



MOVE
CENTRAL ARKANSAS

Central Arkansas Transit Authority
Stakeholder Interview
Report
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1 INTRODUCTION

As part of the Central Arkansas Transit Authority (CATA) Strategic Planning effort, members of the Nelson\Nygaard study team conducted a series of interviews with a variety of individuals and organizations that have a stake or interest in the future of Central Arkansas's public transportation system. Stakeholders included elected officials, planning staff, and representatives from community organizations, businesses, and higher education institutions. The study team also spoke with transit riders and CATA's front line staff members (drivers and customer service agents). The purpose of conducting stakeholder interviews was to:

- Understand stakeholder's perception of public transportation service generally as well as public transportation service services operated and managed by CATA.
- Identify transit needs and priorities, including specific transit service investments that people felt are currently needed or could significantly help Central Arkansas residents.
- Collect insights into how transit services could and should be funded in Central Arkansas, including stakeholder receptiveness to different taxing options

This report is part of a series of technical memos produced as part of the study, documents the findings associated with this sub-task. It is intended as a working document and all material presented in the report should be considered draft until it is incorporated into a final report at the conclusion of the study.

Methodology

The Stakeholder Interview process represents a series of conversations held with individuals and small groups of individuals. In most cases, the interviews were conducted with people who represented a single organization, but in a handful of cases, interviews were conducted in a 'focus group' style approach where individuals from similar type s of organization were invited to a joint meeting to talk about transit.

In all cases, interviews were conducted confidentially. At the start of each interview, participants were told that the conversation would be confidential and that they should be encouraged to speak freely. As a result, findings in this report are summarized across all individuals who participated in the process.

The list of people contacted for interviews was developed by CATA staff, with additional recommendations provided by the study Coordinating Committee as well as the stakeholders themselves. In total, the study team spoke with approximately 20 organizations and more than 35 individuals (see Appendix A).

Summary of Key Results

The most consistent themes heard from the stakeholders included:

- There is a **strong level of support for public transportation among the stakeholders**. Many stakeholders said CATA, as an agency, is effective and efficient. Stakeholders also felt strongly that public transportation is an important part of a healthy community and is important for Central Arkansas.
- Despite strong support overall, **a handful of people interviewed expressed ambivalence** about public transportation in Central Arkansas. While not necessarily against transit, these individuals had never used the system, didn't know anyone who had used it and were not convinced of its value.
- Several stakeholders said public transportation has an image problem. These stakeholders felt there is **an impression among many community leaders and individuals that public transportation is only for people with low incomes and in some cases, older adults**. Many stakeholders felt this impression hurts public transportation because people felt the service "isn't for me".
- At the same time, many **stakeholders also expressed frustration with the lack of innovation regarding public transportation in Central Arkansas**. They said as far as they can tell, CATA's routes and services have not changed substantially for decades. If CATA would like to expand or attract funding, the agency would need to offer the community a clear vision and clear, tangible investments that would strengthen and improve service.
- When asked how CATA could improve its service, **most stakeholders said they wanted more frequency, more shelters and passenger amenities and faster, more direct service**. Several stakeholders also said CATA needs to strengthen its marketing efforts so more people are aware of the service and understand how to use it.
- Overall, **stakeholders support CATA pursuing a dedicated funding source**, although nearly all stakeholders warned that the process would be challenging. The balance between optimism and caution varied to the person, with some feeling very positive and others warning that winning support from voters may require more than one attempt. Overall, stakeholders were encouraging and felt that CATA should be in it for the long haul and not be easily discouraged.

- Although stakeholders were in agreement **dedicated funding should be raised by either sales tax or property tax, they were divided on which type of tax would be most easily approved** by voters as a funding source for transit. Both taxes have advantages and disadvantages and these need to be weighed carefully.
- Several **stakeholders were intrigued at the idea of working with other interests** on a tax measure, such as the bicycle or pedestrian community. Several stakeholders liked the idea of broadening the base and building partnerships, especially with cyclists. There was not universal agreement, however, that this would help CATA or that it would be necessary to win funding support.

2 CENTRAL ARKANSAS, TRANSIT AND CATA

As part of the stakeholder interview process, the study team asked people about their perceptions of public transportation and the role public transportation does, can and should play in community development. This conversation led to three themes that were voiced by nearly every stakeholder interviewed: 1) people who participated in the process have tremendous pride and optimism about Central Arkansas and its future; 2) public transportation in Central Arkansas is almost exclusively a service for people with low incomes; and 3) despite the fact that they don't use the system, the vast majority of the people interviewed said public transportation is important and is a valuable community asset. Within these consistent themes, stakeholders also offered insights and expressed a variety of opinions about how they perceive CATA and the potential for transit in Central Arkansas.

Little Rock and Central Arkansas

Generally speaking, stakeholders and individuals who participated in the stakeholder interview process voiced a lot of pride in the region and expressed optimism for the future of the Central Arkansas. At the same time, many stakeholders noted that Central Arkansas may be “behind the times” with regards to the broader policy debate on land use and transportation. For example, several stakeholders talked about the issues that impact transit service effectiveness, namely land use, parking and density. One individual said that in Central Arkansas, “nothing drives you to transit and there is no reason to use it; there is no congestion to speak of and plenty of parking, most of which is free and there is plenty of space. These are key differences as to why transit works in some places and why it may not work in Central Arkansas.”

In terms of the broader policy debate, stakeholders identified areas where the region has achieved success but also been challenged:

- The Arkansas Highway and Transportation Department (AHTD), for example, is not in the transit business and is not planning (and shouldn't be expected) to get into the transit business. AHTD is focused on managing the state highway network and they don't have time or staff to do much else.

- At the same time, stakeholders said AHTD appears to be amenable to complete street types of concepts and potentially dedicating right of way to transit.
- Locally, however, work on complete streets has been less successful. The City of Little Rock has been considering a complete streets resolution for several months but the Little Rock's City Board seems to be un-willing or unable to pass it.

Stakeholders also talked about how important the policy environment is to advancing transit. They talked about growth, and the multitude of projects under way and being planned for the region, including both projects in suburban communities and in downtown Little Rock.

Several of the stakeholders talked about major development projects planned or ongoing in downtown Little Rock. These include the Tech Park being developed by University of Arkansas Little Rock (UALR) as well as downtown residential development (more than 250 residential units should be online by mid-2015). Stakeholders directly or indirectly associated with these projects expressed caution but also hope for how transit could help their investments and projects. Some individuals felt that fast, direct connections between downtown and the capitol complex, the hospital district and/or University of Arkansas Little Rock (UALR) would strengthen their downtown projects. In the interim, most stakeholders representing institutions in this area also said they would be building parking.

Perceptions of CATA

Although only a handful of the people who participated in the process had significant experience using CATA service, nearly all had opinions about the service. Suggestions for service improvements are described in the following chapter. Stakeholders' perception of the existing public transportation service available in Central Arkansas was nearly universally described as being old fashioned and out of date. Several people said the service has not changed substantially for decades and at least one person said the service had not changed since 1975.

Stakeholders feel into two distinct camps with regards to the River Rail. The majority was not in favor of the River Rail, saying the service should not be expanded until the bus service improves. Many stakeholders also complained that no one rides it, the trolleys clog the streets and the service took money from people who really need it. Others, especially people related to the tourism industry were positive about the trolley, saying visitors loved it. These individuals tended to feel the River Rail should be expanded.

With regards to CATA as an agency, people who participated in the interviews were much more positive and sympathetic. They generally felt that CATA as an agency was competent and doing the best with the resources it has. Many stakeholders said the agency was under-funded and hamstrung by this perpetual underfunding. A smaller subset of the stakeholders warned that CATA was trying to do too much with what it has and as a result, isn't doing enough things right.

Stakeholders also expressed some concern about CATA's board leadership, namely that the Board has played more of a caretaker role rather than actively promoting transit in Central Arkansas. These individuals felt the Board may be able to take some credit for the fact that the agency is perceived as competent and efficient, but with that comes responsibility for the lack of innovation.

Stakeholders also supported strong support for CATA's Executive Director, noting that the CATA Board did "at least one right thing in the past few years and that is to hire a bright, young individual who is trying to provide some leadership".

Comments on the CATA Board also included concerns that the board should include more representation from riders and would benefit from being less-Little Rock oriented. Although these comments were not widely expressed, some stakeholders voiced strong opinions about the need to include more riders on the CATA Board and/or create a rider group to expand input from CATA to the system. Proponents of the rider group said forming a rider group is a low cost strategy that would strengthen CATA's position with the riders and important members of the community, including people who may vote for a transit tax. It was noted that rider groups are used by many transit agencies around the country and with success. Other stakeholders said the CATA Board is too heavily focused on Little Rock. Even though there are 12 people on the Board, the Little Rock members run the show.

Opportunities

Despite the challenges, people also expressed a lot of optimism about the future public transportation and support expanding the service. Some of these stakeholders said the importance of transit to some members of the community cannot be overstated. If you don't have transportation and you want to do anything – go to school, get to work, shop, eat, and visit friends and family – you rely on the bus. People may not always realize this because they have a car, but a lot of people rely on transit.

Other stakeholders talked about how the CATA and public transportation are critical to the future of Central Arkansas because the transit system is the crossroads where a lot of social, political and economic issues meet. These individuals talked about how getting community support and doing something with public transportation could help Little Rock move past a lot of history. The old CATA was about "getting maids to the Heights", the community needs to move past this and become a service used and valued by all Central Arkansas residents. This sentiment was expressed by one individual who said, "great transit could launch Little Rock and Central Arkansas in a way that no one could have imagined".

There were also a handful of very practical opportunities and concerns, these include:

- The closing of the Broadway Bridge is an opportunity for CATA to get people to try transit. Although there were different opinions with regards to how long the bridge

would be closed, nearly everyone felt that when the bridge was closed, people would be open to new and different ways to get in and out of downtown. This creates an opportunity for CATA to encourage them to use transit.

- Many stakeholders like the idea that CATA is doing a strategic plan, but they cautioned against just doing a plan and making a handful of superficial changes, like coming up with a new name but not substantially changing the service.

3 TRANSIT SERVICE IMPROVEMENTS - NEEDS AND OPPORTUNITIES

Consistent with some of the perceptions expressed in the previous chapter, when asked about service improvements, stakeholders nearly universally expressed a desire to modernize and update CATA service and diversify ridership. Several stakeholders also expressed strong opinions about future transit needs that would be driven by demand from older adults, students and young professionals (Millennials). Many people felt strongly that diversifying the transit ridership to attract more “choice” riders would benefit everyone, including existing riders, because more choice riders would likely be an indication that service is more frequent, more direct and faster.

Stakeholders had a lot of ideas about how to improve CATA’s service. Generally speaking, improvement ideas were expressed generally (i.e. increase service frequency) rather than specifically (i.e. provide more service on Route 10). As a result, the ideas are listed by theme in the following text; the themes are ordered according to the frequency each item was heard.

Service Frequency

The most commonly cited challenges with existing CATA service is service frequency. Stakeholders said people need to wait too long between buses and the lack of service frequency is the main reason why people are discouraged from riding the bus. The lack of frequency is compounded by the fact that many riders need to travel into downtown Little Rock to change routes and therefore have to wait for their second bus. As a result, using the bus takes a long time. It also means that people are left to wait and “hang out” at the downtown Travel Center. This results in negative perceptions about the Travel Center and CATA riders. Frustration over the lack of service is especially high in the afternoons, when people “really just want to get home”.

Shelters and Passenger Amenities

The desire for more and better shelters was expressed consistently and strongly. One of the individuals interviewed cited a fact saying, “there is something like 1,500 bus stops but less than

150 bus shelters”. Several stakeholders talked about the importance of providing shelter and cover, to “get people out of the sun and heat and this is not right”.

Stakeholders also felt the Travel Center needs updating, especially considering it is the place where so many passengers wait. They described the Travel Center as “old, un-inviting and not well policed”, noting that it is difficult for CATA to attract advertisers and “no one really wants to spend time there”.

There were also several comments about creating ‘transit hubs’ or places where people could transfer between routes instead of traveling all the way into downtown Little Rock. Finally, some of the positive comments about CATA service related to passenger amenities, largely that the kneeling/low-floor buses are good for passengers and they like the having bike racks on all buses.

Simplicity

Riders and people who represented individuals who rode the bus emphasized the importance of having a transit system that is simple and easy to use. Stakeholders said people riding the bus have busy, complicated lives and making sure CATA service is as simple as possible and easy to understand and use would benefit existing riders and help attract new riders.

Direct service

One of the transit needs expressed by many stakeholders is the need for more direct service. For example, students traveling to Pulaski Tech – even if they come from (or are going to) destinations north like Jacksonville or Sherwood, have to travel into downtown Little Rock to make a transfer at the Travel Center. This makes a relatively short and simple trip much longer and also increases the opportunities for something to go wrong. Some solutions may require more investment, but one of the things that have frustrated people at Pulaski Tech is that in addition to having to transfer, Route 13 is a slow route with too many stops. A potential solution would be to operate a handful of express or limited stop service at key times for students.

Marketing and Promotions

Another comment made consistently by stakeholders is that CATA does not promote itself well – not to the community and not to riders. This leads to several challenges with the service, namely that people don’t know about it and they don’t understand it. They also don’t know what the agency and service is doing for the community. A dynamic transit agency is always attracting new riders; if you want to get more riders you need to go out and encourage them to get on the bus.

Geographic Expansion

Several stakeholders had ideas about how CATA could expand its service geographically. Potential markets that are currently under-served include neighborhoods in south Little Rock. This area has very limited service but probably would be a good market.

Several stakeholders also suggested that there should be light rail service, or possibly express bus service to the airport.

At least one stakeholder talked about the need for service in downtown that is “nimble” and provides circulation for people traveling between destinations. Several of Little Rock’s activity hubs are too far apart to walk but too close to make driving convenient. This will increase when the Tech Park opens in downtown. Providing some sort of transit service that can easily shuttle people between destinations makes sense.

Other stakeholders talked about growth in the suburbs and said there is growing demand for service in the suburbs, including not only service to and from downtown Little Rock but also within the community. Stakeholders said suburban communities sometimes feel left out of the conversation, but they need to be engaged and included.

At least one stakeholder said CATA needs to be careful about new services that are added for political reasons. There are a lot of people out there who think there is a market for transit and insist on developing service. Often when these services are operated, they don’t do well. The lesson here is that CATA needs to know and understand its market and operate service that will work.

UPass Programs

Some of the institutions that participated in the stakeholder conversation, sometimes through small group discussions, talked about how their facilities and institutions could become more transit oriented. Some participants talked about parking challenges; a handful said there is parking charges at their institutions, while others say they don’t charge for parking but may and at least one facility said they sell some priority parking to people willing to pay a higher price for convenience.

The idea of a U-Pass or universal pass program where people (students, faculty, staff, employees) pay an annual fee in exchange for access to transit had some appeal. This is a strategy that CATA may consider.

4 FUNDING

One of the main topics raised with stakeholders related to funding, including collecting stakeholders' perception on the need for dedicated transit funding, opinions and reactions to different funding mechanisms and ideas and lessons learned regarding raising public funding in Central Arkansas.

Need for Dedicated Funding

There was near universal agreement that CATA needs dedicated funding to move forward. Likewise, there was a lot of support and enthusiasm for CATA. Stakeholders said in the past (1990s), a transit measure in Central Arkansas got nearly 43% of the vote without a big effort. Since that time there is a lot more support for transit nationally and locally. Nationally, nearly 70% of sales tax initiatives for transit have passed. Locally, there is growing awareness about CATA. If it is well organized and well funded, it can win.

Several stakeholders also voiced caution. They said people in Central Arkansas feel heavily taxed and are weary of taking on additional taxes. Some of this caution was expressed by stakeholders who had been involved in failed tax measures, or worked hard to win tax measures.

Among both individuals who expressed optimism and those who expressed caution, there was agreement that CATA needs to be in it for the long run and it will be a big effort. CATA needs to be focused on being innovative, delivering a good product, measuring success and talking about their accomplishments. One of the lessons is from the Verizon Arena. It took several years (and a lot of pain) to find the right model and get it done, but once that model was identified, the community supported it and now everyone loves it. Others cautioned that there is work to be done to even get a tax initiative on the ballot. In addition, it might take more than one attempt with the voters. CATA - and its supporters - need to be prepared for this, allow time to get things done and don't get discouraged.

Funding Options

Most stakeholders were in favor of a dedicated funding source for transit because they felt it would be the best thing for CATA and the clearest path to getting more and better transit service in Central Arkansas. Stakeholders were also in agreement that dedicated transit funding would be a good thing for CATA's member jurisdiction, especially the City of Little Rock but also the City of North Little Rock, and to a lesser extent, Sherwood, Maumelle and Jacksonville. If the tax burden was taken off of the general fund, communities would be able to reduce the tax burden and/or invest in other services. Given this, stakeholders cautioned that positioning the tax so that it was clear to voters that the tax would save funds for the City is a key selling point but also one that needs to be carefully considered.

Although a variety of taxing mechanisms were discussed as part of the stakeholder interviews, the type of taxes that generated the most support included:

- **Sales Tax** – Cities in Central Arkansas have relatively high sales taxes - the State of Arkansas levies a 6.5% sales tax and Pulaski County another 1.0%. This makes the sales tax 7.5% before cities and towns add their own taxes to the rate. The City of Little Rock adds another 1.5%, so the rate in Little Rock is 9.0%. North Little Rock adds 1.0%, making the sales tax 8.5% in that community.

Despite the fact that these rates are already high, several stakeholders still felt the best shot for transit funding would be a sales tax. Some folks said that yes, the tax is high but people still don't know what it is. Stakeholders felt that if CATA wanted to ask for sales tax revenue, the request needs to be clear about what it would buy, including specific services.

- **Property Tax** – Stakeholders said, generally speaking, property taxes in Arkansas are low. In Little Rock, the millage is .7010, or roughly 1.4%. In addition, property taxes include dedicated millage to public goods such as the library, roads and pension funds. There was also a sense that property taxes are less regressive and more palatable to many stakeholders, in part because businesses and property owners pay the tax in proportion to their assets.

Several stakeholders support a property tax over a sales tax, citing the fact that is less regressive and will more fairly tax people who benefit from expanded transit service. However, other stakeholders voiced caution, noting that the recent Pulaski County Technical College property tax was not approved by taxpayers.

- **Payroll or Business and Occupation (B&O) Tax** - The idea of using taxing businesses, through mechanisms such as payroll or B&O taxes were discussed as part of the interview process. Overall, stakeholders felt that a payroll or B&O tax would be a hard sell in Pulaski County. Some stakeholders said the idea has some appeal because businesses would benefit from expanded transit service, but in the past these have not

been popular in Central Arkansas. Other stakeholders said, if CATA wanted to consider this type of tax, they would need to either not include the restaurant and hotel industries or spend a lot of time with them before you went forward with this proposal.

- **Fees (Vehicle Licensing Fees, Rental Car Fees)** – Attaching fees to things like drivers licenses, vehicle registrations and rental cars is a revenue source for transit agencies around the country. However, in Central Arkansas, most stakeholders were not in favor of using these types of fees to support transit, largely because most people didn't think they would raise enough money to fund transit. People also said Pulaski County already charges fees on rental cars, which support transit statewide. Several stakeholders also said Bill Clinton lost re-election for governor in xxx because he proposed a vehicle registration fee.

Potential Partnership with Bicycling and Pedestrian Community

Several stakeholders liked the idea of partnering with bikes and transit. The one thing nearly all agreed on was that if including bicyclists and pedestrians would help get a tax passed, then they were for it. If it wouldn't have that effect, then let's stay separate.

A handful felt bringing in the bike community would significantly broaden the base and attract more people to the cause. Others were less sure, expressing concern that bringing in the bicycling and pedestrian community could make the process more challenging. Others said biking in Little Rock is more about recreation than transportation and that fact tends to divide the consistency not unite it. People with lower incomes don't see themselves as recreational cyclists, while CATA is perceived as a service for people with low incomes. It is unclear if that makes the two parties allies or too separate to unite.

Like the idea of Transit, Bikeways and Parkland – focus on the healthy, community spirit and help broaden the base.

Lessons Learned

One of the most successful local tax models in Central Arkansas is the Central Arkansas Library System (CALS), which raises funds for the library through a property tax. CALS has an established millage (.003) that is used to fund the libraries. CALS must go back to the voters periodically to get an increase in millage to support operations and/or to refinance bonds.

CALS asks voters to support the library in their individual jurisdictions, typically through special elections. This decision reflects the challenges associated with getting a countywide tax passed and while this strategy has been successful, it is also a lot of work. Advice for some stakeholders close to the CALS tax measures suggested that tax campaigns cost on the order of \$100,000 per election and need require starting to work at least six months in advance.

Many stakeholders had experience with tax initiatives in Central Arkansas. They offered a number of lessons for CATA to consider as it considers advancing a dedicated funding source for transit:

- Overall, stakeholders warned against countywide taxes. The last successful county wide sales tax was for the Verizon Arena in 1995.
- Stakeholders said analysis of previous voting records and understanding the individual markets within each community is important to help you target your effort.
- Stakeholders said experience suggests that votes for a transit tax will likely to come from highly educated, upper middle class people and people who ride the bus. Likewise, the negative vote for a transit tax will likely come from less educated, lower income individuals. Stakeholders cautioned that these assumptions should be tested, but they also said, if these are your target markets, then focus on getting out the vote from these individuals and don't spend time trying to convert people who are unlikely to support you.
- One of the key messages that needs to be loud and clear is the benefit to the overall public; or "what is in it for me". Not everyone in Central Arkansas rides transit, but they are often able to understand how having better service benefits them. Communicating this message clearly is essential.
- Stakeholders also had suggestions about some of the key groups that could help CATA. These included:
 - Cities – dedicated funding for transit has the potential to help cities by allowing them to cut their taxes or invest funds in other programs. Stakeholders said CATA should engage cities to get their endorsement and support for the tax.
 - Business community – a lot of people look to the business community for leadership, especially on issues related to taxing. Getting their approval and support is essential.
 - Unions – unions can also be a powerful force in many Central Arkansas communities. If the drivers are union employees, they would benefit and could get out the vote

APPENDIX A

Organizations Participating in Stakeholder Interview Process

More than 30 individuals representing 21 organizations participated in the stakeholder interview process. Organizations included:

AARP

Acxiom

Arkansas Community Organization

Arkansas Highway and Transportation Department

Alzheimer's Center

CATA Board

CATA riders

Cancer Research Center

Central Arkansas Library System

Children's Hospital

City of Little Rock

- Mayor's Office
- Planning Department
- Bike/Pedestrian Coordinator

City of North Little Rock

- Mayor's Office
- Planning Department

City of Sherwood

Little Rock Chamber of Commerce

Little Rock Downtown Partnership

Metroplan

Pulaski County

Pulaski County

Pulaski Technical College

- Leadership
- Staff
- Students

University of Arkansas Little Rock

University of Arkansas Medical School