



**SANTA CRUZ METROPOLITAN TRANSIT DISTRICT (METRO)
CAPITAL PROJECTS STANDING COMMITTEE AGENDA
REGULAR MEETING
APRIL 19, 2019 – 9:00AM
METRO ADMIN OFFICES
110 VERNON STREET
SANTA CRUZ, CA 95060**

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The committee may take action on each item on the agenda. The action may consist of the recommended action, a related action or no action. Staff recommendations are subject to action and/or change by the Board of Directors.

COMMITTEE ROSTER

Director Ed Bottorff
Director Cynthia Mathews
Director Bruce McPherson

City of Capitola
City of Santa Cruz
County of Santa Cruz

Alex Clifford
Julie Sherman

METRO CEO/General Manager
METRO General Counsel

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MEETING TIME: 9:00AM

NOTE: THE COMMITTEE CHAIR MAY TAKE ITEMS OUT OF ORDER

- 1 CALL TO ORDER**
- 2 ROLL CALL**
- 3 ADDITIONS OR DELETIONS FROM AGENDA/ADDITIONAL DOCUMENTATION TO SUPPORT EXISTING AGENDA ITEMS**

4 ORAL AND WRITTEN COMMUNICATIONS TO THE CAPITAL PROJECTS STANDING COMMITTEE

This time is set aside for Directors and members of the general public to address any item not on the Agenda, but which is within the matter jurisdiction of the Committee. Each member of the public appearing at a Committee meeting shall be limited to three minutes in his or her presentation, unless the Chair, at his or her discretion, permits further remarks to be made. Any person addressing the Committee may submit written statements, petitions or other documents to complement his or her presentation. When addressing the Committee, the individual may, but is not required to, provide his/her name and address in an audible tone for the record.

5 APPROVE STAFF RECOMMENDATION FOR REVISION TO FY19 CAPITAL PROJECTS PROGRAM

Barrow Emerson, Planning and Development Director

6 10-YEAR (FISCAL YEAR 2020-29) STRATEGIC BUSINESS PLAN UPDATE

Barrow Emerson, Planning and Development Director

7 LONG-RANGE BUS REPLACEMENT PLAN

Barrow Emerson, Planning and Development Director

8 UPDATE AND ACTION RELATIVE TO PACIFIC STATION AND RELATED STUDIES

Barrow Emerson, Planning and Development Director

9 CONSIDERATION OF CONTRACT FOR LAND USE AND DEVELOPMENT SERVICES WITH SWIFT CONSULTING SERVICES, INC. FOR A POTENTIAL PARACRUZ OPERATIONS FACILITY

Daniel Zaragoza, Operations Manager: Paratransit Division
Erron Alvey, Purchasing and Special Projects Director

10 ADJOURNMENT

Pursuant to Section 54954.2(a)(1) of the Government Code of the State of California, this agenda was posted at least 72 hours in advance of the scheduled meeting at a public place freely accessible to the public 24 hours a day. The agenda packet and materials related to an item on this Agenda submitted after distribution of the agenda packet are available for public inspection in the Santa Cruz METRO Administrative Office (110 Vernon Street, Santa Cruz) during normal business hours. Such documents are also available on the Santa Cruz METRO website at www.scmtd.com subject to staff's ability to post the document before the meeting.



DATE: April 19, 2019
TO: Capital Projects Standing Committee
FROM: Barrow Emerson, Planning & Development Director
SUBJECT: APPROVE STAFF RECOMMENDATION FOR REVISION TO FY19 CAPITAL PROJECTS PROGRAM

I. RECOMMENDED ACTION

That the Capital Projects Standing Committee approve the staff recommendation for a revision to the FY19 capital projects resulting from an increased allocation of Federal Transit Administration (FTA) 5339(a) funding

II. SUMMARY

- At the March 15, 2019 Capital Projects Standing Committee meeting, the Committee approved the proposed allocation of \$450,000 in FY18 Federal Transit Administration (FTA) 5339(a) formula funds to the Santa Cruz Metropolitan Transit District (METRO) FY19 Capital Projects program.
- Following the March 15th program approval, the FTA provided additional funding to its initial allocation resulting in a new budget of \$596,725 for the FY18 FTA 5339(a) program.
- METRO staff proposes that the modified project list identified in Attachment B now be funded.

III. DISCUSSION/BACKGROUND

Annually, METRO prioritizes its most immediate and critical non-bus replacement needs and proposes a list of projects to be funded from the annual FTA 5339(a) formula allocation of funds.

In early 2019, staff developed a priority list of projects based on a preliminary FY18 budget estimate provided by the FTA. This program (Attachment A) was approved by the METRO Capital Projects Standing Committee on March 15, 2019.

Following the March 15th approval by the Capital Projects Committee, the FTA provided additional funding of \$146,725 to its initial allocation, resulting in a new budget of \$596,725 for the FY18 FTA 5339(a) program.

METRO staff has reviewed the status of the original program of projects and proposes to use the additional \$146,725 for the modified project list identified in Attachment B.

If approved, these projects would be included in an updated FY19 Capital Projects List, that would be presented at the April 26, 2019 Board meeting.

IV. FINANCIAL CONSIDERATIONS/IMPACT

Funding of \$596,725 is available for the new proposed FY19 Capital Projects List from the modified FY18 FTA 5339(a) allocation.

V. ALTERNATIVES CONSIDERED

Do not add the modified project list from the FY18 FTA 5339(a) formula program to the FY19 Capital Projects program. As these projects have been identified as near term priorities, this is not recommended.

VI. ATTACHMENTS

Attachment A: FTA FY18 5339(a) Project List Approved 3/15/19

Attachment B: Proposed Modified FTA FY18 5339(a) Project List

Prepared by: Barrow Emerson, Planning & Development Director

VII. APPROVALS

Barrow Emerson,
Planning & Development Director



Approved as to fiscal impact:
Angela Aitken, CFO



Alex Clifford, CEO/General Manager



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Attachment A

FY19 PROPOSED NEW CAPITAL PROJECTS

#	Project	Description	FY Cost (000s)	Project Sponsor
1	Gate Control - bus entries at JKS	Security gates and gate controller for upper and lower entries to bus yard. Upper in FY19; lower (fueling) in FY20	\$ 100	Eddie Benson
2	Financial Management Software	Financial, Payroll, Timekeeping Software. \$30k is for consultant to draft scope; \$125k for 1st module in FY19; module 2 in FY20	\$ 155	Angela Aitken
3	Bus Yard Scrubber/Sweeper	M20 Scrubber/Sweeper to clean bus parking lot surface	\$ 75	Eddie Benson
4	Bus Shelter Reconditioning	Lighting for safety and visibility of riders	\$ 25	Eddie Benson
5	Admin Building Engineering and Renovations	For reconfiguration of office space for multiple departments	\$ 10	Eddie Benson
6	Business Copy Machine	Copy machine - Admin	\$ 20	Gina Pye
7	Furniture	12 CSR call center desks: \$15k; Coordinator and Ticket Pass Specialist furniture	\$ 19	Angela Aitken
8	ParaCruz MDC replacements	ParaCruz MDC replacements (two per year)	\$ 8	Ciro Aguirre/April Warnock
9	Concrete Surface Repair - bus yard	Surface repair at fueling facility entry gate	\$ 10	Eddie Benson
10	Facilities Improvements	Capital upgrades of bus stops, including ADA features	\$ 28	Barrow Emerson

Total FY19 Requests	\$ 450
Available funding from FY18 FTA 5339a	\$ 450

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Attachment B

FY19 PROPOSED CAPITAL PROJECTS

#	Project	Description	FY 19 Cost	Project Sponsor
1	Gate Control - bus entries at JKS	Security gates and gate controller for upper and lower entries to bus yard. Lower in FY19; <u>upper (fueling) in FY20</u>	\$ 100,000	Eddie Benson
2	Bus Yard Scrubber/Sweeper	M20 Scrubber/Sweeper to clean bus parking lot surface	\$ 75,000	Eddie Benson
3	Bus Stop Improvements	Reconditioning of bus shelters purchased from VTA; solar lighting for selected shelters	\$ 124,725	Eddie Benson
4	CS Call Center Cubicles and Furniture	12 CSR call center cubicles and furniture: \$15k; Coordinator and Ticket Pass Specialist furniture \$4k. This is done and waiting on drawdown.	\$ 19,000	Angela Aitken
5	Concrete Surface Repair - bus yard	Surface repair at fueling facility entry gate	\$ 10,000	Eddie Benson
6	Facilities Improvements	Capital facilities projects	\$ 85,000	Eddie Benson
7	Floor Scrubbers	Floor Scrubber(1) for Maintenance Shop	\$ 45,000.00	Eddie Benson
8	Maintenance Facility - Paint Exterior	Seal and paint the entire exterior of the Golf Club Maintenance Shop	\$ 60,000.00	Eddie Benson
9	Metro Center - Layover Lot Repairs	Asphalt repairs to bus parking stalls in layover lot	\$ 16,000.00	Eddie Benson
10	Fencing Projects	Fencing behind diesel tank \$2,495/OPS – Fencing in between City Water yard and Generator \$1,100/1217 River – Fencing in front \$3,155	\$ 7,000.00	Eddie Benson
11	SBF - Awning A&E	Awning needed at front of fueling island to protect employees when working in the rain and/or hot sun. <i>Cost is for design phase only, <u>Construction on unfunded capital list FY22.</u></i>	\$ 25,000.00	Eddie Benson
12	Custodial Vehicles	Custodian support vehicle replacement (<u>2nd vehicle on FY20 unfunded</u>)	\$ 30,000.00	Eddie Benson

New TOTAL Request for FY19	\$ 596,725	
Available funding from FY18 FIA 5339a (capital only)		\$ 596,725
Balance (need to source funds/reduce \$)	\$ -	

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DATE: April 19, 2019
TO: Capital Projects Standing Committee
FROM: Barrow Emerson, Planning & Development Director
SUBJECT: 10-YEAR (FISCAL YEAR 2020-29) STRATEGIC BUSINESS PLAN UPDATE

I. RECOMMENDED ACTION

That the Board receive an update on the 10-Year Strategic Business Plan; and,

A. Approve modifications to the list of Key Tactical Initiatives in support of the Strategic Priorities

B. Approve implementation plans for the Key Tactical Initiatives

C. Approve a new Strategic Plan Elements section for all future Standing Committee and Board staff reports

II. SUMMARY

- At the October 17, 2018 Santa Cruz Metropolitan Transit District (METRO) Board Strategic Business Plan initial work session, the Board and management team established a preliminary set of Strategic Priorities (Attachment A).
- On January 25, 2019, the METRO board adopted the Strategic Priorities and a METRO management team proposal for Key Tactical Initiatives, pending minor modifications to the wording of two initiatives, in support of the Priorities. Attachment B shows modifications to the version presented to the Board on January 25, 2019.
- The Strategic Priorities and Key Tactical Initiatives are intended to prioritize the use of METRO's financial and staff resources in the coming years.
- Following adoption of the Strategic Priorities and Key Tactical Initiatives, at the January 25th Board meeting, the management team has developed a 5-Year Implementation Plan (Attachment C) for the Key Tactical Initiatives within the context of the 5-Year financial outlook, for the Board's consideration.

III. DISCUSSION/BACKGROUND

At the October 17, 2018 METRO Board Strategic Business Plan initial work session, the Board and management team established a preliminary set of seven strategic priorities (see Attachment A).

These seven Strategic Priorities were developed within the context of the existing METRO Mission Statement:

“To provide a public transportation service that enhances personal mobility and creates a sustainable transportation option in Santa Cruz County through a cost-effective, reliable, accessible, safe, clean and courteous transit service.”

Among issues discussed at the October 17th work session were a number of specific key ongoing tactical initiatives identified by the METRO management team, including timeframes and cost contexts where appropriate. These Key Tactical Initiatives have been assigned to one or more of the seven draft Strategic Priorities (see Attachment B).

A primary theme from the October 17th work session was that, for at least the last four years, METRO has been in a survival mode, staving off a financial structural deficit, which could have undermined its ability to continue to provide public transportation services to the County.

The management team forecasts a period of relative consolidation or maintaining of service levels, while reinvesting in the “bricks of the business”, improving the quality, promotion and public awareness of the current services, prior to growing the system significantly. As METRO hopefully moves beyond this “fix” stage and towards a “build” phase, it is important that it be clear on its mission and focus its limited financial and staff resources on only its core business initiatives.

On January 25th, the METRO Board adopted the seven strategic priorities and a list of key initiatives, pending minor modification to the wording of two initiatives. Attachment B is an updated version of the Key Tactical Initiatives. Following this direction, the METRO management team has developed a 5-Year Implementation Plan (Attachment C) for the Key Initiatives.

Resources needed for the individual Initiatives were identified in two ways:

1. Staff oriented tasks - Staff oriented tasks are shaded blue and assigned to the appropriate department in order to allow managers to understand the extent to which their department is involved in helping METRO achieve its business initiatives over the next 5 years.
2. Projects requiring funding consideration - Projects requiring funding are shaded either orange (Operating) or green (Capital) with the costs being taken from:
 - METRO’s 10-Year Unfunded Capital Projects List (Attachment D)

- Service expansion priorities taken from the Planning Department Annual Service Planning Update (August 24, 2018 Board Item #12-10 [Attachment E]) .

Dollar values included in Attachment C are not formal estimates and are general order-of-magnitude costs for planning purposes only.

METRO Service Planning Priorities and Standards

Among the Key Initiatives in the Strategic Business Plan is METRO's planning for future system growth when financially feasible (see Initiative 3.a in Attachment C – "Increase Service Levels on Existing Routes"; including Span and Frequency). The August 28, 2018 Annual Service Planning Update to the Board (Attachment E) identified initial priorities for service expansion opportunities:

- Route 35 – Evening frequency improvements in the San Lorenzo Valley.
- Watsonville Circulator implementation, which will operate using METRO's first awarded electric bus.
- Routes 66 and/or 68 - Improved frequency and/or span of service in the Live Oak corridor between Capitola Mall and downtown Santa Cruz, an area with strong transit-oriented demographics.

As part of METRO's ongoing service planning analysis, the Planning Department monitors service levels relative to the 2012-adopted METRO Service Standards, which outline desired levels of service by type of service and time of day (see Attachment F). METRO's Service Standards are reflective of industry standards for similar types of service and urban/rural profiles. Each of our five service categories have their own standards for frequency by time of day.

In most cases, particularly since the 2016 major service reduction, METRO is not able to fully achieve these Service Standards.

- Weekday Peaks – During weekday peaks METRO only achieves its service standards on local routes 4, 55, 75, and 79
- Weekday Base (off-peak) – In the mid-day METRO does somewhat better in meeting its service standards with the 91X and a majority of UCSC and local routes meeting the standard
- Weekday Evenings – This service standard is generally not achieved. In most cases it is that the frequency does not extend long enough into evenings, making it difficult for METRO to meet the wide span of service needs required by the riding public.

- Weekends – With the exception of routes 16, 66, 68, and 71 METRO routes do not meet the service standards

One of the financial difficulties in achieving significant service level increase is the amount of Bus Operator resources required. With any service expansion the amount of Operator resources required must include enough Operators to provide the additional service all week, often more hours than a single Operator can perform in their five-day work week. In addition, for every added Bus Operator an additional 30% of an Operator for “Extra Board” support is required to cover time off and absenteeism. The approximate annual cost for an Operator and operation of their bus is \$130,000.

METRO Committee and Board Staff Report Reformatting

One of the outcomes of METRO’s development of its first Strategic Business Plan is a recommendation that going forward all future METRO Committee and Board staff reports should include a section titled “Strategic Plan Elements” to note the item’s relation to achieving the Strategic Business Plan priorities.

Next Steps

The 5-Year Implementation Plan will be used by the management team to organize staff resource allocation and prioritize future budget proposals.

Pending approval, it is the intent of staff to return to the METRO Board annually for review and updates to this rolling 10-Year Strategic Business Plan.

IV. FINANCIAL CONSIDERATIONS/IMPACT

Although the 10-Year Strategic Business Plan does not direct specific budget related items in the near term, it does identify key tactical initiatives METRO staff will endeavor to implement within this timeframe. Specific financial considerations/impacts will be identified as individual initiatives move forward.

V. ALTERNATIVES CONSIDERED

The 10-Year Strategic Business Plan and its Strategic Priorities are intended to provide context and direction to the METRO Board and staff when considering new initiatives. The clarity and focus provided by the seven Strategic Priorities will support efficient decision-making processes at METRO.

Not pursuing development of a Strategic Business Plan is not recommended.

VI. ATTACHMENTS

Attachment A: Seven Strategic Priorities

Attachment B: Modified Key Tactical Initiatives

Attachment C: 5-Year Implementation Plan

Attachment D: Unfunded Capital List

Attachment E: August 24, 2018 Board Item #12-10

Attachment F: Service Standards

Prepared by: Barrow Emerson, Planning & Development Director

VII. APPROVALS

Barrow Emerson,
Planning & Development Director



Approved as to fiscal impact:
Angela Aitken, CFO



Alex Clifford, CEO/General Manager



Draft Santa Cruz METRO

Strategic Business Plan Priorities

1. Safety First Culture
2. Financial Responsibility, Stability, Stewardship, Accountability
3. Service Quality and Delivery
4. Internal and External Technology
5. Employee Engagement; Attract, Retain, Develop
6. State of Good Repair
7. Strategic Alliances and Community Outreach

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Key Tactical Initiatives In Support of the METRO 10-Year Strategic Business Plan Priorities

The following Key Tactical Initiatives are assumed as 10-year priorities for implementation and are the primary candidates for commitment of financial and staff resources. These are generally issues with either significant annual operating costs and/or large one-time capital costs.

1. Safety First Culture

- a. Implement policies, procedures, and security and safety training agency wide in order to:
 - i. Reduce workers compensation claims
 - ii. Reduce accidents claims
- b. Secure METRO facilities as required by law
- c. Enhance security force
- d. Continuously monitor workplace injuries and actively engage the Safety & Risk Department in retraining following incidents
- e. Regularly review of all facilities for safe working conditions.
- f. Complete the installation of surveillance equipment on the remainder of the fleet.

2. Financial Responsibility: Stability, stewardship, accountability

- a. Adopt balanced budgets without the use of reserves.
- b. Develop balanced 5-year budget plans.
- c. Enforce the Reserve policy and funding levels of the “buckets” to provide buffer against any impacts of revenue levels in including ebbs and flows of economy or changes in funding levels from revenue providers.
 - i. Establish a reserve “bucket” for METRO UAL[CalPERS] and OPEB[retiree medical]
- d. Within the context of available budget, reinvest in the “bricks” of the company to support cost-effective, efficient and quality customer service.
- e. Implement a Fare Restructure during 2019 which could increase revenue by \$500,000 - \$1.5 million and provides improved customer fare payment amenities.
- f. Manage future labor costs so as to maintain the capacity to provide at least the current service level while providing employees with a market competitive

Attachment B

compensation that allows METRO to attract, develop and retain quality employees; while minimizing the impact on long term budgets.

- g. When applicable, use carryover funds from a previous fiscal year only for one-time expenditures rather than for recurring costs.
 - i. Following the annual audit (August – October each year), present to the Board Finance Committee a recommendation for appropriation of any carryover funds, if available, from the previous fiscal year.
 - ii. If recurring surplus revenues are identified, engage the Service Planning Review Committee (SPRC) early to develop a priority list of service needs and then present such service needs to the Board Finance Committee (January - March each year).
- h. Continue to develop strategies to reduce absenteeism and unscheduled overtime.
- i. Complete purchase and installation of a new Financial Information System (FIS) by December 2021.
- j. Strive to leverage local funds with state and federal grants.

3. Service quality and delivery

- a. Within financial capacity, increase service levels on existing routes including daily span of service and frequency.
- b. In the allocation of fixed-route services, over time, increase the percentage of resources committed ridership generating services versus coverage-oriented services
- c. Within financial capacity beyond the current annual cost of \$4 million, increase the Highway 17 Express service level to provide a more attractive alternative to driving alone.
- d.
- e. Maintain appropriate customer service and marketing services to achieve excellence in customer service. Within financial capacity, pursue initiatives which contribute to general community mobility rather than exclusively mass transit solutions.
 - i. Monitor information and, within financial capacity, pursue implementation of alternative service models, such as Transportation Network Companies (TNCs), Microtransit, other on-demand services, and autonomous vehicles; particularly where they may be cost effective.
- f. In order to increase reliability and reduce unscheduled overtime (\$2 million annually), increase the percentage of extra board operators in support of scheduled shift assignments.

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- g. In response to Countywide decisions made relative to the Unified Corridor Investment Study, develop implementation plans and operating cost estimates for services in the following corridors; Soquel/Freedom Bus Rapid Transit (BRT) Lite services, Highway 1 Bus On Shoulders service, and mass transit in Rail Corridor.

4. Internal and external technology;

- a. External (Customer facing)
 - i. Automatic Vehicle Location (AVL) is scheduled to be implemented during 2019. AVL is also a valuable internal tool to support efficient bus scheduling by providing comprehensive data about on-time performance and average travel times on all segments of the system.
 - ii. A Highway 17 Express mobile ticketing pilot project will be implemented in 2019 to determine its attractiveness to users of this service. Pending results of this pilot consideration will be given to implementing mobile ticketing system wide.
 - iii. Pending the effectiveness of the mobile ticketing pilot project, implement an account based fare payment system which improves customer convenience by allowing purchasing and reloading of passes on-line.
- b. Internal
 - i. Investigate upgrade or replacement of the current fare collection and reporting system as it is not dependable and prone to error, resulting in excessive staff time spent maintaining equipment and reconciling data.
 - ii. Investigate upgrade or replacement of the current scheduling and payroll system as it is not supported by modern operating systems.
 - iii. Automatic Passenger Counting (APC) is a tool which would allow METRO to have complete system wide data of passenger ons/off by location, which allows for more effective service and stop planning, and removes the need for manual random field surveys which provide less data and are cost-inefficient to conduct.
 - iv. Develop new data tools for Key Performance Indicators (KPI) and Dashboards by continuing progress on creation of the data warehouse
 - v. Implement new Financial Information System (FIS).
 - 1. Early CY2019 milestone will be the development of the scope of work for a FIS consultant to be hired to help review the existing systems and processes and to help develop the specifications and scope of work for a competitive bid for a new FIS system.

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5. Employee Engagement; Attract, Retain, Develop

- a. Staffing levels
 - i. Although the scheduled level of ParaCruz service is appropriate to support the fixed route network, the difficulty in maintaining a full staff of drivers impacts METRO's ability to achieve the on-time performance target of 90% for the ParaCruz system.. Continue to identify creative and innovative methods to recruit employees.
 - ii. Difficulty in attracting fixed-route operators puts a stress on existing staff and increases operating costs through unscheduled overtime. Continue to identify creative and innovative methods to recruit employees.
 - iii. As many support functions at METRO are staffed at minimal levels; investigate typical staffing level ratios for comparable functions at peer agencies
- b. Attracting employees is often difficult because of the high local cost of living in Santa Cruz County. Recent Classification and Compensation studies may help address this situation.
- c. The ability to retain employees involves the opportunity to enhance one's career path with advancement opportunities which can be difficult at a small agency.
- d. Developing employee's skills, knowledge and abilities requires training which can be costly and time consuming, another difficulty at a small and minimally staffed agency.
- e. Maintain appropriate staffing levels relative to technology improvements.

6. State of Good Repair

- a. METRO's highest priority is to identify funds to replace the 62 fixed-route buses that have reached or surpassed the end of their useful life.
 - i. Bus replacement program is funded to a level of \$3M annually. This will allow METRO to almost eliminate buses beyond their useful life by 2023. However, as existing newer buses start to reach the end of their useful life and California Air Resources Board (CARB) requirements to introduce electric buses begin in 2026, this financial challenge will re-appear and will require ongoing financial resources. The electric bus requirements will also require significant investment in charging infrastructure.
 - ii. Integrate Zero Emissions Buses (ZEBs) into the METRO fleet consistent with Board policy and comply with the impending CARB Regulation. Once the Regulation is adopted, return to the METRO Board with appropriate revisions to the METRO ZEB 2040 Plan that will make it compliant with CARB's Regulation

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- iii. To the greatest extent possible:
 - 1. Provide METRO sufficient time to test its initial new ZEBs before committing to additional purchases, subject to thresholds in the impending CARB Regulation.
 - 2. Subject to the thresholds in the impending CARB Regulation, avoid purchasing additional ZEBs until battery energy density improves sufficient for the “end of life” range of the ZEB to run on all METRO routes (nearly 300-mile daily range)
- iv. Design and construct the yard ZEB recharging infrastructure before the first ZEBs arrive in the second quarter of 2019
- b. Pacific Station is in need of significant rehabilitation in the near term for which METRO has approximately \$2 million available. Discussions with the City of Santa Cruz about the potential for a major redevelopment have resulted in an estimated \$10 million shortfall to implement. Subject to the results of studies currently underway, the current condition of the structure may require METRO to invest more than \$2 million in the near future toward rehabilitation or a new facility.
- c. There is a need for a METRO owned ParaCruz facility as the current lease arrangement is financially inefficient (\$180,000 annual lease through 2021) and the landlord may not renew the lease after 2021.
- d. Create a strategy for addressing METRO’s 10-year Unfunded Capital Projects List for all equipment and facilities, which currently has a price tag approaching \$200M including buses. Items include;
 - i. capital maintenance and upgrades of our four Transit Centers,
 - ii. operations, maintenance, administrative facilities, and bus stops, and
 - iii. vehicle state-of-good-repair, and technology improvements.Some expenses associated with ongoing maintenance are treated as an operating expense.
- e. In response to Countywide decisions made relative to the Unified Corridor Investment Study, METRO may need to explore funding for facilities and equipment in the Soquel/Freedom (BRT Lite), Highway 1 (Bus On Shoulders), and service to or on the Rail Corridor.
- f. Provide facilities that support METRO operations. [FTA 5339a]
- g. Provide non-revenue vehicles that support METRO operations. [FTA 5339a]
- h. Create a strategy to replace ParaCruz vehicles that have past their useful life.

7. Strategic alliances and community outreach

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- a. Over half of METRO ridership is UCSC students, faculty, and staff with the University providing METRO almost \$4.5 million annually, which supported the retention of eight operators in 2016. This alliance is an important strategic and financial issue as UCSC continues to grow and draw riders from origins further from the campus than in prior years.
- b. Cabrillo College has been a financial partner for three school years, funding eight operators at an annual cost of approximately \$950,000, as a result of a student approved and funded bus pass program in 2016 and again in 2017, which is always subject to reconsideration by students. METRO will continue to work to meet Cabrillo needs, including improved access to its Watsonville campus.
- c. Maintain and enhance \$500,000 annual partnership with the Santa Clara County Valley Transportation Authority (VTA), AMTRAK, the Capital Corridor Joint Powers Authority (JPA), the San Joaquin JPA, and the San Joaquin Regional Rail commission (ACE) in support of the Highway 17 Express service.
- d. Enhance relationships with the Association of Monterey Bay Area Governments (AMBAG), the Santa Cruz County Regional Transportation Commission (RTC), and Caltrans who are partner transportation planning agencies involved in legislation, policy, and funding advocacy.
- e. Continue to participate in and support the Santa Cruz Chamber of Commerce and the Monterey Bay Economic Partnership (MBEP).
- f. Within the upcoming requirement to have an all electric bus fleet by 2040 METRO will explore a business relationship with Monterey Bay Community Power and PG&E.
- g. With the recent history of strong public support in Santa Cruz County for transportation funding, METRO will analyze the financial capacity and public appetite for revenue enhancing measures to address capital needs and allow for an increased level of transit service, especially focusing on frequency and span of service.
- h. Work with local jurisdictions to influence their land use strategies to encourage more transit oriented development patterns and road networks which can be efficiently serviced by public transit. Densification of nodes along existing bus trunk lines should be encouraged.
- i. Establish a Marketing, Customer Service function to promote services, retain customers and attract new ridership. Once the Marketing Director is aboard, pursue:
 - i. Developing communication tools and social media to educate the public on the benefits of public transportation.

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- ii. Educating the riding and non-riding residents of Santa Cruz County about how METRO uses the resources they have granted METRO and the air quality/sustainability/GHG reductions to the region
- iii. Promoting, when appropriate, alternative service models as discussed in Items 3.e.

j. Legislation

- i. Provide ongoing education via the Headways, media press releases, and other mediums on legislative issues vital to METRO.
- ii. Support favorable electricity rate legislation/regulation for transit properties operating of ZEBs.
- iii. Continue ongoing work with the CTA via the Executive and Legislative Committees
- iv. Continue to assert METRO's legislative agenda through APTA Committees, the Bus Coalition, and the services of the federal advocate to support various initiatives including:
 - 1. Increased federal formula funding including increasing the Small Transit Intensive Cities (STIC) funds to 3%,
 - 2. federal transit reauthorization funded by stable and recurring funding sources and that grow formula funds to transit agencies, and
 - 3. Stabilizing the Highway Trust Fund - e.g. Increase the federal gas tax

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Strategic Plan Outlook					
	FY 20	FY 21	FY 22	FY 23	FY 24
Initiatives					
1. SAFETY FIRST CULTURE					
a. Implement policies, procedures, and security and safety training agency wide.	All Staff	All Staff	All Staff	All Staff	All Staff
b. Secure METRO facilities as required by law.	-	-	\$150,000	-	-
c. Enhance security force.	\$40,000	\$40,000	\$40,000	\$40,000	\$40,000
d. Continuously monitor workplace injuries and actively engage the Safety & Risk Department in retraining following incidents	All Staff	All Staff	All Staff	All Staff	All Staff
e. Regularly review of all facilities for safe working conditions.	Safety/Security	Safety/Security	Safety/Security	Safety/Security	Safety/Security
f. Complete the installation of surveillance equipment on the remainder of the fleet.	\$375,000	-	-	-	-
2. FINANCIAL RESPONSIBILITY: STABILITY, STEWARDSHIP, ACCOUNTABILITY					
a. Adopt balanced budgets without the use of reserves.	Finance	Finance	Finance	Finance	Finance
b. Develop balanced 5-year budget plans.	Finance	Finance	Finance	Finance	Finance
c. Enforce the Reserve policy and funding levels of the "buckets"	Finance	Finance	Finance	Finance	Finance
i. Establish a reserve "bucket" for METRO UAL[CalPERS] and OPEB[Retiree Medical]	Finance	Finance	Finance	Finance	Finance
d. Within the context of available budget, reinvest in the "bricks" of the company to support cost-effective, efficient and quality customer service.	CEO/CFO	CEO/CFO	CEO/CFO	CEO/CFO	CEO/CFO
e. Implement a Fare Restructure during 2019 [Potential Additional Revenue]	-	+\$500K-\$1M	+\$500K-\$1M	+\$500K-\$1M	+\$500K-\$1M
f. Manage future labor costs so as to maintain the capacity to provide at least the current service level while providing employees with a market competitive compensation that allows METRO to attract, develop and retain quality employees; while minimizing the impact on long term budgets.	CEO/CFO	CEO/CFO	CEO/CFO	CEO/CFO	CEO/CFO
g. When applicable, use carryover funds from a previous fiscal year only for one-time expenditures rather than for recurring costs.	Finance	Finance	Finance	Finance	Finance
i. Following the annual audit (August – October each year), present to the Board Finance Committee a recommendation for appropriation of any carryover funds, if available, from the previous fiscal year.	Finance	Finance	Finance	Finance	Finance

Strategic Plan Outlook					
Initiatives	FY 20	FY 21	FY 22	FY 23	FY 24
ii. If recurring surplus revenues are identified, engage the Service Planning Review Committee (SPRC).	Finance	Finance	Finance	Finance	Finance
h. Continue to develop strategies to reduce absenteeism and unscheduled overtime.	HR	HR	HR	HR	HR
i. Complete purchase and installation of a new Financial Information System (FIS) by June 2021.	-	\$125,000	\$125,000	-	-
j. Strive to leverage local funds with state and federal grants.	Grants	Grants	Grants	Grants	Grants
3. SERVICE QUALITY AND DELIVERY					
a. Increase service levels on existing routes including span and frequency.	-	\$125,000	\$250,000	\$375,000	\$375,000
b. In the allocation of fixed-route services, over time, increase resources committed to ridership instead of coverage.	Planning	Planning	Planning	Planning	Planning
c. Increase the Highway 17 Express service level.	-	-	\$125,000	\$125,000	\$125,000
d. Maintain appropriate marketing and customer services to achieve excellence in customer service.	Marketing/Customer Service	Marketing/Customer Service	Marketing/Customer Service	Marketing/Customer Service	Marketing/Customer Service
e. Pursue initiatives which contribute to general community mobility rather than exclusively mass transit solutions. i. Monitor information and, pursue implementation of alternative service models, particularly where they may be cost effective.	-	\$200,000	\$200,000	\$200,000	\$200,000
f. Increase the percentage of extra board operators in support of scheduled shift assignments.	-	\$500,000	\$500,000	\$500,000	\$500,000
g. Develop implementation plans and operating cost estimates for services in the following corridors; Soque/Freedom Bus Rapid Transit (BRT) Lite services, Highway 1 Bus On Shoulders service, and mass transit in Rail Corridor.	Planning	Planning	Planning	Planning	Planning
4. INTERNAL AND EXTERNAL TECHNOLOGY					
a. INTERNAL (Customer facing)					
i. Automatic Vehicle Location (AVL)	IT	IT	IT	IT	IT
ii. A Highway 17 Express mobile ticketing. Pending results of this pilot consideration will be given to implementing mobile ticketing system wide.	Planning	Planning	-	-	-
iii. Pending the effectiveness of the mobile ticketing pilot project, implement an account based fare payment system.	-	Planning	\$1,500,000	Planning	Planning
b. INTERNAL					

Strategic Plan Outlook					
	FY 20	FY 21	FY 22	FY 23	FY 24
Initiatives					
i. Investigate upgrade or replacement of the current fare collection and reporting system.	Planning/IT	Planning/IT	\$250,000	-	-
ii. Investigate upgrade or replacement of the scheduling and payroll system.	Planning/IT	Planning/IT	Planning/IT	Planning/IT	Planning/IT
iii. Automatic Passenger Counting (APC)	\$650,000	-	-	-	-
iv. Develop new data tools for Key Performance Indicators (KPI) and Dashboards by continuing progress on creation of the data warehouse	Finance/Planning/IT	Finance/Planning/IT	Finance/Planning/IT	Finance/Planning/IT	Finance/Planning/IT
v. Implement new Financial Information System (FIS).	IT/Finance	IT/Finance	IT/Finance	IT/Finance	IT/Finance
5. EMPLOYEE ENGAGEMENT; ATTRACT, RETAIN, DEVELOP					
a. Staffing levels					
i. Continue to identify creative and innovative methods to recruit Paracruz employees to in order to achieve on-time performance targets.	HR	HR	HR	HR	HR
ii. Continue to identify creative and innovative methods to recruit Fixed Route employees.	HR	HR	HR	HR	HR
iii. Investigate typical staffing level ratios for comparable support functions at peer agencies	HR	HR	HR	HR	HR
b. Attracting employees is often difficult because of the high local cost of living in Santa Cruz County. Recent Classification and Compensation studies may help address this situation.	HR	HR	HR	HR	HR
c. The ability to retain employees involves the opportunity to enhance ones career path with advancement opportunities which can be difficult at a small agency.	HR	HR	HR	HR	HR
d. Developing employee's skills, knowledge and abilities requires training which can be costly and time consuming, another difficulty at a small and minimally staffed agency.	HR	HR	HR	HR	HR
e. Maintain appropriate staffing levels relative to technology improvements.	HR	HR	HR	HR	HR
6. STATE OF GOOD REPAIR					
A. METRO's highest priority is to identify funds to replace the 62 fixed-route buses that have reached or surpassed the end of their useful life.	Grants	Grants	Grants	Grants	Grants
A.i. Bus replacement program is funded to a level of \$3M annually.	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
A.ii. Integrate Zero Emissions Buses (ZEBs) into the METRO fleet consistent with Board policy and comply with CARB Regulations.	Procurement/Planning	Procurement/Planning	Procurement/Planning	Procurement/Planning	Procurement/Planning
A.iii. To the greatest extent possible:					

Attachment C

Strategic Plan Outlook					
Initiatives	FY 20	FY 21	FY 22	FY 23	FY 24
A.iii.a Provide METRO sufficient time to test its initial new ZEBs before committing to additional purchases.	Procurement/Planning	Procurement/Planning	Procurement/Planning	Procurement/Planning	Procurement/Planning
A.iii.b Avoid purchasing additional ZEBs until battery energy density improves sufficient for the "end of life" range of the ZEB to run on all METRO routes.	Procurement/Planning	Procurement/Planning	Procurement/Planning	Procurement/Planning	Procurement/Planning
A.iv. Design and construct the yard ZEB recharging infrastructure before the first ZEBs arrive in the second quarter of 2019	\$1,858,000	TBD	TBD	TBD	TBD
B. Pacific Station is in need of significant rehabilitation or redevelopment in the near term for which METRO has approximately \$2 million available. Discussions with the City of Santa Cruz about the potential for a major redevelopment have resulted in an estimated \$10 million shortfall to implement.	\$2,000,000	\$1,500,000	\$1,500,000	-	-
C. METRO owned ParaCruz facility.	-	\$12,000,000	-	-	-
D. Create a strategy for addressing METRO's 10-year Unfunded Capital Projects List for all equipment and facilities.	Grants	Grants	Grants	Grants	Grants
E. In response to Countywide decisions made relative to the Unified Corridor Investment Study, METRO may need to explore funding for facilities and equipment in the Soquel/Freedom (BRT Lite), Highway 1 (Bus On Shoulders), and service to or on the Rail Corridor.	Planning	Planning	Planning	Planning	Planning
F. Provide facilities that support METRO operations. [FTA 5339a]	Facilities	Facilities	Facilities	Facilities	Facilities
G. Provide non-revenue vehicles that support METRO operations. [FTA 5339a]	Fleet	Fleet	Fleet	Fleet	Fleet
H. Replace ParaCruz vehicles that have passed useful life.	Grants	Grants	Grants	Grants	Grants
7. STRATEGIC ALLIANCES AND COMMUNITY OUTREACH					
a. Work with UCSC to fund operating cost growth overtime.	Planning	Planning	Planning	Planning	Planning
b. Work with Cabrillo to fund operating cost growth overtime.	Planning (Under Contract)	Planning (Under Contract)	Planning (Extension)	Planning (Extension)	Planning (Extension)
c. Maintain and enhance \$500,000 annual partnership with agencies that are involved in Highway 17 Express service.	Finance	Finance	Finance	Finance	Finance

Strategic Plan Outlook					
	FY 20	FY 21	FY 22	FY 23	FY 24
Initiatives					
d. Enhance relationships with the Association of Monterey Bay Area Governments (AMBAG), the Santa Cruz County Regional Transportation Commission (RTC), and Caltrans who are partner transportation planning agencies involved in legislation, policy, and funding advocacy.	Planning	Planning	Planning	Planning	Planning
e. Continue to participate in and support the Santa Cruz Chamber of Commerce and the Monterey Bay Economic Partnership (MBEP).	Planning	Planning	Planning	Planning	Planning
f. Within the upcoming requirement to have an all electric bus fleet by 2040 METRO will explore a business relationship with Monterey Bay Community Power and PG&E.	Procurement/Grants	Procurement/Grants	Procurement/Grants	Procurement/Grants	Procurement/Grants
g. METRO will analyze the financial capacity and public appetite for revenue enhancing measures to address capital needs and allow for an increased level of transit service, especially focusing on frequency and span of service.	Executive/Planning	Executive/Planning	Executive/Planning	Executive/Planning	Executive/Planning
h. Work with local jurisdictions to influence their land use strategies to encourage more transit oriented development patterns and road networks which can be efficiently serviced by public transit.	Planning	Planning	Planning	Planning	Planning
i. Establish a Marketing/Customer Service function to promote services, retain customers and attract new ridership. Once the Marketing Director is aboard, pursue:	Marketing/Customer Service	Marketing/Customer Service	Marketing/Customer Service	Marketing/Customer Service	Marketing/Customer Service
i. Developing communication tools and social media to educate the public on the benefits of public transportation.	Marketing/Customer Service	Marketing/Customer Service	Marketing/Customer Service	Marketing/Customer Service	Marketing/Customer Service
ii. Educating the riding and non-riding residents of Santa Cruz County about how METRO uses the resources they have granted METRO along with environmental benefits for the region.	Marketing/Customer Service	Marketing/Customer Service	Marketing/Customer Service	Marketing/Customer Service	Marketing/Customer Service
iii. Promoting, when appropriate, alternative service models as discussed in items 3.e.	Marketing/Customer Service	Marketing/Customer Service	Marketing/Customer Service	Marketing/Customer Service	Marketing/Customer Service
j. LEGISLATION					
i. Provide ongoing education via the Headways, media press releases, and other mediums on legislative issues vital to METRO.	Marketing/Planning	Marketing/Planning	Marketing/Planning	Marketing/Planning	Marketing/Planning
ii. Support favorable electricity rate legislation/regulation for transit properties operating of ZEBs.	Procurement/Grants	Procurement/Grants	Procurement/Grants	Procurement/Grants	Procurement/Grants
iii. Continue ongoing work with the CTA via the Executive and Legislative Committees	Executive/Grants	Executive/Grants	Executive/Grants	Executive/Grants	Executive/Grants

Strategic Plan Outlook					
Initiatives	FY 20	FY 21	FY 22	FY 23	FY 24
iv. Continue to assert METRO's legislative agenda to support various initiatives including: 1. Increased federal formula funding including increasing the Small Transit Intensive Cities (STIC) funds to 3%, 2. Federal transit reauthorization funded by stable and recurring funding sources and that grow formula funds to transit agencies, and 3. Stabilizing the Highway Trust Fund - e.g. Increase the federal gas tax.	Executive/Grants	Executive/Grants	Executive/Grants	Executive/Grants	Executive/Grants
	\$40,000	\$865,000	\$1,115,000	\$1,240,000	\$1,240,000
Total Operating	\$5,025,000	\$16,625,000	\$6,725,000	\$3,200,000	\$3,200,000
Total Capital	-	\$500,000-\$1M	\$500,000-\$1M	\$500,000-\$1M	\$500,000-\$1M
Total Revenue					

10 year unfunded capital projects summary

Category	5-yr need	10-yr need
Construction	\$ 22,708	\$ 152,008
Vehicle State of Good Repair (SGR)	\$ 13,260	\$ 46,235
Facilities Maintenance	\$ 3,980	\$ 6,405
Information Technology (IT)	\$ 4,759	\$ 4,759
Total	\$ 44,707	\$ 209,407

UNFUNDED CAPITAL PROJECTS (000s)											
Construction		20	21	22	23	24	25	26	27	28	29
#	Project	Description	Cost (000s)								
1	ZEB Charging Infrastructure at JKS	JKS yard-charging infrastructure for 10 buses	\$ 858	\$ 858							
2	ZEB Fast-charging Infrastructure at WTC	Fast-charging infrastructure at Watsonville Transit Center	\$ 1,000	\$ 1,000							
3	Roof Reconstruction, Golf Club	Reconstruct built-up roof on first-half of Maintenance Building	\$ 175	\$ 175							
4	ParaCruz Operating Facility (Mobility Management Center)	Property Acquisition, Design, Right-of-Way and construction for new ParaCruz Operating Facility	\$ 12,000	\$ 12,000							
5	Pacific Station Renovation	Renovation or mixed-use project with City	\$ 6,000	\$ 6,000							
6	ADA Access Bus Stops	Remedial ADA Access at all bus stops: pending COA and bus stop audit	\$ -	\$ -							
7	ADA Access at all Facilities	Remedial ADA Access at all facilities. Needs to be identified in future Accessibility Study	\$ -	\$ -							
8	Vernon Street Bus Stop	Move (Route 4) bus stop to lower Admin parking lot. Install base and concrete to bus stop pad and maneuvering apron. Necessary precursor to securing maintenance facility.	\$ 600	\$ 300	\$ 300						
9	Solar Panels	Energy cost reduction through installation of roof-mounted solar panels at the Judy K. Souza Operations Facility, Golf Club, and Vernon	\$ 2,000	\$ 2,000							
10	Cavallaro Transit Center roof replacement and solar panels	Shingle roof and solar panels	\$ 75	\$ 75							
11	Maintenance Facility Wing 2 (to accommodate articulated buses)	Property Acquisition (including 1231 River St), Design, Right-of-Way and Construction for second wing of Maintenance Facility	\$ 15,850				\$ 15,850				
12	Soquel/Freedom Traffic Signal Priority/Pre-Emption for Buses	Enable coach operators to actuate traffic signals to prolong green or change red lights to improve transit running time	\$ 2,000	\$ 2,000			\$ 2,000				
13	Watsonville Park and Ride Lot	South County P&R to support Hwy 1 commuters (200 spaces)	\$ 10,000	\$ 10,000			\$ 10,000				
14	Cavallaro Transit Center Parking Structure	3-Story Parking Structure to support Hwy 17 Express commuters and City activities	\$ 26,400	\$ 26,400			\$ 26,400				

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UNFUNDED CAPITAL PROJECTS (000s)											
Construction		20	21	22	23	24	25	26	27	28	29
#	Project	Description	Cost (000s)								
15	Remove Diesel Tank	Remove tank after replacement of last diesel bus fleet. On hold, as more diesel buses may be added to the fleet.	\$ 50							\$ 50	
16	South County Ops. & Maint. Facility	Auxiliary Operating (including ParaCruz) & Maintenance Facility in Watsonville.	\$ 50,000								\$ 50,000
17	New Watsonville Transit Center	Replacement of current transit center	\$ 25,000								\$ 25,000
		Unfunded Capital Costs thru 2029	\$152,008	\$ 1,858	\$ 20,475	\$ 375	\$ -	\$ 54,250	\$ -	\$ 50	\$ 75,000
		Unfunded Capital Costs thru 2024	\$ 22,708								

UNFUNDED CAPITAL PROJECTS (000s)												
Vehicle SGR		20	21	22	23	24	25	26	27	28	29	30
#	Project	Description	Cost (000s)									
1	Bus Replacements 2022	Replace (1) bus	\$ 700									
2	ParaCruz Replacements	3 new vehicles per year FY21-29	\$ 2,635	\$ 255	\$ 255	\$ 255	\$ 255	\$ 255	\$ 255	\$ 255	\$ 255	\$ 255
3	Bus Replacements 2023		\$ -									
4	Bus Replacements 2024	Bus Replacements Replace (16) buses	\$ 11,200			\$ 11,200						
5	Bus Replacements 2025	Bus Replacements Replace (6) buses (incl 4 artics)	\$ 4,200				\$ 4,200					
6	Bus Replacements 2026	Bus Replacements Replace (25) buses (incl 5 ZEB)	\$ 19,000					\$ 19,000				
7	Bus Replacements 2027	Bus Replacements Replace (3) buses (1 ZEB; 2CNG)	\$ 2,400						\$ 2,400			
8	Bus Replacements 2028	Bus Replacements Replace (4) buses (1 ZEB; 3 CNG)	\$ 3,100							\$ 3,100		
9	Bus Replacements 2029	Bus Replacements Replace (3) buses (3 ZEB)	\$ 3,000									\$ 3,000
10	Non-revenue Vehicle Replacements	Non-revenue trucks and cars	\$ -									
		Unfunded Capital Costs thru 2029	\$ 46,235	\$ 255	\$ 955	\$ 11,455	\$ 4,455	\$ 19,255	\$ 2,655	\$ 3,355	\$ 2,655	\$ 3,255
		Rolling Stock Replacements	\$ 46,235	\$ 255	\$ 955	\$ 11,455	\$ 4,455	\$ 19,255	\$ 2,655	\$ 3,355	\$ 2,655	\$ 3,255
		Unfunded Capital Costs thru 2024	\$ 13,260									

UNFUNDED CAPITAL PROJECTS (000s)

Facilities Maintenance		20	21	22	23	24	25	26	27	28	29	30
#	Project	Description	Cost (000s)									
1	Gate Control - bus entries at JKS	Security gates and gate controller for upper entry to bus yard	\$ 100	\$ 100								
2	Scissor Lift		\$ 20	\$ 20								
3	Capital upgrade of existing transit facilities	Capital upgrade of bus stops, parking lots, transit centers, buildings	\$ 750	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75	\$ 75
4	Custodial Equipment Replacement	Vacuums, Buffers, Scrubbers	\$ 200	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20	\$ 20
5	Landscaping/Irrigation	Re-landscape & irrigate all sites	\$ 240	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30	\$ 30
6	Custodial Vehicles	Custodian support vehicle replacement (2 of 2)	\$ 30	\$ 30								
7	Bird Abatement	All Facilities	\$ 10	\$ 10								
8	Maintenance Facility - Replace Roof	Replace entire roof - poor construction and leaks throughout	\$ 353	\$ 353								
9	Furniture	All Facilities	\$ 150	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50	\$ 50
10	Fueling and Wash Facility - Awning Install	Construction phase - Awning at front of fueling island	\$ 250	\$ 250								
11	Traffic/CHP Monitors at Dispatch		\$ 2	\$ 2								
12	Fuel and Wash Facility - rust removal and repaint	Remove rust and repaint bus fuel and wash facility and equipment	\$ 125	\$ 125								
13	Emergency Operations Centers	Purchase of equipment for EOC at OPS and Admin	\$ -									
14	Bus Washer	Refurb N/S Wash System purchased 2008 & upgrade water recycling system	\$ 100	\$ 100								
15	Maintenance parking lot drainage	French drain or other solution to ensure water doesn't drain to Rayne building	\$ 50	\$ 50								
16	Upgrade HVAC Systems for Vernon	Heating Ventilation Air Conditioning	\$ 50	\$ 50								
17	Administration Remodel	Office remodel of 110 Vernon St.: move/add office space and upgrade HVAC	\$ 1,000	\$ 1,000								
18	Portable Bus Lifts	1 set of 6 artic lifts, \$100k; 2 sets of 4 standard lifts, \$150k. Estimates include labor.	\$ 250	\$ 100	\$ 150							
19	Exterior/Interior Painting	Exterior: Vernon; Interior: Golf Club	\$ 245	\$ 125	\$ 120							
20	Medium Duty Trash Truck	Safer and more efficient bus stop trash cleanup	\$ 150	\$ 150								
21	Shop bay door drainage	French drain or other solution for shop bay door drainage	\$ 200	\$ 200	\$ 200							
22	Parts Washers (3)	Replace the JRI units purchased 2010	\$ 80	\$ 80	\$ 80							

Attachment D

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		UNFUNDED CAPITAL PROJECTS (000s)										
Facilities Maintenance		20	21	22	23	24	25	26	27	28	29	30
#	Project	Description	Cost (000s)									
23	Parallelogram Lift Replacement		\$ 200			\$ 200						
24	Roof Replacement, Fueling Station	Replace Roof (20 yr replacement cycle)	\$ 150					\$ 150				
25	In-ground Bus Lifts	Remove and replace in-ground lifts	\$ 1,700									\$ 1,700
		Unfunded Capital Costs thru 2029	\$ 6,405			\$ 1,450		\$ 495		\$ 395		\$ 115
		Unfunded Capital Costs thru 2024	\$ 3,980									\$ 1,815

		UNFUNDED CAPITAL PROJECTS (000s)											
		IT											
#	Project	Description	Cost (000s)	20	21	22	23	24	25	26	27	28	29
1	Surveillance systems on buses	Phase 2 (remaining buses). Retrofit 25 buses each in FY20 and FY21	\$ 750	\$ 375	\$ 375								
2	Bus APC	Automatic Passenger Counter (APC) systems on all METRO buses.	\$ 650	\$ 650									
3	Backup (to Kite Hill) Repeater Site	2-way Radio Equipment to allow JKS to function as an emergency radio repeater site	\$ 25	\$ 25									
4	Eligibility Coordinator ID Card Printer		\$ 6	\$ 6									
5	Financial Management Software	Financial, Payroll, Timekeeping Software. \$30k (in FY19) is for consultant to draft scope; \$125k for 1st module in FY21; module 2 in FY22	\$ 250		\$ 125	\$ 125							
6	Backup system	Backup system to meet growing disaster recovery needs	\$ 20			\$ 20							
7	Account-based Fare Collection Upgrade	Account-based fare collection upgrade to replace GFI system (excluding fareboxes and vaults)	\$ 1,500			\$ 1,500							
8	MaintStar Expansion Software and Mobile Equipment	Asset and Maintenance Managing software and equipment with onsite training and installation. Work field orders.	\$ 150			\$ 150							
9	ITS	Public WiFi equipment on all facilities and routes beginning w/UCSCs and Express buses. Bus AVL implementation may negate the need for this.	\$ 1,000			\$ 1,000							
10	Camera security system for ParaCruz facility	Camera security system for ParaCruz facility	\$ 150			\$ 150							
11	ParaCruz MDC replacements	ParaCruz MDC replacements. (may be replaced as part of potential Trapeze > Ecolane replacement	\$ 8			\$ 8							
12	ParaCruz Dispatching and Scheduling Software		\$ -										
13	TVMs - replacements and additional	TVM Upgrades and/or replacements	\$ 250			\$ 250							
			\$ 4,759	\$ 1,056	\$ 500	\$ 3,203	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unfunded Capital Costs thru 2029			\$ 4,759	\$ 1,056	\$ 500	\$ 3,203	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unfunded Capital Costs thru 2024			\$ 4,759										

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Attachment E

*Santa Cruz Metropolitan
Transit District*



DATE: August 24, 2018
TO: Board of Directors
FROM: Barrow Emerson, Planning & Development Director
SUBJECT: ACCEPT AND FILE METRO PLANNING DEPARTMENT ANNUAL STATUS REPORT

I. RECOMMENDED ACTION

This report is for informational purposes only. No action is required.

II. SUMMARY

- It has been one year since the last Santa Cruz Metropolitan Transit District (METRO) Planning Department Annual update.
- Transit industry standards suggest there is a minimum level of per trip ridership (10-15 boardings per trip), which is considered effective and not all of METRO routes achieve this level. At the same time, there are services without necessary capacity to meet demand levels comfortably.
- The METRO Planning Department has identified priorities for additional service (specific routes and increased daily span of service) when, or if, additional recurring operating funds were to become available.
- The Planning Department has established specific routes and geographic areas that will be the focus of service planning activities for the next four quarterly service changes, including consideration of limited reallocation of resources from low performing routes to ones in need of additional capacity and/or span of service.
- In addition to ongoing service modifications, the Planning Department has a number of other significant initiatives it is managing during the next fiscal year, as identified in this report.
- Staff requests the Board accept and file this Service Planning Update.

III. DISCUSSION/BACKGROUND

Current Route Performance

Quarterly, including on this August 24th Board meeting agenda, the Planning Department provides the Board with a ridership report, including an analysis of route performance as expressed by the average boardings per trip on each route. (See Attachment A)

Attachment E

Board of Directors
August 24, 2018
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In the transit industry, a rule of thumb is that there needs to be an average of approximately 10-15 boardings per trip for a service to be considered effective, depending on the type of service (rural, local, regional, intercity). In general, most METRO routes perform well, which suggests that generally the level of service is correct, relative to demand and financial capacity to provide service.

METRO has a small number of routes that don't achieve these transit industry standards. There are also some routes that, although they have reasonable overall boardings per trip averages, have segments with extremely limited boardings, which suggest possible realignments or truncation of the route(s). Among these are:

- Routes 33 and 34, which are school oriented trips in the San Lorenzo Valley with extremely low ridership. Today's Board agenda includes an item recommending elimination of these routes due to extremely low ridership over recent years.
- Route 79, which although it has a somewhat acceptable level of boardings per trip for a local lifeline service, has a loop segment to Pajaro that has had almost no boardings. The Route 79 alignment was modified to eliminate the Pajaro loop and add service in central Watsonville starting on June 14, 2018 and ridership will be monitored closely over the coming year.

Conversely, as shown in Exhibit A, in terms of average boardings per trip, there are three non-UCSC routes (69A, 69W, 71) that have average boardings per trip of around 30, which gets close to the seated capacity of a bus.

The five UCSC oriented routes are all strong performers, with METRO and the University constantly working together to address overcrowding and route schedule issues, which are complicated as class start times change by day of the week.

Now that the performance of METRO's routes has generally stabilized, the Planning Department sees opportunities to recommend consideration of the reallocation of trips from low performers to services in need of additional capacity.

Opportunities for Fixed-Route Service Expansion

Given METRO's limited budget growth opportunities, service enhancements are limited at this time. As part of the FY19 METRO annual budget, an additional bus operator FTE was added. However, this position, along with others, is being held in abeyance pending the outcome of Proposition 6, the November 6, 2018 ballot measure proposing repeal of SB-1. This bus operator FTE has been identified as being used to address the limited evening frequency of Route 35 in the San Lorenzo Valley area.

Priorities for Additional Service

As is standard transit industry practice, the Planning Department maintains a prioritized list of service needs, sometimes referred to as "unmet needs", so that if at anytime there is additional recurrent operating funds available for the introduction of

Attachment E

additional effective service, the priorities are clear. Currently, the Planning Department sees the following needs as the most important:

- Route 35/35A evening frequency – As this San Lorenzo Valley (SLV) route alternately serves two legs beyond Boulder Creek, the limited evening frequency makes for extremely poor level of service on these legs.
- There are also areas of the County that have population densities and demographics which suggest that additional services could generate additional ridership
 1. Span of service across the system - There are routes where service starts too late in the morning or ends too early in the evening, both weekdays and weekends, to meet work trip needs, particularly for those in the service industry; these limited spans also do not meet the general mobility needs of County residents. Route 68 is a prime example of this issue with weekday service ending before 7pm and weekend service span lasting only from late morning until approximately 5pm.
 2. Frequency - The additional Bus Operator, added at the Board's direction for FY18 using Measure D funds, was used to address Route 71 weekend overcrowding and has eased overcrowding on these services. In addition to the Route 35/35A noted above, there are other routes whose lack of frequency makes spontaneous use impractical. For example, Route 3, in addition to having limited span of service, has frequency of two hours at times on weekdays and all day on weekends. Another issue is reduced evening frequency on routes such as Route 66 and 69.
- Rural routes with limited daily trips.

Fiscal Year (FY) 2019 Service Planning Activities

As shown in the recently adopted 5-year budget, METRO has stabilized its fixed-route service level at a financially sustainable level for the near term. Within this context of limited expansion capacity, METRO will still work to improve services where possible, through re-allocation of resources from poor performing services to those in need of additional capacity, to avoid adding additional operating costs.

METRO service changes occur four times a year; through the Fall, Winter, Spring, and Summer Bids.

- Fall 2018
 - Pending Board approval of an extension of the Articulated Bus Pilot Project agenda item on today's agenda, Fall 2018 will see the return of these buses for the 2018-19 school year, which would again be funded by UCSC. There are no other significant service changes for Fall 2018 as METRO is awaiting the resolution of Proposition 6, the SB-1 repeal ballot measure.

Attachment E

Following are the focus areas for service planning efforts over the next year:

- Winter 2018-19
 - Pending the outcome of the public hearing on the elimination of Routes 33 and 34 on today's agenda, these services would be eliminated for the Winter service change.
 - As part of METRO's partnership with Cabrillo College, staff is working on route modifications for route(s) in Watsonville to provide service closer to the Watsonville campus for later evening classes.
- Spring/Summer 2019
 - If Proposition 6 is not successful in November 2018 and SB-1 is not repealed, METRO will look to enhance Route 35/35A evening frequency in the San Lorenzo Valley. As part of planning for this improvement, there are other issues related to San Lorenzo Valley/Scotts Valley service that staff will consider opportunities to address including:
 - Service on Scotts Valley Drive is in only one direction (outbound from Santa Cruz).
 - Opportunities related to the repopulation of the former "Borland" campus by UCSC and other increases in employment, housing, and commercial properties in the area.
- Summer/Fall 2019
 - Watsonville Circulator –METRO received a 2016 Low Carbon Transit Operations Program (LCTOP) grant from the State for an electric bus to operate as a Watsonville Circulator, intended to link common origins and destinations around Watsonville at a convenient frequency. Outreach for planning of this initiative will start soon with possible service launch in Fall 2019, pending delivery of the new electric bus.
 - The Monterey Bay Air Resources District awarded METRO with \$200,000 in funding for the initial year of operation of this service.
 - METRO has also received LCTOP grants in 2017 and 2018 for a total of almost \$620,000 allowing METRO to purchase a second electric bus for Watsonville services.

Other Planning Department Initiatives

In addition to the basic ongoing service modifications, the Planning Department is developing the following significant planning initiatives:

Attachment E

- Fare Restructure – Per Board action on March 23, 2018, METRO chose to postpone continued analysis of a Fare Restructure project until the end of 2018 to see the result of the November 6, 2018 ballot measure Proposition 6, the SB-1 repeal effort, which could seriously damage METRO's financial position. Following the November 2018 election, staff will initiate a discussion with the Board related to fare structure and opportunities for fare payment technology improvements and then work with the Board Finance, Budget and Audit Standing Committee in the first quarter of 2019 to explore fare restructuring recommendations.
- On-board survey – In October 2018, METRO will be conducting an on-board survey and ridecheck, METRO's first since 2012, to enhance its understanding of our riders, their demographics, travel patterns, satisfaction with METRO services, and preferences in the use of various technologies including fare payment methods.
- Strategic Business Plan – METRO staff, with external facilitator support, will conduct a Board retreat in October to kickoff a 10-year strategic business plan process for the agency that will address issues including establishment of midterm (10 year) priorities, a review of agency missions/goals/objectives, and analysis of financial capacity, risk, and opportunities.
- Pacific Station long-term planning – METRO, in conjunction with the City of Santa Cruz, has engaged two separate consultant teams to investigate issues related to the future of Pacific Station. The two studies, a downtown transit operations analysis and a Pacific Station conceptual layout exercise, are both underway and should have results this fall, which should inform future planning for METRO's downtown transit center.
- Microtransit and Transportation Network Companies (TNC) – Many transit districts are starting to consider microtransit, a service that offers flexible routing and/or flexible scheduling of non-fixed route vehicles. Microtransit uses instant exchange of information, enabling real-time matching of demand (trip) and supply (driven vehicle), which can extend the accessibility of the transit system. Possible pick-up/drop-off stops are usually pre-defined to allow better routes' optimization. Conceptually, microtransit fits somewhere between private individual transportation (cars or taxicabs) and public mass transit (bus). Some transit agencies are developing relationships with TNCs, such as Uber and Lyft, to supplement their fixed-route and paratransit services. Staff will investigate opportunities for METRO to use these types of services and will return to the Board in 2019 with a status report.
- Hwy 1 Bus On Shoulders – Per another item on today's Board agenda, METRO, in conjunction with Monterey-Salinas Transit, has completed an initial feasibility study of Bus On Shoulders opportunities on SR 1. Going forward, METRO will coordinate with the Santa Cruz County Regional Transportation Commission (RTC) and Caltrans to attempt to institute this project in conjunction with the RTC Auxiliary Lanes project.

Attachment E

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- Ongoing coordination with UCSC and Cabrillo – In spite of the failure of the UCSC student transportation fee ballot measure in May 2018, UCSC and METRO will extended their contractual arrangement, pending approval by the Board of another item today, for bus services through the 2018-19 school year. METRO and Cabrillo have executed a three-year (2018-19 through 2020-21 school year) contract (plus an option for two additional years) to extend the two-year initial student bus pass program. METRO will continue to coordinate with Cabrillo to provide the optimum bus service to meet student needs.
- Transportation Demand Management (TDM) – Staff is working with the City of Santa Cruz on concepts for a downtown employee bus pass as part of a TDM program.
- Marketing – Staff will promote growing initiatives, including the employer/employee commute tax benefit program.
- Unified Corridor Study – Staff will continue to participate in this critically important planning analysis, led by the RTC, on the future transportation uses of State Route 1, the Soquel/Freedom corridor, and the rail right-of-way.
- Automatic Vehicle Location (AVL) and Automatic Passenger Counter(APC) – METRO has received grant funding from the State of California to implement an AVL system. The Planning and Information Technology (IT) Departments will coordinate to introduce this technology to improve operational efficiency, data gathering and analysis, and provide a customer facing Predictive Arrival and Departure System (PADS).

IV. FINANCIAL CONSIDERATIONS/IMPACT

There is no financial impact related to this status report

V. ALTERNATIVES CONSIDERED

There are no alternatives to consider.

VI. ATTACHMENTS

Attachment A: Quarterly Average Ridership by Route

Prepared by: Barrow Emerson, Planning & Development Director

Attachment E

Board of Directors
August 24, 2018
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VII. APPROVALS

Barrow Emerson,
Planning and Development Director



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Approved as to fiscal impact:
Angela Aitken, CFO



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Alex Clifford, CEO/General Manager



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Attachment F SANTA CRUZ METROPOLITAN TRANSIT DISTRICT

Regulation Number: AR-1033

Computer Title: System Standards

Effective Date: January 25, 2013

Pages: 7

TITLE: SYSTEM-WIDE SERVICE STANDARDS AND POLICIES

Procedure History

NEW POLICY
January 25, 2013

SUMMARY OF POLICY
New Regulation

APPROVED



- 4.02 **Vehicle Headway Standard:** Santa Cruz METRO strives to strike a balance between headways and span of service. Santa Cruz METRO uses the following five route categories to delineate different service characteristics and establishes different vehicle headway standards as shown in the table below to meet the trip characteristics in each category.

Headway Standard

Routes	Weekday Peak	Weekday Base	Weekday Night	Weekend
Rural	30	60	90	30
Intercity	15	30	60	60
Local	60	60	60	60
UCSC	10	30	30	30
Highway 17 Express	20	60	60	60

Note: Peak hours are 7:00am - 9:00am and 2:00pm - 7:00pm.
Night service hours are 8:00pm - 12:00am. Not all routes in a route group will operate at all times of a day

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DATE: April 19, 2019
TO: Capital Projects Standing Committee
FROM: Barrow Emerson, Planning & Development Director
SUBJECT: LONG-RANGE BUS REPLACEMENT PLAN

I. RECOMMENDED ACTION

That the Capital Projects Standing Committee receive an update on the Long-Range Bus Replacement Plan and refer it to the Board

II. SUMMARY

- As a result of years of reduced new bus acquisitions during the great recession, 62 buses, over 50% of Santa Cruz Metropolitan Transit District's (METRO) fixed-route bus fleet, were beyond their useful life and in need of replacement at the start of Fiscal Year 2017-18 (FY18).
- METRO has established a strategy to fund extending the useful life of some buses and to procure new buses over the next 22 years through 2040.
- This plan is projected to reduce the number of buses beyond their useful life to zero by the start of FY24, before the number expands again as existing buses begin to age beyond their 14-year useful life.
- As part of this bus replacement plan (Plan), METRO will meet the California Air Resources Board's (CARB) recently adopted mandate that bus agencies purchase only zero-emissions buses starting in FY2029.
- The primary component of this plan is the recently established \$3 million annual funding commitment to bus replacement in the capital budget.
- This recurring funding is now available to METRO due to the passage of both Measure D and Senate Bill 1, the Road Repair and Accountability Act of 2017.
- This presentation is an update of a similar presentation provided to the Board on September 28, 2018.

III. DISCUSSION/BACKGROUND

Through the early 2000s, METRO had always been able to acquire new buses to replace buses that had reached their useful life. Due to the extended recession,

which limited funding availability and the elimination of the ability to acquire new buses through the federal earmark process, over 50% of METRO's fleet was beyond its useful life at the start of FY18. Older buses are still operational but have significantly increased maintenance costs.

METRO staff has analyzed the useful life status of the current fixed-route bus fleet, the agency's financial capacity, and the bus manufacturing industry status and has developed a viable plan to reduce the average age of METRO's fixed-route bus fleet while maintaining the number of buses required to meet operational needs over the next 22 years through 2040.

This report does not address the ParaCruz fleet, whose vehicle replacement program requires a much smaller capital investment. Funding for that program will be addressed in a future presentation.

A key parameter of this Plan is the inclusion of the procurement of electric buses as is now required by the CARB, which on December 7, 2018 adopted its Innovative Clean Transit Rule that mandates procurement of electric buses. 100% of METRO's bus purchases will need to be electric starting in 2029, with 25% of all new bus procurements needing to be electric starting in 2026.

The key component of the Plan is the budgetary strategy adopted for the FY18 budget of committing \$3 million annually in capital funding for a Long-range Bus Replacement Program.

With the passage of Measure D in 2016 and Senate Bill 1 (the Road Repair and Accountability Act of 2017), METRO now has recurring revenue sources to fund this \$3 million annual Bus Replacement program to address METRO's critical issue of operating buses beyond their intended useful life.

Bus Replacement Plan

As shown in Attachment A, the number of buses beyond their useful life can be reduced to a manageable level over the next 22 years through a combination of the following initiatives:

- Refurbishing existing buses to extend their useful life
- New buses funded from grants already won
- Lease-to-purchase agreements
- Purchases of buses with METRO capital funding

To illustrate how the Plan works, Attachment A shows that at the start of FY18, 62 of METRO's 98 fixed-route bus fleet were beyond their 14-year useful life. As a result of completing CNG bus refurbishments and decommissioning older buses,

which were no longer required following the September 2016 service reduction, METRO started FY19 with only 53 buses beyond their useful life.

In FY19, METRO has already procured three buses in a lease-to-buy arrangement, has acquired 14 buses from Santa Clara Valley Transportation Authority, and is refurbishing two older CNG buses, leaving only 34 buses in the fleet beyond their useful life at the start of FY20.

In FY20, METRO will be receiving ten new buses from previously won grants along with refurbishing older buses. In FY21, the strategy will be to continue with the ongoing refurbishment of older CNG buses and to start acquisition of 14 CNG buses over four years through a lease-to-buy agreement. This should momentarily reduce the number of buses beyond their useful life to zero by the start of FY24.

Unfortunately, this number will begin to grow again as additional buses in the METRO fleet begin to reach the end of their useful life.

Grants

This plan is the minimum accomplishment to reducing the number of buses in the METRO fleet beyond their useful life. There are no assumptions for awards of future grants in Attachment A beyond current awards of three CNG buses in FY19, ten buses in FY20, and three electric buses in FY22.

In addition to funding the initiatives in the bullets above, a key strategy of this program is the goal of having up to \$3 million in additional funding available annually for METRO to contribute toward state and federal grant opportunities as our local match. Generally, grant applications that include a significant level of funding through a local match, are more successful than those that don't. Any successful grants in the future would allow for the additional procurement of buses beyond what is currently assumed in this plan; further reducing the number of buses beyond their useful life.

IV. FINANCIAL CONSIDERATIONS/IMPACT

The primary element of the Plan is the \$3 million annual commitment of capital funding to this program. These funds are available as a result of the passage of Measure D and Senate Bill 1.

This annual \$3 million capital funding commitment for bus replacement is assumed in the rolling 5-year Measure D expenditure plan that METRO provides to the Santa Cruz County Regional Transportation Commission (RTC) annually.

V. ALTERNATIVES CONSIDERED

There is no alternative, as it is a Federal Transit Administration (FTA) requirement to have a viable/funded fixed-route bus replacement plan. Not having a plan would ultimately lead to METRO having a reduced bus fleet and not having enough buses to provide the current level of service around the County. In addition, METRO would not be able to successfully implement the CARB mandate to procure only zero-emissions electric buses starting in FY29.

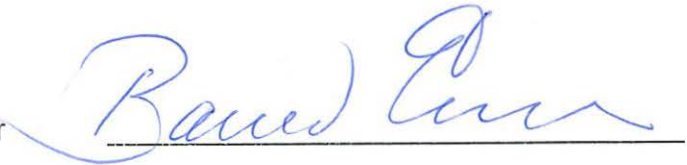
VI. ATTACHMENTS

Attachment A: Funding Plan to Reduce the Number of METRO Buses Beyond Useful Life

Prepared by: Barrow Emerson, Planning & Development Director

VII. APPROVALS:

Barrow Emerson
Planning & Development Director

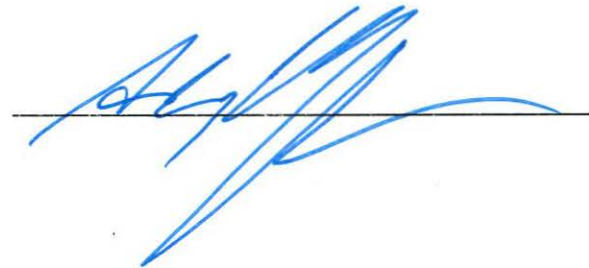


Approved as to fiscal impact:
Angela Aitken, CFO

dkc low for AA



Alex Clifford, CEO/General Manager



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Bus Replacement Plan (14 Year Life)

Assumption: \$2M annually to METRO from STA/SGR.		FY18	FY19*	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30	FY31	FY32	FY33	FY34	FY35	FY36	FY37	FY38	FY39	FY40
Scope																								
Balance from Previous FY			\$500,000	\$1,460,000	\$2,165,000	\$3,380,000	\$3,745,000	\$3,410,000	\$3,360,000	\$3,345,000	\$2,990,000	\$2,970,000	\$2,970,000	\$2,970,000	\$2,970,000	\$2,970,000	\$2,970,000	\$2,970,000	\$2,970,000	\$2,440,000	\$2,440,000	\$2,440,000	\$2,440,000	\$2,440,000
STA/SGR Allocation			\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000
Paul Revere Lease Payment			\$285,000	\$285,000	\$285,000	\$285,000	\$285,000	\$285,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New balance			\$3,750,000	\$4,175,000	\$4,880,000	\$6,095,000	\$6,460,000	\$6,410,000	\$6,360,000	\$6,345,000	\$5,990,000	\$5,970,000	\$5,970,000	\$5,970,000	\$5,970,000	\$5,970,000	\$5,970,000	\$5,970,000	\$6,205,000	\$5,440,000	\$5,440,000	\$5,440,000	\$5,440,000	\$3,440,000
Grant request - 7 CNG			\$3,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
VTA 3rd five buses			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gilling 6 CNGs overruns			\$450,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14 CNG lease/buy			\$0	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$1,500,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2nd 14 bus lease/buy			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
BUY replacement buses**			\$0	\$0	\$0	\$850,000	\$1,550,000	\$1,550,000	\$2,250,000	\$3,100,000	\$2,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$3,000,000	\$2,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$2,000,000	\$0
CNG 6-year Refurbs (\$255K ea.)			\$0	\$255,000	\$510,000	\$0	\$0	\$0	\$0	\$765,000	\$255,000	\$1,020,000	\$0	\$0	\$0	\$0	\$0	\$765,000	\$0	\$0	\$0	\$0	\$0	\$0
STA/SGR Money Remaining for Grant Matching			\$500,000	\$1,460,000	\$2,165,000	\$3,380,000	\$3,745,000	\$3,410,000	\$3,360,000	\$3,345,000	\$2,990,000	\$2,970,000	\$2,970,000	\$2,970,000	\$2,970,000	\$2,970,000	\$2,970,000	\$3,205,000	\$2,440,000	\$2,440,000	\$2,440,000	\$2,440,000	\$2,440,000	\$3,440,000
Buses needed			57	34	21	11	2	0	2	11	30	30	30	30	27	24	24	22	31	30	32	31	31	35
This plan assumes no new grant funding and that SB-1 remains in place.																								
** Assumption for buying buses - spend money in a year, bus is in fleet the next year. (Other spreadsheet)																								

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DATE: April 19, 2019
TO: Capital Projects Standing Committee
FROM: Barrow Emerson, Planning & Development Director
SUBJECT: UPDATE AND ACTION RELATIVE TO PACIFIC STATION AND RELATED STUDIES

I. RECOMMENDED ACTION

That the Capital Projects Standing Committee receive a presentation on the findings of a recent study related to the condition of Pacific Station, and that the Capital Projects standing Committee make a recommendation to the full Board relative to the optimal path to proceed with needed expenditures on Pacific Station

II. SUMMARY

- The Pacific Station Transit Center is in dire need of substantial investment.
- Santa Cruz Metropolitan Transit District (METRO) and the City of Santa Cruz have studied and discussed the future development/redevelopment of the Pacific Station Transit Center for over ten years and METRO and the Federal Transit Administration (FTA) have invested over one million dollars in these studies/analyses over that period of time.
- METRO, in partnership with the City of Santa Cruz, recently completed two important operational studies relative to the Pacific Station Transit Center.
- METRO staff has also recently completed a thorough study of the current condition of the transit center. The results of the study revealed a need to rehabilitate the transit facility at an estimated cost of \$5.6 million, or to completely reconstruct the facility at an estimated cost of \$12.5 million.
- The City of Santa Cruz proposes a third option that would totally redevelop the current transit facility and that would result in a new METRO bus tarmac along Front Street, inclusive of bus bays, and a multi-story mixed use development along the Pacific Avenue frontage.
- METRO staff recommends that METRO can provide up to \$4 million over four years' time (\$1 million/year) for the rehabilitation or redevelopment of the Pacific Station Transit Center.
- METRO staff recommends that the Capital Projects Standing Committee discuss METRO's Pacific Station transit needs for both today and the future and to make a recommendation to the full Board as to how to proceed.

III. DISCUSSION/BACKGROUND

The Pacific Station Transit Center is in dire need of substantial investment. The facility leaks rain water; has substantial termite and dry rot damage; requires a new roof; requires that all windows in the facility be replaced; and likely needs substantial investment in replacing and upgrading the electrical, plumbing and HVAC to code.

METRO and the City of Santa Cruz have been working together since 2001 to identify the best long term plan for METRO operations in downtown Santa Cruz, including services and facilities. Redevelopment of the Pacific Station site has been discussed, as there are rehabilitation activities under consideration by METRO and there are City interests in urban revitalization/redevelopment in downtown Santa Cruz between the METRO transit center and Laurel Street.

To further understand the opportunities related to current and future METRO operations in downtown Santa Cruz, METRO, in partnership with the City, contracted for two separate consultant engagements in 2018:

Downtown Transit Operations Analysis

This study reviewed the overall strategic approach to providing METRO bus service in downtown Santa Cruz and provided an analysis of our operating protocols to identify whether there were opportunities for operating efficiencies and improved customer convenience. This analysis was intended to answer four key questions. The questions and their answers are summarized below.

- *Do all bus routes that currently serve downtown need to serve downtown?* The answer is yes. UCSC students form a compact commuter shed, with over 70 percent living west of the San Lorenzo River according to UCSC data. The number of students living elsewhere is not sufficient to justify a route to UCSC that bypasses downtown. Pacific Station is also a logical terminus for longer routes serving south county locations.
- *Are there efficient and effective ways to serve downtown other than with a single major transit center?* The study has confirmed that an off-street hub operation in downtown Santa Cruz is the most effective option to provide bus service given the origins and destinations METRO serves. There is no workable alternative in Santa Cruz. Typical alternatives are multiple transit centers at the edges of downtown connected by a very frequent shuttle and on-street “super-stops.” Denver is an example of multiple transit centers connected by a free shuttle on a downtown transit mall that operates every five minutes, but its downtown is orders of magnitude larger than downtown Santa Cruz, making the expense of a frequent shuttle difficult to justify. On-street “super-stops” are rare in downtowns because of the impact on parking availability.

- *Is an off-street terminal needed and what is its appropriate size?* The answer is yes; an off-street terminal is needed. Off-street terminals are common in downtowns similar to Santa Cruz, as shown by the peer analysis. Based on existing schedules and changes to where certain buses hold over, this analysis recommends 22-24 bays in Pacific Station, including 14 active bays, 4-6 bays for holdover buses and 4 bays for future system growth. The study also noted that there is no additional bay consolidation opportunity with the introduction of Automatic Vehicle Location (AVL).
- *Can AVL technology facilitate “hot-berthing” and thus reduce the number of required bays?* The answer is no. AVL is unlikely to help with hot-berthing for two reasons: (1) METRO already does hot-berthing within lanes 1 and 4 today; and, (2) extending this concept to include all lanes would force passengers to cross lanes and create unnecessary safety hazards.

Conceptual Layout Drawings

- This exercise developed three alternative concepts to determine the feasibility of various numbers of bays considering various retail/commercial/residential development footprints. (See Attachment A.) One of the three concepts, Alternative 2, could only accommodate 19 bus bays and is considered not viable. The other two (Alternatives 2 and 3) identified 24-26 bays that could possibly be accommodated on the expanded site (including the NIAC building and the City-owned parking lot on Pacific Avenue). The 26-bay concept assumes three bays on Front Street.
- Given the encouraging results of these two studies, it seems that a 24-bay plan, building on the concepts developed in the *Conceptual Layout Drawings*, could potentially meet the goals of both the City and METRO; pending resolution of a number of technical issues including:
 - Confirmation that a 24-bay bus facility can safely and effectively operate multiple routes given the geometric parameters,
 - The pending need for electric bus charging infrastructure at the station,
 - Station ingress and egress to various destinations,
 - Potential costs related to added runtime for various ingress/egress options,
 - Development of an operationally feasible plan for downtown bus operations during project construction,
 - Accommodation of METRO ancillary facility needs, including:
 - Customer Services and call center operations;
 - ParaCruz and ADA functions;
 - Greyhound ticketing and baggage storage;
 - Operators’ break room and restroom facility,

- The security office,
- Employee parking, and
- Non-revenue vehicle and private delivery parking.
- That the level of revenue associated with Pacific Station leases is maintained (estimated at approximately \$100K/year).

That METRO buses can safely and effectively operate in both directions through the Front Street and Laurel Street intersection as Pacific Avenue would no longer be available for buses. Following the completion of the two studies, METRO staff contracted for a thorough review of the structural condition of the Pacific Station main building and then analyzed three possible scenarios to address the urgent need to replace or rehabilitate the transit facility.

Scenario 1: Pacific Station Refurbishment/Rehabilitation – Estimate \$5.6 million

- The preliminary cost estimate for METRO to refurbish/rehabilitate the current Pacific Station to an appropriate level is approximately \$5.6 million. This scenario would seek to open all walls and replace/upgrade needed plumbing and electrical; HVAC; replace all windows; replace the roof; bring the facility up to current code; and reinstall new drywall. This project would also seek to upgrade the exterior presentation of the structure in an attempt to modernize the architectural features to better integrate with the redevelopment of adjacent properties.

Scenario 2: Complete Rebuild of the Existing Station – Estimate \$12.5 million

- The cost estimate for a complete rebuild of the existing station on the same footprint is approximately \$12.5 million. This scenario would seek to raze the existing structure and to rebuild a new structure on the existing footprint and footings.

Note: The County of Santa Cruz has confirmed that no environmental remediation related to ground conditions at the station is required until a significant redevelopment project is undertaken.

Scenario 3: Total Redevelopment of Pacific Station – Estimated at \$8 million

- With this scenario, the City has proposed a redevelopment concept that preliminarily indicates an investment of \$8 million is needed for the transit facility portion of a proposed mixed-use development concept.
- This scenario envisions razing all structures and facilities on both the METRO property and the adjacent City-owned properties and remapping the City and METRO properties to create a METRO owned bus tarmac and bus bays, inclusive of a structure for bus operator facilities. Access/egress to the new bus facility would be via Front Street. The remainder of the property would be owned by the City of Santa Cruz and would facilitate a mixed-use concept that might include commercial/retail, offices and housing.

- METRO has analyzed its capacity to dedicate funding under this scenario to a proposed turnkey redevelopment project and has determined that METRO has the capacity to contribute up to \$1 million per year annually over the next four years towards a turnkey redevelopment project with the City of Santa Cruz. Doing so would leave an approximate \$4 million shortfall in needed funding.
- Staff recommends that any additional funds needed by the City in order to complete the new turnkey METRO facility would have to be borne by the City of Santa Cruz via grants, Opportunity Zone credits, or by other means of tax credits or City financing.

METRO staff has analyzed available and anticipated funding and the constraints of each funding source and has determined that only \$1 million a year of the \$3 million a year the Board dedicates to capital will qualify for expenditure on a new facility. Further, METRO currently holds approximately \$2.7 million in PTMISEA funds that are assigned to Pacific Station. While a new facility is a qualified expense for PTMISEA funds, staff has determined that these funds should not be used for Pacific Station for the following reasons:

1. METRO cannot assign these funds to the City of Santa Cruz
2. As a result of the many years of discussion about the future of Pacific Station, these funds are nearing their obligation deadline. METRO does not wish to place these significant capital funds in jeopardy of being returned to the State.

Finally, under Scenario 1, Pacific Station refurbishment/rehabilitation, METRO would control the project and the project's expenditures and could expend the \$2.7 million in PTMISEA before its obligation deadline. The \$2.7 million combined with the \$4 million (\$1 Million per year for 4 years) would provide an estimated \$6.7 million to thoroughly refurbish/rehabilitate the existing structure, inside and out.

METRO staff does not believe that Scenario 2, the complete rebuild of the existing station, is a fundable option in the near future without significant state and/or federal grants.

IV. FINANCIAL CONSIDERATIONS/IMPACT

These two consultant engagements have cost approximately \$80,000 shared equally between METRO and the City. Further planning and analysis would cost an as yet undetermined amount of funding along with significant METRO staff time. To support METRO's portion of these contracts, a budget of \$50,000 was included in the Planning Department's FY19 Professional/Technical Service (503031) Operating Budget.

METRO's capacity for commitment to a redevelopment partnership is \$1 million per year for four years.

Funding Scenario 1 or 3 would require METRO to dedicate \$1 million/year of the anticipated \$3 million/year capital program for the next four years. Doing so will likely preclude METRO for the next four years from applying for state and federal grants that require a local match.

V. ALTERNATIVES CONSIDERED

- The Capital Projects Committee could abandon the concept of rehabilitation or reconstruction of Pacific Station. This is not recommended given the dire need to invest in repairs to the facility.
- The Capital Projects Committee could recommend one or more alternate approaches to resolving the short-term need to invest in Pacific Station.

VI. ATTACHMENTS

Attachment A: Conceptual Layout Drawings

Prepared by: Barrow Emerson, Planning & Development Director

VII. APPROVALS:

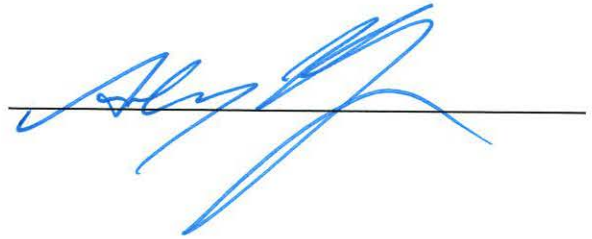
Barrow Emerson
Planning & Development Director



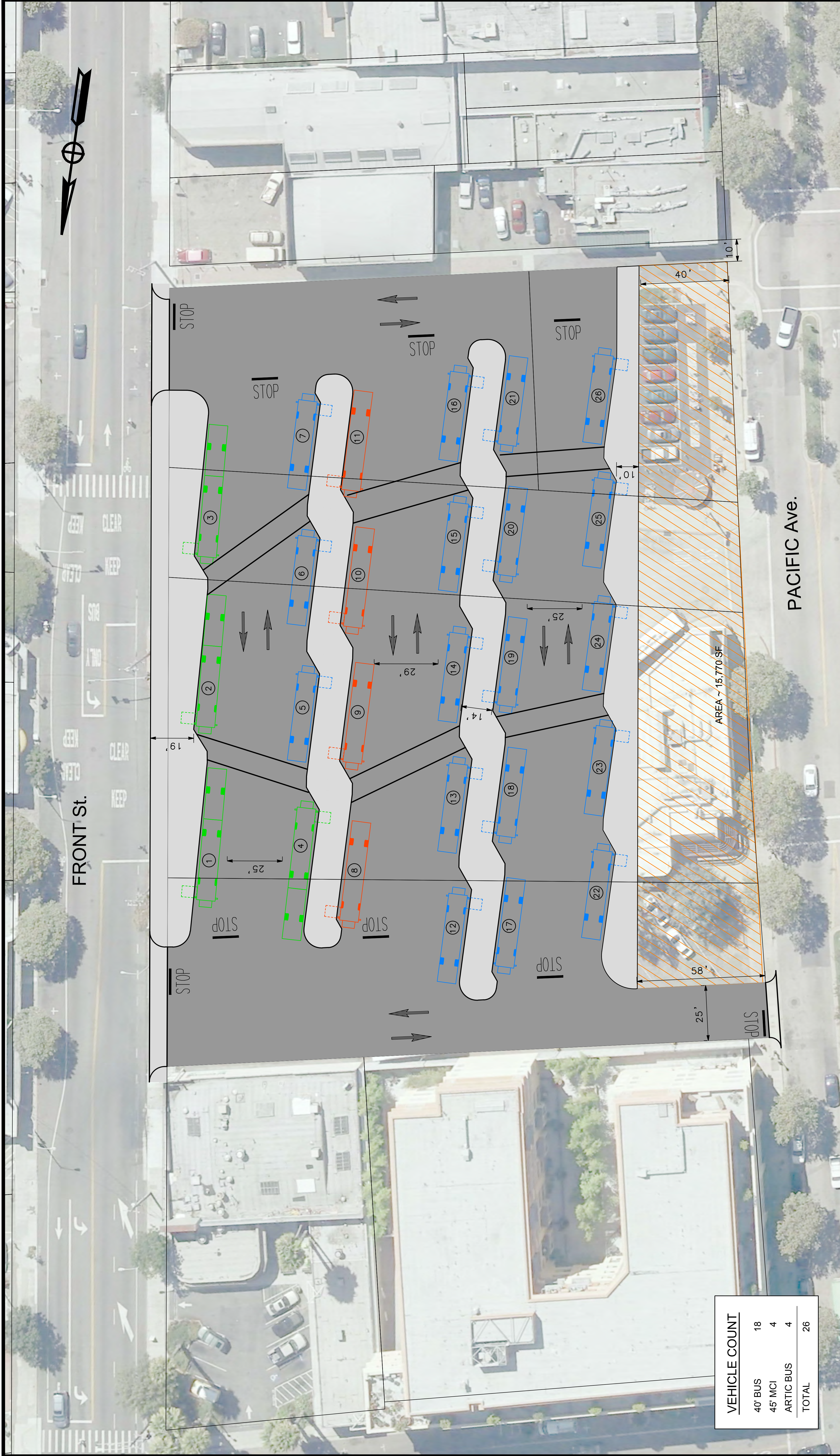
Approved as to fiscal impact:
Angela Aitken, CFO

dk for AA

Alex Clifford, CEO/General Manager



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VEHICLE COUNT	
40' BUS	18
45' MCI	4
ARTIC BUS	4
TOTAL	26



DOWNTOWN TRANSIT CENTER
SANTA CRUZ METRO
ALTERNATIVE 1

SCALE: 1" = 20'
DATE: OCTOBER 2018
FILE:

URBAN DEVELOPMENT (hatched area)
ARTICULATED BUS (green dashed outline)
45' BUS (orange dashed outline)
40' BUS (blue dashed outline)



FRONT St.

PACIFIC Ave.

AREA ~ 15,770 SF

VEHICLE COUNT	
40' BUS	18
45' MCI	4
ARTIC BUS	4
TOTAL	26



DOWNTOWN TRANSIT CENTER
SANTA CRUZ METRO
ALTERNATIVE 1

— BUS MOVEMENT
— IMPAIRED BUS MOVEMENT
 URBAN DEVELOPMENT

SCALE: 1" = 20'
 DATE: OCTOBER 2018
 FILE:



VEHICLE COUNT	
40' BUS	11
45' MCI	4
ARTIC BUS	4
TOTAL	19



DOWNTOWN TRANSIT CENTER
SANTA CRUZ METRO
ALTERNATIVE 2

SCALE: 1" = 20'
DATE: OCTOBER 2018
FILE:

URBAN DEVELOPMENT

45' BUS

40' BUS

ARTICULATED BUS



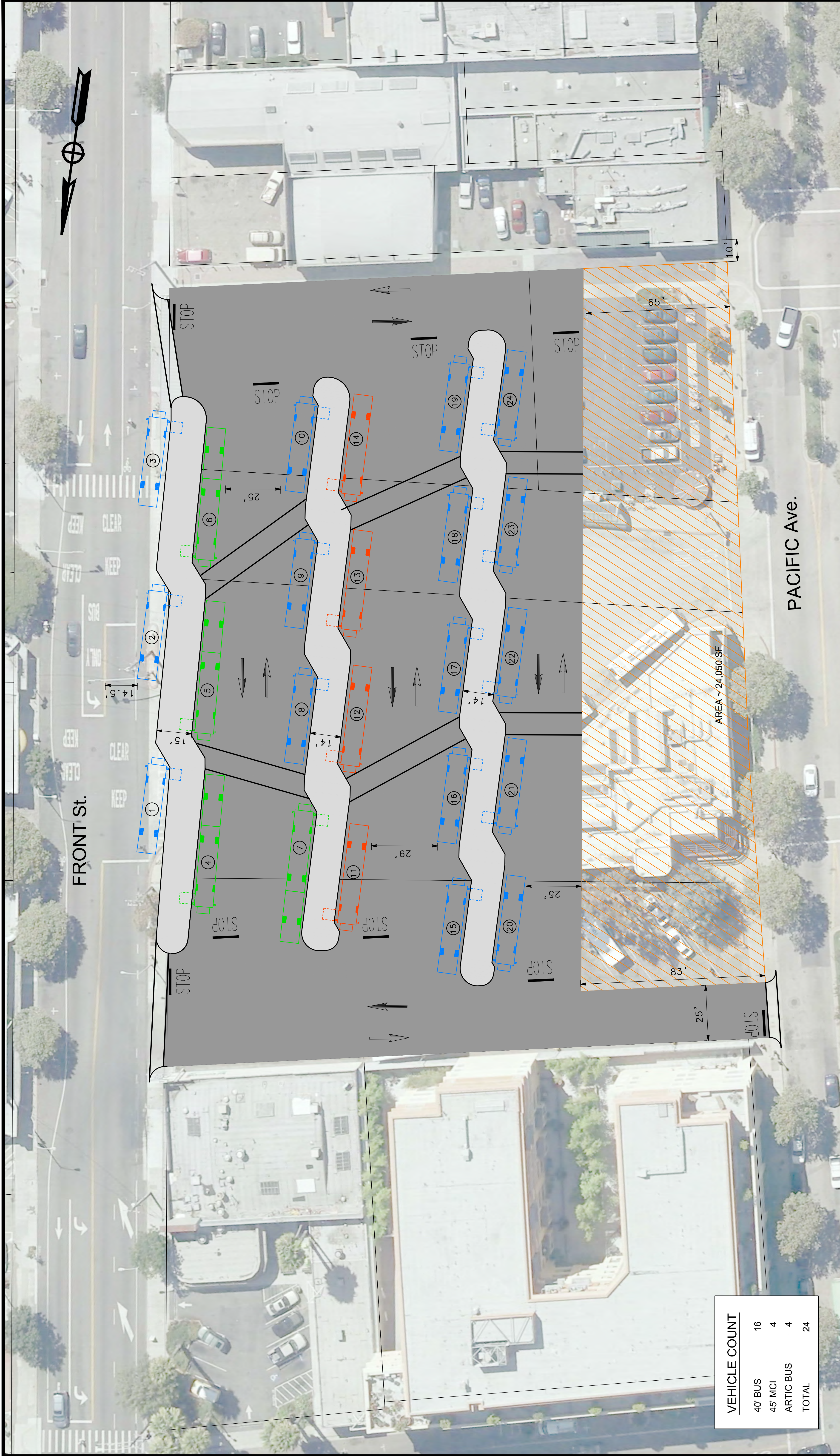
VEHICLE COUNT	
40' BUS	11
45' MCI	4
ARTIC BUS	4
TOTAL	19



DOWNTOWN TRANSIT CENTER
SANTA CRUZ METRO
ALTERNATIVE 2

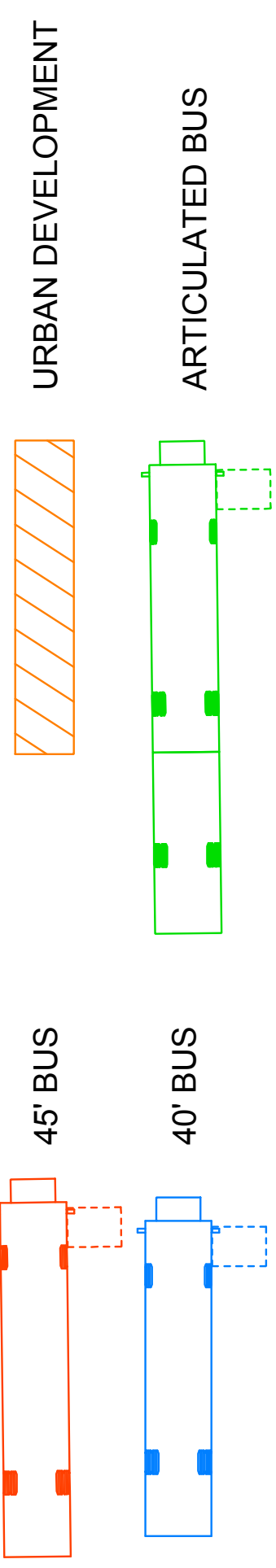
BUS MOVEMENT
IMPAIRED BUS MOVEMENT
URBAN DEVELOPMENT

SCALE: 1" = 20'
DATE: OCTOBER 2018
FILE:



VEHICLE COUNT	
40' BUS	16
45' MCI	4
ARTIC BUS	4
TOTAL	24

SCALE: 1" = 20'
 DATE: OCTOBER 2018
 FILE:





DOWNTOWN TRANSIT CENTER
 SANTA CRUZ METRO
 ALTERNATIVE 3






VEHICLE COUNT	
40' BUS	16
45' MCI	4
ARTIC BUS	4
TOTAL	24

BUS MOVEMENT 

IMPAIRED BUS MOVEMENT 

URBAN DEVELOPMENT 

SCALE: 1" = 20'
 DATE: OCTOBER 2018
 FILE:

DOWNTOWN TRANSIT CENTER
 SANTA CRUZ METRO
 ALTERNATIVE 3





DATE: April 19, 2019

TO: Capital Projects Standing Committee

FROM: Daniel Zaragoza, Operations Manager: Paratransit Division
Erron Alvey, Purchasing and Special Projects Director

**SUBJECT: CONSIDERATION OF CONTRACT FOR LAND USE AND
DEVELOPMENT SERVICES WITH SWIFT CONSULTING SERVICES,
INC. FOR A POTENTIAL PARACRUZ OPERATIONS FACILITY**

I. RECOMMENDED ACTION

That the Capital Projects Standing Committee provide a recommendation to the METRO board to initiate a preliminary analysis of the potential use of the Soquel Park and Ride facility as a new home for ParaCruz operations

II. SUMMARY

- The Santa Cruz Metropolitan Transit District (METRO) owns a currently underutilized Park and Ride lot on Paul Sweet Road in Soquel that could potentially be used as the future site of the ParaCruz Operations Facility.
- The purpose of this report is to introduce, for consideration, the concept of a ParaCruz Operations Facility Project and receive feedback and a recommendation to the Board to proceed with preliminary review of the facility.
- In order to determine if this is a feasible project, services of a land use development consultant will be needed to assist in the development of rough order of magnitude cost estimate and to help determine if the proposed use is appropriate for the site.

III. DISCUSSION/BACKGROUND

METRO is currently leasing the ParaCruz Operations Facility located on Research Park Drive. The annual cost of the lease will be \$195,464 in FY19, \$200,160 in FY20 and \$204,998 in FY21. METRO currently leases more office space than needed due to the recent merger of the ParaCruz Reservationist with Customer Service Representatives, and the leased facility does not provide enough parking for the ParaCruz fleet.

When the lease was recently renewed, there was an indication from the property owner that there may not be future lease renewals. Additionally, over the past few years, COO Aguirre has searched unsuccessfully throughout the mid-county area for both leasable and buildable properties. For operational purposes, METRO staff believes a ParaCruz facility should be located in the mid-county area.

Staff wishes to retain the Consultant's services to assess the potential project feasibility and the process and risks associated with permitting an administrative office and vehicle parking on the site. The scope of services will also include assisting in obtaining a rough order of magnitude cost for a new facility by analyzing potential construction options, such as stick-built, portables, and modular buildings.

Once sufficient information and preliminary design is completed, and Board approval is obtained, the METRO Grants Department could search for potential grant opportunities to construct a new ParaCruz facility.

METRO owns the Soquel Park and Ride facility. However, the facility is no longer being used for METRO operations. The Highway 17 service stopped servicing this lot when service was cut in September of 2016. Since then, it has been used by unauthorized vanpools and unauthorized parking for employees of Dominican Hospital. METRO has been unsuccessful in negotiating a contract with Dominican Hospital to pay for its use of the facility. At this time, METRO is not using this facility for its operations and it is not generating any revenue. Additionally, METRO has noticed an increase in lot usage for unauthorized overnight camping and has had to tow abandoned vehicles.

Should METRO proceed with the consultant contract, the initial cost should not exceed \$10,000. This cost is within the CEO's authority.

At this time, staff is requesting feedback from the Capital Projects Standing Committee on the concept of relocating the ParaCruz operations to a potential new facility at the Soquel Park and Ride facility and to make a recommendation to the Board to proceed with preliminary analysis. Staff intends to return regularly to the Committee with status updates.

IV. FINANCIAL CONSIDERATIONS/IMPACT

Funding for the Land Use Development Consultant Services is available in labor and other cost center underruns from the FY19 Administrative Operating Budget (1100-503031). Staff estimates the initial cost for consultant services will not exceed \$10,000.

V. ALTERNATIVES CONSIDERED

Should METRO not pursue a new ParaCruz Operations Facility at the Soquel Park and Ride facility, METRO may be in jeopardy of not having a home for ParaCruz when the current lease expires.

METRO could reinitiate a search for an alternative property to lease, buy or build.

VI. ATTACHMENTS

None

Prepared by: Daniel Zaragoza, Operations Manager: Paratransit Division
Erron Alvey, Purchasing and Special Projects Director

VII. APPROVALS

Approved as to fiscal impact:
Angela Aitken, Chief Financial Officer

dk for AIA

Alex Clifford, CEO/General Manager

