

# Los Angeles Transit History



# 6 Historical Eras

Birth of Local Transit	1873 – 1890
Consolidation & Evolution	1890 – 1911
Dawn of the Automobile	1911 – 1933
The Highway Era	1933 – 1964
Birth of Rapid Transit	1964 – 1993
Merger & Multimodalism	1993 - Present



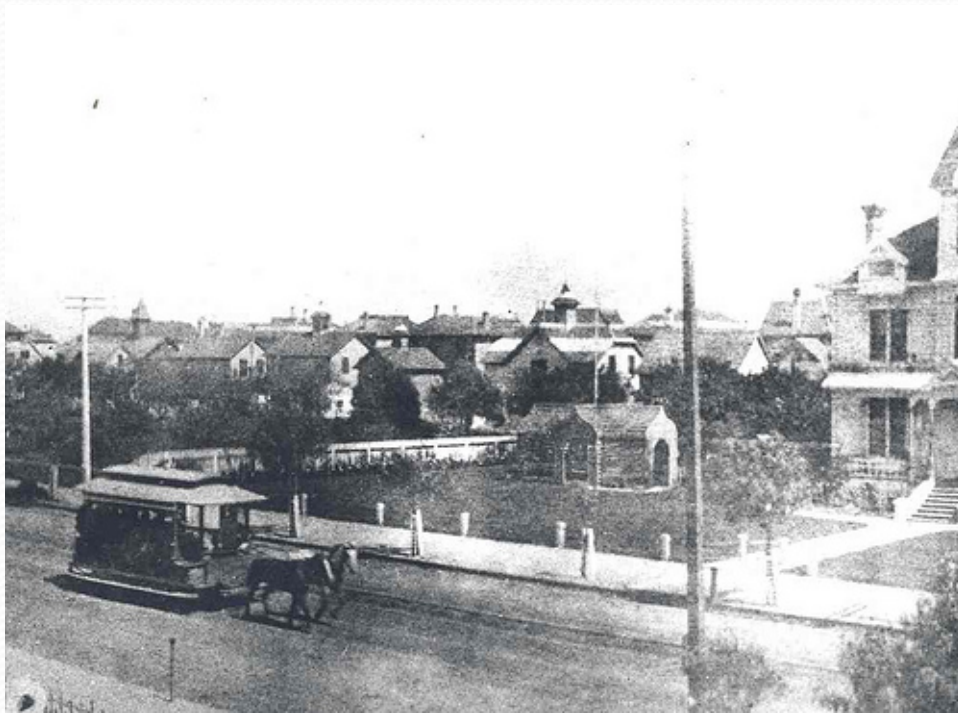
# Birth of Local Transit 1873 - 1890

Horse-drawn rail cars

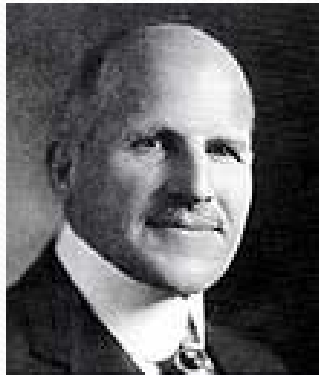
Provided access to real estate projects

When areas fully developed ongoing patronage insufficient to maintain transit

Most companies later failed



# Consolidation & Evolution 1890 - 1911



Moses H. Sherman



Sherman Foundation  
Eli P. Clark

Moses Sherman & Eli Clark merge routes  
into Consolidated Electric Railway

During 1890's many lines electrified to  
save operating cost / attract riders

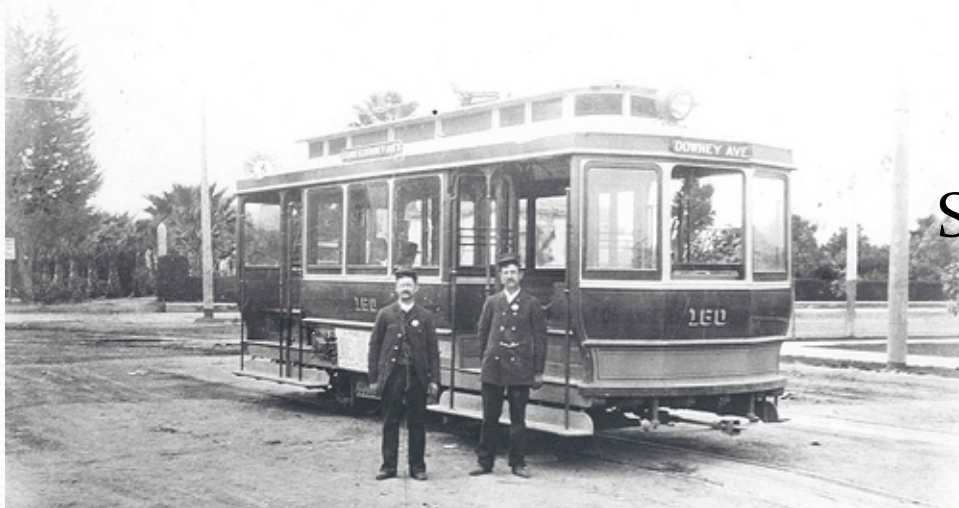
Restructured in 1895 as Los Angeles Rwy

Sold in 1898 to Henry Huntington



# Consolidation & Evolution 1890 - 1911

Huntington reformed company  
as Pacific Electric Rwy in 1902



Sherman joined with Robert  
Gillis to form LA Pacific Rwy  
under ownership of Santa  
Monica Land & Water Co.

# Consolidation & Evolution 1890 - 1911



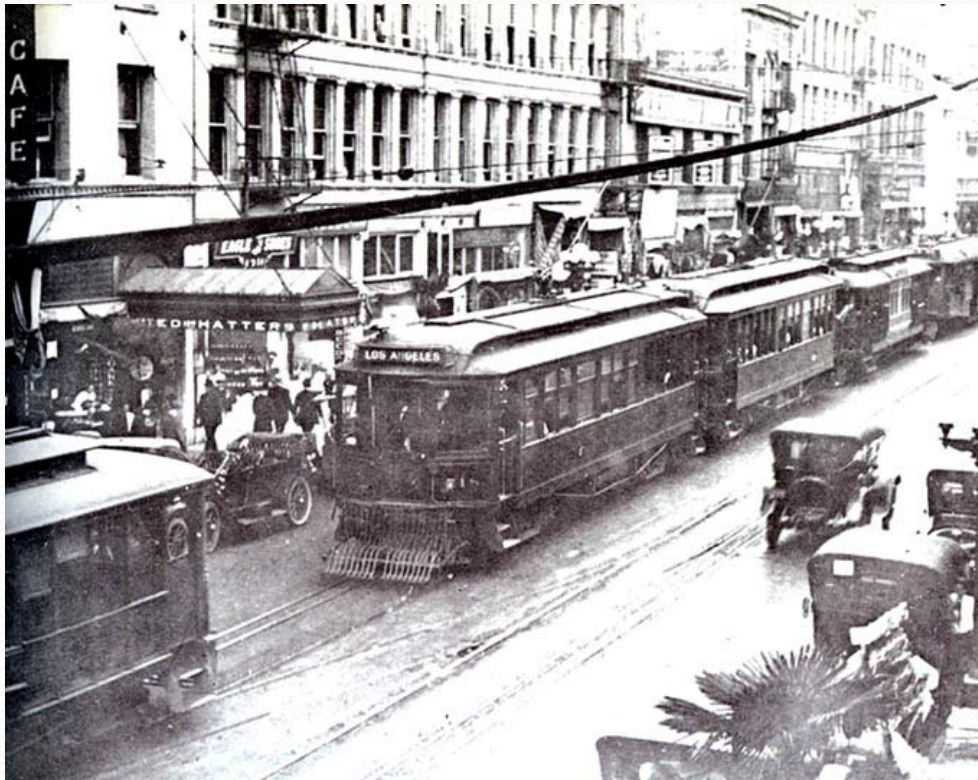
During early 1900's real estate development fueled expansion

Transit lines were used for utility easements

Goods movement became an added revenue source as networks grew



# The Dawn of the Automobile 1911 - 1933

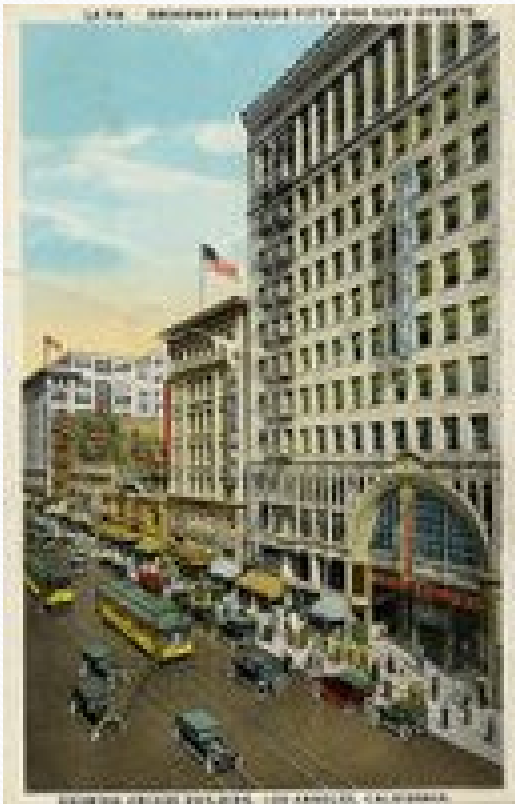


Railroads felt competition for goods movement –

Southern Pacific acquired Pacific Electric in 1911

Huntington acquires remaining interest in LA Railway Corp.

# The Dawn of the Automobile 1911 - 1933



The automobile flourished

1910 – fewer than 20,000 in LA

1920 – more than 100,000

1930 – nearly 800,000

Autos and transit competed for street space

1925 – first subway opened from Pershing Square to NW CBD



# The Dawn of the Automobile 1911 - 1933

Municipal ownership of transit considered

- Consolidation of operating franchises
- Freedom from sales and land taxes
- Exempt from highway improvement fees when owning abutting land

Henry Huntington dies in 1927 ending negotiations



# The Highway Era 1933 - 1964

By 1933 bus service was being provided by all rail operators

Buses more cost effective than rail

By 1940's materials shortages impacted all forms of transit – buses still profitable but not rail

In 1945 National City Lines bought out LA Railway becoming LA Transit Lines

In 1953 Metropolitan Coach Lines is organized to buy out Pacific Electric and replace rail with bus





## The Highway Era 1933 - 1964



In 1951 the State legislature creates the LA Metropolitan Transit Authority – planned to build a monorail along LA River

In 1958 LA MTA is funded by State to purchase LA Transit Lines and Metropolitan Coach Lines thereby creating first public transit operator in LA County

# The Birth of Rapid Transit 1964 - 1993



March 1963 – the last rail transit line is abandoned

August 1964 – the SCRTD is created by the State – for the first time the public operator has powers of eminent domain and bonding

By 1969 many bus routes are still covering costs though worker wages and service quality lag



# The Birth of Rapid Transit 1964 - 1993



1971 – Transit Development Act provides dedicated funding through  $\frac{1}{4}$  - cent sales tax\

1974 – zoned fare system replaced with flat fares

1975 – begins federal funding for capital & operating needs

1976 – 1981 fares are increasing annually from \$0.25 to \$0.85 over 6 years

# The Birth of Rapid Transit 1964 - 1993



1976 – LACTC created to oversee transportation funding and establish policy

1980 – Proposition A adopted by voters providing ½-cent sales tax for transit development

1982 – Three year \$0.50 fare put into effect as Prop. A revenue is validated by courts



# The Birth of Rapid Transit 1964 - 1993



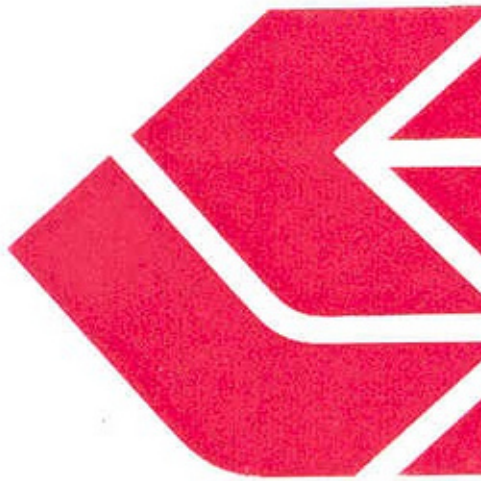
July 1990 – Metro Blue Line to Long Beach

July 1990 – Proposition C ½-cent sales tax begins



Feb. 1993 – Metro Red Line to Westlake

# Merger & Multimodalism 1993 - Present



**RT**





# Merger & Multimodalism 1993 - Present

## 1996 Consent Decree

- 10-year agreement to settle civil rights action
- Added 1 million bus hours to reduce crowding and implement new service plan
- Froze fares for two years and limited later increases to local inflation
- Court supervision will end in Nov. 2010



# Merger & Multimodalism 1993 - Present



## Rail expansion

- August 1995 – Green Line
- June 1996 – Red Line to Wilshire/Western
- June 1999 – Red Line to Hollywood/Vine
- June 2000 – Red Line to North Hollywood
- July 2003 – Gold Line to East Pasadena
- Nov. 2009 – Gold Line to East LA



November 2008 – Measure R adopted providing an added ½-cent sales tax for 30 years to fund further capital investment and support transit operations



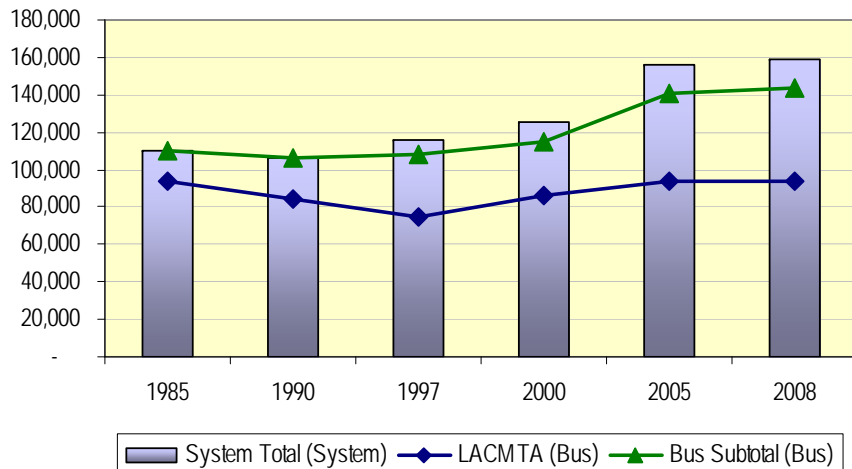




# **CURRENT TRENDS IN SUPPLY AND DEMAND**

# REGIONAL TRENDS IN SUPPLY

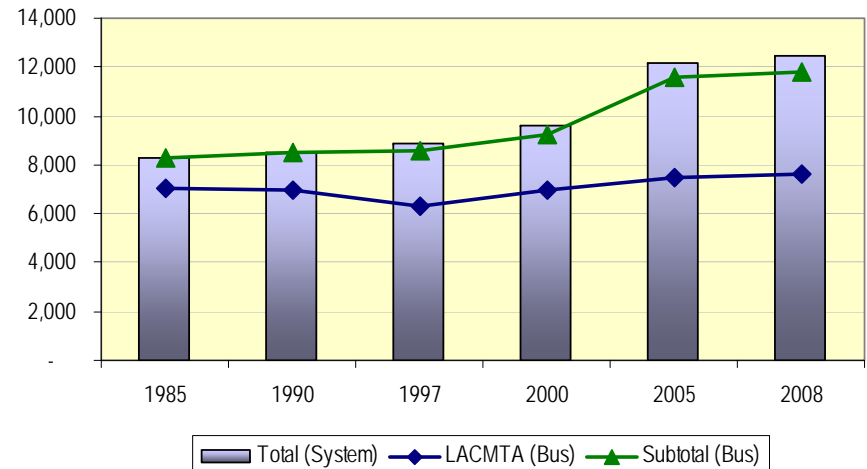
Seat Capacity



## Trend

- Bus seat capacity in region increased 31% from 1985 to 2008 due to increase in Muni bus service
- Including Metro rail, seat capacity has increased 45%

Annual Revenue Service Hours (in 1,000's)



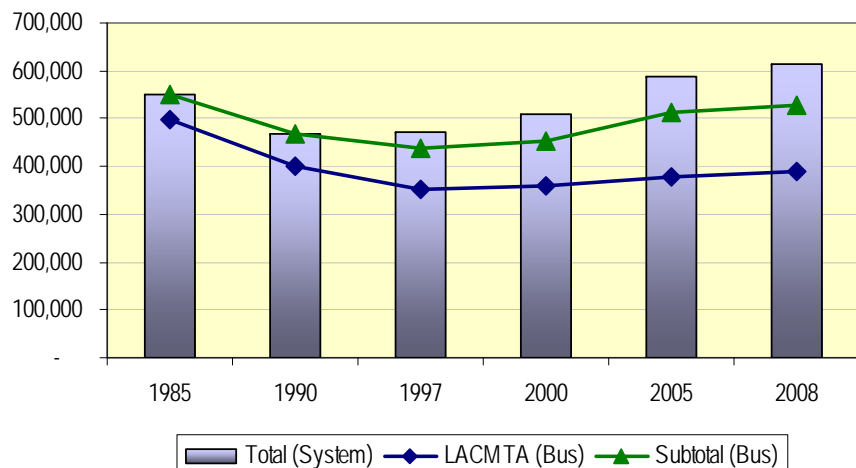
## Trend

- Bus service hours in regional increased 42% from 1985 to 2008 largely due to increase in Muni bus service
- Including Metro rail, service hours have increased 50% (based on car hours)

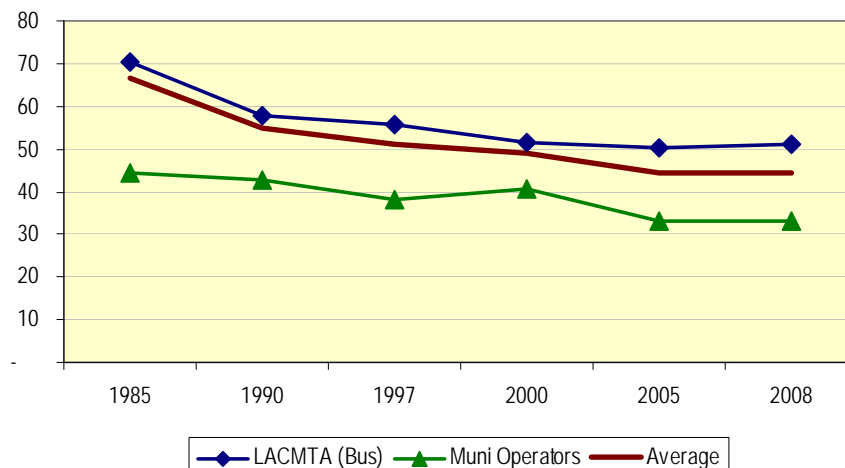


# REGIONAL TRENDS IN DEMAND

Annual Passengers (in 1,000's)



Bus Passengers/Revenue Hour



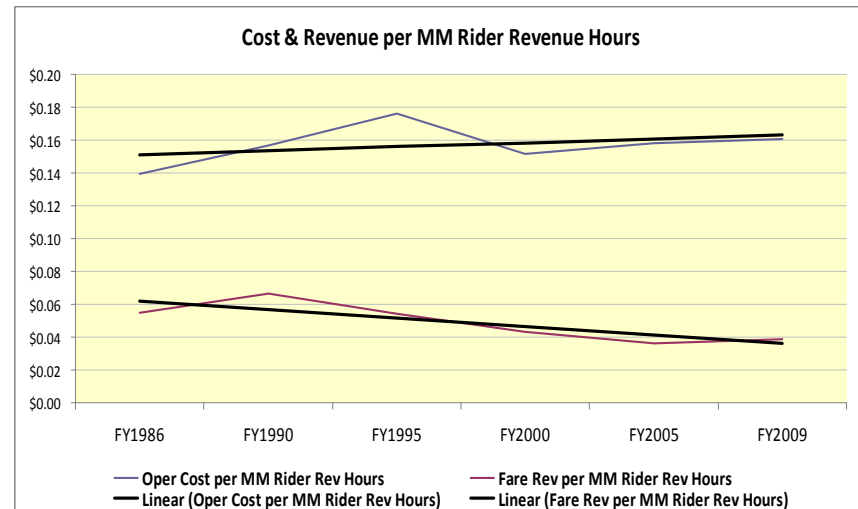
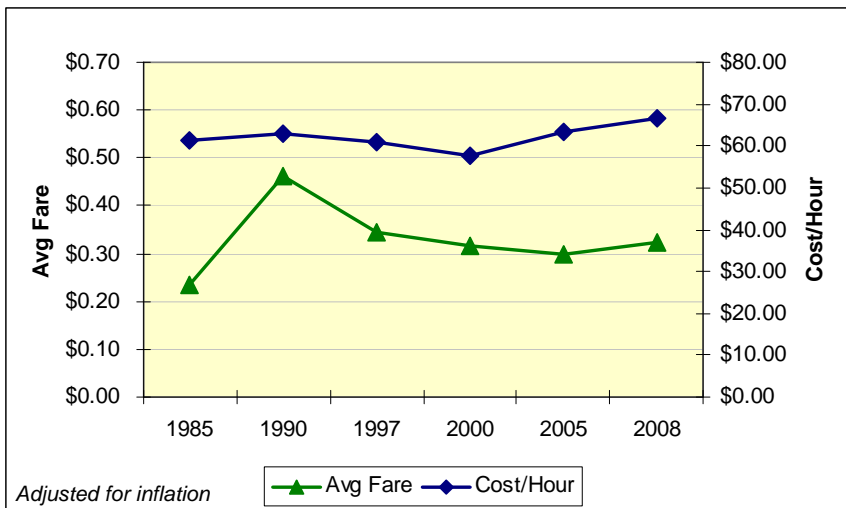
## Trend

- Regional bus passengers decreased 5% from 1985 to 2008
- Including Metro rail, passengers increased 11%

## Result

- Due to the 42% increase in service hours and 5% decrease in passengers, productivity (passengers/hour) decreased on regional bus service by 33% from 1985 to 2008
- Results in a much greater increase in supply relative to demand

# METRO BUS COST AND REVENUE TRENDS



## Trend

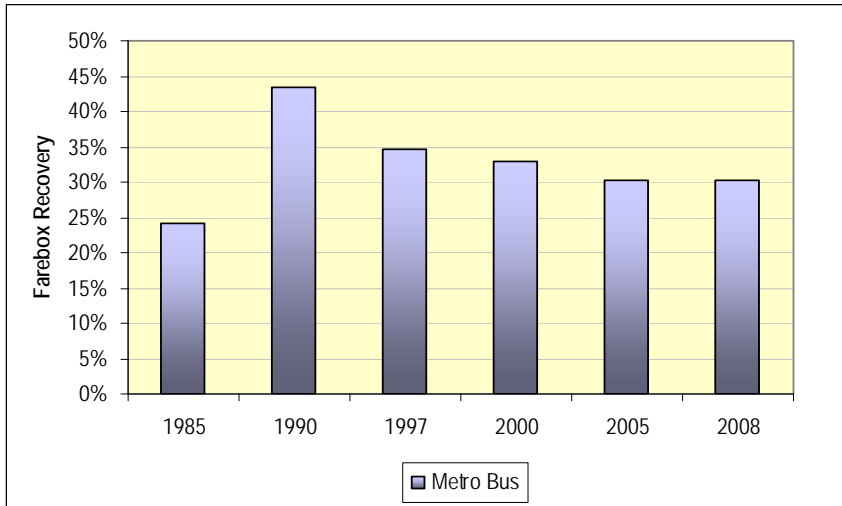
- Operating costs have kept up with inflation
- Average fares (revenues/passenger) have declined

## Result

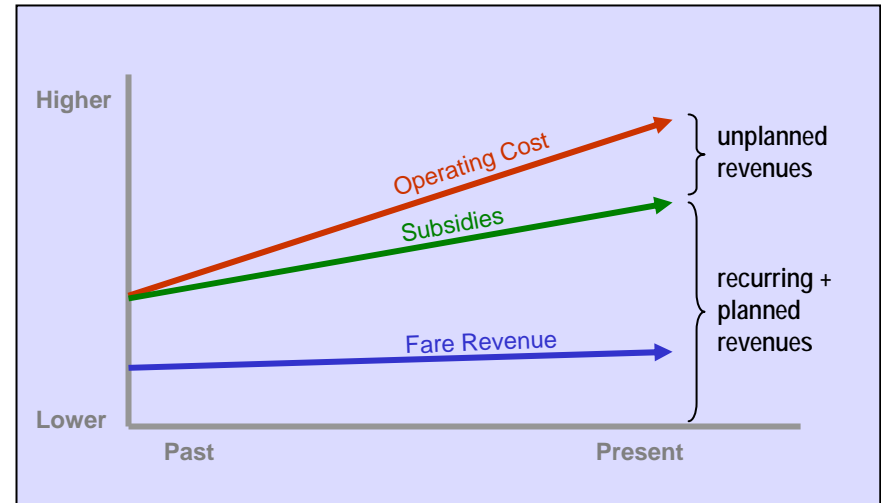
- Even if service levels and ridership remain unchanged, costs/million passenger hours would increase while revenue/million passenger hours would decrease
- Given the increase in service levels and decrease in passengers, the gap between cost and revenues increases from \$0.09 to \$0.12



# METRO BUS FINANCIAL IMPACTS



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## Trend

- Lower farebox recovery results in greater reliance on diminishing public subsidies

# SOLUTIONS TO STRUCTURAL DEFICIT

## Reduce Cost

Right size service levels (thinning)		Reduce unproductive svc.		Improve service quality	
- Cost	+ Rev	- Cost	+ Rev	- Cost	+ Rev
Yes		Yes		Yes	Yes

## Increase Revenue

Discount unused capacity		Increase fares		Find new funding source	
- Cost	+ Rev	- Cost	+ Rev	- Cost	+ Rev
	Yes		Yes		Yes

