



CITY OF SANTA BARBARA

COUNCIL AGENDA REPORT

AGENDA DATE: June 18, 2013

TO: Mayor and Councilmembers

FROM: Transportation Division, Public Works Department

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

RECOMMENDATION:

That Council authorize the Public Works Director to execute a four-year Agreement with the Santa Barbara Metropolitan Transit District, in a form acceptable to the City Attorney, for transit services in an amount not to exceed \$1,148,180 for Fiscal Year 2014, with annual adjustments based on the Consumer Price Index and the availability of Measure A funds.

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, 2013. The MTD Board approved the 4-year Agreement at its May 14, 2013 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 mid-day 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 for the Downtown/Waterfront Shuttle from \$0.25 to \$0.50.

MTD estimated that the fare increase would generate an estimated \$75,000 in additional revenue that would partially offset the loss of RDA funding. The total estimated savings resulting from these changes was \$278,000, leaving a \$22,000 shortfall in addressing the loss of RDA funds. At the time the fare increase was proposed, City and MTD staffs were optimistic that the increase in fare would not cause a significant decrease in ridership and that additional increased fare revenue might be realized, and offset the \$22,000 shortfall. Staff reviewed the fare box revenue during

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the first nine months of Fiscal Year 2013, and discovered that it was less than expected, which resulted in a projected revenue shortfall of \$40,000 for Fiscal Year 2013 and a projected revenue shortfall of \$40,000 for Fiscal Year 2014.

In discussing the revenue shortfall with MTD staff, it was determined that the dropoff in ridership as a result of the fare increase was greater than expected. Staff has been working with MTD to develop options to address the revenue shortfall. In reviewing options for addressing the budget shortfall, staff focused on the Waterfront portion of the service which has low ridership. The average ridership on the Wharf to Harbor service is 3.3 passengers per trip and 4.8 passengers per trip for the entire Waterfront service between 10:00 AM and 11:00 AM. The summer ridership on the Waterfront service is 6.2 passengers per trip. In comparison, the average number of passengers per trip on the State Street service is 23.9.

Below is the list of options that the City and MTD have developed to address the revenue shortfall.

<u>Option</u>	<u>Savings</u>
Remove 9-10 AM for Downtown Shuttle	\$43,400
Remove Wharf to Harbor Shuttle	\$67,929
Remove 10-11 AM for Waterfront Shuttle	\$36,620
Increase to 30 minute headways on Waterfront Shuttle during Summer instead of 15 minute headways (except for 6 PM – 9 PM Friday and Saturday, which stays at 15 minutes due to State Street “dog leg”	\$40,000
Funding from the Waterfront Fund to maintain current level of service	\$40,000

MTD will provide between 12,992 and 14,580 hours annually for the Downtown/Waterfront Shuttle. MTD’s hourly rate for Fiscal Year 2013 will be \$78.75. MTD has agreed to cover the revenue shortfall for the July and August 2013 service only, which will result in the operating subsidy paid to MTD being reduced by \$40,000 for Fiscal Year 2014. MTD will provide the City with the actual shuttle fare as a credit to the monthly shuttle 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.

Transportation and Circulation Committee Recommendation

The Transportation and Circulation Committee reviewed the above options for addressing the revenue shortfall at their May 23, 2013 meeting and recommended that the Council provide funding in the amount of \$40,000 from the Waterfront Department to

cover a portion of the cost to operate the Waterfront Shuttle service. As was discussed at the Council Budget Workshop on June 3, 2013, the Council deferred taking action until a Council Workshop to be held in July 2013, to discuss long term solutions for addressing revenue shortfalls. Staff will be seeking Council direction on one of the above mentioned options in early July, in order to provide direction to MTD on any service changes that may go into effect this fall, otherwise the changes will go into effect starting on the 2014 Memorial Day weekend.

Funding Provisions

Total City funds for this Master Agreement are:

<u>OPERATING SUPPORT</u>	<u>Fiscal Year 2014</u>
Downtown/Waterfront Shuttle	\$1,148,180

Proposed Source of Funding:

<u>Fiscal Year 2014</u>	
Measure "A" Fund	\$582,015
Downtown Parking Fund	\$393,978
Fare Box Revenue (Credit)	<u>\$172,187</u>
Total:	<u>\$1,148,180</u>

Since the summer service began over the Memorial Day weekend and there was not sufficient time to make service changes, MTD has agreed to cover the \$40,000 projected funding shortfall for the summer 2013 service.

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