

# **Alternative Transit Management Models**

## Agency and Service Delivery Options

October 4, 2016

City Manager's  
Transit Stakeholder Advisory Group



Alternative Transit Management Models  
Agency and Service Delivery Options

**Contents**

***Advisory Group Listing ..... 3***  
***Stakeholder Group Purpose..... 4***  
***Agency Options - Supplemental Information ..... 4***  
***Service Delivery Options - Supplemental Information..... 5***  
***Current Management Contracts – Supplemental Information..... 6***  
***Potential Timeline For Actions..... 9***

**Attachments**

***A. Transportation User Fee Ordinance..... 11***  
    Austin Texas Code .....11  
    SATA Initial Draft Ordinance – Transportation User Fee .....18  
***B. Intergovernmental Public Transportation Authority (IPTA) ..... 23***  
***C. Transit Management Options ..... 30***  
***D. Brainstorming Tucson’s Transportation System..... 92***  
***E. Public Private Partnership (P3)..... 122***  
***F. Regional Transit Marketing Plan..... 140***  
***G. Contract Performance Indicator Tracking ..... 172***

Alternative Transit Management Models  
Agency and Service Delivery Options

**Advisory Group Listing**

<b><u>Stakeholder Group</u></b>	<b><u>Representative</u></b>
City of Tucson Transit Task Force	Margot Garcia City of Tucson Transit Task Force, Chair <a href="mailto:mgarcia@vcu.edu">mgarcia@vcu.edu</a>
Friends of Streetcar	Steve Farley, Arizona State Representative Friends of Streetcar Representative <a href="mailto:sfarley@igc.org">sfarley@igc.org</a>
Pima Association of Governments/Regional Public Transportation Authority	Jim Degrood PAG Transportation Services Director <a href="mailto:jdegrood@pagnet.org">jdegrood@pagnet.org</a>
Ratp Dev McDonald Transit (RDMT)	Steve Bethel General Manager, Sun Link Streetcar <a href="mailto:Steve.bethel@tucsonaz.gov">Steve.bethel@tucsonaz.gov</a>
Southern Arizona Transit Advocates	Gene Caywood <a href="mailto:caywoodgm@juno.com">caywoodgm@juno.com</a>
Teamsters Local 104	Andrew Marshall Secretary Treasurer, Teamsters Local 104 <a href="mailto:andrew.marshall@teamsterslocal104.com">andrew.marshall@teamsterslocal104.com</a>
Transdev	Duane Eskierka Senior Vice President, Operations, Transdev <a href="mailto:Duane.eskierka@transdev.com">Duane.eskierka@transdev.com</a>
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Tucson Metro Chamber	Robert Medler Vice President, Tucson Metro Chamber of Commerce <a href="mailto:rmedler@tucsonchamber.org">rmedler@tucsonchamber.org</a>
University of Arizona	David Heineking Executive Director, Parking and Transportation Services <a href="mailto:heinekin@email.arizona.edu">heinekin@email.arizona.edu</a>

## Alternative Transit Management Models Agency and Service Delivery Options

### Stakeholder Group Purpose

Provide input and advice to the City Manager's Office on alternative transit management models based on the following Mayor and Council direction to staff in October 2015:

Engage the Pima Association of Governments (PAG) and other relevant stakeholders to examine alternative actions and improvements to support the long-term sustainability of the transit system to meet the needs of the community.

### Agency Options - Supplemental Information

At the Sept. 14, 2016 meeting, the stakeholder group reviewed and discussed four agency management options:

- *City of Tucson (Status Quo) Option*
- *Regional Transportation Authority (RTA) Option*
- *Joint Powers Organization (JPO) Option*
- *Metropolitan Public Transit Authority (MPTA) Option*

During the group discussion, the following supplemental information was requested:

- *Tucson Water Model.* The City of Tucson operates the Water Department as an Enterprise Fund, which operates at full cost recovery with funding provided by user fees. Joy Herr-Cardillo of the Southern Arizona Transit Advocates (SATA) has suggested that a better fit than a utility model was funding transit through a transportation fee, much like the environmental services fee for garbage and recycling. In the course of researching this fee, SATA identified ordinance from Austin, Texas with a transportation user fee and developed an initial draft ordinance as shown in Attachment A.
- *Intergovernmental Public Transportation Authority (IPTA), Yuma Model.* This authority applies to counties with population of less than 200,000 and is more structured variation of the joint powers organization option. Board members are appointed from member agencies. Dedicated funding is not associated with this legislation. See Attachment B for information on this authority.
- *Potential Non-Profit Management.* A study was done in 1999 to investigate the City's potential for creating a local non-profit organization to manage Sun Tran. The study states that the use of a local non-profit organization is possible provided the new contract for management services is bid competitively and according to federal standards. See Attachment C for this study.
- *RPTA (Valley Metro) Executive Director, Dave Boggs, Presentation on Brainstorming Tucson's Transportation System (January 28, 2011).* The

## Alternative Transit Management Models Agency and Service Delivery Options

presentation provides background information on Maricopa County and Valley Metro Challenges to become a regional authority. It also provides lessons learned, potential goals for Tucson, items for consideration, suggestions. Dave Boggs identified page 28, Next Steps as the most important page. See Attachment D for this presentation and a summary document, *Regional Public Transportation Authority – Transition to Success*.

- *Regional Transportation Authority (RTA) Sub-corporation.* The RTA was asked whether RTA has the power to form a sub-corporation which could operate transit services.
- *Out-of-State Agency Option Examples.* A request was made to provide examples of out-of-state transit agencies for each transit agency management model. The following are examples for each of the four options identified at the September 14, 2016 meeting:

### Municipal Transit Agency

- Honolulu Transit (City of Honolulu)
- CATS (Charlotte, NC)
- City of Albuquerque, New Mexico

### Regional Public Transportation Authority

- Regional Transportation Commission of Clark County, Nevada
- Tampa Bay Area Regional Transportation Authority, Tampa, Florida
- San Francisco County Transportation Authority, San Francisco, California

### Joint Powers Authority

- Foothill Transit, Northern Los Angeles County, California
- Omnitrans, San Bernardino, California
- Regional Transportation Authority, Riverside, California
- Valley Metro Rail, Phoenix, Arizona

### Metropolitan Public Transit Authority

- Spokane Transit Authority, Spokane, Washington
- C-Tran, Clark County, Washington
- RTD, Denver Colorado

### **Service Delivery Options - Supplemental Information**

At the Sept. 14, 2016 meeting, the stakeholder group also reviewed the four service delivery options:

- *Agency Performed*
- *Service (O&M) Contract*

## Alternative Transit Management Models Agency and Service Delivery Options

- *Management Contract*
- *Delegated Management or Public/Private Operating Partnership Contract*

During the group discussion, the following supplemental information was requested:

- *The potential for using Public/Private Operating Partnership for rail extensions.* State legislation was passed in 2009 to allow the Arizona Department of Transportation into public/private partnerships. A summary and legislation of the ADOT P3 program is provided in Attachment E.

### **Current Management Contracts – Supplemental Information**

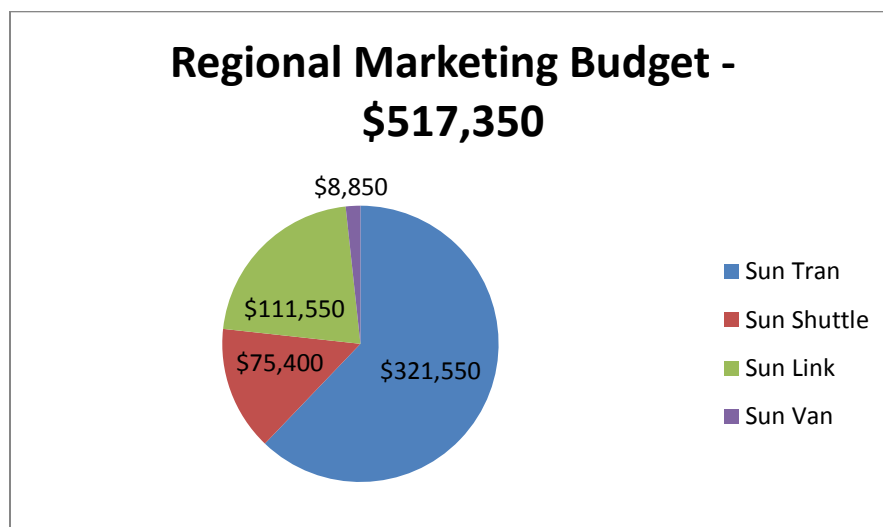
Assuming the City continues with the transit management service delivery model for a period of time, the stakeholder was also asked to provide input on the following:

- What contract incentives might help the City avoid a future strike?
- What contract incentives might increase ridership and improve operations?

During the group discussion, the following supplemental information was requested:

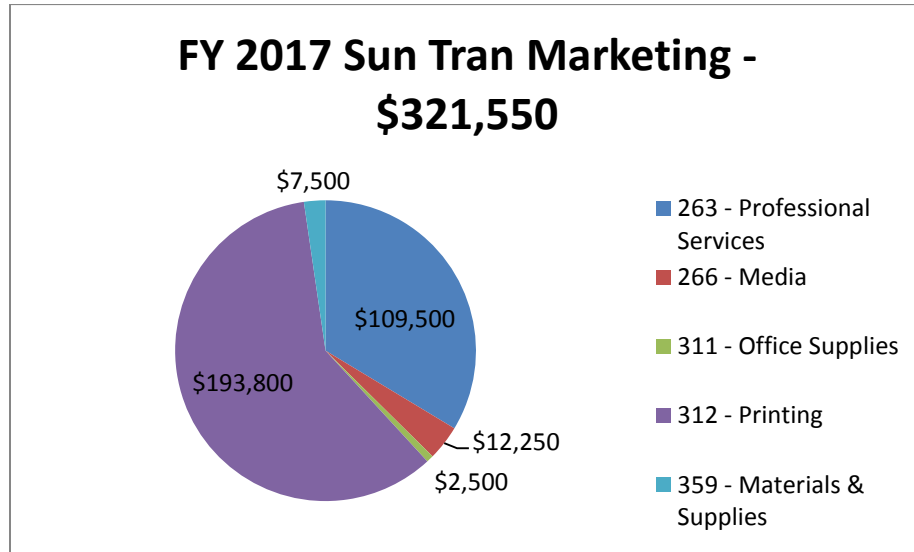
- *Transit Marketing Plan and Budget.* Sun Tran Marketing and Communication staff is responsible for the development and implementation of the transit marketing plan. The current marketing plan is provided in Attachment F. Information on Sun Tran's marketing budget, which supports the implementation of the marketing plan, and how it is used is provided below:

The FY 2017 regional marketing budget is \$517,350 for all marketing, communications and outreach for Sun Tran, Sun Express, Sun Van and Sun Link. A chart of the budget by transit service is shown below:



## Alternative Transit Management Models Agency and Service Delivery Options

Of the regional marketing budget, \$321,550 is allocated to marketing, communications and outreach for Sun Tran. Over half of the Sun Tran budget is expended for production and distribution of rider information materials such as the Ride Guide, brochures, etc. The chart below gives an image of approximately how the marketing budget is allocated.



The remainder of the budget is allocated for advertising, events and other public relations efforts to help increase ridership and revenue, as well as improve passenger information.

The budget for advertising campaigns to market Sun Tran is a combination of Media and a portion of the Professional Services categories. Media refers to advertising campaigns actually run by Sun Tran staff. Professional Services include advertising agency assistance which is sometimes required to implement additional campaigns to promote each transit service and the region as a whole. But Professional Services also includes diverse services that are contracted out such as Ride Guide distribution, website development, recordings for bus stop announcements, on hold messaging, media monitoring, etc.

- *Regional Marketing and Pima Association of Government (PAG) Rideshare Program.* Sun Tran partners with the PAG Sun Rideshare program. Sun Rideshare runs ads to promote alternative transportation options such as biking, walking, carpooling, vanpooling and transit. Sun Rideshare sometimes purchases ad space on Sun Tran vehicles through Lamar Advertising to run their alternative transportation ads.

## Alternative Transit Management Models Agency and Service Delivery Options

Sun Rideshare and Sun Tran do not collaborate monetarily for each other's ads. However, Sun Tran and Sun Rideshare collaborate with each other on social media, retweeting on Twitter and liking each other's Facebook posts. For example, Sun Rideshare recently sent out an e-blast, a Facebook post and tweets about Car Free Day. Sun Tran retweeted the Twitter message and liked the post.

- *Decision-making for Transit Pass Products.* The decision making process for pass products involves the following steps:
  - The concept for a new pass product can be introduced by citizens, staff, and Mayor and Council.
  - The potential viability of the pass product is evaluated by Sun Tran (see additional information below).
  - Sun Tran and TDOT staff provides a recommendation to the City Manager to conduct a six-month trial as a promotional pass product in other evaluate the pass product.
  - Upon approval by City Manager, the promotional pass product is launched.
  - After the six-month period, Sun Tran reports on the results of the promotional program.
  - A recommendation from City Manager is then made to Mayor and Council on whether to make the pass a permanent fare. If so, then a Title VI fare equity analysis is required.
  - The Title VI fare equity analysis is presented to Mayor and Council and a public hearing on the proposed fare.
  - An ordinance change to City Code is submitted to Mayor and Council to approve the fare.

All promotional pass products which were added in the last three years were at the request of Tucson Department of Transportation and/or the Transit Task Force.

- Criteria for choosing viability of a pass product: Sun Tran uses the following criteria for determining the worth of a potential pass product:
  - Usefulness to the general public
    - Is there an identified need? How many people have expressed the need?
  - Convenience for the public and the Sun Tran system



## Alternative Transit Management Models Agency and Service Delivery Options

- Would the pass type work for the riders and the organizations that serve riders?
- Would it be easy to use? Would it be easy to buy? Would it be easy to distribute?
- Would it impact boarding times?
- Affordability and Economics
  - Taking into account what the intended users can pay, would the prices and expected sales cover our costs?
  - Break Even Points: Determine the pricing and quantity of sales needed for us to break even. If it's not in line with what our riders and/or the organizations can purchase, then product is not a good fit for the system.
  - Pricing: Look at peer studies for developing the pricing structure (El Paso, San Antonio, Albuquerque, etc.) (same demographics, transit system size, population)
- Simplicity:
  - Is the system or pass type too complicated for the public to figure out?
  - "\$15 in Stored Value" is easier to understand in some ways than a "10-Ride Pass" if you've got different fare costs to take into account
- Importance
  - How essential is it? Don't add passes unless essential. We have very limited number of TTP's (slots for different fare types) in the fare payment system.
- *Contract Performance Indicator Tracking.* Attachment H information provides more details on the process for tracking Sun Tran contract performance indicators.

### **Potential Timeline For Actions**

The stakeholder also asked about potential timeline for various actions related to agency and service delivery options. A potential timeline with actions divided into short-term, mid-term and long-term periods is provided on the next page.

# Alternative Transit Management Models

## Agency and Service Delivery Options

### Potential Timeline For Actions On Agency and Service Delivery Options

