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VILLAGE OF PINECREST  
Office of the Village Manager

DATE: January 3, 2023  
TO: The Honorable Mayor and Members of the Village Council  
FROM: Yocelyn Galiano, ICMA-CM, Village Manager  
RE: Transportation Service Analysis

A handwritten signature in blue ink that reads "Yocelyn Galiano".

The Florida Department of Transportation (FDOT) grant that offsets the cost of Pinecrest's On-Demand Transportation Program through a contract with Freebee is expiring on June 30, 2023. Said grant is a 50%-50% match arrangement that funds one-half of the costs associated with the service. Although the FDOT grant may be extended past the June 2023 date, at this time the Village has not secured additional program grant funding.

In anticipation of the grant's expiration, the Village Council requested a report be prepared comparing the Village's current transportation service program with possible service provision options. The analysis below reviews the current program through Freebee, reviews costs associated with other possible on-demand service providers (GO Connect and Uber), and explores an in-house option to provide the service.

## ANALYSIS

### Freebee

The Freebee service is a free, on-demand ride service that is provided with an electric vehicle fleet. The contract provides three (3) Tesla vehicles that operate Monday through Friday from 7 am to 7 pm and Saturday from 10 am to 10 pm, for a total annual cost of \$288,661 (the Village is responsible for one-half, \$144,330).



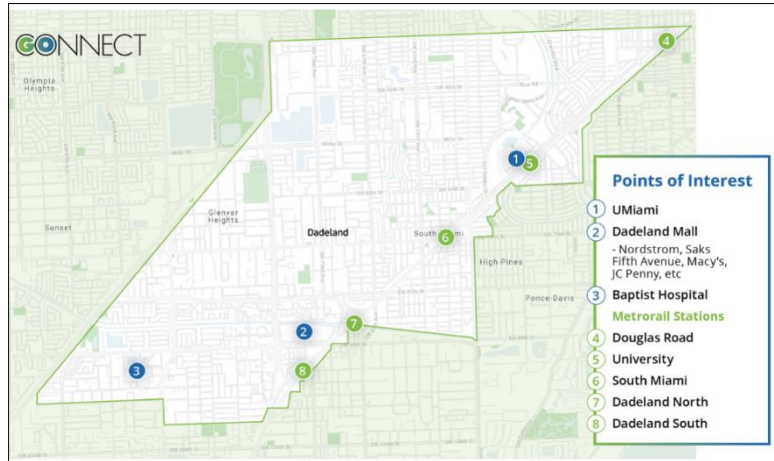
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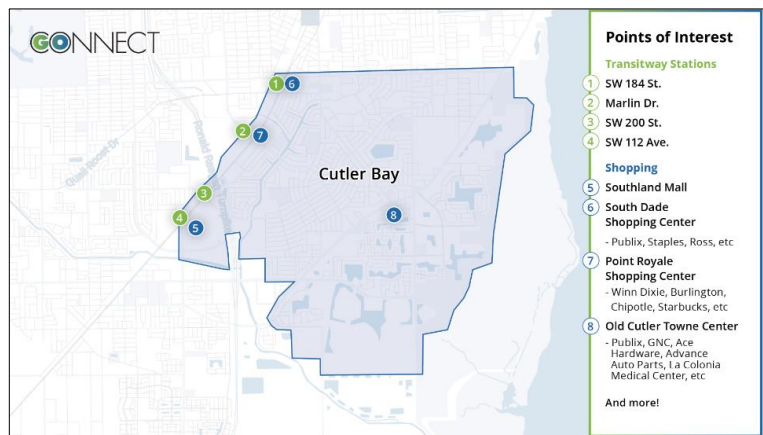
The service may be used to provide transportation throughout the Village, as well as to the Dadeland North Metrorail Station, Dadeland South Metrorail Station, Dadeland Mall and the Falls Shopping Center. Transporting approximately 3,000 people per month, the average total cost per rider over the 12-month period commencing in January 2022 through December 2022 is \$8.18.<sup>1</sup> With the FDOT 50/50 grant, the Village pays \$4.09 per rider. As a point of reference, Miami-Dade County operated its public transportation in FY22 at a total cost per boarding of \$10.67<sup>1</sup>.

### GO Connect

Miami-Dade County currently provides and funds several on-demand, transportation service areas utilizing gas powered mini vans throughout the County through a provider contract with Via. Known as the GO Connect program, the closest area to Pinecrest is the Dadeland/South Miami service area, which is bordered by Miller Drive (north boundary), Red Road (east boundary), varied (south boundary) and the Palmetto Expressway/SR 826 (west boundary). Vehicles are able to transport individuals anywhere within the service area zones including to and from the South Miami Metrorail Station, the Dadeland North Metrorail Station and the Dadeland South Metrorail Station. The hours of operation are Monday through Friday from 6:30 am to 7 pm, Saturdays from 8 am to 8 pm and Sundays from 8 am to 5 pm. Riders are charged \$2.25 per ride.



The Town of Cutler Bay contracts Miami-Dade County for its free, on-demand ride service program utilizing the GO Connect approach. This service is made possible through a partnership with the Miami-Dade County Department of Transportation and Public Works (DTPW) and Via. Like the Village's program, Cutler Bay's service is funded through a \$577,500 FDOT



<sup>1</sup> Freebee, 2022 Ridership Report.

and Miami-Dade Transportation Planning Organization grant designated by the Citizens' Independent Transportation Trust (CITT), and matched by the Town. Vehicles are able to transport individuals anywhere within Cutler Bay including to and from the four Transitway Stations. The hours of operation are Monday through Friday from 5:30 am to 8 pm. In Cutler Bay, GO Connect costs the town approximately \$12 per rider.

The Miami-Dade County Department of Transportation and Public Works (DTPW) has estimated that an on-demand service through Via could be provided for Pinecrest utilizing the similar contract approach as the Town of Cutler Bay. The program costs would be based on a \$57.50 per hour per vehicle cost.<sup>ii</sup> The GO Connect program utilizes the following two service level metrics to determine the recommended number of fleet vehicles: Maximum 15-minute wait time for pick-ups and maximum ride time of 20 minutes from start to finish. People are asked to walk a maximum of 2 minutes to a pick-up point. DTPW anticipates that in order to provide the above-mentioned level of service for Pinecrest, the Village would need to invest in 3-4 vehicles. However, for comparison purposes, the following program cost is based on 3 vehicles to match what is currently provided by the Village's on-demand transportation program through Freebee. The total program cost would be \$759,200.

### Uber

Uber provides two possible service solutions – UberX (regular service) and Uber Green. Through an Uber discount program, voucher program or trip reimbursement system, on-demand transportation services would be available within the Village, 24 hours a day, seven days a week. UberX utilizes gas vehicles and Uber Green provides only drivers that drive a fully electric or hybrid vehicle, making it the most environmentally friendly of the ride options available to Uber users – and most comparable to the existing service in terms of environmental impact.

The cities of Altamonte Springs, Lake Mary, Longwood, Maitland and Sanford participated in an inter-city pilot offering discounted Uber trips to travel between the five cities. That program serviced approximately 180,000 riders in one year. Assuming a similar interest level in the Village, it is anticipated that approximately 80,000 riders per year would take advantage of this type of offering.

While Uber is the cheapest in terms of cost per ride when compared to the other options, it would cost approximately \$80,000 per year more to fund an administrative position responsible for managing the discount or voucher program. As this service model is considered the most efficient in terms of pick-up wait times, it is likely that the Uber program approach would generate more ridership (thereby adding significantly to the program costs in the long term).

In order to determine the total voucher or reimbursement program expenditures, UberX ride costs were utilized as a baseline. Using varying trip distance mileage categories within the Village (ranging from 1.2 miles to 3.9 miles), sample distances were submitted through the Uber app across different hours of the weekday and weekend to mirror the current on-demand service hours of operation. Using an algorithm that considered median costs, the average cost per trip was determined and then multiplied by the number of rides actually requested in the Village over the study year. The total cost of the Uber option including administrative costs would be \$366,030 if provided as a free service utilizing a voucher or discount approach. If the Village were to cover 100% of the costs of the Uber rides within the Village, then it is possible to eliminate the \$80,000 per year position as the costs would be invoiced by Uber and processed through the Finance Department with existing staff. In that scenario, the program would cost \$286,029.

### In-House Program

Pinecrest can establish its own micro-transit service through a partnership opportunity called Uber Transit that would allow the Village to tap into the Uber App as its software solution for an in-house on-demand transportation service. In order to provide service Monday through Friday from 7 am to 7 pm and Saturday from 10 am to 10 pm, the Village would require three vehicles. Personnel costs would cover the cost of three full time drivers to cover 120 hours of the 216 hours of operation. The balance of 96 hours would be completed by part time drivers.

|   | Year 1          | Year 2           |
|---|-----------------|------------------|
| Personnel Costs (3 FT drivers and 3 PT) | \$307,128       | \$325,831        |
| Vehicle Insurance                       | \$ 5,400        | \$ 5,400         |
| Uber App (\$350/mth per vehicle)        | \$ 12,600       | \$ 12,600        |
| Electricity                             | \$ 9,500        | \$ 9,500         |
| Misc. Repairs & Maintenance             | <u>\$ 7,500</u> | <u>\$ 10,500</u> |
|   | \$342,128       | \$363,831        |

### Capitol Outlay

|                                      |                  |                  |
|--------------------------------------|------------------|------------------|
| Electric Vehicle Purchase (3 Teslas) | \$135,000        | \$ 0             |
| Vehicle Wrap                         | <u>\$ 4,000</u>  | <u>\$ 0</u>      |
|                                      | <u>\$481,128</u> | <u>\$363,831</u> |

If all the drivers were budgeted as part-time employees, personnel costs could be lowered to \$226,000, a program cost decrease of \$81,128. In that scenario, the annual cost of the in-house, on-demand service excluding capital outlay costs would be \$261,000 the first year.

Based on an estimated number of miles per year per vehicle of 27,000 miles per year, it is anticipated the vehicles would need to be replaced after five years. Therefore, by amortizing the vehicle capital outlay costs over a five-year period, the annual capital outlay cost would be \$27,800. Bringing the total program costs including capital outlay to \$288,800 the first year.

## SUMMARY

The Village receives a share of the one-half cent sales tax, known as the People's Transportation Tax, to be used for transportation services. The surtax proceeds shall only be used for transportation expenses with the following stipulations:

- Each municipality shall apply 20% of its share of surtax proceeds towards transit, such as bus service, bus pullout bays, shelters, and any other transit-related infrastructure. Any municipality that cannot apply the 20% portion of surtax proceeds it receives may contract with the County via the Citizen's Independent Transportation Trust (CITT) for the County to apply such proceeds on a County project that enhances traffic mobility within the city and immediately adjacent areas.
- If the Village cannot expend such proceeds in accordance with the established criteria, proceeds shall be carried over and added to the overall portion of the surtax proceeds to be distributed to the cities in the ensuing year and shall be utilized solely for the transit uses enumerated herein.
- Municipalities shall not expend more than 5% of their share of surtax proceeds on administrative costs, exclusive of project management and oversight for projects funded by the surtax.

The Village receives a total of \$1,169,531 in revenues from the Municipal Transportation Surtax. The 20% set aside that must be utilized for transit represents \$233,906, with the balance of tax receipts in the amount of \$935,625, which may be used for miscellaneous transportation projects including capital improvements. Currently, the Pinecrest People Mover program that provides three buses with circulator routes costs \$253,180 (roughly \$20,000 above the aforementioned 20% transit use threshold).

The existing on-demand service through Freebee costs \$288,661 (half of which is paid by the FDOT grant) and the other out of the \$935,625 balance in the CITT Fund. Assuming the Village is unable to secure another FDOT grant to fund a portion of the on-demand service, Pinecrest would need to pay for any ongoing program from this source of revenue and specifically out of the \$935,625 balance.

Based on the analysis above three options: Freebee, Uber and In-House options are comparable in terms of cost, with a slight savings (\$27,661) if brought in-house with a part-time driver approach. However, the capital outlay cost would result in the expenditure on Year 1 of \$139,000 for the purchase of the vehicles. If amortized over five years, the in-house option is practically identical to the Freebee service. The GO Connect option through Miami-Dade County would not provide any improvement in terms of financial savings. Exhibit A provides the breakdown of costs for each option.

Both the Freebee and In-House options provide opportunities to brand the vehicles as a Pinecrest transit initiative and more control over the customer service aspect of the program.

In terms of emissions reduction, the Freebee, Uber Green and In-House options are the preferred options.

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<sup>i</sup> This number combines all modalities (Metrorail, Metromover, Metrobus, and STS paratransit service), and shows us that Freebee performs at the cheapest per passenger rate amongst all the various options. Source: NTD Facts at a Glance for FY22.

<sup>ii</sup> Source: Miami-Dade County Department of Transportation and Public Works, Jarice Rodriguez, Transportation Research Manager, Office of Innovation & Mobility Services, March 7, 2023.

On-Demand Transportation Service  
 Provider Cost Comparison

Exhibit A

|        | Freebee            |            |              | GO Connect         |            |              | Rate per Passenger | Uber       |             |              | Pinecrest Ridership |
|--------|--------------------|------------|--------------|--------------------|------------|--------------|--------------------|------------|-------------|--------------|---------------------|
|        | Rate per Passenger | Daily Rate | Monthly Rate | Rate per Passenger | Daily Rate | Monthly Rate |                    | Daily Rate | Weekly Rate | Monthly Rate |                     |
| Jan-22 | \$10.55            | \$775.97   | \$24,055.13  | \$28.28            | \$2,080.00 | \$64,480.00  | \$7.46             | \$548.34   | \$3,838.40  | \$16,998.54  | 2,280               |
| Feb-22 | \$8.41             | \$859.11   | \$24,055.13  | \$20.36            | \$2,080.00 | \$58,240.00  | \$6.65             | \$679.52   | \$4,756.66  | \$19,026.56  | 2,860               |
| Mar-22 | \$7.86             | \$775.97   | \$24,055.13  | \$21.07            | \$2,080.00 | \$64,480.00  | \$7.43             | \$757.55   | \$5,302.82  | \$22,726.50  | 3,060               |
| Apr-22 | \$7.95             | \$801.84   | \$24,055.13  | \$17.33            | \$2,080.00 | \$62,400.00  | \$7.78             | \$784.28   | \$5,489.96  | \$23,528.40  | 3,024               |
| May-22 | \$8.30             | \$775.97   | \$24,055.13  | \$22.25            | \$2,080.00 | \$64,480.00  | \$8.33             | \$779.00   | \$5,452.97  | \$24,149.00  | 2,898               |
| Jun-22 | \$7.28             | \$801.84   | \$24,055.13  | \$19.51            | \$2,080.00 | \$64,480.00  | \$7.92             | \$872.25   | \$6,105.76  | \$26,167.50  | 3,305               |
| Jul-22 | \$7.61             | \$775.97   | \$24,055.13  | \$19.75            | \$2,080.00 | \$62,400.00  | \$8.36             | \$852.05   | \$5,964.32  | \$26,419.75  | 3,160               |
| Aug-22 | \$6.89             | \$775.97   | \$24,055.13  | \$15.60            | \$2,080.00 | \$64,480.00  | \$8.33             | \$938.77   | \$6,571.41  | \$29,101.87  | 3,492               |
| Sep-22 | \$8.07             | \$801.84   | \$24,055.13  | \$20.95            | \$2,080.00 | \$62,400.00  | \$8.25             | \$818.78   | \$5,731.49  | \$24,563.40  | 2,979               |
| Oct-22 | \$8.02             | \$775.97   | \$24,055.13  | \$21.49            | \$2,080.00 | \$64,480.00  | \$8.55             | \$827.18   | \$5,790.24  | \$25,642.58  | 3,000               |
| Nov-22 | \$8.26             | \$801.84   | \$24,055.13  | \$21.42            | \$2,080.00 | \$62,400.00  | \$8.48             | \$823.45   | \$5,764.13  | \$24,703.50  | 2,913               |
| Dec-22 | \$8.96             | \$775.97   | \$24,055.13  | \$24.02            | \$2,080.00 | \$64,480.00  | \$8.57             | \$742.00   | \$5,194.03  | \$23,002.00  | 2,685               |
|        |                    |            | \$288,661.56 |                    |            | \$759,200.00 |                    |            |             | \$286,029.60 |                     |