



GEORGIA'S  
RURAL CENTER

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# EXECUTIVE SUMMARY

# NORTHWEST GEORGIA REGIONAL VANPOOL

2021



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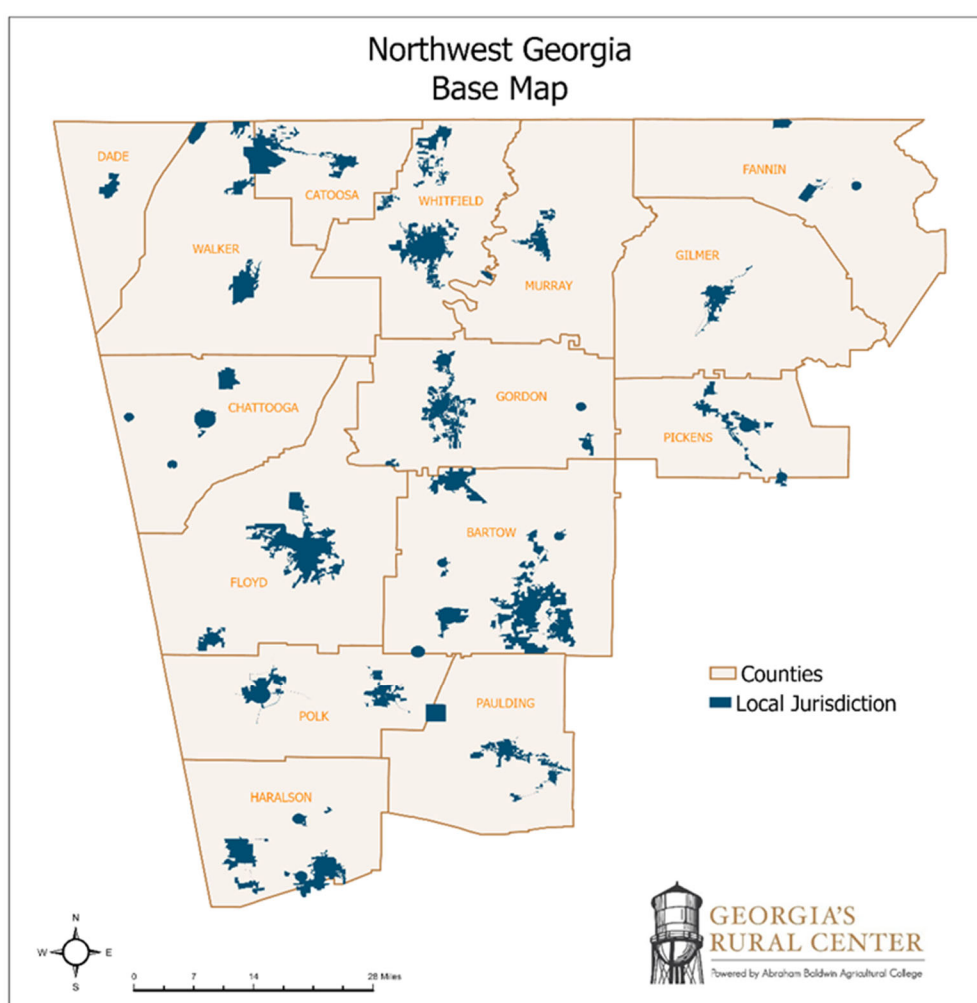
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## 1.0 STUDY INTRODUCTION AND OVERVIEW

The Northwest Georgia Vanpool Feasibility Study explores the possibilities and challenges for operating a vanpool commuter service in Northwest Georgia. This study is conducted through the Center for Rural Prosperity and Innovation, with support from the Northwest Georgia Regional Commission. This study will identify the current workforce and existing modes of transportation, commuter patterns, existing demographic conditions, transit propensity, and provide scenarios for a future vanpool service.

The Northwest Georgia Vanpool Feasibility Study is designed to help the Center for Rural Prosperity and Innovation determine if a vanpool transit program will be feasible throughout a 15-county region in northwest Georgia.

**Figure 1: Northwest Georgia Vanpool Study Area Map**



**Sources: U.S. Census Bureau, Atlanta Regional Commission Open Data & Mapping Hub**

This study examines existing vanpool programs to help analyze various operations strategies of vanpool services in the area, in addition to performing a feasibility study for this region. To help in determining the feasibility, the existing socioeconomic trends and conditions, and transit service providers in this area were also examined. The demand and mobility needs of the area through an analysis of regional demographic data and how this data relates to travel and transit patterns both in and out of the region was also completed and the approach to identifying and accessing potential vanpool markets. The various service model scenarios were also assessed, focusing on key performance indicators to measure the success of the vanpool program to help determine the feasibility of a vanpool program and the subsequent preferred vanpool operations strategy, its financing plan, and strategies of implementation.

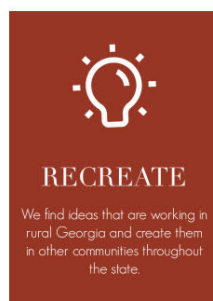
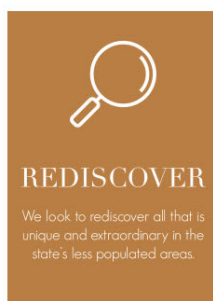
## 1.1 STUDY PURPOSE, GOALS AND OBJECTIVES

The purpose of this Northwest Georgia Regional Vanpool Study is to determine the feasibility of a Vanpool program capable of linking long distance commuters from similar origins to similar destinations throughout the 15-county region. 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 presents the most significant opportunities for expanded access to employment for residents residing within rural communities in the study area. This study will support the mission to seek innovative approaches to the economic advancement and prosperity of Rural GA.

### 1.1.1 GOALS AND OBJECTIVES

The study goals and objectives were established following the principles of the Georgia Center for Rural Prosperity and Innovation, while also reflecting the National and State transportation goals established by the Georgia Department of Transportation Intermodal Division and the Federal Transit Administration.

## CORE PRINCIPLES



### Study Goals and Objectives

1. Determine the demand for and feasibility of a regional Vanpool program in the 15 County Northwest Georgia region.
  - a. Identify existing markets with limited access to jobs, goods, and services.

- b. Identify employers experiencing barriers in employment recruiting and retention associated with a lack of transportation services.
  - c. Identify existing transportation service providers and their associated services areas to eliminate potential duplication of services.
2. If feasible, develop a preferred Vanpool program operating model.
  - a. Identify a Vanpool program operating model that best meets the needs of commuters in the service area.
  - b. Identify Public Private Partnership opportunities to sustain program support and funding.
  - c. Identify a Vanpool program operating model that is sustainable without the need for Federal and State subsidies.
  - d. Identify and establish key performance indicators to measure the success of the Vanpool program and the associated impacts to economic prosperity.
3. Develop a model for demand assessment and implementation that can be replicated throughout rural Georgia.

## 2.0 VAN POOL ANALYSIS

The Northwest Georgia Vanpool Study report is organized to reflect the major elements of the planning process. The following descriptions serve as a reference for the elements detailed in the report and report appendices.

- **Introduction** – Provides an overview of the study background, goals, objectives, and approach.
- **Existing Conditions** – Summarizes the population, transportation services, employment, and land use currently present in the study area. Major employers are identified, as well as previous plans and studies related to the study area. Socioeconomic conditions and current land use, as well as commuting numbers are analyzed to better understand the study area population. Public transportation providers, including demand response and fixed route services are identified and assessed.
- **Demand and Mobility Needs Analysis** - Defines the current demographic composition of the Northwest Georgia fifteen-county study area to better determine the markets that are likely to be interested in vanpools.
- **Demand Estimation** – Describes the two-step method used to determine expected vanpool program ridership following review of the latent demand analysis and incorporating the findings of the Demand and Mobility Needs Analysis and public, stakeholder, and employer's feedback.
- **Service Model Scenarios** – Details five (5) potential system and service alternatives and the associated pros and cons that support the identification of the preferred alternative.
- **Preferred Alternative** – Provides detailed system and service recommendations for the preferred alternative including resources needed for implementation.
- **Implementation Strategies** – Defines key strategies critical to implementation of a regional vanpool program.



The findings and results of these report elements are detailed in the Northwest Georgia Regional Vanpool Analysis report. This Executive Summary will provide an overview of these findings and results.

## 2.1 TARGET MARKETS

During the development of the study, key markets emerged through review of existing conditions data and previous reports, communication with employers, collaboration with stakeholders and transit providers, and public outreach. These key markets included:

- Major employers / employees within the study area
- Unemployed residents of the Northwest Georgia Region seeking access to jobs
- Residents of the Northwest Georgia Region currently employed and traveling more than 40 miles from home to work
- Residents of surrounding Metropolitan Areas currently employed within the study area and traveling more than 40 miles from home to work
- Students graduating from high school that are not college bound and lack access to transportation
- Students graduating from trade schools and technical colleges within the region that lack access to transportation
- Concentrations of populations with high transit propensity (likelihood to need and use transportation services) in high unemployment areas
- Recent parolees seeking access to employment

### WHO ARE THE USERS?



Residents who live and work in Northwest Georgia



Zero car households seeking employment opportunities in the region



Major employers in the region that are job hubs

*\*People who are employed in larger urban areas such as Chattanooga and Atlanta would also consider using vanpool service.*

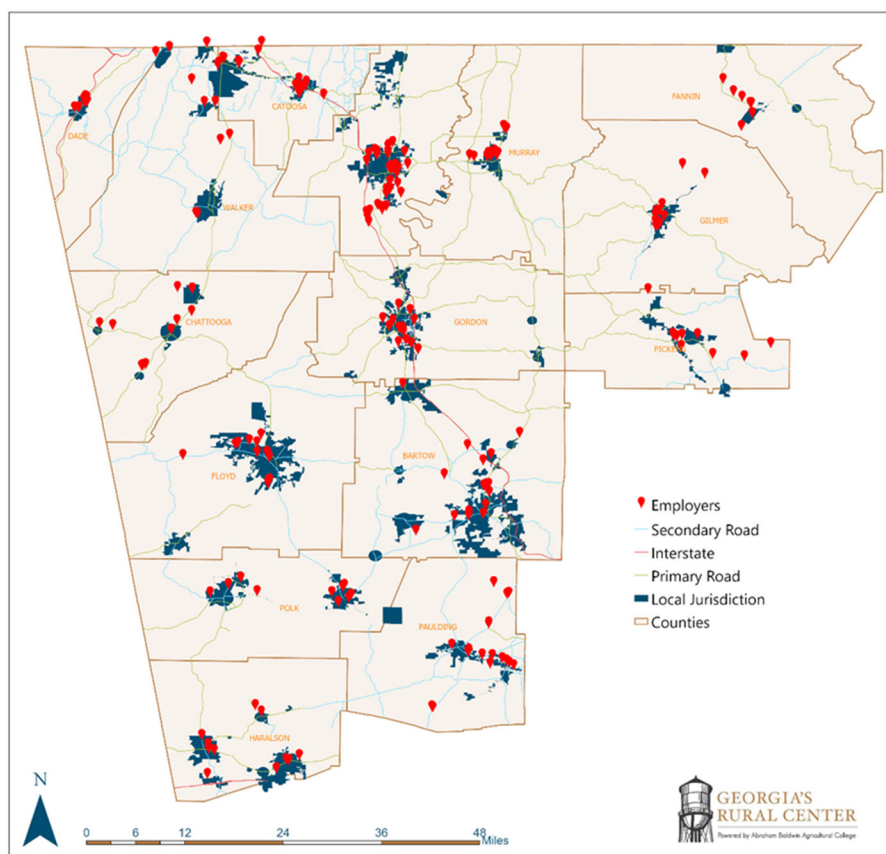
Major employers in the region are predominantly in the manufacturing field, with national corporations having multiple locations throughout Northwest Georgia. The ten largest employers in Northwest Georgia according to the Georgia Department of Labor's Top Employers in the Northwest Georgia Regional Commission list are below:

- Engineered Floors
- Floyd Healthcare
- Hamilton Medical Center
- Meggitt (Rockmart), Inc.
- Mohawk Carpet Distribution
- Redmond Regional Medical Center, Inc.

- Roper Corporation
- Shaw Industries Group
- Walmart
- Wellstar Health System

The following is a map of all of the major employers located in Northwest Georgia, according to the Georgia Department of Labor Local Area Profiles. Employers are clustered in the local municipalities of the region, with few jobs in the sparsely population rural portions of Northwest Georgia.

**Figure 2: Major Employers in Northwest Georgia**



**Sources: U.S. Census Bureau, Georgia Department of Labor Local Area Profiles, Northwest Georgia Joint Development Authority, Southeast Industrial Development Association**

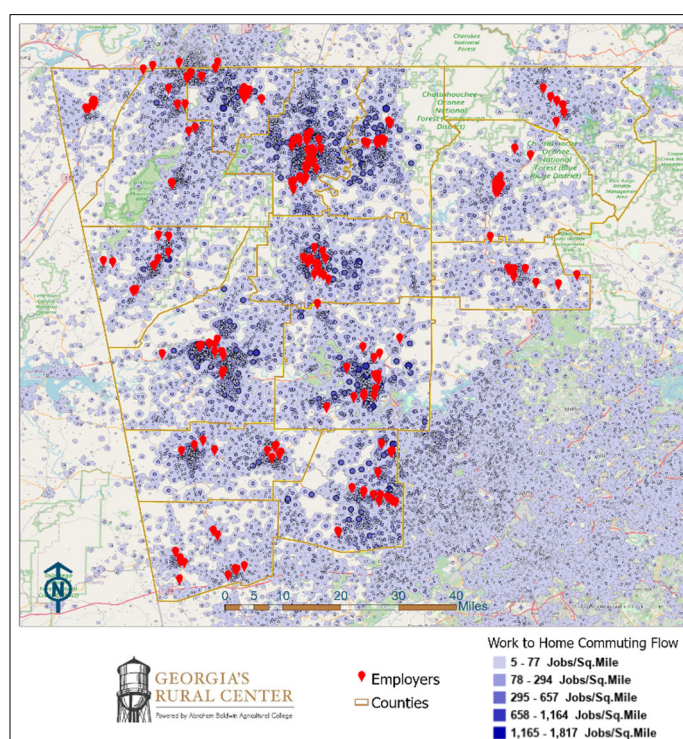
The region is home to more than 150 carpet plants, making this region the “Carpet Capital of the World”, as well as the world's largest college campus, Berry College, with 27,000 acres; 48% of the population has some college education or a degree. The most regionally significant industries that provide the greatest number of jobs include medical, flooring manufacturer, retail, aerospace, and food service.

Major employers are great indicators of ridesharing opportunities as they often have similar shift starting and ending times for their employees, creating a group of workers who may be more willing to travel together than others with varying schedules or destinations.

The leading industry for employment varies in each county, however, the dominance of flooring manufacturing industry as an employer is evident. Within Floyd and surrounding counties, the influence of health care and retail is obvious, however, the region is diverse in its employment base allowing for greater opportunities to get employers to partner and or invest in vanpooling programs for employees.

Figure 3 presents data on major employers overlaid with commuter data showing possible connections between commuter residences and existing employment centers.

**Figure 3. Commuter Inflow/Outflow with Major Employers**



**Source: U.S. Census Bureau**

Most workers in Northwest Georgia work in the same county they live in. The one exception is Paulding County, where more people work in Cobb County (22,972) than in Paulding County (20,511). Table 1 displays the in-county commuter flows.



**Table 1: In-County Commuting**

In County Commuting Numbers	
County of Residence and Work	Number of Employees
Bartow County	25,125
Catoosa County	9,115
Chattooga County	5,221
Dade County	3,222
Fannin County	5,773
Floyd County	31,895
Gilmer County	6,620
Gordon County	16,241
Haralson County	4,799
Murray County	6,913
Paulding County	20,511
Pickens County	6,572
Polk County	9,288
Walker County	10,729
Whitfield County	36,398

Source: U.S. Census Bureau, 2011-2015 5-Year ACS Commuting Flows

Employees coming into the region for employment can find jobs in any county in the study area. Table 2 shows the largest county commuters that travel to Northwest Georgia for work. Hamilton County, Cherokee County (Alabama), and Cobb County provide the largest number of employees to counties in the study area. Workers are commuting from Chattanooga to work in Catoosa, Walker, and Whitfield Counties, all counties that border Tennessee. Chattooga, Pickens, and Floyd Counties have the highest number of out-county commuters from Cherokee County in Alabama.

**Table 2: Largest Out-County Commuters**

Largest Out-County Commuters		
Work County	Employee Home County	Number of Employees
Bartow County	Cobb County	2,637
Catoosa County	Hamilton County (TN)	2,160
Chattooga County	Cherokee County (AL)	350
Dade County	Jackson County (AL)	278
Fannin County	Polk County (TN)	372
Floyd County	Cherokee County (AL)	1,460
Gilmer County	Cherokee County (AL)	152
Gordon County	Cherokee County (AL)	141

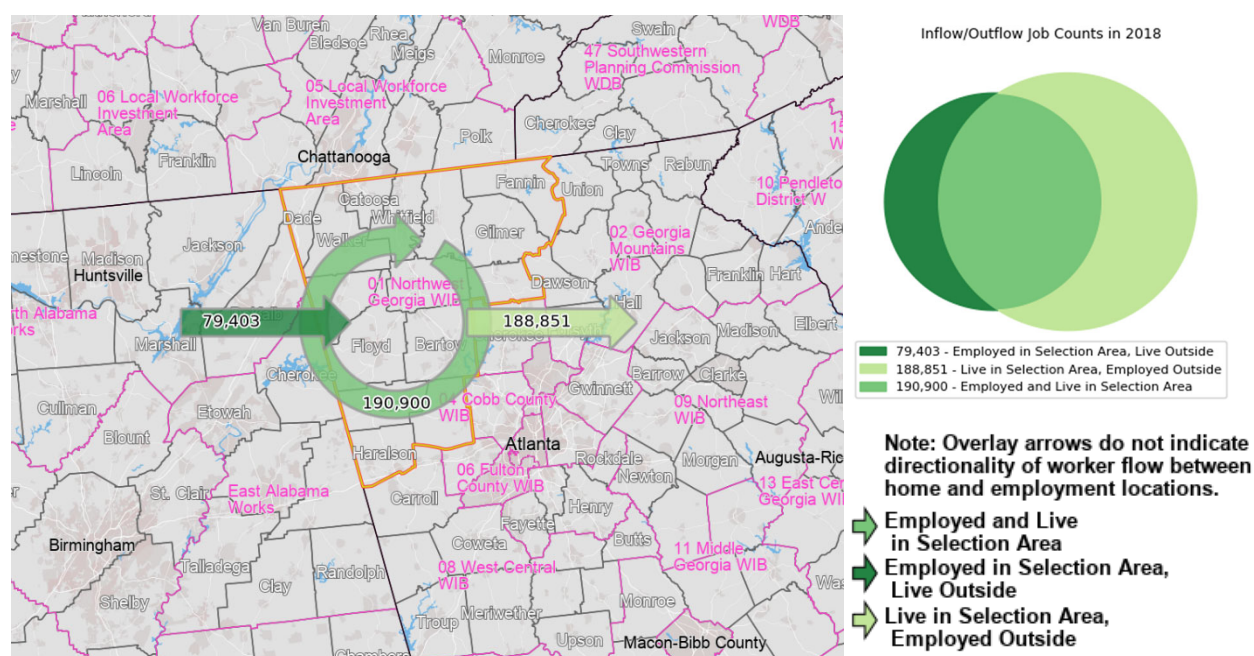
Haralson County	Carroll County	2,206
Murray County	Polk County (TN)	183
Paulding County	Cobb County	2,850
Pickens County	Cherokee County	1,530
Polk County	Cobb County	141
Walker County	Hamilton County (TN)	1,228
Whitfield County	Hamilton County (TN)	1,410

Source: U.S. Census Bureau, 2011-2015 5-Year ACS Commuting Flows

#### Northwest Region Inflow/Outflow

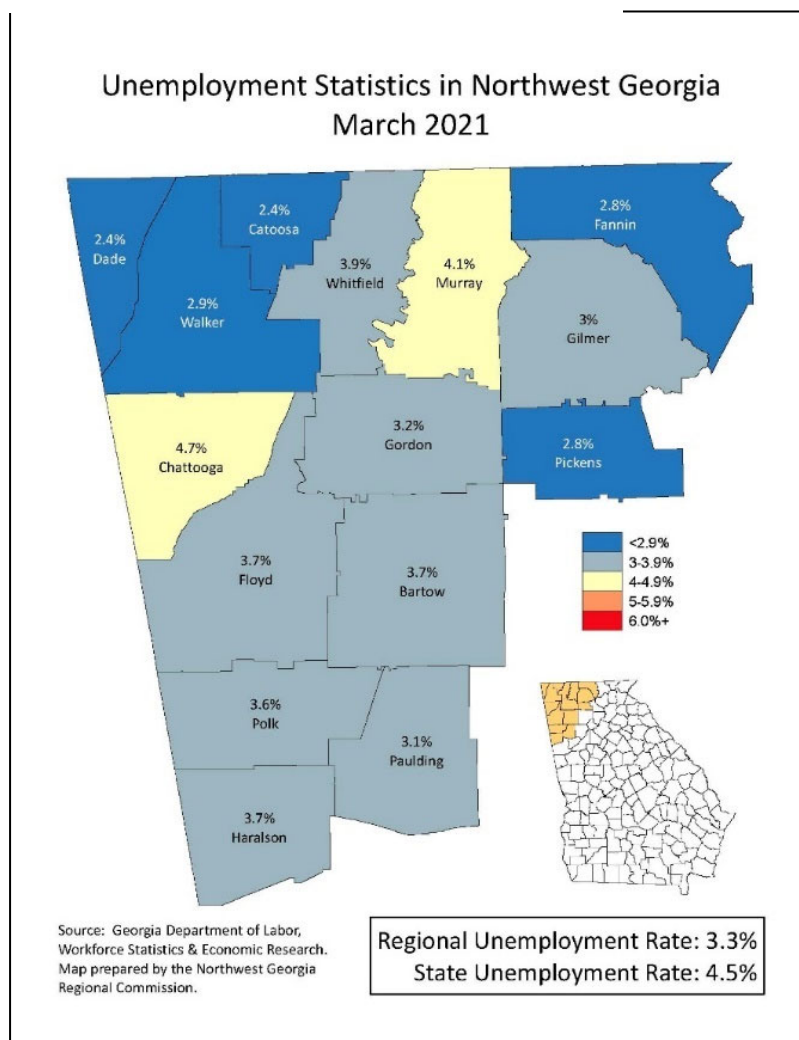
The Northwest Georgia region has an average net inflow of 1,100 daily commuters across 29 counties. The strongest inflow/outflow connection as mentioned earlier is with Cobb County, followed by Hamilton County in Tennessee, and Cherokee and Carroll Counties in Georgia. Strong commuter connections also exist between Bradley County in Tennessee.

Figure 4. Inflow/Outflow Analysis - Northwest Georgia



Source: U.S. Census Bureau on The Map (OTM) Data, 2018

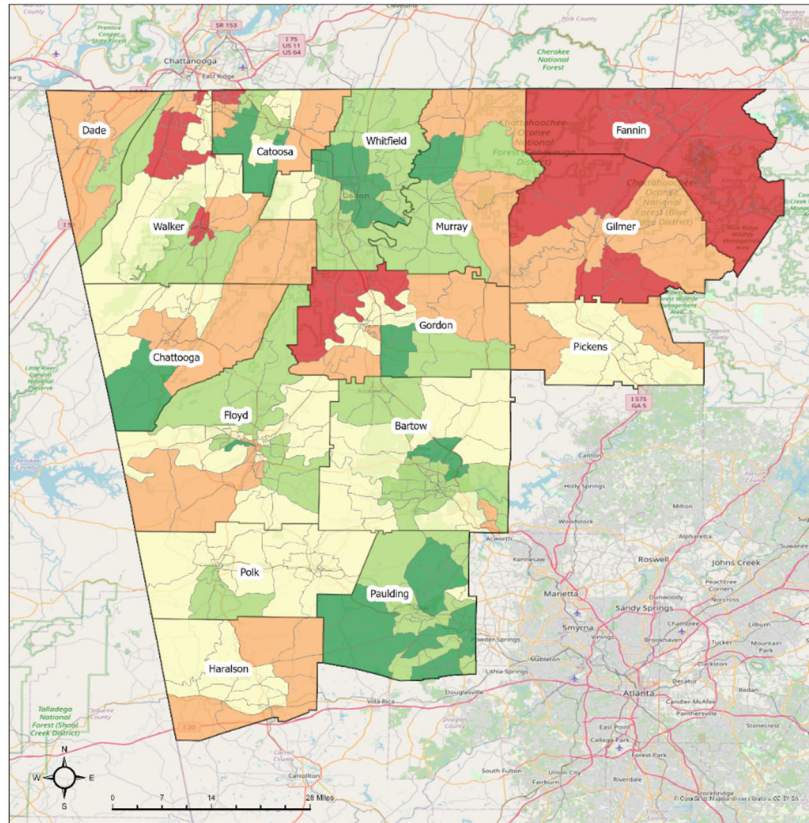
In addition to those currently employed and traveling more than 40 miles for work, another key market is residents in the region seeking employment but lacking access to transportation. Utilizing US Census and Department of Labor data, these concentrations of potential employees were targeted as key populations.

**Figure 5. Northwest Georgia Unemployment by County**

The population in Northwest Georgia consists of a diverse mix of people across various socioeconomic factors. Some of those factors include age, gender, income, ethnicity, disabilities, English-speaking capabilities, and car ownership. These factors, in addition to density, were used to determine segments of the study area that may be supportive towards public transportation and transit ridership propensity. The data displayed in the following maps comes from the US Census American Community Survey (ACS) 5-year estimates for 2019. While each of these indicators contribute to the overall propensity, key indicators for the vanpool study are mapped to show concentrations of these potential vanpool participants.



**Figure 6. Disabled Population of Northwest Georgia**

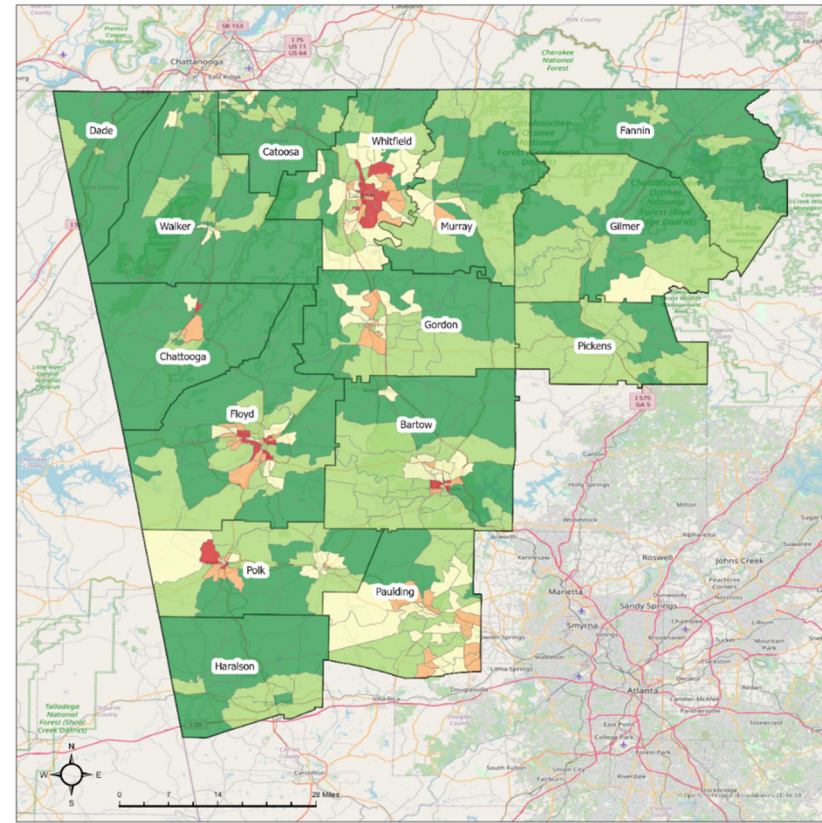


Source: U.S. Census Bureau, OpenStreetMap

Disabled % of Population

- ≤11%
- ≤14.4%
- ≤17.9%
- ≤21.9%
- ≥28%

**Figure 7: Minority Population of Northwest Georgia**

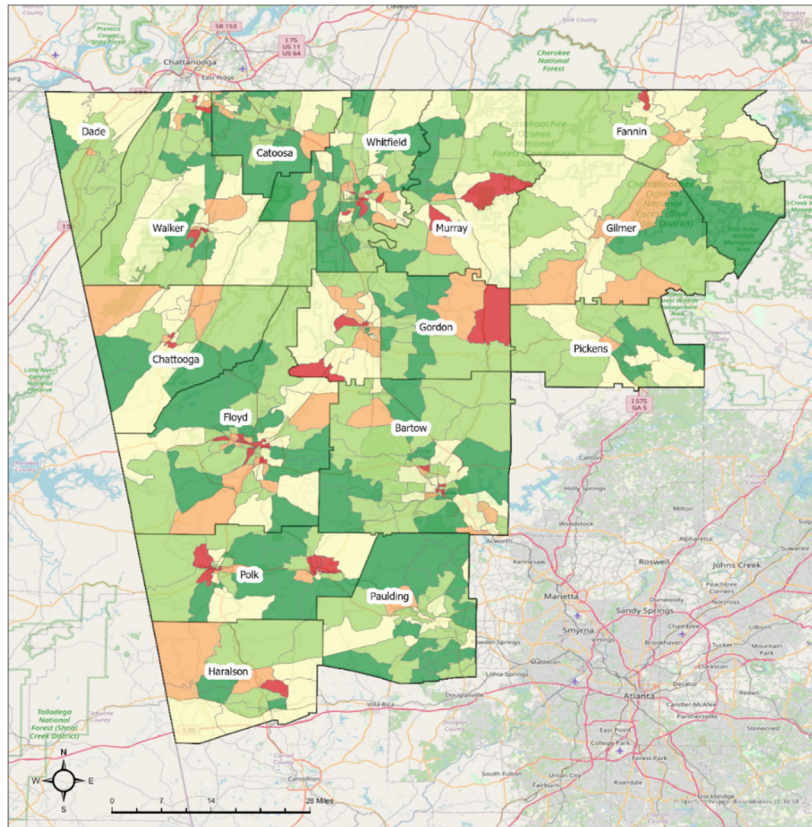


Minority % of Population

- ≤10.38%
- ≤23.95%
- ≤42.12%
- ≤64.05%
- ≥93.78%



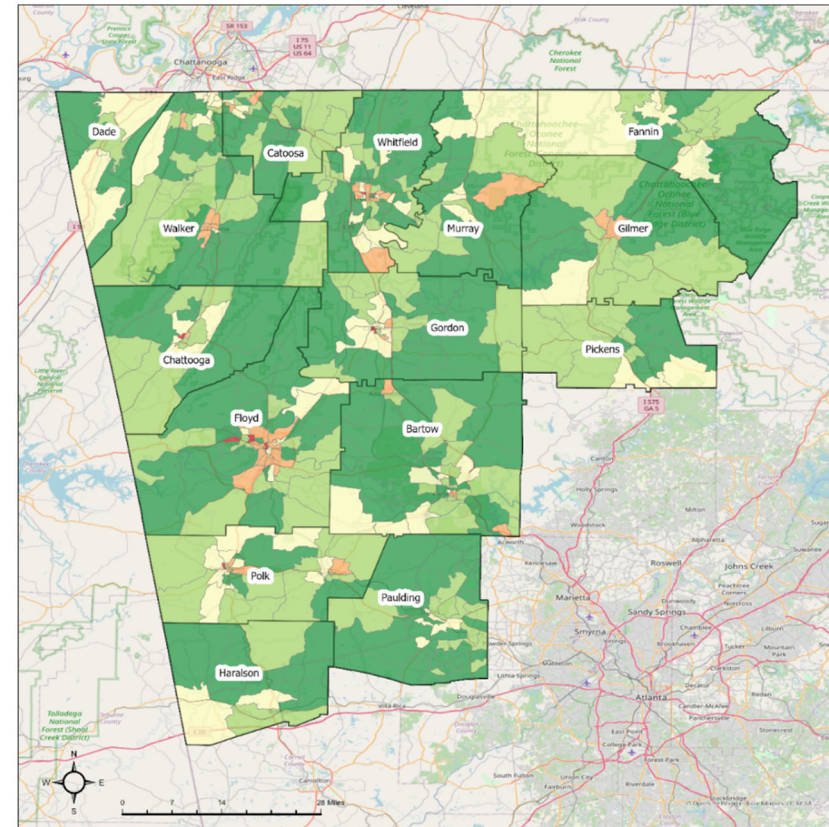
**Figure 8: Population in Poverty in Northwest Georgia**



% of Population in Poverty

- ≤7%
- ≤14%
- ≤22.5%
- ≤33.3%
- ≤57.6%

**Figure 9: Zero Car Population of Northwest Georgia**



Zero Car % of Population

- ≤2.6%
- ≤7.5%
- ≤14.6%
- ≤27%
- ≤56.3%

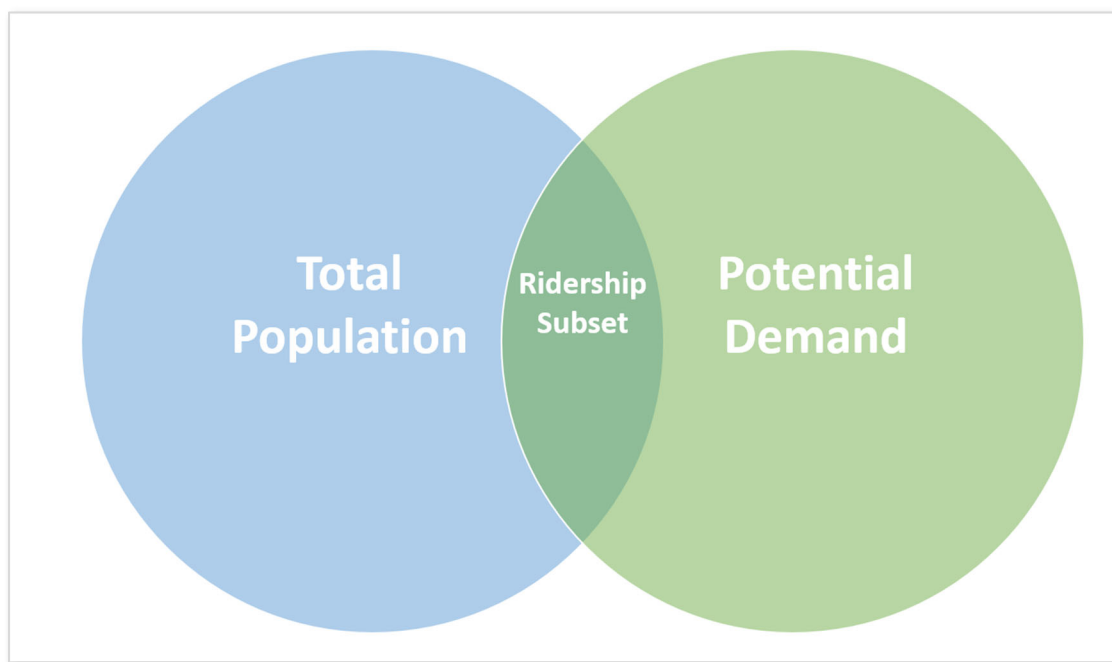
Source: U.S. Census Bureau, OpenStreetMap



## 2.2 RIDERSHIP DEMAND

The following section describes the two-step method used in the determination of expected ridership following review of the latent demand analysis. The process began by first establishing a capture rate from weighted demographic characteristics that influence transit use. A subset of ridership was later determined as a proportion of total population and computed capture rate. Figure 10 presents a visualization of the relationship between total population and established ridership for the 15-county region.

**Figure 10: Ridership Estimate Methodology**



To determine reasonable demand needs for transit service a capture rate was computed from compiled weighted demographic characteristics that influence transit. The capture rate is shown in Table 3.

**Table 3. Capture Rates (15-County Region), 2019**

Parameter	Capture Rate (15 County Region)	Estimated Ridership (2019)
Employed in the selection area (travel for work outside of region, but return)	29.4%	23,821
High school seniors that will enter the workforce (not college-bound)	24.2%	19,608

Labor force that use car, truck, or van carpooling for their commute	14.2%	11,492
Unemployed	8.6%	7,001
Zero Vehicle Household	6.0%	4,868
Parolee that will enter the workforce	0.5%	404
<b>Estimated Ridership</b>	<b>66%</b>	<b>67,194</b>

### 3.0 SERVICE MODEL SCENARIOS

Factors for success affecting vanpool programs can be assessed from more than one level and can only be understood by investigating legislative and economic factors, and availability of supportive services, financial support, and acceptability of vanpooling as an attractive mode of travel. The following factors were considered as part of decision-making criteria when reviewing a potential service model for the 15-county region:

- Addressing community demand and needs to address budget constraints of the agency
- Estimates of the riders that will be serviced, amount of service hours required, and the cost and revenue of the services.
- Costs: operating expenses, capital expense, vehicles, and support facilities.
- Estimates of revenue with conservative estimates of public and private funding

In determining the feasibility of a potential vanpool transit service for the 15-county region, a peer review of various vanpool service alternatives from different regions of the United States was conducted to help identify a preferred vanpool program's operating model that best meets the demand of the 15-county region. Five scenarios were developed and evaluated, including:

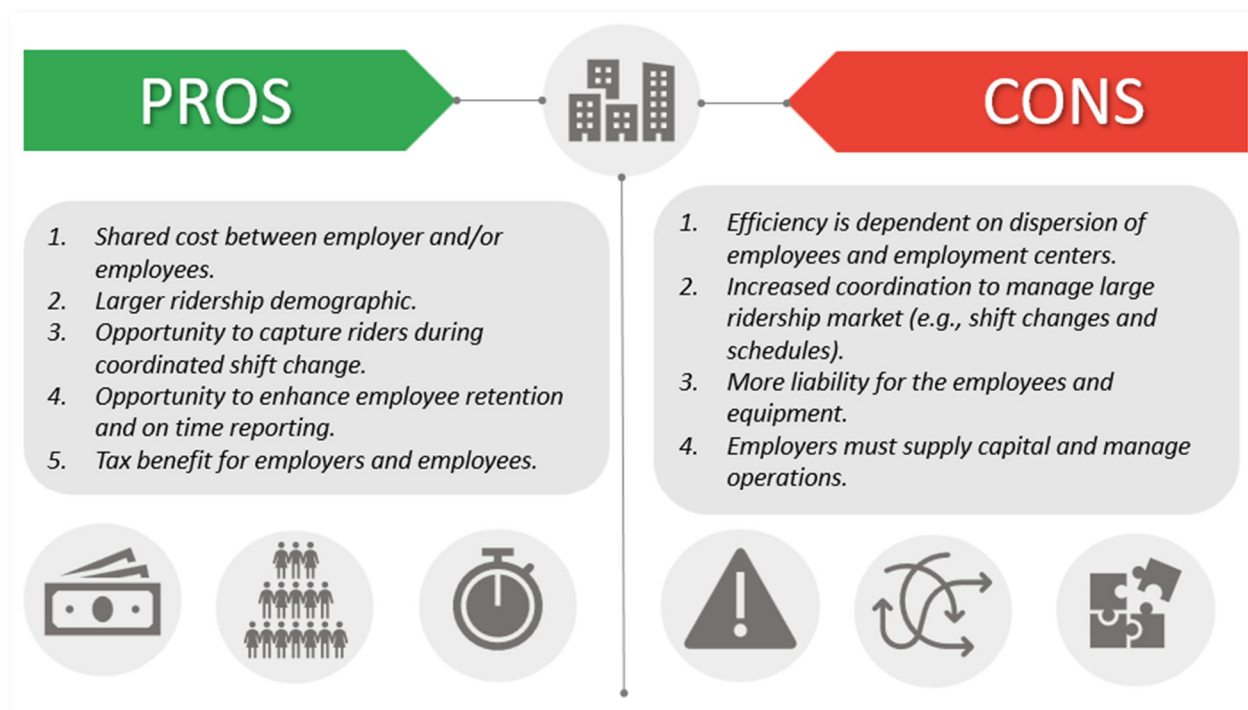
1. Single County Operated by a Governmental Entity
2. Multi-County/Regionally Operated by a Governmental Entity or Contracted to a Third-Party Operator
3. Employer Sponsored / Managed Vanpool
4. Multi-employer Sponsored / Managed Vanpool
5. Third Party Operated / Government Managed Vanpool

Of these five service models, three were determined to be feasible scenarios suitable for additional analysis. The following figures provides an overview of the pros and cons associated with the three scenarios.

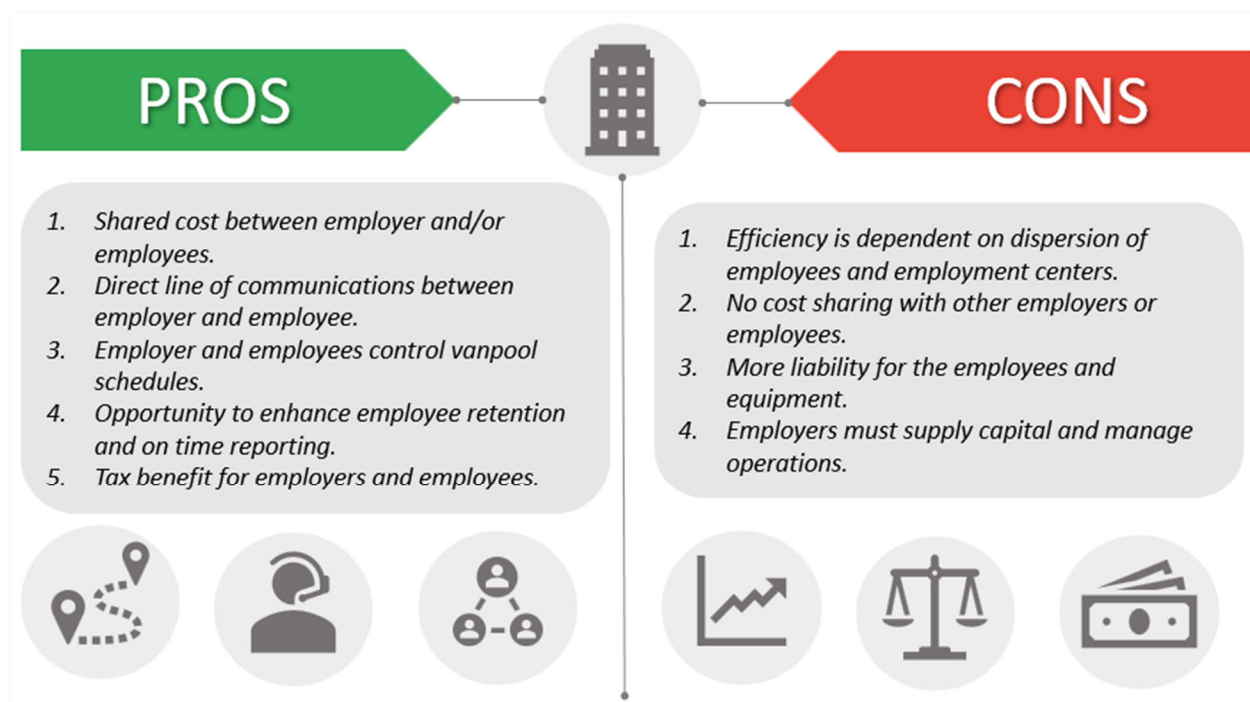
- **Scenario 1** (Multi Employer Sponsored and managed Vanpool) – 50% market capture attained. Limited by employee and employer dispersion.
- **Scenario 2** (Single Employer Sponsored and Managed Vanpool) -- 25% market capture. Limited by employee and employer dispersion with half the number of vans as Scenario 1.

- **Scenario 3** (Private Provider – Third Party Contractor (TPC) Managed Vanpool) – 80% market capture. With additional vanpool operators this scenario presents optimized pick up and drop offs with higher probability of market reach.

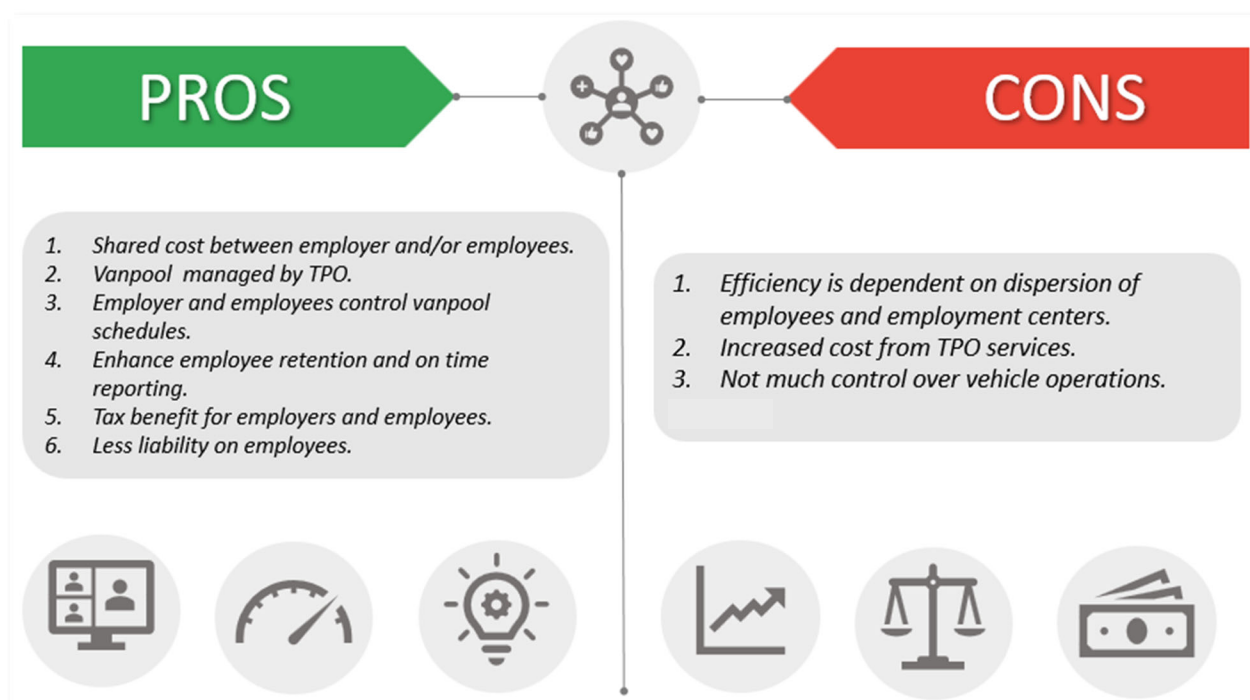
**Figure 11: Scenario 1 (Multi-Employer Sponsored and Managed Vanpool)**



**Figure 12: Alternative 2 (Single-Employer Sponsored and Managed Vanpool)**



**Figure 13: Alternative 3 (Private Provider-Third Party Operator)**



The estimated annual market capture levels were calculated for 250 workdays per year and two-way travel (home to work and return). Estimated vanpool formation are based on 7-person occupancy per van. The market capture levels for the 15-county region vanpool program range from 54,000 annual riders and 16 vanpool vehicles for an 80% market penetration scenario, to 17,000 annual riders and 5 vanpool vehicles estimated for a 25% market penetration scenario.

**Table 4: Estimated Ridership and Vanpool Market**

Estimated Value	Scenario 1	Scenario 2	Scenario 3
	Multi-Employer Sponsored and Managed Vanpool	Single Employer Sponsored and Managed Vanpool	Private Provider-Third Party Contractor (TPC) Managed Vanpool
Annual Ridership	34,000	17,000	54,000
Vanpool Vehicles	10	5	16

### 3.1 FINANCIAL ASSESSMENT

Monthly cost of vanpool varies depending on the choice of vanpool program, commuter tax benefit, choice of vehicles, the number of riders, and the total miles a group travel daily. The following service estimates, related costs and issues are presented for each scenario.

- Funding options – presents the various funding streams available for vanpool service
- Commuter tax benefit – information behind the federal tax-free benefit for vanpool benefits
- Estimated operating expense – estimated monthly operating expense by scenario
- Estimated capital expense – estimated monthly capital expense by scenario
- Estimated total cost – aggregated monthly cost of operating and capital by scenario
- Estimated revenues – estimated monthly cost for employer and employee

There are several funding options that could be used to help start and operate a vanpool system within Northwest Georgia. These options include:

- **Local Funding:** Individual county or multi-county partnerships, which will require local funding agreements, with multi-county funding commitments and intra-county MOUs.



- **Federal Funding:** 5310, 5311, JARC Funding, trip coordination/ shared costs with Non-emergency Medical Transportation (NEMT) services, County Senior Service programs, or Multi- County Demand Response services
- **State Funding:** Zero dollars for operating. Currently, Georgia is one of only six states that does not provide direct operating assistance funding to public transit systems (Urban or Rural).

A broad preliminary screening of operating cost focuses on **direct costs** only which are based using the following assumptions:

- Modelled, based on computed service estimates found in Section 4.
- Vanpool occupancy at seven riders, commuting in 7-passenger mini vans.
- Operating costs (**Scenario 1 & 2**) – administration include all expenditures related to the administration of the program, staff salaries, office space, promotion, and marketing using an *average cost rate* sourced from FTA. This will be run by regional staffer for Scenario 1 and 2.
- Operating costs (**Scenario 3**) – administration include all expenditures related to the administration of the program, staff salaries, office space, promotion, and marketing using third *party vender cost rate*.
- Operating costs – vehicles include fuel, vehicle maintenance and tires.

Table 5 illustrates the monthly operating expense for each scenario. Scenario 3 is projected to have the highest operating costs due to additional fees associated with third party contractors (e.g., loan vehicles, increased administrations, promotions, and marketing, etc.). Despite having an overall higher operating cost, Scenario 3 also encapsulates a higher market potential.

**Table 5: Estimated Monthly Operating Expense (2019)**

Estimated Annual Operating Expense	Scenario 1	Scenario 2	Scenario 3
	Multi-Employer Sponsored and managed vanpool	Single Employer Sponsored and Managed Vanpool	Private Provider-Third Party Contractor (TPC) managed vanpool
Vehicle Operations	\$3,600	\$1,800	\$3,500
Vehicle Maintenance	\$ 800	\$ 400	\$ 700
Facility Maintenance	\$ 200	\$ 100	\$ 100
General Administration	\$ 5,000	\$ 2,500	\$ 8,000
Total	\$ 9,600	\$ 4,800	\$ 12,300

A broad preliminary screening of capital cost focuses on **direct costs** only and are based using the following assumptions:

- Capital costs include vehicle procurement, insurance fees and load depreciation costs (applicable only for Scenario 1 and 2).
- For Scenario 1 and 2, vehicle purchases are estimated at \$51,000 per vehicle. This includes taxes and insurance.
- Depreciation cost of bank loan for vehicle purchases were calculated monthly at 5% fixed rate over five-year period of the program.
- Because Scenario 3 operates under a third-party vender contract, capital expenses are considered to fall under operating expenses as prescribed by FTA vanpool guidelines.

The estimated monthly capital expense for each scenario is presented in Table 6. As noted in the assumptions, no associated capital costs are considered to fall under Scenario 3 model option. For this reason, it has the lowest estimated monthly capital cost.

**Table 6: Estimated Monthly Capital Expense (2019)**

Estimated Capital Expense	Scenario 1	Scenario 2	Scenario 3
	Multi-Employer Sponsored and Managed Vanpool	Single Employer Sponsored and Managed Vanpool	Private Provider-Third Party Contractor (TPC) Managed Vanpool
Totally monthly Payment (Depreciation, Interest & Maintenance)	\$9,700	\$4,800	-

The following assumptions were used to establish the revenue projections.

- Fare revenues are assumed to cover 100 percent of total cost (capital and operating).
- Fare revenues generated by **employees** are computed using average fares as a proportion of operating expense – 79.1 percent for vanpool (FTA 2021)
- For Scenario 1 and 2, fare revenues generated by **employers** are computed as the total cost of capital plus the remaining balance of operating cost not covered by employees
- Because no direct capital is required for scenario 3 (leased vehicles) the total cost is split in half

The breakdown of the monthly fares needed to meet projected revenue is presented in Table 7. These values assume a 7-person van where the driver rides for free. Overall, Scenario 3 presents itself as the

most cost-effective option for employees, despite having the highest operating cost. An additional advantage of this option is the high capture rate.

**Table 7: Estimated Monthly Fares by Scenario**

Revenues	Scenario 1	Scenario 2	Scenario 3
	Multi-Employer Sponsored and Managed Vanpool  (10 vans)	Single Employer Sponsored and Managed Vanpool  (5 vans)	Private Provider-Third Party Contractor (TPC) Managed Vanpool  (16 vans)
Employee Monthly Fare (employee monthly contribution / # vans X 6 persons)	\$ 127	\$ 127	\$ 64

The following section discusses the preferred scenario based on service indicators and model characteristics.

#### 4.0 PREFERRED SCENARIO

Vanpool operations models were evaluated against a set of criteria to measure their ability to address the challenges and opportunities within the 15-county region market. The criteria were identified following a review and evaluation of peer vanpool management models. These criteria are backed by key performance indicators (KPIs) to measure the success of the vanpool program and the associated impacts to economic prosperity. To meet the specific needs of the 15-county region, KPIs were refined to the following seven indicators:

- 1) Increased access to employment opportunities to and from the surrounding metropolitan areas job centers
- 2) Increase employee retention and on-time reporting and attendance.
- 3) Support workforce development for unemployed
- 4) Increased mobility for all with increased access to retail, medical, nutrition, educational, senior, and social activities
- 5) Increased employment access for graduating seniors, and recent parolees, zero car homes, and transit dependent
- 6) Incorporate any new services with existing service providers
- 7) Provide access to available park-n-ride facilities.

Evaluation for each scenario is presented in Table 8.

**Table 8: Evaluation Criteria**

Criteria	<u>Scenario 1</u> Multi-Employer Sponsored and Managed Vanpool	<u>Scenario 2</u> Single Employer Sponsored and Managed Vanpool	<u>Scenario 3</u> Private Provider- Third Party Contractor (TPC) Managed Vanpool
Cost to user	High if vehicles provided by employer and costs of administration and program operation covered by employer.	High if vehicles provided by employer and costs of administration and program operation covered by employer.	Low
Cost to employer	Moderate	High, costs are not distributed amongst multiple employers.	Low if vehicles provided by commercial operator (not an employer)
Market capture	Low, limited by employee and employer dispersion.	Low, limited by employee and employer dispersion.	High
Success rate	Moderate	Low	High

The next step in the evaluation process involved rating each scenario by categorizing performance relative to each criterion from most to least variable. The results of the rating process are summarized in Table 9.

**Table 9: Rating Alternative Process**

Criteria	Multi-Employer Sponsored and Managed Vanpool  (Scenario 1)	Single Employer Sponsored and Managed Vanpool  (Scenario 2)	Private Provider- Third Party Contractor (TPC) Managed Vanpool  (Scenario 3)
Cost to user	●	○	●
Cost to employer	●	○	●
Market capture	○	○	●
Success rate	○	○	●

**LEGEND**

The rating process indicates that **Scenario 3**, operated by the private provider, is the preferred vanpool program for the 15-county region. The following subsections include:

- Financial Plan – 5-year horizon of capital expenditures, operating expenses and expected revenue sources.
- Implementation Strategies – Methods for initiating vanpool services

#### 4.1 FINANCIAL IMPLEMENTATION PLAN

The financial plan developed as part of the feasibility study identifies the various sources of funding for capital and operating costs of program activity. The financial implementation plan for the recommended scenario of implementing 16 vanpools within the first 5-years of program duration was prepared using the following basis:



- Funding from the public sectors has not been determined at this time but may include a portion of financial support if services extend outside employer-employee vanpool services
- The opportunities for program partnerships could be explored and established among the public sector, non-profit entities selected to deliver the program
- Ridership will increase 5 percent annually, derived from annual vanpool growth rates from FTA and regional employment and population growth patterns
- Fare revenues will trend using average salary growth of 3% annually.

The year-by-year budget breakdown by cost item is presented in Table 10. The overall expense budget requirement is estimated to increase from \$147,600 in the first year to approximately \$179,400 in the fifth year. The total budget for the five-year program is estimated at approximately \$815,600

**Table 10: Estimated 5-year Revenues and Expenditures for Preferred Scenario**

Year	Number Operating Vanpools (annual)	Capital Cost (\$)	Operating Cost (\$)	Annual Total Expenditures (\$)	Annual Revenues (Fares \$)	Revenues – Expenditures (\$)
1	16	-	\$ 147,600	\$147,600	\$ 147,600	-
2	17	-	\$ 155,000	\$155,000	\$ 152,000	- \$ 3,000
3	18	-	\$ 162,700	\$162,700	\$ 156,600	- \$ 6,100
4	18	-	\$ 170,900	\$170,900	\$ 161,300	-\$ 9,600
5	19	-	\$ 179,400	\$179,400	\$ 166,100	-\$ 13,300
5-Year Total	19	-	\$ 815,600	\$815,600	\$ 783,600	-\$ 32,000

The estimated revenues from fares would increase from \$147,600 in the first year to \$166,100 in the fifth year. The five-year total fare revenue is estimated at approximately \$783,600.

Based on current assumptions, revenues will not fully cover annual expenditures due to differences in ridership and wage increases. As a result, additional funding sources must be considered following year one to fully cover the cost of the vanpool model. Alternatively, employers and employees may elect to increase monthly contribution to Flexible Spending Accounts to mitigate this offset using pre-tax salaries and wages.

No capital costs are considered in this 5-year total based on the private vender contract which leases vehicles. As a result, costs associated with vehicle lease are covered under operating costs.

## 4.2 IMPLEMENTATION STRATEGIES

Figure 14 illustrates the recommended strategy to initiate the preferred scenario for vanpool transit services.

**Figure 14: Implementation Strategy**

