

ATTACHMENT #4

City-SSRC Transportation Negotiation March 3, 2021 1-2pm

Attending: Kathi Meyer, Heather Sloop, Gary Suiter, Tom Leeson, Rob Perlman, Katie Brown, Roger Levanduski, Sarah Jones, Steve Muntean

1. **Review of Ground Rules:** Steve reviewed the ground rules for the meeting and the goal to reach an agreement that is a win for the City, SSRC, and the community.
2. **Review of notes from February 26:** Steve asked if there were any comments from the February 26 meeting. There were no comments.
3. **SSRC revised proposal:** SSRC provided updated options for continued partnership with the City, based on discussions at the February 16 meeting. SSRC identified their values that guided these proposals. These include long-term sustainable funding for the City and transportation solutions that are innovative, sustainable and meet the short and long-term needs of the community. These revised options also highlight an equitable approach to funding, which include either a match or committed effort of City or funds are also collected from those who benefit from the transportation system.
 - a. **Baseline Partnership Contributions:** When we have reached an agreement on one of the options provided, we will also continue with these partnership contributions:
 - i. Collect & remit sales tax outside of City limits (currently \$400k/yr - \$350K to City). This contribution covers the costs of each SST rider to disembark at GTC. (calculations and assumptions can be provided)
 - ii. Subsidize third of airline program (currently \$1.5M/yr)
 - iii. Commitment to redevelopment with Steamboat Springs as world class destination (sales tax and tax revenue increase to be discussed with City staff to avoid conflict of interest with City Council members)
 - iv. Support the efforts of the Chamber for sustainable funding ballot initiative (\$2M to the City general fund)
 - v. Commitment to do the hard work on getting to solution that is win-win for both parties
 - b. **Option 1 - Bus Purchase & Charging Infrastructure:** SSRC would commit to partnering with City on purchase of one electric bus and charging infrastructure. City would commit to solicit grant funding and cover costs of upkeep and running bus on the blue line. **Equity:** SSRC supports after the City has done best to find additional grant opportunities
 - c. **Option 2 – Infrastructure to collect fares with an emphasis on payment from visitors and employers.** SSRC would commit to partner with the City to purchase infrastructure for fare collection (year 1) and pay for employee fares (year 1 and beyond). City commits to partner on purchase of infrastructure purchase and request other employers to pay for their employees who use transportation. **Equity:** All users of the bus support the funding of the bus system, with an emphasis on funding from guests and businesses.
 - d. **Option 3 – Match revenue generated by parking revenue from downtown parking meters.** SSRC will commit to match the city's parking net profit. City commits to cost of program infrastructure and operation. Parking Study indicates approximately \$280K in annual net revenue from downtown parking. If City commits to this strategy, SSRC will provide \$280K to either supplement the income generated by parking or can be used to

build infrastructure for parking. **Equity:** Both City and SSRC contributing to sustainable funding for SST

- e. **Option 4 – Workforce Housing.** We have removed employee housing as an option as we simply do not have it to offer without putting our business at risk. We currently have our own waitlist and struggle with recruitment for same reason as City. We do see employee housing as a future partnership opportunity but not meet City’s criteria for shorter term- solution to address transportation issues
4. **City Input on Options:** Based on action items identified during the February 16 meeting, the City provided information to support discussion of options.
 - a. **Electric buses:** The transition to electric buses would be expensive. A minimum of 2 buses would need to be purchased to ensure operations are maintained and sustained. With operation of EV buses and charging needs within a shift, there would be an increase in operational costs of 20%. Infrastructure would be needed at two locations as well as charging stations (each would be \$500k). There is also a reduced chance of receiving grants because of the competitive bid process. There is also the reality that acquiring EV buses could be up to 2 years from now.
 - b. **Bus fare:** Charging bus fare could result in reduced bus efficiency loss of 20% because of time needed to collect fees. In addition, the cost to install the needed equipment to collect fare would be more than \$340K. Most mountain communities don’t charge for public transportation and charging fares without paid parking would discourage public transportation use and would increase congestion downtown.
 - c. **Riders in base area:** More than 300K people ride the bus to the ski/gondola base area. These numbers are more than SSRC’s initial numbers given from last meeting. When calculating \$2.50/rider this would be \$750k.
 - d. **Housing:** Housing could be dormitory/hostel style, where there could be up to 25 one-bedroom room with a possible shared bathroom, so long as showers were available at all times for users. There would be a shared kitchen and living area.
 5. **Identified areas for further discussion:** The group discussed the options provided by SSRC, given the updates from the City, and realized that EV buses were not a short-term solution, but could become a mid- to long-term solution in the future. Bus fare is something that the City did not support. The City continues to view the housing possibility and SSRC agreed that this could potentially be a long-term goal.

The group moved forward with discussion on downtown parking. Paid parking can be a politically difficult issue but does not require a ballot initiative. SSRC agreed to pay for a study to update paid parking costs and revenue estimated in the 2014 study but asked that this group remain involved in the development of the RFP and review of study results. If the City moved forward with downtown paid parking, SSRC would match the net profit of downtown paid parking, with a cap.

For the 2022 fiscal year, SSRC agreed to pay for the parking study, pay for half of the blue line costs during the 21/22 winter season and continue with the volunteer sales tax, already provided. There was some clarification regarding the tax, knowing that in 2021, this contribution would be approximately 50% less than in years past due to COVID. The condition to this agreement is no ticket tax as a ballot measure in 2021. SSRC is prepared to move forward with this agreement upon gaining acceptance from City Council.

To strengthen the City-SSRC partnership, SSRC also identified areas of further discussion in both the mid-range and long-range time frame. These includes: partnership on the purchase of electric buses (mid-range); work-force housing (long-range); lift-ticket tax (mid to long-range for innovative transportation solutions); and direct support of transportation, if there are changes to funding requirements of the air program (mid-range).

6. **Path Forward:** The group discussed how this would be presented to all City Council members. It was decided that the information would be presented to Council as a Community Update before the Sustainable Funding discussion. Tom and Gary will draft the communication and presentation and the group will review at the next meeting, scheduled for March 10, 2021.