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Public/Private Partnerships in Transit

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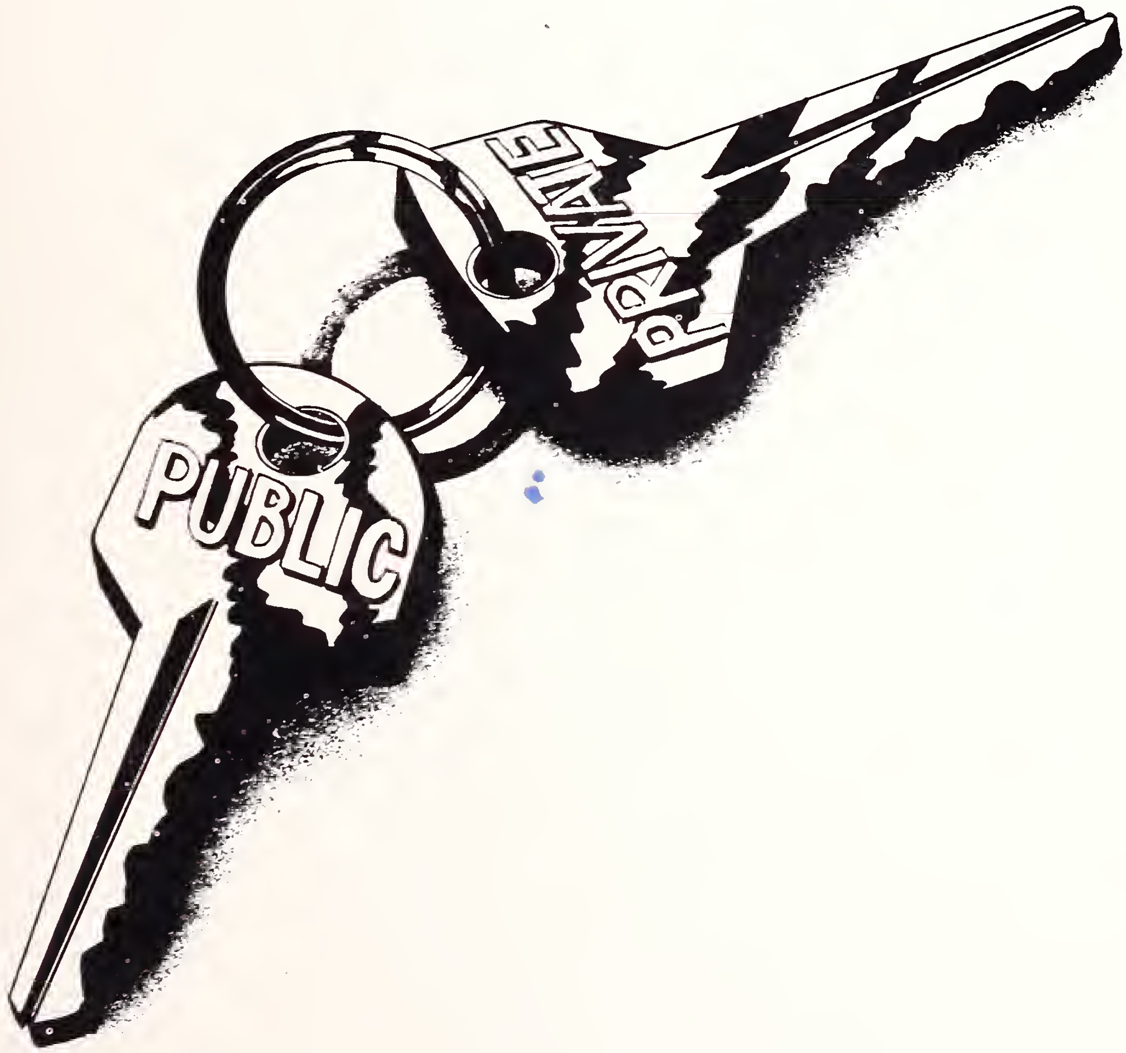

Public/Private Partnerships in Transit

Volume 2: Appendices
April 1985

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TABLE OF CONTENTS

INTRODUCTION

This document is an Appendix to Volume I of the National Association of Regional Council handbook on Public/Private Partnerships in Transit sponsored by the Urban Mass Transportation Administration. This appendix is comprised of indepth case studies on virtually all the presentations made during the 1984 NARC/UMTA Conferences on Public/Private Partnerships in Transit on June 21-22 in Los Angeles, CA and on September 10-11 in Washington, D.C. It is divided into three parts: (1) Planning for the Private Provision of Transit Services; (2) Private Financing of Public Transit; and, (3) Private Sector Involvement in Promoting Public Transportation.

The conferences provided an opportunity for business leaders and local government decisionmakers to share experiences and about how some metropolitan planning organizations, local governments and public transit agencies are working successfully with the private sector in planning and implementing transit services and investment decisions.

An Executive Summary of the Appendix can be found in Volume I.

PLANNING FOR PRIVATE PROVISION OF TRANSIT SERVICES

COMMUTER AND EXPRESS BUS SERVICE IN THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS REGION: A POLICY ANALYSIS OF PUBLIC AND PRIVATE OPERATIONS

by

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SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS
LOS ANGELES, CA

INTRODUCTION

This report on Southern California Association of Governments region commuter and express bus services is the product of a ten-month study effort. A special task force, consisting of private bus operators, public transit authorities and planning, funding, and regulating agencies gave technical assistance and policy recommendations to the SCAG Transit Section in the conduct of the analysis. The report covers the following areas:

- The current (1981) extent of commuter/express bus service and ridership.
- The economics of commuter/express bus service - a comparison of public and private cost and revenue structures.
- The institutional and regulatory issues affecting public and private provision of commuter bus transportation.
- Evaluation of alternative public and private operating scenarios.
- Conclusions and policy recommendations.

THE CURRENT EXTENT OF COMMUTER/EXPRESS BUS SERVICE AND RIDERSHIP

The Public Sector

Six public agencies provide sixty-eight express and eleven subscription routes.

Public Transit Agency	Express Routes	Subscription Routes
Southern California Rapid Transit District	56	11
Orange County Transit District	7	
Torrance Transit	2	
Gardena Transit	1	
Long Beach Transit	1	
Torrance Transit	1	

Four hundred eighty two buses are operated on various freeways during the three-hour peak period from 6:00 a.m. to 9:00 a.m. 70,900 boardings are made on express buses every weekday.

Corridor	Daily Boardings
Pasadena Freeway	2,800
Hollywood Freeway	12,000
Harbor Freeway	5,900
Santa Ana Freeway	5,800
Long Beach Freeway	3,500
Golden State Freeway	1,700
Santa Monica Freeway	4,400
San Diego Freeway	1,800
Pomona Freeway	3,500

The Private Sector

Fourteen private bus companies operate 132 routes. Commuter Bus Lines is the largest with 67 buses.

Private Transit Company	Number of Routes
Commuter Bus lines	49
Antelope Valley Bus, Inc.	31
Com-Bus	28
Hunt Transportation	7
Mark IV	5
Get-a-way	2
Orange Blossom Lines	2
Sunday Bus Lines	2
American Charter	1
Breland	1
Conejo Coach	1
Gene Stich/Challenge Coach	1
Hunt Transportation	1
Sundance Lines	1

Approximately 140 buses are operated over various freeways and other routes during the three-hour peak period from 6:00 a.m. to 9:00 a.m., and 5,000 people ride them daily.

Assessment

Public operators dominate freeway corridors bound for the Los Angeles central business district while private operators dominate non-downtown niches not well served by public carriers. Examples of the latter are the Ventura to El Segundo route and the San Diego and Riverside Freeways. Private bus routes are typically longer than public. Good geographical coverage is provided by the combination of public and private operators.

THE ECONOMICS OF COMMUTER/EXPRESS BUS SERVICE

Operating Costs

Estimates of operating costs on twenty-two SCRTD and OCTD express/ commuter routes were made for both public and private operators. For the SCRTD routes, a three variable cost allocation model was used. The variables used to predict cost of operating a route are vehicle miles, vehicle hours, and vehicles. OCTD's own cost model which is similar to the Los Angeles model was used to determine the costs of the OCTD routes.

For the private operators, a questionnaire was sent out asking for cost "bids" on nine publicly operated routes. For other routes, the private sector costs were then estimated by applying a factor of $2.79 per revenue vehicle mile, the mean of costs submitted by the private operators for the routes bid upon.

The results of this costing exercise as indicated in the two columns labeled "total cost" in Exhibit A, show that for the twenty-two lines, private companies--on average--could operate for 50% of the public operator cost.

Such comparably lower costs can be attributed to five advantages that private operators have over public operators:

- Lower salaries are paid to drivers, private carrier.
- Overhead expenses are less than public properties.
- Part-time drivers can be used more.
- Worker-drivers, who work near the bus's destination, eliminate deadheading.
- Flexible work rules allow efficient use of personnel.
- Terminal locations can be strategically placed if the operator's service is in one geographical location.

Revenue and Net Profit or Subsidy

Revenue estimates for these same twenty-two express/commuter routes were also made. Present fares and ridership were used as a base and then break even fares were calculated, taking into consideration the effects of price elasticity.

The results as shown in Exhibit A indicate that if private companies, under contract, took over operation of these twenty-two public lines with no changes in fare structure, the needed public subsidy would be reduced by $5,325,251, or 97% from $5.50 million to $0.179 million. Average subsidy per trip would decrease $2.21 or 92.4 percent from $2.39/trip to $0.18/trip.

Additionally an examination was made of the conditions necessary to operate entirely at a profit. The results indicate that four routes could be so operated by private carriers with no fare increase; four routes would operate profitably with less than a 30% fare increase, three with an increase between 30% and 70% and four for which private, non-subsidized operation does not appear feasible.

These results represent the short term impacts of converting a relatively small number of bus lines to private operations. The high public labor costs which influenced this analysis might, also, be incurred by private operators in the long term if large scale conversions were implemented.

EXHIBIT A
ECONOMIC COMPARISON OF PRIVATE &
PUBLIC COMMUTER/EXPRESS BUS OPERATIONS

BUS LINE	ANNUAL REVENUE	PUBLIC OPERATIONS: ANNUAL COST	PUBLIC OPERATIONS: PROFIT (SUBSIDY)	PUBLIC OPERATIONS: FAREBOX RECOVERY	PUBLIC OPERATIONS: SUBSIDY PER TRIP	PRIVATE OPERATIONS: ANNUAL COST	PRIVATE OPERATIONS: PROFIT (SUBSIDY)	PRIVATE OPERATIONS: FAREBOX RECOVERY	PRIVATE OPERATIONS: SUBSIDY PER TRIP
RTD 501	55,200	92,660	(37,460)	.60	NA	40,695	14,505	1.36	NA
RTD 503	62,400	87,393	(24,993)	.71	NA	50,513	11,887	1.27	NA
RTD 504	69,600	128,405	(58,805)	.54	NA	57,343	12,257	1.21	NA
RTD 505	190,800	256,125	(65,325)	.74	NA	117,816	72,984	1.62	NA
RTD 507	48,000	76,648	(28,648)	.63	NA	26,324	21,676	1.82	NA
RTD 508	55,200	93,907	(38,707)	.59	NA	43,114	12,086	1.28	NA
RTD 509	124,800	190,294	(65,494)	.66	NA	88,505	36,295	1.41	NA
RTD 511	62,400	78,592	(16,192)	.79	NA	42,118	20,282	1.48	NA
RTD 716	188,940	635,204	(446,264)	.30	5.22	256,784	(67,844)	.74	0.79
RTD 721	448,704	1,053,195	(604,491)	.43	2.60	491,564	(42,860)	.91	0.18
RTD 737	206,424	361,315	(154,891)	.57	1.66	164,914	41,510	1.25	-
RTD 755	496,320	1,117,312	(620,992)	.44	2.59	580,088	(83,768)	.86	0.35
RTD 757	808,436	1,415,243	(611,807)	.57	1.47	648,501	154,935	1.24	-
RTD 758	270,108	735,441	(465,333)	.37	3.32	298,872	(28,764)	.90	0.21
RTD 760	769,860	1,280,799	(510,939)	.60	1.47	582,251	187,609	1.32	-
RTD 762	523,488	1,192,475	(668,987)	.44	2.47	701,989	(178,501)	.75	0.66
RTD 764	500,733	826,812	(326,079)	.61	1.54	455,970	44,763	1.10	-
OCTD 201	26,103	201,431	(175,328)	.13	8.93	100,187	(74,084)	.26	3.77
OCTD 203	47,121	328,959	(281,838)	.14	7.95	249,256	(202,135)	.19	5.70
OCTD 204	26,442	94,055	(67,613)	.28	3.40	38,894	(12,452)	.68	0.63
OCTD 209	52,884	134,358	(81,474)	.39	2.05	99,175	(46,291)	.53	1.16
OCTD 291	13,560	166,686	(153,126)	.08	15.01	87,185	(73,625)	.16	7.22
Subscription	668,400	1,004,024	(335,624)	.67	NA	466,428	201,972	1.43	NA
RTD Park-n-Ride	4,208,013	8,617,796	(4,409,783)	.49	2.16	4,180,933	27,080	1.006	-
OCTD Park-n-Ride	166,110	925,489	(759,379)	.18	6.08	574,697	(408,587)	.29	3.27
TOTAL	5,042,523	10,547,309	(5,504;786)	.48	2.39	5,222,058	(179,535)	.97	0.18

COMPARATIVE OPERATIONS OF A TYPICAL COMMUTER/EXPRESS BUS LINE

The characteristics of the typical commuter/express bus line are based on the average of SCRTD's Park-and-Ride routes. The average route is 31 miles and lasts 71.5 minutes. In its 12 daily trips it travels 189,720 revenue miles in 7,297 hours for an average speed of 26 mph. The economic and ridership characteristics, depending on whether it is publicly or privately operated, are contrasted below.

COMPARATIVE OPERATIONS OF A TYPICAL COMMUTER/EXPRESS BUS LINE

Ridership	Public Operated	Private Operated
Daily	864	858
Per Bus	36	36
Economic		
Annual Cost	$931,537	$452,250
Annual Revenue	454,863	479,710
Profit (Subsidy)	(476,673)	27,460
Subsidy Per Trip	2.16	-0-
Farebox Recovery Ratio	0.49	1.06
Annual Subsidy per person	$1,103	$0.

THE INSTITUTIONAL AND REGULATORY FACTORS AFFECTING COMMUTER/EXPRESS BUS TRANSPORTATION

Institutions

Bus transportation in the SCAG region is regulated by four institutions:

- California Public Utilities Commission regulations and practices (affecting all private operators)
- State and public transit legislation (affecting SCRTD and OCTD)
- Federal regulations and lègislation (affecting all federally funded operators)
- Collective bargaining agreements (affecting all unionized operators)

The California Public Utilities Commission

The CPUC regulates certification, fares and safety of private transit operators. In order for a private company to be certified to operate a route, it must not be about to engage in "unfair competition." Unfair competition is basically duplication of an existing well-run bus service. If a private operator is trying to run buses on the same route already serviced, he must prove that his schedule, fares, pick-up and drop-off points or clientele are sufficiently different so as not to be competing with the first operator.

If public agencies contract private operators, those operators must get certification from the CPUC. If the driver of a vanpool (seating capacity 15 or less) is on his way to work, no certification is needed. Firms operating buses for their employees are exempt also. Expedited and temporary certification is now offered.

Applicants seeking certificates must serve notice to a variety of interested parties. Anyone can protest a certification and the CPUC will hold a hearing on good cause. Public districts have often made protests to keep private operators from competing against their established routes. On the other hand, public operators have refrained from protesting if private companies sign waivers giving up their rights to protest future competition from them. (Once established private operators are protected from competition from public operators.)

State Public Transit Legislation

California legislation creating SCRTD and OCTD regulates them on the issue of competition with previously established transit operators. SCRTD is obliged to gain the consent of any operator who would lose passengers due to its actions. OCTD must buy out such companies.

Federal Regulations and Legislation

Federal regulations prohibit UMTA-funded public transit authorities from competing with or purchasing private transit companies unless the role of the private operator is at the maximum amount feasible or fair compensation is made.

Federally funded public operators are also prohibited from any actions tending to harm their employees or the employees of an acquired transit operation.

Collective Bargaining Agreements

Collective bargaining agreements have made sub-contracting much harder for both SCRTD and OCTD. Since SCRTD's buses can only be operated by its own employees, any sub-contractor must have his own buses. Also, any sub-contracting done cannot reduce the number of new SCRTD employees hired. OCTD cannot sub-contract community fixed-route services such as their Easy Rider routes.

EVALUATION OF ALTERNATIVE PUBLIC AND PRIVATE OPERATING SCENARIOS

Five scenarios and their implications are summarized in Exhibit B.

EXHIBIT B
EVALUATION OF ALTERNATIVE
PUBLIC/PRIVATE SCENARIOS

SCENARIO	SYSTEM IMPACTS	
1. Expansion of Public Commuter Bus Services	Economic	Subsidy increases of $2.16 per trip
	Service Level	Possible cutbacks in other services to avoid net increase in subsidies.
	Ridership	Increase in express ridership, possible decrease in other services due to cutbacks.
	Net Impact	Increase in express service will add strain to budget. Cutting back other services to avoid net subsidy increase may result in a net decrease in total system ridership.
2. Expansion of Private Commuter Service Without Public Funds. Public Service Remains Constant.	Economic	No impact on public budgets. Private fares might be higher than public fares.
	Service Level	Increased express service and geographic coverage, no impact on existing service.
	Ridership	Increase in express trips; increase in local trips in CBD as new transit users make additional trips.
	Net Impact	Increase in total transit use with no subsidy increase. Possible increase in public revenues due to increase in local trips.
3. Expansion of Private Commuter Services With Public Funds. Public Service Remains Constant.	Economic	Public assistance will keep fares down. Cost is less than for public expansion.
	Service Level	Reduced necessity of cutbacks to balance budgets.
	Ridership	Higher than in Scenario 2.
	Net Impact	Higher ridership than Scenario 2 at a cost much less than Scenario 1.
a. Only Marketing Promotional Activities Publicy Funded	--	Success of private service is enhanced and fares reduced at minimal public expense. Cutbacks in other services are minimized. Ridership probably greater than Scenario 2, but less than Scenario 1.
b. Operations Contracts Publicly Subsidized.	--	With a subsidy per trip much less than for Scenario 1, the same number of express trips can be served. This reduces the amount of service reduction that may be required.
4. Replacement of Public operations by Private Companies-Without Public Funds Existing Level of Service is Maintained.	Economic	Reduction in subsidy of $2.16 per trip, express fares may increase somewhat.
	Service level	Higher sensitivity to ridership for private express service. Less productive routes may be cut back. Express subsidies could be reallocated to expanding local service in densely populated areas.
	Ridership	Local service expansion could add more local trips than the number of lost express trips.
	Net Impact	Net increase in transit ridership with a significant decrease in subsidy.

EXHIBIT B (CONTINUED)
EVALUATION OF ALTERNATIVE
PUBLIC/PRIVATE SCENARIOS

SCENARIO	SYSTEMS IMPACTS	
5. Replacement of Private Operations by Private Companies - With Public Funds Existing Level of Service is Maintained	Economic Service Level Ridership Net Impact	Public subsidy could guarantee no increase in fares. Cutbacks in express service might not be required. Subsidy saved could be reallocated to expanding local bus service. Conversion could be accomplished with little or no loss in express ridership. Transition to private operations could be smooth with little or no loss in express ridership and perhaps no change in the level of service.
a. Only Marketing Promotional Activities Publicly Funded	--	The efforts of public agencies would greatly improve the possibility of a smooth transition from public to private operations. Some express service cutbacks and, perhaps fare increases might still result.
b. Operations Contracts Publicly Subsidized		Subsidizing private operations could ensure that service levels and fares do not change, thus ensuring no loss in ridership. Both cost and ridership are greater than Scenarios 4 and 5a.

CONCLUSIONS AND POLICY RECOMMENDATIONS

This report has documented the economic advantages if private bus operators assume a larger role in providing commuter/express service. Rapid implementation of the following recommendations, approved by the Commuter/Express Bus Task Force, would increase transit services while reducing operating subsidies.

- All transit districts and municipal operators in the region should review their commuter/express bus operations and determine the potential cost savings to be achieved by conversion to private operations.

- All transit, district municipal operators and planning agencies in the region should take immediate steps to remove any institutional barriers to converting to private operations, including pressing for new state or federal legislation, if required.

- All transit districts and municipal operators in the region should cooperate to the fullest extent possible with private operators to make private service a part of the regional transit service. This could include (a) dissemination of schedules and other operating data and (b) transfer discounts.

- All transit districts and municipal operators should promote the expansion of private commuter/express bus operations by (a) not contesting PUC certificate applications unless the proposed service would have a serious negative impact on the public system, (b) not expanding public commuter/express services in areas where private operations appear feasible, and (c) assisting private operators in identifying new commuter/express bus markets.

- Expansion of privately operated services will need promotional, informational and coordinative support which might well be provided by Commuter Computer.

THE EXPERIENCES OF THE SACRAMENTO AREA COUNCIL OF GOVERNMENTS IN PUBLIC-PRIVATE PARTNERSHIP

by

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SACRAMENTO AREA COUNCIL OF GOVERNMENTS
SACRAMENTO, CA

PARATRANSIT COORDINATION EFFORTS

Between 1975 and 1977, the Sacramento Regional Area Planning Commission (SRAPC) completed a number of studies of the specialized or paratransit services operating within its region. These studies indicated that the provision of paratransit services was centered in social service agencies; was uncoordinated and fragmented; was funded by diverse sources at the local, state, and federal levels; and was experiencing rapidly escalating costs for maintenance, fuel, and insurance.

Because many agencies were finding it necessary to transport clients who could not be served otherwise, they were seeking grants in aid for the purchase of vehicles in increasing numbers. Most of these grant proposals did not address the potential for coordination of effort and almost none showed that the practical considerations of preventive maintenance programs and driver training were adequately taken into account. It was also obvious from surveys that these agencies were facing tighter constraints on their service budgets than in the past. Therefore, in some cases, the continuation of service provided with paratransit vehicles could not be assured.

To gather facts regarding the paratransit services being provided in the Sacramento region, SRAPC initiated a follow-up study to identify and survey social service agencies operating paratransit services. The study was expected to report information regarding: funding sources, client groups, types of vehicles used, who operates the service, when and where service is provided, total number of clients served, annual budget, estimate of unserved needs, and institutional or organizational characteristics of paratransit service provision.

A total of forty-nine agencies were found to be providing some type of paratransit service for their clients. In most cases, these agencies were either unaware of the services provided by others or considered cooperation impractical. Coordination would have required the dedication of staff resources by one agency or several agencies to make regular contacts and direct vehicles to clients.

Most agencies could not accurately estimate the resources devoted to the transportation of clients alone. In some cases, program staff or volunteers were transporting clients in personal or agency vehicles not specifically assigned as paratransit vehicles. In other cases, the vehicle costs were identifiable but the driver costs were not. Even where costs were accounted for, there were no uniform accounting rules being used and this made comparisons between services impossible. This means that the benefit of coordination was not easily discernable.

Problems faced by the social service agencies included: inconsistent funding, shortage of trained and qualified drivers, high insurance costs, shortage of accessible vehicles, no organized scheduled maintenance program, and difficulty of schedule coordination. These problems were compounded by the fact that the social service agencies did not typically have staff persons experienced in providing transportation services.

As a result of these findings, SRAPC formed a Para-Transit Coordinating Council (PTCC) in September 1977. Membership was extended to social service agencies which were providing paratransit service to local paratransit funding agencies. Staff support to the PTCC was supplied by SRAPC and a work plan was developed which stressed cost reductions through service coordination and joint purchasing agreements.

In late 1977 and early 1978, SRAPC staff and the PTCC developed a proposal for a short-term program for coordinated purchase of gasoline. The program was based upon the participation of Sacramento County, which would store bulk purchases of gasoline; however, the county decided against participation and the program died.

Although this effort was not successful, it did form the basis for a Transportation Coordination Demonstration Project proposal that SRAPC prepared and submitted to the State Department of Transportation (Caltrans) during an open application period in 1978. In November, 1978, Caltrans awarded a $49,000 "SB 283 Grant" to SRAPC to demonstrate cost savings through joint purchasing of gas, oil, maintenance, and insurance. These activities were to be accomplished through the acquisition of a maintenance and fueling facility.

Early in the project, SRAPC contracted with a new private, non-profit organization, Paratransit, Inc., for implementation of major activities. Paratransit quickly acquired a project site, hired maintenance personnel, and started operations. With grants of equipment and tools by several major companies, a scheduled maintenance program was established.

Participation rose quickly and at the end of the project period a total of 96 vehicles were under contract. About 1/3 of the vehicles were under preventive maintenance contract, the rest under fuel and safety inspection contracts. The paratransit maintenance facility provided a full range of preventive and repair services and sold fuel to contracting agencies at prices lower than retail.

During the thirteen month project period, the project had achieved total savings of $40,910, or 83.5% of the original grant. In addition to the cost savings, the project resulted in safer vehicles and an increased awareness by staff of participating agencies of the importance of preventive maintenance. Use of the grant funds set up and operated the maintenance service center, but it has continued to operate after the project funds were expended. In addition, a contractual dispatching operation was established. Some services were provided directly to social service agencies, taking them out of the transportation business, while other agencies agreed to coordinate their vehicles through the dispatching center. In some cases, Paratransit Incorporated provided the driver and the social service agency provided the vehicle.

At the conclusion of the demonstration project, it was found that significant cost reductions can result through joint purchasing and that centralized maintenance will lead to improved vehicle condition. It was also discovered that duplicating this project would not be difficult and could result in comparable cost savings and vehicle condition improvements.

At the present time, Paratransit, Inc. has 62 employees, including 32 drivers, 4 supervisors, 5 maintenance personnel, 6 mobility trainers, and dispatching, scheduling and clerical support staff. The problems which the system has experienced include overdemand for paratransit service, conflict between the traditional transit system and the new paratransit service, and turfism in social service provision.

Because the service is very personal and convenient, some who could use conventional transit but were intimidated or uncomfortable when doing so gravitated to the paratransit service. This had the effect of filling limited space rapidly and leaving a large unmet demand. Because there was no consistent referral system to identify those who could travel more independently, it was difficult to approach this problem.

Ultimately, the solution was another demonstration program initiated by the Sacramento Area Council of Governments (SACOG, successor to SRAPC). This new demonstration was financed by a grant received from the State of California. A "mobility training program" was established and an experienced mobility trainer was hired to carry it out. This program resulted in the establishment of a referral network, development of a mobility training handbook, and the training of a large number of individuals to ride standard transit services. Following successful demonstration of the concept. Paratransit, Incorporated assumed responsibility for the training program as well.

Another problem for the paratransit service early on was conflict with the traditional public transit service provided by the Sacramento Regional Transit District. This conflict was the result of competition for some of the same sources of public subsidy and the unionization of the transit district labor force while the paratransit employees were (initially) non-union. As Paratransit, Inc. continued to operate, a constituency for its type of services arose and the work force became organized. This reduced but did not eliminate the tension between the two operators. There continues to be a very real limitation on the public subsidies provided for the paratransit service. There also continues to be an interest on the part of the District to be <u>the</u> transit operator.

Attached is a copy of a contract for preventive maintenance services between Paratransit, Inc. and potential purchasers (Exhibit I).

EXHIBIT I

AGREEMENT FOR PREVENTIVE MAINTENANCE SERVICES

This contract for a maintenance program is made by and between PARATRANSIT, INCORPORATED, hereinafter referred to as Supplier, and ______________________________________, hereinafter referred to as Purchaser.

TERMS

1. Supplier agrees to furnish and Purchaser agrees to accept vehicle fueling and automotive maintenance services for the vehicles designated in Exhibit A (attached) during the term of this Agreement and upon the terms and conditions set forth herein.

2. The term "automotive maintenance services" is defined for the purposes of this Agreement as being a systematic program of service and repairs of automobiles or other motorized vehicles pursuant to a predetermined schedule as to types of service and repair and frequency thereof.

3. Purchaser shall pay Supplier for automotive maintenance services in the amount set forth and mutually agreed upon in Exhibit A (attached), except as set forth in Sections 7 and 8, below, of this Agreement.

4. Other repairs shall only be undertaken after authorization by the designated representative of the Purchaser. Recommended repairs shall have been identified by Supplier, documented in writing, and communicated to Purchaser.

5. Other repairs shall include all items not covered in Exhibit A (e.g., brake system overhaul, transmission servicing, engine overhaul, carburetor rebuild, tire repair, etc.).

6. Charges for said other repairs will be at the rate of Twenty-Nine Dollars ($29.00) per hour in addition to the charges set forth in Section 8, below, of this Agreement.

7. Purchaser agrees to pay to Supplier, above beyond hourly charges for service and/or other repairs, a reasonable sum for all fuel, lubricants, parts or other materials reasonably and necessarily furnished by Supplier in carrying out the maintenance of said vehicles. Reasonable sum is defined as the actual cost to Supplier of said items plus a fifteen percent (15%) charge for parts and a seven and one-half cent (7½¢) charge per gallon for fueling.

8. The parties acknowledge that some ordinary repairs may be beyond the ability of Supplier's employees from time to time, or that extraordinary repairs may also be beyond the ability of said employees from time to time, and it is expressly agreed that Supplier may decline to perform any repair or repairs as it may choose and elect to have repairs performed by a third party. In this event Supplier will choose the third party it feels most qualified to perform the repairs.

9. Cost to Purchaser for such sub-contracting shall be acutal cost to Supplier plus fifteen percent (15%).

10. It is agreed that no repairs will be performed by Supplier until authorized by Purchaser. Purchaser agrees to furnish to Supplier on Exhibit A (attached) a written list of persons who are authorized to extend authorization for repairs pursuant to this Agreement.

11. Supplier agrees to furnish reasonable storage for the safety and protection of said vehicles while in its possession for service and/or repair.

12. This Agreement is deemed "non-exclusive" and Purchaser acknowledges that it has been informed that Supplier will, during the term of this Agreement, be engaged in the furnishing of maintenance to other automobiles and automotive vehicles owned and/or operated by Supplier and by third persons. It is agreed that Supplier reserves the right to schedule the services and/or repairs as it, in its discretion, deems necessary.

13 Except as set forth in the actual terms of ths Agreement, the Agreement or any part hereof, cannot be assigned by either party without the prior written consent of the other party.

14. Supplier shall not, for purposes of this Agreement, be required to maintain a policy of automobile liability insurance coverage. Purchaser warrants that it will keep in force and effect a policy or policies of automobile liability insurance coverage for any and all vehicles that are subject to this Agreement and that such policy or policies shall be deemed "primary" as to any accident or loss that occurs while the vehicle or vehicles are being operated by employees or agents of Supplier for the purpose of carrying out this Agreement or any part thereof.

15. This written Agreement along with Exhibit A attached hereto constitutes the sole and entire agreement of the parties. No other representations have been made by either party with respect to the subject matter hereof.

16. No waiver or modifications of this Agreement or of any covenant, condition, or limitation herein contained shall be valid unless in writing and duly executed by the party to be charged therewith. Furthermore, no evidence of any alleged waiver or modification shall be presented for any purpose at any hearing or trial unless in writing conforming to the requirement set forth immediately above.

17. In the event of a controversy or disagreement between the parties regarding the terms and conditions, or any of them, set forth in this Agreement, it is agreed that the parties will select one (1) arbitrator and refer the matter to such arbitrator for decision, pursuant to the commercial rules of the American Arbitration Association. Such decision will not be binding and either party may, within thirty (30) days after issuance of such decision, seek such other further and legal relief as they may have available.

18. The parties agree to timely execute and deliver all documents, certificates of ownership, and other writings reasonably necessary to carry out the interest and goals of this contract.

19. This contract is binding upon each of the parties, their heirs, executors, assigns, and successors.

20. Except where otherwise required by statute, all notices given pursuant to the provisions of this Agreement shall be in writing, addressed to the party to whom the notice is given, and sent by registered or certified mail to the following addresses:

    A. PARATRANSIT, INCORPORATED
    3000 T Street, Suite 101
    Sacramento, CA 95816

    B.

21. This Agreement shall commence on the date below and shall remain in force until either party notifies the other party in writing within thirty (30) days of its intent to terminate this Agreement.

EXECUTED BY OUR HANDS ON THE DATE SHOWN BELOW.

PARATRANSIT, INCORPORATED

Executive Director	Title:
Date	Date

Attachment: Exhibit A

AGREEMENT FOR PREVENTIVE MAINTENANCE SERVICES

EXHIBIT A

Service shall include the following at the interval indicated:

Service	Interval
1. Lubricate	3,400 miles
2. Change Engine Oil and Filter	3,500 miles
3. Safety Inspection	3,500 miles
4. Analyze Ignition System	3,500 miles
5. Tune-Up Engine	7,000 miles
6. Repack Wheelbearings	7,000 miles

Charges for said servicing will be a monthly flat rate calculated as follows:

_______________ x .03¢ per mile x _________________________________
No. of vehicles avg. vehicle mileage per month

____________.
flat rate

VEHICLES

	Year	Make	Registration No.	License No.
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				

Persons authorized to extend authorization for repairs pursuant to this Agreement:

____________________________ __________________________
Name Date

____________________________ __________________________
Name Date

____________________________ __________________________
Name Date

Purchaser shall be invoiced by Supplier within ten (10) days of the end of the month for all charges. Purchaser agrees to make payment within ten (10) days of invoice. A one and one-half percent (1.5%) per month finance charge will be applied to all accounts due past thirty (30) days.

THE FORMATION OF YOLOBUS

Until FY 1981, virtually all fixed-route public mass transit services in the Sacramento urbanized area were operated by the Sacramento Regional Transit District (SRTD). During that year, planning was under way to establish a new light rail line in Sacramento and a key aspect of that planning was the control of operating costs and consolidation of funding sources to support the planned new LRT transit system component.

SRTD was providing service to areas outside its active district boundaries under contracts with the jurisdictions involved. These areas were within boundaries defined in the district's enabling legislation but had not elected to join the district as members. The cost of the contract service computed on a miles and hours basis, was offset with fare credits, Transportation Development Act funds available to the cities and counties involved, and credits of a portion of the federal operating subsidy available to the Sacramento urbanized area.

On January 26, 1981, the SRTD Board of Directors adopted a resolution which changed the method it used to credit contract jurisdictions with fare revenue and UMTA Section 5 funds (federal operating subsidies) from a proportion of system mileage to a proportion of system boardings and set forth a new method of assessing costs to contract jurisdictions. Because the costs to these non-member jurisdictions were escalated so dramatically, the contracting cities and counties joined together to form a joint powers authority to seek a new transit contractor. Because they had little time to get organized and to prepare the documentation needed to seek a contractor, SACOG provided assistance in developing information which could be used to: 1) agree on a method of allocating cost; 2) define the characteristics of the existing SRTD service before it was discontinued; and 3) develop the necessary bidding documentation and background.

Once it was determined that there was no hope of resolving the issue and continuing service through a contract with the Regional Transit District, efforts were directed at fact finding. A survey was designed and conducted to:

1. Estimate fare revenue by line and jurisdiction

2. Determine the ridership by line, by weekday, Saturday, Sunday and holiday, and by jurisdiction of origin

3. Estimate an average fare

4. Determine the number of internal trips by jurisdiction

5. Develop socio-economic profiles of the transit users on an existing transit system

6. Establish origin and destination information and to determine trip purpose by origin

Although the survey failed to establish a reliable average fare and no estimate of internal trips was possible from the information gathered, the rest of the survey objectives were achieved to an acceptable degree. There was a high degree of confidence in the ridership information by line, run, day of week and initial boarding locations.

Several alternative approaches to resolving the transit service issue were discussed, including:

- point-to-point express commuter services

- modified routes and schedules

- abandonment of bus service entirely (or partially)

- service provided by the County of Yolo or by the formation of a new district

- service provided through contract with a private operator

After some discussions with private sector transit operators, representatives of Yolo County and the cities involved concluded that it would be possible to request bids on the service from a variety of operators. If these bids were competitive or could be projected to cost the cities and the county less than the proposed Regional Transit contract, service could be continued under a new contractor.

It was decided that a joint exercise of powers agreement would be required for release of a request for proposals on continued operation of the same level of service that was being provided by the contract with the Regional Transit District. A joint powers agreement was developed to provide for the responsibility of soliciting bids, operation of the service, division of the net costs, and management of the system. The position of "Transit Coordinator" was authorized and a person was hired to administer the contract and monitor the new arrangement.

The result of the on-board survey and background information developed was a simple request for bids on provision of service using the same schedules, fares, and routings as the District had provided. One bidder was able to provide the service for substantially less than SRTD. In fact, annualizing the cost of service by SRTD during fiscal 1981/82, the net subsidy by contracting jurisdictions would be $1,087,000. Under the contract with the current private sector provider, the comparable fiscal 1982/83 net subsidy was $685,466. A projection of the 1984/85 service for the same area (with slight modification to service) will result in an estimated net subsidy of $709,000.

Once a new contractor had been selected, the problem of providing for start-up and arranging for transfers between the larger Regional Transit District service and the new Yolobus system (as the new operation was named) was addressed. The Joint Powers Authority deferred most of the start-up arrangements to the contractor. Commuter Bus Lines, Inc., was given about three months to acquire a maintenance facility, vehicles, and work force to operate the service in its contract. In addition, SACOG entered into discussions with the managers of the two systems to assure that passengers could conveniently transfer between the services. Based upon the earlier survey results (especially regarding the initial boarding location of passengers), a split of fares to account for transfers was agreed upon. Transfer between the two systems became a simple matter for passengers - it appeared to be a single system.

Although the service continues with lower subsidy and higher farebox recovery than under the prior, fully-public operation, there have been problems. The very short time allowed for the contractor to get ready to provide service was clearly inadequate. The equipment provided by the contractor has been substandard (although schedules have been met fairly consistently) and has delivered a lower level of service than riders had expected. The hours when transit information is available to the public by telephone have been more limited than would be desirable.

Initial start-up of the service by the new contractor occurred during one of the wettest years on record. The storage location for the buses did not have hard surface paving, the old buses were not equipped with adequate defrosting systems, the single-door, armchair seating provided in the buses made loading and unloading difficult under commute hour loading conditions; the narrow isles and inconvenient handholds were not amenable to standing loads, and, with the arrival of summer, the frequent breakdown of air conditioning became a major problem. The buses were dirty, in the early days they broke down frequently, the drivers were wiping the windshield with a handkerchief while traveling the freeway, and the passengers were finding alternative ways to get to work by the droves. The publicity on the fares and transfer arrangements had been less than perfect which added to the drop-off in ridership.

Although the bugs were worked out of the system after a very few weeks and the schedule reliability quickly became as good as the Regional Transit operation had been before, the passengers did not return quickly. This resulted in lower than projected fare revenues and concerns that the subsidy required would be higher than expected.

There are a number of lessons in this experience for those that wish to repeat such a shift in service or start a new service under contract with a private operator. Start-up requires careful preparation and at least six months should be allowed to gear up for the operation. A year would be better. In their request for proposals and in the contract, tight equipment specifications prepared by experienced transit personnel are needed. Failure to provide tight equipment specs might lead to non-comparable bids and lower than expected service levels.

Service specifications should include incentives and disincentives related to performance. This should be accomplished when the contract is drafted. The method of escalating contract costs to account for increased service costs should also be spelled out in the contract. This method should be sufficiently conservative to provide incentives to hold costs down.

The RFP should be specific in isolating the bus lease portion of the cost. The contract should then retain the right for the public agency to substitute its own buses without renegotiation of the entire agreement. The agreement could protect the contractor through establishing reasons for such substitution and covering a sufficient length of time to compensate for risks involved in purchase of equipment.

The RFP and the contract should contain a specification relating to the minimum personnel requirements for key functions, e.g., dispatching and maintenance. Failure to provide such specificity will result in different assumptions at the time of the proposal and make comparison difficult. This could also result in unanticipated escalation of costs during the contract. The hours when telephone information numbers will be manned should also be spelled out in both the RFP and the contract.

A consideration which proved significant in the Yolobus case was the requirement that the contractor's books be locally accessible for audit purposes. This can result in economies during conduct of audits.

The Yolobus system, with all of the problems it has encountered, has shown that transit service can be provided in a cost effective way through contract with a private operator. A key ingredient in the success of this operation, however, has been the employment of a very dedicated and capable staff person to oversee the contract and assure contractor compliance. The degree to which the operation owes its success to this factor is not measurable, but personnel might be a very significant factor indeed. Aside from the success of the operation, the cost savings can be attributed largely to the non-union labor force employed by the contractor. Organization of the labor force involved would probably substantially reduce the savings being realized.

Attached is a copy of our RFP Development Checklist (Exhibit II).

EXHIBIT II

RFP DEVELOPMENT CHECKLIST

1. NOTICE INVITING BIDS

   A. Background

      - Geographic Description
      - Current Problem

   B. Agency Soliciting Bids

   C. Schedule for Receipt of Proposals, Bidders Conference

   D. Criteria for Selection of Contractor

2. DESCRIPTION OF TRANSIT PROGRAM*

   A. Days and Hours of Operation

   B. Routes, Schedules, Type of Service

   C. General Vehicles Specs i.g., Radio Equipment

   D. Who Supplies Vehicles (jurisdictions/operator)

3. TRANSIT SYSTEM OPERATIONS

   A. Management and Administrative Staff* (who staffs: jurisdictions/operator, and provision for back-up)

   B. Drivers

      - Describe any special requirements

   C. Maintenance - Who Performs?* (jurisdiction vs. operator; facilities to be provided/required)

   D. Vehicle Storage*

   E. Office and Drive Facilities*

   F. Bus Stop Signs, Shelters, Benches* (who installs and maintains)

   G. Fuel

   H. Uniforms

   I. Training of Drivers

   J. Safety Program

K. Marketing and Public Information*
   - System Promotion
   - User Information (schedules, system map)
   - Telephone Information

   Who is Responsible? (jurisdictions/operator)

L. Advertising on Buses

M. Fare Collection

4. RECORDKEEPING AND REPORTING*

A. Monthly Management Reports to Governing Board

B. Annual Report

C. On-Board Surveys

D. Meets TDA and UMTA Requirements

E. Provides Data for Cost Sharing Formula

5. INSURANCE*

A. How Much?

B. Who Carries? (operator vs. city/county self-insurance)

6. P.U.C. CERTIFICATION

A. As Necessary

7. MISCELLANEOUS

A. Bonding of Employees

B. Bid Bond/Performance Bond

C. Changes in Scope of Work

D. Term of Contract

E. Method of Compensation

F. Indemnify and Hold Harmless

G. Penalties to Breaks in Service

8. DRAFT CONTRACT

9. OTHER ISSUES OUTSIDE RFP

A. Definition or Plan for Level of Service (prior to RFP)

B. Should System be Bid in Separate Stages e.g., Sacramento-Davis/East Yolo/Woodland, Woodland-Davis, East Yolo-Davis (prior to RFP)

C. Formula for Cost Sharing Among Jurisdictions

D. Fare Structure Analysis and Proposals

E. Relationship Between Unitrans, Minitran, Davis Special Services

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*Alternative Decision Areas

HOW A METROPOLITAN PLANNING ORGANIZATION PROVIDES TRANSIT MANAGEMENT SERVICES FOR ITS COUNTY AND CONTRACTS FOR PRIVATE ELDERLY AND HANDICAPPED SERVICES

by

J. HAMPTON MCDOWELL
MID-AMERICA REGIONAL COUNCIL
KANSAS CITY, MO

The Mid-America Regional Council (MARC), the metropolitan planning organization for the Kansas City Metropolitan Area, is involved in two transit programs using private providers. MARC contracts to private providers for the transportation of the elderly and handicapped (E&H) in five Missouri counties which are both urban and rural. In addition, Johnson County, Kansas is contracting with MARC to provide transit management services for commuter and special E&H services which the County contracts to a private provider. The following table presents a summary description of both programs along with organizational arrangements, political considerations, legal and operational impediments, and benefits. Refer to the text for a discussion of the following table.

UMTA has included the promotion of private sector participation as an emphasis area for MPOs. MARC's involvement with the private sector in these two case studies has not been a result of UMTA regulations, but because of political and operational conditions. The MARC special services program does not use any UMTA funds and the only UMTA funds Johnson County uses are the E&H Section 9 pass-through and Section 18 for rural areas.

Since MPOs are not the designated recipients of Section 9 funds, the role of MPOs in the encouragement of private providers for programs receiving UMTA funds is limited. MARC does use UMTA planning funds for the coordination with programs using the private sector. Also, the private sector is represented on MARC's special and general public transit technical committees.

MARC Contract to Private Providers for E&H Transportation

MARC contracts with six taxi firms and seven not-for-profit agencies to provide elderly and handicapped transportation. Approximately $1 million in Title III of the Older Americans Act and Title XX of the Social Security Act provide funding for transportation to nutrition sites, the delivery of meals, and the transportation for essential trips for both the elderly and handicapped, mainly medical and shopping.

These services are available for residents in the five counties on the Missouri side of the Kansas City Metropolitan Region. Service is demand responsive, i.e. passengers are picked up at their homes and dropped off at their destination.

This is the fifth year that service has been contracted to private providers. Prior to 1980, MARC operated these services by acquiring vans and employing drivers. The MARC staff administers the contracts and monitors the service provided by the contractors. The contractors are responsible for dispatching the trips.

A request for bids is issued each spring for the three programs in thirteen service areas. The MARC staff reviews the bids and makes recommendations to a series of committees and the MARC Board of Directors consisting of elected officials. Bidders can contest the contract awards through an appeals process; the MARC Board makes the final determination of bids one month prior to the new contract year.

Planning for Private Provision of Transit Services

	MARC Contract to Private Providers for E&H Transportation	Contract to MARC to Manage Johnson County's Privately Provided Transit
Description	Since 1980, demand responsive transit for the E&H in five counties in Missouri has been contracted to private providers. In 1983, taxis and not-for-profits provided service. Before 1980 MARC provided these services by owning vans and employing drivers. Title III and XX of the Older Americans Act provides funding for these services.	In 1982 Johnson County, Kansas contracted with a private provider instead of the Kansas City Area Transportation Authority, for fixed-route general public service and continued to contract to a private provider for E&H services. In 1984 the County is contracting with MARC for the management of the private providers.
Organizational Arrangements	Service is bid annually, with recommendations made to the MARC Board of elected officials by the staff and the Council on Aging. MARC administers the contracts and monitors services of the contractors who are responsible for dispatching and providing trips.	MARC is managing the special services and subcontracting the management of general public services to the KCATA. MARC coordinates work between the KCATA, the County staff, and the County's citizens advisory committee. Management includes budgeting, service monitoring, service analysis, and marketing.
Political Considerations	Elected officials make the final decision on who receives the contracts. Decisions involve the trade-off of service quality, user preference, cost, effect on industry diversification and competitiveness, and the history of provider service quality. Given that many of these factors can not be quantified or prioritized, decisions end in the political arena with concerns on whether the decisions will lead to optimal service.	Competition between the central city, Kansas City, Missouri, and the County resulted in restricting County service while operating in Kansas City, including limited routing, limited transit stops, and a license for each vehicle. Setting up the transit management contract involved political considerations of the County, MARC, the KCATA, and the KCATA's major client (Kansas City).
Legal and Operational Impediments	-Monitoring and control of service quality -Tendency to the domination of a few providers. -Major provider is experiencing financial difficulties -Coordination with other E&H programs	-Coordination of a number of actors (MARC, KCATA, and the County) while maintaining quality management services -Coordination of a number of jurisdictions and providers -Restrictions placed on service operating in other jurisdictions -Section 13(c) impacts on the ability to use Section 9 funds for any capital replacement
Benefits	-Industry competition keeps costs down -Higher quality drivers -MPO serves planning rather than operational function	-Contracting to a private provider has resulted in lower costs to the County, even without the use of federal funds. -Contracting management services to MARC and the KCATA utilizes professional transit staffs. -Ability to use incentive contracting with the private provider yields greater control over service quality and costs.

Elected officials make the final decision on contract awards. These decisions involve a trade-off of a number of factors, many of which cannot be quantified. Lowest cost is of course a major consideration. The users of the system may have provider preferences which conflict with the lowest cost criteria, as evidenced by support at citizen committees for more costly service providers. These contracts are large and the contract awards have an effect on the composition of the private provider industry. Larger companies may be able to price themselves lower than smaller firms and the loss of a bid by a smaller firm can harm that firm susbstantially. Quality is of major concern because of the personalized service necessary for special services, but this criteria is difficult to quantify and to override the lowest cost criteria. The staff is concerned with the effect on the system of each service area contract award, yet the decision is made in the political arena where the decisions are broken down to each service type and area.

As compared to MARC operating the service directly, contracting to private providers requires a high level of monitoring to maintain service quality, since service quality is important for special services. It is also necessary to write contracts with service quality criteria; this is difficult to enforce or to use as a contract award criteria because of the difficulty in quantifying these measures.

There has been movement towards the domination of a single taxi provider, which also has 88 percent of the taxi permits in the central city, Kansas City, Missouri. This provider offers the lowest bids, yet is going through financial reorganization because of bankruptcy. Because of the magnitude of the contracts, MARC is concerned with maintaining industry diversification so as to maintain service quality and competitively-derived bid prices. There are other providers of special services in the region, including social service agencies and a Kansas City, Missouri program contracting to the same providers as the MARC program; it is necessary to maintain a high level of coordination with these programs.

The benefits of contracting to private providers include the following. Through the encouragement of a diversity of firms, industry competition keeps down the costs of service provision. The business of these firms is transportation, rather than social service, which promotes efficiently provided quality service. The drivers are more highly skilled in the provision of transportation. Also, MARC is involved in planning, which is its best function, rather than the operation of services.

<u>Contract to MARC to Manage Johnson County's Privately Provided Transit</u>

Johnson County, Kansas is a rapidly growing suburban county in the Kansas City Metropolitan Area. Fixed-route large bus transit in the County consists mainly of six commuter routes travelling between the County and Kansas City, Missouri. Prior to 1982 the County contracted with the Kansas City Area Transportation Authority (KCATA) to provide this commuter service, which is less than 5 percent of the total KCATA service. In 1982 the County began contracting with a private provider whose major operation was and still is the transportation of school children. The County continued to contract to a private provider for special elderly and handicapped services. Commuter and special services cost the County approximately $600,000 a year.

In 1984 the County began contracting with MARC to provide transit management services. A County staff member had provided these services previously. MARC is managing the special services. Being the main contractor, MARC coordinates work between the KCATA, the County staff, the County's citizen's advisory committee, and the County Board of Commissioners which is the policy-making body for the County.

Management services include preparation of budgets, monitoring services of the private provider, qualifying new clients, taking complaints, analysis of service type and planning recommendations, and preparation of marketing campaigns.

The decision of the County to retain a private provider instead of the KCATA fueled the competition between the County and the central city, Kansas City, Missouri. Over 90 percent of the KCATA service is in Kansas City, Missouri. Kansas City responded by restricting the routing in the City, restricting the location and number of transit stops, and requiring a $500 license for each transit vehicle operating in the City. Implementing the transit management contract involved political considerations of the County, MARC, the KCATA, and the KCATA's major client, Kansas City, Missouri.

The transit management contract is not a simple relationship between the County and MARC. A number of actors must be considered in carrying out the transit management contract. Particular effort needs to be given to maintaining effective planning and operational services with the involvement of all of the actors. It is also necessary to coordinate with a number of social service agencies and transit providers. The contract for management services from MARC and KCATA utilizes the professional staff with many areas of expertise which the County would not be able to afford on their own staff.

In regard to planning services, the operating restrictions placed on the County by other jurisdictions and Section 13(c) labor considerations impacts on the ability to use UMTA Section 9 funds for capital acquisition. Threading through these barriers is now underway.

Despite the fact the County decided not to use federal operating funds while contracting to a private provider, it has experienced cost savings. However, a private provider can require a higher level of service monitoring to maintain high service quality. This is particularly crucial in a higher income County with riders who have the choice of driving alone. It may be easier to implement incentive contracting with a private provider, however, than a public authority which passes on any cost increases. Incentive contracting may allow the County to have greater control over costs and service quality. The contract for management services from MARC and the KCATA utilizes the professional staff with many areas of expertise which the County would not be able to afford on their own staff.

MPO Involvement with Private Sector Participation

UMTA has included the promotion of private sector participation as an emphasis area for metropolitan planning organizations. MARC is active in including the private sector as evidenced by the above two case studies involving contracts with the private sector. MARC also includes private sector representatives on transit study committees and special services committees. The above case studies were implemented because of political and operational considerations, rather than UMTA emphasis areas.

The contract with private providers for the provision of special services resulted from MARC's policy to be mainly a planning agency rather than operational and the potential efficiency which can be gained by using the competitive private sector.

MARC's contract from Johnson County for management services resulted from the County's decision to reduce costs by contracting with a private provider and the neutral political position of MARC.

Few UMTA funds are used for either of these programs. The special services program does not use any UMTA funds and the only UMTA funds Johnson County uses are the E&H Section pass-through ($50,000) and Section 18 for rural areas ($65,000). MPOs are limited in encouraging the private provision of transit services, because they are usually not the designated recipient of Section 9 funds. Since transit authorities are usually the current designated recipients and the level of operating dollars has been frozen, it will be difficult to receive funding from UMTA for private provider programs.

IMPROVING ELDERLY AND HANDICAPPED MOBILITY IN A SMALL CITY USING PRIVATE TAXI SERVICES

by

ELAINE WALKER
NORTHWEST ARKANSAS REGIONAL PLANNING COMMISSION
SPRINGDALE, AR

PROGRAM

The City of Springdale Elderly and Handicapped Taxi Participation Program began operation in mid-May, 1983 as a result of cooperative agreements between the City of Springdale, C & H Taxi Company and Arkansas Area Office on Aging (AAA).

The pilot program is designed to improve the mobility of elderly and handicapped persons through the issuance of coupons by the City to offset a portion of the cost of a taxi trip through C & H Taxi, the City's local franchise taxi service. There are no other City transit programs in operation other than public taxi services.

Participants are approved residents of the City of Springdale whose total gross income per household does not exceed $7500 and meets one or both of the following criteria: (1) 60 years or older; (2) handicapped to the extent that the person cannot operate an automobile as verified by an attending physician.

The taxi service is used in the normal way except at the end of the taxi trip, the approved participant presents their I.D. card and signed coupon to the driver. The driver will collect the difference between the amount of the coupon ($1.50) and the total fare. Minimal reporting is required of the driver. At the end of each month, C & H Taxi is reimbursed for each coupon accepted by the City of Springdale (50%) and Arkansas Area Office on Aging (50%).

OBJECTIVES

To ease the transportation mobility needs of low income elderly and handicapped persons in the City of Springdale.

POLITICAL ASPECTS

The program has proven politically acceptable in that it serves the "truly needy" elderly and handicapped sector of the City; and in that the City is paying for actual delivered services. With the availability of Arkansas Area Office on Aging (AAA) funds and the eagerness of the AAA to participate in the program, the City's share of program costs (50%) is minimal and thereby politically acceptable among the city leaders and apparently, by the general city population.

The public has been critical of those programs where buses traveled with few or no passengers and where lots occupied "parked" buses acquired by tax dollars.

During program development, it was questioned whether or not city dollars would subsidize trips to adjoining shopping centers in adjoining cities. Subsequent evaluation proved that <u>no</u> trips were made outside the City limits. The participant's trips were within close proximity to their homes.

FINANCIAL

The City and AAA provides coupons valuing $1.50 toward each trip. The City's share comes from general city revenues. The taxi company is reimbursed for actual coupons used. The "approved" passenger provides the balance of the total fare. Program evaluation indicates that the City and AAA provides an average subsidy of 66% of the total fare with 34% being paid by the passenger.

City administration costs are minimal after initial set up. The City declined the use of a worker (to be provided by the AAA) for program administration purposes based upon the City's ability to handle the minimal workload for this small and uncomplicated program.

The benefits for the taxi company are obvious with increased ridership. Minimal paperwork is required of the taxi company.

LEGAL

The program liability lies within the on going routine operation of the taxi company.

BENEFITS

1. Eases crucial transportation needs among the low-income elderly and handicapped population.

2. Provides greater freedom and flexibility for the users in comparison to restrictive fixed routine schedules provided by traditional elderly/handicapped transit services.

3. Large capital acquisitions or expenditures are not required of the City.

4. The "Cost per Participant" rate is comparatively low.

5. Program development and administrative procedures are simple.

6. Program use and implementation procedures are simple.

7. The program has effective internal guards to discourage and detect program abuse and misuse.

8. Liability responsibilities fall within the normal operations of the taxi company.

9. The program is profitable for the private taxi company.

10. Existing resources are utilized through a partnership between the private and public sectors.

11. Community and civic groups, businesses, industries, and governmental agencies can participate through reimbursable costs activities, marketing and public awareness activities, etc.

12. The program is adaptable from very small populations up to very large populations.

13. The program can be expanded to provide layered services with variable dollar coupon amounts to be determined by varying incomes; ages; handicaps; trip needs (medical, employment, recreational, etc.). This can be accomplished through the issuance of numerical, color-coded, or other specially designated coupons serving high-priority needs.

14. The program is politically acceptable in both public and private sectors.

15. The program does not compete with the limited "Dial-A-Ride" service offered, but instead, compliments that service.

IMPORTANT CONSIDERATIONS

- Amount of reporting required of the taxi company was kept to a bare minimum. Only those items that were essential for (1) evaluation purposes; (2) reimbursement purposes; and (3) abuse and misuse detection was required. The taxi company deals solely with the City. All Arkansas Area Aging reimbursement procedures are handled between AAA and the City.

- Many taxi companies are accustomed to these basic reporting procedures as result of on-going agreements between Veteran's Hospitals and human service programs.

- Important!! Excessive paperwork will discourage outside participation.

- It is absolutely essential that the taxi company is a creditable, dependable and cooperative agency. A poor working relationship and/or a lack of confidence between any of the program participants will result in program failure.

- If the public image of the taxi company is low, the program will suffer.

- The taxi company did not want the responsibilities of patroling the program against abuse other than requiring I.D.'s and coupon signatures.

- The taxi company's liability responsibilities were unchanged from those currently required of them through the franchise agreement with the City.

- All participants must know their specific role and responsibilities at the outset.

- The City did not want to subsidize trips to shopping malls and areas outside the City limits. This was not a problem since low-income elderly riders proved to be very thrifty and shop within close proximity.

- The City did not wish to be taken "advantage of" by transient riders. This was no problem in the case of Springdale since program evaluation indicated that the average length of City residence was 31 years. The shortest period was two (2) years and the longest was seventy-five (75) years.

- The application should be kept as brief and easy to read and fill out as possible for the benefit of potential applicants with certain handicaps and limitations.

- It was important to the City to label the programs as a "pilot" venture thereby leaving the option open for program termination should the program prove unsuccessful.

- The maximum income criteria was set according to the City's existing Community Development Block Grant low-income rations.

- The minimum age criteria was set in accordance with other city aging programs administered by the Arkansas Area Aging office.

- The Arkansas Area Aging office indicated that a worker could be made available under an "Older Worker's Program" to assist in administering the program.

- Without knowing the result of the many program use variables during program development, the City was very conservative in establishing income criteria, maximum number of coupons issued monthly, and related program-control policies.

- Retired Senior Volunteer Programs and similar elderly organizations can be helpful toward program development and marketing.

BASIC COMPONENTS FOR SUCCESS

1. A need for the program,

2. A desire to ease the needs,

3. A sound, workable relationship between the respective unit(s) of government and the local taxi company(s),

4. A thorough understanding and agreement of all the integral program components,

5. A strong commitment to program success among all parties.

SUMMARY

The program is operating extremely well. There are no operational or administrative problems whatsoever. No complaints have been voiced from the Mayor's office, City Clerk's office, C & H Taxi owners or drivers, program participants, or from the Arkansas Area Office on Aging. No changes are necessary in internal forms and reporting processes. No areas of program abuse or misuse have been cited or suspected.

NOTE: A "Procedure Report" has been prepared to aid other cities in program development and is available upon request to Elaine Walker, Northwest Arkansas Regional Planning Commission, P.O. Box 745, Springdale, Arkansas 72764 (501-751-7125).

PUBLIC/PRIVATE VENTURE FOR TRANSPORTATION SERVICES IN THE BALTIMORE-WASHINGTON INTERNATIONAL AIRPORT AREA

by

PAUL PEZZOTTA
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OVERVIEW

Over the past several months, the Airport Area Transportation Collaborative (ATCo)has been evaluating the transportation needs of the major public agencies, private employers, and developers in and around the BWI Airport. Individuals from these groups comprise our Policy Review Board and include representatives from the Maryland Department of Transportation (MDOT), Mass Transit Administration (MTA), State Aviation Administration (SAA), State Railroad Administration (SRA), Anne Arundel County Department of Planning and Zoning, Westinghouse, Dickenson and Heffner, W. A. Kehoe Company, and National Security Agency (NSA).

Based on the needs assessment conducted through interviews and analysis, we have found there are significant, unmet needs and inefficiently allocated resources. However, some mutually beneficial alternatives could be pursued to address these problems and support continued growth in employment, development, and air travel.

We have found that the area is served by a very high level of rail, public and private transit and paratransit and air service. However, without improved coordination and overall planning, these services cannot produce the level of accessibility/mobility of which they are capable. Currently, growth in the area has been able to proceed in spite of this lack of integration. However, directly or indirectly, it has cost each of the ATCo participants a considerable sum of money, resulted in a less-than-optimal, land-use pattern and possibly cost the area some loss of jobs. If this situation were to continue, the resulting congestion would cause an even greater negative impact on development, together with a reduction in potential levels of employment, and make the airport increasingly inaccessible. The resulting longer travel time to the area would most likely reduce the level of travel demand for rail and air travel through BWI.

This reduction would come not only from the loss of travelers coming to the airport from Baltimore or Washington, but also from a reduction in the ultimate level of employment in the BWI area, caused, in part, by the growing congestion. Currently, employees from one firm, Westinghouse, provide BWI with approximately 1,200 air travelers a month; another 300-400 vendors each day visit the Westinghouse facility, most arriving by air. Within a few years the Airport Square/Elkridge Landing Road area will have added some 15,000 to 20,000 employees; firms along Hammonds Ferry Road, another 3,000 employees. The Dorsey Road development that is currently planned could add another 2,000 employees. Westinghouse has substantial additional expansion planned, and it is apparent that NSA is also growing rapidly. All of this high-tech growth can mean more rail, air and auto travel through, and to, the BWI area. Beyond this employment growth, several thousand housing units are planned south of BWI in the Odenton area which also will increase air and rail travel demand and roadway congestion. But this growth can only occur if the various parties in the area begin to cooperate in order to optimize the utilization of land and other resources.

We have stratified the identified organizational needs into three categories:

- Access to the BWI area,
- Mobility around the BWI area, and
- Improved coordination of public and private interests in order to better maximize the development options and support improved mobility.

We propose that the Airport Area Transportation Collaborative address these needs as a nonprofit corporation comprised of the major public and private organizations in the area. This organization would have the following major functions:

- To operate a cooperative shuttle service and other paratransit, e.g., carpools and vanpools, among the area employers,
- To improve coordination between public and private interests in order to maximize development options and support improved mobility, and
- To promote membership in the ATCo among large new residential and employment developments.

We currently envision a small start-up staff of four to begin to implement programs in these four activity areas. They would continue to work with ATCo members individually and in groups as the case requires. The ATCo Board would meet periodically to review progress and provide policy guidance for new program development.

PRELIMINARY FINDINGS

During our initial needs assessment and service documentation effort, we have already identified and proposed modification which could reduce congestion, travel times, travel costs, and parking costs for employers, employees, and clients of the BWI area. These proposed changes to existing services are:

- Improved Accessibility to the BWI Area
- Proposed Modifications to Existing Service
- Route 17 Line

To serve a major new industrialized housing firm, Cardinal Industries, locating along Hammonds Ferry Road (adjacent to BWI), which will employ approximately 2,000-3,000 employees, and to serve existing employees at the Westinghouse facility and State Highway Administration in the same area, we propose that MTA alter the peak-period service. Specifically, we propose that during peak periods the #17 bus run down Hammonds Ferry Road from Broadview Road to Dorsey Road and then resume the regular route on the Baltimore-Annapolis Boulevard.

In addition, we proposed a non-peak-period realignment so that the #17 bus runs along Hammonds Ferry Road to Poplar Avenue and then over to Baltimore-Annapolis Boulevard. This will permit the #17 bus to intersect the current BWI Airport Shuttle service at the SAA Satellite parking lot, thereby serving a very large employee market. A service stop should be made at Poplar Avenue and Hammonds Ferry Road to accomplish this transfer. Given ridership data provided to us, these modifications should result in a net increased ridership.

Route 16 Line

To allow the employees of the airport-area hotels to use MTA service in commuting to work, we propose that MTA add Route 16 service that arrives at BWI at or before 6:00 a.m. The hotel kitchens must open at 6:00 a.m. so that they can serve guests who take one of the many flights that leave between 7:00-7:30 a.m.

In addition, we suggest that the Route 16 express bus, that now only stops at Fort Meade, make a stop at BWI.

Based on our discussions with potential users, this should increase the number of riders on the Route 16.

Route 23 Line

We are proposing that the SRA improve its rail station support facilities and intermodal, interconnection capabilities related to its BWI station so that the station can better serve the commuter market. Currently, that station serves the airport traveler and is constrained from serving the commuter market by the cost of parking at the Baltimore terminal and the lack of bus service to employment sites from the BWI terminal.

The SRA is remedying the first problem by building a new station on Franklin Street at the end of I-170. This new facility will have free parking and we are studying necessary parking-security measures to make the commuter feel safe while using the lot. However, the station could be provided with peak-period, east-west, limited-stop, bus service from the Route 23 bus. This would greatly enhance the accessibility of the Franklin Street station for BWI commuters.

New Service:

Suburban Express

Individual members of the ATCo Policy Board who were interviewed expressed strong support for the concept of suburban, express bus service to BWI from Columbia, Baltimore, and Annapolis. In addition, service to Fort Meade from Columbia and Annapolis provides a needed east-west transit link for the area commuters. We have urged the MTA to evaluate service of this type and hope that it utilizes the private sector in supporting and implementing the service.

One suggestion made for routing service between Columbia and BWI was to route the express service by the Jessup rail station at times permitting transfer to morning and evening commuter trains run by the Chessie System. Another suggestion was to route the express from Baltimore to Columbia into Ellicott City on the "dead head" side of the run, i.e., after the Baltimore to Columbia express has discharged passengers in Columbia, it would then pick up the morning commuters from Columbia and take them to Ellicott City. On the evening run it could stop and pick up the commuters in Ellicott City and discharge them in Columbia, before it picks up the returning commuters on the Columbia to Baltimore trip.

With regard to the commuters discharged in Columbia, we have suggested that MTA pursue discussions with Columbus and Howard County to determine if an employer sponsored feeder/distributor service operated by Columbus is feasible.

Commuter Use of the BWI Airport Rail Station:

As noted earlier, the Amtrak rail station cannot be utilized for commuter service because at the Baltimore end of the trip there is no free parking, and at the BWI terminal, no transportation to employment sites exist. The cost of the rail service is very attractively priced at about a $2.00 per round trip on a monthly pass from Baltimore. The service level is very high with four SRA commuter trains in the morning and evening taking approximately 15 minutes to travel the distance.

Although the parking problem is being addressed at the new Franklin Street Station, a distribution service at the BWI terminal must be provided for commuters to complete their work trip.

IMPROVED MOBILITY IN THE BWI AREA

Currently the SAA runs three shuttle services in the BWI area: an airport circulator bus serving the parking lots adjacent to the terminal; a shuttle to the new satellite parking lot on Poplar Avenue; and a shuttle between the Amtrak station and the BWI terminal. Westinghouse operates two shuttles; one between their Friendship (Route 170) and Hammonds Ferry Road sites, and another between the Friendship site and facilities on Elkridge Landing Road. The NSA operates two shuttles, and the hotels operate other shuttles. Because each shuttle operation is designed to meet specific goals, there is duplication of service, overall expenditures are unnecessarily high, and accessibility suffers.

The train station is underutilized because it is isolated from firms which employ a growing number of low-income, service workers who would likely use the rail service if it were connected by para-transit to their place of work.

To address these needs, and to support existing transit service, transit service modifications and new suburban service, we propose a circulator service be developed for the BWI area. This service can obviously only be provided to those that support it, however the benefits to be derived from it could be useful to all our members:

SAA: Lower shuttle operating costs through collective support of enlarged shuttle operation; better access for its employees to lower-cost transit as an alternative to auto commuting; facilitate the growth of employment in the airport are, which in turn provides for growth in air travel.

SRA: Development of commuter market to and from its BWI/Amtrak station; increased ridership on its MARC service; and better utilization of the new Franklin Street Station; support of growth in the BWI area.

MTA: Better utilization of existing service. Should the MTA pursue suburban express bus service, it would need a circulator at the terminals. Collective financial support plans would result in considerable savings for the MTA; association with large private-sector employers and developers would provide useful support for MTA in the community, and MTA would be supporting growth in the BWI area.

Westinghouse:

Lower shuttle operating costs through collective support; better accessibility to airport and rail service; and improved commuting opportunities for employees.

Holiday Inn and International Hotel:

Better labor market accessibility and reduced commuting costs for their employees.

Developers:

Messers. Heffner and Kehoe: improved labor market accessibility for potential tenants; reduced commuting costs for potential/existing employees; and better access to rail and airport facilities.

This proposed service would operate on headways that are identical to those experienced under the current, major individual operations, i.e., BWI Airport and Westinghouse. However, vastly improved mobility/accessibility would be provided into, and around, the area. With one coordinated circulation service, transit and rail commuting become a feasible alternative to the automobile, a coordinated parking plan becomes possible, a higher quality of land use could result, greater rental rates and real-estate tax returns could be generated and continued high growth, with all its benefits, would be supported.

We envision a cloverleaf loop service, running simultaneously in both directions from 6:30 a.m. to 6:30 p.m., Monday-Friday. Service would also be provided at the Amtrak Station when the trains arrive in evenings and on weekends. In addition, we would operate the employee shuttle between the airport and the satellite parking lot would be operated during evenings and weekends.

The loop service would run on 10-minute headways; the satellite lot shuttle on 10-20 minute headways. A breakdown of times and route mileage is as follows:

1. Basic Loop Service (counterclockwise and clockwise): Westinghouse-BWI- BWI Satellite Lot-NSA-Airport Square/Holiday Inn-Westinghouse ATL. Monday-Friday 6:30 a.m. - 6:30 p.m.

Daily Trips:	102
Trip Length:	9.4 miles
Daily Mileage:	959 miles
Annual Mileage:	239,750 miles (250 work days)

2. Loop Service Extended to Amtrak Station Monday-Friday 6:35 a.m. - 6:20 p.m.

Daily Trips:	30
Trip Length:	11.0 miles
Daily Mileage:	330 miles
Annual Mileage:	82,500 miles

3. Loop Service Extended to Westinghouse-MAC. Monday-Friday 8:00 a.m. - 3:30 p.m.

Daily Trips:	13
Trip Length:	11.8 miles
Daily Mileage:	153.4 miles
Annual Mileage:	38,350 miles

4. Amtrak Station - BWI Shuttle service
Monday-Friday 7:10 p.m. - 9:20 p.m.
Saturday-Sunday-Holidays: throughout day

Trip Length:	4.6 miles (round trip)
Weekly Trips:	42
Annual Mileage:	10,368 miles

5. BWI - Satellite Lot Shuttle Service
Monday-Friday 6:30 p.m. - 6:30 a.m.
Saturday-Sunday-Holidays: all day

Trip Length:	4.0 miles (round trip)
Weekly Trips:	577
Annual Mileage:	117,536

TOTAL ANNUAL MILEAGE: 488,504

To support this potential service, and the other services described herein, of the Airport Area Transportation Collaborative, some equitable apportionment of costs must be determined. Those ATCo members choosing to share in the support of the initial operating budget would be permitted to have unlimited access to the shuttle by utilizing passes, to be distributed by the TMA.

Other firms that join later, would be required to pay a fee for a given level of service, e.g., six dollars per month per employee (pass holder), which amounts to 10-15 cents per ride. This cost could be shared with the employee and might be able to be packaged with a monthly pass from the MTA thereby further offsetting the cost. Currently, the MTA employer pass program offers employees passes at a discount which is equally borne by the MTA and the Employer.

Train passengers could be admitted to the shuttle upon presentation of their rail ticket stub, or an airline ticket. Other unaffiliated travelers in the area could be admitted for some substantially higher fare, e.g., 20-25 cents. Should the MTA become a supporting member, through contract or some other means, then a simple MTA pass could possibly be sufficient for admission.

The ATCo budget must be fully covered however by whatever formula is finally determined. Additional farebox revenue or revenue from new member participation cannot be relied upon to support the organization. We propose that should the ATCo Board decide to initiate a service program, that commitment be made to do so for a 3-year minimum period so that the full benefits and costs can be adequately assessed. We propose that the budget be annually reviewed and adjusted to account for new members and incidental farebox income.

Our cost analysis of the circulation service proposed above shows the cooperative venture could reduce the currently expended costs of Westinghouse and SAA by approximately $150,000-$200,000. Discussions with service providers lead us to believe even greater savings may be possible.

TRANSPORTATION NEEDS AND DEVELOPMENT REQUIREMENTS

Anne Arundel County Efforts

The County Office of Planning and Zoning is currently evaluating alternative means to provide direct support to the proposed TMA and to develop measures to encourage the participation of area developers and employers in the TMA programs. Specifically, they are evaluating:

1. The creation of a tax allocation district. In this district, adjacent to the airport, the boundaries of which have yet to be determined, a portion of the collected real estate taxes would be allocated to the support of the proposed TMA shuttle. This is similar to a measure now pending before County Council that would allocate funds to support construction of an interchange on the Baltimore Washington Parkway.

2. The provision of density bonuses or parking-requirement reductions to firms in the special development district (or tax allocation district) that choose to participate in, and financially support, the TMA's programs.

3. The creation of a special, parking-district plan, to be provided in conjunction with a shuttle operation, that would consolidate parking and free more land for development. The present parking requirements associated with suburban development are most cost effective for the developer. However, they require the extensive use of land causing lower rental and tax receipts per acre of development. In addition, they require extensive highway widening to all sites so that parking is possible adjacent to each building. In the end, in areas like BWI, congestion results in spite of the best efforts of all concerned. Adding all these public and private costs together could result in the determination that a consolidated parking plan might be more cost effective overall.

Employer-Based Transportation Management Programs

Should the ATCo non-profit corporation be formed, programs like those described above would be pursued on a continuing basis. In addition, the small ATCo staff would assist area employers in developing other transportation management programs, similar to the effort being undertaken by the Regional Planning Council's Rush Hour Project.

These programs could include: employer-subsidized transit passes, carpooling and vanpooling, parking management and flexitime. Collectively, these programs have been shown to reduce traffic congestion and parking demand while bringing tangible economic benefits to participating companies. The Rush Hour Project has documented successful company programs in the Baltimore area; this approach would be easily adaptable to a growing employment center such as the airport area.

The plan described on the previous page was formally presented to the ATCo group, and during the discussion that followed was general agreement that a public/private working group for the area was needed. For reasons of efficiency, a small Policy Review Board was formed and Mr. Michael Kushner, Westinghouse, Inc., was asked to act as ad hoc chairperson.

The Policy Review Board had as its assignment to review the plan, and select and prioritize the issues that would be addressed in more detail. The Board consisted of:

Samuel Heffner - Dickinson-Heffner, Inc.
Jay Hierholzer - Mass Transit Administration
Florence Beck Kurdle - Anne Arundel County Office of Planning & Zoning
Michael P. Kushner - Westinghouse Electric Corporation
Werner Minshall - Parkway Center
Jack Ross - State Highway Administration
Larry J. Saben - Maryland Department of Transportation
Catherine T. Smith - National Security Agency
Charles H. Smith - State Railroad Administration
T. James Truby - State Aviation Administration

The group met in July and selected the elements of the overall plan to be addressed in this fiscal year.

The key issue was to insure adequate accessibility to the BWI area. To meet that objective, a work program was developed. During this fiscal year ATCo would:

1. formally organize the public/private working group into a non-profit corporation.

2. undertake a highway facilities review to determine the adequacy of current plans in the face of the unexpected and rapid growth over the last 3 years.

3. develop and implement a commuter assistance program to promote alternatives to low occupancy auto commuting. Specifically ATCo will promote rail, transit, ridesharing and subscription service commuting and evaluate the feasibility of a support-service shuttle to facilitate peak-period commuting.

4. Finally ATCo would undertake a study of private and public costs of parking that would investigate alternatives to the traditional suburban form of development, which requires extensive land for parking low-occupancy autos.

A preliminary budget for this undertaking, for a two-year period, is shown on the following page.

The Policy Review Board members are now discussing the allocation of costs and the development of sustainable revenue flows for the organization.

Airport Area Transportation Collaborative
Accessibility Improvement Program

Proposed Budget

Function	Estimated Project Operating Requirements (Dollars)	
	F.Y.85	F.Y.85
Planning & Analysis	$180,000	
Management		
Commuter Assistance Program	30,000	$ 60,000
ATCo Organizational Development		30,000
Intermodal Connector		120,000*
Office and Overhead	15,000	30,000
Commuter Assistance Coordinators**	30,000	30,000
Marketing/Advertising	10,000	20,000
TOTAL	$265,000	$290,000

*Offset by income from shuttle fare and advertising.

**Liaison within member organizations.

TAXI-USER SUBSIDY AND FIXED ROUTE COMMUTER BUS SERVICE IN NORTHWEST INDIANA

by

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The Northwestern Indiana Regional Planning Commission has had a commitment to improved transportation since its inception in 1966. It has had a close relationship with private transportation operators for over 10 years. The Commission is the forum for cooperative decision-making among the public and private operators. Public mass transportation in northwest Indiana is operated by public agencies and private entrepreneurs. Federal transit money is allocated to private and public operators alike. In fiscal year 1984, $10.3 million in Urban Mass Transportation Section 9 funds was apportioned to northwest Indiana. Most of the money was allocated to the four large public systems in the urbanized area. They are the Gary Public Transportation Corporation, the Hammond Intercity System, East Chicago Bus Transit and the Northern Indiana Commuter District. Of the 42 projects in the FY 84 section 9 program, 17 are for or related to private operators including capital, operating and planning projects amounting to 15.8% of the apportionment.

The UMTA Paratransit Policy was issued on October 18, 1982 and encourages private sector participation and coordination of paratransit services. That policy can and does guide the efforts in northwest Indiana, however, coordination and private operator participation have been happening since the mid-1970's. The Regional Planning Commission owns 39 vehicles and will purchase 43 more through approved federal grants with 17 to follow through pending grants. The source is UMTA capital money and all are purchased to be leased to private transportation operators.

These efforts to assist private operators are founded on the state legislation which established regional planning commissions. The Commission was formed under 1965 state legislation which charges it with instituting and maintaining comprehensive planning. It also empowered the Commission to receive federal and state grants, enter into agreements or contracts and to provide public services. Owning and leasing bus fleets is more a function of a Regional Transit Authority, however there is no such agency in northwest Indiana. The Commission also performs the typical regional planning functions: conducting a coordinated, comprehensive and continuing transportation planning process, water quality management, land use and open space plans, reviewing federal projects, economic development, technical assistance, and generally coordinating planning and development in our 3-county region. Special projects include planning for the 1992 World's Fair in Chicago which is going to impact northwest Indiana.

Planning and programming play vital roles in the decisions on where best to spend the resources. Northwest Indiana's planning for the transportation needs of the elderly and handicapped began in 1976 and has evolved into helping to implement the plans through the application for operating and capital funds. Programming projects and allocating federal transportation funds is the Commissions' function as the areas' Metropolitan Planning Organization. Transit funding decisions are made upon the recommendation of a 5-member Committee. It is made up of the areas' public mass transit operators and designated recipients.

The Commission, as a public agency, has become a funding conduit for two private, non-profit agencies who transport the areas' elderly and handicapped. This is a service which qualifies for federal operating assistance, funds which the Commission passes through. Indiana public transit match money is also passed through to these agencies. To date, over $2 million has been paid, allowing the agencies to maintain and expand their services. The Commission as the applicant is responsible for the money and maintains a legal tie to the private agencies through an agreement.

Federal operating subsidies have passed to the private agencies since 1973. The availability of federal capital dollars has allowed the agencies to replace and expand their rolling stock. UMTA capital programs have been available to transit systems for some time, and until May, 1981, only applied for by the public systems in northwest Indiana. The private operators that serve the elderly and handicapped had until then, purchased new vehicles through their own resources or through the UMTA Section 16(b) (2) program. There is however, state-wide competition for that money which meant an unstable source of capital for replacement and expansion. There is only local competition for the UMTA formula money - Sections 5, 9A and 9. The Commission for grants on behalf of the two private operators in May, 1981 for a total of 10 small buses. It was followed a year later with an application for three commuter coaches for two private, for-profit operators, including Hammond Yellow Coach Lines. The application was approved at which point the other operator decided that leasing the vehicle would not meet its particular needs.

The Commission did not venture into these projects without careful consideration by the Board. Many questions arose. How many years should the lease cover? How can the Commission be sure the local share of the grant will be there? What if the operator goes out of business? What is the 13c labor agreement and its implications? How can the Commission be protected? How will disputes be resolved? A lease agreement was developed to address these legal and operating issues. The Commission is presently negotiating an acceptable lease agreement with Hammond Yellow Coach Lines. The process, from an operator's initial request to delivery of the equipment takes from 1-1/2 to 2 years. The process with Yellow Coach has taken longer for a number of reasons, largely due to an extraordinary long time obtaining Department of Labor approval. A mid-stream switch was made in the application from Section 5 to Section 9A because of the Section 5 funds in northwest Indiana had to be obligated by a certain date. This was so a public operator could receive approval of a large, pending Section 3 discretionary grant for a bus garage. The Yellow Coach project had not cleared the 13C hurdle, could not be approved, and its money was switched by UMTA to the garage project to clear the way for the additional Section 3 funds. There was substantial delay while reapplication by the Commission for Yellow Coach was made under Section 9A.

There is now approval of two applications for 5 buses for Yellow Coach, 3 commuter coaches for weekday peak hour trips to and from downtown Chicago and smaller lift-equipped buses for commuter and demand-responsive service. Bid documents are being prepared which will be issued as an invitation for bids when lease agreement is executed. Yellow Coach and the Commission will evaluate the bids and the Commission Board will award a contract to a supplier when the 20% local share from the operator is placed in an escrow account. The Commission, as grantee is responsible for project management including quarterly reports to UMTA on the condition and use of the equipment. The leases will run for the life expectance of the equipment, which will cause a long legal and working relationship with Yellow Coach and other operators.

The infusion of federal operating and capital money to private operators through the willingness and ability of the Commission to be the applicant has been valuable to the operators and to the people they transport. Equipment is being replaced in a more timely way and services are able to expand in keeping with the plans and needs of the area. The equipment in service is a tangible result of the planning and grant application efforts.

Another project, unique to northwest Indiana, will soon be underway. A taxi-user subsidy program for the elderly and handicapped is expected to include six to seven local taxi companies in the three county area. It will offer discounted fares to qualified people. The UMTA Section 4(i) demonstration grant money will reimburse the taxi companies up to the regular fare. The involvement and cooperation of the taxi operators is necessary for the success of the program.

The initial goal in any of these ventures had not been the public/private relationships. The Commission's purpose had simply been to improve transportation for the people of northwest Indiana. A side-effect has been the cooperative relationship between a public agency and many private transportation operators. Following is a case study by Hammond Yellow Transportation Systems. The company operates Hammond Yellow Coach Lines, Hammond Yellow Cab and operates the local bus system in Hammond through a contract with the city.

Hammond Yellow Transportation Systems has been in operation since 1948, beginning as Veterans Cab Company. It added an airport limousine service in 1968, selling its operation rights in 1980. The family-owned company currently offers four types of transportation: 1)private-for-profit, demand-responsive taxi cab service in many northwest Indiana communities with a fleet of 50 cabs; 2) local, fixed-route bus service, contracting with the City of Hammond; 3) daily commuter bus service from 11 communities in northwest Indiana to downtown Chicago, and 4) charter bus rentals throughout Indiana and the rest of the country.

The example of a private-public partnership in transit initiated in 1980 when Hammond Yellow Coach was informed about a potential market for commuter bus service by the Regional Planning Commission. A Chicago-based bus company had operated the service but went out of business. Yellow Coach entered the market and through guidance and market analysis by the Commission began commuter service which now transports over 150,000 people annually. By the end of 1981, demand had grown so rapidly that new and modern equipment was needed to expand and replace. The Commission advised Yellow Coach of the availability of capital grant funds through the Urban Mass Transportation Administration. An application was filed by the Commission in 1982.

Some problems are associated with public-private partnerships. One problem is the long lead time, nearly two and one-half years from the time of application to the expected delivery of the equipment. The numerous government requirements which take time to address have severely limited efforts to replace older and inefficient equipment. If new buses had been received in a more timely fashion, fare increases could have been limited.

Another issue is the necessity of signing a Section 13C labor agreement. Yellow Coach management feels that competition by private-for-profit companies with public transit agencies for the mass transit market is one reason for the 13C requirement. The Yellow Coach legal advisors have been successful in negotiating agreements with the unions involved. Legal costs and "red-tape" can discourage private operations from entering markets and applying for funds which are usually controlled by public operators.

A third issue is public information and awareness. The general public as well as private and public operators must be informed of programs and sources of funds. Information about service changes on any system should be made available for all operators to keep all systems in tune with public demand. Private operators must know where new transportation services are needed and be involved in the planning process. The Commission through its planners, directors and information systems have given Hammond Yellow Cab and Coach lines the opportunity to take advantage of new demands for service. The Commission has given the company encouragement and guidance; guidance in moving through the federal application and procurement policies. Hammond Yellow management feels there is a genuine concern for the small private-for-profit operator.

Another area where the Commission and Hammond Yellow are working together is in offering discount fares to the elderly and handicapped. The Commission is entering into agreements with local taxi companies to pay user-side subsidies for mobility-limited people. Up until now, cab companies have had a distinct advantage when trying to offer low-cost, demand-responsive service to the public. Social service and other agencies are subsidized through federal and state programs and philanthropic solicitations. This has seriously hurt or bankrupt many cab companies. In northwest Indiana, the companies will be able to offer a 50% discount to elderly or handicapped passengers and be reimbursed for the difference. The advantage of taxi cab service is its availability, usually 24 hours per day, 365 days per year compared with the limited routing and required advance reservations for social service transportation.

Hammond Yellow has another partnership with a public entity. The City of Hammond contracts with the company for its local, fixed-route service. Hammond Yellow was offered to bid on providing the service and began operating in December, 1982. The system had previously been operated by Gary Public Transportation Corporation and was costing the city in excess of one million dollars annually. Hammond Yellow offered to provide the same service with converted school buses for an approximate 50% savings to the city.

In summary, Hammond Yellow Cab and Coach Lines is encouraged by its public/private partnerships. Federal, state and local governments are using private operators who have a vested interest in offering a good and effective transportation network at a reasonable cost. Problems still exist, but through understanding and good communication, future partnerships will develop to offer efficient and less costly solutions to transportation demands.

PRIVATE CONTRACTED BUS SERVICE FOR WESTCHESTER COUNTY

by

R. RALEIGH D'ADAMO
WESTCHESTER COUNTY, NY

What makes public transit different in Westchester, compared with other parts of the country, is that we've found a different, and hopefully a better, way to run it. Westchester's network of 62 bus routes is the fastest growing and most efficient public transit system in New York State: From a low of 21 million riders in 1977 our system ridership has leaped by 41% to over 29 million this year; and our "cover ratio"--the percentage of costs paid for by passenger fares--is 65%, higher than any in our peer group. I believe our rapid growth and our great efficiency are the direct results of our novel way of providing service.

Faced with the transit crisis, Westchester rejected both extremes of doing nothing and going entirely public and instead established a unique partnership with the private sector--our privately-owned bus companies.

Preliminarily, let me say that we had some very unique factors going for us that may not make replication of our system doable elsewhere: Probably the most significant of these was that the bus companies in Westchester were in better shape than in most other communities when government was faced with the moment of decision and Westchester County had the wisdom to become involved in transit when the private companies still had the ability to carry on. For the bus companies, their transit services in Westchester were only one component of the company's total business. By leaving the transit component of their services in the operating hands of these private companies we were able to continue to draw on their operations and maintenance expertise and yet be charged only a pro-rata portion of their general overhead and administrative expenses--a key factor in helping hold down our overall costs.

Let me first discuss financial relationships between the County and Federal and State Governments. Submitting grant applications, whether to the State or Federal government, was for us, at the beginning, exceedingly difficult. It almost seemed as though there were a conspiracy on the part of the Federal and State governments that would slowly but surely force us, against our better judgment, into "surrendering" and going entirely public. Happily we resisted this, and happily over a period of time and through changing philosophies Westchester's way of doing things has now become quite well known and quite well accepted.

As to the specifics, Westchester County applies to the Federal government for both operating assistance and capital funds. When capital equipment is acquired the County becomes the owner of these and provides them to the bus companies under one dollar a year nominal leases.

The financial arrangements with New York State are considerably more interesting: My Department made a very significant management decision early on in the administration of the State's Transit

Operating Assistance program: Instead of giving to each of our bus companies the exact amount of money that that company earned under the State formula which is based on the number of passengers the company carried and the number of vehicle miles the company operated, we put all of the State operating assistance funds earned by all of our bus companies into a pool along with all of the matching County funds, and all of the Federal operating assistance funds. We then redistribute these Federal, State and County funds to the companies in accordance with each company's individual needs.

The strengths of companies that have a stronger financial base and/or which operate stronger routes, enable the County to subsidize those routes which are more marginal but which the County deems are important in an overall County transit network. It also enables the County to nurture those companies which are less strong financially but which we believe should play a role in our developing and growing transit system.

As to the financial arrangements between the County and the bus companies: We wanted to treat all companies fairly. We found this to be very difficult. All sorts of accounting and bookkeeping agreements had to be particularized for each company as to what items of expense would be recognized and reimbursable, what other corporate earnings beyond those associated with the company's transit routes in Westchester would be segregated out before consideration of corporate profits were calculated, how shared expenses should be allocated, and so on.

The standard Operating Assistance Contract that emerged was therefore predominantly a financial document. There were to be sure certain oversight provisions to protect the County's interest and those of our citizens, but they fell far short of what we transportation professionals believed was necessary.

When new contracts were negotiated in 1983, they contained two substantial changes: One replaced the previous cost-plus profit arrangement with a new cost-plus management fee contract. The other established an administrative policy committee to meet once a month with our largest company and on an as-needed basis with the other companies to deal with a growing number of policy differences between the County and some of the bus companies.

This brings me to my third category which is the non-financial arrangements between the County and the bus companies.

Among other things, the County determines routes, schedules, fares and subsidies; does system-wide planning; is the liaison with all levels of government; applies for and administers Federal and State operating and capital grants; does system-wide budgeting; and performs certain line functions for the system as a whole such as press and media relations; customer relations, telephone information services, production of brochures, maps and timetables, and transit marketing.

The privately-owned bus companies handle the day-to-day operations. The drivers, mechanics, and other staff are company employees and are hired, trained, disciplined, and replaced by the companies. The buses and other vehicles, equipment and buildings required for transit service are maintained by the companies, regardless of whether the equipment is owned by the companies or is owned by the County and leased to the companies. Union contracts are negotiated between the individual bus companies and the various unions that represent their employees.

The fourth area that I'd like to discuss with you is the specific role which the County Department of Transportation played in forging this partnership and what we continue to do to maintain it. Far and away, the most significant contribution of the County was that it, and it alone, conceptualized the system and brought it about. Negotiating the contracts I described earlier and the on-going administration of them would not alone have made the Westchester Transit System what it is today.

If I were to enumerate the specifics of what we did you would say that they were terribly simplistic, and indeed on hindsight, many of them were. The fact of the matter is, however, that before the County's involvement in public transportation the private sector did not do these things themselves and, in my opinion, they still would not be done today if matters had been left entirely in private hands. First of all, we made sure that there were no duplicating or overlapping routes that were wasteful when the services were viewed as a whole. We removed all barriers to getting around the County by providing a universal fare structure and a universal transfer policy to enable passengers to continue their journeys on various routes without having to worry about which particular bus company operated which particular route. After considerable resistance by some of the bus companies, we finally introduced a monthly commutation ticket valid throughout the system. We forged the concept of a system by developing a systemwide bus map which deliberately does not distinguish the routes of one company from those of any of the others. We established a uniform format for all of our timetables, for the route and destination signs on the buses, for the signs and information and schedule displays at all of the bus stops throughout the County, right on through to a uniform paint scheme for all of the buses in the system. Our marketing programs are applicable to the system as a whole. The County established a Telephone Information Bureau so that passengers could call one central number for information on how to travel throughout the entire County and established one central source to receive all suggestions and complaints about transit.

In addition to the programs which the Department originated to unify services and create a system, virtually all of the programs and ideas to build ridership on the system have eminated from the Department:

For example, to maximize the use of buses which run at less than capacity at the beginning and end of their trips the Department instituted FareFree zones in the downtown areas of our six cities.

We initiated UniTicket, a reduced-rate joint tariff and simplified fare collection system between the County's bus network and the suburban railroads and improved bus/train connections; we started HomeFree, a half-fare bus program to encourage the use of transit to get the County's many cultural institutions and historic sites, the Department purchased articulated buses for use on the system's heaviest routes; and to increase the operational reliability of the system, we installed a totally automated vehicle monitoring system--the first of its kind in the country. We introduced Personalized Local Transit routes operated with minibuses to penetrate residential neighborhoods and serve as feeders to the MTA's railroad stations and our own regular intermunicipal bus lines.

And just last week, to make bus travel in off-peak hours more convenient the Department had the bus companies put "pulsing" into effect--the coordinated arrival and departure of buses at central nodes to guarantee connections.

Unfortunately, many of these concepts were ridiculed by the private bus companies, and a number of them were vehemently objected to.

While the largest thrust of putting this transit system together is now behind us, it is still a growing and dynamic system. A major capital facility--a combination garage for some 250 buses and central maintenance facility for all 325 buses--was built under a unique public/private partnership arrangement where the financing for the construction of the facility was made available to private entrepreneurs with government-backed low-interest Industrial Development Agency bonds. The project was widely acclaimed at the time by UMTA and others as being very innovative, but it too has its pros and cons. To be sure, the private sector was able to bring the project to fruition faster and cheaper. But the annual rental which the County pays for the facility for each of the next thirty years is a charge against the operating cost of the system (which has to be paid for by user fares and non-user taxes), and the County does not end up owning the facility even after all of these payments have been made--points which have been heavily criticized by the New York State DOT.

There are certain unique aspects of the way business is conducted by private companies which work to their advantage and which would be lost if the same business was performed by government: (1) their ability to purchase supplies and services without being shackled by governmental competitive bidding requirements; (2) their ability to act and react faster than government because they are not bound by a host of statutory time requirements; (3) their ability to make changes and take chances regarding internal management and policy decisions and their ability to reverse themselves or correct their mistakes more quickly.

The fact that transit services are often an integral part of many other bus services performed by a privately-owned bus company also yields advantages to government in the labor/management area. Since labor contract negotiations are generally dealt with as an entity by the company the publicly-subsidized transit operations generally benefit from the ultimate labor settlement.

But in the final analysis, perhaps the single most important advantage that government obtains from working with the private sector derives from the pride of ownership and the personal identity and interest which the owners take in the good name and reputation of their private company.

Despite the overall success of Westchester's Transit System, our public/private partnership is not without its problems. Once a public/private system like ours is created, there is a very heavy continuing responsibility on the part of the government sector to monitor, administer and manage it. In my opinion, Westchester County has never fully realized the size of its own transit system--it is roughly the 30th largest transit system in this country--and has never given my Department the resources I believe are necessary to enable it to carry out its responsibility to monitor the companies.

As our system has grown and as the public/private partnership has matured other problems have developed as well. For example, because the private operators' stated advantage is their ability to provide the service at a lower cost to the County than a public operation, the <u>companies are frequently reluctant to spend the money required to correct problems or to provide for service reliability</u>. For example, service may be missed due to the lack of stand-by buses.

Because multiple companies are involved in our system, <u>responses to service interruptions or irregularities cannot always be made.</u> When one company has a breakdown, a bus and driver for another company might be in the best position to cover the service, but cannot because of jurisdictional differences.

Since it is identified as a County service, and since the County handles passenger relations, the companies are often less concerned with passenger complaints than they would otherwise be.

Operating franchises are issued by the State in perpetuity and held by the companies. Thus, the County lacks the power to shift a route from one company to another, without the consent of the company.

Without registering fareboxes, there is no clear audit trail for fare collection and thus no real verification of subsidy requirements, and our major companies have vehemently objected to registering fareboxes.

Only one of the companies is large enough to have a staff of road supervisors. Drivers for small companies work with only the ad hoc supervision of their company's owners.

There is a tendency for the companies to avoid tasks they do not wish to perform by attaching to the task an unconsicionable price tag which the County usually does not have the resources to challenge.

A number of problems can be said to be understandable outgrowths of the greater knowledge and sophistication that each party in this partnership has come to have. For example, as County government has come to learn more about the bus business, we have understandably been more concerned about the details of such matters as the companies' operations, budgeting, staffing, and management. Some of the bus companies have become resentful of this, characterizing it as County interference in the internal management of their companies. Some have recently said that they wish the County's role in this partnership to simply be to give them subsidies and leave them alone.

Perhaps there is no clearer indication of the difficulties that we face at the present time than that the companies are increasingly resisting tighter County control through line-item budgeting and the tying-in of expenses to manning lists and requests for additional staffing. Moreover, these companies are slow to furnish the County with the necessary statistics and information to enable the County to make critical management decisions on an informed basis.

With regard to route and service changes, regrettably the private companies still have a mind-set that only routes yielding the highest revenues should be operated with no regard for public service.

A public/private partnership in transit should be as equal as it can possibly be, and while government should seek the input and ideas and participation on as full a basis as possible with the private sector, it must be the public partner, not the private sector, that makes the final decisions and has the ultimate authority in the relationship, since public, not private money are at risk, and since the public holds government accountable for how those funds are spent.

In conclusion, our challenge is to build precisely the right kind of partnership that eschews the extremes, that looks to create delicate clock-work balances, that leads to the strengths of both sectors, that maximizes the talents and resources of all.

CONTRACTING FOR FIXED ROUTE EXPRESS COMMUTER BUS SERVICES IN PORTLAND, MAINE

by

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CONTRACTING FOR FIXED ROUTE EXPRESS COMMUTER BUS SERVICES IN PORTLAND, MAINE

THE SETTING

Greater Portland, with a population of 183,625 people is the economic and cultural center of Maine, as well as the largest urban area in the state. Portland is also in the healthiest part of the state, southwestern Maine, which abuts rapidly growing southern New Hampshire and eastern Massachusetts. Portland has an employment base of approximately 8,000 employees in its central business district. This employment area is the financial center for the state, is a major government services center, and is home for the state's legal community as well. There are approximately 100,000 people employed in the Portland SMSA.

The area has three central cities with populations of 61,572 (Portland), 22,712 (South Portland), and 14,976 people (Westbrook). The "suburban" ring around these communities covers the next radial five miles out from Portland. Beyond this ring of communities, the density of population drops off quickly. (Please refer to the map attached.)

Due to the low density of population there is a large number of people who commute considerable distances to work in downtown Portland. As is characteristic in the state of Maine, a great number of these people make only a modest income. (Maine ranks 46th in personal income in the U.S.)

In 1980 there were two organizations providing public transportation, the METRO and the Regional Transportation Program (RTP). They are described in the following lists.

METRO in 1980	RTP in 1980
Fixed route bus service.	Demand responsive service.
Publicly owned and operated.	Private non-profit.
Served Portland, South Portland and Westbrook.	Served Cumberland County.
62 bus fleet.	13 small buses, vans and cars.
3,600,000 annual passengers.	700,000 annual passengers.
$3,000,000 annual budget.	$850,000 annual budget.
Replaced private carrier in 1973.	Replaced transportation services of three organizations in 1976.

The local metropolitan planning organization is the Portland Area Transportation Study (PACTS). It serves eight communities, and is an affiliate of the Greater Portland Council of Governments (COG) which serves nine additional communities. Mass transit technical studies are performed by COG staff, while PACTS staff performs the highway related planning functions. The two organizations, as well as the METRO, RTP and MDOT, work probably as closely together as any similar group in the country.

CONCEPTION OF THE NEW SERVICE

In the Fall of 1980 a COG public transportation subcommittee identified a need for an express commuter bus service into downtown Portland. The purpose of the service would be to provide a low cost alternative for commuters from outlying communities.

The subcommittee, which was composed of town managers and human service agency directors, did not have a preference between public, non-profit or private bus operators. Their purpose was only to provide a service to their constituents. The Regional Transportation Program (RTP), the private non-profit paratransit operator for the county, agreed to offer the service. The governing body at COG endorsed the proposal. (PACTS, the M.P.O., was informed of the proposal, and did not object.)

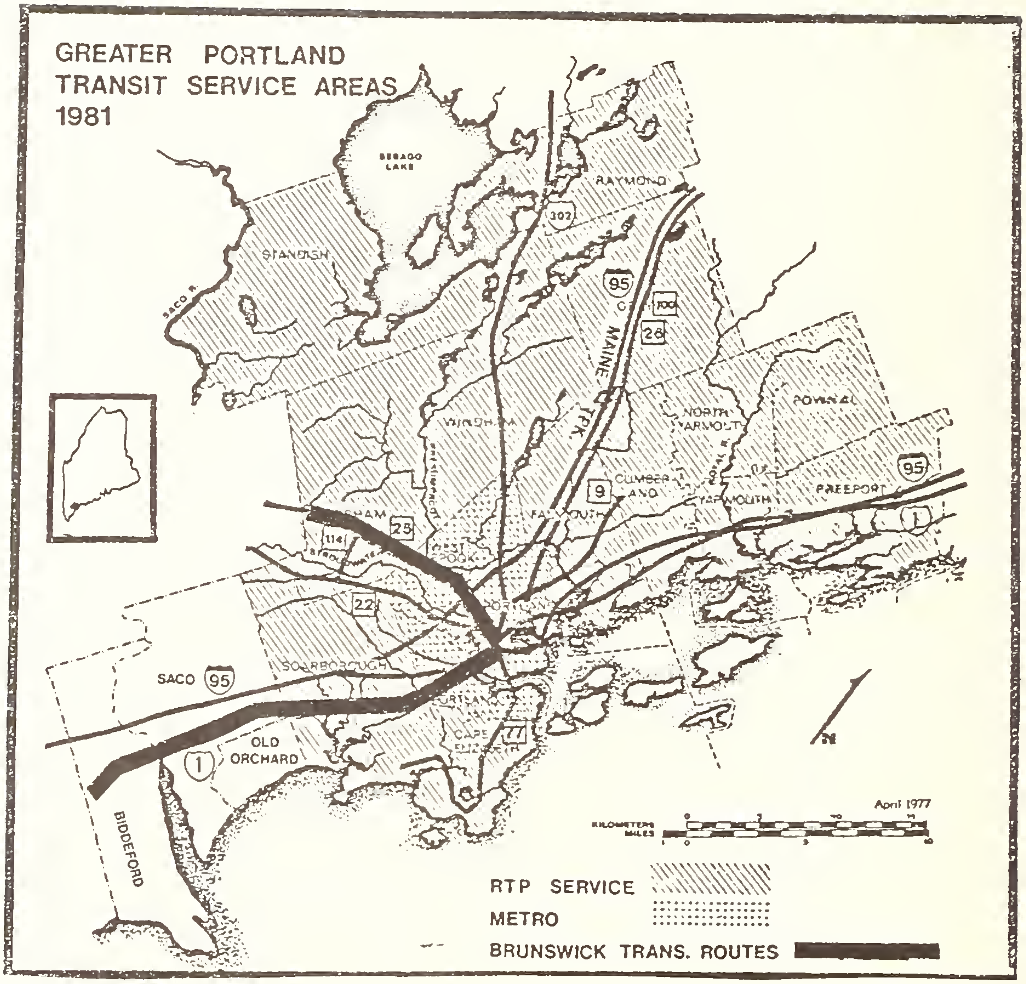
The subcommittee had approached the METRO to see if it would expand its service area to offer the service. The METRO declined based on its experience with a similar service which had failed.

The subcommittee did not approach the local (private) charter operator, Brunswick Transportation Company. The company already provided two fixed route services, one for the general public and one for the University of Southern Maine (USM). The first service was two daily inbound commuter trips to Portland from Biddeford, a fifteen mile trip. The second service connects the USM campuses in Portland and Gorham. This service is free to students and staff-- and, in fact, whoever else boards the bus. USM fully pays for the service.

PLANNING, ORGANIZING AND FINANCING

The sequence of the planning, organizing and financing of this new service was somewhat convoluted. It went like this.

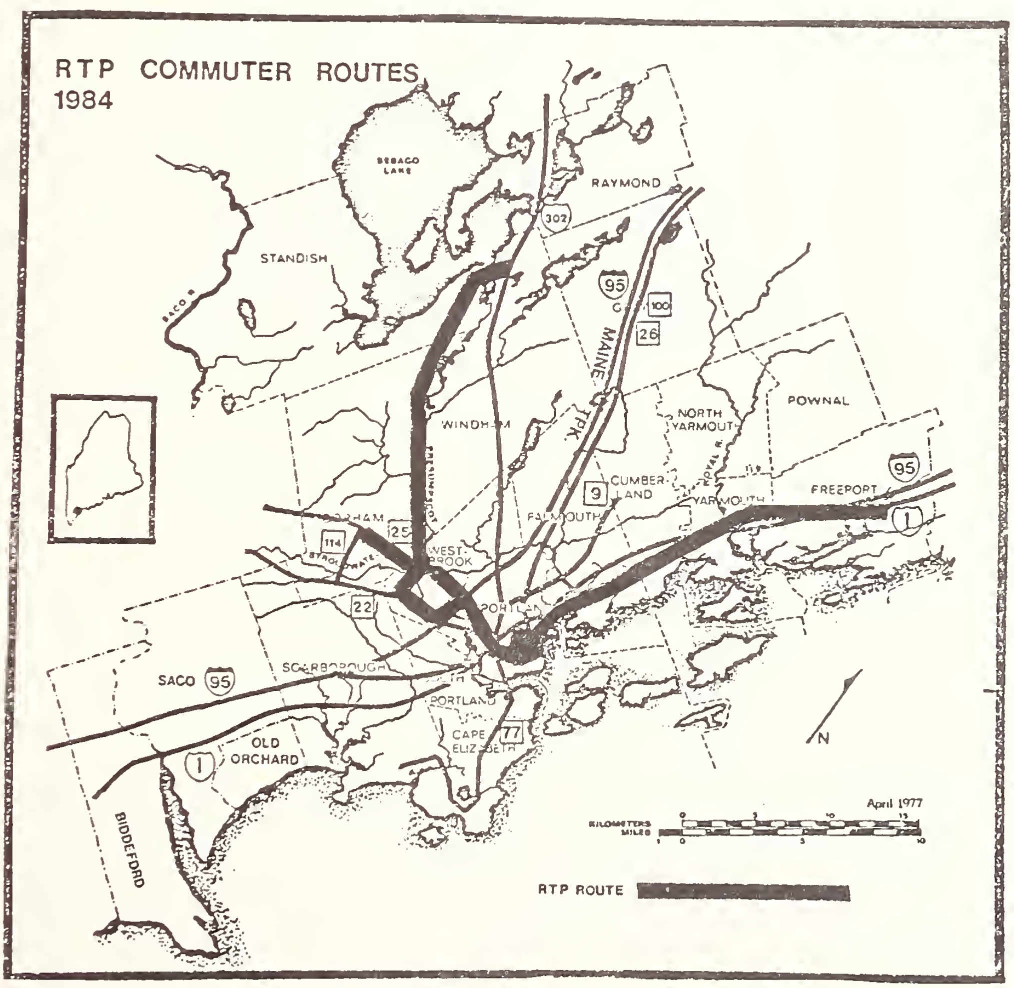
November 1980:	COG approval of concept plan.
January 1981:	RTP application, through MDOT statewide grant, for UMTA Section 3 financial assistance in the purchase of five buses.
August 1981:	UMTA Section 3 grant approved.
June 1982:	RTP contracted with COG for technical assistance in rider market analysis and, if demand warranted, service design.
February 1983:	COG study completed. It justified the initiation of the service and described a proposed three route system. The service would require only four buses -- one bus for each route, plus a spare. RTP set September 1, 1983 as the target date for the start of the new service.


GREATER PORTLAND
TRANSIT SERVICE AREAS
1981
SEBAGO LAKE
RAYMOND
STANDISH
SACO R.
MAINE TPK
NORTH YARMOUTH
POWNAL
FREEPORT
YARMOUTH
SACO
OLD ORCHARD
BIDDEFORD
April 1977
RTP SERVICE
METRO
BRUNSWICK TRANS. ROUTES

March to August 1983:	Establishment of four park 'n ride lots, through efforts of RTP, COG, MDOT and Maine Office of Energy Resources.
July 1983:	The first commuter bus arrived in Portland.
September 1983:	Beginning of RTP advertising effort.
Oct. 15, 1983:	The fourth (and last) bus arrived in Portland.
Oct. 31, 1983:	Start of the new service.

The capital cost of the four buses was $386,000. UMTA paid $308,800, and MDOT and RTP split the remaining $77,200 equally. RTP's local share, $38,600, was generated from its eligible public and private resources. (In 1981 RTP had over fifteen public categorical funding sources and two private sources!)

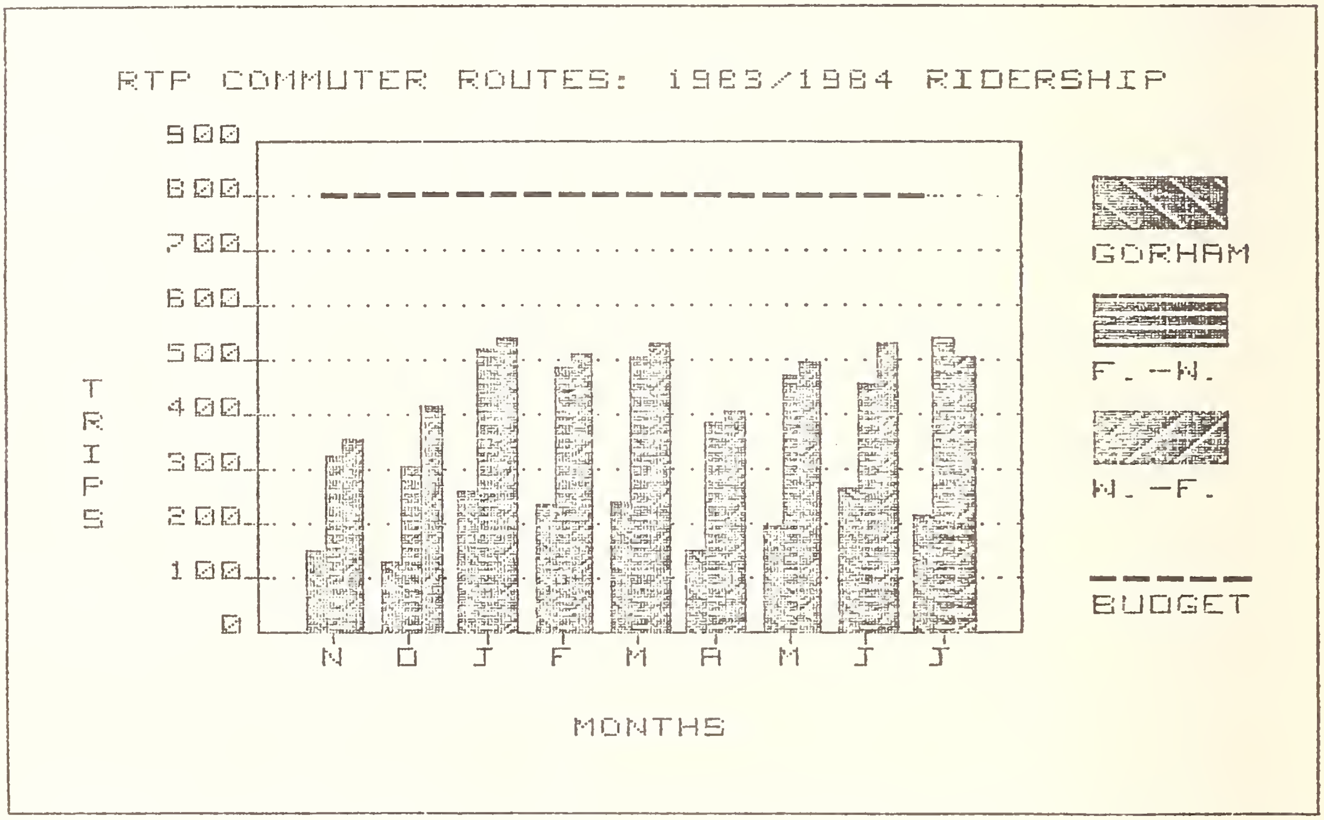
The new service involved three routes coming into Portland from twelve miles (Gorham), seventeen miles (Freeport) and twenty miles (North Windham). Each route provided two trips into Portland in the morning and two trips out of Portland in the evening. The following map shows the three routes.



THE FIRST NINE MONTHS OF SERVICE

The revenue side of the FY 1984 eleven month $72,541 operating budget included $30,000 in fare revenues and $42,541 in private and public subsidy.

Unfortunately the actual ridership has not met expectations. The current estimate for fare revenues for the eleven months is $11,000. The following figure shows the ridership for each route for November 1983 through July 1984. It also shows the average monthly ridership needed to meet the $30,000 goal (a 40% revenue-to-cost ratio).



For the first several months of operation the Greater Portland community ignored the fact that the 30 passenger commuter buses rarely carried more than eight passengers on a trip. Naturally, people expected that it would take a while for the word to get around about the new service. However, during the spring and summer, the ridership did not continue to improve as it had in the second and third months.

Surprisingly the ridership has not dropped off during the summer. However, RTP is having difficulty convincing PACTS, COG, MDOT and its other funding sources that they should support a proposed $71,000 operating deficit in FY 1985 (based on an $86,000 operating budget).

PROGRAM ASSESSMENT

Unfortunately this experiment in the provision of express commuter service by a private non-profit is in danger of failing. Luckily, the Greater Portland area does not have significant traffic or air pollution problems for which such a service would be a vital part of efforts to alleviate. However, the closing down of the service would be a setback for the current users, potential users, for future public-private ventures in Greater Portland and for RTP.

Two benefits of the service can be highlighted. The short-term benefit has been to provide transportation for people who do not own a car and to provide an alternative for people who do own a car. (A February, 1984 COG survey showed that most people who used the service did have a car in their household.)

The second "benefit" is that Greater Portland public transportation community, through RTP, tried a new type of bus service. It has been an adventure and learning experience for the staffs and Boards. RTP took the risk that the METRO would not take.

The following observations about the planning and organizing of the RTP service may be instructive for people who are considering the creation of a similar program.

1. A private non-profit organization, whose mission is to provide paratransit services, may not be the best entity to provide the service. Any organization is going to give its most attention to its primary clients, and in the case of a paratransit organization that attention goes to the elderly and handicapped demand responsive services. This generalization parallels the conventional wisdom that a fixed route bus operator generally makes an inadequate paratransit operator or ridesharing promoter.

2. RTP also did not promote the new service enough. RTP spent roughly $2,000 in newspaper notices, fliers and schedules, and made several other promotional efforts during the month prior to the start of the service. Overall the promotion effort was underfunded, and therefore inadequate.

   This inadequate funding of advertising can be seen as a reflection of RTP's social service orientation. A paratransit system is used to having many of its "customers" come knocking on the door via human service agencies.

   In addition, a private non-profit paratransit system is not usually geared to creating an image and selling it to the general public. RTP has not taken this image-making challenge seriously enough, even after talking with local marketing professionals who advised them of the need to do so.

Moreover, RTP faced another obstacle. It had to convince its potential clientele that the commuter service was a socially acceptable way to commute--that RTP was not only a service for the poor and the otherwise disadvantaged.

3. An analogy to one of the principles in organizing a rideshare program may be useful--make sure that the top management people in a client company actively support the effort. In the Greater Portland express bus "experiment" the local government and business leaders have had no active commitment to the service. Consequently, RTP has felt no strong political pressure to make the service a success. Also, now, when the service needs an infusion of marketing dollars and operating assistance dollars, there is little support available to give the service a second chance.

4. The RTP commuter bus service is also a victim of the change in Federal transportation funding policies. The new service was conceived, planned and organized when unused UMTA funds were still being stockpiled in Maine. The stockpile has disappeared, and the RTP commuter bus could use a part of it.

CHALLENGES FOR THE FUTURE

RTP is currently trying to raise public funds to support the operation for another year. Even if funds can be secured, RTP will probably cut one of the routes (Gorham), raise fares and, for the first time, sell advertising space on the buses.

From COG's perspective, if we were starting over we would do several things differently. They are common sensical, but worth stating.

Plan first--then purchase! Do your market analysis before you commit your organization's funds and objectivity. Everybody knows that is the only sensible way to approach an opportunity, but it does not always work that way. (The COG market analysis was objective, but the final decision to buy the buses was based on more than the market analysis.)

Develop adequate community support. The success of an enterprise depends on more than the central organization's production skills. It depends on the support of others who have been convinced that the enterprise is worth some support, be it financial or otherwise. (The successful Rideshare Company in Hartford is an excellent example.)

Advertise! If you arrange a public-private venture with a private non-profit which has had little cause to advertise in the past, then be sure to aim for a hefty promotional campaign. Do not assume that they will budget for enough advertising.

PRIVATE FINANCING OF PUBLIC TRANSIT

PUBLIC/PRIVATE FINANCING OF A SAN DIEGO TROLLEY LINE

by

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Financing Study

In 1983, a study was undertaken by the San Diego Association of Governments (SANDAG) and the Metropolitan Transit Development Board (MTDB) to assess the potential of innovative local government and private sector financing sources in supplementing federal and state funding for construction of the East Urban Line of the San Diego Trolley. The study was completed in December 1984. The study results also have implications for the financial planning of the region's entire long-range transit program. The project was funded by an $80,000 discretionary grant from the Urban Mass Transportation Administration (UMTA) matched by $20,000 in local funds.

The study consists of an evaluation of the implications and revenue potential of the most feasible local government and private sector financing mechanisms and a discussion of the relationship of state and federal funds and potential local sources in funding the East Urban Line. A flexible strategy for financing the East Urban Line is recommended.

East Urban Trolley Project

The East Urban Line will ultimately extend 15.5 miles from the 13th Avenue and Imperial Station in Centre City San Diego, through Southeast San Diego, the Cities of Lemon Grove and La Mesa, and terminate in the City of El Cajon. Twelve stations are planned, eight with parking facilities which would accommodate a total of approximately 2,500 motor vehicles. Service would initially be provided at 15-minute headways at peak hours and 30-minute headways at other times. Ridership is estimated at over 25,000 boardings per day when operations begin several years from now. The East Urban Line will provide about 50% of all transit trips and about 2% of total person trips in the East Corridor. About 10,000 boardings per day will take place in Centre City San Diego, indicating the work commute trip orientation of the project.

MTDB owns the right-of-way for the East Urban Line as part of the 1979 purchase of the San Diego and Arizona Eastern Railway (SD&AE). Most of the station sites have been acquired, using funds generated primarily by the sale and leaseback of the 24 Light Rail vehicles used on the existing South Line of the Trolley.

The initial phase of the East Urban Line, called the Euclid Project, extends from Centre City to a station at Euclid Avenue and Market Street in Southeast San Diego. State funding has been approved for this segment and construction is underway. In addition, extension of the East Urban Line from its proposed eastern terminus in El Cajon north to Santee is under study.

Conclusions

An analysis of federal and state funding alternatives related to the financing needs of the East Urban Line as well as other local needs, indicates that local financing support may be needed to complete the development of the East Urban Line in the next five years.

However, there is still a good chance that adequate state and federal funds will be made available.

The MTDB is currently preparing an Environmental Impact Statement (EIS) for the East Urban Corridor so that the project can qualify for federal funding. Assuming the EIS process is successfully completed, federal funds could be made available to complete the East Urban Line financing package. However, the uncertainty of state and federal funding, and the definite need for local funding to finance future Trolley extensions proposed to the north of Centre City San Diego, would dictate that prudent fiscal planning for the region's future transit system include substantial local funding support.

The recommendations of the study are that:

- Maximum state and federal funding is the best funding scenario for the region and should continue to be pursued for the East Urban Line.

- A major source of local funding may be needed to complete the East Urban Line on schedule and most likely will be needed to build future extensions of the Trolley system. This major source should come from one of several potential "areawide financing mechanisms", such as a sales tax, gasoline tax, or possibly increased transit fares.

- "Specific area" funding mechanisms such as joint development at station sites, special benefit assessment districts, tax incentive financing and other types of revenue sources which attempt to "recapture" for the public some of the private sector economic benefits created for areas around transit stations should be implemented by MTDB and local governments. The particular mechanisms(s) used should be based on local conditions at each station.

- Sale and leaseback of trolley vehicles should be continued, if federal tax laws allow.

Joint Development Market Analysis

In addition to the East Urban Line Financing Study, a major effort funded by UMTA's discretionary grant has been the development of an information base and analysis of market demand for joint development of trolley stations together with other private or public uses at the station sites on the existing South Line as well as the East Urban Line. The MTDB has the potential to receive lease revenues or obtain capital funding participation in station development from such ventures.

Marketing materials, including a joint development prospectus and market profiles of 17 station sites, have been prepared.

In general, the potential for joint development at the Trolley stations appears to be positive. The South Line and East Urban Line Trolley system will provide fast, efficient public transportation connecting major concentrations of population and employment in the San Diego metropolitan area. It will provide access to regional shopping centers in the U.S. and in Mexico and link with inter-regional transportation facilities at Lindbergh Field, San Diego's major commercial airport, and the AMTRAK station in Centre City, which provides rail service to Orange County and Los Angeles.

The general market area in the South and East Trolley corridors (areas within a 5-minute drive of the Trolley Stations) contains almost 380,000 jobs and a population of over 750,000, about 30% of the jobs and 40% of the population in San Diego County. Growth in the corridors is expected to be significant. Growth forecasts by the San Diego Association of Governments show population in the corridors increasing 90,000 between 1980 and 1990. Jobs are expected to grow by 60,000 between 1980 and 1990. These increases will translate into growth opportunities for business with direct access to the Trolley stations.

Progress on Joint Development

The trolley system not only provides mobility for the Metropolitan San Diego area, it also creates and concentrates demand for retail, office, housing and other land uses at the trolley stations. The trolley stations can create a focus for the development of activity centers based on the increased accessibility that the trolley provides. This can mean reduced areawide rush hour congestion, an increase in the local sales and property tax base around the stations, and a more efficient land use pattern for local communities. Also, increased development around stations means increased transit patronage and fare revenues for the trolley system.

The most important contribution that the trolley station makes to development potential is that it can provide adjacent land uses with access to as many as 4,000 transit riders per day, who are also potential customers, in addition to already existing pedestrian and auto traffic. This can be an important competitive advantage that will attract investment to the vicinity of the station.

Cities and the MTDB are pursuing planning programs or developer negotiations for joint development at several station sites. Following is a review of some of the more important current, or potential future, joint development initiatives for the San Diego Trolley system.

South Line

The South Line of the trolley illustrates the types of development that have been attracted to the vicinity of trolley stations to date. Some additional potential for joint development at South Line stations still exists.

- The San Ysidro/International Border station is located at the U.S./Mexico pedestrian border gate. This station has about 2,500 boardings/day, the most of any station on the existing trolley system. A multi-use retail commercial development, featuring a McDonald's restaurant, built adjacent to the Border station, was constructed after trolley operations began. The restaurant is purported to have one of the highest sales volumes in the nation for this type of establishment. The developer of this project considered the location adjacent to the trolley station as one of the key factors leading to the decision to proceed.

- The E Street station in Chula Vista -- an additional station proposed for the existing South Line -- is a good example of early planning for joint development. This station would be the gateway to Chula Vista's Bayfront redevelopment area, a major tourist/recreational area that will be located directly west of the station on currently vacant land. Chula Vista is the second largest city in the region. It has been proposed that this station site contain a combined station and office building that could house the Chula Vista Chamber of Commerce, a tourist information center and leased offices or commercial space.

- The 24th Street station is located adjacent to Interstate 5 in National City's highly successful redevelopment area. The Great American Federal Savings & Loan Computer Center is a large employer located adjacent to the station. This facility employs over 600 people. Use of the trolley is promoted with employer provided trolley passes for daytime business trips. An important factor to the decision to build this facility was the adjacent location of the trolley station.

East Urban Line

The future East Urban Line of the trolley is now the focus of major joint development planning and development negotiations at several stations.

- A multimodal transportation center is now under construction at the Main Street station in El Cajon. The 2-1/4 acre site will provide a transfer point for public and private bus systems and the trolley, as well as a park & ride lot. This multimodal center will contain a small amount of leased commercial space in an enclosed building. The 3,000 trolley riders/day projected for this station will eventually create the potential for more intensive commercial use.

- Grossmont Center is a major activity center serving the east/central portion of the metropolitan area. The Center includes a regional shopping mall and a major hospital/medical complex. MTDB owns a 7-1/2 acre station site on either side of Grossmont Center Drive. This street is the major access road for the shopping mall and hospital complex. The City of La Mesa, the MTDB and Grossmont Shopping Center have cooperated in preparing a precise plan to determine public facility needs to facilitate development of this site. The planning identified a strong demand for a variety of commercial, office and residential uses. The City is creating a redevelopment district for the station site to encourage private investment.

- "Trolley Plaza" is a redevelopment proposal at the trolley station in Downtown La Mesa. The developer and city are now in exclusive negotiations on this project. It is a $16 million proposal including 144 condominiums in two 7-story towers, and about 50,000 square feet of office, bank and restaurant space in three separate low rise structure. Of significance is the emphasis and orientation of the project to the trolley station.

Center City San Diego

The seven Centre City San Diego trolley stations are the focus of the Light Rail Transit system. Today these stations have about 5,000 boardings daily. This is expected to increase three-fold to 15,000/day when East Line operations begin. Centre City is also the hub of financial, professional and cultural/entertainment activity for the region. The completion of the Horton Plaza regional shopping center, a new convention center, and many units of housing within walking distance of Centre City stations will create increasing needs for efficient high capacity transit facilities.

- An example of the potential private sector support that could benefit the trolley system in Centre City is the Santa Fe station. Santa Fe industries has committed $1 million or equivalent transit improvements and dedications to the Light Rail Transit system as part of City of San Diego approval of zoning guarantees for a long-range development plan for property adjacent to the trolley station.

Future Joint Development Programs

As part of the effort to promote joint development, SANDAG and MTDB are preparing a prospectus, and development profiles for each of 17 trolley stations with the most development potential. The purpose of the program and these marketing materials is twofold:

- First, they will promote interest in development at and around trolley stations, and provide developers with the basic land use and market information they need to assess each station site. Joint Development Proposals to the MTDB will be solicited in the prospectus.

- Second, these materials are intended to inform cities of the important development potential at the station sites and encourage them to take innovative actions in land use policy and zoning so that the full economic and land use benefits can be achieved.

Once the marketing materials are approved by the MTDB, they will be distributed to developers, real estate brokers and local jurisdictions. SANDAG and MTDB will assist the joint development process whenever possible through technical assistance. Our objective is to have cohesive and cooperative implementation of station joint development by the MTDB, the cities, and developers.

PRIVATE SECTOR ROLE IN DEVELOPING PORTLAND'S LIGHT RAIL STATION SITES

by

RICK GUSTAFSON
METROPOLITAN SERVICE DISTRICT
PORTLAND, OR

In just two years Portland's Light Rail Project will bring 25 transit stations to neighborhoods and some exciting new opportunities for development. The light rail line provides a focal point for us to integrate transportation, land use planning, and urban economic expansion into well planned, comprehensive development. The planning and urban design work for the Light Rail Project has already received the prestigious P/A Award of Excellence from Progressive Architecture. New plans and zoning ordinances specifically tailored to light rail are in place throughout the corridor. The private sector is optimistic about the project and is touting light rail as a competitive advantage for their projects. Tri-Met, the transit operator, and the Metropolitan Service District (Metro), the regional government for the Portland metropolitan area, have played key leadership roles with the public and private sectors in promoting and planning for development along the Banfield corridor.

Land Use and Transportation: An Integrated Approach

The Portland area has already scored several successes in integrated planning and joint development. Our downtown transit mall is a bustling, thriving center of activity for both Portland and the metropolitan region. The mall has clearly proved an unqualified success for Portland, but much of that success has stemmed from the fact that the mall was conceived and implemented as part of an overall strategy for downtown development--not just as a transportation improvement. Downtown zoning was amended to focus the most intense office development along the spine of the transit mall. The City also adopted a lid on downtown parking spaces, and set parking maximums for new development. The traditional approach is to establish a minimum with no upper limit on parking.

The results have been impressive. Over one-third of a billion dollars in new or committed development has occurred directly adjacent to the transit mall since it opened in 1978. Today, nearly half the people who work and shop in downtown Portland come by bus. Since Tri-Met's creation in 1969, employment in downtown Portland has grown by nearly 30,000 jobs. At the same time, traffic entering the downtown has stabilized at 1972 levels. Tri-Met has made the difference in downtown growth. For example, if work trips on transit to downtown remained at pre-Tri-Met levels, the equivalent of six new parking structures the height of the 42-story U.S. Bank Tower would be required to accommodate the increase in cars.

Portland Light Rail Project

These are the standards by which we judge the success of the Transit Mall. Now we move to a greater challenge: applying our concepts of integrated planning to meet those same standards of success for a transportation corridor that traverses the region. The Portland Mall was an area eleven blocks long, developed by the City of Portland and Tri-Met. By comparison, the light rail line will be 15 miles long, involving not only the City of Portland and Tri-Met but also Multnomah County, the City of Gresham, Metro, and the State Department of Transportation.

Fortunately, we had a headstart as we set out on this ambitious project. The basic framework for our land use planning was already in place. In 1973 the State of Oregon established a statewide program for land use planning which required local jurisdictions to adopt comprehensive plans that complied with State approved goals and guidelines. By coincidence, this program was being implemented while planning was underway for the light rail line. As a result, plans for future land use and transportation in the Portland metropolitan area were shaped at the same time. Metro established an urban growth boundary around the region to control sprawl and direct where development could occur. The comprehensive plans adopted by Portland, Gresham, and Multnomah County provided for certain types of land use around the 25 stations along the light rail corridor. These plans reinforced the link between transit and land use by allowing higher density development around the light rail stations. Our next step was to build on these comprehensive plans and use them as a starting point for developing detailed development strategies for each of the transit station areas.

Before we began our planning program for the light rail corridor, we looked around the country to see how jurisdictions had approached transit related development. That analysis led us to two conclusions: First, that it was not enough simply to prepare a plan that described what we wanted to happen. We would need a more aggressive approach to use the light rail system as a tool to shape the growth in the region. Second, we decided that all jurisdictions involved in the Light Rail Project should participate in the planning for related development. The regional planning approach would ensure cooperation and coordination among the jurisdictions and give each one a voice in the decision making process.

Transit Station Area Planning

The Transit Station Area Planning Program (TSAP) was established to capitalize on the potential for development induced by the $309 million light rail project. Between October, 1980 and March, 1982 TSAP focused on the light rail corridor to identify how the light rail line would affect the development, redevelopment, or conservation neighborhoods along the route. The major results of TSAP can be summarized in three areas:

- The public sector has defined its objective for development around the stations. New plans consistent with real estate market forecasts were prepared and are being put into place throughout the corridor. The major objective of TSAP, to ascertain the development impact of the light rail and to prepare plans to promote and guide development around light rail stops, has been accomplished. More than three years before the light rail line is scheduled to open, development objectives for each of the station areas were established and plans prepared, zoning codes modified, and all this is now being put into place to guide development.

- The development community is now generally optimistic about the development impact of light rail. New office buildings in and out of downtown are touting their location next to light rail as a competitive edge. In downtown, a major property owner along the alignment recently told the Oregonian, "We just have so much confidence about what's going on with the Morrison Street

Project and the light rail line (that) if any block in the downtown is going to increase in value, this is it." Across the Willamette River, the Lloyd Corporation owns 130 blocks of land along the Holladay Street segment of the light rail alignment. Tri-Met agreed to a Lloyd Corporation request to move the LRT stop on Holladay Street so they could tie light rail into the 1.2 million square feet Lloyd Center retail mall and the next group of planned office towers.

- Public sector investment decisions have been made to reinforce the light rail. The genesis of the decisions to seek state funding to install sewers with light rail construction on Burnside Street, to locate a convention center adjacent to the coliseum LRT stop, to upgrade the level of improvements along the downtown LRT alignment, and to create a private, non-profit development corporation to promote joint development along the light rail corridor all emanated from TSAP.

The cities of Portland and Gresham, Multnomah County, Tri-Met, and the Oregon Department of Transportation participated in the program under the coordination of Metro to plan for the types of development that were determined to be best suited and most advantageous for the community around the transit stations. As the Regional Government, Metro was able to act as an advocate for joint development and bring public and private sector actors together. The preparation of specific land use plans and implementation strategy for each station area was the responsibility of the affected local jurisdiction. The program also included analysis involvement by outside consultants. Of the $1.2 million in Urban Mass Transportation Administration funds allocated to the transit station area planning program, approximately $375,000 was used for consultant services in four areas: real estate market analysis, implementation strategies, transportation, and urban design.

It is important not to compare the development impact of light rail with heavy rail systems. Heavy rail systems can offer for development considerable holdings of excess right-of-way attendant with building elevated and subway systems. Light rail, on the other hand, has the advantage of fitting into existing rights-of-way with minimal displacement at approximately one-tenth the capital cost of a heavy rail system. For joint development this means a different type of development relationship. Without the carrot of land right-downs or direct integration of stations into development used with heavy rail systems, we were forced to take a different tack.

Real estate market work and the direct involvement of the development community in the planning process became critical. The private sector will be the "senior partner" in the development along the light rail line. The public sector's role is to provide for the $307 million investment in the transportation improvement, and clearly define its development objectives. Light rail is not expected to create new growth in the Portland metropolitan area. On the other hand, light rail can influence where the growth occurs. The major product of our market analysis was a detailed market forecast by five year increments of the demand for retail, office, hotel, and residential development around each of the 25 stations. In parallel with the market analysis, an implementation team made up of senior members of the local development and financial community were brought in at key points throughout the planning program to provide local planners with a "reality check" on what was possible in the corridor.

A quick tour of the light rail corridor can highlight some of the results that have been realized already. As with other new starts, the major development impact of the light rail is not expected until the system has been in operation for five to seven years.

City of Portland

Property owners along the light rail alignment in downtown Portland banded together to form a local improvement district to provide over $1 million in local match to upgrade the improvements along the light rail line. With this private sector contribution the quality of the light rail improvements will match those of the Portland mall. Two other downtown projects are examples of the cooperative effort to reinforce and build on public improvements. Pioneer Courthouse Square just opened as a major public square in the downtown. It will also be the site of the key downtown LRT station used by 19,000 people daily. Tri-Met turned over its budget and specifications for the Pioneer Square LRT station to the Friends of Pioneer Square. The LRT station and the square were constructed and designed together.

At the next stop in the downtown the Rouse Company is building a $130 million retail project spanning three downtown blocks. Light rail will stop on two sides of the project with the Transit Mall on the third side. According to a City of Portland study, the Rouse Company's Morrison Street retail project will be the most transit oriented retail facility in the United States outside of New York City. If the project were to be built in a suburban location, the developer would have to provide four times as many parking spaces.

Across the Willamette River on Holladay Street the entire light rail corridor of over 100 square blocks has been rezoned to the City's most transit supportive commercial designation. The major land owner, the Lloyd Corporation, has taken a number of specific actions to capture the development opportunities they see in light rail. The Lloyd Corporation's next major office building is planned to be adjacent to an LRT stop which they successfully sought the relocation. Finally, they may invest up to half a million dollars to create a strong retail connection between their 1.2 million square foot retail mall and the Holladay Park LRT stop. At the Coliseum stop on Holladay Street a new, expanded convention center is planned, in part because of LRT's ability to connect downtown Portland restaurants and hotels to the convention center.

Further east along the Banfield Freeway in the Hollywood District, a development program has been prepared to build on the opportunities afforded by light rail, and more than $2 million in federal road funds earmarked for the district. The plan seeks to encourage higher density development that will support and enhance the existing business community and residential areas, and encourage new development to capitalize on the public investment in transit. The Portland Planning

Commission had endorsed the Hollywood Development program concept and passed it on to the Portland Development Commission for implementation.

Multnomah County

In East Multnomah County the majority of development around LRT stops will be medium density residential. In fact, market demand exists for 20 percent of all residential development east of the Willamette River in the county to occur within a five minute walk of light rail. To help guide development around LRT stops the county has developed a new zoning ordinance, and development standards specifically tailored to light rail. The ordinance changes setback requirements, landscaping, side yards, and parking to allow more intense development around the stations. The challenge of creating new zoning code was to guide development in such a way to create a "sense of place" at LRT stops and allow a scale and intensity of development that could be compatible with existing single family neighborhoods.

Gateway, the major LRT station in Multnomah County, is also the site of Tri-Met's first joint development project on District owned property. Tri-Met has been working with the YMCA to develop a $7 million youth and family center adjacent to the Gateway station located on air and incidental surface rights of the park-and-ride facility. The YMCA will serve as the first component of a mixed-use development program at Gateway. Later it is hoped that a full mixed-use development that includes retail, office, hotel and other uses will be tied into the station. Construction is expected to start within 18 months now that UMTA's approval has been granted to move forward with the development of the Y. Tri-Met will realize lease payments and increased ridership from the YMCA.

City of Gresham

The City of Gresham is taking advantage of light rail coming to town by redeveloping and reorienting its entire downtown. The three Gresham stations provide the most dramatic development opportunity outside of the downtown core in Portland. Gresham has more vacant land in its core than the rest of the entire corridor combined, and importantly the market to support development. Gresham has adopted a new downtown plan and development standards for its 600 acre core area building around the three light rail stops.

The plan envisions a gradual intensification of office and multiple family residential around the light rail stops while reinforcing the city's historic core. Land assembly and speculation around the light rail stations has been ongoing, but development projects have been slow because of interest rates. The planning for the transit station areas and Gresham's urban renewal program were integrated in July, 1981. The city formed a redevelopment commission, a key implementation tool to guide the development of Gresham's core. The renewal agency was subsequently referred to the voters and defeated. The City is now reconsidering renewal and other options to help implement the plan.

Conclusion

Operation of the Banfield Light Rail Project is still two years off, but the public sector development objectives for each of the stations are clearly in place. In addition, the private sector has begun to take a series of positive supportive actions to capture the opportunities afforded by light rail. By planning and implementing a regional development strategy, we believe we can make the best and wisest use of our transit related opportunities. There have already been striking results and cooperation between the public and private sectors through joint development efforts like the Portland Transit Mall. We are beginning to reap the rewards of our cooperative effort in the Banfield Project.

In looking back at the decade long process of land use and transportation decision making on the Light Rail Project, we offer these thoughts for others contemplating similar projects.

START EARLY. Transportation and land use decisions in Portland evolved together. We started with the understanding that the Light Rail Project will help shape development in the region for many decades to come. Local governments adopted transit supportive development plans for the rail corridor before any construction commenced. In some instances we were able to add new stations to the project or move proposed ones to support local development objectives.

MAJOR TRANSPORTATION INVESTMENTS CAN SERVE AS AN IMPORTANT CATALYST TO LEVERAGE ACTIONS OTHERWISE NOT POSSIBLE. The desire to get a "return on investment" from the Light Rail Project allowed a number of projects along the alignment to move forward. The Hollywood development program, installation of sanitary sewers with the construction of light rail on Burnside Street, and the decision to locate an expanded convention center adjacent to the coliseum light rail stop are all good examples.

JOINT DEVELOPMENT MUST BE A PRIORITY. It is not enough to recognize that joint development is important; someone has to make it a priority. Through the planning stage, Metro performed this role and went as far as to create a public/private non-profit development corporation to promote joint development around light rail stops. Initial seed capital for the corporation came from UMTA. Without an advocate for joint development opportunities will slip away. Tri-Met recognized this by hiring an experienced development professional as Manager of Joint Development.

INVOLVE THE PRIVATE SECTOR EARLY. The development community in Portland is optimistic about the Light Rail Project as a positive contribution to the region's economic expansion. The adoption of new plans for the light rail station areas went much smoother because they were based on real estate market forecasts and had withstood periodic review of private developers and bankers. Government has made its development objectives clear. Now it is up to the private sector to respond to the development opportunities they helped shape.

PRIVATE SECTOR INVOLVEMENT IN REVITALIZING THE NEW ORLEANS CENTRAL BUSINESS DISTRICT

by

WALTER BROOKS
REGIONAL PLANNING COMMISSION FOR JEFFERSON, ORLEANS
ST. BERNARD AND ST. TAMMANY PARISHES
NEW ORLEANS, LA

New Orleans is an old city with a vital downtown that is undergoing a major planned revitalization effort. This revitalization is based on three key elements: 1) a strong partnership between the public and private sectors; 2) a growth management program to guide future change in a comprehensive and coordinated manner; and, 3) a special taxing district charged with implementing recommendations of the growth management program.

The formation of public-private partnerships is leading the way toward successful redevelopment and expansion of the New Orleans Central Business District. There are presently six major economic development projects in the $200 million range underway within the riverfront corridor. This corridor extends approximately 1.25 miles and, as illustrated in Figure 1, connects the historic French Quarter (Vieux Carre) with the site of the 1984 World's Fair.

The Louisiana Superdome

The decision in the early 1960's to locate the Louisiana Superdome in downtown New Orleans and to reconstruct Poydras Street into a six-lane major arterial acted as a tremendous catalyst, spurring downtown development and economic growth. This decision also transferred pressures for new building construction away from Canal Street and the historic French Quarter to Poydras Street and the central riverfront area.

Major chain hotels such as the Hilton and Hyatt Regency began to locate in the area. This was followed by the influx of major oil companies which placed their regional headquarters in New Orleans in order to deal with the growing oil exploration and drilling activities in the Gulf of Mexico. Today one out of every seven jobs in the New Orleans area is tied to the petrochemical industry.

The Growth Management Program

With all this new development, there came a recognition that something needed to be done to control growth and to protect the public's interest. In 1973, the Central Area Council of the Chamber of Commerce joined forces with the Mayor's Office and City Planning Commission in order to formulate a Growth Management Program (GMP) to guide future growth and development within the downtown area. The GMP has eminently fulfilled its promise since its completion in 1975, providing private investors with a frame of reference or blueprint as to the types and locations of needed and desirable CBD investment opportunities.

The Riverfront Area Study

The Growth Management Program established several goals for the New Orleans CBD, including the opening of the riverfront area to public access and the achievement of an integrated transportation system, balancing automobile access with transit and pedestrian uses. In 1980, public and private interests once again joined together to study exactly how the above goals could best be accomplished. Project management and financing of the Riverfront Area Study was provided by a combination of public and private sector interests, including the City of New Orleans, the Regional Planning Commission, the Board of Commissioners Port of New Orleans, and the Downtown Development District.

Existing land uses in the riverfront corridor as well as the adjacent historic Warehouse District were inventoried and evaluated as to their re-use potential. Report recommendations described the desirable future mix of land use activities in the area and suggested ways in which increased public access to the river could be integrated into future project level planning.

Other study recommendations focused on the need for changes in existing zoning laws in order to encourage positive land use changes and to create opportunities for more residential and commercial redevelopment of the Warehouse District area. In other sectors, tighter zoning controls were recommended in order to preserve and protect the established manufacturing base in the Warehouse District from future commercial encroachment.

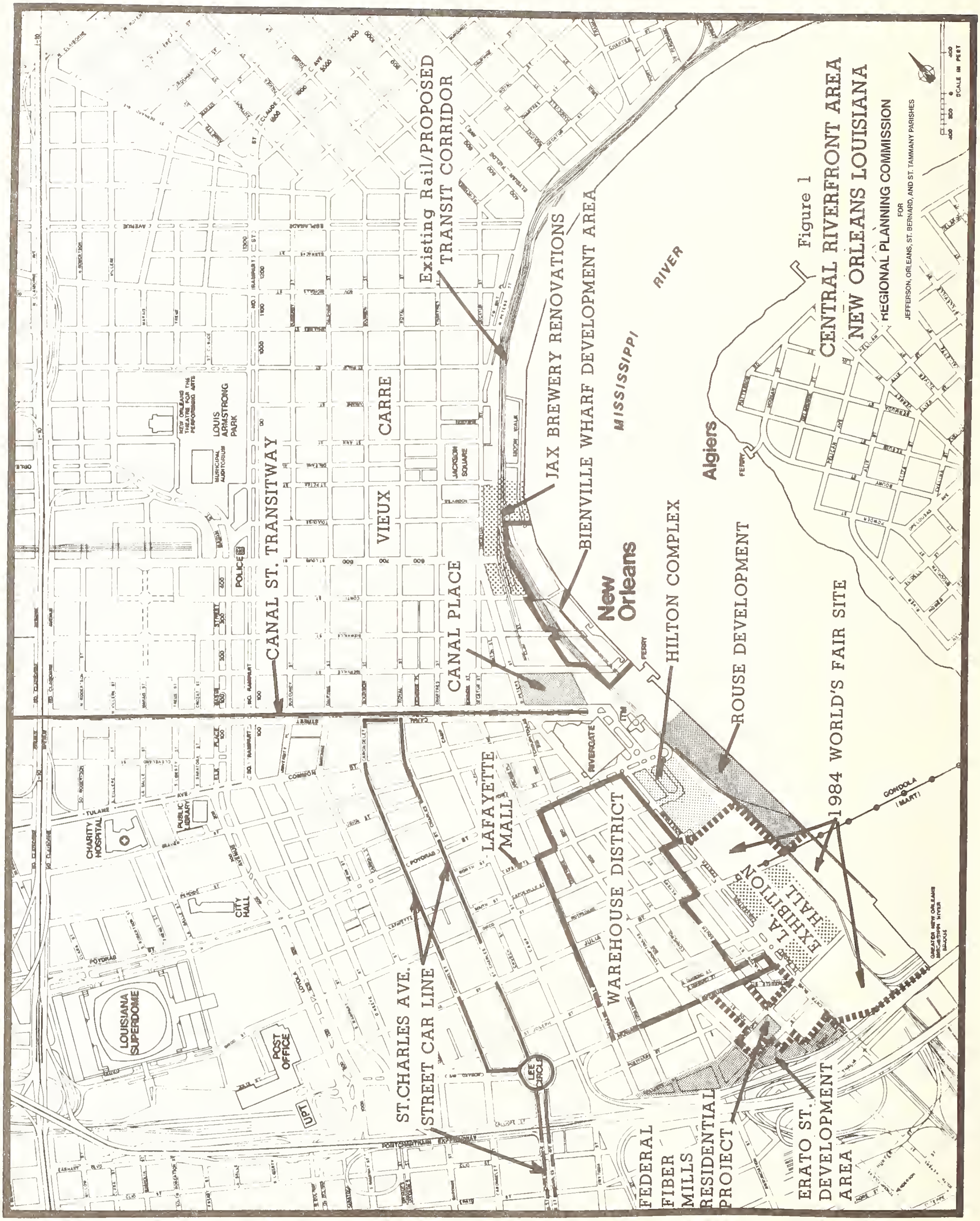
1984 World's Fair

The return to the river concept is perhaps nowhere better exemplified than in the planning and implementation of the World's Fair (formally termed the 1984 Louisiana World Exposition). The Fair has been a major catalyst for bringing about positive change in the area which otherwise would have taken decades to accomplish. The Fair has assured the completion of the Louisiana Exhibition Hall, an 800,000 square foot facility which was built by the City on land over which the Dock Board has servitude. The Exhibition Hall, which cost approximately $94 million, is currently serving as the site of the Louisiana Pavilion during the Fair. In addition, the Fair has spurred the restoration of numerous Warehouse District buildings for shopping, entertainment, and dining sites.

The six-month, $350 million World's Fair extravaganza is expected to bring $2.6 billion into the City's economy. In the last two years, 4,000 new hotel rooms have been built and 2,000 more are under construction. This will bring the number of hotel rooms available within the metropolitan area to just over 25,000 units. City officials are hopeful that the World's Fair in conjunction with the new Exhibition Hall will push the area's $2 billion per year tourism industry even higher.

The Rouse Development

Plans are already being finalized for the opening of the Rouse Company's new retail complex overlooking the Mississippi River. The Board of Commissioners Port of New Orleans and the City have entered into a long-term lease agreement with the Rouse Company for the privilege of air rights development above the Julia Street Wharf. Many of the infrastructure improvements have already been completed since the renovated wharf facility is serving to house the Fair's International exhibits.


CENTRAL RIVERFRONT AREA
NEW ORLEANS LOUISIANA
REGIONAL PLANNING COMMISSION
FOR
JEFFERSON, ORLEANS, ST. BERNARD, AND ST. TAMMANY PARISHES
Existing Rail/PROPOSED TRANSIT CORRIDOR
JAX BREWERY RENOVATIONS
BIENVILLE WHARF DEVELOPMENT AREA
HILTON COMPLEX
ROUSE DEVELOPMENT
1984 WORLD'S FAIR SITE
LA. EXHIBITION HALL
ERATO ST. DEVELOPMENT AREA
FEDERAL FIBER MILLS RESIDENTIAL PROJECT
WAREHOUSE DISTRICT
LAFAYETTE MALL
ST.CHARLES AVE. STREET CAR LINE
CANAL PLACE
CANAL ST. TRANSITWAY
VIEUX CARRE
MISSISSIPPI
RIVER
New Orleans
Algiers
LOUISIANA SUPERDOME
POST OFFICE
CITY HALL
CHARITY HOSPITAL
PUBLIC LIBRARY
LOUIS ARMSTRONG PARK
JACKSON SQUARE
POLICE
LEE CIRCLE
GONDOLA (MART)
UPT
FERRY
Figure 1

Canal Place and The Jackson Brewery

Other private sector initiatives in the riverfront corridor include Canal Place and The Jackson Brewery renovation (see Figure 1). Canal Place has been described as a needed link between the French Quarter and the CBD. Located at the foot of Canal Street, New Orleans' main downtown thoroughfare, Canal Place has brought stability and a new economic prosperity to the river end of Canal Street. The $500 million mixed-use development project which is being carried out in five phases is strongly supported by local officials because of the expected positive economic benefits to the City. In 1981, the City received a $6 million Urban Development Action Grant (UDAG) to relocate power lines and utility towers from the project site, thereby assisting in the construction of the project. Canal Place is a major retail development consisting of a 260,000 square foot shopping mall anchored by Saks Fifth Avenue, a 500 room luxury hotel operated by Trusthouse Forte, and a 1,500 car garage to serve both Phase I and Phase II developments.

Since Canal Place, additional private developments have been proposed and are being constructed along the riverfront. The Jackson Brewery renovation exemplifies how preservationists and developers worked together cooperatively in the planning and implementation of land use changes in the riverfront corridor.

The Jackson Brewery site is located in the Vieux Carre on a 22 acre land parcel that is bounded by N. Peters Street and the Mississippi River. The plan calls for a phased multi-use development consisting of specialty retail establishments, offices, and luxury condominiums to be completed by 1990. Phase I is scheduled to be completed in August, 1984, and entails the restoration and renovation of the old brewhouse. The Vieux Carre/Jackson Square area attracts more than seven million visitors annually, and the developers anticipate that many of these tourists will visit the restored and renovated Brewery. Other aspects of the Phase I development include specialty retail, food services, and entertainment facilities similar to those found at Boston's Faneuil Hall or San Francisco's Ghiradelli Square.

A long-standing goal of the preservationist community, and one articulated in the Central Riverfront Area Study, is the need for public accessibility to the riverfront. This important goal has been incorporated as a major design element in the Brewery project whose conceptual planning was worked out in a cooperative mode through a series of meetings among the developers, the Vieux Carre Commission, the City, the Corps of Engineers, the Dock Board, and other agencies.

The Downtown Development District

One of the major participants in advancing projects through to implementation in recent years has been the Downtown Development District (DDD). The DDD was created in 1974 as an outgrowth of the Growth Management Plan. The DDD Board embodies the concept of public/private cooperation consisting of nine members, five of whom represent the private sector with four public sector members appointed by the Mayor. As a self-imposed taxing district, the DDD is financed through a special property tax levied on all CBD sites.

Initially, the DDD concentrated its efforts on supplementing existing City services such as police and sanitation. More recently, capital improvement projects have become integrated into the DDD program. Improvements are being coordinated with the City and are being used to attract private sector investment within the DDD and Warehouse District area. Such improvement projects have included sidewalk reconstruction along Canal Street (the main retail shopping street); the construction of the Lafayette Street Pedestrian Mall; and the St. Charles Avenue Improvement Plan. The Lafayette Street Mall has been integrated into the World Fair's planning effort; the St. Charles Avenue streetscape improvements are consistent with the overall plan to enhance the attractiveness of the Warehouse District as a downtown redevelopment area. In addition, the sidewalk widening and reconstruction work is tied-in with future plans to improve the accessibility of the St. Charles Avenue Streetcar and possible future plans for a transit mall.

The MPO's Role

The Regional Planning Commission's role and responsibilities have changed considerably in recent years. While the development and maintenance of the long-range 20 year transportation plan are still important and necessary tasks, the emphasis has shifted toward the implementation of short-range transit and highway improvement projects.

The new approach has resulted in a closer working relationship between the RPC, as MPO, and local units of government. The RPC has been a co-participant with the City and private sector in several project level efforts aimed at improving the central riverfront area, including the Riverfront Area Study, the Traffic Operations Plan for the World's Fair, the CBD Transportation Center Study, and the Downtown Heliport Project.

Two of the current transit projects with which RPC is involved together with the private sector are the evaluation study for reuse of the World's Fair monorail and the Riverfront Transit Study. The latter project is examining the feasibility of utilizing one of the three existing rail tracks in the riverfront corridor for a light rail or streetcar system. Large volumes of tourists (8 million annually) and the growing demand for commuter trips in the riverfront corridor suggest that some type of transit system is needed in order to tie together the major tourist attractions (existing and planned) and the new hotel and retail developments taking place in order to tie together the major tourist attractions (existing and planned) and the new hotel and retail developments taking place in the area. The proposed transit system would extend from Esplanade Avenue on the fringe of the French Quarter to the Fair site. The study is being financed by the private sector with project management being provided by a coalition of private investors, developers, and public sector representatives.

Conclusion

Land use changes within the New Orleans riverfront corridor are taking place rapidly as industrial and port-related activities decline and are replaced by commercial, specialty retail, and residential uses. The relationship between historic preservationists and developers is also changing dramatically, from confrontation in the mid-1960's to cooperation in the 1980's.

In the 1960's, the proposed riverfront expressway pitted preservationists against developers in a fierce legal battle. With the defeat of the expressway proposal, the central riverfront area was left open to potential redevelopment. When plans for Canal Place were unveiled in the 1970's, greater flexibility and negotiation characterized the relationship between the developers and preservationists as they attempted to settle their differences in a mode that was still confrontational, but less adversarial than in the 1960's.

Support for land use change in the riverfront corridor came from the City in 1982 when it commissioned the Central Riverfront Area Study which identified redevelopment as a means for revitalizing the riverfront area and the City's connection to it. The goals of reclamation and the enhancement of the riverfront corridor have gained the support of the public and private sectors in the 1980's. Cooperative resolution of land use change, as exemplified by the Jackson Brewery redevelopment, is in sharp contrast to the confrontational mode of previous decades.

In this report, we have taken a brief look at a number of large scale, high density, mixed use projects which are in various stages of development within the New Orleans riverfront corridor. The projects range from totally private investments as in the case of the Fair's monorail and gondola system, to joint public and private efforts such as the Rouse Development.

The World's Fair has served as a powerful catalyst for the entire riverfront area, giving a new direction and emphasis to the Central Business District. The Fair has opened the riverfront to the public and has stimulated the restoration of the Warehouse District. With all the new development taking place in the riverfront corridor, a task force consisting of private and public sector interests has been formed to examine what opportunities might exist for joint development of a public transit system for linking these major generators together. We are witnessing a new theme of cooperation in New Orleans which is enabling the preservationists and the developers to work together on riverfront development projects for their mutual benefit and that of the City.

PUBLIC/PRIVATE SUPPORT FOR SALES TAX INCREASE
TO FINANCE LAS VEGAS TRANSIT IMPROVEMENTS

by

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REGIONAL TRANSPORTATION COMMISSION OF CLARK COUNTY
LAS VEGAS, NV

INTRODUCTION

The role of the Regional Transportation Commission (RTC) of Clark County has been to work with the Las Vegas Transit System Incorporated (LVTS), the transit operator, as a partner in providing transit for the Las Vegas community and in attempting to obtain a one quarter of one percent increase in the sales tax to support transit improvements.

This partnership, developed from demographic, economic, and social conditions in Las Vegas, are unique for American cities its size.

The conditions that created and continue to support a public/private partnership for transit is the subject of this report. Also, the role of the RTC and LVTS in supporting the 1983 referendum to increase the sales tax to finance transit improvements is discussed.

DEMOGRAPHIC, ECONOMIC AND SOCIAL CONDITIONS

Demographic Conditions - The 1980 Census indicated that the population of Clark County has increased by 68.9 percent since 1970. However, the majority of this growth has occurred in the unincorporated areas of the county.

Table 1 shows the distribution of population for Clark County.

TABLE 1

POPULATION OF CLARK COUNTY 1970 - 1980 PERCENT CHANGE

Entity	1970	1980	Percent Change	Actual Increase
Clark County	273,288	461,816	68.99%	188,528
Unicorporated	89,667	220,450	145.85%	130,783
Incorporated	183,621	241,366	31.45%	57,745
Las Vegas	125,787	164,674	30.91%	38,887
North Las Vegas	36,216	42,739	18.01%	6,523
Henderson	16,395	24,363	48.6%	7,968
Boulder City	5,223	9,590	83.61%	4,367

Note that while all jurisdictions in Clark County have grown, the unincorporated areas, and the cities of Henderson and Boulder City have experienced the greatest percentage growth. The unincorporated areas that have experienced the most growth are the suburbs of the City of Las Vegas and the area between Henderson and Las Vegas (See Figure 1).

Figure 1. Las Vegas Urbanized Area

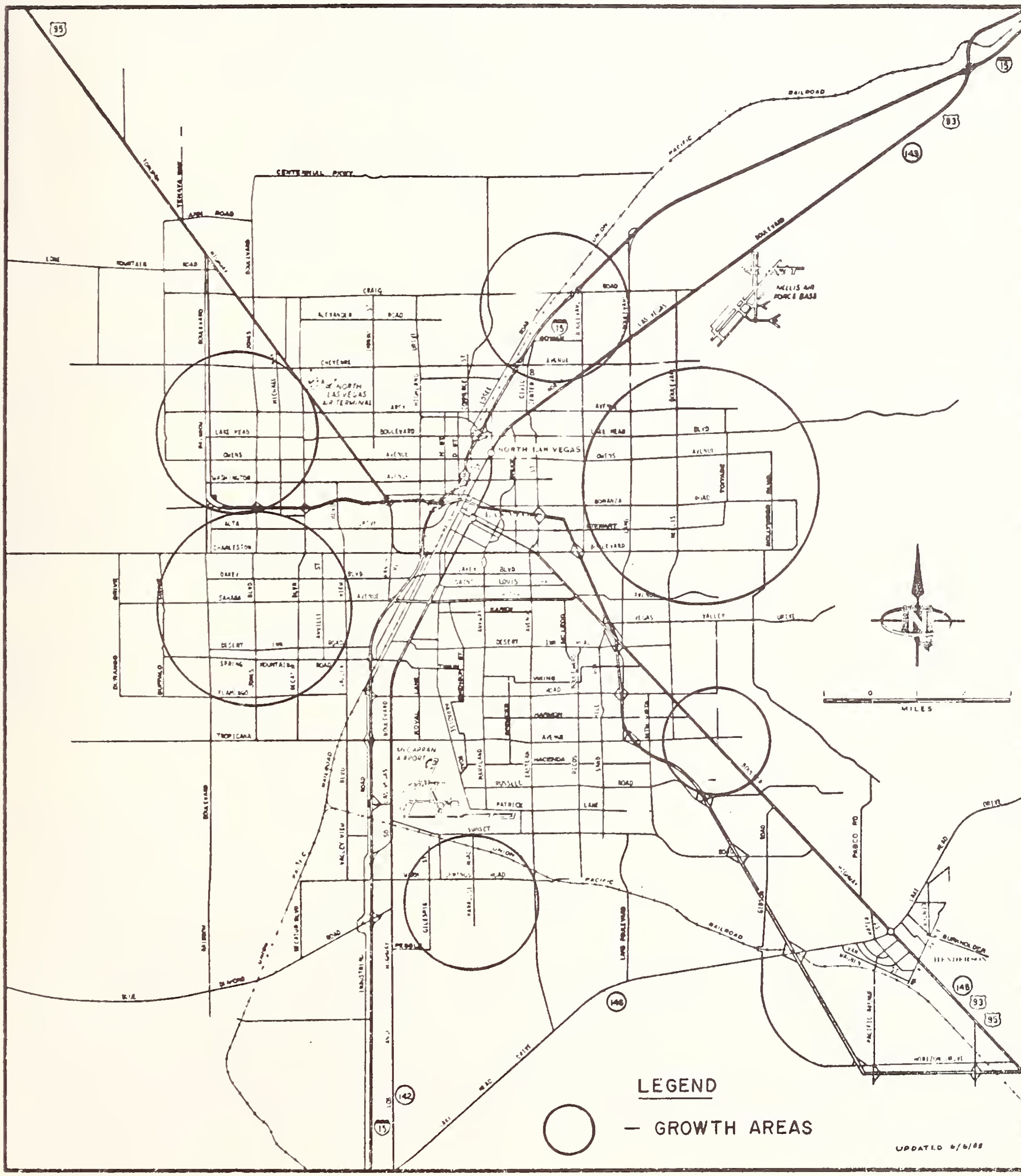

Table 2 shows the percentage shift in population since 1970. This shift in population from the city to the suburbs is typical of most American cities, however, LVTS has not provided a lot of service to the suburban areas.

TABLE 2

PERCENT SHARE OF POPULATION BY JURISDICTION FOR CLARK COUNTY

Jurisdiction	1970	1980	Change in Share
Clark County	100%	100%	0
Unicorporated	32.8%	47.7%	+ 14.9
Incorporated	67.2%	52.3%	- 14.9
Las Vegas	46.0%	35.7%	- 10.3
North Las Vegas	13.3%	9.2%	- 4.1
Henderson	6.0%	5.3%	- .7
Boulder City	1.9%	2.1%	+ .2

The major reason for not providing more service to these areas is the low density of the unincorporated areas. Table 3 shows persons per dwelling unit for Clark County and its entities.

TABLE 3

PERSONS PER DWELLING UNIT FOR CLARK COUNTY

Entity	1970	1980	Percent 1970 - 1980
Clark County	2.94	2.43	- 17.3%
Unincorporated	2.45	2.30	- 6.1%
Incorporated	3.04	2.56	- 15.8%
Las Vegas	2.92	2.45	- 16.1%
North Las Vegas	3.43	3.02	- 11.9%
Henderson	3.33	2.74	- 17.7%
Boulder City	2.79	2.38	- 14.7%

In addition to the decline in persons per dwelling unit in Clark County and Las Vegas, the number of persons per acre is very low.

For Example, in 1980 there were approximately five persons per acre in the City of Las Vegas and less than one person per acre in the unincorporated areas. With these densities, providing cost-effective fixed route transit service is difficult in Las Vegas and not practical for many suburban communities adjacent to Las Vegas.

Finally, the Nevada Department of Transportation (NDOT) has estimated that the average trip length for all purposes is 3-4 miles per trip. These short trip lengths do not support extensive transit service between Las Vegas and its suburbs.

Economic Conditions - Las Vegas and LVTS are dependent upon tourists for income. Over 60 percent of LVTS' passengers are tourists. They are concentrated on one route, Route Six, which runs between the "Strip" casinos and the "downtown" casinos. Revenues from Route Six cover the expenses generated by the other routes in the system. Without the large volume of tourists coming to Las Vegas daily, LVTS would go out of business. However, because of the tourists, LVTS has maintained a 1.02 operating ratio since 1977.

LVTS' profitable position and the rising costs for transit operations has encouraged local officials to assist LVTS to remain in operation instead of creating a public system. The City of Las Vegas, North Las Vegas, Henderson, Clark County and NDOT have assisted LVTS to obtain new buses for all routes in the past four years.

If local government, either city or county, were to "take over" LVTS, it would face two difficult problems: (1) funding for transit operations and route expansion, and (2) limitations on existing funding sources.

A new funding source would have to be created because existing funding sources are limited in use by state law. Furthermore, there is a "cap" on spending within existing sources that is very close to existing needs. Local entities would be hard pressed to provide funds for transit operations and capital equipment with such limitations.

New sources would require legislative or county actions which would be difficult to obtain or implement because of the taxpayers desire to reduce taxes not increase them. Many of the people involved in defeating the sales tax referendum for transit are attempting to make any tax increase in state or local government subject to a two-thirds vote in each governing body.

Social Conditions - Transit is perceived in the Las Vegas community as transportation only for the poor or transit dependents. This perception is supported by onboard surveys of transit riders which indicate that the majority of local riders have incomes less than $15,000 per year and do not own an automobile. This image of transit is difficult to overcome because there is scant service in middle and upper income neighborhoods. LVTS will not provide extensive service in middle income neighborhoods because of these perceptions, a large captive ridership consisting of tourists and local transit dependents, and the low densities in the suburbs where the majority of middle income nieghborhoods are located.

The demographic, economic, and social conditions described above have supported private ownership of transit and will continue to do so in the near future.

Chapter 3 will describe how LVTS survived and is prospering in Las Vegas.

TRANSIT - A BUSINESS OR PUBLIC SERVICE?

Transit in Las Vegas is a business first and a public service second. This approach to providing transit service has made LVTS prosperous. LVTS is a wholly owned subsidiary of the First Gray Line West Corporation. The transit system shares its management, garage and office facilities with Gray Line Tours of Southern Nevada, another subsidiary of First Gray Line West. Gray Line Tours of Southern Nevada provides charter services in Las Vegas. The president and the department directors of finance, operations, safety, maintenance, and marketing have two company responsibilities, dividing their time between Gray Line Tours and LVTS. LVTS operates 26 buses on eleven routes with one route in operation for 24 hours, Route Six, the "Strip" route. The other routes in the system provide service to the other major commercial, public and educational activity centers in the Las Vegas Valley.

LVTS has been allowed by the Nevada Public Service Commission to raise fares to cover expenses and realize a profit. Fares have increased from 75 cents and no charge for a transfer in 1979 to 95 cents and 15 cents for a transfer in 1984.

In 1983, LVTS changed its operation to a timed transfer system and added two new routes. These improvements made the operation more efficient and extended service into new areas. However, the new routes are not running through many middle income areas but service additional low income and transit dependent areas.

LVTS' strategy of serving captive riders first, sharing overhead and maintenance expenses with another corporation and obtaining fare increases to cover costs has made LVTS profitable and the last private transit operator in a city the size of Las Vegas.

THE ROLE OF THE RTC IN TRANSIT FINANCING

In 1977, the Nevada Legislature gave the RTC of Clark County the authority to own and operate transit services. However, a funding source was not provided for transit development projects and the RTC' motor vehicle fuel tax is precluded from such use. The RTC is the MPO for Clark County and is responsible for transportation planning and the administration of grants for Federal transportation funds. The RTC works closely with local elected officials, the transit operator, and Federal officials to keep existing transportation projects moving and new projects planned and financed. The RTC administered the grants that provided LVTS with 17 new buses in the last 4 years. In addition to grant administration, the RTC shares information concerning technical improvements with LVTS and suggests improvements in the existing system. Without funding authority, the RTC must use persuasion and common sense to accomplish its goals.

REFERENDUM FOR TRANSIT

In 1981, the RTC, LVTS, and other public and private organizations petitioned the Nevada Legislature to pass Bill 3338. This bill would allow the County Commission to impose a sales tax up to one quarter of one percent for transit based on a referendum. Bill 338 passed both houses of the legislature and work began to get the referendum passed. However, the RTC could not use gas tax monies to support the referendum for transit and was limited to speaking engagements and public information bulletins. LVTS felt that an aggressive postur in support of the referendum by them would seem self-serving.

LVTS worked on committees and provided some money for advertising, but played a passive role in support of the referendum. With these limitations, the RTC and LVTS worked with the RTC Citizens Advisory Committee and other community groups to support the referendum. If the referendum had passed, the RTC would have contracted with LVTS to provide transit service for Las Vegas. A "purchase of service agreement" would have provided for expansion of service to the suburbs and increased levels of service on the existing system. The question was presented to the voters at the City and County election on June 7, 1983. It was defeated by a 3 to 1 margin.

Cooperation and information exchange continues between RTC and LVTS at the same level today as in the past. It is not expected that this relationship will change until LVTS' profitability changes as a result of declining ridership or the public demands a comprehensive public transit system.

HOUSTON'S TURN-KEY PARK-AND-RIDE PROGRAM

by

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HOUSTON, TX

INTRODUCTION

The private sector has always played a major role in the development of Houston. From the early days of the Allen brothers and their trading post, Allen's Landing, on Buffalo Bayou to the Houston Ship Channel and NASA's Manned Spacecraft Center Houston's transportation system has benefited from the vision of its freewheeling entrepreneurs.

The cooperation between the public and private sector has resulted in new roads, freeways, interchanges, right-of-way, shared engineering costs, and expanded transit services. The following highlights several of the recent public-private efforts to improve Houston's transportation system.

Regional Mobility Plan Process

In recent years the private sector has taken an active role in Houston's Transportation Planning process. For a variety of reasons the major implementing agencies in Houston have never been able to put together a consolidated long-range transportation plan.

While the MPO provided a forum for technical meetings and technical coordination, we were never able to get each agency to actively participate in the development of long-range planning. The principal reason for this was Houston area politics and the fact that all of the MPO meetings were public meetings.

In early 1982 the Houston Chamber of Commerce Transportation Committee and several of the large private developers initiated an effort to prepare a long-range transportation plan for Houston. This plan has become known as the Houston Regional Mobility Plan or RMP.

The RMP process involved a technical committee which included representatives from the City of Houston, Harris County, the Highway Department, METRO and H-GAC. This technical committee worked with the private sector representatives in closed-door sessions. Through this effort, agency representatives were able to agree upon a level of mobility for Houston area roadways. It also established as a goal, the desire to have in the future the same level of mobility that we had in 1973.

The RMP is not really a plan but an identification of needs and a framework for how to accomplish $16 billion worth of transportation improvements over the next 15 years. It identifies the responsibilities of each implementing agency, the funding requirements of each agency and also identifies a role for the private sector. A portion of the program funds would be required from private sector as well in order to complete such an ambitious construction effort.

The technical committee has stayed in tact and has recently completed the first update to the RMP. In this update we have identified those projects initiated and underway and attempted to establish priorities as well as updated cost estimates.

There are many shortcomings to the RMP process and is certainly not what we, as transportation planners, would consider traditional long-range thoroughfare planning. On the other hand, it introduced to the Houston area, and to the rest of the State of Texas, a new way to look at our transportation needs. It provided a forum for the technicians out of the realm of political influence and public pressure.

The effort by the Chamber of Commerce has been applauded by many throughout Texas and the Regional Mobility Plan has been embraced by many local agencies as the guiding document for implementation and funding of transportation improvements.

Joint Funding of Planning Studies

A new area of private sector involvement is in the short range planning process. Just recently the private sector has provided funds to assist H-GAC in conducting thoroughfare and mobility studies in the Houston area.

In 1984 H-GAC budgeted funds to conduct one major County Thoroughfare and Mobility Plan. As most of you are aware, Houston is the home of mobility planning. Basically, a mobility plan takes the traditional roadway development plan and identifies critical mobility problems. Specific mobility criteria are established to determine which projects should be moved ahead to either maintain a certain level of mobility or to return to a previous level of mobility.

H-GAC was requested to conduct such mobility plans in three of our counties. All three of these counties are in the rapidly urbanizing areas adjacent to Harris County. With the work already completed on the Houston Regional Mobility Plan it was imperative that planning be completed in the adjacent counties to ensure continuity in the regional long range plan.

To ensure continued involvement of the private sector an advisory committee has been established in all three studies. The committee would include private developers and Chamber of Commerce representatives working together with local elected officials and technicians in the development of county thoroughfare plans and the strategy for implementing the area's mobility projects.

Transit Programs

Another major area of public sector involvement has been the cooperative arrangements between the Metropolitan Transit Authority of Harris County (METRO) and private service providers. It is a different form of private sector participation in as much as METRO really has taken advantage of private sector expertise and financing to provide new and expanded transit....and at a cost and time savings to the public.

When METRO was approved in the summer of 1978, it faced enormous challenges in taking over the City of Houston-owned HouTran system. The transit system had not grown as rapidly as the city, in fact, when METRO began operation only 43% of the city had transit service. Approximately 70% of the 2.5 million residents in Harris County lived within the City of Houston covering less than 600 square miles. The challenge that METRO faced was to provide service to an even larger area, over 1200 square miles. The Park-and-Ride program which began in Spring, 1977, under the City of Houston provided a mechanism for quickly supplying the unserved outlying suburban areas. While the City of Houston's Park-and-Ride program had experienced success, it also had problems.

Park-and-Ride Services

Most of the Park-and-Ride lots inherited by METRO were leased from shopping centers, churches or large department stores. When responsibility was shifted to METRO, less than 1000 Park-and-Ride spaces were available throughout the region and practically every space was full. The demand for additional service and the problems with previously leased lots necessitated a program for permanent construction of new facilities.

The need to quickly replace the existing lots while expanding the Park-and-Ride program into new markets required METRO to turn to the private sector for help. Park-and-Ride was only one element of the METRO to turn to the private sector for help. Park-and-Ride was only one element of the METRO program, and priorities had to be established. Total fleet expansion was essential. The maintenance facility inherited from the City had been constructed in 1910 and was totally inadequate. Maintenance and maintenance facilities expansion took precedence over Park-and-Ride expansion. Limited staff time was available for the Park-and-Ride program, in fact when METRO was created there was only one employee in the Engineering Division and only one employee in the Real Estate Division.

The first place METRO turned to the private sector for help was to provide Park-and-Ride transit service. Many of the contractors METRO approached had been in the charter business and were equipped to provide the premium Park-and-Ride service to Houston commuters. The use of the Park-and-Ride providers allowed METRO to have immediate service while building up its own fleet of over-the-road buses. By mid-1981 over half of METRO's Park-and-Ride passengers were being carried on contract service. Since that time, the number of contract service buses and service providers have been reduced but are still an important part of METRO's Park-and-Ride program.

Turn-Key Park-and-Ride

While there was a ready solution to providing transit service there was still the need to rapidly replace existing leased lots and construct new lots in unserved corridors and at the same time minimize staff involvement. Experience by the City of Houston and METRO's had shown that using the standard land acquisition/design/construction process would not meet the need. A more creative approach was required.

The enabling Texas Legislature allowed METRO to purchase improved real estate through a proposal and negotiation process. The turn-key development process for Park-and-Ride lots evolved through this legislation.

The turn-key concept, as typically applied in the construction industry, involves the completion of a facility prior to its sale at a pre-arranged price. Thus, the buyer can simply turn the key upon purchase and begin full utilization of the premises. Usually turn-key projects are built on land already owned by the buyer. METRO expanded this concept one step further by including both land and improvements to comprise the final product.

The turn-key process involves several steps:

- Sketch level planning - identification of a potential market and a window in the corridor where a Park-and-Ride lot is desired.
- Prepare request for proposal - includes design characteristics, locational parameters within the corridors and instructions applicable to the submission process.
- Receive and evaluate proposals - developer proposals reveiwed by an evaluation team considering site access and project costs.
- Earnest money contract - after two independent appraisals to verify land costs, the successful proposer is awarded an earnest money contract.
- Lot construction - construction details and design standards furnished by METRO, all construction including sub-contracts and financing by developer.
- Inspections - site inspections by METRO staff.
- Closing - after final inspection and acceptance, standard real estate contract closing.

As a result of the turn-key process 6300 new permanent Park-and-Ride spaces were constructed in 1981, more than tripling the number of Park-and-Ride spaces. As of today METRO operates 16 permanent Park-and-Ride lots, over 18,000 spaces, of which 11 were constructed through the turn-key program.

<u>Cost and Time Savings</u>

In order to quantify the time and cost savings realized through the turn-key process vs the standard design/bid/construction process, the experiences of turn-key construction were compared to data on the METRO constructed Kuykendahl lot.

The development cycle and time profile for five turn-key lots and the Kuykendahl lot are shown in Table 1. The average time between issuance of a RFP and completion of a turn-key lot was 8 months, compared to a 20 month cycle under the standard construction process.

Table I

PARK & RIDE DEVELOPMENT CYCLES

TURNKEY

Lot	RFP Published	Contract Execution Date	Closing Date	Inception-to-completion time
Kingwood	7/80	9/80	12/80	5 months
Gulf Frwy.	7/80	9/80	2/81	7 months
Boone Rd.	7/80	10/80	3/81	8 months
Fondren Rd.	7/80	10/80	7/81	12 months
Westwood	10/80	1/81	6/81	8 months

STANDARD PROCESS

Lot	Design/Land Acquisition	Bid Process	Construction	Inception-to-completion time
Kuykendahl	5/78-5/79	6/79-10/79	11/79-1/80	20 months

Source: Jeffrey Arndt, Metropolitan Transit Authority 1983

It is clear that the turn-key process achieved a time savings in two ways. First, lots were located, designed and constructed in 60% less time than under standard methods. This served METRO's goals of replacing leased lots quickly and providing new service to the vast METRO region. Second, the turn-key program reduced the staff time commitment for the Park-and-Ride Development Program. This allowed staff members to devote more time to other capital projects METRO had underway.

The cost of lot development is normally broken into two components - land costs and improvement costs. In comparing the two construction procedures land costs are assumed to be equal since METRO pays what the developer paid for the land. Turn-key costs average 20% less than standard costs, since many of the design and construction management activities are included in the developer's package. The turn-key process also reduced staff time thus appears a savings in both hadr and soft costs were realized.

Funding

All of the turn-key Park-and-Ride lots have been funded with 100% local money. METRO has a solid local funding base with a dedicated 1% sales tax. Since the turn-key process does not fit into the UMTA capital grant guidelines Section 3 and Section 5 monies have not been used for the turn-key process. The reason why UMTA capital funds have not been used is that neither a site nor improvement plan can be fixed until the proposal is selected. The RFP process itself is more closely related to planning studies than capital procurements.

The turn-key process is another example of the public and private sector working together to implement transportation projects in Houston. The time and cost savings associated with the turn-key program and the mutual benefits achieved by both METRO and the private sector would seem to justify modifications to UMTA's capital grant procedures in order to permit other transit systems to take advantages of the turn-key process.

BROWARD COUNTY FLORIDA'S PEOPLE MOVER PROJECTS AND FINANCING MECHANISMS

by

BRUCE WILSON
BROWARD COUNTY, FL

INTRODUCTION

The Downtown Fort Lauderdale People Mover and associated Special Benefits Assessment District currently under serious study in Broward County are parts of a bigger story, a story which is yet to be completed. That bigger story is the growing realization that both the private and public sectors have a stake in better transportation for regional business districts in Broward County and that a public-private partnership is the only way to go. I need to tell you at the outset that while I predict a successful implementation of a Special Benefits Assessment District and a downtown people mover in Fort Lauderdale, the appropriate parties have yet to sign on the dotted line. In the meantime, another people project has emerged in western Broward County in the City of Plantation to serve the County's major outlying business center.

Both of these projects emanate from a private sector statement of transportation need rather than from the areawide transportation plan. A primary motivation is to avoid future restrictions on desired growth and development. Another motivation is to maintain adequate access to existing development. Since there is already a shortfall in public revenues available for planned transportation improvements in the county, these new projects must seek non-traditional financing.

The following discussion of program objectives, political considerations, legal requirements and impediments, benefits accrued, and assessment of program success will highlight both people mover projects and their proposed financing mechanisms as they have evolved to this point in time.

It should be noted that these Broward County explorations of public-private partnerships in transit have been preceeded by a history of joint efforts in implementing the County's highway plans. The principal mechanisms in the highway case have been the County's Land Development Code requiring the dedication of right-of-way and the payment of a highway impact fee which is computed as a fair share contribution for necessary planned improvements to roads impacted by new development. The new generation of transit financing tools appear to be a logical extension of these practices.

PROGRAM OBJECTIVES

Fort Lauderdale People Mover

Fort Lauderdale, the largest city in Broward County, does not have a large downtown as downtowns go. The core of the downtown, some 300 acres in extent, falls within the Special Taxing District of the Downtown Development Authority. In 1982, total floor area in the District was estimated at some 3.6 million square feet. But the recent and committed growth in the greater downtown area has been dramatic, some 2 million additional square feet since 1980 with major emphasis on office, government and cultural facilities.

A high density development scenario in the longer term adds another 2-1/4 million square feet with more office, government and retail development leading the way. Close to 6 million square feet of office and commercial floor space is foreseen by the year 1990. Fort Lauderdale's new downtown is characterized most by new financial and governmental structures and functions.

The downtown transportation system currently in place is inadequate to handle increasing travel demand from the current building boom, let alone its continuation in the future. Currently, major downtown intersections are operating at unsatisfactory levels of service, driving speeds in the downtown are reduced, and conflicts between motorists and pedestrians are increasing. Of major concern to city and downtown development interests, is the likelihood that future major developments in the downtown will not receive permit approvals from regulatory agencies due to the inability of the existing traffic network to accommodate the prospective traffic impact. Another major concern of the downtown developers is that the market for their new downtown properties remains strong in spite of the competition from outlying developments. What the downtown location provides is proximity to regional governmental, financial, cultural and other central place functions. However, if access to the downtown from the regional transportation network or within the downtown is impaired by congestion, the marketability of downtown properties will suffer.

The essence of the argument for the downtown people mover is that regional access will be maintained and enhanced by a system of peripheral parking and transit terminals connected to major destinations in the downtown by a people mover in a loop configuration consisting of 1.9 miles of elevated single track and 9 stations. This concept would encourage the urban core to develop to its fullest potential with parking on the outskirts of the downtown.

A financial analysis conducted by Robert J. Harmon & Associates concluded in May of this year that the people mover system is financially feasible with a minimum level of Federal funding support. From the beginning, the downtown development interests have pursued a financing solution which would avoid the perceived "red-tape" associated with the receipt of federal funding. The likely requirement for "alternatives analysis" to gain eligibility for federal aid continues to be seen as burdensome, particularly the time requirements associated with the formal analysis process. Further, the fierce nationwide competition for "new-start" discretionary federal funding suggests that completion of the burdensome "alternatives analysis" would provide no guarantee of federal funding. A so-called "minimal level" of Federal funding support still calls for, up to $15 million to fund 75% of the cost of vehicles and command and control equipment. With the decision to seek at least minimal federal support, the Broward County MPO became a formal partner in the implementation process with the City of Fort Lauderdale and the Downtown Development Authority.

City of Plantation People Mover

The City of Plantation is a rapidly growing suburban community of some 53,000 population in western Broward County. At the crossroads near the City center is Broward Mall, the largest outlying regional shopping center with some 1,250,000 sq. ft. of floor space to be surrounded by another 1,350,000 sq. ft. of proposed regional shopping and related floor space as well as existing and proposed major offices and office parks. Ultimately, this emerging suburban downtown will encompass about one square mile of development. Like downtown Fort Lauderdale, the crossroads of Plantation will be substantially overloaded in the future. Traditional highway solutions such as limited access highways and grade separated intersections are not deemed feasible in terms of community impact and cost. The major intersection involved already has multi-lane approaches and double left-turn lanes. The challenge to City and the business community is to accommodate the additional travel demand associated with desired growth and development in the regional business district.

The rationale for considering the people mover in Plantation is much broader than reducing public highway costs. Also involved are the concepts that:

- Individual parking requirements can be reduced for any one development because of the ready access which can be provided between adjacent developments and their parking areas by the people mover;

- local circulation between commercial developments by automobile or shuttle bus on congested roadways would not only be a frustrating experience but unduly time consuming as well, thereby reducing potential shopping and business opportunities;

- local circulation by people mover separated from congested roadways would be a much more pleasant and less time consuming experience, resulting in additional opportunities for shopping and business accompanied by increased profits;

- increased development densities may be possible due to decreased space requirements for roadway improvements and parking.

The Plantation proposal purposely calls for a discontinuous system, of horizontal elevators which encourages foot-traffic within individual shopping malls. The initial routes will require people who use the System to walk through malls to get from one line to another. This has particular appeal to mall tenants who expect the additional foot-traffic to generate impulse buying. The people mover joins proximate malls as if they were one mall rather than providing express service past shopping and business opportunities. In contrast, the proposed Fort Lauderdale System is a continuous loop more concerned with getting commuters to their work destination as quickly and efficiently as possible. The less elaborate Plantation system is reported by the consultant to be significantly less costly to build and operate per unit of distance than the downtown system. For example, guideway costs have been initially estimated at $700 per linear foot versus approximately $1,100 per linear foot for the Fort Lauderdale system. The command and control system costs are also reported to be less for the shuttle than the loop system. The current model for the Plantation System is the Otis Shuttle in Tampa, Florida which links Harbour Island - a new retail, residential and office community - to Tampa's City Center building near the downtown pedestrian mall.

POLITICAL CONSIDERATIONS

Fort Lauderdale

The emergence of a proposed new center city transit system in Broward, as can be expected, raised questions about competition with the existing conventional bus transit system for the allocation of scarce local, state, and federal transit dollars. Particular concern was expressed about who would pay the continuing operating costs of the downtown people mover. Total annual operating and maintenance costs are estimated to be $1.09 million (1983 dollars) of which labor constitutes 47%, energy 14%, materials 17%, liability 4% and contracted services 18%. While a feasible funding scenario has been devised for constructing the people mover, including a special benefits assessment district, less attention has been given to financing of operating costs and this is a matter of concern to the candidate operators of the system.

PRC Harris, technical consultant for the DPM project recommended that consideration be given to using parking fees to pay DPM operating costs. They argued that one fare could be charged to the commuter, providing all-day parking and round trip transportation on the DPM between parking garages and downtown activity centers, e.g. $1.50 per day. Later, as more remote garages are built, the fare structure could change, encouraging commuters to park further from downtown via reduced rates. At present, the City of Fort Lauderdale is reluctant to absorb the DPM operating expenses in the city parking program.

Another potential operator is the County Mass Transit System which is struggling now to increase county wide transit service in the face of reduced federal subsidies, no state aid program for transit operations, and the memory of local taxpayer revolts. Countywide service and special services for the transportation disadvantaged are the County's top transit priorities for the moment. Not only is the County reluctant to absorb DPM operating expenses, it is concerned that the DPM may attract even limited federal aid away from County transit needs. The MPO which allocates federal aid, with City and County representation, may well become the ultimate referee in this situation. Another suggestion is the creation of a separate downtown transportation authority to operate the DPM system with new taxes.

Another political consideration revolves about a conflict of views between those favoring retention of the former small downtown charm with its historical values versus those envisioning a "shining new" downtown Fort Lauderdale. For example, preservationists are concerned about plans for the DPM to run through the historic district. The Downtown Development Authority is concerned that undue attention to preservation goals and objectives could threaten the continued development of the central core. These differences are not irreconcilable but the process will take some time.

Plantation

The political considerations in the City of Plantation are only emerging at this time and any attempt to describe them in detail must await more local debate. Two comments can be made with some certainty at this time. First, Plantation is proud of its record of fostering community appearance and will consider the aesthetics of any guideway design in making a final decision on the people mover. Second, the City Council will be sensitive to impacts on the city budget.

ORGANIZATIONAL ARRANGEMENTS

Fort Lauderdale

Final achievement of the proper mixture of public-private coordination in downtown transportation development is being reached over what some might consider a tortuous path. The current initiative is the result of many factors, including:

- the leadership of the Florida House Transportation Committee and its Chairman, Tom Gustafson of Ft. Lauderdale in sponsoring studies of new transportation technology throughout the State;
- the example of Dade County to the South of Broward;
- a legacy of past people mover proposals for downtown Fort Lauderdale;
- an open-minded City Council;
- a "hard-charging" Downtown Development Authority;
- the recent spurt of growth in downtown Fort Lauderdale.

PRC Harris assisted by Spillis Candella and Partners and Battelle Columbus Laboratories completed the original technical study for the Downtown People Mover in January 1983. This study was financed with State funds administered by the Florida DOT and Supervised by the City Engineer of Fort Lauderdale. A Technical Advisory Committee was made up of City, Downtown Development Authority, FDOT, County and MPO representatives. A charrette was conducted at the onset of the study to solicit ideas from a broad spectrum of community leaders from business, civic, political, financial and governmental organizations.

Robert J. Harmon & Associates, Inc. completed the recommended funding program for the DPM in May, 1984. The administrative arrangements for this effort were similar to those for the technical study but included as an important addition the creation of a private sector task force. With the support of the technical and private advisory groups, this report described the Benefit Assessment District Plan as the "cornerstone" of the overall Private/Public co-venture. The recommended initial benefit assessment rate was 25¢ per commercial leasable square foot, sufficient to ensure a revenue stream for short term municipal bonding implementation. Assessment of public non-Federal buildings is also suggested. The range of capital costs currently under consideration ranges between $25 and $50 million. Participation of a private supplier under a franchise arrangement will be sought.

The proposed next step by the downtown business community is creation of a local implementation entity with representation from the Broward County Commission, the Fort Lauderdale Commission, the D.D.A. and the State (FDOT). An interim cooperative agreement would provide for policy board and technical staff interaction to:

1. Recommend necessary legislation for a downtown transportation authority.

2. Assist in setting up the special assessment district for the D.P.M.

3. Initiate coordination of all sources of funding identified in Robert J. Harmon & Associates Funding Study.

4. Prepare Federal and State grant applications when necessary.

5. Establish consultant requirements, scope of work, and R.F.P.s to prepare:

   - revised development codes

   - vendor bid specifications

   - environmental assessments

   - detailed financial plans

   - engineering studies

6. Recommend interim steps to D.P.M. implementation as necessary.

In support of the above the County Administrator has advanced a proposal of interim transportation measures to improve downtown parking and traffic circulation before the implementation of an automated guideway system.

This proposal serves several purposes:

- illustrates County interest and willingness to respond immediately to downtown transportation needs;

- helps satisfy the potential federal requirement for a full-scale "alternatives analysis" prior to UMTA approving any discretionary capital grants for the DPM;

- helps identify more precisely the urgency/timing for future high-capacity transit and/or highway improvements in the downtown area, including the DPM.

Plantation

It is premature to predict organization arrangements for the Plantation people mover. The local firm of Keith and Schnarrs in cooperation with GAI Consultants, Inc. suggests several funding plans including seeking state and federal grants or establishing a special taxing district to enable merchants and business owners to pay for the system. The possibility of forming an authority which would have the power to issue bonds has been mentioned. The Plantation Zoning Code contains a Special Interest District which coulc help create the incentives to encourage private investment and/or contribution to the people mover system.

LEGAL AND OPERATIONAL REQUIREMENTS/IMPEDIMENTS

Fort Lauderdale

Under existing Florida Statutes, benefit assessment districts can be established through passage of a local ordinance, provided there is a formal expression of interest by the affected property owners and the assessment formula does not involve ad valorum taxes. Otherwise a formal referendum measure is required. By statutory requirement, the amount of the annual levy imposed cannot exceed the quantifiable monetary benefit received by the individual business or property owner paying the assessment. The local court and the Supreme Court of the State would be required to rule on the legal adequacy of the assessment district before revenue bonds could be issued.

The capital bonding potential of one or more assessment districts established in Fort Lauderdale around planned DPM Stations has been estimated by the consultant to be $25 million or more assuming:

- inclusion of public non-federal buildings in the assessment district;

- a 20-year bonding period and an 11.0% interest rate;

- a 25¢ to 35¢ per square foot per year assessment on office and commercial space.

A concensus resolution by the affected property owners in downtown Fort Lauderdale, similar to the Miami precedent, is being sought. While this was recommended by the Private Sector Task Force, some members of top management want further documentation that the recommended DPM is the most cost-effective solution to downtown transportation problems. Thus a local version of the alternatives analysis that was once seen as a burdensome requirement will now take place. MPO staff are playing a key role in this process in cooperation with State, County, City and DDA agencies.

Other private financing mechanisms which have received some local acceptance to supplement the Special Benefits Assessment District include:

- Station Cost-Sharing: under a station cost sharing program, major developers may elect to participate in station construction capital costs to ensure compatibility of station and development projects and to accelerate station implementation. Estimates from this revenue source range from $1.5 million to $5.0 million. In addition, developers will be expected to dedicate right-of-way easements and incur all structural accommodation and physical integration costs. An expansion of this principle (not being considered at this time) would be to solicit developer participation in the guideway costs nearest their station.

- Development Impact Fees: under this technique, all new development within prescribed areas in the downtown would be required to pay a flat fee, e.g. 80-90¢ per square foot to support DPM and station costs. The establishment of this type of fund would be consistent with the Development of Regional Impact (DRI) process now "in place" throughout Florida. This would be also analagous to procedures for assessing highway impact fees in Broward County. Up to $4.4 million has been proposed through this technique. Since the majority of funds would accrue after construction of the DPM System, the funds are not as useful as other bondable revenue sources. Transit Station master plans would be required to properly allocate collected impact fees.

- Direct Private Sector Investments: Import-export credits, leverage leasing, discounts, etc. up to $3.0 million.

For a variety of reasons, other private sector related financing techniques have been considered and initially rejected for the Fort Lauderdale DMP including:

- dedication of Tax Increment Revenue Fund;

- regional Sales Tax;

- Joint Development/Value capture.

State Legislation is now being drafted with the participation of concerned MPOs and others which would enable the creation of local and regional transit authorities which could select from this entire range of potential financing mechanisms.

BENEFITS AND GENERAL ASSESSMENT OF PROGRAMS

The benefits of the Broward County people mover projects and their selected financing mechanisms will of course be better known when the projects are completed. Even in their planning and development phase, however, some benefits appear to be accruing:

- The people mover projects are providing a focal point for business center transportation planning. Improved traffic circulation in regional business centers is seen as a critical element of plans for the future. The public and press have shown interest in these programs and elected officials have allocated more of their scarce time to addressing this aspect.

- While yet to be adequately documented, the attention to traffic circulation problems in the major business centers appears to have contributed to some unanticipated growth and development. Other factors such as attention to amenities and major relocation decisions have also contributed to this development trend.

- While the initial focus has been on the people mover projects themselves, this focus is now broadening to give more attention to the detail of how these projects will interconnect with the development to be served and with other modes of travel. For example, large DPM stations would simply be out of scale with downtown Fort Lauderdale. Questions are now arising about how the fledgling skywalk system in the downtown will tie in with the DPM. Of course, this phenomenon tends to lengthen the planning and development process but it also appears to be strengthening it as well.

- The precedent has been set for significant business leadership in business center transportation planning in Broward County. Transportation solutions will respond to problems as perceived by the business community. Their pending contribution to system improvements is certainly part of the cement that binds the emerging public-private partnership.

- The consideration of private financial resources tends to make a more creative planning and implementation process. The mere presence of multiple financing options suggests that an ultimate solution will be found.

An overall assessment of the programs in Broward County to date would also include the following thoughts:

- Private financing is not now and will likely never be a total panacea. What follows is that federal and state aid to supplement private resources will continue to be required in some measure. This has been confirmed in the Fort Lauderdale case.

- Some flexibility is needed in the required alternatives analysis for federal aid. MPOs should have the option of submitting a less structured planning procedure perhaps in cooperation with regional UMTA staff, and state DOT staff if state matching funds or other contributions are committed.

- There is need for federal recognition that advanced transportation technology is not the exclusive purview of the nation's largest metropolitan areas. From the Broward County example, it appears that rapid growth and deficiencies in existing transportation modes can trigger a very legitimate consideration of advanced technology. Some federal aid needs to be reserved for fixed-guideway improvements in small and medium sized metropolitan centers.

- A thought evaluation of the trial and error period in public-private partnerships is certainly warranted from the perspective of the new ground that is being broken in Broward. For example, the initiative of the NARC/UMTA Conferences on Public/Private Partnerships in Transit should be continued in a variety of ways.

GENERATING PRIVATE INVESTMENT FOR TRANSIT STATION IMPROVEMENTS IN NEW YORK CITY

by

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Private funding can play a major role in transit station development and renovation. Private sector contributions to stations improvements can take many forms. Structured close cooperation between transit, planning and zoning agencies has stimulated approximately $100 million worth of private investment that is either underway or committed in New York City. While the scale of private investment will be proportional to the scale of transit systems, the mechanisms and techniques that have been successful in New York may have broad applicability.

The intent of my presentation is to describe these techniques, using some examples from MTA's experience in New York.

Before doing this, however, let me distinguish between several generic types of private involvement in transit stations. While the broad term "joint development" covers all these types, there are several differing roles for the private and public partners to recognize that cause transit station improvements.

Among these types of private/public relationships are:

1. Projects where a single piece of property is jointly utilized by a transit operator and a private or public developer. This is the predominant form of "joint development", and there are numerous examples throughout the country.

2. Projects where voluntary coordination between a developer and a transit operator can benefit both parties, although not necessarily on the same site.

3. Projects where a private developer invests directly in a commercial venture within a station(s), such as in undertaking a "master lease" for concession spaces.

4. Projects where private interests make voluntary contributions to transit improvements, such as MTA's "Adopt-A-Station" Program.

5. Finally, there are projects where private investment is deliberately stimulated by public actions, such as incentives and controls, or a combination of the two. The important distinction, with respect to these types of projects, is the spark or impetus that brings a project about, and the remainder of my presentation will focus on such public actions, including some examples of the successes and the problems New York has had in this area of stimulating private investment.

These are four general approaches to this form of active public/private cooperation:

1. Comprehensive Public Development (Once Known as Urban Renewal)

2. Negotiated Amenity Package

3. Special Zoning Districts

4. General Zoning Provisions

Comprehensive Public Development

The technique of Public Development is managed by a public or quasi-public agency or authority acting directly as the development entity, and thus giving it the power to set development guidelines or controls. For example, New York City has been trying to "Clean Up Times Square" on a piecemeal basis for generations to little or no avail. Now, however, under the auspices of the New York State Urban Development Corporation a complete redevelopment program for the entire area as a whole is underway through the cooperative efforts of numerous public agencies, including the MTA. A redevelopment plan has been prepared, and through a competitive selection, private developers have been selected to develop it. Final lease negotiations are currently taking place; it is anticipated that leases will be signed this fall.

This plan does more than just identify building sites. It includes well-developed design criteria, and most significant to our concerns, includes a plan for the upgrading of the mammoth Times Square subway station complex. Under the plan, prospective developers know in advance that they will be required to contribute some $31.2 million toward subway improvements. MTA has programmed an additional $12.5 million for the station complex, for a total of $44 million. In addition, the MTA is currently evaluating a proposal to renovate and reconfigure the Times Square Shuttle, a subway line running between Times Square and Grand Central Terminal. If this project is approved, an additional $10 million could be provided by the MTA toward Times Square improvements. A single comprehensive design plan is being developed by outside consultants working with a multi-agency Steering Committee. This plan will fully integrate the new buildings and their structures with the subway system that lies immediately below, and identify specific responsibilities and boundaries for detailed engineering and construction. One building actually sits in the middle of the subway complex, and its reconstruction will allow the station to be completely reconfigured with a major new central focus in what is now the building basement.

This technique is appropriate when the public is controlling an area redevelopment plan, and where the demand for development sites is strong enough to command a premium price that goes to finance public development.

Negotiated Amenity Package

A second technique, the Negotiated Amenity Package, is actually a simple negotiation between a private developer (who needs some form of public actions) and a public entity. To be effective, this approach needs to be well thought out in advance, and should contain a logic or rational, to avoid the appearance of what might be called extortion.

Manhattan's West Side is rapidly changing from predominantly manufacturing to residential uses. In line with this change, a development group has purchased an option from the Penn Central Railroad Trustees to purchase the 60th Street rail yards along the Hudson River. Their intent is to develop this 12 block long parcel called Lincoln West, with nearly 5,000 units of housing plus commercial uses. One of the keys to the success of this project was a required zoning change from manufacturing to residential use, that was approved in 1982. Various related public approvals are also required.

The developers have offered an "amenity package" to the City and the local community in the range of $100 million, currently programmed for provision of parks, a waterfront esplanade, street work, and a major transit improvement. While not directly on the site, the 72nd Street express station of the Broadway IRT line is expected to bear a significant brunt of the new residents from the development, as clearly identified in the Project's Environmental Impact Statement. This station is already severely overcrowded, a condition made worse by narrow platforms and a single entrance point located in a traffic island. As a mitigation measure for the environmental impacts and with extensive community input the developers have agreed to contribute $31.5 million toward reconstructing the station, to which the City of New York has agreed to contribute an additional $5 million. Even this amount will only fund half the needed work, however, which includes platform widening, and tunneling of a new mezzanine under the station.

The funding mechanism being used is a bank letter of credit, which the MTA will draw down upon, as funds are actually expended. A $2 million letter of credit has already been issued; about one-half of that has been expended for design work.

The future of the entire Lincoln West project is currently in jeopardy, however. The developers, who early in the process did not anticipate problems arranging financing, have hit a snag in arranging credit. The generous package of amenities, which the developers must finance "up front" are considered to be significant factors in the developers' current problems. September 13, 1984 is the deadline for New York City Board of Estimate approval of required mapping changes. The needed approval is unlikely if financing has not been negotiated prior to that time. In the absence of this approval it is likely that Lincoln West, and all that was to have come with it, will be on the shelf. The lesson for transportation properties, State and Local governments, and private developers is clear: be cautious of proposals which may seem overly zealous to the investment community.

While this example is on a very large scale, and it may or may not come to fruition, the fact that it got as far as it did suggests that, the technique is an effective one that can work, perhaps more easily, on a smaller scale. Other examples in New York include the subway stairways included as part of the Hyatt Regency development at Grand Central and the pedestrian easements built into the Atrium development at 466 Lexington.

Special Zoning Districts

A form of public intervention, Special Zoning Districts, are an established means to bring about transit improvements in New York City. A "Special District" is created to achieve a specific purpose, often including public transit improvements, and a mechanism is established within the District regulations to bring these about. The City of New York, through its City Planning Commission, has pioneered many of these techniques.

-- A special Second Avenue zoning district in Manhattan mandated that developers provide free easements for construction of subway station mezzanines, entrances and concourses. The size and type of these easements was specified, and the developer had to provide the space, but was not obligated to construct the improvements themselves. In practice, through negotiation, developers have been induced to construct new subway entrances at their own expense in the district.

-- A special Greenwich Street District in Lower Manhattan works in two different ways: developers can contribute to a fund for public transit improvements (this has generated over $2 million to date) or they can elect to construct certain transit improvements from a predetermined list of improvements, contained in the zoning itself. Either of these means will generate floor area (FAR) bonuses for the building developers. The City Planning Commission controls the fund, with close coordination with MTA. One disadvantage to the fund for public improvements as it is currently structured in New York, is that it appears that the amount of money a developer must contribute to obtain the floor area bonus desired is less than the value of improvements that would be feasible if the developer were to construct the improvements as part of his project. This is difficult to measure, however, since we never know the precise costs of the improvements a developer constructs.

Other Special Districts provide for "neighborhood improvement funds", the proceeds from which sometimes go toward subway station improvements.

General Zoning Provisions

Finally, as this system has matured, the developer community and the City have tended toward a system of General Zoning Provisions to stimulate public improvements. Up until 1982, New York City had no general provisions for FAR bonuses for projects undertaking subway connections and/or improvements. While such bonuses were in fact granted, they were under the guise of "covered pedestrian spaces" or "urban plazas." Since that time, general zoning for Midtown Manhattan has been enacted, however, which directly provides for floor area bonuses in return for major subway improvement. The zoning also mandates that existing sidewalk subway entrances be relocated into any new buildings at the builder expense.

The zoning ordinance spells out in detail the relationships between the MTA, the City, the developer, and the respective obligations of each in the approval process. Essentially, the developer makes a proposal for a subway improvement, in consultation with MTA and the City Planning Commission staff. This proposal must receive "conceptual approval" from MTA before it can be formally considered. The Planning Commission can then certify that the application is complete, and a community review process begins, following which the Commission takes final action on the project as a whole, including the subway improvement bonus. At this time, the Commission must be satisfied by MTA and the developer that the proposal is both desirable and feasible to construct. It is at the Commission's discretion to determine whether the proposed improvement justifies the maximum allowable bonus, or something less. The City's Board of Estimate must give its final approval to the project.

For example, a developer is currently undertaking a large project on a major site at 53rd Street and Lexington Avenue directly south of the Citicorp Center. This project site is between stations on two different subway lines, and lies within the Midtown Zoning District.

The developer is providing a wide concourse through his site, connecting with one of these two station mezzanines at Citicorp; stairs and an escalator leading to a lower level mezzanine are being constructed. The MTA will then fund the remainder of the connection to the Lexington Avenue IRT line at 52nd Street. The total cost of the project is roughly $10 million, which will be divided roughly equally between MTA and the developer. In return, the developer will receive a floor area (FAR) bonus of slightly more than 17 percent.

One of the major obstacles to successful implementation of provisions such as those of the Midtown Zoning is developer reluctance to enter into protracted negotiation with a myriad of public agencies, each of which wants something else. While there is general agreement in most cases in New York between the MTA and the Planning Commission, we are working together on various studies to identify in advance the subway stations improvements that are desired at each specific potential development (redevelopment) site. Two things can be accomplished in this manner. First, the individual improvements can be put together into a larger plan where the whole is greater than the sum of its parts, and second, the potential developer knows up front what is expected of him in return for a zoning bonus.

There is no practical reason why these bonus provisions for Midtown cannot be extended to the entire City, and MTA is working with the City Planning Commission to do this. A proposal currently being developed would extend the Midtown bonus provisions to other projects meeting specific criteria in commercial districts. The City Planning Department is developing an evaluation methodology for determining the appropriate floor area bonus, up to 20 percent. The potential impact over time is enormous, and these private investments could be a significant supplement to MTA's own station modernization program, which is part of our $8.5 billion five-year program to upgrade the region's mass transit facilities.

Where possible, we prefer that the actual construction of a project resulting from zoning provisions be done by the developer himself, both within his site, as well as in any adjoining sites. We review and approve his plans and grant an entry permit. In this way, the public gets a fully constructed specified public improvement, rather than a fixed cash contribution.

Obviously, in some cases, such as the 72nd Street project, the only rational way to undertake the project is for us to do the construction, but we try to make this the exception, rather than the rule.

CONCLUSION

While not perfect, techniques described above all work, and their impact can be a significant contribution to funding for mass transit investments. If there is one key to developing these techniques, and then making them work effectively, it is close cooperation and trust between the transit agency, the local jurisdiction and the developer. Development project processing cannot be treated by the transit operator as a routine bureaucratic process, but must be located at a policy level in the organization.

STUDY OF ALTERNATIVE TRANSIT FUNDING STRATEGIES FOR KNOXVILLE

by

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During the past several decades, transit operating deficits have risen and subsidies from federal, state, and local governments have declined. Like many other transit systems across the country, K-TRANS, the Knoxville transit system, has dealt with the problems of revenue shortfalls and rising costs by increasing passenger fares and reducing transit services. Recognizing the need for generating additional funding to maintain basic levels of transit service, a two-part effort is being undertaken in Knoxville. The first is a study to identify and analyze innovative funding enhancement strategies. The second part involves cooperation between the public and private sector to develop an implementation plan for one or more of these strategies.

As a part of the first phase of this effort, a review of similar efforts in other cities revealed a wide array of funding enhancement strategies. However, they can all be categorized according to six major areas. These are 1) broad-based taxes and revenue sources, 2) charges on motor vehicle users, 3) charges on property benefitting from transit, 4) borrowing strategies, 5) joint ventures with the private sector, and 6) transit operations.

Broad-based taxes and revenue sources are commonly used by states, municipalities, and transit authorities to support transit development and operations. Currently, local funds for public transit subsidy generally come from retail, sales, and property taxes. These broad-based taxes, in essence, charge the entire community for the benefits of transit. In Knoxville, this is the case with property and sales taxes supporting general revenues from which K-TRANS appropriations are derived. Although less widely used, payroll and income taxes as well as lottery or gambling taxes also tap community-wide funding resources.

Another angle is to levy charges on motor vehicle users. Many public transit operators believe motor vehicle users benefit from the presence of public transit and; therefore, should be taxed to support the service. This has been accomplished through motor fuels taxes, vehicle taxes, bridge and tunnel tolls, and commercial parking taxes.

A similar rationale is used for charges on property benefitting from transit. There is a growing interest among public officials in strategies that allow transit systems to share the increases in land values that result from public transit improvements. These take several forms. A jurisdiction may levy a service charge on property adjacent to transit stations or a special benefit assessment when transit development benefits certain sites and property values. Another option, tax increment financing, dedicates the additional tax revenue resulting from the property's increased value to transit. Also, transit impact requirements and negotiated investments help support expanded transit service required by new developments.

To meet capital needs of transit systems, some localities are taking a new look at conventional as well as innovative types of bonds, such as general obligation bonds, certificates of participation or equipment trust bonds, and tax-exempt industrial revenue bonds. There are numerous other borrowing strategies utilized involving "safe harbor" leasing, interest arbitrage, grant anticipation notes, lease-purchase agreements, vendor financing, and zero coupon bonds.

There are also many examples of joint ventures with the private sector. One is the leasing or selling of development rights by the public transit agency. This arrangement was used by the Denver Regional Transportation District, which leased the air-rights above a downtown transit center to a private developer for a high rise office building. In addition, transit agencies can generate revenue through the sale or lease of existing vacant or underutilized property and facilities. Such is the case in Fargo, North Dakota where half of a city bus terminal will be leased to the Greyhound Bus Company. The city is receiving $30,000 a year in lease revenues from Greyhound to support local public transit.

In addition, local governments and public transit agencies have been successful in soliciting donations from the private sector for transit related improvements and operating expenses. Donors usually benefit from tax deductions for their contributions and good public relations. The most interesting case is in San Francisco where private donations were used to overhaul the famous cable car system.

Another type of private/public arrangement is public transit agencies sharing capital and service costs with private entrepreneurs. In many cases, developers of large residential and industrial parks are teaming up with local transit agencies in order to share the burden and costs of operating transit. In Des Moines, Iowa a private real estate firm and the transit system have shared the expenses of starting bus service to an outlying community.

Private sector involvement is also available through land banking. The advance acquisition of desirable sites allows transit agencies to pay affordable prices before inflation and speculation drive up land values and force them to locate facilities in less suitable areas or to pay exorbitant prices. In Boston and Philadelphia, the public transit authorities used land banking to purchase land in anticipation that future facility expansion would be needed.

The last category, modifications to transit operations, can be used to increase revenue. Some of the more innovative approaches include peak-hour surcharges, distance-based fares, and contracted taxi and vanpool service. Other modifications like fare increases, reduced levels of service, reduced costs, and improved efficiency are daily management concerns. Also, certain of these options may be difficult or impossible to implement from a political perspective even if economically feasible.

The overview of funding enhancement strategies highlights several industry trends. The primary financial goal of most systems is an assured source of revenue that is responsive to inflation and provides the agency with some degree of financial independence. As a result, most agencies prefer a dedicated tax to an annual general fund appropriation that varies from year to year and often comes with strings attached. On the other hand, the earmarked tax that generates inadequate revenue is seen as a disadvantage, because it may inhibit the State or local government from making other funds available. Localities with dedicated property taxes often find this a problem.

Some agencies are switching from traditional, flat rate gas and property taxes to dedicated taxes based on retail sales or income because these levies meet with less public resistance and are more sensitive to economic changes. The dedicated regional sales tax appears to be the tax of choice for many agencies because it has the potential to generate income adequate to support operations and to guarantee revenue bonds for capital improvements.

Agencies without an adequate single tax source often find it necessary or politically expedient to build a broad-based support package that draws revenue from several unrelated sources. Large cities like New York and Chicago follow this strategy.

Finally, it is apparent that agencies are increasingly experimenting with complex borrowing and income producing techniques. A few systems are using new borrowing mechanisms that are more attractive to the private sector than conventional bonds. Others are adopting tax strategies associated with the increased property values generated by the availability of transit service facilities. Also, agencies are looking at the revenue potential of leasing air-rights or excess property to private developers. Those agencies successfully taking these non-traditional approaches have had to develop expertise in a variety of financing techniques and the workings of the real estate market.

The potential application in Knoxville for each of the innovative funding mechanisms was evaluated in the next part of the study. A set of four criteria were developed to analyze each option. They consist of legal feasibility, political feasibility, social equity, and revenue generation.

Legal feasibility involved assessing each strategy according to its legal application in the Knoxville community under present legislation. The legal authority to implement any given strategy by means of enabling legislation is a major consideration in selecting any funding mechanism. The Federal government also has a hand in determining, through Internal Revenue Service laws and regulations, the use of some strategies.

Locally, there are two legal issues which were major factors in the legal feasibility analysis. The City of Knoxville is a creation of the State of Tennessee, and as such, can use only those funding options specifically granted by the state. The State of Tennessee has traditionally given municipalities wide discretion in the use of propoerty taxes, but limits the use of other forms of taxation rather severely. However, in 1982, the state legislature authorized a 1¢-per-gallon local option gasoline tax to be levied and dedicated to local public transportation. While the state has authorized the use of this tax, the requirement for passage of a local referendum has yet to be fulfilled by any Tennessee city.

The other legal issue involves the ordinance governing public transportation in the City of Knoxville. It limits many of the activities in which the Knoxville Transportation Authority (KTA) may engage to generate revenue for the transit system and the Knoxville City Code restricts the KTA from using borrowing techniques for funding capital expenditures. However, the KTA may recommend to the Mayor and City Council that they levy a tax or engage in other revenue generating techniques permitted by the state. Thus, the City Council and the Mayor may enter into agreements or levy a tax as long as state and/or voter-approval requirements are satisfied.

Political feasibility also dealt with two issues. Acceptance of taxation or other revenue-generating options by the citizens of Knoxville is a major element in the implementation of revenue enhancement plans. For example, the citizens of Knoxville must demonstrate their willingness to be taxed to support the local transit system by approving a referendum on the gasoline tax. Also, any further enabling legislation that is required to implement an option will need the political support of local leaders, their constituents, and a majority in the state legislature. For this reason, the revenue enhancement alternatives considered were weighed according to present law and the likelihood of public approval.

Social equity was a criterion because transit in Knoxville is committed to serving all segments of the community to the best of its ability. Traditionally, it has been held that levels of service and the burden of payment for service should be distributed equitably throughout the community. The ability-to-pay policy has also been a part of the K-TRANS fare system, as illustrated by the differential in regular adult fares and those charged to the elderly and handicapped. Any taxation plan was assessed as to incidence (who pays) and equity of application in the community.

Revenue generation, the fourth criterion, was critical because K-TRANS competes with other public services for a share of local tax dollars, whereby the annual total the system will receive is speculative. A dedicated funding source is vital to the system's ability to utilize present funding for maximum benefit and plan for the future. At present, K-TRANS is most concerned about budgeting for operating expenses. Therefore, all sources of revenue were analyzed with operating funding foremost in mind and each funding option evaluated according to estimated ability to generate substantial revenue for K-TRANS.

In analyzing each of the funding mechanisms with respect to these four criteria, the planning staffs of K-TRANS and the Knoxville/Knox County Metropolitan Planning Commission identified the options most suitable to Knoxville. Using the Thurstone scaling evaluation technique, a scale of one to five (one being the worst and five being the best) was applied to each of the four criteria for every innovative funding strategy. All Funding techniques scoring a total of 13 or more points were considered for further analysis.

Many of the strategies studied were determined to be unsuitable for the Knoxville situation. For example, the State of Tennessee levies a sales tax from which it derives most of its revenue. The state allows the City of Knoxville to levy only a small percentage of this tax for local purposes and there is little probability that a portion of this local revenue would be dedicated to transit. Also, the City of Knoxville makes extensive use of the property tax, the revenue from which becomes part of the general fund for all municipal purposes. The likelihood of a property tax dedication to transit is remote, as this is already the heaviest tax paid locally. In 1977, a property tax dedication to transit was proposed in City Council, but the measure died for lack of a second to the motion. Voter reaction to an increase in property taxes for transit purposes would probably be unfavorable. Payroll taxes and income taxes also receive negative reaction in this area and surcharges on transit fares have proven unsuccessful in supporting transit in other cities.

However, four strategies were identified as having significant revenue generation potential for Knoxville in defraying transit operating expenses. These four are a motor fuels tax, a commercial parking tax, a gambling or lottery tax, and tax increment financing. Further analysis was conducted to determine the best of these four options.

Analysis of the legal feasibility of these four options concluded the most acceptable option to be the motor fuels tax. State enabling legislation is in place and the mechanism is available to allow a public referendum. While the state might not object to tax increment financing or commercial parking taxes, the city officials responsible for levying the tax would probably be more resistant. In addition, there is much controversy associated with gambling and thereby, to the revenue from a gambling tax.

The strong public resistance to gambling also renders the gambling tax the least politically feasible of the four options. Also, commercial parking taxes and tax increment financing would be opposed by downtown businesses who would carry the heaviest burden of these taxes. Although the motor fuels tax has the attraction of being paid in small amounts, the existence of a recent federal gasoline tax increase makes a determination of the support for this type of local tax uncertain.

The social equity of all options could be debated, but conclusions of a general nature may be drawn. Tax increment financing appears to be the most socially equitable option, at least to the extent that the tax is not passed on to customers or patrons in the form of increased prices. If it is assumed that gambling is an optional luxury, as opposed to a necessity, then the social equity of this tax lies in the fact that the patron chooses to pay it voluntarily by participating in gambling activities. While both commercial parking taxes and motor fuels taxes are more closely related to transit, they are generally recognized as regressive taxes in that they fall more heavily on the poor household than on the wealthy. However, these taxes may be more progressive to the extent that lower-income households drive automobiles less than higher-income households and that taxes on that driving are used to benefit lower-cost public transportation.

While it is not possible to obtain precise figures on revenue for any of the four options, estimates have been made for all options but the gambling tax. Since presently all forms of gambling are illegal in Tennessee, there is no real basis on which to estimate the revenue which might accrue to the city and to transit from this tax. However, comparisons can be made with other states which collect significant revenues from this tax. If a commercial parking tax was levied only in downtown Knoxville at a rate of 6%, it is estimated that approximately $714,261.60 would be generated annually. Using 1981 property taxes as a base rate and a 2% increase in property values, tax increment financing would produce approximately $82,986.76 for K-TRANS if only downtown property was taxed. Estimates from the Finance Division of the Tennessee Department of Transportation show the motor fuels tax would generate approximately $1.459 million annually. Obviously, the greatest revenue generator would be the motor fuels tax.

Thus, the analysis concluded the motor fuels tax is the most feasible funding strategy for K-TRANS. State enabling legislation is in place and, most importantly, it would generate substantial revenue for K-TRANS. The local referendum requirement is an obstacle that could be overcome with intensive campaigning and public information dissemination. A public opinion survey of Knoxville citizens was conducted to determine willingness to support a tax to fund transit. According to the survey, more people supported a dedicated fuels tax than opposed it.

The analysis of each funding mechanism by the planning staffs of K-TRANS and the Knoxville/Knox County Metropolitan Planning Commission represents a public sector viewpoint. In order to perform a comprehensive analysis, private sector input is also necessary. This will be accomplished through a partnership of the Greater Knoxville Chamber of Commerce Transportation Committee and staff members of the Knoxville/Knox County Metropolitan Planning Commission. The Transportation Committee of the Chamber provides guidance and assistance from the local business community. It includes local business people in transportation related industries and/or having special interest in transportation.

The committee will perform an analysis of the strategies through a process which could consider the criteria of legal and political feasibility, social equity, and revenue generation capabilities, as used in the public sector evaluation. While the major task of the committee will be to formulate implementation schemes for the best funding strategy(ies), they may also be involved with legislative assistance. Depending on the preferred strategy(ies), there may be a need for institutions enabling legislation or other legal action. If so, the support and work of the committee will be crucial in this phase.

While the evaluation of funding enhancement strategies is limited to the Knoxville situation, it has wider applicability in two respects. The first is the usefulness of the examination of funding alternatives currently in use by transit systems across the country. This information could assist other communities in understanding the array of options available for local funding of public transportation. The review also provides examples of successful implementations of each strategy, including agencies involved and amounts of revenue generated. Evaluations of funding enhancement strategies in other areas could be facilitated by such details.

In addition, a ranking procedure is presented which analyzes each option with regard to legal feasibility, political feasibility, social equity, and revenue generation capabilities. Since many other transit systems are also experiencing financial difficulties, the systematic methodology for strategy evaluation contained in the report can be applied elsewhere in the same manner used for K-TRANS in Knoxville.

The identification and analysis of innovative funding enhancement strategies determined several feasible local funding options for the Knoxville transit system. This study provides the basis on which the public/private partnership will formulate implementation plans. This effort focuses on the local circumstances, but the evaluation process and private sector participation are transferable to other communities.

PLANNING AND IMPLEMENTING JOINT DEVELOPMENT AT RAIL STATIONS IN ATLANTA

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ATLANTA REGIONAL COMMISSION
ATLANTA, GA

STATION AREA PLANNING AND JOINT DEVELOPMENT IMPLEMENTATION RELATED TO THE MARTA SYSTEM IN ATLANTA

INTRODUCTION

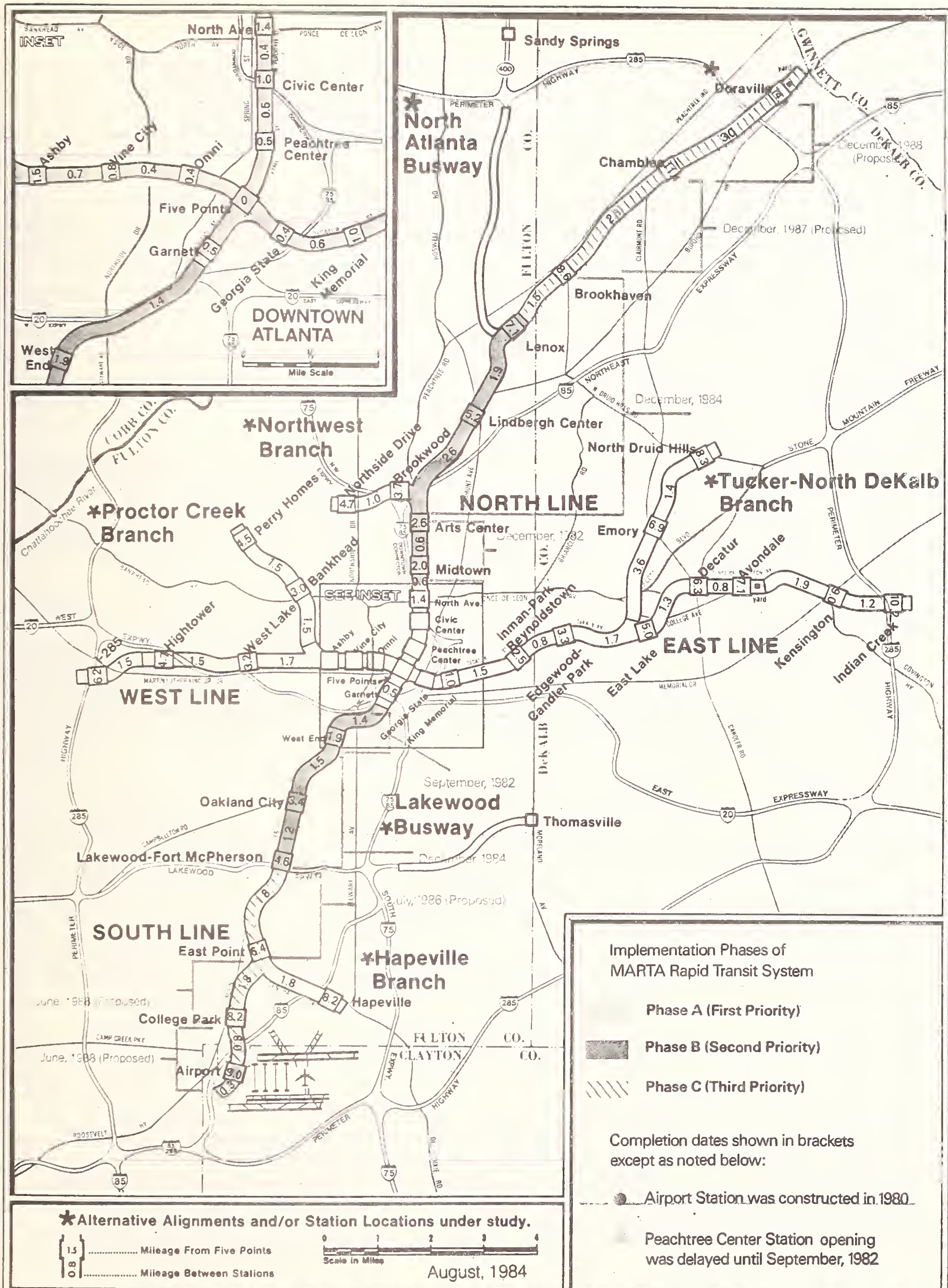
The Atlanta Regional Commission (ARC) is the comprehensive planning agency for the Atlanta Region. It was established in 1971 and entered into a joint agreement with the Metropolitan Atlanta Rapid Transit Authority (MARTA) and the Georgia Department of Transportation to conduct the transportation planning program for the Region. ARC and its predecessors have long been involved in transportation and transit planning, having produced the first regional mass transit plan in the 1950's.

In 1965, MARTA was created to plan and develop a public mass transportation system for the Region. In 1971 a referendum plan that called for a heavy rail system with a coordinated feeder bus network passed in the City of Atlanta as well as Fulton and DeKalb counties in 1971. The approved transit program encompassed the construction of 53 miles of rail rapid transit, eight miles of busways, and a network of 1,500 route-miles of feeder and express bus lines. The transit system is cross-shaped with the East-West and North-South Lines intersecting in downtown Atlanta at the center of the Region. The East Line with seven stations opened in June, 1979, and the West Line with five stations and the Five Points hub station opened in December, 1979. Two stations on the South Line and five stations on the North Line opened during 1981 and 1982 bringing the current total to 20 active rail stations and 16 miles of track. Five additional stations and nine additional miles of track on the North and South Lines will open in December, 1984.

Station Area Planning

It should be noted that an important factor in the Atlanta Region's response to transit has been our view that transit would not only carry people, but would also have an enormous impact on the communities and neighborhoods through which it passed. Thus, to achieve the most benefit from the system, ARC initiated and sponsored in the early 1970's, with considerable funding from UMTA, a series of Transit Station Area Development Studies - a land use and transportation planning program for the areas surrounding the rapid transit stations. These studies had as their major thrust the development of land use plans which would minimize traffic impact to establish communities and maximize development opportunities at specified stations.

The land use plans were prepared for all the MARTA referendum stations from 1972 through 1975. The early timing of the program was to allow completion of the plans prior to MARTA completing 15% of its detailed engineering. The program was unique in that the planning work could influence the engineering and design of the transit system while, at the same time, the engineering schedule acted as a constraint on the land use planning program. Although the individual plans reflect the uniqueness and character of each of the station areas, the stations themselves can be grouped into distinct categories based on the development policies established for the areas surrounding the



Prepared by the Atlanta Regional Commission stations. The station types range from high intensity urban and mixed use nodes where high density development either existed or was planned to neighborhood stations located in low density residential areas where preservation rather than development would be stressed.

Following the completion of the station area development studies work, a logical step was to establish a process whereby the transportation and land use impacts of transit construction and service could be assessed. In 1978, an ongoing Transit Impact Monitoring Program was initiated by ARC. In this program station area plan implementation is monitored by comparing public and private development activity with plan recommendations. This paper will focus on the status of plan implementation for a selected number of high intensity stations and community center stations on the MARTA system, starting with several high intensity stations found in the Central Business District of Atlanta.

The first example is Five Points, the transit hub station. One of the key plan recommendations for Five Points has been the construction of significant pedestrian improvements. These incorporated into the station's plaza design and resulted in the development of the northern section of the Broad Street Mall. Other details of the Five Points plan included additional open space, historic preservation, and commercial revitalization. Many of these improvements have been implemented in the area north of the station under the publicly and privately financed Fairlie-Poplar project. In this district, public improvements have included the redevelopment of Atlanta's Central City Park and new street and sidewalk treatments. Private investment has lead to the renovation of a number of historic National Register office buildings, the upgrading of other commercial properties, and the selected redevelopment of sites to house new structures.

For the southern section of the Five Points Station area, the plan also recommended commercial revitalization and the use of air rights above the transit line for new development. While little activity has occurred in this area to date, the Underground Atlanta revitalization project with its intended air rights development and the many public improvements scheduled under a multi-jurisdictional, Government Walk project will encourage plan implementation in this portion of Atlanta's CBD. Government Walk is already underway. The City of Atlanta has programmed street and sidewalk improvements to occur later this year near the State Capitol and a former Post Office Annex, adjacent to the Richard Russell Federal Office Building, has been acquired by the U.S. General Service Administration and will undergo a $10 million conversion to house some 1,500 federal employees.

A second planned high intensity area in downtown Atlanta centers on the Garnett Station south of Five Points. Here, the plan recommended major public and private redevelopment activity and significant pedestrian facilities. While Broad Street Mall has been incorporated into the construction of the line segment north of the station and the first phase of Atlanta's Criminal Justice complex has been completed, much of the area remains vacant or underdeveloped.

Lately, however, commercial rehabilitation projects have begun to occur in this area of Atlanta and the station's proximity to Government Walk plus abundant MARTA and city owned property provide opportunities and optimism for an increase in the level of public and private development activity in the future.

North of Five Points is the location of the Peachtree Center highrise complex and the Peachtree Center Station which opened in 1982. The station area Plan called for an extension of the pedestrian mall and other pedestrian spaces, the connection of buildings above ground, and continued expansion of high density development. Since 1975, Peachtree Center's Harris Tower and Peachtree Plaza Hotel have been constructed, as well as a new Apparel Mart with connecting walkway. In the immediate area the Hyatt Regency Hotel was expanded and the Hilton Hotel and Ritz-Carlton Hotel completed. In 1982, the Georgia Pacific, and 55 Park Place office buildings opened near the stations south entrances. Combined, these structures offered 1.9 million square feet of new office space. Currently under construction is the 1,674 room Marriott Marquis which will be Atlanta's largest hotel. An adjoining office building is also under construction and both structures will be connected to the expanding Peachtree Center complex. Future development in the area may include an office building adjacent to the station's southwest entrance.

Another area proposed for major development is the Midtown Station area on the North Line. The station area plan recommended concentrated development between Peachtree and West Peachtree Streets, centering on the station, which would be balanced by commercial and residential revitalization. No major developments have occurred in the immediate area of the station to date, although a parcel adjacent to the station will house the first phase of a 22 acre development by the Hooker-Barnes Company. This 18 story office building will be connected directly to the station and should be under construction by fall. Commercial revitalization in Midtown has been a result of the Peachtree Walk Project, a combined effort of the City of Atlanta, Central Atlanta Progress, and the Midtown Business Association. Under Peachtree Walk commercial properties have been upgraded and parks and urban walls created. The latest Peachtree Walk project is a linear park - the development of this facility is hoped to generate additional private investments in the area. The linear park will center on the Midtown Station, creating a pedestrian link with both the North Avenue and Arts Center Stations. First phase construction of the park is scheduled for this month.

A distinct contrast to the Midtown Station area is the Arts Center Station area, located six blocks to the north. The plan called for new mixed use development in areas surrounding this station and change is now occurring at a rapid pace. Completed projects in the area since the mid-1970's include the final phase of the Colony Square office/hotel/condominium complex, the AT&T Long Lines Building, and an expansion to the Memorial Arts Center. Presently under construction in the station area are the first phase of the One Midtown Plaza office complex, a seven story office building directly across Peachtree Street from the Arts Center Museum and transit station, and a 700 unit condominium project. Other future development activities in the northern section of the station area may include construction of an office tower where seven apartment buildings are now located. While this project would be beneficial in terms of employment and transit usage, its development would not be totally in keeping with the land use plan recommendations as it would necessitate the demolition of several hundred apartment units. The plan promotes the preservation of existing housing and the construction of new housing, critical elements in the function and vitality of the station area.

Further north of Five Points is the Lenox Station area. This is another high intensity node where development activity has been significant. Here, recent construction includes the Monarch Plaza office and Ritz-Carlton hotel complex and the first phase of the Atlanta Financial Center office complex. New and expanded retailing areas have been constructed and numerous townhouse projects totaling 850 residential units are either under construction or proposed for the area directly south of the station. Also of importance are a variety of air rights developments proposed for or are under construction at the Lenox Station. These are described below.

Following high intensity urban nodes, the next development level of station areas contains community center stations which are intended to function by serving several surrounding neighborhoods. One example is West End in southwest Atlanta where the land use plan stressed major redevelopment at the station, the construction of new housing, the retention and upgrading of commercial areas, and preservation of existing housing. Here, plan implementation is being carried out through the development of a townhouse project near the station, through housing rehabilitation programs in areas to the west and south, and creation of a Business Improvement Loan Fund District in an area to the north which includes a major shopping mall. The range of West End development opportunities has recently been promoted in a publication prepared by Atlanta's Bureau of Planning. Most significantly, to strengthen and maximize the use of the transit core, vacant Urban Renewal property west of the station and warehouse property to the east have been recommended for a $150 million redevelopment proposal which will include highrise office and condominium towers.

Another example of a community center station is Decatur on the East Line where major high density redevelopment at the city center would be promoted by transit service and supported by surrounding residential areas. The station area has received some new development with a variety of office, banking, and office condominium projects. Recently, an entire block northeast of the station came under redevelopment. However, the anticipated densities of development have yet to occur in the City of Decatur as envisioned.

The station areas described above represent excerpts from a recent ARC report on public/private development activity and plan implementation in transit station areas. The report highlights a total of 26 station areas where transit revenue service exists or is scheduled by the end of 1986. A number of these station areas have benefited from or are now anticipated to benefit from joint development projects. The following section contains descriptions of specific cases relevant to Atlanta's transit system.

Examples of Joint Development/Private Financing

There have been several types of joint development at MARTA:

1. Sharing or joint purchase of right-of-way, and concurrent construction. Examples discussed below include the State of Georgia Twin Towers at the Georgia State Station, Southern Bell's Headquarters at the North Avenue Station, and the Airport Station.

2. Direct connections between buildings and stations, and provision of knockout panels for future development. Examples include two pedestrian underpasses at the Five Points Station, several connections at the Peachtree Center Station, and a pedestrian bridge at the Arts Center Station.

3. Leases of air rights or surplus property. Major examples discussed below are at the Lenox and Arts Center Stations.

The Georgia State Station serves Atlanta's state and local government district as well as Georgia State University and Grady Hospital. The State of Georgia Building Authority intended to build a new office structure on land immediately north of the Capitol. MARTA needed part of this land for its planned Georgia State Station. Fortunately, both projects were ready to proceed at the same time. In 1977, the two parties agreed to specific terms of design, construction, ownership, and maintenance. The result was to have the MARTA facility within the office towers but structurally isolated from them. The physical integration includes views of the station through glass walls from three public levels of the office complex. The two 20-story buildings have 595,000 square feet of office space (and 4,100 state employees) and are connected to the station by an upper concourse. Other passengers use a street level concourse to reach the aerial station platform.

At the North Avenue Station location an already existing cluster of office towers made this area a logical place for a rail station. The Referendum plans showed a station just west of the historic Fox Theatre. In 1974, Southern Bell announced it was constructing a new headquarters building on the site of the Fox Theatre which it had acquired. The announcement triggered the "Save the Fox" movement. No longer willing to demolish the Fox, Southern Bell sought other alternatives. MARTA offered the joint use of its site, plans for which had just started. The ensuing agreement made two points relevant to this discussion. Southern Bell would purchase the property and would give MARTA permanent subsurface easements. MARTA would "float" its structure on piles minimizing vibration to the Southern Bell tower anchored to bedrock below.

Both structures were built concurrently and both opened in late 1981. At 50-stories, the Southern Bell structure is the second tallest office building in Atlanta. With its 2,100,000 (gross) square feet of office space and 5,000 employees it represents a major joint development achievement. The northern concourse of the station leads directly into a shopping arcade on the lower floors of the low-rise structure adjacent to the office tower. Both the station and the building have helped spark a revitalization of the North Avenue area.

Although the Airport Station is not an example of private financing, the station is a unique example of joint development. When the City of Atlanta decided in the late 1970's to build a new airport terminal, all parties agreed that the South Line should be extended to the terminal. However, at that time South Line construction had not begun and full funding was not available. Therefore, MARTA, with a letter-of-no-prejudice from UMTA, constructed the basic structure of the station concurrent with the terminal construction. The MARTA Airport Station is located inside the new terminal, which opened in 1980. South Line construction is advancing, and the Airport Station will open in 1988.

The Five Points Station is the hub of the rapid rail system where the East-West and North-South Lines intersect. It is located just one block south of Five Points, the historic financial and commercial center of downtown Atlanta. Rich's, a major Atlanta department store, is across Alabama Street from the station. To the east is the Underground Atlanta entertainment district. It was MARTA's original intention to construct the East-West Line north of its present alignment which would have avoided Underground Atlanta. This required the re-alignment of the Georgia Railroad tracks which could not be done. MARTA construction therefore took portions of some buildings in Underground. As part of the resulting Underground Atlanta Memorandum of Agreement MARTA committed to build with the city a tunnel connection between Underground Atlanta and the Five Points Station one-half block to the west. The $1,000,000 cost of the tunnel was shared equally between MARTA and the City of Atlanta. MARTA maintains the tunnel although Underground Atlanta controls access at its end. The tunnel includes an off-shoot leading to an excess parcel of land MARTA owns on the southeast corner of Alabama and Broad Streets.

The design of the Five Points Station includes knock-out panels for future tie-ins. In 1979, while the station was being constructed, Rich's Department Store built a connecting tunnel under Alabama Street at its own expense. The cost of this tunnel was $250,000. Rich's also agreed to pay MARTA an annual tunnel easement fee of $1,000 for a period of 25 years. This small fee was charged primarily to avoid the precedent of charging no fee. Rich's controls access and is responsible for maintenance.

At the Peachtree Center Station location, the North Line is entirely in subway with the station in deep (120 feet) tunnel. The station has four separate entrances, two of which are currently tied into adjoining development. Entrance #1 at Ellis and Peachtree Streets has been designed to accommodate a future subsurface walkway to the Georgia Pacific building separated from the station by a vacant lot not available for development at the time of MARTA construction. There is interest but no specific plans to develop this lot at the present time. The Georgia Pacific headquarters, a 52-story structure, is the tallest office building in the Southeast.

The $100 million building contains 1,300,000 square feet of office space. One of the three reasons given by Georgia Pacific for the move of its headquarters from Portland, Oregon to Atlanta was the MARTA system. The specific site of the building was also chosen for this reason.

Entrance #2 at Carnegie Way incorporates a small landscaped plaza. The adjoining 12-story Carnegie Building has been renovated to open onto one side of the plaza; a new office building is planned with retail space fronting another side of the plaza.

Entrance #3 has been designed into the lower level shopping arcade of the Peachtree Center complex. A total of 1,300,000 square feet of office space in four office towers is connected to this arcade, as is the 1,300-room Hyatt Regency Hotel one block north. New office and hotel construction in the area will also be connected via pedestrian walkways.

Entrance #4 is on the ground floor of the Merchandise Mart across from the Peachtree Center complex. The entrance's intermediate level leads directly into the basement level of the Mart. The Mart contains 370,000 square feet of space. It, in turn, has direct aerial pedestrian connections to other buildings such as the Apparel Mart. The Marts are buying centers for the home furnishing and apparel industries.

The <u>Lenox Station</u> will be the seventh station on MARTA's North Line when opened for service in December, 1984. The focal point of this station area has been the Lenox Square Shopping Center which is surrounded by an expanding district of new commercial, retail, and office uses, primarily along Peachtree Road.

In November, 1982, a cooperative development agreement was signed by MARTA and the J.T. Holding Company which would have allowed for two proposed 34-story office/retail/residential towers to be developed in air rights over a MARTA parking area, and connected directly to the Lenox Station by an elevated pedestrian concourse. This original development, called Resurengs Plaza, covered seven acres at the station's north concourse. Recently, five of the seven acres slated for Resurgens Plaza were sold (at considerable profit) to Vantage Properties, Inc. which is planning to develop a three building complex called One Atlanta Center. A $70 million first phase of a 28-story, 650,000 square foot office tower is now under construction. Other phases will consist of a 400-room hotel and an 850,000 square foot office tower.

The original developer, J.T. Holding Company, is now proposing a 48-story, 600,000 square foot office tower to be constructed over the tracks next to the station's north concourse. The foundation structure bridging over the tracks was constructed by fast-track methods this summer to avoid having to do the construction after train operations begin. The building will be constructed in the near future.

An additional air rights development, the Lenox Park Hotel, a 25-story building with 300 suites, will be constructed over the south concourse of the station. MARTA had built this concourse with piers and strengthened foundations to allow such a development. Construction of this $40 million facility should begin in 1984 with completion scheduled for 1986. MARTA will receive lease payments of about $450,000 per year.

The Arts Center Station serves the established medium-density offices of Pershing Point and the expanding Colony Square area. AT&T Long Lines has just completed a 12-story, 460,000 square foot headquarters building within a block of the station. Proximity to a MARTA station was a prerequisite for AT&T's consideration of a suitable site. The Memorial Arts Center has opened a new museum building adjacent to the station. The Arts Center is connected to the station by a jointly funded (MARTA, City, County, Museum) pedestrian bridge.

The Arts Center Station and adjacent line segments were constructed by cut-and-cover. In the block just south of the station, the MARTA line ran along the back side of several parcels fronting on West Peachtree Street. MARTA acquired the entire parcels. With construction complete, a 3.1 acre site is available for development. This site has been leased to a developer, the Murphree Company. Murphree plans to construct a major office building on the site. MARTA will receive lease payments of $500,000 annually, with an escalation clause.

With the exception of the Lenox Station, most of the development at MARTA stations has followed MARTA construction, rather than preceding it or being built at the same time. Therefore, the income from air rights leases is being used to help fund extensions of the system as opposed to the particular station where the development is located. MARTA expects to realize approximately $20 million from the lease or sale of air rights or other property. This will go toward extending the North-South Line to Doraville and the Airport.

MARTA's current daily patronage is over 140,000. This is expected to increase to 180,000-200,000 with the five new stations opening in December. With the Airport-Doraville extensions it may climb as high as 250,000 by 1988. In spite of Atlanta's relatively low overall density, the density of transit use (7,000 daily passengers per station) is one of the highest in the country. This is partially due to the dense development around many of the MARTA stations.

PLANNING AND PACKAGING A NEW DOWNTOWN TRANSIT MALL IN COLUMBUS, OHIO

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The objective of this effort was to develop and implement the best alternative to meet Year 2000 transportation and pedestrian needs of downtown Columbus, by updating the 1972 Comprehensive Downtown Transportation Study and by developing an action plan for the High Street Corridor.

Introduction

The last major transportation study of downtown Columbus was completed in 1972. Six additional studies were undertaken through 1979, all of which included recommendations regarding traffic and transit operations along High Street. All these studies identified the need for a transit facility on High Street.

In 1981, the Urban Mass Transportation Administration (UMTA) asked the City of Columbus to revise an earlier application for a transit mall capital grant to provide detailed information regarding the proposed facility and its integration with the highway and pedestrian systems within downtown. In 1982, the Mid-Ohio Regional Planning Commission (MORPC) obtained an UMTA grant matched by local funds from the City of Columbus, Franklin County, the Columbus Area Chamber of Commerce, and the Central Ohio Transit Authority (COTA) to update the 1972 study to fulfill the above objective.

The study was completed in June, 1984 and a grant application was resubmitted to UMTA for federal capital funding of the High Street Transit/Pedestrian Mall.

Background

Over the past decade, more than $600 million has been invested in downtown Columbus. This trend is expected to continue through the Year 2000. Nowhere have these changes been more dramatic than along the High Street Corridor.

Enhanced accessibility via automobile and public transit is a critical element necessary to ensure continuation of this ongoing central area growth. Several major freeway system improvements are planned but a plan was needed to improve accessibility within the regional center.

In 1980, there were over 77,000 persons working in the regional center (within the Innerbelt Freeway). This employment level is expected to reach 103,000 by the Year 2000. In 1983, forty-two percent of this employment was located within one block of High Street and by the Year 2000 this figure is expected to reach fifty percent.

At the present time, the Central Ohio Transit Authority transports approximately 84,000 trips on a typical weekday. In addition, 185 buses travel the High Street Corridor in both directions during a peak hour. By the year 2000, this volume is expected to increase to 335. Given present operational constraints on the transit system along High Street and the need to provide proper transit service today and in the future, a plan had to be developed which improves and accommodates the required transit operations.

During the p.m. peak hour today, approximately 49,000 vehicles enter and exit the central area. This number is expected to increase by 39 percent by the Year 2000.

Pedestrian volumes on High Street sidewalks have been observed as high as 3800 persons per hour, with 1150 walking in both directions on the sidewalk in a single fifteen minute period. Proper accommodation of such volumes requires a clear sidewalk of twelve to thirteen feet.

Political Considerations

Several issues arose during the consensus building on the mall which became political considerations due to the need to respond to them.

Columbus has excellent regional auto accessibility whereas the transit system is ten years old and has just currently become recognized as a major force for movement of people across the county. Therefore, the introduction of the High Street Mall as a auto-free zone during certain periods posed a general political issue. Fortunately, the traffic projections provided solid information as to the marginal additional loading of parallel streets and defused the argument that this would cause major congestion problems.

Another issue that surfaced was that of emphasizing one street for mass transit use vs. that of using several, thereby spreading accessibility by bus among several major arteries and their adjacent property owners. This has not been totally defused but the exhaustive set of twenty alternatives which were evaluated helped convey the value of the High Street solution.

Others were concerned about loading at High Street businesses which did not have alley access and with the ability to drop off or pick up passengers in front of major buildings. It was agreed that some exceptions to the loading requirement would have to be made at certain times and that handicapped access would be provided on the street.

Another major consideration was that our new Mayor Rinehart was elected in November, 1983 and had not been involved in this project to that time. He indicated that if a consensus was developed, he would support the project. This was achieved and he threw his support behind the effort.

Organizational Arrangements

MORPC (as the MPO) and COTA have had a long history of working cooperatively. This has run the gamut from the development of regional transit authority legislation to passing tax levies, as well as doing medium- and long-range planning, including corridor alternatives analysis. MORPC and COTA value this relationship very much and work hard to maintain it.

MORPC has also had a long history of packaging major projects with the business community, especially in cooperation with the Columbus Area Chamber of Commerce. This working relationship has been very helpful in seeing projects or ideas implemented. Some examples include relocating a prison outside of downtown Columbus and breaking the logjam on the construction of a major interstate highway.

So this partnership of COTA, MORPC and the Columbus Area Chamber of Commerce has served Columbus well, particularly in terms of transportation projects.

The organizational arrangement for developing and conducting this study took its initial form in the creation of the Chamber's CBD Action Committee. This Committee had the chief executives of all major downtown companies involved in the development of a policy that led to the funding of the project. A subsidiary to this Committee was the CBD Action Task Force which consisted of the heads of all the major planning or implementing agencies as well as the staff chief of the Chamber. This group met bi-weekly in order to make the detailed decisions that were necessary to support policy actions of the CBD Action Committee.

MORPC, by agreement with all other parties, arranged a Federal-aid Urban System-to-UMTA transfer of funds that were made available by COTA and the City of Columbus. The twenty-five percent local match for the project was pledged by the Chamber, the County, the City of Columbus and COTA. The firm of Barton-Aschman and Associates was hired to conduct the work with a team of three local firms.

MORPC managed the UMTA grant and the Columbus Division of Traffic Engineering provided daily supervision of the consultants.

When the project was completed and approved by the staff task force, MORPC agreed to take the lead in producing a taped slideshow titled "High Street - A World Class Street" and then worked with the other agencies to conduct a consensus-building process using the slideshow as the chief prop. The Columbus Division of Traffic Engineering worked very closely as a partner in this presentation and review process.

In conclusion, the packaging of the High Street Study was successful because it was a coordinated effort. The members who represented each entity worked very well as a team in pursuit of this major objective.

<u>Legal and Operational Requirements and Impediments</u>

The first legal requirement was the issue of whether the City or COTA should be the applicant for the capital grant for High Street. COTA was already an eligible UMTA applicant, whereas the City of Columbus had not documented or submitted its qualifications to do so. Therefore, it was decided that COTA should be the grant applicant.

Another operational requirement was that autos be prohibited from using the street during the majority of the day. This arrangement is now being flushed out in an operating agreement which must be signed by COTA, the City and UMTA to set forth a thirty-year agreement as to the operation of the mall. These negotiations are just beginning and the San Jose model agreement is being used as a guide.

Alternatives Studied and Recommended Plan

During the course of this study, twenty individual transit service alternatives were evaluated, associated with one of five themes:

1. Transit service concentrated on High Street.

2. Transit service split between High and Third Streets.

3. Transit service split between High and Front Streets.

4. Transit service split between Front and Third Streets with little or no service on High Street.

5. General traffic and exclusive transit lanes provided on all three streets.

The initial twenty alternatives were narrowed down to five, using preliminary evaluation assessment criteria. The five finalists were examined in more detail, leading to the selection of a four-lane transit/pedestrian mall on High Street as the best overall plan to meet the combined needs of transit, traffic and pedestrian movement.

The recommended plan is to construct a transit/pedestrian mall on High Street between Main and Long Streets. The plan proposes the adaptive reuse of the existing 100 foot right-of-way on High Street as a transit priority facility with the following characteristics:

1. From Long to Main Street: a four-lane (46 foot curb-to-curb pavement width) travelway for exclusive weekday (7 a.m. to 6:30 p.m.) transit, taxi and emergency vehicle use.

2. From Long Street north to Chestnut street and from Main Street south to Fulton Street: a five-lane (56 foot pavement) transitional travelway; this basic cross-section would accommodate general traffic flow as well as transit vehicles.

3. From Chestnut Street north to Nationwide Boulevard: a six-lane (66 foot pavement) cross-section to accommodate both general vehicular traffic in this area and bus movements.

The plan also proposes a modification to Broad Street between Third and Front Streets towards the river. This involves the provision of two three-lane, 34 foot pavement sections with a 12 foot median within the existing 800 foot curb-to-curb cross section.

The transit mall would also be available to taxis which would be permitted to use the mall for one block between cross streets to pick up or drop off passengers. During the hours other than 7 a.m. to 6:30 p.m. and on weekends and holidays all traffic would be permitted to travel High Street.

Because of projected high peak period bus volumes and anticipated large accumulations of transit patrons along block faces, it is proposed that the vehicles operate on an independent split-stop basis. Each block face, within the core transit mall, would have two stop locations, each having a maximum of four standard bus berth positions.

Within the public right-of-way, the plan involves reconstruction of sidewalks and street surfaces to a new configuration. From Main Street to Long Street sidewalks will be expanded from 20 to 27 feet in order to provide for pedestrian movement, transit passenger waiting and street amenities. This results in a 46 foot cross section for use by transit vehicles during peak operations. In the transition zones, the plan features 22 foot sidewalks with a 56 foot roadway cross section.

Given the spaces described above, opportunities exist to improve the visual quality and image of High Street in the following manner:

- Street trees will be added to soften and humanize the hard environment to unify the often contradictory building scales and to provide shade during the summer, as well as allow sunlight penetration during the winter periods.

- New lighting will be installed in two forms: a semi-conventional high-mounted program marble light fixture to illuminate the roadway surfaces and pedestrian-scaled decorative fixtures to illuminate the pedestrian areas creating a sparkle effect and allowing the uplighting of street trees in all seasons.

- Wider sidewalk areas will be treated with special decorative paving materials of a color, tone and texture that together will impart a warm personal ambiance to High Street.

- Items of street furniture will offer people seating, trash receptacles, drinking fountains, signage and public information, directories and the like in a unified and pleasing way.

- Transit patrons will be offered weather protection, seating and system information in transparent and internally illuminated shelters.

- Coordinated design plans at several locations will further enliven and enrich the street experience.

Project Benefits

Important long-range benefits that can be provided by a transit/pedestrian mall are to:

1. Provide an attractive development setting,

2. Improve the city image,

3. Express the vitality of the city, and

4. Promote cohesiveness and interaction.

From the standpoint of downtown retailing, the following benefits can be expected:

1. Increased sales from transit riders waiting outside of or passing through retail areas to board buses,

2. Increased sales from CBD employees attracted to the enhanced pedestrian environment provided by the mall,

3. Increased sales from CBD visitors attracted to the mall itself or to special events held there, and

4. Enhancement of street level shopping, thus intensifying CBD retail development projecting an outward image of excitement and vitality.

The project utilized the following five principal urban design objectives to guide its conceptual design:

1. Arrange functional project zones to minimize physical and/or social conflicts and to establish street logic. These include establishing a one and one-half foot window shopping/building shy zone immediately adjacent to the building frontages. This is bordered next by the pedestrian movement zone which is an eleven and one-half foot wide zone completely clear of any fixed obstructions. Finally, the transit passenger waiting zone is created on the street side as a fourteen foot wide space including two feet of vehicle shy from the curb face and it contains passenger shelters, free-standing seating, street trees and pedestrian scale light fixtures.

2. Create a strong sense of visual order to overcome discordant architectural styles, materials and tastes, and to acknowledge the dynamics of the street space.

3. Soften and humanize the environment to establish a sense of place and pedestrian scale and preference.

4. Provide variety to enrich the street experience.

5. Provide a strong visual and physical linkage between land use districts and urban design features.

While serving to encourage development in downtown Columbus, the transit/pedestrian mall is also viewed as a means of improving transit operations and transit services. It is expected to do so in the following ways:

1. Improvement of bus circulation ease and safety. Using bus movements through the CBD will save time and reduce the potential for accidents involving buses, cars and pedestrians.

2. Improvement to transit service amenities such as shelters, seating areas and information aids.

3. Improvement to the transit system's image and ridership by creating a sense of place or terminus.

So this project has considerable potential not only to improve transit service and pedestrian movement in downtown Columbus, but also to enahnce the whole vitality of the environment and economy of the downtown area. By so doing, it will become a very important symbol of commitment to the future to downtown.

JOINT DEVELOPMENT AT METRORAIL STATIONS
IN THE NATION'S CAPITAL

by

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THE COMPLEXITY OF JOINT DEVELOPMENT

Joint development, as a process, has been defined as "...the planning and execution of real estate projects and transit facilities in or near transport corridors and station areas" (from Innovative Financing Techniques) and also as "...the coordinated design and construction of transit, parking, commercial, residential, recreational, and other facilities by the public and private sectors" (from Joint Development Report, Rice Center). While taken together these present a fairly adequate definition of the station area development process at WMATA, a crucial element is barely suggested: this is the element of complexity. The numbers of variables and actors potentially or actually involved in each development project virtually demand that a flexible, well-coordinated, comprehensive, knowledgeable personnel-action-mechanism be in place if the Authority's goals and objectives are to be met. It must simply be recognized that for various reasons an adversarial relationship may sometimes exist among the actors in the joint development process. To illustrate the complexity of the process and some adversarial features, a number of examples are cited below.

A. An Opportunity Lost (Almost): New Carrollton

A large, triangular, prime tract of land is locked at New Carrollton with poor access from adjacent transportation corridors, during the 1970's the local jurisdiction effectively transferred to others WMATA's development rights on 15+ acres of land. Over the early '80's, WMATA worked to restore this major opportunity by advocating increased vehicular access to the triangle, and by lifting existing zoning and parking constraints. To a large degree, recent actions by Maryland DOT in obtaining Federal assistance in constructing new access points and egress points are remedial in nature. Continuing the recent priority given to New Carrollton carries a high probability of meeting the Authority's goals and Prince George's County's development objectives. To best take advantage of the anticipated highway improvements, WMATA has proceeded to obtain an appropriate development envelope at its New Carrollton property. A petition for re-zoning is being prepared for local review and the public hearing process required by County Charter. By undertaking this process, WMATA will assume a role similar to many suburban landowners seeking reclassification of their properties in order to enhance their leverage with buyer-developers.

B. A Project Is Approved, When It Is Approved: Friendship Heights

Friendship Heights is an air-rights development project undertaken with an adjoining property owner directly over a Metrorail entrance and a Metrobus terminal. As the result of a court decision dealing with the amount of retail space at the project, the local planning body concluded that the resulting project was in effect, a new project, a new application. The planning body proceeded to redesign the project--not only ignoring previous work over a period of seven years, including their own approvals on final design and working drawings--but also ignoring the site's primary function: an operating transit terminal. The Authority, suddenly faced with a series of unacceptable alternatives, had to orchestrate extensive expert testimony on transit operations and proceed with intensive discussion with the actors. Now that the matter is finally resolved, it can absolutely be stated that without effective, coordinated, time consuming management of this crisis, years of work would have been dissipated, the Authority's goals and objectives would not have been met, and the local government would have foresworn thousands of dollars annually in real estate tax revenues.

C. Help from Elected Officials

The experience of another "air-rights" development project illustrates that the integrity of the developer selection process cannot always be taken for granted. Selection of a developer has been the prerogative of the General Manager (GMGR) following a thorough, comprehensive analysis of the submitted proposals by a staff selection panel. The panel investigates each proposal, submitted in response to a Prospectus issued by WMATA, and weighs elements of planning, architectural, and engineering features, financial capability and return, and Minority Business Enterprise (MBE, now DBE) programs. Based on this evaluation, a recommendation is made to the GMGR, who thereafter reports a finding to the Board .

After extensive prior coordination with local jurisdictional staffs, extensive publicizing of the Prospectus, and an exhaustive selection process to determine that the proposal considered was in the public's best interest, elected officials were persuaded to challenge WMATA's selection process. The prime element scrutinized was "minority participation," wherein a comprehensive "MBE" plan and minimum goals had previously been established. When WMATA demonstrated through exhaustive presentations before the WMATA Board, the Board's Minority Development Committee, and City Council Committees that the selected development team's MBE plan not only met, but exceeded, the previously established targets, a project of the utmost importance to the City was preserved.

D. Comprehensive Zoning Succeeds: Van Ness-UDC

Before proceeding to acquisition of real estate, WMATA tried to persuade the owner of the Van Ness-UDC Station site to retain ownership and still accomplish development while allowing Metro facilities to be constructed and co-exist with such development. (By so doing, the Authority could have avoided a $2.7 million land cost, set joint development in motion at an earlier date, and further convinced the local government of the strong of benefits.) The problem facing the Authority after land acquisition was similar to that problem which had been facing the former owner: lack of adequate return on investment.

WMATA's review and analysis of the site suggested that an application for a planned unit development (PUD) to the Zoning Commission could provide added incentives by increasing permitted height and density, thus making development more attractive. This application provoked both neighborhood and other City interests (the University) to challenge any new development. Consequently, it was necessary to present a detailed analysis to the Zoning Commission (after convincing the City Council interests, local DOT and the Municipal Planning Office) clearly denoting the benefits flowing from this joint development effort. An architectural/planning study by an objective outside consultant had to be obtained almost overnight to provide an advisory opinion. Even though the preliminary application had been approved, the final application involved an unexpected challenge by the community on the presence of the commuter kiss and ride facility and other traffic related issues. Without full D.C. government support, the developer, its consultant, and a coordinated WMATA staff effort, this project could have been washed out, resulting in the site's construction as a sterile macadam paved surface area. Esthetics aside, such a course would have negated any of the numerous benefits that will now flow from a well designed urban development project with a soundly conceived integration of the transit and private development elements.

E. Rebirth of a Community: A Sense of Place: Bethesda

"Downtown" Bethesda for years has been a torrid and sought-after real estate market. It has also sadly lacked a focal point, or a "sense of place." When the WMATA acquired its land holdings at Wisconsin Avenue and Old Georgetown Roads, this assembly finally permitted a well designed, heart of a community to be established. The theme of the Bethesda story is the long-term effort by a multitude of parties, acting in good faith to accomplish the reality of this sense of place, an exciting center of an urban village.

Development, including a hotel, office building, shopping arcade, performing arts area, day care center, plaza with sculptural water feature, plus the Metro facilities now seems assured, where as late as 1980 many parties thought it to be only an illusory dream. This came about because literally hundreds of people met for thousands of hours to bring it about. Not a month went by during the last two years that some "insolvable" problem did not arise. At times the Bethesda Project could have been likened to the Hydra slain by

Hercules: when one head (read: "problem") was cut off (read: "resolved"), two more grew to take its place.

Patiently (usually), and with perseverance, the Authority, the local jurisdiction, the planning and zoning body, a score of other public agencies, and the citizenry worked to resolve each issue. The end result is that the reality of Bethesda's rebirth is now clearly in sight.

In conclusion, this paper points out the complexity of the WMATA joint development process. No two projects are the same, therefore the need to retain flexibility, and to address the particular issue at hand with timely, skilled resources is essential.

PRIVATE SECTOR INVOLVEMENT IN PROMOTING PUBLIC TRANSPORTATION

TRAINING THE BAY AREA'S CORPORATE MANAGERS ON PROVIDING EMPLOYEES COMMUTE ALTERNATIVES

by

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BACKGROUND

The San Francisco Bay region covers 7,000 square miles and has a population of some five million people, roughly half of these whom are employed outside the home and commute to work. At present 18 percent rideshare in a car, van or buspool, 12 percent use transit, and 70 percent drive alone to work.

People who do not wish to drive alone to work have a substantial transit and ridesharing network available. Nine major transit districts and numerous smaller agencies provide a myriad of public transportation services via buses, rail, trolleys, cable cars and ferries. In addition, several public agencies are available to assist those who want to rideshare. These agencies also have employer outreach programs designed to promote ridesharing and transit at the employment site.

The Metropolitan Transportation Commission (MTC) is the metropolitan planning organization for the nine-county San Francisco Bay Area. It oversees development of the regional transportation system and allocates over half a billion dollars in federal and state transportation funds coming to the region each year. As custodian of the Bay Area transportation network, MTC is concerned that the system be developed to provide service in an effective and cost-efficient manner. In other words, MTC must manage the Bay Area's transportation system so it serves the greatest number of people given economic, social, and environmental considerations. Two specific objectives of MTC are to unclog the highway/road systems and to make the best use of the region's public transit network.

MTC COMMUTE ALTERNATIVES TRAINING PROGRAM

Transportation Systems Management (TSM) is a popular term used to describe the management of a transportation system with the goal of increasing capacity at a minimal capital investment. A spin-off of this concept has been the MTC Commute Alternatives Program, developed in 1980 in response to California's gasoline shortage. The purpose of MTC's program has been to involve employers in the promotion and/or provision of commute alternatives for employees with emphasis on reducing the number of people who drive alone to work. Ridesharing and use of transit are the focus of this effort.

MTC's program is complimentary to the employer outreach activities of rideshare agencies and Bay Area transit operators in that it offers training to employer-based transportation/commute coordinators. This training prepares a coordinator to plan and implement an employee commute alternatives program tailored to the special needs of the company. Once trained, the coordinator is better able to select which of the public agency ridesharing services to use in carrying out his/her own program. As an on-site expert on transportation options--personally known to employees--the company coordinator can reach out to employees. This personal level of service has proven effective in increasing the rates of ridesharing and transit usage.

Over 150 transportation coordinators have been trained by MTC since 1980. While this number represents a small proportion of the Bay Area's employers, it must be recognized that interest in employee commuting tends to be crisis oriented, the 1973 and 1979 gasoline shortages sparked much interest, as have transit strikes, employee recruitment problems, and parking shortages. Another primary motivator is that of corporate relocation, and the desire to minimize the stress to employees of adopting a new commute. With many corporation leaving high rent districts of the West Bay, relocation is prompting renewed interest in employer commute alternatives programs.

Program Objectives

MTC has focused its efforts to provide coordinator training classes and set up employee commute programs on employers with 300 or more employees. Smaller employers are encouraged to minimally provide basic information on alternatives. A comprehensive employer-based program typically consists of 1) promotional materials to educate employees about their commute options, 2) personal assistance in forming ride groups, and 3) incentives to encourage people to try one of the alternatives suitable to their situation.

MTC is now developing a reference guide for cities and counties to use in creating an environment conducive to transit, ridesharing, cycling, and walking. To this end, local governments are encouraged to design roads to accommodate transit vehicles and to build facilities like high occupancy vehicle lanes, bus loading area, bike lanes, and pedestrian walkways. Local communities are also being encouraged to take the lead in requiring developers and employers to put programs in place that will reduce the number of employees who drive alone to work. Key mechanisms available to cities to promote these programs include rideshare ordinances, and planning approvals.

Political Considerations

To promote its Commute Alternatives training sessions for employers, MTC has used the private sector to "sell" to its peers. Since the program's inception, MTC has worked with representatives of the business community to develop a package attractive to its members. Collaborating organizations include the Bay Area Council, the Santa Clara County Manufacturing Group, the San Francisco Chamber of Commerce, and county development associations. This public-private marketing results in a full load of participants each time MTC offers a training session.

Employers with top management commitment to commute alternatives generally will have the best programs with a dedicated coordinator promoting a comprehensive range of options and incentives to those who do not drive alone. This high level of commitment has been possible because of private sector efforts to "sell" their peers on the benefits of commute alternatives programs. The Bishop Ranch Business Park in San Ramon and the Varian Corporation in Palo Alto are two examples where top management is comitted to commute alternatives. An overview of their programs is presented in Section III and IV of this paper.

Legal Requirements and Impediments

There are few legal mandates in the Bay Area for employers to have transportation coordinators, aside from those placed on new developments as part of their permit approval process. Those developers subject to commute alternatives stipulations are generally large complexes or highrises in already congested downtown areas, such as in San Francisco. Some cities are in the process of adopting ridesharing ordinances that require transportation coordinators and/or commute alternatives programs at new employment sites (Foster City and Pleasanton). Except for San Francisco which requires a coordinator for all new projects downtown, a coordinator is considered on a case-by-case basis.

Most employers that participate in the training program do so because of peer pressure (i.e., Santa Clara County Manufacturing Group), a city or county requirement to reduce traffic at their site, or because employee commute problems are affecting their ability to attract and retain employees and conduct business.

The major impediment to employer-sponsored commute alternatives programs is abundant parking. In all but major central business districts, mandated parking minimums create generous amounts of parking which is free to employees. This excess free parking makes the promotion of transit/ridesharing more difficult, whereas the ability to control parking supply and cost can be used to strengthen the attractiveness of an alternative commute mode by providing convenience and cost benefits to those who choose not to drive.

Benefits of MTC Program

Benefits of the MTC program accrue for the transit operator, ridesharing agency, local community, and developers. Operators benefit by increased transit patronage when employees know what transit service exists and how to use it. Also, when route schedules are adjusted to better serve a given employment site, ridership may improve. Ridesharing agencies are better utilized when coordinators understand their services and can select those most appropriate for specific projects (corridor searches for employees having difficulty finding ride groups, or transportation surveys/ridesharing campaigns to coincide with other data gathering efforts). Local communities benefit as traffic on local streets is reduced, maintenance costs are decreased and noise and air pollution are less bothersome. Finally, developers and employers benefit by saving money on parking (when commute alternatives programs can be substituted for parking) and on recruitment costs, and employee productivity (when employees can be depended upon to arrive at work not exhausted from their commutes).

BISHOP RANCH BUSINESS PARK

The Bishop Ranch Business Park being developed by Sunset Development Company is located in suburban San Ramon valley on the southwestern tip of Contra Costa County. The clientele for this 500 acre "megatrend" park is dominated by Fortune 500 companies which are relocating telecommunicating and engineering staff from costly rent districts in San Francisco and the West Bay. Today, less than 2,000 employees commute to Bishop Ranch. At full buildout--scheduled for 1990--that number will reach 23,000. As is typical of most suburban employment sites in the Bay Area, little to no public transit exists, and freeways already operate close to capacity during peak commute periods. In the early stages of its development, Bishop Ranch commissioned a transportation plan for the park. It now has an executive vice president charged with the implementation of that plan.

Objectives

Bishop Ranch's prime transportation objectives are to hold its drive alone rate at 50 percent and to maintain its current vehicle occupancy rate of 1.6 persons. The mode split is expected to be 30 percent in carpools, 12 percent in vanpools, 6 percent via shuttle and local transit, and 2 percent walking or bicycling. The following activities are being implemented to minimize the number of people who drive alone to the park.

1. non-profit park transportation association which will finance basic transportation services;

2. commuter store which will provide ridematching services and information on commute options;

3. luxury shuttle connecting the park with the Walnut Creek Bay Area Rapid Transit station;

4. shelters throughout the park for shuttle passengers and ride groups;

5. bicycle parking;

6. dedication of abandoned railroad right-of-way for a future light rail line; and commitment to construct a station on park property.

Organizational Arrangements

The park's five major tenants sit as controlling members on the transportation association's board of directors. Other tenants sit as associate members. Direction for the park's transportation program is provided by this board.

The commuter store represents a public/private partnership in that staff for the store has been contracted through the Bay Area's regional ridesharing agency. Costs for the store are initially being absorbed by the park developers.

The developer has invested $400,000 in two deluxe coaches which connect the park with the Bay Area Rapid Transit District (BART). In addition, the initial operating costs ($110,000 annually) are being absorbed by the developer. Another bus will be added to the fleet in 1985. Plans are for park tenants to contribute toward operating costs in proportion to their cmployees' usage of the shuttle.

Legal/Operational Impediments

Sunset Development is working with the county to reduce the minimum parking requirements for its park. As mentioned previously, abundant free parking continues to be a major stumbling block to efforts to encourage ridesharing in the Bay Area. Although their current occupancy rate is 2.17 vehicles per 1,000 square feet of office space, the county is requiring four stalls per 1,000 square feet of office space at Bishop Ranch (negotiated down from 5/1,000).

Other impediments to promoting commute alternatives at Bishop Ranch relate to the configuration of some tenant sites. For example, because of security reasons, access to corporate buildings and parking areas at Chevron are off limits to non-Chevron employees. Such restrictive access makes it logistically difficult for employees of neighboring companies to share rides with Chevron workers.

Benefits

In addition to mitigating the transportation effects of its park, Sunset Development enjoys benefits from its transportation plan. The most significant relates to favorable publicity. Beginning with release of the park transportation plan in 1982 and escalating with the inauguration of the BART shuttle in 1983, Bishop Ranch has been heralded as a forward thinking developer, and exemplified as a model for public/private partnerships in solving transportation problems. Its transportation amenities give the park a marketing edge as well. The park is also seen as a leader in working with the county to reduce parking requirements in exchange for a comprehensive traffic mitigation program.

VARIAN CORPORATION

Varian Corporation lies in the heart of Stanford Research Park in Santa Clara County. In February 1984, when Varian reactivated its dormant commute alternatives program, only 18 percent of its 4,500 Palo Alto site employees commuted by other than driving alone. Four months after launching a comprehensive promotion of alternatives to solo driving, Varian had increased that figure to 37 percent, despite the fact that only 4 percent utilize transit.

Objectives

The Varian commute alternative program has three broad goals:

- to reduce traffic;
- to improve the quality of life of county residents;
- to reduce parking costs

While there are no targeted objectives, Varian is working to increase use of commute alternatives by actively promoting ridesharing and offering incentives. Initially, there incentives have been limited to transit users who may purchase discounted transit passes. The corporation has committed $21,000 for the remainder of 1984 to subsidize 25 percent of the cost of employee transit passes.

Currently under study are other programs that can be extended to vanpoolers, carpoolers, and bicyclists.

Organizational Arrangements

Varian is one of approximately 100 companies that belong to the Santa Clara County Manufacturing Group. It is the designated leader for transportation issues among member companies in the Stanford Research Park zone (which has a combined employee population of 22,000). There are ten Manufacturing Group zones within the county structured by geographic areas. Each zone has a lead company whose top management coordinates a variety of functions among member companies. The transportation manager at Varian coordinates activities among the Park's companies aimed at strengthening support for ridesharing and commute alternatives programs. This zone--like Varian up until February 1984--has been only moderately active. Varian is reaching out to top management to reactivate their interests. Activities planned to increase use of commute alternatives within the zone include:

- establishing a clearinghouse for ridesharing promotion
- establishing a computer software program to improve bus/rail scheduling
- improving/expanding transit service to the research park
- developing a generic transportation videotape to promote commute alternatives
- participating in studies to promote commute alternatives.

As zone coordinator, Varian also works closely with transit and ridesharing agencies to carry out county programs aimed at reducing the number of people who drive alone to work.

Initial Results

Varian's transit subsidy has resulted in a rapid jump in transit pass sales--from 80 in February to 224 in June. General promotion of ridesharing options and benefits has caused a doubling of ridesharerr from 800 to 1676. By June close to 300 parking spaces had been vacated at Varian because of increased ridesharing and transit use.

By working closely with transit operators, Varian was able to negotiate for service expansion on several existing routes as well as initiate new transbay bus service to the park which will commence in September, 1984. These new services enable early morning employees from the South Bay to take transit, and expand the transit option for employees living in the west bay.

Like Sunset Development, Varian Corporation has demonstrated itself to be a leader in promoting and financing transportation alternatives. It too has received considerable favorable press and is highly respected by business peers for its role in motivating the Stanford Research Park zone.

REDUCING PARKING AND TRAFFIC PROBLEMS THROUGH PARKING PRICING DISINCENTIVES

by

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The purpose of this presentation is to discuss and evaluate the process that was used to implement parking pricing disincentives to driving alone into the West University neighborhood area in Eugene, Oregon.

The first sections of this presentation will briefly provide background information about the project area; problems identified in the project area; and goals, objectives, and strategies of the project. The process used to implement the project will be summarized and evaluated according to political considerations and organization.

Description of the West University Neighborhood, Eugene Oregon

The west University neighborhood is one of the oldest neighborhoods in the Eugene, Oregon area. The neighborhood includes and is surrounded by traffic generating sources. Subsequently, it has experienced development, transportation and parking pressures during the past two decades. To the east, is the University of Oregon with an enrollment of 16,000 students. To the west is the Eugene central business district and Bureau of Land Management. Sacred Heart Hospital with 2200 employees and Northwest Christian College is situated to the north.

About half of the area is zoned commercial with the other half zoned for residential uses. Housing is comprised of older single-family living units and high density living units. Most of the residential structures were built before 1939 or during the 1960's. There are quite a number of commercial structures that have apartments above the establishment. The commercial area is also oriented towards serving regional rather than neighborhood needs.

Parking and Traffic Related Problems in the West University Neighborhood

The West University neighborhood has been identified by planning documents to be a blighted area. Parking and traffic congestion in the area was stated as a major problem by planning documents such as the Metropolitan General Plan, the Transportation 2000 Plan, and the West University Refinement Plan. It was also identified as a problem by institutions, businesses and neighbors alike. These problems have been a very emotional issue to all groups affected.

The area is bisected and bordered by 12 busy streets with an ADT of 5000 and over. Within the parking pricing program area, there are 991 on-street spaces. Eight hundred and twenty-six of these parking spaces were unrestricted free parking. During the day, approximately 79% of these unrestricted spaces were occupied by all-day commuter parking. The free parking subsidy for on-street parking has resulted in under-utilization of off-street parking facilities by commuters. As a result, there was traffic congestion and safety issues raised due to "cruising" for parking spaces. Residents found it difficult to find adequate parking for themselves or service vehicles. Businesses also felt the problem due to lack of adequate, convenient on-street parking for their customers, patients, and clients.

However, major institutions in the area were sluggish about addressing the parking and transportation needs of their constituents. Only minimal effort was expended by the institutions to promote ridesharing and other alternative modes. As was stated by a City Councilor at a public hearing, "The parking problem had developed over the past 15 years..., and the institutions should have assumed more responsibility for the problem."

Program Goal

The goals of the parking pricing program included the following:

- Reduction of long-term on-street parking by commuters.
- Reduction of traffic flow into the area by increasing use of alternative modes by commuters.
- Direct heavy traffic to major arterials

Program Objectives

Promoting the switch from driving alone to alternative modes can be addressed through the use of several different strategies. Strategies include providing incentives such as provisions of park and pool facilities, HOV lanes, carpool parking price reductions, preferential c.p. parking alternative work schedules, employer discounted transit passes, etc. Strategies also include disincentives to driving alone to work. These include the use of parking management and pricing strategies such as use of RPP zones, encouragement of short term-parking vs. long-term and pricing of parking.

The objective of the parking pricing program was to use a carrot and stick approach. The stick or disincentive was to be the use of parking pricing strategies to discourage driving into the area. The carrot or incentive was to be the promotion of the use of alternative modes by commuters. This was to be achieved through a private-public partnership. The City of Eugene would implement the parking pricing strategies. Promotion of alternative modes would be provided by major businesses and institutions.

Project Strategies

There were a number of proposals outlined in planning documents to address parking and traffic congestion in the area. Some of the proposals included 1) Discouraging single occupancy automobile use by providing alternative mode incentives and making it more convenient than driving alone. 2) Have employment centers take an active role in promoting alternative modes. 3) Institute a residential preferential parking zone in the area. 4) Long-term on-street parking shall be prohibited for all motorists except neighborhood residents.

Using these guidelines, the following strategies were developed for the projects 90 blockface area;

1. Two hour parking limits were to be posted on many streets in the neighborhood that were unrestricted.

2. Residents would be issued a free residential permit that would allow them to park all day near their home.

3. Commuters would be required to purchase a monthly or daily parking permit to park all-day on-street. The price for the on-street permit was intended to be set higher than existing off-street parking rates and alternative modes such as transit passes.

4. Commuters would be encouraged to use alternative modes by incentives and promotions offered by employers in the area.

5. Micro-computer controlled parking meters would be installed in two high-use areas. Variable rates would be set to encourage short-term parking and discourage long-term parking.

Complementing the project is a separate project that is underway. A WOONERF is being planned for construction within the parking pricing project area. WOONERF is a European concept where streets and adjacent public right-of-way are designed to provide for shared use of street by pedestrians, automobiles, and bicyclists.

Process

Program Development and Planning

Planning for this project began in Jan. 1981 with the initiation of the grant application process with the Urban Mass Transportation Administration. The purpose was to obtain funds to implement and evaluate the use of parking pricing strategies.

Staff began to solicit community involvement in early 1982. The City met with the major institutions and community groups in the area throughout the process. The City met with representatives from Sacred Heart Hospital, University of Oregon, West University Neighborhood Association, University Samll Business Association, and the University Community Liaison Committee, throughout the planning, development, and implementation phases. The intent was that these representatives would assist the City in disseminating information to their constituents, and act as their representatives.

By using employers as the vehicle for disseminating information to constituents, it created the first connection that employers are indeed responsible for employee transportation needs and should take the actual steps in promoting areas such as alternative modes. It also created a line of communication that made the employer more aware of employee and student concerns. However, it is important that the relations between employer administration and employees be taken into account, as well as the adequacy of the employer's information disseminating system. One problem encountered when trying to disseminate information through employers is that employees did not trust the management. This became apparent in the case of Sacred Heart Hospital especially.

An example of program information that was disseminated by employers include articles in Sacred Heart's internal newsletter as early as July 1982 (1-1/4 years before scheduled implementation). The University of Oregon student paper featured articles in April 1982. (1-1/2 years before scheduled implementation). Articles also appeared in the West University Neighborhood Newsletter in October 1982 and February 1983. The area-wide newspaper published articles about the program periodically for a year and a quarter before the project start-up date.

Letters of support from the CEO's and chairpersons of Sacred Heart Hospital, University of Oregon, USBA, Wuna, UCLC, and the Downtown Commission were submitted to the City Council before the grant application for funding was submitted to UMTA.

During the planning phases, the parking pricing program was also brought twice before the Eugene City Council. In September 1982, basic project elements were presented. The City Council approved submittal of the grant application to UMTA. In March 1983, a public hearing was held before the City Council. There were two testimonies. The written testimonies that were submitted expressed support for the program. The City Council voted to accept federal assistance from UMTA.

A parking advisory committee was established with representatives from the earlier mentioned interest groups. During the time, institutions were also strongly urged to promote alternative modes and other strategies. Most institutions except Sacred Heart adopted a "wait and see" attitude and did not actively pursue alternatives.

<u>Implementation and Appeal Phase</u>

Program start-up was scheduled for October 1983. As the project start-up date approached and became a reality, the sleeping concerns awakened. In anticipation, the City hired a Public Relations consultant. When commuter vehicles were leafleted, and letters mailed to residents, letters and phone calls came to the City in large quantities.

The parking pricing program was brought before the City Council a third time on October 19, 1983. This time to address an appeal to administrative actions on settling project boundaries and parking rates. Employee and student opposition was so great at this time that Sacred Heart Hospital and University of Oregon administration withdrew their support and took a neutral stance.

The October 10th Public Hearing was standing room only and packed with emotion. An equal number of citizens expressed support for the program as were against the program. The City Council voted to delay their decision and asked City staff to work further with the community on these newly raised issues. This Public Hearing also gave the council an opportunity to express their concern that the University and Sacred Heart were passing their responsibility for addressing the transportation needs of their constituents to the City.

Process Between Council Review

The combination of the "reality" of the parking program by commuters, and the Council's decision to delay the program start-up afforded the City a number of opportunities. It allowed the City to create a forum where the newly surfaced commuter concerns could be raised. The forum allowed the institutions and City a place where they could directly address these concerns. It also offered the opportunity for the City to act as a liaison between employers and employees.

At this time, the Parking Advisory Committee was expanded to include employee and student representatives from Bureau of Land Management, Sacred Heart and University of Oregon. The purpose of the Committee was to hear their concerns and solutions.

A new technical advisory committee was established which was comprised of Sacred Heart Hospital, University of Oregon Staff, regional rideshare agency, bike program and the transit district. The group reviewed and discussed the feasibility of solutions raised. In addition, the City also met individually with commuter group representatives.

This process also brought to light some of the complexities that can be encountered when carrying out the implementation of policies and proposals adopted in planning documents such as the West University Refinement Plan and T-2000 Plan. It was found that there were conflicting needs and interests of residents, commuters, shoppers and other users. At the higher level, there were conflicting goals and policies that had been established by the City Council and other planning bodies. These conflicting goals included: 1) Maintaining the livability of neighborhoods versus the goal of 2) economic viability.

Once again, it is important that representation in committees are balanced between all interest groups. For example, because the major institutions did not adequately represent the concerns of their constituents, the community input during the planning process was probably weighted towards groups in favor of the Parking Pricing project. On the other side of the coin, during the later part of the process, the Parking Advisory make-up was heavily weighted towards the groups negatively impacted by the program. This tended to shift the burden of proof on residents to prove their need.

The City went back before City Council for the fourth time on November 16, 1983. At that time the project was unanimously approved. The commuter groups were generally satisfied with the process and solutions. There were still some reservations and concerns. The project start-up was scheduled for January 16, 1984.

As a result of the process and reality of the program, the institutions have begun to take steps in promoting alternative modes. For example, Sacred Heart will begin to more actively promote an in-house rideshare program which offers preferential carpool parking, gasoline drawings, and free bruncheons. The Hospital also invited the regional rideshare agency TAKEPART Rideshare Program and the transit district to hold a promotional event and set up a permanent transit booth. Sacred Heart has also re-allocated their off-street parking spaces and are studying the need for another parking structure. The University of Oregon has approached Sacred Heart to jointly consider shuttles from park and pool lots, and are relocating bicycle racks. Prior to Winter quarter, the University set up alternative mode information booths and are developing re-allocation plans for the existing parking spaces.

The Bureau of Land Management (BLM), though a smaller agency compared to Sacred Heart Hospital and the University, made greater contributions to the project. Prior to the parking program start-up, BLM employees gave tours to their fellow employees that showed them what parking and travel modes options were available. BLM gave an in-house ridesharing promotion and negotiated with the transit district to receive reduced monthly passes for their employees. They have also done parking counts and suggested some changes in parking time restrictions in areas immediately outside of the project area.

The City of Eugene has set aside an additional number of free carpool spaces in municipal lots and are in the process of allocating free, preferential carpool parking for on-street parking stalls. Lane Transit District also offered free day passes and information to commuters in the area at the start-up of the Parking Pricing program.

Summary of Highlights of the Process

To recap some of the highlights of the process, the following should be noted:

1. For sensitive or potentially controversial projects - devote time and resources to development of an extensive public relations and public information program. This program should be launched early in the planning process. One might consider hiring a public relations consultant.

2. Community input is important and should begin early in the planning phase. Use of employers as an avenue of information dissemination and feedback might be considered. If employers are utilized, employer/employee relations and information dissemination mechanisms should be reviewed first.

   In addition, it is likely that many concerns of the community may not surface until close to project start-up, when affected parties need to make personal changes in their lives.

3. In order to help facilitate private sector involvement, it may take active participation at the Chief Executive Officer level, or City Council level to ensure action prior to the program start-up.

4. Representation from the community should be balanced throughout the planning, development, and implementation phases of the project.

5. Finally, complexities of implementing planning document's proposals and policies may surface, as well as conflicts in over-all City-wide goals. These issues need to be addressed so that the direction of program implementation and program elements can be planned.

Although many hurdles were overcome in getting the Parking Pricing program implemented, there is still much to do in getting all of the problems resolved; getting most of the needs met; and having the Parking Pricing program accepted by the community. There also is still much to do in terms of nurturing the Private/Public cooperative relationship especially regarding politically sensitive and controversial projects such as the Parking Pricing program.

NEW INSTITUTIONAL ARRANGEMENTS FOR TRANSIT DECISIONMAKING IN THE TWIN CITIES

by

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There are two examples in the Twin Cities where the Council as the Metropolitan Planning Organization has played a significant role, together with the private sector, in promoting public transportation. One example is the separation of the planning and operating functions of the regional (public) transit authority with the establishment by the legislature of a Regional Transit Board (RTB) and the transformation of the transit authority to a publicly-owned bus company (with responsibility restricted to a provider of public transit service). The second example is the establishment, by the Council, of a Metropolitan Ridesharing Board to plan and coordinate ridesharing in the Metro Area as a partnership between the public and private sectors.

Regional Transit Board (RTB)

The creation of the Regional Transit Board was a dramatic achievement of the 1984 Minnesota Legislature. It occurred in a relatively short session (six weeks) that was to be devoted primarily to state revenue concerns. The vehicle for the passage of this law was a legislative study commission that was established to study issues that were not resolved in the 1983 session. The major issues were: (1) the objective and purpose of the Metropolitan Transit Commission (MTC) and its effectiveness in achieving them; (2) governmental arrangements for transit planning and development in the metro area; (3) the proper role of the MTC in the governance, regulation and coordination of public transportation services in the area; and (4) the financing of public transportation. The study commission was comprised of ten members -- five each from the senate and the house. They met biweekly from September of 1983 until February, 1984.

A parallel study was underway at the Metropolitan Council. In 1982 the Council initiated a study of the metropolitan commissions that provides services to the metro area (sewer, airports, parks, transit,...) with special emphasis upon transit. The MTC at that time was forecasting a $40 million shortfall over and above the subsidy budgeted for the 1982-83 biennium. This financial "crisis" brought into question the adequacy (and equity) of the current means of financing the service -- as well as the appropriateness of the service being provided. The Council study analyzed in detail the cost-effectiveness of the existing service, alternative types and methods of service delivery, the equity and adequacy of alternative means of financing all transit (public and private) service in the region, and the effectiveness of the existing institutional structure and analysis of other options. The Council reached the following conclusions:

1. The regional transit services provided by the Metropolitan Transit Commission (MTC) were cost-effective in the central cities, but not in the suburbs.

2. The operating cost of MTC services had escalated much faster than inflation, primarily because of the utilization of labor and the type of expansion service provided (suburban, peak-hour express).

3. Several service options such as contracting high cost services, special labor arrangements, using demand-responsive ridesharing, and reorienting existing routes to time-transfer points in the suburbs could improve the cost-effectiveness of the transit service.

4. The local property tax (2 mills) was inequitable and funded a disproportionate amount of the total operating cost -- and should be related to specified levels of service (from 1.25 mills for limited service to 2.00 mills for full service).

5. The state financial assistance should be stable and constitute 20 percent of the cost of operating metropolitan transit service.

6. There was no comprehensive short-range service plan and program that addressed the overall transit (including para-transit) needs of the metro area.

7. It was difficult for the MTC to objectively plan for service needs in areas unsuited for MTC service or for (private) providers that would compete with MTC service.

8. Legislative appropriations to the MTC were not based upon overall transit needs and a service plan and program to address those needs; there was no single entity that spoke (advocated) for all transit needs at the legislature.

9. There was no agency or public review of the annual allocation of public funds for the provision of transit service in the metropolitan area.

10. Planning, programming and coordination should be clearly separated from operations (service delivery) by the establishment of a new Regional Transit Board and the contraction of the MTC to a publicly-owned transit company.

11. Local units of government should have a strong voice in the planning and implementation of service for their area.

The analysis, findings and recommendations were communicated directly to the legislative study commission. The Council first raised the issue of the adequacy of the MTC service (especially in the suburbs) and the inability of the MTC to plan and coordinate transit in the region. In 1974 the legislature had restructured the roles of the MTC and the Council -- giving the Council sole responsibility for long-range/policy planning (previously shared), and the MTC short-range planning and programming. The Council appointed the eight commission members (the governor, the chair) and approved their development program (planning) and capital budget. Subsequently, it became apparent (in part due to court action) that the commission could not coordinate the private transit providers and the legislature gave this responsibility to the state D.O.T. Also, as the local property tax increased to subsidize operating deficits, several suburban communities vocally objected to the amount they were taxed in relation to the service received -- and the legislature responded by enabling them (under certain conditions) to "opt-out" of the MTC and use up to 90% of their tax for replacement service more tailored to their needs. So, whereas at the beginning of the 1970's the MTC (with public encouragement) was intent upon centralizing regional transit service within the MTC -- by the end of the 70's an accelerating process of decentralization was in evidence. The Council first began this process in 1975 with its adoption of policies promoting the "subregional concept" (orienting transit within the suburbs and between the suburbs and downtown) and the most cost-effective transit provider (whether public or private) -- which was the basis for disapproving a proposed take-over by the MTC of a private suburban operator. The legislature also became alarmed by the exponential increase of operating deficits and in 1977 halted the bus expansion program it had mandated in 1973.

In the 1980's the MTC was beset with poorly-functioning equipment, rising fares, decreasing ridership, and reduction in service. It was apparent to the Council that the demands of operating a large bus company almost completely dominated the commission's agenda -- leaving little time and energy for planning considerations. There was also significant resistance from the MTC and its staff to embrace new concepts and approaches to the provision of transit service in the region. In effect, the MTC ignored the Councils' plan and policies.

It was within this backdrop that the legislative study commission began its study; however, most of the legislators on the commission were unaware of the depth and breadth of the problems of transit in the area. The Metropolitan Council provided significant information to the study commission and was a major advocate for change in the planning and coordinating responsibilities of the MTC. Although the Council was the major provider of quantitative information, there were several groups that contributed to the "consciousness raising" of the study commission -- the Citizens League, the Humphrey Institute of Public Affairs, private transit providers, senior federation, handicapped persons and groups, suburban municipalities and the League of Women Voters. All of these people and organizations expressed dissatisfaction with the status quo and a need for change. All supported the proposed legislation -- as did the Minneapolis and St. Paul newspapers and the governor.

In brief, the legislation is as follows:

<u>(New) Regional Transit Board (RTB)</u>

- comprised of 14 members, 5 central cities - 9 suburban (formerly 4 and 4) appointed by the Metropolitan Council, plus a full-time chair appointed by the governor.

- prepares 5 yr. Implementation Plan (detailed service plan and development program, both capital and operating) for all forms of transit, sources of funds, and a plan and schedule for the distribution of funds by service type, area and provider (public and private). (The Implementation Plan must be consistent with the Council's Transportation Policy Plan and approved by the Council).

- establishes local planning and development program to ensure local government participation in the preparation of the Implementation Plan.

- prepares a Financial Plan (3 yr. plan of capital and operating expenditures and distribution by service type, area and provider). (Subject to Council approval).

- designated recipient of state and federal transit assistance in metro area.

- contracts with eligible transit providers for financial assistance (local, state, federal) based upon documented study of needs and service plan.

- assumes responsibility for ridesharing and E and H special services in the metro area.

- appoints 3-member commission of the MTC

- approves MTC service and operations plans and annual budget

- levies metro-wide property tax based upon level of service provided to the city in which the property is located (2.00 mills for full level of all-day service, 1.50 mills for limited all-day service, and 1.25 mills for peak-period-only service).

- RTB chair "to serve as principal transit spokesperson in Metro Area before the legislature, other state and regional agencies, local units of government and the general public."

The Metropolitan Council's policy planning responsibilities were expanded to include policies and standards to govern the levels of public expenditure (capital and operating) and the sources and distribution of funds for transit services and service areas.

Prior to the 1984 session the Council had exerted little energy to influence transit decisions by the legislature and had exerted little pressure on the MTC to follow Council policies. That changed significantly in the '84 session with the result that the new legislation included all of the Council recommendations from its regional study of transit that were related to the governmental roles for planning and programming, and the level of property tax to support the service. The Council has now placed transit as a high priority item on its agenda and in its budget.

The RTB appointments are in process and the new board is expected to be in operation by late July. There is a high level of interest in the board and signs of a resurgence of interest in transit are evident in the metropolitan community. Several local units of government are exploring means to provide subregional service oriented to activities and opportunities within their community.

Metropolitan Rideshare Board

In 1980 the Governor of Minnesota appointed a 15-member task force on ridesharing comprised of elected officials and private sector executives. The task force recommended that the Metropolitan Council establish a public/private rideshare board to guide, develop, promote and oversee ridesharing programs in the metropolitan area. A board was established in 1981 and has become the focal point for ridesharing policy, programming and coordination. The board has concentrated its resources on the marketing of ridesharing in downtown Minneapolis and a new interstate freeway (I-394) west out of Minneapolis. I-394 will contain HOV lanes throughout its length -- including diamond lanes and reversible lanes, reserved exclusively for high-occupancy vehicles. Temporary HOV lanes will be provided at severe bottlenecks during construction (beginning in the fall of 1984) in order to encourage a change in "normal" travel behavior to ridesharing. The board has also initiated and actively (and successfully) promoted legislative changes to remove barriers and provide incentives to share rides. In addition to these activities the board is responsible for matching car and van poolers (upon request) and for providing technical assistance to organizations and businesses interested in establishing ridesharing programs. The board also monitors and evaluates these activities.

The board is primarily made up of corporate respresentatives of the private sector and their approach and recommendations have thus far been embraced by the Metropolitan Council. Ridesharing is ultimately the most effective strategy for relieving highway congestion and for providing access to work in the event of a crisis in fuel supply. The board will prepare a contingency plan to address this potential problem.

ASSISTING BALTIMORE'S EMPLOYERS IN CUTTING EMPLOYEE COMMUTING COSTS

by

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PUBLIC/PRIVATE COOPERATION IN BALTIMORE: THE REGIONAL PLANNING COUNCIL EXPERIENCE

The Regional Planning Council (RPC) has been actively involved with employer transportation programs since the early 1970's. Below is a brief summary of the activities preceding the RPC's current major effort, The Rush Hour Project. A more detailed description of The Rush Hour Project then follows.

EARLY EMPLOYER ASSISTANCE EFFORTS

The RPC assisted several major Baltimore area employers in the development of early employee transportation programs. In 1971, RPC conducted a study for the Social Security Administration to evaluate transportation needs at the agency's growing Woodlawn complex. The study included recommendations for the development of a more aggressive carpool and parking management program, combined with improved transit services. By the late 1970's, Social Security had one of the region's most successful vanpool programs and had also pioneered the use of flexitime among major employers. Social Security also became one of the first employers in the region to sell monthly transit passes directly to employees.

Following the success of 3M's pioneering vanpool program in Minneapolis, the RPC began studying Maryland's regulatory and legal framework to determine what barriers existed to the formation of vanpools. At the time it was apparent that the Public Service Commission (PSC) viewed vanpools as "common carriers" and would require a permit for each van that was on the road. When Commercial Credit Corporation expressed an interest in sponsoring vanpools for employees in late 1975, RPC helped prepare the company for its hearing with the PSC. Following the trial case, RPC helped permanently remove PSC restrictions on company-sponsored vanpools by working to eliminate the legal application of the term "common carrier" to such operations.

At the same time, RPC staff helped draft state legislation which became part of a 1976 company vanpool law. The bill defined "vanpooling" and permitted it as a nonprofit form of employee transportation. It also outlined what steps employers could take to initiate a company transportation program.

In 1973, RPC staff helped design one of the first major residential ridesharing surveys in the country in Columbia, Maryland. Assistance was later provided to Baltimore City in the design and processing of the area's first employer ridesharing surveys. The RPC also helped the Federal Executive Board in its effort to spread the word of Social Security's successful ridesharing program to other Federal agencies.

FORMATION OF VANGO: The RPC played a direct role in the formation of Maryland's nonprofit ridesharing corporation, VANGO, by providing seed money to allow the organization to begin operations. The RPC also provided money to guarantee the leases of vans obtained through third-party leasing companies.

RESEARCH ON EMPLOYER-BASED TSM MEASURES

As part of the Transportation System Management/Transportation Control Plan effort for the Baltimore Region, RPC carried out major studies of the potential for alternative work schedules, parking management, and vanpooling. All of these studies included recommendations for increasing the amount of outreach to employers to fully maximize the potential for each program. The 1982 TSM/TCP program specifically included commitments by state and local agencies to provide assistance to employers in the development of employee transportation programs.

THE RUSH HOUR PROJECT

The Rush Hour Project, officially called the Comprehensive TSM Project, is the culmination of previous employer-based outreach efforts in the Baltimore Region. As a joint effort between public and private organizations, it represents the major regionwide commitment from the 1982 TSM/TCP Program pertaining to employer-based transportation measures. The official sponsors of the project are the following:

Regional Planning Council
Mass Transit Administration
Greater Baltimore Committee
Baltimore County Chamber of Commerce
Anne Arundel Trade Council
Greater Howard County Chamber of Commerce
Hartford County Chamber of Commerce

The RPC is the lead agency on the project, responsible for overall project management and coordination. Employer outreach is handled primarily by staff from agencies responsible for implementation of each program measure, i.e., the Mass Transit Administration for monthly transit passes, county ridesharing coordinators for ridesharing.

The project was originally funded as a two-year demonstration project under the Federal Highway Administration's Comprehensive TSM Assistance Program. Since the demonstration phase ended in June, 1984, funding has been continued at a lower level under the Regional Planning Council's Unified Transportation Planning Work Program.

The Rush Hour Project as originally conceived, was designed to bring greater attention to TSM measures that had not been adequately promoted in the region, due to the lack of a lead implementation agency. Such measures included variable work hours, parking management and bicycle commuting. The active marketing of these measures, in conjunction with existing efforts in the areas of ridesharing and transit pass promotion, would lead to a coordinated, comprehensive TSM program for the Baltimore Region. It was the intent of the project to complement existing outreach efforts by promoting measures that increase the attractiveness of all high-occupancy auto modes of commuting.

Project Objectives: The original goal of the project was two-fold: to spread rush hour traffic demand with variable work hour programs and to get more people into fewer cars with public transportation, carpooling and vanpooling. The main vehicle for reaching this goal was a targeted employer-based outreach campaign, to be supplemented by a broader public information program. Specific objectives were as follows:

1. To establish a coordinated institutional framework for implementing employer-based TSM measures. This framework leads to a greater degree of public/private cooperation in transportation issues and establishes the private sector as a major participant in the TSM implementation process.

2. To obtain commitments from 6-8 major employers in the region to implement a variable work hour, ridesharing, or transit pass program.

3. To increase awareness on the part of the commuting public of the benefits of variable work hours, ridesharing and transit. This helps create employee interest for TSM programs at the workplace.

Tasks: The two-year work program was basically split into two phases: (1) organizational development and preparation of a marketing plan, and (2) employer outreach.

The organizational phase consisted of forming a Project Advisory Committee and developing contacts at local business associations and chambers of commerce. The Project Advisory Committee consisted of members of the Mass Transit Administration, local ridesharing coordinators, and business associations.

The marketing plan consisted of: (1) developing a marketing strategy and theme, (2) conducting a training program for outreach staff, and (3) producing marketing materials. These elements are described briefly below:

Marketing Strategy and Theme: The first element of the marketing strategy was to segment the employer market to enable project staff to focus on targets most likely to be interested in the program. A research effort was carried out involving discussions with local business association representatives, library research, and a review of business journal articles. An initial employer target list of 10-12 companies was derived.

The sales strategy emphasized the benefits to the company of reducing the commuting costs of their employees. This approach was developed as an alternative to the more common energy conservation promotion--which had lost much of its impact due to falling gasoline prices.

The theme based on this concept was, "It pays to help your employees save time and money commuting to work." This theme communicated the "bottom line" benefits for the company and the employee in adopting an employer-based program.

Training Program: Five training sessions were conducted by specialists for RPC and MTA staff, and local ridesharing coordinators. The sessions covered market research techniques, methods of selling monthly transit pass programs to employers, understanding the corporate decision-making structure, communications skills and techniques, and integrating various transportation programs into one unified presentation.

Marketing Materials: The major product of the project was an employer handbook, entitled "The Hidden Business Costs of Employee Commuting: A Cost-Cutting Guide for Management." A companion brochure for employees, entitled "What are Your Hidden Costs of Commuting?" was also produced. A brief slide show summarizing the project and highlighting successful company programs in Baltimore was also prepared. A brochure was also developed by the MTA specifically for the new transit pass program (described below).

The employer outreach phase of the project began in 1983, following development of a matching discount program for monthly transit passes. This new "Employer Pass Program" enables employers to purchase monthly transit passes at a 3.6 percent discount from the MTA, if they at least match that discount to employees. This program, developed after an extensive research effort by MTA and RPC staffs, was officially adopted by MTA management in June, 1983.

Results: Over forty employers were contacted directly by Rush Hour Project staff between June, 1983 and June, 1984. The most successful of the various programs, in terms of employer response, has been the MTA's Employer Pass Program. The following ten companies have officially joined the program:

Commercial Credit Corporation
Chesapeake Life Insurance Company
Monumental Life Insurance Company
McCormick & Company
Union Memorial Hospital
Baltimore Life Insurance Company
Harborplace Management, Inc.
RCF Holding Company
First National Bank of Maryland
Carl Messenger Service

In addition, the Federal Executive Board sells monthly passes at full cost to Baltimore area Federal employees through the Federal Credit Union.

Many other companies are actively considering the Employer Pass Program and are expected to join during the next several months. Baltimore City is also in the process of surveying its 35,000 employees to determine the level of interest in the program. If the City joins, it would become the first government entity in the program.

Response to the Employer Pass Program has been favorable because of its low cost, relative to other employee benefit programs. It is also simple for a company to implement and administer. For downtown employers, where the programs has been most popular, companies receive a positive goodwill benefit because they are addressing a common and worsening problem--parking.

The RPC, together with the Greater Howard County Chamber of Commerce, sponsored a seminar on flexitime for Howard County employers in March, 1984. Approximately fifteen company representatives attended the seminar, which featured flexitime practitioners from local companies as well as a national human resource consultant. At least three of the companies are now conducting internal studies to determine the feasibility of flexitime.

A number of public information activities have been carried out in conjunction with the employer-based efforts. A series of three 30-second television PSA's were produced by Baltimore City's Office of Telecommunications. The PSA's covered each of the three major project elements--transit passes, ridesharing and variable work hours.

Most effective of the public information activities has been a bus and subway advertising campaign, promoting the Employer Pass Program. Aimed at the regular or occasional transit user, the MTA advertising campaign brought inquiries from over 100 personnel directors at public and private organizations in the first six weeks alone.

The outreach campaign has been successful in meeting one of the project's goals: that of obtaining implementation commitments from 6-8 firms. Most of the successes, as noted above, have been centered around the Employer Pass Program. The other programs offered by the project have not been received as well because they, (a) do not offer a financial incentive to the company, (b) are more costly to implement, or (c) require a longer decision-making time on the part of the company. As such, the "comprehensive" aspect of the project has not developed as originally envisioned.

Future Activities: Further employer outreach efforts will be undertaken during the next year to enhance the non-transit programs in the marketing package. In addition, RPC and MTA will assess the feasibility of initiating a "commuter club" in the downtown area for transit pass users. This concept, similar to programs in Knoxville, Portland, Bridgeport and other areas, provides members with merchant discounts and other benefits. Such a program would enhance the visibility of the Employer Pass Program and the transit system in general. A flexitime seminar, similar to the one held in Howard County, will also be scheduled in another major employment center in the region.

MANAGING PUBLIC TRANSPORTATION: A NEW ROLE FOR THE PRIVATE SECTOR IN HARTFORD

by

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In Hartford, Connecticut, cooperation between the public sector and the private sector has led to both new development techniques and reinforcement of traditional means to solve transportation problems. The private sector has been involved through representatives of the business community, including all of the largest employers in the Hartford CBD. Increased awareness on the part of major employers as to the effect they have on congestion and parking problems has led to those employers becoming more receptive to change. The public sector is represented by several agencies involved in transportation planning. These entities include the City of Hartford, the Greater Hartford Transit District, the Capitol Region Council of Governments, the Greater Hartford Ridesharing Company, and the Connecticut Department of Transportation (ConnDOT).

Each of the public agencies has had a slightly different approach in dealing with both transportation problems and working with the private sector. Conn/Dot funds the local transit system and engages in highway planning. The City of Hartford has been involved in planning downtown traffic improvements and establishment of fringe parking lots. Both of these activities have been assisted by input from major downtown employers. The Greater Hartford Transit District has worked with the private sector in a slightly different way. Restoration of Union Station has developed into a public-private partnership where the District applies for elegible federal funds and serves as project manager. Private sector participation includes contributions to the project by those who will benefit. Since the new facility will serve intercity bus carriers, some funds to match federal grants were obtained from those carriers. In total, about 14 percent of the total project cost has been secured from the private sector. Commercial activity is foreseen on the ground level. This move will further involve the private sector in the Union Station project. This project is designed to enhance public transportation services as well, and is also anticipated to include a vanpool pick-up area, along with the possibility of commuter bus loading areas.

The Capitol Region Council of Governments is the designated Metropolitan Planning Organization for the Hartford region. The role of CRCOG has principally been that of monitoring transportation projects from the perspective of how those projects impact the entire region. Increasingly, non-highway projects, such as the activities of the Greater Hartford Rideshare Corporation and transit service improvements, have been introduced into the overall regional transportation system. CRCOG has identified those types of projects and allocated federal funds to assist those operations where applicable.

One area where the private sector has been involved for several years has been in the provision of commuter express service. Although the majority of service is operated by Connecticut Transit, the region's public transit system, twenty percent of the 7400 daily commuter bus riders are carried by private operators. These carriers have shown an ability to provide service at a lower cost due to their ability to use off-peak time efficiently.

Primarily, this efficiency is accomplished through the use of some part time labor and off-peak charter service. One of the privately run routes is able to meet its costs and has generated a small profit.

CRCOG has encouraged the operation of these services by the private sector. Funds have been programmed several times to purchase equipment which is leased to private companies. This action has been necessary since the revenues generated on the commuter routes have not been sufficient to cover the cost of new equipment. New buses have been purchased as replacements for older depreciated buses. The older buses had reached the age where frequent mechanical problems would reduce the attractiveness of using bus service.

One possible operational impediment had been the number of operators providing service. Four different private carriers provide service to downtown Hartford. However, not all destinations are immediately downtown. To reach some destinations it would have required paying another fare on a local bus or a considerable walk. Operational changes have allowed local transfers to be made by showing a private carrier monthly pass, thus more closely integrating the private services into the regional transit network.

The monthly pass itself has been used as a marketing tool to involve the private sector in the regional transportation system. By convincing employers of the benefits of not having employees drive to work, subsidy programs have been set up by major employees. While these programs vary by employer, with respect to the dollar amount of subsidy, the intent for all of them is to reduce the demand for parking for single occupant vehicles.

Overall, CRCOG has encouraged the involvement of the public sector to help in the promotion of cost-effective means of getting to work. Also by improving transportation facilities such as Union Station, it is hoped that automobile usage will be reduced for other types of trips as well. By working with the State Department of Transportation, CRCOG hopes to insure that a balanced transportation system is developed that meets the needs of highway users, public transit users, and users of ridesharing programs.

Ridesharing is another public-private project endorsed by CRCOG. The majority of ridesharing efforts are vanpools coordinated by the Greater Hartford Rideshare Company. This organization was founded in 1980 to promote shared-ride commuting as a viable alternative to single-occupant automobile commuting. By working with the State of Connecticut and large employers such as Connecticut General Life Insurance Company, vanpooling has been developed on a large scale. In addition to serving its own region, the Rideshare Company has worked with other ridesharing agencies in Central Connecticut, Middletown, Stamford, Windham, and Northeast Connecticut. Major employers have benefitted by not having to provide new parking facilities, and have noted increases in employee dependability. Matching services are available through some employers, in addition to the Rideshare Company, to promote formation of new vanpools.

Through an agreement with the State of Connecticut, a fund has been created to assist in the purchase of new vans. Buyers pay a 25 percent downpayment, with the remainder financed at no interest cost. The Rideshare Company gives technical assistance to establish fares that will recoup those costs. Over 90 additional vans have been leased to commuters and companies by the Rideshare Company. With the two van acquisition programs, and coordination with 12 private vanpools, 130 vanpools have been formed since the Rideshare Company was established.

The most significant example of the private and public sectors working together in Hartford has been the Downtown Hartford Transportation Project. This project has been based on consensus building among all key groups having a stake in downtown Hartford. Among the first moves, in the summer of 1981, was a comprehensive study involving transportation facilities in downtown Hartford. The study was administered by the city, but funded by the corporations. The Chamber of Commerce, state and local agencies, city councillors, city staff, the Downtown Council, and the Greater Hartford Rideshare Corporation also were included in policy-setting discussions.

The approach that was formulated to solve the transportation problems had four components. These components are: reducing congestion, managing the parking supply, improving the street environment, and improving both the ability of the public and private sectors to manage the transportation system. Policies were developed to achieve each goal, which resulted in a specific set of actions. All of the final recommendations represent small, multi-modal actions which can be easily implemented and are directed at the entire transportation system. Among the recommendations made are: Changing employee work schedules to spread peak traffic congestions, working to increase the number of people using vanpools or transit, elimination of free employee parking over a period of time, prohibition of parking during rush hour on downtown streets, and developing a shuttle bus and fringe parking arrangements. In addition, it was recommended that the Public Works Department of the City of Hartford act as the primary agency in developing and implementing transportation policies for the city.

Another component of dealing with the transportation system has been the creation of a Transportation Management Organization (TMO) to act on behalf of the private sector in developing and implementing transportation policies. Creation of this TMO was another of the recommendations of the Downtown Transportation Project. The formation of the TMO also indicates not only a response to present needs, but a preparation for future needs as well. The work of the TMO also represents the evolving role of the private sector from one of advocacy to one of partnership in policy-setting and management. By developing a consensus on the issues to be resolved and having a unified private sector position on those issues, finding workable solutions will be made easier.

Overall, bringing together the private sector and the public sector in Hartford has benefitted each group. The majority of actions taken have involved small, incremental steps that represent changes to existing operations. No costly major new facilities were attempted. By reaching a common viewpoint, through discussions with all concerned parties, problems with overcoming a multitude of possible viewpoints were minimized.

THE PRIVATE SECTOR'S ROLE IN CONSENSUS BUILDING FOR CHANGES IN DETROIT'S TRANSIT DELIVERY SYSTEM

by

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Introduction

Public transit in the Detroit metropolitan area--as in many other metropolitan areas of the country--is facing serious problems...problems which must be addressed if the area is to continue receiving transit services. In Detroit, two issues stand out: 1) obtaining an ongoing, politically acceptable source of financing for transit operations; and 2) reaching consensus within the metropolitan area on the nature and scope of future transit services. The two issues are interrelated and are made additionally complex by several organizational, technical and political factors. The private sector in the Detroit metropolitan area has recognized the importance of these issues on the quality of life in the region and on the region's economy. Several significant private sector initiatives have emerged to add private sector support in addressing these two issues. These private sector initiatives will play a significant role in furthering transit in the area and may prove to be the critical factor in continuation of transit services.

Context

Transit in the metropolitan area is currently provided by two major transit operators. The Southeastern Michigan Transportation Authority (SEMTA), operates a work-trip oriented, largely suburban and suburb-to-central city service. The Detroit Department of Transportation (DDOT), operates an urban bus service within the city limits. SEMTA, by state enabling legislation and gubernatorial designation, also has oversight responsibility for the overall system and responsibility for pass-through of federal capital and operating assistance. Combined, the two systems have a fleet of 1,000 linehaul buses.

Fiscally, the combined system is experiencing an annual operating deficit in excess of $50 million. This is due in part to the normal demands facing transit operations in metropolitan areas and some duplication of effort between the two operators. More importantly, however, the Detroit Metropolitan Area lacks a local financing mechanism beyond the fare box generating transit operating assistance. This area is the only major metropolitan area nationwide without such a designated source of operating assistance.

These operating deficits are occurring despite recent SEMTA cost cutting efforts which eliminated 30 percent of large and connector bus service and all commuter train service last October. Without additional operating revenue, significant additional service cuts will be required by the beginning of SEMTA's fiscal year on July 1, 1985. At the same time, DDOT presently overcomes its operating deficit with a sizable subsidy of $35 million from the City of Detroit's General Fund, placing additional strain on an already tight city budget. The overall operating deficit problem places the viability of any transit service beyond fiscal year 1985-86 in jeopardy. A means for state/local financing of the system must be developed and sold to the voters within the next two years if a transit system is to remain.

The second major issue which must be resolved is the need to reach consensus and move forward on a plan for future transit services in the metropolitan area. To date, the metropolitan area has not achieved sufficiently widespread acceptance of a comprehensive plan for areawide transit services. Competing interests between the central city and suburbs, as well as financing, have been major stumbling blocks to such consensus.

SEMTA did develop a plan for future transit services in 1979. That plan did not, however, receive sufficient public and private sector backing, and only limited aspects of the plan have proceeded toward implementation. Early this year, a revised "Regional Consensus Plan" was developed. This plan calls for expanded connector and linehaul bus service within both the city and suburbs, a commuter rail line from Detroit to Pontiac and Detroit to Mt. Clemens. This plan has received acceptance from the key public sector leadership, but requires significantly greater commitment and support from both the public and private sectors in order to obtain federal funding and voter approval of a financing package.

Leaders in the private sector have recognized the critical need for transit in the area and the potential impact of transit, particularly fixed route, on economic development. They have spearheaded several private sector initiatives to assist in addressing these two issues and insuring the future of transit in the Detroit Metropolitan Area. These efforts as well as background on early involvement of the private sector are described below.

Early Involvement of the Private Sector

The private sector has historically played an important role in support of public transit in Metropolitan Detroit. In the mid-1960's, the Metropolitan Fund, a private sector funded coalition of business, labor, education and government created to address regional issues, initiated a study on how transit services could best be provided in the region. At that time, there was one public transit provider, the City of Detroit, and numerous fragmented private transit operators in the suburbs. The Metropolitan Fund study recommended a regional transit authority with a structure which recognized both the city and suburban interests. Based on that study, the Greater Detroit Chamber of Commerce and individual business leaders successfully lobbied for state enabling legislation passed in 1967. Following this, the Metropolitan Fund provided initial staffing and funding for the transit authority, SEMTA.

In the years since, the private sector has also provided a number of active participants on the 15-member SEMTA board. These individuals contributed considerably to the leadership of that body. Such involvement continues and is expanding as the private sector recognizes the need to address the financing and future service plan issues.

Chamber of Commerce Current Efforts

The Greater Detroit Chamber of Commerce has begun the first of these increased private sector initiatives to provide assistance to transit in general and to addressing the financing and consensus issues. It was the Chamber's belief that unless the business community becomes solidly behind a comprehensive transit proposal for Southeast Michigan, it cannot succeed. The Chamber's initial action was to urge SEMTA, which has overall responsibility for the transit system, to develop a comprehensive financing plan for operating expenses and submit it to the voters in affected counties for approval. This was based, in part, on the Chamber's satisfaction with the "Regional Consensus Plan," which emphasized service improvements before construction. Further, the Chamber anticipated endorsement of the plan by local governmental leaders from Detroit, and Wayne, Oakland and Macomb Counties. The Chamber then pledged cooperation in developing the financing plan and in moving the package forward to a vote of the people of Southeast Michigan.

To further this effort, in August of 1983, the Chamber was jointed by the Metro Detroit AFL/CIO and the Detroit Chapter of the Associated General Contractors in co-sponsorship of an economic and social benefits analysis of the Regional Public Transit System proposed by SEMTA in the "Regional Consensus Plan." The consultant hired for this joint sponsored effort reviewed the ridership and economic impact numbers projected by SEMTA and expanded upon this with its own analysis of potential economic benefits. The results indicated that there are, indeed, significant mobility improvements and quality of life benefits to be derived from transit service and capital improvements called for in SEMTA's "Regional Consensus Plan." Further, the study projected major economic development improvements as a result of those transit improvements. This report provides further substance for private sector support of the regional transit effort and information to help "sell" the plan and financing package.

The positive results of this study encouraged the Chamber to expand the work of its Metropolitan Public Transit Committee in several directions. First, the committee assisted SEMTA and DDOT in working with state legislators to eliminate proposed adverse amendments from the State of Michigan's transportation budget. These amendments would have prevented SEMTA from using state appropriations for the federally-required alternatives analysis study. The Chamber committee lobbying produced a compromise which allowed the alternatives analysis phase to continue, thereby allowing progress toward implementation of transit system improvements. This committee also worked at the federal level to prevent budgetary restrictions on use of funds for final alternatives analyses. The House Appropriations Subcommittee, however, placed language in the transportation appropriations bill which prohibits use of federal funds for that alternatives analysis unless there is a source of ongoing transit operating funds in place. While this is a potential setback for concluding necessary planning work, it does place greater emphasis on the need for securing local operating funds.

In a second area, leaders of the Chamber's Metropolitan Public Transportation Committee are serving on a SEMTA Task Force on Public Information and Legislative Issues. This SEMTA committee is a joint public/private sector group looking at specific proposals for obtaining necessary state/local investment needed for transit operations and capital improvements. The proposal emerging from this committee would call for amending the State of Michigan Constitution to allow a one percentage point increase in the state sales tax, to be distributed to transit authorities in the state on the basis of population. SEMTA, which serves a region with a population of 4.5 million, could conceivably net more than $200 million under the proposal if approved by the legislature and, subsequently, voters statewide. Private sector participation on this SEMTA task force ensures early involvement of the private sector in development of the tax proposal and promotes private sector support for passage of the tax proposal.

A third initiative of the Chamber built on the success of its Metropolitan Public Transportation Committee by expanding the depth and scope of its participation in the public transit arena. To accomplish this, four subcommittees were formed. 1) The Consensus Plan Subcommittee is developing a strategy to market the "Regional Consensus Plan" to the business community, the public, and federal and state officials, particularly the Urban Mass Transportation Administration. The support generated by the work of this Consensus Plan Subcommittee will be a critical factor in obtaining federal funding for the improvements called for in the "Regional Consensus Plan"...perhaps the deciding factor in face of the stiff competition nationally for federal transit funds. 2) The Taxation Subcommittee is reviewing and recommending refinements to the proposal for financing mass transit developed by SEMTA. The Taxation Subcommittee will also recommend a operations and lead the Chamber's work with regional private sector package. 3) The Downtown People Mover Subcommittee has been established to advance the prospects for success of the Downtown People Mover, which is currently under construction. The subcommittee is promoting a strategy to develop a positive image for the people mover and promote ridership on the system upon its completion. The subcommittee is also working within the business community to ensure that the potential of the Downtown People Mover for enhancing economic development in the downtown area is fully realized through private sector investment in key station stops around the people mover route. This ties in directly to the City of Detroit and SEMTA efforts to encourage joint public/private sector development at key stations including the hotel and retail center under construction at the Millender Center, the Riverfront West Apartment complex, the Whitney office building and the Greektown Area of ethnic restaurants and retail establishments. 4) Finally, the Transit Forum Subcommittee is organizing a forum on transit in Southeast Michigan designed to present the "Regional Consensus Plan" and generate further support for financing transit among businesses and the public. This concerted effort should generate the necessary support for passage of the financing package.

Other Private Sector Initiatives

There are two additional efforts in the area of transit which also demonstrate the private sector commitment to transit and the benefits to be gained by private sector involvement. The first of these is the private sector input into negotiations on the possibility of consolidating portions of the SEMTA and DDOT operation to more cost effectively provide services. As indicated earlier, SEMTA and DDOT operate largely separate systems. Cost savings could be generated by consolidating at least portions of their activities such as planning, grants management and overall system management. The private sector's contribution to this effort has been in the performance of indepth studies of the two systems to make recommendations on benefits to be derived from consolidation and the manner in which such consolidation might be achieved.

Finally, an additional private sector group--outside of the Chamber of Commerce--is involved in transit. Moving Detroit Forward, chaired by Michael Blumenthal, Chief Executive Officer of the Burroughs Corporation, and former U.S. Cabinet Member, is a group which has emerged to generate a perhaps more focused, but higher level private sector support for transit. Moving Detroit Forward will be able to accomplish its goal of generating higher level private sector support because it was initiated by Detroit Renaissance, a group of Chief Executive Officers of major corporations, which has for more than a decade addressed both bricks-and-mortar and image issues concerning the City of Detroit. Moving Detroit Forward is currently evaluating the "Regional Consensus Plan" for further tangible benefits that can generate private sector support. This committee has arranged with SEMCOG, the MPO, to examine portions of the transit plan, seeking to alleviate some of possible concerns about validity of ridership and economic projections upon which the plan is based.

Conclusion

Southeast Michigan has historically placed emphasis on obtaining general governmental agreement on transit plans and financing proposals without private sector involvement to support that agreement. This has resulted in "paper plans" with little chance for implementation. The critical nature of present and future transit in Metropolitan Detroit has forced a revised approach. The private sector is actively seeking involvement in the resolution of transit issues and the public sector is actively encouraging and creating means for that involvement.

The results are not yet in on the ultimate impact of this private sector involvement in the financing and transit plan issues. What is apparent at this stage, however, is that only through this involvement will the voters become sufficiently comfortable with the current and proposed transit system to approve the necessary local operating assistance and to spur the public sector leadership into committed action to move forward.

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