



**Matagorda County Transit Plan**

**DRAFT**

**Presented by: The Goodman Corporation**

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## Executive Summary

### Introduction

In February 2010, the Houston-Galveston Area Council (H-GAC) contracted with The Goodman Corporation (TGC) to complete a Transit Service and Coordination Plan for Matagorda County. The purpose of the plan is to identify transit needs and service gaps in Matagorda County and develop an operations and five-year financial plan. The transit needs for Matagorda County are varied, extending from demand response service for rural areas and small municipalities, to fixed or flex service for Bay City, to job access options for workers and students.

### Plan Inputs

The process used to provide transit recommendations for Matagorda County relied on public input, government data, and best practices. See Figure ES.1 for an illustration of the inputs used to develop the plan’s recommendations. Each of these are briefly discussed below.

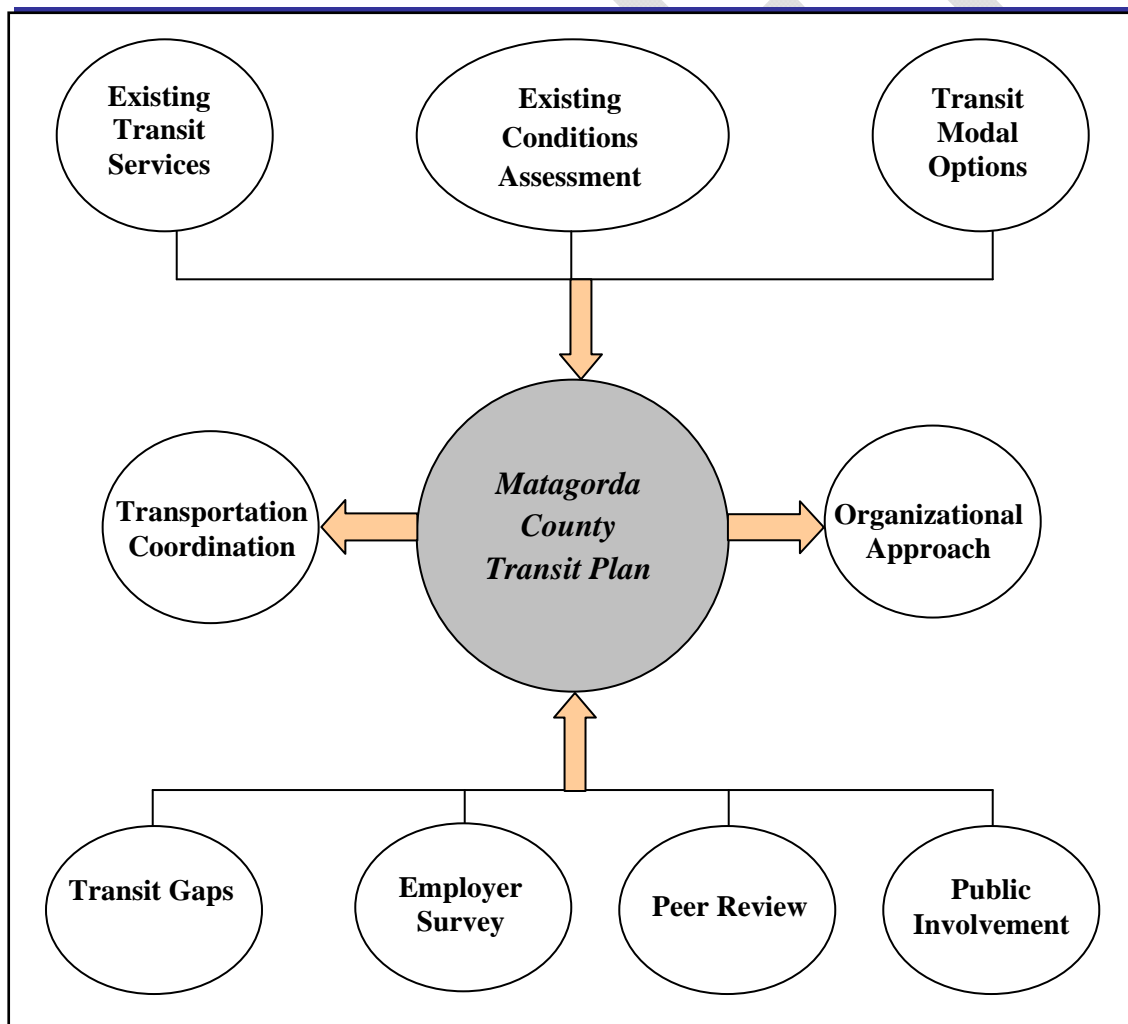


Figure ES.1 – Matagorda County Transit Plan Considerations



**Existing Transit Providers:** Friends of Elder Citizens (FOEC) is a 501c(3) nonprofit that delivers demand response transit services to the general public under a contract with the Golden Crescent Regional Planning Commission (GCRPC). The FOEC's primary mission is to provide services to senior citizens and the elderly and it views its transit program as a mechanism to help achieve that mission. Given that, the FOEC's interest in expanding its transit role in Matagorda County is limited.

In FY2009, the FOEC's transit program cost approximately \$273,000. The FOEC funds its services with federal and state grant funding that it receives through the GCRPC; however, these funds are insufficient to fully support the program. It supplements these funds with revenue it earns through its Medical Transportation Program (Medicaid) sub-contract and other local sources. Should the FOEC either not renew or lose its Medicaid sub-contract, its loss will create a significant need for other sources of local share. In addition, the FOEC has indicated that it will cease providing general public transit should it no longer hold a Medicaid contract.

The Medicaid sub-contract is particularly important as it represents over 50 percent of the FOEC's funding for transit. Moreover, it generates some over-match that presents the opportunity to expand transit programs to fill the service gap. In FY2009, the FOEC generated about \$67,000 in excess revenues. The plan recommends that, with FOEC concurrence, a portion of these revenues be re-invested into a voucher program. A voucher program will leverage other transportation assets in the county and provide a secondary source of transit for hard-to-service trips.

It is recommended that the FOEC continue providing demand response service to the County. The FOEC reflects above average performance statistics compared to other demand response providers in the region. However, there is a concern that general public trips have fallen 50 percent over the past three years, while the number of Medicaid and contract trips has risen substantially. Future focus on delivery of more general public trips is needed. This can be supported, in part, by bringing more resources to the program. However, this should be coupled with more aggressive and consistent marketing and promotion of FOEC's general public transit services with a goal to increase general transit trips.

**Existing Conditions Assessment:** The majority of Matagorda County's land mass is characterized as low-density rural. However, most of the population is located within the small municipality of Bay City. These characteristics, coupled with demographic characteristics for age, disability, and income, paint a picture of substantial transit need. This need was further reinforced during four public meetings and within a general public survey in which County residents expressed their frustrations at the lack of options and their hopes that more services will be developed in the future.

**Transit Gaps:** Matagorda County is clearly under-served for transit. A quick rule-of-thumb to measure the level of service is trips per capita, or how many transit trips are being provided



given the area’s the population. Compared to regional peers, there is a gap of about 20,000 trips annually – this is almost double the 29,000 currently be provided. If service delivery were compared to all rural providers (referred to as 5311 Texas Providers in the table below), the gap expands dramatically to 140,000 trips. (See Table ES.2, Matagorda County, Unlinked Trips per Capita below.)

	FY2007	FY2008
FOEC	0.80	0.96
Peer/Regional Transit Providers	1.12	1.44
All 5311 Texas Providers	4.09	4.45
Additional trips if were to deliver at level of peer providers	11,753	17,649
Additional trips if were to deliver at level of Texas providers	114,838	140,455

A transit gap was defined for work-related trips. The U.S. Census Journey-to-Work data was used to measure the transit gap for work trips. In peer regions, transit agencies provide between 0.5 percent and 1.66 percent of all work trips. Using these averages to estimate low and average demand and 3 percent for high demand, the work-related transit gap is as follows:

Modal Split	Riders	Estimated Annual Trips
Low or 0.5 percent	74	37,000
Medium or 1.50 percent	221	110,500
High or 3.00 percent	443	221,430

**Transit Modes:** Matagorda County’s commitment to providing transportation includes an understanding among decision-makers that many traditional transit options are likely not cost-effective and service options may need to be redefined to better suit low density communities. For example, traditional fixed route may not meet many passenger mobility and accessibility needs because of the infeasibility of locating stops close enough to home – a service attribute that was cited as important among respondents to the General Public survey. Similarly, some decision-makers may feel that traditional demand response costs too much for the number of trips provided. The challenge for any community is finding the right balance between cost and quality of service.

The Matagorda County Transit Plan includes a general review of transit modes (Chapter 5) and then an application of appropriate modes to Matagorda County, using a low, medium, and high-level investment approach (Chapter 6). The transit modes reviewed include:



- *Demand Response:* As mentioned, demand response service works well in low density, rural areas, or where other transit alternatives are impractical. Similar to a taxi, service is provided “curb-to-curb.” In contrast to taxi service, rides are often shared to transport as many people as possible, advance reservations are required and riders may expect to negotiate a pick-up time that both serves their needs and the need of the transit service to meet the requests of other riders.

Application to Matagorda County: Driven primarily by low population density, demand response will continue as the primary service mode for the majority of the county. Most trips can be well served under contract by existing or similar providers. The addition of private carriers, like taxis, can provide an additional element of service not currently available. Typically referred to as a voucher program or user-side subsidy, the program helps to subsidize the cost of difficult-to-serve trips (e.g. after hour trips) for riders who are eligible through their affiliation with participating health-and-human service agencies. This program will require coordination and management of the program, and the participation by health and human services agencies, and private taxi companies.

- *Fixed Route:* When many individuals think of transit, fixed-route is frequently what comes to mind. Where appropriate, fixed-route bus service can be an effective and efficient means of providing transportation to meet a broad range of mobility needs; however, fixed route works best in communities of sufficient size and density.

Fixed route buses travel along predefined paths and stops, while adhering to a specific schedule. The Federal Transit Administration (FTA) requires that a complementary Americans with Disabilities Act (ADA) para-transit service be provided to qualified individuals who are unable to use the fixed route system, which can add to the cost of operations.<sup>1</sup>

*Application to Matagorda County:* Based on survey responses, journey-to-work data, and demographic characteristics, Bay City reflects the minimal requirements for a limited daily fixed route service. Demand is likely to peak during the morning and evening commute and the schedule should initially be limited to these high-demand periods.

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<sup>1</sup> ADA Para-transit: Agencies providing fixed route service have been required since 1990 by the American with Disabilities Act (ADA) to provide equal access to transit services for persons with disabilities. The ADA complementary para-transit service is required when individuals are unable to use the fixed route service as a result of a disability. Developing a fixed route bus service means that ADA complementary para-transit needs to be provided within 3/4 mile of the bus route and has strict requirements regarding service levels that result in ADA complementary para-transit being more costly and less flexible than other demand response type services. Therefore, when adding new fixed route service, it is necessary to consider the additional cost of the ADA complementary para-transit service must be considered. Flex route and commuter services are exempt from the ADA requirement as long as they meet the definition of such service.



General public survey respondents indicated that limited fixed *schedules* between Bay City and Palacios would be used on a weekly or monthly basis. The plan recommends that this connector service be provided by the FOEC through its existing resources.

- *Flex Route:* Flex route service combines the strengths of fixed-route service and demand-response service. The concept behind flexible routing is the provision of regular fixed-route service, with the flexibility of demand response to pick up and drop off ADA-eligible passengers at their origins and destinations. Typically, flex route service has regular stops along its path, but time is added to the schedule for the vehicle to deviate off route to points within the immediate vicinity (normally up to 3/4 mile) to pick up or drop off passengers. Lastly, deviations may be limited to only eligible individuals who are qualified through partnering health and human services agencies.

*Application to Matagorda County:* A flex route service is appropriate for Bay City; however if a provider is unavailable to operate flex route for Matagorda County, then the county may be prevented from exercising this option, unless it chooses to provide transit services in-house and it hires and trains for this capability. Flex route does not require ADA complementary para-transit service which makes the service more cost-effective.

- *Commuter Options/Van Pools and Car Pools:* The Matagorda County Stakeholder Review Committee expressed a strong interest in the establishment of van pool services for employers like STP, which is anticipating a large-scale construction project within five years that will employ between 5,000 and 6,500 additional workers. As of the writing of this report, the STP has indicated that it will contact the Bay City Chamber of Commerce if it is interested in partnering to provide these services. If it chooses not to partner, the STP may choose to provide transportation solely on its own. For example, a similarly large project was constructed in Alexandria, Louisiana, by Flur Construction. In Alexandria, Flur established park and ride lots on the periphery of the site (5 to 6 miles away) and bused its employees from these sites. The parish and local community did not financially participate in this service.

*Application to Matagorda County:* Van or bus pools to the county's other large industrial manufacturing and energy employers may be viable. However, there was a weak response from most of these employers to survey requests, and was administered only by two employers, Celanese and OXEA. The results indicate that between 35 and 43 individuals are interested in van pool or park-and-ride services. OXEA employs about 140 people and Celanese employs about 45 people. So this represents interest on behalf of approximately 23 percent of the workforce. Assuming that this response level is representative of what the response would be at other facilities, there is sufficient demand for van pool or park-and-ride services. The plan recommends that local stakeholders



continue to work with industrial employers to gain support and buy-in for van pool options. In addition, low- or no-cost options like carpooling are recommended.

## Service Plan Recommendations

Service options are reviewed in Chapter 6, where low, middle, and high investment options are presented for each service type. Chapter 7 reflects the recommendations stemming from these options. The section below outlines these recommendations, the estimated cost, and sources of funding.

### Demand Response

**Recommendation:** Provide additional vehicle and driver for operation by FOEC. Purchase additional vehicle. Provide regularly scheduled weekly connector service between Palacios and Bay City with future expansion to the cities of Matagorda and Sargent.

Description: An additional vehicle and driver will address some of the unmet demand for trips and allow greater capacity for other services, such as the Bay City/Palacios Connector.

Additional marketing and promotion of the demand response by the FOEC and county partners is needed to expand awareness of this existing service to the public and to increase the return on the investment in additional services.

Gross Operating Cost	\$360,000
Less Fares	\$11,500
Net Operating Cost	\$348,500
Eligible Federal Share	\$174,250
Eligible Local Share	\$174,250
Capital Cost for Additional Vehicle	\$50,000
Eligible Federal Share	\$40,000
Eligible Local Share	\$10,000

Funding Sources: This recommendation reflects the medium-level investment. It is assumed that fare box recovery will continue at historical levels, approximately \$1.00 per trip. Fares are calculated based on average trips per revenue hour, or 3 trips per hour. Eligible federal and local



share is based on service provision by a public transit provider and does not take advantage of Capital Cost of Contracting.<sup>2</sup>

Federal and state sources of funding that can be used to support these services include Federal Section 5311 Rural Area Formula funding, State Public Transit Trust Funds, and Section 5310 Elderly and Disabled (Section 5311 is more restricted in its eligible uses. In Matagorda County, it has typically been applied toward the purchase of vehicle or preventative maintenance.)

**Recommendation:** Develop user side subsidy/voucher program for after-hour and other difficult-to-serve trips. Purchase wheelchair equipped vehicle for use by private taxi provider for user side subsidy/voucher program. Apply for Section 5316 Job Access Reverse Commute (JARC), Section 5317 New Freedom or Section 5310 Elderly and Disabled funds to support federally eligible portion of the program.

Description: This element of the plan will provide transit services to eligible riders; depending on the funding source this can include people with mobility disabilities, the elderly, and/or low income workers and job-seekers. The program will provide another transit option for difficult-to-serve trips that cannot be met by the FOEC.

Gross Operating Cost	To be determined by Funding Made Available. Depending on funding source, up to 10% of the program cost can be requested for administrative expenses.
Less Fares	Estimate that Fare box recovery is 10%
Net Operating Cost	NA
Eligible Federal Share	50 percent
Eligible Local Share	50 percent
Capital Cost of Wheelchair-Equipped Vehicle for Private Provider	\$50,000
Eligible Federal Share	\$40,000
Eligible Local Share	\$10,000

The gross operating cost can be scaled to available funding. Under some funding programs, up to 10 percent of the program's cost can be applied to administrative costs. For larger programs, administrative costs represent about 25 percent of the budget; however small efforts have been managed with fewer resources. In some programs, fare box can recover about 35 percent of the cost of service.

<sup>2</sup> Capital Cost of Contracting allows for a higher rate of federal reimbursement if private resources are used to deliver the service.



Voucher programs reimburse at the operating rate of 50 percent federal share and 50 percent local share. Federal funding resources that can be used to support operations include Section 5311 Rural Area Formula Funding; Section 5316 Job Access Reverse Commute (JARC); Section 5317 New Freedom, and Section 5310 Elderly and Disabled.

Programs using JARC funding must support job-related trips. The funds either support trips made by individuals with limited income to employment or employment-related activities, such as education and training programs, or trips travelling from urban to suburban or rural areas. New Freedom funds will support activities that expand ADA services, including voucher programs for transportation services offered by human service providers for individuals with disabilities. Section 5310 Elderly and Disabled provides funding for transportation services for the elderly or people with disabilities. Voucher programs are an eligible expense in this program.

Local funds, including contract revenue, can be used as local match for the program. Non-Department of Transportation funding is eligible as local match. This includes TANF and WIA funds. Local share can also be provided by in-kind donation, such as time spent by staff of partnering agencies to determine eligibility.

### **Fixed Route/Flex Route**

**Recommendation:** Provide peak period, flexible route service, Monday through Friday. The recommended route provides easy transfers which pulses every 20 minutes at the intersection of SH60 and SH35. See Figure ES.1: Fixed Route Bay City below.

**Description:** The fixed route combines a North/South and East/West Loop that pulses at the interchange of SH35 and SH60. It is a peak period service that targets workers, with morning and late afternoon service, typically 6:30 am to 9:30 am and 3:30 pm to 6:30 pm. The estimated fare is \$1.00 per trip. Initially, ridership is estimated at 5 passengers per hour but this is expected to increase as the service matures.

Given Bay City's density, a flex system is preferred over a fixed route system. The route has good connectivity to retail, health and human services and civic offices. However, it does not penetrate into the city's neighborhoods, which may make the system unattractive or difficult to use for some potential riders. If flex service is not an option, changes to the route to connect with higher need neighborhoods or more densely populated areas is needed. Chapter 6, Service Options, provides an alternative route that addresses these issues.

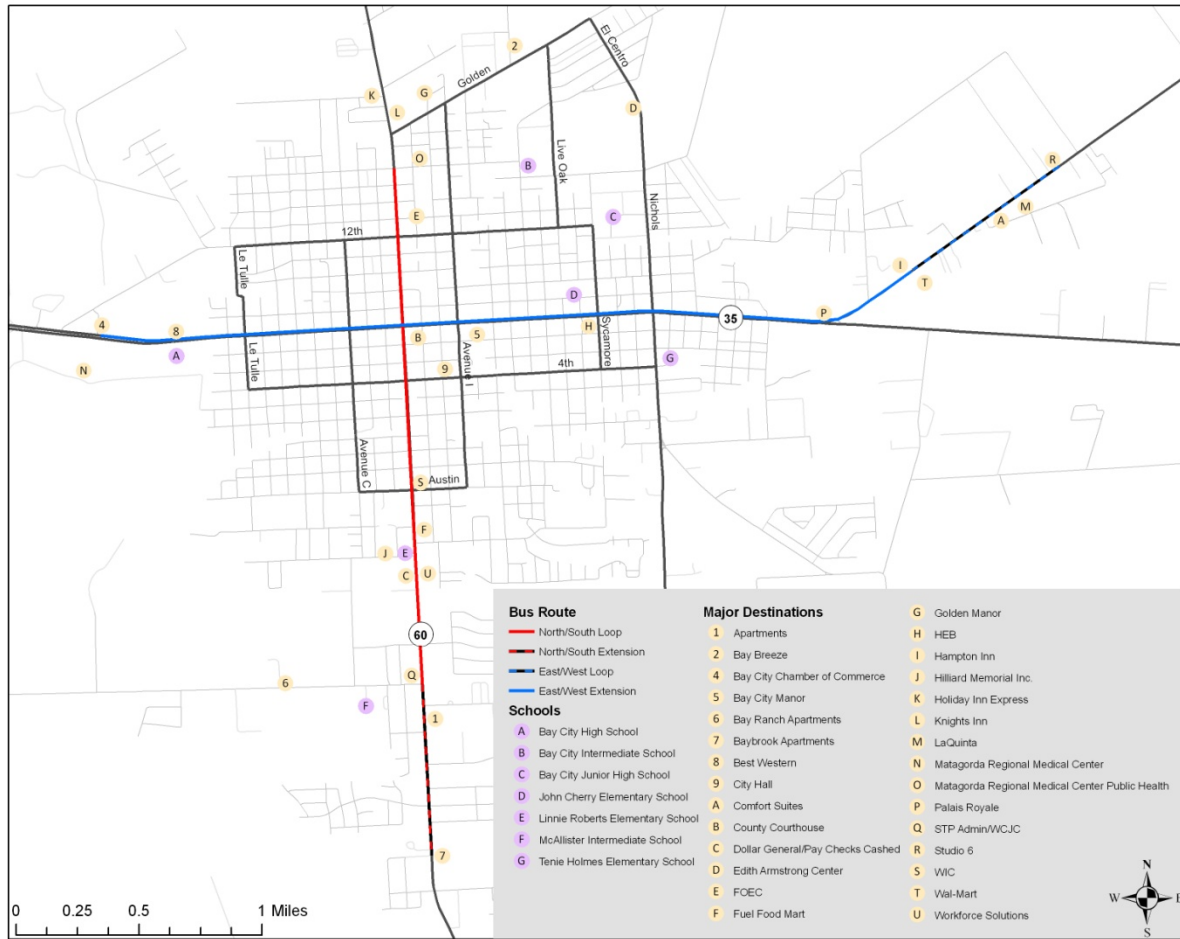


Figure ES.1: Fixed Route Bay City

Funding: The program is eligible for support by the Section 5311 Rural Formula Funding and Section 5316 JARC program. The cost of the program assumes a \$60 per hour operating cost and an average fare of \$1.00 per trip. Fares reflect an estimated 5 trips per hour, a conservative estimate and reflecting initial performance of the service. Higher ridership, upwards of 10 passengers an hour, is typical for more mature small urban systems.

Gross Operating Cost	\$180,000
Less Fares	\$15,000
Net Operating Cost	\$165,000
Eligible Federal Share	\$82,500
Eligible Local Share	\$82,500
Capital Cost for 2 Additional Vehicles and 1 Spare	\$150,000
Eligible Federal Share	\$120,000
Eligible Local Share	\$30,000



Because the FOEC has not expressed an interest in operating fixed route, the opportunity is absent to leverage any potential local over-match as represented by contract income. Consequently, the need to provide local support through other avenues is critical. Support by the city, the county, the economic development corporation, as well as creative capture of in-kind value which may be available is needed.

### Commuter Services

**Recommendation:** The low level of interest displayed by most employers and the knowledge that transit services for employees working on large-scale construction projects have been provided privately in other areas, leads to a recommendation that stakeholders continue to work with industrial employers to develop commuter services options. This includes: promotion of car pooling (a low- to no-cost option); and the development of van pool services.

Description: Options include the low- to no-cost car pool management by private firms, employee-driven van pools with purchase of vehicle using public funds, or a turn-key lease by private contractors through a transit agency. Each of these options requires a lower level of daily management from the transit agency compared to services provided directly by the transit agency.

Table ES.7: Commuter Service	
<b>CAR POOL</b>	
Gross Operating Cost	No cost for employees but must be associated with an affiliated organization. Organizations can become affiliated at a low- or no-cost.
Less Fares	No fares are charged.
Eligible Federal Share	NA
Eligible Local Share	NA
<b>VAN POOL – Turn Key Lease through Private Firm</b>	
Gross Operating Cost	\$20,000 (lease, fuel, admin)
Less Fares	\$5,250 (7 people, 250 days, \$3.00 round trip)
Net Operating Cost	\$14,750
Eligible Federal Share	\$10,375 (Using Capital Cost of Contracting)
Eligible Local Share	\$4,375 (Using Capital Cost of Contracting)

Funding: Funding sources that can be used to support van pools include Section 5316 JARC. It is recommended that any van pool leases are managed through a private firm which will contract with the public transit agency. This will allow the transit agency to support the program using federal funds and Capital Cost of Contracting (CCC). CCC will allow a reimbursement of some expenses at the higher capital rate of 80 percent. It is recommended that the local share be provided by the employers.



## Budget and Implementation

Table ES.8, Matagorda County Transit Plan Federal and Local Share, reflects for a five-year snapshot of federal and local share for the recommended transit services. Services are implemented over a five-year period to allow stakeholders to gain support and financial commitments for the expansion. Financial resources to support each program recommendation are listed in the Service Recommendation section above and outlined in more detail in Chapter 8: Finance Plan.

	Year	Year	Year	Year	Year	Year
	0	1	2	3	4	5
Gross Op						
DR	\$ 270,000	\$ 360,000	\$ 370,800	\$ 381,924	\$ 393,382	\$ 405,183
Voucher	\$ -	\$ -	\$ 30,000	\$ 30,000	\$ 30,000	\$ 35,000
Fix/Flex	\$ -	\$ -	\$ -	\$ 180,000	\$ 185,400	\$ 190,962
Van Pool	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ 20,000
Total	\$ 270,000	\$ 360,000	\$ 400,800	\$ 591,924	\$ 628,782	\$ 651,145
Fares						
DR	\$ 9,500	\$ 11,500	\$ 12,000	\$ 12,500	\$ 13,000	\$ 13,500
Voucher	\$ -	\$ -	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,500
Fix/Flex	\$ -	\$ -	\$ -	\$ 15,000	\$ 18,000	\$ 21,000
Van Pool	\$ -	\$ -	\$ -	\$ -	\$ 5,250	\$ 5,250
Total	\$ 9,500	\$ 11,500	\$ 15,000	\$ 30,500	\$ 39,250	\$ 43,250
Net Op						
DR	\$ 260,500	\$ 348,500	\$ 358,800	\$ 369,424	\$ 380,382	\$ 391,683
Voucher	\$ -	\$ -	\$ 27,000	\$ 27,000	\$ 27,000	\$ 31,500
Fix/Flex	\$ -	\$ -	\$ -	\$ 165,000	\$ 167,400	\$ 169,962
Van Pool	\$ -	\$ -	\$ -	\$ -	\$ 14,750	\$ 14,750
Total	\$ 260,500	\$ 348,500	\$ 385,800	\$ 561,424	\$ 589,532	\$ 607,895
Fed Sh.	\$ 130,250	\$ 174,250	\$ 192,900	\$ 280,712	\$ 297,766	\$ 306,198
Local Sh.	\$ 130,250	\$ 174,250	\$ 192,900	\$ 280,712	\$ 291,766	\$ 300,198

## Transit Agency Choice

Matagorda County is in a unique situation. It is located within the Houston-Galveston Area Council (H-GAC) planning area but it receives service from the GCRPC. This mis-alignment creates a challenge when coordinating the planning of services between the two entities. This study looked at the advantages/disadvantages of migrating service to a new provider. TGC asked each adjacent transit provider its interest in providing services to the county. From these



discussions, the migration of transit service from the GCRPC to the Gulf Coast Center/Connect Transit was recommended. This change is recommended for three reasons.

- First, it will facilitate the delivery of fixed or flex route service. In discussions with FOEC, it indicated that it did not have an interest in expanding its services to include fixed route. Discussions with GCRPC indicated a low level of interest in providing these services as well. However, the Gulf Coast Center/Connect Transit indicated that there is interest if there is sufficient funding to support operations.
- Second, the transfer may support future directly-operated transit services. The FOEC has indicated that it considers its provision of transit service as secondary to its core mission to serve the elderly. Furthermore, the FOEC has also indicated that it will likely cease to provide general public transit services should it no longer hold a Medicaid transportation contract. An agency, like Gulf Coast Center/Connect Transit which directly operates demand response service, is in a better position to fill FOEC's role should that become a need.
- Lastly, the transfer will align Matagorda County's planning area with its service area. As mentioned previously, this alignment can help ensure that plans, goals, and programs which are within H-GAC's program benefit Matagorda County.

This recommendation does not come without its criticisms. As a rural county, Matagorda County's is concerned that its issues may be overwhelmed by large urban counties, like Harris County, within H-GAC. Furthermore, the county is pleased with its relationship with the GCRPC and wants to maintain its benefits. For example, Matagorda County would like to see the JARC services continue from Bay City, Blessing, and Palacios to the Inteplast facility.

## **Conclusion**

At the beginning of the planning process, the Matagorda County Stakeholder Committee stated the following goals for the plan: 1) make people's lives better; 2) get people to jobs; and 3) relieve congestion. A long-term goal is to attract and retain new residents for the county through the provision of needed services, like transit.

The Matagorda County Transit Plan addresses Goals 1 and 2 by providing framework for implementing a variety of services over a five year period. The third goal, relieve congestion, relates to the provision of transit services for employees of industrial plants that will experience large-scale construction within 5 years. As part of this study, these industrial employers were contacted; however, as of this report, they have not indicated an interest in future transit services.

Beyond these goals, the Matagorda Transit Plan attempts to accomplish the following:



- Increase transit capacity of the FOEC to deliver more general public trips: The plan recognizes the opportunity and the challenge created when the transit provider is also the Medicaid contractor. The contract generates much needed local revenue; however, its demands can stretch an agency to the point where general public transit suffers. The Matagorda County Transit Plan recommends that the FOEC focus new demand response resources to improve general transit provision to previous years' levels.
- Prepare for a more diverse pool of transit providers: The GCRPC has successfully used a model of sub-contracting with the FOEC within Matagorda County. However, the FOEC has indicated that its provision of transit services is secondary to its primary mission to serve the elderly. It has also indicated that, should it lose its Medicaid contract, it will no longer pursue future contracts for general public transit. These two conditions create a need to develop alternative capacity for the county. One strategy is to enable private providers through a limited voucher program. The voucher program will be focused on hard-to-serve trips that are not currently being met. Another strategy is to migrate the transit agency responsibility from the GCRPC to Gulf Coast Center/Connect Transit, which directly operates the majority of its services. This switch in transit agencies will facilitate the direct provision of fixed/flex services in Bay City and better position the county for future demand response services, should the FOEC ceases its transit operations.
- Increase the pool of interested stakeholders: The Matagorda County Transit Plan is implemented over a five year period. This will allow interested stakeholders the time to develop partnerships and support for these transit initiatives.