

Transit Task Force on
Governance & Funding
Meeting #5

June 12, 2015

Funding a Better Transit System

Governance recap

Based on survey responses, it appears that the current governance structure:

- Is working for those who contract for transit service
- Provides maximum flexibility for local governments who want transit service
- Does not work to expand/develop a predictable funding beyond City of Tulsa

Furthermore...

It may not be possible to fund a regional transit authority until the legislation is changed or the River District expires

“Fast Forward” Recommendations ...

- Immediate (0-1 Year)

- Standardize frequencies Complete
- Timed Transfers Complete

- Near-term (1-5 Years)

- Fund (Capital) Peoria BRT Complete (No Operational \$600K)
- Implement Bus-tracker (GPS) Complete

Incomplete (Required Operational \$/Year)

- Improve frequency on weekday \$2.8 M to implement 30 min. freq.
- Improve Saturday service \$400K to implement 60 min. freq.
- Expand/improve night service \$510K (9 routes @ 60 min. freq)
- Express services to suburbs \$350K (Jenks, Bixby, Sapulpa, Sand Springs, Owasso & US-169)
- Develop 10 sub-hubs (super-stops) \$1.2 M (Capital)

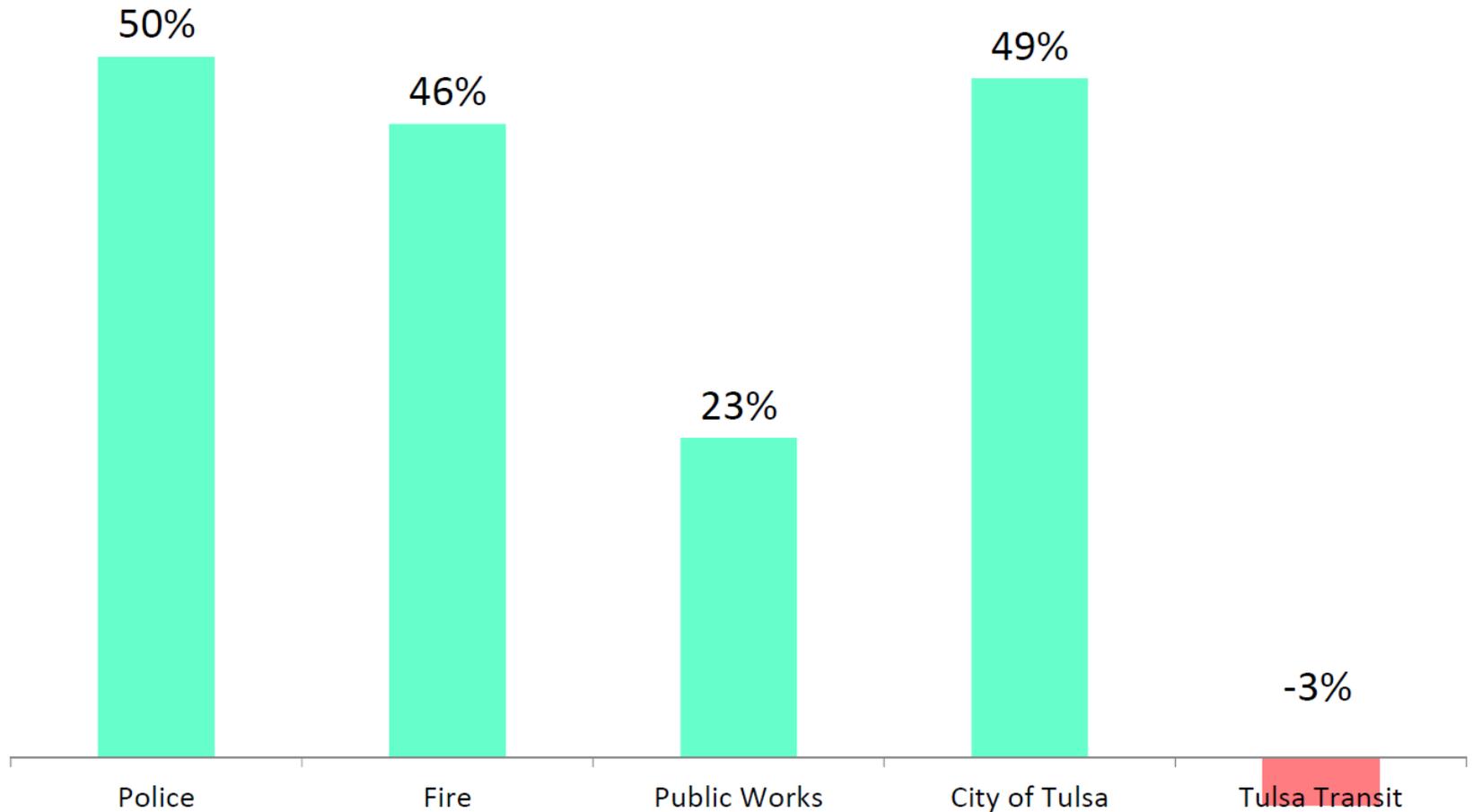
Bottom line: \$4.7 Million/Year New Operational Funding will accomplish Near-term recommendations (Plus \$4.1 M Capital)

“Fast Forward” Recommendations ...

- Mid-term (5-15 years) (Annual Operating Costs)
 - Improve suburban express bus service: from 2 to 8 weekday trips \$600K
 - Introduce Sunday Service \$2 M
 - Introduce Downtown Circulator \$1.0 M
 - Implement BRT on 3 more corridors (Harvard/Yale & 11th & 41st) \$3.6M
 - Build and provide other services and amenities
- Long-term (15 Years +)
 - Expand Rapid Bus Service (BRT) to a total of 8 corridors
 - Expand local route service area, Improve Sunday Service
 - Vanpools
 - Commuter Rail to Broken Arrow
 - Streetcar in Downtown

**Bottom line: \$25 - \$30 Million/Year Operational Funding
to accomplish Mid & Long-term recommendations**

COT Budget Percentage Changes FY02-FY16



During the last 15 years (FY02 - FY16) the Tulsa Transit operating budget has declined 3%, while the overall City of Tulsa budget has grown by 49%. If Tulsa Transit's budget had grown at the same rate as Public Works during this time the FY16 budget would be \$9,590...an increase of \$2,059.

Public Transit Funding in the U.S.

Table 2.3. Sources of local funding for public transportation capital investment and operating expenses by system size (population of area served).

Local Funding Source	Percentage of Capital Investment			Percentage of Operating Expenses		
	> 1.0 Million	200,000–1.0 Million	50,000–200,000	>1.0 Million	200,000–1.0 Million	50,000–200,000
Fares and Earned Income	— ^a	—	—	58.2	30.2	37.8
Sales Taxes	35.5	38.9	51.1	18.8	25.8	28.3
Other Directly Generated Dedicated Funds	33.7	—	—	—	—	—
Local General Funds	—	42.5	32.7	11.1	26.9	21.3
Other Local Dedicated Funds ^b	18.4	—	—	—	—	—
Local Property Taxes	—	—	9.7	—	—	—
Other Local Sources	^c	8.2	^c	^c	^c	^c

TCRP
REPORT 129

TRANSIT COOPERATIVE RESEARCH PROGRAM

Local and Regional Funding Mechanisms for Public Transportation

Sponsored by the Federal Transit Administration

TRANSPORTATION RESEARCH BOARD OF THE NATIONAL ACADEMIES

How is it done in other places? – Houston, TX

General Mobility:

Revenues remitted back to Municipal government for use in any transportation project (roadways, bridges & other)

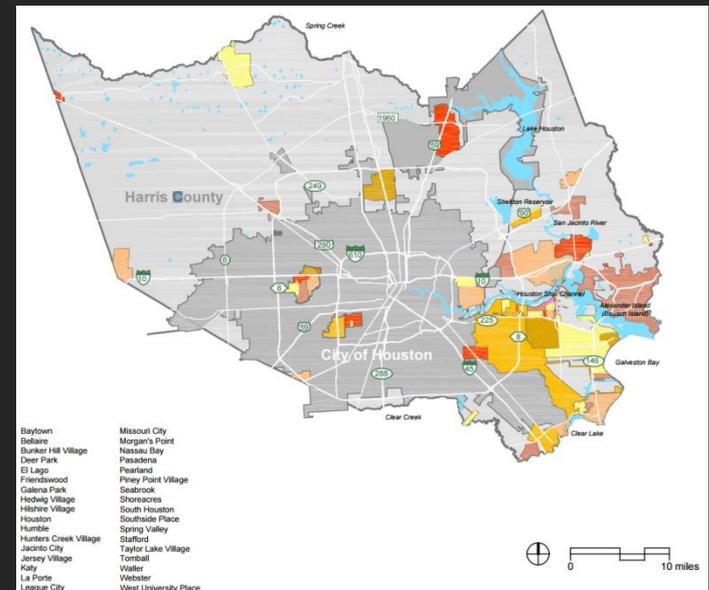
**1% sales tax for
Houston METRO
(Harris County)**

**25% reserved
for “General
Mobility”**

**Transit capital
& operations**



34 Municipalities



How is it done in other places?

Dedicated Sales Tax for Public Transit:

Las Vegas	0.375%
Ft Worth, Kansas City, San Antonio	0.50 %
Houston	0.75%
Dallas, Denver, Austin	1.00%

23 recent local initiatives (passed)

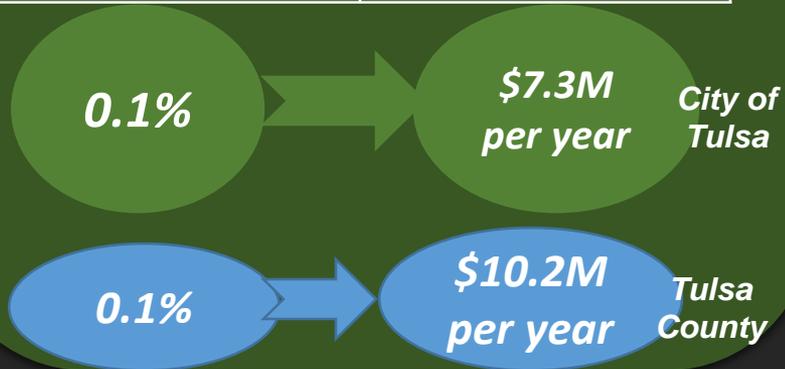
- 10 have sales taxes 0.1-0.5%**
- 11 have property taxes 0.3 – 0.75 mill**
- 1 Commercial parking/employer tax**

Overall Sales taxes range from 0.25-1.0% with varying terms to expire (perpetual – sunset)

Funding Mechanisms

Sales Tax*

Pros	Cons
Easy to collect	Less stable than other sources
Authorized for city gov't and Regional Transit Auth.	Regressive
Keeps pace with inflation	Competes with other city priorities



Property (Ad Valorem) Tax

Pros	Cons
Very stable	Requires change in state law
Able to use for capital	Potentially problem to use for operations
Keeps pace with inflation	Difficult to gain political support

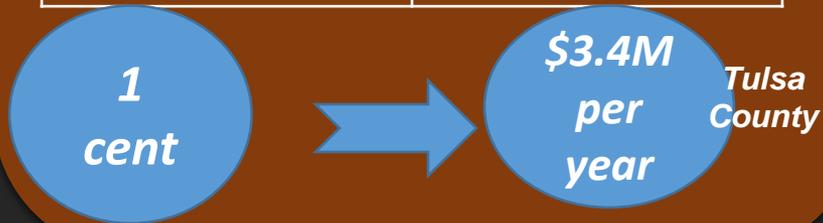


Tulsa County: 133 mil (in TPS)
Library: 5.20 mil
Tulsa Health Dept: 2.50 mil
TCC: 7 mil & Career Tech: 13 mill

Funding Mechanisms (2)

Fuel Tax*

Pros	Cons
Stability	Requires change in state law
Tied to transportation	Would have to be voted on
Easy to administer	Erodes over time due to inflation
	Regressive



Utility Fee

Pros	Cons
Tie to the service provided (give transit passes)	Households can opt out
Administrative action, requires no vote	



EMSA Fee: \$5.45/month/household

*Oklahoma generates \$350M / year in fuel taxes. Assume 1/6 is generated in Tulsa County. One cent in gasoline tax would equal about \$3.4 million/year in additional revenue for Tulsa County

Source: <http://okpolicy.org/resources/online-budget-guide/revenues/an-overview-of-our-tax-system/oklahomas-major-taxes/motor-fuel-tax>

Funding solution #1 (near term)

Source	Annual amount	
Tulsa General Fund (tied to Public Works budget)	\$7.0M / year (Current Funding)	Needed to maintain current system
0.1% sales tax (City of Tulsa)	\$7.3M / year (New Money)	Proposed Increase
Federal funds/grants	\$1.5 M/ year (New Money)	Contingent on MAP- 21 reauthorization and grant opportunities
TOTAL NEW	\$8.8 M / year	

Near term improvements:

\$4.7 operating + \$4.1 capital

Funding solution #2 (mid-term)

Source	Annual amount	
Tulsa General Fund (tied to Public Works budget)	\$7.0M / year Current Funding	Needed to maintain current system
0.1% sales tax (Tulsa County)	\$10.2 M / year	
\$2 / monthly household utility fee (Tulsa County)	\$5.8 M/ year	Would include transit pass
1 mill property tax (Tulsa County)	\$5.0 M/ year	
Federal funds	\$2.4 M/ year	Dependent on grants and federal reauthorization
TOTAL NEW	\$23.4 M / year	

Next Steps

- July 10 – Draft Recommendation Discussion
 - Need for ½ day session?
 - Need options narrowed down?
- August 14 – Approve Recommendations and Submit to Mayor & City Council