

TO: James L. App, City Manager

FROM: Jim Throop, Director of Administrative Services

SUBJECT: Additional Fixed-Route Transit Service

DATE: March 5, 2013

Needs: For the City Council to provide direction on a Transit Service Agreement for additional local fixed-route transit service.

Facts:

1. Paso Robles LLC, a limited liability company of which the Paso Robles Housing Authority is a member, is seeking over \$21 million in funding for phase two of the Oak Park redevelopment (69 units). Phase One (80 units) of the project is currently under way. The funding being sought includes: tax credit allocation, San Luis Obispo County Home Funds, the San Luis Obispo Housing Trust Fund, commitment to the construction and permanent loans by Rabobank, Alliant as a tax credit equity partner, and a deferred loan from the City. This is a similar funding structure to phase one of the Oak Park redevelopment.
2. One of the scoring criteria for the California Tax Credit Allocation Committee funding application is the frequency of public transportation service within ¼ mile of the project. Service at least every thirty minutes between the hours of 7:00 to 9:00 a.m. and 4:00 to 6:00 pm on weekdays would warrant the highest rating for which the Oak Park project could qualify.
3. Local public transportation (Paso Express) stops are located within ¼ mile of Oak Park. However, these stops are served hourly.
4. Paso Robles LLC has requested additional transit service be provided in the vicinity of Oak Park during the hours of 7:00 to 9:00 a.m. and 4:00 to 6:00 p.m. weekdays, and is willing to provide funding to support the additional costs of this service. Such support would make the service cost-neutral for the City and protect the Farebox Recovery Ratio (FRR), the percentage of transit costs covered by transit fares. Staff has calculated the cost of the additional requested service at \$72,500 annually.
5. The additional service must already be in place when the tax credit application is submitted. The application is due March 6th. A successful application for funds in this grant cycle would enable the Housing Authority

to relocate residents of the phase two project area into the phase one area as it is completed, and proceed with the construction of phase two.

6. City Transit has sufficient vehicles and drivers to provide the additional service. Addition of this service could reduce crowding on other transit routes during peak times and aid transfers.
7. The duration of the additional service would be determined by Paso Robles LLC and the City. If the tax credit application application is not approved, the additional service could be terminated.
8. Paso Robles LLC and City staff have prepared an Agreement defining the service to be provided and the financial support by the Housing Authority for that service.

Analysis &
Conclusion:

Approving and implementing the additional transit service would increase the likelihood of funding being approved for the Oak Park phase two redevelopment. Securing funding in this application cycle would reduce disruption from the relocation of residents in Oak Park in connection with the redevelopment construction. The proposed Agreement would not negatively impact the transit system's financial performance.

Fiscal
Impact:

The additional service would be cost-neutral to the City. The City's General Fund would not be affected. Should the housing financial support for the project not be approved, then the additional transit service could be terminated as it would no longer be needed.

Options:

- A. Approve Transit Service Agreement with Paso Robles LLC to provide additional fixed-route service and direct transit staff to implement the service for the cost of \$72,500 per year, or
- B. Amend, modify or reject the above option

Transit Service Agreement

This agreement ("Agreement") dated 2/26/2013 between the City of El Paso de Robles ~~Transit Department (Provider~~ ("City") and Paso Robles LLC. ("Owner") is effective on 3/4/2013. ~~This agreement shall provide services to~~

Recitals

~~the new~~ A. Owner is in the process of developing the first phase of a transit-oriented affordable housing project called Oak Park ~~Development which is a transit-oriented development and is currently beginning Phase One, which will have a total~~ of four phases. These new developments will double the number of affordable housing units in this area of town, increasing the demand for transit in the City of Paso Robles.

B. The purpose of this Agreement is to assure that additional transit services shall be provided to the residents of Oak Park.

Agreements

1. The ~~Provider~~ City's transit service currently provides multiple stops ~~hourly~~ within ~~¼ one-~~ quarter mile of the existing facility, Monday - through Saturday. These stops are located at 24th Street and Spring Street, 28th Street and Spring Street, and 30th Street and Spring Street. ~~This agreement would~~ Owner desires that the City increase the service to and from these stops to once every thirty (30) minutes between the hours of 7AM -9AM and 4PM – 6PM, Monday –through Friday.

2. In exchange for the provision of the above referenced ~~additional~~ service, ~~the~~ Owner agrees to pay to City the additional operating costs, less net revenue collected by riders at those stops and hours. The expected gross associated costs are outlined in Exhibit A and ~~will~~ shall be ~~payable~~ paid be paid to City on a quarterly basis (or \$18,125), less net revenue (as determined by City), starting June 1, 2013 and quarterly thereafter until such time as this agreement terminates. Additionally ~~the provider will~~ City agrees to post the new services being provided under this Agreement on the Paso Express website and Riders Guide brochures.

3. Additionally, Owner agrees to purchase Paso Express transit fare media for use by the residents of Oak Park. Quantities of fare media purchased plus passenger revenue on the additional service shall total 20% of operational costs for the service provided. Fare media purchased will be included in passenger revenue totals for calculation of net operating costs. ~~The combination of invoicing~~ It is intended that the total annual aggregate cost to Owner for support of the additional transit services, passenger fares, and fare media purchases by Owner shall not exceed \$72,500 annually per the attached Exhibit A.

4. Term/Termination:

The term of this agreement shall be for a period of one (1) year. This Agreement ~~shall~~may be renewed with the consent of both parties thereafter on a year-to- year basis unless terminated with thirty days advance written notice to the other party.

~~Except~~Notwithstanding anything to the contrary in this Agreement, in the event the application for Phase II of the Oak Park # apartments does not receive ~~a~~an approved reservation of Federal and State Low Income Housing Tax Credits from the California Tax Credit Allocation Committee (TCAC) for the project in ~~round one~~the review of applications due March 6, 2013, the Owner may terminate this Agreement. The Owner agrees to pay ~~Provider~~City all net cost and expenses to the effective termination date.

IN WITNESS WHEREOF, the undersigned have executed this Agreement effective as of the date first written above

Dated: February 26, 2012

City of El Paso De Robles

By:

Dated: February 26, 2013

PR, LLC
A California limited Liability Company

By: Monterey County Housing Authority
Development Corporation, a California
Nonprofit public benefit corporation
Its: Managing Member

By: Starla Warren, President

Dated: February 26, 2013

Housing Authority of the City of Paso Robles,
A California public body corporate and politic
Its: Member

By: Armando Corella, Executive Director

Exhibit A

Annual cost for providing additional service

Operations Contractor	\$33,500.00
Vehicle Maintenance	\$19,500.00
Admin/Overhead	\$9,500.00
Fuel	\$6,500.00
Other/Misc	\$3,500.00
Total	\$72,500.00

Summary Report: Litera Change-Pro ML 6.5.0.313 Document Comparison done on 3/3/2013 4:35:40 PM	
Style Name: Default Style	
Original Filename:	
Original DMS: iw://iManage/iManage/7847715/1	
Modified Filename:	
Modified DMS: iw://iManage/iManage/7847715/2	
Changes:	
<u>Add</u>	51
Delete	25
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	0
Table Delete	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Total Changes:	76

RESOLUTION NO. 13-xxx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF EL PASO DE ROBLES
APPROVING AGREEMENT PASO ROBLES, LLC FOR ADDITIONAL FIXED-ROUTE TRANSIT
SERVICE FOR OAK PARK PROJECT

WHEREAS, the City of El Paso de Robles provides transit services to the general public, and

WHEREAS, Paso Robles LLC, a California limited liability company, is the master developer of the Oak Park public housing project and an affiliated entity, Oak Park I, L.P. is in the process of developing phase I of the project; and

WHEREAS, Paso Robles LLC (or its affiliate Oak Park II) is submitting an application for tax credit approval to the California Tax Credit Allocation Committee related to Phase II of the Oak Park project and in connection with that application, has requested that additional transit service be assured for future residents of the Oak Park project; and

WHEREAS, Paso Robles LLC has assured that it would pay for the additional costs of providing the additional service; and

WHEREAS, implementation of additional service would improve the chances of approval of an application for funding of the Oak Park redevelopment (phase two) being secured,

NOW THEREFORE BE IT RESOLVED by the City Council of the City of El Paso de Robles that the Transit Service Agreement is approved in substantially the form attached hereto as Exhibit A and incorporated herein by reference, subject to any additional changes as may be required by the City Manager and City Attorney.

PASSED AND ADOPTED by the City Council of the City of El Paso de Robles this 5th day of March, 2013 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

Duane Picanco, Mayor

Caryn Jackson, Deputy City Clerk

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- B. The purpose of this Agreement is to assure that additional transit services shall be provided to the residents of Oak Park.

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Notwithstanding anything to the contrary in this Agreement, in the event the application for Phase II of the Oak Park apartments does not receive an approved reservation of Federal and State Low Income Housing Tax Credits from the California Tax Credit Allocation Committee (TCAC) for the project in the review of applications due March 6, 2013, the Owner may terminate this Agreement. The Owner agrees to pay City all net cost and expenses to the effective termination date.

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