



MEMORANDUM

TO: City Council

FROM: Gary Suiter, City Manager

DATE: December 31, 2020

RE: Blue Line Funding

Bottom Line

The Steamboat Ski and Resort Corporation (SSRC) has notified the City that they are unable to provide the previously agreed upon funding of \$242,000 for the Blue Line transit route for 2021. Staff has placed a discussion item on the January 12th City Council work session agenda to allow City Council the opportunity to discuss options for the Blue Line for the remainder of the year.

Background

In August/September, the City began discussions of funding of the transit system during the forthcoming winter season. With budget cuts due to the COVID pandemic, there were concerns about the City's ability to fully fund the transit system, including the Blue Line. At the time, the Innovative Transportation Task Force, made up of representatives from the City and SSRC, discussed asking local businesses that utilize the Blue Line for funding. That initiative stalled due to inadequate time for a fundraising campaign. The SSRC agreed that roughly 50% of the Blue Line ridership was attributable to their operations and agreed to fund 50% of the cost to fully run the Blue Line route in 2021 if the City could secure the other 50%. The Blue Line cost the City \$484,000 annually.

The City's 2021 budget was approved with the Blue Line fully funded, with 50% of the cost coming from SSRC and the 50% from the City's General Fund.

On December 30, 2020, SSRC informed the City that they would not be able to provide the \$242,000 for the Blue Line due to financial struggles and a poor outlook for the remainder of the ski season. They also cited the more favorable conditions on the COVID dial at the time of agreement, not expecting to be in "red" this winter.

Staff has placed a discussion item on the January 12, 2021 agenda to allow City Council to discuss options for the remainder of the season. Feel free to contact me with any questions. Thank you.