

# Rochester Area Vanpool Feasibility Study

Prepared for:



October 2015

*This page intentionally left blank*

## Table of Contents

<b>Chapter</b>	<b>Page</b>
Executive Summary .....	v
I. Introduction .....	9
II. Study Purpose and Goals.....	11
III. Stakeholder and Community Outreach.....	13
IV. Vanpool Market Analysis.....	27
V. RTS Self Operated Vanpool Program Model.....	31
VI. Identification and Setup of Vanpool Demonstration Programs.....	40
VII. Vanpool Program Capital and Operational Budgets .....	43
VIII. Vanpool Program Performance Metrics.....	46

<b>Figures</b>	<b>Page</b>
Figure 1: Rochester Area Population by TAZ.....	28
Figure 2: Rochester Area Employment by TAZ.....	29

<b>Tables</b>	<b>Page</b>
Table 1: Estimated RTS Vanpool Demonstration Program Capital Budget.....	43
Table 2: Estimated RTS Vanpool Demonstration Program Operational Budget .....	45

<b>Appendices</b>	<b>Page</b>
Appendix A: Vanpool Slipsheets .....	48

*This page intentionally left blank*

## Executive Summary

Regional Transit Service (RTS) has retained the consulting team of WSP | Parsons Brinckerhoff and Highland Planning LLC to undertake the Rochester Area Vanpool Feasibility Study to determine the feasibility of a Vanpool program capable of linking long distance commuters from similar origins to similar destinations throughout the greater Rochester area. If a Vanpool program is determined feasible, the study will identify a preferred Vanpool operating model that best meets the needs of commuters within the study area and best fits the corporate culture of RTS.

Americans have begun to think differently about how they commute. The sales of fuel efficient automobiles have never been higher, despite the current low price of gasoline, and the use of public transit service is at its highest levels since the 1940s. While these trends were taking place, new on-demand ridesharing platforms like Uber, Lyft, and others have exploded on the scene backed by billions of dollars in investment, undercutting traditional taxi and sedan services. Uber and its peers have taught legacy forms of transportation that using technology that personalizes travel is very attractive to a public that lives time-constrained lives.

Vanpooling is very much a service that “personalizes” the commuting experience. While Vanpooling is not calling a ride using a smartphone application, it is also not waiting for a bus on a cold winter morning either; but somewhere between both services. Vanpooling has become part of the lifestyle of many cities because Vanpooling has qualities that are uniquely matched to travel needs of commuters in these regions.

A Vanpool is a form of transportation that allows groups of people (ideally consisting of groups of 5 to 12 people) to share a ride in a van or SUV from a common origin to a common

*Simply put, a Vanpool is a form of transportation that allows groups of people to share a ride to and from work in a van or SUV. Vanpools offer transportation alternatives, help lower commuting costs, allow for Federal income tax deductions, and help workers get to job sites.*



*The Rochester Area Vanpool Feasibility Study studied the potential for RTS to offer Vanpool service through a comprehensive approach that incorporated input from RTS staff, employers and employees in the region, social service, job resource, and not-for-profit agencies, and the general public.*



destination, typically for work commuting purposes. This allows people to share the cost of fuel and operating costs and realize individual commuting cost savings. Those who ride in Vanpools consisting of at least seven people are eligible to receive Commuter Tax Benefits. IRS Rule 132F allows for monthly deductions of up to \$130 per employee. This deduction can work in one of two ways. The employer can subsidize the employee Vanpool cost up to the \$130 limit, or the employee can have that monthly expense deducted tax free. Added services make Vanpooling even more appealing – such as guaranteed rides home should an emergency arise, preferred parking, new rider recruitment services to assist if a passenger drops out of a Vanpool, and other cost saving benefits.

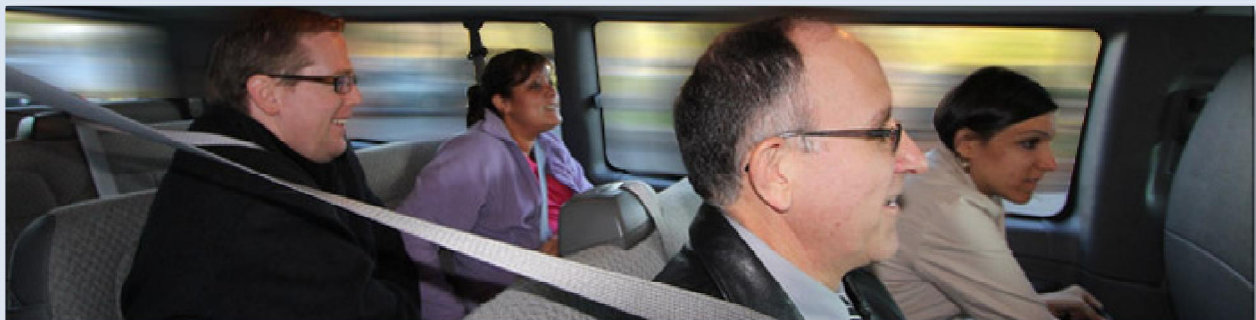
For the past six months, the consulting team has studied the potential for RTS to offer Vanpool services to the residents of its nine-county service area. After discussions with and input from the project Steering Committee, dozens of employers, social service agencies, and not-for-profit organizations, RTS staff members, and hundreds of members of the general public through surveys, public meetings, and direct contact, it is our belief that Vanpooling is a travel option that can be used to address unmet transportation needs in the region while also offering a more personalized commuting solution to riders of existing RTS Regional services.

The commuting shed of the greater Rochester area is advantageous for Vanpooling because of a growing number of large employers in suburban and rural areas that are underserved by traditional RTS services, the need for employers in these suburban and rural settings to draw and retain employees from Rochester's urban core, multiple numbers of employers with shift times that are different than RTS traditional morning and evening peak hour services, and the existence of a core number of large employers such as the University of Rochester and SUNY Geneseo that have already embraced shared ride commuting and other commuting benefits.

Perhaps the strongest influence on the consulting team's recommendation was that Vanpooling perfectly fits into the entrepreneurial culture of RTS. The agency has a track record of a willingness to experiment with new and trending public transportation ideas, and in this case the RTS staff quickly grasped the potential for Vanpooling to help the agency incubate new service as well as to enhance and extend existing services.

It is because of the receptiveness of the RTS staff to Vanpooling that this study recommends that the RTS consider operating its own Vanpool program, similar to other successful Vanpool models across the country. This model suits the culture of RTS well and will allow the agency to make Vanpooling a strategic service tool tailored to meet unmet travel needs beyond workday commuting, such as reverse commuting, accommodating paratransit service needs, and

*The Study findings show that Vanpooling in the Rochester area is feasible and that RTS should consider incorporating Vanpooling as part of its Family of Services. A Vanpool program will address the growing number of employers in suburban and rural areas that are underserved by transit, provide transportation to employment areas from the Rochester city core as well as to the Rochester city core from rural and suburban areas, and offer transportation options for off-peak commuting. A Vanpool program can also be a tool to support the Rochester-Monroe Anti-Poverty Initiative.*



*RTS should launch a Vanpool program through 5-6 demonstration projects with:  
University of Rochester • SUNY Geneseo • Thomson-Reuters •  
Direct2Market • Zotos, Inc. • Medical Motors*



allowing for the operation of flexible, on-demand services. RTS can also utilize Vanpooling as a tool to support the Rochester-Monroe Anti-Poverty Initiative.

In order to start up a Vanpool program, it is recommended that the RTS Vanpool program begin as a demonstration of five to six Vanpools operated from those organizations that showed interest to start and operate Vanpools.

Vanpooling will provide RTS with a “bridge” from the conventional transit services that it provides today to the new future of personalized transportation that is taking hold across the nation. Vanpools are largely self-sustaining so the addition of this new service will, in the long-term, have minimal financial impact on RTS but will actually generate more miles and passengers, enabling the agency to secure increased amounts of Federal Transit Administration (FTA) formula funding. Vanpooling will help position RTS for the future, solidifying the agency’s reputation for being resourceful, reliable, and responsive to those who ride its services as well as those who fund its services with their tax dollars.

*It is strongly recommended that RTS consider adding Vanpooling as another transportation option to its Family of Services. The investment required to begin this service will bring larger positive return to the agency’s reputation. Should RTS add Vanpooling as another transportation option to its Family of Services, the conditions in this market indicate the chances are very good that this would be successful.*



## I. Introduction

Regional Transit Service (RTS) has retained the consulting team of WSP | Parsons Brinckerhoff and Highland Planning LLC to undertake a study to determine the feasibility of operating a Vanpool program throughout the greater Rochester area. A Vanpool is a form of transportation that allows groups of people (ideally consisting of groups of 5 to 12 people) to share a ride in a van or SUV from a common origin to a common destination, typically for work commuting purposes. This allows people to share the cost of fuel and operating costs and realize individual commuting cost savings.

### A. What is a Vanpool

Vanpools are a flexible and low-cost form of transportation. They are operated collaboratively by the passengers who share the costs of operating the Vanpool by paying a monthly fee. Some employers use Vanpools to shuttle employees between locations.

Those who ride in Vanpools consisting of at least seven people are eligible to receive Commuter Tax Benefits. IRS Rule 132F allows for monthly deductions of up to \$130 per employee. This deduction can work in one of two ways. The employer can subsidize the employee Vanpool cost up to the \$130 limit, or the employee can have that monthly expense deducted tax free.



Added services make Vanpooling even more appealing – such as guaranteed rides home should an emergency arise, preferred parking, new rider recruitment services to assist if a passenger drops out of a Vanpool, and other cost saving benefits.

Vanpooling has proven to be a successful service tool for public transit agencies. In the present environment, Vanpools personalize the transportation experience for the rider by blending technology and convenience—two factors that would position RTS well with the public it serves. Whether operated by individuals, employers, third parties, or the transit agencies themselves, Vanpools are a flexible, cost effective, and more personalized form of transportation. There are more than 12,000 Vanpools in operation throughout the United States and this only includes the programs that are reported through employers, transit agencies, or regional programs.

RTS Senior Management had personally experienced the success that similar sized transit agencies have experienced with their own Vanpool programs, provoking the agency's interest in studying the feasibility of offering Vanpooling throughout its nine-county service area.

## **B. Vanpool Benefits**

Vanpool programs have been proven to deliver multiple benefits for transit agencies as well as the regions they serve and commuters, such as:

For Vanpool drivers and riders, the benefits of Vanpools are:

- Lower commuting costs;
- Less dependency on personal vehicles;
- Lower automobile insurance rates on a Vanpooler participants' private vehicles because they are driven fewer miles;
- Ability to use pre-tax or employer subsidies to reduce Federal income tax liability;
- A relaxed, safe, and friendly workday commute; and,
- Getting “door to door” service.

For employers, colleges and universities, social service agencies, not-for-profit organizations, and others that participate in Vanpools, the benefits are:

- Opportunity to reduce Federal tax liability through offering pre-tax or subsidies to employees that participate in Vanpools;
- Reduced need to build and maintain parking inventory;
- Boosted employee morale and reduced absenteeism; and,
- Helping to attract and retain employees.

For communities served by Vanpool programs and the general public, the benefits are:

- Provides a flexible, effective, alternative form of transportation;
- Helps reduce rush hour congestion; and,
- Responds to travel needs of special populations such as those training or interviewing for jobs, seniors, those with disabilities, and students.

For transit agencies, the benefits are:

- Provides agencies with a flexible, low cost service option;
- Helps transit agencies respond to geographic or demographic service requirements;
- Generates additional miles that contribute to additional Federal and state funding;
- Enhanced and extended services; and,
- Incubation or demonstration of new service markets.

## II. Study Purpose and Goals

### A. Study Purpose and Goals

The purpose of this Rochester Area Vanpool Feasibility Study is to determine the feasibility of a Vanpool program capable of linking long distance commuters from similar origins to similar destinations throughout the Rochester area. If a Vanpool program is determined feasible, the study will identify a preferred Vanpool operating model that best meets the needs of commuters within the study area and best fits the corporate culture of RTS.

#### Study Goal:

Determine the demand and feasibility of a Vanpool program in the Rochester area.

#### *Objectives:*

- ❖ *Through the creation and participation of a Project Steering Committee that is comprised of stakeholders and agencies responsible for decision-making and implementation of Vanpool program recommendations;*
- ❖ *Through targeted stakeholder/ employer interviews, including with those that have existing transit benefit programs or other transportation demand management (TDM) programs;*
- ❖ *Through community outreach efforts and market research aimed at determining the public's interest in Vanpool programs;*
- ❖ *Through a thorough analysis of physical, demographic, socio-economic, and corporate conditions in the Rochester area; and,*
- ❖ *Through the administration of Vanpool program surveys to employers, business associations, and targeted populations with potential to use the Vanpool program services.*

#### Study Goal:

If a Vanpool program is feasible, develop a preferred Vanpool program operating model.

#### *Objectives:*

- ❖ *By identifying a Vanpool program operating model that best meets the needs of commuters in the service area and best fits the corporate culture of RTS;*
- ❖ *By positioning Vanpool programs as an extension of RTS's Family of Services;*
- ❖ *By identifying a Vanpool program operating model that is sustainable and can thrive long-term without the need for large subsidies;*
- ❖ *By meeting the needs of new and emerging markets; and,*
- ❖ *By establishing key performance indicators to measure the success of the Vanpool program.*

## B. Study Approach

The approach to this study was to objectively assess the Vanpool potential throughout the Rochester area with emphasis on identifying if there were enough commuting trips of 20 miles or more to sustain a Vanpool program, if the demographic profile of existing riders of RTS Regional Services were similar to the demographic profile of Vanpoolers in other areas, and if the culture of RTS was right to support the addition of a new service.

As part of the study, the consulting team studied industry best practice in the delivery of Vanpool services from those that they helped develop (Houston, San Francisco, South Florida) and those of the primary providers of third-party managed Vanpool programs (VRide, Enterprise). Using trip data from multiple sources, the study also evaluated the length of commutes in the Rochester area by length and time as well as the number of those trips taken on weekdays. That home to work trip analysis revealed that over 10% of regional commuters already carpooled<sup>1</sup> exhibiting significant potential for Vanpooling.



The analysis also included a review of the known and potential legal issues that might arise with RTS by incorporating Vanpool services. In other markets, the union agreements already in place were reviewed. In some cases, these agreements needed amending when Vanpooling was introduced. RTS will need to complete this process for their agreements that are in place.

---

<sup>1</sup> Federal Highway Administration Data 2012-2013

### III. Stakeholder and Community Outreach

#### A. Public Participation Plan

A Public Participation Plan was developed for this study that establishes the guidelines for ensuring the public, employers, employees, municipalities, and regional transportation agencies have early, continuous, and meaningful opportunities to participate throughout the study process.

Major components of the Public Participation Plan include identifying methods to stimulate participation, to educate the public and stakeholders of the Vanpool concept, and to respond to questions and comments regarding the service in a timely manner.

Below is a summary of the outreach efforts undertaken as part of this study:

- Established a Project Steering Committee;
- Issued Press Releases on the Vanpool program study;
- Developed a Project Website on [www.myRTS.com](http://www.myRTS.com);
- Developed Vanpool slipsheets;
- Twitter and Facebook posts by RTS and other media members and agencies;
- Coverage of the Vanpool study by media and blogs;
- E-mails to those who subscribe to RTS emails;
- Mention of the Vanpool study in RTS and Rochester Business Alliance E-newsletters;
- RTS text blasts about the Vanpool study;
- RTS departmental and staff interviews;
- A series of meetings with stakeholders and employers who may potentially be interested in a Vanpool program;
- Administration of on-line surveys to collect input from the public, employees, and employers;
- Information about the Vanpool study and links to surveys available on the Downtown Transit Center kiosks;
- Information about the Vanpool study placed on RTS buses and at RTS Customer Service; and,
- Public interaction including booths at Roc Transit Day, face-to-face interaction with passengers at park-and-ride locations, and a Public Open House.

## B. Project Steering Committee

A project Steering Committee was established to serve as an advisory group to RTS and the project team and to provide input and guidance as the project progresses. Three Steering Committee meetings were held at key points throughout the project to provide input into the progression of the study. The following are members of the Steering Committee:

Name	Title	Agency
Bill Carpenter	CEO	RTS
Miguel Velázquez	COO	RTS
Michael DeRaddo	Director of Regionals	RTS
Megan Jasinski	Director of Marketing & Customer Service	RTS
Steve Kubiak	Director of Analytics and Performance Measurement	RTS
Crystal Benjamin-Bafford	Planning Director	RTS
Julie Tolar	Transportation Planner	RTS
James Stack	Assistant Director	Genesee Transportation Council
Thomas Goodwin	Planning Manager	Monroe County
Erik Frisch	Transportation Engineer	City of Rochester
Maria Rudzinski	Senior Planner	Ontario County
David Paoletta	Planner	Livingston County
Chris Wiest	Vice President of Public Policy & Advocacy	Rochester Business Alliance
Heidi Zimmer-Myer	President	Rochester Downtown Development Corporation
Hugh Kierig	Director of Transportation & Parking Management	University of Rochester

## C. Vanpool Study Press Release

RTS issued a press release on May 13, 2015. The press release formally kick-off the Rochester Area Vanpool Feasibility Study and introduced the concept of Vanpooling, explained what the study was set out to accomplish, and identified ways the public could participate.

## D. Project Website

RTS established a project website at <http://www.myrts.com/Planning-Projects/Vanpool-Feasibility-Study-2015> to explain Vanpooling, offer information on the Vanpool study, and provide opportunities for public participation. Links to project surveys were also provided on the website.

## E. Vanpool Slipsheets

Three different Vanpool Slipsheets were created, an Employer Vanpool Slipsheet, Employee Vanpool Slipsheet, and Resident Vanpool Slipsheet. These slipsheets were created in order to offer a 1-page handout that provides an introduction to the Rochester Area Vanpool Feasibility Study, an explanation of what Vanpooling is and its benefits, and a discussion on how employers, employees, and the public can become involved with and provide input into the study. Slipsheets were distributed through emails to various government, transportation, and economic development agencies, not-for-profit agencies, and employers and were printed and made available at public meetings, at RTS stations, and on RTS buses. Examples of the slipsheets are provided in Appendix A.

## F. RTS Departmental Interviews

The consulting team sat down with several members of RTS departments on April 28, 2015 to introduce the Vanpool study and obtain input from each as to the potential benefits and constraints to launching a Vanpool program. Interviews were held with the following RTS staff:

Name	Title	RTS Department
<b>Crystal Benjamin-Bafford</b>	Planning Director	Planning
<b>Janet Snyder</b>	Labor Relations Director	People
<b>Julie Tolar</b>	Transportation Planner	Planning
<b>David Masten</b>	Loss Prevention Manager	Legal
<b>Mike Capadano</b>	Director of Transportation Operations	Operations
<b>Ken Boasi</b>	Director of Scheduling	Scheduling
<b>Bonnie Maguire</b>	Director of Business Development	Business Development
<b>Michael DeRaddo</b>	Director of Regionals	Regionals
<b>Rusty Korth</b>	VP of Maintenance	Maintenance
<b>Laura Kenyon</b>	Customer Relationship Marketing Specialist	Communications
<b>Carole Dowling</b>	Public Relations Specialist	Communications
<b>Megan Jasinski</b>	Director of Marketing & Customer Service	Communications
<b>Dan DeLaus</b>	Chief Legal Counsel	Legal
<b>Miguel Velázquez</b>	Chief Operating Officer	Executive

## G. Stakeholder and Employer Outreach

As part of the outreach efforts of this study, meetings were held with several employers and other stakeholders that might be interested in a Vanpool program. The following stakeholders/employers were interviewed:

Agency/ Employer	Representative(s)	Date
<b>Genesee Transportation Council (GTC)</b>	Rich Perrin Jim Stack	April 29, 2015
<b>University of Rochester</b>	Hugh Kierig	April 29, 2015
<b>Medical Motors</b>	Bill McDonald Craig Romig	May 12, 2015
<b>Action for a Better Community</b>	Natalie Banks	May 26, 2015
<b>Direct2Market</b>	Jennie Lea Farrell	May 26, 2015
<b>SUNY Brockport</b>	Johnna Frosini	May 26, 2015
<b>Excellus Blue Cross/ Blue Shield/ The Lifetime Healthcare Companies</b>	Susan Eliaszewskj	May 26, 2015
<b>Thomson-Reuters</b>	Tamera Becker	May 26, 2015
<b>Rochester Educational Opportunity Center</b>	Roosevelt Mareus	May 26, 2015
<b>Xerox</b>	Lisa Hanlon Angela Sablosky	May 27, 2015
<b>Rochester Institute of Technology (RIT)</b>	Randy Vercauteren Dave Baldwin	May 27, 2015
<b>SUNY Geneseo</b>	Joseph Van Remmen	June 4, 2015
<b>Adecco</b>	Greg Saufley	June 11, 2015

In addition to the employers listed above that meetings were conducted with, Vanpool materials and survey links were sent to other large employers in the area, including:

- Rochester Business Alliance
- Rochester Downtown Development Corporation (RDDC)
- St. John Fisher College – Rochester, NY
- Carestream Health – Rochester, NY
- Wegmans Food Markets – Rochester, NY
- Paychex, Inc. – Rochester, NY
- Frontier Communications – Rochester, NY
- Diamond Packaging – Rochester, NY
- Clickspark – Rochester, NY
- Rochester Regional Health System – Rochester, NY
- CGI Communications – Rochester, NY
- The Strong Museum – Rochester, NY
- Rochester Gas & Electric – Rochester, NY
- G.W. Lisk – Clifton Springs, NY
- Clifton Springs Hospital – Canandaigua, NY

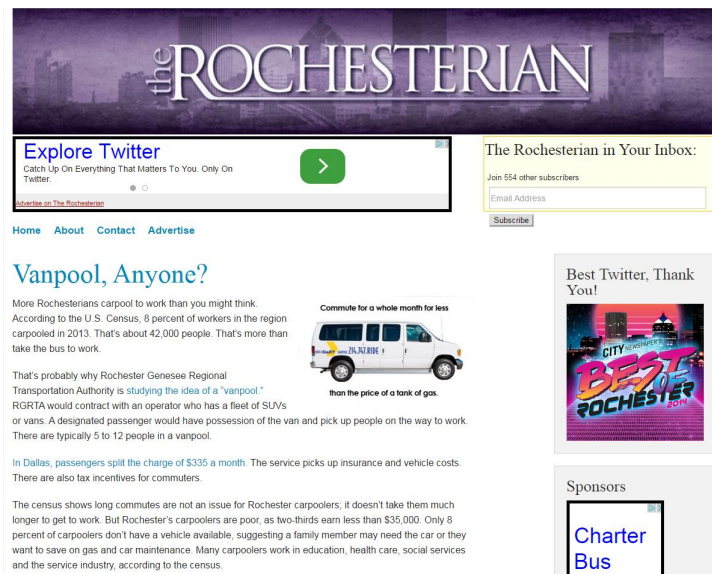


- Pactiv, LLC – Canandaigua, NY
- Guardian Glass – Geneva, NY
- Crosman Corp. – Bloomfield, NY
- Zotos International, Inc. – Geneva, NY
- Gorbel – Fishers, NY
- Kraft Foods – Avon, NY
- Constellation Wines – Canandaigua, NY
- Barilla Pasta – Avon, NY
- Terphane, Inc. – Bloomfield, NY
- Gray Metal Products – Avon, NY
- Progressive Machine & Design – Victor, NY

## H. Findings Derived from RTS and Stakeholder Input

The following key findings are derived from input from RTS staff and stakeholders interviewed as part of this study.

- Employers in suburban/ rural areas are having difficulty attracting and retaining workforce due to limited transportation options for employees and potential employees.
- Shift work is becoming more flexible and RTS schedules aren't always compatible with changing work schedules.
- Employees that are discretionary transit riders are deterred by having to transfer (want a direct route).
- Riders of several routes have expressed discontent over route restructuring to the Transit Center.
- Low income workers and refugee populations have difficulty getting to employment.
- There are limited transit options for reverse commuters and long-distance commuters.
- There may be potential to use Vanpools for alternative methods (i.e. providing transportation for workforce training, employment agencies, social services, not-for-profits, etc.).
- There is potential to supplement/ enhance long distance bus routes/ commutes with Vanpool.
- Vanpool can be used to extend service (“first-mile, last-mile”).
- Vanpool costs need to be reasonable, especially considering that the relative cost of commuting in Rochester is low and the cost of riding RTS buses is low.



- The existing RTS route structure can be complicated.
- Transit benefits (such as Guaranteed Ride Home) should be extended to Vanpool programs.
- There is a desire within RTS to reduce costs and increase efficiency.
- There is a desire within RTS to develop a more connected/ regional approach to transit.
- RTS Park & Ride/ Express routes have traditionally performed with low cost recovery.
- There may be hurdles with regards to the existing RTS labor agreement in implementing a Vanpool program that will have to be navigated.

## **I. Vanpool On-Line Surveys**

An on-line survey was developed and administered (using the on-line survey tool Survey Monkey) in order to receive input from the public/ residents, employees, and employers throughout the Rochester area. Links to the surveys were placed on Vanpool slipsheets, included in media blasts, placed on the RTS website, and placed on kiosks at the Transit Center. In some instances, specialized survey links were created to track results from specific employers or locations. Customized employer survey links were developed for Direct2Market, SUNY Geneseo, Thomson Reuters, Xerox, and Ontario County employers. These surveys represent a group of employers that recognized transportation as a constraint to attracting and retaining their workforce and who were willing to distribute the survey to their employees. They represent employers in suburban areas faced with reverse commute issues, employers in Downtown Rochester where employees might be faced with long distance suburban commutes, and rural employers that either have difficulty attracting and retaining employees or have had employees indicate a desire to make their commutes easier. The survey links were activated on May 18, 2015, with results collected on July 31, 2015.

The following highlights the survey results:

- In total, there were 761 surveys completed.
- There were 485 responses to the public/ resident survey that came from the on-line survey link.
- There were 104 responses to the public/ resident survey that came from the Transit Center kiosks.
- There was 1 response to the generic employee survey.
- There were 16 responses to the Direct2Market employee survey.
- There were 81 responses to the SUNY Geneseo employee survey.
- There were 57 responses to the Thomson Reuters employee survey.
- There was 1 response to the Xerox employee survey.
- There were 15 responses to the generic employer survey.
- There was 1 response to the Ontario County employer survey.

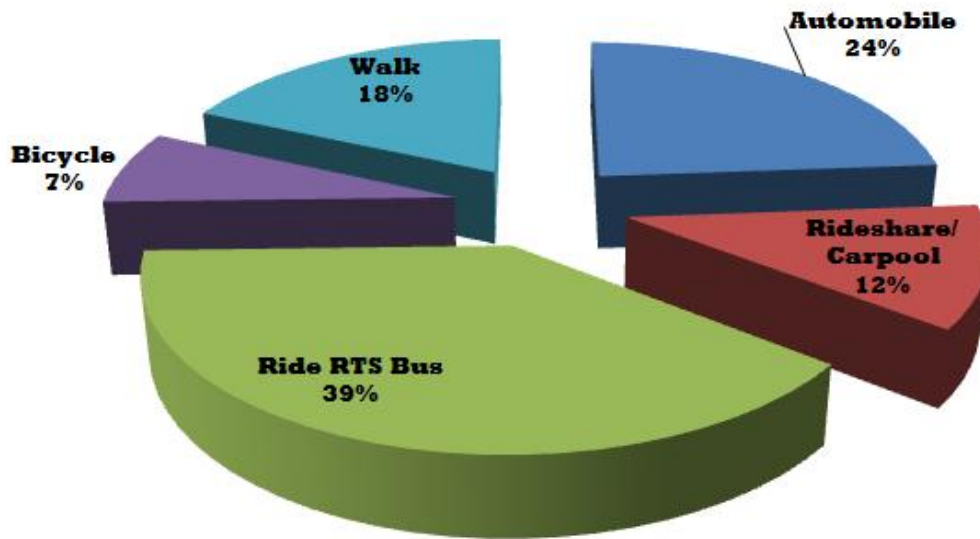


The following provides a more in-depth summary of the surveys completed for this study. The tabulated survey results in electronic Microsoft Excel database format have been turned over RTS for their use.

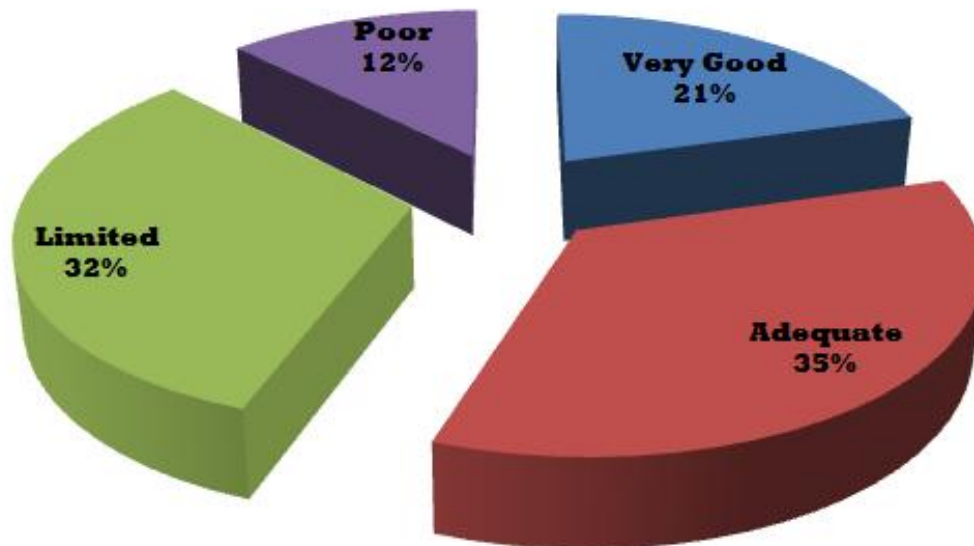
### **Overall Survey Results**

Below are findings derived from all 761 responses where the same question was asked across all surveys. Often times, respondents were permitted to check more than one response as an answer, resulting in percentages for responses as a sum of some questions being greater than 100%.

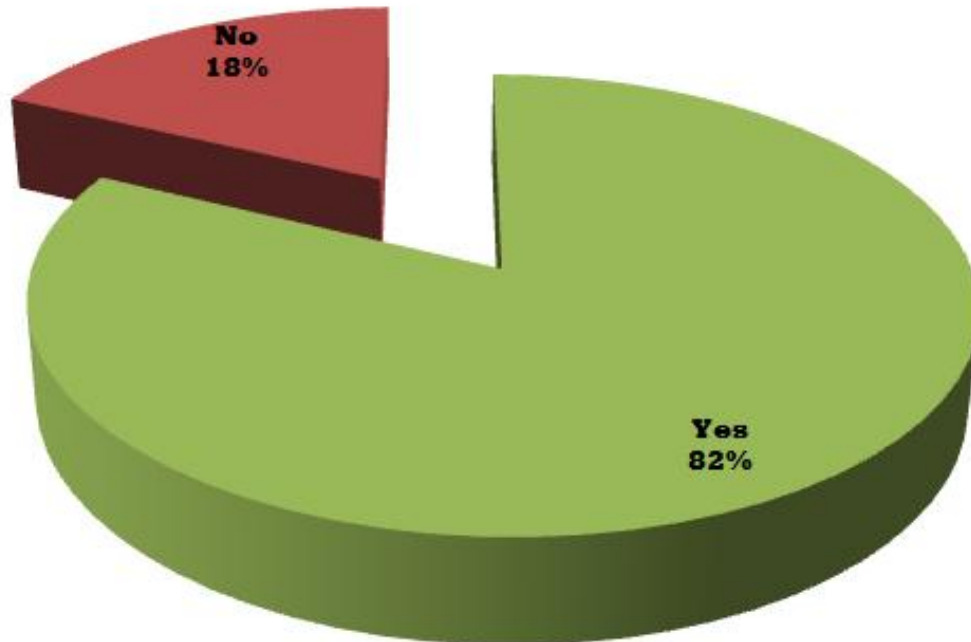
When asked “How do you get to work?”, respondents answered as follows:



When asked “How do you view your transportation options?”, respondents answered as follows:



**When asked “Would you consider using a Vanpool service if it were available?”, respondents answered as follows:**



Based upon overall survey results, respondents indicated that in general, the following factors would make Vanpool feasible for them:

- Lowering their commuting costs.
- A Vanpool that is convenient to their schedule.
- Having all the information that is needed.
- Providing a guaranteed ride home.
- Saving wear and tear on their personal vehicle.
- Ability to take advantage of tax benefits.
- Availability/ cost of parking.

The following provides a more detailed look at how respondents to individual survey links replied, offering a look at where potential for Vanpool specifically exists.

### **Resident Survey**

There were 485 surveys completed using the Resident Survey Link. Below are findings from this survey:

- 73.6% of respondents said they typically use RTS buses.

- Only 20.6% of respondents indicated that they feel their transportation options are “very good”. Most indicated that they felt their transportation options were “adequate” (38.6%) or “limited” (37.3%).
- 77.9% of respondents indicated that they would consider using a Vanpool.
- When asked why someone would consider using alternative forms of transportation (RTS bus or Vanpool), 60% said to save money, 52.6% indicated that they don’t own a car, and 38.1% said knowing they can have a guaranteed ride.
- When asked what would motivate someone to use a Vanpool, 73% said if the Vanpool was convenient for their schedule, 70.5% said if a Vanpool that picks them up at or close to their home, 69.9% said having all of the information they need, and 60.2% said if the cost for Vanpool participation was less than what they pay to commute currently.

### **Transit Center Survey**

There were 104 surveys completed using the Resident Survey Link provided at the Transit Center kiosks. Below are findings from this survey:

- 69.2% of respondents said they typically use RTS buses.
- Only 26.9% of respondents indicated that they feel their transportation options are “very good”. Most indicated that they felt their transportation options were “adequate” (27.9%) or “limited” (18.3%).
- Only 46.1% of respondents indicated that they would consider using a Vanpool.
- When asked why someone would consider using alternative forms of transportation (RTS bus or Vanpool), 52.9% indicated that they don’t own a car, 45.2% said to save money, and 25% said for overall convenience.
- When asked what would motivate someone to use a Vanpool, 36.5% said having all the information they need, 31.7% said if the Vanpool service was convenient to their schedule, 31.7% said if a Vanpool that picks them up at or close to their home, and 28.9% said if the cost for Vanpool participation was less than what they pay to commute currently.

### **Direct2Market Survey**

There were 16 surveys completed using the Direct2Market Survey Link. Below are findings from this survey:

- 50% of respondents get to work by driving their car; 43.8% of respondents currently ride RTS buses to get to work.
- Of those that indicated they use RTS bus to get to work, 57% said it takes them more than 45 minutes to get to/from work.

- Of those that indicated they use their car to get to work, 37.5% said they do so because RTS bus service is not available or convenient and 37.5% said they need their car for work purposes or to run errands during the day.
- 68.8% of respondents indicated that they would consider using a Vanpool.
- When asked what would motivate someone to use a Vanpool, 56.3% said saving money on their commute, 31.3% said that they don't currently own a car, and 31.3% said to save wear and tear on their car.
- When asked how much per month they'd be willing to spend on a Vanpool, 72.3% said they would pay up to \$35 per month, with 36.4% saying they would pay up to \$50 per month.

### **SUNY Geneseo Survey**

There were 81 surveys completed using the SUNY Geneseo Survey Link. Below are findings from this survey:

- 87% of respondents get to work by driving their car; only 6.5% of respondents currently ride RTS buses to get to work.
- Of those that indicated they use their car to get to work, 62.7% said they do so because RTS bus service is not available or convenient, 47.8% said they have variable working hours, and 40.3% said they need their car for work or to run errands during the day.
- 74% of respondents indicated that they would consider using a Vanpool.
- When asked what would motivate someone to use a Vanpool, 74% said to save wear and tear on their car, 68.8% said saving money on their commute, and 57.1% said for environmental benefits. No respondents answered that they would use Vanpool because they do not own a car, indicating that all respondents would be discretionary Vanpool participants.
- When asked how much per month they'd be willing to spend on a Vanpool, 63.6% said they would pay up to \$35 per month, with 46.8% saying they would pay up to \$50 per month.

### **Thomson Reuters Survey**

There were 57 surveys completed using the Thomson Reuters Survey Link. Below are findings from this survey:

- 66.7% of respondents get to work by driving their car; 40.4% of respondents currently ride RTS buses to get to work.
- Of those that indicated they use RTS bus to get to work, 70% said it takes them between 30-45 minutes to get to/from work.
- Of those that indicated they use their car to get to work, 55.3% said they do so because RTS bus service is not available or convenient, 47.4% said they have

- variable working hours, and 42.1% said they need their car for work or to run errands during the day.
- 70% of respondents indicated that they would consider using a Vanpool.
  - When asked what would motivate someone to use a Vanpool, 73.7% said saving money on their commute, 72% said availability or cost of parking, and 57.9% said to save wear and tear on their car. Only two respondents answered that they would use Vanpool because they do not own a car, indicating that most respondents would be discretionary Vanpool participants.
  - When asked how much per month they'd be willing spend on a Vanpool, 64.9% said they would pay up to \$35 per month, with 29.8% saying they would pay up to \$50 per month.

### **Xerox Survey**

Only one survey was completed by Xerox employees, thus there statistically isn't sufficient data to provide any individual findings, however, this response was included in the overall survey analysis. While a unique survey link was developed for Xerox upon their request, we aren't certain if it was ever distributed amongst employees.

### **Ontario County Employers Survey**

Only one survey was completed by Ontario County employers via the unique survey link provided, thus there statistically isn't sufficient data to provide any individual findings, however, this response was included in the overall survey analysis. Other Ontario County employers did respond through the general employer survey link.

### **General Employer Survey**

There were 15 surveys completed using the General Employer Survey Link. Below are findings from this survey:

- 60% of respondents indicated that they employ more than 100 people.
- When asked approximately how many of their employees commute further than 15 miles one way to work, 26.7% said that more than 100 of their employees do.
- When asked approximately how many of their employees commute to work using RTS bus, 46.7% said that less than 10 of their employees do.
- When asked if the employer would be interested in working with RTS on developing a Vanpool, 26.7% said yes while 46.7% were unsure.

### **General Employee Survey**

- Only one survey was completed through the general employee survey link provided, thus there statistically isn't sufficient data to provide any individual findings, however, this response was included in the overall survey analysis.



## J. Park-and-Ride Outreach

Between May 20, 2015 and June 5, 2015, members of the consulting team visited four park-and-ride locations serviced by RTS bus routes to meet with commuters to provide information regarding the Rochester Area Vanpool Feasibility Study and to gauge their interest in participation.

Park-and-ride lots located in Brockport, Avon, Webster, and Victor were identified as key regional commuting points to gather input. The following is a summary of our park-and-ride outreach:

- **Brockport (May 20, 2015):** Four commuters were observed at the park-and-ride lot and were handed an informational sheet regarding the project. A total of 12 cars were parked at the lot. Vanpool informational sheets were placed on the windshields of the eight remaining vehicles.
- **Avon (May 20, 2015):** Vanpool informational sheets were handed to ten commuters at the lot; six Vanpool informational sheets were left on windshields of vehicles presumed to be commuter vehicles. Several commuters appeared to be contractors who were meeting to carpool together in work trucks.
- **Webster (June 3, 2015):** Two commuters boarded and were given Vanpool informational sheets prior to boarding and were told about the Vanpool program. There were six vehicles located in the commuter lot and Vanpool informational sheets were left on the windshields of these parked vehicles.
- **Victor (June 4, 2015):** One commuter was present waiting for the RTS bus. There were four cars in the parking lot, but it was unclear whether or not the vehicles were commuter vehicles or those of employees of Eastview Mall. A total of five Vanpool informational sheets were handed out on parked vehicles and to the commuter present.

## K. Public Outreach

A Vanpool informational booth was set up at ROC Transit Day, held on June 18, 2015. The event was organized by Reconnect Rochester and held at the Rundel Terrace at the Rochester Central Library. RTS, being one of the event sponsors, had two buses parked along Broad Street; the Vanpool booth was set up adjacent to the RTS buses between



the hours of 12:00pm and 4:30pm. During this time, members of RTS and the consulting team spoke to members of the public about the Vanpool program and handed out informational sheets with links to the project website and survey.

Additionally, members of the consulting team walked around Downtown Rochester handing out Vanpool informational sheets to various employees and members of the public. The consulting team spoke with numerous people during this time, and twelve people signed up to continue to receive information about the Vanpool study.

A Public Open House was held on Monday, September 21, 2015 between 11:30am and 1:30pm at the Kate Gleason Auditorium in the Central Library of Rochester to present the results of the Rochester Area Feasibility Study. The consulting team and RTS staff were available to present the results to the public and answer an questions. Approximately 15 people attended the Open House, with two participants, ABVI Goodwill and Center for Disability Rights, Inc. requesting more information on Vanpooling.

## IV. Vanpool Market Analysis

The market for Vanpool participation is not similar to that of a traditional transit market, and thus the analysis conducted to determine the demand and feasibility for a Vanpool program must take on a more qualitative form rather than relying on quantitative assessments based solely on demographics and socio-economics. Vanpool participants typically consist of those that experience long distance work commutes (typically consisting of 20 or more miles one-way) that live and/or work in areas that aren't serviced well by transit. The demand for Vanpool programs is highly dependent upon on the population's perception and use of transportation options and the corporate culture for promoting alternative transportation programs. Therefore, it is important to conduct a more qualitative evaluation of the potential for a Vanpool program for the Rochester area. To this end, the consulting team supplemented analysis of population and employment with an on-line survey to gain an understanding from the public, employees, and employers in the area of the demand for Vanpools. The consulting team also met with multiple employers, social service agencies, and not-for-profits in the region to get their input on the potential for a Vanpool program. This more qualitative analysis provides an understanding of the potential for a Vanpool program in the Rochester area.

### **A. Community Characteristics**

Population and employment data were collected by Traffic Analysis Zone (TAZ) for the Rochester Metropolitan Planning Area (data provided by the Genesee Transportation Council (GTC)). This provides a look into the dispersion of population and employment throughout the region, two key factors for determining Vanpool propensity. As you move further from the City of Rochester, TAZ areas get larger, and thus is doesn't provide a perfect picture of how dense that population or employment in suburban, exurban, and rural areas is; this is why we don't rely solely on these figures to determine Vanpool propensity.

Figure 1 shows population by TAZ throughout the Rochester region. Darker shades indicate those TAZ's with higher population.

**Figure 1: Population by TAZ**

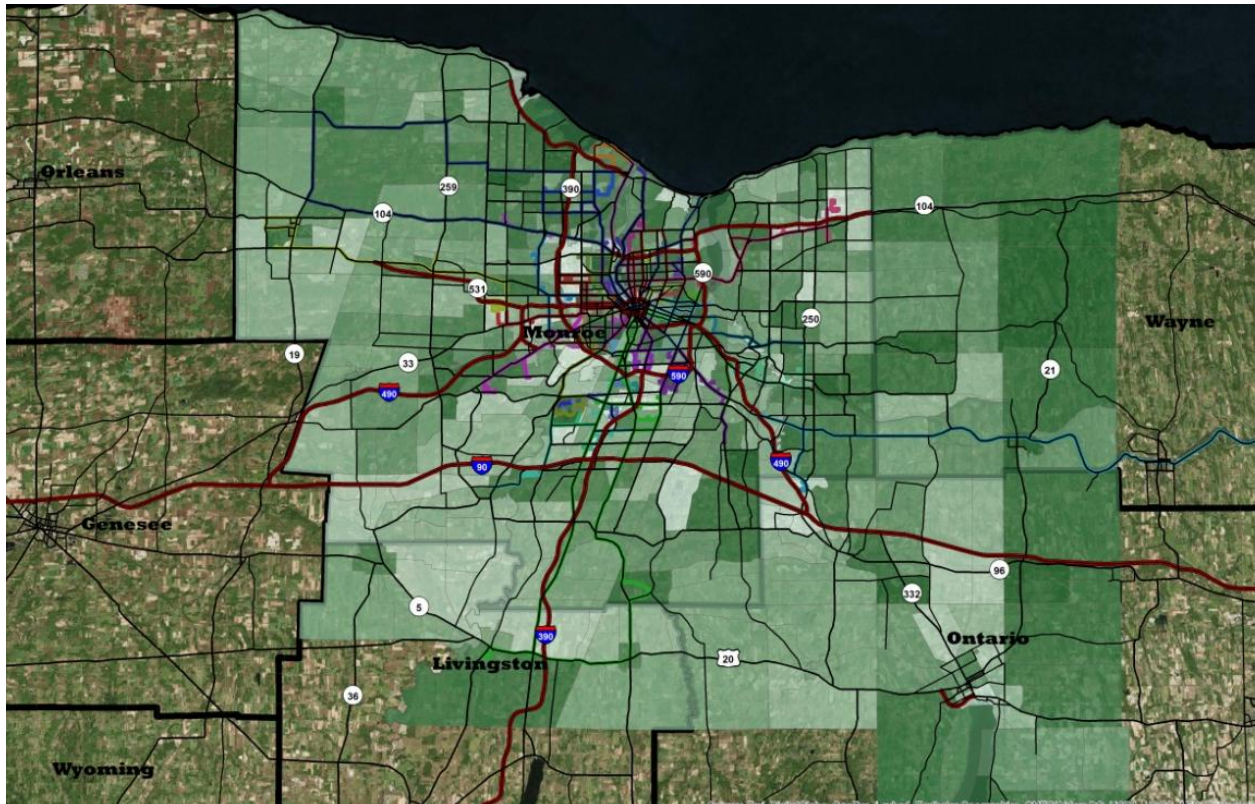
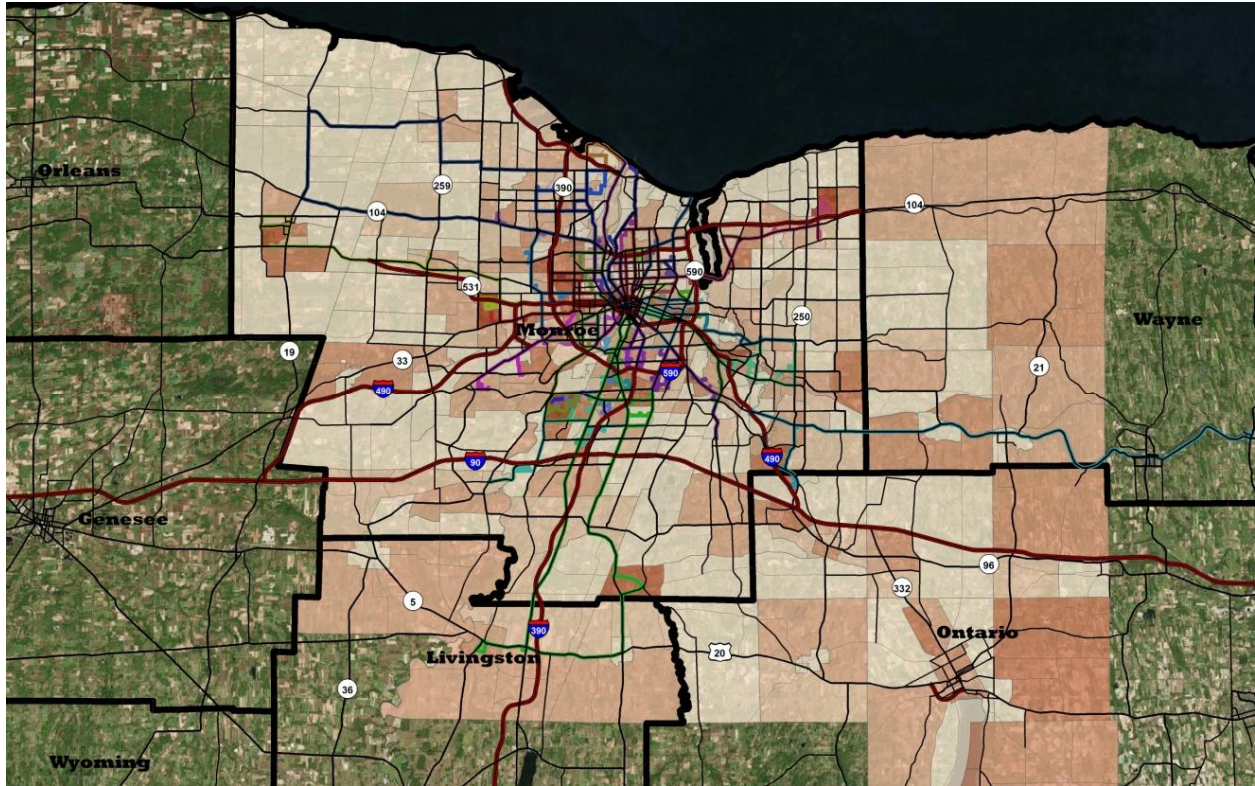


Figure 2 shows employment by TAZ throughout the Rochester region. Darker shades indicate those TAZ's with higher employment, making it possible to view the spread of employment throughout the Rochester region.

**Figure 2: Employment by TAZ**



The RTS has a service area that is challenging for fixed-route transit. While the City of Rochester and nearby suburbs in Monroe County have densities that support conventional fixed route transit services, the majority of the RTS service area (including Regional service areas) does not, making Vanpooling a logical addition to the RTS Family of Services.

***Based upon the consulting team's analysis and review of findings derived from the input received throughout this study, it is our opinion that a Vanpool program is feasible for the Rochester area.*** A Vanpool program can act as a service incubator to start up new transit service and handle new markets, a service extender to long-distance commutes, and/or a service enhancer for conventional transit service, offering RTS and the Rochester area more and improved cost effective transit options and would allow RTS to expand its family of services offered.

The consulting team feels that the potential for Vanpool propensity exists in the following sectors:

- Long distance and reverse commuters;

- Suburban, exurban, and rural employers, especially that attract workers that have limited transportation options available to them;
- Downtown Rochester employers where parking is limited and/or costly;
- Expanded RTS role as regional mobility manager (as an example- providing special transportation for disabled and handicapped persons or to/from sheltered workshops);
- Enhanced regional transit capabilities;
- Opportunity to expand RTS entrepreneurial role; and,
- Existing RTS express routes can be enhanced or supplemented with Vanpool service.

## B. Service Substitution Evaluation

An RTS Vanpool program would afford RTS the flexibility of having a low cost, yet flexible service tool to add to its Family of Services. The consulting team has been cautious to identify unmet needs and new marketplace opportunities for the Vanpool service separate and apart from existing RTS services. We did not want to cannibalize Vanpool riders from existing fixed route service, except in those situations such as Thomson Reuters where riders clearly spoke of the need to find an alternative.

Following our conversation with RTS staff, our review of service area conditions, and our discussions with RTS riders, it is our belief that the Vanpool program can provide RTS with a service incubator, enhancer, and extender. The key difference for RTS is that Vanpools will be



operated at much lower cost than conventional fixed route service. The national average cost of operating a Vanpool in one hour of operation is \$48.00, a number that is somewhat skewed because the majority of Vanpools operate in large urban areas with higher costs of parking, fuel, and maintenance. That cost should continually be compared against RTS's cost of operating one hour of conventional service that is \$136.00.

RTS's use of Vanpools in ways that emulates conventional transit services must be done with consideration given to how much it is costing RTS to carry a passenger in a van versus a bus and should also be done with concern for how such practices may impact the existing labor agreement with the Amalgamated Transit Union and any 13C Labor Agreements signed by the agency.

## V. RTS Self Operated Vanpool Program Model

The choice of an appropriate model to operate a Vanpool program must be made after careful consideration of the following:

- **Financial** – Ability to adequately fund a robust Vanpool program.
- **Demand** – Are there unmet needs for transportation in the service area?
- **Service Design and Delivery Strategy** – Can Vanpooling complement existing conventional transit service? Can Vanpooling serve to incubate, enhance, or extend existing conventional transit service?
- **Corporate Culture** – Is the culture of the agency one that can support/ foster a new service concept?

The choice of a Vanpool operating model is important as the Vanpool program structure must be compatible with the culture of its parent agency to be successful. The model must also be capable of responding to the needs of the service area, and in Rochester those needs are varied from reverse commuting to suburban/ rural employment sites, to handling off-peak commuting trips, to handling trips that are closer to paratransit service than to workday commuting.

The consulting team evaluated the three principal operating models for their application for the RTS's provision of vanpool services:

### A. Traditional Model

This model was used in the beginning of the concept of Vanpooling in the 1960's and has continued with modifications since that time. Under this model, a public agency or employer contracts with a company whose focus is to lease the vans to operate the service. The company may provide the ancillary services necessary to the operation of Vanpools such as ride matching, rider infill services, support for the collection of operating data, particularly the miles traveled and revenue collected, vehicle maintenance, and gasoline.

**Strengths** – Van leasing firms have access to large fleets of vehicles and can make this equipment readily available to clients. They have contractual relationships with maintenance service providers and negotiate for discounted rates on gasoline. Of late, these firms have adopted technology including the use of mobile data terminals and applications to collect essential program data such as ridership and mileage.

**Weaknesses** – The priority of these firms is to lease vans so their business cases have not been accommodating to transit agencies that choose to use vans as service incubators, extenders, or enhancers. The firms also have rules for the operation of their vans that may not support transit agency wishes to serve unmet demand. The van leasing firms have not been too successful in marketing Vanpooling, as their marketing strategies have not kept up with the lifestyles of those who would ride in a Vanpool.

## B. Broker Model

MPOs and transit agencies have begun to use this model because it allows them a level of flexibility that was not available with the traditional lease model. The Broker Model is also a conscious recognition on the part of the parent or lead agency that Vanpool programs are more productive when they are provided/ offered on a regional basis. This model is similar to the Broker Model used in paratransit in that its goal is to maximize service levels and minimize costs.

Under this model, RTS would be the parent organization of the Vanpool program and brand the vehicles and market the Vanpool program. The difference from a Self Operated Model is that RTS would contract with a third party (broker) to provide vans through leases and essentially operate the Vanpool services. The van leasing firm would contract with the drivers, provide rider infill services, provide van maintenance, and secure arrangements for discounted gasoline for the operation of the vans. This model places responsibility onto a third party but also requires more oversight from the parent or sponsoring agency.

**Strengths** – The Broker Model has proven to reduce costs through strategies like competitively contracting for van leases and using new technologies that are more user friendly. Under this model, the transit agency has more flexibility than under the Traditional Model because services can be used to meet transit agency requirements. With this model, van leasing firms track miles and ridership for RTS to use in their National Transit Database reporting.

**Weaknesses** –The challenge with this model is the willingness by van leasing firms to allow their vehicles to be used for some of the innovative services recommended in this report. In the past, these van leasing firms have been reluctant to allow the use of their vans for purposes not related to standard work trips, making it challenging for RTS to provide many of the innovative Vanpool service they desire. While the policies of the major van leasing firms are changing, many of the innovative Vanpool services would have to be negotiated in the contracts.

## C. Self Operation Model

Under this model, the Vanpool program is very much an extension of the transit agency. The agency purchases or leases the vans and provides all the services necessary to fill the vans including ride matching, infill for empty seats, vehicle maintenance, gasoline costs, marketing, customer service, and collection and reconciliation of data.

**Strengths** – The transit agency controls every aspect of the Vanpool program while also bearing all the costs and risks. A transit agency would find it much easier to utilize vans to substitute for its traditional services or to enhance its services. The cost of capital is often lower than a third party provider so van lease rates tend to be lower under this model.



**Weaknesses** – This model requires that the transit agency bear all the costs including acquiring the necessary expertise/ staff that it takes to operate a Vanpool program. This includes the maintenance of the vans, collecting the ridership and other operating data, handling the matching service (including acquiring or leasing ride matching services), and acquiring the technology and technical expertise to make Vanpooling an economical alternative to fixed route service.

#### D. Vanpool Program Model Recommendation

***Because the potential for Vanpooling goes well beyond the traditional home to work journey and because the RTS has an “entrepreneurial” spirit unlike the majority of transit agencies, the consulting team believes that is in the best interest of the agency to consider providing the Vanpool service itself rather than through either of the other available models – utilizing the Self Operating Model.***

Those Vanpool programs that are most successful in the nation happen to be those operated by transit agencies; particularly King County Metro’s and that of PACE Suburban Bus in Chicago. Rather than place the responsibility for the success of the Vanpool program on a third party to gain the support of elected officials, major employers, universities and colleges, and social service agencies, it would be easier for RTS to utilize its existing relationships with these organizations through its Transit Partners Program to provide a “jump start” for Vanpooling in the greater Rochester area.



The consulting team envisions the RTS Vanpool program being a collaborative effort with the private sector, colleges and universities, and social service and job training

agencies; however it is our opinion that RTS has the internal capabilities to utilize Vanpooling to extend and enhance its existing services as well as to incubate new service beyond the boundaries of its current service area. In particular, there are services that RTS can provide using Vanpools that can be provided at rates lower than the agency’s current cost of providing service, such as:

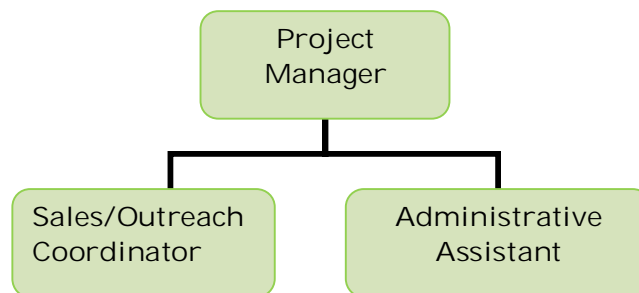
- Job access;
- Reverse commuting;
- Long distance commuting to suburban and rural employers;

- Paratransit trips/ Standing Order Services beyond the 3/4 mile limit required by the Americans with Disabilities Act;
- Employer, social service, or special event shuttle services; and,
- Van Share programs that connect long distance commuters to RTS Regional Park & Rides.

### E. Organizational Structure

The focus of the new RTS Vanpool program would be on a wide array of transportation services, so the logical place in the RTS organization for the Vanpool program to be operated from would be in the agency’s Transportation Operations Department. Placing the program here would allow close coordination with RTS conventional services so that the Vanpool program is supportive of those services offering the enhancement, extension, and incubation activities that grow overall RTS ridership and revenue while increasing the agency’s productivity.

The organizational structure to begin the Vanpool program can build a solid foundation upon which the RTS can grow its Vanpool effort, and can be outlined as simple as the following:



The Project Manager would provide overall direction of the Vanpool program including sales that should be coordinated or perhaps handled by the RTS Business Development/ Transit Partner team as the efforts are focused on the same prospects. Vanpool programs are very sales oriented so a full time sales and outreach function is required to sustain the program, although all sales activities should be coordinated with the Transit Partners activities. The Administrative Assistant is responsible for customer service, including ride matching and handling the all important task of recruiting potential riders into the program database to provide the infill necessary to sustain the program.

Of particular importance to the success of the Vanpool program is the support of RTS’s Transit Partner sales capability, as the development of Vanpools is very much a “face to face” sales effort. RTS Marketing and Communications will be responsible for raising public and employer awareness of the availability of the Vanpool service and to help identify new markets for the service.

## F. Marketing

RTS has a successful Transit Partners Program that is generating millions of dollars in revenue for the agency as well as developing solid relationships with the community. The RTS Vanpool program should be sold in unison with the Transit Partners Program. Using this combined sales strategy will expand the universe of organizations participating in both programs as Vanpooling can be another service offered to existing Transit Partners as well as new program participants.

Another strategy for RTS to expand the Vanpool program would be to work with third party program administrators, firms that manage benefit programs for large employers. Working relationships with Wage Works, EdenRed, and Tran Ben, the three largest providers of transit benefit programs to corporations, would help increase employer awareness of the Vanpool program while correlating use of Vanpools to existing benefit programs.

It is recommended that RTS work with Planning and Economic Development Departments of all of its eight member counties and individual municipalities to have them include the Vanpool program into their own effort to lure new employers to their counties. Simultaneously, we also recommend that RTS reach out to social service agencies, job training and job access programs, and other community-based programs that would benefit from the transportation alternative provided by Vanpools. As previously mentioned, the Vanpool program could also play a role in supporting the Rochester-Monroe Anti-Poverty Initiative.

## G. Vanpool Branding

Vanpools operated by RTS should be branded to the agency's brand standards. Our experience has proven that Vanpool programs do well when they are supported by the brand equity developed by the parent transit organization. This is particularly important as the recommended organization model is for the RTS to operate its vanpool program directly.



We believe that branding vans with the logos of participating employers or organizations not only raises awareness but also helps the program develop stronger relations with the participating employers and organizations. This cooperative marketing is beneficial to both

parties as it positions the employer or organization as a good citizen with concern for the environment as well as being an organization that provides a proper level of benefits to its employees or members.

## H. Maintenance

The maintenance of the Vanpool fleet would be handled by RTS Maintenance as that group already has the responsibility to maintain the agency’s non-revenue fleet. Because the vans would be new and under warranty, it is anticipated that maintenance costs would be low for the first three years of the program.

The Vanpool program could negotiate a fleet fueling card from a fuel provider such as Fleetmatics, Fuelman, or Global Fleet that would enable the Vanpool drivers to fuel their vehicles at wholesale rates at stations throughout the greater Rochester area. These services would provide RTS with a monthly statement of fuel costs that can be allocated to each individual Vanpool.

## I. Fare Collection

The most effective way to handle the billing and collection of Vanpool fares is through a mobile application. There are multiple applications that can provide the miles traveled by each van and the number of daily passengers, as well as handle the transfer of payments from riders to drivers. Carticipate, Zim Ride, and Carmacar all offer these functions as do other emerging applications. Another option is for the Vanpool participants to use the popular applications Square and Paypal. We strongly recommend the use of these apps instead of the traditional manual logs as they introduce technology that enhances the Vanpooling experience.

## J. Ride Matching

To facilitate the Vanpool program, RTS can utilize online ride matching services such as [www.rideshareonline.com](http://www.rideshareonline.com), [www.poolxing.com](http://www.poolxing.com), or similar online services. Based upon the success of the Vanpool program, a decision to procure a more established ride matching software such as those offered by RouteMatch or Trapeze could be considered. RTS could also collaborate with the Genesee Transportation Council on the use of a shared ride matching database.

## K. Insurance

Under the Self-Operated Model, RTS would extend its own liability insurance protection to the Vanpools. This would require RTS to complete the background checks on all potential drivers which is easily completed using several online services that provide this information for nominal fees.



## L. Funding

Traditionally Vanpool programs have been financed through Congestion Mitigation and Air Quality (CMAQ) Funding because the services were initiated in areas that were deemed to be Non-Attainment Areas for air quality by the Environmental Protection Agency (EPA). Rochester is no longer a Non-Attainment Area so CMAQ funding is not an option for an RTS Vanpool program.

RTS could use Federal Transit Administration (FTA) grant money to secure its vans for use in the program. Funding could also be sought from the Genesee Transportation Council or NYSEDA, through its various transportation programs. We recommend that RTS explore ways to reduce the capital cost of obtaining vans through the NYSEDA Alternative Fuel Vehicle Demonstration Program or other transportation programs. Hybrid vans have just become available to Vanpool programs and vehicles powered by alternative fuels can address a unique transportation challenge. Other funding options RTS can explore include:

- **Municipal Lease/ Purchase** – A financing strategy that allows transit agencies to purchase rolling stock on an installment basis at tax-exempt interest rates.
- **Capital Leasing** – Under the FTA rules, eligible recipients may acquire rolling stock by lease and all eligible lease costs may be reimbursed as capital expenses.

Once Vanpools are operational, the participants pay a percentage of the operating cost of the van. If RTS take a prudent approach to providing subsidies, it can keep the cost of funding its Vanpool program low, operating the program with a reasonable administrative cost while reaping the additional miles and passengers that contribute to the agency's federal funding formula.

## M. Benefits for Vanpool Participants

The benefit that lures the greatest number of new riders to Vanpools is the qualified transportation fringe benefit allowed by Internal Revenue Service Code 132F that allows an employer to exclude transportation fringe benefits in an amount up to \$130 per month per employee. Employers can subsidize rides in Vanpools up to that amount without the employee being taxed on the amount or the employee can pay the Vanpool fee directly using pre tax dollars and qualify for having their gross income being calculated after the payment of the Vanpool fares. This has typically resulted in a savings of at least 7.5% for both the employee and the employer. RTS staff is already well versed in the benefits of this program.

Vanpool programs always offer a Guaranteed Ride Home program that allows a set number of free or reduced rate trips on taxis or sedans for Vanpool riders that need emergency transportation. Usually the parent agency negotiates a whole sale taxi or sedan rate with a local firm to provide these trips. Riders are provided with vouchers for the Guaranteed Rides or they can call a special number to request the trips. RTS should extend its Guaranteed Ride Home benefit to Vanpool program participants. Should UBER or other ridesharing services be allowed to operate in Rochester, they could provide a substantially lower rate for the service.

Vanpool drivers have traditionally been provided with a gasoline card that enables them to purchase gasoline at wholesale rates at certain gasoline stations. A number of national petroleum wholesalers offer these programs or RTS can contact with a local refiner or gasoline wholesaler such as United Refining that operates the Kwik Fill, Red Apple, and Country Fair



Convenience Gasoline Stations in upstate New York.

A number of Vanpool programs offer subsidies to riders to start Vanpools. While these subsidies are effective in starting Vanpools, the consulting team has serious concerns with subsidies that raise the overall cost of operating Vanpool programs. These subsidies can raise the total cost per passenger to a cost that the fare surpasses the subsidy that a transit agency affords to riders of conventional transit services. We do not believe that Vanpools need high or continued subsidies beyond a period of incubation. Vanpools provide convenient, low cost transportation and the value that is provided should require that riders bear a higher percentage of the direct cost of operating the service than their peers who ride conventional services.

## N. Vanpool Fares and Incentives

Vanpool fares reflect the cost of leasing and operating vans as well as program administration costs. It is therefore important to keep the cost of leasing and operating vans as low as possible to make riding in a Vanpool attractive and a wise investment for the parent agency. Vanpool fares must be competitive with the cost of commuting; including the cost of gasoline, vehicle maintenance, wear and tear, parking, and insurance. In Rochester, many employers offer free parking so parking cost is not a huge “driver” that pushes workday commuters into Vanpools.

Recent studies by the Center for Urban Transportation (CUTR)<sup>2</sup> found that pricing is the crucial determinant of Vanpool potential. The CUTR study showed that keeping Vanpool fares as low as possible resulted in maximizing the creation of Vanpools.

<sup>2</sup> *Vanpool Values-CUTR/Winters 2011*

RTS is choosing to begin its Vanpool program in a period when the price of gasoline is at a recent low. Still even with such low prices, nearly 10% of the region's workforce already commutes in carpools meaning that commuters in the region still want to save money and time. It has been our experience that a significant number of "early adopters" of Vanpooling come from those already in carpools.

The fares to be charged on RTS Vanpools can only be determined by the cost the agency finalizes to secure its vans and the cost of insuring, maintaining, and operating those vans is determined by the size and number of vans that is agreed upon. Initial fares established by the RTS should at least collect 50% of the direct cost of operating the vans from fares paid by the riders and drivers. The eventual goal is to collect 100% of the cost of operating each van from those riding in the vehicle.

RTS has a low cash fare of \$1.00 for a bus ride, which is among the lowest of any transit agency in the United States. The agency's monthly pass that offers unlimited rides is also a low \$56.00 per month. This low pricing may have an impact on Vanpool potential and activity, as it is likely that van or SUV leases in the Rochester area would be in the \$500 to \$800 range depending upon the RTS's decision on funding the vehicles. At these costs, the estimated monthly cost to participate in a Vanpool would be between \$60 and \$80 per month, without incentives.

A higher van lease cost is not a barrier to Vanpool use. At Seattle's King County Metro, its base fare is \$2.50 with a \$90.00 monthly pass. A seven-passenger SUV in the Metro Vanpool Program has a monthly lease cost of \$751 for a commute of 50 miles round trip with those passengers paying \$107.00 per month to ride in the Vanpool. All program services should be bundled as a package meaning that infill services and Guaranteed Ride Home services are included in the fare charged to the riders and drivers.

The key to sustaining a Vanpool program is not necessarily price. For mature programs such as those at King County Metro and PACE, significant loss in Vanpool participation has not been experienced during this period of low fuel prices. The key is to provide high quality service by operating the program to high service standards, creating brand equity and loyalty that continually draws new riders into the program.

## VI. Identification and Setup of Vanpool Demonstration Programs

The consulting team recommends that the RTS Vanpool program begin as a demonstration of five to six Vanpools operated from those organizations that showed interest to start and operate Vanpools. These would be the essential origin to destination trips that would validate the potential for Vanpooling in the Rochester area.

In our discussions with employers, colleges and universities, and social service agencies there was a genuine interest in the Vanpool service, and using that interest to validate the Vanpool program concept would be a logical next step.

It is recommended that RTS initiate Vanpool demonstration programs as a combination of four to five traditional, origin to destination commute trips and one demonstration of the innovative concepts brought forth by the social service sector. These demonstrations would corroborate the potential for Vanpooling in the Rochester area and build a foundation for the Vanpool program to expand. RTS should establish Vanpool demonstration programs with the following:

1. **University of Rochester** – A traditional Vanpool demonstration that is supportive of the University's effort to reduce Single Occupant Vehicle Travel onto its campus. This Vanpool would be created for faculty and staff and would be provided with preferential parking in one of the University's Parking Garages. Participants would receive the tax benefits available through the University's Employer Transit Benefit initiative.



2. **SUNY Geneseo** – The State University System is a major advocate of shared ride programs. Like the University of Rochester Program, this Vanpool would be created for faculty and staff and would include preferential parking and transit benefits to participants. Livingston County has continuously indicated its support for a Vanpool program to operate in the County.
3. **Thomson Reuters** – This Vanpool would respond to the concerns of Thomson Reuters' employees who currently ride RTS services that would prefer a more direct transportation option. Rather than have these riders go back to single occupant vehicle



trips, this Vanpool would be created to respond to the need of these riders for reliable service that responds to their schedules and eliminates the need for a “two seat” ride to get to the Thomson Reuters office. We would request that Thomson Reuters provide preferential and free parking for the van in the parking facility next to the Broad Street location.

4. **Direct2Market** – This Vanpool would be operated to respond to the shift times at their office location on Despatch Road in East Rochester. Staff members with similar shift times traveling from similar origins would be matched to ride in this van. Other employers in the Despatch Road area could be collaborated with to increase the potential pool of Vanpool riders to this area.
5. **Zotos, Inc.** – This Vanpool would test the concept of long distance reverse commuting, providing commute service from Rochester to the Geneva location. Staff members would be matched on site based upon their home origins and shift times.
6. **Medical Motor Services** – Beyond the traditional demonstrations, it is recommended that one non-traditional Vanpool demonstration be developed with Medical Motor Service. This Vanpool concept is very much associated with the innovative service concepts that were brought forward by the social service community in Rochester. Medical Motors would be provided with a van(s) for multiple uses. It would pay RTS a monthly fee for the organization’s use of the van to take workers to sheltered workshops and other job related activities. This use is in keeping with the Internal Revenue Service’s requirement that the van be used 80% of the time for work commuting activities and that it be 50% occupied.

This demonstration would be unique in that it would validate the potential for Vanpooling to provide relief to RTS Access, an American with Disabilities Act compliant transportation service. In that regard, we recommend that Medical Motors be required to provide documentation for each trip provided by its Vanpool program including the name of each passenger, the passenger’s destination, and whether that passenger was an eligible participant in the Access Program or was at least eligible by having a condition that allowed them to ride the Access service.

All the demonstration Vanpools would be provided with the aforementioned application to report miles, time, and occupancy rates. The participants would sign an agreement with RTS to participate in the Vanpool for a minimum of six months. The designated drivers would undergo RTS background checks to verify their driving records and their suitability to serve as the primary driver of the vehicle. Once the Vanpool is formed, the participants would designate a fall back or auxiliary driver, who then would also undergo similar background checks and be required to perform the duties of the designated driver should the designated driver not be able to perform their duties.

RTS should monitor the activity of the demonstrations monthly in order to keep the vans operating to the program standard. New Vanpool participants need to be educated on their responsibilities to have the vehicle serviced to its warranty, to remind drivers and riders to

record their Vanpool use, and for participants to pay the driver on a monthly basis. Using an application, the driver would send RTS monthly data on miles traveled and Vanpool occupancy.

The success of an RTS Vanpool program is subject to factors to which RTS has some control, such as the effectiveness of marketing and sustaining service quality and other factors, and to which RTS doesn't have control, such as the state of the economy, employment levels, and the price of gasoline. Over the short term, the consulting team estimates a low rate of program growth with the price of gasoline presenting the greatest barrier to rapidly increasing the number of Vanpools in operation. Beyond the six Vanpools recommended for the demonstration program, we estimate potential for another ten vans over the succeeding 18 months, for a 16-van operation at the end of two years, exclusive of vans used in non-traditional service.



## VII. Vanpool Program Capital and Operational Budgets

Vanpools are a cost-effective service, returning as much as 100% of the cost of operating the service from riders. A Vanpool program financial plan has to consider both capital and operating costs and keep both as low as possible to make the program sustainable both to the riders and the sponsoring parent agency.

WSP | Parsons Brinckerhoff has the benefit of experience from organizing and operating regional Vanpool programs across the county, so our approach is grounded in reality. Our experience has taught us to utilize these strategies, which we recommend to RTS:

- **Keep Van Lease Costs As Low As Possible** – The primary cost driver of Vanpools is the vehicle itself. We recommend that Vanpool programs size their fleets to meet demand. Lately we have been proponents of operating seven passenger SUVs because of their lower lease and operating costs. With the model suggested for RTS, we believe that using the agency’s cost of capital and purchasing the vans/ SUVs outright would achieve the goal of keeping vehicle lease costs as low as possible.
- **Minimize Subsidies** – Many Vanpool programs offer subsidies to lure riders into Vanpools. While we agree that some level of subsidy to launch a program is necessary, we don’t believe that subsidies should go on forever. Continued subsidies result in higher cost for carrying a passenger on a van as opposed to conventional transit service. This creates equity issues that could result in Title VI problems.
- **Maintain Service Quality** – Maintaining service quality keeps riders in Vanpools, reducing a program’s opportunity costs, especially infill recruiting costs. Nothing is more important than having Vanpools that are filled with happy customers, as this creates fully occupied vans resulting in vans that are returning 100% of their direct operating costs from fares.

### A. Capital Budgets

The items contained in a Vanpool program capital budget are vans, either purchased or leased, ride matching software, and computers/ tablets for ride matching and to assist drivers. Table 1 is a breakdown of the estimated RTS Vanpool demonstration program capital budget.

**Table 1: Estimated RTS Vanpool Demonstration Program Capital Budget**

Item	Units	Cost/ Unit	Total
Vans	16	Lease: \$800/ month	\$153,600 per year
		Purchase: \$30,000 ea	\$480,000
Ride Matching Software	1	\$50,000	\$50,000
Computers	4	\$1,500 ea	\$6,000
Tablets	16	\$320	\$5,120
<b>Grand Total (lease)</b>			<b>\$214,720</b>
<b>Grand Total (purchase)</b>			<b>\$541,120</b>

It should be noted that the grand total cost under the option where vans are leased will carry with it an annual capital cost for the lease.

## B. Sources of Capital Funding

The most common source of capital funding for Vanpools is from Congestion Management Air Quality (CMAQ) grants; however, as discussed previously, those monies are no longer available in the Rochester area as it is no longer a Non-Attainment Area for air quality. Without that funding, RTS may investigate the use of these capital-funding sources:

- Surface Transportation Program (STP) Funding;
- Urbanized Formula Grant 5307;
- Formula Grants for Rural Areas 5311;
- NYSDOT Grants; and,
- NYSERDA transportation program funding.

Local funding may be available from the aforementioned NYSERDA program to obtain hybrid or other low or no emissions vehicles. Another source could be private sector funding and in-kind services offered from private corporations. The latter could be in the form of vehicles or innovative financing of RTS purchase or lease of vehicles.

## C. Operating Budget

Included in the operational budget for the Vanpool demonstration program are labor costs, marketing, printing and production costs, office supplies, mobile or wireless services, software licenses, incentives or subsidies paid to riders, and reoccurring program costs such as maintenance and fuel. Table 2 outlines the estimated RTS Vanpool demonstration program annual operational budget.



**Table 2: Estimated RTS Vanpool Demonstration Program Operational Budget**

<b>Classification</b>	<b>Annual Total</b>
Salaries & Wages (Fulltime)	\$180,000
Fringe Benefits	\$54,000
Professional Services (Reporting & Testing Requirements)	\$5,500
Vehicle Supplies & Materials	
Fuels	\$8,000
Tires/ Tubes	\$2,000
Parts/ Maintenance	\$10,000
Licenses & Fees	\$1,200
Office Supplies	\$500
Communications (Telephone & Wireless)	\$3,000
Printing & Graphics	\$5,000
Marketing	\$50,000
Lease Equipment (Copier, Printer)	\$500
Insurance & Bonding	\$35,000
<b>Grand Total</b>	<b>\$354,700</b>

#### **D. Operating Funding Sources**

The primary source of operating funding in Vanpool programs is rider fares and subsidies that may be collected from employers, employees, and/or third parties. These sources should account for a minimum of 50% of the operating cost of the Vanpool program, eventually reaching 100% of the operating cost. Other Vanpool operating funding sources are:

- STP Funding;
- Highway Construction Mitigation Funding;
- Urbanized Formula Grants;
- Rural Area Formula Grants;
- Small Transit Intensive Cities Grants; and,
- New York State DOT Grants.

## VIII. Vanpool Program Performance Metrics

Measuring the performance of Vanpool programs has traditionally been executed by measuring the vehicle miles traveled (VMT) reduction resulting from the creation of Vanpools. For example, in a Vanpool with 7 participants, you would have each rider tally the round trip miles they were commuting by single occupant vehicle prior to joining the Vanpool and apply that to the number of days in a year that they participated in a Vanpool versus driving a single occupant vehicle. This will provide a figure for the single occupant VMT reduction that that person saved by participating in the Vanpool. Tallying up all of the VMT reduction in the Vanpool will provide a measurement on that Vanpools performance for reducing VMT.

Another Vanpool program performance metric is to report the required data for the National Transit Database (NTD) as the passenger miles contributes to a sponsoring agency's formula grant funding. The Vanpool requirements for NTD reporting are as follows:

- Revenue hours of service;
- Passengers;
- Passenger Miles;
- Vans in operation;
- Safety/Security Incidents;
- Fuel Consumption (Especially important if hybrid vehicles are used); and,
- Breakdowns.

All of these requirements can be accommodated in a smartphone application for ease of reporting.

Other quantitative measures of Vanpool program performance are:

- Total number of Vanpools in operation;
- Rider satisfaction as determined by market research;
- Cost of Vanpool operations;
- Cost recovery that is the percentage of the direct operating cost covered by rider fares;
- Emission reductions as measured by local, state, or Federal agencies; and,
- Reductions in regional congestion as measured by local, state, or Federal agencies.

### **A. Cost Recovery/ Passenger Miles**

Earlier in this report, it was recommended that at up to 100% of the operating cost of each Vanpool in operation be burdened by the participants of a Vanpool. This goal is a reasonable one based on the premise that a Vanpool is solidly in the middle of a commuter's travel options. At one end of the spectrum is the ultimate personal freedom of getting into one's own car or

calling a taxi or UBER. The cost associated with that choice is higher than either riding in a Vanpool or getting on an RTS bus. At the other end of the spectrum, conventional transit requires the rider to wait for the bus, often in challenging conditions, and devote more time to the trip, as the travel time on transit is usually two to three times that of other options.

Vanpooling is an option in the middle of the commuter's choices. It has characteristics of both services. Like driving in one's own car or calling UBER, Vanpools can be scheduled much closer to an individual's personal travel needs. The cost of Vanpooling is on average cheaper than using one's own car when the price of wear and tear, insurance, and parking are added to even a reduced price of gasoline.

In the Vanpool programs that WSP | Parsons Brinckerhoff have had the privilege to operate, we have consistently recorded cost recovery ratios of 50% or more. The ultimate recovery goal for an RTS Vanpool program should be 100% of the direct cost of operating the van. Based upon the slow growth estimate, and the average length of commutes in the greater Rochester area, the passenger miles traveled over the first two years would not be considerable; however they would benefit the RTS formula for 5307 funding. An example is as follows:

Vanpools in operation	16
Passengers in each vanpool	7
Total Vanpool passengers	112
<b>An average round trip commute of 60 miles would equal</b>	<b>1,747,200 passenger miles</b>

## APPENDIX A



## The Rochester Area Vanpool Program

RTS is conducting a study to determine the feasibility of providing a Vanpool program to employers and commuters throughout the Rochester region. Vanpooling is a convenient and economical way for employees to share their commute. Read more about Vanpools below and then please take a few minutes to answer the survey found at the following link: [www.surveymonkey.com/r/W3ZXRHL](http://www.surveymonkey.com/r/W3ZXRHL).

Vanpooling is a convenient and economical way for employees to share their commute, especially if their work site is far from their home. Vanpools usually have 5 to 12 passengers who commute together in a van or SUV.

Sharing a ride is a cheaper way to commute than driving alone. Vanpools are operated collaboratively by the passengers who share the costs of operating the vehicle (including the lease gasoline, insurance, and maintenance) by paying a monthly fee.



Those who ride in Vanpools consisting of at least seven people are eligible to receive Commuter Tax Benefits. IRS Rule 132F allows for monthly deductions of up to \$130 per employee. This deduction can work one of two ways. The employer can subsidize the employee Vanpool cost up to the \$130 limit, or the employee can have that monthly expense deducted tax free.



Added services make Vanpooling even more appealing – such as free, guaranteed rides home should an emergency arise, and new rider recruitment services to assist if a passenger drops out of a Vanpool.

Vanpools are a flexible and low-cost form of transportation. They can be used to bring passengers to Park & Ride lots, or they can be used to bring employees to a work location. Some employers use them to shuttle employees between locations. However they are used, Vanpools are a convenient way to share a ride and save on commuting costs.

More info can be found at [www.myRTS.com](http://www.myRTS.com) or by contacting RTS at (585) 288-1700.

## The Rochester Area Vanpool Program

***Do you have a long commute to work? Are you looking for ways to reduce your commuting costs?***

***Then a Vanpool might be a good fit for you...***

Sharing a ride is certainly a cheaper way to travel than driving alone and can help put your commuting stresses at ease.

### What is a Vanpool?

- A Vanpool is a convenient and economical way to share your commute, especially if your work is far from your home.
- Vanpools are operated collaboratively, with operating costs shared among the passengers and driver.
- Vanpools usually have 5 to 12 passengers who use vans or SUVs.
- Vanpools take passengers from a common origin, such as a neighborhood or a Park & Ride location, to a common destination, such as work.



### Why Should I use a Vanpool?

- Federal income tax deductions of up to \$130 per month are available to employees who commute by Vanpool (IRS requires at least 7 people in a Vanpool to be eligible for tax credits).
- The average Vanpool rider can save thousands of dollars in commuting costs annually.
- Guaranteed Ride Home services make you eligible for a free cab ride home should you have an emergency.
- New rider recruitment services help find new riders to keep your Vanpool full so you can maximize your cost savings.

### How do I find out more?

- Check out the RTS website at <http://www.myrts.com/Planning-Projects/Vanpool-Feasibility-Study> or call RTS at (585) 288-1700.
- Fill out a survey online to show your interest in a Vanpool service: [www.surveymonkey.com/r/RR83GQ9](http://www.surveymonkey.com/r/RR83GQ9)
- Ask your employer to participate in the RTS Vanpool Program Feasibility Study.
- Follow RTS on Facebook or Twitter to get Vanpool updates.
- Attend a public informational session – check myRTS.com for dates and times.

## The Rochester Area Vanpool Program

***Do you have a long commute to work? Are you looking for ways to reduce your commuting costs?***

***Then a Vanpool might be a good fit for you...***

Sharing a ride is certainly a cheaper way to travel than driving alone and can help put your commuting stresses at ease.

### What is a Vanpool?

- A Vanpool is a convenient and economical way to share your commute, especially if your work is far from your home.
- Vanpools are operated collaboratively, with the cost of operating the Vanpool shared amongst the passengers and driver.
- Vanpools usually have 5 to 12 passengers and can consist of vans or SUVs.
- Vanpools take riders from a common origin to a common destination.



### Why Should I use a Vanpool?

- Federal income tax deductions of up to \$130 per month are available to employees who commute by Vanpool (IRS requires at least 7 people in a Vanpool to be eligible for tax credits).
- The average Vanpool rider can save thousands of dollars in commuting costs annually.
- Guaranteed Ride Home services make you eligible for a free cab ride home should you have an emergency.
- New rider recruitment services help find new riders to keep your Vanpool full so you can maximize your cost savings.

### How do I find out more?

- Check out the RTS website at <http://www.myrts.com/Planning-Projects/Vanpool-Feasibility-Study> or call RTS at (585) 288-1700.
- Fill out a survey online to show your interest in a Vanpool service: [www.surveymonkey.com/r/BC2BRRY](http://www.surveymonkey.com/r/BC2BRRY)
- Ask your employer to participate in the RTS Vanpool Program Feasibility Study.
- Follow RTS on Facebook or Twitter to get Vanpool updates.
- Attend a public informational session – check myRTS.com for dates and times.

Regional Transit Service  
1372 East Main Street  
Rochester, NY 14609

