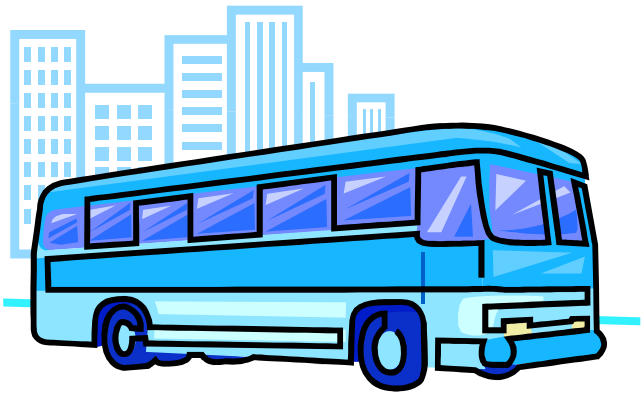
V. Service Expansion Scenarios



Second to the revenue scenarios, RVTD's service expansion is the most talked about topic in the community. Serving seven cities, each with different needs, and having numerous employers and other destinations request service over the years has placed RVTD in a position where diplomacy is crucial. This chapter reviews the methodology for prioritizing transit service expansion and describes how RVTD will determine the ability to implement the new services with additional revenue.

Board, Public and Jurisdiction Service Priorities

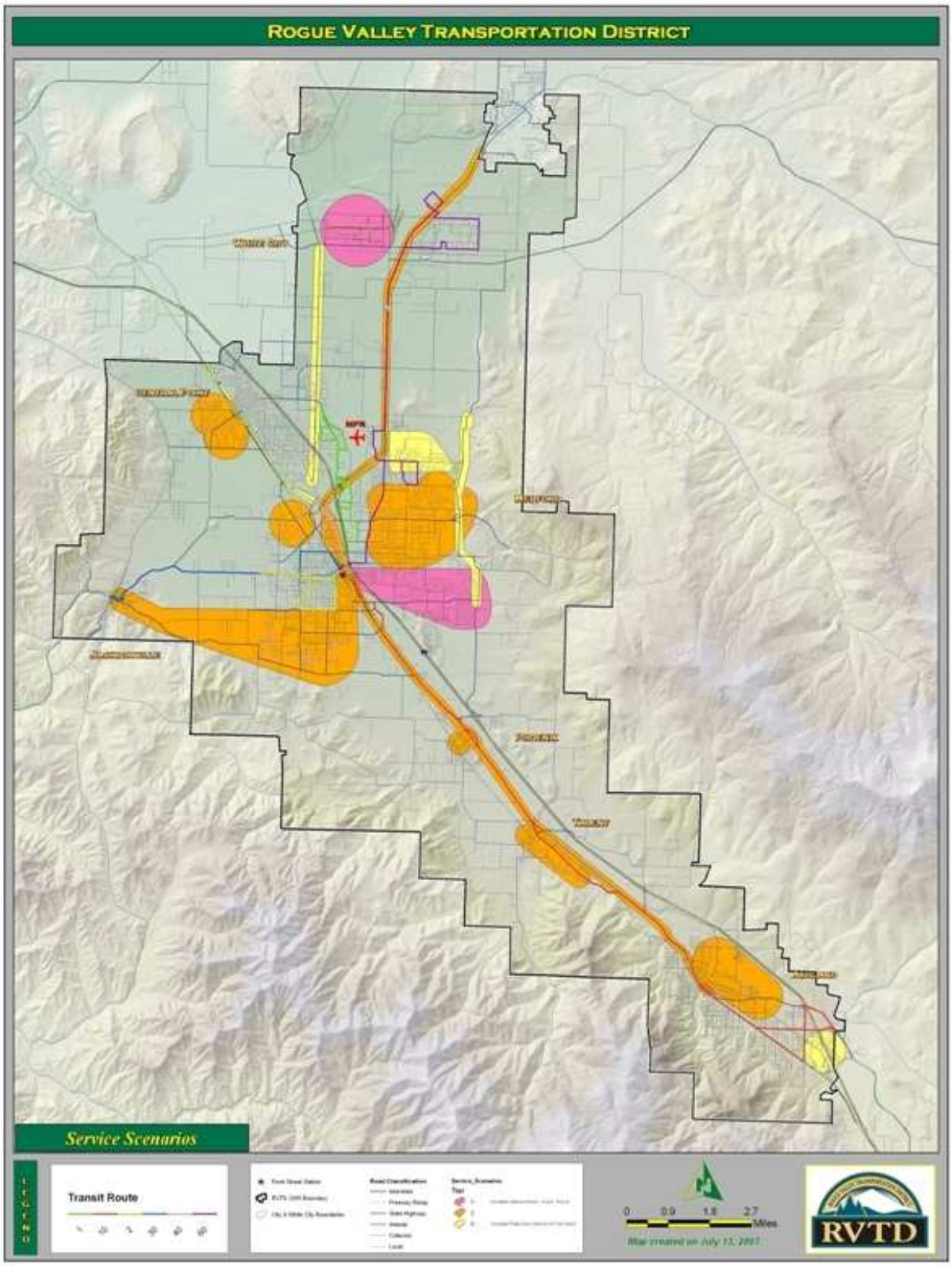
RVTD staff held community workshops, agency meetings and a Board goal setting session to culminate a list of service priorities for the region. Everyone involved agreed that the current level of service is inadequate and both extended hours and new service areas need to be implemented. Common threads of expressed needs were reviewed after the meetings were complete. With RVTD staff guidance and reference to the community discussions, a tiered list of service priorities was created and is in Figure 5.1. To see the comments of each stakeholder group refer to Chapter III. Each tier of service has been evaluated based on these priorities to see if they are sufficient. A summary table of the Board, Agency and Public priorities is in Figure 5.3.

RVTD has several options to pursue regarding securing additional revenue, covered in the previous Chapter IV Revenue Scenarios. Each revenue source has its limitations for the service it could provide but funding will be first directed toward service listed as the highest priority. *Tier One- Extended Hours and Minor Service Expansion* includes the service with highest priority; *Tier Two- Includes Tier One, Additional Routes, Express Routes, Peak Service* has the second highest priorities and finally *Tier Three- Includes Tier Two, Additional Routes/ Grid System* has the service enhancements that were listed as a priority but not as high as tiers one and two. A map of the service areas is provided in Figure 5.2.

Figure 5.1. Tiered Service Expansion Prioritized List

Tier One. Extended Hours and Minor Service Expansion	
Region	**Major Destination**
Southeast Medford	Barnett Rd. x N. Phoenix Rd./ RVMC
Expand service hours~4am to 10 pm	All Routes except low productivity routes
West White City	Table Rock Rd. x Antelope Rd.
Saturday Service	Base service from 8am to 6pm
Tier Two. Tier One, Additional Routes, Express Routes, Peak Service	
Region	**Major Destination**
West and southwest Central Point	Twin Creeks TOD.
East Medford	McAndrews Rd. x Foothill Rd.
Ashland Talent Phoenix Circulators	West of Hwy 99 in Talent and Phoenix/ East of Hwy 99 in Ashland
4 Hour Peak Service	All Routes except low productivity routes
Southwest Medford/ Jacksonville	Stewart Ave. x Lozier Rd.
Express Routes (15 min.) to Ashland and White City	Front St. to Ashland Plaza and Front St. to Cascade Shopping Ctr.
Northwest Medford	Sage Rd. x Rossanley Dr. (North Gate Centre)
Tier Three. Tier Two, Additional Routes/ Grid System	
Region	**Major Destination**
Foothills Rd.	Corridor from Barnett to Coker Butte
Table Rock Rd.	Corridor from Midway Rd. to Antelope Rd.
Hwy 99	Corridor from Table Rock Rd. to Scenic Ave.
Delta Waters TOD	Region not yet defined
South Ashland	Region not yet defined

Figure 5.2 RVTD Service Expansion Scenarios



Service Expansion Methodology

The service expansion methodology started with a staff meeting to discuss potential new service areas and hours of operation. Although the Board, agency and public workshops provided guidance for the service priorities, staff has had a fairly accurate and adept prediction for several years. The difficult task was identifying service areas more specifically and then drafting routes throughout the district to generate the new miles of service for cost estimation.

When creating a route several staff members work together to produce the final product. Routes are primarily created based on the popular destination in a given area, the hours of operation for those major destinations and the ability to navigate the street system in the area. The route typically starts in the Planning Department where the destination and hours are drafted. This is then given to the Operation Department who examines the street network and the ability for the bus to safely travel in the area. Finally the route is scheduled to synch with the rest of the system and assigned driver shifts to accommodate Union contracts and regulations. Creating a route is not a simple procedure and an incredible amount of forethought must also be given to whether the route will be productive, i.e. whether the passengers per mile will be high enough to warrant service. The majority of the tiered service expansions have been drafted for purposes of costing out the new service but more work is needed before the route can be considered ready for service. In examining the overhead and capital needs outlined in this plan it is apparent that even with full revenue capture, new service would need to be implemented over the course of 18 to 24 months.

Evaluating Whether the Service Scenarios Meet the Service Needs

The service scenarios have been evaluated to see how well they meet the Board, Agency and Public priorities for service. The first Tier meets only a small

portion of priorities and as the service increases more priorities are met. Tier three service scenario meets all of the priorities for service, however also requires the largest revenue stream. Please see Figure 5.3 for the evaluation of how each tier meets, or does not meet, the Rogue Valley's expressed needs for service.

Figure 5.3 Ranking and Evaluation of Expansion Scenarios

Service Expansion Scenarios	Tier One - Extended Hours and Minor Service Expansion	Tier Two – Tier One, Additional Routes, Express Routes, Peak Service	Tier Three – Tier Two, Additional Routes/ Grid System
Board Priorities [Goal: Objective: Performance Measure]			
1:1:1			X
1:2:5	X	X	X
2:2:1	X	X	X
2:1:2		X	X
2:1:3			X
2:1:2			X
Agency Priorities			
Extend Hours	X	X	X
Peak Service		X	X
Circulators			X
TOD service			X
Increase Coverage		X	X
Express Service		X	X
Public Priorities			
Increase Coverage		X	X
Extend Hours	X	X	X
Express Service		X	X

Calculating the Cost of Service

Cost estimation of new service can be examined in two ways: an incremental cost and a fully allocated cost. The difference is really found in the overhead for Administrative staff and cost of capital purchases. For example, if RVTD added one route to the system, the administrative costs per route would likely not go up but instead go down as each route absorbs less costs on average; this would reflect an incremental cost. A fully allocated cost would be needed when estimating the cost of expanding service hours throughout the system; staff levels would need to be increased and possibly additional buses would need to be purchased.

A more detailed cost estimation will be conducted and included in a Strategic Business and Operations Plan to ensure there are no overruns. For the upcoming Strategic Business and Operations Plan, cost estimations will be calculated based on the service mile, service hour and cost of equipment. These calculations are described below.

Cost per mile and hour

For the fixed route system the best method for determining the cost of service expansions and enhancements is the cost-per-mile. The cost for extending hours of service would be calculated by assessing the additional miles per service hour the route travels. Historical data is available to provide the information needed for the cost-per-mile calculation of operations for expanding hours on current service. Service expansion, or adding additional routes requires in the field data collection to determine where the route will travel and then calculating the number of 'new' miles to the system.

RVTD has calculated a cost per mile of $5.74 based on 2006-2007 FY Operating costs. At the beginning of each Fiscal Year, which starts July 1st, the cost per mile will be re-assessed based on previous year actual costs.

If RVTD is unable to provide an expansion of service either because additional revenues are not secured or due to the cost being higher than monies available, subsidizing service is an option. Staff can provide the cost of the service based on the cost-per-mile factor described above and work with parties who can finance additional service.

Cost of Overhead

Overhead costs are primarily related to the administrative functions within the District operations. While the total overhead costs are likely to increase as a function of the expansion of the fixed route service levels, these costs are not significant in relation to the costs of providing the direct services.

Cost of Equipment

As service levels increase, either by the addition of new routes or the enhancement of existing routes, capital equipment acquisition will be necessary. Capital costs are not included in the cost-per-mile and will be calculated separately.

In addition, at some point the existing physical facilities used to store and maintain the bus fleet will need to be expanded. These costs must be reflected in any plan to expand and enhance the level of services provided. Before these points can be determined a more exact expansion and enhancement plan must be developed which will be part of the Strategic Business and Operations Plan.

Finalizing the Service Scenarios

RVTD is creating a Strategic Business and Operations Plan expected to be complete by the beginning of 2008. Within this document the revenue scenarios will be explored in more detail to determine the viability of the available resources. The service expansions will have costs associated with each enhancement and will be viewed as incremental improvements. This will give RVTD and the overall community a more black and white picture of how the revenue can support new service. An operations analysis of current service is also needed to make preparations for adjustments throughout the system to increase efficiency and to plan for additional service.

A full operations analysis will be conducted in 2008 that is basically a system wide audit to look at where adjustments should be made to the current system and how new service will increase efficiency. The last operations analysis occurred almost a decade ago and was performed by a consultant. The Federal Transit Administration and the National Transit Database provide guidance on how to conduct an operations analysis and RVTD has recruited an intern from the University of Oregon's Resource Assistance for Rural Environments program to conduct the analysis. The study includes on-board and off-board surveying, GIS analysis and locating peak load points. Once this analysis has been completed, a recommendation for system modifications will be made and the service scenarios will be finalized.

Valley Feeder

A Valley Feeder program, or demand-response service available for all citizens, has been discussed as a priority by several agencies and the public at large. This service is quite different than a fixed-route making costs more difficult to project so this service has not been included within the service expansion scenarios. However, there is high potential for a Valley Feeder service to establish the ridership demand before a regular fixed-route is implemented, such as with the circulators in Talent and Phoenix.

A Valley Feeder service could develop along two avenues. The first avenue would be to utilize the extra capacity within the Valley Lift vehicles. Although an option, Valley Lift trips will take precedence over general public requests and this may not provide the reliability and convenience to make it an attractive choice of travel. Once the Valley Lift capacity has reached a peak, the Valley Feeder service would need to be transferred to a more dedicated system. The Valley Feeder service would acquire its own fleet of vehicles and have support staff separate from Valley Lift. As stated in this document, starting service is not an overnight operation. Vehicles need to be located and purchased, staff needs to be hired and trained and of course funding needs to be secured for long-term success. RVTD is interested in keeping this option as part of the overall service expansion plan, however further study and staff discussions need to occur in the following year to create a strategy.