

EXECUTIVE SUMMARY

PURPOSE

This project was carried out to identify a preferred transit service alternative and develop an implementation plan to initiate the service. The “Regional Transit Needs Study” (Nelson / Nygaard, April 2007) forms a foundation for this implementation plan as it resulted in the selection of service alternatives by each community.

The purpose of the Transit Implementation project was to develop a single preferred alternative and identify the steps for implementing service for the participating communities. This project has resulted in a preferred alternative that is well thought out from the perspectives of meeting local needs and operational considerations. It includes a governance structure and a phased approach to developing services. Guidance is provided on implementation activities such as management and compliance, financing mechanisms, capital requirements, marketing, and communications.

The development of transit services is an iterative process. Decisions were made throughout the process that enabled the process to move forward, and more will need to be made as implementation of services occurs. The final report summarizes the planning effort and recommended implementation steps.

The final report lays out a solid plan for implementation of transit services but a number of questions remain to be addressed. They are identified in the report and will be addressed through the initial implementation process.

PROJECT GUIDANCE & PUBLIC INVOLVEMENT ACTIVITIES

The Transit Implementation Plan (TRIP) group, consisting of staff representatives from Prescott, Prescott Valley and CYMPO and Yavapai County, convened monthly to guide the ongoing project work and development of recommendations. The TRIP group serves as a subcommittee of the CYMPO T-TAC. In addition, a Stakeholders and Providers group met regularly, providing comments from the perspective of the various providers, advocates, and stakeholder agencies. A public briefing was held in July with a focus on elected officials and two open house meetings were held September 15-16, 2008 to solicit input from citizens on the recommended plan and implementation steps.

IMPLEMENTATION PLAN

The preferred alternative has several inter-related components. The service plan, fare structure, and governance and financing recommendations are summarized in this section. The full plan details the planning and decision-making process that resulted in the recommended plan and provides additional information on opportunities for phasing the development of services.

SERVICE PLAN

The overall service plan has a strong emphasis on serving low-income workers and individuals who need specialized transportation services due to frailty or a disability. The development of the service plan is described in chapter two of the report.

The service plan is designed to be one that can be contracted out to private providers. Vehicles would be provided to the contractor, and they will be equipped with wheelchair lifts and communication equipment. A central call and scheduling center will be required to provide for coordination of the various specialized transportation service options. It will also serve as a single location for transit information.

The service plan is based on a “Family of Transit Services”, including fixed and flexible route services operating on hourly headways, complementary ADA paratransit services, continuation of the voucher program where other services are not available, and a mileage reimbursement program for volunteer drivers. These services can be developed incrementally.

Fixed and Flexible Route Services

The initial fixed and flexible routes are illustrated in **Figure ES.1**. This map also illustrates where the routes will flex in Prescott Valley and the ADA paratransit service area.

Figure ES.2 illustrates the expansion to the fixed and flexible routes. Again it illustrates where the routes will flex and where ADA paratransit service will be provided – note that with the extension of the local Prescott route to Willow Creek the area for paratransit service in Prescott is significantly expanded. In the City of Prescott additional paratransit time is provided for the expanded services because the route will no longer flex.

The “Initial Plus” option includes the Willow Creek route in Prescott and adjustments to paratransit, but no changes to services in Prescott Valley.

Figure ES.1: Initial Fixed and Flexible Routes

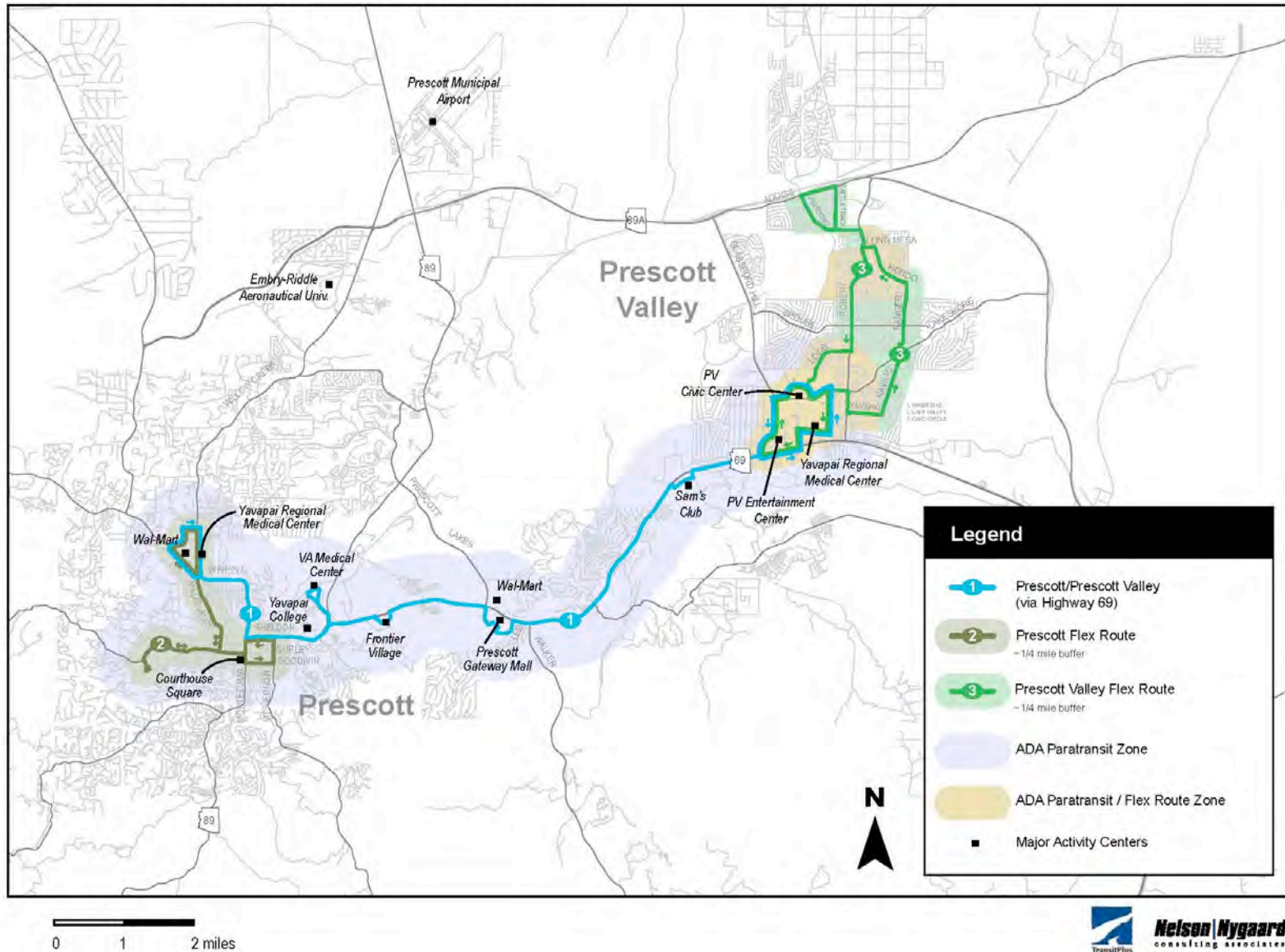
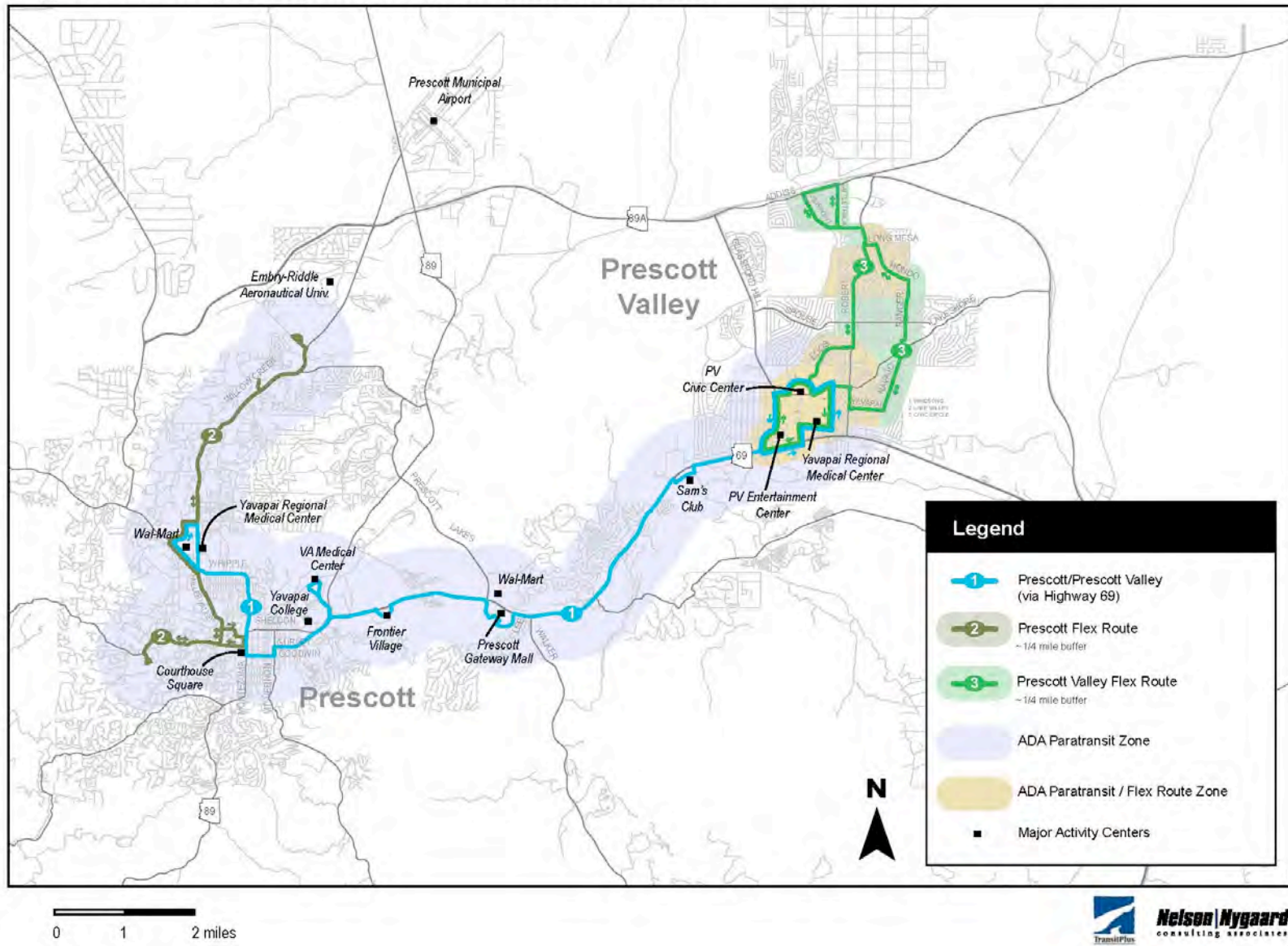


Figure ES.2: Expanded Fixed and Flexible Routes



In Prescott Valley the expanded service includes an additional vehicle so the route operates in both directions on hourly headways (while the initial Prescott Valley route is a one-way loop). Minor changes to the regional and local route in downtown Prescott are also included. In Prescott Valley there is an increase in available time to flex with the expanded services so no additional paratransit service is planned.

The basic service characteristics for these options are illustrated in **Table ES.1**. Note that if the region decides to begin with paratransit services before the fixed and flexible route services, a total of 4 vehicles are recommended.

Table ES.1: Basic Service Characteristics

Service Level	Vehicles	Miles per Year	Hours per Year	Riders per Year
INITIAL				
Route Services	3.6	230,300	14,900	143,300
Paratransit	<u>3.4</u>	<u>210,700</u>	<u>14,100</u>	<u>19,600</u>
Total	7.0	441,000	29,000	162,900
INITIAL PLUS				
Route Services	4.0	256,900	16,500	159,200
Paratransit	<u>4.0</u>	<u>247,900</u>	<u>16,500</u>	<u>22,900</u>
Total	8.0	504,800	33,000	182,100
EXPANDED				
Route Services	5.0	316,800	20,600	199,000
Paratransit	4.0	<u>247,900</u>	<u>16,500</u>	<u>22,900</u>
Total	9.0	564,700	37,100	221,900

Paratransit Services

The paratransit requirements will be met by a combination of full-time paratransit vehicles and flexible routes in local communities. Vehicles will be shared between local and regional paratransit operations, as it is expected that a significant number of the local riders will travel to regional destinations.

The boundaries for paratransit services and flexible routes are shown in **Figures ES.1** and **ES.2**. Based on public comment, the implementation plan for paratransit services follows the federal minimum standards except that service is recommended to operate door-to-door rather than curb-to-curb. **Table ES.1** identifies the number of vehicles hours and miles anticipated for paratransit service under each level of fixed and flexible route services.

Looking at anticipated demand numbers based on systems with strict eligibility criteria, a total of approximately 20,000 annual trips are anticipated. An estimated 7,000 annual trips can be carried by each vehicle in full-time paratransit service, so three vehicles should be able to meet this need initially.

The fourth vehicle planned for expanded services may not be needed until demand develops or may be needed in peak hours only.

Complementary paratransit will be provided to eligible individuals with a system established to determine paratransit eligibility. This process will include honoring eligibility conferred by other systems for a period of time as well as a process for people to dispute any finding that they are not eligible.

It is also recommended that the public transit agency actively work to coordinate services with agencies meeting the other specialized transportation needs of other riders so that community resources are effectively deployed. This will include establishing a joint call center that can be used to schedule rides for flex route passengers, paratransit riders, and others with specialized transportation requirements.

The budget for paratransit services is based on contracting for the full-time use of vehicles, and it is anticipated that a minimum of three vehicles will be needed to provide local and regional services. Overflow trips can be contracted out to until it is more cost effective to add a fourth vehicle. Provider agencies have indicated they have available wheelchair lift-equipped vehicles so it is recommended this contract be bid for equipment and services.

General Public Voucher Program

Prior to fixed and flexible routes being initiated, the voucher program will serve the general public; once fixed and flexible route services are initiated, the voucher program will become more limited, primarily serving residents outside the area where public transit services are available.

Modifications to the voucher program are included in the implementation plan. These include: administration by CYMPO or the transit agency, pre-qualification of voucher providers, and purchase of vouchers by users paying their fee at the time the vouchers are purchased rather than when they are used.

In using Federal Transit Administration funds to expand the program to the general public, it will be necessary to demonstrate management control over the program, how services are delivered, and to assure good quality service and compliance with a variety of regulations.

It is also important to bring together the various resources for transit services so they can effectively leverage the Federal dollars. Managing the voucher program as part of the overall transit program will provide a means of comparing investments in different types of mobility services. Centralized management of

services will be helpful for riders, providing a central place where information is available on all services and mobility options.

Mileage Reimbursement Programs

Mileage reimbursement programs for volunteer drivers is a valuable part of the implementation plan. Mileage reimbursement programs can be a cost-effective way to provide transportation services to individuals who need more support than a typical transit system can provide, involving volunteer drivers or “family and friends” to provide the service.

These programs are useful for serving individuals who are outside the proscribed service area or trips that would otherwise involve a long distance of “empty” or “dead-head” miles. They can also be used for those who need service more frequently than regular service is provided.

It is recommended that the mileage reimbursement for the volunteer driver programs be coordinated with the existing programs. The standards and eligible trip purposes may vary between volunteer driver programs, but some characteristics need to be consistent. Scheduling these trips through a call center is important. Trips can be done on a subscription basis, so a call is not needed for recurring trips – only cancellations.

As part of the implementation plan, consensus will be needed what is an eligible trip and what level of mileage reimbursement is appropriate. It may be appropriate to provide for a wider variety of trip eligibility in areas outside the paratransit service area than in those areas served by public transit.

FARE STRUCTURE

The recommended fare structure is identified in **Table ES.2**. Cash fares are the amounts a person boarding the bus pays. The discount fare provides a half-fare to individuals who are elderly or who have a disability and is available in all fund categories – cash, tickets, and passes.

The recommended fare structure includes a 25% discount for tickets and passes. The local fare zones covers about a 4- mile radius around each community. All riders traveling outside the local zone would pay the regional rate.

Table ES.2: Recommended Fare Structure

Cash Fares	Amount
Local	\$2.00
Regional	\$4.00
Discount Fare Local*	\$1.00
Discount Fare Regional*	\$2.00
Tickets	
10-ride booklet - local	\$15.00
10-ride booklet - regional	\$30.00
Discount 10-ride - local	\$7.50
Discount 10-ride - regional	\$15.00
Monthly Passes	
Local	\$60.00
Regional	\$120.00
Discount - Local*	\$30.00
Discount - Regional*	\$60.00
Scrip for Voucher Program	
User pays for 20% or \$2.00 for every \$10.00 of scrip.	

The voucher fee is recommended at 20% of the cost of the scrip purchased, and it is recommended that scrip be sold in \$5 increments – so a minimum of \$5 would need to be purchased at a time. The reimbursement to providers should be for the amount of bus fares or metered fares and the scrip turned in, amounts that should match. Calls should be made to a percentage of the riders to verify the trips for which reimbursement is requested

*Discount Fares apply to all older adults 65+ and individuals with disabilities. They may be extended to students or youth.

IMPLEMENTATION

SCHEDULE

The recommended service plan for can be implemented in three basic steps:

1. General public voucher program and development of governance and financing;
2. Implementation of initial fixed and flexible route services with hourly headways and complementary paratransit; and
3. Implementation of expanded route services.

The first step includes those activities that need to occur before fixed and flexible transit route service can begin. This step has the greatest number of managerial activities, and the completion of many is necessary before proceeding further. Key initial activities are hiring a transit administrator, establishing a governance system, securing financing, and procuring vehicles for route services.

The second step can be broken down further, starting with paratransit and then adding the route services. The communities will determine the implementation schedule. For services requiring a new financing source, the voters may need to approve funding before those services are initiated.

Table ES.3: Three Steps of Service Development

	Step 1	Step 2	Step 3
Management	<ul style="list-style-type: none"> • Establish governance structure <ul style="list-style-type: none"> ◦ Work with all entities in region • Secure financing <ul style="list-style-type: none"> ◦ Coalesce existing financial resources ◦ Identify and secure new funding • Hire transit administrator • Initiate procurement, contracting, and monitoring for services and activities 	<ul style="list-style-type: none"> • Maintain and strengthen managerial capacity • Build public awareness and support • Ongoing monitoring • Continue contracting and service development actions 	<ul style="list-style-type: none"> • Maintain and strengthen managerial capacity • Build public awareness and support • Ongoing monitoring • Continue contracting and service development actions
Services/Activities	<ul style="list-style-type: none"> • Initiate call and scheduling center • Initiate marketing and customer information activities • Expand voucher program to general public • Establish mileage reimbursement program 	<ul style="list-style-type: none"> • Initiate fixed and flexible route services • Initiate paratransit services • Adjust voucher program to reflect new services • Adjust and continue public information activities 	<ul style="list-style-type: none"> • Expand fixed and flexible route services

GOVERNANCE AND FINANCING

The work carried out on governance and financing mechanisms is contained in chapter three, and includes the preferred option of a public transportation authority. Two types of public transit authorities can be established under Arizona statutes, an intergovernmental public transit authority (IPTA) and a metropolitan transit authority (MPTA). Final decisions on the type of authority, boundaries, and financial structure will be developed in the first implementation activities.

The IPTA has no funding associated with it and so would require contributions by member entities or a tax levy. The MPTA has the option of a property tax levy for public transit included in the legislation.

Both City of Prescott and Town of Prescott Valley expressed the opinion that a stable funding source will need to be developed prior to implementing fixed route transit services. If the region decides to pursue a sales tax, a vote will be required. If the region decides to pursue a property tax through an MPTA, the populace will need to weigh in on the establishment of the MPTA prior to establishing such a district. As such, this will provide an opportunity for the

Towns of Chino Valley and Dewey-Humboldt to consider if they wish to participate at the initial stages of developing a public transit authority.

Table ES.4 summarizes the similarities and differences between the two types of public transportation authorities.

One difference between the two options is that the IPTA requires that the entire area of a municipality must be included in the authority boundaries, while for a MPTA the boundaries can be drawn to cover only a portion of the jurisdiction.

Another difference between is that the participating jurisdictions retain a significant amount of control over the IPTA while the MPTA is entirely free-standing once it is established. In the IPTA, jurisdictions appoint board members and may remove them for cause. With the MPTA, the board is responsible to the electorate and the budget is set through a public hearing process.

Transit is typically financed by a variety of different fund sources. Both of the public transportation authority structures allow for using a wide variety of funds to cover the budget. The decision-making structure and management structure need to accommodate this and allow for the constraints imposed by different fund sources.

Funding Sources

Federal Transit Administration (FTA) funding for public transit services is a key source so the discussion in this study has revolved around the FTA funding for urban transportation and the requisite local matching funds. These funds need to be expended for services within the urbanized area boundary. In addition, the Arizona Department of Transportation (ADOT) manages the rural FTA funds. Any routes or demand response services that travel to the rural area – for example a route to Chino Valley – would be eligible for FTA rural funding.

At present the Central Yavapai urbanized area has available federal funds for the urbanized area services. The region receives approximately \$700,000 annually. The Initial service plan maximizes these funds. The Expanded services require that the incremental increase in costs be funded with 100% local funds.

Table ES.4: Comparison of Intergovernmental and Metropolitan Public Transit Authorities

Item	Intergovernmental PTA	Metropolitan PTA
Purpose and Responsibilities	<ul style="list-style-type: none"> • A political subdivision and corporate body • Established to design, operate, and maintain a public transit system 	<ul style="list-style-type: none"> • A political subdivision incorporated as a non-profit enterprise • Established to own and operate a metropolitan public transit system
Entities Eligible to Establish	<ul style="list-style-type: none"> • Cities, towns, and designated unincorporated County areas where county population is less than 400,000 	<ul style="list-style-type: none"> • Cities, towns and county acting jointly (Note, there are requirements that at least 51% of the population of the county be included in the authority boundaries.
Board Members	<ul style="list-style-type: none"> • Board governs authority with 5 to 9 board members appointed by participating governmental entities. • Five-year terms • Executive director of COG serves as organizing director until the initial board hires a general manager • Board members may be removed for cause by appointing entity 	<ul style="list-style-type: none"> • Board governs authority with 5 to 11 elected board members • Initial members are appointed by originating jurisdictions and serve until regular members are elected. • Four-year terms • No organizing director is specified, but law specifies the general manager shall work full-time.
Boundaries	<ul style="list-style-type: none"> • Entire area of municipalities and Board of Supervisors determine unincorporated area to be included. 	<ul style="list-style-type: none"> • The portion of the municipality to be included within the operating area is defined by ordinance. • Provisions are made for additional areas to be included over time.
Process to Establish	<ul style="list-style-type: none"> • Municipalities petition Co. Board of Supervisors • Supervisors hold at least one public hearing • If Supervisors find establishing authority would serve the public convenience, necessity, safety, or welfare, they shall establish IPTA by resolution • Participating entities enter into an IGA to provide the PTA with the sole authority to design, operate, and maintain the public transit system 	<ul style="list-style-type: none"> • Ordinances or resolutions are adopted by all proposed jurisdictions • Board is elected at a statewide general election.
Funding	<ul style="list-style-type: none"> • No provisions are made for funding and there is no authority to issue bonds; • A combination of funds may be used. General funds or sales tax funds are two that may be used for local match to Federal Transit Administration or ADOT transit funds 	<ul style="list-style-type: none"> • Annually board prepares a budget with expenses and revenues, after a public hearing process • If additional revenues are required, balance is “certified” to Board of Supervisors who then levy a public transit authority tax on property in the service area in a sufficient amount • Other funding may also be used – e.g., voters may also be asked to approve a sales tax. • The MPTA has the ability to issue revenue bonds
Planning	<ul style="list-style-type: none"> • Includes specific planning responsibilities and preparation of annual five-year program 	<ul style="list-style-type: none"> • Not specified in the legislation.

Local funds are required for matching federal dollars. The initial system begins with a requirement of approximately \$400,000 annually in local funds while the expanded system, on average, requires \$500,000, an additional \$100,000. Once the accrued federal funds are depleted, a greater proportion of costs will be switched to local funding. Budget calculations estimate that the initial system will deplete allocated federal revenues at the end of 2017 while the expanded service level will deplete federal revenues three years earlier, at the end of 2014.

For this basic service plan, one can look at the budget estimates for 2019 and see that a local share of \$1.2 million for the initial system or \$1.9 million for the expanded system will be needed. This would require a sales tax of approximately 0.1 of a cent for the initial system and 0.15 of a cent for the expanded system.

The region is growing and long-term will need a system that serves a population of 200,000 to 400,000 in population. While funding patterns vary significantly across the nation, in western states without access to state funding for operations it is common for sales tax rates for transit (the most common source of funding) to range from one-quarter of one percent to one percent. The amount varies widely, depending on factors such as the level of transit services and demographic and land use patterns.

MANAGEMENT & COMPLIANCE

Chapter four identifies the managerial and compliance activities that will need to be carried out. A transit administrator is needed to implement and then direct all transit activities. The consultant's recommendation is to hire a transit administrator as soon as possible.

All Federal Transit Administration grantees are responsible for administration and management of the grant in compliance with the grant agreement and applicable FTA circulars and regulations. The grantee is also responsible for funds that "pass through" to a subrecipient. The regulatory requirements cover a wide range of management, financial, and planning activities. The key activities associated with Federal regulatory compliance are contained in the report.

MARKETING PLAN

Chapter five outlines a plan for marketing public transit services within the Central Yavapai Metropolitan Planning Organization (CYMPO) region. This plan covers the entire family of services: fixed and flexible route transit services, paratransit, the voucher program, and volunteer driver services.

The CYMPO region is beginning to establish a coordinated public transit system with a “Family of Services”. The marketing objectives relate to the needs to develop a basic system identity and communicate to the public what services are offered, how to use them, what they cost, the benefits these services confer, and how to participate in the development of the system.

The marketing plan identifies the following objectives:

- **Establish a transit identity that will enhance service coordination and marketing efforts.** Develop a coordinated brand for the transit vehicles, stops, facilities and materials to increase awareness and improve the visibility of the transit network.
- **Develop a user-friendly and easy to understand network of transit services through passenger information materials and signage.** Most potential users have little experience with transit, particularly demand responsive services. Developing materials and services that are easy to understand and use will be a critical element in implementing the system.
- **Build awareness of the transit services and how to use them once they are available.** Creating awareness that local and regional public transportation services are available and where to go to find out about them will be a primary objective of this plan. Marketing efforts should build awareness by educating the general public about what transportation options are available, how to get more information, and how to access services. Then, when an individual is ready to consider using transit, they will be able to translate their interest into action.
- **Communicate the value of the transit network and how it reflects local values and needs.** Beyond awareness, the marketing effort must seek to communicate the value of alternate transportation modes to the community and how the coordinated “Family of Service” approach delivers flexibility to meet a wide range of needs and provides the most cost-effective service.

The plan includes discussion of strategies to accomplish each of the above objectives. It also includes information on key target markets, a marketing budgets and draft schedule for marketing activities.

The rule of thumb in the transit industry is that approximately 2% of the operating budget should be allocated to marketing expenditures, beyond the provision of basic passenger information. This would be approximately \$27,000 per year for promotional marketing efforts.

PROCUREMENT OF EQUIPMENT AND SERVICES

Chapter six discusses the major capital and service procurements needed for the implementation. It begins with capital items such as the vehicles needed to operate the service and the communications equipment necessary for the call center to provide coordinated scheduling and dispatch services. The second section covers the various service contracts required to implement the transit plan. For both capital and service contracts, detailed information is provided on specific items that are recommended to be part of the solicitations.

In preparing the solicitations there are excellent examples to follow and good reference material available. It is noted that for service contracts plan on a total of six months from the time the RFP is released to when service will begin.

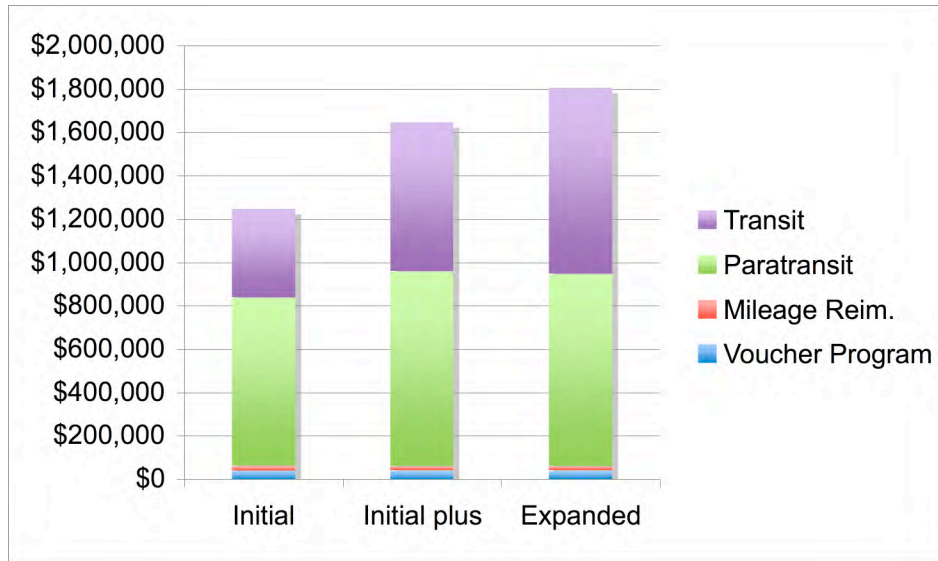
FINANCIAL PLAN

Chapter seven presents a financial plan covering overall costs as well as recommendations on the allocation of costs and revenues between the parties. The chapter begins with presentation of 10-year budgets for the Initial, Initial Plus, and Expanded service levels. The ten year budgets illustrate how the costs and revenues as the transit plan is implemented over time.

Figure ES.3 illustrates the annual operating cost of each of program based on the three basic levels of fixed and flexible route services. The program cost for the Initial level is just over \$1.2 million annually, the Initial Plus level increases to \$1.6 million, and the cost of the Expanded level of service is \$1.8 million. Note that the costs of paratransit services are between \$.8 and \$1.0 million in each scenario.

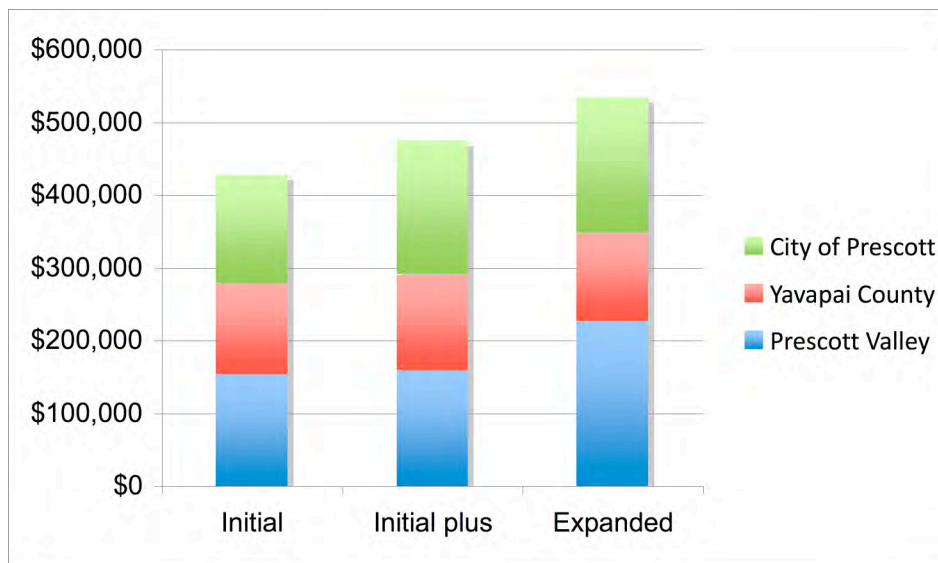
It is recommended that the initial allocation of costs to the individual jurisdictions be made based on service levels and ridership. This is generally perceived as fair, and provides a solid policy foundation for the budget. Over time actual ridership levels can be considered if desired. As service builds, it will be important to establish performance standards to be met in order to maintain service, service development standards to expand services, and standards or conditions that must exist in order to establish new services. A detailed allocation strategy is identified in chapter seven.

Figure ES.3: Annual Program Costs



A key factor for each community is the amount of local funding that would be needed to support the services. Using the allocation methodology outlined in the chapter, the results for allocation of annual operating costs to each jurisdiction are illustrated in **Figure ES.4**. Total annual local matching requirements range from \$425,000 to \$550,000. These costs cover the annual operating costs only; at the outset additional funds would be needed for capital equipment.

Figure ES.4: Local Funding by Jurisdiction



IMPLEMENTATION ACTIVITIES

Chapter eight summarizes the implementation activities for the various components of the plan. Activities are identified by category. The responsible party and an estimated time frame are provided. Many activities can be undertaken concurrently.

While in many cases elected officials or the board of the new agency will ultimately be responsible, staff support will be needed for many activities. Because of the number of items that need to be carried out initially, hiring a transit administrator is encouraged as early as possible. In addition, it is suggested that some activities can begin using resources in the community. The Providers/Stakeholders working group and the Mobility Manager funded through ADOT can provide significant support in defining the scope of services and equipment that will be needed for the call and scheduling center, undertaking initial marketing activities, and similar projects.

CONCLUSION

In the implementation planning process there have been two competing themes, both which are important:

- All phases of service are needed now.
- A funding stream will be needed prior to starting fixed route services.

Beginning services presents challenges from the perspective of institutional structure, management, finances, and operations. A public transit authority has been recommended as the preferred alternative for the institutional structure for delivering services. A transit administrator will be needed to implement this structure and shepherd the process of developing public transit services.

It is unknown how the public will respond to a request to fund the services. What is known is that doing a better job of managing the many transit resources in the area will result in a more effective use of the funds, improved mobility, and economic benefit. The first step is making a commitment to implement Phase 1 services, including the hiring of a transit administrator.

Once this is done the region can determine details of what can be funded with existing revenue streams, when to go to the voters, and what to request. This implementation plan and the budgets in this chapter provide the tools to use in crafting those decisions.