

AGENDA ITEM II – C STAFF REPORT

YUBA-SUTTER TRANSIT AUTHORITY ANNUAL REPORT JANUARY 2021

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. This 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 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. Due to the pandemic, the operation was reduced to a combined 85,865 vehicle service hours and 721,910 one-way passenger trips for FY 2020. The impact of the pandemic is expected to be most severe in the current fiscal year (FY 2021) with current fiscal year-end projections of just 79,000 vehicle service hours and 345,000 passenger trips which are down 15 percent and 63 percent respectively from the pre-pandemic levels of FY 2019.

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. While ridership continued to decline gradually through the first half of FY 2020, the pandemic resulted in a dramatic drop for the fiscal year to 567,842 trips (down 22 percent from FY 2019). The worst of the ridership impact, however, is expected to hit in the current year with just 304,000 local fixed route passenger trips now projected for FY 2021 (down 58 percent from FY 2019).

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. Except for the weekday evening service, which is open to the general-public without restriction, Dial-A-Ride service is available only to seniors age 65 and over and persons with disabilities. 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 ridership is now expected to fall to just 18,000 trips in the current fiscal year (FY 2021) for a two-year drop of 70 percent from pre-pandemic levels. In response, the number of Dial-A-Ride service hours being operated have been reduced by 26 percent.

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 has since May 1st been 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.

Ridership on the combined Sacramento services 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. This trend reversed a bit with 134,381 passenger boardings in FY 2019. The July 2018 introduction of seven new commuter buses and free on-board Wi-Fi service certainly enhanced service quality and continued ridership growth 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. Like the experience of other intercity commuter service providers across the country, the Sacramento service has been the most impacted by the pandemic with FY 2021 ridership now projected at just 20,000 passenger trips which is down 85 percent from the pre-pandemic figure for FY 2019. In response, the number of Sacramento commuter schedules were temporarily reduced by 30 percent in May. 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 have also been impacted significantly by the pandemic as their combined fiscal-year-end ridership is now projected at approximately 3,000 passenger trips for FY 2021 which would be down 56 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 Transit Manager, 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, which is now expected to end by 2022, 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 significantly impacted operating expenses and revenues alike for both FY 2020 and FY 2021 due to increased pandemic related expenses; reduced operating hours and fare revenues; and the availability of new Federal transit funds under the CARES Act. For the current fiscal year, year-end operating expenses are projected at \$7.5 million with nearly 80 percent accounted for in direct payments to the service contractor and another 10 percent in fuel and other direct operating expenses. The operating revenue mix for FY 2021 is now projected at about 51 percent Federal (primarily CARES Act); 37 percent State and local; 7 percent passenger fares; and 5 percent miscellaneous income.

Major Projects

Facilities: Yuba-Sutter Transit relocated in May 1996 to its combined maintenance, operating and administration facility (formerly the local 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 recent adoption of State regulations requiring the purchase of only zero emission buses starting by no later than 2029 and the now pending State highway project that will likely soon render the current facility unusable, Yuba-Sutter Transit is about to conclude a State funded Next Generation Transit Facility Site Selection planning process for the purpose of purchasing property for the development of a replacement transit facility within the next four to five years.

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 seating capacities of 31 or 32 passengers. The demand response buses are on cutaway van chassis with a seating 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 seating capacity of 57 passengers. More than half the fleet was replaced in the last three 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 transit plan that was adopted in 2015 included a variety of service and policy recommendations for consideration through 2020 and beyond. Due to generally declining ridership ever since, plan recommendations regarding system growth were deferred indefinitely while others for fleet replacement; enhanced and expanded passenger facilities; and several technology projects have or soon will be completed. Six years and a pandemic later, a State grant application will soon be submitted to fund a new comprehensive operational analysis to set the direction for the future.

Technology: While intentionally slow to embrace industry trends, Yuba-Sutter Transit has added new technology over the last six years as cost/benefit ratios have improved. These include the installation of on-board video surveillance systems on all buses; the replacement of an obsolete mobile radio system; the installation of video surveillance systems at three park and ride lots; the regional Connect Card electronic fare payment system; 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 be 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 CARES Act funding. The most immediate financial question for 2021 and beyond is when the ridership and revenue impacts of the on-going pandemic will reverse and how long, if ever, it will take for them to return to pre-pandemic levels. Other factors include the need for reauthorization of the multi-year Federal transportation funding measure that is set to expire at the end of September; the significant local impact of the State's zero-emission bus mandate including the immediate need to replace the current facility; and what, if any, strategic service adjustments or operational approaches could be implemented to reverse the overall ridership decline, right-size the system and more quickly recover from the pandemic.

Beyond the immediate pandemic induced operational crisis, the ability to effectively and efficiently meet the anticipated demand for transit service 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.

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 individual 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 without funding to support any related service expansion.

In addition, 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.

As noted earlier under "Major Projects", the most immediate organizational challenge is due primarily to 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 ten years to accommodate the infrastructure

to support these new buses. This situation may be even more pressing as a pending Caltrans Highway 70 project may soon require the replacement of the facility within the next four to five years which is why the purchase of a site for the new facility is the top current priority.

Summary

After a five-year downward trend, systemwide ridership has fully cratered in FY 2021 with the pandemic. There appears to be a light at the end of the tunnel with the new vaccines, but there is no way of knowing when or even if ridership will return to pre-COVID levels though that is now unlikely before FY 2023 at best. While 25 years of extraordinary ridership growth from 1990 to 2015 and a historically conservative fiscal and operational approach 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 will be the key focal points for the organization over the next five years. Compared to other urban systems in California, despite the world-wide 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.

Additional Informational Resources

Yuba-Sutter Transit System Fact Sheet (Revised January 2021)

Summary of Key Events (Revised January 2021)

Ride Guide and Individual Service Brochures (Effective July 1, 2019 or September 1, 2020)

FY 2021 Operating and Capital Budgets (Adopted May 2020)

FY 2021 – FY 2025 Transportation Improvement Plan Program of Projects (Adopted June 2020)

FY 2040 Capital Improvement Plan (Adopted June 2020)

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