

To: Operations and Scheduling Committee

Date: September 28, 2011

From: Anne Muzzini, Director of Planning and Marketing

Reviewed By: *Stub*

*AMM*

**SUBJECT: Dougherty Valley Agreement**

## SUMMARY OF ISSUES:

Agreement describes how one time developer fees are used to pay for transit service -- the Route #35. The County collects between \$431 and \$500 per unit as Gale Ranch and Windemere subdivisions are built. Originally the five year contract identified \$2,367,109 would be collected over the period and CCCTA guaranteed a level of service (30 minute headways on route #35). The contract term is up in December 2011 and the fees generated will fall short by approximately \$900,000. Fees fell with the economic downturn and the resulting slower build rate.

To continue the relationship whereby fees collected by the County are paid to CCCTA for Dougherty Valley service, County and CCCTA staff and counsel have arrived at the following agreements.

- Create a new agreement rather than extend the existing one.
- End the demonstration period for Route #35 and shift it into CCCTA purview and use available funding and system standards to inform service level decisions.
- Use fees to "buy" service improvement defined as service over the minimum level of 5,000 hours a year at a rate that starts at \$85/hr and increases at the CPI.
- The term will be until build out of the subdivisions.

Last year CCCTA was able to bill the County for \$158,000 in fees. This would buy 1,859 hours of service at the \$85/hr rate. Under the terms of the proposed agreement this would mean that CCCTA would provide at least the minimum of 5,000 plus the County "improvement" for a total of 6,859 hours of service. CCCTA has consistently provided more than this on the route #35 and as the route performs in the middle in terms of productivity, there are no plans to change service levels. Attached is the trend of receipts.

## RECOMMENDATIONS:

Staff recommends that the Committee support authorization of the general manager to enter into a new agreement with the County for Dougherty Valley transit service in accordance with the description above.

## FINANCIAL IMPLICATIONS:

A new agreement is necessary to continue the flow of Dougherty Valley developer fees to CCCTA for transit service. Fees have been declining since the 2008-09 year resulting in lower "outside" revenues to support the Route #35.

## OPTIONS:

1. Support staff recommendation
2. Other action as determined by the Committee

Dougherty Valley Developer Fees - Actual

FY 2008	461,228
Fy 2009	538,508
FY 2010	203,589
Fy 2011	158,000
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Total Billed and Paid	1,361,325
Total Contract Amount	2,342,110
Remaining	980,785