

To: Administration & Finance Committee

Date: 8/23/2018

From: Ruby Horta, Director of Planning & Marketing

Reviewed by: *WR*

SUBJECT: Route 5 Amendment

Background:

In 2014, County Connection entered into an agreement with the City of Walnut Creek to provide free fares on Route 5, similar to the agreement for Route 4. At the time, it was estimated that the fare subsidy would not exceed \$55,000. However, due to the success of the route, ridership continues to increase.

Staff at County Connection and the City of Walnut Creek have negotiated an amendment to the Route 5 agreement to account for the increase in ridership. County Connection's legal counsel has reviewed and approved the proposed amendment. Both parties agreed to extend the agreement on an indefinite basis, at an annual subsidy of \$131,058 a year to offset the fare revenue lost by providing all Route 5 passengers free rides.

County Connection and City of Walnut Creek will continue to monitor ridership on an annual basis and propose fare adjustments, as needed.

Financial Implications:

The City of Walnut Creek has agreed to increase its fare subsidy contribution for the Route 5 to \$131,058 per year.

Recommendation:

Staff recommends that the A&F Committee support the Route 5 amendment to increase the contribution from the City of Walnut Creek in an amount not to exceed \$131,058.

Action Requested:

Staff requests that the A&F Committee forward the proposed amendment to the Board, for approval at the September Board meeting.