

MEMORANDUM

To: CFGB Board
From: Gus Heard-Hughes, Senior Vice President of Programs
Date: 5/21/26
Re: Microtransit Pilot for Irondale – Catalyst Funds

Purpose: To replicate a successful microtransit model in the City of Irondale, creating a more regional system that meets community needs for efficient, affordable transportation options. Microtransit is a rideshare program that provides on-demand, app-based rides at public transportation prices. Reliable transportation is essential. A 2021 Brookings Institution study found that if you have a vehicle in Birmingham, you have access to 100x more jobs in a 30-minute radius. CFGB helped launch the successful Birmingham On-Demand microtransit program in 2019; that program has grown steadily to 4,300 rides per week by the end of 2025 and boasts 4.9 out of 5 average rider ratings and a 12.5-minute average wait time.

Need / Opportunity: CFGB and BJCTA have worked with the City of Irondale over the past year to explore the potential for expanding microtransit to the city. The data shows Irondale is a strong candidate for microtransit:

- Irondale has no public transit services and is rated as ‘highly car dependent’ by Walk Score.
- Irondale has high percentages of residents in groups that face greater transportation challenges:
 - o 15.2% of residents live in poverty
 - o 18% of residents are above age 65
 - o 8.9% of residents have a disability
- Irondale has seen solid growth in recent years and appears well-positioned to sustain a reasonably scaled microtransit service after the pilot.¹
- City leaders and residents have shown strong interest in launching a service. A survey showed 34% of residents would use the service daily or a few times a week. When told the \$1.50 fare, 45% of all respondents said they would use it more frequently.

We have been working with the City of Homewood for the past few years to explore a microtransit pilot. In late April, with the new municipal structure solidified, city leaders voted to approve a 1.25-year pilot. If we can bring both Homewood and Irondale on board in July with microtransit, it will be a big step forward in building a regional system. Homewood has a good mix of interest, need, and capacity to sustain a microtransit system. Irondale has these qualities as well; given its lack of public transit and its demographic mix, it is higher in need.

¹ Irondale has had significant population growth (6.5% from 2019 to 2024, per ACS data) and business growth (for example, the Publix-anchored Cahaba Crossing development is fully occupied and generated over \$1M in tax revenue year one) in the last few years. The city made several recent, large bond-funded capital investments, so this is something to watch; but the city currently has \$11M in reserves (27% of projected revenue), a projected \$1.7M operating surplus, and a clean audit. Costco is opening in Irondale in Spring 2028, which will add to the sales tax base.

The Homewood microtransit pilot is supported through \$600,000 in Catalyst funds and \$200,000 in CFGB Proactive funds. On 5/6/26, the Building Capacity Committee recommended \$411,000 from CFGB Proactive funds to cover the cost of an Irondale pilot is \$411,000 for one year. Although this is a good start, extending this pilot service to 1.25 years (July 2026 – Sept 2027) would provide a better runway to collect data on the pilot service and inform the City of Irondale’s budgeting planning in 2027 to sustain the program in FY28. How much the service is used, where the common pickup and drop off points are, what purposes it is used for, what areas are underutilized, what aspects of the service are most popular, how the system performs on average time to pick up and ride completion, and other data points will be key to budgeting for FY28, because Irondale and BJCTA can strategically adjust the scope of service based on real-world performance.

The Irondale microtransit pilot will operate Monday – Saturday from 7 AM to 7 PM, serving key population centers, senior facilities, shopping and employment destinations, and other points of interest (see attached). The service will also have connection points to Birmingham’s fixed route and microtransit services. Although \$521,000 for a full pilot is a large investment, the Birmingham example shows it can pay off. In Birmingham, CFGB’s initial investment in the pilot led to the city funding and expanding the service over the years. It is now a \$2.5 million line item in the city’s budget.

Evaluation: In Homewood, the service will be fully operated by Via. In Irondale, where the Mayor and BJCTA have a strong relationship, BJCTA will operate the service with Via providing the software. This could help with cost containment as BJCTA can offer the service at a slightly lower rate than Via. Currently, however, BJCTA lags behind Via on met demand rates and other performance outcomes in Birmingham’s microtransit service (BJCTA operates the eastern zone, Via the downtown/western zone). We will hold all partners accountable for regular data reporting and will track performance closely to ensure BJCTA is progressing to the standard set by Via.

Outcome 1 – The Irondale microtransit pilot is efficient and effective at providing rides to users

- Average time to ride pick up in minutes
- Average ride length in minutes
- % met demand (% of ride requests where there is a ride available)
- # completed rides per week, month, year
- Consistent functioning of ride order app

Outcome 2 – The Irondale microtransit pilot valued as a transit improvement for users in the community

- Average service rating (1-5 scale)
- Qualitative rider experience feedback from surveys

Outcome 3 – The Irondale microtransit pilot meets important transportation needs identified by the community

- % using service to get to: work, school, medical appointments, shopping, other transit
- Most common pick up and drop off locations
- Connectivity with Birmingham On-Demand service

Proposal:

At its 5/11/26 meeting, the Catalyst Council recommended a \$110,000 allocation from CFGB Catalyst funds to support increasing the length of an Irondale pilot microtransit program from one year to 1.25 years, providing sufficient runway on performance and use data to inform the city’s budgeting for program continuation in FY28.

We recommend that the CFGB Board approve this Catalyst Council recommendation for a \$110,000 allocation from CFGB Catalyst funds to increase the length of an Irondale pilot microtransit program to 1.25 years.