

CITY COUNCIL COMMUNICATION FORM

FROM: Gary Suiter, City Manager

THROUGH: N/A

DATE: January 12, 2021

ITEM: SST Blue Line Status.

<input checked="" type="checkbox"/>	DIRECTION
<input checked="" type="checkbox"/>	INFORMATION
<input type="checkbox"/>	ORDINANCE
<input type="checkbox"/>	MOTION
<input type="checkbox"/>	RESOLUTION
<input type="checkbox"/>	PROCLAMATION

I. REQUEST/ISSUE & BACKGROUND INFORMATION:

This past summer, city staff recommended elimination of the Blue Line bus service due to an expected major reduction in summer sales tax revenues. The Blue Line serves west Steamboat, downtown, and the ski area.

Upon notifying Steamboat Ski and Resort Corporation (SSRC) in late summer, they volunteered to put up half of the expense (approximately \$242K) to fund the Blue Line through the winter season, but the city respectfully declined due to anticipated decreased summer revenues.

At the October 6th City Council Budget Retreat, we learned that summer revenues were much better than expected and Council reconsidered SSRC's proposition and decided to fund the other half of the expense for 2021. Rob Perlman was notified of Council's decision via phone message immediately following the retreat.

In November, Dan Foote, City Attorney, drafted a basic agreement memorializing the tentative verbal agreement between the parties and sent it to SSRC for review and comment.

In late December, SSRC notified the city that they are unable to fund their portion of the Blue Line. On December 31st, a memo was sent to City Council with this information (Attachment 1).

At the time of SSRC's verbal commitment, Routt County was operating at Level Blue on the Covid dial and things were looking much better for the winter. As we approached the holiday season, conditions worsened, and Routt County was in Level Red on the Covid dial. When we did not get a timely response from SSRC on the contract, staff became concerned.

With year-to-date sales tax revenues looking better than expected, and skier days and revenues faring much worse, I was not surprised to get the phone call from SSRC. Although there was a verbal commitment, there was no legal contract signed. That said, I suggest we move forward and adjust to the extent that the city can afford to maintain existing service levels.

Steamboat Springs Transit Manager Jonathan Flint has prepared some options listed below for Council consideration.

II. SUMMARY AND ALTERNATIVES:

Option 1: Colorado Department of Transportation has announced \$150,000 of 2021 CARES funding for Steamboat Springs Transit to be utilized to "...aid in supporting your need to make COVID-related winter surge capacity possible by paying for additional drivers / driver hours and/or to lease additional buses". This funding could be used along with a general fund supplemental request for the remaining \$92,000.

Option 2: The CARES funding could go toward the \$242,000 and the remaining \$92,000 could be made up by a reduction to the summer schedule and upcoming winter schedule. This would amount to approximately 1,500 hours of service reduction.

Option 3: A General Fund supplemental request could be made for the entire \$242,000.

Option 4: Service reductions could be made to the summer schedule and upcoming winter schedule to match the \$242,000. This would amount to approximately 3,990 hours of service reduction.

Option 5: Eliminate the Blue/Orange line beginning on February 14, 2021. Additional Red Line service would be added between 11:00AM and 2:20PM between downtown and the mountain. Currently, only the Blue line provides service between downtown and the mountain between 11:00AM and 2:20PM.

III. STAFF RECOMMENDATION:

Staff recommends Option 1 and continuing discussions with SSRC regarding Blue Line bus service for the 2021-2022 season.

IV. FISCAL IMPACT:

If Council selects Option 1, a general fund supplemental request for the remaining \$92,000 will be requested, coming from unassigned reserves.

V. LEGAL ISSUES:

Not applicable.

VI. CONFLICTS OR ENVIRONMENTAL ISSUES:

Not applicable.

VII. CONSISTENCY WITH COUNCIL GOALS AND POLICIES:

Continuation of existing bus service and "pursuit of partnerships" is consistent with Council's Transportation and Mobility goal.

ATTACHMENTS:

Attachment 1: Memo to City Council, December 31, 2020.

Attachment 2: Public Comment