

Transfer of Bus Service Update

Council Study Session
June 2, 2019




Current Bus Service in Norman

- Operated by OU (CART)
- Funded by Federal Transit Administration (FTA) Grant, OU, City, State of Oklahoma, and Norman Regional Hospital
- City notified by OU in August that revenues are insufficient to cover expenses
- City Council approved its annual funding share to CART on October 23, 2019 in amount of \$635,500
- CART is managing operations within budget for the current fiscal year






Request to Transfer Service

- OU no longer desires to provide City bus service but wants to keep and operate four of the current routes because they serve the student population
 - Goal is to transfer City portion of bus service to another operator by end of FYE19 (July 1, 2019)
 - Can transfer federally funded assets to other eligible FTA recipients (City, Embark, third-party provider)
 - Transfer done in coordination with FTA; plan must be approved by FTA
 - Must ensure there are no gaps in service
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Steps Required by Federal Law to Transfer Service

- STEP 1: NOI to transfer service from CART to FTA (December 20, 2018)
 - STEP 2: FTA Response to NOI (February 1, 2019)
 - STEP 3: New Recipient (City) asks to be designated as a direct recipient by the State (May 9, 2019)
 - STEP 4: Governor asks FTA for City of Norman to be formally approved as eligible recipient of FTA grant funding (May 21, 2019)
 - STEP 5: Effectuate transfer of assets, service, etc. upon FTA approval (July 1, 2019)
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Steps Required by Federal Law to Transfer Service

STEP 3: New Recipient (City) asks to be designated as a direct recipient by the State

- Generally speaking, Governor's authority to designate recipients has been delegated to ODOT, except in Norman, where OU has been the Governor's designated recipient (OAC § 730:45-1-2)
 - Governor's letter changing designation to City of Norman supersedes ODOT's internal administrative rules
 - ODOT to amend OAC § 730:45-1-2 in the fall along with other administrative rule changes (no emergency-rule change needed)
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J. Kevin Stitt
Office of the Governor
State of Oklahoma

May 21, 2019

Robert C. Patrick
Regional Administrator
Federal Transit Administration
Fritz G. Lanham Federal Building
819 Taylor Street, Room 14A02
Fort Worth, TX 76102

Dear Mr. Patrick:

As the Governor of the State of Oklahoma, I do hereby notify the U.S. Department of Transportation's Federal Transit Administration ("FTA") that the City of Norman, Oklahoma, is approved to be the direct recipient of all unobligated and future FTA formula funds (49 U.S.C. § 5307 Urbanized Area Formula Program funds and 49 U.S.C. § 5339 Bus and Bus Facilities Program funds).

This approval will also serve to formally change the current designation of the direct recipient for FTA formula funds from the University of Oklahoma to the City of Norman, Oklahoma. The effective date of this approval will be the date when FTA formally approves the transfer of the non-campus municipal public transportation operations from the University of Oklahoma to the City of Norman, Oklahoma, as an eligible recipient of public transportation funds under 49 U.S.C. chapter 53. Statutory References: 49 U.S.C. §§ 5307, 5339, & 5340; FAST ACT Sections 3004 & 3016

As the direct FTA recipient, the City of Norman will be responsible for the planning, programming, application, receipt, allocation, distribution, monitoring, and accounting of the federal public transportation assistance program funds available to the State.

Sincerely,


A handwritten signature in black ink, appearing to read "Kevin Stitt", with a large, stylized "S" at the end.


Kevin Stitt
Governor



Steps Required by Federal Law to Transfer Service

STEP 4: New Recipient asks to be formally approved as eligible recipient of FTA grant funding

- Legal Capacity – City is authorized to operate a transit system
 - Technical Capacity
 - Identify capital equipment that would be transferred from OU for bus services (28 buses; All City bus stops and shelters)
 - Identify additional capital needs to maintain services in accordance with FTA regulations (Buildings; Transfer Station; Fueling Facility)
 - Determine appropriate provider of service (Embark)
 - Financial Capacity
 - Identify available funding for capital and operational needs of new provider
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Financial Capacity – Transit Revenues

Current Funding Contributions for CART

- Federal Transit Administration Grant	\$ 1,700,000	\$2,000,000
- OU Student Transit Fee*	\$ 1,680,000	\$ 0
- City of Norman (FYE19)	\$ 635,500	\$1,135,500
- State of Oklahoma	\$ 150,000	\$ 150,000
- Fare Box (including gameday shuttle)*	\$ 250,000	\$ 150,000
- Bus Advertising	\$ 100,000	\$ 100,000
- Norman Regional Hospital	<u>\$ 50,000</u>	<u>\$ 50,000</u>

CART's annual revenue \$ 4,565,500

Anticipated revenue for City

\$ 3,585,500



CART Operations Cost Analysis - Using January - April 2019 Numbers


Demand-Response	Hours of Service	Total Cost	Passengers	Estimated % OU Passengers*	Estimated # OU Passengers
CARTaccess Zone 1	6,107	\$458,025	8,919	19.7%	1,753
CARTaccess Zone 2	1,199	\$89,925	1,710	25.8%	441
Total CARTaccess	7,306	\$547,950	10,629	20.6%	2,194
*Source: Jan. - April 2019 RouteMatch Reports					
City Fixed-Routes	Hours of Service	Total Cost	Passengers	Estimated % OU Passengers**	Estimated # OU Passengers
10-Main Street	1,275	\$95,625	22,900	15.3%	3,504
10.5-Main Street	0	\$0			
11-Lindsey East	1,275	\$95,625	42,186	46.9%	19,785
12-Lindsey West	1,275	\$95,625	8,815	37.7%	3,323
20-West Norman Link	638	\$47,813	1,515	25.0%	379
21-Alameda/E. Norman	1,275	\$95,625	15,176	20.0%	3,035
21.5-Alameda/E. Norman	0	\$0			
24-Sooner Express	680	\$51,000	4,675	25.0%	1,169
44-Social Security Express	68	\$5,100	144	50.0%	72
Total City	6,486	\$486,413	95,411	32.8%	31,267
**Sources: CART Fixed-Route Spring 2017 Rider Survey Question 9 for routes 10, 11, 12, 20, 21. CART Route 24 Fall 2015 Survey Question 11 for route 24. Route 44 estimated 50% OU passengers.					

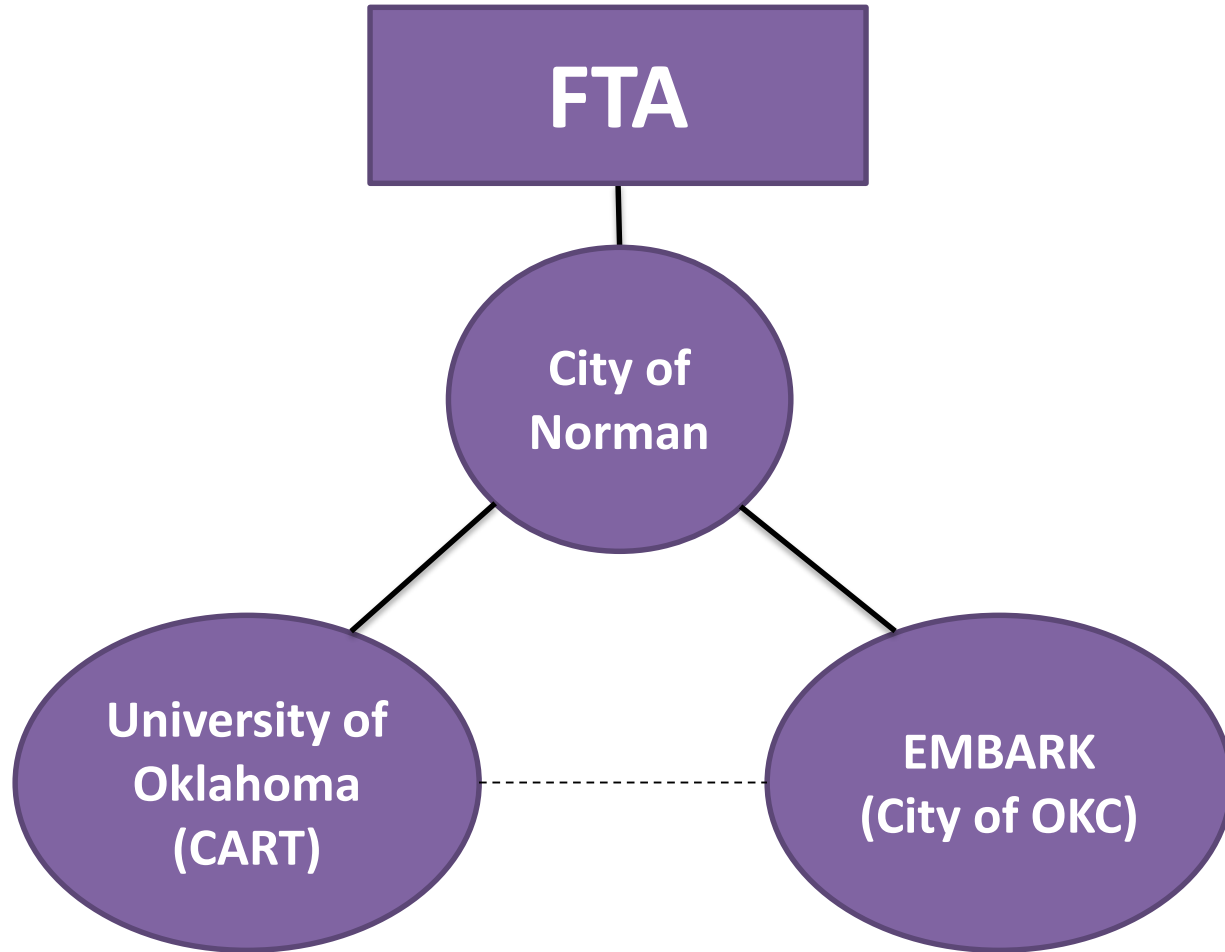
\$258,590 per month operating cost in 2019



Steps Required by Federal Law to Transfer Service

STEP 5: Effectuate transfer of assets, service, etc. upon FTA approval

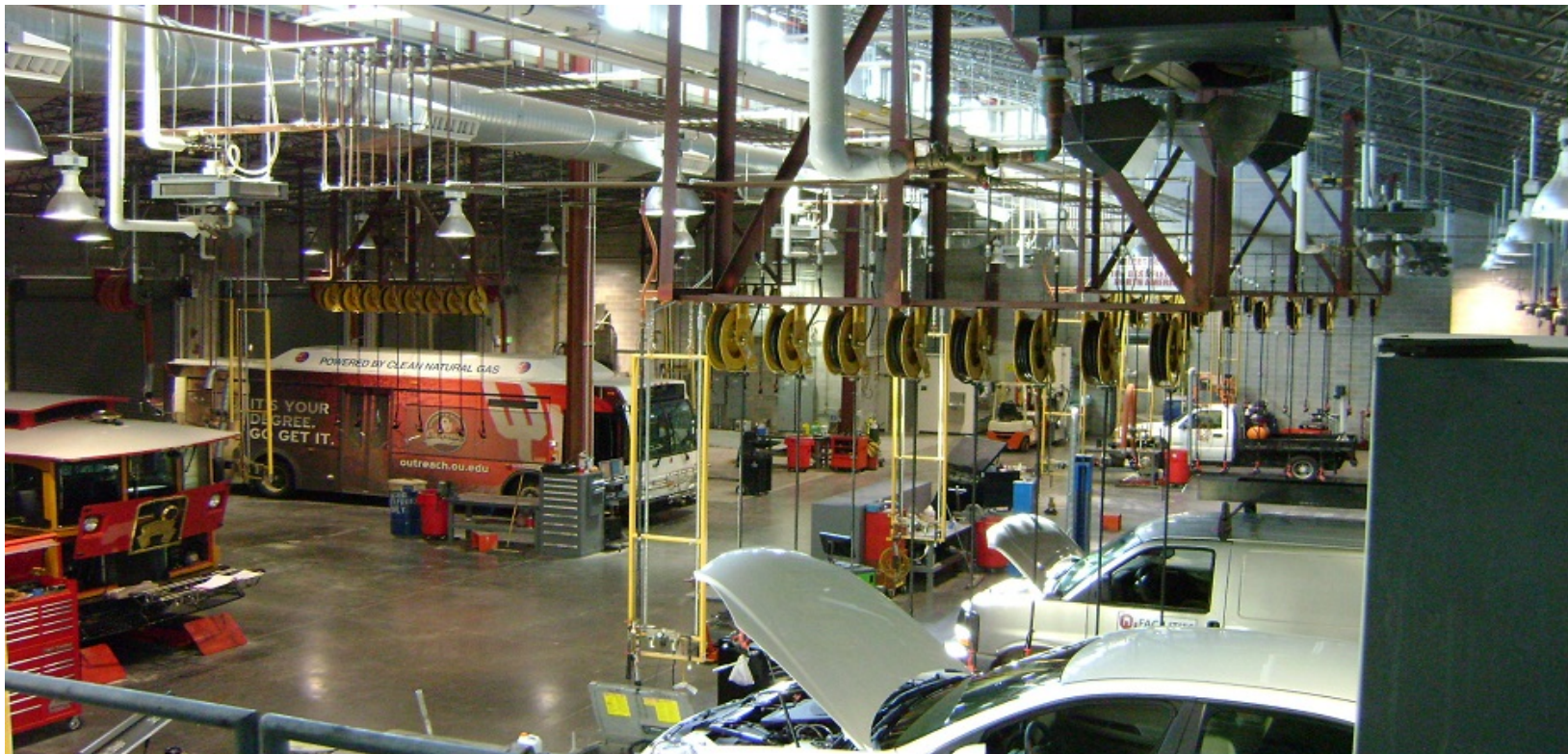
- FTA has expressed a strong preference to finalize transfer of assets and service on July 1, 2019.
 - Federal funds are difficult to split mid-fiscal year
 - If City desires to contract with a private entity, we need to go through a Request for Proposal process; if City desires to contract with another public entity, it can be done without doing an RFP
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Administrative Building



Service Bays



Fuel Island



Bus Wrap



Bus Stop on Lindsey Street



Repairs near Bus Shelter at Main Street and Lahoma Avenue



Future OU Transit System

- OU proposes to keep some of the assets:
 - Administrative Building
 - Service Garage
 - 18 of the 45 Vehicles in the Fleet
 - Two Trolleys
 - Thirteen Buses (including all the 40-foot long buses (5))
 - One Van
 - One Pickup
 - One Sedan
 - 4 of the 15 Fixed Routes in the System
 - Route 32 (Apartment Loop)
 - Route 40 (Lloyd Noble Shuttle)
 - Route 42/43 (Research Route)
 - Route 52 (Campus Loop)

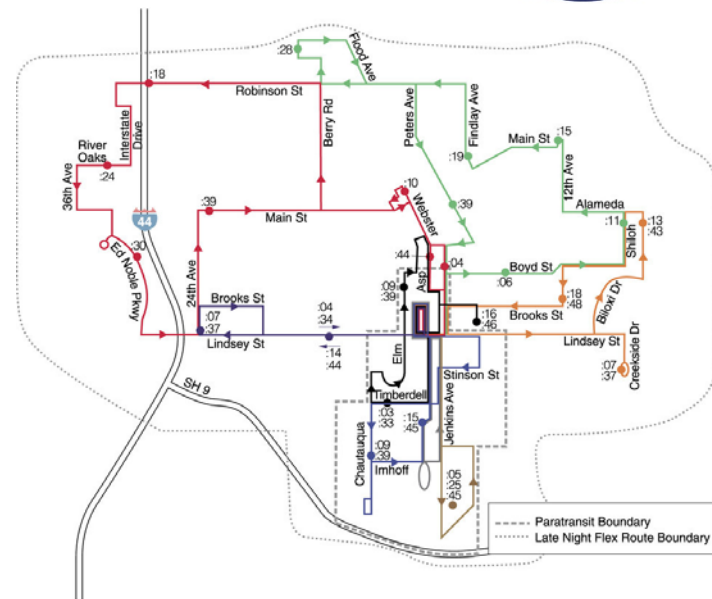


OU vs. City of Norman Transit Systems

Ridership Impact




- Total Annual Ridership – Current for FYE 2019 = 1,003,085 Passengers
- Projected OU Ridership – 71.9% of Total (721,218 Passengers per Year)
 - Route 32 – 8.5% of Total
 - Route 40 – 51.7% of Total
 - Route 42/43 – 9.5% of Total
 - Route 52 – 2.2% of Total
- Proposed City Ridership – 28.1% of Total (281,867 Passengers per Year)
- Under OU's current proposal, the City System will transport approximately $\frac{1}{4}$ of the current users





Proposed Next Steps

- Complete contract negotiations with Embark to take over the current off-campus bus service
 - Cost to the City and to riders for the current off-campus bus route service, including CARTaccess
 - Assets to be transferred from OU
 - Term = 3-5 years beginning July 1, 2019.
 - Complete negotiations with University to transfer assets and to lease CART facility
 - Lease rate for office space = \$16.20 per sf per month
 - Lease rate for service bay = \$2,700 per month per bay
 - Assets to be transferred to City
 - Assets and routes to be kept by OU
 - Term = 3-5 years beginning July 1, 2019.
 - One additional City staff member may be needed to administer FTA grant
 - Once the FTA deems the City eligible for grant funding, work with OU to begin transferring assets.
 - Appoint a committee in August/September 2019 and begin working with Embark on desired route changes and improvements ahead of FYE21 budget process
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Transit Transfer of Service

- Questions?
- Feedback on next steps?