

Santa Barbara City Agreement No.

TRANSPORTATION MANAGEMENT AND TRANSIT SERVICES  
MASTER AGREEMENT

City of Santa Barbara &  
Santa Barbara Metropolitan Transit District  
July 1, 2017 – June 30, 2022

THIS AGREEMENT, entered into this \_\_\_\_\_, by and between the

City of Santa Barbara (hereinafter referred to  
as the "City")

and

Santa Barbara Metropolitan Transit District  
(hereinafter referred to as the "District"),

for the support and subsidy of transit services within the City of Santa Barbara, California,

WHEREAS, the District is established and existing under Part 9, Division 10, of the California Public Utilities Code, codified at Sections 95000-97100, and empowered to provide public transportation service in the South Coast of Santa Barbara County; and,

WHEREAS, in cooperation with the District, the City has contributed to the design and acquisition of distinctive theme electric vehicles (hereinafter referred to as "EVs") and has continuously supported transit services within the City under agreement with the District; and,

WHEREAS, the City and the District desire to promote a "Park Once" concept and encourage persons in the Central Business District (CBD) and the Waterfront to park once in City-operated parking lots and utilize the Downtown-Waterfront Shuttle; and

WHEREAS, the City and the District agree that connectivity between the CBD and the Waterfront is essential to the long-term vitality of the City; and

WHEREAS, with funding provided by the City, the District will conduct a feasibility study to explore expansion of the "Park Once" concept and the Downtown-Waterfront Shuttle to include the Funk Zone; and

WHEREAS, the City and the District agree to work collaboratively to implement, market, and promote new technologies in the EVs and City-operated parking lots to encourage ridership and promote the "Park Once" concept; and

WHEREAS, the City has arranged to provide a portion of the City's revenues for transit services; and,

WHEREAS, the City is willing to dedicate portions of such funds to subsidize the District from the funds identified for such use in order to maintain District shuttle services; and,

WHEREAS, the City has implemented a Transportation Management Program (TMP) to improve traffic circulation and parking in the City's CBD and Waterfront area; and,

WHEREAS, the City has implemented a Transportation Management Program (TMP), as a mitigation measure for the Central City Redevelopment Project Area to reduce vehicle trips in the CBD; and,

WHEREAS, the TMP consists of shuttle service in and around the CBD, and at present has two components:

- a) The first component consists of shuttle service along State Street (State Street Service); and,
- b) The second component consists of shuttle service between the CBD and the Waterfront area (Waterfront Service), as a tourist connection under Highway 101; and,

WHEREAS, the City and District recognize that:

- a) Ease of circulation is critical to the economic vitality of the City's CBD and Waterfront; and,
- b) Current and planned developments in these areas of the City will result in greater transportation demand in the CBD and Waterfront; and,
- c) The City's Circulation Element of the General Plan, the Central City Redevelopment Plan and EIR, the TMP, and the Santa Barbara County Air Quality Attainment Plan support expansion of public transportation service as a method of achieving federal air quality standards and mitigating adverse impacts of vehicular travel; and,
- d) Expanded public transportation service will facilitate greater economic vitality in the CBD and Waterfront while improving air quality and traffic congestion problems; and,

WHEREAS, the City recognizes that the District is the agency empowered by state statute to provide public transportation service in the South Coast of Santa Barbara County, including the City of Santa Barbara, and the City also recognizes that the District has the equipment, vehicles, experience, and expertise necessary to provide or cause to be provided high-quality shuttle service, which meets the objectives of the City's TMP; and,

WHEREAS, pursuant to the provisions of this Agreement, the City provides funding to enable discounted and/or free fares for shuttle service along the State Street and Waterfront routes; and,

WHEREAS, the District Board of Directors has adopted a policy which requires that fares be charged to passengers on District's public transportation services.

NOW, THEREFORE it is mutually agreed between the Parties that:

1. Downtown-Waterfront Shuttle Service

The District shall provide the Downtown-Waterfront Shuttle service utilizing EVs. The Downtown-Waterfront Shuttle provides service on State Street between Stearns Wharf and Sola Street, and on Cabrillo Avenue between East Beach and the Harbor. The District shall provide between 13,364 and 14,849 hours of service, which will be provided annually from July through June, unless the range of hours of service is adjusted as described in Section 10 below. The City shall provide the District a fare buy-down subsidy under the following terms and conditions:

- a) For the period of July 1, 2017 to June 30, 2018, the City shall provide to the District a total subsidy not to exceed \$1,240,392 for operation of the Downtown-Waterfront Shuttle. Requests by the City for additional city-related service will be billed at a rate of \$83.54 per hour.
- b) For the period of July 1, 2018 to June 30, 2019 and each fiscal year thereafter, the annual total subsidy and billing rate shall be adjusted by that percentage of such amount as shall not exceed the increase in the Consumer Price Index reported for the January immediately preceding the start of the service year over the Base Index, provided herein. The sum so calculated shall constitute the new total subsidy hereunder but in no event, shall any such subsidy be less than the total subsidy payable for the year immediately preceding the subsidy adjustment. The Consumer Price Index to be used shall be the U.S. Department of Labor Consumer Price Index for All Urban Consumers, All Items, for Los Angeles – Riverside – Orange County (1982-84 = 100). The Base Index shall be such Consumer Price Index, as reported for January of each year. Said payments to the District shall be made by the City monthly preceding each month of operation.
- c) Requests by the City for additional service on behalf of a third party, such as cruise lines, etc., shall be billed at the District's budgeted system operating rate for the appropriate fiscal year. The system operating rate will be calculated by dividing the operating expense budget by the number of budgeted revenue hours. With the agreement of both parties, District costs for additional service on behalf of a third party, in addition to the system operating rate, shall be billed at the District's calculated overhead rates for the appropriate fiscal year.
- d) The District shall apply the estimated fare box revenue from the prior month as a credit to the monthly invoices, thereby reducing the City's financial responsibility for the services specified herein. The monthly invoices will reflect 1/12<sup>th</sup> of the then-effective total annual fiscal subsidy, less estimated fare box revenue from the prior month.
- e) For the District to qualify for the City's fare buy-down subsidy, Downtown-Waterfront Shuttle service shall be provided with a fare not to exceed 50¢ per trip (excepting free fares for children under 45 inches in height, and free transfers

from other Downtown-Waterfront Shuttles) unless a change in fare is made based on mutual consent of both parties. With the consent of both parties, promotional programs such as free fare days may be offered.

- f) The City shall make payments to the District as provided in Section 8.
- g) The District shall “brand” the EVs in a manner that distinguishes them from other District services and is in keeping with the character of the City. The brand shall be developed by the District and approved by the Public Works Director.

## 2. The District’s Right Not to Perform a Service Where Subsidy Is Not Provided

If the District determines to perform the additional services, the City shall make the subsidy described herein available to the District according to the provisions of this Agreement. The District is not required to perform any service for which a subsidy is not provided as is specified under the terms, conditions, and limitations provided herein.

## 3. The District’s Discretion Over Services

The District shall be responsible for developing routes, hours of operation, days of operation, and headways appropriate to maintain such services. The District shall retain sole responsibility and full discretion for the planning, management, administration, maintenance, and operation of such services, including hours, location, headways, equipment, personnel, advertising, and services. At least 60 days prior to any significant change of route and/or schedule, District shall work cooperatively with City staff. The District may provide such services with District personnel and resources, through third party contracts for all or part of such services, or by other agreements, at the sole discretion of the District. The District shall each year conduct any and all necessary public hearings to develop the routes, days, hours, headways, and methods of operation appropriate for such service.

## 4. Annual Report

The District shall provide an annual report on the Downtown-Waterfront Shuttle to the City by August 15<sup>th</sup> of each year or as soon thereafter as feasible, stating total fares collected, ridership, and actual revenue hours. This report shall also include historical annual ridership and annual fare box revenue for the previous ten years, and include at least the following:

- a) Actual revenue hours;
- b) Ridership per revenue hour;
- c) Monthly fare box revenue;
- d) Total ridership;
- e) Explanation of any variances between the ridership totals and the fare box revenue;
- f) Historical comparison of ridership detailed on a monthly basis;
- g) Historical comparison of fare box revenue detailed on a monthly basis;
- h) Air quality benefits due to greenhouse gas reductions;

- i) Summary of marketing and promotional activities exclusively specific for the Downtown-Waterfront Shuttle service;
- j) Summary of marketing and promotional activities that mention the Downtown-Waterfront Shuttle service, as part of general District marketing activities; and
- k) Summary of constructive comments received from customers regarding Downtown-Waterfront Shuttle service, including complaints, commendations, and suggestions for change.
- l) The District shall provide an annual report regarding the number of daily and afternoon peak hour trips mitigated by the Crosstown Shuttle, Line 4-Mesa/SBCC, and the enhanced peak-period service on Lines 1 & 2. Said report shall be delivered to the City on the 15<sup>th</sup> of August or as soon thereafter as feasible.

The district shall also provide monthly reports on the Downtown Waterfront Shuttle to the City that detail the operation of the service provided. Such reports shall be in the current format or a format mutually agreed upon by both parties. The monthly reports shall be submitted to the City by the 15<sup>th</sup> of each month or as soon thereafter as feasible for the preceding month.

5. Placement of the City Seal on Electric Vehicles

The District shall place on all EVs regularly operated on the Downtown-Waterfront Shuttle the City Seal, which shall be displayed in a prominent location. The District shall use the City seal wherever appropriate and reference the City as providing a fare buy-down subsidy in all written marketing material solely related to the aforementioned services distributed to the public, which shall include, but not be limited to schedules, annual reports, and District budget.

6. City Advertisement On Electric Vehicles

The City shall be able to advertise City programs using exterior space on all EVs regularly operated on the Downtown-Waterfront Shuttle at no cost, utilizing the ad space that is not able to be sold by the District to other paying customers. It is understood that the City ads may be displaced if the ad space is sold. Such ads will follow the District's general advertising policy. The City shall pay the actual cost for the preparation and installation of the artwork.

7. Air Emission Credits

Any air emission credits (under the Clean Air Act, under any California regulations, and under any regulations of the Santa Barbara County Air Pollution Control District) which are generated or available by reason of the use of EVs shall be credited to the District. The District shall assess the reasonable value of such air emissions credits, record their development and value, and keep account of the value of such credits on a generally recognized accounting basis.

8. City Payment Provisions and District Recordkeeping

The City shall pay subsidy payments monthly to the District in response to invoices in the usual City format, approved by the City Public Works Department. The payments shall be made within sixty days of receipt of the District's invoice. The District shall keep and maintain financial records of all services that receive such subsidy on a generally recognized accounting basis. The District shall maintain such records for at least five years following the date such services were provided. All such financial records shall be made available to City agents and employees for review and audit during regular business hours. The District shall provide the City with a written annual report describing and quantifying the services that have received a subsidy for the preceding year, with a detailed report of all the costs of the services provided.

9. Adjustments to Services

Any changes, adjustments, increases, reductions or losses of service by reason of new or lost funding sources shall be on the basis of the hourly rate described in the appropriate section of this Agreement of qualifying shuttle service or other service subsidized by the City. Any increase in the number of service hours provided will be based upon costs approved in writing by the District General Manager and the City Public Works Director. Changes in service, operational provisions, specifications, schedules, fares, and location of services, required to meet unforeseen changes in demand, unforeseen funding restrictions, or the availability of additional funds for enhanced service shall be made on 90 days' advance written notice.

10. City Funding Not Guaranteed

The obligation of the City to provide funds hereunder shall be subject to the condition precedent that funds for said services are approved in applicable budgets and appropriated to the City for such services, and subject, further, to the receipt of such funds for use as provided herein. In the event that the City notifies the District by the end of November that funding for the following fiscal year is insufficient to provide annual hours of service that fall within the range in Section 1 above, District shall work cooperatively with City staff in December to develop a mutually agreeable solution for the following fiscal year.

11. Termination

The City reserves the right to terminate the service described in Section 1 of this agreement for any reason; however, the City shall provide at least 90 days' written notice to District of any such decision. District reserves the right to suspend and/or terminate the service described in Section 1 at any time for any reason; however, District shall provide at least 60 days' written notice to the City of any such decision.

12. Indemnity

Neither the District nor any officer or employee thereof shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by the City under or in connection with any work, authority or jurisdiction delegated to the City herein. It is also agreed that, pursuant to California Government Code Section 895.4, the City shall fully indemnify and hold the District harmless from any liability imposed for injury (as defined by