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# NORTH COAST VISITOR TRANSPORTATION: BUSINESS FEASIBILITY REPORT

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Report Prepared by the  
**Oregon Coast Visitors Association**



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## ABOUT THE OREGON COAST VISITORS ASSOCIATION

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The Oregon Coast Visitors Association (OCVA) is the official Regional Destination Management Organization for the entire Oregon Coast as designated by the Oregon Tourism Commission (dba Travel Oregon). OCVA has the honor of working with coastal communities to align partnerships, destination development projects, and destination marketing with the vision of creating ‘a coastal utopia for all.’ This includes coastal stakeholders, new and returning visitors, and the natural resources that make these coveted experiences so magical.

## CONTEXT OF THIS REPORT

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This report has been generated to analyze the feasibility of additional, privately funded, non-car transportation routes to and along Oregon’s north coast. The preparation of this report started in fall of 2022 and research continued through March of 2023. Since that time, the transportation options on the North Coast have changed in the following way:

**On April 27<sup>th</sup> 2023, Sunset Empire Transportation District ceased all operations due to financial shortfalls. As of May 15<sup>th</sup> Sunset Empire began offering limited ridership. At this time operations of the *Lower Columbia Connector* are still suspended (June 9<sup>th</sup>).**

This report was not created, nor was the research undertaken, with prior knowledge of this change in service. Because this report’s references to the *Lower Columbia Connector* were used to highlight demand for route services, changes in service do not fundamentally change any conclusions of this report. However, decreased options for metro-to-coast busing may create an increased need for additional route offerings to and along the coast.

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## EXECUTIVE SUMMARY - I

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The Oregon Coast is one of the most popular destinations in the state of Oregon. In 2018, Oregon's North Coast<sup>1</sup> received **6.5 million** overnight visitors. Aggregated, those visitors brought **\$820 million** into northern coastal economies. Oregon's Coast hosted an estimated **59% of all overnight visitors** to Oregon and the **North Coast specifically accounted for 22%** of all overnight visitation in the state (RCTP, 6: 2021).

Currently over **70% of all trips to the Oregon coast originate in Portland, Oregon**. There are three public facing alternative transportation options from the Portland metro to the visited north Oregon Coast. NW Connector operates both the *Lower Columbia Connector* and the *Coastliner Tillamook*. The POINT Bus system operates the *NorthWest* bus between Portland and the North Coast. These busing options have seen modest to substantial increases in ridership and demand in the past years even as public transportation ridership on the coast has flagged (Sunset Empire Meeting Minutes, August 2022).

Even as public ridership flagged along other routes, routes between Portland and the North Coast have shown strong demand and growth. **However, there is reason to believe that these routes are not capturing the full potential of traveler<sup>1</sup> demand.** Currently *all route offerings* are focused on needs of coastal residents, rather than on the experiences of travelers looking to visit the coast from the metro. This is indicated by the scheduled route offerings. Excepting the *NorthWest Bus*, bus routes from the coast offer earlier arrivals and later returns from Portland. These buses start and end their routes on the coast offering greater time-flexibility for coastal commuters to the metro than metro travelers to the coast. The *NorthWest* Bus only operates twice daily in each direction, at mid-morning and mid-evening from both Portland and the Coast. Additionally, while existing services *do* exist for travel along the coast those routes are designed for commuting rather than destination experience. To travel along the coast from Tillamook to Astoria requires multiple transfers, making it a less appealing option for travelers than for local commuters.

Since peak season for the coast is during the summer, a private school bus chartering company with out-of-season buses would be well placed to take advantage of growing demand for alternative transit options to the coast. A route that reduced non-destination stops along the coast and offered more amenable travel times to travelers coming from Portland would be able to market directly to travelers looking for non-car travel options to the coast. **A two directional, circulating, multi-bus route would decrease travel time along the coast while also, importantly offering route schedules amenable to day trippers and overnight travelers looking to maximize their time on the coast.**

Providing routes and schedules amenable to Portland-based travelers that reach the top 5 city destinations on the coast would require two buses running twice daily. The variable cost per bus per route would be about \$365 (including wages for driver). **The variable cost per day running two buses twice daily from Portland to the coast and back would cost an estimated \$1,466/day.**

For a bus service to break even, at ticket rate competitive with current offerings, it would need to operate on average at 25% of bus capacity. **At 50% of busing capacity, a charter company would see \$135,000 in profit before taxes over a 3-month season (June, July & August).**

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<sup>1</sup> Traveler is defined as someone traveling more than 50 miles from their home.

In addition to the business benefits of capturing demand for alternative transportation to and along the coast, there are other public benefits of reducing car travel to the coast. Traffic congestion, car accidents, pressure on available parking in popular destinations along the North Coast and reduced greenhouse gas emissions from travel to the coast are all positive public benefits. **Because of these co-benefits, a company working to increase the availability of alternative transportation options would be a valuable partner for North Coast tourism managers (like OCVA and local DMOs), local municipalities dealing with outsized car traffic, safety and response crews, and ODOT.** The extensive marketing capacity of OCVA and North Coast DMOs would likely be available to assist a partner actively working in a way that reduced car-travel externalities.

The high volume of travel to the coast paired with limited traveler-facing busing options have created an opportunity for a private business to take advantage of. The following sections will break down into more details the habits of travelers to the coast, the available transportation options, and the market ecosystem for coastal transportation. It will additionally provide an outline of route proposals and schedules, a break-even analysis, and will note partnership opportunities.

## RESEARCH METHODOLOGIES - II

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This proposal uses varied data sources. This section will briefly outline the methodology used to amalgamate these varied sources into one, more comprehensive, picture of travel habits and volumes to the North Oregon Coast.

For qualitative data, this report used a University of Oregon Institute for Policy Research & Engagement white paper on North Coast Visitor Habits (IPRE, 2018). This information is from a 2018 survey of visitors taken in 8 popular locations (4 developed and 4 undeveloped areas). This study tracked visitor sentiment of strengths and weaknesses along the North Coast. 748 total visitors were surveyed using a 5 page survey that included demographic information, income, point of origin and visitor experience questions (IPRE, pp. 14-19).

For quantitative data, this report used ODOT traffic volume data from roadway sensors to understand total traffic flows along arterial roads to and from the north coast and HWY 101 along the north coast. Traffic volume data point included HWY 101 in three places (Astoria, Gearhart & Rockaway), and data from HWY 30, HWY 26 and HWY 6. The traffic data in these locations is for the months of June, July and August in 2021. This data does not discriminate traveler from residential traffic, but it does offer an accurate view of the total traffic volumes on the main arterial roads to the north coast and along HWY 101 from Astoria to Tillamook. See *Figure 1.2* in the appendix the data collection locations.

Additional quantitative data was obtained through a partnership with Travel Oregon. Travel Oregon provided access to Arrivalist Cell-Phone data for 5 cities along the north coast and two counties. The cities studied were Astoria, Seaside, Cannon Beach, Manzanita and Tillamook. The two counties were Clatsop and Tillamook. This data pulled from a sample of tourists to estimate travelers' (people who were 50 or more miles from their home address) point of origin, duration of trip, demographic information and income. This data, drawing from a sample, is less accurate in estimating total number of travelers and more accurate for understanding visitor travel habits.

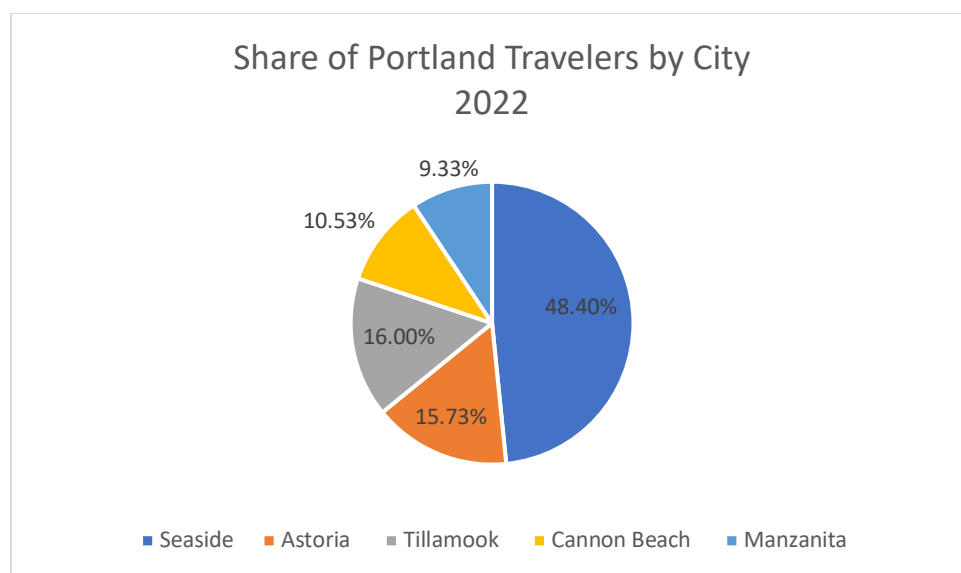
The Oregon Coast Visitors Association is also open to providing financial support for the purchase of other data that may help this report.

### NORTH COAST TRAVELER PROFILE - III

Data suggests there are limited options for travel to the North Oregon Coast. Most travelers to the Oregon coast begin and end their trips in Portland. In 2021, **73 percent** of all travelers to the North Oregon Coast began their trip to the coast in Portland, those numbers were consistent with 2023 data (Arrivalist, 2022-23). These travelers visited 5 main cities along the North Coast. These cities are, in order of popularity, Seaside, Astoria, Tillamook, Cannon Beach and Manzanita. There are two primary ways to reach the coast, these are by car or by one of the three public transit options from the metro area of Oregon to the north coast.

On the north coast, Seaside pulls an outsized number of Portland traveler (and travelers overall), with almost **50% of visitors from Portland going to Seaside**. Tillamook, Cannon Beach and Manzanita combined pull roughly a third of north coast visitors. Figure 2.1 shows dissemination of Portland visitors by city.

Figure 2.1: Destination of Portland Travelers, 2022



With Manzanita as the exception, nearly half of trips taken to these 5 North Coast cities were day trips. Table 2.2 shows the average length of visit, the percentage of trips taken during the weekend and the relative number of total trips taken during summer months as opposed to other times of year.

Table 2.2: North Coast Visitor Insights by City

North Coast Visitor Insights	Percentage Day Trips	Average Length of Visitation	Percentage Trips During Summer Months	Percentage Weekend Trips
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Astoria	42.90%	1.2 Days	35.70%	60.20%
Seaside	43%	1.3 Days	36.90%	60.70%
Cannon Beach	50.60%	1.3 Days	38.50%	64.00%
Manzanita	22.60%	2.5 Days	34.30%	56.90%
Tillamook	56.80%	1.1 Days	36.10%	61.40%
<b>North Coast Average</b>	<b>43.18%</b>	<b>1.48</b>	<b>36.30%</b>	<b>60.64%</b>
<b>North Coast Average Excluding Manzanita</b>	<b>48.33%</b>	<b>1.225</b>	<b>36.80%</b>	<b>61.58%</b>

The focus of this data is on the most visited North Coast cities. While an important draw to the coast is recreation and scenic areas, **only 18% of visitors**, in the 2018 IPRE report, **said they would visit a recreation/undeveloped area** (IPRE, 2018). Focusing on travel to and between these 5 cities captures the largest chunk of traveler data.

#### TRAVEL BETWEEN PORTLAND & NORTH OREGON COAST - IV

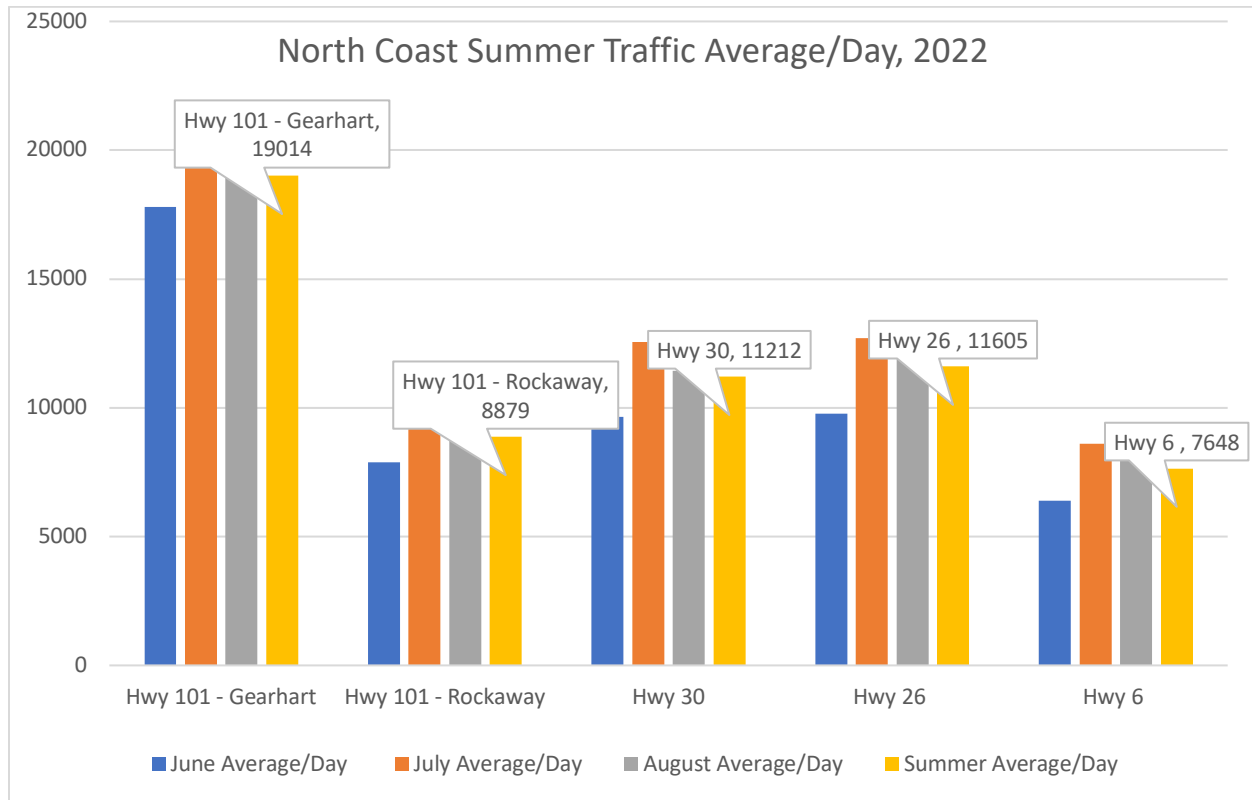
Travel from Portland to the North Coast happens primarily along 3 highways: Highway 6, 26 and 30. Collectively these highways average over **30,000 cars** (Table 1.1) per day traveling to and/or from the North Coast during summer.

There is also considerable demand for travel along the coast, as indicated by the high route averages along Hwy 101 Gearhart and Hwy 101 Rockaway. These numbers show a high demand for travel not only from Portland to the north coast but also along the North Coast.

*Table 3.1: North Coast Summer Traffic Insights, 2022 (map locations in Appendix, Figure 3.2)*

North Coast Highway Data 2022	June Average/Day	June Total	July Average/Day	July Total	August Average/Day	August Total	Summer Average/Day	Summer Total
Hwy 101 - Gearhart	17789	533677	19537	605644	19717	611231	19014	1750552
Hwy 101 - Rockaway	7894	236814	9530	295422	9212	285579	8879	817815
Hwy 30	9649	270181	12548	388980	11439	354616	11212	1013777
Hwy 26	9761	292833	12716	394188	12337	382453	11605	1069474
Hwy 6	6392	191747	8599	266578	7953	246550	7648	704875
Total Traffic to North Coast	25802	754761	33863	1049746	31730	983619	30465	<b>2788126</b>

Figure 3.3: North Coast Summer Traffic Average/Day, 2022



While Figure 3.3 shows averages for summer by month, Table 3.4 identifies demand by day of the week. Friday-Sunday are the busiest days for travel along arterial roads (30, 26, 6) to/from the coast, with Sunday being the busiest day for these roads. Approximately **49%** of all travel to/from the coast happens during the weekend. On average, these roads are **1.37x** busier on weekends than weekdays. For travel along the coast, weekend and weekday traffic volumes are closer. **43%** of traffic happens during summer weekends and weekend days, on average, are about as busy on weekdays as they are on weekends. On the whole, these numbers indicate that while demand to travel to the coast is highest on weekends, there is still a high amount of demand for travel during summer weekdays.

Table 3.4: North Coast Summer Traffic by Day of the Week

<i>Summer Traffic Average by Day of the Week</i>	<i>HWY 26</i>	<i>HWY 30</i>	<i>HWY 6</i>	<i>HWY 101 - Rockaway</i>	<i>HWY 101 - Gearhart</i>
<i>Monday</i>	10630.85	8268.375	6602.9	8512.533333	18789.43333
<i>Tuesday</i>	9352.16667	8902.20833	5930.9	8552.466667	18774.36667
<i>Wednesday</i>	9139.68333	10432.9667	5889.31667	8525.7	19077.06667



<i>Thursday</i>	9933.8 5	11110. 7833	6523.3 3333	8879.5	19704.38333
<i>Friday</i>	11873. 5167	8237.6	8237.6	9541.766667	20502.96667
<i>Saturday</i>	14976. 6167	9783.2	9783.2	9370.833333	18683.93333
<i>Sunday</i>	15698. 2333	10741. 3167	10741. 3167	8829.5	17616.96667

In addition to the option of travel by car, there are three bus routes to the north coast. These bus routes are the *Northwest Point Bus*, the *Lower Columbia Collector* and the *Coastliner Tillamook*. Table 2.1 offers shows the existing demand for these routes.

Table 3.6: Current Busing Ridership

North Coast Transit Data, 2022	June Ridership	July Ridership	August Ridership	Total Summer Ridership	Trips/Day
Northwest Point Bus (All-Time)	1826	2132	2332	6290	2
Lower Columbia Connector	1007	1039	1007	3053	3
Tillamook Coastliner	662	778	710	2150	3
Total Ridership	3495	3949	4049	11493	8

This ridership is a fraction of total travel. Currently, **less than half a percent** of travelers to the coast during summer months arrive via bus. This next section will demonstrate that there is reason to believe, based on ridership trends, relative cost of travel and concerns of travelers that demand for non-car transportation options is growing.

## MARKET RESEARCH - V

Existing market demand, market size, the capacity of a private enterprise to access existing demand, price of travel, and market saturation by public options are key metrics in considering whether a private business would prove profitable in supplementing existing public transportation options with a private busing system.

Demand for busing alternatives seems to be growing. The *Lower Columbia Connector*, for instance, reported a **35% increase** in ridership from 2021 to 2022. According to an internal statement, **while they were “down 23% in [general] ridership for July...the Lower Columbia Connector route ridership exceeded 1,000 for two months in a row.** This is a testament to how needed this route is.” (Sunset Empire August Board Packet, 2022) Demand for busing services between Portland the north coast are increasing rapidly, even while demand for general public transit on the coast is decreasing.

Similarly, when looking at traveler sentiments on the North Coast a 2018 University of Oregon white paper noted that “For those who did comment on drawbacks and constraints, the most common complaints mentioned were **traffic, lack of parking**, crowds, the **high costs of lodging** and **general travel** on the North Coast” (North Coast Visitor Profile Report, 2018). While increasing busing options will not necessarily decrease the cost of lodging, it would address dealing with parking and could (depending on pricing models) reduce the cost of travel to and along the coast. Bypassing these drawbacks could offer a competitive advantage to busing services over car travel.

*Table 4.1: Gas Cost to North Coast (at \$3.90/Gallon)*

<i>Traveler Insights - Trip Cost</i>	<i>Cost/Car Each Way</i>	<i>Cost/Car Round Trip</i>	<i>Average OR Price/Gall on Gas</i>	<i>Average OR Car MPG</i>	<i>Total Miles</i>
<i>Portland to Astoria</i>	<i>\$15.05</i>	<i>\$30.09</i>	<i>3.9</i>	<i>25.4</i>	<i>98</i>
<i>Portland to Seaside</i>	<i>\$12.13</i>	<i>\$24.26</i>	<i>3.9</i>	<i>25.4</i>	<i>79</i>
<i>Portland to Cannon Beach</i>	<i>\$12.13</i>	<i>\$24.26</i>	<i>3.9</i>	<i>25.4</i>	<i>79</i>
<i>Portland to Tillamook</i>	<i>\$11.06</i>	<i>\$22.11</i>	<i>3.9</i>	<i>25.4</i>	<i>72</i>
<i>Portland to Manzanita</i>	<i>\$14.13</i>	<i>\$28.25</i>	<i>3.9</i>	<i>25.4</i>	<i>92</i>
<i>Tillamook to Astoria</i>	<i>\$9.83</i>	<i>\$19.65</i>	<i>3.9</i>	<i>25.4</i>	<i>64</i>

*Table 4.1: Total Driving Cost to North Coast (at \$0.65/mile)*

<i>Traveler Insights - Trip Cost</i>	<i>Cost/Car Each Way</i>	<i>Cost/Car Round Trip</i>
<i>Portland to Astoria</i>	<i>\$63.70</i>	<i>\$127.40</i>
<i>Portland to Seaside</i>	<i>\$51.35</i>	<i>\$102.70</i>
<i>Portland to Cannon Beach</i>	<i>\$51.35</i>	<i>\$102.70</i>
<i>Portland to Tillamook</i>	<i>\$46.80</i>	<i>\$93.60</i>
<i>Portland to Manzanita</i>	<i>\$59.80</i>	<i>\$119.60</i>
<i>Tillamook to Astoria</i>	<i>\$41.60</i>	<i>\$83.20</i>

The cost of car travel to the North Coast is indicated in Table 4.1. The numbers in the table are the average cost (including maintenance) of driving a vehicle one way (to the coast). These numbers indicate that a trip to the coast for a family of four may cost anywhere from \$23/person, at it’s very cheapest, to \$38/person if that travel included scenic Hwy 101. While these numbers, for a family of four, are competitive with current busing prices as shown in Table 4.2. For parties of two and single drivers, busing to the coast from Portland is considerably cheaper than driving.

Table 4.2: Bus Cost to North Coast

Traveler Insights - Trip Cost	Ridership Cost - Bus Each Way	Ridership Cost - Bus Each Way
Portland to Astoria	\$15.00	\$30.00
Portland to Seaside	\$15.00	\$30.00
Portland to Cannon Beach	\$15.00	\$30.00
Portland to Tillamook	\$15.00	\$30.00
Portland to Manzanita	\$15.00	\$30.00
Tillamook to Astoria	\$6.50	\$13.00

Currently, existing bus routes charge \$15/way to and from the coast (*NorthWest Point* charges \$15-18). Importantly, these routes are oriented toward the travel of coastal residents to and from Portland. None of these routes allow for dinner at the coast and the earliest departure time from Portland arrives at 10:30am on the coast. While most travelers to the coast spend two nights on the coast (Arrivalist, 2023), the route schedules offered by existing transportation services would be undesirable for many day trippers. A day tripper would get approx. 6 hours on the coast, excluding breakfast and dinner times, before turning around and heading back to the Portland metro. A coastal resident traveling to Portland for the day, however, could have up to 9 hours in Portland if taking the Lower Columbia Connector (including lunch and dinner times) and close to 11 hours in Portland if taking the *Coastliner Tillamook* (including breakfast, lunch, and dinner times).

Table 4.3: Bus Schedule to the North Coast

Busing Frequency	Westbound Departure Times	Eastbound Departure Times	Portland Stop	Coastal Stop
NorthWest Point	8:20am, 5:30pm	8:25am, 5:20pm	Union Station	Astoria Transit Center
Lower Columbia Connector	10:40am, 3:10pm, 7:40pm	7:20am, 11:50am, 4:20pm	Union Station	Astoria Transit Center
Coastliner Tillamook	7:25am, 11:20am, 6:30pm	4:55am, 8:10am, 4:00pm	Union Station	Tillamook Park and Ride

The fact that these routes advantage travel to Portland as opposed to travel to the Coast indicates missing market capture. Additional bus routes that arrive earlier at the coast and leave later (one way to think about these routes is Portland-based, versus coast-based) could open the market to day-trippers. Particularly during summer months and weekends, this could be more cost effective, remove some of the notable downsides of coastal travel (namely, traffic & parking concerns), and offer day tripper or overnights the chance to maximize the time they get to spend on the coast.

Another gap in market potential comes from travel options along the coast. Currently, the only bus that makes additional stops along the North Coast is the *NorthWest Point Bus*. These stops include Cannon Beach, Seaside, Gearhart, Warrenton, and Astoria. A patchwork of public transit is needed to reach Astoria from Tillamook. 3 transfers are required, and the total trip length is 4+ hours--as opposed to 1.5 hours by car. A private company offering bus routes to the coast could circulate buses in a way to offer

along-coast transportation in addition to Portland to coast transportation. Table 3.1 shows that travel between Cannon Beach and Tillamook, during summer months, reached almost 9,000 cars per day in 2022, indicating strong demand for travel along the coast. Figure 4.4 shows existing transportation options and highlights the difficulty of traveling via transit along the coast.

Figure 4.4: Existing Bus Routes on North Coast



There is reason to believe that a private charter service running buses to and along the coast would have a distinct advantage in catering to travelers over existing transit options. Currently, there is a pandemic-era moratorium on advertising public transit as a travel option for non-residents. A private charter service would have an opportunity to advertise to non-resident travelers.

Based on traveler habits, existing pricing for car travel, existing pricing for bus routes, frequency of transportation, the orientation of existing transportation options towards coastal residents instead of Portland-based travelers, and the reported demand for existing busing options, there is reason to believe that a private busing route that focused on a Portland to Coast travelers would be a desired service for travelers. This next section will propose route and scheduling offerings that take advantage of these market opportunities.

## PROPOSED PLAN - ROUTE OFFERINGS - VI

To best take advantage of the existing transportation market opportunity route schedules would prioritize leaving the Portland metro early and arriving back in Portland late. Geographically, the North Coast offers the possibility of circulating busing routes so that key areas are covered efficiently. Circulating bus routes would have the advantage of offering transportation along the North Coast in addition to transportation to the North Coast.

The proposed departure point from the cities is the Sunset Transit Center Park & Ride in Beaverton (10470 SW Barnes Rd, Portland, OR 97225). This Park & Ride has 630 spaces and connections to the MAX Blue Line, MAX Red Line, and 8 other busing routes. There are also options for overflow parking at Cedar hills United Church of Christ and Cedar Mill Bible Church (per TRIMET). According to TRIMET, there are “usually spaces available in this lot at all times.”

Figure 5.1: Beaverton Sunset Transit Center Park & Ride

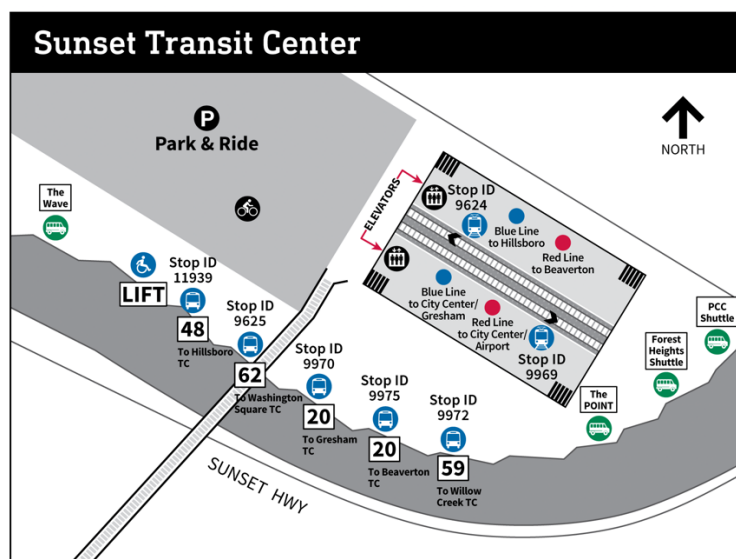


Table 5.2: Proposed Route Schedules for North Coast

Route Proposition	Departure Point	Primary Destination	In-Route Stops	Departure Time	Final Destination Arrival Time	Travel Time
Morning Bus 1 - Westbound	Sunset Transit Center, Beaverton	Tillamook	None	8:30am	10:05am	1:35
Morning Bus 2 - Westbound	Sunset Transit Center, Beaverton	Astoria	Seaside	8:00am	10:10am	2:10
Morning Bus 1 - Eastbound	Tillamook	Sunset Park & Ride, Beaverton	Manzanita, Cannon Beach	10:30am	1:15pm	2:45
Morning Bus 2 - Eastbound	Astoria	Sunset Park & Ride, Beaverton	Seaside	10:30am	12:40pm	2:10
Midday Circulating Bus A - N to S	Sunset Transit Center, Beaverton	Sunset Transit Center, Beaverton	Astoria, Seaside, Cannon Beach, Manzanita, Tillamook	1:00pm	6:15pm	5:15
Midday Circulating Bus B - S to N	Sunset Transit Center, Beaverton	Sunset Transit	Tillamook, Manzanita, Cannon	1:45pm	7:00pm	5:15

		<i>Center, Beaverton</i>	<i>Beach, Seaside, Astoria</i>			
<i>Evening Bus 1 - Westbound</i>	<i>Sunset Transit Center, Beaverton</i>	<i>Tillamook</i>	<i>Cannon Beach, Manzanita</i>	<i>5:00pm</i>	<i>7:45pm</i>	<i>2:45</i>
<i>Evening Bus 2 - Westbound</i>	<i>Sunset Transit Center, Beaverton</i>	<i>Astoria</i>	<i>Seaside</i>	<i>5:35pm</i>	<i>7:45pm</i>	<i>2:10</i>
<i>Evening Bus 1 - Eastbound</i>	<i>Tillamook</i>	<i>Sunset Park &amp; Ride, Beaverton</i>	<i>None</i>	<i>8:00pm</i>	<i>9:35pm</i>	<i>1:35</i>
<i>Evening Bus 2 - Eastbound</i>	<i>Astoria</i>	<i>Sunset Park &amp; Ride, Beaverton</i>	<i>Seaside</i>	<i>8:00pm</i>	<i>10:10pm</i>	<i>2:10</i>

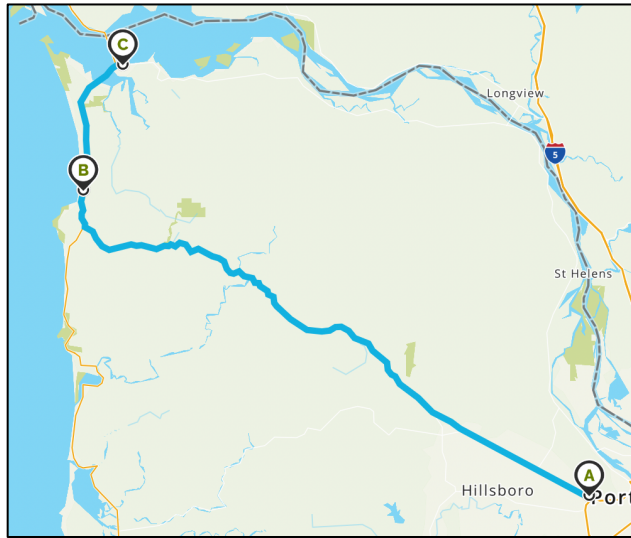
This proposed route schedule would offer two busses three times per day. Morning/Evening Bus 1 would travel from the Sunset Transit Center Park & Ride in Beaverton (accessible by transit or car) and run to Tillamook first, then Manzanita and Cannon Beach. The morning proposed route would make a loop, going A-B-C-D-A. To maximize time spent on the coast for travelers & day trippers, Morning/Evening Bus 1 would offer arrival on the coast by 10:05am and return to Portland by 9:35pm. **Total time a day tripper would be able to spend on the coast using this proposed busing option would be approximately 8.5-10 hours.**

Figure 5.3: Bus 1 Route



Morning/Evening Bus 2 would also travel from the Sunset Transit Center Park & Ride in Beaverton and run to Astoria, stopping in Seaside. Morning/Evening Bus 2 would stop again in Seaside before returning to Beaverton. Its route is shown in Figure 5.2, westbound going A – B – C, eastbound going C – B – A. Bus 2 would offer arrival on the coast by 10:10am and return to Portland by 10:10pm.

Figure 5.4: Bus 2 Route



These route offerings offer travelers the opportunity to access the 5 most popular north coast cities as day trippers, weekenders or longer. **Offering traveler-facing routes, particularly with schedules amenable to day-trippers, will access a market opportunity not currently captured by existing busing routes.**

Having midday routes that circulate along the coast and provide options for people to move vertically along HWY 101 will also make this option attractive to travelers coming to the coast. Currently, taking transit from Tillamook to Astoria takes over 4 hours. These midday circulating routes will offer a faster way for travelers to get from town to town along the coast. It will also take advantage of a market opportunity not currently being explored.

Figure 5.5: Midday Bus A, N to S Route

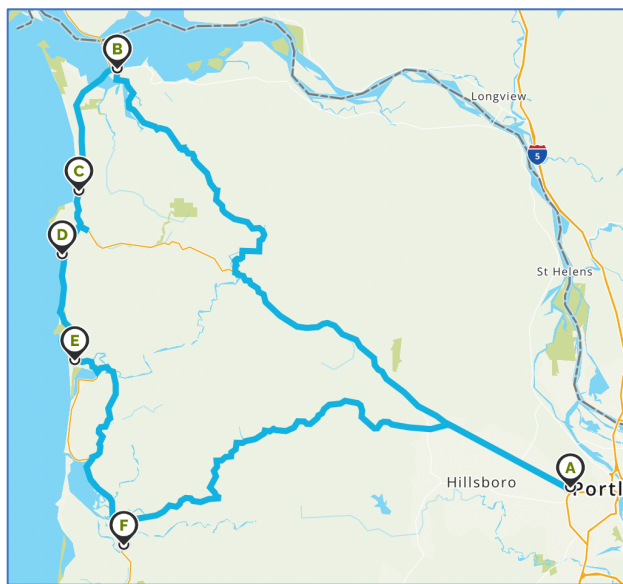
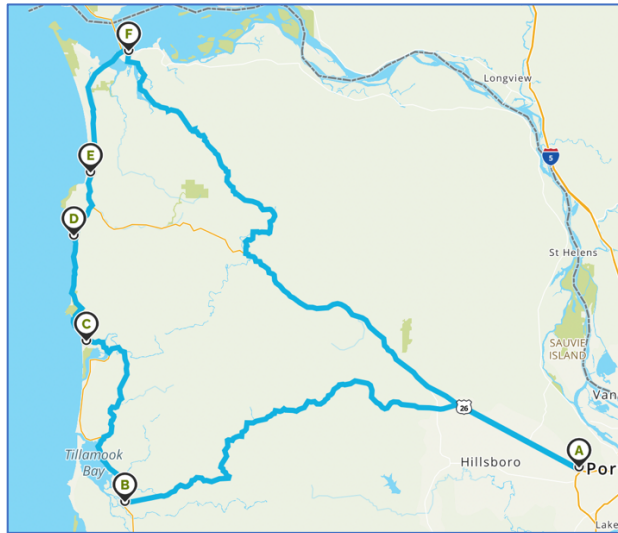


Figure 5.6: Middy Bus B, S to N route



Altogether, these route offerings would create a transit service that caters to day-tripper and Portland-based travelers as well as travelers moving vertically along the coast. These routes, additionally, would only require 4 buses as the midday buses, in this proposed route, are timed so that morning buses can be reloaded. These routes would expand existing transit offerings to cater to metro-based travelers.

These are example route that could be run from the Portland metro to and along the coast. **These routes may be further refined to reflect additional weekend traffic delays and congestion to and along the coast. For example, service providers may find that congestion on highway 26 during busy days (like the 4<sup>th</sup> of July) requires added scheduled time because of traffic.**

## COMPANY DESCRIPTION – VII

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The existing business model best poised to take advantage of this market opportunity are charter school bus companies. **As demand for travel to the North Coast is highest during the summer (and weekends) a charter busing company with unused school buses would be able to use existing assets.** This would eliminate the need for a business to purchase new buses and would provide a new revenue stream during the school busing off-season. It would also provide work for school bus drivers looking to drive during summer months.

**A charter school bus company is uniquely poised, due to the relative demand for busing to the north coast compared to school-busing schedules, to take advantage of this market opportunity with minimal additional investment.**

It should be noted, however, that demand for bus routes will likely be correlated to the quality of the bus experience. Demand may be stronger for a charter bus than school bus, for example.

## BREAK-EVEN ANALYSIS – VIII

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The advantage of a charter school bus company taking on these routes during the school-busing off season is a large to total reduction of fixed costs. The following break-even analysis does not include fixed costs.

The pricing for table one is as follows: price per mile of school bus operation is calculated \$1.27/mile. This reflects the approved Oregon State transportation cost for school buses. Employee wages are calculated at \$21.88/hour, this reflects First Student's average wage for drivers in the state of Oregon (it is increased to \$27.35 to reflect the total cost/hour/employee). The hours/route were extended 20-30mins to for time to get and return school buses to facilities.

*Table 7.2: Variable Cost of Two Routes Twice Daily to Coast*

Cost of Running Routes	Price/Mile	Mileage/Route (Including Return Route)	Employee Cost/Hour	Hours/Route	Estimated Variable Cost/Route
Bus 1	\$1.27	180	\$27.35	5	\$365.35
Bus 2	\$1.27	182	\$27.35	5	\$367.89
Total		362		10	\$733.24
Total for 2x Routes/Day		724		20	\$1,466.48
Total/Month (30 Days)		21720		600	\$43,994.40
Total/Summer (92 Days)		66608		1840	<b>\$134,916.16</b>

Given this variable cost per day, Table 7.3 shows that a capacity of just over 25% is needed to break even on the variable costs of running the route. At only 50% capacity, summer long, a private charter bus service could make **\$130,025 in profit** (before taxes).

*Figure 7.3: Break Even Analysis*

Break Even Analysis	Roundtrip Price/Ticket	Filled Seats/bus (48 total)	Ticket Revenue/bus	4 Routes/Day	Minus Expenses (\$1,466.48/Day)	Profit/Month (30 Day)	Profit/Summer (92 Day)
10% Capacity	\$30	4.8	\$144	\$576	(\$890.68)	(\$26,720.40)	(\$81,942.56)
Break-Even Capacity - 25.45% (12.22 seats)	\$30	12.22	\$367	\$1,466	BREAK EVEN	BREAK EVEN	BREAK EVEN
50% Capacity	\$30	24	\$720	\$2,880	\$1,413.32	\$42,399.60	\$130,025.44
100% Capacity	\$30	48	\$1,440	\$5,760	\$4,293.32	\$128,799.60	\$394,985.44

The break-even analysis shows that it is entirely possible not only to break-even but to make a substantial pre-tax profit by offering traveler-facing busing to the coast. **A company offering two twice-daily routes for a summer would be able with existing demonstrated demand, to reasonably expect a profit.** This profit margin would likely increase as more people came to know the routes and schedules and availability of non-car transporting to the coast. Importantly, this model is assuming that demand exists for only two buses twice daily, it may be that demand exists to offer more.

#### FARE COLLECTION OPTIONS: ONLINE AND/OR AT BUS

There are two primary methods for fare collection. First an online ticketing platform. The advantage of this option is the travelers would have an option to book ahead and confirm availability. This option would also allow for the busing company to keep track of how many people are planning to ride. The downside of this option is that it would require a website and online charging platform. However, partnership opportunities relating to publicizing, hosting, or maintaining the website may exist.

The second method of fair collection would be to pay at the time of service. A portable online payment platform on either a phone or tablet would work for this option. This, however, might lead to congestion at the time of getting on the bus, and during busier times travelers may not be guaranteed a seat. This option is good for travelers prioritizing spontaneity and flexibility but would likely be a hindrance if offered as the only option.

A hybrid option, of an online platform paired with a pay at the time of service offering may be advantageous. It would be accessible for spontaneous travelers but most travelers would have the option of booking ahead of time.

#### SUPPLEMENTAL ROUTE OFFERING: SHOULDER SEASON WEEKEND SERVICE

One of the advantages of this business plan is that a company with unused assets—school buses in the summer—would be able to activate those assets during the summer months. The focus of this proposal, for that reason, is during school off-season. School off-season is correlated to coastal-travel peak-season, making this pairing natural. There is an option to extend this season beyond the peak summer season to the shoulder months of May & September. This could look like offering Fri-Sun routes during the weekends of May & September. A break-even analysis of this supplemental offering is included in figure 7.4.

Figure 7.4: Supplemental Shoulder-Season Route Offerings Break-Even Analysis (Weekend Only)

Break Even Analysis	Roundtrip Price/Ticket	Filled Seats/bus (48 total)	Ticket Revenue/bus	6 Routes/Day	Minus Expenses (\$1,466.48/Day)	Profit/Month (12 Day)	Profit/Summer (24 Day)
10% Capacity	\$30	4.8	\$144	\$864	(\$1,458.62)	(\$17,503.44)	(\$35,006.88)
Break-Even Capacity - 26.8% (12.9 seats)	\$30	12.9	\$387	\$2,322	BREAK EVEN	BREAK EVEN	BREAK EVEN
50% Capacity	\$30	24	\$720	\$4,320	\$1,997.38	\$23,968.56	\$47,937.12
100% Capacity	\$30	48	\$1,440	\$8,640	\$6,317.38	\$75,808.56	\$151,617.12

#### CO-BENEFICIARIES & STRATEGIC PARTNERSHIP OPPORTUNITIES - IX

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Traffic reduction, accident reduction, reduced parking demand and reduced greenhouse gas emissions are all co-benefits of increased traveler-facing busing routes to the coast. The North Coast Tourism Management Network (NCTMN), for instance, is a group of City and tourism industry leaders who meet regularly to deal with problems like parking congestion. Increasing traveler-facing busing options to the coast is in alignment with many of the goals of that network. The Oregon Coast Visitors Association, Astoria-Warrenton Chamber of Commerce, Cannon Beach Chamber of Commerce and Sunset Empire Transportation District are a few members of the NCTMN. The Oregon Coast Visitors Association is particularly interested in advocating for increased non-car transportation options to the coast and would be interested in partnering with a private charter company to help with advertising and promotion of busing routes.

**The Oregon Coast Visitors Association is open to continued support of this project. Details on support may be negotiated by interested parties.**

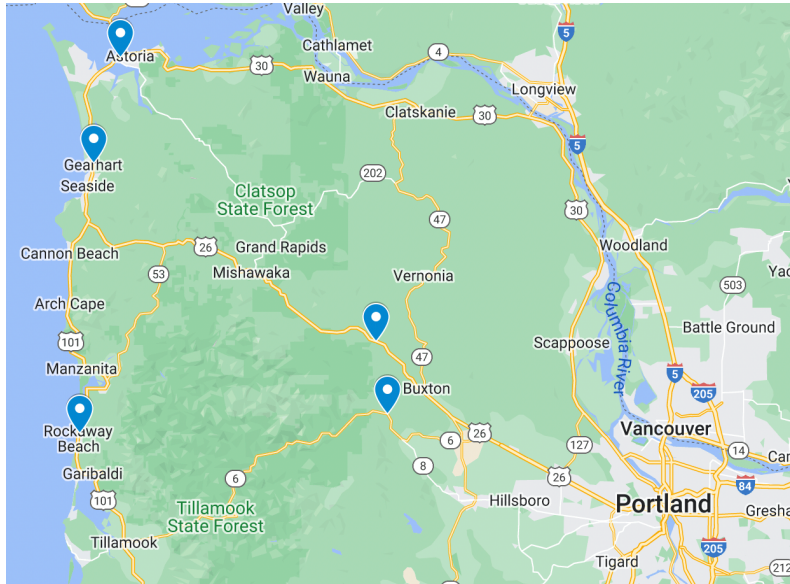
#### REPORT CONCLUSIONS- X

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This report was designed to examine the feasibility of additional, privately operated, bus route offerings to and along the North Coast. **The main conclusion of this report is that there is a market opportunity for a privately-operated bus service.** Additionally, a private company would be advantaged through partnership with organizations on the coast with a vested interest in augmenting existing public-facing transportation options.

This report is intended to outline existing demand, route possibilities and market opportunity. These factors indicate that operating bus routes to the coast is not only feasible, but also financially viable.

*Figure 1.2 Locations of Traffic Survey*



1. Arrivalist Data purchased by Travel Oregon and shared with the Oregon Coast Visitors Association
2. Google Drive Link with all Reference Materials: [Click this Link](#)
3. Additional links to information can be found here:
  - a. <https://www.nworegontransit.org/wp-content/uploads/2022/09/SEPTEMBER-2022-BOARD-PACK.pdf>
  - b. <https://www.oregon-point.com/route-landing/?route=northwest>
  - c. <https://www.amtrak.com/tickets/departure.html>
  - d. <https://www.nworegontransit.org/routes/coastliner-tillamook-portland/>
  - e. <https://www.nworegontransit.org/routes/coastliner-tillamook-portland/>
  - f. <https://www.nworegontransit.org/wp-content/uploads/2022/09/SeptemberBoardPacket-2.pdf>
  - g. <https://www.nworegontransit.org/wp-content/uploads/2022/08/AugustBoardPacket-1.pdf>
  - h. <https://www.nworegontransit.org/wp-content/uploads/2022/07/7.21-Board-Packet.pdf>
  - i. <https://www.nworegontransit.org/routes/lower-columbia-connector/>