

CITY OF SANTA ROSA
CITY COUNCIL

TO: MAYOR AND CITY COUNCIL
SUBJECT: APPROVAL OF MEMORANDUM OF UNDERSTANDING
WITH THE METROPOLITAN TRANSPORTATION
COMMISSION FOR SANTA ROSA CITYBUS CLIPPER
IMPLEMENTATION
STAFF PRESENTER: JOY GIPSON – MARKETING AND OUTREACH
COORDINATOR
TRANSPORTATION AND PUBLIC WORKS

AGENDA ACTION: RESOLUTION

ISSUE(S)

Should the City Council adopt a resolution approving the Memorandum of Understanding (MOU) with the Metropolitan Transportation Commission (MTC) in substantially the same form as Attachment A, contingent upon the approval of the City's requested amendment by the MTC Operations Committee. The City of Santa Rosa amendment brings the City into the Clipper program, and exempts the City from the requirement that Santa Rosa CityBus cease acceptance of non-Clipper® fare media following the implementation of the Clipper® system, and authorizes the City Manager or his designee to execute the MOU, subject to approval as to form by the City Attorney?



COUNCIL GOALS/STRATEGIES

This action supports City Council Goal 3: Provide Leadership for Environmental Initiatives, Strategic Objective 1: Improve our Transportation Network to Reduce Vehicle Miles Traveled and Promote Multi-modal Transportation.

BACKGROUND

1. Clipper® is the all-in-one Bay Area transit fare payment card. With this card a transit patron is able to pay their fare on Bay Area transit providers. Clipper® currently can be used on Muni, BART, AC Transit, VTA, SamTrans, Caltrain, Golden Gate Transit and Ferry, San Francisco Bay Ferry, Napa VINE, SolTrans, Vacaville City Coach and Rio Vista Delta Breeze.
2. MTC has executed a Memorandum of Understanding (MOU) with Bay Area Transit Operators to implement the Clipper® program. The MOU outlines

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responsibilities of the MTC and the operators, addresses how new operator participants are added, and details the cost and revenue allocation methodology. The MOU also includes clauses relating to indemnification, dispute resolution, terms and withdrawal from the program.

3. The original agreement between MTC and six of the large bay-area transit operators was signed in 2003 and was used to implement "Translink." In 2010 that agreement was replaced with the current MOU regarding the operations and maintenance of the Clipper® program. The Clipper® MOU has been amended several times to adjust the cost and revenue allocation formula, to accommodate specific issues/concerns for specific operators, and to bring additional transit operators into the Clipper® program.
4. The Clipper® program is part of the regional transit coordination efforts of MTC and participation in the program is required of all recipients of transit funding through the MTC.
5. The Cities of Santa Rosa and Petaluma and Sonoma County Transit are implementing Clipper® on their buses with a targeted roll-out of March 1, 2016.
6. MTC adopted Resolution 3866, Revised, dated October 26, 2011 ("Resolution 3866"), establishing, among other programs, the Clipper® program. New operators are brought into the program using a supplemental agreement between each operator and MTC which amends the Resolution to incorporate provisions that may be specific to the individual operators.
7. Amendment B, Appendix B-3 of Resolution 3866, Revised, page 22, requires all transit operators participating in the Clipper program to discontinue all other forms of fare media within one year of the Clipper roll-out.

"Other Operators

The following are general Clipper® implementation and fare media transition requirements for operators not yet operating Clipper®. Following MTC's approval of the Clipper® system as Revenue Ready for a given operator, MTC will work with the operator to identify more specific fare media transition plans. Unless otherwise approved by MTC, an operator shall (i) begin accepting Clipper® for fare payment by customers no more than two months following MTC's approval of the Clipper® system as Revenue Ready for the operator, and (ii) end acceptance of prepaid non-Clipper® fare media no more than one year following MTC's approval of the Clipper® system as Revenue Ready for the operator."

The Supplemental Agreement for the City of Santa Rosa and the rest of the Phase 3 operators, will provide an exemption of this requirement.

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8. In order to implement the Clipper® program for use on Santa Rosa CityBus, it is necessary to execute the MOU with MTC, adding the City of Santa Rosa as a party to the MOU. The City Attorney's office has reviewed the MOU.

ANALYSIS

1. In the first years of accepting Clipper® on CityBuses, staff anticipates that Clipper® use will primarily come from current riders who use a pass or passes for multiple operators. This slight shift would have little effect on CityBus ridership or revenue. With the startup of SMART train service and SMART's reliance on Clipper® for fare payment, CityBus rider usage of Clipper® may increase.
2. Santa Rosa Transit Division staff developed ridership and revenue estimates to calculate an estimated cost to support Clipper® use on Santa Rosa CityBus. Estimates are based on the following assumptions:
 - a. Transfer transactions to and from Golden Gate Transit and Sonoma County Transit along with SuperPass users represent riders currently using multiple operators, making them likely Clipper® converts.
 - b. 31-Day CityPass riders are accustomed to the convenience of using a pass, making it likely a portion will convert to Clipper®.
 - c. Single-use tickets are typically purchased by Human Service Organizations for their clients and distributed as needed. Impact for this demographic will be minimal, as there is no advantage to convert to a Clipper pass.
 - d. Cash paying riders are likely less frequent riders, riders without credit cards or riders that don't want to be tracked, making conversion to Clipper® for this demographic likely to be relatively low.
 - e. All transfer users are revenue neutral.
3. The annual cost to the City of Santa Rosa to support Clipper® is based on the number of fare transactions and revenue collected using the Clipper® card:
 - a. Monthly average Clipper® ridership for Santa Rosa CityBus is estimated to be approximately 19,057 trips (or 228,684 annual riders) in year one of the program.
 - b. Monthly average Clipper® revenue for Santa Rosa CityBus is estimated to be approximately \$14,525 (or \$174,300 annual revenue) in year one of the program.

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- c. Using the above estimates in MTC cost equation, the annual cost to support Clipper® as a type of fare media for Santa Rosa CityBus riders is estimated to be \$10,775 in year one of the program.
4. The City has requested an amendment to the Resolution No. 3866, Revised, to allow the City to continue selling and accepting CityPasses and Tickets as CityBus fare media through 2019. Staff considers this a critical component of Customer Service for CityBus riders.
5. Under the express language of Resolution No. 3866, Revised, the MTC Operations Committee may approve amendments to Attachment A to the resolution. MTC staff has agreed to recommend approval of the City's requested amendment at the next Operations Committee meeting, in February 2015. Due to the timing needs of MTC and its Clipper contractor, the Department of Transportation and Public Works recommends the City Council approve the MOU, expressly conditioned on the approval by MTC Operations Committee of the requested amendment, which exempts the requirement of the City of Santa Rosa to discontinue use of its CityPasses, CityBus tickets, and transfers.

RECOMMENDATION

It is recommended by the Transit Division of the Transportation and Public Works department that the City Council adopt a resolution, approving the Memorandum of Understanding with the Metropolitan Transportation Commission (MTC) in substantially the same form as Attachment A, contingent upon the approval of the City's requested amendment by the MTC Operations Committee. The City of Santa Rosa amendment brings the City into the Clipper program, and exempts the City from the requirement that Santa Rosa CityBus cease acceptance of non-Clipper® fare media following the implementation of the Clipper® system, and authorizes the City Manager or his designee to execute the MOU, subject to approval as to form by the City Attorney.

Author: Joy Gipson – Transit Division

Attachments:

Attachment 1 – MTC Clipper Memorandum of Understanding (Attachment A)