

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
3	11/12/18	Open	Action	11/07/18

Subject: Annexation of the City of Citrus Heights

ISSUE

Whether or not to conditionally approve the annexation of the City of Citrus Heights Transit Services into Sacramento Regional Transit District.

RECOMMENDED ACTION

Adopt Resolution No. 18 -11-____, Conditionally Approving the Annexation of the City of Citrus Heights Transit Services Into Sacramento Regional Transit District and the Associated Annexation Agreement.

FISCAL IMPACT

Budgeted: Yes This FY: \$ 3,785,417
Budget Source: Operating
Funding Source: Transportation Development Act
Cost Cntr/GL Acct(s) or Various
Capital Project #:
Total Budget: \$

The administration, planning, or capital improvement amount paid to Citrus Heights will increase from \$249,939 to \$275,000. This additional cost is assumed to be covered through the actual sales tax collections. In addition, if Citrus Heights assumes maintenance responsibility, SacRT will be obligated to pay Citrus Heights costs for the maintenance service, which might be in excess of what SacRT is paying for those services.

BACKGROUND

Since the City of Citrus Heights was incorporated in 1997, Sacramento Regional Transit District (SacRT) and the City of Citrus Heights (City) have had an Agreement in place whereby the SacRT has provided public transportation services in the city, including fixed route bus service, demand-response, and Americans with Disabilities Act (ADA) paratransit services. The most recent contract between the City and SacRT was established in 2015 and amended in 2017. The City has paid for SacRT public transit service using the dedicated transportation funds assigned directly to the City.

SacRT and the City recently partnered to launch the SmarT Ride demonstration project, which was the first microtransit on-demand transit service in the region, and one of the first in the country. SmarT Ride replaced the previous City Ride dial-a-ride service in the City. The popular service was later expanded through a grant from the Sacramento Transportation Authority to the

Approved:

Presented:

Final 10/07/18

General Manager/CEO

VP, Planning and Accountability

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neighboring communities of Orangevale, Antelope, and to the Historic Folsom light rail station, and additional zones will be added throughout SacRT’s service area over the next two years. SacRT and the City also provide several highly productive regional bus routes lines providing connectivity for City residents to major activity centers throughout the region. The success of these services demonstrates our strong partnership, and historic commitment to local and regional services, as well as innovation in the use next generation transit technologies.

DISCUSSION

Pursuant to Public Utilities Code (PUC) Section 102055, the City may annex to SacRT based on an agreement entered into between the legislative body of the City and the SacRT Board of Directors setting forth the terms and conditions of the annexation.

SacRT and City staff have met and conferred to bring this action to both the SacRT Board of Directors, and City Council for approval. SacRT and City staff recognize the tremendous benefits associated with the City’s annexation to SacRT, including the ability to compete more effectively for regional, state and federal funding, advancing the region as a whole.

Mutual goals for annexation include collaborative public transit, capital and infrastructure planning, safeguarding equivalent or better public transit service levels in the City in the future, ensuring flexibility in provision of local access transit service, including new or developing next generation transit technologies, and investments in new mobility options. SacRT’s ability to compete more successfully for regional, state and federal funding benefits the region as a whole; and

A similar item will be presented to the City Council for approval to annex to SacRT on December 13, 2018.

In addition to the specific deal points, the agreement includes commitments to SacRT and City priorities and overall goals. SacRT and the City recognize that public transit service provides vital mobility options for low income, seniors, students and disabled residents, and essential economic and environmental benefits through employment access, and reduced congestion and greenhouse gas reductions. The discussion below summarizes the significant business points in the Annexation agreement, which will serve as guidance for staff in near and long term planning and implementation efforts:

1. Annexation Agreement Effective Date

If annexation is approved by the SacRT Board of Directors and the City Council, the annexation will be effective January 1, 2019 and the 2015 Agreement will terminate. The SacRT Board of Directors would also adopt a new voting allocation, effective January 1, 2019, to be conducted in accordance with the procedure specified in Public Utilities Code Section 102105.1(d)(8). The proposed Annexation Agreement would increase the City’s voting shares by 5 votes, which are automatically allocated to any annexed jurisdiction. The remaining shares are based on financial contributions, which will vary depending on the annexation status of other jurisdictions.

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As of the effective date, because the City will be within the activated boundaries of SacRT, the City will be limited to claiming TDA funds for bicycle and pedestrian improvements in accordance with the TDA statute and Sacramento Area Council of Governments (“SACOG”) TDA Guidelines (currently 2% of the overall allocation).

2. Operation of Public Transit Service in the City of Citrus Heights

SacRT will continue to operate bus service along transportation corridors within the jurisdictional limits of the City, which includes maintenance and operation of vehicles and equipment, as well as related support services including procurement, marketing, security, customer service, planning and accounting.

During the term of the agreement, SacRT may recommend or implement major service changes that affect City bus service. Major service changes to intracity routes that operate primarily within the jurisdictional boundaries of City, including the level of Dial-a-ride service that existed prior to the implementation of Smart Ride, must be approved in writing by both the SacRT Board of Directors and the City Manager (except in the event of a system-wide reduction due to a reduction in revenues). If the City does not approve the service reduction, SacRT would be obligated to continue operating the service, even if it does not meet SacRT’s productivity standards. SacRT may make all other major service changes to City bus service without City approval, but must provide 60 days’ written notification to City of major service changes, and allow the City to comment verbally or in writing.

SacRT would include the 2018 Citrus Heights Transit Plan recommendations as part of the SacRT Forward effort and incorporate community priorities and service level standards for the City service area. The City and SacRT will further collaborate on SacRT Forward recommendations to ensure transit investment in the City is maintained at 2017 levels. In 2018, SacRT implemented expanded SmarT Ride service to replace the City Ride and should future funding become available for microtransit or similar services, SacRT will collaborate with the City to ensure an equitable investment in microtransit or similar services in the City.

SacRT and the City mutually acknowledge the need for connections to Roseville and other major activity centers in the SacRT service area; however, there are funding and jurisdictional challenges to immediately addressing this issue. SacRT is committed to exploring high capacity bus corridors within City in its upcoming High Capacity Bus Corridor study, tentatively scheduled to commence in early 2019.

As it relates to the methodology for measuring and tracking service, SacRT and the City will jointly determine on an annual basis the methodology for measuring and tracking City transit service, including travel times between major connections, such as access to Blue Line and Gold Line light rail stations.

3. ADA Complementary Service and Title VI Compliance

SacRT will continue to provide ADA required complementary paratransit service within City as

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specified under the federal regulations. SacRT is currently able to provide direct paratransit service to specific City of Roseville medical facilities (Kaiser and Sutter at Sunrise/Douglas) for City residents and agrees to maintain this service as long as it is allowed by the City of Roseville. If in the future, funding or service changes are implemented that impact demand-response services, then SacRT will work with the participating funding entities to equitably invest the available funding for demand-response services in the City. The City is responsible for compliance with ADA requirements for City’s facilities.

SacRT is responsible for complying with Title VI of the Civil Rights Act of 1964, in accordance with SacRT’s Service and Fare Change Policies.

4. Transit Support Fund and Ongoing Transit Investment

SacRT and the City will aggressively seek funding opportunities and apply for funding to provide ongoing investments in transit infrastructure, marketing and education, new mobility options and service enhancements consistent with such investments throughout SacRT. SacRT will ensure that the funds are equitably used throughout SacRT’s service area, including within the City, to the extent that using the funds within the City is compliant with the funding program.

The City and SacRT recognize the importance of marketing, travel training and community education in advancing public transit confidence and skill levels in the community. The City and SacRT will aggressively seek funding to invest in public transit training, marketing and education and program public outreach and education as part of the annual budget process each year.

Under the 2015 Agreement, the City is entitled to retain a portion of the TDA apportionment as an Administrative Fee. For Fiscal Year 2018/19, SacRT must pay the City an amount approximately one-half of the TDA Administrative Fee the City would have been entitled to claim for Fiscal Year 2018/2019 based on the 2015 Agreement (\$275,000). For each future fiscal year, SacRT will pay \$275,000 as the base payment, adjusted to match the percent increase or decrease of the budgeted TDA apportionment to the City for that Fiscal Year as compared to the Fiscal Year 2018/2019 base year apportionment. The funds paid by SacRT to the City must be used by the City annually for transit improvement planning, development, service, amenities, implementation and other transit related activities, including capital improvements. Upon written request by SacRT or its auditors, the City may be required to provide documentation that the funds were expended on eligible transit-related costs.

5. Records, Reports, and Meetings

SacRT staff will meet with City staff on a quarterly basis. The quarterly meeting will include, but is not limited to a review of system performance, upcoming changes or revisions to SacRT service, passenger complaints, and any other issues which to be addressed by SacRT and City staff.

6. Capital Projects, Improvements and Bus Stop Installation

The City and SacRT will enter into a separate agreement for capital projects, improvements and

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bus stop installation that will include cost sharing arrangements for capital projects, capital project planning, and bus stop placement procedures.

7. Bus Stop Maintenance

SacRT will be responsible for bus stop and shelter maintenance in the City and will clean each bus stop at reasonable intervals, at a minimum cleaning will be performed at the 2018 service levels set forth in SacRT’s vendor contract for shelter services and the cleaning schedule in place for SacRT staff. SacRT agrees to designate one full time equivalent employee who will be dedicated to the City for this purpose.

If during the term of the agreement, the parties determine that the City is better positioned to maintain the stops, or SacRT fails to meet the minimum performance standards, the parties may agree in writing for the City to assume maintenance of the stops and shelters. If the City assumes maintenance responsibilities, SacRT will reimburse the City for the cost of general maintenance responsibilities.

8. Detachment Legislation

Subsequent to the effective date of this Agreement but no later than 5 years after the effective date, SacRT will pursue legislation to modify Public Utilities Code Section 102056 to lower the threshold for detachment from SacRT from a 4/5ths non-weighted vote of the SacRT Board to a 2/3rds non-weighted vote of the SacRT Board.

RECOMMENDED ACTION

Staff requests that the Board conditionally approve the annexation of the City of Citrus Heights contingent upon the City approving same, and delegate authority to the Chair and General Manager/CEO to execute the Annexation Agreement.

RESOLUTION NO. 18-11-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

November 12, 2018

CONDITIONALLY APPROVING THE ANNEXATION OF THE CITY OF CITRUS HEIGHTS TRANSIT SERVICES INTO SACRAMENTO REGIONAL TRANSIT DISTRICT AND THE ASSOCIATED ANNEXATION AGREEMENT

WHEREAS, pursuant to Public Utilities Code Sections 102051 and 102055, the City of Citrus Heights may annex to the Sacramento Regional Transit District ("SacRT") subject to majority vote by the Board of Directors of SacRT and the City Council of the City of Citrus Heights regarding the terms and conditions of annexation.

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Board of Directors of the Sacramento Regional Transit District hereby approves the annexation of the City of Citrus Heights and the Annexation Agreement whereby Citrus Heights agrees to annex to SacRT and SacRT agrees to: (a) maintain the existing level of intracity fixed-route bus service; (b) work with Citrus Heights to pursue new capital funding sources; (c) maintain all transit assets and amenities, including dedication of one full-time equivalent employee to maintain of City transit amenities; (d) provide funding to City for transit-related expenses (initially in the amount of \$275,000 annually, increasing each year thereafter based on growth in Transportation Development Act revenues); and (e) pursue legislation enabling City to detach from SacRT on the basis of a 2/3rd majority unweighted vote of both legislative bodies, all as further set forth therein.

THAT, the Chair and General Manager/CEO are hereby authorized and directed to execute the foregoing Annexation Agreement, conditioned on approval by the City Council of the City of Citrus Heights, and take all actions necessary to effectuate the annexation.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary