



COUNCIL STAFF NOTE

CITY COUNCIL of SALT LAKE CITY

TO: City Council Members

FROM: Kira Luke, Benjamin Luedtke, Russell Weeks
Policy Analysts

DATE: October 9, 2018

RE: FUNDING OUR FUTURE: TRANSIT UPDATE

ISSUE AT-A-GLANCE

At its June 12 meeting, the Salt Lake City Council adopted the following motion pertaining to a .05 percent optional sales tax for transit:

(Funding Our Future) Transit Funding from optional sales tax: The funding of \$5,390,653 for the first fiscal year of Phase I projects proposed by the Mayor is contingent on a contract and Interlocal Agreement (ILA) that serves the Council's identified objectives below (note: the Council will need to approve an Interlocal agreement before implementation):

- i. Increasing coverage for underserved areas, particularly the Westside but not excluding other underserved areas of the City;
- ii. Increasing ridership, particularly in the City's downtown core;
- iii. Building out infrastructure on *Transit Master Plan* routes;
- iv. 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 Transportation Division is providing an update of discussions held with the Utah Transit Authority. The update includes draft deal points (Attachment 1) for a service contract to implement the transit goals outlined above and in the City's *Transit Master Plan*. The draft points include agencies' respective obligations, coordination of funding sources, and plans for performance assessment metrics.



Sales Tax Transit Year 1 Funding

Service for increase span and frequency on key routes (900 S, 200 S, 2100 S, 600 N, 1000 N)	\$	2,464,492
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
Frequent Transit Network branding and outreach	\$	250,000
<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</i>		<i>(Funded in Year 2)</i>
Transit Planner	\$	50,000
FTN Capital Improvements (signal upgrades, bus stop improvements, ADA enhancement, etc.)	\$	1,139,000
FTN rolling stock (buses) procurement	\$	406,000
<i>General Administrative Costs</i>		<i>(Funded in Year 2)</i>
Planner	\$	101,161
TOTAL	\$	5,390,653

POLICY QUESTIONS

- 1. 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 the enhanced partnership?**
- 2. Order of Route Implementation** –The master agreement summary (see Attachment 1) lists three service agreements in 2019, 2020 and 2021. The 200 South, 900 South and 2100 South routes are identified for 2019. It's unclear when the remaining routes of 1000 North, 600 North and 400 South will be implemented. **The Council may wish to ask the Administration to clarify in what order will the six new routes be implemented?**
- 3. Use of SB136 Fourth Quarter Cent Sales Tax Revenue** – For counties that implement the fourth quarter cent increase before June 30, 2019, SB136 designated funding distribution beginning July 1, 2019 to be split 0.10% to cities, 0.10% to UTA and 0.05% to counties. **The Council may wish to ask the Administration to clarify the master agreement summary item 3c, which states “UTA will maintain flexibility and ultimate control over 4th quarter spending.”**

Attachments

Attachment 1: Master Agreement Summary Deal Points

Attachment 2: Sponsored Service Cost Calculator

**SALT LAKE CITY SPONSORED TRANSIT SERVICE
AGREEMENT DEAL POINTS**

MASTER AGREEMENT

1) Structure of Cooperation

- There will be no formal TAC or regularly scheduled meetings (concern about requiring public notice of meetings), rather:
 - a. “Contract administration” by staff representatives of both agencies:” Expertise from the City include: Transportation Planning, Planning, Engineering, Fire, Urban Design, UTA: Service Planning Operations Planning, Customer Experience, Public Relations and Marketing, Fares, Finance, Innovative Mobility for an example
 - b. All decisions and approvals will be made by the UTA Board of Trustees and Salt Lake City Council
 - c. Service improvements are based on the Salt Lake City Transit Master Plan

2) Obligations of Both Agencies

- UTA
 - a. UTA will manage and operate the Transit Services.
 - b. UTA is responsible for operations, management, administration, and services delivery functions, including provision of vehicles, vehicle maintenance, insurance, and accounting for the Transit Services.
 - c. Calculate Service Mileage Charge and true-ups for fuel costs
 - d. UTA will accommodate partnership-specific signage at bus stops
 - e. UTA maintains bus stops to standard levels according to Bus Stop Master Plan, while City maintains bus stops exceeding UTA standard levels. City shall have the right to construct new bus stops with respect to the Frequent Transit Network (FTN) in compliance with Bus Stop Master Plan – City will pay for maintenance above standard UTA maintenance standards.
- Salt Lake City
 - a. The City will contribute funding to UTA to support the operation of the Transit Services as calculated through agreed-upon “cost per revenue mile” methodology.

3) Alternative Sources of Funding

- a. It is the intent of both agencies is to coordinate and support implementation of both the City’s Transit Master Plan as well as UTA’s Regional Transit Plans.
- b. UTA intends to support SLC equitably as it programs any additional funding from region (e.g. 4th quarter).
- c. UTA will maintain flexibility and ultimate control over 4th quarter spending.

4) Term of Agreement

- 20 years, with funding approved annually

5) Termination

- 12 months written notice

6) Invoicing and Payment

- For each new addendum:
 - Ramp up seed money, paid at the beginning of the calendar year for service to be implemented at the annual Major Service Change Day (August)
 - Ongoing operating costs, paid monthly to UTA

- 7) Performance Assessment
 - Service performance will be assessed against the metrics referenced on page in the SLC Transit Master Plan Master Plan: air quality, ridership, transit rider experience, connectivity, access to opportunity, and transit-supportive place-making.

- 8) Exhibits
 - Methodology for determining baseline services
 - Map of existing transit service as of most recent “Change Day”
 - Description of route span and frequency as of most recent “Change Day”

 - Methodology for calculating city sponsored service
 - See Sponsored Service Cost Calculator
 - Starts with most recent National Transit Database (NTD) data
 - 3% annual inflation
 - 15% paratransit
 - 25% discount from NTD for certain administrative and operations support costs, this number may be reduced as new service accumulates and UTA requires more administration and operations support to provide the service
 - Baseline maintenance and bus improvements

 - Typical addendum (amendment?) template
 - Fuel semi-annual true-up payment/credit if fuel exceeds 30% of annual budgeted amount

ANNUAL ADDENDA

- 1) 2019 Service Agreement
 - a. Recitals
 - b. Attachments
 - i. Capital Projects
 - Description of capital projects
 - Agreement re: ownership and maintenance of capital projects
 - ii. Service: Description of baseline services
 - April 2018 Service Map
 - April 2018 Schedules: Rt. 2, Rt. 9, and Rt. 21
 - iii. Service: Definition of City Sponsored Transit Services for August 2019
 - Map of Sponsored Routes: Rt. 2, Rt. 9, and Rt. 21
 - Description of FTN-level service span and frequency, as defined in the SLC Transit Master Plan on page 2-7
 - iv. Service: Funding for City Sponsored Transit Services
 - Attach report from Sponsored Service Cost Calculator

- 2) 2020 Service Agreement
 - a. Recitals
 - b. Attachments

- 3) 2021 Service Agreement
 - a. Recitals
 - b. Attachments

SPONSORED SERVICE COST CALCULATOR

DRAFT

VARIABLE VALUES

\$	7.62	2017 NTD Cost per Revenue Mile, Bus Service *
\$	-	NTD Discount, subtract professional admin expenses
	6%	Annual escalator to adjust to service year (3% per year)
\$	2.50	Fuel Cost per Gallon (Service Year Budgeted Cost)
	5	Fuel Efficiency, Miles per Gallon (adjust per vehicle type)
	0	Sponsored Revenue Miles
	0	Sponsored Vehicles
\$	53,000.00	Sponsored Vehicle Lease Costs
	15%	Sponsored Paratransit Service rate (15% or 0% if none)

* NTD Cost per Revenue Mile has been adjusted to exclude vehicle depreciation expenses and fuel expense

SPONSORED SERVICE COST

\$	7.62	2017 NTD Cost Per Mile - Bus Service
\$	7.62	Discounted NTD rate, no professional admin
\$	8.08	NTD Adjusted to current year
\$	9.29	Current Year Cost per Mile, with Paratransit
\$	9.29	Cost per Mile
	0	Sponsored Revenue Miles
\$	-	Total Mileage Cost, Without Fuel, Annual
\$	53,000.00	Per Vehicle Principle + 4% Interest Rate, Annual
	0	# Vehicles required for Sponsored Service
\$	-	Total Sponsored Service Vehicle Cost, Annual
\$	2.50	Fuel Cost per Gallon
	5.0	Bus Miles per Gallon
	0	Sponsored Revenue Miles
\$	-	Total Fuel Cost
\$	-	TOTAL