



**Metro**

Los Angeles County  
Metropolitan Transportation Authority

One Gateway Plaza  
Los Angeles, CA 90012-2952

213.922.2000  
metro.net

8

**OPERATIONS COMMITTEE  
FEBRUARY 17, 2011**

**SUBJECT: METRO VANPOOL PROGRAM FUNDING**

**ACTION: APPROVE BUDGET AMENDMENT**

**RECOMMENDATION**

A. Approve amendment to add \$1,500,000 to the FY11 budget for the Metro Vanpool Program costs to continue implementation through June 30, 2011.

**RATIONALE**

At present, budgeted program funds are insufficient to maintain vanpool service growth and administration through current fiscal year end. This is due to the fact that the program has proven to be quite successful with participation exceeding projections. In fact, Metro Vanpool Program vendors report a record 80% growth in vanpools since program inception in May 2007. While helping to greatly increase vanpool commuting in the region, the program also generates new Federal Section 5307 formula funds for the region in excess of program expenditures. The \$1,500,000 in additional budget will be used to fund existing vanpool vehicle lease contracts and services.

**Background**

In January 2007 the Board of Directors authorized the CEO to execute 5-year vanpool vendor contracts in an amount not to exceed \$19,128,400 for vanpool vehicle lease services necessary to implement the Metro Vanpool Program. Authorization included specific quantifiable goals to grow vanpool participation, with particular attention to Los Angeles County employment centers. The program launched in May 2007 and is an integral part of the transportation demand management element of the adopted Long Range Transportation Plan.

To date, program growth, service delivery, passenger boardings, and revenue generation has exceeded expectations, and continues to surge upward. The table below details program service, contract expenditure and investment recovery from inception through FY13.

Public vanpool service delivery in FY11 is on pace to operate over 21.9 million revenue miles of service while delivering 3.2 million passenger trips. Cumulative contract costs through FY 11 are estimated at \$15.4 million. Cumulative new Federal Section 5307 revenues are projected at \$71.3 million. From a per passenger recovery standpoint, at a subsidy rate of \$1.48 per passenger trip, the Metro Vanpool Program earns Federal Section 5307 funds at a rate of \$6.88 per passenger trip.

	FY07	FY08	FY09	FY10	FY11	FY12	FY13	TOTALS
<b>Service</b>								
routes/vans	327	615	806	907	1056*	**	**	----
revenue miles (000)	1,066	13,065	17,949	20,582	21,944*	**	**	74,606
boardings (000)	144	1,804	2,487	2,725	3,198*	**	**	10,359

<b>Contract Expenditures</b>								
lease subsidy (000)	\$187	2,492	3,595	4,159	4,936	**	**	\$ 15,369

<b>FTA Section 5307 Revenue</b>								
local (000)	**	**	\$896	13,986	15,979	17,764	18,363	\$ 66,988
other regional (000)	**	**	94	847	1,020	1,134	1,172	\$ 4,267
	**	**	990	14,833	16,999*	18,898*	19,535*	\$ 71,255

\*service and expenditure data pending FY11 closeout; FY11, FY12, and FY13 S.5307 earnings are estimates pending congressional apportionments and fund allocation by SCAG.

\*\*S.5307 earnings are received two years after year of service (ex. earnings from FY08 service are received in FY10 apportionment).

Based on actual federal revenue receipts in FY10, \$102.4 million in Federal Section 5307 Urban Formula funds were allocated to Los Angeles County transit operators, including Los Angeles County Metropolitan Transportation Authority. Nearly fourteen percent (14%) of these funds, or \$13.98 million of the FY10 apportionment revenues were earned by the services delivered by the Metro Vanpool Program in FY08.

### Notable Performance Measures

The Metro Vanpool Program in a short time has become one of the leading public vanpool systems in the nation, ranking in the top three for revenue miles, passenger miles and number of vehicles in service. While among local Los Angeles County transit operators, the Metro Vanpool performed favorably as well. Again, vanpool ranks in the top three in all factors generating FTA 5307 fund revenues (revenue miles, passenger miles, and low operating costs). And lastly, consistent with the long distance commute trips market served by vanpools, passenger mile comparisons within the Metro family of services, find that vanpool delivers as much as 54% of subway, 37% of light rail, and 8% of motorbus services. In 2010 the modal average trip lengths were 46 miles for vanpool, 5 miles for subway, 7 miles for light rail, and 4 miles for bus.

## **FINANCIAL IMPACT**

This budget amendment, if approved, would allow us to continue the FY11 Metro Vanpool Program and generate an estimated \$19.5 million in new FTA Section 5307 grant revenues to the region in FY13. The budget increase will be funded by Proposition C 25% Regional Rideshare grant funds programmed in the Transportation Improvement Program (TIP) pursuant to the Long Range Transportation Plan. Upon Board approval, \$1,500,000.00 shall be added to the FY11 budget and funds placed in Cost Center 7010, Project 405547.

### **Impact to Bus and Rail Operating and Capital Budget**

The funding for this action will come from Proposition C 25% Streets & Highway funds, and are not eligible to fund bus and rail operating and capital expenditures. FTA Section 5307 grant funds generated by the Metro Vanpool Program will increase the amount of funds available for bus and rail capital expenditures.

## **ALTERNATIVES CONSIDERED**

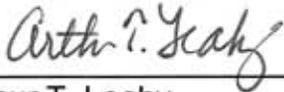
The alternative is to discontinue the current agreements and sponsorship of vanpool leases with vanpool vendors. This is not recommended because the agreements in place facilitate the generation of significant additional revenues annually. Most of the existing vanpools operating today were established under the subsidy agreement in place and would likely cease operation.

Prepared by: Cosette P. Stark, Director, Research and Development  
Jami Carrington, Transportation Planning Mgr, Research & Development



---

Matt Raymond  
Chief Communications Officer



---

Arthur T. Leahy  
Chief Executive Officer