

# REGIONAL TRANSIT ISSUE PAPER

| Agenda Item No. | Board Meeting Date | Open/Closed Session | Information/Action Item | Issue Date |
|-----------------|--------------------|---------------------|-------------------------|------------|
| 2               | 07/22/19           | Open                | Action                  | 07/09/19   |

Subject: Repeal Resolution No. 16-09-0103 and Approving a Reimbursement Agreement and Fare Equivalent Agreement with the Sacramento Kings

## ISSUE

Whether or not to repeal Resolution No. 16-09-0103, and approve (1) the Reimbursement Agreement for Golden 1 Center Employee Fare Badge Recognition and (2) the Fare Equivalent Agreement with Sacramento Kings LLC to Recognize a Connect Card with Employer ID as valid Fare Equivalent.

## RECOMMENDED ACTION

Adopt Resolution No. 19-07-\_\_\_, Repealing Resolution No. 16-09-0103 and Approving: (1) Reimbursement Agreement for Golden 1 Center Employee Fare Badge Recognition and (2) Fare Equivalent Agreement with Sacramento Kings Limited Partnership for Golden 1 Center Employees

## FISCAL IMPACT

|  |          |   |
|--|----------|---|
| Funding Source: Operating Budget                     | FY 2019: | \$184,925 - one-time payment<br>(Oct 16, 2018 - Feb 28, 2019) |
|  |          | \$20,800 - regular payment<br>(Mar 1, 2019 - Jun 30, 2019)    |
| (If approved, this will generate additional revenue) | FY 2020: | \$62,400  |
|  | FY 2021: | \$41,600  |

## DISCUSSION

Since September 2016, SacRT has been working with the City of Sacramento and the Sacramento Kings LLC (the "Kings") on mobility options for employees at the Golden 1 Center and surrounding areas. Due to limited parking availability downtown, it is logistically problematic for the 400-600 Golden 1 Center employees to park downtown. For weeknight events, employees go to work as early as 3:00 p.m., with some employees scheduled to work until 2:00 a.m. the next morning.

In September 2016, the Board adopted Resolution 16-09-0103, delegating authority to the General Manager/CEO to enter into an agreement with the City of Sacramento to recognize Golden 1 Center employee badges as valid fare equivalent for a one-year period, for a lump-sum payment of \$500,000. Due to complications in the negotiations between the City of Sacramento and the Kings, that agreement was never executed.

Approved:

Presented:

Final 07/15/19

General Manager/CEO

VP, Operations

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However, in the meantime, in anticipation of an agreement ultimately being finalized, SacRT continued to accept the Golden 1 Center employee badge as valid Fare Equivalent.

In addition to SacRT’s regular fixed-route service, which serves many Kings employees, to meet the unique needs of Golden 1 Center employees, SacRT’s fixed route service has been augmented to deviate from the existing Route 51 to serve satellite parking lots at W/X from 6<sup>th</sup> Street to 21<sup>st</sup> Street, along with increasing the span of service. The augmented Route 51 service is open to the general public and serves all of SacRT’s regular bus stops along the route.

In subsequent discussions with the Kings and the City of Sacramento, the parties determined that it would be better for SacRT to directly enter into an agreement with the Kings to pay fares for its employees. The Kings do not have a sufficient number of employees to qualify for a group pass or discount fare program under the Board’s adopted Group Pass policy (Resolution No. 05-06-012), which requires that the entity represent at least 1,000 persons. Staff may bring a proposal to the Board at a future date to revisit the group/discount pass criteria.

The Kings have offered to pay SacRT \$1.25 per ride for employees using SacRT service. This proposal helps both the City of Sacramento with parking issues in the downtown area and provides ridership and extra fares to SacRT. The Kings would be responsible for issuing special Connect Cards to employees that would not be loaded with fare media, but would be used for SacRT to monitor usage. The Connect Card would be valid as a Fare Equivalent only when used in conjunction with a Golden 1 Center ID Badge. It would be valid throughout SacRT’s system on all fixed-route and demand-response service. Each month, SacRT will invoice the Kings for each “tap” of the special Connect Cards.

The proposed actions would authorize a Fare Equivalent Agreement with the Sacramento Kings LP to accept employee badge with a special Connect Card as valid fare for Golden 1 Center employees on all SacRT service. The duration of the agreement would be for two years, commencing March 1, 2019 and ending February 28, 2021. The potential revenue estimated on current ridership figures is \$62,400.00 annually, based on \$1.25 per tap.

In addition, the agreement will provide for retroactive collection of payment from the Sacramento Kings LLC based on estimated ridership LP from October 16, 2016 - February 28, 2019. That will allow SacRT to collect payment in arrears totaling \$184,925.00.

Staff recommends repeal of the prior delegation of approval to enter into an agreement with the City of Sacramento and approval of two new agreements with the Sacramento Kings LLC.

RESOLUTION NO. 19-07-\_\_\_\_\_

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

July 22, 2019

**REPEALING RESOLUTION NO. 16-09-0103 AND APPROVING: (1)  
REIMBURSEMENT AGREEMENT FOR GOLDEN 1 CENTER EMPLOYEE FARE  
BADGE RECOGNITION AND (2) FARE EQUIVALENT AGREEMENT WITH  
SACRAMENTO KINGS LIMITED PARTNERSHIP FOR GOLDEN 1 CENTER  
EMPLOYEES**

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

THAT, Resolution No. 16-09-0103 is hereby repealed.

THAT, the Fare Equivalent Agreement between the Sacramento Regional Transit District, therein "SacRT," and the Sacramento Kings LP, therein "Kings," whereby SacRT agrees to recognize special Connect Cards issued to Golden 1 Center employees as valid Fare Equivalent when presented in conjunction with a Golden 1 Center employee ID and Sacramento Kings LLC makes payment to SacRT at a rate of \$1.25 per ride for each ride taken by such employees, for a two-year period, beginning March 1, 2019 and ending February 28, 2021, is hereby approved.

THAT, the Reimbursement Agreement for Golden 1 Center Employee Fare Badge Recognition by and between Sacramento Regional Transit District, therein "SacRT," and the Sacramento Kings LP, therein "Kings," whereby the Kings will make a retroactive payment of \$184,925 for SacRT's acceptance of the Golden 1 Center ID badge as valid fare media from October 2016 to February 2019, is hereby approved.

THAT, the General Manager/CEO is hereby authorized and directed to execute the foregoing Agreements.

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PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: \_\_\_\_\_  
Cindy Brooks, Assistant Secretary