

Portland Streetcar Citizens Advisory Committee Meeting

Wednesday, February 5, 2014, 3:30-5:00 p.m., City Hall, Pettygrove Room

Members in Attendance: Owen Ronchelli, Chair; Lenny Anderson; David Brandt; Carolyn Brock; Bill Danneman; Michael Dennis; Reza Farhoodi; Jon Joiner; Janet McGarrigle; Sue Pearce; Cora Potter; Zoe Presson; Vern Rifer; Richard Ross; Brian Ruder; Ian Stude

Staff Attendance: Kay Dannen, Julie Gustafson, Rick Gustafson

Guests: Arnold Panitch, Chris Smith

1. Meeting to Order:

Owen Ronchelli, chair, called the meeting to Order. The minutes from the January 8, 2014 meeting were approved.

2. Public Comment

Reza Farhoodi asked the committee how many people ride the streetcar for commuting purposes in the morning. He brought the issue up as the service levels in the past 2-4 years has been reduced in NW Portland with the reduction in travel times on the NS Line as well as the change in bus service and bus routing in the NW District. Lenny Anderson asked if the added service beginning this summer will increase the frequency for the morning service. Julie Gustafson responded that the 14 minute frequency on both lines is from 10am to 7pm, which covers the ridership peaks on the streetcar. The change this summer will not increase the service in the mornings. Michael Dennis stated that he believes everyone in the room would agree that more service is needed and that the CAC and the leadership of streetcar are doing everything they can to be creative and that the pressure may need to be outside of this room to help increase the headways. Sue Pearce responded that while the pressure may need to be applied outside of the room, having the conversation can only help.

Ian Stude reported that there were anecdotal comments in their recent annual transportation survey about the cuts to the TriMet service and replacing those trips with Streetcar. Owen Ronchelli added that it is great to have this conversation and that it would be interesting to know what information we have as to who is riding when and what desire or need exists for service changes which could help guide the CAC in this discussion. Ronchelli continued to say that it could be a stated goal of the committee to fill in service where needed if additional revenue is found. Sue Pearce added that if people choose to drive rather than taking streetcar due to the long wait times in the morning that means that they won't be taking the streetcar home either and thus streetcar could lose additional ridership. Anderson added that he would like additional information on the cost of extending the good frequency earlier in the morning as well as looking at the possibility of stretching out the headways in the middle of the day to allow service to be more targeted toward the commuter trip.

Ronchelli stated that additional information will become available as the automatic passenger counters come online as they will provide additional data that can help mold the conversation. Ronchelli added that our demographic is a bit different than that of a typical commute service as we are a circulator that makes that short trip shorter. That does not mean that we can't also serve the commute trip too. Rick Gustafson responded that capacity problems have occurred from 2pm to 7pm where there is not enough room on the trains for the number of people who want to ride. He added that this does not mean we should not provide better service in the mornings but that capacity has not been an issue in the mornings. Vern Rifer asked if the connection with the Tram is more of a commuting connection. Rick Gustafson responded that it is a commuter connection with

far more people starting to use streetcar as part of their daily commute. He added that he would bring information back to the CAC on what it might take to begin the 14-minute frequency at 7am rather than 10am. Brian Ruder also suggested estimating or modeling the demand and what would make the service addition pencil out. Anderson asked if there was any service planning coordination with TriMet as these changes were implemented. Chris Smith responded that it cuts two ways as every time TriMet cuts funding of bus service they cut their contribution to Streetcar by the same percentage which makes it difficult for streetcar to augment service to compensate for lost bus service.

3. Streetcar Only Fares – Ratio of various fare instruments

Owen Ronchelli introduced Portland Streetcar, Inc. Board Member Chris Smith to discuss the issue of streetcar fares and the balance between the various streetcar only fare instruments. Chris Smith briefed the CAC on the history of the fare change discussion and then presented a chart he had produced based on the approximately 45% of riders who pay streetcar for their fare. This is made up of the single ride tickets, annual passes and the employer ID program. Smith argued for increasing the single ride ticket to \$1.50 and the annual pass to \$360. The decision was made to stick with the planned increase in the annual pass to \$250 and also to increase the single ride ticket to \$2. Smith had picked \$360 to keep the ratio more consistent and to distribute the burden of who pays more evenly distributed. Rifer asked what happened when this was brought before the board. Smith responded that there was an extensive discussion but that the board went with the original proposal of \$250 for the annual pass as that has been a long term commitment to raise the annual pass to the \$250 that has been communicated to the ridership since 2012. Ronchelli added that the board tasked a subcommittee to look at this ratio and to evaluate what a good ratio is for the service we provide rather than what the regional transit system provides. TriMet's ratio of single ride ticket to annual pass is 1:440. We would like to look at this ratio and evaluate if it is a good ratio for the circulator service provided by Portland Streetcar or if a different ratio is more appropriate and if so, what that ratio would be.

Vern Rifer commented that the graphs provided by Smith do not take into account the elasticity of ridership with the various fare changes. Rick Gustafson added that the elasticity is predicted to be 20% of single ticket riders with an increase in fare to \$2. He added that there has been an estimated 20% reduction in annual pass purchases with the increase to \$200. Julie Gustafson added that there will most likely also be the addition of a monthly pass option at around \$21-24 with the increase to \$250 as the feedback from the public outreach is that \$250 starts to price the annual pass out of the monthly spending capacity of riders, particularly if they are purchasing for more than one person.

Ian Stude brought up that Smith's graphs do not take into consideration the increase in cost to the institutions with the increase in the annual pass cost. Smith asked would the increase in cost impact the employer ID program as they often pay in advance. Julie Gustafson responded that the sponsors pay an adjustment annually based on any changes to the annual pass price as well as any change in their population count. Kay Dannen added that the ridership benefits such as the employer ID program are also tied to the cost of sponsoring the streetcar which is not counted in the amount portrayed on the graphs. Julie Gustafson asked the committee to think about what ratio would be appropriate moving forward. TriMet's monthly pass to single ride ticket ratio is 40:1 which translates to 20 working days with roundtrip fare. This ratio is targeted to a commuter system. Chris Smith added that the average trips taken by a Streetcar Annual Pass holder is 340 trips a year which is determined by taking the number of annualized trips for that category divided by the number of annual passes sold.

Reza Farhoodi asked if the monthly passes will be available on the mobile tickets app. Julie Gustafson responded that work is already underway to make that happen. Gustafson added that a new feature will be available shortly which will allow users to recall unused tickets so that they are available to download on a new device. This will be useful for people who upgrade their phones. It will not be possible to recall an active annual pass as it is an active ticket. Farhoodi asked if the implementation of the E-Fare system will change the calculus of this conversation as a single fare structure brings back the equity issue of a short trip in the Central City costing less than the same distance trip elsewhere in the regional system. Ronchelli responded that we are not there at this time but that will be part of the conversation.

Lenny Anderson asked if there was some cache of money to be able to get out and survey the riders to gather further information to be able to better inform this conversation and any potential decision. Ronchelli responded that you can get a sense of who your rider or demographic may be, but that there is always an issue with privacy laws and what you can and cannot ask. Richard Ross asked why the cost per ride for those participating in the Employer/Student ID program is far lower than those purchasing either single ride tickets or annual passes. Smith responded that the Employer/Student ID program passes are discounted as part of the sponsorship program. We were surprised by how much the program is used. Julie Gustafson added that the numbers have changed slightly beginning with the surveys taken in January as there are now two categories for the Employer/Student ID program. Previous numbers lumped together the streetcar and TriMet programs. Those numbers have now been separated which will impact the ratios. Rick Gustafson added that the first few weeks of this new division shows about 2/3 streetcar and 1/3 TriMet of the Employer/Student ID program passes. He added that he likes this issue and that we need to get to a more equitable ratio, but that we are a minor appendage of the regional system and we have to come to terms with figuring out how this little conversation relates to the big E-Fare discussion. We should be moving over a three year period to a rational policy and in the meantime gathering better data and improving the conversation.

Stude asked if the income listed on Smith's graphs included the sponsorship revenue as well as the number seems low to him based on what he knows PSU pays. Julie Gustafson responded that the cost of sponsorship was not included in the graphs. Stude added that PSU has long been a partner in the TriMet pass program which has a lot of issues for those entities that are successful in increasing their mode share as the price you pay is tied to the percentage of users you have. PSU is almost being priced out of the program as they have been quite successful. The Streetcar program has been a great benefit for them to offer at a relatively low cost. Kay Dannen asked what the percentage of PSU riders take streetcar according to the latest survey. Stude responded that he would have to look for the exact number, but that it is somewhere around 5%.

Sue Pearce asked if the monthly pass would supersede the annual pass or if streetcar will offer both. Julie Gustafson responded that both will be offered. Ronchelli asked if a pass by mail program would be possible similar to what TriMet used to offer. Carolyn Brock responded that the pass by mail program is how the yearly pass used to work that you would pay up front and get a pass each month by mail. Now they have a plastic annual pass that you can purchase.

Ronchelli asked the committee to also think about the value of a streetcar trip compared to the value of the regional trip and how that might impact the ratios for the monthly and annual passes as well. Julie Gustafson added that, according to the most recent survey conducted by TriMet,

streetcar has double the percentage of non-home based trips as the regional system which means that streetcar riders are less likely to be commuters than riders on the regional system as they are not going to or from home as often which could also impact the ratio. Cora Potter commented that this makes sense with the current ridership peaks experienced on streetcar. Anderson added that underlying these fare conversations should be how to we keep the fare as low as possible to encourage increased ridership. Smith responded that the city has been going through an exercise to find alternate sources of funding. One such source that has been discussed is a street utility fee. This fee would be similar to water and sewer utility bills but would be for the usage of the streets. One possibility for funding the streetcar could be to have a similar surcharge in streetcar districts that would fund operations of the streetcar. Stude responded that in Corvallis they have a fee that pays for their bus service.

Rifer suggested that rather than charging more, the best way to increase revenue is to market the streetcar and increase ridership. Rifer added that there are several new buildings under construction and suggested that streetcar should be marketing to all of those new residents as they are likely to be streetcar riders. Dannen responded that the sponsorship program does exactly that and that many of the new buildings are sponsors that purchase the ridership benefits for new residents. Rick Gustafson added that the sales of annual passes to that group exceed the sales of annual passes to non-sponsors. He added that the conversation is not about seeking \$100,000 but rather finding the right place for streetcar in the fare system. The \$1 fare was selected in 2012 because it was easy to collect and sounded alright and was a way to soften the change from no fare to having a fare. Gustafson added that in the last 6 months there has been a significant increase in ridership. A year ago the average daily ridership was around 12,000 riders a day. The last count was 18,300 a day. We also experienced higher ridership in the fall than in the summer for the first time. Farhoodi asked if we are able to analyze the ridership by segment. Gustafson responded that the data we have would not allow for reliable analysis by segment. He attributes a good portion of the increase to the increase in reliability in service but also to riders learning the Loop which is a new route that didn't exist prior to September 2012. The 2025 projections from Metro for ridership 10 years after the Loop is fully completed is 20,000 riders a day. Rifer added that while it is better to have reliable service but that the market is also growing and we need to be out marketing to the new residents and employees along the line. Brian Ruder added that we need to continue marketing the values and benefits of streetcar as there are a lot of people out there who are not aware of the service provided.

Pearce thanked Smith for bringing this conversation to the CAC and thanked him for his work in evaluating the numbers and suggested that the CAC continue the discussion in the future. Julie Gustafson added that outreach does occur on a regular basis and that she and Dannen have reached out to organizations like Travel Portland, the Convention Center, as well as the outreach to the apartment and condo buildings in order to encourage people to ride streetcar and see all of the benefits it offers. She asked the committee to share any organizations that would benefit from this outreach to help increase awareness of streetcar.

4. Other Business

Bill Danneman asked Rick Gustafson how streetcar is positioned for the upcoming ice and snow. Gustafson replied that on a scale of 1-10 he would put streetcar at about an 8. The last major snow storm that shut down all but one MAX line didn't interrupt Streetcar service as we ran 24 hours a day throughout the snow event thanks to a core group of dedicated staff. Gustafson added that we are better prepared than we were in 2008 as the rail maintenance people assigned to streetcar are

now full time rather than part time. Brock asked if places that are traditionally cold and snowy have light rail and streetcar systems have similar issues. Gustafson responded that it is not the weather but rather the preparedness and capability of the city and streetcar to react. The first storm in 2003 was an issue for three major reasons: the deicer that doesn't corrode steel was in Eugene, Northrup was not on the plow list for the City and the plows dumped all of the snow onto the platforms. Those issues were addressed between the 2003 storm and 2008 storm which allowed us to better respond to the winter weather conditions.

The next meeting for the Streetcar Citizens Advisory Committee will be Wednesday, April 2, 2014, 3:30pm-5:00pm at City Hall, Pettygrove Room.

Please call Julie Gustafson at 503/242-0084 or email at julie@sojpdx.com if you have any questions regarding this committee.

The CAC meetings are open to the public.