



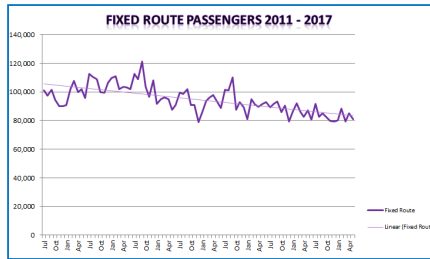
CAPE FEAR PUBLIC TRANSPORTATION AUTHORITY

2017 ANNUAL REPORT

The Evolution of Public Transportation

The Authority *Annual Report* typically focuses on improvements to public transportation offerings in the region over the past twelve months. While this report will continue this important initiative, Wave Transit will use a portion of this publication to address the future of public transportation in the region and nationally.

Over the past five years, Wave Transit ridership has decreased. Similar decreases have been experienced at the national, statewide, and local levels. Wave Transit has experienced fixed route ridership decrease from its peak of over 120,000 passengers in October 2013 to less than 80,000 passengers in February 2017. This does not include fixed route ridership on the Seahawk Shuttle which varies widely throughout the academic year.



Decreases in ridership are attributed to several factors: an improving economy; low interest rates for automobiles and increased subprime auto loans; long term low fuel prices; ride sharing services; low prioritization of the federal transit program which has led to a nearly 100% decrease in federal transit capital funding; and millennial commuting patterns.

Significantly declining federal funding has led to the decreasing ridership trend. Potential passengers are less likely to utilize transit when buses are older, less reliable, and less aesthetically enticing. Additionally, the lack of federal capital investment has led to redirection of operating funding to capital investment to maintain the most basic level of maintenance. This is demonstrated by the 1.4% growth in the annual budget of Wave Transit from 2013 to 2017, which is significantly less than the level of inflation for the same period. According to the Bureau of Labor Statistics consumer price index, costs of goods and services in 2017 were 5.1% higher than in 2013.

Autonomous vehicles, electric propulsion, and lack of federal investment in public transportation infrastructure have combined to transform the industry in a very short period of time. Technology also continues to outpace the transit industry's ability to compete with transportation network companies and other technology driven transportation services.

Targeted focus on successful initiatives like the WaveConnect program and human service transportation must be a priority. Maintaining moderate growth to provide transit offerings that keeps pace with growth in the region is also vital. Recommendations from the *Wave Transit Short Range Transit Plan*, scheduled for release in 2018, have been drafted with the changing environment in mind.

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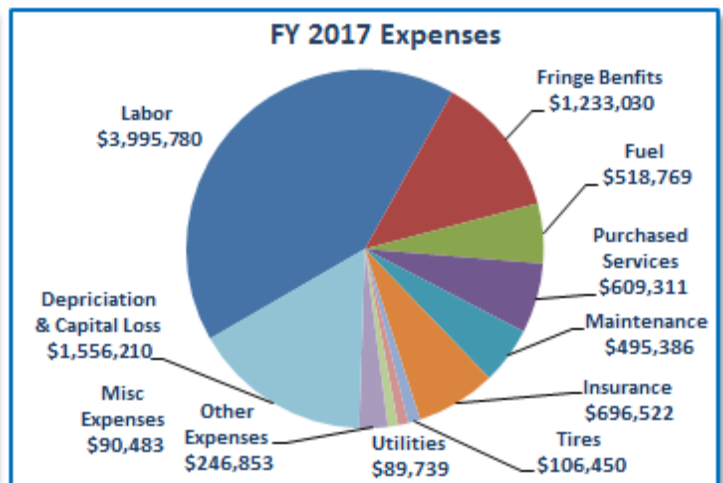
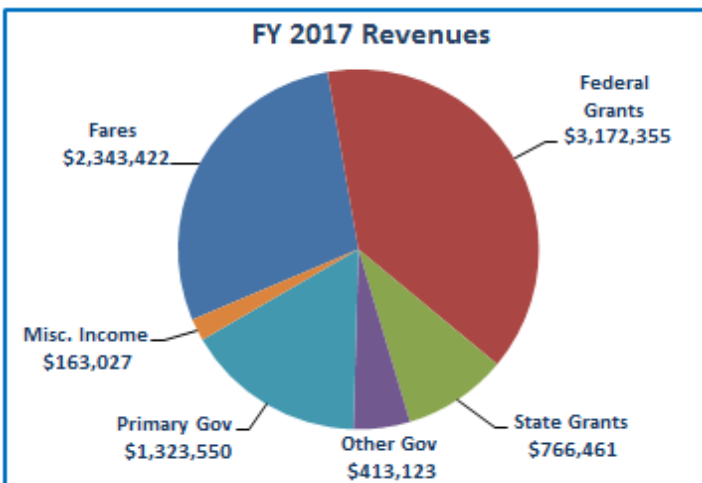
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Fiscal Year 2016-2017 Operating Revenues & Expenses

In Fiscal Year 2017, expenses decreased 1.379% over FY 2016. The decreased costs were due in part to low diesel and gasoline prices and fuel savings from conversion to compressed natural gas which realized savings of .73 per gallon equivalent during the year. Additional decreases in expenses were due to reduced operating costs from the new operations center and upgrades to the fleet.

Even with a decrease in ridership, actual charges for transportation services represented 29% of all revenues, equal to FY 2015 and FY 2016. Fare recovery represents actual dollars paid for service by end users. The recovery rate is important because increased farebox recovery minimizes taxpayer subsidies. The Authority's annual audit report is available online at: <https://www.wavetransit.com/wp-content/uploads/2016/08/2017-Audit.pdf>.



CFPTA Organizational Analysis

An increasingly tight labor market and the need to maintain a high level of organizational efficiency led the Authority to undertake an in-depth study of its organizational structure in 2017. Following recommendation of the Personnel Committee, the Authority unanimously voted to implement the recommendations of the consultant. The Planning Department merged with the Operations Department under the leadership of newly appointed Deputy Director Megan Matheny. A new Grants and Compliance Coordinator position was also created.

WaveConnect

Launched in 2016, the Wave Connect Program has four programming areas: Travel Training, Accessible Van Service (DART), Fixed Route Access, and Community Engagement. In 2017 the Travel Training program served 338 individuals. Accessible Van Service (DART) improvements included a new brochure, a Rider Guide, and 1 DART staff sensitivity training class. Fixed Route Access was improved through the purchase of 5 bus shelters, and the launch of the Veterans Honor Program offering half fare to veterans. Community Engagement efforts included 15 outreach events, 9 ongoing community group memberships, and through the Community Grant 4,230 accessible van trips (value \$79,747) were awarded to senior centers to provide transportation for people age 65 or older.



**SUPPORT THE MAKING WAVES FOUNDATION
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In 2017 the Making Waves Foundation received donations and local grants totaling \$8,885 and granted requests for reduced transportation services for over 6,981 trips. The Foundation continues to deliver upon its mission to provide assistance to members of the community who otherwise would not have access to transportation. Your tax deductible donation can make a difference. Please consider a gift today.

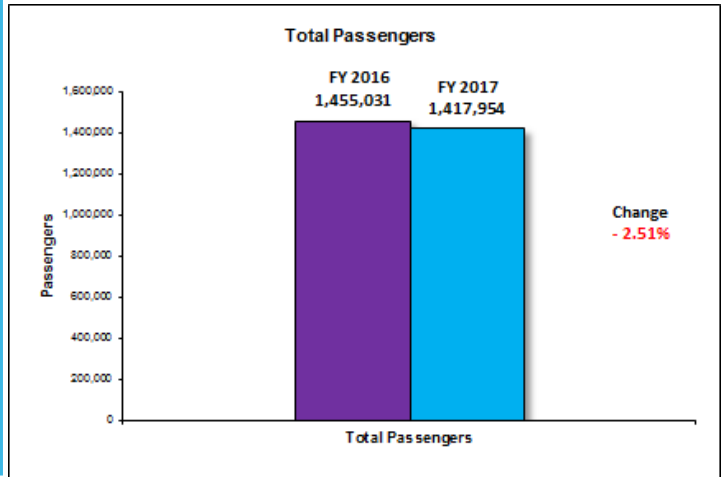


Ridership

Overall ridership decreased by 2.51% from FY 16 to FY 17. Fixed route passengers, not including the Seahawk Shuttle decreased by 5.60%. Ridership on the UNCW Seahawk Shuttle routes decreased by 5.71, and Paratransit ridership decreased by 5.96%.

Falling transit ridership is trending nationwide. The majority of the decrease is attributable to a relatively long period of low fuel prices and a healthy economy. The proliferation of ride sharing companies are also siphoning passengers from traditional bus transit. Aging buses without technological amenities to attract new riders are also believed to contribute to the trend.

As with any industry, public transportation is cyclical and many of the factors to improve ridership are beyond the reach of the Authority. Recommendations from the *2018 Short Range Transit Plan (SRTP)* will include non-traditional transit programs that have demonstrated success in other areas. As transportation technology evolves, Wave Transit remains committed to implementing transit initiatives that meet the mobility needs of the region.



Looking Ahead 2018

2018 Planning Efforts

In 2017 the Authority kicked off its five year short range planning effort. Consulting firm Nelson Nygaard was tasked with collecting data and evaluating peer systems to deliver a plan to deal with the rapidly changing transit environment.

To ensure the effort was reflective of the needs of the region, a stakeholder group was convened to assist in the development of the plan. The diverse group has been extremely helpful during plan development and the Authority is confident that recommendations from the plan will lead to modifications that are reflective of the growing transit needs throughout South-eastern North Carolina.

Targeted focus on the Downtown Trolley initiative and rapidly growing areas of the region were a significant part of the project scope. Recommendations to deal with changing commuting patterns, employment demographic shifts, underperforming routes, and concerns from modifications resultant from the 2012 plan were also a focus of the consulting team. Significant data collection and analysis will ensure that recommendations from the plan are relevant and will lead to improved service offerings. At the end of 2017, the draft plan was being finalized for a mid 2018 release.



Wilmington Multimodal Transportation Center

Long awaited progress on the Wilmington Multimodal Transportation Center finally began in 2017. After identifying \$2,400,000 in federal funding to renovate the historic Neuwirth Motors building in downtown Wilmington, Wave Transit set out to prepare the building for renovation.

Phase 1 of the project involved hazardous materials abatement. Once the building was free from contaminants, the Authority commenced with Phase 2 which involved stabilization to prepare the facility for renovation. Facility stabilization was a tedious and laborious effort due to the lack of modern building standards employed when the facility was originally constructed. During Phases 1 and 2, the Authority took the necessary steps to design the renovations and obtain the necessary approvals and permits for Phase 3.



The result of these efforts has led to a solid building that is ready for renovation. Bus drive aisles and modern transit enhancements will merge with the historic charm of the facility and the neighborhood resulting in a transit center that demonstrates the Authority's commitment to the community. Renovation construction is expected to begin in the fall of 2018 and be complete prior to the end of the calendar year.