



MEMORANDUM

TO: Mayor and Council Members

CC: Spencer Cronk, City Manager
Gina Fiandaca, Assistant City Manager

FROM: Robert Spillar, P.E., Director,
Austin Transportation Department 

DATE: July 1, 2019

SUBJECT: **Response to Resolution No. 20181213-044 related to incentives to increase transit ridership (CIUR 2122)**

On December 13, 2018, Council passed [Resolution No. 20181213-044](#), directing the City Manager to *convene a collaborative working group...to develop recommendations regarding the creation of a pilot program that could increase transit use through an incentive program*. The resolution also directed the City Manager to:

- *Consider and identify funding options, such as a budget amendment, that would adequately fund the incentives pilot programs.*
- *Present preliminary findings for feedback to the Mobility Committee on June 13, 2019 and present a final report, including any funding recommendations that Council may want to consider during the Fiscal Year 2019-20 budget meetings, no later than June 20th, 2019.*

This memo provides a summary of the response to the resolution.

Working Group

The core working group was led by the Austin Transportation Department (ATD), and included Capital Metro, Innovation Office, and Equity Office. Both internal and external resources were utilized to address this resolution. The Innovation Office conducted interviews of potential transit riders to identify barriers and rank suggested incentives. Best practice research and strategy evaluation was conducted utilizing resources from the Bloomberg American Cities Climate Challenge. Additionally, feedback was solicited through the Capital Area Council of Governments (CAPCOG)'s regional transportation demand management coordinating committee and from national experts at the Transportation Research Board.

Findings

Intercept interviews with potential transit riders were conducted to understand their barriers to taking transit and to gather insight on what incentives might persuade them to taking transit rather than driving. Since only 15 interviews were conducted, strong conclusions cannot be made but themes emerged that helped form our recommended strategies. Two key take-aways include: (1) incentives need to be tailored to specific customer segments to be effective, and (2) a discounted bundle providing access to transit, ride hailing, bike share, and scooters was the most popular incentive.

To arrive at a list of priority strategies, the working group evaluated the results from the best practice research, the intercept interviews, and the feedback from TDM experts. In addition, the strategies for consideration were evaluated for effectiveness and timeliness. Effectiveness focuses on the strategies most likely to have the highest possible impact on enhancing transit ridership and achieving mode share goals. Timeliness was considered to indicate which initiatives may be most opportune based on the level of difficulty to implement them.

Fifteen strategies surfaced for consideration. Of those, six were prioritized as recommended options based on more detailed vetting toward the resolution’s goals as well as feedback received from key city stakeholders (see table below).

Strategy Option	Overall			FY20 Funding Required	Staffing
	Impact	Difficulty	Cost		
A Transit Passes for Registered Movability Members & Focused Marketing Program	●●●●○	●●●○○	●●●○○	\$900,000	1 FTE (Movability)
B Expand Movability to Create Sub-TMAs	●●●●●	●●●●○	●●○○○	\$200,000 - \$300,000	Additional Movability Staff
C Transit Use Rewards Program	●●○○○	●●●○○	●●○○○	\$335,000	0.5 FTE (non-profit)
D Personalized “Nudge” Pilot	●●●○○	●●●●○	●●○○○	\$240,000-\$540,000	1 FTE
E Gamification and Frequent Rider Program	●●●○○	●●●●○	●●○○○	\$585,000	0.5 FTE
F Unbundle Citywide Parking	●●●●●	●●●●○	●○○○○	\$115,000	0.75 FTE

Credit on Utility Bill

Through the intercept interviews, the utility bill credit incentive was popular, but not as popular as the discounted bundle incentive. Looking more closely at the responses, those who indicated that they “never” ride the bus ranked the utility bill credit incentive highest. However, they may have more barriers to overcome than an incentive can provide (such as distance from downtown, lack of route, unacceptable ride time). For these respondents, an incentive program could only indirectly affect their desire to ride the bus and would not directly alleviate their barriers to taking transit. Discounted bundles ranked higher for those who ride a “few times a month/year”, a population more likely to move the needle on ridership if larger infrastructure barriers are not the main deterrent.

From a feasibility perspective, both the City’s Law Department and Austin Energy stated that creating such a program would be difficult to administer. Creating a rider identification system, safely integrating databases between the agencies, determining eligibility standards, and creating a bill crediting system may prove resource intensive and administratively burdensome to an extent that outweighs the benefits the incentive could provide. It would also be complicated to link transit riders to an Austin Energy account which may be listed under a family member, roommate, or landlord.

Given the feasibility concerns, along with the insights from the interviews, we determined that other strategies could achieve the same purpose (of giving monetary incentives for using transit) with lower effort.

Conclusion

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The Austin Transportation Department presented preliminary findings to the Mobility Committee on June 13, 2019. A [presentation](#) and [report](#) were submitted as back-up for the Mobility Committee. Further detail in each of the 15 strategies, as well as the evaluation process, can be found in the final report attached. ATD believes that at least one of these strategies should be considered in the FY20 budget. Therefore, ATD is including in its budget proposal for the new fiscal year funding for a transit incentive program.