



# City of Norman, OK

Municipal Building  
Council Chambers  
201 West Gray  
Norman, OK 73069

## Master

**File Number: K-1920-30 AMD #2**

<b>File ID:</b> K-1920-30 AMD #2	<b>Type:</b> Contract	<b>Status:</b> Consent Item
<b>Version:</b> 1	<b>Reference:</b> Item 24	<b>In Control:</b> City Council
<b>Department:</b> Public Works Department	<b>Cost:</b>	<b>File Created:</b> 11/27/2019
<b>File Name:</b> Amendment No. 2 to Embark Agreement Extending Free Fare Period		<b>Final Action:</b>

**Title:** AMENDMENT NO. TWO TO CONTRACT K-1920-30: BY AND BETWEEN THE CITY OF NORMAN, OKLAHOMA, AND THE CENTRAL OKLAHOMA TRANSPORTATION AND PARKING AUTHORITY (COTPA) D/B/A EMBARK EXTENDING THE CONTRACT OF THE TRANSITIONAL FREE FARE PERIOD UNTIL NO LONGER THAN JUNE 30, 2020, FOR PUBLIC TRANSPORTATION AND AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO AGREE TO THE END DATE.

**Notes:** ACTION NEEDED: Motion to approve or reject Amendment No. Two to Contract K-1920-30 with COTPA d/b/a Embark extending the free fare period for public transportation until no later than June 30, 2020; and, if approved, authorize the execution thereof and the City Manager or his designee to agree to the end date.

ACTION TAKEN: \_\_\_\_\_

**Agenda Date:** 12/10/2019

**Agenda Number:** 24

**Attachments:** City Council Staff Report, Amendment No 2 to K-1920-30, Amendment No 1 to K-1920-30, K-1920-30

**Project Manager:** Kristina Bell, Assistant City Attorney

**Entered by:** kristina.bell@normanok.gov

**Effective Date:**

### History of Legislative File

Version:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:

### Text of Legislative File K-1920-30 AMD #2

Body

**BACKGROUND:** On July 30, 2019, City Council approved Contract K-1920-30, an Interlocal Agreement with the Central Oklahoma Transportation and Parking Authority (“COTPA”) d/b/a EMBARK, public trust, for the provision of public transportation services. That agreement

provided that Embark would not charge Norman citizens fare from August 5, 2019, through October 31, 2019. On October 22, 2019, City Council approved Amendment No. 1 to Contract No. K-1920-30 extending the free fare period to December 31, 2019. This amendment would extend that free fare period for a longer period of time not to extend beyond June 30, 2020, unless the parties agree to an earlier date to end the free fare period.

**DISCUSSION:** Embark began operation of the City's fixed route bus transportation system on August 5, 2019, and then took over the City's paratransit operations on October 1, 2019. Contract No. K-1920-30 provided that Embark would not charge fare from August 5, 2019, through October 31, 2019. This agreement also provided that the City and Embark would begin the planning process of undertaking to change the fares in the City of Norman service area to those charged by Embark for other service areas.

The most recent transit fare increase (when the University of Oklahoma's Cleveland Area Rapid Transit or "CART" was operating the public transportation system) was in 2014 when fixed-route single trip fares were raised from \$.50 to \$.75, Sooner Express single trip fares from \$2.25 to \$3.00, monthly passes from \$20 to \$25, Paratransit Zone 1 fares from \$1 to \$1.50, Paratransit Zone 2 fares from \$2.50 to \$3.50, and Paratransit Same-Day Urgent fares from \$2.50 to \$3.50.

The City Council Community Planning and Transportation Committee (CPTC) discussed the City's public transportation fares at its September 26, 2019, meeting. The CPTC discussed the comparison of the Norman area fares CART had been charging versus the higher fares Embark charges for the Oklahoma City service area. The CPTC also discussed the annual estimated fare revenue of \$114,000 (\$54,000 cash fare, \$6,000 fixed-route pass sales, \$19,000 from paratransit \$15 punch cards, and \$35,000 from allocated funds for CDBG bus passes) and the estimated cost of upgrading fare technology of \$360,000 in one-time upgrade costs for the purchase and installation of modern fare boxes and adding new fare collection infrastructure to the transportation facility, in addition to estimated ongoing annual costs of \$62,000 for the estimated sublet repairs of electronic fare boxes and the estimated cost to hire a security company to transport fares.

In the past, CART chose a more fundamental fare box and decided not to upgrade to a more modern fare box due to the cost of the changes and the relatively small amount of revenue. City Staff noted at the CPTC meeting that the cost of upgrading to more modern fare boxes is expensive. It was pointed out that free fare can save capital costs of fare box improvements and potentially increase ridership, but the operational costs of paratransit could also increase with higher ridership. Staff also noted that fare increases could generate more revenue to help offset these higher costs, but fare increases could also lead to a decrease in ridership. While researching, staff found that a rough estimate could be that for every 3% increase in fare, there is a 1% decrease in ridership. After this meeting, Staff recommended that City Council extend the free fare period until December 31, 2019, to provide time to further evaluate the operations of the City's public transportation system and perform a more in depth analysis of the potential impacts of various fare options.

Due to scheduling issues around the holidays, there will be only one CPTC meeting on

December 13, 2019, to account for both the November and December meetings. The analysis and discussion regarding potential fare increases is on-going. Additionally, federal law and the City's Interlocal Agreement with Embark requires a public notice and hearing process before a fare increase can be implemented. Additional time would also be needed to procure, deliver, and install any fare box upgrades. This proposed amendment extends the free fare period for a longer period of time not to exceed June 30, 2020, unless otherwise agreed by the parties, and would provide additional time for Staff to work with EMBARK to continue discussing and analyzing these operational and financial issues as well as obtain feedback and direction from CPTC and City Council. This amendment also authorizes the City Manager or his designee to formalize an earlier end date should Staff receive direction to end the free fare period prior to June 30, 2020.

**RECOMMENDATION:** Staff recommends approval of Amendment No. 2 to Contract K-1920-30, extending the transitional free fare period for a longer period not to extend beyond June 30, 2020, and authorizing the City Manager or his designee to agree to the end date.