

AGENDA ITEM II – C STAFF REPORT

YUBA-SUTTER TRANSIT AUTHORITY ANNUAL REPORT JANUARY 2022

Organizational History

Yuba-Sutter Transit, known as the Hub Area Transit Authority (HATA) until January 1993, was formed in 1975 by Sutter and Yuba Counties and the Cities of Marysville and Yuba City as a joint powers agency (JPA) for the provision of public transit services. Since its inception, Yuba-Sutter Transit has carried out this charge by contracting with private transportation companies for the operation of all services.

From 1975 to 1979, service was provided exclusively to seniors and persons with disabilities through a contract with a local taxicab company for the operation of the "Our Car" taxi subsidy program. As a condition of a legal settlement with California Rural Legal Assistance (CRLA), this service was replaced and expanded in 1979 with the purchase of thirteen mini-buses to implement a general-public demand response service known as Dial-A-Ride. The system expanded again in 1982 to add a network of local fixed routes. Since 1979, a regional or national transportation provider (currently Storer Transit Systems) has operated Yuba-Sutter Transit's core services.

In January 1988, following an independent operational analysis prompted by poor system performance, the service was significantly reduced through the elimination of the local fixed route system, Sunday service and most rural area services in lieu of a general-public zonal dial-a-ride system for the urban area. At the same time, Sutter County withdrew from the Authority to establish a taxi subsidy program for service to the unincorporated urban areas of the county. That service was discontinued when Sutter County rejoined the Authority in January 1991.

In response to the 1988 operational and organizational changes, CRLA filed another lawsuit against the Authority, the member jurisdictions and the Sacramento Area Council of Governments (SACOG). The resulting settlement agreement in 1990 led to the 1992 completion of a fixed route feasibility study and a comprehensive marketing plan. As a result of these studies, local fixed route service was reinstated, and the agency name was changed to the Yuba-Sutter Transit Authority (Yuba-Sutter Transit) effective January 1993.

Services Provided

In FY 2019, the last full fiscal year before the COVID-19 pandemic, this fleet operated a combined 92,571 vehicle service hours and provided 931,951 one-way passenger trips with our six local fixed routes; local demand response (Dial-A-Ride) service; intercity express commuter and midday service to downtown Sacramento; and, three rural routes serving Live Oak, Wheatland, and the Yuba County foothills. In FY 2021, the first full fiscal year of the pandemic, the fleet operated a combined 76,888 vehicle service hours (down 17 percent from FY 2019) and provided just 347,891 one-way passenger trips (down 63 percent from FY 2019). While the worst appears to be over as systemwide ridership is up 27 percent through the first six months of FY 2022 compared to the same period in FY 2021, full recovery remains uncertain as ridership is still just half of what it was pre-pandemic.

Yuba-Sutter Transit has a fleet of 51 buses ranging in seated capacity from 16 to 57 passengers. In a typical year (FY 2019), approximately 56 percent of the operation would be provided as urban fixed route service. The local fixed route system provides service every 30 to 60 minutes on six routes with 14 buses in all day service Monday through Friday (12 on Saturdays) in Yuba City, Marysville, Linda and Olivehurst. Local fixed route service is provided each weekday from approximately 6:30 a.m. to 6:30 p.m. and from approximately 8:30 a.m. to 5:30 p.m. on Saturdays. Yuba-Sutter Transit does not operate any service on Sundays or major holidays.

After being reintroduced in 1993, the local fixed route system experienced steady and often spectacular annual ridership growth in response to numerous service expansions and enhancements. Fixed route ridership peaked in FY 2015 at 1,066,580 passenger trips before dropping each year since to 731,507 trips in FY 2019 – a four-year reduction of 31 percent. During the peak of the pandemic, local fixed route ridership dropped to just 307,518 passenger trips in FY 2021 – down 58 percent from FY 2019. Through the first six months of FY 2022, however, local fixed route ridership is up 24 percent compared to the same period in FY 2021, but it remains at just 51 percent of the pre-pandemic level.

The local Dial-A-Ride service typically accounts for approximately 26 percent of the operation. This service is provided only within the urban area during regular weekday and Saturday fixed route service hours and weekday evenings from 6:00 p.m. to 9:30 p.m. Dial-A-Ride service is available only to seniors age 65 and over and persons with disabilities except during the weekday evening service hours when it is open to the general-public without restriction. Dial-A-Ride is also Yuba-Sutter Transit's complimentary paratransit service as required under the Americans with Disabilities Act (ADA). Before COVID-19, Dial-A-Ride carried 59,093 passenger trips in FY 2019, but during the peak of the pandemic ridership dropped to just 17,556 trips in FY 2021 – down 70 percent from FY 2019 – and the number of Dial-A-Ride service hours operated were also cut by 31 percent due to reduced passenger demand. Through the first half of FY 2022, Dial-A-Ride ridership is up 56 percent over the same period in FY 2021, but it is still just 52 percent of the pre-pandemic level.

Before the pandemic, approximately 15 percent of the operation was provided as service between Marysville/Yuba City and downtown Sacramento primarily as peak hour weekday commuter service. The Sacramento commuter service provides ten morning and ten afternoon peak hour schedules with another three midday schedules. Due to the pandemic induced collapse in ridership, peak hour commuter service was temporarily reduced to seven morning and seven afternoon trips. The midday schedules are used by many daily or occasional commuters, but they are also popular with those traveling to and from Sacramento for medical, education and other non-work purposes. These Sacramento services are provided with a fleet of 13 specially equipped 57 seat tour-style buses.

Sacramento ridership plateaued at just under 160,000 annual passenger trips from FY 2011 through FY 2014 before gradually declining to a ten year low of 130,627 boardings in FY 2017 likely due to a combination of factors including the move of many State offices out of downtown Sacramento; changing State employee demographics; the lack of local population growth; stable and relatively low fuel prices; and service reliability challenges from an aging commuter bus fleet. Sacramento ridership had since grown to 134,381 passenger trips in FY 2019 following the introduction of new commuter buses which led to the addition of new Highway 70 schedules and other service adjustments in July 2019 to address capacity problems and persistent schedule adherence issues. Unfortunately, the Sacramento service was the most impacted by the pandemic as FY 2021 ridership dropped to just 20,003 passenger trips – down 85 percent from FY 2019 – with the long-term closure of government offices and businesses in downtown Sacramento. While Sacramento ridership has since recovered a bit, it is still just 19 percent of the pre-pandemic level for FY 2019.

Limited route deviation services to the Yuba County foothills and the Cities of Live Oak and Wheatland account for the remaining operation. The Foothill Route provides two round trips every Tuesday, Wednesday, and Thursday between selected foothill communities from Brownsville to Marysville. The Live Oak Route provides two round trips each weekday into Yuba City and Marysville. The Wheatland Route offers one round trip each weekday to Marysville. The Live Oak and Wheatland Routes operate under a fully allocated cost reimbursement agreement with those cities since they are not members of the Authority. These rural services were also impacted by the pandemic as their combined ridership dropped to just 2,814 passenger trips in FY 2020 – down 60 percent from FY 2019.

Administration and Finance

Yuba-Sutter Transit is governed by a Board of Directors composed of two elected representatives from each of the four member jurisdictions. The Authority operates with a five person staff of Executive Director, two Program Managers (Finance & Administration and Planning & Marketing), a Program Analyst and an Administrative Assistant. Since 1988, Yuba-Sutter Transit's staff has also served as contract administrative staff to the Regional Waste Management Authority concurrent with their transit duties. Approximately 10 percent of the available staff time is now budgeted for waste management responsibilities. Through this shared staffing relationship, both agencies have realized reduced administrative overhead expenses.

In the last full fiscal year before the pandemic, Yuba-Sutter Transit's FY 2019 operating expenses were just under \$7.3 million with nearly 75 percent accounted for in direct payments to the service contractor and another 15 percent in fuel and other direct operating expenses. For the same fiscal year, the operating revenue mix was about 29 percent Federal (Federal Transit Administration); 51 percent State and local (Transportation Development Act); 15 percent passenger fares; and 5 percent miscellaneous income from special State grants, advertising, interest, and contract service payments. The capital budget varies substantially from year to year (from less than \$1 million to over \$8 million in recent years) with funding derived from a mix of Federal, State, and local sources depending on the project.

The COVID-19 pandemic has since significantly impacted operating expenses and revenues alike due to increased pandemic related expenses; reduced operating hours and fare revenues; and the availability of new Federal transit funds for COVID relief. For FY 2022, year-end operating expenses are now projected at \$7.7 million (a three-year increase of just 5.3 percent due to reduced service levels) with an operating revenue mix of about 55 percent Federal (primarily CARES Act and ARP funds); 31 percent State and local; 10 percent passenger fares; and 4 percent miscellaneous income.

Major Projects

Facilities: Yuba-Sutter Transit relocated in May 1996 from a rented facility in Yuba City to its existing combined maintenance, operating, and administration facility (a remodeled former Seven-Up Bottling Company plant) at 2100 B Street in Marysville. The facility was remodeled and expanded again in 2011 to serve the site's projected ultimate maximum capacity of approximately 70 buses. Due to the 2018 adoption of State regulations requiring the purchase of only zero emission buses starting by no later than 2029 and the now programmed and fully-funded State highway project that could soon render the current facility unusable, Yuba-Sutter Transit conducted a State funded Next Generation Transit Facility Site Selection planning process resulting in the purchase of a 19.7-acre site at 6035 Avondale Avenue in Linda for the purpose constructing a replacement transit facility within the next three years. The current focus is the identification and solicitation of adequate funding for this estimated \$42.5 million project.

A Caltrans owned and operated park and ride lot opened on the northeast corner of Bogue Road and Highway 99 south of Yuba City in 1997 largely with Federal funds obtained by Yuba-Sutter Transit. In 2012, this facility was nearly doubled in size to the current 164 spaces with Federal and local funds obtained exclusively by Yuba-Sutter Transit. Until the pandemic, this facility was operating at near capacity levels, but the facility site does have capacity for further expansion when funding is available. Yuba County opened the McGowan Park & Ride Lot on Powerline Road at McGowan Parkway in 2008 and the Plumas Lake Park & Ride Lot on Feather River Boulevard east of Highway 70 in 2009. Both lots were sited and constructed by the county in coordination with Yuba-Sutter Transit. Project funding was provided through development impact fees collected by Yuba County from projects in both the North Arboga Study Area and the Plumas Lake Specific Plan and they are maintained with revenue provided through related local Community Service District assessments.

Yuba-Sutter Transit serves 285 designated (signed) bus stops including nine that are owned by the Sacramento Regional Transit District in or near downtown Sacramento. Among the local and rural Yuba-Sutter Transit bus stops, 54 bus stop shelters, and 131 bus stop benches/seats have been placed at high boarding locations and other key points. Of these, 32 shelters and 68 benches are owned and/or maintained by Stott Outdoor Advertising. Except for five Wheatland owned shelters, the remaining units are owned by Yuba-Sutter Transit. The ad shelters and benches are provided at no cost to Yuba-Sutter Transit in exchange for the exclusive right to sell and place advertising on them while paying a small commission on the sale of each ad. In addition, 50 pole-mounted route information panels are located throughout the system and bike lockers are available at four of the five local commuter bus stops.

Vehicles: The current revenue vehicle fleet includes 22 local fixed route buses, 16 demand response (Dial-A-Ride) buses and 13 specially equipped intercity commuter buses. The local fixed route buses are all modern, heavy-duty low-floor buses with seated capacities of 31 or 32 passengers. The demand response buses are on cutaway van chassis with a seated capacity of 16 passengers. Primarily used for the Dial-A-Ride service, these small buses are also used on rural routes and to back-up the local fixed route fleet. The commuter buses are all high-floor, tour-style buses with a seated capacity of 57 passengers. More than half the fleet was replaced in the last four years and the next major fleet replacement project is not scheduled until 2025.

Services: Following the 1993 reintroduction of local fixed route service, Yuba-Sutter Transit's operation steadily expanded over time in response to passenger demand as recommended in a series of short-range (five year) transit plans. The last plan in 2015 included a variety of service and policy recommendations for consideration through 2020 and beyond. Due to generally declining ridership ever since, many of the plan recommendations regarding system growth were deferred indefinitely while most of the others for fleet replacement; enhanced and expanded passenger facilities; and several technology projects have been completed. Seven years and a pandemic later, a Caltrans planning grant will be used to conduct a new comprehensive operational analysis to assess the current system and make recommendations for the future. This process is expected to conclude in 2023.

Technology: Yuba-Sutter Transit has added new technology in recent years as cost/benefit ratios have improved including on-board video surveillance systems on all buses; the replacement of an obsolete mobile radio system; the installation and ongoing upgrade of video surveillance systems at three park and ride lots; the regional Connect Card electronic fare payment system; free passenger Wi-Fi service on all commuter and local fixed route buses; and a real-time bus tracking passenger information system with both visual and audio automatic bus stop announcements. Technology projects still being considered include a computer aided dispatch software system for the Dial-A-Ride service with an on-line trip reservation system and real-time passenger information.

Current and Future Issues

Until the COVID-19 pandemic, steady growth in Federal transit funding, enhanced State transportation funding, special State greenhouse gas reduction funding programs, recent fare increases, and a conservative budgeting approach had all combined to establish a strong financial foundation. Now in the middle of a pandemic, that foundation is much less certain for the foreseeable future despite an influx of Federal relief funding and the promise of still more Federal funding in the future with the recent reauthorization of the Federal transportation funding measure. The most immediate question for 2022 and beyond is when, if ever, will ridership and fare revenues return to pre-pandemic levels and what, if any, strategic service adjustments or operational approaches could be implemented to right-size the system and more quickly recover from the pandemic.

As noted earlier under “Major Projects”, the most immediate organizational challenge resulted from the 2018 decision by the California Air Resources Board (CARB) to mandate the purchase of zero-emission buses (ZEBs) by all public transit agencies. For agencies like Yuba-Sutter Transit with a fleet of under 100 buses, the Innovative Clean Transit (ICT) regulation requires that at least 25 percent of all buses purchased be powered by either battery electric or hydrogen fuel cell systems beginning in 2026. All transit agencies, regardless of fleet size, will be required to purchase only ZEBs starting in 2029. While this regulation will significantly increase the cost of buses, the greater impact to Yuba-Sutter Transit is the need to replace the current operating and maintenance facility within the next eight to ten years to accommodate the infrastructure to support these new buses. This situation became even more pressing with the now programmed and fully funded Caltrans Highway 70 project that may soon require the replacement of the facility within the next three to four years.

Beyond these immediate issues, the ability to meet the anticipated demand for transit services both effectively and efficiently in the future will be a challenge as all the approved or planned large scale developments in Yuba and Sutter Counties are in areas where public transportation is largely non-existent. The potential demand for services of every kind from these projects will severely stretch what in most cases is still just a minimal level of service. To compound the problem, except for the fees that are being collected by Yuba County for the development and operation of their two park and ride lots, routine impact fees have not otherwise been required from new developments for the capital and operating revenue necessary to serve those developments which will result in even more pressure on the limited available local transit funding sources.

Plumas Lake and Sutter Pointe are two examples of this challenge because of their size and locations well outside of the existing service area; their low density, single-family residential nature; and their primary market being out-of-area commuters. Many of those attracted by the lower cost of living and proximity to employment centers in the mid-valley, will be commuting to work in Placer, Sacramento, and Yolo Counties and beyond. In addition to these developments, thousands of new homes along with many hundreds of thousands of square feet of new commercial projects have either been approved or are under consideration across the region. Even recent projects such as Yuba College’s Sutter County Center or the Hard Rock Hotel & Casino Sacramento at Fire Mountain present significant operational and financial challenges because of the placement of these obvious trip generators far from any existing service with no additional funding to support any related service expansion.

Even without population growth, the demand for specialized services for seniors and persons with disabilities is expected to grow significantly according to all population projections. Also, specialized services that are now provided through the Alta California Regional Center for the developmentally disabled are limited and Yuba-Sutter

Transit's own Dial-A-Ride service was already operating at or near capacity levels during peak periods prior to the pandemic. The above issues and more will all be considered and evaluated at some level in the upcoming Comprehensive Operational Analysis which is expected to be completed in 2023.

Summary

After five years of steadily declining ridership between FY 2015 and FY 2020, it fully cratered to a 25 year low in FY 2021 due almost exclusively to the COVID-19 pandemic. While ridership did recover significantly through the first half of FY 2022, it remains well below the pre-pandemic level of FY 2019. Given continued work-at-home orders by the State of California and others; the embracing of remote work as a long-term employment and education model; and the threat of still more COVID-19 variants; there is no way of knowing when or even if ridership will return to anything approaching pre-pandemic levels and it is looking that no reliable answer to this question is possible before FY 2023 at best.

While 25 years of extraordinary ridership growth from 1990 to 2015 and a historically conservative fiscal and operational approach has allowed Yuba-Sutter Transit to weather the pandemic better than many other systems to-date, reversing the current operational situation and positioning the agency for the future including the provision of a new facility will be the key focal points for the organization over the next few years. Compared to other urban systems in California, despite the pandemic, Yuba-Sutter Transit still operates among the widest range of services at what is likely among the lowest cost per vehicle service hour; but the mix and level of these services must continually be evaluated in response to both demonstrated passenger demand as well as ever-changing Federal, State, and local funding and policy priorities and mandates; and now an uncertain recovery from a global pandemic.

Additional Informational Resources

Yuba-Sutter Transit Ten-Year System Fact Sheet (Revised January 2022)

Summary of Key Events (Revised January 2022)

Ride Guide and Individual Service Brochures (Effective October 1, 2021)

FY 2022 Operating and Capital Budgets (Adopted May 2021)

FY 2022 – FY 2026 Transportation Improvement Plan Program of Projects (Adopted June 2021)

FY 2040 Capital Improvement Plan (Adopted June 2021)

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