

Legislation Text

File #: BILL NO. 19-03, **Version:** 1

An Ordinance authorizing the execution of an amendment to 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 January 8, 2019. Passed by unanimous vote.)

Issue/Request:

An Ordinance authorizing the execution of an amendment to 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 service currently provides four morning trips departing from Lee's Summit to downtown Kansas City, and four afternoon return trips, for those that commute to Kansas City for work. This contract will not change the existing services.
- The proposed agreement will amend the 2018 contract with the KCATA to extend those contracted services into 2019 on a month-to-month basis with a 5% cost increase to Lee's Summit.
- The agreement provides the continuation of Lee's Summit Express Commuter Service and KCATA administration of OATS operating contract for RideKC Lee's Summit demand response transit service on behalf of the City without change and allocation of available FTA funds to the KCATA for eligible operating and capital costs associated with these transit services in accordance with the 2018 contract.
- This amendment will extend the 2018 contracted services with KCATA until a new agreement is approved; giving appropriate time to assess regional transit system proposals and other service change considerations.
- The local matching funds will be paid from the Transportation Sales Tax Fund as programmed in the City's Capital Improvements Plan and approved by City Council as part of the FY2019 budget.

Proposed City Council Motion:

I move for adoption of an Ordinance authorizing the execution of an amendment to 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). A fourth trip both ways was added in 2008 to address the increase in ridership.

The number of busses, days and hours of service for Lee's Summit Express Commuter Service will be the same in 2019 as it was in 2018 under this contract amendment. This amendment to the 2018 contract provides for the continuation of services on a month-to-month basis with a 5% cost increase in 2019, until a new contract for transit service is approved.

A portion of the City of Lee's Summit has been designated as an Urbanized Transit Area (UZA) by the Federal Transit Administration (FTA). This designation has allowed the City to take advantage of FTA funds to subsidize the annual cost of transit, including the contract with the KCATA for this service. A portion of the allocation of FTA funds to Lee's Summit will be obligated to the KCATA for the services provided under this Agreement, as well as matching funds for applicable transit services associated with the OATS operating contract by and between the City and OATS for the RideKC Lee's Summit demand response transit service that is managed by KCATA and considered in separate ordinance, to cover eligible transit capital and operating costs in 2019. The Lee's Summit FTA Section 5307 Fund allocation balance in 2018 was over \$1,000,000. In addition to FTA funding, state funding is utilized by the KCATA as well as revenue collected at the fare box to further reduce the cost. The City pays for the balance of the service from its Transportation Sales Tax fund.

The KCATA has submitted the proposed contract amendment with 5% increase for the Lee's Summit Commuter Express Service and administrative fees to the City. The contracted cost for these services in 2018 was \$95,932. Increased cost is associated with an increase in cost of service (e.g. staff, fuel, dispatching, and maintenance).

The KCATA has also contracts with the City for management and administration of FTA funds, especially the application of OATS Operational expenses. This management fee in 2018 was \$7,725 and will also increase 5% for 2019. As the designated administrator of Lee's Summit's FTA funds, the KCATA would apply available FTA funding and necessary administrative requirements of the FTA towards the OATS operation of transit services contracted by the City. This administrative fee facilitates the demand response transit services, RideKC Lee's Summit, under proposed contract with OATS as the operator of such service.

A Lee's Summit transit study was completed in 2016. There were no recommended changes to KCATA Commuter Express Service from that study. Additional KCATA fixed bus routes impacting Lee's Summit were considered in the study and/or recommended by other more recent transit studies conducted in the region (such as the Eastern Jackson County Transit Study). The recommendations for additional transit services, particularly fixed bus routes within and connecting Lee's Summit to the greater regional transit network, were reviewed by City Council in 2017 and by City Council Public Works Committee in October and November 2018.

The City Council Public Works Committee most recently reviewed existing services, changes in existing service, fixed route service options recommended by staff and KCATA, ridership demand, and conceptual cost impacts for a variety of scenarios. City Council Public Works Committee requested staff continue development of a fixed route option(s) with service between the 3-Trails Transit Center and downtown Lee's Summit over the course of 2019 in coordination with KCATA while a source of funding may be pursued by City Council necessary to support such recommendation(s). A fixed route between the Independence Transit Center and downtown Lee's Summit was also supported, but its priority is less than the former option. In the interim, no new services were recommended until funding is available to sustain fixed route transit services. Any new transit service or new would be addressed in separate contracts, as required.

The Public Works Committee discussion in October and November of 2018 included recommendation to continue the existing demand response transit service operated by OATS (subject to a separate ordinance consideration) with consideration of service enhancements (i.e. additional vehicle in circulation). However, adding vehicles at this time may be premature due to potential changes in services that may be identified in an on-going transit study to be completed by

KCATA later this year.

The Committee also desired consideration of continued Commuter Express Service with service changes that would size the capacity to reflect more current demand. This change in service, or alternative service schedule, would reduce the number of vehicles in circulation from 4 bus trips to 3 bus trips, while meeting current demand, to reduce cost of service. The Livable Streets Advisory Board also reviewed and concurred with the proposed changes and supports any movement towards fixed route expansion. This change in service was reviewed and supported by staff and KCATA and will be presented to City Council for consideration.

This proposed contract amendment for KCATA Commuter Express Service in 2019 may be amended or discontinued if in conflict at any time. A month-to-month contract is proposed to allow for the development of agreements that consider additional planning recommendations from the KCATA, City Council considerations of service changes and time required for discussions and preparations between the City and KCATA.

Impact/Analysis:

The transit program budget (\$317,000) in the approved CIP for FY2019 is provided by the Transportation Sales Tax Fund and 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. The contract for RideKC Lee's Summit demand response transit service operated by OATS is also presented for City Council consideration in a separate ordinance. The total proposed 2019 (calendar year) transit program costs to the City of Lee's Summit for KCATA operated Lee's Summit Express, RideKC Lee's Summit demand response transit operated by OATS, and KCATA administrative fees would be approximately \$378,000 if this KCATA agreement were to accumulate expenses, without further modification (or replacement), over a 12-month period.

There have been sufficient savings from one of this year's signal projects to offset the additional cost for the current fiscal year. Since the signal project and transit local match are from the same transportation fund, the differences in costs will be corrected in future budget proposals with appropriate amendments in the Capital Improvement Plan as directed by City Council, and should consider service changes contemplated for 2019 in any replacement or new transit agreement(s) between the City and KCATA.

Transit ridership had 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. The express transit service generally meets commuter needs and has excess capacity based on current ridership trends. The graphs in the associated transit presentation depict ridership trends for KCATA commuter service and the demand response transit service operated by OATS. The demand response transit graph includes all demand based ridership data combined from OATS and historical KCATA MetroFlex services.

Timeline:

Start: January 1, 2019

Finish: December 31, 2019

Michael Park, PE, PTOE, City Traffic Engineer

Staff recommends approval of an Ordinance authorizing the execution of an amendment to 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.