

NovoMetro

AC Transit History: From Streetcars to BRT

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AC Transit, like most other US public transit agencies, has been bleeding riders since the early 1970s. Now, with a major shift in focus, the once scandal-plagued agency is slowly, but steadily gaining traffic for essentially the second time in three decades. The agency's East Bay Bus Rapid Transit proposal, if adopted, will mean even more significant changes are on the horizon.

Because the plan to develop a network of dedicated bus lanes running down major East Bay avenues is fueling interest in AC Transit's future, now is a good time to look at its past. Be warned, it's not a pretty history. For decades, AC Transit was synonymous with corruption, poor service, and shoddy management. It's only in the past few years that the agency has managed to increase ridership while providing service that actually lures people from the comfort and convenience of their cars. Indeed, 40 percent of AC Transit riders own automobiles.

As the agency pursues one of the most successful public transportation trends of the last 60 years, it's interesting to note that AC Transit was born from the collapse of a transportation network that had served the East Bay from the days when horses pulled streetcars down a dusty Telegraph Avenue.

From the Key System to AC Transit

AC Transit rose from the ashes of the privately owned **Key System**,

which operated East Bay streetcar and bus routes beginning in 1903, but discontinued streetcar service in 1948 after being purchased by General Motors. Soon, the agency was nearly defunct, and the State Legislature created AC Transit in 1955. A voter-approved bond measure provided the funds for the agency to acquire the now-bankrupt Key System in 1959, and operations began a year later.

In its early years, the agency was nationally recognized as a model system. Ridership on the system's buses steadily rose to an early **1970s peak**, when they carried roughly 280,000 riders a day. Although, like most public transit agencies, it grappled with intermittent deficits and budget cuts throughout the 1970s, it remained relatively stable. AC Transit's fortunes truly began their long, painful decline in 1978, with the passage of California's **Proposition 13**. The property taxes the agency has long relied on to sustain its operations became harder and harder to pass. Between 1967-77 and 1983-84, property tax revenues, which had accounted for 56% of the agency's revenues, plunged from \$20.8 million annually to \$11.8 million, leaving the agency with a \$56.7 million deficit despite a 140% fare hike.



The Early Days: An AC Transit Bus at the Transbay Terminal.

Scandal and Service Cuts

At first, the agency was able to rely on state and federal money to close the gap, but massive cuts to federal public transit funding under the Reagan administration hit the agency hard, and by 1985, AC Transit was in crisis mode. It lobbied unsuccessfully for a cut of state lottery money to keep moving its 235,000 daily riders and was forced to raise fares. Safety and maintenance woes plagued the system - the agency's 850-bus fleet was in such a **state of disrepair** that 70 buses were removed from service while awaiting backlogged repairs, and another 75 simply didn't run at all. The repair backlog was so dire that AC

Transit had to decline to remove from service a number of buses that the Federal Government issued a voluntary recall on due to safety concerns.

The next year brought more bad news for the agency. Although the directors by now acknowledged the system needed sweeping changes, they had so little data about their operations that they couldn't even determine where to start. Faced with a \$4 million deficit, they hiked fares again, and made the largest service cuts in their history. They couldn't turn to the State for a bailout - in 1986, the State's Legislative Analyst recommended **withholding funding** from AC Transit because the agency was so wasteful. The only good news all year was the passage of a half-cent **sales tax** to fund Alameda County transportation projects, part of which would go to AC Transit. Hoping for a new direction, the agency promoted former bus driver Gene P. Gardiner to general manager. Immediately after taking office, he warned passengers not to expect much in terms of improvements.

By 1987, the system was down to roughly 235,000 weekday passengers, a **12.3% plunge** from 1982 levels. The agency coped by initiating sweeping layoffs, restructuring their Oakland routes, and eliminating 20% of rush hour service. Things were so bad that the US Department of Transportation recommended simply privatizing the system. The directors brought in a new director of planning to reorganize the agency, but fired him only 12 weeks later after he roundly condemned the agency for having "no financial controls." The canned director took his complaints to the Alameda County **District Attorney**, saying, "I have never worked for a public agency that has such a lackadaisical approach to fiscal control."



A Bus from the Bad Old Days

Ridership continued to plunge. In 1988, AC Transit recorded 61 million

trips, down from 84 million in 1981. The agency's fortunes worsened as an Alameda County grand jury called for all seven directors to resign immediately, and director **Linda Shepard** was charged with 7 criminal counts of misusing public funds. When the board refused to resign, the State Legislature considered a bill stripping their power altogether, and placing the agency under control of a **State-appointed trustee**. When a state audit condemned the agency for its complete fiscal incompetence, the grand jury renewed their calls for resignation. Instead, the directors pinned their hopes for big changes on industry leader and former executive director of the Seattle Metro, Neil Peterson, their 5th general manager in six years. Their hopes were short-lived, however, and Mr. Peterson left only 6 months later, informing the directors that the only way to get the system back on track would be by implementing cuts of "major magnitude," but the directors responded simply by raising fares once again.

Things didn't get any better the next year. The agency was now down to 220,000 daily riders, and deficit problems were exacerbated by ongoing safety and maintenance issues. In 1989, seven buses caught fire in four months. Hoping to increase ridership by 20% over the next five years, the directors approved a major route overhaul.

The new decade brought another fare hike and more scandal, with the abrupt resignation of the agency's general manager amid a controversy over misappropriation of funding and the suspension of a senior manager after he told a transportation study group that AC Transit's problems were the fault of "inept women and minorities" within the agency. The Directors replaced him with agency general counsel Sharon Banks. One stubborn problem disappeared that year. After two years, the District Attorney's office dropped its charges against Linda Shepard.

As funding continued to decline in 1991, the agency considered instituting annual fare hikes, initiated a 25-cent **transfer fee**, and slashed night and weekend service. An influx of state funds to help ease congestion caused by the Cypress Structure collapse brought a small boost, but not enough to keep the agency solvent. The next year brought another round of deep service cuts and yet another fare hike.

Rock Bottom

Budget woes continued for the next several years, prompting General Manager Sharon Banks **to say** in 1995, "We're at the end of an era where people could expect a bus at 8,000 stops, seven days a week, 24 hours a day." Even after another fare hike, a \$12 million deficit prompted the board to approve a plan to eliminate all bus service between 10 PM and 5 AM and reduce the number of routes running from 7 PM to 10 PM from 73 to 20.

An emergency **bailout from Sacramento** postponed the cuts, but the

agency still had to eliminate night service on 27 routes. The following year, the agency slashed service another 16 percent, eliminating all runs between midnight and 5 AM, and ceasing weekend service on 12 routes. A despairing Banks told the Chronicle "We are cutting bone marrow to balance our budget." The agency hoped to close funding deficits with a parcel tax, but the measure failed.

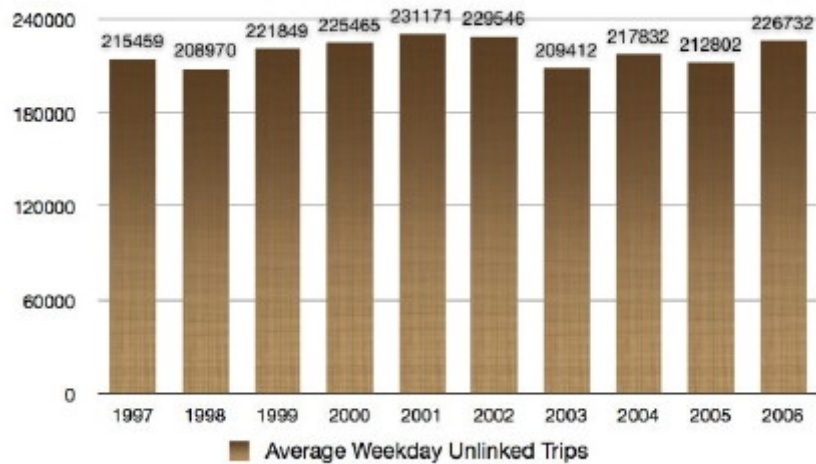
A BART strike in 1997 brought AC Transit its first stroke of good luck in years. The strike forced thousands of commuters onto AC Transit's transbay buses, straining the agency to its limits. Amazingly, riders liked the bus, and **passengers on the routes surged** even after the strike ended, raising weekday boardings along the routes from 9,500 to 13,500 by the beginning of 1998. For the first time in years, the agency actually increased service, but only along transbay routes.

But the rider surge wasn't enough to boost the system into solvency, and after **a failed attempt to renew the 1986 sales tax**, AC Transit Director Clinton Killian's comments were downright apocalyptic, telling the Chronicle "If we lose again, we'd have to cut (AC Transit) bus service by 15 percent," said Mr. Killian.

Sharon Banks fell ill in late 1998, and took leave from the agency the following January, dying less than a year later. Under Ms. Banks's tenure, the agency's financial woes had continued, but charges of mismanagement and incompetence had finally evaporated. The agency once again raised fares, but for the first time in years, the increases were accompanied not by service cuts, but actual improvements. The agency restored weekend service to West Oakland and reinstated nighttime service.

Full Circle: Bus Rapid Transit

In 2000 and 2001, a robust economy fueled **massive leaps in transit ridership**, causing trips to surge nationwide, with the US reaching its highest level of transit ridership since the 1940s. AC Transit was swept up in the trend, and ridership soared. The jump was largely fueled by solid job growth (the more jobs there are, the more people take transit to get to them) and rising sales tax revenues, but also accompanied service expansions. In 2002, a Metropolitan Transportation Commission report warned operators against growing too optimistic, noting that ridership drops should be expected the following year due to the slowing regional economy.



Source: National Transportation Database

The MTC was right. Rising unemployment meant falling ridership, and the accompanying **plunge in taxable sales** proved disastrous for Bay Area transit systems. By 2003, virtually every Bay Area transit system had erased any dot-com gains. Agencies throughout the region faced multi-million dollar budget shortfalls, and between 2002 and 2005, VTA, Samtrans, Caltrain, Muni, and AC Transit all considered declaring or declared states of fiscal emergency. Even after another fare hike, AC Transit had to cut service 14 percent in 2003 to make ends meet.

2003 marked a major positive shift in AC Transit's fortunes as well. That was the year the agency released a **new plan** intended to refocus their growth efforts. Recognizing that the five largest lines carry 45 percent of the agency's passengers, AC Transit elected to focus future improvement efforts on these densely populated corridors.

Initial results indicate the plans are working. June of 2003 brought the first phase of AC Transit's rapid bus plan, with the introduction of the 72R along San Pablo Avenue, which lacked a dedicated lane, but employed low-floor buses and signal priority. As riders were abandoning traditional neighborhood routes, they flocked to the speedier rapid bus. Not only did the new bus reduce travel time by 17% over previous limited stop service on the route and 21% over previous local service, but ridership soared, increasing by 8.5% along the corridor after a year and a half of service. The improved bus was actually able to get people out of their cars - 19% of 72R riders reported that they had previously traveled the route via automobile.

The first buses rolled out along the agency's second rapid route, the 1R, in June 2007. Although it is too early to measure ridership impacts of the 1R, the Telegraph Avenue corridor it serves has been steadily gaining riders, leaping to the position of the Bay Area's ninth most traveled bus route for 2004-05. The line, which travels along Telegraph and East 14th from Berkeley to San Leandro, will act similarly to a light rail system, with passengers boarding from center-road bus stations

after pre-buying tickets at kiosks. Bus Rapid Transit offers similar fare-box recovery and travel time to light rail systems, but requires roughly a third of the capital investment. Under the BRT plan, buses would arrive at stations every 5 minutes during peak travel periods, and travel time over the full route would fall 30 percent. With BRT, the agency expects trips along the corridor to rise from 24,000 per day to 49,000 by 2025.

The BRT proposal has raised protests from residents along the corridor who fear that removing a lane available for car traffic will increase congestion, although the Draft EIR's study found that traffic would not increase along the roads due to the number of travelers who would use the bus instead. While every fully fledged BRT system introduced thus far in the US has vastly exceeded ridership predictions, opponents still contend that few East Bay residents will be willing to make the switch.

Between focusing its service improvements on major commuter arteries rather than neighborhood-serving buses and experimentation with alternative energies, AC Transit has elected to make a major shift - the focus is now one of long-term energy and emissions reductions, rather than the traditional model of providing transport to those who simply can't afford a car. The emphasis on trunk routes means that transit-dependent riders living far from large corridors lose out, but beefing up service along major lines may be the best route toward financial stability for the agency, while simultaneously encouraging more progressive decisions about land-use.

Whether fully-fledged Bus Rapid Transit will be part of the agency's future is simply a matter of political will. The project has run into opposition from the Berkeley City Council, and faces less direct barriers from the City of Oakland, who informed the AC Transit Board last week that their plans for a redesigned 12th Street Bridge will be unable to accommodate a dedicated bus lane. Politicians are understandably reluctant to gamble on whether removing a lane available for cars from two major thoroughfares will ease congestion as predicted.

But what we do know is that the coming years will see more people moving here and traveling along these routes, and that the roads can't be expanded to accommodate increased car traffic. The best evidence from around the world, and here in the US, suggests that BRT eases congestion and encourages people to use public transportation. The question is whether local politicians will choose to make their decisions based on evidence or intuition.
