



Regional Public Transportation

Business Plan: US 278 Bus System

July 2007
Revised January 2008

1. Executive Summary

Bus Service along US 278 (with strategic collector/feeder routes) is feasible at this time because:

- ✦ More/larger housing subdivisions add to congestion; increased densities make public transit more feasible.
- ✦ Changing population—older, different ethnic mix, newcomers from cities with transit—creates opportunities.
- ✦ Increased number of “choice” riders that have transportation options (including visitors).
- ✦ Increased number of young people that need transportation after school and during the summer.
- ✦ Increased number/size of commercial and medical centers provide transit hubs.

1.1 Objectives—Phase 1, First Year (see map on following page)

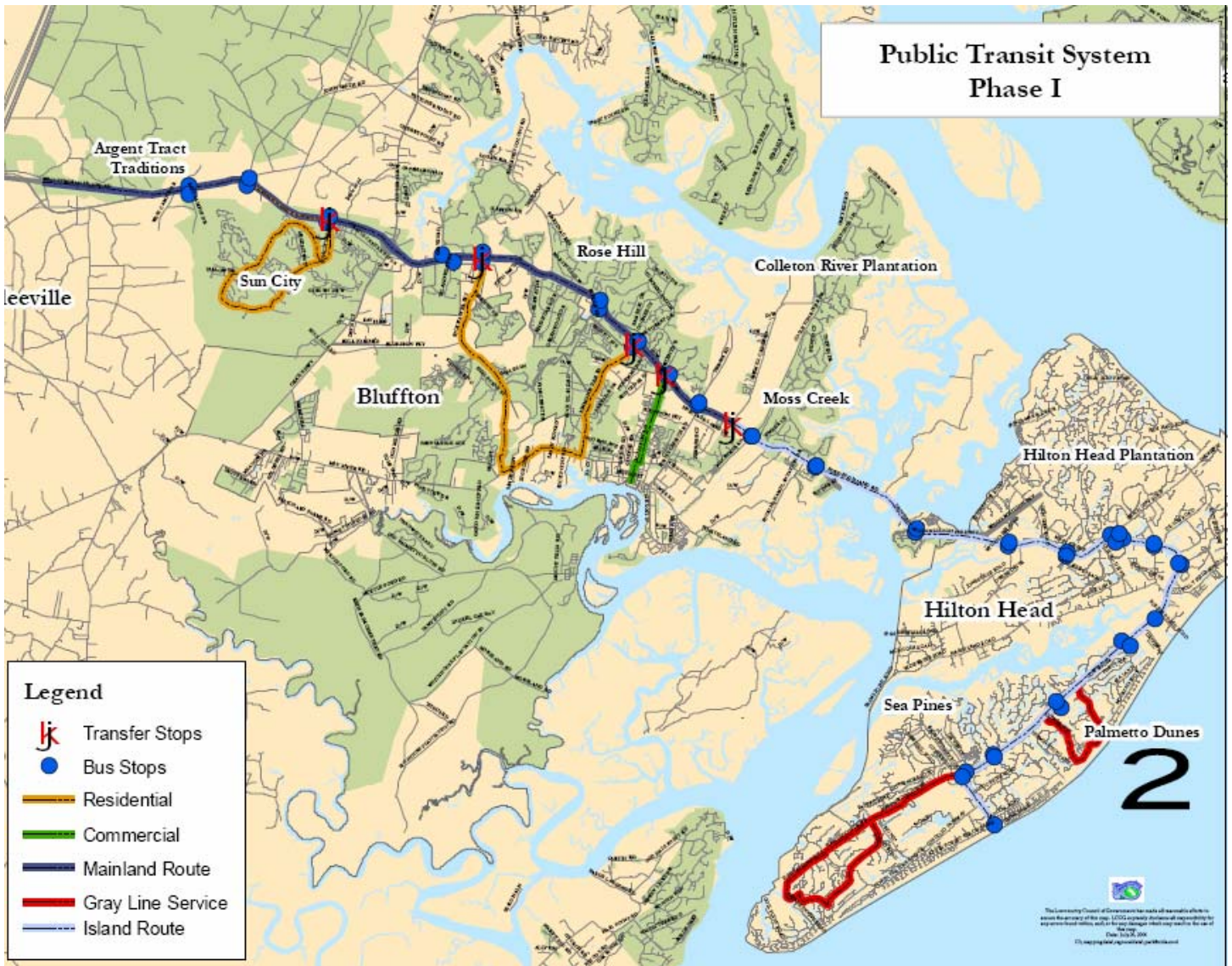
- 1.1.1 To initiate regularly scheduled mainline bus service along US 278, from Coastal Carolina Medical Center (CCMC) in Jasper County to Coligny Circle on Hilton Head Island during the first half of 2008. This will be in two segments:
 - Coligny Circle on Hilton Head Island to Tanger Outlet Mall on mainland (contracted out but operated as part of the PALMETTO BREEZE system)
 - Tanger Outlet Mall to CCMC (directly operated by PALMETTO BREEZE).
- 1.1.2 To connect that service, through scheduling, with existing private services on Hilton Head at Sea Pines Plantation, Palmetto Dunes, Disney Resort and others.
- 1.1.3 To initiate PALMETTO BREEZE loop connector service to Bluffton “Old Town,” and along Buckwalter Parkway/Simmons Road to serve residential, commercial, religious and medical developments there and through Sun City to Wal-Mart.
- 1.1.4 To establish at least two park-and-ride lots on US 278—one near I95 and the other near SC 170 so that potential riders from throughout the Lowcountry Region will have access to the new services. During the early phases these lots are likely to be on a shared/borrowed basis with existing organizations such as Coastal Carolina Medical Center and Palmetto Electric Co-op.
- 1.1.5 To market all services, as a system, effectively to a number of targeted market segments.
- 1.1.6 To obtain public (federal, state, county, municipal) and private partner funding so that service can be offered free of charge.

1.1.7 To work with SCDOT to develop plans to ameliorate potential traffic problems caused by regularly scheduled public transit operations; access funding via STIP or other means to pay for such improvements, including turn-outs.

1.2 Objectives—Phase 2, Second Year (see map)

1.2.1 To add regularly scheduled mainline bus service along SC 170 from US 278 to northern Beaufort County to a terminus at the intersection of SC 802, to connect with:

- 1.2.2 To add Port Royal Island and Lady’s Island loop connectors:
- a. Shoppers’, medical and commuter Loop
 - b. Military Loop



1.2.3 To provide park-and-ride lots near the bridge at the SC170/802 intersection and at the US 21/SC 802 intersection on Lady's Island.

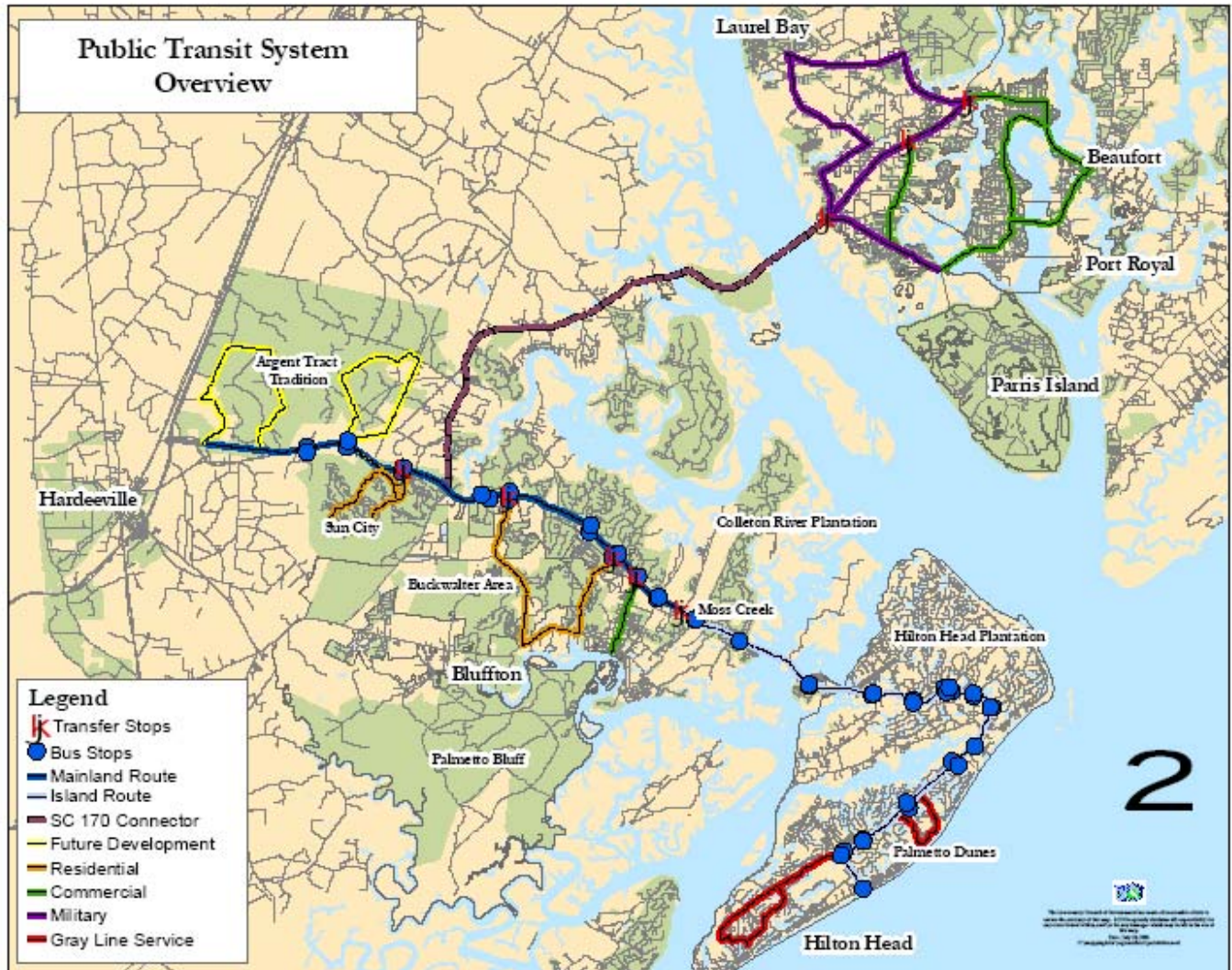
1.2.4 To assess feasibility of connector service to Ridgeland and to Hampton and Colleton counties.

1.3 Objectives—Phase 3, Third Year (or later--actual date dependent upon rate of development and population growth; see map)

1.3.1 To initiate loop/connector service in one or more of the new communities along or near US 278 in Hardeeville, as growth warrants.

1.3.2 To add new mainline stops along US 278 to serve new commercial and residential developments in Hardeeville.

1.3.3 To add connector service to other parts of the Lowcountry.



1.4 Mission

The overriding objective is for PALMETTO BREEZE to provide public transportation services to a wide variety of population/market segments, both residents of and visitors to the Lowcountry. More specifically, this project will be the keystone for the long-term development of *a region-wide comprehensive rural and urban public transportation system serving all four counties of the Lowcountry Region.*

1.5 Keys to Success

An analytical review of other systems (both through peer review and by reading the studies done by a variety of transportation research organizations) has shown that all of the successful public transit systems have a number of characteristics in common. They will be the keys to success for PALMETTO BREEZE's new services for both the short-term and the long-term.

- Dependable, convenient and frequent service.
- Easily accessible information about schedule changes/problems.
- Drivers trained to provide courteous customer service.
- Routes that service a mixture land uses (that is, a combination of residential, commercial, institutional developments that are of sufficient density and size to provide a passenger base).
- Services that target specific market segments (see "Market Analysis and Strategy" section below).
- Comfortable, reliable buses and/or vans.
- An experienced service provider.

2. PALMETTO BREEZE (LRTA)

2.1 History and Background

Lowcountry Regional Transportation Authority (PALMETTO BREEZE) is the public transit provider in the region. PALMETTO BREEZE was preceded by the Beaufort-Jasper Regional Transportation Authority, which was formed in 1978 to provide transit service in Beaufort and Jasper Counties. The transit program focused on transporting passengers to jobs on Hilton Head Island and points in-between. In 1984, the Authority was expanded to include Allendale, Colleton, and Hampton Counties, with service continuing to focus on transporting residents of more rural areas to jobs in Beaufort County. To reflect the addition of these counties, the Authority's name was changed to Lowcountry Regional Transportation Authority (PALMETTO BREEZE).

Demand response service was initiated by PALMETTO BREEZE in 1997 to serve some Beaufort County destinations. Additional service focused on transporting employees to work was initiated under the Federal Job Access and Reverse Commute Program (JARC) in 2001. In addition to public transit service, PALMETTO BREEZE provides some limited contract transit service to a number of

2.2 Improvements Since 2001

PALMETTO BREEZE (as the only public transit provider in the region) has enjoyed significant growth and operational and financial improvements since 2001; by FY 2006, the system had 25 active vehicles, providing more than 230,000 passenger trips between July 1, 2005 and June 30, 2006. Ridership and the volume of service operated by the system have increased substantially as the following table shows, especially in the most recent years.

Table 1: Increases in Ridership and Revenue Miles, FY 2001- FY 2006

	% change: 2001-2006	FY 2006	% change: 2005- 2006	FY 2005	FY 2004	FY 2003	FY 2002	FY 2001
TOTAL PASSENGER BOARDINGS	46.41%	230,581	10.27%	209,115	152,345	134,898	128,664	157,493
VEHICLE REVENUE MILES	57.83%	973,336	19.75%	812,804	678,679	633,259	641,401	616,713

During that time the fleet has also grown in size, decreased in age and increased in reliability, as Tables 2 and 3 below demonstrate.

Table 2: Vehicles in Maximum Service, FY 2002 to FY 2006

Service	2002	2003	2004	2005	2006
Fixed Route	8	7	8	13	20
Demand Response	1	1	1	3	1
Other	6	5	8	4	4
Totals	15	13	17	20	25

Table 3: Road Calls for Mechanical Failure, FY 2001 to FY 2006

	% change: 2001-2006	FY 2006	% change: 2005-2006	FY 2005	FY 2004	FY 2003	FY 2002	FY 2001
ROAD CALLS (for mechanical failure)	-487.5%	24	-75%	42	59	44	63	141

2.3 Improvements in Efficiency and Effectiveness

While Operating Expenses have increased with all of the above improvements, they have increased significantly less than Operating Revenues and also less than Vehicle Revenue Miles. And, also significantly, the company is no longer in a deficit position.

Table 4: Changes in Expenses and Revenues

	% Change 2001-2006	FY 2006	% Change 2005-2006	FY 2005	FY 2004	FY 2003	FY 2002	FY 2001
TOTAL OPERATING EXPENSES	51.08%	\$1,931,120	7.55%	\$1,795,504	\$1,362,468	\$1,109,804	\$1,299,207	\$1,278,171
TOTAL OPERATING REVENUES	97.06%	\$2,402,249	35.65%	\$1,770,864	\$1,516,282	\$1,458,923	\$1,512,681	\$1,219,053

This has resulted, in turn, in lower expenses per vehicle revenue mile and per passenger, while reliability of service has improved. That expenses per mile have *decreased* while *fuel prices have skyrocketed* is a true testament to cost-efficient management, see Tables 4 and 5 (below and on next page).

Table 4: Changes in Per Mile and Per Passenger Costs, FY 2002-FY2006

	% Change 2002-2006	FY 2006	% Change 2005-2006	FY 2005	FY 2004	FY 2003	FY 2002
EXPENSES PER MILES	-2.05%	\$1.98	-10.19%	\$2.21	\$2.01	\$1.75	\$2.03
EXPENSES PER PASSENGER	-17.06%	\$8.38	-2.46%	\$8.59	\$8.94	\$8.23	\$10.10

Table 5: Changes in Per Mile and Per Passenger Costs, Compared to Changes in Fuel Costs, FY 2002-FY2006

	FY 2002	FY2006	% Change 2002-2006
Expenses per Mile	\$2.03	\$1.98	-2.46%
Expenses per Passenger	\$10.10	\$8.38	-17.03%
Diesel Cost per Gallon	\$1.28	\$2.87	123.98%

2.4 Funding and Management

PALMETTO BREEZE receives federal rural transit funding under the Federal Transit Administration’s (FTA) Section 5311 funding program. This funding covers some of the system’s operating expenses. Local funding is provided by the five member counties, as well as the Town of Hilton Head Island. Beaufort County and the Town of Hilton Head Island contribute the largest shares, at 42% and 34%, respectively. Additional funding is provided by passenger fares and SCDOT.

PALMETTO BREEZE management is part of First Transit, a leading provider of passenger transportation contract and management services in the United States, providing operation, management and consulting for nearly 150 systems in 42 states, Canada and Puerto Rico for transit authorities, state departments of transportation, federal agencies, municipal organizations, and private companies; our 7,300 dedicated transit professionals operate and maintain over 5,300 vehicles that provide over 200 million passenger trips per year.

First Transit has 51 years of experience in fixed-route, paratransit, and shuttle services at the national and local level including brokerage call centers, on-demand response, inmate transportation, taxi service for airports and universities, and much more, with expertise with all major dispatch, reservations and scheduling software programs. PALMETTO BREEZE, therefore, has access to the technical and other resources of the parent company; in planning the US 278 and feeder system, that expertise has already been utilized.

PALMETTO BREEZE operates four types of service:

- Fixed route commuter service
- Demand response service
- Job Access and Reverse Commute (JARC) and contract service
- Mobility Management/Coordination in Allendale and Bamberg counties

Lowcountry Council of Governments (LCOG) is one of the ten councils of government in the state of South Carolina; as such, it has been given the responsibility (and related federal/state funding) for transportation planning in the four-county (Beaufort, Colleton, Hampton and Jasper) Region by the South Carolina Department of Transportation (SCDOT). This includes, through SCDOT's Mass Transit Division, planning work with PALMETTO BREEZE.

3. Services Proposed

In 2003, the transportation firm Day Wilburn Associates (now part of the Carter-Burgess organization) worked with LCOG on a public transportation plan for the Lowcountry.

The services proposed in the business plan are the implementation of some of the key recommendations in that plan. "The recommended future transit concept includes a wide array of service types to serve the broad range of users as well as be appropriate for the diverse region – the rural, low density areas as well as the more intensive development in Southern Beaufort County. They include:

- Main line service along the US 278 corridor in Southern Beaufort County;
- Connector service in main travel corridors linking to the US 278 main line service;
- Distributor service into key areas, such as City of Beaufort, Bluffton, and Hilton Head Island."

In June 2006 transportation consultants from Jordan, Jones and Goulding, working with Lowcountry Council of Governments, developed a preliminary concept for bus service on US 278 from I95 to the southern end of Hilton Head.

Detailed planning for the three collector services in Phase 1 began in December 2006; such planning for both Phases 2 and 3, including location of transit stops, equipment specifications, etc. will begin later this year.

As outlined in the Executive Summary, the new services will be phased in over a three-year period (although Phase 3 could be implemented later if the planned residential and commercial growth in Hardeeville occurs at a slower pace than originally predicted).

It is expected that the two proposed mainline services will be provided by PALMETTO BREEZE and/or contractors utilizing new equipment. In phase 1, at start-up, that is likely to be "cut-away" buses with capacities of 22-24 passengers seated; as ridership grows the size of the buses will be increased accordingly. Feeder (loop/connector) services will be provided by either PALMETTO BREEZE or by a private transportation provider under contract to and scheduled and supervised by PALMETTO BREEZE. At start-up, equipment for the feeder services would be either vans or cut-away buses; capacities would

be monitored to determine if and/or when larger vehicles will be needed. The long-term equipment objective is to acquire and utilize new “Optima” buses (photo below).



To summarize again, the proposed new services are:

Phase 1 (see map)

- Regularly scheduled mainline bus service along US 278, from near I95 in Jasper County to Coligny Circle on Hilton Head Island during the first half of 2007.
- Loop/connector feeder service (flex van or other appropriate option) to Bluffton “Old Town” and along Buckwalter Parkway/US 170 to serve residential, commercial, religious and medical developments there and through Sun City to Wal-Mart.
- At least two park-and-ride ride lots on Us 278—one near I95 and the other near SC 170 so that potential riders from throughout the Lowcountry Region will have access to the new services. During the early phases these lots are likely to be on a shared/borrowed basis with existing organizations such as Coastal Carolina Medical Center and Palmetto Electric Co-op.

Both frequency of service and location of stops are essential components of the marketing of public transit and its success in attracting and retaining riders. As a result, service along all routes—both mainline and feeder—will be at half-hour intervals.

The services, and the stops along the US 278 mainline route, were located after detailed analysis of existing and proposed residential, commercial and institutional (educational and medical) development clusters on or near the highway. The stops on Hilton Head were modified as a result of suggestions by the Town’s transportation engineer. The goal was to provide opportunities for riders at all major generators of employment, tourism and housing. Shelters will be provided as soon as possible. The details are available in the tables below and on the following pages.

Development Nodes along US 278

LOCATION	TYPE	EMPLOYEES/RESIDENTS
<i>Commerercial</i>		
AUTO MALL	COM	150
BELFAIR TOWN VILLAGE	COM	350
BRIDGE CENTER	COM	148
COLIGNY PLAZA	COM	450
DISNEY RESORT	COM	100
FESTIVAL CENTER AT INDIGO RUN	COM	40
FRESH MARKET SHOPPES	COM	260
HARGRAY	COM	40
HILTON HEAD TOWN HALL	COM	90
HILTON HOTEL	COM	324
HOME DEPOT AREA	COM	160
KITTY’S CROSSING	COM	200+
MAIN STREET SHOPPING VILLAGE	COM	300
MALL AT SHELTER COVE	COM	400-500
MARRIOTT RESORT	COM	387
MARRIOTT VACATION CLUB	COM	100
MOSS CREEK SHOPPING CENTER	COM	230
NEW RIVER CENTER	COM	estimated 200
NORTHRIDGE PLAZA	COM	100
PALMETTO DUNES	COM	250
PINELAND STATION	COM	250
PLAZA AT SHELTER COVE	COM	estimated 200 in 15 stores
PUBLIX	COM	250
SAM’SBILO	COM	130
SEA TURTLE CINEMA & SHOPS	COM	100
TANGER 1	COM	300
TANGER 2	COM	450
THE PLAZA	COM	70
WALMART NEW RIVER	COM	300
<i>Medical</i>		
COASTAL CAROLINA MEDICAL CENTER	MED	150
HILTON HEAD MEDICAL CENTER	MED	470
LOWCOUNTRY MEDICAL GROUP	MED	80
OKATIE OUTPATIENT CENTER	MED	150

LOCATION	TYPE	EMPLOYEES/RESIDENTS
<i>Residential</i>		
ARGENT TRACT	RES	PROPOSED 9500
BELFAIR	RES	670
COLLETON RIVER PLANTATION	RES	694
HAMPTON LAKE	RES	500
HILTON HEAD PLANTATION	RES	4740
INDIGO RUN	RES	975
ISLAND WEST	RES	265
LONG COVE	RES	573
MOSS CREEK PLANTATION	RES	825
PALMETTO DUNES	RES	2482
PALMETTO HALL	RES	552
PORT ROYAL PLANTATION	RES	2970
SEA PINES	RES	5823
SHIPYARD	RES	2250
SUN CITY	RES	4250
WESTBURY PARK	RES	225
WEXFORD PLANTATION	RES	450
WINDMILL HARBOR	RES	420
BUCKWALTER RESIDENTIAL AREA	RES	7540
YACHT COVE	RES	79
<i>Post-Secondary Education</i>		
TCL CAMPUS	ED	259
USCB CAMPUS	ED	600

Proposed Bus Stop Locations Along US 278 Corridor

Stop Location	Employment Centers Served	Residential Centers Served	Employment & Residential Centers Served Indirectly
Coligny Plaza	Coligny Plaza Beach Market Holiday Inn	Forest Beach Residential Area	Circle Center Marriott Grande Ocean Resort Crown Plaza Resort
McDonald's (off island only)	McDonald's		Sea Pines Hilton Head Plaza Park Plaza Island Crossing Fountain Center Orleans Plaza
Hilton Head Town Hall	Hilton Head Town Hall Village at Wexford	Wexford Shipyard Long Cove	Fresh Market Shoppes
The Mall at Shelter Cove	The Mall at Shelter Cove, Plaza at Shelter Cove, Chamber of Commerce, Arts Center of Coastal Carolina		Hilton Hotel Marriott Resort Disney Resort Palmetto Dunes Shelter Cove
Hilton Head Resort		Hilton Head Resort Singleton Beach	Marriott Vacation Club at Surfwatch Burke's Beach
Port Royal Plantation		Port Royal Plantation	Westin Resort at Port Royal
North Matthews Drive	Pineland Station Port Royal Plaza Northridge	Woodlake Villas The Oaks, Hilton Head Gardens Southwood Park	Old Woodlands Tabby Walk Palmetto Hall Palmetto Headlands Business Park
Beach City Rd	Hilton Head Medical Center		Hilton Head Christian Academy
Museum Street	Main Street Shopping Village Festival Center	Otter Hole	Hilton Head Plantation Indigo Run HH Schools Campus Jarvis Park
Spanish Wells Road	Fairfield Square	Stoney	Seagrass Landing Wild Horse Summerfield
Windmill Harbor		Blue Heron Point Mariner's Cay	Outdoor Resorts of America Hilton Head Marina
Salt Marsh Lane	Bridge Center Moss Creek Shopping Center		Moss Creek Plantation
Malphrus Drive	Tanger II		Colleton River Plantation

Stop Location	Employment Centers Served	Residential Centers Served	Employment & Residential Centers Served Indirectly
Tanger Shops I/Sawmill Creek	Tanger I		Colleton River Plantation
Bluffton Road (SC46)	Kitty's Crossing Home Depot		Town of Bluffton
Simmonsville Road	The Plaza		
Buck Island Road	Hargray Publix	Westbury Park	Rose Hill Plantation
Buckwalter Parkway	Sea Turtle Cinema and Shops		Island West The Farm Woodbridge Shell Hall Buckwalter Business Park Berkely Hall
Towne Drive	Belfair Towne Village		Island West
Sun City Boulevard			Sun City TCL
Argent Road (SC 141 formerly John Smith)	New River Center Walmart New River Auto Mall		USCB Palmetto Electric
East Campus Drive			Argent Tract University Park
Brickyard Road at I-95	Coastal Carolina Medical Center		

Phase 2 (see map)

- To initiate regularly scheduled mainline bus service along SC 170 from US 278 to northern Beaufort County to a terminus at the intersection of SC 802, to connect with:
- Port Royal Island and Lady’s Island loop/connectors:
 - a. Shoppers’ (and medical) Loop.
 - b. Military Loop
- A park-and-ride lot near the bridge at the SC170/802 intersection

Phase 3 (see map)

- Loop/connector service in one or more of the new communities along or near US 278 in Hardeeville, as growth warrants.
- New mainline stops along US 278 to serve new commercial and residential developments in Hardeeville.

4. Market Analysis and Strategy (Phase 1 Subsystem)

4.1 Market Feasibility Analysis

The basic marketing feasibility conclusions, based on demographic and development analysis of the corridor and surrounding areas are as well as comparison with similar systems in regions with similar characteristics (peer review and a table showing major residential, commercial and institutional developments and numbers of residents or employees are contained in the appendix):

- ④ Fixed route transit service in this corridor, every 30 minutes, from 6:00 AM to 12:00 midnight, 365 days a year, is feasible due to the rapid growth in the area.
- ④ Feasibility and, therefore, ridership would be enhanced by the provision of feeder collector/loop services in the Bluffton and Sun City areas.
- ④ At the present time these routes would directly serve at least as 5,700 jobs and 3,100 housing units and indirectly serve another several thousand more jobs and 21,500 housing units. In all, in about a 5-mile radius surrounding the corridor, there are approximately 67,200 permanent residents and a total of about 46,000 employees. These numbers are literally increasing daily with the continued growth there.
- ④ Approximately 3,000,000 tourists visit Hilton Head Island every year. And visitors are willing to utilize buses and other forms of public transit; TripAdvisor™ recently surveyed 2000 travelers globally and learned that 71 percent of them said they use public transportation while vacationing. That would translate to over 2,100,000 riders per year on Hilton Head.
- ④ Studies done in Florida have shown that public transit ridership increases as the population ages (and may become unable or unwilling to drive. The older population of the Lowcountry Region has increased notably in the recent past and is expected to continue to do so as Baby Boomers retire to this area.

		1990	2000	% of Total 2000 Population	2006	% of Total 2006 Population
Beaufort						
	65+	10,660	18,754	15.51%	24,219	17.05%
Colleton						
	65+	4,394	4,928	12.88%	5,322	13.48%
Hampton						
	65+	2,249	2,595	12.13%	2,692	12.66%
Jasper						
	65+	1,949	2,269	10.97%	2,546	11.67%

- ④ Surveys done on the “Beaches Trolleys” in Ft. Myers, Florida showed that visitor patronage has increased and that neither income nor car-ownership negatively impacted public transportation ridership there:
 1. *In 2006, 80% of respondents were seasonal (visitors or temporary residents); in 2000, 28.5% were seasonal.*
 2. *72% of visitors or temporary residents riding Trolley own cars or are renting a car.*
 3. *In 2006, 31.4% of permanent resident respondents had household incomes of \$50,000 or more; 64.4% of seasonal respondents had incomes of \$50,000 or more. 17.9% of permanent had household incomes of \$80,000 or more and 36.2% of seasonal had incomes of \$80,000 or more.*

- ④ Ridership on the US 278 sub-system (Phase 1) is expected to reach about 300,000 per year during the first year, or 25,000 per month, which translates to fewer than 1000 passengers per day. Over the long-term 1,000,000 passenger trips per year, or more than 83,000 passengers per month, are forecast. These estimates are based on a combination of the Peer Review and the fact that public transportation consultants estimate that public transportation can reduce individual vehicle travel by between 5 and 20 percent. In 2005 Average Annual Daily Traffic (AADT) volumes were greater than 40,000; 10 percent of that is 4000 vehicles, which translates to at least 4000 passenger trips per day.

As far back as 20 years ago, the marketing feasibility of service of the type proposed on Hilton Head [**Note:** At the time the rest of what is now the land along and near US 278 was either sparsely developed or was not even traversed by the present highway] was the subject of marketing feasibility studies. Such a project was undertaken by Wilbur Smith Associates, with the results published in 1988. It included a market survey on Hilton Head of more than 800 residents, visitors and commuting employees, which found that 64.4 percent would use a circulating bus service.

For the past several years anecdotal research—namely informal discussions with tourism and hospitality managers, municipal planning staff, Sun City residents and others—have shown that there is an increasing need for and interest in supporting public transportation services in and around the US 278 corridor.

As well, commuter marketing needs were quantitatively assessed during the course of research by 2Plus, Inc. as part of their work on vanpool feasibility and pilot program projects in 2004 and 2005.

One component of the consultants’ work was a telephone survey of all major employers in the area that would be served by the proposed services.

They spoke to 258 employers—ranging from golf courses to the military to hospitals to retailers—representing a total of 16,896 employees. Of the total, 41 percent said that they had employees with transportation problems; 59 percent said that they would be interested in promoting new transportation services to their employees [Note: the consultants stated that 45 percent interest is considered very high.].

4.2 Preliminary Marketing Strategy

Targeted Marketing.

As noted, one of the **key success factors** will be marketing to specific segments, rather than a scatter-shot, one-size-fits-all approach.

Targeted markets will include, but not be limited to:

- Tourists and seasonal residents
- Employers (and their employees) along the corridor
- Residents of new communities/major residential developments along the corridor or along the collector routes; within this category there will be further segmentation by age and family composition.
- Post-secondary students and staff at USCB and TCL
- Youth traveling to places of employment or recreation/entertainment. This is an increasingly important market segment for transit systems in other US communities that see young people as potential passengers now and as they get older. Youth-oriented, internet-focused promotions are needed to reach them.
- Hospital visitors

Expected trip purposes will include, but not be limited to:

- ✦ Access to shopping
- ✦ Access to medical centers
- ✦ Access to work
- ✦ Access to entertainment centers
- ✦ Access to education complexes
- ✦ Sightseeing

Approaches will be developed, utilizing relevant and appropriate media—print ads, radio commercials during drive times, brochures, an interactive web site—and messages for each of the targeted segments (although there is likely to be overlap).

Because of the major increase in the Hispanic population in both Southern Beaufort County and Southern Jasper County (see table on following page), much of the marketing material will also be available in Spanish.

		Total Population	Total White	Total Black	Other Races	Total Hispanic
Beaufort	2,000	120,937	89,065	29,340	2,532	16,534
	2,005	137,849	104,351	30,141	3,357	24,064
	% Change 2000- 2005	13.98%	17.16%	2.73%	32.58%	45.54%
Jasper	2,000	20,678	9,472	10,941	265	2,381
	2,005	21,398	10,319	10,825	254	4,277
	% Change 2000- 2005	3.48%	8.94%	1.06%	-4.15%	79.63%

Note: The numbers of white, black, other and Hispanic add up to more than the total county populations because Hispanic residents have been counted as members of one or more of the other races as well.

Direct marketing and personal sales are also a quite effective and relatively inexpensive way to reach potential groups of passengers. Meetings and presentations with managers, employees, community organizations (including Hispanic groups) and local residents will be set up so that the new service can be explained directly to potential riders, and questions could be answered on the spot and requests and suggestions could be considered by the service planners and providers. Attendees will also be give brochures with schedules, a map of stops and park-and-ride lot locations and other relevant information such as phone numbers and web site address. There will be special presentations to major employers and tourism operators (for instance, hotels) during the pre-start-up phase to involve them directly in providing financial support for the service.

Media Relations.

In the Lowcountry people do read the local newspapers and do watch the Savannah television stations (which make an effort to cover news in Beaufort and Jasper counties). To date the proposed public transportation services have received support from the Hilton Head and Bluffton newspapers in the form of articles and editorials. Because of Regional and bi-state commuting patterns and the “park-and-ride” features of this proposed service, local includes the newspapers in Jasper and Hampton counties and also in Northern Beaufort County and in Savannah. Savannah television stations WTOC and WSAV will be approached when the buses are rolling. In the case of the latter it may be necessary to do some judicious “stage-managing” to ensure that there are sufficient numbers and types of people on the bus when the cameras are present.

Customer Service Training.

For the majority of riders and potential riders on US 278, and other future routes, this will be their first exposure to PALMETTO BREEZE and public transportation in the Lowcountry. Consequently, all personnel with whom the passengers will have direct contact—including but not limited to bus drivers and telephone operators—will receive continuing training in how to deal with the public. This will also be a form of two-way communication and problem-solving since those in direct contact with the public will also be in the position to pass on complaints and complements, suggestions and recommendations to management.

5. Implementation Strategy

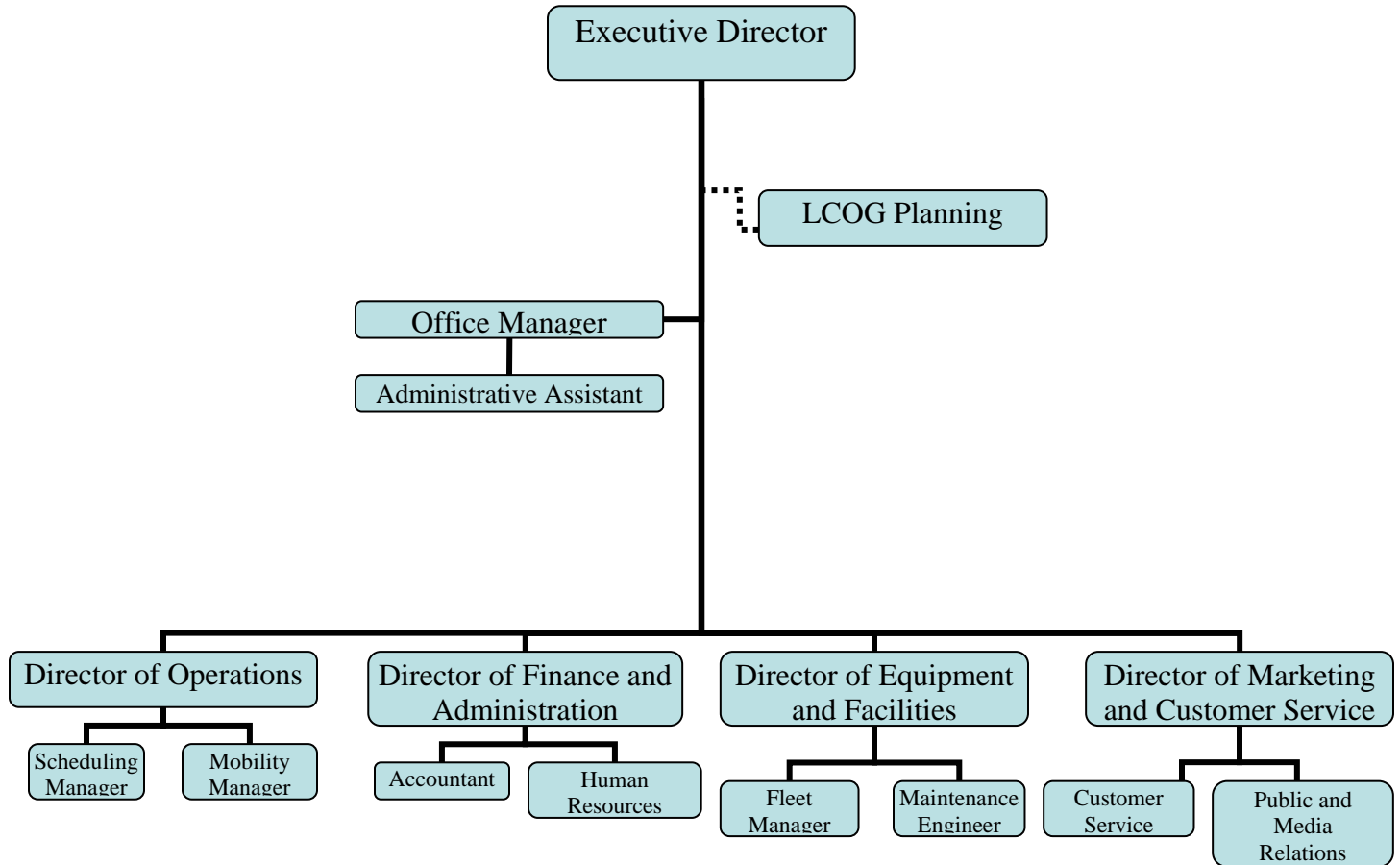
The steps to be undertaken are during the next year are:

- a. Continue and complete detailed operations planning
- b. Obtain funding from the sources listed in 7. (below)
- c. Develop detailed marketing program
- d. Order equipment
- e. Begin testing routes and making changes as necessary
- f. Launch marketing, sales and media relations program before service start-up
- g. Launch bus service with media blitz
- h. Provide services, monitor and make changes as necessary
- i. Begin same steps for Phase 2.

A general schedule and tasks for implementing Phase 1 (**subject to change**) is outlined in the Gantt Chart on the following page.

6. Management Summary

To undertake this major expansion of public transportation services, PALMETTO BREEZE will need to undertake a similar and significant expansion of its management structure. Sufficient qualified and experienced professional and



management personnel should be added to handle all of the new tasks that will come with the growth of the system. The organization chart on the following page shows one possible approach.

7. Financial Plan

The cost of the service is derived from the following factors:

- Capital costs for vehicles and amenities.
- Operating costs for fixed route operations on mainland and Island.
- Paratransit costs as required by law.

7.1 Paratransit Costs

It is estimated that 4 vans will operate during the same hours as the fixed route buses. There will be 2 vans on the mainland and 2 on the Island. The service will be on-demand with trips scheduled in advance. The number of vans needed is estimated to meet the anticipated demand and trip lengths.

Estimated annual cost: \$700,000

During the next few months LCOG will conduct a targeted market survey of potential paratransit riders to quantitatively assess the need for this service in order that cost estimates can be revised, possibly downward.

7.2 Capital costs for vehicles and amenities.

Mainland Fixed Route: 12 buses @ \$75,000 each = \$900,000

Island Fixed Route: Contracted out as part of PALMETTO BREEZE System

Paratransit Service: 6 buses @ \$60,000 each = \$360,000

Benches and Shelters: \$200,000

Total Capital Needs: \$1,460,000

7.3 Operating Costs for Fixed Route Operations

Mainland Fixed Route Operating Cost: \$2 million/year

Island Fixed Route Contract Cost: \$2 million/year

Total Operating Cost: \$4 million/year

7.4 Total Operating Budget

Mainland Fixed Route: \$2 million/year

Island Fixed Route: \$2 million/year

Paratransit: \$700,000/year

Total: \$4.7 million/year

7.5 Sources of Funding

The table on the following page summarizes sources, possible funding levels and current status.

Source	Potential Amount	Status	Comments
SCDOT/FTA	\$500,000	TBD	
STIP	\$500,000	TBD	Proposal to LCOG Board meeting fall of 2007
Town of Hilton Head	\$200,000	TBD	Process beginning
Jasper County	\$100,000		Budget Submission made
Hardeeville	\$100,000	TBD	
Beaufort County	\$200,000	TBD	
Bluffton	\$100,000		Committed
Heritage Foundation	\$75,000		Application completed
Bluffton ATAX	\$25,000		Applications due August 6
Hilton Head ATAX	\$80,000		Applications in August
Beaufort County ATAX	\$50,000		Applications due July 28
Community Foundation of the Lowcountry	\$40,000		Met with Foundation; interest expressed; come back when approximately 50% of funds pledged.
Homebuilder Partners (individuals and/or association)	\$200,000	TBD	Will set up meeting/presentation with Association in near future
Retailer Partners (Tanger especially)	\$150,000	TBD	Tanger has already expressed support and willingness to help
Hospitality Partners	\$100,000	TBD	Presentation made to association. Need to contact major players.
Medical Partners	\$50,000	TBD	Especially Hilton Head Hospital
TOTAL	\$2,470,000		