

<p style="text-align: center;"><b>City of Visalia</b> <b>Agenda Item Transmittal</b></p>
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**Meeting Date:** 8/18/2014

<p><b>Agenda Item Number (Assigned by City Clerk):</b> 6.</p>
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**Agenda Item Wording:** Authorize the City Manager to sign the 2014 agreement between City of Visalia and Tulare County Association of Governments (TCAG) for the Fall 2014 through the and Spring 2020 session for student transit services at the College of Sequoias (COS).

**Deadline for Action:** 8/18/2014

**Submitting Department:** Transportation and General Services Department

<p><b>Contact Name and Phone Number:</b> Monty Cox, 4591</p>
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**Department Recommendation:** Authorize the City Manager to sign an agreement between the City of Visalia and Tulare County Association of Governments (TCAG) for the Fall 2014 through the Fall 2020 semester for student transit services at the College of Sequoias (COS).

**Summary:** Since January 2011 TCAG has entered into an agreement with COS and the City of Visalia has entered an agreement with TCAG, including several amendments, to participate in the COS Student Transit Pass Program. The agreement between TCAG and COS is to facilitate the contract for services with each participating Transit agency. This agreement, presented for Council's consideration, is to continue Visalia Transit's participation for the Fall 2014 semester through the end of the term of the Agreement (Fall of 2020) between TCAG and COS. Staff is recommending Council approve this agreement after considering the following:

1. TCAG worked with COS to increase COS administration and student contributions to cover fare revenues and additional capital and operating costs of the program.
2. Costs are incurred by agencies as a result of the COS Student Transit Pass Program, and are on-going expenses. TCAG has established a portion of revenues to go towards additional capital and operating costs of the program.
3. The City of Visalia has had to increase service to accommodate the increase from the COS riders.
4. COS Administration contributions increased from \$0.40 per student to \$1.00 per student. Full/part time students increased their contributions by \$5.00 each and will now contribute \$10.00 each semester, and part-time students will contribute \$9.00 each semester to the Student Transit Pass Program.
5. Visalia is subject to federal farebox recovery ratio requirements. Collectively, all fares must account for 20% of the cost of the transit operation. Although each subgroup does

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not need to meet this requirement, transit is working to have each program strive for this goal.

6. With the increased fees staff is now confident there is enough funding in the program to cover the costs which are generated by it. The potential funding is projected to double what it has been previously, a goal pushed by Visalia and the other transit providers.

This agreement commits Visalia Transit to accept, as fare to board a Visalia Transit bus, a COS Student ID with the current session transit sticker, indicating the student has paid the mandatory transportation fee (\$10 full-time; \$9 part-time). The COS administration currently contributes \$1.00 per student to the program. One percent of the total funds will be taken off the top to be used for administrative costs. Fifty percent (50%) of the remaining funds are distributed to the participating Kings/Tulare County transit agencies based on ridership and average trip mileage, and the other 50% of the remaining funds will be distributed for costs associated with expansion as a result of the program. It was the intent of the program that the fees from the students, combined with the COS contribution, would replace the fare revenue not collected from the students who were previously paying transit fares, making the program fully supported by the students and COS. **It is expected that this new distribution will result in at least double the amount Visalia received previously and will fully cover Visalia Transit's proportional operating costs resulting from the program.**

Staff recommends approval of this agreement, with the understanding that staff will continue to evaluate and work with TCAG to ensure it is a financially sound program long term. The City should continue to support TCAG in its efforts to seek grant funds to increase revenues for this and other similar programs.

**Background Discussion:** Starting in 2010 staff worked with TCAG and the administration office of the College of the Sequoias (COS) to establish the formation of a transit pass program specifically for COS students. This has been a collaborative effort between the City of Visalia, COS, TCAG and the other transit service providers in Tulare and Kings Counties. TCAG conducted a study to implement the COS Student Transit Pass program in 2011 which resulted in a pilot COS Student pass for the Spring 2011 semester. Through an agreement in 2011, terms included assumptions that indicated that the City of Visalia transit fund would not subsidize the COS student transportation program. Since then, TCAG has applied for several additional grants, and sought additional revenues to help support this program.

There are many benefits of the COS Student Transit Pass Program. The program allows many students the opportunity to attend COS that would not otherwise be able to do so. These students are developing transit habits that may remain beyond their college years. There are community economic benefits that are associated with a more educated population, less unemployment and more educational attainment opportunities.

During the last three years the City has participated in and supported this program which has provided many benefits to COS, the community, and the students (some of which would not be able to attend without the student transit pass program). Below are projected ridership and revenue estimates shown in Table I, Student Transit Pass Program Operating Statistics. Staff is projecting these will be the results of the program, if Visalia is agreeable to entering into the proposed agreement.

Table I

**Student Transit Pass Program Operating Statistics**

<b>Semester Ridership</b>	<b>Spring 2011</b>	<b>Spring 2014</b>	<b>Spring 2020</b>
Student Ridership	72,469	106,916	222,594
% Change		47.5%	108.2%

**Average Fare Recovery/ride**

COS	\$0.54	\$0.36	\$0.72
General system-wide Riders	\$0.68	\$0.67	\$0.71

**Fare Contribution**

COS Students full-time	\$5.00	\$5.00	\$10.00
COS Students part-time	\$4.00	\$4.00	\$9.00
COS Administration Per Student	\$0.40	\$1.00	\$1.00

In addition, Visalia Transit has added buses in service to avoid full buses passing bus stops. This has resulted in an estimated additional expense of \$65,000 per year. Some of this expense can be attributed to increased system wide ridership, but COS Student Ridership has contributed to the demand. Staff will continue to monitor the expansion costs associated with supporting expansion, and costs of the program while continuing to monitor student ridership impacts on fare box recovery.

TCAG and COS are committed to working on finding the necessary balance between grants and student fees that cover the costs of the program as the program evolves. While all 13,000 enrolled students are eligible to unlimited bus service, less than 4,000 students request a transit pass sticker. Visalia has experienced an average annual growth rate of 13% in COS student ridership.

In summary, the new proposal continues to add increased ridership to Visalia Transit and will bring the projected revenue per rider to about the average of the revenue per rider is for the system at large.

**Fiscal Impact:** None.

**Prior Council Action:** Council has entered and amended a similar agreement annually since 2010.

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**Other:** None.

**Committee/Commission Review and Action:**

None.

**Alternatives:** Council could elect not to approve this agreement, ending Visalia Transit's participation in the COS Transit Pass program.

**Attachments:** Draft agreement for transit services for the College of the Sequoias Student Transit Pass Program between the Tulare County Association of Governments and the City of Visalia. Language in the agreement is still under review and subject to modification prior to completion.

**Recommended Motion (and Alternative Motions if expected):**

I move that the City Council authorize the City Manager to enter into the agreement between City of Visalia and Tulare County Association of Governments (TCAG) for the Fall 2014 through Fall 2020 semesters including Summer sessions for student transit services at the College of Sequoias (COS).

Copies of this report have been provided to: None.

**Environmental Assessment Status**

**CEQA Review:** None Required.

**AGREEMENT**  
**FOR TRANSIT SERVICES FOR THE COLLEGE OF THE**  
**SEQUOIAS STUDENT TRANSIT PASS PROGRAM**  
**BETWEEN THE TULARE COUNTY ASSOCIATION OF**  
**GOVERNMENTS (TCAG)**  
**AND THE \_\_\_\_\_**

This Agreement is made and entered into this \_\_\_\_ Day of 2014, by and between the Tulare County Association of Governments, hereinafter referred to as "TCAG," and the \_\_\_\_\_, hereinafter referred to as "Agency."

**RECITALS**

WHEREAS, in September 2010 College of the Sequoias (COS) students voted to implement a mandatory transportation fee of \$5 per full-time student, and \$4 per part-time student, which would provide students with an unlimited fixed route transit pass valid on Tulare County fixed route bus services (excluding Sequoia Shuttle) and Kings Area Rural Transit fixed routes; and

WHEREAS, in May 2014 COS students voted to implement an additional mandatory fee of \$5 per full-time and part-time student to contribute to the existing COS Student Transit Pass Program; and

WHEREAS, the transit services available to registered students will include fixed route services on the following transit systems: Visalia Transit, Visalia Towne Trolley, Tulare Intermodal Express (TIME), Dinuba Area Regional Transit (DART), Dinuba Connection, Porterville Transit, Tulare County Area Transit (TCaT), and Kings Area Rural Transit (KART); and

WHEREAS, the COS Board of Trustees will contribute \$1.00 to the transportation fund for each COS student that is enrolled, per semester in the semester in which they are enrolled; and

WHEREAS, COS students will not receive student transit program identification valid on participating fixed route transit unless they have paid their student transportation fees for the semester; and

WHEREAS, additional funding may be received from grants and other sources and may be applied during the contract period of the agreement; and

WHEREAS, COS will collect all transportation funds and provide to TCAG, based on the total number of students paying fees; and

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### AGREEMENT

College of the Sequoias Student Transit Pass Program

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WHEREAS, Agency transit will track transit ridership by students using valid COS identification cards using a tracking method approved by TCAG; and

WHEREAS, Agency will submit ridership data for student passengers using valid COS student identification to TCAG monthly; and

WHEREAS, Agency will submit the average miles per passenger for participating fixed route systems only from each year's State Controller's Report or National Transit Database reporting; and

WHEREAS, TCAG will retain 1% from the Board of Trustees and COS Student funds for administration costs; and

WHEREAS, if Agency fails to submit appropriate COS student ridership data by the 15<sup>th</sup> of each month, the Agency agrees to accept payment based on one-half of their previous month's ridership data; and

WHEREAS, TCAG shall distribute fifty-percent of received funds to participating transit providers based on ridership and mileage criteria; and

WHEREAS, TCAG shall distribute fifty-percent of received funds to transit providers based on new and expanded service costs incurred by transit providers as a direct result of COS student riders; and

WHEREAS, TCAG shall determine the criteria for determining new and expanded service costs incurred as a direct result of COS student riders, with input from transit providers, and will approve amounts payable; and

WHEREAS, TCAG shall adopt criteria for determination of new and expanded service costs, and the first proposal for criteria parameters will be presented to the TCAG Board in September 2014; and

WHEREAS, this agreement shall be valid for the Fall 2014 academic semester through the Fall 2020 academic semester, unless otherwise amended or superseded.

NOW, THEREFORE, the parties agree as follows:

1. **TERM.** This agreement shall commence on August 1, 2014 and shall expire at 11:59 PM on December 31, 2020, unless otherwise terminated, amended, or superseded. The agreement will be renewable for similar or different terms and conditions upon mutual agreement between all parties.
2. **INDEPENDENT CONTRACTOR.** While engaged in carrying out and complying with the terms and conditions of this agreement, TCAG is an independent contractor, and not an officer, agent, or employee of Agency.

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3. **PAYMENT.** TCAG agrees to transfer the funds received by COS (less administrative costs) after the conclusion of each semester/session in which funds are collected to participating agencies within 10 business days of receiving the funds, and once all COS student ridership data and average passenger mileage is received for the semester/session. Ridership totals are to be submitted monthly, and are due by the 15<sup>th</sup> of every month. If the 15<sup>th</sup> falls on a weekend, the data is due the following working day. If Agency fails to submit the required data by the 15<sup>th</sup> each month, Agency agrees to accept payment based on one-half of their previous month's ridership.

TCAG will disburse fifty-percent of the funds received (less administrative costs) to transit providers based on the following formula: 50% of applicable semester/session funds in proportion to provider passenger percentage and 50% of applicable semester/session funds in proportion to provider average passenger mile percentage. Ridership shall be tracked by the Agency through the Agency operations contractor/employees and submitted in a report. Agency shall make available the source documents to verify that report if requested by TCAG.

TCAG will disburse funds from the other fifty-percent of those received (less administration) to transit providers based on new and expanded service costs incurred by transit providers as a direct result of COS student riders. TCAG shall determine the criteria for determining new and expanded service costs incurred as a direct result of COS student riders, with input from transit providers, and will approve amounts payable. TCAG shall adopt criteria for determination of new and expanded service costs.

If the latter defined fifty-percent of funds exceeds the approved amount of costs incurred, TCAG will hold those funds for future said expenses. If the funds are less than the approved costs incurred, TCAG will disperse funds up to the payable amount as they come in. In the instance that multiple agencies are owed amounts for this portion of funds, funds will be paid out proportionately based on amount owed to each agency.

4. **ADMINISTRATION COSTS.** In consideration of the above payments and other activities associated with the program's administration, TCAG will retain 1% of total funds for administration costs. Funds received for the program shall also pay for proper identification for student riders. Student identification shall be updated every semester/session.
5. **DEFAULT.** Upon default by TCAG or Agency in any of the covenants or conditions of this agreement, TCAG or Agency may terminate agreement upon 60 days advance written notice to the defaulting party.
6. **AMENDMENTS.** This agreement cannot be changed or supplemented orally and may be modified or superseded only by written instrument executed by both parties.
7. **GOVERNING LAW.** This agreement shall be governed by and construed in accordance with the laws of the State of California.

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### AGREEMENT

College of the Sequoias Student Transit Pass Program

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8. **BINDING EFFECT.** This agreement is for the benefit of and shall be binding on all parties and their respective successors, heirs, and assigns.
9. **ATTORNEYS' FEES AND COSTS.** Each party shall bear its own attorneys' fees and costs for all such fees and costs incurred prior to the date of execution of this agreement.
10. **BREACH OF AGREEMENT.** If either party breaches this agreement, the prevailing party shall be entitled to all damages reasonably flowing from the breach.
11. **INDEMNIFICATION.** Agency and TCAG shall hold each other harmless, defend and indemnify their respective agents, officers and employees from and against any liability, claims, actions, costs, damages or losses of any kind, including death or injury to any person and/or damage to property, arising out of the activities of Agency or TCAG or its agents, officers and employees under this agreement. This indemnification shall be provided by each party to the other party regarding its own activities undertaken pursuant to this agreement, or as a result of the relationship thereby created, including any claims that may be made against either party by any taxing authority asserting that an employer-employee relationship exists by reason of this agreement, and any claims made against either party alleging civil rights violations by such party under Government Code sections 12920 et seq. (California Fair Employment and Housing Act). This indemnification obligation shall continue beyond the term of this agreement as to any acts or omissions occurring under this agreement or any extension of this agreement.
12. **EXECUTION IN COUNTERPARTS.** This agreement may be executed in counterparts such that the signatures may appear on separate signature pages. A copy of an original, with all signatures appended together, shall be deemed a fully executed agreement.
13. **SEVERABILITY.** If any provision of this agreement is held to be void, voidable, or unenforceable, the remaining portions of the agreement shall remain in full force and effect.
14. **INTERPRETATION.** The language of all parts of this agreement shall, in all cases, be construed as a whole, according to its fair meaning, and not strictly for or against either party.
15. **COMPLIANCE WITH LAW.** TCAG agrees to perform the services contemplated by this agreement in a professional and a competent manner and in compliance with all state or federal laws or regulations governing the services to be rendered pursuant to this agreement.
16. **BOARD APPROVAL.** The parties recognize that the effectiveness of this agreement is contingent upon approval by the Agency and TCAG.
17. **OTHER DOCUMENTS/ACTS.** The parties agree to work together diligently and to execute related documents and perform related acts necessary for the successful performance of this agreement.

AGREEMENT

College of the Sequoias Student Transit Pass Program

18. **ENTIRE AGREEMENT.** This agreement and its attachments, if any, constitute the entire agreement and understanding between the parties. There are no oral understandings, terms, or conditions, and neither party has relied upon any representation, express or implied, not contained in this agreement. All prior understandings, terms, or conditions are deemed merged into this agreement and its attachments.
19. **NOTICES TO PARTIES.** All notices to be given to the parties to this agreement shall be in writing and served by depositing same in the United States Mail, postage prepaid, registered or certified mail.

Notices to TCAG should be addressed to:

Tulare County Association of Governments  
210 N. Church Street, Suite B  
Visalia, CA 93291

Notices to Agency should be addressed to:

Agency  
Address  
Phone

IN WITNESS WHEREOF, the parties hereto have executed this agreement in duplicate the day and year first herein above written.

TULARE COUNTY ASSOCIATION OF GOVERNMENTS:

_____ Signature	_____ Date
_____ Ted Smalley, Executive Director	
_____ Name and Title	

AGENCY:

_____ Signature	_____ Date
_____ Name and Title	

APPROVED AS TO FORM  
COUNTY COUNSEL

_____ Signature	_____ Date
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# ***COS Student Transit Pass Program***



**Visalia City Council**  
**August 18, 2014**

# **Key Participants**

- **Tulare County Association Governments**
- **Tulare County Transit Providers**
  - *Dinuba Area Rural Transit (DART)*
  - *Tulare County area Transit (TCaT)*
  - *Porterville Transit*
  - *Tulare Intermodal Express*
  - *Visalia Transit*
- **College of the Sequoias**
  - *Brent Calvin, Vice President, Student Services*
  - *COS Students*

## **Evolution of the Program**

- March 2010 - TCAG's Unmet Needs process received comments requesting a student discount pass for Tulare County transit agencies
- Summer 2010 – Discussions held with COS regarding a joint student pass for Visalia and Tulare transit systems
- Summer 2010 – TCAG submitted a grant application to prepare a feasibility study of a student pass program (awarded in December)
- Fall 2010 – Tulare and Kings County transit agencies held discussions with COS regarding implementation of a student transit pass program
- January 2011 The Student Transit Pass Program trial semester starts.
- May 2011 – Transit Ridership on fixed routes in Tulare County increase by nearly 15% and the trial semester ends.

# **Evolution of the Program**

- Summer/Fall 2011 – Study begins analyzing transit data for participating transit agencies. In the Fall, surveys were conducted to seek feedback on the program and the perception of the program.
- August 2011 – Transit providers begin providing a second semester of service for the program.
- January 2013 – COS Campus in Tulare opens
- June 2013 – Transit Providers begin providing summer session transit services.
- 2011-2013 - Student Ridership grows at least of 10% each semester.
- June 2013 – Transportation between Visalia/Tulare COS Campuses is analyzed. Operating costs and revenues of the program are also analyzed and recommendations are made to make transit providers more whole.
- December 2013 – COS Board agrees to increase individual student contributions to \$1.00.
- May 2014 – COS Students vote to increase student contributions by \$5 each student.

# 2011 Study Survey Results

*As a part of the COS Student Transit Pass Program study, 12% of the student body at COS completed on-campus surveys in Spring 2011*

- 16% of students ride bus to school (*1 out of every 6 students!*)
- 409 students wouldn't go to school if transit was unavailable
- 695 students were new transit riders
- 52% of the Transit Pass users only use it to get to and from COS
- 98% of Transit Pass users rate the program very highly

*13% of student transit users completed ridership surveys!*

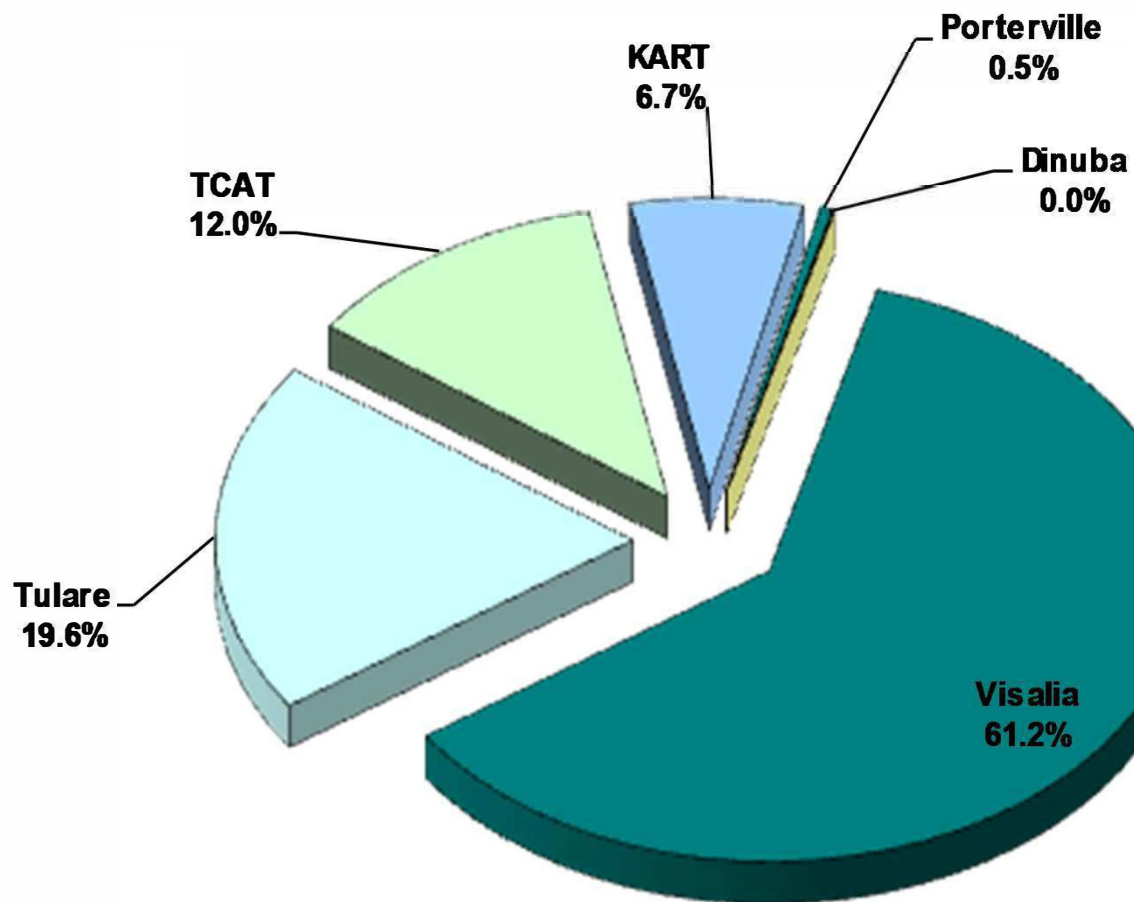
- 79% use the service daily
- 39% are new transit riders
- 37% began using bus because of the Transit Pass



# **Ridership**

- **COS Student Ridership numbers by semester**
- Spring 2011 – 115,199 passengers Jan-May (VT - 72,469)
- Fall 2011 – 154,614 passengers Aug-Dec (VT – 94,543)
- Spring 2012 – 152,725 passengers Jan-April (VT – 91,514)
- Fall 2012 – 177,601 passengers Aug-Dec (VT – 111,597)
- Spring 2013 - 166,144 passengers Jan-May (VT – 102,632)
- Summer 2013 – 9,670 passengers June-July (VT – 6,239)
- Fall 2013 - 188,121 passengers Aug-Dec (VT – 113,767)
- Spring 2014 – 178,159 passengers Jan-May (VT – 106,948)

## Ridership By Agency



- 61.2% of All COS Student Riders ride Visalia Transit

Agency	Total Ridership
Visalia	699,709
Tulare	223,915
TCAT	137,364
KART	76,502
Porterville	5,327
Dinuba	445
Total:	1,143,262

# Revenue

## Student Transit Pass Program Operating Statistics

Semester Ridership	Spring 2011	Spring 2014	Spring 2020
Student Ridership	72,469	106,916	222,594
% Change		47.5%	108.2%
<b>Average Fare Recovery/ride</b>			
COS	\$0.54	\$0.36	\$0.72
General system-wide Riders	\$0.68	\$0.67	\$0.71
<b>Fare Contribution</b>			
COS Students full-time	\$5.00	\$5.00	\$10.00
COS Students part-time	\$4.00	\$4.00	\$9.00
COS Administration Per Student	\$0.40	\$1.00	\$1.00

Full Time Students	8,000
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Part Time Students	1,700
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# Estimated Revenue Distribution

Agency	Total Ridership	Pass. Percentage	Ave. Miles per Pass.	COS Pass. Miles	Mileage Percentage	Pass Percentage/ Mile Percentage (combined)	Fare Share	Ave. Fare per Pass.
City of Dinuba	41	0.02%	1.32	53.93	0.02%	0.02%	\$11.34	\$0.28
City of Porterville	642	0.36%	0.69	443.43	0.18%	0.27%	\$136.01	\$0.21
City of Tulare	37,041	20.79%	1.14	42,234.98	17.50%	19.14%	\$9,571.65	\$0.26
<b>City of Visalia</b>	<b>106,948</b>	<b>60.03%</b>	<b>1.00</b>	<b>107,076.72</b>	<b>44.36%</b>	<b>52.19%</b>	<b>\$26,096.37</b>	<b>\$0.24</b>
Tulare County	21,548	12.09%	3.16	68,193.70	28.25%	20.17%	\$10,085.92	\$0.47
Kings County	11,939	6.70%	1.96	23,400.44	9.69%	8.20%	\$4,098.71	\$0.34
<b>Total</b>	<b>178,159</b>	<b>100.00%</b>	<b>-</b>	<b>241,403.19</b>	<b>100.00%</b>	<b>100.00%</b>	<b>\$50,000.00</b>	<b>-</b>

Available Revenues for Expansion: \$50,000			
Agency	Costs	Percentage/costs	Distribution
<b>City of Visalia</b>	<b>\$ 65,000</b>	<b>72.2%</b>	<b>\$36,111</b>
City of Tulare	\$ 15,000	16.7%	\$8,333
County of Tulare	\$ 10,000	11.1%	\$5,556
<b>Total</b>	<b>\$ 90,000</b>	<b>100%</b>	<b>\$50,000</b>

Visalia Share of  
Total Revenue: \$62,207.48

Total Student ridership based on Spring 2014 actual ridership. Ridership and revenues tend to be higher in the Fall. In addition, Summer ridership and revenues will also be collected. The City expects over double the amount shown for the fiscal year.

## **Staff Recommendation**

- Staff recommends approval of the COS Student Transit Pass Program agreement through Fall of 2020.
- Staff will continue to evaluate and work with TCAG to ensure it is a financially sound program.
- The City should continue to support TCAG in its efforts to seek grant funds to increase revenue.
- The revenue distribution formula to include average trip length and cost per passenger.
- Staff expects our share of the COS Revenue to more than double and it will cover all expenses from the program.

# Thank you

