



Agenda Item No. _____

File Code No. 150.05

CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 26, 2012

TO: Mayor and Councilmembers

FROM: Transportation Division, Public Works Department

SUBJECT: Execution Of Agreement With The Santa Barbara Metropolitan Transit District For Transit Services

RECOMMENDATION:

That Council authorize the Public Works Director to execute a one-year Agreement for Fiscal Year 2013 with the Santa Barbara Metropolitan Transit District, in a form acceptable to the City Attorney, for transit services in an amount not to exceed \$1,188,180.

DISCUSSION:

The City currently has a Master Agreement (Agreement) with the Santa Barbara Metropolitan Transit District (MTD) for the Downtown/Waterfront and Commuter Lot Shuttles that expires on June 30, 2012. The MTD Board approved the renewal of the Agreement at its May 15, 2012 meeting and is requesting that the City also approve the Agreement.

The City's Redevelopment Agency (RDA) was providing \$300,000 to MTD to support the traffic mitigation requirement of the Central Redevelopment Area. In acknowledgment that these funds are no longer available, the MTD Board supported the elimination of the shuttle service to the Carrillo Commuter Lot and a reduction in midday service on the Crosstown Shuttle. At its June 6, 2012, special meeting, Council also approved these changes, as well as an increase in the fare on the Downtown/Waterfront Shuttle from \$0.25 to \$0.50.

This fare increase will generate an estimated \$75,000 in additional revenue that will partially offset the loss of RDA funding. The MTD Board held a public hearing on June 12, 2012, for the consideration of raising the fare from \$0.25 to \$0.50. These changes will go into effect on Monday, July 2, 2012.

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The total savings resulting from these changes is \$278,000, leaving a \$22,000 shortfall in addressing the loss of RDA funds. Raising the fare from \$0.25 to \$0.50 is conservatively projected to increase revenues by \$75,000. The City's estimated 2012 revenue from the \$0.25 fare is \$116,000. Staff is optimistic that the increase in fare will not cause a significant decrease in ridership and that additional increased fare revenue will be realized, which will offset the \$22,000 shortfall. Staff will monitor the fare box revenue during the first six months of this Agreement and will recommend necessary adjustments at midyear, if the revenue is not exceeding the projected revenues.

MTD will provide between 13,500 and 15,088 hours annually for the Downtown/Waterfront Shuttle. MTD's hourly rate for Fiscal Year 2013 will be \$78.75. The operating subsidy will remain at the Fiscal Year 2012 level of \$1,188,180. MTD will provide the City with the actual shuttle fare as a credit to the monthly shuttle service invoice. The operating subsidy that the City provides to MTD is considered to be a fare "buy down", reducing the shuttle fare from \$1.75.

Funding Provisions

The total City funds for this Master Agreement are:

OPERATING SUPPORT

Downtown/Waterfront Shuttle

Fiscal Year 2013

\$1,188,180

Proposed Source of Funding:

Fiscal Year 2013

Measure "A" Fund

\$582,015

Downtown Parking Fund

\$393,978

Fare Box Revenue (Credit)

\$190,187

Total:

\$1,166,180

The \$22,000 projected shortfall will be addressed at mid-year if fare box revenues do not exceed estimates.

SUSTAINABILITY IMPACT

The transit support provided under the terms of the Master Agreement contributes towards the City's goal of increasing the availability of public transit, thereby making the use of a car a choice, not a necessity.

PREPARED BY: Browning Allen, Transportation Manager/kts

SUBMITTED BY: Christine F. Andersen, Public Works Director

APPROVED BY: City Administrator's Office