



**Department:** Public Works  
**Cost Center:** 5201  
**For Agenda of:** 2/25/2025  
**Placement:** Public Hearing  
**Estimated Time:** 90 Minutes

**FROM:** Matt Horn, Public Works Director  
**Prepared By:** Alex Fuchs, Mobility Services Business Manager

**SUBJECT:** REVIEW ADMINISTRATIVE DRAFT OF SLO TRANSIT'S SHORT-RANGE TRANSIT PLAN

## RECOMMENDATION

1. Receive and provide feedback on the administrative draft of SLO Transit's Short-Range Transit Plan; and
2. Direct staff to make any necessary changes to the Short-Range Transit Plan and return on April 15, 2025, with a final draft of the plan for adoption.

## POLICY CONTEXT

Federal statutes require that the San Luis Obispo Council of Governments (SLOCOG) develop and periodically update a long-range Regional Transportation Plan (RTP) and a Transportation Improvement Plan. The Transportation Improvement Plan is referred to in the San Luis Obispo region as the Federal Transportation Improvement Plan (FTIP). The FTIP implements the RTP through the programming of federal funds to transportation projects identified in the RTP. SLOCOG requires each transit agency receiving federal funding through the FTIP to prepare and adopt a Short-Range Transit Plan (SRTP) every five years.

Policy 3.1.2 (City Bus Service) of the City's General Plan Circulation Element states that the City will improve and expand bus service to make the system more convenient and accessible for everyone. The policy also states that the City will attempt to maintain and improve all transit standards identified in the City's SRTP. Program 3.2.1 (Transit Plans) of the City's General Plan Circulation Element states that the City will continue to implement the SRTP and coordinate with SLOCOG on implementing the RTP.

Program 3.2.3 (Commuter Bus Service) of the City's General Plan Circulation Element states that the City will work with the San Luis Obispo Regional Transit Authority (RTA) to maintain and expand commuter bus service to and from the City of San Luis Obispo during peak commute periods consistent with the SRTP and the RTP.

## REPORT-IN-BRIEF

Every five years, the City is required to complete an update to its Short-Range Transit Plan (SRTP). The SRTP serves as SLO Transit's business plan for the five-year period and provides operating and capital project recommendations to help achieve the City's transportation goals. The City and San Luis Obispo Regional Transit Authority (RTA) kicked off a joint SRTP update in September 2023. The update is nearing completion with the preparation of SLO Transit's administrative draft of the plan.

Development of the draft plan was done through a series of eight Working Papers, which set goals, objectives and standards, and evaluated and analyzed the existing and alternative systems, including financial projections and capital needs. The City Council reviewed and provided input and direction to staff on Working Papers 1-4 at the July 16, 2024 Council study session. This report includes an Addendum to Working Paper 4 based on Council's direction in July 2024 as well as a summary of Working Papers 5 through 8. Ultimately, these Working Papers were compiled into the administrative draft of the Short-Range Transit Plan, included with this report as Attachment A.

Community engagement was conducted throughout the 18-month planning process through in-person and online surveys, stakeholder and community workshops, public meetings—including advisory body and Council meetings—and targeted outreach to connect with those most affected and reliant on public transportation. Public input gathered through engagement efforts has been considered and integrated throughout the draft plan.

Draft SRTP Recommendations include the following elements. A summary of each recommendation and the associated operational and capital impacts are presented in Chapter 11 – Service Plan – of the draft plan.

### **Service Changes**

#### FY 2025-26

- Reinstate services to pre-pandemic levels
- Increase Routes 4A/B service frequency<sup>1</sup>
- Revise Routes 2A/B to serve San Luis Ranch and to reduce headways<sup>2</sup> to 45-minutes

#### FY 2026-27

- Provide academic service year-round
- Operate B Routes on weekends

#### FY 2027-28

- New direct route to serve Avila Ranch development
- Microtransit pilot program to supplement evening service

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<sup>1</sup> Route A - Add two runs in the morning. Route B – Add two runs in the afternoon

<sup>2</sup> The amount of time between buses traveling in the same direction on a given route

**Fares and Programs**

- Maintain existing fare and pass rate structure
- Eliminate 5-Day and 7-Day pass options
- Expand the Downtown Access Pass program geographic boundaries

Staff is recommending Council review the draft plan and provide direction as to which service, fare, and program changes should be incorporated into the plan and direct staff to return at the April 15, 2025 meeting with a final draft of the plan for Council adoption.

**DISCUSSION**

**Background**

The previous SRTP was adopted in September 2016 and provided capital and operational recommendations for fiscal years 2016-17 through 2020-21. Multiple recommendations from the 2016 SRTP were implemented by the City, including implementation of the bi-directional fixed route system, creation of the Laguna Tripper service, later service on weekdays during the academic year, and an increase in pass and fare rates. The current SRTP update was scheduled to begin in 2020, but was delayed due to the pandemic and staff turnover in the City’s Transit program.

In June 2023, RTA released a Request for Proposals (RFP) for a joint SRTP update for RTA and for SLO Transit. In September 2023, RTA executed an agreement with LSC Transportation Consultants, Inc. (LSC) for the joint SRTP update which would result in two separate (although coordinated) planning documents – one SRTP per agency. LSC’s approach to the work includes development of eight Working Papers that were then compiled into a draft plan for each agency. Table 1 lists which draft plan sections are associated with the Working Papers produced throughout the plan update process.

**Table 1 - Draft Plan Section and Associated Working Paper**

<b>Draft Plan Section</b>	<b>Associated Working Paper</b>
Chapters 2 and 3	1 – Overview of Transit Services
Chapter 4	2 – Goals, Objectives, and Standards
Chapters 5 and 6	3 – Service and System Evaluation
Chapter 7	4 – Service Alternatives Analysis
Chapter 8	7 – Capital Improvement Plans
Chapters 9 and 10	5 – Financial Alternatives and Projections
Appendix G	8 – Joint Coordination Opportunities
Appendix H	6 – Marketing Plans

At a City Council Study Session held on July 16, 2024<sup>3</sup>, staff presented the progress to date on the SRTP update including a summary review of Working Papers 1, 2, 3, and 4. Council provided the following feedback and directed staff to evaluate additional service alternatives as summarized below.

<sup>3</sup> [Item 8a. Study Session - SLO Transit Short-Range Transit Plan Update](#)

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- Supportive of increased service on the 4A/B with an interest in increasing service on all 'A' routes
- Analyze a new route connecting Broad and Higuera along Tank Farm
- Analyze service to the San Luis Ranch and Avila Ranch developments
- Not supportive of realigning routes 1 and 3 if that means an elimination of services (Note: Following this direction, the realigning of routes 1 and 3 alternative was not further evaluated nor included in the draft plan)
- Supportive of funding mid-life rebuilds of existing buses to extend their useful life
- Include year-round service in advance of Cal Poly's shift to semester system

Council also included direction to staff to conduct targeted outreach if route realignments would result in elimination of services to areas currently served. Although the final recommendations do not include realignments that would eliminate service, staff did conduct further outreach with a focus on engaging disadvantaged communities. A summary of this outreach is discussed in the Public Engagement section of this report.

Since the July 2024 Study Session, LSC produced an addendum to Working Paper 4 (Attachment B) analyzing the additional service alternatives as well as the remaining Working Papers 5, 6, 7, and 8. Drafts of these documents were reviewed by City staff, RTA staff, SLOCOG staff, and members of the City's Mass Transportation Committee (MTC) and of RTA's Regional Transit Advisory Committee (RTAC). Comments received from the reviewers have been incorporated into revised Working Papers and are reflected in the administrative draft plan.

A summary of the additional service alternatives analyzed in the Addendum to Working Paper 4 as well as a summary of key information analyzed in the remaining Working Papers is discussed below and referenced by the applicable draft plan chapter as shown in Table 1, followed by the recommendations included in the draft plan.

### **Summary of Addendum to Working Paper 4 – Additional Service Alternatives Analysis**

Addendum to Working Paper 4 provides an analysis of additional service alternatives as directed by Council during the July 2024 Study Session. The contents of the Addendum are included in Chapter 7 of the draft plan along with the alternatives analysis presented in Working Paper 4. The service alternatives include options to better serve two new developments (San Luis Ranch and Avila Ranch) in the southern portion of San Luis Obispo as well as potential for a new route connecting Broad Street and Higuera Street along Tank Farm Road.

#### *Option 1: Revise Routes 2A/B to Serve San Luis Ranch*

To better serve the San Luis Ranch development, Routes 2A and 2B could be revised to travel along Froom Ranch Way between Dalidio Drive and Los Osos Valley Road, rather than Madonna Road (see Figure 1 below). This would eliminate Route 2 service to the stops near Madonna/Oceanaire. However, these stops would continue to be served by Route 3 (which currently accounts for 88 percent of the ridership at these stops).

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It is important to note that Route 2 currently operates with a poor on-time performance and revising the route as described above would require an increase to the route cycle time from 60 to 90 minutes. This option would not change the annual vehicle hours<sup>4</sup> used for Route 2 service, would result in a net decrease in mileage, and would reduce operating costs by \$61,500 per year. However, a 90-minute service frequency is typically considered a poor level of service for urban transit systems.

Alternatively, with the addition of two more buses while keeping a 90 minute cycle time, this revised route could provide service every 45 minutes. This would avoid a reduction in ridership associated with the change in headways and provide greater opportunity for connections at the Transit Center. Ridership is estimated to increase by 65,000 boardings per year; however, the annual operating cost would increase substantially by \$462,600 and require two additional buses be put into service.

While further analysis would be necessary to confirm its feasibility, a 90 minute cycle time on this route could allow for services to be provided along Margarita Avenue without affecting on-time performance. This presents a significant opportunity, as community input during the engagement process highlighted the need for service to the Margarita Area, particularly to its low-income housing developments.

### *Option 1-A: Revise Routes 2A/B to Serve San Luis Ranch and Avila Ranch*

If Route 2 is revised to serve San Luis Ranch as described above, a 90 minute cycle length could provide adequate time to further extend the route to serve Avila Ranch without impacting on-time performance. In this alternative, both Routes 2A and 2B would serve a clockwise loop around Suburban Road, Eastwood Lane, the extension of Ventura Drive, the extension of Horizon Lane, and Buckley Road and before returning north on South Higuera Street (see Figure 1 below).

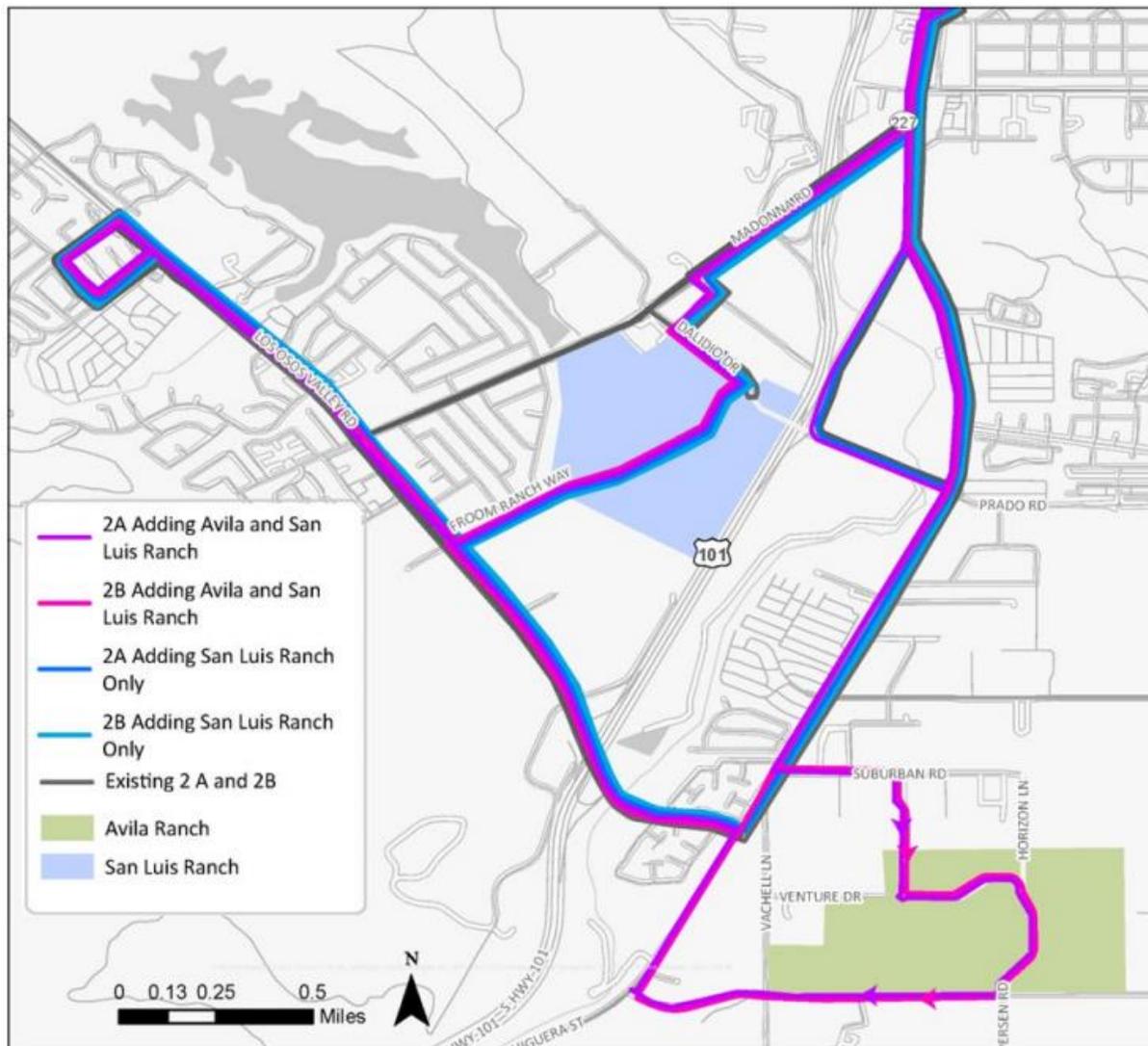
Serving both San Luis Ranch and Avila Ranch on this revised Route 2 at 90 minute headways would operate the same number of vehicle-hours of service as today, but the fewer runs and longer routes would reduce annual vehicle-miles by 14,300 and reduce annual operating cost by \$31,900. The net impact on ridership generated would be an estimated increase of 21,000 boardings per year due to the expanded service area; however, the 90 minute headway would be considered a poor level of service.

Serving both San Luis Ranch and Avila Ranch at 45 minute headways (with the use of two additional buses as mentioned above) could increase ridership by a substantial 80,000 boardings per year. This option would also increase annual operating costs by \$514,700, in addition to the initial capital costs for the two additional buses.

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<sup>4</sup> Non-fixed costs of operating services are based on vehicle hours of service. Increasing vehicle hours directly increases SLO Transit's annual operating costs. Vehicle hours is also used to measure system efficiency and productivity.

Figure 1 – Option 1 and 1-A: Routes 2A/B Options to Serve New Developments



*Option 2: Establish New Direct Route to Serve Avila Ranch*

Another option would be to establish a new route specifically to serve Avila Ranch. This route would use the existing Route 2 alignment downtown along South Higuera Street and make a clockwise loop around Suburban Road, Eastwood Lane, the extension of Ventura Drive, the extension of Horizon Lane, Buckley Road, and Vachell Lane before returning north on South Higuera Street (see Figure 2 below). This route is 8.8 miles in length and can be reliably served every 60 minutes.

In addition to providing service to Avila Ranch, this option has the benefit of doubling service along the South Higuera Street corridor which has substantial ridership (roughly 2.5 times the ridership compared to the Broad Street corridor along Routes 1A/1B). Additionally, this route could serve the Elks Lane/Prado Road loop off South Higuera Street currently served only in the southbound direction by Route 2A, thereby reducing running time and improving the on-time performance of Route 2A. Note that serving this

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loop in the northbound direction is contingent on the construction of a traffic signal installed at Elks Lane/South Higuera Street to allow buses to reliably turn left onto South Higuera Street. Construction of this signal is currently included in the South Higuera Complete Streets project planned for construction FY 2026-27.

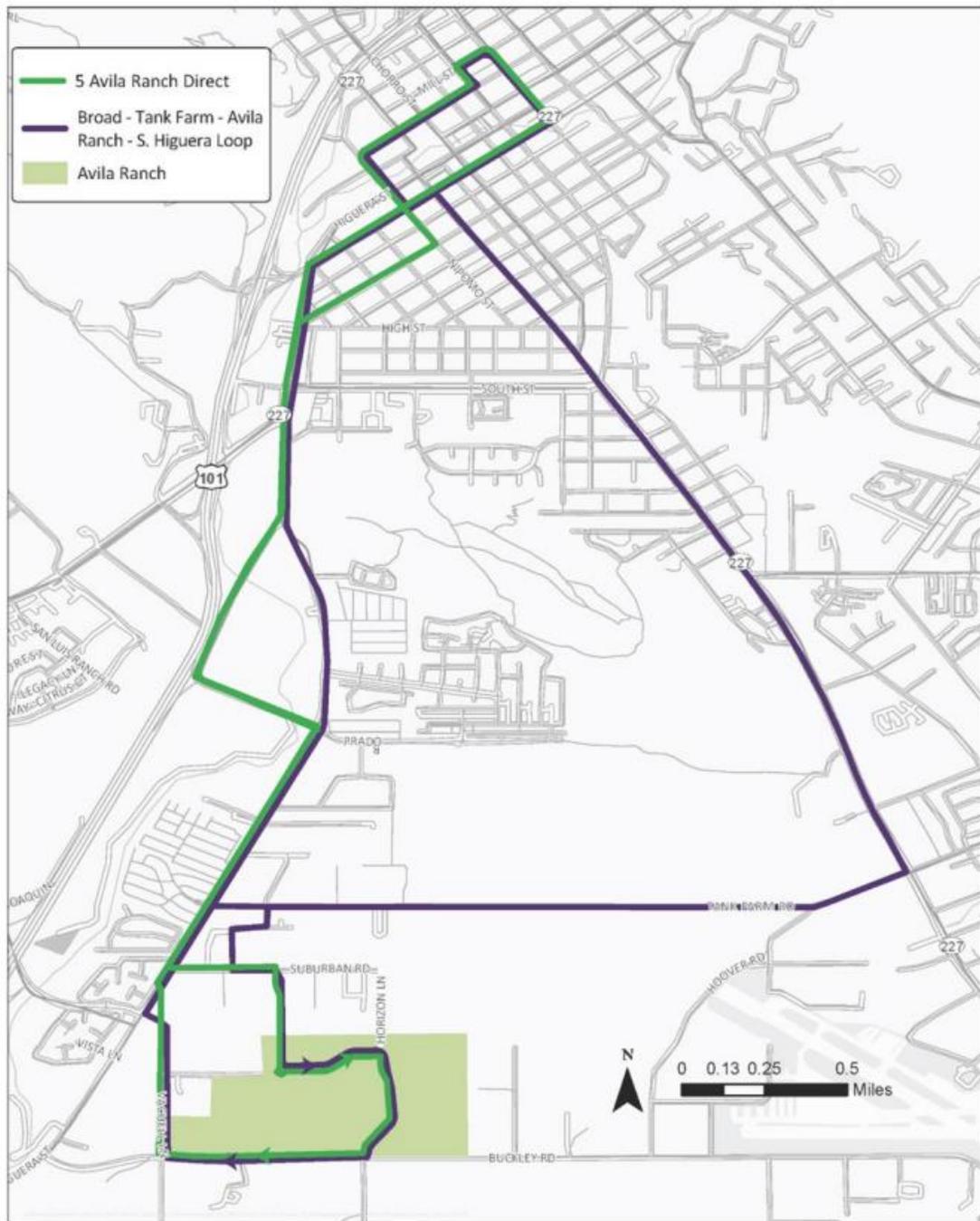
This option has the benefit of only requiring a single additional bus be put into service. Assuming service would operate at the same time as Route 2, annual operating costs would be increased by \$375,900, while ridership would be increased by 34,800 boardings per year.

### *Option 3: Establish New Loop Route to Serve Avila Ranch and Broad Street via Tank Farm Road*

A final option would be to create a large bi-directional route using Broad Street between the Transit Center and Tank Farm Road, Tank Farm Road, Long Street, Cross Street, and Short Street to access the Avila Ranch area and South Higuera Street to the Transit Center (see Figure 2 below). This route is 10.4 miles long and would operate on a 60-minute cycle.

It is assumed that one direction of the new route would operate at the same time as Route 2A and the other direction of the route would operate at the same time as Route 2B, resulting in an annual operating cost of \$616,400. Two additional buses would need to be put into service to operate the new loop route. Ridership would be generated by providing half-hourly service between existing routes and this new route along both the Broad Street and South Higuera Street corridors and by serving Avila Ranch. Overall, ridership is forecast to increase by 53,000 boardings per year.

Figure 2 – Option 2 and 3: New Route Options to Serve Avila Ranch



### *Performance Analysis and Recommendations*

LSC analyzed the performance of the additional service alternatives using the performance standards identified in Working Paper 2 (passenger-trips per vehicle service hour and operating cost per passenger-trip). All these alternatives meet the cost-effectiveness standard except for the new loop route that would serve Avila Ranch across Tank Farm Road (Option 3). Based on the analysis, the following alternatives are included in the draft SRTP recommendations.

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- Revise Routes 2A/2B to serve San Luis Ranch, extend the cycle length to 90 minutes, and increase frequency to 45-minutes headways
  - Doing so would provide service along Froom Ranch Way, address the on-time performance issues currently observed on Route 2A/B, and increase service frequency from 60 minutes (currently) to 45 minutes. This alternative would increase operating costs by \$462,600 annually and require two additional buses be put into service.
- Establish new direct route to serve Avila Ranch
  - This alternative provides necessary service to Avila Ranch and would double service along the South Higuera Street corridor. This alternative would increase operating costs by \$375,900 annually and require one additional bus to be put into service.

### Chapter 8 – Capital Improvement Plans

Chapter 8 of the draft plan focuses on the capital items needed to operate transit services and to implement the service recommendations included in the draft plan. During the July 2024 Study Session, Council expressed support for mid-life refurbishments of existing diesel-powered vehicles to allow for the expansion of services. Budgeting for both mid-life refurbishments as well as replacement of vehicles with zero-emission equivalents is included in the analysis.

#### *Fleet Replacement and Refurbishment*

SLO Transit is actively replacing buses and has committed fully to purchasing only battery electric buses (BEBs) with the adoption of SLO Transit's Zero Emission Bus Rollout Plan in March 2024. There is an order of six BEB buses anticipated to be delivered in the Fall of 2025 and an order of two additional BEBs that are anticipated to be delivered in the Summer of 2026. Two BEBs were purchased in 2022 and have since been put into service.

SLO Transit currently has 19 fleet vehicles that range in age from 2 to 17 years old including one replica trolley and a double-decker bus. The trolley and double-decker are not included when analyzing vehicles needed to meet service levels because they are specialized vehicles with a more limited functionality. Eleven vehicles are currently used to meet existing service levels. The remaining vehicles in SLO Transit's fleet are used as spares when vehicles need to be pulled from service for unanticipated issues like flat tires.

The recommendations of the draft plan will require five more buses be put into service by the end of the planning period. Table 2 shows the current fleet inventory, the vehicles needed to implement the plan's service recommendations, and future fleet inventory if all service changes are implemented. It is anticipated that, through a combination of the buses already on order and refurbishment of existing buses, that the recommended service changes can be implemented without the need for additional bus purchases.

Table 2 - Fleet Needs for Recommended Service Changes

Vehicle Type	Existing Fleet	Needed for Service Recommendations	Planned Refurbishments	Future Fleet
Fixed-Route Buses	17	5	5	22
Double-Decker	1	0	1	1
Replica Trolley	1	0	0	1
<b>Total</b>	<b>19</b>	<b>5</b>	<b>6</b>	<b>24</b>

A mixture of new zero-emission vehicles and the refurbishment of diesel-powered vehicles also allows for a smoother transition to battery electric buses while charging infrastructure is being built out. The draft plan does also include the replacement of the replica trolley with a battery electric equivalent since it is well beyond its useful life.

Additional service vehicles require additional personnel to operate them. Staff estimates that an additional ten to twelve drivers, one additional road supervisor, and one to two additional maintenance technicians will be needed to operate all the recommended services changes. Costs associated with the additional personnel are included in the service alternatives analysis and is factored into the financial plan forecasts of the draft plan.

Note, that the future fleet needs do not include vehicles needed to implement a pilot Microtransit program since the recommendation is to contract for a “turnkey” service whereby a third-party would provide the staff, vehicles, and software needed to operate the program. The plan does include capital costs for the purchase of Microtransit vehicles should the City choose to manage the program and/or make the program permanent.

#### *Electric Charging Infrastructure*

The City of SLO recently completed an electric charging infrastructure improvement project at the operations and maintenance facility. As of now, there are two charging stations that meet the needs of the two BEBs in service. The City has received over \$1 million in state and federal funding to expand charging infrastructure for the eight BEBs on order, and completion of this project is anticipated for October 2025. Additional charging infrastructure will be purchased and installed to coincide with future BEB procurements.

The City is also working on a multi-site solar panel project which includes installation of panels at the bus yard to offset daytime facility use. The project includes the installation of three solar arrays over the newly improved bus parking and maintenance area totaling 17,000 square feet of coverage. Completion of this project is anticipated for Spring 2026.

#### *Passenger Facilities*

SLO Transit serves 166 bus stops within San Luis Obispo and the nearby Cal Poly Campus. Of these stops, 50 have shelters and 111 have benches. Solar lights are installed at 23 stops and electronic, real-time schedule signs are installed at 3 stops. Almost all the SLO Transit bus stops have one or more information kiosks. The two largest SLO Transit bus stops are the Downtown transit center and the Cal Poly Kennedy Library.

During the On-Board Survey effort which took place October 23rd through October 27th, 2023, surveyors recorded passengers getting on and off SLO Transit fixed routes. (Note that the on-board survey received 427 valid responses, which is a statistically significant sample size, given that it is around 20 percent of average daily ridership.) Stops with over 10 estimated daily boardings were then cross-referenced with the City's bus stop amenity inventory to identify stops with 10 or more boardings and no bench, or 25 or more boardings and no shelter. The City's Engineering Standards set forth thresholds as to when certain bus stop amenities should be included based on estimated daily boardings.

There were two stops served that had 10 or more boardings and no bench. There were six stops that had 25 or more boardings but no shelter and only four of these six had a bench. At some locations, the necessary right-of-way for enhanced bus stop amenities is lacking, but the Transit Fund budgets \$90,000 annually for bus stop maintenance and improvements through which these bus bench and bus shelter installations will be addressed over time.

### **Chapter 9 – SLO Transit Financial Conditions**

Chapter 9 of the draft plan presents existing financial conditions and forecasts based on current service levels. This information provides a baseline to which recommendations for operational and capital expenses were applied in the financial projections detailed in Chapter 11.

#### *Operating and Capital Forecasts*

Fiscal year (FY) 2025-26 is the first year of the SRTP's seven-year planning period. Operating costs are projected to be \$5.7 million with \$2.6 million of this amount representing fixed costs<sup>5</sup>. These operating costs are consistent with the FY 2024-25 Supplemental Budget adopted by Council in June 2024. Operating costs forecasted for FY 2026-27 and beyond include a three percent inflator to account for increases in service and supply costs.

Operating revenues for FY 2025-26 are also based on the FY 2024-25 Supplemental Budget; however, annual inflators for out-years are based on historical growth and SLOCOG population growth projections. As presented, there is sufficient operating revenue available throughout the SRTP planning period, if existing service levels were maintained.

Capital revenues and expenditures are presented in more detail in Chapter 8 of the draft plan but are also shown here to provide an overall picture of SLO Transit's operating and capital needs. These figures are also based on the FY 2024-25 Supplemental Budget as well as SLOCOG forecasts for federal and state funding.

It is important to note that the Federal Transit Administration (FTA) Section 5307 formula funds shown as both operating and capital revenues are typically split between the City and RTA for the San Luis Obispo Urbanized Area. The funds are split based on each agency's operating needs and capital projects programmed in the FTIP. The amounts presented are for budgeting purposes only and may not be realized.

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<sup>5</sup> Operating costs that do not increase if service levels increase

## Chapter 10 – Fare Alternatives

Chapter 10 discusses SLO Transit's fare structure and compares it against peer agencies. Chapter 10 also provides an analysis of potential impacts of expanding the Downtown Access Pass program and of new fare technology implementation; both of which are recommended by the Transit Innovation Study.

### *Fare Structure and Peer Review*

SLO Transit's regular one-way fares are \$1.50 and discounted fares are \$0.75 for seniors, persons with disabilities, and K-12 students. SLO Transit also offers a myriad of pass options including multi-day (1-Day, 3-Day, 5-Day, 7-Day, 31-Day) and multi-ride (15-Ride, 16-Ride) passes. 31-Day and multi-ride passes are also offered at a discounted rate. SLO Transit also offers a Downtown Access Pass (DAP) program allowing any person who works in the downtown area to ride SLO Transit at no cost. The program is subsidized by the City's Parking Fund up to \$20,000 annually.

The agencies<sup>6</sup> used for the peer review are the same as those used in Working Paper 2 to compare against SLO Transit's performance standards, as well as two additional agencies (Terre Haute, IN and Billings, MT) to provide a more robust comparison. As shown in Table 3, the peer review suggests that SLO Transit's fares are in line with other agencies of similar size and service levels.

**Table 3 - SLO Transit Fare Rates Compared to Peer Agency Averages**

Fare and Pass Type	Peer Agency (Average)	SLO Transit
One-Way Fare	\$ 1.44	\$ 1.50
Discounted One-Way Fare	\$ 0.75	\$ 0.75
One-Day Pass	\$ 3.25	\$ 3.25
31-Day Pass	\$ 37.75	\$ 40.00

A fare increase, though beneficial from a revenue standpoint, is not recommended. The review does, however, highlight the variety of pass types offered by SLO Transit. Having too many pass options can be confusing to passengers as well as complicate the accounting process. Less than one percent of boardings in FY 2022-23 were made with a 5-Day and 7-Day pass. The plan recommends eliminating the 5-Day and 7-Day pass options.

### *Downtown Access Pass Program Expansion*

The Transit Innovation Study, finalized in early 2024, identified several areas for potential expansion of the Downtown Access Pass (DAP) program area to the south and east of the existing boundary.

<sup>6</sup> Bloomington-Normal, IL; Pocatello, ID; Bowling Green, KY; Flagstaff, AZ; St. Cloud MN; and Pueblo, CO

Assuming employees of the expanded area make use of the free pass program at the same rate as those in the existing DAP area, expanding the area would add approximately 800 new passenger trips per year. The additional passes would cost approximately \$2,800 annually.

The existing DAP passes are funded through the Parking Enterprise Fund up to \$20,000 annually. This funding is sufficient to cover costs of current DAP passes and as well as the expansion area. The draft SRTP, therefore, recommends expanding the DAP program to include these areas.

**Appendix G – Joint Coordination Opportunities**

Appendix G presents the contents of Working Paper 8 which focuses on opportunities to better coordinate SLO Transit’s and RTA’s services and administrative activities including inter-system transfers, joint procurement opportunities, and shared facilities. Appendix G is included as Attachment C to this report. The following section highlights the need for a joint transit facility that can accommodate future service expansions for both agencies and improve inter-system transfers.

*Joint Transit Facility*

In 2012, the Coordinated Downtown San Luis Obispo Transit Center Study envisioned a joint transit facility consisting of up to 16 bus bays, indoor/outdoor passenger waiting areas, driver break areas, restrooms, and a transit information counter. Figure 3 shows the preferred site plan for the coordinated transit center which was supported by Council in 2011-12. The transit center would allow for more buses at one time which would enhance route timing coordination. In 2017, City Council adopted the Downtown Concept Plan which also envisions a relocated transit center on Higuera Street between Santa Rosa Street and Toro Street.

**Figure 3 - 2012 Coordinated Transit Center Study Preferred Site Plan**



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In November of 2023, City Council approved the purchase of the property at 1166 Higuera Street located on the northwest corner of Higuera Street and Toro Street. This is one of the properties identified in the 2012 Coordinated Downtown San Luis Obispo Transit Center Study that would need to be acquired for the transit center. Currently, the property is used as a public parking lot operated by the City's Parking Services program. It is recommended that RTA, the City, and SLOCOG resume project development for a consolidated transit center.

### **Draft SRTP Recommendations**

Based on the performance analysis, community feedback, financial projections, and direction received at the July 2024 Council Study Session, below is a list of service recommendations by implementation year as well as fare and program recommendations included in the draft SRTP. Figure 4 shows the same service changes and timing of when they would occur overlaid on top of SLO Transit's existing service system map.

### **Service Changes**

#### FY 2025-26

- Reinstate services to pre-pandemic levels
- Increase Routes 4A/B service frequency
- Revise Routes 2A/B to serve San Luis Ranch and reduce headways to 45-minutes

#### FY 2026-27

- Provide academic service year-round
- Operate B Routes on weekends

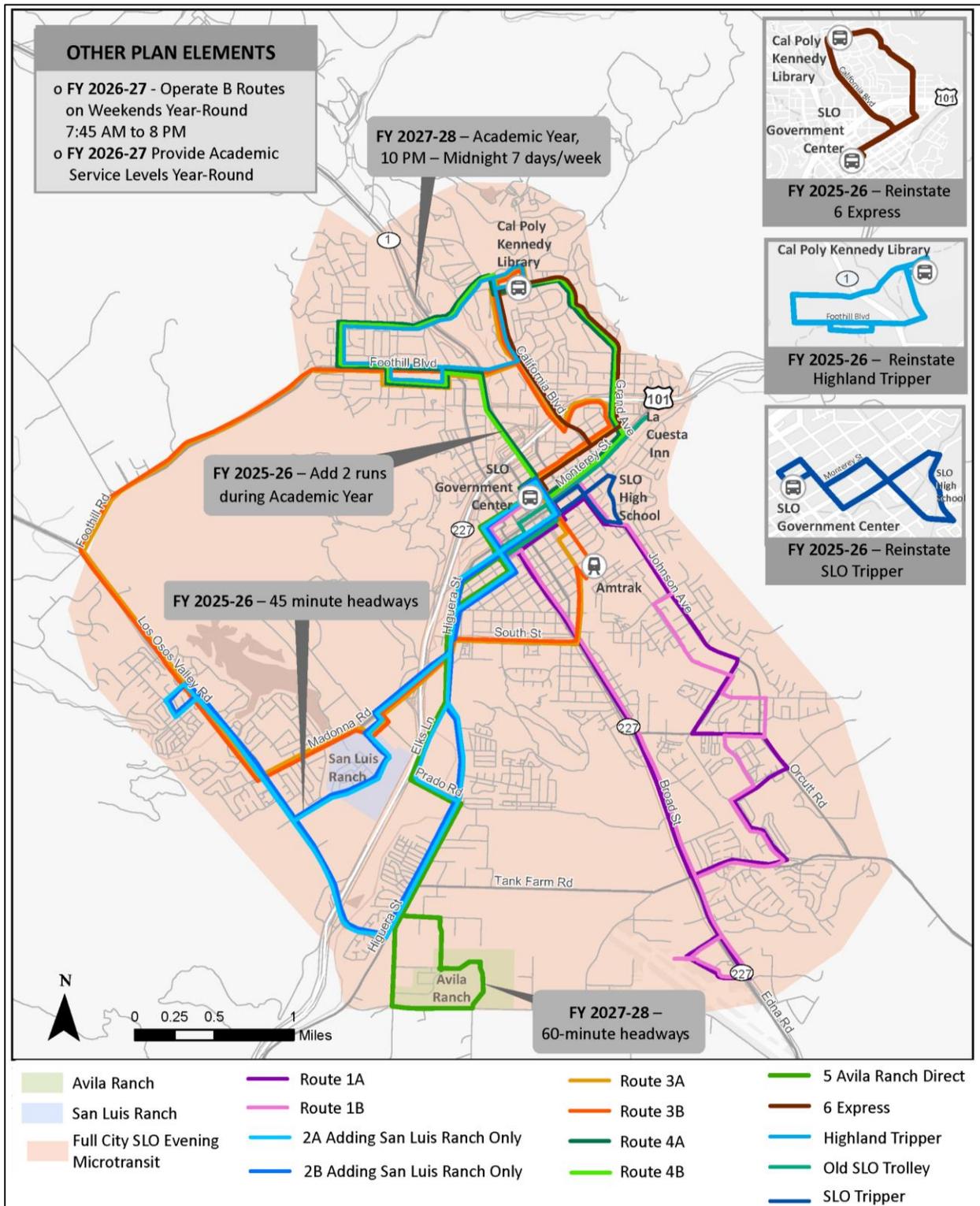
#### FY 2027-28

- New direct route to serve Avila Ranch development
- Microtransit pilot program to supplement evening service

### **Fares and Programs**

- Maintain existing fare and pass rate structure
- Eliminate 5-Day and 7-Day pass options
- Expand the Downtown Access Pass program geographic boundaries

Figure 4 – Service Change Recommendations Map



### **Next Steps**

Staff will work with LSC to integrate the Council's feedback into the draft plan and present a final version for adoption on April 15, 2025. The recommendations from the final plan will also help define the scope of work for a Request for Proposals (RFP) for new Transit Operations and Maintenance Services, as the current agreement is set to expire at the end of this fiscal year. Staff plans to bring this RFP to Council for review and approval on the same April 15th date. Additional operational and capital changes needed to implement the SRTP will be incorporated into the 2025-27 Financial Plan and will inform future financial planning processes.

### **Previous Council and Advisory Body Action**

1. January 8, 2025 – The MTC voted in favor of recommending to Council the inclusion of the recommended changes as presented in this report with two adjustments.
2. July 16, 2024 – Council received a presentation on the progress of SLO Transit's Short-Range Transit Plan update and provided direction regarding which service alternatives to incorporate into the plan update.
3. January 23, 2024 – Council received and filed Transit Innovation Study and directed staff to finalize the report and begin implementation.
4. June 6, 2023 – Adoption of the 2023-25 Financial Plan and FY 2023-24 Budget which includes the Climate Action, Open Space, and Sustainable Transportation Major City Goal.
5. December 13, 2022 – Council adopted the Climate Action Plan 2023-27 Work Program which reaffirms direction to achieve the mode split objectives by 2030 and directs staff to incorporate the Transit Innovation Study findings into the Short-Range Transit Plan update.
6. August 18, 2020 – Council adopted the Climate Action Plan for Community Recovery establishing the 7% of trips by transit mode split objective by 2030.
7. September 20, 2016 – Council adopted the 2016 Short-Range Transit Plan.

### **Public Engagement**

LSC and staff have conducted extensive outreach for the SRTP update as outlined below.

- Onboard Surveys were collected between October 23 and October 27, 2023, on all SLO Transit fixed route and tripper services. A total of 427 survey responses were received.
- In-person Stakeholder Workshop was held at the Ludwick Community Center on November 8, 2023, and included representatives from RTA, the City of San Luis Obispo, Cal Poly, and City of Paso Robles.
- Community (online) Surveys were collected between November 14 and December 12, 2023, using a Survey Monkey instrument developed by LSC and using the City's Open City Hall program. A total of 254 survey responses were received.

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- Virtual Stakeholder Workshop was held on January 18, 2024, and included representatives from RTA, the City of San Luis Obispo, Transdev (the City's transit operations and maintenance contractor), SLOCOG, Cal Poly, Cuesta College, City of Paso Robles, City of Grover Beach, and California Department of Transportation (Caltrans).
- SLOCOG Unmet Transit Needs bi-annual survey was conducted February 2024. The survey received 224 responses, and this input was provided to LSC for incorporation into the SRTP effort.
- Joint MTC and RTAC meeting was held on March 13, 2024, to present the results from Working Papers 1, 2, and 3 and to solicit feedback from committee members and the public as to which service alternatives should be analyzed in Working Paper 4.
- Joint MTC and RTAC meeting was held on June 5, 2024, to present and solicit feedback on the initial service alternatives analysis that will be included in Working Paper 4.
- Community Workshops were held on June 5, 2024, in San Luis Obispo and on June 6, 2024, in Paso Robles and in Nipomo to present and receive feedback from the public on the initial service alternatives analysis.
- City Council Study Session on July 16, 2024, provided another opportunity for the public to provide input through written correspondence and through public testimony.
- Joint MTC and RTAC meeting was held on October 16, 2024, to present Working Papers 5 and 7 and to receive feedback from the public on the existing financial conditions and discuss the capital improvement projects needed to operate transit services.
- MTC meeting was held on January 8, 2025, to present the draft SRTP and to receive feedback from the committee and the public as to what recommendations to incorporate into the final plan.
- Targeted outreach was conducted in January 2025 with a focus on engaging disadvantaged communities and ensuring their concerns were heard. This process involved meetings and gathering input from individuals served by People's Self Help Housing (PSHH), Community Action Partnership SLO (CAPSLO), Housing Authority of San Luis Obispo (HASLO) and SLO County Department of Public Health.

Below is a summary of the key themes from the SRTP update community outreach efforts, which included over 900 responses through all outreach methods:

- The need for expanded routes, including service closer to start and end destinations, and more frequent bus stops. This included requests for adding service to new development areas within the City, such as Margarita Specific Planning Area, San Luis Ranch and Avila Ranch, particularly adding service to better serve low-income housing developments in these areas.

## Item 6a

- Consistent schedule year-round, rather than seasonal changes that are currently utilized for the “academic schedule” and “summer schedule.”
- Increased access to the SLO Regional Airport
- Later evening service
- Need for bi-lingual, specifically Spanish, information, materials and Spanish-speaking drivers. Currently, SLO Transit produces paper schedules in English only. Based on this feedback, staff has already begun working on Spanish versions of the schedules, Rider Guide, and other informational items.

This outreach effort is also an opportunity to foster on-going dialogues between SLO Transit and the community organizations. Staff is in discussions with PSHH about providing on-site training at properties managed by them that are along bus routes. Staff also plans to send drafts of Spanish language materials to the organizations for review before they are printed and distributed. These organizations, along with other community partners, will also be engaged during the implementation process of the SRTP’s recommendations to ensure services changes are thoroughly vetted and well communicated.

### **CONCURRENCE**

The City’s Mass Transportation Committee (MTC) and RTA’s Regional Transit Advisory Committee have reviewed and provided feedback on the working papers which make up the administrative draft plan. Additionally, an SRTP update working group consisting of City, RTA, and SLOCOG staff representatives have reviewed and commented on the working papers.

On January 8, 2025, at a regularly scheduled meeting of the MTC, members voted in favor of recommending to Council the inclusion of the recommended changes as presented in this report with two adjustments: (1) delay the implementation of year-round academic service to FY 2028-29 to align with Cal Poly’s schedule for year-round semester system and (2) in FY 2026-27 modify academic service to align with Cal Poly’s transition to a semester system.

These adjustments are based on an announcement<sup>7</sup> made by Cal Poly in November 2024 that Cal Poly will convert to a semester system beginning with the 2026-2027 academic school year but will hold off on implementing year-round operations until the 2028-2029 academic school year. Minutes from the MTC meeting are included as Attachment D to this report.

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<sup>7</sup> <https://mustangnews.net/transition-to-semesters-and-year-round-operations-on-the-horizon/>

**ENVIRONMENTAL REVIEW**

The California Environmental Quality Act (CEQA) does not apply to the recommended actions in this report, because the actions do not constitute a “Project” under CEQA Guidelines Sec. 15378. Projects carried out as part of the final adopted Short-Range Transit Plan must comply with state and local laws including environmental review or finding of exemption.

**FISCAL IMPACT**

Budgeted: N/A

Budget Year: N/A

Funding Identified: N/A

**Fiscal Analysis:**

<b>Funding Sources</b>	<b>Total Budget Available</b>	<b>Current Funding Request</b>	<b>Remaining Balance</b>	<b>Annual Ongoing Cost</b>
Transit Fund	\$ 0	\$ 0	\$ 0	\$ 0
State				
Federal				
Fees				
Other:				
<b>Total</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

The recommended actions in this report do not have an immediate impact on the Transit Fund or the General Fund. The final SRTP will inform the development of five-years of fiscally constrained operating and capital budgets for FY 2025-26 through FY 2029-30. The operating and capital budgets provided by the plan will be incorporated into the 2025-27 Financial Plan and will inform future financial planning processes.

The financial projections detailed in Chapter 11 of the draft plan (Tables 26-28), conclude sufficient operating revenue to implement the recommendations if the FTA Section 5307 formula funds for the San Luis Obispo Urbanized Area are fully apportioned to the City to support both operating and capital projects. Comparing baseline operating revenue projections to the status quo operation (with no changes implemented), revenues are expected to exceed planned expenditures by approximately \$5–6 million annually over the five-year fiscally constrained period.

Even after incorporating the SRTP recommendations, annual operating revenues remain sufficient, maintaining a positive balance each year throughout the five-year period. If the City receives only partial apportionment of these funds, operating expenditures would be prioritized, and discretionary funding would likely be needed to support future capital projects. This is a common approach as most of SLO Transit’s capital projects are already funded via discretionary state and federal grants.

## Item 6a

SLO Transit was awarded \$12.3 million in operating assistance grant funding through the federal government's American Rescue Plan Act (ARPA) that was budgeted in FY 2022-23, 2023-24, and 2024-25. Expenditures to date indicate that an estimated \$2.7 million of the ARPA grant funding will be available in FY 2025-26 to offset operating costs. This is ultimately a one-time funding source but helps to cover operating costs next fiscal year and preserve FTA Section 5307 and TDA funds apportioned to the City.

SLO Transit also has \$5.5 million in unobligated FTA Section 5307 funds that can be used for either operating or capital projects. It may be beneficial to allocate these one-time funding sources for capital expenses, ensuring that the long-term operating budget remains independent of this funding. These funds are not programmed but remain available to the City. In short, the forecast indicates that the service changes can be implemented without jeopardizing the Transit Fund's fiscal solvency.

### ALTERNATIVES

1. ***Council could choose to direct staff to analyze more service alternatives as part of the Short-Range Transit Plan update.*** Staff does not recommend this alternative because the alternatives presented in the draft plan address the comments and feedback provided by riders, the community, and City Council throughout the plan update process.
2. ***Council could choose not to provide direction to staff to return with a final draft of the Short-Range Transit Plan for adoption.*** Staff does not recommend this alternative because the City is required to have an adopted Short Range Transit Plan to be eligible to receive federal funding.

### ATTACHMENTS

- A - SLO Transit Draft Short-Range Transit Plan
- B - Working Paper 4 Addendum – Additional Service Alternatives
- C - Appendix G to Draft SRTP
- D - January 8, 2025, Mass Transportation Committee Meeting Minutes