

Legislation Text

File #: BILL NO. 20-125, **Version:** 1

An Ordinance authorizing the execution of an intergovernmental contract for transit services by and between the City of Lee's Summit, Missouri and the Kansas City Area Transportation Authority (KCATA) and commitment of Federal Transit Administration Section 5307 Formula Funds to the KCATA for transit service and capital expenses.

(Note: First reading by City Council on July 21, 2020. Passed by unanimous vote.)

Issue/Request:

An ordinance authorizing the execution of an intergovernmental contract for transit services by and between the City of Lee's Summit, Missouri and the Kansas City Area Transportation Authority (KCATA) and commitment of Federal Transit Administration Section 5307 Formula Funds to the KCATA for transit service and capital expenses.

Key Issues:

- The City of Lee's Summit has contracted with the Kansas City Area Transportation Authority (KCATA) since 1999 for a commuter bus service, Lee's Summit Express, between Lee's Summit and downtown Kansas City.
- The City regularly reviews and renews transit contracts with KCATA to provide the appropriate levels of service based on user demand while keeping costs for services within the City's budget
- KCATA will reduce the number of trips from 6 to 4 per day based on reduced ridership.
- The City's cost will go down by about \$19,800 while maintaining a similar level of service
- Local funds were budgeted in the FY2021 Capital Improvement Plan from the permanent Transportation Sales Tax

Proposed City Council Motion:

SECOND MOTION: I move for adoption of an ordinance authorizing the execution of an intergovernmental contract for transit services by and between the City of Lee's Summit, Missouri and the Kansas City Area Transportation Authority (KCATA) and commitment of Federal Transit Administration Section 5307 Formula Funds to the KCATA for transit service and capital expenses.

Background:

Since 1999, the City of Lee's Summit has contracted with the Kansas City Area Transportation Authority (KCATA) to provide a commuter bus service from the park-and-ride lot at Chipman Road and US50 Highway in Lee's Summit to various points in downtown Kansas City, Missouri. Originally, this service provided three morning trips to downtown Kansas City and three afternoon return trips to Lee's Summit during the workweek (Monday through Friday). The commuter express route was previously known as Route 152; it has more recently been identified as Route 550.

A fourth trip each way was added in 2008 to address an increase in ridership at that time. In April 2019 the Commuter Express Service was adjusted back to three trips a day each way to size the capacity that better reflects demand, and to reduce cost of service. In spring of 2020 the service was adjusted to one trip a day each way, due to a sharp decline in ridership experienced with the onset of the COVID-19 pandemic.

It is anticipated that some of the previous commuters will not be returning to utilize the commuter bus service in the next calendar year. Therefore, KCATA has recommended that services offered under this contract of two morning departure trips and two afternoon return trips for the period of July 1, 2020 through June 30, 2021. This change intends to more effectively meet expected ridership demand. The days of service for Lee's Summit Express Commuter Service will remain the same. The hours of service will be adjusted due to the one fewer trip offered, under this contract.

The recent reduction in capacity reduces the cost of services to the City for the fixed routes, but is expected to still meet ridership demand. The cost reduction for the commuter bus service will offset the increase in cost experienced to maintain existing demand response transit services operated by OATS in the transit program. Changes to the proposed services are supported by City staff and KCATA.

The total cost of proposed transit services by the KCATA to the City of Lee's Summit in this agreement is \$61,272 for 12 months of service, effective July 1, 2020. The cost of services to the City provided under this contract with KCATA is \$19,773 less than the projected annual cost of services covered by the existing contract with the KCATA that it replaces. Costs have been adjusted for normal increases to labor and capital expenses (typically 4%-7% per year) and reduced based on fewer hours of operation/trips when compared to the previous contract.

The agreement also obligates a total of \$136,436 in Lee's Summit FTA Section 5307 federal funds to the KCATA for transit services of which \$9,982 covers eligible capital expenses (the other portion is for eligible operating expenses). The Lee's Summit FTA Section 5307 Fund allocation balance in fiscal year 2020 was over \$7,564,602. There are sufficient amount of federal funds are available for the obligation proposed in this contract with KCATA.

The KCATA has submitted the proposed contract for the Lee's Summit Commuter Express Service and administrative fees to the City. The cost for the transit services would be \$53,272. The KCATA has also included a proposed management fee of \$8,000 for the administration of a contract between the City of Lee's Summit and OATS and federal funding for fiscal year 2021. This management fee is approximately 20% lower than the same fee in fiscal year 2020. As the designated administrator of Lee's Summit's FTA funds, the KCATA will apply available FTA funding and necessary administrative requirements of the FTA towards eligible OATS

operation and capital costs of transit service contracted by the City. This fee facilitates the demand response transit services, RideKC Lee's Summit, under a contract with OATS as the operator of such service.

The City pays for the balance of the service costs from its Transportation Sales Tax fund, which is budgeted annually through the Capital Improvement Plan's Public Works Programs. Additional requests for information regarding the City of Lee's Summit Urbanized Transit Area (UZA) designation and Federal Transit Administration (FTA) fund allocations for transit services, total cost of service including local share, Section 5307 Funds, and fares, and transit planning activities can be addressed by City staff.

Impact/Analysis:

This contract is for transit service provided by KCATA for 2 morning and 2 afternoon bus trips, beginning July 1, 2020 through June 30, 2021. This contract also covers cost for KCATA administration of Lee's Summit FTA Section 5307 Funds and management of Demand Response Transit Service operated by OATS.

The transit program budget (\$353,000) in the approved CIP for FY2021 is provided by the Transportation Sales Tax Fund. The local funding match includes transit costs for KCATA operated Lee's Summit Express, contracted RideKC Lee's Summit demand response transit operated by OATS, and KCATA administrative fees for program management of federal funds.

This contract for Lee's Summit Express service and the KCATA administration fee is \$61,272 of the estimated \$353,000 total transit program costs to the City in fiscal year 2021. There is the potential that actual transit costs will be less than the amount allocated in the CIP, particularly considering any adjustment to service caused by COVID-19 and reduced ridership associated with the demand response service operated by OATS caused by COVID-19 (which costs are directly ridership influenced). Any balance re-allocation would be accomplished through the annual budgeting and CIP processes.

Transit ridership has continued to decrease on the express service and significantly increase on the demand response service (RideKC Lee's Summit operated by OATS) in Lee's Summit; but for COVID-19 impacts. The express transit service generally meets commuter needs and has excess capacity based on past and current ridership trends.

Timeline:

Start: July 1, 2020

Finish: June 30, 2021

Michael Park, PE, PTOE, City Traffic Engineer

Staff recommends approval.

The Public Works Committee July 6, 2020 was canceled.