



Investment Plan and Funding Requirements

May 2015



Investment Plan: Proposed Services and Funding Needs

1 Short Term: Modest Changes

- Improves existing service to better meet demand
- Increases frequency on key routes
- Ridership grows by roughly 14%

2 Service Enhancements

- Significantly increases frequency
- Start to attract choice riders
- Ridership grows by roughly 29%

3 Service Enhancements + Bus Rapid Transit

- Significantly increases frequency
- Start to attract choice riders
- High frequency Bus Rapid Transit in main business districts (Markham, University, W. 12th)
- Ridership grows by up to 35%

4 Service Enhancements + Light Rail Service

- Significantly increases frequency
- Start to attract choice riders
- High frequency Light Rail Transit in main business districts (Markham, University, W. 12th)
- Light rail traditionally offers good economic benefits
- Ridership grows by up to 35%



\$12.4 M Total*



\$17.2 M Total*



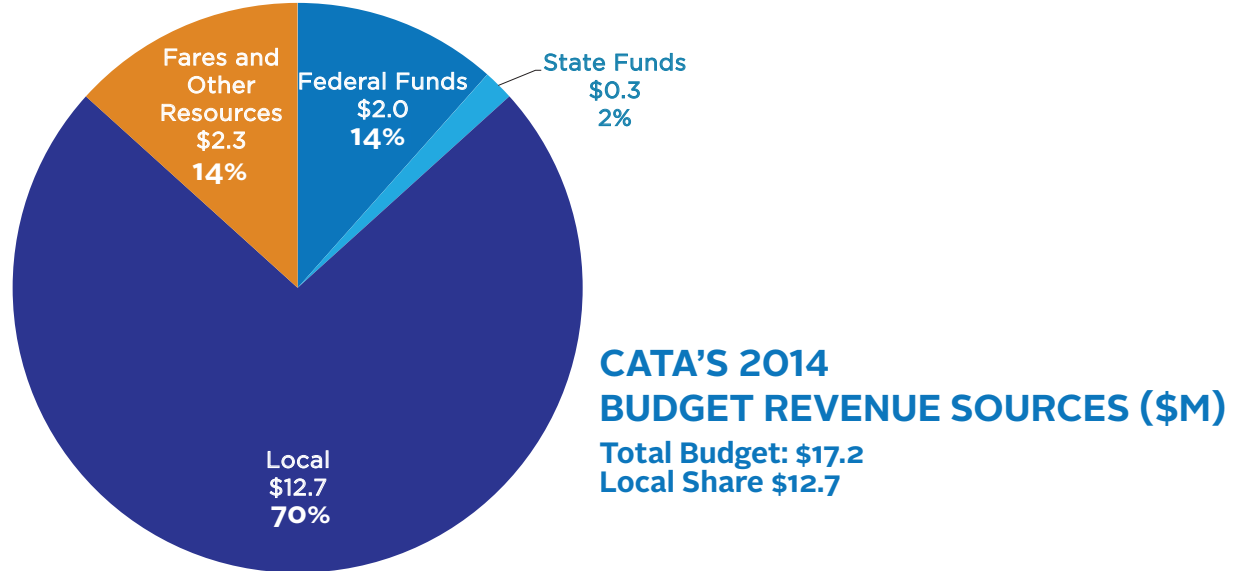
\$30.5 M Total*



\$49.0 M Total*

* After federal, state and fare revenues.

FUNDING



FUNDING MAY BE A CHALLENGE

- Short-Term Modest Changes **1** has minimal capital needs that can be met with existing revenue through 2025.
- The Service Enhancements Option **2** has some additional vehicle requirements to provide additional fixed-route service.
- Adding Bus Rapid Transit **3** or Light Rail service **4** requires a significant capital investment for vehicles and guideway.

This requires a large local funding contribution (60% of capital costs) and would be financed through traditional municipal bonds. Capital costs are cash flowed from 2015 to 2026 to minimize the annual need while tax revenues remain flat.
- Currently, Pulaski county and all municipalities meet the maximum of property taxes allowed by law. No new property taxes may be levied at this time. However, a portion of property tax revenues could be dedicated to transit.
- Arkansas law allows a maximum of 0.25% or ¼-cent sales and use tax for “public mass transit facilities.” This limitation applies to all use of funds including both operating and capital costs. A ¼-cent sales tax can generate approximately \$18.2 million per year.
- The Advertising & Promotion Tax also known as Tourism or Hamburger Tax has 1% available on a 3% cap in Little Rock. This amount is approximately \$5.9M.
- Legislative changes would be required for other tax options.

OPTIONS

1

Short Term: Modest Changes

Description of Service

Creates transit service hierarchy

- Five key corridor weekday routes: 30-minute service for 14 hours per day
- Five emerging corridor weekday routes: 30-minute peak-period service for 7 hours per day, hourly service for additional 7 hours per day
- Some routes provide basic service: hourly weekday service for 13 hours per day

Saturday and Sunday service are adjusted to match ridership demand

Combine some routes to facilitate connections without the need to travel downtown.

Introduce two flex service zones (North Little Rock and Airport Area)

Ensure at least one midday trip for each Express route.

Capital Investment

Purchase four new vehicles – two to meet peak need and two small buses for flex service.

Expand shelter improvement program.

Develop five park-and-ride lots.

Benefits

Estimated ridership increase – 14% (compared to current).

Estimated productivity increase – 10% (passengers per revenue hour).

Reduced reliance on general fund revenues increases CATA's autonomy and increases service development flexibility.

Weaknesses

Frequency still on low end to attract choice riders.

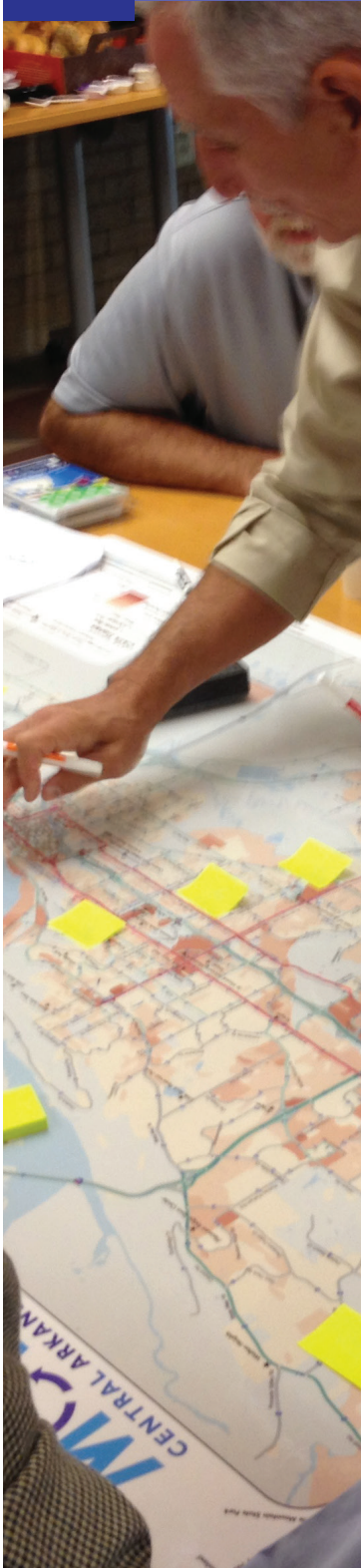
Limited economic development ability.





2

Service Enhancements



Description of Service

Strengthens transit service hierarchy

- Five key corridor weekday routes: 20 minute service for 11 hours per day; 30 minute service for 5 hours per day
- Five emerging corridor weekday routes: 30 minute peak-period service for 7 hours per day; hourly service for additional 7 hours per day
- Basic service: hourly weekday service for 14 hours per day

Combine some routes to facilitate direct connections without the need to travel downtown.

Implement West Little Rock Express.

Introduce two new flex routes: East Little Rock and Southwestern Little Rock.

Introduce four Community Circulators: Maumelle, Sherwood, Jacksonville, and West Little Rock.

Capital Investment

Purchase 9 new vehicles to meet peak need (7 small transit vehicles for flex service and community circulators, plus 2 transit vehicles).

Develop mini-transit centers at McCain Mall/JFK Boulevard, Wal-Mart, and Pershing Boulevard in North Little Rock.

Make roadway improvements in North Little Rock to improve bus speed and reliability.

Benefits

Estimated ridership increase – 29% (compared to current).

Improves overall network, with enough frequency to start to attract choice riders.

Easier and faster to get to more places.

Weaknesses

Limited economic development ability.

Addition of Flex Routes and Community Circulators decreases systemwide productivity (Passengers per Revenue Hour).

OPTIONS 3 and 4

3

Service Enhancements PLUS Bus Rapid Transit



Description of Service

Fast, frequent high quality bus service:

- Downtown to UALR on Markham
- Downtown to University on W 12th Street

Modern buses and bus “stations.”

Operate seven days per week.

15 minute frequency weekdays; 20-30 minutes on weekends.

Capital Investment

11 miles of roadway improvements: dedicated running lanes on half of roadways, traffic signal improvements (can be combined with complete street improvements).

Develop 22 stations with level platform boardings, off-board fare collection.

14 bus rapid transit vehicles.

Transfer hub at University and Markham.

Benefits

Estimated ridership increase – 29% (compared to current).

Estimated productivity increase – 35% (passengers per revenue hour).

Creates core transit network with trunk lines on Central Arkansas's main travel routes.

Lower cost/high value service improvement.

BRT has been successful in other Midwestern/Southern cities (e.g., Kansas City, Cleveland, Minneapolis, Orlando)

Weaknesses

“Gold standard” Bus Rapid Transit means some parts of Markham, University and W. 12th Street would need to give up traffic/travel lane.

Bus Rapid Transit has proven successful at attracting development nationally, but some perceive it to be less effective than rail.



4

Service Enhancements PLUS Light Rail

Description of Service

Fast, frequent high quality bus service:

- Downtown to UALR on Markham
- Downtown to University on W 12th Street

Modern light rail vehicles and roughly 11 stations per direction.

Operate seven days per week.

15 minute frequency all day on weekdays; 20-30 minute service on weekends.

Capital Investment

11 miles of rail track – assume dedicated running lanes on half of roadways.

Develop 22 stations with level platform boardings, off-board fare collection.

14 light rail vehicles.

Transfer hub at University and Markham.

Benefits

Estimated ridership increase – 35% (compared with current)

Creates core transit network with trunk lines on Central Arkansas's main travel routes.

High economic development potential.

Weaknesses

Developing light rail means some parts of Markham, University and W. 12th Streets would need to give up travel/traffic lane.

Light rail is significantly more expensive to build compared to Bus Rapid Transit.

