

City of Alexandria, Virginia

MEMORANDUM

DATE: APRIL 26, 2005
TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL
FROM: JAMES K. HARTMANN, CITY MANAGER
SUBJECT: BUDGET MEMO # 119 : DASH AND WMATA BUS SERVICE QUESTIONS

This is in response to Council member questions regarding DASH and WMATA bus service in Alexandria.

How much would the combination of the WMATA 10P and 9B routes cost and what would be the net savings for the City? (Councilman Macdonald)

The WMATA 10P bus route provides service between the Braddock Road and Crystal City Metro stations via Mount Vernon Avenue and Potomac Yard. The 9B route provides service between Hunting Towers and Crystal City via Washington Street, the George Washington Memorial Parkway, Slater's Lane and Potomac Yard.

Arlington County has requested replacement of the 9B route with service from the new EPA offices to the Crystal City Metro station. Because the new route would operate entirely in Arlington, the City's subsidy would be eliminated. WMATA estimates that elimination of the 9B and the 10P, which has low ridership, would result in a City subsidy savings of approximately \$700,000 annually. If the elimination of these routes were to occur, implementation would take place in January 2006 at the earliest, thereby reducing the City savings for FY 2006 by at least one-half.

The City subsidy would only be eliminated if the City eliminates the 9B and 10P service within the Alexandria portion of the route. Should the City determine that there was a need to provide bus service to the affected areas, maintaining the two routes as currently operated by Metrobus would cost the City \$700,000.

There is a very strong interest in the Potomac Yard community in having DASH services to and from the Braddock Road Metro extended into their community (Old Town Gardens, etc.) What are the service options available? What are the associated costs, if any, with extending service? Are there any associated regional barriers that need to be overcome? (Councilman Gaines)

DASH is developing a proposal for service to replace the 10P and 9B in Potomac Yard, Arlandria and Del Ray. The cost based on DASH estimates would be approximately \$500,000 annually depending on the alignment of the route. City and DASH staff need to meet and work through this cost estimate. Regional steps needed to be take to eliminate the 10P and 9B include public hearings and approval by the WMATA Board of Directors later this year. As such, it is premature to make decisions on either the WMATA or DASH options at this point in time.

What is the fiscal impact/increased revenue from raising the DASH bus base fare from \$1.00 to \$1.10 through \$1.25? Also, what impacts, if any, would a base fare increase have on ridership? (Councilman Gaines)

DASH estimates that a \$0.10 increase in the base fare, from \$1.00 to \$1.10, would generate an additional \$70,000 in revenue, and a \$0.25 increase, from \$1.00 to \$1.25, would generate \$200,000 in additional revenue. The \$0.10 increase would result in a 3 percent reduction in annual ridership (from 3.3 million to 3.2 million), and the \$0.25 increase would result in a 6 percent reduction in ridership (from 3.3 million to 3.1 million).

The \$200,000 estimate does not include any discounted senior, disabled, and student fares as offered by other systems in the region. A base fare increase may increase pressure for DASH to implement such discounts, which are not currently offered. The revenue impact of reduced fare programs that mirror what is provided on Metrobus is estimated at \$234,000. This is based on an estimated reduction in the average fare paid to \$0.54. Implementation of both a base fare increase and senior, disabled and student discounts would result in a net subsidy increase of \$34,000.

What is the basis for the statement given in Budget Memo #18 (page 2) that such a “minimal” DASH fare increase would result in 3 percent fewer riders/commuters? (Councilman Macdonald)

The industry standard for calculating the elasticity of fares, the Simpson-Curtin Rule, estimates a one-third of one percent loss in ridership for every one percent of fare increase. According to this rule, a fare increase from \$1.00 to \$1.10 (10 percent) would result in a 3 percent loss in ridership, and an increase from \$1.00 to \$1.25 (25 percent) would result in an 8 percent loss in ridership. In Budget Memo #18, staff mistakenly attributed the 3 percent ridership loss from a \$0.10 increase to the \$0.25 increase mentioned in that memo. It should be noted that WMATA and other bus operators in the region that have recently increased fares experience ridership reductions that were less than the Simpson-Curtin rule would predict.

What alternatives exist for riders who currently use the DASH AT 3-4 route proposed for elimination? Does Metro provide service, etc? What are the current service hours for the AT3-4 loop? (Councilman Macdonald)

The AT 3-4 loop operates during the following off-peak hours:

- Weekdays - 10:16 a.m. to 3:10 p.m. and 7:33 p.m. to 10:40 p.m.

- Saturdays - 7:30 a.m. to 8:57 p.m
- Sundays - 8:54 a.m. to 6:58 p.m.

The AT 3-4 loop connects Parkfairfax to Market Square in Old Town via Braddock Road, Russell Road, W. Glebe Road and Cameron Mills Road and extends to Hunting Towers on Sundays. The DASH AT 3 and AT 4 routes to the Pentagon serve the same areas during weekday peak periods. There is no other off-peak DASH service in these areas. DASH's proposed elimination of the AT 3-4 loop includes a proposal to extend the a.m. and p.m. peak period service with additional trips on the AT 3 to minimize the impact in the Arlandria-Glebe Road service area.

WMATA offers 10A service from Hunting Towers to the Pentagon via Braddock Road and Mount Vernon Avenue. WMATA also offers 10B service from Hunting Towers to Ballston via Braddock Road, Mount Vernon Avenue and Parkfairfax and 28A service along a portion of Braddock Road served by the AT 3-4 loop. The WMATA routes operating during peak and non-peak hours, and at a greater frequency than the AT 3-4, but they do not serve Russell Road, Cameron Mills Road or travel as far into Parkfairfax or Old Town and would not serve West Street and a the section of Glebe Rd. between Mount Vernon Ave. and Valley Drive during the off-peak.

Could the DASH AT 3-4 route be preserved if fares were increased by 25 cents as suggested by staff in Budget Memo #18 (in line with WMATA rates)? (Councilman Macdonald)

A \$0.25 base fare increase would generate sufficient revenue to obtain the City-requested subsidy reduction target without the elimination of service. It should be noted, however, that WMATA bus fare rates include discounts based on age and disability that DASH does not offer. Adopting a DASH fare rate that is precisely "in line with WMATA rates," including these discounts, would result in lost revenue due to the implementation of discounts as previously discussed.

What other cities have their own bus companies and what is the typical level of their public subsidy? (Councilman Macdonald)

All of the jurisdictions in the WMATA compact have their own bus systems except the District of Columbia, which is considering establishing one.

The following information obtained by DASH from the Virginia Department of Rail and Public Transportation provides statistical and financial data on a number of bus systems within the Commonwealth of Virginia. The operating revenue budgeted includes passenger fares and revenue from advertising, charters, contracts etc. It excludes, federal, state and local subsidies. In the case of Roanoke Transit, they operate a parking garage and their revenue may include the parking garage revenue also. The farebox recovery ratio reflects the portion of total expenses recovered through revenues.

Bus System	FY04 Operating Expense Budget (\$ in thousands)	FY04 Operating Revenue Budget (\$ in thousands)	Farebox Recovery Ratio	FY04 Actual Ridership (# in thousands)	Cost per Trip
Alexandria	\$6,891	\$1,845	26.8%	3,186	\$2.16
Fairfax County	25,182	3,060	12.2	7,991	3.15
Arlington	2,530	867	34.3	652	3.88
City of Fairfax	2,370	202	8.6	986	2.40
Charlottesville	3,469	443	12.8	1,286	2.70
Fredericksburg	1,341	33	2.5	271	4.94
Lynchburg	3,528	908	25.7	1,115	3.16
Richmond	32,232	8,157	25.3	11,715	2.75
Roanoke	5,477	1,722	31.4	1,888	2.90