

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
13	02/26/18	Open	Information	02/19/18

Subject: Jackson Corridor Transit Funding

## ISSUE

Developing a property-based funding program for future transit service to the Jackson Township development project and other new development areas in unincorporated Sacramento County.

## RECOMMENDED ACTION

None at this time.

## FISCAL IMPACT

None at this time.

## DISCUSSION

The County of Sacramento is currently working with four major developers to evaluate entitlement requests for four large master/specific planned developments in the Jackson Highway corridor, south of US-50 and Mather Airport, and east of South Watt Avenue (Jackson Corridor). Because this area is outside the County's Urban Policy Area (UPA) the County will only consider approval of each development if it meets one of the County's two "performance metrics," either Criteria-Based or VMT/Greenhouse Gas Emissions Reduction, in addition to other County requirements under General Plan LU-120.

One component of the Criteria-Based performance metric is the provision of transit service (existing or planned). Pursuant to this component, the County and the developers have been working on plans for long-term/perpetual funding of transit service through a property-based funding mechanism. SacRT staff has been assisting the County in designing potential routes, financial forecasts, etc. The General Plan does not specify that SacRT must be the operator of transit service used to meet the "transit" criteria; however, in early 2017, representatives of Jackson Township, one of the four proposed developments, expressed an interest in arranging for SacRT to be the designated provider and in establishing a fare pass program for future users of the service.

Implementation of a property-based funding program for future transit service would require Board action. The following report discusses key program attributes, considerations, and next steps for SacRT in pursuit of such a program.

## **Location and Size**

The four Jackson Corridor projects are situated along Jackson Highway and the nearby vicinity and are currently unserved by transit. Existing uses are primarily industrial and rural. The projects

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Approved:

Presented:

Final 02/21/18

General Manager/CEO

VP, Planning and Accountability

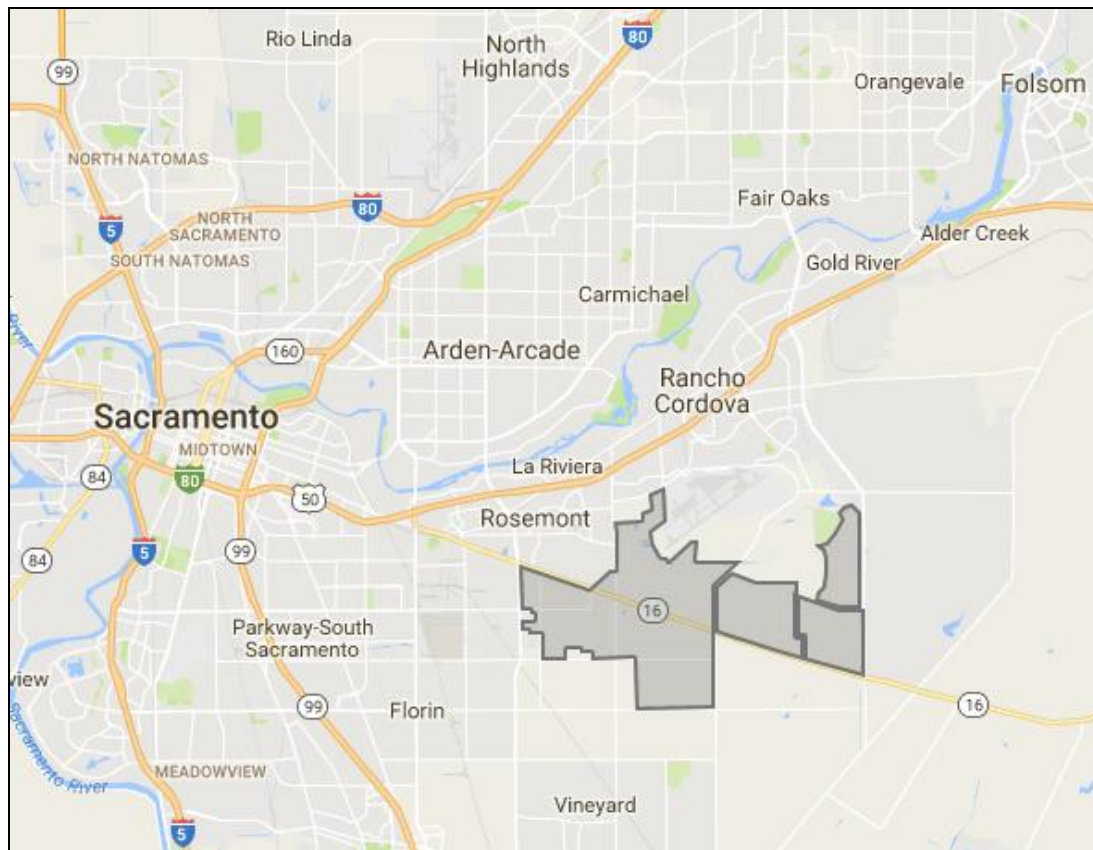
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would entail development of residential, office, commercial, and mixed uses, including an estimated 68,000 future residents at full build-out.

## Jackson Corridor Development Projects



From west to east, the West Jackson, Jackson Township, Newbridge, and Mather South developments are situated south of Rancho Cordova and east of South Watt Avenue.

### Future Transit Service

Under the County’s General Plan Criteria-Based performance metric for development outside the UPA, 65 percent or more of all residential units must be located within a half-mile of existing or planned transit service. Additional points are awarded for achieving higher percentages and for more frequent headways. All four project applicants have sought to develop a funding program to ultimately provide 15-minute peak headway transit service. To assist the developers and County staff, SacRT staff has evaluated the operating, capital, and paratransit requirements of providing service to each of the four development projects.

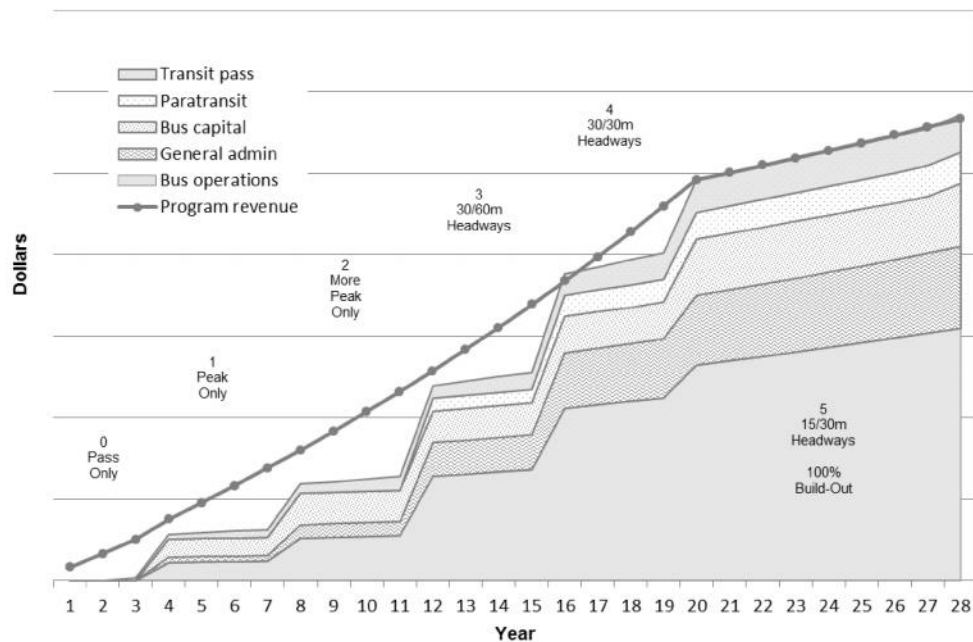
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## Phasing

Transit service to each development would be implemented in phases. For example, when fewer than 20 percent of building permits have been issued, the program would only fund transit passes (i.e., the program would not fund any bus service at first).

### Jackson Corridor Transit Fee Program Example Financial Forecast



Upon reaching 20 percent build-out of dwelling unit equivalents, program revenue would be sufficient to support peak-only bus service. At 40 percent build-out, SacRT would add additional peak-only trips and reverse-commute service. At 60 percent, SacRT would introduce all-day service with regular headways. Headways would be improved at 80 percent build-out. Finally, at full build-out, the route would have 15-minute peak headways, with 30-minute base headways.

## Funding Program

The proposed method for funding transit service is by establishing one or more property-based funding mechanisms, with funds from residential and non-residential properties collected by the County. Each development would have its own transit service plan and funding amounts. Prior to formation of the funding district, the transit service plan for each development would be designed to, at a minimum, meet the County General Plan requirements. Developers would also

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be able to agree to a higher level of service and/or inclusion of a transit pass program, above and beyond the General Plan basic requirements and at a marginally higher cost to property owners. The transit funding and service plan would be referenced in the developer’s financial plan as well as the Environmental Impact Report (EIR) for the development.

Based on existing forecasts, the total cost per year for transit service and pass programs for the four developments in the Jackson Corridor is estimated to exceed \$20 million per year by build-out. Cost estimates include operations, maintenance, paratransit, capital costs, general administration, as well as cost inflation.

### SacRT Contributions

Certain SacRT revenue sources correlate highly with population growth. These sources are included in the model and are treated as SacRT contributions. Additionally, the property-based funding program excludes the following cost categories, which would be borne by SacRT, separate from the program:

Evening/Weekend Service – The General Plan does not require new developments to fund evening or weekend service after 7:00 p.m. Provision of such service would be at the discretion of the SacRT Board and funded entirely by SacRT.

Connecting Service – If riders from the new developments caused overcrowding on *existing* SacRT bus or light rail routes, there are no provisions in the proposed funding program to compensate SacRT for the cost of additional vehicles and operators.

Spare Buses – The funding program, as contemplated, would fund only the transit buses needed for daily service. A spare bus ratio of 10 to 20 percent is standard for transit and would be supplied by SacRT.

### Transit Passes

For a slightly higher fee per dwelling unit equivalent, project developers would have the option of funding SacRT transit passes to create a more seamless experience for users. Passes would be available to all residents and all employees in the development, subject to certain restrictions (e.g., proof of residency). Eligible paratransit riders would be provided a comparable subsidy.

### Comparable Programs

The Cordova Hills development project in eastern Sacramento County provides an example of how a program such as this might work, with important differences. The plan for Cordova Hills included a property-based funding program for shuttle bus service to light rail; however, there were no provisions made to ensure that SacRT would be the provider of that service. In the case of Jackson Township, the development team has sought assurances that any transit fee go toward service that is fully-integrated with the SacRT system (e.g., including SacRT transit passes, integration of customer information, front-line personnel and supervisors, etc.). As a

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result SacRT and the County have contemplated entering into an agreement that provides for SacRT to be the “preferred provider” of this transit service.

## Title VI Considerations

Staff does not believe that a Title VI equity analysis is necessary until the time of implementation. Moreover, it is not possible to know the demographics of future residents, so SacRT could not prepare a Title VI equity analysis now or at the time of creation of the funding district.

## Next Steps

SacRT staff will finalize service plans and cost estimates for each development in the Jackson Corridor. Then, the proposed funding program(s) would be implemented through (an) agreement(s) between SacRT and the County, designating SacRT as the preferred provider for Jackson Township, and any of the other Jackson Corridor developments that wanted to designate SacRT as their preferred provider. This agreement would include the following key terms:

- Designation of SacRT as preferred provider
- Definition, terms, and conditions of preferred provider status
- Service levels and phasing
- Description of transit pass program
- Total cost of service
- Fee per dwelling unit equivalent
- Timing of fund collection and service implementation
- Inflation adjustments

# Property-Based Funding for New Development Areas

James Drake  
Principal Planner

February 26, 2018

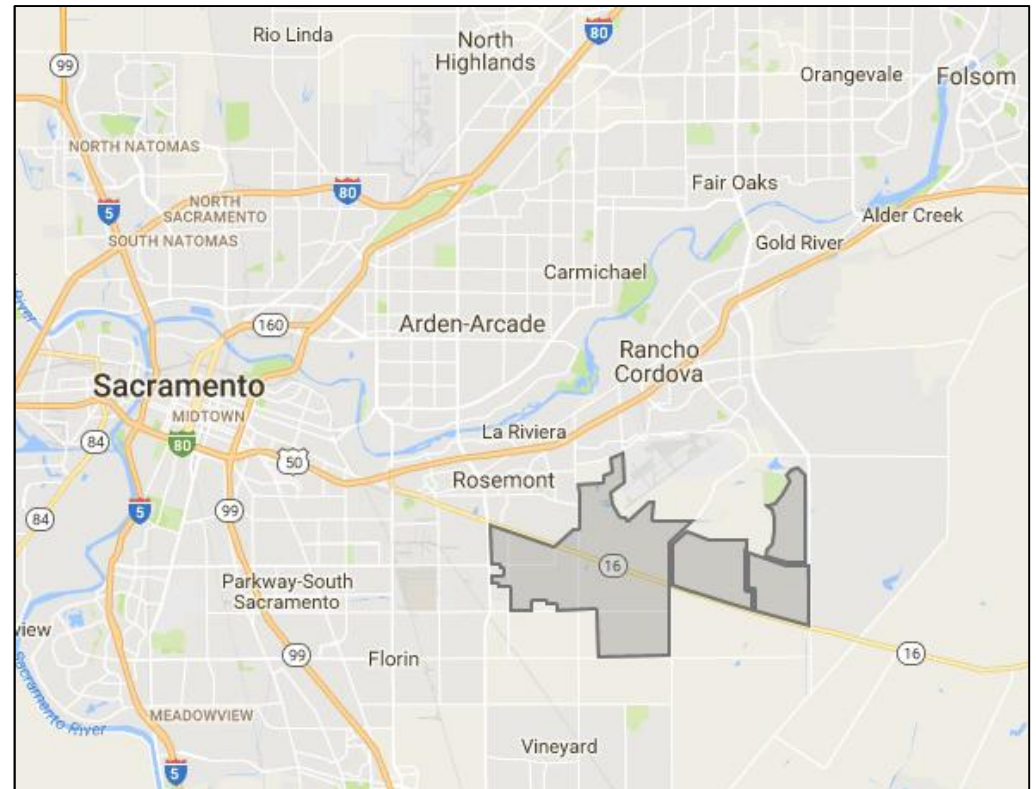
## Opportunity for SacRT

- Fiscal sustainability
- Seamless customer experience
  - SacRT-branded routes
  - Schedule integration
  - Fare integration
  - Customer service and information
- Establish good precedent
  - New growth should self-support services...including transit



## Location

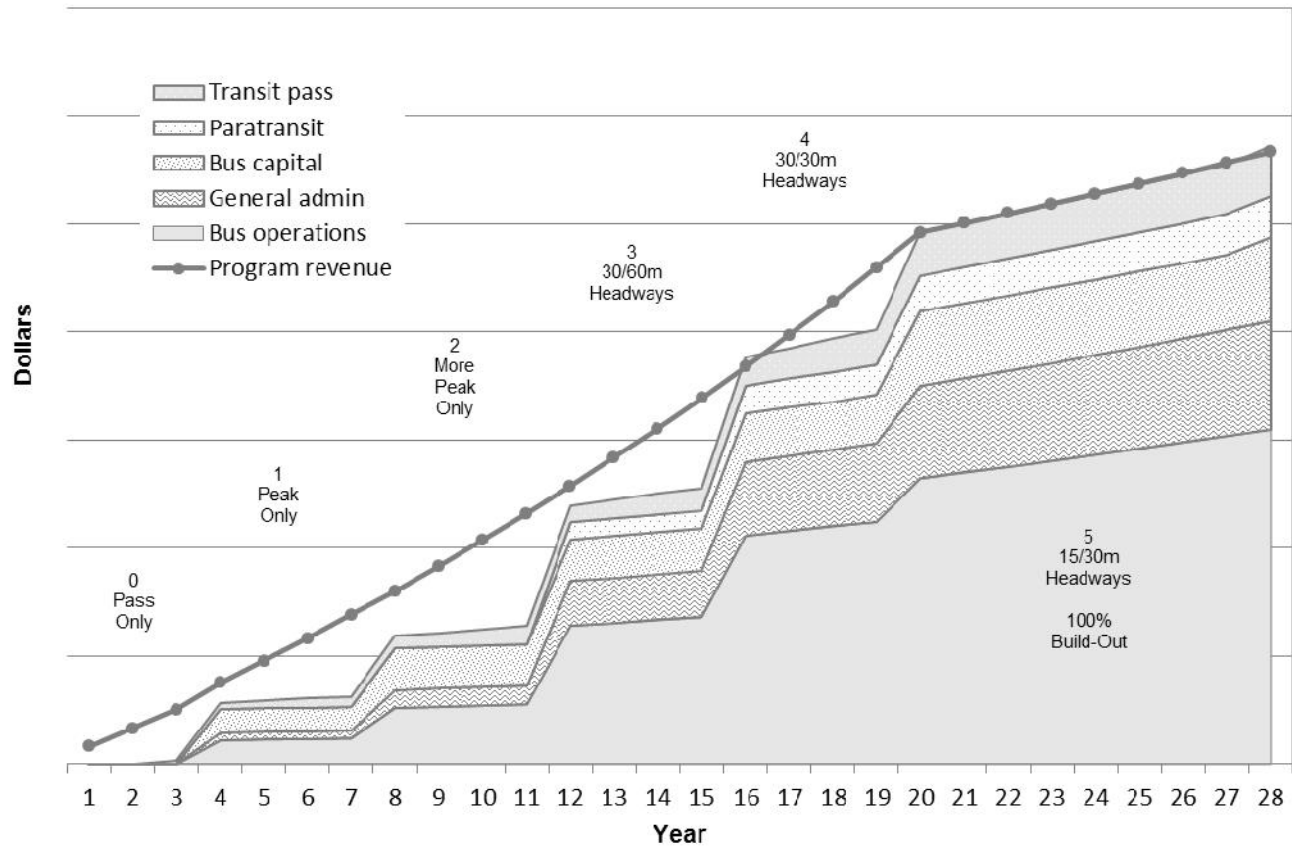
- Jackson Highway Corridor
- South of Rancho Cordova
- East of Watt Avenue
- Four major developments
- 68,000 estimated residents



*West Jackson, Jackson Township, Mather South,  
and Newbridge planned developments*

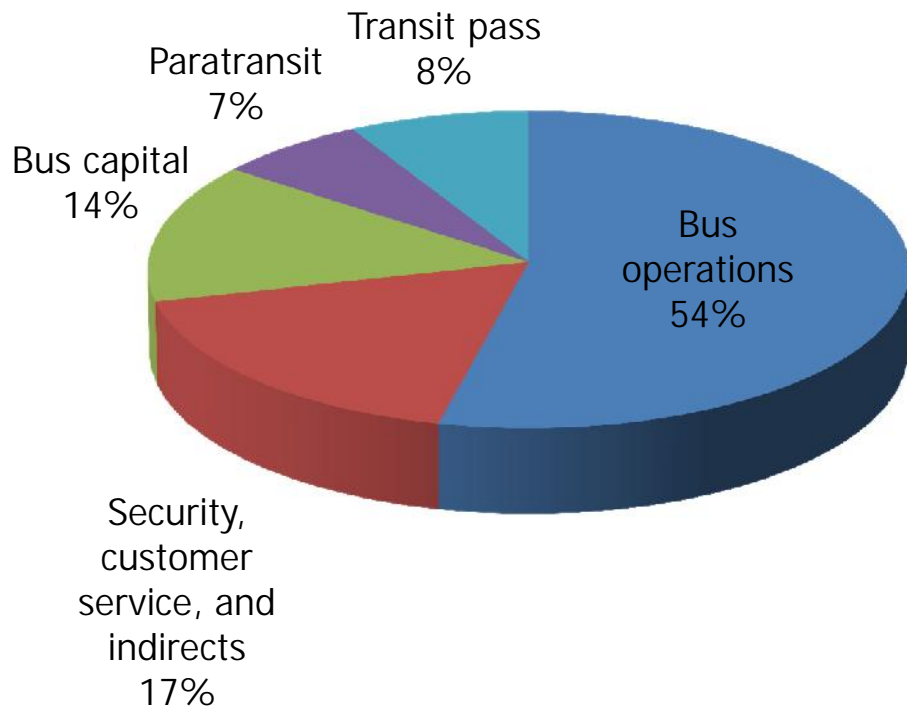


## Example Phasing Plan

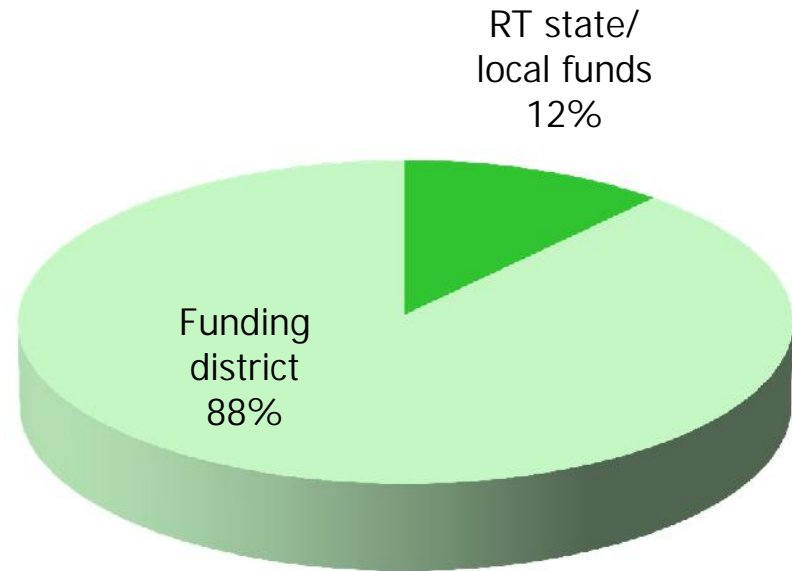


Note: Years 1-3 would be "Phase 0" and include transit passes only (to encourage driving to existing light rail park-and-ride lots)

### Expenses



### Revenues



Spare buses are contributed by SacRT but not shown as program revenues or expenses

## What Costs Would the Funding District Cover? Jackson Township Example

### Covered by Funding District:



Jackson Township Buses \*



Fares on  
Jackson Township Bus



Fares on  
Other SacRT Routes

### Covered by SacRT:



Late Night/Weekend Buses



Connecting SacRT Buses



Connecting SacRT Trains

\* Includes operating, capital, administration, and paratransit costs, less SacRT contributions (Local Transportation Fund and Measure A)