



**February 18, 2020**

**To:** Members of the Board of Directors

**From:** Jennifer L. Bergener, Managing Director

**Subject:** Continuance of the Pacific Surfliner Peak-Period Service Between Los Angeles – Ventura – Santa Barbara Counties

### **Overview**

In February 2018, the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency Board of Directors approved an agreement with the Santa Barbara County Association of Governments to facilitate the implementation of the peak-period service between Los Angeles – Ventura and Santa Barbara counties. The current agreement expires March 31, 2020, and a new agreement is necessary to continue the service. Board of Directors approval is requested to authorize the Managing Director to negotiate and execute an agreement not to exceed \$1,861,880, with the Santa Barbara Association of Governments for cost-sharing to continue the peak-period service through March 31, 2021.

### **Recommendation**

Authorize the Managing Director to negotiate and execute an agreement with the Santa Barbara Association of Governments in an amount not to exceed \$1,861,880, for cost-sharing to facilitate the continuance of peak-period service between Los Angeles – Ventura and Santa Barbara counties, for a period of one year through March 31, 2021.

### **Background**

Improving peak-hour passenger rail service between Los Angeles – Ventura – Santa Barbara counties was defined as a priority in several Los Angeles – San Diego – San Luis Obispo (LOSSAN) Rail Corridor Agency (Agency) planning documents, including the Strategic Implementation Plan and all LOSSAN Agency annual business plans, as well as the California State Rail Plan. To realize this priority service, in February 2018, the LOSSAN Agency's Board of Directors (Board) approved an operating schedule for the implementation of peak-period service between Los Angeles – Ventura – Santa Barbara counties (peak-period service) and authorized the Managing Director to negotiate and

execute an agreement with the Santa Barbara County Association of Governments (SBCAG) for cost-sharing of the peak-period service.

In order to implement the peak-period service, the LOSSAN Agency worked with the California State Transportation Agency (CalSTA) and Amtrak to evaluate various operating alternatives. In evaluating the options, three key considerations were included: protect the core Pacific Surfliner service, minimize impacts to existing Metrolink service, and implement the service in April 2018. In order to achieve all these goals, it was necessary to retime (reschedule) existing Pacific Surfliner trains, including bifurcation of one 700 series train, in a manner that provides peak-period service between Los Angeles – Ventura and Santa Barbara counties.

To further facilitate the implementation of peak-period service, a cost-sharing arrangement was negotiated with Santa Barbara County Association of Governments (SBCAG) to fund 50 percent of the incremental operating cost for the service. The incremental cost was driven primarily by labor costs associated with operating the retimed train, as well as costs related to stations and commissary to provide the necessary support for the train. SBCAG further determined that it would also encourage ridership by facilitating a fare buy down, whereby SBCAG supports a nearly 50 percent buy down on multi-ride and monthly passes.

### ***Discussion***

Staff has continued to monitor the performance of the peak-period service and reports this performance regularly to the Board through the quarterly performance trends report. Additionally, staff presented an overview of the first-year performance to the Board in September 2019 and will also be presenting a second-year performance review in early spring 2020, pending final data from Amtrak. A modest decrease in overall ridership was expected from the retiming of trains to facilitate the implementation of peak-period service in April 2018. Ridership on the peak-period service has grown to an average of 120 riders per weekday. While this ridership is lower than desired, SBCAG, working in coordination with the LOSSAN Agency, has continued to market the peak-period service and has initiated new marketing and outreach efforts to further increase that ridership.

Peak-period service continues to be strongly supported within Santa Barbara County. The local sales tax measure, Measure A, includes funding to continue supporting the peak-period service. The SBCAG South Coast Subregional Planning Committee is expected to take action on February 12, 2020, to recommend that the SBCAG Board approve the use of

Measure A funds to fund SBCAG's share of the additional operating costs necessary to provide the peak-period service on the Pacific Surfliner.

The current agreement with SBCAG to fund 50 percent of the incremental operating cost and the full cost of the fare buy down will expire on March 31, 2020. In order to continue the service and cost-sharing, a new agreement is necessary. Staff has worked with SBCAG to update the incremental cost estimate based on the historical cost and revenue changes experienced system wide during the last 24 months. The estimated incremental operating cost is \$2,723,760, of which SBCAG will provide 50 percent, or \$1,361,880 for a period of one year. In addition, SBCAG will provide nearly a 50 percent fare buydown on multi-ride and monthly train passes, estimated to be \$500,000 annually.

### ***Summary***

The current cost-sharing agreement between the Los Angeles – San Diego – San Luis Obispo Rail Corridor Agency and the Santa Barbara County Association of Governments for the provision of peak-period service between Los Angeles – Ventura – Santa Barbara counties and fare buy down will expire on March 31, 2020. In order to continue this service and cost-sharing, staff is seeking Board of Directors approval to negotiate and execute a new agreement with the Santa Barbara County Association of Governments.