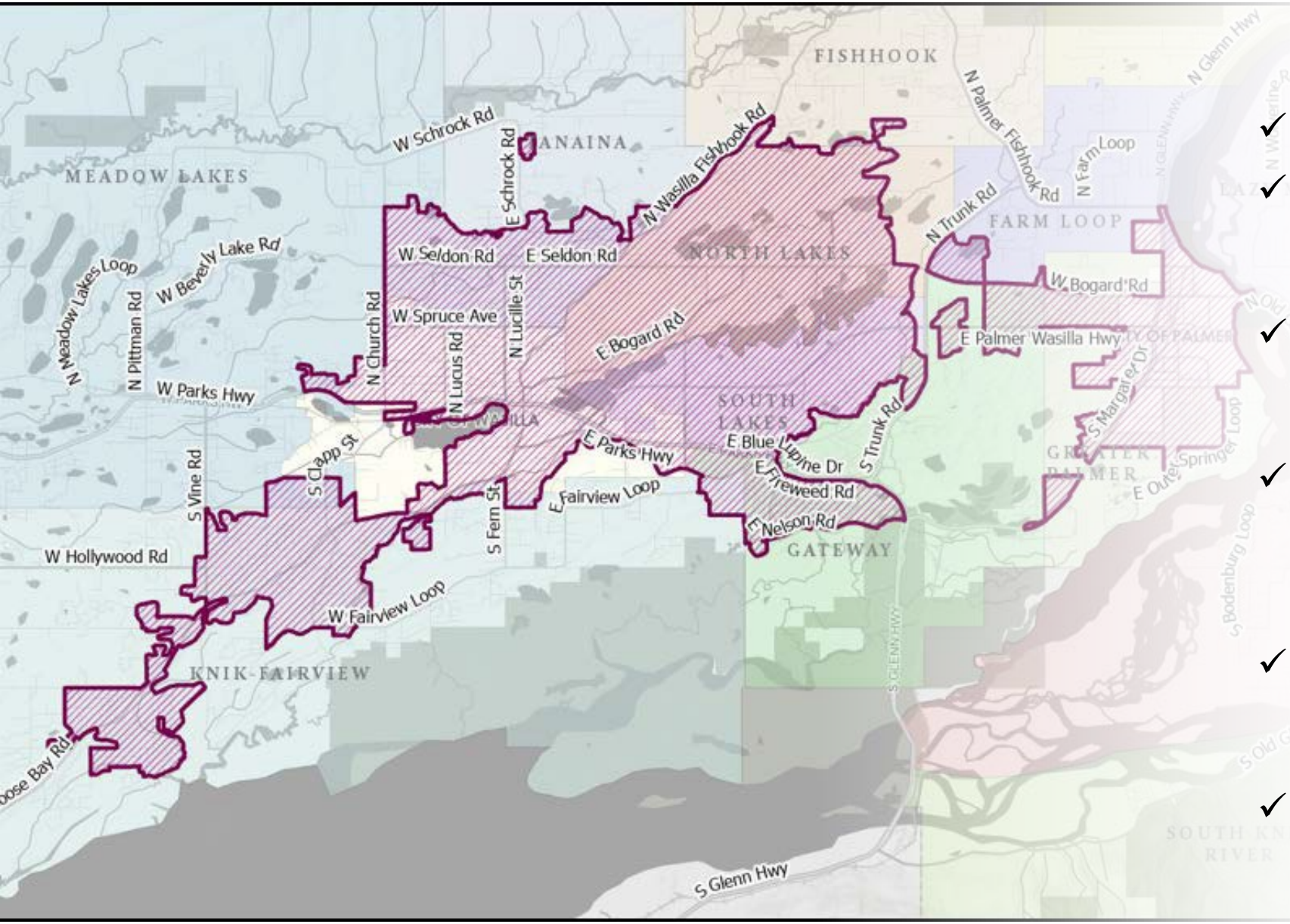
MSB Transit Continuity



Urban Designation

- ✓ Population greater than 50,000
- ✓ Now eligible for FTA urban transit funding (5307) as a small urbanized area
- ✓ Urban area transit services are no longer eligible for rural transit (5311) funding
- ✓ To maintain transit services, a local government entity must act as a Direct Recipient of urban transit (5307) funding
- ✓ On August 8, 2023, the Assembly voted unanimously to apply to become a Direct Recipient and pursue funding
- ✓ On November 6, 2023, The Governor of Alaska designated the MSB as a Direct Recipient of FTA funding

Transit Continuity

Preferred Option: MSB Contracts with Transit Provider

- **MSB is a direct recipient of FTA urban transit (5307) funding.**
- **Competitive bid process** in accordance with federal and MSB procurement procedures to contract with provider(s) to continue transit services.
- **Contractor would be responsible for meeting the federal requirements** of the program, such as operational policies, Title VI requirements, tracking of funds/fares and all other requirements applicable in the FTA Contractor's Manual.
- **Contractor would be responsible for maintenance** of rolling stock, garages/barns, staffing and associated payroll and human resource responsibilities.
- Because most transit services are currently provided by non-profit organizations **this option would allow continued funding to provide continuity of services**. Staff, rolling stock, facilities and operational policies and procedures are already in place and non-profits are using FTA rural transit (5311) funds, which have many of the same requirements as FTA urban transit (5307).

Purpose & Need for Transit Continuity

ACCESS TO JOBS

ACCESS TO SCHOOLS

ACCESS TO SHOPPING

ACCESS TO MEDICAL CARE

ACCESS TO OTHER ESSENTIAL SERVICES

ACCESS TO CONDUCT BUSINESS

"Transportation plays a key role in economic development. Good transportation systems provide a clear competitive edge by facilitating easy access to local businesses, maintaining regional mobility, and reducing congestion costs." – MSB Economic Development Strategic Plan, 2010

- 41% of MSB employed residents work outside the borough
- 28% work in Anchorage
- More than half of MSB population falls into one or more priority populations, with a higher propensity for relying on transit*

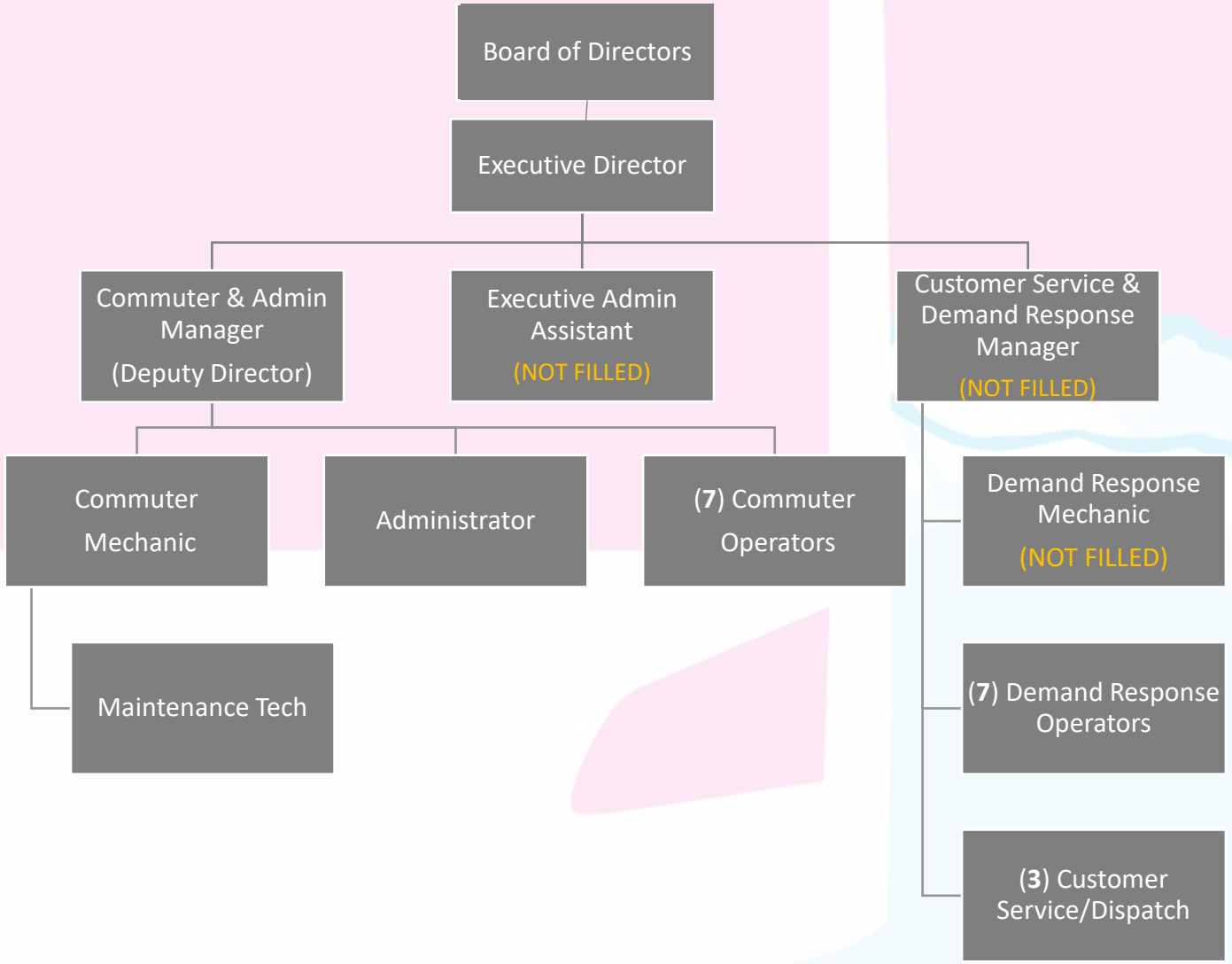
**American Community Survey 5-year Estimates 2016-2020, released March 2022*

VALLEY TRANSIT

Mission: To provide accessible, sustainable, reliable, efficient and quality public transportation.

HISTORY & GOVERNANCE

- 501c3 non-profit
- Consolidated in 2017 from MASCOT (started in 1999) and Valley Mover (started in 2010)
- Board of Directors
- FTA Compliance; Policy, Procedures
- Annual Federal Single Audits, 4 consecutive years of clear audits, low risk

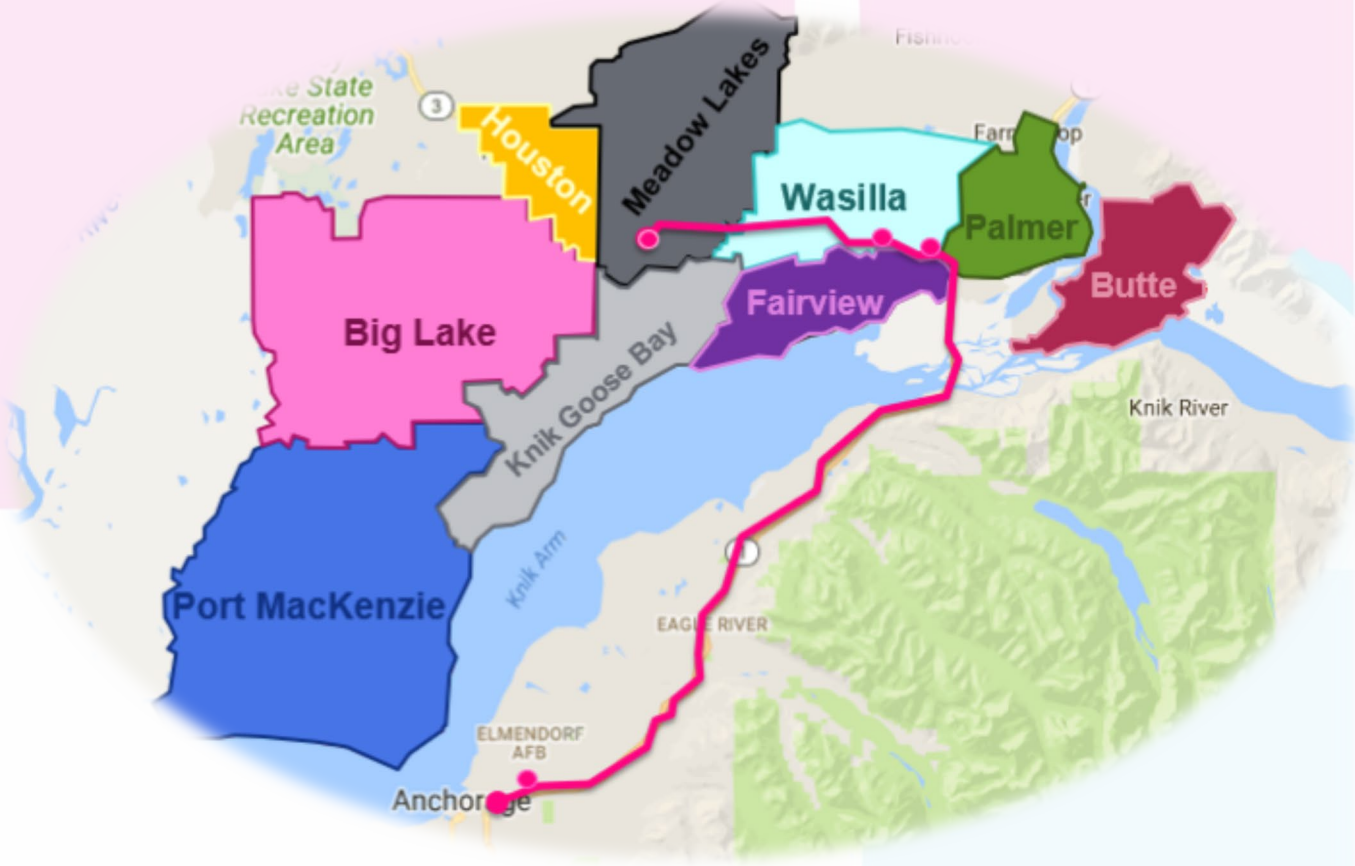


SERVICES

- **Demand Response**: Non-fixed route system of transporting individuals requiring advanced scheduling by the customer.
  Available Mon-Sat.
  Zone based fare, 9 zones
  $3 general public - $2 senior and youth

- **Commuter**: Local fixed-route bus transportation connecting outlying areas with a central city.
  14 Round Trips M-F; 4 on Saturdays
  $7 one-way - $10 Day Pass - $120/month

- **Local Contracts & Partners**: Youth360, Veterans, Center for the Blind, UAA, ConocoPhillips

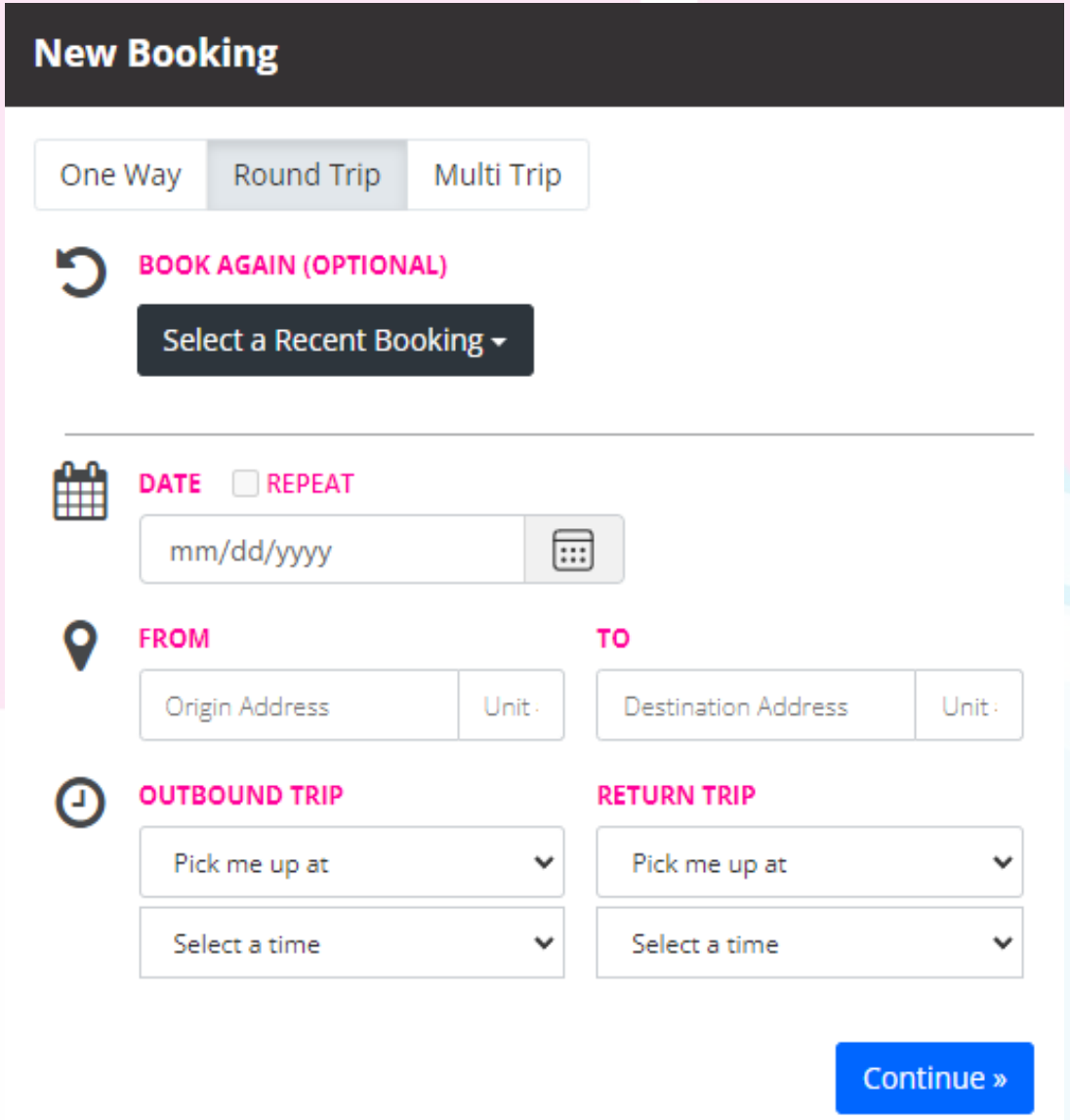


FLEET

- **Commuter** - MCI over the road coaches
- **Demand Response** - Van, SUVs, Cutaways
- **Coming Soon** - Transit Vans: replacement for demand response fleet past useful life

TECHNOLOGY

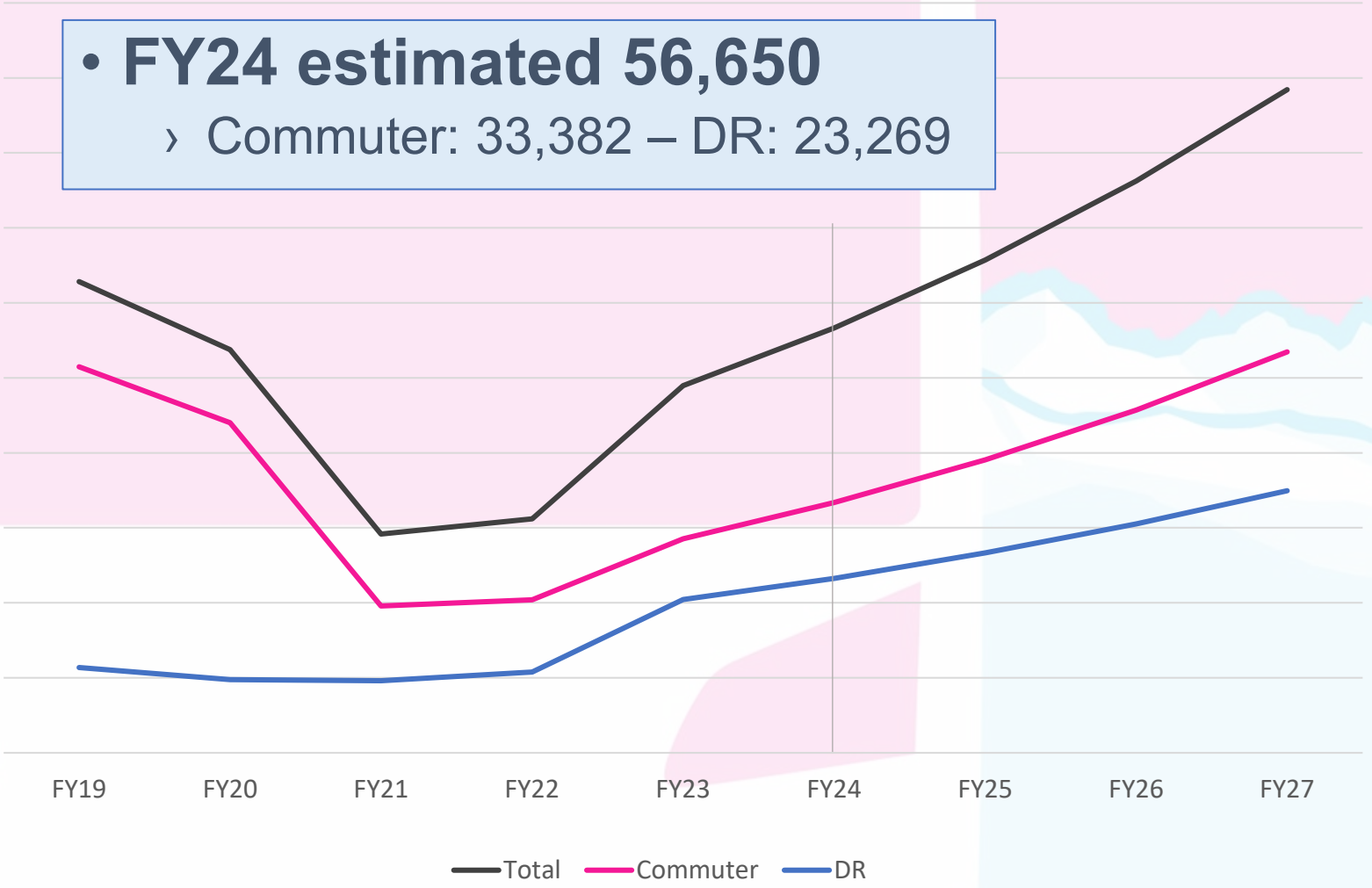
- Fare box collection system - mobile ticketing, open-source payment (CC)
- MyRide real time tracking for commuter, updates for delays
- Novus demand response scheduling
- DriverMate tablets for real time updates to/from drivers
- Notifications sends out automated email, text, or calls to passengers
- Passenger Portal- passenger website to schedule demand response rides, track where their bus is, pay fares, etc.



RIDERSHIP

- FY24 = 42,489 *(YTD - 75%)*
  - › Commuter: 25,037 – DR: 17,452
- **FY23 = 48,968**
  - › Commuter: 28,545 – DR: 20,423
- **FY22 = 31,183**
  - › Commuter: 20,411 – DR: 10,772
- **FY21 = 29,187**
  - › Commuter: 19,588 – DR: 9,599
- **FY20 = 53,768**
  - › Commuter: 44,001 – DR: 9,767
- **FY19 = 62,839**
  - › Commuter: 51,456 – DR: 11,383

- **FY24 estimated 56,650**
  - › Commuter: 33,382 – DR: 23,269



**53% of operating budget is estimated to cover commuter service/47% of operating budget is estimated to cover demand response*

FEDERAL FUNDING

5311: $1.5 Million
- Admin & Prev. Maintenance (90.97/9.03)
- Operating (56.86/43.14)

**As a rural provider, match was previously provided by the Mat-Su Health Foundation*

Other Federal Funding
- FY24: ARPA - $500,000
- FY23: CRRSAA - $1,026,170
- FY22: CARES - $3,322 & CRRSAA - $49,434
- FY21: CARES - $55,805

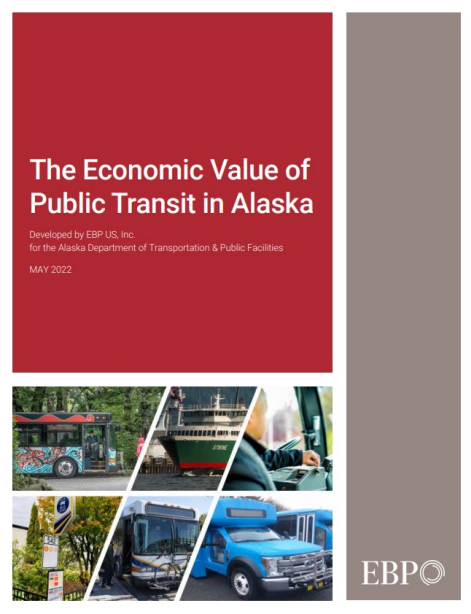
5307: $1.8M
- Operating (50/50)
- Planning & Capital (80/20)
- ADA-CAA-Bike (90/10-95/5)

Eligible matching fund sources:

- Local Government Funding
- Grants
- In-kind

**Fares CANNOT be used as local match*

ECONOMIC IMPACT



- American Public Transportation Association **2020 Economic Impact of Public Transportation Investment** 1:5

- May 2022 Alaska DOT&PF contracted EBP US, Inc. to do a study: **The Economic Value of Public Transit in Alaska**. Valley Transit proved a 1:2.73 return on investment.

Fares between Wasilla & Palmer:

- Valley Transit → $6 or $4 for seniors and youth
- Uber/Lyft → $30
- Taxi → $45

- ***Direct***: *Transit agencies employ workers, pay wages, and invest in equipment and supplies.*

- ***Indirect***: *Transit agencies purchase goods and services from Alaskan companies which in turn employ and pay workers.*

- ***Induced***: *Transit agency and supplier employees spend their income, generating additional activity within the Alaska economy.*

Draft Non-Federal/Local Match Scenarios

Match contributor	Population	Per Person Cost	Scenario 1	Per Person Cost	Scenario 2
MSB UZA	54,039	$ 25.75	$ 1,391,504.25	$ 21.00	$ 1,134,819.00
City of Wasilla	9,061	$ 25.75	$ 233,320.75	$ 21.00	$ 190,281.00
City of Palmer	5,877	$ 25.75	$ 151,332.75	$ 21.00	$ 123,417.00
Non-Profit/Grants					$ 330,000.00
Total			**$ 1,776,157.75**		**$ 1,778,517.00**

Scenario 1:

This funding strategy does not include matching funds from NGOs, sponsorships, donations, or other grant funds. It allocates matching funds based on $25.75/per person population of the governmental entity within the UZA

Scenario 2:

This funding strategy includes approximately 80% funding from the MSB and other governmental partners, allocating $21.00/person as match, and the remaining 20% of the matching funds from NGO's.

**these scenarios demonstrate the highest possible match requirement, utilizing 100% of the funding for operating expenses at a 50/50 match rate and not accounting for split letter results re: allocation to Alaska Railroad*

Next Steps & Schedule

April 2024	*Full allocation of 5307 funding released by FTA*
April 2024	*Hire Grant Writer to support 5307 application*
May 2024	**Transit Update to MSB Assembly**
May 2024	**Host meetings to discuss local match funding – *Palmer May 13***
May-July 2024	**Prepare FTA 5307 grant application materials**
July 2024	**Assembly vote to finalize local match funding mechanism**
June-July 2024	Develop RFP for services & Contracted Services Agreement
August 2024	Final Grant Submission
August 2024	Issue RFP
Sept 2024	DOT Supplemental Agreement Signed
Sept 2024	Assembly approval to accept and appropriate 5307 FTA funds
Sept 2024	Assembly approval to enter into contracted services arrangement
Oct 2024	Contracted urban transit services begin