



office memorandum

DATE: October 25, 2018

TO: Honorable Mayor and Councilmembers

FROM: Kathryn Walker, Assistant City Attorney
Shawn O'Leary, Director of Public Works

RE: Long term planning for bus services

History of CART

In 1978, the City contracted with the Central Oklahoma Transportation and Parking Authority (COTPA) for a 6 bus three radial route transportation system. In exchange for COTPA providing the bus system, Norman provided a downtown terminal on Santa Fe between Main and Gray for bus transfers, a one bay maintenance facility, an outdoor site where buses could be stored overnight, an information clerk, and a subsidy equal to 50% of the deficit, if any, for the operation of the system. The share of the deficit was split between the City and Urban Mass Transportation Administration, with the City's share not to exceed \$70,308. The contract expired on June 30, 1979 and was not renewed due to poor ridership.

In September 1980, OU started the Campus Area Rapid Transit (CART) System with 2 trolley replica buses, 5 school buses, and 1 handicapped van. This system was totally funded by the University originally with 1/3 from student general fees, and 2/3 from parking fee revenue in hopes that if successful, owners of residential and commercial complexes and the City would be encouraged to participate. A 5 year plan (1984-1989) prepared by OU stated that the transit service was designed to serve the University population and also the greatest portion of potential patrons in the general population.

In September 1985, OU requested federal funding to subsidize CART. The City adopted Resolution No. R-8384-42 so that CART could be expanded to serve non-University related citizens and to qualify for Federal Urban Mass Transit Administration financial support. This was done with the understanding that the City would provide non-direct financial support for the system through the planning, development, and construction of transportation improvements using local, state, and federal funds. The resolution was adopted on May 15, 1984 and included an expression of the City's desire to be a formal participant on the University CART Committee in planning and development of future CART system expansion. The name was eventually changed from Campus Area Rapid Transit to Cleveland Area Rapid Transit. CART now transports more than 1 million passengers annually on the fixed-route bus system. CART buses run seven Norman "city" routes and up to six University of Oklahoma "campus" routes on weekdays and most Saturdays, as well a commuter route, the "Sooner Express", to Oklahoma

City Monday through Friday. CART also operates CARTaccess, a paratransit service, for the elderly, disabled and those unable to ride the fixed-route system.

The City began participating financially in CART in Fiscal Year 2004-2005 (FYE 2005) with an \$180,000 contribution. Since then contributions have grown almost every year, usually in conjunction with additional service offerings. In the FYE 19 budget, the City budgeted a \$635,500 contribution to CART in addition to \$45,500 in bus passes for low income passengers using General Fund and CDBG monies. The contract for the current fiscal year was approved on October 23, 2018.

OU representatives recently expressed a desire to begin a conversation about the long term bus operations in Norman, noting that the new administration would like to transition non-campus bus services to another operator by the end of the fiscal year. CART's ridership data, collected primarily through survey results, demonstrates that OU Campus Shuttles, including the Apartment Loop, the Lloyd Noble Shuttle, the Research Route, Campus Connection, Campus Loop and Late Night Flex, are primarily used by OU passengers, whereas the CARTaccess and Fixed-Route Bus Services off campus are primarily used by non-OU passengers.

Comprehensive Transportation Plan

City Council adopted the first Comprehensive Transportation Plan for the City of Norman on May 13, 2014. Development of the plan was driven by five guiding principles, including one focused on mobility. The goal of these principles was to provide efficient and effective mobility options to our residents and visitors by providing multi-modal transportation options and management of existing and anticipated future needs. A Transit Subcommittee was appointed during development of the Plan and included a representative from CART.

The Transit Subcommittee identified three major deficiencies of our existing bus system: the limited Saturday and evening bus service; the absence of night-time and Sunday service; and the need for an overall increase in bus service frequency. The Committee recognized that transit funding would be the most limiting factor constraining transit service expansion. The Transit Subcommittee suggested multiple potential new funding strategies, including a time-limited sales tax, property tax, development fees, increased student fees, a possible fare increase, and/or value capture-based financing. Alternately, the subcommittee suggested that a fare-free transit system be considered for the City of Norman to attract additional ridership.

Ultimately, the adopted Comprehensive Transportation Plan included eight recommendations specifically dealing with transit service. They were:

1. Extend the CART Transit System Service Hours on Five Key Routes
2. Add Sunday CART Transit System Service
3. Enhance the CARTaccess Service Hours to Match Fixed Route Service

4. Maintain CART Service Frequency on Lindsey East and West Routes Year Round
5. Add a New Downtown/Campus Corner Circulator Route
6. Pilot Project to Reconfigure Main Street Route and Supporting Routes to Create Initial Grid Network
7. Reconfigure and Add Routes to Create Grid Network
8. Add New Bus Routes to Target Key Corridors and to Expand the Served Area

Transit Funding

The Federal Transit Administration (“FTA”) provides significant federal funding each year to support transit activities in Norman. Because OU, through its CART system, is the public transportation provider in Norman, it is the direct recipient of Federal Transit Administration funds for public transit. With these funds come certain obligations, including a local funding match and the provision of certain transit services. FTA funds for the CART system are provided under the urbanized area grants (49 U.S.C.A. §5307) due to Norman’s population.

Approaches to Transit Operations in Other Cities

Staff researched transit operations in other college towns to determine what partnership, if any, existed between the University and the City to provide bus services to the students and permanent residents. In most of the cities surveyed, City-wide transit service is provided by the City. There are, however, notable exceptions. Attachment A provides a summary of these findings.

Oklahoma State University operates its transit system without any contributions from the City of Stillwater. Because of Stillwater’s population, the federal funding they receive comes with different requirements because it is in a class of funding for rural areas. They provide fixed routes and disability access services are provided only within a prescribed distance of the fixed routes (similar to CART Access Zone 1) and not across the entire city. There is no weekend bus service. Texas A&M provides a robust bus service in College Station; however, they do so without federal funds, meaning the more expensive services, like on-demand paratransit service, are not required to be provided. Instead, a County transit district receives the federal funds and provides paratransit service.

Other cities, like Edmond and Lawton, contract with a third party provider. In Lawton, the City leases building and related facilities to the City Transit Trust Authority, who then contracts with a third party provider, RATP Dev North America (formerly McDonald Transit and Associates), a transit provider in more than 37 cities across North America. The third party provider purchases the capital equipment and the City Transit Trust Authority pays the provider pursuant to approval of a contract and annual budget. Edmond similarly contracts with RATP Dev North America to operate its Citylink bus system.

Summary

There are a number of issues associated with transitioning a public transit system from one provider to another. These include identifying capital that will be transferred to a new provider and any associated costs, identifying additional operational and/or capital funding needs, determining whether to provide the service in-house or select a third party provider, etc. It is Staff's feeling that this would best be explored by a consultant specializing in transit operations selected by a stakeholder group that includes ACOG, FTA, CART and City representatives. Staff will be available at the Study Session on October 30, 2018 to further discuss these issues and receive feedback. Staff is also working with ACOG and FTA/ODOT to have representatives available for any questions Council may have.

Reviewed by: Mary Rupp, Interim City Manager
Jeff Bryant, City Attorney