



COUNCIL STAFF REPORT

CITY COUNCIL of SALT LAKE CITY

TO: City Council Members

FROM: Kira Luke, Russell Weeks, Ben Luedtke
Budget & Policy Analysts

DATE: December 4, 2018

RE: **FUNDING OUR FUTURE Transit Update: Interlocal Agreement with Utah Transit Authority**

Item Schedule:

Briefing: November 27, 2018; December 4, 2018

Public Hearing: November 27, 2018; December 11, 2018

Potential Action: December 11, 2018

ISSUE AT-A-GLANCE

Funding Our Future: On May 1, the City Council took formal action to implement a 0.5% increase to the sales tax rate in Salt Lake City (from 6.85% to 7.35%). Following significant public engagement, the increase was approved to address unfunded critical needs for projects and services, including **improved transit service**. To this end, the Council set four priorities to improve transit in a contingent appropriation of about \$5.3 million when it adopted the City's budget for Fiscal Year 2018-2019. The four priorities are:

- Increasing coverage for under-served areas, particularly the West side but not excluding other underserved areas of the City;
- Increasing ridership, particularly in the City's downtown core;
- Building out infrastructure on *Transit Master Plan* routes;
- The budget and timeline are based on 1000 North, 600 North, 200 South, 900 South, 2100 South. 400 South will be the last route implemented.

The Council prioritized 200 South, 900 South, and 2100 South for the first phase of transit improvements, with later improvements planned for 600 North and 1000 North. ⁱ

NEW INFORMATION:

The Agreement between the City and UTA will include several parts, including an Interlocal Agreement and will serve as the master agreement to encompass the overarching details of the service – responsibilities of each party, cost calculation method, generally the goals of expanding service (per the Council's budget adoption motion), and values (related to sustainability, etc., which the Council may want to strengthen), and other typical details related to invoicing and dispute resolution. The key details about how the goal of expanded service will be met through annual "Addenda" to the Interlocal, but those drafts have not been received in the Council office. The Administration plans to review this content with the Council during the December 4th Work Session.

Responsibilities in the Interlocal Agreement

| City | UTA |
|--|---|
| Provide funding to support route operation; appropriate funding and notify UTA of available funding annually | Manage and operate routes, equipment, personnel, insurance and accounting |
| May construct new bus stops, in compliance with UTA's standards; enhanced* maintenance to be negotiated prior to construction and funded by the City | Produce/install branded bus stop signs |
| Send designee (City Transportation Director) to technical working group | Send designee (UTA Planning Director) to technical working group |
| Regularly exchange information to assess performance and report to the parties** | |
| Share fuel costs via a semiannual "true-up" | |

*The Addendum template provides a section to define baseline (non-enhanced) services.

**Performance metrics could be added to the Funding Our Future website

Other matters, such as sustainability goals like clean fuel technologies, additional transit improvements, and bus stop enhancements are contemplated but not yet decided in this interlocal agreement. The parties may decide in future annual addenda how to advance these matters.

Policy Questions:

- What is the coming timeline and updates since last week's discussion?
- How will sustainability goals be addressed in the Interlocal and/or its addenda?

The following information was previously provided for the November 27, 2018 Work Session Briefing

Timeline: the proposed timeline for the Interlocal Agreement (ILA) leaves little room to negotiate any Council-requested changes before the end of the year. Per the Administrative transmittal, negotiations could continue into January 2019 if needed, but any delays beyond January would risk a full one-year delay of the August 2019 service implementation.

Proposed timeline

November 27, 2018: Council briefing on draft agreement and public hearing

December 11, 2018: Council briefing, continued public hearing, and action

December 12, 2018: UTA Board approval

January 2019: begin to negotiate 2019-20 addendum to be ready for FY20 annual budget appropriation

DISCUSSION OUTLINE FOR NOVEMBER 27 WORK SESSION

- Council staff introduction**
- Administrative presentation**
- Questions for Administration/UTA**

| Funding Our Future Sales Tax Transit Year 1 Funding | | |
|--|---------------------------|--------------------|
| Frequent Transit Network branding and outreach | \$ | 250,000 |
| Home to Transit Pilot program (service and administration) | \$ | 700,000 |
| Start-up funding for "Work to Transit" program | \$ | 250,000 |
| <i>Increase service spread out over 12-year lifespan of buses</i> | <i>(Funded in Year 2)</i> | |
| Transit pass analysis and facilitation | \$ | 30,000 |
| <i>First Last Mile investments, stop improvements, signal upgrades for transit priority, mobility hubs and corridor enhancements</i> | <i>(Funded in Year 2)</i> | |
| <i>Performance measures, service adjustments, corridor studies, technical analyses [related to UTA agreement]</i> | <i>(Funded in Year 2)</i> | |
| Transit Planner | \$ | 50,000 |
| FTN Capital Improvements (signal upgrades, bus stop improvements, ADA enhancement, etc.) [portion related to UTA agreement] | \$ | 1,139,000 |
| <i>General Administrative Costs</i> | <i>(Funded in Year 2)</i> | |
| Planner | \$ | 101,161 |
| UTA Interlocal Agreement (subtotals below) | | \$2,870,492 |
| FTN rolling stock (buses) procurement | \$ | 406,000 |
| Service for increased span and frequency on key routes (900 S, 200 S, 2100 S, 600 N, 1000 N) | \$ | 2,464,492 |
| TOTAL | \$ | 5,390,653 |

INTERLOCAL AGREEMENT (ILA) OVERVIEW

The proposed interlocal agreement between Salt Lake City and the Utah Transit Authority has two parts – a 20-year master agreement and future addenda, including one for 2019, to the master agreement. Future addenda will be negotiated each year. The master agreement is scheduled to end June 30, 2039. The master agreement is intended to form the framework of how transit improvements in the City's Transit Master Plan will be implemented.

Transit Master Plan Implementation

At an August 21 work session, Administration representatives indicated that the City's priority streets ran west to east and that the streets need to be seamlessly integrated into UTA's north-south routes.ⁱⁱ UTA's draft budget for 2019 contains funds to undertake a "core route" study in 2019 that may help guide and clarify how City-funded east-west routes might mesh best with UTA north-south routes. The agreement contemplates following the Frequent Transit Network as identified in the *Transit Master Plan*.

The Transit Master Plan used a formula based on transit industry standards to develop the Frequent Transit Network recommendations. According to the plan, the formula can be used in the future to help determine when the plan's recommendations can be revised to reflect population or job growth within the City. Here is the formula:

- Operate light rail in areas where there are 12 to 24 or more households per acre and/or 16 to 32 or more jobs per acre.
- Operate Bus Rapid Transit in areas where there are 10 to 15 households per acre and/or 12 to 20 jobs per acre.
- Operate buses every 15 minutes in areas where there are 10 to 12 households per acre and/or 12 to 16 jobs per acre.
- Operate buses every 30 minutes in areas where there are 6 to 10 households per acre and/or 8 to 12 jobs per acre.
- Operate buses every hour in areas where there are 3 to 6 households per acre and/or less than 4 jobs per acre.ⁱⁱⁱ (Please see Attachment No. 1.)

According to the Administration, the thresholds are best practices based on current industry research and should be used as guidelines rather than standards. Transit planning would take a variety of local conditions into consideration about appropriate densities, as would UTA in establishing service levels. The guidelines also can be helpful to communicate the relationship between density and successful transit.

POLICY QUESTIONS

1. **Density:** The Council may wish to ask the Administration, when would the density thresholds formula above be used to determine the implementation of transit service? Would the formula be part of each yearly addendum to the master agreement?
2. **Sustainability:** At the October 9 work session, the City Council said it was interested in working into a master agreement that the City receive priority to receive clean-fuel buses for the Council to evaluate what it would cost to upgrade to clean-fuel vehicles.^{iv} Per the Administration, outright purchase of electric busses would increase costs to the City dramatically without proportionately benefitting the City, since busses are rotated across all routes. The draft agreement includes the following sentence: "Both Parties have sustainability goals and agree to consider clean technologies (such as electric vehicles) and infrastructure in the implementation of the Plan, where feasible."^v **The Council may wish to discuss whether this satisfies the desired balance of transit improvement and air quality goals.**
3. **City Service Buy-Up:** A proposal in the Transit Master Plan says:
 - a. "Salt Lake City could provide UTA with a financial contribution to increase frequency or span of service on a route. If the change does not require additional vehicles, i.e., increasing midday or evening service to the same level of service provided at a different time period, no additional vehicles would be required. ... Where the City desires to buy-up service on routes that extend beyond Salt Lake City limits, the City would invest only in service that is within city boundaries. UTA would be responsible for how that service is connected to the rest of the system. For example, service increases that the City buys up could terminate at/near city limits. It is anticipated that once service is demonstrated to meet UTA service standards, the agency would take over provision of that service, as funding allows. UTA and the City would need to document any such agreements in a memorandum of understanding."^{vi}**The Council may wish to ask, how will City's enhanced services and UTA baseline services be monitored to achieve the proposal described above to determine: 1) That City-funded services remain within the City. 2) When a service reaches UTA service standards so that UTA takes over provision of the service.**
4. **Transit Data Sharing:** In previous discussions, the Council emphasized the importance of using the Funding Our Future website as a dashboard for communicating to the public what is accomplished with the increased sales tax revenue. Another benefit of enhanced data sharing would be easier analysis of existing transit assets and gaps such as bus stop amenities. **The Council may wish to ask the Administration, what UTA data is currently shared with the City and is enhanced data sharing planned as part of this partnership?**

5. **Order of Route Implementation:** The 200 South, 900 South and 2100 South routes are identified for 2019. The Administration indicates implementation of 1000 North and 600 North may occur in 2020/21 and 400 South would be implemented in 2021/22. **The Council may wish to ask the Administration to clarify in what order will the six new routes be implemented?**
6. **Branding:** Previous discussions have generated ideas for branding such as bus wraps, route displays, or a plaque inside busses proclaiming the City's investment. Staff understands the 12 busses the City has purchased will not be exclusive to the City's routes, but rather expands UTA's fleet capacity to serve these routes. The ILA refers to branded stops along City-sponsored service lines, produced and installed by UTA. In addition to funding for the ILA, the Council also funded \$250,000 for FTN branding and outreach. **The Council may wish to ask the Administration, what additional branding and outreach is planned?**

Attachments

Attachment 1: Excerpt – Transit Master Plan

ⁱ Videotape, Council work session, Russell Weeks, October 9, 2018, 1:09.

ⁱⁱ Videotape, Council work session, Jon Larsen, August 21, 1:30:14 through 1:34:27

ⁱⁱⁱ *Transit Master Plan*, Page 6-4, 6-5. (Attachment 1)

^{iv} Videotape, Council work session, Erin Mendenhall, October 9, 1:26:22.

^v Draft Agreement, Part 1.

^{vi} *Transit Master Plan*, Pages 7-3.

Land Use Density and Transit in Salt Lake City

The value of investment in the frequent transit network is exponential when supported by land use policies and strategies that facilitate activity density where transit service quality and capital investment is highest. In any growing city, the success of transit in attracting riders is dictated by the type and density of development and the other characteristics of urban form. Similarly, higher-density development depends on high-quality transit service to move large numbers of people efficiently on limited street right-of-way. Therefore, it is advantageous to develop land use and transit policies in concert to ensure their mutual benefit and success. Salt Lake City should work with UTA to ensure quality transit will be available when land use and street design take transit-oriented forms.

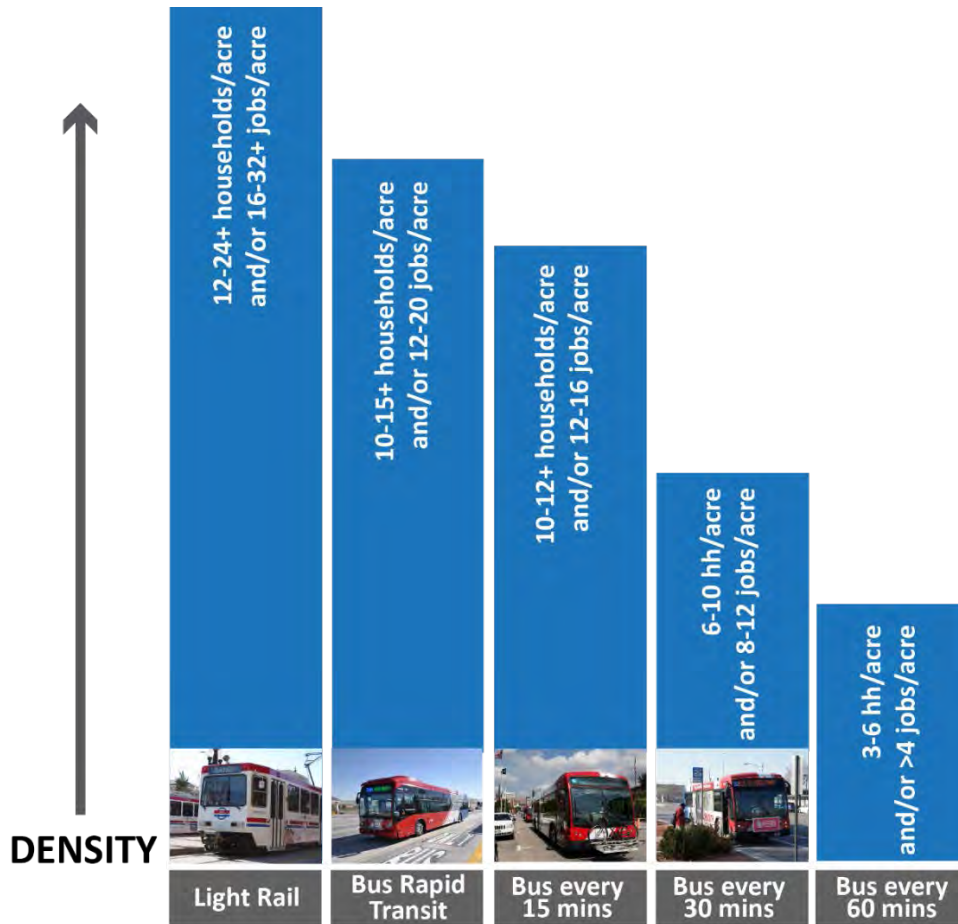
While transit service and infrastructure investment are primarily controlled by UTA, Salt Lake City can influence development along the FTN. Furthermore, Salt Lake City can work with UTA to ensure that transit service levels are adequate to support areas as they grow and become more transit-oriented. The Transit Master Plan does not dictate priorities for land use plan updates; rather it provides information for coordination of land use plans, to ensure that future land development patterns are supportive of Transit Master Plan goals.¹

As a living document, the Transit Master Plan will continue to evolve as land use conditions change over time. Development that occurs throughout the city could impact travel patterns and alter transit needs; this is particularly expected to be the case in the Northwest Quadrant, given significant new employment growth that is already occurring. The City should encourage developers to pursue transit-supportive design throughout the development review process but also maintain flexible transit policies that can adapt as the needs of the area change.

The thresholds outlined in Figure 6-1 relate density of households and jobs to transit service quality (based on industry standards for when service and capital investments are justified). These thresholds were used to develop FTN recommendations and can be adjusted over time as land use changes. The densities outlined in Figure 6-1 should occur on average in an area; there may be much higher concentrations adjacent to stations and lower concentrations further from station areas. As areas in Salt Lake City reach certain densities, service levels should be adjusted.

¹ Note: The Transit Master Plan does not include any specific land use or zoning recommendations; area master plans could be re-visited to bring density to match desired transit service levels.

Figure 6-1 Transit Mode & General Frequency by Gross Density



TRANSIT MODE & FREQUENCY

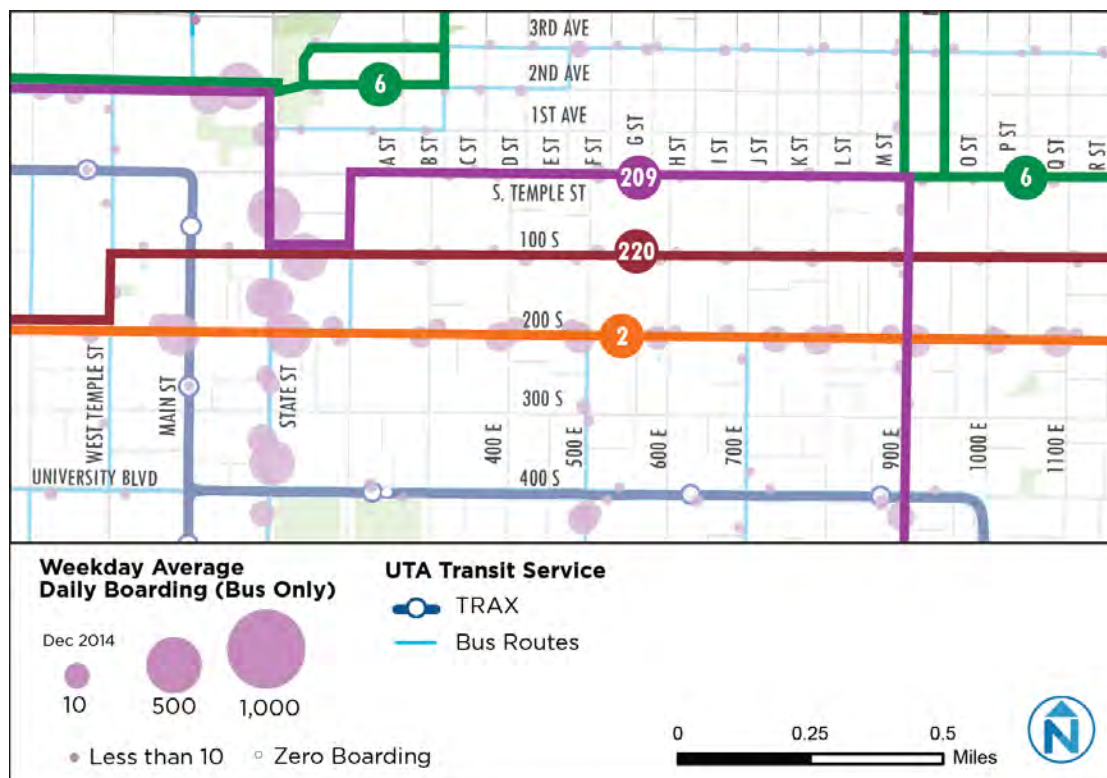
Source: Adapted from TCRP Report 100: Transit Capacity and Quality of Service manual, TCRP Report 102: Transit-Oriented Development in the United States, and other sources; employment is converted from household density based on a typical relationship of 4 jobs: 1 dwelling unit.

- **City service buy-up.** Salt Lake City could provide UTA with a financial contribution to increase frequency or span of service on a route. If the change does not require additional vehicles, i.e., increasing midday or evening service to the same level of service provided at a different time period, no additional vehicles would be required. For example, Routes 205, 209, and 220 already provide frequent service on 500 S, 900 S, and 1300S, respectively, during weekday daytime hours; increasing frequency on weekday evenings would not require additional vehicles. However, Route 228, which provides service along 400 S between the University and Salt Lake Central, only operates with 30-minute frequency and additional vehicles would be required.

Where the City desires to buy-up service on routes that extend beyond Salt Lake City limits, the City would invest only in service that is within city boundaries. UTA would be responsible for how that service is connected to the rest of the system. For example, service increases that the City buys up could terminate at/near city limits. It is anticipated that once service is demonstrated to meet UTA service standards, the agency would take over provision of that service, as funding allows. UTA and the City would need to document any such agreements in a memorandum of understanding.

- **Introduce new service.** Service on new transit corridors that cannot be achieved through restructuring existing routes would be the most costly option in terms of both operating and capital costs. For example, extending Route 228 to provide continuous service along 400 S between Redwood Road and the University would likely require additional operating resources for the Redwood Road to 600 W portion of the route, as well as to increase service to frequent levels. Additional vehicles would also likely be required. Providing service when and where there wasn't service before requires an analysis and possible implementation of paratransit service as well.

Figure 7-1 Service Restructuring Example: Existing Service on S. Temple, 100 S and 200 S



UTA Routes 2, 220, and 209 serve 200 S, 100 S, and S. Temple Street, respectively. As described above, restructuring Route 220 to serve S. Temple Street is an example of cost-neutral or low cost changes to existing service that can help implement the FTN.



CITY COUNCIL TRANSMITTAL


Patrick Leary, Chief of Staff

Date Received: November 27, 2018
Date sent to Council: November 27, 2018

TO: Salt Lake City Council
Erin Mendenhall, Chair

DATE: November 27, 2018

FROM: Mike Reberg, Director Department of Community & Neighborhoods


SUBJECT: Transit Master Plan Implementation Interlocal Agreement (ILA) with UTA

STAFF CONTACT: Julianne Sabula, Transit Program Manager, julianne.sabula@slcgov.com
(801) 535-6678

DOCUMENT TYPE: Information Only

RECOMMENDATION: That the City Council consider the supplemental exhibits that provide further information about the draft ILA from Administration Staff in preparation for the Council Briefing on November 27 and the forthcoming public hearing during the December 11 formal Council meeting.

BUDGET IMPACT: None

BACKGROUND/DISCUSSION: On November 20, 2018 City Council received a Resolution transmittal summarizing the draft Transit Master Plan Implementation interlocal agreement with UTA. This supplement to that transmittal provides additional information to inform the briefing on November 27 and public hearing scheduled for December 11, 2018.

EXHIBITS:

- 1) Resolution (from original transmittal)
- 2) Presentation, ILA Summary
- 3) Draft ILA

- 4) Draft Exhibit A Form Addendum
- 5) Draft Exhibit B (blank, still under negotiation)
- 6) Draft Exhibit C Cost Calculator
 - a. Service Calculator
 - b. Agency NTD Profile
 - c. Paratransit Cost Calculator
 - d. Cost Per Mile Calculator

RESOLUTION _____ OF 2018

Authorizing approval of an Interlocal Cooperation Agreement between Salt Lake City Corporation and Utah Transit Authority providing for transfer of City funds for implementation of the Transit Master Plan.

WHEREAS, Utah Code Title 11, Chapter 13 allows public entities to enter into cooperative agreements to provide joint undertakings and services; and

WHEREAS, the attached draft agreement has been prepared to accomplish said purposes;

THEREFORE, BE IT RESOLVED, by the City Council of Salt Lake City, Utah as follows:

1. It does hereby approve the execution and delivery of the following:

AN INTERLOCAL COOPERATION AGREEMENT BETWEEN SALT LAKE CITY CORPORATION AND UTAH TRANSIT AUTHORITY, EFFECTIVE ON THE DATE IT IS SIGNED BY ALL PARTIES, PROVIDING FOR THE TRANSFER OF CITY FUNDS FOR IMPLEMENTATION OF THE TRANSIT MASTER PLAN.

2. Jacqueline Biskupski, Mayor of Salt Lake City, Utah or her designee is hereby authorized to approve, execute, and deliver said agreement on behalf of Salt Lake City Corporation, in substantially the same form as now before the City Council and attached hereto, subject to such minor changes that do not materially affect the rights and obligations of the City thereunder and as shall be approved by the Mayor, her execution thereof to constitute conclusive evidence of such approval.

PASSED by the City Council of Salt Lake City this _____ day of _____, 2018.

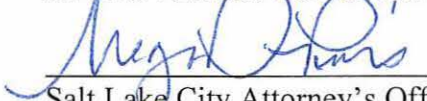
SALT LAKE CITY COUNCIL

CHAIRPERSON

ATTEST:

CITY RECORDER

APPROVED AS TO FORM:



Salt Lake City Attorney's Office



— Salt Lake City —
**TRANSIT
MASTER
PLAN**

Transit ILA Briefing – November 27, 2018



Agenda

- Background
- Agreement Overview
- Timeline





Background

Background

- **June 2018:** City Council Funds Initial Transit Master Plan Implementation
- **August 2018:** City Council Receives ILA Intent Language Briefing
- **November 2018:** City Council Receives Draft ILA Briefing & Holds Public Hearing
- **December 2018:** City Council & UTA Board May Approve ILA
- **January 2019:** UTA to Begin Hiring & Training Drivers & Mechanics
- **August 2019:** UTA to Begin Operating New Service on 200, 900 & 2100 South



Key Considerations

- How to structure the agreement: balancing flexibility with specificity, the big picture with details
- How to accommodate context: SLC's larger Funding our Future effort, UTA's internal and external stakeholders
- How to create an ILA that will serve as a regional model
- How to coordinate varied annual cycles
 - SLC: July 1 – June 30
 - UTA: January 1 – December 31
 - Service “Change Day”: August – August
 - FTA: October – October
- How to factor in administrative costs (still under negotiation)



Agreement Overview

Agreement Structure

- Master Agreement (20-Year)
 - Main body: how we will implement the Transit Master Plan
 - Exhibit A: Addendum Template
 - Exhibit B: Cost Calculator

- Addenda (Annual based on budget allocations)
 - Mobilization (FY2018 budget)
 - City-sponsored service and vehicles (FY2019 budget)
 - UTA-delivered capital improvements (FY2018+ongoing)
 - UTA-delivered programs (potential future)

2018-19 Budget

| Element of Transit MP | Budget | Description |
|--|--------------------|---|
| Increasing service span and frequency on key routes | \$2,475,000 | Begin Phase 1 service increases on 200 S, 900 S and 2100 S |
| Home to Transit Pilot program (service and administration) | \$700,000 | On-demand shared ride services for low-density residential neighborhoods |
| Start-up funding for Employment-oriented program | \$250,000 | Establish public-private transportation management associations in low-density business districts |
| Transit pass analysis and facilitation | \$30,000 | Working with Hive, GreenBike, and stakeholders to optimize affordability |
| Frequent Transit Network branding and outreach | \$250,000 | Ensure that the system is highly visible, legible, and easy to use |
| Transit Planner | \$50,000 | Assist with Plan implementation activities, studies, evaluation, etc. |
| FTN Capital Improvements | \$1,139,000 | Bus stops, corridor improvements, first-last mile connections, facilities |
| FTN rolling stock (buses) procurement | \$406,000 | |
| TOTAL | \$5,300,000 | |

Master Agreement

- Recitals: What we are doing
 - We share an interest in public transit
 - We developed the Transit Master Plan together
 - We share an intent to implement the Plan

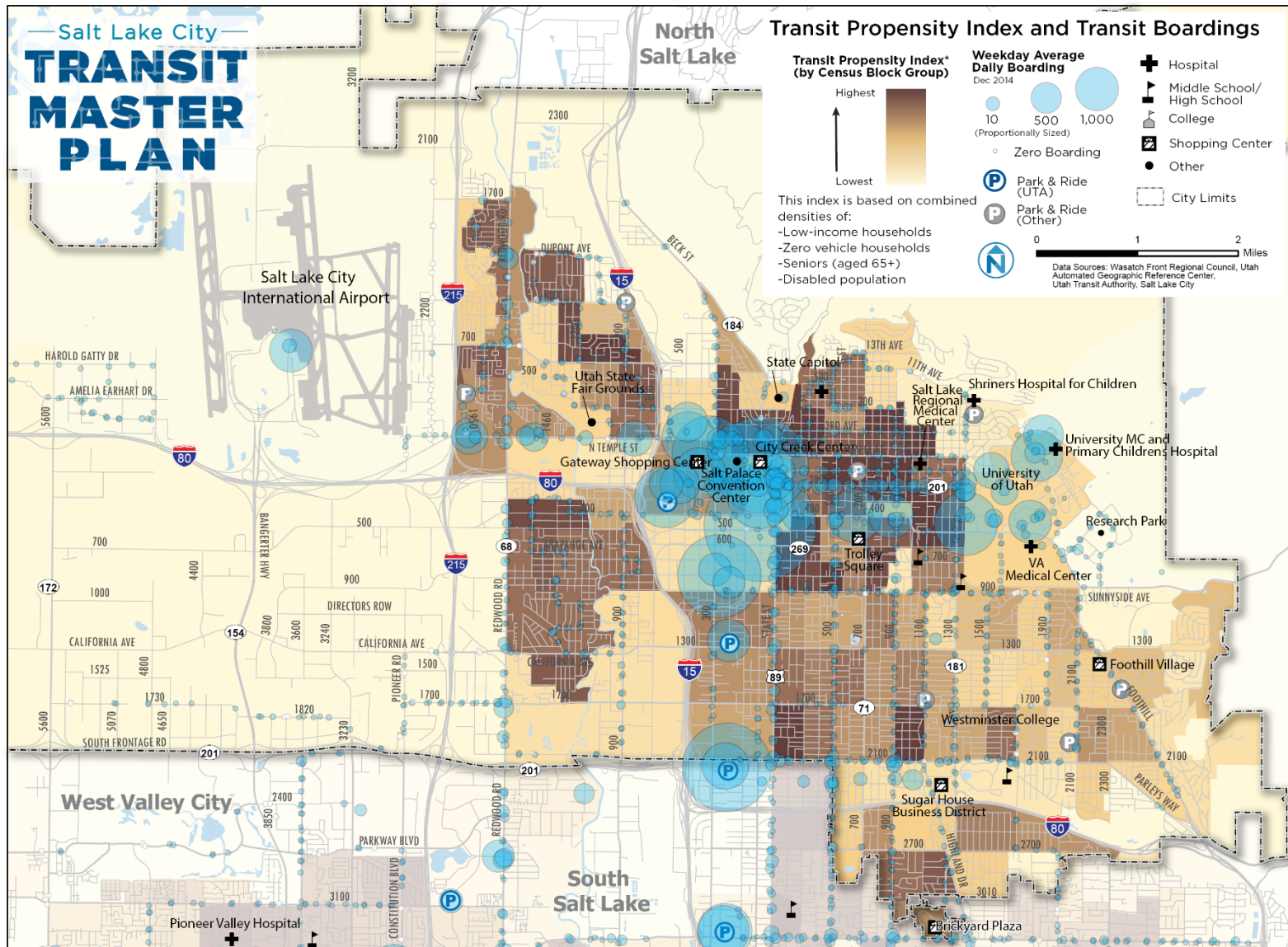
- Section 1: How we are doing it (intent language)
 - Reinvest in the system
 - Regional & local service are interdependent
 - Permanence & stability are priorities
 - Data & public input drive the plan's implementation
 - Accountability & transparency are critical
 - Sustainability goals have been added here

Master Agreement

- Section 2: How we will work together
 - Cooperation & good faith
 - Open exchange of information
 - Technical decision-making rather than by committee
 - UTA Planning Director & SLC Transportation Director (or designees)

- Section 3: FTN Routes
 - How “baseline” service is defined
 - What is operating today
 - Adjusted for 1) ridership and 2) likely ridership
 - Fiscally constrained
 - City funds for ILA-described routes, not to be used elsewhere

Transit Productivity & Propensity



Master Agreement

- Section 4: UTA Responsibilities for FTN routes
 - Everything UTA does for existing service today

- Section 5: Service cost calculation
 - Calculated by service miles being added
 - National Transit Database as foundation
 - Annual adjustments for inflation, fuel & paratransit
 - Pro rata share of increase in overhead
 - Additional vehicles needed for new service

Master Agreement

- Section 6: City responsibilities for FTN routes
 - Mobilization costs (only when service is ***added***)
 - Vehicles lease costs
 - New annual service miles
 - Other costs
 - Subject to annual appropriation
 - Construction of bus stops/improvements

- Section 7: Invoicing & payment terms

- Section 8: Allows mid-year fuel cost adjustments ***only if they change by more than 30% over 6 months***

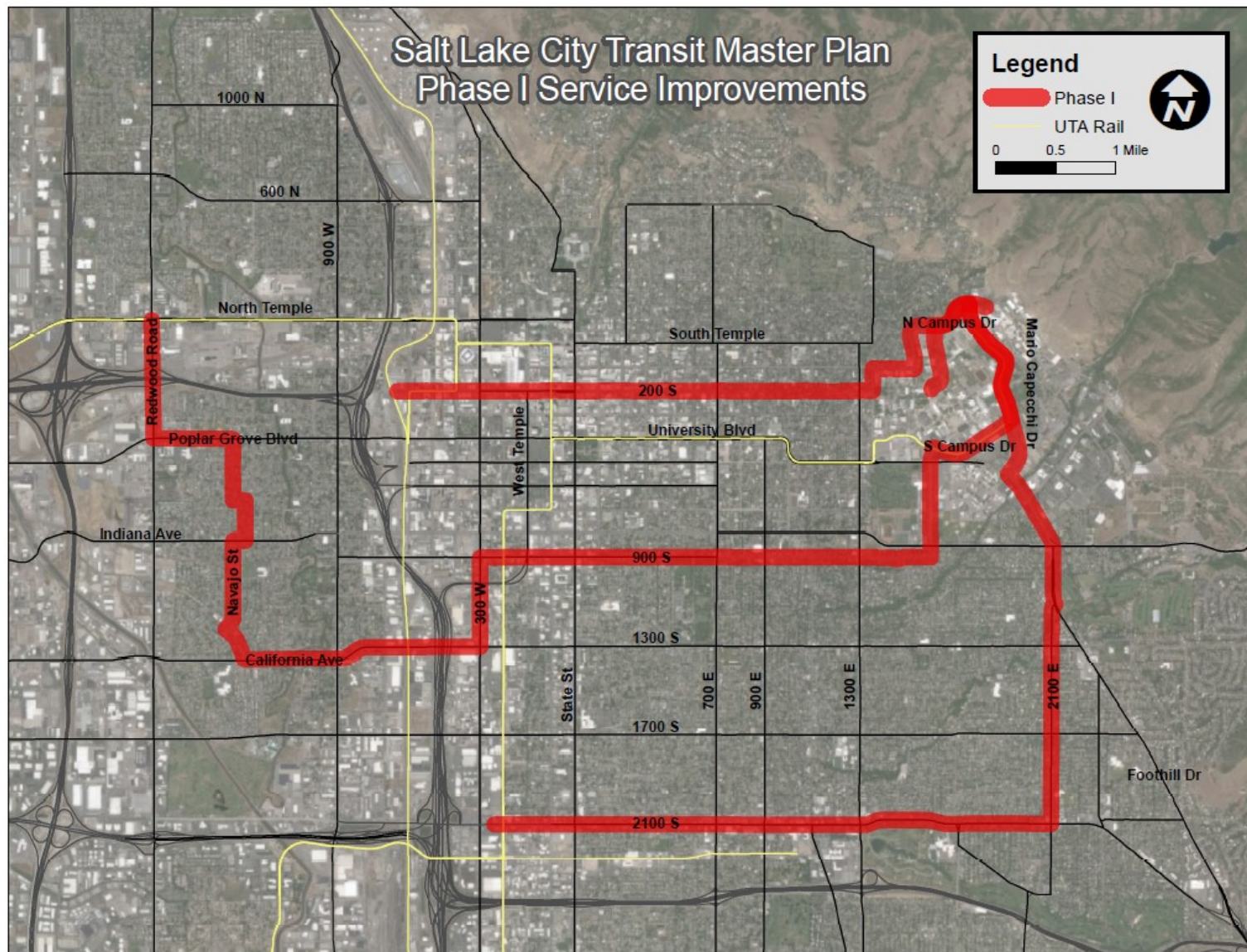
Master Agreement

- Section 9: Other improvements
- Section 10: No supplantation of funds
- Section 11: Open financial records
- Section 12: Performance evaluation
 - Based on Transit Master Plan goals
 - Open data sharing
- Sections 13 – 30: Standard ILA inclusions



Timeline

Funded Service Increases



Mobilization Activities

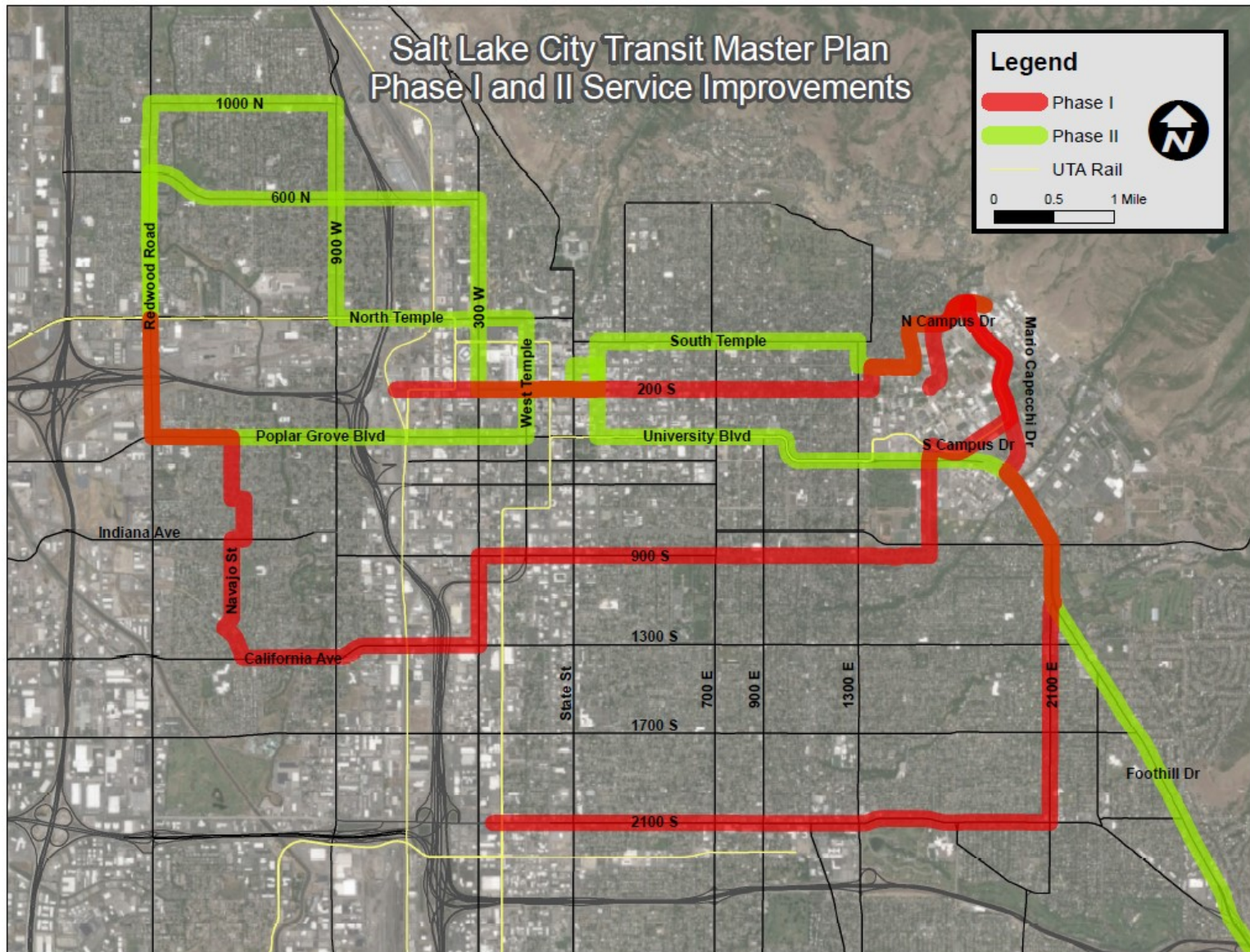
SPONSORED SERVICE MOBILIZATION SCHEDULE - Salt Lake City Transit Master Plan, Amendment 1

| | Jan | Feb | Mar | Apr | May | June | Jul | Start-Up Sub-Total | Start-Up Admin | Start-Up TOTAL |
|----------------------|-----------|-----------|------------|------------|------------|------------|------------|-----------------------|-------------------|-------------------|
| 4 Mechanics | \$ 24,584 | \$ 24,584 | \$ 24,584 | \$ 24,584 | \$ 24,584 | \$ 24,584 | \$ 24,584 | \$ 172,088 | \$ 8,604 | \$ 180,692.40 |
| 2 Fixed Supervisors | \$ 13,832 | \$ 13,832 | \$ 13,832 | \$ 13,832 | \$ 13,832 | \$ 13,832 | \$ 13,832 | \$ 96,824 | \$ 4,841 | \$ 101,665.20 |
| Operator Recruitment | \$ 30,000 | \$ 30,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 65,000 | \$ 3,250 | \$ 68,250.00 |
| TCC Dispatch 2 FTE | | | \$ 10,468 | \$ 10,468 | \$ 10,468 | \$ 10,468 | \$ 10,468 | \$ 52,340 | \$ 2,617 | \$ 54,957.00 |
| Operator Training | | | \$ 83,333 | \$ 83,333 | \$ 83,333 | \$ 83,333 | \$ 83,333 | \$ 416,665 | \$ 20,833 | \$ 437,498.25 |
| Operator Service | | | | | \$ 252,720 | \$ 252,720 | \$ 252,720 | \$ 758,160 | \$ 37,908 | \$ 796,068.00 |
| 2 Para Supervisors | | | | | | \$ 13,832 | \$ 13,832 | \$ 27,664 | \$ 1,383 | \$ 29,047.20 |
| Fuel/Parts/Maint | | | | | | | | | \$ - | |
| Vehicle Procurement | | | | | | | | \$ 309,167 | \$ 15,458 | \$ 324,625.00 |
| Administration | \$ 54,226 | \$ 54,226 | \$ 54,226 | \$ 54,226 | \$ 54,226 | \$ 54,226 | \$ 54,226 | | \$ 379,582 | \$ 379,582.00 |
| Total 2019 | \$ 68,416 | \$ 68,416 | \$ 133,217 | \$ 133,217 | \$ 385,937 | \$ 399,769 | \$ 399,769 | \$ 1,897,908 | \$ 474,477 | \$2,372,385.05 |

FY19-20

- Staff have already begun to plan for next budget year
- The addendum for service will need to be approved in tandem with the budget
 - Near completion so that Council will have time to review it
 - Mayor's budget recommendations will mirror it
- Additional corridors will require increased funding

Unfunded Future Service Increases



Dashboarding

- Service performance
- SLC-led items
 - Increase in improved stops
 - Before and after public input
 - Performance of alternative service models



Thank you!

Julianne Sabula (801) 535-6678
julianne.sabula@slcgov.com

**SALT LAKE CITY CORPORATION AND UTAH TRANSIT AUTHORITY
TRANSIT MASTER PLAN IMPLEMENTATION INTERLOCAL AGREEMENT**

THIS TRANSIT MASTER PLAN IMPLEMENTATION INTERLOCAL AGREEMENT (“Agreement”) is made this ____ day of _____, 2018, by and between **UTAH TRANSIT AUTHORITY**, a public transit district organized under the laws of the State of Utah (“UTA”), and **SALT LAKE CITY CORPORATION**, a Utah municipal corporation (“City”).

RECITALS

A. Utah Code §11-13-202 provides that any two or more public agencies may enter into an agreement with one another for joint or cooperative action; and

B. UTA and the City are public agencies as contemplated in the referenced section of the Utah Code (more specifically referred to as Utah Code §11-13-101, et seq., known as the “Interlocal Cooperation Act”); and

C. The City and UTA both serve the transit-riding public in Salt Lake City; and

D. UTA is responsible for the equitable distribution of transit service in the region, of which Salt Lake City is a major travel market; and

E. UTA currently provides transit services to, from and within Salt Lake City at levels that reflect this equitable distribution of service; and

F. The City adopted a Transit Master Plan (“Plan”) on the 5th day of December, 2017; and

G. This Plan was jointly developed by UTA and the City and it is the Parties’ shared intent to implement the Plan over the next twenty years; and

H. The Plan recommends a suite of transit improvements (the “Transit Improvements”), including the expansion of UTA’s current service level within the City to include higher frequencies, expanded service hours, and adjustments to alignments that UTA is able to provide with current financial resources; and

I. The Transit Improvements also include alternative transportation programs enhancing first-mile/last-mile connections, capital improvements, and other improvements described in the Plan; and

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J. UTA and the City agree the Transit Improvements are complementary to UTA's current transit service and enhance each Party's goal of having attractive and effective transit service for people working, studying and living in and around Salt Lake City;

K. The City desires to fund the incremental costs associated with the addition of the Transit Improvements for building out infrastructure on City-sponsored routes to increase coverage and ridership, particularly in the City's downtown core for under-served areas, specifically the West side and other under-served areas of the City;

L. The City desires initially to prioritize funding the incremental costs associated with increased frequency of routes on 1000 North, 600 North, 200 South, 900 South, 2100 South, with routes on 400 South likely being the last routes initially implemented; and

M. This Agreement is intended to form the framework of how the Transit Improvements (including, without limitation, the currently planned and future potential frequent transit network service routes in the City) will be planned and coordinated by UTA and the City.

AGREEMENT

NOW THEREFORE, the Parties agree as follows:

1. **PURPOSE AND INTENT.** UTA and the City share a desire to grow and improve the transit system in which efficiencies are reinvested. UTA and the City recognize that the Plan's success is interdependent with the Wasatch Front Regional Council Regional Transportation Plan ("RTP") and that local and regional investments should be complementary to maximize the benefits of each. The coordinated planning of the Plan and the RTP should consider additional revenue sources that become available to fund the RTP during the term of this Agreement. UTA and the City desire to enable people and businesses to rely on transit and encourage permanence and stability in services. UTA and the City recognize the value of establishing a process for decision making and a methodology for calculating the cost of City-funded service enhancements. UTA and the City are implementing a plan driven by data analysis and public engagement, and transparency and accountability should shape the execution of the program. As such, it is the intent of the Parties to continue to work together to support the implementation of the Transit Improvements identified in the Plan. Both Parties have sustainability goals and agree to consider clean technologies (such as electric vehicles) and infrastructure in the implementation of the Plan, where feasible.

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2. **COOPERATION.** The City and UTA shall each designate a primary representative responsible for the implementation of this Agreement and shall each also provide additional subject matter experts to comprise a technical working group who will aid the primary representative. City and UTA staff will confer in good faith and regularly exchange relevant information to report progress to their respective organizations.

3. **FREQUENT TRANSIT NETWORK ROUTES.**

(a) As of the date this Agreement is executed, the term “Baseline Service” shall mean the level of transit service that UTA provides on the UTA change day immediately preceding the commencement of the initial City-sponsored service. “Baseline Service” will be re-evaluated on an annual basis based on then-current UTA service design guidelines, including propensity and productivity factors. The routes/frequency of routes identified by the City, in cooperation with UTA, to be sponsored by the City shall be identified as the frequent transit network routes (“FTN Routes”) and shall further depicted and described in addenda to this Agreement. Typical addendum content is shown in Exhibit “A.” UTA and the City shall coordinate the implementation of the FTN Routes with the RTP.

(b) No service shall be funded using the City funds provided pursuant to this Agreement except as described and depicted in an addendum issued in accordance with this Agreement. For each year that money is appropriated by the City to fund the FTN Routes, the Parties shall execute an addendum that identifies the City-sponsored FTN Routes and describes the City’s payment obligations (including the calculation of the Annual Service Mileage Cost as described in Section 5 of this Agreement). The Parties may, upon mutual agreement in writing, further modify the Addendum from time-to-time as necessary to implement this Agreement.

4. **UTA’S OBLIGATIONS WITH RESPECT TO FTN ROUTES.**

(a) UTA shall continue to manage and operate the FTN Routes. UTA shall be solely responsible for operations, management, administration, and service delivery functions, including provision of vehicles, vehicle maintenance, insurance, and accounting for the FTN Routes. Except as specifically provided herein, the City shall have no responsibility for the operations and management of the FTN Routes. The City shall have no responsibility for, nor authority or control with respect to, the supervision and management of any employees, third-party consultants, or UTA agents of any kind.

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(b) UTA shall accommodate specially branded bus stop signs at all UTA sign post and shelter locations that are located along the FTN Routes. UTA shall cause the production and, installation of the specially branded bus stop signs.

(c) UTA's obligations with respect to the FTN Routes are subject to UTA's receipt of the City Funding (as defined by and as provided in Section 6 of this Agreement).

(d) Nothing in this Agreement prohibits UTA from using other (non- City) funding sources to provide services in addition to, or complementary with, the FTN Routes. As additional revenue sources that become available to fund the RTP during the term of this Agreement, UTA shall, in cooperation with the City and other regional stakeholders, work to program additional funding to coordinate with and enhance the FTN Routes and other Transit Improvements.

(e) UTA shall annually calculate an annual cost (the "Annual Service Mileage Cost") for the FTN Routes in accordance with Section 5 below.

5. **CALCULATION OF ANNUAL SERVICE MILEAGE COST.** The Annual Service Mileage Cost shall be calculated annually and memorialized in the addendum executed by the City and UTA for the applicable period.

(a) The Annual Service Mileage Cost shall be derived from UTA's then most recently reported total bus operating expenses (the "Total BOE Amount"), as published in the National Transit Database ("NTD"), and as adjusted by the following methodology.

(b) The reported Total BOE Amount will first be adjusted to: (i) deduct total fuel expenses allocated to bus operations in the NTD reporting year as identified in UTA's financial statements for such year or as certified by UTA's Comptroller; and (ii) add the capital maintenance expenses allocated to bus operations in the NTD reporting year as identified in UTA's financial statements for such year or as certified by UTA's Comptroller. The resulting amount (after applying the deduction in item (i) above and the addition in item (ii) above) shall then be escalated at a rate equal to two and two-tenths percent (2.2%), per year, from the NTD reporting year to the upcoming service year. The adjusted and escalated number will be known as the "Adjusted BOE Amount."

(c) The Adjusted BOE Amount shall then be divided by the total annual bus miles most recently reported in the NTD to determine an "Adjusted Per Mile BOE Rate."

(d) The Adjusted Per Mile BOE Rate includes administrative and overhead costs.

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The Adjusted Per Mile BOE Rate shall be discounted by a fixed percentage to reflect the administrative and overhead expenses that would be incurred by UTA regardless of the FTN Routes. For the purposes of this Agreement, the discount applied to the Adjusted Per Mile BOE Rate shall be determined based on the total sponsored revenue miles in accordance with the table attached as Exhibit “B.”

(e) After application of the administrative and overhead discount set forth in Section 5(d), the Adjusted Per Mile BOE Rate shall be multiplied by the total sponsored revenue miles to arrive at the “Service Mileage Cost, Without Fuel or Paratransit Costs.”

(f) A charge for paratransit service shall then be added. The charge for paratransit services shall a sum equal to a fixed percentage of the Service Mileage Cost, Without Fuel or Paratransit Costs. The percentage factor applied to determine the paratransit service charge shall be determined by dividing the Operating Expenses in the most recently reported NTD Annual Vehicle Revenue Service Hours for Demand Response services by the most recently reported NTD Annual Vehicle Revenue Service Hours for Bus, Commuter Bus and Light Rail transportation modes.

(g) The estimated fuel costs for the total sponsored revenue miles shall then be added to determine the “Annual Service Mileage Cost.”

(h) The methodology for calculating the Annual Service Mileage Cost is set forth in Exhibit “C.”

6. CITY OBLIGATIONS WITH RESPECT TO FTN ROUTES.

(a) The City shall contribute funding (the “City Funding”) to UTA to support the operation of the FTN Routes. The City Funding shall consist of: (i) a mobilization charge (as applicable) to be set forth in the annual addendum, which mobilization charge shall reflect one-time costs to be incurred by UTA with respect to FTN Routes and which must be paid no less than eight (8) months prior to the commencement of new service with respect to the FTN Routes; (ii) capital lease charges for the new buses necessary to support the FTN Routes; (iii) the Annual Service Mileage Cost; and (iv) other costs, as may be agreed between the City and UTA. The total amount of City Funding during any year shall not exceed the amount set forth in the applicable addendum.

(b) All City Funding is subject to the annual appropriation by the City’s legislative body. The City shall notify UTA of the appropriated funding for each upcoming year, as soon as

as such information is publicly available.

(c) The City shall have the right to construct new bus stops with respect to the FTN Routes. Any bus stops constructed by the City must comply with the siting requirements and minimum standards set forth in UTA's Bus Stop Master Plan. The City may include additional functional and artistic amenities with respect to the bus stops. However, any incremental maintenance costs associated with additional amenities will be: (i) determined through negotiation prior to the construction of the bus stops; and (ii) funded by the City pursuant to subsequent addenda through the remaining term of this Agreement.

7. **INVOICING AND PAYMENT.** UTA shall submit invoices for mobilization charges in accordance with each addendum. UTA shall submit invoices for the monthly capital lease charge for buses supporting the FTN routes thirty (30) days prior to the date that UTA is required to pay such monthly lease charges. UTA shall also submit monthly invoices to the City for Annual Service Mileage Cost in a monthly amount equal to one-twelfth (1/12) of the total Annual Service Mileage Cost. Monthly charges for each component of the City Funding may be combined on invoices, as appropriate. The City shall pay all approved invoices within thirty (30) days of receipt. If the City does not approve an invoice, a written explanation of disputed items will be sent within ten (10) business days of the City's receipt of the invoice. The City agrees not to withhold approval of any invoice amounts unreasonably, and further agrees to cooperate with UTA in good faith to resolve disputes concerning invoices in an expeditious manner. Undisputed amounts will be paid within thirty (30) days of receipt. Any undisputed amounts which are not paid within thirty (30) days of receipt shall accrue interest at a rate equal to the higher of two percent (2%) or the daily Public Treasurer's Investment Fund interest rate.

8. **SIGNIFICANT CHANGES IN FUEL COSTS.** Fuel is included in the Annual Service Mileage Cost. As described in Section 5, the Annual Service Mileage Cost will be calculated by UTA, and paid by the City, based on UTA's budgeted fuel costs for the period covered by the applicable addendum. Except as provided below, the Annual Service Mileage Cost shall be based on budgeted, and not actual, fuel costs. Notwithstanding the foregoing, the Annual Service Mileage Cost shall be subject to a semi-annual "true-up" payment/credit in the event that the average daily fuel costs for any six-month period covered by an addendum varies from the budgeted cost by more than thirty percent (30%).

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9. **ADDITIONAL TRANSIT IMPROVEMENTS.** The City and UTA may use this Agreement, and the addenda contemplated hereunder, to address commitments with respect to other elements of the Transit Improvements (beyond the FTN Routes), as mutually agreed.

10. **ALTERNATIVE SOURCES OF FUNDING.** Nothing in this Agreement shall prevent either Party from collecting contributions, fees or other funding to help defray the cost of the Transit Improvements. UTA shall not be a party to the assessment or collection of such special contributions, fees, or funding and shall not receive any direct allocation of or credit for such special fees or contributions collected by the City. The City Funding and any additional funding provided by the City shall be used solely to supplement UTA funding of the Transit Improvements and will not be used to supplant any funding for the Baseline Service.

11. **RECORDS.** UTA will maintain full and complete financial records and detailed operations information regarding the FTN Routes and any other Transit Improvements funded by the City pursuant to this Agreement. City shall have access to all financial information regarding the FTN Routes upon request.

12. **PERFORMANCE ASSESSMENT.** The Transit Improvements performance will be monitored during the term of this Agreement based upon the metrics derived from the goals set forth in the Plan including, but not limited to, the following:

- (a) Improve Air Quality.
- (b) Increase Transit Ridership.
- (c) Provide a Safe and Comfortable Transit Access and Waiting Experience.
- (d) Provide Access and Opportunity to Vulnerable Populations.
- (e) Create Economically Vibrant, Livable Places the Support Use of Transit.

Representatives from the Parties shall meet regularly to exchange relevant information and discuss performance related issues.

13. **DISPUTE RESOLUTION.** The Parties will use the Plan as the basis for their goals and decisions, especially where there is a lack of consensus between the Parties. Where applicable, the Plan includes metrics that may provide objective, data-driven guidance in decision-making. Withdrawal from the ILA should be a last resort following a good-faith effort toward resolution at both the project level.

14. **TERM.** The term of this Agreement is intended to run concurrently with the Plan, which has a 20-year horizon, and shall be deemed to have begun on the Effective Date

and shall remain in effect until June 30, 2039, unless terminated earlier by either Party. If the Parties decide to continue to provide funding and service for some but not all of the Transit Improvements, this Agreement shall remain in effect only as to those routes specifically funded, as provided specifically in the exhibits.

15. **TERMINATION.** Either Party may terminate this Agreement on twelve (12) months written notice to the other Party, which enables appropriate changes in service to be made with the UTA change day process.

16. **STATUS OF PARTIES.**

(a) Independent Contractors. The Parties agree that the status of each Party shall be that of an independent contractor to the other, and it is not intended, nor shall it be construed, that one Party or any officer, employee, agent or contractor of such Party is an employee, officer, agent, or representative of the other Party. Nothing contained in the Agreement or documents incorporated by reference herein or otherwise creates any partnership, joint venture, or other association or relationship between UTA and the City. Any approval, review, inspection, direction or instruction by UTA or any party on behalf of UTA shall in no way affect either Party's independent contractor status or obligation to perform in accordance with this Agreement. Neither Party has authorization, express or implied, to bind the other to any agreements, liability, nor understanding except as expressly set forth in this Agreement.

(b) Insurance. As between the Parties, UTA shall be responsible for all applicable federal and state taxes and contributions for Social Security, unemployment insurance, income withholding tax, and other taxes measured by wages paid to employees, as well as any subcontractor or vendor. UTA shall be solely responsible for its own actions, its employees and agents.

(c) Legal Advice. As independent parties, UTA and the City shall be responsible for each obtaining its own legal services/advice.

17. **GOVERNMENTAL IMMUNITY.** Each of the Parties is a governmental entity for purposes of the Governmental Immunity Act of Utah, Utah Code Ann. Section 63G, Chapter 7. Consistent with the terms of this Act, it is mutually agreed that each party is responsible and liable for its own wrongful or negligent acts which it commits or which are committed by its agents, officials, or employees. No party waives any defenses otherwise available under the Governmental Immunity Act.

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18. **NO THIRD-PARTY BENEFICIARIES.** The Parties expressly agree that enforcement of the terms and conditions of this Agreement, and all rights of action relating to such enforcement, shall be strictly reserved to the Parties, and nothing contained in this Agreement shall give or allow any such claim or right of action by any other or third person on such Agreements, including but not limited to subcontractors, subconsultants, and suppliers. The Parties expressly intend that any person other than the Parties who receives services or benefits under this Agreement shall be deemed to be an incidental beneficiary only.

19. **FINANCIAL OBLIGATIONS SUBJECT TO APPROPRIATIONS.** This Agreement does not contain any multiple-fiscal year financial obligations by either party that extend beyond its current fiscal year, that are not subject to annual appropriation of sufficient funds by its governing body. Nothing herein obligates either Party to budget, authorize or appropriate funds for any future fiscal year.

20. **LEGAL AUTHORITY.** The City and UTA represent and warrant to each other that they have all necessary authority to enter into this Agreement and to perform their obligations hereunder and that this Agreement does not conflict with any other agreement that each Party is subject or to which it may be bound. The person signing and executing this Agreement on behalf of either Party represents that he/she has been fully authorized to execute this Agreement and to validly and legally bind a Party to all the terms, performances and provisions herein set forth.

21. **NO ASSIGNMENT.** Except as otherwise provided in the Agreement, neither party may assign the Agreement and/or any of its rights and obligations hereunder without the written consent of the other Party.

22. **WRITTEN AMENDMENTS.** This Agreement may be modified or amended only by a written document duly executed by both Parties.

23. **NOTICES.** Correspondence regarding this Agreement shall be sent to:

If to UTA:

Utah Transit Authority
Attn:
669 West 200 South
Salt Lake City, Utah 84101

With a copy to:

Managing Attorney
Utah Transit Authority
669 West 200 South
Salt Lake City, Utah 84101

If to City:

With a copy to:

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Department of Community and Neighborhoods
Transportation Division
349 South 200 East, Suite 450
P.O. Box 145502
Salt Lake City, Utah 84114-5502

City Attorney's Office
451 South State Street, Rm 505A
Salt Lake City, Utah 84111

The addresses or contacts may be changed by the Parties by written notice.

24. **EXHIBITS.** The exhibits attached hereto and specifically incorporated herein by reference are as follows.

- (a) Exhibit "A" Typical Addendum Template
- (b) Exhibit "B" Table for Determining Administrative Discount Based on Total Sponsored Revenue Miles
- (c) Exhibit "C" Methodology for Calculating Annual Service Mileage Cost

25. **ENTIRE AGREEMENT.** The terms and provisions of this Agreement, including but not limited to the Recitals above and the Exhibit(s) incorporated by reference herein, represent the entire understanding of the Parties with respect to the subject matter of this Agreement, and merge, incorporate and supersede all prior communications between the City and UTA concerning that subject. No representations or warranties are made by the City or UTA except as set forth herein.

26. **WAIVER AND BREACH.** The waiver of any breach of a term hereof shall not be construed as a waiver of any other term, or the same term upon a subsequent breach.

27. **GOVERNING LAW; VENUE.** Each and every term, provision, condition, of this Agreement is subject to the provisions of Utah law. This Agreement is subject to such modifications as may be required by changes in Utah or federal law, or their implementing regulations. Any such required modification shall automatically be incorporated into and be part of this Agreement on the effective date of such change as if fully set forth herein. Venue for any action arising hereunder shall be in the Salt Lake City District Courts for the State of Utah.

28. **SEVERABILITY.** The Parties expressly agree that if any part, term, or provision of this Agreement is by the courts held to be illegal or in conflict with any law of the State of Utah, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of the Parties shall be construed and enforced as if the Agreement did not

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contain the particular part, term, or provision held to be invalid.

29. **COUNTERPARTS.** This Agreement shall be executed in two counterparts each of which when so executed and delivered shall be an original, but all of which shall together constitute one and the same instrument.

30. **INTERLOCAL ACT REQUIREMENTS.**

(a) This Agreement shall be approved by each party pursuant to §11-13-202.5 of the Interlocal Act;

(b) This Agreement shall be reviewed as to proper form and compliance with applicable law by a duly authorized attorney on behalf of each party, pursuant to §11-13-202.5 of the Interlocal Act;

(c) A duly executed original counterpart of this Agreement shall be filed with the keeper of records of each party, pursuant to §11-13-209 of the Interlocal Act;

(d) Except as otherwise specifically provided herein, each party shall be responsible for its own costs of any action done pursuant to this Agreement, and for any financing of such costs.

(e) No separate legal entity is created by the terms of this Agreement. To the extent that this Agreement requires administration other than as set forth herein, it shall be administered by the UTA Board of Trustees and Salt Lake City. No real or personal property shall be acquired jointly by the Parties as a result of this Agreement. To the extent that a party acquires, holds, or disposes of any real or personal property for use in the joint or cooperative undertaking contemplated by this Agreement, such party shall do so in the same manner that it deals with other property of such party.

(f) Either party may withdraw from the joint or cooperative undertaking described in this Agreement only upon the termination of this Agreement.

(g) Voting of the each Party shall be based on one vote per Party.

(h) The functions to be performed by the joint or cooperative undertaking are those described in this Agreement.

[THE BALANCE OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

WHEREFORE, the Parties have entered into this Agreement as of the date executed and approved by each of the Party's governing body.

CITY:

APP

SALT LAKE CITY CORPORATION,
a Utah municipal corporation

By: _____

Its: _____

APPROVED AS TO FORM:
Salt Lake City Attorney's Office

By: _____

Senior City Attorney

Date: _____

ATTEST & COUNTERSIGN:
Salt Lake City Recorder's Office

By: _____

City Recorder

UTA:

UTAH TRANSIT AUTHORITY, a Utah
public transit district organized under the laws

By: _____

Its: _____

By: _____

Its: _____

APPROVED AS TO FORM:
UTA Legal Counsel

By: _____

Date signed: _____

DRAFT

ANNUAL ADDENDUM No. ____
To Interlocal Agreement Between Utah Transit Authority
and Salt Lake City Corporation

THIS ANNUAL ADDENDUM No. ____ to that certain Salt Lake City Corporation and Utah Transit Authority Transit Master Plan Implementation Interlocal Agreement (“ILA”) is made this ____ day of _____, 20__, by and between UTAH TRANSIT AUTHORITY, a public transit district organized under the laws of the State of Utah (“UTA”), and Salt Lake City Corporation, a Utah municipal corporation (“City”). UTA, and City are hereinafter collectively referred to as “Parties” and each may be referred to individually as “Party,” all as governed by the context in which such words are used.

RECITALS

A. On _____, 2018, the Parties entered into the ILA, whereby the parties agreed to participate jointly in planning and funding for public transportation improvements in and around the City; and

B. The Parties desire to specifically identify certain components of the Salt Lake City Transit Master Plan to be governed by this Addendum No. ___, pursuant to the terms of the ILA (the “Addendum No. __”).

NOW, THEREFORE, the Parties hereby agree as follows:

1. Pursuant to Section 22 of the ILA written changes may be made to the ILA upon the mutual consent of the Parties.

2. Pursuant to Section 3 of the ILA, the City, in cooperation with UTA, identified as the City-sponsored frequent transit network routes (“**FTN Routes**”) to be provided by UTA from change day of August of 20__ until change day of August 20__.

3. The description of Transit Services for the Addendum No. ____ is set forth and outlined on Attachment 1, attached hereto and by this reference made a part hereof.

4. The description of the Baseline Services is set forth as outlined in Attachment 2.

5. The calculation of the cost per service mile of the City-sponsored FTN Routes and detailed description thereof is outlined in Attachment 3.

6. This Addendum No. ____ may be executed in one or more counterparts, each of which shall be an original, with the same effect as if the signatures were upon the same instrument.

7. This Addendum is limited to the terms expressly provided herein and except as set forth herein, the Original Agreement shall continue in full force and effect in accordance with its terms. If there is a conflict between this Addendum and the ILA, the terms of this Addendum shall prevail and control.

8. This Addendum No. ____ will be effective _____, 20__.

IN WITNESS WHEREOF, the Parties have entered into this Addendum effective the date first set forth herein.

[Signature pages to follow]

DRAFT

[Signature pages to Addendum No. ____ to Salt Lake City Corporation and Utah Transit Authority
Transit Master Plan Implementation Interlocal Agreement]

UTAH TRANSIT AUTHORITY

By _____
Its _____

By _____
Its _____

Approved as to Form

UTA Legal Counsel

[Signature pages to Addendum No. ____ to Salt Lake City Corporation and Utah Transit Authority
Transit Master Plan Implementation Interlocal Agreement]

SALT LAKE CITY CORPORATION

By _____
Its _____

APPROVED AS TO FORM:
Salt Lake City Attorney's Office

By: _____

Senior City Attorney

Date: _____

ATTEST & COUNTERSIGN:
Salt Lake City Recorder's Office

By: _____

City Recorder

[Attach Salt Lake City Council Resolution Approving Addendum]

ATTACHMENT 1
Description of Transit Services
For This Addendum No. __

DRAFT

ATTACHMENT 2
Description of Baseline Services
For This Addendum No. __

DRAFT

ATTACHMENT 3
Funding for Transit Services
For This Addendum No. __

DRAFT

ATTACHMENT 4
Funding for Transit Services
For This Addendum No. __

DRAFT

EXHIBIT B
Administrative Discount

Currently Under Negotiation

SPONSORED SERVICE COST CALCULATOR - SLC TMP Phase I Implementation

VARIABLE VALUES

| | |
|--|--|
| | Most recent NTD Cost per Revenue Mile, Bus Service (1) |
| | Annual escalator rate (2) |
| | Number of Years since NTD report |

| | |
|--|--|
| | Negotiated Administrative Discount (3) |
| | Sponsored Revenue Miles |

| | |
|---------|--|
| #DIV/0! | Sponsored Paratransit Service rate (4) |
|---------|--|

| | |
|--|---|
| | Fuel Cost per Gallon (Service Year Budgeted Cost) |
| | Fuel Efficiency, Miles per Gallon (adjust per vehicle type) |

| | |
|--|-------------------------------|
| | Sponsored Vehicle Lease Costs |
| | Sponsored Vehicles |

(1) NTD Cost per Revenue Mile has been adjusted to exclude fuel expense but does include approximately 2% for capital maintenance (e.g. engine replacement, etc).

(2) The annual escalator is a calculated average of the PCE CPI over a twenty year period.

(3) UTA will discount the administrative charges in proportion to the scale of the service increase in revenue miles.

SPONSORED SERVICE COST

| | | |
|----|---|--|
| \$ | - | Most recent NTD Cost Per Mile - Bus Service |
| \$ | - | NDT rate Adjusted to Service Year Costs |
| \$ | - | Discounted NTD Adjusted to Service Year Costs 0 Sponsored Revenue Miles |
| \$ | - | Total Mileage Cost, Without Fuel, Annual |

| | |
|---------|--|
| #DIV/0! | Add Paratransit Service |
| #DIV/0! | Total Annual Operating Costs without fuel |

| | | |
|---------|-----|-------------------------|
| \$ | - | Fuel Cost per Gallon |
| | 0.0 | Bus Miles per Gallon |
| | 0 | Sponsored Revenue Miles |
| #DIV/0! | | Total Fuel Cost |

| | | |
|----|---|---|
| \$ | - | Per Vehicle Principal + 4% Interest Rate, Annual 0 Vehicles needed for sponsored service |
| \$ | - | Total Annual Vehicle Cost for Sponsored Service |

| | |
|---------|--------------|
| #DIV/0! | TOTAL |
|---------|--------------|

Utah Transit Authority

2017 Annual Agency Profile

General Information

Urbanized Area Statistics - 2010 Census

Salt Lake City-West Valley City, UT
278 Square Miles
1,021,243 Population
42 Pop. Rank out of 498 UZAs
Other UZAs Served
77 Ogden-Layton, UT, 82 Provo-Orem, UT, 0 Utah Non-UZA

Service Consumption

364,859,219 Annual Passenger Miles (PMT)
45,078,919 Annual Unlinked Trips (UPT)
155,437 Average Weekday Unlinked Trips
78,690 Average Saturday Unlinked Trips
29,651 Average Sunday Unlinked Trips

Database Information

NTDID: 80001
Reporter Type: Full Reporter

Service Area Statistics

737 Square Miles
1,883,504 Population

Service Supplied

38,713,261 Annual Vehicle Revenue Miles (VRM)
2,110,811 Annual Vehicle Revenue Hours (VRH)
1,086 Vehicles Operated in Maximum Service (VOMS)
1,387 Vehicles Available for Maximum Service (VAMS)

Modal Characteristics

Modal Overview

| Mode | Vehicles Operated in Maximum Service | | Uses of Capital Funds | | | | | Total |
|-----------------|--------------------------------------|--------------------------|-----------------------|-----------------------|-------------------------|--------------------|--|---------------------|
| | Directly Operated | Purchased Transportation | Revenue Vehicles | Systems and Guideways | Facilities and Stations | Other | | |
| Commuter Bus | 43 | - | \$0 | \$84,027 | \$31,594 | \$120,165 | | \$235,786 |
| Commuter Rail | 45 | - | \$475,980 | \$13,278,303 | \$774,663 | \$632,623 | | \$15,161,569 |
| Demand Response | 65 | 43 | \$4,267,530 | \$923,304 | \$1,103,067 | \$623,466 | | \$6,917,367 |
| Light Rail | 91 | - | \$7,756,217 | \$6,381,160 | \$737,892 | \$796,418 | | \$15,671,687 |
| Bus | 388 | 6 | \$27,549,172 | \$1,740,977 | \$3,563,409 | \$1,926,594 | | \$34,780,152 |
| Vanpool | 405 | - | \$1,365,433 | \$162,618 | \$5,244 | \$26,622 | | \$1,559,917 |
| Total | 1,037 | 49 | \$41,414,332 | \$22,570,389 | \$6,215,869 | \$4,125,888 | | \$74,326,478 |

Operation Characteristics

| Mode | Operating Expenses | Fare Revenues | Uses of Capital Funds | Annual Passenger Miles | Annual Unlinked Trips | Annual Vehicle Revenue Miles | Annual Vehicle Revenue Hours | Fixed Guideway Directional Route Miles | Vehicles Available for Maximum Service | Vehicles Operated in Maximum Service | Percent Spare Vehicles | Average Fleet Age in Years* |
|-----------------|----------------------|---------------------|-----------------------|------------------------|-----------------------|------------------------------|------------------------------|--|--|--------------------------------------|------------------------|-----------------------------|
| Commuter Bus | \$7,749,445 | \$501,682 | \$235,786 | 12,565,005 | 553,595 | 1,017,334 | 41,678 | 0.0 | 63 | 43 | 31.8% | 12.1 |
| Commuter Rail | \$34,438,729 | \$7,212,605 | \$15,161,569 | 122,257,990 | 4,854,099 | 5,349,524 | 154,744 | 174.5 | 69 | 45 | 34.8% | 15.9 |
| Demand Response | \$17,851,347 | \$591,545 | \$6,917,367 | 4,230,640 | 386,977 | 2,727,127 | 162,198 | 0.0 | 142 | 108 | 23.9% | 3.6 |
| Light Rail | \$64,680,283 | \$17,968,710 | \$15,671,687 | 92,586,564 | 18,823,578 | 6,732,768 | 358,645 | 93.9 | 114 | 91 | 20.2% | 10.4 |
| Bus | \$129,545,459 | \$21,155,730 | \$34,780,152 | 86,462,342 | 19,196,260 | 16,437,069 | 1,216,770 | 2.1 | 511 | 394 | 22.9% | 8.0 |
| Vanpool | \$3,469,358 | \$4,728,930 | \$1,559,917 | 46,756,678 | 1,264,410 | 6,449,439 | 176,776 | 0.0 | 488 | 405 | 17.0% | 5.4 |
| Total | \$257,734,621 | \$52,159,202 | \$74,326,478 | 364,859,219 | 45,078,919 | 38,713,261 | 2,110,811 | 270.5 | 1,387 | 1,086 | 21.7% | |

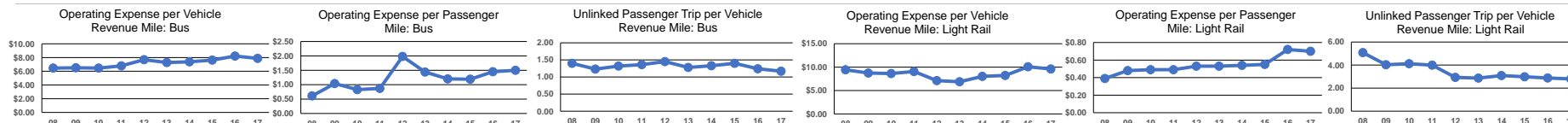
Performance Measures

Service Efficiency

| Mode | Operating Expenses per Vehicle Revenue Mile | Operating Expenses per Vehicle Revenue Hour |
|-----------------|---|---|
| Commuter Bus | \$7.62 | \$185.94 |
| Commuter Rail | \$6.44 | \$222.55 |
| Demand Response | \$6.55 | \$110.06 |
| Light Rail | \$9.61 | \$180.35 |
| Bus | \$7.88 | \$106.47 |
| Vanpool | \$0.54 | \$19.63 |
| Total | \$6.66 | \$122.10 |

Service Effectiveness

| Mode | Operating Expenses per Passenger Mile | Operating Expenses per Unlinked Passenger Trip | Unlinked Trips per Vehicle Revenue Mile | Unlinked Trips per Vehicle Revenue Hour |
|-----------------|---------------------------------------|--|---|---|
| Commuter Bus | \$0.62 | \$14.00 | 0.5 | 13.3 |
| Commuter Rail | \$0.28 | \$7.09 | 0.9 | 31.4 |
| Demand Response | \$4.22 | \$46.13 | 0.1 | 2.4 |
| Light Rail | \$0.70 | \$3.44 | 2.8 | 52.5 |
| Bus | \$1.50 | \$6.75 | 1.2 | 15.8 |
| Vanpool | \$0.07 | \$2.74 | 0.2 | 7.2 |
| Total | \$0.71 | \$5.72 | 1.2 | 21.4 |



Notes:

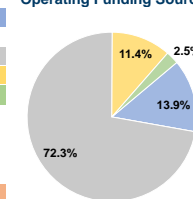
*Demand Response - Taxi (DT) and non-dedicated fleets do not report fleet age data.

Financial Information

Sources of Operating Funds Expended

Fare Revenues \$52,159,202 13.9%
Local Funds \$0 0.0%
State Funds \$270,847,394 72.3%
Federal Assistance \$42,532,677 11.4%
Other Funds \$9,195,344 2.5%
Total Operating Funds Expended \$374,734,617 100.0%

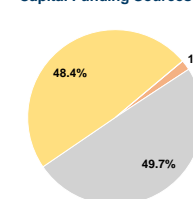
Operating Funding Sources



Sources of Capital Funds Expended

Fare Revenues \$0 0.0%
Local Funds \$2,850,116 1.9%
State Funds \$75,710,373 49.7%
Federal Assistance \$73,741,341 48.4%
Other Funds \$0 0.0%
Total Capital Funds Expended \$152,301,830 100.0%

Capital Funding Sources



Summary of Operating Expenses (OE)

Salary, Wages, Benefits \$188,208,688 73.0%
Materials and Supplies \$31,966,376 12.4%
Purchased Transportation \$4,165,973 1.6%
Other Operating Expenses \$33,393,584 13.0%
Total Operating Expenses \$257,734,621 100.0%
Reconciling OE Cash Expenditures \$116,999,996
Purchased Transportation (Reported Separately) \$0

EXAMPLE AGENCY PROFILE

Source: <https://www.transit.dot.gov/ntd/transit-agency-profiles>

SPONSORED SERVICE PARATRANSIT COST - Salt Lake City Transit Master Plan

| | |
|---------|---|
| - | Commuter Bus Vehicle Revenue Hours (Most recent NTD) |
| - | Light Rail Vehicle Revenue Hours (Most recent NTD) |
| - | Bus Vehicle Revenue Hours (Most recent NTD) |
| - | Total Vehicle Revenue Hours for Bus, Commuter Bus, and LRT |
| - | Total Demand Response Vehicle Revenue Hours (Most recent NTD) |
| #DIV/0! | Demand Response Percentage of Total Vehicle Revenue Hours |

**Utah Transit Authority
Operating Cost per Mile by Mode**

Sources:

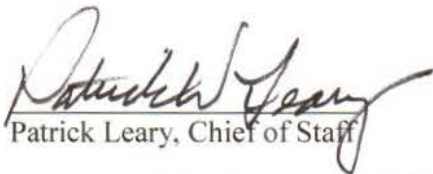
20__ Federal Transit Administration's National Transit Database (NTD), *Agency Profile*, <https://www.transit.dot.gov/ntd/transit-agency-profiles>
 20__ Utah Transit Authority Comprehensive Annual Financial Report (CAFR), <http://www.rideuta.com/About-UTA/UTA-Reports-and-Documents>

20__

| | <u>2017 NTD</u> | | | | | | | <u>Cost Per Vehicle</u> | |
|--|--------------------|------------------------|--------------------|---------------------|---------------------|--------------------|-----------------------|--------------------------|---------------------|
| | <u>Operating</u> | <u>Less Fuel Costs</u> | <u>Add Capital</u> | | <u>Depreciation</u> | <u>Total Costs</u> | <u>Annual Vehicle</u> | <u>Revenue Mile</u> | |
| | <u>Expenses by</u> | <u>(Diesel, CNG</u> | <u>Maintenance</u> | <u>Debt Service</u> | | | <u>Revenue Miles</u> | <u>Without Fuel</u> | |
| | <u>Mode</u> | <u>and Gasoline)</u> | | | | | | <u>excluding Vehicle</u> | |
| | | | | | | | | <u>Depreciation</u> | |
| Bus Service | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | - | #DIV/0! | Bus Service |
| Commuter Bus | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | - | #DIV/0! | Commuter Bus |
| Commuter Rail | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | - | #DIV/0! | Commuter Rail |
| Light Rail | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | - | #DIV/0! | Light Rail |
| Paratransit Service | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | - | #DIV/0! | Paratransit Service |
| Other Service | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | - | #DIV/0! | Other Service |
| NTD Totals | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | - | #DIV/0! | |
| Fuel Costs | | | | | | \$ - | | | |
| NTD Plus Fuel | | | | | | \$ - | | | |
| CAFR plus \$0.00 (Capital Maintenance) | | | | | | \$ - | | | |
| Difference | | | | | | \$ - | | | |



CITY COUNCIL TRANSMITTAL


Patrick Leary, Chief of Staff

Date Received: November 20, 2018
Date sent to Council: November 20, 2018

TO: Salt Lake City Council
Erin Mendenhall, Chair

DATE: November 20, 2018

FROM: Mike Reberg, Director Department of Community & Neighborhoods


SUBJECT: Transit Master Plan Implementation Interlocal Agreement (ILA) with UTA

STAFF CONTACT: Julianne Sabula, Transit Program Manager, julianne.sabula@slcgov.com
(801) 535-6678

DOCUMENT TYPE: Resolution

RECOMMENDATION: That the City Council consider the summary draft ILA from Administration Staff in preparation for the forthcoming public hearing during November 27 formal Council meeting.

BUDGET IMPACT: None

BACKGROUND/DISCUSSION: In June 2018 City Council approved funding to begin implementation of the City's first ever Transit Master Plan. This includes mobilization for implementing frequent service on key east-west corridors in August of 2019, vehicles, capital improvements, innovative programs, a Staff member and outreach.

Since this time, a core team of Salt Lake City Staff and counsel has worked closely with UTA Staff and counsel to first develop principles that would become the foundation for the agreement. Transportation Staff briefed Council in August on the intent language that was crafted around those principles. Which are focused on a shared desire to improve the transit system by making complementary investments in reliable and permanent service and infrastructure both locally and regionally, on creating a lasting process and methodology for interagency decision making, and on making transparency and accountability a top priority. During that briefing, Council's primary feedback was that sustainability,

especially as it relates to vehicles, be included in our shared principles, and this language has since been incorporated into the agreement.

With these principles in mind, the core team has met at least weekly, while a broader technical team has worked diligently to inform those discussions. Two workshops were held the last week of October to hammer out final details in real-time. And lastly, the team worked closely with Finance to ensure that our methodology was sound and defensible, as well as to work out financial procedural details, some of which are in the final stages of negotiation and revision. These steps will yield a draft to be included in the next Council packet, a summary of which is included in this transmittal for Council consideration.

Key Elements of the ILA

The agreement is structured in two main components: a master agreement that is intended to have few, if any, changes over its twenty-year term, and annual addenda that depict specific Transit Master Plan elements approved in that year's budget and identified for UTA-led delivery. Much of the ILA language is standard contract language; the specific sections that are pertinent to transit specifically and may be especially of interest to Council Members are listed below.

Master Agreement

- Recitals: What we are doing
- 1. Why and how we are doing it
- 2. How we will work together
- 3. FTN Routes: how they are defined, use of City funds
- 4. UTA Responsibilities for FTN routes
- 5. Replicable, defensible service cost calculation methodology
- 6. City Responsibilities for FTN routes
- 8. Costs with higher variability, such as fuel, paratransit, inflation, and administrative discount **(this section is still being negotiated and could change or move to other sections)**
- 10. Outside funding (e.g., Salt Lake County 4th quarter cent sales tax)
- 11. & 12. Transparency and accountability
- Exhibit A: Addendum Template
- Exhibit B: Methodology for Calculating Service Costs **(this spreadsheet's contents will determine section 8 language)**
 - Example Sponsored Service Calculator Sheets

Annual Addenda

- Mobilization (see next section for additional information)
- City-sponsored service and vehicles, including paratransit
 - Begins with FY19-20 allocation and anticipated to be ongoing
- City-funded and/or interagency funded capital improvements to be UTA-delivered
 - This year will include costs for early implementation of "layover space" in two SLC locations where operators will park for breaks and turn vehicles around
 - It may also include temporary pop-up bus stops to test in key locations prior to the installation of permanent infrastructure, pending additional information about costs, availability, and manufacturing time
- Potential future addenda may include specific local programs that become regionalized and to which SLC and others may contribute

How the ILA Works in 2019 and Future Years

This agreement responds to four distinct annual cycles: SLC's budget year, which begins each July, UTA's budget year, which begins each January, UTA's change day cycle when service changes are implemented, which will typically begin each August, and the Federal data-tracking cycle that provides the cost calculation's foundation, which begins each October. In 2019 City funds will be used to ramp up for the implementation of service increases that will begin in August. During the FY19-20 budget process, Council will make decisions about what transit improvements to fund. UTA has created a placeholder in their 2019 budget under the assumption that the service increases on 200 South, 900 South, and 2100 South will be funded. If Council wishes to allocate additional funding to increase service on other corridors, approval of mobilization costs would be needed in FY19-20 and approval of operational costs would be needed in FY20-21. Mobilization costs include hiring and training staff and building improvements needed to support the added service, and they are one-time costs that only occur in years when service levels increase. Once routes are up and running, the cost of service should remain relatively stable but for the effects of inflation, fuel price volatility, and other factors that tend to be of much smaller magnitude than mobilization costs.

Proposed Schedule

The schedule below is considered by the team to be the ideal scenario, but there are alternate options that can be used if needed. With a new UTA Board, there is a worst-case scenario where the new board does not approve the agreement, or they may need additional time to feel comfortable with its contents.

November 27, 2018: Council briefing on draft agreement and public hearing

December 11, 2018: Council briefing and public hearing

December 12, 2018: UTA Board approval

January 2019: begin to negotiate 2019-20 addendum to ready for July 1 appropriation

If additional time is needed by the UTA board, City Council could resolve to approve the agreement subject to changes that are not materially substantive within a limited time period (e.g., one month). Should City Council need additional time, the process could go into January but could not extend beyond that without putting August service changes at risk of delay by as much as a full year. While a stable, consistent contract is desired, it should be noted that both parties will have the opportunity to introduce changes annually when the addenda are approved in conjunction with the budget allocation process.

PUBLIC PROCESS: The Salt Lake City Transportation Advisory Board was briefed on the intent language that was shared with Council in an August work session, and at which time TAB had the opportunity to discuss questions and comments. A forthcoming transmittal will include the draft agreement as summarized above, pending comments conveyed through the public hearing process on November 27, 2018.

EXHIBITS:

- 1) Resolution

RESOLUTION _____ OF 2018

Authorizing approval of an Interlocal Cooperation Agreement between Salt Lake City Corporation and Utah Transit Authority providing for transfer of City funds for implementation of the Transit Master Plan.

WHEREAS, Utah Code Title 11, Chapter 13 allows public entities to enter into cooperative agreements to provide joint undertakings and services; and

WHEREAS, the attached draft agreement has been prepared to accomplish said purposes;

THEREFORE, BE IT RESOLVED, by the City Council of Salt Lake City, Utah as follows:

1. It does hereby approve the execution and delivery of the following:

AN INTERLOCAL COOPERATION AGREEMENT BETWEEN SALT LAKE CITY CORPORATION AND UTAH TRANSIT AUTHORITY, EFFECTIVE ON THE DATE IT IS SIGNED BY ALL PARTIES, PROVIDING FOR THE TRANSFER OF CITY FUNDS FOR IMPLEMENTATION OF THE TRANSIT MASTER PLAN.

2. Jacqueline Biskupski, Mayor of Salt Lake City, Utah or her designee is hereby authorized to approve, execute, and deliver said agreement on behalf of Salt Lake City Corporation, in substantially the same form as now before the City Council and attached hereto, subject to such minor changes that do not materially affect the rights and obligations of the City thereunder and as shall be approved by the Mayor, her execution thereof to constitute conclusive evidence of such approval.

PASSED by the City Council of Salt Lake City this _____ day of _____, 2018.

SALT LAKE CITY COUNCIL

CHAIRPERSON

ATTEST:

CITY RECORDER

APPROVED AS TO FORM:



Salt Lake City Attorney's Office