the program can become more cost-effective and limit excess demand for trips that can be made with a separate travel option. Table 1 provides a summary of the current and proposed fares.

**Table 1: Fare Change Proposal**

<table>
<thead>
<tr>
<th>Fare Categories / Product</th>
<th>Current Cost</th>
<th>Proposed</th>
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<tbody>
<tr>
<td>Regular Fare</td>
<td>$4.00&lt;br&gt; + $4 for second rider, $3 for third rider, $2 for fourth rider, $1 for fifth rider</td>
<td>$4.00 per mile (distance-based)&lt;br&gt; + $1 per additional rider</td>
</tr>
<tr>
<td>Marin Access Fare</td>
<td>$2.00&lt;br&gt; + $2 for second rider, $1.50 for third rider, $1 for fourth rider and $0.50 for fifth rider</td>
<td>$3.00&lt;br&gt; + $1 per additional rider</td>
</tr>
<tr>
<td>Transit Stop Discount</td>
<td>$2.00&lt;br&gt; + $2 for second rider, $1.50 for third rider, $1 for fourth rider and $0.50 for fifth rider</td>
<td>No longer available</td>
</tr>
<tr>
<td>Monthly Pass</td>
<td>$40 per month&lt;br&gt; +$1 per additional rider, per trip</td>
<td>$80 per month&lt;br&gt; +$1 per additional rider, per trip</td>
</tr>
<tr>
<td>Marin Access Monthly Pass</td>
<td>$20 per month&lt;br&gt; +$1 per additional rider, per trip</td>
<td>$40 per month&lt;br&gt; +$1 per additional rider, per trip</td>
</tr>
</tbody>
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These changes will make general public fares more comparable to other shared ride on-demand services in the county, such as Uber and Lyft, and taxi options. Staff have never intended for Connect to directly compete with these services through subsidized fares or to duplicate the SMART first/last mile program. The Transportation Authority of Marin offers that program through its GETSMART17 promotion. Staff recently conducted a survey of Connect riders regarding the proposed fare changes. Based on the findings, staff anticipates that the recommended changes will potentially shift some general public ridership demand from Connect to these other services.

Staff estimates that the program will need to slightly expand the availability of vehicles and service hours to accommodate the new service area. The Connect will focus primarily on providing senior/ADA trips, though it will remain an option for first/last mile commuters and others with transportation needs within the service area.
EXPECTED RIDER IMPACT: Marin Transit expects increased utilization of Connect with an expanded service area, but the program is currently limited with four dedicated vehicles. Based on recent surveys to active riders, transitioning to a distance-based fare for non-senior/ADA riders will likely reduce some general public use of the service and help balance the added demand of an expanded service. The most significant decrease of usage on the Connect service is expected by non-employer subsidized riders who currently pay per ride or use a monthly pass. Staff is expected to continue the current employer-sponsored ride agreements with the County of Marin and Kaiser even with the changed to a per-mile fare. Below is a list of proposed program changes and their likely impact on specific Connect rider groups.

- **Expanded service area:** Increasing coverage will provide all Connect riders the ability to travel to more requested destinations in San Rafael.
- **Regular Fare:** Moving to a $4 per mile distance-based fare will likely decrease usage of riders who pay on a per trip basis and encourage a different trip option.
- **Flat fares for Marin Access riders:** In order to increase the attractiveness of the Connect program for Senior/ADA riders, a $3.00 flat fare will allow the service to be utilized without being cost-prohibitive. The $3.00 Marin Access flat fare is also in-line with the proposed $3.00 paratransit fare and $4.00 base fare on Catch-A-Ride proposed for July 1, 2020.
- **Monthly Pass:** The fare change proposal retains the monthly pass option, but increases the price to $80.00 per month, which is competitive with the current $4 per mile regular fare based on the assumption that a pass holder takes about 20 rides each month. While this pass options offers riders significant value if 20 or more trips are taken that exceed 1 mile, there is likely to be decreased utilization of the program by monthly pass holders due to the increased pass price.
- **Marin Access Monthly Pass:** The fare change proposal retains the Marin Monthly Pass option at half-reduced price of $40 per month. Marin Access pass holders effectively pay less than the Marin Access full fare of $3 per trip if at least 14 rides per month are taken. Given that the expended service area covers many paratransit client residences and common travel destinations, staff expect this underutilized pass option to be more attractive to Senior/ADA riders.
- **Employer-based accounts:** Kaiser and Marin County employees will not see a change in fares, as the new distance-based fare will be paid for by their respective employer.

COMMUNICATION: All Connect riders were sent an email in mid-November with a survey covering the proposed per mile fare changes, potential elimination of the monthly pass, and elimination of the bus stop discount. The survey allowed riders to provide feedback on how an expanded service area and fare changes would affect their use of Connect. On December 23, 2019 riders were emailed again to indicate staff was continuing to explore changing the fares and fare structure and indicated that proposed changes will be taken up at the January 13, 2020 Board of Directors meeting. On January 8, 2020 another email was sent to notify riders of this Board item and the formal proposal being considered at your meeting today. If approved, staff will immediately email, text, and in-app message riders of the changes on January 14, 2020 and again in another two weeks. Staff will coordinate with the Marin Access Travel Navigators to personally communicate these changes to all active Marin Access Connect riders to let them know about the changes to the Connect program.

FISCAL/STAFFING IMPACT: There is no additional fiscal impact associated with this item. In October 2019, your Board approved a second amendment to Agreement #171837 with Nomad Transit, LLC (Via) to continue use of the current technology until June 30, 2020 at a cost not to exceed $29,000. Under that amendment, Via committed to conduct additional development work required to expand the service area, implement fare changes, and provide an additional
six months of support service on the technology. Additional service hours that may be needed to support the expansion are within the approved FY 2019/20 annual budget.

There is no staffing impact associated with this item.

Respectfully submitted,

[Signature]

Robert Betts  
Director of Operations and Planning

Attachment A – Map of Connect Service Area and Proposed Expansion
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