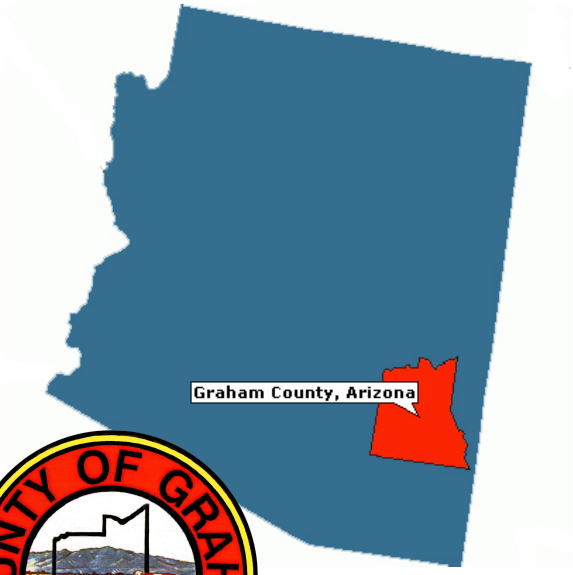
Graham County Transit Feasibility Study

Final Report

April 2016



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Graham County Transit Feasibility Study

Executive Summary

The Arizona Department of Transportation (ADOT) is funding a planning grant to study the feasibility of public transportation in Graham County. A planning grant application was submitted by Graham County for the study. The purpose of the Graham County Transit Feasibility Study is to address the following questions:

1) *Is there community support and adequate potential ridership for a viable public transit system in Graham County?*
2) *Does a viable governance structure exist or can one be created to govern, manage and comply with federal funding regulations?*
3) *Does sufficient local or other financial support exist to provide necessary matching funds for federal funding to financially sustain transit services over time?*
4) *Is there the potential to leverage existing funding for transportation in Graham County, and coordinate and add value to existing social service agency transportation services with a public transit service?*
5) *Do the benefits of providing a public transit system outweigh the costs of service delivery?*

This study is meant to update the 2007 Graham County Transit Study that concluded:

> "This feasibility study identified a substantial demand for transit and developed a recommended operating alternative, the complexity of the funding and management issues was not resolved."

The work scope for the 2015 Graham County feasibility study had two phases. The first phase was designed to answer the five questions above to determine if public transportation is feasible in Graham County. A Phase One working paper presented the key findings and recommendations on the questions above based on review and input by the Technical Advisory Committee (TAC). The recommendation was made to the Graham County Board of Supervisors, City of Safford City Council, City of Thatcher City and the Pima Town Council that public transportation is feasible and should be established for the Pima-Thatcher-Safford-Solomon area. These elected bodies were then asked to take an advisory vote regarding their willingness to participate in supporting a potential public transportation system by providing local funding to match Federal Transit Administration Rural Transit Funding. The four entities voted to proceed to the second phase of the study where a more detailed service, marketing and financial plan would be prepared. This report provides the more detailed service, marketing and financial plans based on the results of Phase Two of the feasibility study.

Rural Public Transportation Funding

If there is an identified public transportation need in a rural area like Graham County, an eligible entity can apply for Federal Transit Administration (FTA) 5311 funding to support a public transportation service.

The Multimodal Planning Division (MPD) of the Arizona Department of Transportation (ADOT) administers the Federal Transit Administration (FTA) Formula Grants for Rural Areas program commonly known as the Section 5311 Program or as the Rural Public Transit Program. This program provides funds for public transportation and intercity bus projects serving rural areas. The purpose of these funds is to address the mobility needs of Arizona's rural population. Section 5311 grants are intended to provide access to employment, education, health care, shopping, and recreation. Funds may be used for public transit services operating: a) within rural communities, b) among rural communities, and c) between rural communities and urbanized areas.

Eligible applicants for Rural Public Transit funds include local public bodies (e.g., counties and municipalities), state agencies, tribal governments and related tribal communities and private non-profit agencies. The transportation services funded under Section 5311 must be open and marketed to the general public.

The FTA Section 5311 program covers:

- 58% of the subsidy needed to operate transit services;
- 80% of the cost of administering the service;
- and 80% of the cost of capital equipment**.**

Local financial support is needed to cover the balance of the expenses. Local match funding typically comes from the local sponsoring public agency or non-profit agency, but other sources may also support the transit program. In-kind contributions may be used toward the local match only if the recipient formally documents the value of each non-cash share, and if this value represents a cost that would otherwise be eligible under the project. Matching dollars can include federal monies received that are not from the Department of Transportation, including Area Agency on Aging (AAA) funding received by SEACAP.

The overall goal of this study was to determine if it is feasible to establish a Rural Transit program within Graham County and whether an application should be submitted to ADOT to become part of the FTA 5311 program.

ADOT has gone to a two-year FTA 5311 grant cycle. At ADOT's discretion, ADOT may consider projects for new applicants in the off year. New Applicants must contact ADOT/MPD Transit and have completed a planning study to be considered eligible for an off year funding cycle application. This study is the required planning study if an elibigible entity decides to move forward with a FTA 5311 grant application in an off year.

Public Involvement Effort

To understand the potential need for public transportation within Graham County, an extensive outreach effort was conducted. This included:

- Five meetings of the Technical Advisory Committee which included representatives of the ADOT, Graham County, City of Safford, Town of Thatcher, Town of Pima, Eastern Arizona College, SEAGO, Freeport-McMoRan, Chamber of Commerce, SEACAP, Blake Foundation, SEACUS, SEABHS, DES, Mount Graham Medical Center and other social service agencies.

- Twelve stakeholder interviews with representatives from social service agencies, government agencies, tribal transit and the private sector. Several elected officials were also interviewed.
- Focus groups of students from Eastern Arizona College, clients from the Department of Economic Security and Workforce Connections, WIC Clients through County Public Health and seniors at the SEACUS Senior Center.
- Three public workshops in the City of Safford, Town of Thatcher and Town of Pima.

Existing and Planned Transportation Services

The San Carlos Apache Nnee Bich'o Nii Transit provides the only general public transit service within Graham County. They operate intercity routes that are open to the general public but that are designed to meet the needs of tribal members. Buses operate Monday through Friday on three routes: San Carlos-Safford, San Carlos-Globe, and Bylas-San Carlos.

The San Carlos to Safford route provides public transportation within the study area. Three round trips per day serve Pima, Thatcher and Safford. The route includes stops at key destinations within the study area including Pima, Eastern Arizona College, Walmart and Mount Graham Medical Center. It provides service to San Carlos and the Apache Gold Casino, with connecting service to Globe. While some Safford residents routinely use the San Carlos service, many stakeholders reported to the consulting team that their constituents believe that the service is only available to tribe members. The Tribe is taking steps to remedy this incorrect perception.

The SouthEastern Arizona Community Action Program (SEACAP) provides transportation services in the Safford, Pima and Thatcher area. SEACAP provides Dial-a-Ride service to meet the needs of the elderly and disabled, but will serve the general public on a space available basis. The services are utilized for trips to congregate meal sites, doctor visits, dialysis, grocery shopping and Department of Economic Security (DES) visits. SEACAP is able to serve about 15-16 one-way passenger trips a day. SEACAP provided 2,763 one-way trips in FY 2014/15.

In Graham County, the Easter Seals Blake Foundation's SAGE Division provides residential, employment and day program services for individuals with developmental disabilities. SAGE provides transportation to and from day programs, residential programs, individual homes and for a variety of recreational purposes. SAGE also provides seniors with the opportunity to travel to and from the Apache Gold Casino in San Carlos, AZ the fourth Friday of the month. This service is paid for by the Blake Foundation. In collaboration with SEACAP, SAGE provides back-up transportation to SEACAP when they cannot provide transportation to clients due to vehicle availability, or vacation or illness of SEACAP drivers.

There are at least three existing providers of private transportation service including a local taxi service, a limousine service, and a provider of non-emergency medical transportation.

During the Graham County Transit Feasibility Study planning process, Greyhound submitted a Section 5311 application to the state DOT to provide intercity service that would serve Graham County. The route has been implemented and provides one daily round trip between Phoenix and El Paso, Texas with intermediate stops in Mesa, Superior, Miami, Globe, Peridot, Bylas, Safford, Duncan, Lordsburg and Las Cruces. This Greyhound route serves rural residents in the communities identified in the

schedule and connects with public transit service provided by Cobre Valley Transit in Globe, by the San Carlos Apache Transit in Bylas and Peridot, and by Valley Metro in Phoenix.

The following sections address the potential for adding local public transportation services in the Safford, Thatcher, and Pima areas of Graham County. The key findings of each of the five study questions are reviewed below.

Financial Feasibility

The Graham County Transit Feasibility Study includes an extensive financial feasibility analysis to help decision-makers in Graham County answer two key questions:

> ***Does sufficient local or other financial support exist to provide necessary matching funds for federal funding to financially sustain transit services over time?***
>
> ***Is there the potential to leverage existing funding for transportation in Graham County, and coordinate and add value to existing social service agency transportation services with a public transit service?***

The Phase One Report, based on extensive input from stakeholders and the TAC, recommended a service plan with two buses with 5,566 vehicle service hours and first full year net operating cost of $277,824 – $125,000 in administrative costs and $55,000 in capital costs. In order to receive Federal Transit Administration funding, there would be a need to provide 42% of the operating cost and 20% of the administrative costs with a total local match of combined in-kind and cash contributions of $152,686. At the start of Phase Two of the Feasibility Study, these numbers were refined and presented to a December 2015 meeting of Graham County Manager, City Manager of Safford, and Towns of Pima and Thatcher. With additional follow-up meetings, it became apparent that there was not sufficient local financial support from the public entities to provide the necessary matching funds for public transportation to be feasible at this time.

Despite this finding, the Technical Advisory Committee decided to move forward with an overall plan for public transportation service with a phased approach that would start with general public Dial-a-Ride service before incorporating fixed route bus service.

In exploring potential options for the phased approach that starts with general public Dial-a-Ride, it was determined that expanding existing SEACAP service from three days a week in Graham County to five days a week, including two extra days a week for the general public, was financially feasible. Implementation of the Phase I Service Plan assumes that 50% of Area Agency on Aging (AAA) funding received by SEACAP has a trip end in the proposed service area in Graham County, and that SEAGO will provide $50,000 in AAA funding to SEACAP. According to SEAGO, the $50,000 is currently the "best-case scenario." Only the portion of the SEACAP funding utilized with a trip end in the recommended general public Dial-a-Ride service area can be utilized for local match. With these assumptions, the recommended Phase I Service Plan would not require cash contributions from any of the four local governmental entities in Graham County. Even thought local cash or in-kind contributions would not be required for Phase I implementation, some level of minimal investment

in cash or in-kind contributions by local partners would add significant value to a future grant application.

Expansion of the existing SEACAP Dial-a-Ride service for general public Dial-a-Ride also leverages existing funding for transportation in Graham County, with direct coordination with an existing social service agency transportation service.

Implementation of Phases II and III of the service plan describe below are potentially financially feasible but would require $23,800 and $65,800, respectively, in local in-kind or cash contributions from local partners. In addition, two Freeport McMoRan Community Investment Funds grants for $18,000 in Phase II and $40,000 in Phase III would also be required for start-up capital costs.

Transportation Needs

Is there community support and adequate potential ridership for a viable public transit system in Graham County?

The 2007 Transit Feasibility Study found that there was significant need for public transportation in Graham County. The outreach conducted during Phase One of the feasibility study strongly supports that finding. Interviews with stakeholders and focus groups with potential users indicate that there are four key market segments with a need for public transportation:

Low income persons without a driver's license or without access to an automobile to get to training, jobs and other needs. According to the Census, 22.3% of Graham County residents live below the poverty level - almost 1 in 4 or 8,300 Graham County residents. Several of the stakeholders we talked to work with these residents on a regular basis to provide services:

- The Arizona Supplemental Nutrition Program for Women, Infants, and Children (WIC) program has a caseload of 1,120 with 985 participating in the program currently in Graham County. Staff at the WIC program and the Department of Health believe that a public transportation system would provide significant benefit to their clients not only for trips to the program, but for general health care, grocery shopping and other travel.
- The Workforce Connection is based in Safford and is a One Stop service for unemployed and underemployed persons. In April 2015, there were 1,038 visits by clients to Workforce Connections. Most of these clients would benefit from a public transportation system that provided circulation among Pima, Thatcher, Safford, and Solomon.
- At the Canyonlands Health Clinic, approximately 60% of clients qualify for Access, Arizona's Medicaid program. The cost for a local trip by the Access transportation vendor is $12 and $200 for a trip to a specialist in Tucson.
- The Department of Economic Security (DES) is currently serving 5,000 clients in Graham County. This does include some double counting for clients who are enrolled in multiple DES programs; however, with 8,300 residents in Graham County living below poverty, the current caseload is not surprising. Due to the housing costs, many of their clients live in outlying areas and do not own automobiles. A large majority of DES clients would benefit from a local public transportation service.

College students living on campus at Eastern Arizona College without an automobile. Eastern Arizona College has approximately 3,500 students (1,500 full time and 2,000 part-time). While many students have vehicles and can provide their own transportation, others rely on getting rides or walking to get around the local area. Of the student population, 420 live on campus and 80% of these don't have automobiles. Students particularly need public transportation for trips to Walmart, the grocery store and for evening service. There is no taxi service after midnight, and it's problematic for students to get back to campus if they get out of the emergency room in the late evening.

Growing senior population, which will likely outstrip the available capacity of the SEACAP transportation program. Older adults (65 years of age or older) make up 12.2% of the Graham County population. This represents 4,500 seniors, from Pima to Solomon, with the percentage consistently very close to 12% in each jurisdiction. The number of older adults 75 years old and above is 5.1% or about 1,900 individuals. These older adults 75+ are the ones with a higher propensity to need specialized transportation service like what is currently provided by SEACAP.

Persons with disabilities, including behavioral health clients. The number of disabled individuals below 65 years of age is 7.3% in Graham County, slightly below the statewide average of 8.1%. While data is not available for Graham County, the number of seniors 65+ who have a disability statewide is 33.8%. Assuming a similar percentage for Graham County, there are approximately 4,700 Graham County residents with a disability. A representative from Southeastern Arizona Behavioral Health Services (SEABHS) says that with a recent rule change, Behavioral Health can only provide transportation for medical trips that are "clinically justifiable." In the past, they used to provide transportation services for daily living such as trips to the grocery store. Such trips are now quite difficult for many clients who do not own an automobile. Clients are forced to walk, and for many, their medications and heat do not mix well. From Pima to Solomon, SEABHS has approximately 300 clients and approximately 50% are transit dependent without an automobile or driver's license.

Based on both qualitative and quantitative input, there is a need for additional public transportation in Graham County. The qualitative input from key stakeholders was unanimous on the need for public transportation. The quantitative information provided by social service agencies on their caseloads, 2010 Census data, and estimates of transit needs based on national research all corroborate the need for local public transportation in Graham County.

Based on national research from an arm of the National Academy of Sciences, transportation needs for Graham County were quantified based on an estimation model for rural public transportation needs. The estimation of transit need from Pima to Solomon is 256,800 annual transit trips. The transit need could be served by a combination of human service agency transportation and public transportation services. At present, human service agencies only provide a fraction of the overall transportation need. The existing SEACAP program, for example, provided 2,783 annual trips in FY 2014/15 to seniors and disabled individuals in Graham County.

The proposed three phase service plan below would address some of the identified transportation needs described above.

Governance Structure

Does a viable governance structure exist or can one be created in Graham County to govern, manage and comply with federal funding regulations?

There are three primary governance options:

1. Governance by an existing public entity such as Graham County or the City of Safford. Under this governance alternative, an existing city or county would take responsibility for the public transportation function; public transportation would be added as a program of the City of Safford or Graham County. Due to bus maintenance requirements, it is not unusual for public transportation to be a program of the Public Works or Maintenance Departments. Other typical departments are Community Development or Planning. In this alternative, public transportation would become a distinct budgeted program of the designated department. Like any other public program, the Board of Supervisors would be the governing body in the case of Graham County, or the City Council in the case of the City of Safford.

2. Governance by an existing private non-profit. FTA 5311 guidelines allow for a non-profit agency to be the governing agency for administration of public transportation services. In this governance model, an existing agency that is currently providing transportation would be the public transportation governing and management agency responsible for public transportation services. SEACAP or the Blake Foundation are the most likely private non-profit candidates in Graham County.

3. Governance by a shared governance structure, an Intergovernmental Public Transportation Authority (IPTA). In Arizona, shared governance of public transportation is authorized by Arizona law, and the type of governing agency depends on the size of the county. In Arizona, counties with less than 200,000 population are organized as an Intergovernmental Public Transportation Authority. The members of an intergovernmental public transportation authority can include one or more county entities, incorporated cities or towns, community college districts, and any Indian Nation that has a boundary within a county in which an authority is established.

One important factor in selecting a governance structure is the financial capability of the governing entity. They must be able to sustain the cash flow required to operate the transit service under the ADOT's cost reimbursement system. With the exception of buses purchased through the state contract, all expenses must be paid in full by the governing agency and then be submitted for reimbursement by ADOT.

In Phases I and II of the service plan, institutional option 2 is recommended. SEACAP is already operating service as a private non-profit service funded by FTA 5310 and the Area Agency on Aging for seniors and disabled individuals. SEACAP can utilize the Area Agency on Agency funding as a local in-kind match. No local cash contributions for local match for Phase I would be required.

Approximately $24,000 in additional in-kind contributions and/or cash contribution would be required for Phase II Service Plan.

In the long-term, representatives from the Town of Pima, Town of Thatcher, City of Safford, and Graham County generally believed that the public transportation service "needs to be a combined effort." The concept of shared funding and governance was a common theme among other stakeholder interviews as well. An Intergovernmental Public Transportation Authority, "has the best chance to survive over the long-term" according to one key stakeholder.

Any combination of potential members can petition the County Board of Supervisors to establish an Intergovernmental Public Transportation Authority consisting of their combined areas in the county. The County Board of Supervisors would hold a public hearing on the petition to determine public support for the authority and whether establishing the authority would be in the public interest. If successful, the County Board of Supervisors would approve a resolution that includes the boundaries of the authority. Additional members can be added over time by the same petitioning process. The Intergovernmental Public Transportation Authority gives the members all the rights and immunities of municipal corporations granted by the Arizona constitution and statutes, including the immunity of its property from taxation.

In each of the above public agency governance options, the governing entity would hire or contract for a Transit Manager to manage the day-to-day operations of a public transportation service. In Phase I or II, if an existing non-profit agency were to take the responsibility for applying for and administering a FTA 5311 grant, the Executive Director of the agency or a designee could provide the Transit Manager function.

It was the consensus of the TAC during Phase I of the Transit Feasibility Study that an IPTA would be the most viable governance structure to govern, manage and comply with federal funding regulations for a Graham County public transportation service. The TAC has recommended that an Intergovernmental Public Transportation Authority be established with potential members including Graham County, City of Safford, Town of Thatcher, Town of Pima and Eastern Arizona College.

In December 2015, there was not sufficient support to move forward with an IPTA. If Phases I and II of the service plan are successful, and three or more entities are willing to provide financial contributions in the form of combined in-kind and cash contributions, then the original TAC recommendation to move forward with an IPTA should be reconsidered.

Economic Benefits of Rural Public Transportation

Do the benefits of providing a public transit system outweigh the costs of service delivery?

Following are four major findings from the 268 rural areas studied by a Transit Cooperative Research Program (TCRP) Study of counties with public transportation and counties without public transportation. TCRP is an arm of the National Academy of Sciences.

- The average growth differential between rural communities with transit and rural counties without transit systems was 11 percent.
- The average annual economic impact in counties where transit was implemented was $1,092,293 in 1998 dollars. Adjusted to 2015 dollars based on the CPI, this is $1,594,000 in 2015 dollars.
- A study of the cost/benefit ratio of funding rural public transportation through the FTA 5311 program found that implementing a FTA 5311 program had a benefit/cost ratio of 3.35 to 1.
- Rural transit systems that were able to offer significant levels of employment benefits to their riders scored quite highly, as did those systems that made important contributions to the ability of local residents to live independently and to access critical medical services (including dialysis treatment). These two factors should be seen as keys to success in generating economic impacts in the locations served by rural transit systems.
- Access to higher education is often an important benefit of rural transit. In Douglas, Arizona, Douglas Rides provides about 1,000 trips per month on their Cochise College route during the school year.

Public Transportation Service Delivery Options

Discussions with the Technical Advisory Committee explored five service delivery options for meeting the identified needs within Graham County:

1. Expand the Dial-a-Ride capability to make it available to the general public, Monday to Friday from 7:00 am to 6:00 pm.

2. Expand Dial-a-Ride to the general public, plus offer a user-side taxi subsidy program for trips that start before 7:00 am or after 6:00 pm on weekdays and weekends and holidays.

3. Implement a checkpoint Dial-a-Ride service as was recommended in the 2007 Graham County Transit Feasibility Study.

4. Implement a local flex route service that is open to the general public and would deviate up to ¾ miles from the route to pick up passengers.

5. Implement a community service route plus Dial-a-Ride service, both open to the general public.

Recommended Service Plan

It is recommended that the service plan be implemented in three phases:

Phase I: Expand the existing Dial-a-Ride service that SEACAP provides from three days a week to five days a week. Service would be available to the general public on a space available basis on the existing three days a week, and open to the general public an additional two days a week between 8 am and 5 pm, with one hour off during the midday for a driver lunch break.

Phase II: Funding would be requested to add a second vehicle for the Dial-A-Ride service five days a week to add sufficient coverage to the Dial-a-Ride service area. General public Dial-a-Ride service would be provided five days a week and operated and administered by SEACAP.

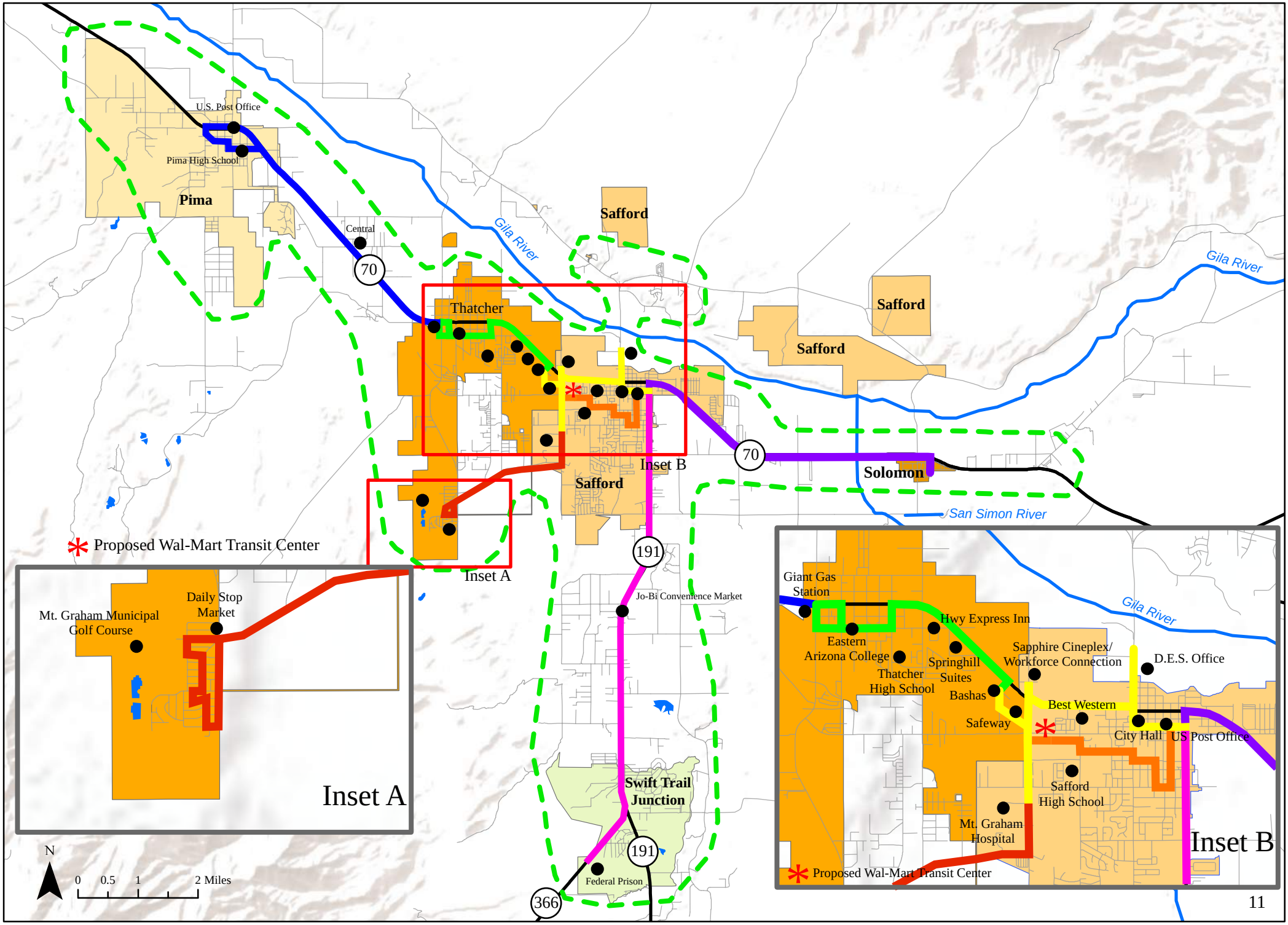
The map of the service area for the general public Dial-a-Ride for Phases I and II is shown as the green dotted line in Exhibit 1.

Phase III: The clear consensus of the TAC for a longer term service plan was for option five, a community service route between Pima, Thatcher, Safford and Solomon, plus expansion of Dial-a-Ride service to the general public. This concept was strongly supported by input from stakeholders and focus group participants throughout the outreach process. On July 7, 2015 the TAC voted to recommend the service option elements described below. However, the service plan had been modified to reflect the phased implementation discussed at the January 2016 TAC meeting.

- A fixed bus route would be established and operated with a single bus on weekdays (except holidays) from 7:00 am to 6:00 pm.
  -
  - The fixed route in Exhibit 1 shows the building blocks in different colors for a hub-and-spoke route system focused on WalMart. The spoke routes would operate less frequently than the more frequent yellow hub route that serves key destinations in Safford and Thatcher. More detail on the hub and spoke transit system is provided in Chapter 6. The actual route and schedule should be refined based on actual origin and destination patterns of the general public Dial-a-Ride service implemented in Phases I and II.
  - The community service route would combine curbside stops with stops within major activity centers (such as medical centers and grocery stores) to limit the amount of walking required to reach key destinations.
- General public Dial-a-Ride service in the recommended area shown in Exhibit 1 would continue from Phase I and II implementation. The general public Dial-a-Ride service would operate weekdays from 7:00 am to 6:00 pm. Advanced reservation trips would receive priority over same day requests.
- This service would both satisfy the Americans with Disabilities Act requirement for complementary paratransit for persons unable to use the fixed route and would offer service to areas outside the reach of the fixed route.
- It is recommended that the Dial-a-Ride service would be coordinated with the current SEACAP Dial-a-Ride service that is funded by the Area Agency on Aging.

Phase III - Fixed Route and Dial-A-Ride Boundary Recommendations

Exhibit 1



Estimated Ridership

The best estimate of ridership for the recommended Graham County transit service is approximately 31,000 annual trips, likely at the end of the second full year of implementation of Phase III. This is based on national statistics and the experience of comparable Arizona communities. National research methodology indicates that the ridership for a two bus public transportation system can be expected to be in the range of 21,700 to 45,641 annual transit trips. In FY 2012/13, Benson Transit provided an estimated 20,000 annual trips, and the more extensive Douglas transit service with a greater service supply and service levels had ridership of 51,572.

A five-year goal of 45,000 to 50,000 annual transit trips would be a reasonable and realistic objective for a local public transportation service in Graham County between Pima and Solomon.

On an interim basis, the annual ridership for SEACAP for predominantly seniors and disabled individuals was 2,763 annual one-way trips in FY 2014/15. This is well below the ridership potential for a general public service with a minimum of 21,700 annual one-way riders. The Phase I Service Plan recommendation would enable general public ridership to increase to 5,000 to 6,000 riders, with the Phase II Service Plan potentially increasing overall Graham County ridership to approximately 10,000 annual riders. Only with the implementation of fixed route service will ridership likely exceed the low end ridership demand of 21,700.

Marketing Plan

Without effective communications to build awareness and educate potential riders, even the most needed public transportation service will not be well utilized. This is particularly true in an area like Graham County without an established system of public transportation and where the limited services that do exist are perceived as being available only to specific groups. Residents simply do not expect to have a public transit option and hence either rely on private transportation options or simply do not travel.

The primary goal of these recommendations is to ensure the success of the expanded transportation services by generating ridership. Several objectives are implicit in the accomplishment of that goal:

- Create awareness about the transportation services, through effective branding and community outreach.
- Educate gatekeepers and potential riders about where the service goes, how it works and the fact that it is available to the general public.
- Establish marketing partnerships with social service agencies, medical providers, and local businesses.
- Make the service user-friendly through effective information tools, easy reservation process and affordable fare media.

The following are key strategies for the Phases I and II of service implementation:

Branding

Branding is marketing at its most basic. It is how we identify a service and everything associated with it using a name, logo, and packaging. The objective of branding is to create a unified image in the mind of the potential customer and to create immediate recognition of all facets of the service.

For a transit system, the key elements of its visual brand are its name, logo, vehicle colors, vehicle graphics, bus stop signage and bus stop facilities (shelters, benches, etc.). The vehicles and bus stops are in essence a transit system's "packaging."

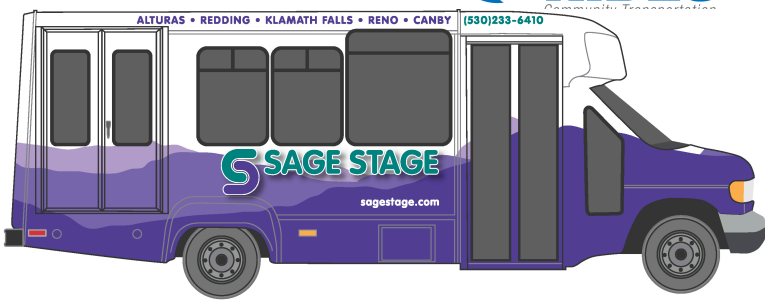
- <u>Name</u>

  The first step in branding the expanded service will be to select a name for it. While the initial service will be essentially an expansion of the existing SEACAP service, continuing to operate under Logo

  A logo is a graphic representation of the name which is used on vehicles, signage, printed materials, website, driver uniforms and everything associated with the system. To the right are several examples of transit logos that demonstrate these principles.

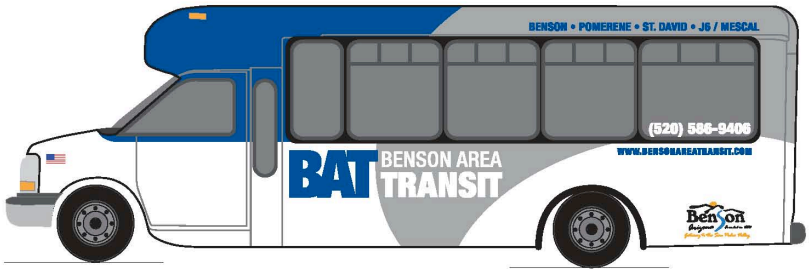
  The logo sets the pallet of colors which are used to identify the service. Attributes of a good transit logo are:

  - Visually reinforces the name and service
  - Clear, simple and immediately identifiable
  - Easily used in a variety of applications and sizes



- <u>Vehicle Graphics</u>

  As previously noted, the vehicles which provide the transportation service will be the most visible marketing tool. They will be seen by people throughout the community on a daily basis. With bold branding, they can communicate that service is available, where it goes and how to access it.



  To the right are several examples of boldly branded buses from small communities similar to Safford.

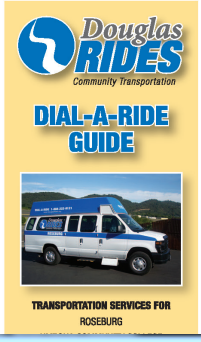
Passenger Information

Passenger information is the "directions" for using public transportation and is the basis of any transit marketing program. Without effective, easy to use, broadly distributed passenger information, public transit services are simply not useful. Since most residents of Graham County have little or no experience with public transportation, the passenger information tools must educate them about how a demand response service works. Passenger information tools, like the services themselves, should be designed with the potential rider's needs in mind.

Passenger information needs to be made available both in printed materials which can be broadly distributed and on the internet.

- <u>Printed</u>

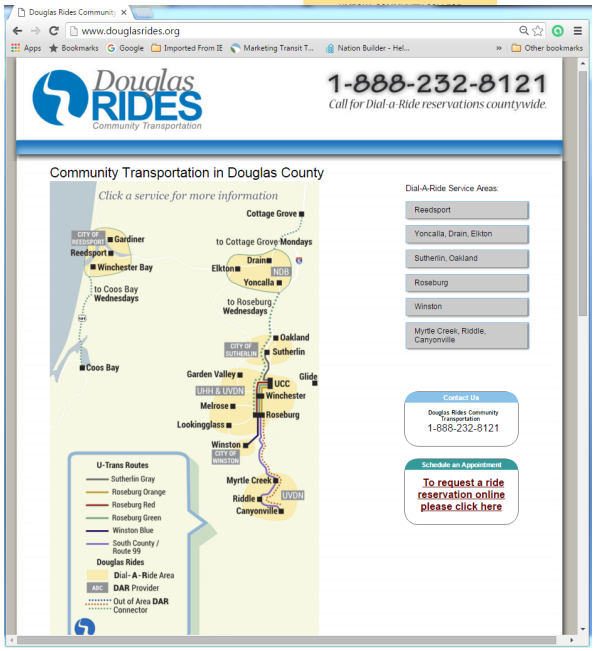
  Printed passenger information in the form of a passenger guide can serve both an informational and a promotional function. Seeing attractive, user-friendly guides displayed around the community lets potential users know that they have a transportation option and tells them how to access that option. When a need for transportation arises, having a passenger guide in the home or readily available, allows potential users to easily act on the need.



- <u>Online</u>

  The internet is where people turn for information about almost anything. Once a name is determined, consider purchasing an internet domain name that relates to the service name and is easy to remember. For example, if the service is called Graham Rides, then purchase www.grahamrides.com. The cost of a domain name is only about $30 per year. The domain can be used for a stand-alone website or can be directed to a page on an existing website (e.g. Graham County).

  The webpage should communicate the same information included in the passenger guide. In addition, it should include an email contact link for asking questions and potentially a way to request a reservation.



Gatekeeper Marketing Partnerships

Many social service organizations were involved in the Graham County Transit Feasibility Study. These organizations and their employees are often charged with identifying transportation resources for their constituents – for example, how to get seniors to doctor's appointments, low income individuals to training programs, or those with mental illness to treatment programs. As such, they will be critical channels for educating key target groups about the expanded transportation services available in Graham County.

Establishing effective marketing partnerships with these organizations involves the following steps:

- ***Create a simple database*** that includes the organization, contact person and contact information, including e-mail (the TAC membership list provides a starting point).
- ***Conduct "training" sessions*** at meetings of front line staff who need to understand how the expanded service works so they can pass the knowledge on to constituents.
- Provide the gatekeepers with ***"tools" for marketing transit*** to their constituents. These might include:
  - Bulletin board posters for their facilities
  - Transit information display for their lobby
  - Targeted flyer for distribution to their population
  - Or simply a supply of transit guides for distribution
- Provide gatekeepers with regular ***email updates*** about changes in transit services and programs, availability of new passenger guides and other updates. When appropriate, emails can include an 8 ½" x 11" PDF flyer for printing and posting or distributing to co-workers and/or clients.
- Encourage them to purchase ***pre-paid fare media*** for distribution to clients.
- Provide ***travel training presentations*** for client groups – for example at the senior center breakfast, WIC classes or Workforce Solutions.

- Department of Economic Security
- Vocational Rehabilitation Services
- Workforce Connections
- SEACUS – Senior Center
- SEABHS - Behavior Health
- Blake Foundation
- Mt. Graham Regional Medical Center
- Graham County Public Health
- WIC Program
- VA Clinic

Social Media

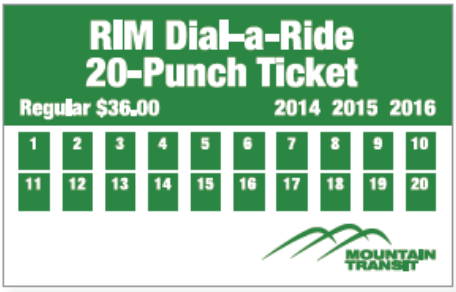
In additional to traditional news media, take advantage of social media networks to build visibility for the expanded services. News releases should be sent to the gatekeeper email list. They should be encouraged to:

- Post messages about the new transit services on their Facebook pages or other social media platforms.
- Provide links from their own websites or Facebook pages to the webpage for the transit services.
- Forward the news releases to their staff and associate organizations.

- Post notices on office and lobby bulletin boards to be seen by staff and clients.

Fare Media

During the initial phases, it is recommended that the fare structure for the service be kept very simple. Seniors and persons with disabilities who ride free (or for a voluntary donation) under the AAA funded program will continue to do so. General Public riders could pay $1.00 per ride. If SEACAP so desired, the donation policy could apply to all riders including the general public in the Phase I Service Plan. This will ease the administration burden for SEACAP.



If a fare is eventually charged, riders should be able to purchase multi-ride tickets – such as 10 or 20 ride punch passes. They can be sold as face value through the transit office, by mail or through gatekeeper organizations.

Financial Plan

A five-year operating and capital plan is shown in Exhibit 2. The following is a breakdown of the first years of each phase:

Phase I: $17,871 administrative costs, $49, 622 in operations costs, and $20,000 in capital costs. Total costs and revenues of $87,493. This requires a FTA 5311 grant of $59,078 and local match of $28,415. A total of $23,455 in Area Agency on Aging (AAA) funding received by SEACAP for existing transportation would be utilized for local match purposes. This assumes that at least one-half of the existing SEACAP trips has a trip end in proposed general public Dial-a-ride service area in Graham County and SEACAP receives $50,000 in total AAA funding.

Phase II: $19,953 in administrative costs, $109,555 in operations costs, and $90,000 in capital costs. This requires a FTA 5311 grant of $151,505 and local match of $68,004. Total costs and revenue of $219,508. Assuming that 50% of the SEACAP's existing AAA funding has a trip end in the Graham County general public Dial-a-Ride service area, $25,000 in AAA funding would be utilized for local match. Phase II would require a local entity to provide $13,978 in maintenance in-kind service and $9,826 in other in-kind or local cash contribution.

Phase III: $51,927 in administrative costs, $194,406 in operating costs, and $200,000 in capital costs. This requires a FTA 5311 grant of $299,311 and local match of $121,184. Total costs and revenues of $446,333. Local entity provides in-kind maintenance at a value of $16,848. A total of $31,707 in local cash or in-kind contributions from partners. For operations and maintenance, a total of $48,588 in additional in-kind or local cash contribution is required.

Exhibit 2 Recommended Financial Plan

	Phase I		Phase II		Phase III
	Year 1	Year 2	Year 3	Year 4	Year 5
Costs					
Administration Costs					
Labor	$ 9,950	$ 10,248	$ 11,064	$ 11,395	$ 33,688
Benefits	$ 2,370	$ 2,441	$ 2,766	$ 2,849	$ 10,150
Other Direct Costs	$ 5,551	$ 5,718	$ 6,124	$ 6,307	$ 8,089
Subtotal Administration Costs	$ 17,871	$ 18,407	$ 19,953	$ 20,552	$ 51,927
Operations/ Maintenance Costs					
Labor	$ 26,755	$ 27,558	$ 57,918	$ 59,656	$ 108,620
Benefits	$ 6,373	$ 6,564	$ 14,480	$ 14,914	$ 28,202
Fuel	$ 5,956	$ 6,135	$ 17,018	$ 17,529	$ 19,145
Maintenance Vendor	$ 4,493	$ 4,628	$ 13,978	$ 14,397	$ 16,848
Insurance	$ 1,044	$ 1,076	$ 2,662	$ 2,742	$ 6,591
Marketing Direct Costs	$ 5,000	$ 3,500	$ 3,500	$ 3,605	$ 15,000
Subtotal Oper./Maint. Costs	$ 49,622	$ 49,461	$ 109,555	$ 112,842	$ 194,406
Capital Costs					
Buses	$ -	$ -	$ 65,000	$ -	$ 85,000
Bus Stop Improvements	$ -	$ -	$ 25,000	$ -	$ 115,000
Bus wrapping*	$ 20,000	$ -	$ -	$ -	$ -
Subtotal Capital Costs	$ 20,000	$ -	$ 90,000	$ -	$ 200,000
Total Costs	$ 87,493	$ 67,868	$ 219,508	$ 133,394	$ 446,333
Revenues					
FTA 5311 Grant					
Administration	$ 14,297	$ 14,726	$ 15,962	$ 4,110	$ 41,541
Operations and Maintenance	$ 28,781	$ 28,687	$ 63,542	$ 65,448	$ 112,756
Capital	$ 16,000	$ -	$ 72,000	$ -	$ 160,000
Subtotal FTA 5311 Grant	$ 59,078	$ 43,413	$ 151,505	$ 69,559	$ 314,297
Local Match					
AAA	$ 23,455	$ 23,466	$ 25,000	$ 25,000	$ 25,000
TAC meetings In-kind contribution	$ 960	$ 989	$ 1,200	$ 1,400	$ 1,600
Local Cash or In-Kind Contribution	$ -	$ -	$ 23,804	$ 37,435	$ 65,436
Freeport McMoRan Grant	$ 4,000	$ -	$ 18,000	$ -	$ 40,000
Total Local Match	$ 28,415	$ 24,455	$ 68,004	$ 63,835	$ 132,036
Total Revenues	$ 87,493	$ 67,868	$ 219,508	$ 133,394	$ 446,333

1. Introduction

Study Purpose

In March 2014, Graham County submitted an application to the Arizona Department of Transportation (ADOT) Planning Assistance for Rural Areas (PARA) grant program requesting funding for this public transportation feasibility study. The following was the primary rationale for requesting the grant funding for the Graham County Transit Feasibility Study: "We need this study as a tool for evaluating our complete transit needs, community interest, and the viability of Section 5311 program serving all of the communities of the County." The grant application was approved and ADOT has hired Mobility Planners LLC in collaboration with Transit Marketing LLC to conduct the transit feasibility study.

The purpose of the Graham County Transit Feasibility Study is to address the following questions:

1) Is there community support and adequate potential ridership for a viable public transit system in Graham County?
2) Does sufficient local or other financial support exist to provide necessary matching funds for federal funding to financially sustain transit services over time?
3) Does a viable governance structure exist or can one be created to govern, manage and comply with federal funding regulations?
4) Is there the potential to leverage existing funding for transportation in Graham County, and coordinate and add value to existing social service agency transportation services with a public transit service?
5) Do the benefits of providing a public transit system outweigh the costs of service delivery?

Background

There have been several past attempts to determine the feasibility of public transportation services in Graham County.

2007 ADOT Sponsored Graham County Transit Feasibility Review

A similar study was sponsored by the Arizona Department of Transportation in 2007. The current study is meant to update the 2007 Graham County Transit Study. In 2007, a need for public transportation in Graham County was identified, and the study concluded that there was potential for generating 69,000 annual transit trips with a public transportation system. In a comparison with five other peer regions, the annual transit per capita ranged from 2.1 to 3.6 when public transportation was made available. In Graham County, the estimate was that a public transportation system would generate 2.9 annual trips per capita.

While the need for public transportation was identified, there were two stumbling blocks that ultimately made public transportation not feasible.

The first barrier was that there was not consensus on how to pay for the local support dollars required to operate a public transportation system. A two bus service was estimated to cost $411,000 with fares contributing about $37,000 annually. The Federal Transit Administration 5311 program

was expected to contribute 58% of the net total (less fares) or $231,000. The need for local contributions for annual operations was therefore anticipated to be $143,000. The local match for the capital costs was estimated at an additional $11,500. No consensus was reached among the potential partners on how to financially sustain the service.

The second barrier was that no local agency was willing to take on the responsibility for administration of the public transportation service. The study presented several management alternatives; however, the final report concluded that "No one government or organization is prepared to take on the task of administering a transit agency."

2010 Safford Transit Study

In 2010, Mayor Chris Gibbs from Safford convened a stakeholder group to explore the feasibility of public transportation. The effort included a survey of 408 individuals[1] that explored the feasibility including potential stops, anticipated number of trips per week, special needs and use factors such as cost and schedule. A potential schedule and coordination with the San Carlos Apache Tribe intercity service was explored.

Again, there was no consensus on how to pay for and govern a public transportation service in Graham County.

Bi-Monthly Mobility Management Coordination Meetings

Every other month, key stakeholders involved with human service agency transportation and staff from the SouthEastern Arizona Governments Organization (SEAGO) meet to discuss training issues, maintenance issues, outreach to seniors, and a number of other coordination issues. The subject of public transportation and FTA 5311 services in other communities regularly comes up in the group discussions.

2015/16 Graham County Transit Feasibility Study Process

The work for the 2015 Graham County feasibility study was conducted in two phases. The first phase was designed to answer the five questions above to determine if public transportation is feasible in Graham County.

A Phase I working paper was prepared and circulated on the key findings from the first phase of the study on whether or not public transportation is feasible. The working paper was reviewed by the Technical Advisory Committee (TAC) and a recommendation made to the Graham County Board of Supervisors, City of Safford City Council, City of Thatcher City Council and the Pima Town Council regarding whether or not public transportation is feasible for Graham County. Based on the TAC finding that public transportation was feasible, advisory votes were taken by each of the elected bodies to determine if the study should move to the second phase of the analysis in developing a detailed service, financial and marketing plan.

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[1] Respondents could respond to a question multiple times. The number of actual of respondents is based on the number of individuals who respondents to the age question.

In order to be feasible, each elected body had to determine:

1. There is a need for public transportation in their jurisdiction.
2. They are willing and able to sustain a fair share of funding or in-kind service over a minimum five-year period.
3. They are willing to participate in a governance body to provide oversight to the public transportation system.

The Graham County Transit Feasibility Study Phase I scope of work included the provision that "TAC members will present the recommendations to the Graham County Board of Supervisors, Safford City Council, Thatcher Town Council and Pima Town Council to determine if there is consensus on the feasibility of public transportation in Graham County."

Prior to the governing body meetings, the consulting team recruited Laura Rogers from the Graham County Health Department, a member of the TAC, to be the lead presenter of the TAC findings and recommendations to each of the governing bodies.

The meetings with the governing bodies were held on:

- City of Stafford City Council meeting: July 27, 2015
- Town of Pima Town Council meeting: August 4, 2015
- Town of Thatcher Town Council meeting: August 24, 2015
- Graham Council Board of Supervisors meetings on September 21 and October 5, 2015

At each meeting, the governing bodies of each entity reviewed the key findings and recommendations of the TAC and authorized the study to proceed to Phase II of the Graham County Transit Feasibility Study.

The second phase of the Graham County Transit Feasibility Study was designed to accomplish the following:

- Establish the governance structure.
- Develop the management structure for financial accountability and federal regulatory compliance.
- Provide a five-year operating and capital plan that will provide the needed financial sustainability. A fare structure will be established to estimate fare revenues. Matching funds for the grant will be clearly identified.
- Develop the service operations details, including the service configuration, vehicle service hours, and costs. Provide guidelines for procurement of the service contractor (if contracted) and needed capital procurements such as buses and dispatch equipment.
- Provide a robust marketing campaign to both launch and regularly promote the service. This will also include needed partnership development.

In order to launch the second phase of the Graham County Transit Feasibility Study, a Technical Advisory Committee meeting was held on November 4, 2015 to review comments received during

the presentations to the governing bodies of the four jurisdictions when the transit feasibility was discussed. At that meeting, it was decided that a teleconference meeting should be held to discuss a potential consensus recommendation from the City Manager of Safford, Town Managers of Pima and Thatcher and the Graham County Manager regarding which entities would be responsible for administering, operating and maintaining a local public transportation service. The secondary objective of the meeting was to discuss the local match contribution requirements – the potential for in-kind contributions and cash requirements – for transit administration, operations and maintenance. The memorandum prepared for that meeting is included as Appendix A.

At the November 4, 2015 TAC meeting there was a desire by several TAC members to expedite the Phase II Feasibility Study process in order to potentially apply for FTA 5311 funding in the next ADOT FTA 5311 funding cycle, with applications due in April 2016. The plan was to develop the proposed routes and schedules, but also details on proposed transit administration, governance, marketing, and a five-year operating and capital plan. The governing bodies would then review the Phase II Transit Feasibility Plan recommendations and decide whether or not to go forward with a FTA 5311 grant for start-up administrative and capital costs in March 2016. If that funding were approved, start-up tasks could begin in October 2016. If a subsequent FTA 5311 grant is applied for in March 2017 and approved in July 2017, then the public transportation service could start as early as October 2017.

On December 14, 2015 a telephone meeting was held with the Graham County Manager, City Manager of Safford, and Town Manager of Pima with several members of the TAC and consulting team also participating. The key outcomes of the meeting were that the City of Safford was willing to consider taking on the transit administration role, and Graham County was willing to participate by providing the maintenance of the buses as in-kind services. During the conference call and in subsequent follow-up meetings it was determined that Eastern Arizona College, Town of Pima, and Town of Thatcher were not able to participate financially in a public transportation service.

A conference call was held among the transit feasibility study sponsor, Graham County, ADOT and the consulting team on January 12th, 2016. The meeting confirmed that there was insufficient local financial support to go forward with a FTA 5311 application by a public entity. It was also decided to hold a teleconference meeting with the TAC on how to proceed, with three options:

1) Wrap up the project without developing the Phase II service plan, marketing plan or financial plan.
2) Develop a modified plan with Dial-a-Ride service only.
3) Proceed with service plan recommendations approved in Phase I, but with phased implementation starting with a Dial-a-Ride service only.

In a conference call with Technical Advisory Committee on January 27, 2016, all three of the options were reviewed and discussed with the TAC. It was decided to proceed with Option #3 but without providing consensus on a governance structure and necessary roles and responsibilities for implementation. It was also decided there was no need to provide public input on the Draft Transit Plan as it may need to be refined and updated if there is future willingness to provide local funding and in-kind contributions for a transit operation.

A three phased implementation approach is recommended. Phase I of the service plan would increase the SEACAP Dial-a-Ride service in Graham County to five days a week, with FTA 5311 funding utilized to fund the additional two days a week for the general public.

Draft Report Organization

The next chapter documents the public involvement effort that has informed the development of the Draft Graham County Transit Plan.

Chapter 3 provides an overview of existing and planned transportation services provided within Graham County.

Chapter 4 discusses the needs for public transportation in Graham County. It includes qualitative input from stakeholders and focus groups, an analysis of 2010 Census data, and a comparison of per capita utilization of public transportation in comparable rural Arizona and California communities.

Chapter 5 provides an overview of the Federal Transit Administration (FTA) 5311 program features and requirements. FTA 5311 funding provides funding support for rural public transportation services throughout the United States.

Chapter 6 provides the recommended three-phase service plan for implementation of a Graham County public transportation service. An overview of service delivery options in Graham County including intercity fixed route, local fixed route, community service route, flex-route and Dial-a-Ride options is presented. These options were discussed at the Technical Advisory Committee (TAC) meeting on May 7, 2015. Phase I and II Service Plans would implement general public Dial-a-Ride only. The Phase III Service Plan would combine the general public Dial-a-Ride with a hub and spoke fixed route service, with the hub route being key Safford and Thatcher activity centers, and the spoke route service providing less frequent service to Pima, Daily Estates, Swift Trail Junction, and Solomon.

Chapter 7 is the recommended marketing plan. The marketing plan for the three service phases includes the identification three target markets and four specific marketing objectives. Marketing strategies are provided for branding, passenger information, gatekeeper marketing partnerships, public relations and social media.

Chapter 8 provides a reasonable estimate of the start-up, first year and five-year operating and capital costs for a public transportation service implemented in three phases in Graham County. The five-year financial takes into account a likely progression of service implementation, and the need for local contributions including cash and in-kind contributions.

Chapter 9 provides information on the governance and management options for public transportation services. These options were discussed at the May 7, 2015 TAC meeting and the consensus position on the preferred governance option is provided. If there is a decision to go forward with public transportation in Graham County at some future date, this chapter can be a resource on the available governance and management options.

Chapter 10 provides further input on the benefits and costs of public transportation services based on national research efforts to quantify benefits.

2. Public Involvement Effort

Significant efforts have been made to solicit public input in determining whether or not public transportation is feasible in Graham County. The public involvement effort includes five components:

- Technical Advisory Committee
- Stakeholder Interviews
- Public Meetings
- Targeted Focus Groups
- Input from managers from the City of Safford, Town of Thatcher, Town of Pima, and Graham County

The public involvement process had a dual focus - collecting information about transportation needs and feasibility, while simultaneously educating community stakeholders about the possibilities for alternative service designs, governance models and funding opportunities.

This chapter documents the process for the public involvement effort. Key findings and input received are incorporated into later chapters that address the key questions on whether or not transit is feasible in Graham County.

Technical Advisory Committee (TAC)

The Technical Advisory Committee includes key representatives of all sectors of the community. This body is a critical component of the public involvement process. The TAC has provided direct input about the views of their own constituencies, will serve as a critical conduit for communicating with their jurisdictions and organizations, and will help to facilitate outreach to key potential rider segments.

An initial meeting was held with the TAC on April 1, 2015. Participating entities included:

- ADOT
- Graham County
- SEAGO
- City of Safford
- Town of Thatcher
- Town of Pima
- Blake Foundation
- Graham County Health Department
- Mt. Graham Regional Medical Center
- Eastern Arizona College
- SEACAP

The meeting provided an opportunity for participants to review the scope of work and provide input about desirable outcomes for the project.

Additional organizations were identified at the first TAC and were invited to attend the May 7, 2015 meeting:

- United Way
- SEACUS
- Mt. Graham Regional Medical Center
- Freeport-McMoRan Inc.
- County Board of Supervisors
- Chamber of Commerce

A second meeting with the TAC was held May 7, 2015. During this meeting, the consultants provided a preliminary report of findings from other outreach efforts and provided an overview of potential service designs, costs and revenues, and governance models which are further developed in this working paper.

A third meeting with the TAC was held on July 7, 2015 when the consulting team presented findings of chapters of the Phase I Feasibility Study working paper. At that time, the TAC made recommendations that transit is feasible in Graham County. Members of the TAC volunteered to present the key findings and recommendations to their respective governing bodies, asking for a preliminary commitment to provide the local match necessary and form a governance structure to govern and manage the public transportation system. If there is concurrence from the governing bodies of Pima, Thatcher, Safford and Graham County, then the study will proceed to the second phase where a detailed service, marketing, financial, and management plan would be prepared.

A fourth meeting with the TAC was held on November 4, 2015. The purpose of the meeting was to kick off Phase II of the Feasibility Study based on the affirmative votes from the four entities to move forward with Phase Two of the study. At the meeting, comments from City of Safford City Council, Town of Thatcher, Town of Pima and Graham County were reviewed and discussed. At the TAC meeting there was a desire by several TAC members to expedite the Phase II process in order to potentially apply for FTA 5311 funding in the next ADOT FTA 5311 funding cycle, with applications due in April 2016. The plan was to develop the proposed routes and schedules, but also details on proposed transit administration, governance, marketing, and a five-year operating and capital plan.

A fifth meeting with the TAC was held via teleconference on January 27, 2016. This meeting was in response to the finding that there would be no financial participation in either cash or in-kind contributions from Eastern Arizona College, Town of Pima or the Town of Thatcher. The finding was based on the December 14, 2015 meeting with the managers from Town of Pima, City of Safford, and Graham County and a subsequent follow-up meeting with the Mayor of Thatcher. The Project Management team consisting of the Graham County TAC, ADOT Project Manager and consulting team Project Manager concluded that without the financial participation of more entities, a public transportation service administered by a public entity was not feasible at this time. Three options for closing out the study were reviewed by the TAC. The TAC decided to go forward with the development of this plan for a phased approach starting with the implementation of general public Dial-a-Ride in a Phase I Service Plan.

Stakeholder Interviews

In-depth stakeholder interviews were initiated in conjunction with the kick-off TAC meeting. Interviews were held with representatives of:

- Blake Foundation
- SEACUS
- Town of Thatcher
- City of Safford
- SEACAP (Community Action Program)

Additional interviews were held with several other stakeholders during a 3-day on-site visit May 5-7, 2015:

- Department of Economic Security
- Workforce Connection
- Freeport-McMoRan Inc.
- Mt. Graham Regional Medical Center
- San Carlos Apache Tribe
- Eastern Arizona College
- Canyonlands Health – Safford Clinic

Public Workshops

Three public workshops were held on May 5-6, 2015:

- City of Safford – General Services Building meeting room
- Town of Thatcher – Council chambers or conference room
- Town of Pima – Town hall

The public meetings were announced in the local newspaper. In addition, TAC members were provided with a promotional flyer and asked to assist with recruiting participation in the public meetings by posting the flyer, including information on their own social media sites and encouraging their constituents to attend.

Focus Groups

To better understand the transportation needs of key potential rider segments, the consulting team worked with TAC members and other stakeholders to recruit and conduct focus groups with several target populations. The following stakeholder meetings were held:

- Eastern Arizona College students (April 21, 2015)
- DES/Workforce Connection clients (May 5-6, 2015)
- WIC Clients through County Public Health (April 21, 2015)
- Seniors at SEACUS Senior Center (May 6, 2015)

The focus groups were used to understand the factors that influence the use of transit in Graham County and to test demand for potential services. This was an education process in presenting simplified examples of service delivery models and service levels and discussing how such services might improve resident mobility. The input from the focus groups was incorporated into the narrative of Chapter 4 on Transportation Needs.

Managers Meeting of City of Safford, Town of Pima and Graham County

At the November 4, 2015 meeting of the TAC it was decided that a teleconference meeting should be held to discuss a potential consensus recommendation from the City Manager of Safford, Town Managers of Pima and Thatcher and the Graham County Manager regarding which entities would be responsible for administering, operating and maintaining a local public transportation service. A memorandum was prepared in advance of the December 14 manager meeting and is included as Appendix A. The City of Safford was willing to take on the role of transit administration. Graham County was willing to take on the role of bus maintenance as an in-kind contribution.

The secondary objective of the meeting was to discuss the local match contribution requirements – the potential for in-kind contributions and cash requirements – for transit administration, operations and maintenance. Eastern Arizona College had informally indicated during the Phase I review that they would not be financially participating. At the December 14, 2015 managers meeting, the Town of Pima announced it would not be able to financially participate at this time. While the Town Manager of Thatcher did not attend the December 14, 2015 managers meeting, a subsequent meeting with the Mayor of Thatcher confirmed that the Town of Thatcher would also not be a financial participant at this time.

3. Existing and Planned Transportation Services

San Carlos Apache Public Transit

The San Carlos Apache Nnee Bich'o Nii Transit has several routes that are open to the general public but are designed to meet the needs of tribe members.

Buses operate Monday through Friday on three general public routes:

- San Carlos to Globe
- San Carlos to Safford
- Bylas to San Carlos

Service is provided between San Carlos and Safford three times a day, with service to Safford starting in San Carlos at 6:45 am, 10:55 am and 4:45 pm, and arriving at Walmart at 8:10 am, 12:20 pm and the MVD at 6:10 pm (it does not stop at Walmart on its last run). The return trip from Walmart in Safford leaves at 8:15 am, 1:25 pm and 6:30 pm.

Connections are provided to Globe on the outbound trips from Safford, with the 8:15 am and 1:25 pm departures from Walmart in Safford arriving in Globe at 10:15 am and 3:20 pm. These trips also serve the casino.

In addition to the intercity routes, the San Carlos Tribe also has a community route which serves local San Carlos trips and a Casino employee shuttle between Bylas and the Casino.

Funding for the San Carlos Apache service comes from the Federal Transit Administration Tribal Transportation Program. Funding applications are submitted directly to the Federal Transit Administration.

Public Involvement Input

The existing perception by many Graham County residents from stakeholders interviewed is that the San Carlos Apache Bus is for tribe members and is not open to the general public. The buses are currently branded with tribal images and "public transit" is not displayed on the buses. The Tribal Transportation Manager is taking steps to re-brand the bus to be more inclusive of the Graham County general public. According to the Tribal Lead Driver/Supervisor, there are a couple of Graham County residents who utilize the service to the Casino and back as well as one individual who regularly takes the bus between Pima and Safford and back.

SouthEastern Arizona Community Action Program (SEACAP)

The SouthEastern Arizona Community Action Program (SEACAP) provides transportation services in the Safford, Pima and Thatcher area. SEACAP is a community action agency with the following mission: "To assist families in the movement, transition and achievement of self-sufficiency."

SEACAP provides Dial-a-Ride service to meet the needs of the elderly and disabled, but will serve the general public on a space available basis. The services are utilized for trips to congregate meal sites, doctor visits, dialysis, grocery shopping, DES visits, among other trip purposes. SEACAP is able to serve about 15-16 trips a day. Trips are normally scheduled with an advanced reservation. SEACAP transportation is free, with a donation box available for those clients who wish to contribute to the program.

SEACAP serves about 120 individuals with transportation according to the 2013 Coordination Plan. A 2011 cutaway bus with a lift is utilized to provide service from 8:00 am to 12:30 pm and 1:30 pm to 5:00 pm, Monday through Friday. As reported by SEAGO, SEACAP provided 2,763 one-way trips in FY 2014/15.

In the past, SEACAP has received funding from the Federal Transit Administration (FTA) 5310, 5316, 5317 and Area Agency on Aging funding through SEAGO.

Service is also provided to Clifton in the morning from 9:00 am to 1:00 pm four days a week and on Thursday from 8:00 am to 5:00 pm.

Easter Seals Blake Foundation: SAGE Program

Easter Seals Blake Foundation, a 501(c)3 non-profit corporation, was originally formed in 1950 as the Cerebral Palsy Foundation of Southern Arizona. Easter Seals Blake Foundation is dedicated to the idea that all people deserve the chance to live healthy, productive and independent lives. The Blake Foundation's educational, therapeutic, family support and community living programs are designed in accordance with their mission: to enable each individual served to discover and meet his or her maximum potential for independent, productive living and developmental growth.

In Graham County, the Easter Seals Blake Foundation's SAGE Division provides residential, employment and day program services for individuals with developmental disabilities. SAGE provides programs to enable individuals with physical and/or intellectual disabilities to reach their maximum potential for independence.

SAGE provides transportation to and from day programs, residential programs, and individual homes. Clients are driven to social and recreational activities. Transportation is also available to clients for vacation use, visits to family and other group excursions to various cultural, historic and tourist sites both within and outside of Arizona.

In collaboration with S.E.A.C.U.S., SAGE provides seniors the opportunity to travel to and from the Apache Gold Casino in San Carlos, AZ the fourth Friday of the month. This service is paid for by the Blake Foundation.

In collaboration with SEACAP, SAGE provides back-up transportation to SEACAP when they cannot provide transportation to clients due to vehicle availability, or vacation or illness of SEACAP drivers.

The Blake Foundation has nine vehicles that operate in Graham County, funded with FTA 5310 capital funds. In 2014, SAGE's Blake Foundation transportation service provided 29,252 transportation trips.

Greyhound

Greyhound successfully submitted a Section 5311 application to the Arizona DOT to provide intercity service that would serve Graham County. The service was implemented during the transit feasibility study process. The service provides one daily round trip between Phoenix and El Paso, TX with intermediate stops in Mesa, Superior, Miami, Globe, Peridot, Bylas, Safford, Duncan, Lordsburg, NM and Las Cruces, NM. This new Greyhound route serves rural residents in the communities identified in the schedule and connects with services provided by Cobre Valley Transit in Globe, with the San Carlos Apache Transit in Bylas and Peridot and with Valley Metro in Phoenix.

Fares between Phoenix and Safford/Thatcher range from $40 for Economy and a non-refundable fare of $54 for a flexible ticket and no fee to change the date/time for the ticket.

Private Transportation Providers

There are at least three private transportation providers that serve the area between Pima and Solomon. A local taxi service provides local on-demand taxi trips. A limousine and shuttle service provides transportation to both Phoenix and Tucson and intermediary destinations. For example, according to their website, it costs $145 for a trip from Safford to the Tucson airport. A non-emergency medical transportation service provider also provides services in several southeastern Arizona counties, including Graham County.

4. Transportation Needs

The purpose of this section is to answer the question: Is there a need for additional public transportation in Graham County?

To answer this question, several sources were utilized:

1. Qualitative input from stakeholder interviews, focus groups, public meetings, and TAC meetings. When possible, quantitative input on the number of clients being served by social service agencies in Graham County who might benefit from public transportation.

2. Quantitative characterization of the socioeconomic needs utilizing Census data.

3. Quantitative input of average public transportation trips per capita in Arizona rural areas similar to Graham County.

Qualitative Input from Stakeholders and Focus Groups

The key finding from the focus groups and stakeholder interviews is that there are essentially four key market segments with a need for public transportation:

- Low income persons without a driver's license or without access to an automobile to get to training, jobs and other needs.

- College students living on campus at Eastern Arizona College without an automobile.

- Growing senior demand that will likely outstrip the available capacity of the SEACAP transportation program.

- Persons with disabilities, including behavioral health clients.

Input regarding the destinations that public transportation needs to serve was quite consistent among stakeholders and focus groups. These locations are itemized at the end of this section.

Transportation needs of low income individuals

According to the 2010 Census, 25.4% of Graham County residents live below the poverty level – almost 1 in 4 or 8,300 Graham County residents. This is significantly higher than the statewide average of 18.6%. Several of the stakeholders we talked to work with these residents on a regular basis to provide services.

The Arizona Supplemental Nutrition Program for Women, Infants, and Children (WIC) provides nutrition education and breastfeeding support services, supplemental nutritious foods and referrals to health and social services. WIC serves pregnant, breastfeeding, and postpartum women, infants, and children under the age of five who are determined to be at nutritional risk. The WIC Program is funded by the United States Department of Agriculture. The WIC program in Graham County has a caseload of 1,120 with 985 participating in the program currently. At present, clients walk, get rides or have transportation for their trips. Staff at the WIC program and the department of health believe

that a public transportation system would provide a significant benefit to their clients not only for trips to the program, but for general health care, grocery shopping and other travel.

The Workforce Connection based in Safford is a One Stop for unemployed and underemployed persons. At present, most individuals bike, catch a ride or walk to get there. One young woman attending the focus group session had walked from Daily Estates to the Workforce Connections, a walk of 90 minutes one way. Typical of many, she had an older car, but it needs significant repairs and she cannot afford to get it fixed. Workforce Connection encounters prison release clients who are looking for work but have no driver's license and are without a car. In April 2015, there were 1,038 visits by clients to Workforce Connections. Most of these clients would benefit from a public transportation system that provided circulation among Pima, Thatcher, Safford, and Solomon.

At the Canyonlands Health Clinic, approximately 60% of clients qualify for Access, Arizona's Medicaid program. Access will pay for transportation. The clinic sometimes struggles in utilizing SEACAP for medical appointments, with clients often having to wait 2-3 hours in their waiting room after their appointment. They call Access for transportation, but it usually requires a reservation three days in advance. The service is provided by a contractor. Access will pay for a taxi to Wilcox for a connection to Greyhound. The cost for a local trip is $12 and $200 for a trip to a specialist in Tucson.

The Department of Economic Security (DES) is currently serving 5,000 clients in Graham County. This does include some double counting for clients who are enrolled in multiple DES programs. However, with 9,300 residents living below poverty, the current caseload is not surprising. Due to the housing costs, many of their clients live in outlying areas and do not own automobiles. A large majority of DES clients would benefit from a local public transportation service.

Eastern Arizona College Students

Eastern Arizona College has approximately 3,500 students with 2,000 part-time and 1,500 full-time students. While many students have vehicles and can provide their own transportation, others rely on getting rides or walking to get around the local area.

Of the student population, 420 live on campus and 80% of these don't have automobiles. Students particularly need public transportation for trips to Walmart, the grocery store and for evening service. There is no taxi service after midnight, and it's problematic for students to get back to campus if they get out of the emergency room in the late evening. Some students at a focus group mentioned the difficulty of getting around without a car in the Thatcher/Safford area. Other students with cars related that they are often called on to provide rides for friends and dorm mates.

Senior Transportation

Older adults (65 years of age or older) make up 12.2% of the Graham County population. This is below the Arizona statewide average of 13.8%. This represents 4,500 seniors. From Pima to Solomon, the percentage is consistently very close to 12%. The number of older adults 75 years old and above is 5.1% or about 1900 individuals. These older adults 75+ are the ones with a higher propensity to need specialized transportation service like what is currently provided by SEACAP. According to SEACAP many of the elderly clients they serve would be considered the frail elderly, but SEACAP also serves many other local transportation needs throughout Graham County.

Disabled Transportation

The number of disabled individuals below 65 years of age is 7.3% in Graham County, slightly below the statewide average of 8.1%. While data is not available for Graham County, the number of seniors 65+ who have a disability statewide is 33.8%. Assuming a similar percentage for Graham County, there are approximately 4,700 Graham County residents with a disability.

A representative from Southeastern Arizona Behavioral Health Services (SEABHS) says that with a recent rule change, Behavioral Health can only provide transportation for medical trips that are "clinically justifiable." In the past, they used to provide transportation services for daily living such as trips to the grocery store. Such trips are now quite difficult for many clients who do not own an automobile. Clients are forced to walk and for many their medications and heat do not mix well.

From Pima to Solomon, SEABHS has approximately 300 clients and approximately 50% are transit dependent without an automobile or driver's license.

Destinations Where Public Transportation Is Needed

The following are locations that were consistently mentioned by stakeholders and focus group participants as key destinations for a transit service:

- Eastern Arizona College
- Medical Facilities along 20th Ave
- Shopping at Hwy 70/20th Ave commercial area including Walmart, Safeway, and Bashas
- Downtown Safford
- Social Service Offices
- Low Income and Senior residential areas in Safford, Thatcher and outlying areas

Census Summary

Exhibit 3 summarizes U.S. Census data for towns and cities in Graham County, along with a comparison of Graham County to Arizona as a whole.

Exhibit 3 Graham County American Community Survey and 2010 Data

	Pima	Thatcher	Safford	Solomon	Graham County	Arizona
Population	2,387	4,848	9,541	426	37,168	6,479,703
10-19 %	15.2%	21.7%	15.9%	10.4%	18.1%	14.2%
65+ %	12.4%	12.5%	12.2%	11.8%	12.2%	13.8%
75+ %	5.6%	4.5%	7.1%	5.3%	5.1%	6.0%
Veterans%	8.3%	5.3%	7.2%	13.1%	7.3%	8.1%
Disabled below 65 %	N/A	N/A	7.5%	N/A	8.6%	7.4%
Hispanic %	20.8%	29.6%	43.6%	75.8%	31.5%	43.6%
Income						
Mediam Income	$ 44,583	$ 50,099	$ 42,669	$ 52,431	$ 44,943	$ 49,774
People in Poverty %	18.9%	16.5%	19.9%	33.2%	22.3%	18.6%
Language						
Non-English	9.9%	12.4%	16.5%	26.7%	20.1%	26.8%

Source: 2009-2013 American Community Survey 2009-13 5 year estimate and 2010 Census

What stands out in the table above are the market segments for public transportation:

- Youth 10-19 years old need public transportation for mobility due to their age, student status and employment status. In many rural areas, youth who have not obtained their driver's license are an important market segment for public transportation. With approximately 340 Eastern Arizona students living on campus without a car, in addition to the substantial number of middle school and high school students without a car, this is a market segment with a substantial need for public transportation.
- Seniors are a very important market for public transportation. Many seniors in other communities with a community service route that connects their housing with the library, medical clinics, pharmacies, the senior center, and grocery shopping like the flexibility and lower cost of using a local bu. Even seniors who are currently driving like the option of having a public transportation service available as most recognize that they will reach a point when they can no longer drive. SEACAP's Dial-a-Ride service is accommodating many of the frail senior population, but a community service route and general public Dial-a-Ride coordinated with SEACAP would provide significantly more mobility options with the growing number of seniors.
- There are many low income households in Graham County that live below the poverty line. The Department of Economic Security (DES) has 5,000 residents on its case load at the moment. While many own a car, many do not, as will be further explored with a map of autoless households in the next section of this chapter. Stakeholders told us that many of the very low income households live in isolated areas, such as the area adjacent to Jo-Bi Convenience store south of Safford along Highway 191. Providing mobility options for individuals without access to an automobile to receive DES services, attend school, get a part-time or full-time job, or conduct the basic necessities of life such as access to the grocery store are all important needs in Graham County.

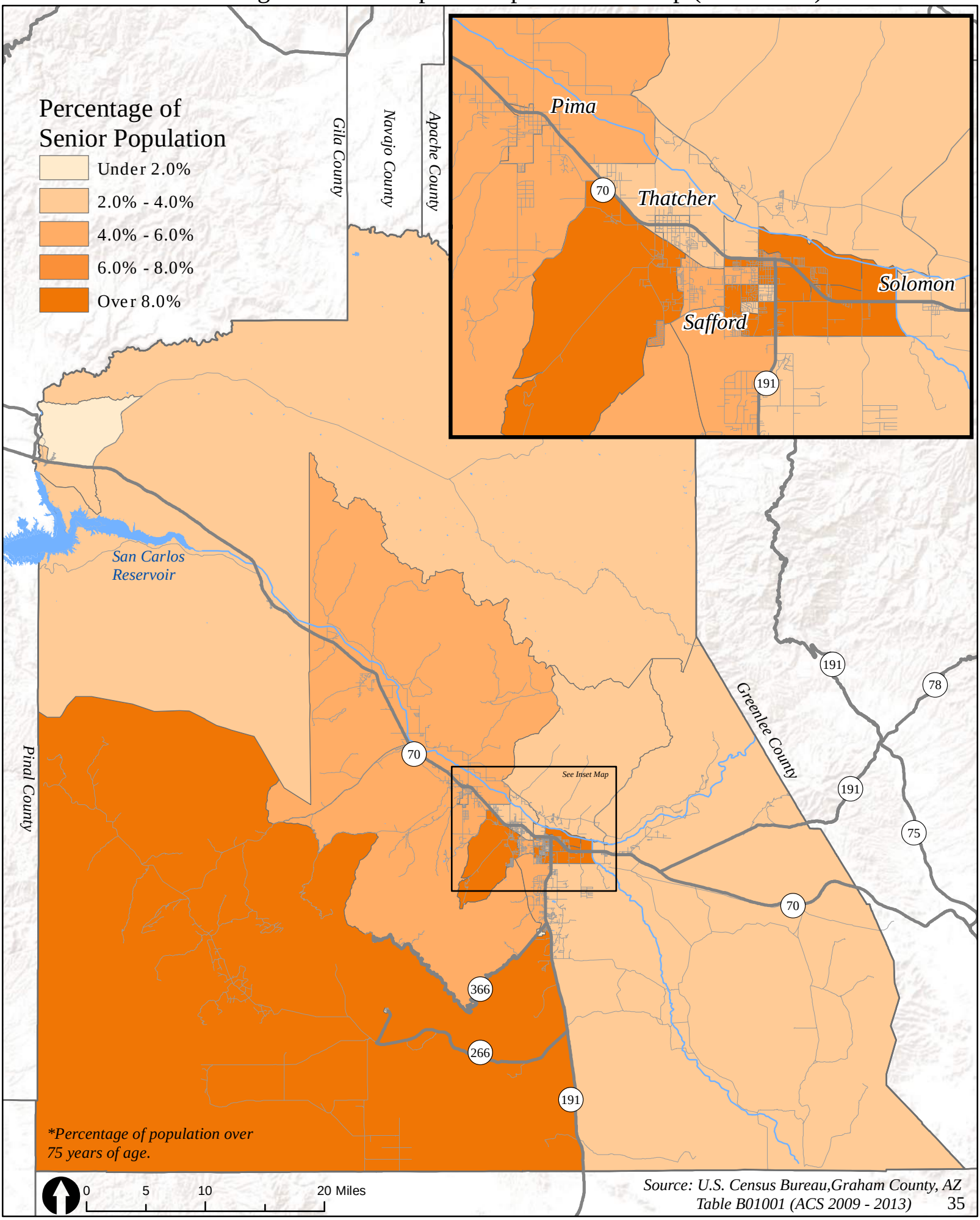
- Veterans make up 7.3 percent of the Graham County population. Some of the veterans returning home from recent wars have either physical or mental disabilities. Providing public transportation serves an important mobility need for veterans.
- As described above, there are approximately 4,700 disabled individuals, many of which are also low income or are in the senior category.

The maps on the following three pages show the distribution of seniors, households that do not own an automobile and persons living below the poverty level. The following are relevant observations from the review of the demographic maps:

- Exhibit 4 shows concentrations of seniors 75 and older. There are concentrations of Census block groups with 8% or more located in Thatcher, Safford and east to Solomon. This is currently an important market segment served by SEACAP. The demand on SEACAP is growing. The aging of the population and a coordinated public transportation service with SEACAP would be advantageous for the senior population concentrations displayed on the map.
- The percentage of households without automobiles varies significantly in Graham County as shown in Exhibit 5. The map displays the highest concentration with 12% or more households without automobiles in both the San Carlos reservation area as well as Safford. Secondary concentrations are found in southeastern Thatcher, Pima and Solomon. This is where the need for public transportation service among the general public population is greatest. Much of Thatcher has households with high auto ownership.
- In terms of concentration of households living below the poverty line, poverty is most prevalent with over 12% of households living in poverty located in the San Carlos reservation and small areas of Pima, Thatcher and Safford. A map showing the concentrations of households living in poverty is shown in Exhibit 6.

Graham County, AZ

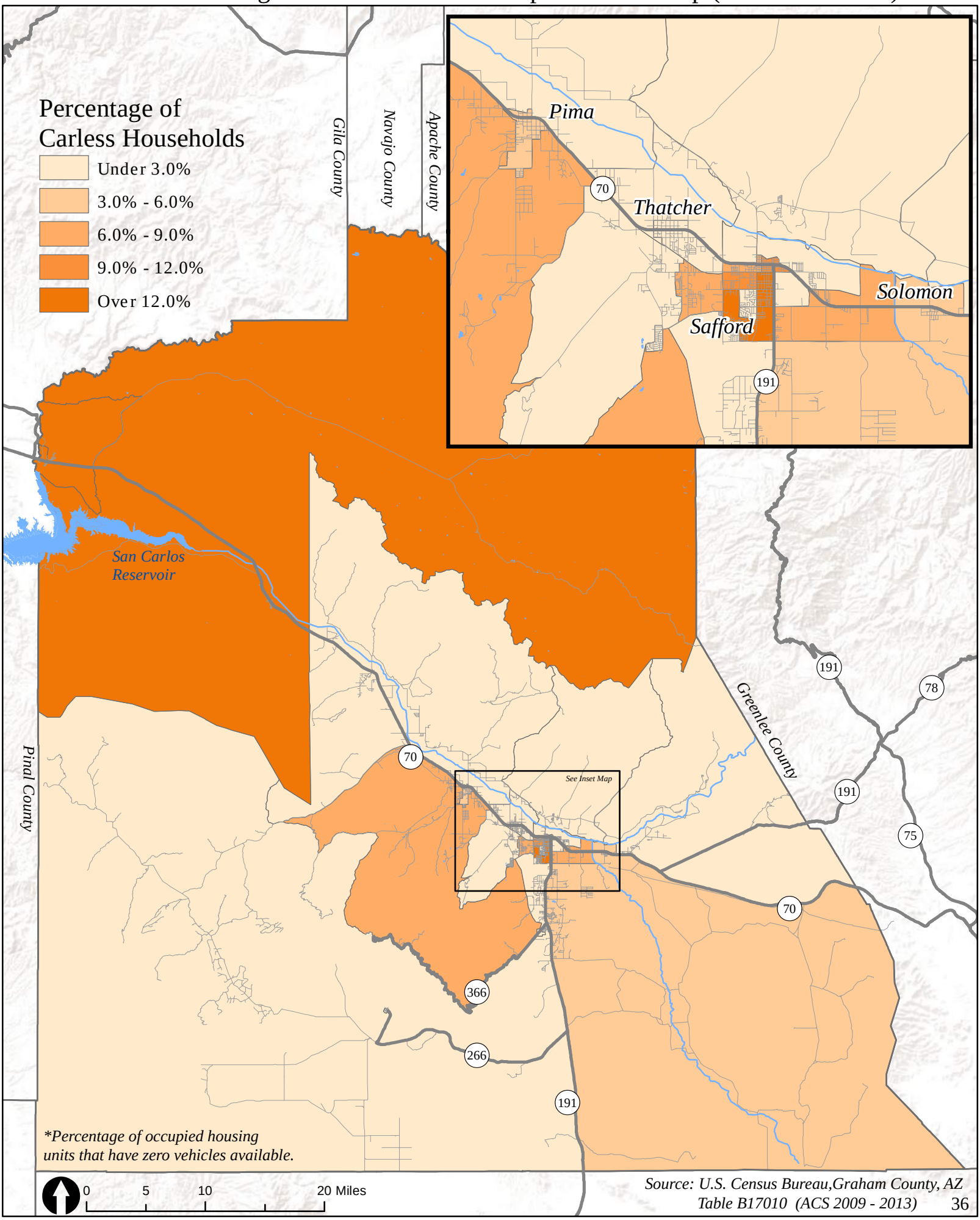
Exhibit 4 - Est. Percentage of Senior Population per Block Group (2009-2013)*



Source: U.S. Census Bureau,Graham County, AZ
Table B01001 (ACS 2009 - 2013)

Graham County, AZ

Exhibit 5 - Est. Percentage of Carless Households per Block Group (ACS 2009-2013)*

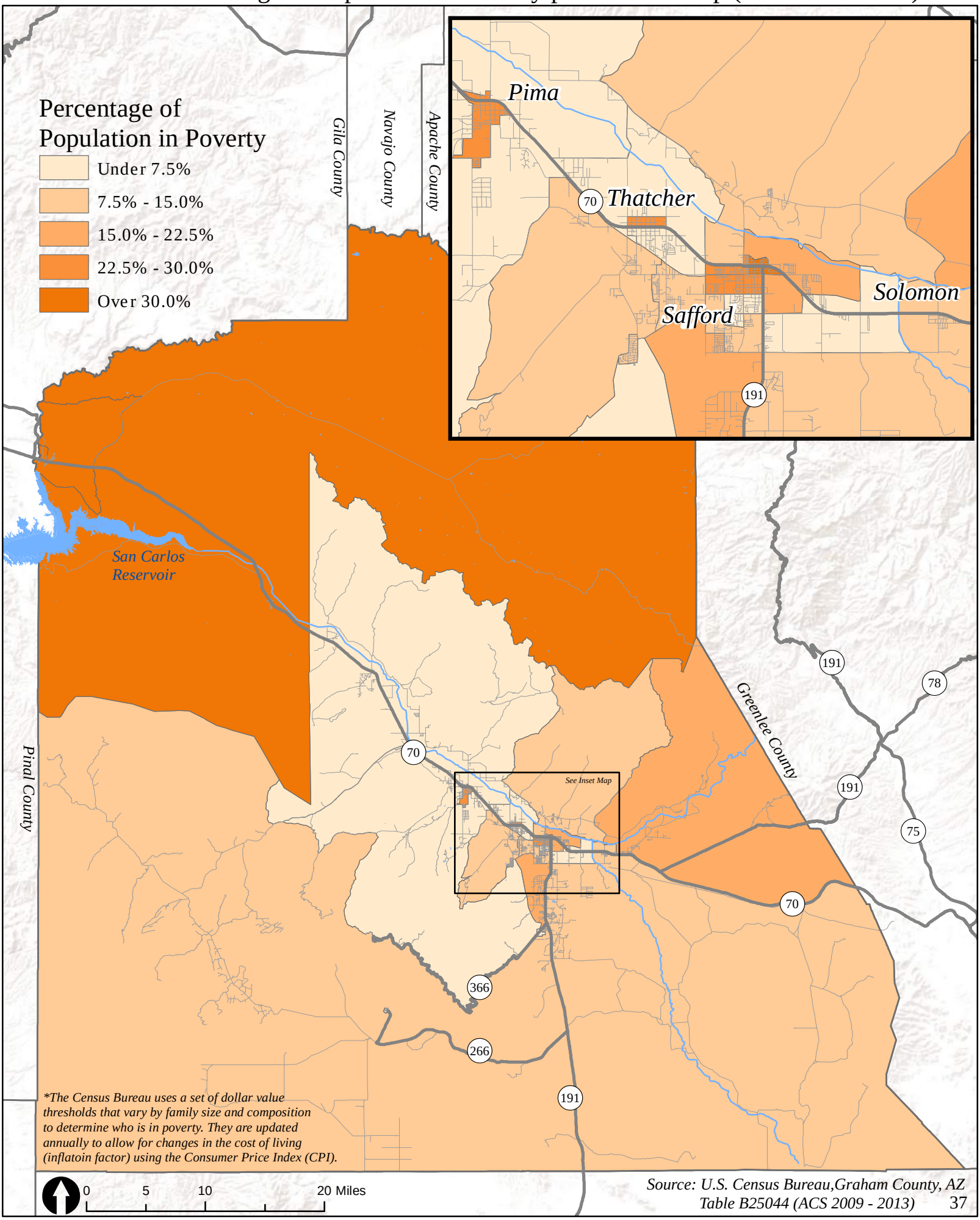


*Percentage of occupied housing units that have zero vehicles available.

Source: U.S. Census Bureau,Graham County, AZ
Table B17010 (ACS 2009 - 2013)

Graham County, AZ

Exhibit 6 - Est. Percentage of Population in Poverty per Block Group (ACS 2009-2013)*



*The Census Bureau uses a set of dollar value thresholds that vary by family size and composition to determine who is in poverty. They are updated annually to allow for changes in the cost of living (inflatoin factor) using the Consumer Price Index (CPI).

Source: U.S. Census Bureau,Graham County, AZ Table B25044 (ACS 2009 - 2013)

Estimation of Transportation Need from National Research Efforts

Estimating the need for public transportation is more of an art than a science. There are many factors that go into translating predictive transportation need into actual transit ridership including the service convenience, reliability, and affordability of fares. However, there has been good national research on rural public transit demand that can help to guide a reasonable range of expected ridership.

The Transit Cooperative Research Program is an arm of the National Academy of Sciences and serves as one of the principal means by which the transit industry can develop innovative near-term solutions to meet demands placed on it. One of the research efforts that was funded was *TCRP Report 161: Methods for Forecasting Demand and Quantifying Need for Rural Public Transportation: Final Workbook.* The Workbook is an excel spreadsheet tool that provides step-by-step procedures for quantifying the need for public transportation services and the demand that is likely to be generated if passenger transportation services are provided. The demand estimation tool is based on data from the Rural National Transit Database (2006, 2009, and 2010), the National Household Transportation Survey (2001 and 2009) and the American Community Survey.

The tool provides a realistic range of transportation needs based on the number of persons living below poverty, the number of households without access to an automobile, and the trips per household per day for low income families based on national research. The area defined for the analysis was from Pima to Solomon, including about 5,000 persons in the unincorporated area of Graham County.

Exhibit 7 is a table that provides the output from the TCRP Report #161 Rural Transit Demand Estimation Tool:

Exhibit 7 Graham County Transit Demand from National Research

TCRP Report 161 Variable	**Output**
Total Households without Access to Auto	1,070
Arizona Trips Per Capita On Transit	0.8
Total Transit Need, Daily One Way Trip	860
Annual One-Way Transit Trips	256,800

The estimation of transit need from Pima to Solomon is estimated at 256,800 annual trips. This is the estimated need that could be served by a combination of human service agency transportation and public transportation services. As discussed above, how much of this need can be served by public transportation is dependent on a number of factors.

Summary Conclusion on Transportation Needs

Based on both the qualitative and quantitative input, there is a need for additional public transportation in Graham County. The qualitative input from key stakeholders was unanimous on the need for public transportation. Based on national research the total need for transit, including both public transportation and human service agency transportation is approximately 257,000 annual trips.

The Technical Advisory Committee provided direction on May 7, 2015 that there was a need for public transportation. The TAC asked for additional quantitative documentation of the need for public transportation and this is documented above.

At the July 7, 2015 TAC meeting, TAC reaffirmed in a finding and recommendation that there is a need for local public transportation service between Pima and Solomon, as well as south along Highway 191 to Swift Trail Junction.

The Federal Transit Administration (FTA) provides a funding program to meet the public transportation needs in rural areas. The next chapter provides an overview of the FTA 5311 program for rural public transportation.

5. Rural Public Transit: FTA 5311 Program

Once there are identified transportation needs in rural areas like Graham County, an eligible entity can apply for Federal Transit Administration (FTA) 5311 funding to support a public transportation service. The following are important excerpts from the Arizona Department of Transportation (ADOT) Program Guidebook. The Guidebook is 44 pages and only the key elements relevant to the Graham County Transit Feasibility Study are included below.

Overview

The Multimodal Planning Division (MPD) of the Arizona Department of Transportation (ADOT) administers the Federal Transit Administration (FTA) Formula Grants for Rural Areas Program commonly known as the Section 5311 Program or as the Rural Public Transit Program. This program provides funds for public transportation and intercity bus projects serving rural areas. The purpose of these funds is to address the mobility needs of Arizona's rural population. Section 5311 grants are intended to provide access to employment, education, health care, shopping, and recreation. Funds may be used for public transit services operating: a) within rural communities, b) among rural communities, and c) between rural communities and urbanized areas.

Eligibility

Eligible applicants for Rural Public Transit funds include local public bodies (e.g., counties and municipalities), State agencies, Tribal governments and related Tribal communities and private non-profit agencies.

General Public Service

The transportation services funded under Section 5311 must be open and marketed to the general public. Projects or portions of projects which exclude certain groups of the general public, or are intended to benefit a specific group to the exclusion of others, are **not** eligible for funding. Providers of special needs transportation (e.g., elderly or disabled clients) are eligible to apply if they are a government entity (e.g. City, County, Tribe) and open their transit services to the general public.

Coordination with Existing Services

Section 5311 funds may be used in conjunction with, or to support, services provided under a variety of human service initiatives. Services funded under these initiatives potentially include a large group of economically disadvantaged clientele. Section 5311 Program applicants should work with local Department of Economic Security (DES) representatives to identify unmet transportation needs, investigate opportunities to coordinate service, and leverage funding opportunities available through these programs. Section 5311 Program participants are required to coordinate their services with other transportation providers in their areas, including potential purchase-of-service arrangements.

Pilot Program Option

Concern has been expressed by a number of providers, and other entities, that critical gaps now exist in transit service in their communities and between these locales and their proximate urban centers. Services impacted include critical-purpose trips such as those meeting medical, employment and nutrition needs. Therefore, ADOT will consider pilot projects that demonstrate the viability of transit services that address these needs. In order to increase the opportunity for early-phase success for a particular project, ADOT may elect to modify or waive certain performance and evaluation criteria for pilot projects.

Pilot project applications will be evaluated by the standard Section 5311 criteria and by how the following concerns are addressed in the planning process:

- Area wide scope of plans, documenting demand by user group and/or trip origins and destinations.
- Coordination of planning and articulation of demand among employers, businesses, social service agencies and user groups.
- Consolidation opportunities with social service transportation providers.

Pilot projects must meet all requirements in the Section 5311 program for initial funding. Once beyond pilot status, the transit service must continue to be managed by a local governmental agency if funded by ADOT through the 5311 Program.

Transit Advisory Committee

During the feasibility study process in Graham County, a Technical Advisory Committee has been formed to guide the Graham County Transit Feasibility Study. Obtaining and sustaining community support is an important part of developing and growing an effective rural public transit system. Section 5311 program applicants are responsible for garnering support from a broad number of stakeholders – local governments, local businesses, the medical community, agencies serving seniors and people with disabilities, as well as others. A Transit Advisory Committee (TAC), made up of key stakeholders similar to the current makeup of the Technical Advisory Committee for this study, is required. The TAC's role is to advise the grantee agency on the operation of the system. This includes ensuring that the service responds to changing local needs, commenting on service quality and effectiveness, soliciting community participation, helping the system achieve financial sustainability, and related issues. The TAC meets quarterly to provide ongoing guidance to the FTA 5311 rural program.

Local Financial Support

Sustained local financial support is needed for effective transit systems. The Section 5311 program covers 58% of the subsidy needed to operate transit services, 80% of the cost of administering the service, and 80% of the cost of capital equipment (a higher ratio of Federal funds may be available for capital projects under certain conditions). Local financial support is needed to cover the balance of the expenses.

Typically, local match funding comes from the local sponsoring agency or agencies, usually a local government agency, but other sources may support the transit program. Non-Federal local match can

be in the form of contract revenue, derived as part of purchase-of-service agreements with human service agencies, only if the funding source is local or state. Some federal funding from funding sources other than Federal Department of Transportation can be utilized for local match purposes. This includes the Area Agency on Aging funding currently received by SEACAP.

In-kind contributions may be used toward the local match only if the recipient formally documents the value of each non-cash share, and if this value represents a cost that would otherwise be eligible under the project. The net project cost must include the value of any in-kind contributions included in the net project cost to the extent it is used as a local match.

Cost Reimbursement Basis

All payments made under the Rural Public Transit Program are on a cost reimbursement basis, up to the authorized amounts described in grantee contracts. All expenses incurred during the contract period must be paid in full by the contractor to be eligible for reimbursement by ADOT. Non-compliance with billing schedules may result in delay or denial of reimbursement. ADOT will not consider requests for prepayment, no exceptions.

For vehicle purchases, Graham County has the option of going through the state contract where only the local match is required at the time of the contract. If a local procurement process is utilized, then the vehicle would need to be purchased, and the 80% Federal share would be reimbursed after the purchase.

This is a very important provision to note as the lead agency will need to provide sufficient cash flow in order to provide cost reimbursement.

Fares

FTA 5311 funded transit systems are not required to charge a fare. Applicants may establish a fare based upon its local needs. The farebox and other operating revenue reduce the overall project operating costs eligible for Federal funding.

Purchase of fares by local social service agencies can be a means of providing local contributions.

Project Evaluation Criteria

ADOT's Multimodal Planning Division uses the same evaluation criteria for all projects. However, it is recognized that new systems may not be able to achieve the same service levels as systems that have been in place for several years. The ADOT MPD expects new systems to begin with a firm foundation and to steadily improve over the first few years of operations.

The evaluation criteria address five specific areas:

1. Appropriateness and Effectiveness of Service
2. Financial and Managerial Capability
3. Local Commitment to Transit and Accessibility

4. Safety and Training

5. Coordination

Applicants from existing 5311 programs are evaluated based on current system performance, financial management, and contract deliverables. New applicants are evaluated on estimated performance and demonstrated financial management capabilities.

FTA 5311 Application Process

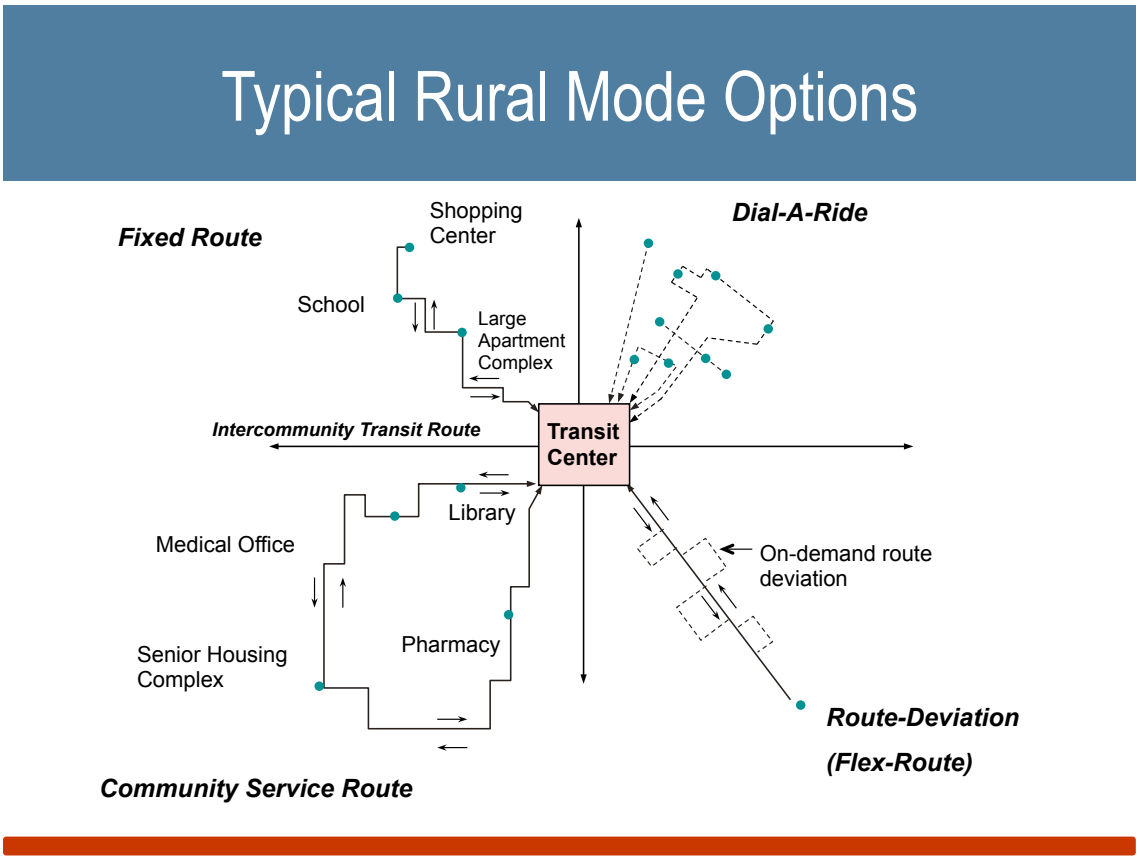
ADOT has gone to a two-year FTA 5311 grant cycle. At ADOT's discretion, ADOT may consider projects for new applicants in the off year. New Applicants must contact ADOT/MPD Transit and have completed a planning study to be considered eligible for an off year funding cycle application. This study is the required planning study if an eligible entity decides to move forward with a FTA 5311 application in an off year.

6. Service Plan

Overview of Service Modes

Exhibit 8 below provides an overview of the typical types of rural public transportation service.

Exhibit 8 Typical Rural Transit modes



There are five primary modes of public transportation service as illustrated above.

1. Fixed route with fixed schedule. The bus has an established route and schedule of when the bus stops at each location. In rural transit systems, there are typically local fixed routes that serve the needs of specific communities, and intercity routes connecting cities and towns in a region.

   The San Carlos Apache Public Transit service between Globe and Safford is an example of an intercity fixed route and fixed schedule service that is available to the general public. The intercity transit needs between Globe and Safford are being met and the San Carlos Apache Tribe administrators are taking steps to make it more inviting for the general public to utilize, as well as providing better information and signage at the stops. The need for local transit

service among Pima, Thatcher, Safford and Solomon is not being met and a fixed route, fixed schedule service is a viable option to consider.

2. Community service route. A regular fixed route bus drops off and picks up passengers at curbside of the street where a bus stop sign is located. A community service route is a variation of a fixed route that picks up and drops off passengers at or near the front door of the activity center it is serving. This makes the service more attractive to seniors and persons with disabilities who may have mobility limitations, as well as to families with small children or persons carrying groceries. There was consensus at the May 7, 2015 TAC meeting for a preference of the community service route.

3. Dial-a-Ride service with advanced reservation from origin to destination. Dial-a-Ride service typically provides one of three levels of service: curb-to-curb (passengers dropped off at the curb at both the origin and destination end), door-to-door (driver escorts passenger from the door of the origin to the front door of the destination), or door through door (driver escorts passenger from inside the origin building to the Dial-a-Ride bus and escorts the passenger inside the door of the destination).

   The SEACAP Dial-a-Ride service provides door through door transportation for seniors and disabled individuals throughout Graham County. The general public can utilize the service on a space available basis. Overall, there is not sufficient capacity or funding to serve all of the needs for Dial-A-Ride service at present.

   Easter Seals Blake Foundation serves the needs of the developmentally disabled population with Dial-a-Ride service for their clients. They regularly coordinate with SEACAP to provide back-up assistance when the SEACAP service is not available.

4. Flex-route, or similar hybrid of fixed route and Dial-a-Ride services. There are a number of hybrid service designs that combine fixed route and Dial-a-Ride elements. The most common hybrid is a flex route service where the driver serves every stop on a schedule but deviates off the route (typically up to ¾ mile) to pick up a passenger with an advanced reservation and then returns to the next scheduled stop. Another hybrid that was the recommended service type in the 2007 Graham County Transit Feasibility Study is a checkpoint Dial-a-Ride. In this type of service, major stops are served on a regular schedule, but the bus picks up passengers at other locations and brings them to and returns them from the "checkpoint" stops.

   The Americans with Disabilities Act requires that all fixed route services (with some exemptions for commuter services) provide complementary ADA Paratransit service. Service criteria provide guidelines on the coverage, hours of operation and fares for ADA Paratransit service. The ADA Paratransit requirement can be satisfied through the provision of dedicated Dial-a-Ride service or a hybrid service such as a flex-route.

5. Taxi services. A fifth option used by many public agencies is to make taxis a part of their public transportation system through a user-side subsidy program where the public agency subsidizes a portion of a taxi trip up to a limited dollar value. Riders who are eligible for these

subsidies are generally seniors and persons with disabilities. A 50% subsidy is typical up to a maximum of $20 (user pays $10), but there are many variations based on local conditions. There is often a trip cap per individual on a monthly or quarterly basis, so that subsidy dollars are available to a larger number of individuals. This allows seniors and disabled individuals to have a mobility option when public transportation services are not available. Some programs utilize public monies to purchase an accessible taxi for wheelchair users and lease it to the taxi company. The Pima to Solomon area has two taxi or limousine service providers, but the current operations are all private with no public subsidy provided.

Public Transportation Service Delivery Options in Graham County

Discussions with the Technical Advisory Committee explored five service delivery options for meeting the identified needs within Graham County:

1. Expand the Dial-a-Ride capability to make it available to the general public, Monday to Friday from 7:00 am to 6:00 pm.

2. Expand Dial-a-Ride to the general public, plus offer a user-side taxi subsidy program for trips that start before 7:00 am or after 6:00 pm on weekdays and weekends and holidays.

3. Implement a checkpoint Dial-a-Ride service as was recommended in the 2007 Graham County Transit Feasibility Study.

4. Implement a local flex route service that is open to the general public and would deviate up to ¾ mile from the route to pick up passengers.

5. Implement a community service route plus Dial-a-Ride service, both open to the general public.

Recommended Service Plan Overview

It is recommended that the service plan be implemented in three phases:

Phase I: Expand the existing Dial-a-Ride service that SEACAP provides three days a week to five days a week. Service would be available to the general public on a space available basis on the existing three days a week, and be opened up to the general public on first come, first served basis an additional two days a week between 8 am and 5 pm, with an hour off during the midday for a driver lunch break.

Phase II: FTA 5311 funding would be requested to add a second vehicle and driver for the Dial-a-Ride service five days a week to add sufficient coverage to the Dial-a-Ride service area. General public Dial-a-Ride service would be provided five days a week.

Phase III: The clear consensus of the TAC for a longer term service plan was for option five, a community service route between Pima, Thatcher, Safford and Solomon, plus expansion of Dial-a-Ride service to the general public. This concept was strongly supported by input from stakeholders and focus group participants throughout the outreach process. On July 7, 2015, the TAC voted to

recommend this service option. Full implementation of the combined fixed route and general public Dial-a-Ride service would be implemented in Phase III.

A phased approach to achieve the longer term recommended service plan goal is described in more detail below.

Phase I Service Plan Recommendation

Expand the existing Dial-a-Ride service that SEACAP provides three days a week to five days a week. Service would be available to the general public on a space available basis on the existing three days a week that SEACAP currently operates and open to the general public the additional two days a week between 8 am and 5 pm, with an hour off during the midday for a driver lunch break.

SEACAP is the recommended applicant for FTA 5311 funding for several reasons. First, they are currently operating services for seniors and disabled individuals three days a week with availability for the general public when space is available. It would make logical sense for SEACAP to expand the service to five days a week and open up the Dial-a-Ride service to the general public at least two days a week. On the other three days a week, general public Dial-a-Ride service would continue to be available on a space available basis. Second, if SEACAP is the operator and manager of the service, they can ensure that operations and services for existing clients are not impacted by FTA 5311 funded general public Dial-a-Ride service. Third, one of the evaluation criterion for ADOT in approving FTA 5311 is coordinated service. The combined service for the general public five days a week would be coordinated by SEACAP for all service delivery. Fourth, the dollars that SEACAP is receiving in AAA funding can be utilized as matching funds for the 20% administrative costs and 42% required for operating and maintenance costs. However, only the portion of AAA funding that is currently utilized in the proposed general public Dial-a-Ride service area can be utilized for local match. An assumption is utilized here that 50% of available AAA funding is eligible for local match. SEACAP would need to validate this assumption by tracking the origins and destinations of existing passengers. Finally, in discussions with SEAGO, if another vehicle is required to operate the service five days a week, they have indicated that a vehicle can be transferred to SEACAP for this purpose. The AAA funding to SEACAP, according to SEAGO staff is being increased to $50,000 per year.

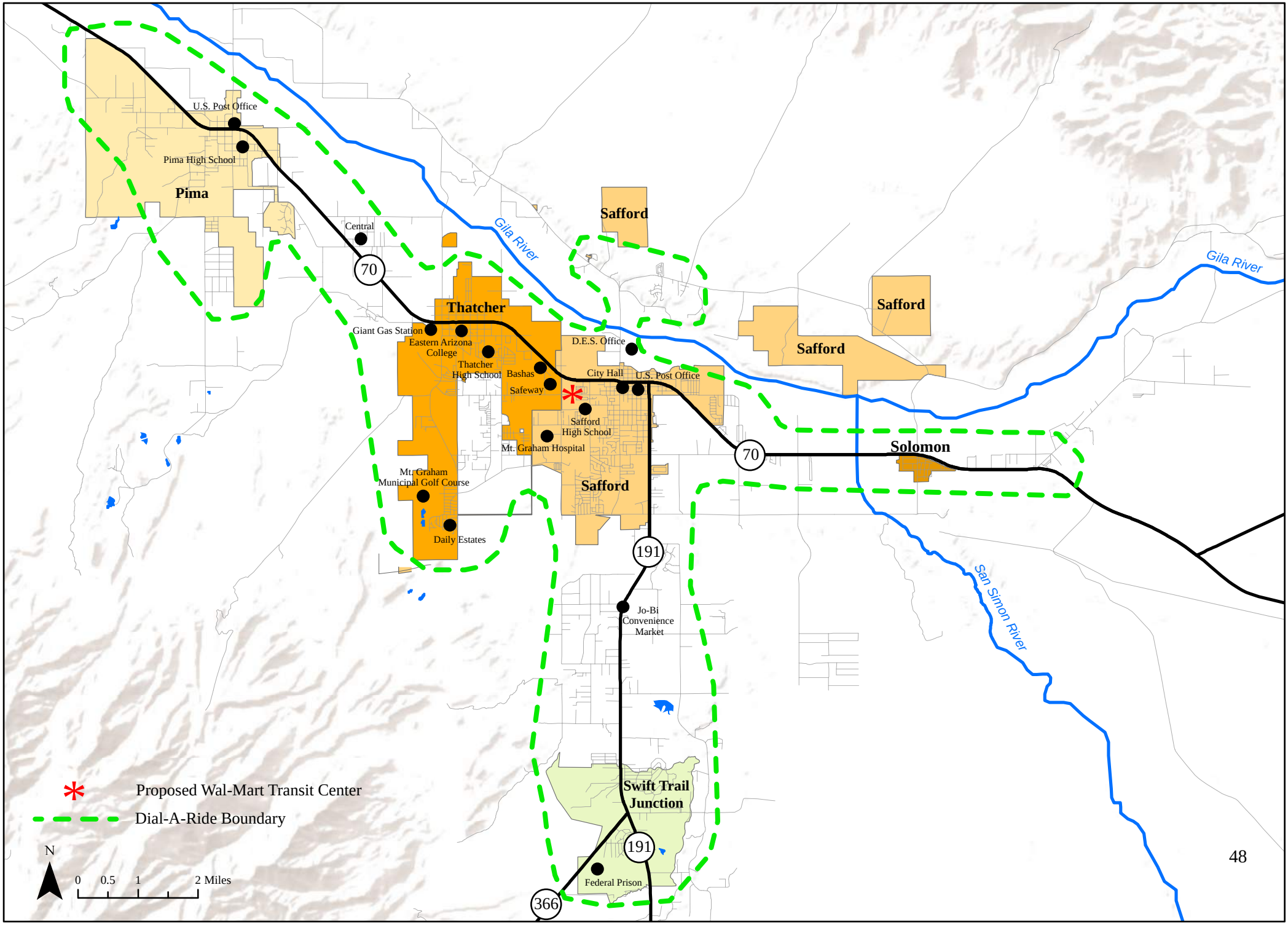
Transportation on SEACAP services is currently free, with a donation box available for those clients who wish to contribute to the program. The FTA 5311 application does not require that fares be charged, but the existing donations are an important part of the SEACAP budget. It is possible to continue the donation policy for all trips or to charge $1.00 for trips for the general public.

The FTA 5311 grant application would fund the operating costs for adding two additional days a week to the existing SEACAP service. Funding is also provided for a part-time dispatcher who would also provide marketing and outreach support to implement the marketing strategies in Chapter 7.

The boundary for Phase I and Phase II for the general public Dial-a-Ride service is shown in Exhibit 9.

Phase I and Phase II - Recommended Dial-A-Ride Boundary

Exhibit 9



Phase II Service Plan Recommendations

For Phase II of the service plan, the general public Dial-a-Ride service would operate with two vehicles and two drivers during the core hours of peak demand. The core demand period would be determined by the actual demand in the Phase I Service Plan. If, for example, the core demand period was from 9 am to 4 pm, a single vehicle would start operations from 7:00 to 9:00 am. A second vehicle and driver would begin operations at 9:00 am and both vehicles and drivers would operate until 4 pm, with alternating meal breaks worked into the master schedule. A single vehicle and driver would operate between 4 pm and 6 pm, when the Dial-A-Ride service funding would be requested to add a second vehicle for the Dial-A-Ride service five days a week to add sufficient coverage to the Dial-A-Ride service area. Depending on demand, consideration would be provided for service to 7 pm. This should be based on a public participation process and survey of riders prior to submitting a FTA 5311 grant application for Phase II.

It is recommended that Phase II also be an extension of the existing SEACAP service for elderly and disabled individuals. With two vehicles operating during the core peak period, there should be sufficient capacity to handle all requests for both general public and elderly/disabled passengers.

In order to provide productive service so that vehicles can be scheduled to operate in a shared ride mode, the Dial-a-Ride service should operate with advance reservations based on same donation structure that currently exists for SEACAP service.

During the Phase II Service Plan implementations, passenger origin and destination patterns should be tracked. If productivity as measure in passengers per vehicle service hour exceed 3.5 passengers per hour, or the dispatcher is regularly having to deny trips due to a lack of Dial-a-Ride capacity, then implementation of Phase III should be considered.

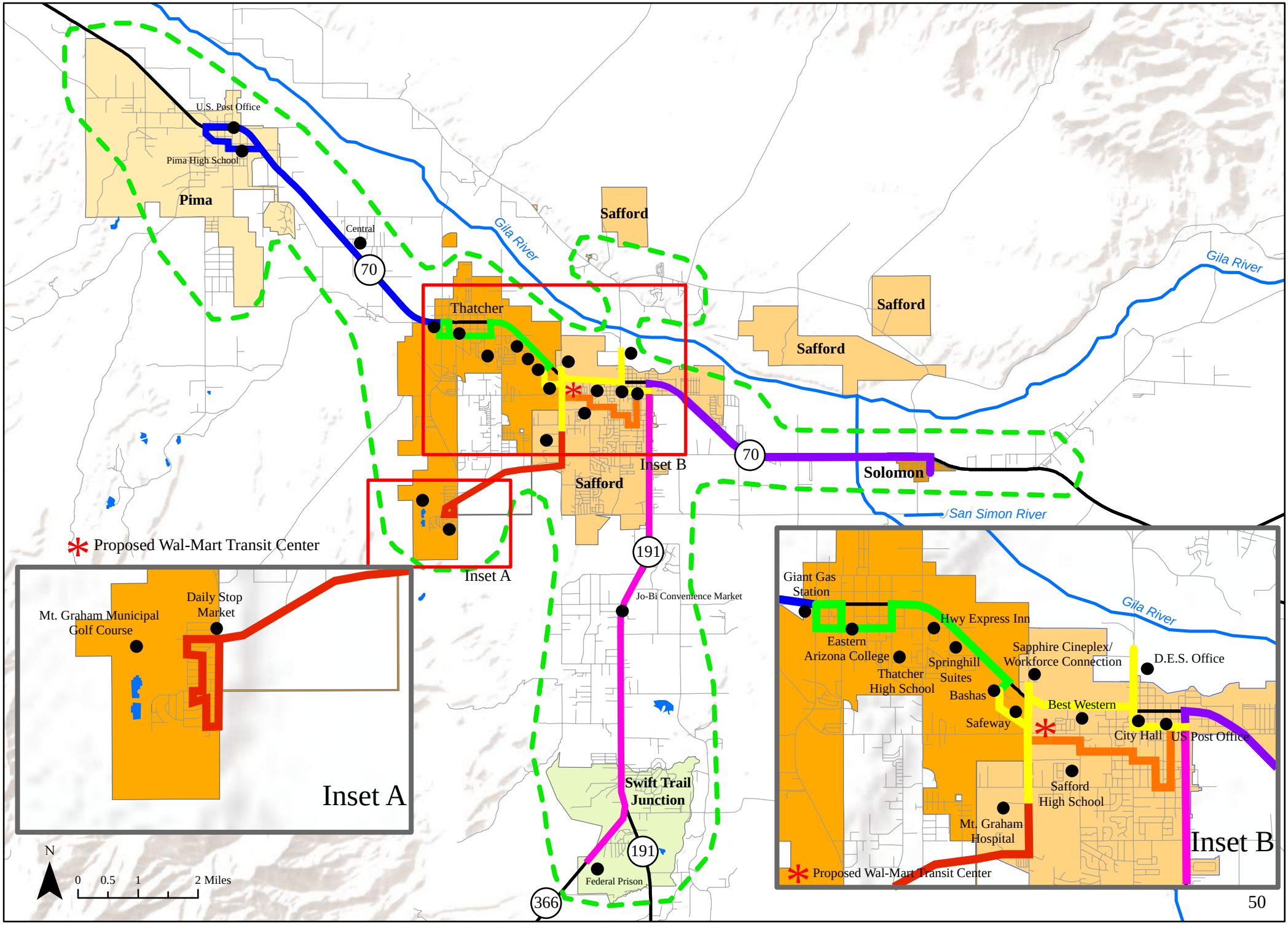
Phase III Service Plan Recommendations

In the Phase III Service Plan, the Dial-a-Ride service from Phase II would continue with the operation of two vehicles. A third vehicle would add a fixed route and fixed schedule to the service. Exhibit 10 provides the building blocks of potential route segments for a fixed route service and schedule if and when Graham County decides to move forward with a community fixed route bus service. It is not known what entities would be willing to participate in the community fixed route service. The actual routes and schedule will be dependent on the financial participation of potential partners.

The building blocks are individual route segments that would start and end at a proposed transit center at the back end of the WalMart parking lot. The WalMart location would be the hub of the transit system. The route segment building blocks do not have the benefits of the origins and destinations from actual trips of the general public Dial-a-Ride service during Phase I and Phase II implementation. After the general public Dial-a-Ride service has been operating for a couple of years, origin and destinations from general public users can be utilized to fine tune the route segments and potential stop locations in Exhibit 10.

Phase III - Fixed Route and Dial-A-Ride Boundary Recommendations

Exhibit 10



As shown in Exhibit 10, the recommended route system is essentially a hub-and-spoke fixed route service, with the hub being the yellow circulator route in Safford/Thatcher. The spoke route segments to Daily Estates, Swift Trail Junction, Solomon, and Pima would all be combined with the yellow circulator route in Safford/Thatcher on a less frequent basis. The route segments are based on a field test with local stakeholders riding along on various route segments.

Appendix C provides details on each route segment including the time and distance intervals between potential timepoints for a schedule based on the initial field test. Timepoints are when the bus is scheduled to arrive and depart at key activity centers. There are often additional stop locations between the scheduled timepoints. This was a preliminary field test, and before a final schedule is developed, the route and potential stops would need significantly more field testing with the use of a bus. The origin and destination patterns from the general public Dial-a-Ride service should be taken into account in developing the actual Phase III route and schedule.

The building blocks are route segments that can be pieced together to provide reasonable coverage with one or two buses, depending on how many of the route segments are served on a daily basis.

The core Safford/Thatcher Segment is the yellow route that serves most of the main activity centers in Safford and two primary grocery shopping locations in Thatcher. Starting at W. 7th and Highway 191, the route serves:

- Thriftee Foods
- Easy walk to downtown Safford establishments from W. 7th
- Safford City Hall
- Graham County Government Center
- D.E.S. office/VA office
- Workforce Connections/Sapphire Cineplex
- Safeway
- Basha's
- Mt. Graham Medical Center
- WalMart

The core segment (yellow route in Exhibit 10) would be run in combination with other "spoke" route segments, including less frequent segments to Pima (blue segment), Daily Estates (red route segment), Swift Trail (pink route segment), and Solomon (purple route segment). The yellow route would have the highest frequency, as the bus would run the yellow segment and then one of the "spoke" route segments and run the yellow route again, before serving a second "spoke" route. All trips would be from the WalMart hub.

The frequency of the green segment that would serve between Basha's and Eastern Arizona College, terminating at Giant Convenience store at Highway 70 and Stadium Ave will be dependent on the financial participation by the Town of Thatcher and Eastern Arizona College. This segment serves:

- Giant convenience store (where Greyhound meets and Tribal Transit)
- Eastern Arizona College

- Walking distance to Thatcher High School

At a minimum, the green route segment in Exhibit 10 would operate to connect to the Eastbound Greyhound bus from Phoenix currently at 11:25 am and at 2:45 for the westbound bus. These route segment trips could continue to Pima on the Blue route segment.

If both Thatcher and Eastern Arizona College financially participate, then the schedule would serve the green segment building block on a much more frequent basis and only some trips would provide the "spoke" route service to Pima.

The Pima blue route segment in Exhibit 10 would serve the following key activity centers that would serve as scheduled timepoints starting at Giants convenience store:

- Central
- Pima High School
- Pima public library
- Pima post office

For trips from Pima to Safford/Thatcher, the blue, green and yellow route segments would be combined into a single schedule. This would enable Pima residents to access key activity centers in Safford/Thatcher for shopping, social service agency appointment, medical and recreation trips. Return trips to Pima would be scheduled approximately two hours after arrival in Thatcher/Safford.

The Solomon purple route segment would serve the Route 70 corridor east to Solomon and would serve:

- Sunrise Village Mobile Home Park
- Circle K area
- Tower mobile home park
- Solomon post office

The Solomon purple route segments would be combined with the yellow route segment terminating at WalMart. This would enable Solomon residents to access key activity centers in Safford/Thatcher for shopping, social service agency appointments, medical and recreation trips. Return trips to Solomon would be scheduled approximately two hours after arrival in Thatcher/Safford.

The Daily Estate red route segment would serve the Daily Stop market and would circulate on the residential streets of Daily estates, with several stops available along the route. The Daily Estate red route segment would be combined with the yellow route segment terminating at WalMart. This would enable Daily Estates residents to access key activity centers in Safford/Thatcher for shopping, social service agency appointment, medical and recreation trips. Return trips to Daily Estates would be scheduled approximately two hours after arrival in Thatcher/Safford.

The Swift Trail Junction pink route segment in Exhibit 10 would serve the following key activity centers:

- Federal Prison
- Thunderbird Mobile Estates
- Dollar Store
- Jo-Bi Convenience Store
- SEABHS

Starting at W. 7th and Highway 191, the pink route segment would be combined with the yellow route, terminating at Walmart. This would enable residents along the Highway 191 corridor to access key activity centers in Safford/Thatcher for shopping, social service agency appointments, medical and recreation trips. Return trips to along the Highway 191 corridor to Swift Trail Junction would be scheduled approximately two hours after arrival in Thatcher/Safford.

Exhibit 11 is a sample of how the route segments can be pieced together for a fixed route schedule. There are two separate schedules. If one vehicle is affordable when Phase III is implemented, then one of the schedules could be operated on Monday, Wednesday and Friday, and the second schedule would operate on Tuesdays and Thursdays.

Sample Schedule A provides five trips daily from Pima to Thatcher and Safford and through routed to Swift Trail Junction. Schedule A combines several route segments from the Exhibit 10 map. From Pima, it combines the blue and green segments and then circulates within Thatcher and Safford on the yellow segment before continuing on the pink segment to Swift Trail Junction. The bus would reverse itself back to Pima. The schedule has four round trips to and from Pima and four round trips to and from Swift Trail junction.

It is recommended that a special stop be developed at WalMart in the back of the parking lot near S. 20th with a bus shelter, schedule information, and trash can. In Sample Schedule A, buses would serve the WalMart stop nine times a day and buses would alternate departing to Pima and Swift Trail junction. Buses are purposefully scheduled 3-4 minutes behind schedule so that buses never arrive to a stop ahead of schedule.

As an example of the choices fixed route choices, a passenger living near the Jo-Bi Convenience store wanting to make a doctor's appointment near Graham County Medical Center could catch the bus at 9:11 am and arrive at the Mt. Graham Regional Hospital stop about 9:30 am. The passenger wants to make a stop at Thriftee Grocery store on way back to Swift Trail Junction; he or she would have the choice of taking either 10:28 am or 12:28 bus to Thriftee Grocery, and then catching either the 12:43 pm or 2:43 pm bus back to Swift Trail Junction.

A second example is a Pima resident who has a 9 am appointment at D.E.S and lives near the Pima public library. The resident would be able to catch the 8:05 am bus at the Pima public library stop and arrive at D.E.S. at 8:37 am. The passenger then would like to stop at Safeway on the way back to Pima; he or she is able to catch the 11:22 am bus to Safeway, then catch a bus at Safeway about 1:42 pm, back to the stop at the Pima public library at 2:05 pm.

In Sample Schedule B, the red route segment from Exhibit 10 from Daily Estates is combined with yellow segment in Safford/Thatcher and the purple route segment to Solomon.

Exhibit 11 Sample Schedule A Monday, Wednesday, Friday: Pima-Thatcher-Safford-Swift Trail Junction

Pima					
Highway 70 and 200 S	8:00	10:00	12:00	2:00	4:00
Pima High School					
Pima Public Library	8:05	10:05	12:05	2:05	4:05
Pima Post Office					
Central Post office					
Giant Convenience Store	8:16	10:16	12:16	2:16	4:16
Statium/Church St.					
Church/High School Ave.					
Church/ 3rd Ave.					
Basha's	8:22	10:22	12:22	2:22	4:22
Safeway					
Mt. Graham Hospital	8:28	10:28	12:28	2:28	4:28
WalMart	**8:32**	**10:32**	**12:32**	**2:32**	**4:32**
Worforce Connections					
D.E.S/VA	8:37	10:37	12:37	2:37	4:37
8th and Main					
Thriftee Grocery	8:43	10:43	12:43	2:43	4:43
SEABHS					
Jo-Bi Convenience	8:49	10:49	12:49	2:49	4:59
Dollar Store					Drop Off
Thunderbird Mobile Park					On
Highway 191					Demand
Federal Prison	8:58	10:58	12:58	2:58	
Swift Trail Junction					

Swift Trail Junction				
Federal Prison	9:00	11:00	1:00	3:00
Highway 191				
Thunderbird Mobile Park Home				
Dollar Store				
Jo-Bi Convenience	9:11	11:11	1:11	3:11
SEABHS				
Thriftee Store	9:17	11:17	1:17	3:17
8th & Main St.				
D.E.S. / V.A	9:22	11:22	1:22	3:22
Workforce Connections				
Mt. Graham Hospital	9:28	11:28	1:28	3:28
Arrive WalMART	9:32	11:32	1:32	3:32
WalMart	**9:40**	**11:40**	**1:40**	**3:40**
Basha's				
Safeway				
Church/ 3rd Ave.	9:44	11:44	1:44	3:44
Church/High School Ave.				
Statium/Church St.				
Giant Convenience Store	9:48	11:48	1:48	3:48
Central Post office				
Highway 70 and 200 S	9:57	11:57	1:57	3:57
Pima High School				
Pima Public Library	10:05	12:05	2:05	4:05
Pima Post Office				
Pima				

Exhibit 11 Sample Schedule B Tuesday and Thursday: Daily Estates-Thatcher-Safford-Solomon

Daily Estates						
Daily Estates Market	8:00 AM	9:30	11:00	12:30	2:00	3:30
W. Valley View and Hoopes						
Mt. Graham Hospital	8:12	9:42	11:12	12:42	2:12	3:42
Basha's	8:17	9:47	11:17	12:47	2:17	3:47
Safeway						
Arrive WalMart	8:20	9:50	11:20	12:50	2:20	3:50
WalMart	**8:25**	**9:55**	**11:25**	**12:55**	**2:25**	**3:55**
Worforce Connections						
D.E.S/VA	8:30	10:00	11:30	1:00	2:30	4:00
8th and Main						
Thriftee Grocery	8:36	10:06	11:36	1:06	2:36	4:06
Sunrise Vllage Mobile Home						
Tower Mobile Home	8:41	10:11	11:41	1:11	2:41	4:11
Solomon Post Office	8:46	10:16	11:46	1:16	2:46	4:16
Solomon						

Solomon						
Solomon Post Office	8:50	10:20	11:50	1:20	2:50	4:20
Tower Mobile Home Park	8:55	10:25	11:55	1:25	2:55	4:25
Sunrise Village Mobile Home						
Thriftee Store	9:00	10:30	12:00 PM	1:30	3:00	4:30
8th & Main St.						
D.E.S. / V.A,	9:06	10:36	12:06	1:36	3:06	4:36
Workforce Connections						
Arrive WalMART	9:13	10:43	12:13	1:43	3:13	4:43
WalMart	**9:15**	**10:45**	**12:15**	**1:45**	**3:15**	**4:45**
Basha's						
Safeway						
Mt. Graham Hospital	9:24	10:54	12:24	1:54	3:24	4:54
Daily Estates Market	9:30	11:00	12:30	2:00	3:30	5:00
Daily Estates						Drop-Off

Estimated Ridership

The best estimate of ridership for the recommended Graham County transit service is approximately 31,000 annual trips, likely at the end of the second full year of implementation of Phase III. This is based on national statistics and the experience of comparable Arizona communities. National research methodology indicates that the ridership for a two bus public transportation system can be expected to be in the range of 21,700 to 45,641 annual transit trips. In FY 2012/13, Benson Transit provided an estimated 20,000 annual trips, and the more extensive Douglas transit service with a greater service supply and service levels had ridership of 51,572.

A five-year goal of 45,000 to 50,000 annual transit trips would be a reasonable and realistic objective for a local public transportation service in Graham County, between Pima and Solomon.

On an interim basis, the annual ridership for SEACAP for predominantly seniors and disabled individuals was 2,763 annual one-way trips in FY 2014/15. This is well below the ridership potential for a general public service with a minimum of 21,700 annual one-way riders. The Phase I recommendation would enable general public ridership to increase to 5,000 to 7,000 riders with Phase II potentially increasing overall Graham County ridership to approximately 10,000 annual riders. Only with the implementation of fixed route service will ridership likely exceed the low end ridership demand of 21,700.

Chapter 7: Marketing Plan

Introduction

Without effective communications to build awareness and educate potential riders, even the most needed public transportation service will not be well utilized. This is particularly true in an area like Graham County without an established system of public transportation and where the limited services that do exist are perceived as being available only to specific groups. Residents simply do not expect to have a public transit option and hence either rely on private transportation options or simply do not travel. The marketing recommendations detailed in this chapter will serve as a companion to the service recommendations included in this plan, ensuring that those likely to benefit from the availability of transit service are made aware of the expanded service and how to access it.

The marketing recommendations that follow take the same phased approach as the service recommendations. The first set of recommendations will be appropriate for use in launching and promoting the general public Dial-a-Ride services outlined in phases I and II. An additional set of strategies will be provided for use when fixed route service is implemented and the service area expanded.

Objectives

The primary goal of these recommendations is to insure the success of the expanded transportation services by generating ridership. Several objectives are implicit in the accomplishment of that goal:

- Create awareness about the transportation services, through effective branding and community outreach.
- Educate gatekeepers and potential riders about where the service goes, how it works and the fact that it is available to the general public.
- Establish marketing partnerships with social service agencies, medical providers, and local businesses.
- Make the service user-friendly through effective information tools, easy reservation process and affordable fare media.

Phase I and II: Expanding Dial-a-Ride Services and Promoting to the General Public

During the first and second phases, the existing SEACAP operated Dial-a-Ride service, which primarily serves seniors and persons with disabilities, could be expanded to operate 5 days a week and to be available to the general population within Safford and adjacent segments of Graham County from 7 am to 6 pm. The second phase would add a second vehicle and second driver five days a week. The service, which could require an advance reservation, has the potential to attract increased usage among its core markets while also meeting the needs of low income residents in need of transportation to medical appointments, shopping, work or school.

Target Markets

Current SEACAP Riders

SEACAP's existing riders, seniors, persons with disabilities and some general public, will be a key target group. Direct communication with this list of individuals should make them aware of the expanded service.

Seniors and Persons with Disabilities

Despite the long history of the SEACAP service, many seniors and persons will disabilities are likely unaware of the service or exactly how it works. Promotional efforts should be made to build broader awareness of the expanded transportation service among this core market.

Transportation Disadvantaged Residents

The primary new market for the expanded service will be low income residents (non-senior/disabled) who were previously only able to use the SEACAP service on a space available basis. Most of these individuals have no prior experience using Dial-a-Ride and are not even aware of its existence. Key segments among this group are the clients of local human service agencies – Department of Economic Security, Behavioral Health, WIC and other support services. These individuals have the need to travel to medical and social service appointments, for job search or training and for day-to-day activities such as shopping. Many lack personal transportation and must rely on rides from others or walking. The expanded Dial-a-Ride service will offer them a new, much needed option.

Strategies

Branding

Branding is marketing at its most basic. It is how we identify a service and everything associated with it using a name, logo, and packaging. The objective of branding is to create a unified image in the mind of the potential customer and to create immediate recognition of all facets of the service.

For a transit system, the key elements of its visual brand are its name, logo, vehicle colors, vehicle graphics, bus stop signage and bus stop facilities (shelters, benches, etc.). The vehicles and bus stops are in essence a transit system's "packaging."

For a Dial-a-Ride system, without defined bus stops, buses are its most visible marketing tools. They are seen by hundreds or thousands of people every day. They can be a highly effective awareness-building tool, can be essentially invisible or can communicate mis-information about the service provided (such as implying it is only for specific groups). It is important to the success of the Graham County system that effective branding be put into place on vehicles and everything else associated with the transportation service.

- Name

  The first step in branding the expanded service will be to select a name for it. While the initial service is recommended to be essentially an expansion of the existing SEACAP service, continuing to operate under the SEACAP name will make it difficult to broaden the target market beyond the base of seniors and persons with disabilities.

  Ideally, the name should communicate the nature of the service (transportation), relate to the service area and appeal to the general public. During the planning process when discussing a potential fixed route system that would serve the broader region, the name START – Safford Thatcher Areas Regional Transit - was suggested. However, the limited geographic reach of the proposed Phase I Dial-a-Ride makes this name potentially misleading, at least in the short term.

  Depending on how quickly the community expects to move through the phases, two types of names might be considered:

  1. If Safford and Graham County decide to move forward with the Phase I or Phase II Dial-a-Ride, a name that specifically relates the initial Dial-a-Ride service is recommended that denotes the service area to be served. It could be changed when regional fixed route service is initiated. For example:
     - Safford Area RIDES
     - Safford Dial-a-Ride
     - Safford-Graham County RIDES
  2. If SEACAP or another non-profit move forward with the FTA 5311 application, then a name that is broad enough to be used now and for the future fixed route service is recommended:
     - Graham County Transit or Graham Transit
     - Graham RIDES
     - Graham County RIDES
     - START (without spelling out the acronym)
     - RoadRunner

- Logo

  A logo is a graphic representation of the name which is used on vehicles, signage, printed materials, website, driver uniforms and everything associated with the system. The logo sets the pallet of colors which are used to identify the service. Attributes of a good transit logo are:
  - Visually reinforces the name and service
  - Clear, simple and immediately identifiable
  - Easily used in a variety of applications and sizes

  At the right are several examples of transit logos that demonstrate these principles.

- Vehicle Graphics

  As previously noted, the vehicles which provide the transportation service will be the most visible marketing tool. They will be seen by people throughout the community on a daily basis. With bold branding, they can communicate that service is available, where it goes and how to access it.

  In developing graphics for the vehicles, consider the following:

  - Bold colors to make the vehicles stand out from the numerous delivery vehicles which vans and cutaway buses otherwise resemble.
  - Prominent use of the logo and potentially the words Public Transportation to clearly communicate the nature of the service.
  - Display of the phone number and web address to provide easy access to service information or to call for reservations.

  - Geographic designation that defines the service area, such as “Serving the Safford area”.

Above are several examples of boldly branded buses from small communities similar to Safford.

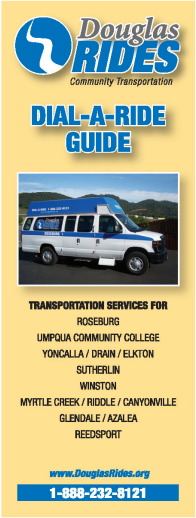
Passenger Information

Passenger information is the "directions" for using public transportation and is the basis of any transit marketing program. Without effective, easy to use, broadly distributed passenger information, public transit services are simply not useful. Since most residents of Graham County have little or no experience with public transportation, the passenger information tools must educate them about how a demand response service works. Passenger information tools, like the services themselves, should be designed with the potential rider's needs in mind.

Passenger information needs to be made available both in printed materials which can be broadly distributed and on the internet.

- <u>Printed</u>

  Printed passenger information in the form of a passenger guide can serve both an informational and a promotional function. Seeing attractive, user-friendly guides displayed around the community lets potential users know that they have a transportation option and tells them how to access that option. When a need for transportation arises, having a passenger guide in the home or readily available, allows potential users to easily act on the need.



  The guide should be designed to include the following elements:

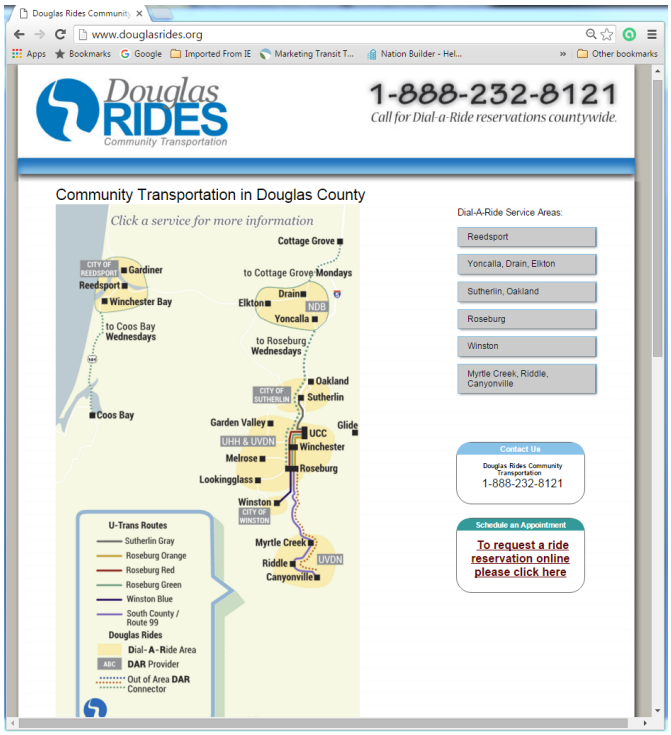
  - Bold branding on the cover to clearly associate it with the vehicles and identify the type of public transportation service provided. Ideally use photos of people boarding the bus who represent the target groups you are trying to attract.
  - The phone number for reservations should, of course, be prominently displayed throughout the brochure.
  - A clear definition of the service area – a map showing what residential areas are served and where passenger can go, days and hours of operation.
  - Clear communication that the service is available to all residents within the defined area.
  - Step by step directions for accessing the service. How to make a reservation, how pickups and return trips work, fare information and other specifics (such as exactly where at Walmart the van drops off and picks up).

In addition to the brochure, a poster version of the guide can allow information to be prominently posted in social service offices and on community bulletin boards throughout the service area.

- Online

  The internet is where people turn for information about almost anything. Once a name is determined, consider purchasing an internet domain name that relates to the service name and is easy to remember. For example, if the service is called Safford Rides, then purchase www.saffordrides.com. The cost of a domain name is only about $30 per year. The domain can be used for a stand-alone website or can be directed to a page on an existing website (e.g. City of Safford).

  The webpage should communicate the same information included in the passenger guide. In addition, it should include an email contact link for asking questions and potentially a way to request a reservation.



Gatekeeper Marketing Partnerships

Many social service organizations were involved in the Graham County Transit Feasibility Study. These organizations and their employees are often charged with identifying transportation resources for their constituents – for example, how to get seniors to doctor appointments, low income individuals to training programs, and those with mental illness to treatment programs. As such they will be critical channels for educating key target groups about the expanded transportation services available in Graham County.

Establishing effective marketing partnerships with these organizations involves the following steps:

- ***Create a simple database*** that includes the organization, contact person and contact information, including e-mail (the TAC membership list provides a starting point).
- ***Conduct "training" sessions*** at meetings of front line staff who need to understand how the expanded service works so they can pass the knowledge on to constituents.
- Provide the gatekeepers with ***"tools" for marketing transit*** to their constituents. These might include:
  - Bulletin board posters for their facilities
  - Transit information display for their lobby
  - Targeted flyer for distribution to their population
  - Or simply a supply of transit guides for distribution

- Department of Economic Security
- Vocational Rehabilitation Services
- Workforce Connections
- SEACUS – Senior Center
- SEABHS – Behavior Health
- Blake Foundation
- Mt. Graham Regional Medical Center
- Graham County Public Health
- WIC Program
- VA Clinic

- Provide gatekeepers with regular ***email updates*** about changes in transit services and programs, availability of new passenger guides and other updates. When appropriate, emails can include an 8 ½" x 11" PDF flyer for printing and posting or distributing to co-workers and/or clients.
- Encourage them to purchase ***pre-paid fare media*** for distribution to clients.
- Provide ***travel training presentations*** for client groups – for example at the senior center breakfast, WIC classes or Workforce Solutions.

Public Relations

The introduction of public transit services is a newsworthy event. News releases should be issued to the local news media – print and radio – at each milestone during implementation and development of the expanded service. News release topics might include:

THE DURANGO HERALD

Wednesday

Serving Southwest Colorado Since 1881

durangoherald.com

New logo fits to a 'T'

Durango Transit changes its look to attract riders

By Jessie Harlan Alderman
Herald Staff Writer

Durango Transit announced an "extreme makeover" Tuesday, unveiling a new name, a colorful new logo and plans to add fresh coats of fire-engine red paint to its fleet of 12 buses.

All five city councilors, clad in white collared shirts embazoned with Durango Transit's new "T" logo, attended an afternoon ceremony at the City Service Center in Rodo Park and praised the new look.

Yet amid all the fanfare, data collected by the city show Durango's public transportation – the Main Avenue trolley, three fixed-route bus lines and the dial-a-ride taxi service for the elderly and disabled –

"Yes, some routes don't cram the buses every single hour. But it

Durango Mayor Dale Garland climbs aboard the newly renamed city bus line, the Durango T, on Tuesday at the city shop. Ridership on the city's bus system averaged nine riders an hour in 2004.

Group takes up cause of teacher

Parent coalition raises questions about DHS lettin Padraig Lynch g

By Karol Stenger
Herald Staff Writer

The 9-8 Watchdog Coalition ready to sink its teeth into what it an ineffective school board and sch superintendent. The group grew o the failure to renew the contrac popular Durango High School teacher Padraig Lynch. Now that hackles are up, it may go for the j lar and Lynch may take legal actio restore his good name.

"Our local school board is supp to be the checks and balances fo superintendent, and they aren't," S Gottlieb said. Gottlieb was on

- Approval of the Transit Feasibility Plan by County Board of Supervisors
- Determination by SEACAP, City of Safford and/or Graham County to move forward with Phase I
- Introduction of transit brand
- Announcement of launch date for expanded services
- Launch of services
- Follow-up to launch with human service stories about individuals who are benefiting from the expanded service
- When a second vehicle is added or service hours expanded (Phase II)

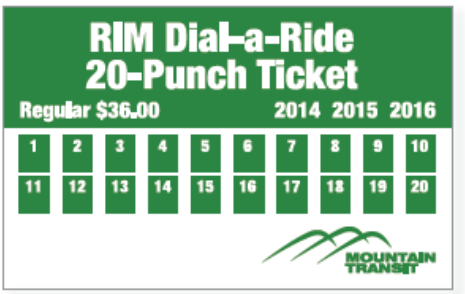
Social Media

In additional to traditional news media, take advantage of social media networks to build visibility for the expanded services. News releases should be sent to the gatekeeper email list. They should be encouraged to:

- Post messages about the new transit services on their Facebook pages or other social media platforms.
- Provide links from their own websites or Facebook pages to the webpage for the transit services.
- Forward the news releases to their staff and associate organizations.
- Post notices on office and lobby bulletin boards to be seen by staff and clients.

Fare Media

During the initial phases, it is recommended that the fare structure for the service be kept very simple. Seniors and Persons with Disabilities who ride free (or for a voluntary donation) under the AAA funded program will continue to do so. General Public riders would pay $1.00 per ride.



As a convenience, riders should be able to purchase multi-ride tickets – such as 10 or 20 ride punch passes. They can be sold as face value through the transit office, by mail or through gatekeeper organizations.

Phase III: Adding Fixed Route Services and Expanding the Transit Service Area

When Phase III is implemented, the nature of the transit service will change fundamentally. The Dial-a-Ride service will be supplemented with fixed route service which riders can access without a reservation. Both of these changes will significantly expand the target market for transit use.

Additional Target Markets

SEACAP's AAA funded service already provides transportation to seniors and persons with disabilities throughout Graham and Greenlee Counties. This service will, of course continue. In addition, several other groups in Thatcher, Pima and the surrounding areas of Graham County will have access to both Dial-a-Ride and fixed route service under the Phase III plan.

Transportation Disadvantaged Residents

According to the Census, 25.4% of Graham County residents live below the poverty level – almost 1 in 4 or 8,300 Graham County residents. Low income residents of Safford, Thatcher, Pima and Solomon will be key targets for the new fixed route services, as well as the expanded general public Dial-a-Ride.

Workers

For low income individuals, transportation is often a key barrier to getting and keeping a job. Individuals traveling to jobs along the new fixed route will benefit greatly from the introduction of the new service and will be a core ridership segment.

College Students

Students at Eastern Arizona College (EAC) who will not be served in Phases I and II will become an important target market when Phase III is implemented. EAC has approximately 3,500 students. While many students have vehicles and can provide their own transportation, others rely on getting rides or walking to get around the local area. Of the student population, 420 live on campus and 80% of these don't have automobiles. The fixed route service will connect the campus with shopping, medical facilities and residential areas.

Youth

Secondary school students, too young drive or unable to afford a vehicle, but old enough to travel independently will be another target market for the new service. This will particularly be true in the summer when they can use the fixed route service to access recreation and summer jobs.

Strategies

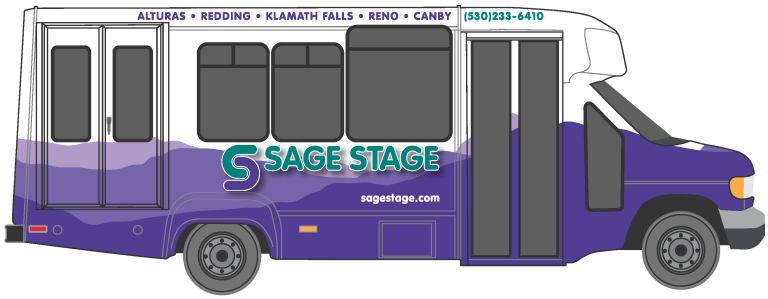
Branding

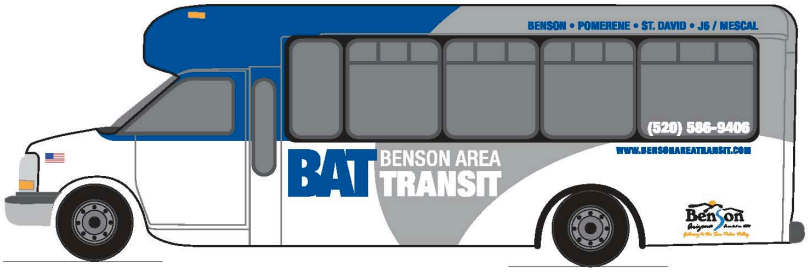
Depending on branding decisions made during Phase I, it will be necessary to create a new brand or to update the brand for the transportation system so that it reflects the broader focus of the Phase III plan.

- Name & Vehicle Graphics

  Phase III may or may not require a new name for the transit service. If Phase I service was referred to as something very specific, like "Graham County Dial-a-Ride," that name will no longer suffice. However, if the service was branded in a more inclusive way (such as Graham RIDES) a rebrand may not be necessary.

  In either case, it will be desirable to introduce vehicle graphics that specifically communicate the nature of the new fixed route and the expanded reach of the general public Dial-a-Ride. For example, the two transit vehicles shown at the right list the names of the communities served as part of the vehicle graphics.





- Bus Stop Signage

  Bus stop signage is another key element of a transit system's brand – once fixed route service is introduced, bus stop signs serve two valuable purposes. First, they let passengers know where they can catch the bus. Second, and equally important, they advertise the fact that transit service is available within a given corridor or to a specific destination. Unlike an ad which is here today and gone next week, signage is a marketing strategy which, once implemented, provides value day in day out.

  Bus stop signage will be critical in building awareness and showing potential riders how to use the new fixed route system.

  All fixed route stops should be boldly signed with a permanent sign including the following information:
  - System logo
  - Universal Bus Symbol
  - Telephone number
  - Website address

In addition, it is recommended that a changeable information panel be placed at each stop which includes route and schedule information. This will be addressed further under "passenger information."

Passenger Information

- <u>Printed</u>

  A new passenger guide will need to be developed which communicates information about both the new fixed route and the expanded Dial-a-Ride services. The guide (or potentially two guides) should include the following information in a form that is easy to read and understand:

  - Transit system map showing the fixed route, bus stops, destinations and landmarks along the route, as well as the boundaries of the area served by Dial-a-Ride.
  - Detailed schedule information for the fixed route; hours and days of service for the Dial-a-Ride.
  - Fares, fare media and where to buy fare media.
  - How to ride information for each service.

The passenger guide should be distributed as widely as possible, to serve a promotional, as well an educational role. Brochure holders, such as the one shown at the right, can be placed at gatekeeper offices and high traffic locations throughout the community. They can be customized with a logo and phone number.

Source: www.beemak.com

- Bus Stop Displays

  Signage at the bus stop can do more than build visibility and let passengers know where to wait. It can also be an important passenger information tool, especially for occasional or first time riders. In addition to the basic bus stop sign discussed under branding, consider placing information panels at all or key bus stops and bus shelters. Durable, easily changeable information panels can provide riders with schedule information at the moment they need it most.

Source: www.transitproducts.com

- Online

  As the target market is broadened to include college students and youth, online information will become increasingly important. It should be provided in a manner that is easily accessible and useful to a broad spectrum of users. Following are some basic design principles for developing a public transit website:

  - The website needs to be easy to access and the web address easy to convey. As previously discussed, there needs to be a clear easy to remember URL for the website such as www.GrahamRides.com or something related to the name of the system.
  - The website needs to work on mobile as well as desktop platforms (see www.sagestage.com for example).
  - Current and potential passengers should be the primary focus of the website and should be able to quickly and easily understand where the system goes and how to plan a trip to their destination.
  - The primary rule of web design is that people don't read web pages – they scan them, looking for links to the specific information they need. Therefore, long segments of text are counterproductive. In addition, the need to scroll should be minimized. The user should be able to see what the website has to offer from a glance at the homepage.
  - Getting driving directions is one of the most common uses of the internet. Virtually anyone with a computer knows how to use Google maps. Having a trip planner based on Google maps provides a way to plan transit trips that is familiar to potential users and overcomes the barrier of having to interpret schedules.
  - Information on the website needs to be kept fresh and up-to-date in order to be useful. This means that transit staff needs to have direct control of website content.

- Google Transit

  When the fixed route service is established, consideration should be given to becoming part of Google Transit and including a Google Transit trip planner on the website, as mentioned above.

  Use of online services such as Google Maps to get directions is one of the most common internet practices (behind only email and basic searches). Google Transit allows potential transit riders to

get information in a trip planner format that is already familiar to most people. For a very modest investment of resources to maintain up-to-date GTFS data (General Transit Feed Specification – the data format required by Google), the new fixed route service can be part of Google Maps and Google Transit which offers passengers a number of advantages:

- Provides easy access to transit information on smart phones and tablets as well as on computers.
- Avoids the difficulty that many potential riders have understanding transit schedules to plan trips.
- Provides social gatekeepers with an easy way to plan and print trip information for their constituents.

Targeted Marketing through Gatekeepers

During Phase III, marketing partnerships with gatekeepers will continue to be a critical marketing strategy. The broader appeal of the fixed route service and the expanded geographic reach will increase the potential for targeted promotional programs through gatekeepers.

When attempting to attract new riders, the more targeted the appeal and information provided, the more likely you are to generate a trial ride. For example, a general appeal in a newspaper ad which simply says "Ride the Bus, It's Easy" and provides a web address for more information is much less likely to get a response than a targeted flyer/poster distributed on campus at Eastern Arizona College that says "Ride the Bus from Campus to Walmart for only $1.00" then provides the exact location of the bus stop and the times each hour when the bus serves the campus, as well as a reference to Google Transit for trip planning.

Therefore, it is recommended that gatekeeper support be enlisted in order to communicate directly with key target groups they represent. Several types of communication channels, some which were already discussed in Phase I, can be accessed through partnerships with gatekeepers:

- Permanent information displays in their facilities – lobby displays provide long term communications value (unlike an ad that exists for only day or a week) and they can be customized to provide the information most relevant to the target group.
- Bulletin board posters and flyers – this is a very low cost communications medium which can deliver appeals and information specific to the target group (what seniors and college students want to know is likely very different).
- Website links – ask gatekeepers to provide a link to the new transit website as a resource from their own website.
- Inclusion of transit information in orientation packets – schools, social service agencies and medical facilities often provide their new clients/students with packets of relevant information. Ask them to include a targeted flyer in this information that tells the reader how they can use transit to travel to the relevant destination.
- E-mail blasts – some gatekeepers (particularly schools/colleges) communicate with their constituents via email and can distribute transit updates in this way.

- Newsletter Articles and Social Media – some gatekeepers publish email or hard copy newsletters, others will utilize social media. Either way, they can include articles or snippets about the evolving transit services.
- Staff or client travel training – as previously referenced, gatekeepers can often offer opportunities to conduct travel training with front line staff (such as caseworkers) or directly with constituents (such as seniors at the nutrition program).

Keep in mind that it is not necessary to do everything with every organization. Gatekeepers know what works best for their population.

News and Social Media

As the transit system evolves, it will continue to be a newsworthy story of interest to many. On-going efforts should be made to secure news coverage through local media and social media exposure through marketing partners.

New releases should be issue to local media and stakeholders whenever there is a newsworthy activity such as:

- New vehicles for fixed route service arrive
- Fixed route plan is finalized
- Fixed route service is launched or revised
- EAC Prepaid Fare program is launched so students ride free
- Ridership milestones are reached

In addition, the service administrator may wish to implement a Facebook page for the transit system to provide a direct mechanism for communicating with riders (recent research in other markets shows that Facebook is the social medium most used by transit riders).

Free Ride Promotion

At the launch of the fixed route service, consider a free ride period (e.g. the first week of service) to provide an incentive for people to try riding the bus. This can be promoted through news coverage, a public service announcement on local radio stations and by gatekeepers using their in-house and social media communications channels. You might repeat the free ride promotional annual as an “anniversary” celebration.

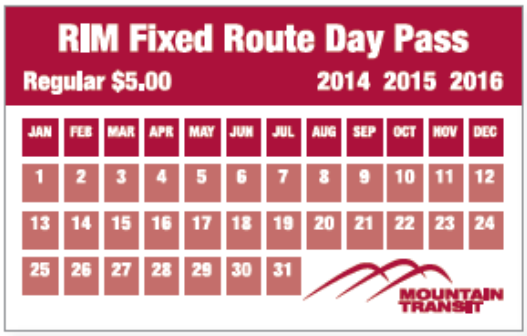
Advertising

If funding is available, media advertising provides another mechanism for promoting the fixed route service. Ads in the local newspaper and commercials on local radio stations might be used during the introduction to build visibility for the new transit service. Key message points should include the service area, key destinations, low fares and no reservation required. Benefits that should be highlighted are economy and independence – the ability to go where you need to go, affordably.

Fare Media

When fixed route service is launched, it will be useful to expand the menu of fare media options beyond cash and the multi-ride punch passes discussed previously. Two types of passes that are popular with transit riders in similar communities are Day Passes and Monthly Passes.

- ***Day Passes*** offer unlimited rides for a full day for a single price. They are very popular with individuals who only use transit a few days a week and group their trips on a single day. They are generally priced at about three times the base fare, so if the fare for the fixed route is $1.00, a Day Pass would cost $3.00. If a senior/disabled fare of $.50 is offered, the companion Day Pass would sell for $1.50. These passes are generally sold on the bus by the driver and are simple punch type passes like the one shown here. The driver punches the year, month and date when the pass is sold.



- ***Monthly Passes*** offer unlimited rides for a full calendar month or for 31 days from the date of purchase. They are popular with those who rely on transit for most of their transportation and ride regularly – for example to work or school. For individuals on social security or other monthly income, they offer the advantage that they can be purchased at the beginning of the month when funds are available and cover transportation costs for the entire month. With a base fare of $1.00, a monthly pass would likely sell for $30.00 full fare, $15.00 for half fare (seniors and persons with disabilities.)

8. Financial Plan

In the first phase of Graham County Transit Feasibility Study, three financial scenarios were developed to provide a range of operating and capital costs and revenues required for a public transportation service. The analysis for Phase One Feasibility Study financial scenarios is provided in Appendix B. As of January 2016, there was no interest among the four Graham County public entities to pursue a publicly administered public transportation service. These scenarios needed to be revised to develop a financial plan based on the revised three phased service plan implementation.

The following is the recommended financial plan based on service plan Chapter 6 and marketing plan in Chapter 7. The following are the anticipated operating costs and revenues for each recommended implementation phase.

Phase I Service Financial Plan

In Phase I, it is recommended that SEACAP apply for a FTA 5311 grant to expand SEACAP transportation services to the general public, five days a week. SEACAP serves Graham County three days a week, primarily for elderly and disabled individuals. General public members only have access to the SEACAP service on a space available basis. The grant application would be for expanding the existing SEACAP service two additional days a week, providing general public Dial-a-Ride service the additional two days a week. It is important that elderly and disabled clients funded by Area Agency on Aging and FTA 5310 receive the same level of service as they are currently receiving. As part of the general public, elderly and disabled individuals would have increased service levels, as they would have expanded service availability from three to five days a week.

SEACAP provided the consulting team budget information for FY 2015/16. The following preliminary budget provides the estimated annual cost for Phase I implementation, including the implementation of a marketing effort to announce the availability of the new general public service.

Exhibit 12 has the following assumptions:

- Includes 20 hours per week of revenue service plus time for pre-check and post-check of vehicle each day.
- A pro rata share of administrative time for SEACAP staff has been estimated.
- The maintenance rate of $0.24 cents per mile is not based on the low figures currently in the SEACAP 2015/16 budget but instead are based on costs for both preventive maintenance and repairs of peer agencies.
- While the cost per gallon is currently high at $3.50 per gallon, it provides a cushion if gas prices fluctuations continue.
- A .6 FTE position for dispatching and marketing support to provide outreach and promotion to the general public service. A program manager provides administrative oversight.

Exhihit 12 Phase I Service Financial Plan Costs

Administration Costs

Pct. Applied		Assume 3% Cost of living	
Direct Salary		Salary Rate	Salary Cost
3%	Executive Director	$ 43,260	$ 1,298
20%	Program Manager/Outreach	$ 36,050	$ 7,210
4%	Fiscal Manager	$ 36,050	$ 1,442
	Subtotal		$ 9,950
Fringe Benefit		Total Basis	
	23.82% fringe rate	$ 9,950	$ 2,370
Office Space @ 10%		$ 36,050	$ 3,605
Utilities @ 5%		$ 11,124	$ 556
Telephone @40%		$ 2,225	$ 890
Office supplies etc			$ 500
Total Administrative Costs			$ 17,871

Operations and Maintenace Costs

Direct Salary		Salary Rate	Salary Cost
0.6	Driver	$ 25,709	$ 15,425
0.5	Dispatcher/Marketing support	$ 22,660	$ 11,330
	Subtotal		$ 26,755
Fringe Benefits		Total Basis	
	23.82% Fringe Rate	$ 26,755	$ 6,373
		Miles	
Fuel	$3.50 per gallon, 11 MPG	18,720	$ 5,956
Maintenance	$0.24 per mile	18,720	$ 4,493
Insurance Share			
	Two of Five Days a Week: 40%	$ 2,611	$ 1,044
Marketing Direct Costs, Materials			$ 5,000
Total Operations and Maintenance Cost			$ 49,622

Capital Costs

Bus Transfer from SEAGO			$0
Bus Wrap	Two Buses	$10,000	$20,000
Total Costs			$ 87,493

- SEACAP currently serves Graham County and Greenlee County. Operating five days a week in Graham County may necessitate the use of a second vehicle. SEAGO has offered to transfer another vehicle to SEACAP if the general public service is provided.

As Exhibit 12 indicates, the estimated Phase I operations and maintenance cost for expanding the existing SEACAP service to five days a week from 8:00 to 5:00 pm is $67,493. The budget for branding and wrapping two buses is $20,000. The total estimated costs for the Phase I Service Plan implementation is $87,493.

Exhibit 13 shows a grant application to ADOT for funding of $59,078 for the Phase I Service Plan implementation. The 20% local match for administration is $3,574 and 42% local match for operations is $19,881, which includes a deduction of $960 from in-kind match from TAC member staff time at four meetings per year. The AAA funding that SEACAP receives to operate service for the elderly and disabled would be utilized as local match for the FTA 5311 grant application, totaling $23,455. This assumes that SEACAP receives $50,000 in AAA funding and that 50% of SEACAP trips that utilize existing AAA funding have a trip end in the general public Dial-a-Ride service area in Graham County. This assumption will need to be verified before a final budget can be prepared. If the assumption is correct, SEACAP would not need to provide a local cash contribution or any additional in-kind contribution to fund the Phase I expansion in operations and administration. It is also recommended that SEACAP apply for a Freeport-McMoRan Community Investment grant to match funding for the bus wraps for $4,000. Due to the timing of the grant cycles, this may need to wait for the 2017 Freeport-McMoRan Community Investment Fund grant cycle.

Exhibit 13 Phase I FTA Grant and Local Match

REVENUE			
FTA 5311 Grant			
Administration		80%	$ 14,297
Operations and Maintenance		58%	$ 28,781
Capital		80%	$ 16,000
Total Grant application			$ 59,078
Local Match			
Source		Base	
In-Kind	TAC Meetings Staff Labor		$ 960
AAA	Administration 20%	$ 17,871	$ 3,574
AAA	Operations 42%*	$ 49,622	$ 19,881
Freeport McMoRan Community Investment Fund Grant			
Grant	Capital 20%		$ 4,000
Total Local Contribution			$ 28,415
TOTAL REVENUE			$ 87,493

While local in-kind or cash contributions may not be required, it is recommended that even a small level of local partner commitments be part of the Phase I 5311 grant application.

To facilitate coordination, the current donation fare structure that SEACAP utilizes would continue for the expanded general public service. Fares for the mostly very low income population being served would continue to optional and are not included in the FTA 5311 revenue calculations.

Phase II Budget

In Phase II, a second bus and driver would be added to the Dial-a-Ride service five days a week. The second bus would be open to the general public. The second bus would only be deployed when demand warrants. There is typically a peaking of demand in Dial-A-Ride service between 9 am and 3 pm. It is not known what the demand will be and it may require a second vehicle from 8 am to 5 pm. To be conservative, the grant application assumes the following: The Phase II grant application would be submitted in three years. Unit costs are inflated at 3% per year, or 9% compared to the Phase I grant application. SEACAP's fringe benefit rate increases to 25%. SEAGO continues to provide SEACAP with $50,000 in total AAA funding and 50% is eligible for local match purposes. This is based on the assumption that needs to be refined that 50% of SEACAP trip ends are in the general public Dial-a-Ride service area in Graham County. SEACAP can have access to an additional Dial-a-Ride bus through SEAGO or successfully apply for a Freeport McMoRan Community Investment Fund grant to provide the necessary FTA 5311 matching funds. No additional cash contributions are required from SEACAP. Exhibit 14 shows the administration, operations and capital budgets for Phase II. The following are the highlights from the Phase II budget:

- A Program Manager spends 20% time on overall management of service operations and marketing
- Driver full time equivalents is increased to 1.6 Full Time Equivalents (FTEs)
- A dispatcher and marketing support person is budgeted at 0.6 FTE
- Maintenance cost per vehicle service hour is increased to 28 cents per mile

Exhibit 14 shows that the Phase II administrative costs would be $19,953. The operations and maintenance costs to have two vehicles operating general public Dial-a-Ride, incorporating the existing day a week service, would be $109,555. The total capital costs including a small cutaway bus and a waiting area with bus shelter at WalMart would be $90,000. The total Phase II administrative, operating and capital costs are estimated at $219,508.

Exhibit 14 Phase II Service Financial Plan Costs

Administration

Pct. Applied			
Direct Salary		Salary Rate	Salary Cost
5%	Executive Director	$ 45,780	$ 2,289
20%	Program Manager/Outreach	$ 38,150	$ 7,630
8%	Fiscal Manager	$ 38,150	$ 1,145
	Subtotal		$ 11,064
Fringe Benefit		Total Basis	
	25% fringe rate	$ 11,064	$ 2,766
Office Space@10%		$ 38,150	$ 3,815
Utilities@ 5%		$ 11,772	$ 589
Telephone @40%		$ 2,425	$ 970
Office Supplies			$ 750
Total Administrative Costs			$ 19,953

Operations and Maintenace Cost

Direct Salary		Salary Rate	Salary Cost
1.6	Driver	$ 27,206	$ 43,530
0.6	Dispatcher/Marketing support	$ 23,980	$ 14,388
	Subtotal		$ 57,918
Fringe Benefits		Total Basis	
	25% Fringe Rate	$ 57,918	$ 14,480
Fuel	$3.75 per gallon, 11 MPG	49,920	$ 17,018
Maintenance	$0.28 per mile	49,920	$ 13,978
Insurance Share			
75%	Two Vehicles	$ 3,549	$ 2,662
Direct Marketing Cost			$ 3,500
Total Operations and Maintenance Cost			$ 109,555

Capital Costs

Option 1: Transfer from SEAGO		$0
Option 2: 5311 grant for small cutaway bus		$65,000
WalMart waiting area improvements		$25,000
Total Capital Costs		$90,000
Total Administrative, Operating and Capital Costs		$ 219,508

The revenues required to fund the Phase II Dial-a-Ride service would be derived from a $151,505 FTA 5311 grant, $25,000 in AAA funding, and $23,804 from local partners for local match for administrative and operations. For capital, $72,000 would be included in the FTA 5311 grant and an $18,000 grant to the Freeman-McMoRan Community Investment fund would be submitted, and if approved, would provide the local match for the small Dial-a-Ride bus and waiting area/bus shelter at WalMart. Exhibit 15 below is a summary of the revenue sources and amount for Phase II Service Plan implementation.

Exhibit 15 Phase II Revenues

REVENUES			
FTA 5311 Grant			
Administration		80%	$ 15,962
Operations and Maintenance		58%	$ 63,542
Capital		80%	$ 72,000
Total FTA 5311 Grant			$ 151,505
Local Match			
Source		**Base**	
In-Kind	TAC Meeting Staff Labor		$ 1,200
AAA	Administration 20%	$ 19,953	$ 3,991
AAA	Operations	$ 109,555	$ 21,009
Local Entity provides In-Kind Maintenance			$ 13,978
Other Local Cash or In-Kind Contribution			$ 9,826
Freeport McMoRan Community Investment Fund Grant			
Grant	Capital 20%	$ 90,000	$ 18,000
Total Local Match			$ 68,004
TOTAL REVENUES			$ 219,508

Phase III Service Financial Plan

Phase III includes the general public Dial-a-Ride service implemented in addition to the community fixed route service recommended in Chapter 6. SEACAP is recommended as the transit administrator for Phases I and II because they are currently operating Dial-a-Ride service for the elderly and disabled and because they can utilize approximately $25,000 in AAA funding for local match. In 2016, there was not sufficient interest to financially support the required local contribution for full Phase III implementation. The SEACAP Board may or may not be interested in administering such a public transportation service when it's time to transition to Phase III, currently assumed to be in Year 5. For the purposes of providing a realistic budget, however, for planning purposes, the Phase III budget assumes that SEACAP continues in the transit administration role for Phase III. If a public entity decides it wants to assume this role, the budget presented below would need to be adjusted.

There are, however, a number of advantages of having SEACAP directly administer the public transportation program with the following key assumptions and advantages:

- It is assumed that 50% of $50,000 in AAA funding that SEACAP will receive can be utilized for local match for the FTA 5311 grant application, or $25,000 per year. The actual percentage will need to calculated by determining the percentage of trips that SEACAP provides with a trip origin or destination in proposed general public Dial-a-Ride service area.
- Non-profit agencies such as SEACAP typically have lower overhead structures than public entities, which lowers both the administration and operating costs. This minimizes the amount of local contribution required. In the December 2015 memo to managers of Safford, Thatcher, Pima and Graham County, the total estimated local contribution required for the first full year of implementation was estimated at $152,000 with costs based on peer average of three southeastern Arizona public transportation systems. This was a conceptual figure without knowing what it would actually cost for the City of Safford to administer the transit system, it would likely have been a lower figure.
- With the $50,000 AAA utilized for matching purposes, the need for cash contributions would be minimized, but would require approximately $32,000 in other cash or in-kind contributions. The other potential in-kind contributions could be:
    - Maintenance of vehicles by one of the entities. Graham County offered to provide maintenance of the vehicles as an in-kind contribution in December 2015. While it is not known when Phase III might be implemented, this would be a good place to start.
    - Another source of in-kind contributions would be the value of time of members of the Technical Advisory Committee that would provide input to the Phase III service delivery. This is estimated at $1,600 per year.
    - With the above in-kind contributions, it is entirely possible that there would not be a need for any cash contributions by local partners. This will need to be determined when implementation of Phase III is considered.

Exhibit 16 is the recommended Phase III costs with the above assumptions. For the purposes of this plan, Phase III would start in Year 5. The Phase III budget assumes the following for the start-up of the fixed route service:

- A 50% full time equivalent (FTE) SEACAP Program Manager is required by the extensive start-up tasks for the fixed route service. In subsequent years, the need for the Program Manager could be reduced to a 25% to 35% FTE position as long as full-time marketing support combined with dispatch operations is maintained.
- A budget for 2.6 FTE drivers is estimated to provide the combined general public and fixed route service. This would be combined and coordinated with the existing Dial-a-Ride service that SEACAP is providing.
- A full-time dispatcher combined with marketing support would be needed to provide oversight to the operations as well as promote the service.
- For the first year of Phase III implementation, a $15,000 budget for direct marketing costs is recommended. This can likely be reduced to $7,500 in subsequent years.
- SEACAP fringe rate increases to 30.1% based on projected increases in health care and insurance costs.

Exhibit 16 Phase III Service Financial Plan Costs

Administration			
Pct. Applied			
Direct Salary		Salary Rate	Salary Cost
10%	Executive Director	$ 52,500	$ 5,250
50%	Program Manager	$ 43,750	$ 21,875
15%	Fiscal Manager	$ 43,750	$ 6,563
	Subtotal		$ 33,688
Fringe Benefit		Total Basis	
	30.1% fringe rate	$ 33,688	$ 10,150
Office Space	10%	$ 43,750	$ 4,375
Utilities	10%	13500	$ 1,350
Telephone	40%	2160	$ 864
Office Supplies			$ 1,500
Total Administrative Costs			$ 51,927
Operations and Maintenace Cost			
Direct Salary		Salary Rate	Salary Cost
2.6	Drivers	$ 31,200	$ 81,120
1	Dispatcher/Marketing	$ 27,500	$ 27,500
	Subtotal		$ 108,620
Fringe Benefits		Total Basis	
	30.1% Fringe Rate	$ 108,620	$ 28,202
		Miles	
Fuel	$3.75 per gallon, 11 MPG	93,600	$ 19,145
Maintenance	$0.30	93,600	$ 16,848
Insurance	Three Vehicles		$ 6,591
Marketing Direct Costs			$ 15,000
Total Operations and Maintenance Cost			$ 194,406

Capital Costs

Option 1: Transfer from SEAGO		$0
Option 2: 5311 grant for medium cutaway bus		$85,000
WalMart Bus Stop improvements		$75,000
Bus stop signage and information panels/installation		$40,000
Total Capital Costs		$200,000
Total Administrative, Operating and Capital Costs		$ 446,333

The administrative budget is estimated at $51,927 the first year. The operations and maintenance cost is estimated at almost $195,000.

The capital costs for Phase III include the purchase of a medium-sized cutaway bus for the fixed route service. It also includes an upgrade to the WalMart improved bus stop with shelters at the rear of the WalMart parking lot. Finally, the budget includes $40,000 for bus stop signage and information panels at all scheduled timepoints, plus a couple of shelters at key bus stop locations. Additional shelters would be an option to consider after the general public Dial-a-Ride ridership patterns are known.

Exhibit 17 are the projected revenues for Phase III in FY 2019/20; a FTA 5311 grant for $314,297 would be required for the combined general public Dial-a-Ride and fixed route service. The grant application would include $41,541 for administration, $112,756 for operations and maintenance, $160,000 for purchase of medium size cutaway bus, an upgrade of the improved bus stop and waiting area at Walmart, and bus stop signage and information panels.

Exhibit 17 Phase III Revenues

REVENUES			
FTA 5311 Grant			
Administration		80%	$ 41,541
Operations and Maintenance		58%	$ 112,756
Capital		80%	$ 160,000
Total FTA 5311 Grant			$ 314,297
Local Match			
Source		**Base**	
AAA	Administration 20%	$ 51,927	$ 10,385
AAA	Operations 42%	$ 194,406	$ 14,615
TAC meetings In-kind contribution			$ 1,600
Local entity provides in-kind maintenance			$ 16,848
Other Local Cash or In-Kind Contribution			$ 48,588
Freeport McMoRan Community Investment Fund Grant			
Grant	Capital 20%	$ 200,000	$ 40,000
Total Local Match			$ 132,036
TOTAL REVENUES			$ 446,333

This would require approximately $25,000 in AAA local matches that SEACAP currently receives for its senior and disabled transportation program, $1,600 for TAC member attendance, and $48,588 in other local and/or in-kind contributions by partners. Maintenance from a private vendor is estimated at $16,648, and the value of the Graham County providing the maintenance service could be evaluated at the time (Year 5 of implementation) as a means of reducing the need for cash contributions.

The Phase III capital budget also includes a Freeport McMoRan Community Investment Fund Grant for $40,000 as local match to the capital portion of the FTA 5311 grant application ($200,000 total cost).

Five Year Financial Plan

Based on the implementation of the three transit plan phases, Exhibit 18 is the recommended financial plan between Year 1 and Year 5 of implementation.

Since it is not known when service will begin, Phase I would start in Year 1, and it is assumed that Phase II would start in Year 3, and Phase III in Year 5. Once Phase I is implemented, time and experience with the general public Dial-a-Ride will guide the future prospects of subsequent plan phases.

Overall, administrative costs would increase from $17,871 in Year 1 to almost $52,000 in Year 5 when Phase III is fully implemented.

The operations and maintenance costs would increase from $49,622 for implementation of Phase I to approximately $194,000 when Phase III, the combined general public Dial-a-Ride and fixed route service, is implemented.

The capital costs are for two bus branding wraps with the new name and logo on two buses. In Phases II and III, new bus purchases are assumed. In Phases II and III, a waiting area for both Dial-a-Ride and fixed route passengers is developed at the back of the WalMart parking area that fronts 20th Ave. Therefore, capital costs vary from $20,000 in Phase I to approximately $200,000 in Phase III.

Exhibit 18 Recommended Financial Plan

	Phase I		Phase II		Phase III
	Year 1	Year 2	Year 3	Year 4	Year 5
Costs					
Administration Costs					
Labor	$ 9,950	$ 10,248	$ 11,064	$ 11,395	$ 33,688
Benefits	$ 2,370	$ 2,441	$ 2,766	$ 2,849	$ 10,150
Other Direct Costs	$ 5,551	$ 5,718	$ 6,124	$ 6,307	$ 8,089
Subtotal Administration Costs	$ 17,871	$ 18,407	$ 19,953	$ 20,552	$ 51,927
Operations/ Maintenance Costs					
Labor	$ 26,755	$ 27,558	$ 57,918	$ 59,656	$ 108,620
Benefits	$ 6,373	$ 6,564	$ 14,480	$ 14,914	$ 28,202
Fuel	$ 5,956	$ 6,135	$ 17,018	$ 17,529	$ 19,145
Maintenance Vendor	$ 4,493	$ 4,628	$ 13,978	$ 14,397	$ 16,848
Insurance	$ 1,044	$ 1,076	$ 2,662	$ 2,742	$ 6,591
Marketing Direct Costs	$ 5,000	$ 3,500	$ 3,500	$ 3,605	$ 15,000
Subtotal Oper./Maint. Costs	$ 49,622	$ 49,461	$ 109,555	$ 112,842	$ 194,406
Capital Costs					
Buses	$ -	$ -	$ 65,000	$ -	$ 85,000
Bus Stop Improvements	$ -	$ -	$ 25,000	$ -	$ 115,000
Bus wrapping*	$ 20,000	$ -	$ -	$ -	$ -
Subtotal Capital Costs	$ 20,000	$ -	$ 90,000	$ -	$ 200,000
Total Costs	$ 87,493	$ 67,868	$ 219,508	$ 133,394	$ 446,333
Revenues					
FTA 5311 Grant					
Administration	$ 14,297	$ 14,726	$ 15,962	$ 4,110	$ 41,541
Operations and Maintenance	$ 28,781	$ 28,687	$ 63,542	$ 65,448	$ 112,756
Capital	$ 16,000	$ -	$ 72,000	$ -	$ 160,000
Subtotal FTA 5311 Grant	$ 59,078	$ 43,413	$ 151,505	$ 69,559	$ 314,297
Local Match					
AAA	$ 23,455	$ 23,466	$ 25,000	$ 25,000	$ 25,000
TAC meetings In-kind contribution	$ 960	$ 989	$ 1,200	$ 1,400	$ 1,600
Local Cash or In-Kind Contribution	$ -	$ -	$ 23,804	$ 37,435	$ 65,436
Freeport McMoRan Grant	$ 4,000	$ -	$ 18,000	$ -	$ 40,000
Total Local Match	$ 28,415	$ 24,455	$ 68,004	$ 63,835	$ 132,036
Total Revenues	$ 87,493	$ 67,868	$ 219,508	$ 133,394	$ 446,333

9. Governance Structure

This section of the working paper provides information on the options for a governance structure and helps to answer one of the key feasibility study questions:

> Does a viable governance structure exist or can one be created to govern, manage and comply with federal funding regulations?

In order to address this question, this chapter first starts with the governance and management duties of the governing body. The second section is an overview of the available organizational options that are typically utilized in Arizona to govern and manage public transportation services, with Arizona examples provided. The final section provides input on the governance structure discussed during the public participation process.

Overview of Governance and Management Duties

All public transportation systems have the following functions:

- Scheduling, Dispatch and Operations: Assignment and scheduling of drivers and vehicles to routes; scheduling, dispatching and assigning of passengers to demand responsive routes; daily operations of buses.
- Maintenance: Preventive maintenance, vehicle repairs, parts management, and facility maintenance.
- Personnel Management and Training: Recruitment, training and safety, benefits, and discipline.
- Planning: Strategic planning, public participation, short range planning, and passenger surveys.
- Marketing and Public Information: Passenger communication, promotion, advertising, communication with other agencies.
- General Management: Correspondence with governing board, organizational structure and reporting, administrative oversight, and compliance with Arizona and Federal regulations.
- Financial Administration: Budgeting, management information, grant administration risk management, contract management, accounting, procurement, revenue collection, payroll.

Governance and management of these functions are handled in numerous ways throughout the United States and Arizona in particular.

The governing body for public entities are elected officials such as members of the Board of Supervisors or City Council. They are responsible for approving grant applications, approving the service plan and fares, adopting an annual budget, and ensuring that the Transit Manager has the policies and procedures in place to ensure that safe, reliable and compliant public transportation

services are being provided. Receiving Federal funding comes with a number of requirements and audit provisions. While these will be detailed further in Phase II of the Feasibility Study, the Transit Manager must have the knowledge and experience to administer the requirements that come along with Federal funding. Please note that two key criteria for FTA 5311 funding are: 1) Financial and managerial capability, and 2) Safety and training capabilities.

An overview of governance options are presented below. An important component of financial capability is the ability to handle the cash flow of the cost reimbursement nature of FTA 5311 funding. All expenses incurred during the contract period must be paid in full by the governing agency to be eligible for reimbursement by ADOT.

Finally, regardless of the governance option selected for Graham County, the Transit Manager must be someone who can build and sustain partnerships among the public and human service agencies in Graham County. This will be critically important in not only providing the necessary bundling of financial resources necessary for public transportation service, but also building and sustaining the political support to sustain the public service for the transit dependent populations in the community: older adults, disabled, youth, and low income individuals.

Overview of Governance Options

There are essentially three primary governance options:

1. Governance by an existing public entity, such as Graham County or the City of Safford.

2. Governance by an existing private non-profit.

3. Governance by a shared governance structure, an Intergovernmental Public Transportation Authority (IPTA).

Governance by an Existing Public Entity

In this governance alternative, an existing city, town or Graham County would take responsibility for the public transportation function. This would likely be Graham County or the City of Safford.

Under this governance alternative, public transportation would be added as a program of the City of Safford or Graham County. Due to bus maintenance requirements, it is not unusual for public transportation to be a program of the Public Works or Maintenance Departments. Other typical departments are Community Development or Planning. In this alternative, public transportation would become a distinct budgeted program of the designated department.

Like any other public program, the Board of Supervisors would be the governing body in the case of Graham County, or the City Council in the case of the City of Safford. The governing body would approve the public transportation budget, authorize approval of necessary grant applications, and provide oversight to Federal and State compliance issues as well as required reporting.

The day-to-day management of the public transportation function would be an employee of the designated department. There are two models for public transportation service delivery. The public transportation service can be directly operated, which would mean the public entity would hire the

drivers, provide maintenance of the buses, and provide all of the accounting and financial accounting of a public service. The second typical model is to contract the operations and maintenance to a private or non-profit vendor in a procurement process.

In the directly operated model, the Transit Manager is typically responsible for planning, budgeting, grant writing and compliance. The Transit Manager would also typically hire, train, and supervise the drivers. The Maintenance Department would provide maintenance of the buses. Financial accounting and procurement is typically handled by the Finance Department. In a directly operated system, the public entity owns the buses.

In the outsourcing model, the Transit Manager is responsible for planning, contract administration, budgeting, grant writing and compliance. A third party vendor is typically selected through a competitive procurement process to provide operations (drivers and dispatcher) and/or maintenance (mechanics and parts). In the outsourcing model, the contract with a third party vendor can specify the provision of buses for the contract period or the public entity can own the buses and allow the contract vendor to utilize the buses for operations. In the long-term, it is in the best interest of the governing agency to own and ensure proper maintenance of the buses utilized in the transit operations.

Arizona Examples

The City of Douglas has established a separate Transit Department, directly operates its service and provides all the necessary drivers and maintenance personnel to operate and maintain the public transportation service. The City Council is the governing body.

The City of Bisbee Transit Program is an example of a public entity governing the public transportation service, but who contracts with a third party to operate the service. The City of Bisbee has contracted with Catholic Community Services to run the day to day operations of the Bisbee Transit Program. The program uses 5311 funds for its deviated flex route service.

Governance by an Existing Non-Profit

FTA 5311 guidelines allow for a non-profit agency to be the governing agency for administration of public transportation services. In this governance model, an existing agency that is currently providing transportation would be the public transportation governing and management agency responsible for public transportation services.

SEACAP or the Blake Foundation are the most likely candidates in Graham County to be the governing agency. Because SEACAP is currently receiving Area Agency on Aging (AAA) funding to provide services for elderly and disabled individuals, with a limited number of trips available to the general public, and AAA funding can be utilized for local match requirements, the SEACAP Board of Directors is recommended as the governing body for the public transportation program for Phases I and II of the public transportation program which will rely on building upon the existing Dial-A-Ride program. If SEACAP successfully implements Phases I and II, and if SEACAP is willing to take on the fixed route service responsibilities, they should be considered as the governing body for Phase III.

There are a couple of primary constraints for a non-profit to take on the responsibility of governing a public transportation system. The first primary barrier is the cost reimbursement requirements of FTA 5311 funding. Since SEACAP is recommended as the Phase I Service Plan transit administrator, they will need to verify their financial capability in handling the necessary cash flow requirements.

Intergovernmental Public Transportation Authority

In Arizona, shared governance of public transportation is authorized by Arizona law, and the type of governing agency depends on the size of the County. In Arizona, counties with less than 200,000 are organized as an Intergovernmental Public Transportation Authority.

Appendix D provides the regulatory details for the formation and rights of an intergovernmental public transportation authority. The provisions are summarized below.

The members of an intergovernmental public transportation authority can include one or more county entities, incorporated cities or towns, community college districts, and any Indian Nation that has a boundary within a county in which an authority is established.

Any combination of above potential members can petition the County Board of Supervisors to establish an intergovernmental public transportation authority consisting of the combined areas in the counties. The County Board of Supervisors holds a public hearing on the petition to determine public support for the authority and whether establishing the authority would be in the public interest. The County Board of Supervisors approves a resolution that includes the boundaries of the authority. Additional members can be added over time by the same petitioning process.

The Intergovernmental Public Transportation Authority gives the members all the rights and immunities of municipal corporations granted by the Arizona constitution and statutes, including the immunity of its property from taxation.

<u>Arizona Examples of Intergovernmental Public Transportation Authority</u>

The Yuma County Intergovernmental Public Transportation Authority (YCIPTA) is an IPTA that was formed on December 13, 2010 by the Yuma County Board of Supervisors to administer, plan, operate and maintain public transit services throughout Yuma County, including within the political jurisdictional boundaries of the Cities of Yuma, San Luis, Somerton, Town of Wellton and the unincorporated Yuma County areas.

The initial members of YCIPTA were the Town of Welton, City of Somerton, City of San Luis, City of Yuma, Yuma County and Northern Arizona University. Later, Arizona Western College and Cocopah Indian Tribe joined in 2011, and Quechan Indian Tribe joined in 2012.

Yuma County Intergovernmental Public Transportation Authority (YCIPTA) provides Yuma County Area Transit (YCAT) fixed route, vanpool and YCAT On Call demand responsive bus service throughout southwestern Yuma County including the cities of Yuma, San Luis, Somerton, Town of Wellton, Cocopah Indian Reservation and unincorporated communities of Yuma County, including Gadsden,

Fortuna Foothills and Ligurta. YCAT also provides service into Winterhaven and El Centro, CA and on the Quechan/Fort Yuma Indian Reservation.

In 2006, the Northern Arizona Intergovernmental Public Transportation Authority (NAIPTA) was formed to provide a regional approach to transit in and around the Flagstaff area. NAIPTA is a regional organization including Coconino County, the City of Flagstaff, and Northern Arizona University. NAIPTA operates and maintains Mountain Line/Mountain Link fixed route and Mountain Lift demand response public transportation systems. These systems have been in operation since October, 2001.

Transit Advisory Committee

A Transit Advisory Committee (TAC), made up of key stakeholders similar to the current makeup of the Technical Advisory Committee for this study, is required. The TAC's role is to advise the grantee agency on the operation of the system. This includes ensuring that the service responds to changing local needs, commenting on service quality and effectiveness, soliciting community participation, helping the system achieve financial sustainability, and related issues. The TAC meets quarterly to provide ongoing guidance to the FTA 5311 rural program.

It is recommended that the Transit Advisory Committee as part of the FTA 5311 application be of similar composition as the Technical Advisory Committee for the Graham County Transit Feasibility Study.

Stakeholder Input and Phase I Consensus of Technical Advisory Committee

Discussions with representatives from the Town of Pima, Town of Thatcher, City of Safford, and Graham County in general felt that the public transportation service "needs to be combined", in the words of one elected official. The concept of shared funding and governance was a common theme among most stakeholder interviews. The prospect of an Intergovernmental Public Transportation Authority had the best chance to survive over the long-term according to one key stakeholder.

There were a few stakeholders who felt that the County was the "natural governmental agency", in the words of another elected official. The County has the regional perspective needed to make a public transportation operation work.

At the May 7, 2015 Technical Advisory Committee meeting, there was general consensus in Phase I to move forward with an Intergovernmental Public Transportation Authority. This type of governing entity, in the opinion of most TAC members, has the best chance of being a viable governance structure to govern, manage and comply with federal funding regulations for a Graham County public transportation service. However, this assumed there would be financial participation with a combination of cash and in-kind contributions by Graham County, City of Safford, Town of Thatcher, Town of Pima, and Eastern Arizona College.

Recommended Phased Approach

The recommended service plan includes a three-phased approach. It is not known if there will be interest in the future for applying for a FTA 5311 grant, and if so, which entity will be the applicant. In

the three-phased approach it would make sense to also phase the governance structure. Therefore, a scenario approach for the recommendations is provided.

If a private non-profit agency submits a FTA 5311 application for Phase I and Phase II Dial-a-Ride service, then it would make sense for the non-profit agency to be responsible for the transit administration function with the agency's governing body responsible for overall governance. In a March 2016 phone call with the consulting team Project Manager, the Executive Director of SEACAP communicated that his organization was willing and able to take on Phase I responsibilities. Since SEACAP is a willing and able partner, the initial recommended governing body is the Board of Directors of SEACAP.

If SEACAP is successful in implementing Phase I and Phase II of the recommended service plan with a two-bus general public Dial-a-Ride service, and are willing to pursue the fixed route element, then the SEACAP Board should continue as the governing body. If they are not willing to provide the combined Dial-a-Ride and fixed route service, the City of Safford was willing in December 2015 to explore the feasibility of taking on the transit administration function. If the City of Safford decided to move forward with the Phase III 5311 application, and it was successful, then the City of Safford City Council would be the governing body. Similar to the Town of Bisbee, the City of Safford could elect to contract the service to a private, non-profit agency.

If the public transportation service eventually proceeds to a fixed-route and Dial-a-Ride service, the consensus option for Phase I of the Transit Feasibility Study, and there is financial participation by four or more entities, then a transition to an Intergovernmental Public Transportation Authority (IPTA) could be reconsidered at that time. However, given the fact that in December 2015 there was only one public entity that was able to provide some level of cash contribution to a public transportation system, the TAC recommendation in the Graham County Transit Feasibility Study to move forward with an Intergovernmental Public Transportation Authority may not have the political or financial support to come to fruition. This could evolve if the benefits of a successful general public Dial-a-Ride service in Phases I and II are demonstrated to elected officials.

10. Benefits and Costs of Public Transportation

This chapter utilizes national research efforts to help provide a framework for understanding the benefits of public transportation. There has been a significant amount of economic analysis research on public transportation efforts in rural communities. This chapter reports on the findings of the national research and applies them to Graham County.

For the national research, the chapter relies primarily on the economic analysis conducted in two seminal national research efforts conducted for the Transit Cooperative Research Program. The two research efforts were:

1. TCRP Report 34 *Assessment of the Economic Impacts of Rural Public Transportation,* conducted by Ecosometrics. The objectives of this research and the report findings provide information that identifies and quantifies the economic impacts of rural public transportation in the United States on both a local and national level. The report also develops and presents a practical economic impact methodology for planning and designing rural public transportation to maximize economic benefits. The methodology and lessons learned are applied to Graham County.

2. TCRP Report 49 *Using Public Transportation to Reduce the Economic, Social and Human Costs of Personal Immobility* conducted by Crain & Associates. The Project Manager for the Graham County Transit Feasibility Study, Cliff Chambers, was also the Project Manager for this nationwide research project. In this research, a method was developed to define and measure the economic, social and human costs of immobility. Eleven case studies were selected and economic analysis was applied to quantify the economic and social benefits of public transportation services, including rural public transportation. Several of the case studies were in rural areas, and implications of the findings for Graham County are discussed.

Generalized National Findings on Economic Benefits of Rural Public Transportation

The following are four major findings from 268 rural areas studied by TCRP Report 34 of counties with public transportation and counties without public transportation:

- The average growth differential between rural communities with transit and rural counties without transit systems was 11 percent.
- The average annual economic impact in counties where transit was implemented was $1,092,293 in 1998 dollars. Adjusted to 2015 dollar based on the CPI, this is $1,594,000 in 2015 dollars.
- In studying the cost/benefit ratio the funding of rural public transportation throughtout the FTA 5311 program found that implementing a FTA 5311 had a benefit/cost ratio of 3.35 to 1.
- Rural transit systems that were able to offer significant levels of employment benefits to their riders scored quite highly, as did those systems that made important contributions to the ability of local residents to live independently and to access critical medical services (including dialysis treatment). These two factors should be seen as keys to success in generating economic impacts in the locations served by rural transit systems.

Types of Economic Benefits

Both national research efforts reported on the type of direct and indirect benefits of rural public transportation. The benefits include:

- Savings in transportation expenses for the system's riders.
- The value of trips that would not have been made without the transit service.
- Increased income from the systems users from participation in rural transit.
- The value of health care that would not have otherwise been obtained.
- Salaries to drivers and other employees.
- Benefits to merchants in areas served by the transportation system.

TCRP Report 49 also reported on societal benefits when individuals can access parts of society. While much of the above information is able to be quantified, the following benefits are not easily quantified. Rural public transportation provides benefits by helping to:

- Avoid medical institutionalization of the indigent.
- Prevent crime by providing job training for employment and food for the hungry.
- Provide a mobility alternative to a costly ambulance ride for medical care.
- Increase the purchasing power enjoyed by transit riders with access to jobs or to broader market choices.
- Relieve other agencies funded by tax dollars of transportation responsibilities and, thereby, increase their productivity.

Illustrative Case Studies in Rural Areas

OATS, Inc., Missouri

Since 1971, OATS, Inc. has been providing rural public transportation, serving 87 of Missouri's 114 counties. The mission of OATS, Inc. is to "provide reliable transportation for transportation disadvantaged Missourians so they can live independently in their own communities." Graham County might consider adapting this mission statement for its own use.

OATS utilizes a mix of funding sources to provide a broad array of public and agency based transportation services. When the case study was conducted in 1998, 40.6% of the funding came from the Area Agency on Aging, and 20.2% came from FTA 5311. For the 87 counties included, the overall budget was $6.5 million in 1998 dollars. Today, per county, the annual budget is $108,045. OATS utilizes volunteer county committees to dispatch trips for their services.

In order to estimate the economic benefits of OATS, the research team asked the question, *What costs would be incurred by OATS users in the absence of the OATS system*. If OATS did not exist, OATS users would either:

1. Not make a desired trip because a transportation alternative is not available. These "missing" trips have an economic value because the user is not able to receive a desired or needed service due to the lack of transportation. A value was put on these missing trips based on different trip purposes. In Graham County, where no public transportation is provided, the "missing trips" also have an economic value.

2. Substitute an auto trip for OATS trip. Most of these trips would be provided by family members or friends, since most OATS users cannot drive or do not have access to an automobile. The auto trips include the cost of operating the automobile and the value of the drivers' time to make the trip. In Graham County, those without access to an automobile often rely on family or friend to provide an auto trip. The value of the trip is the sum of these costs.
3. Utilize another transportation provider to make the desired trip. In Graham County, this is a very common practice for many medical trips for low income individuals. This includes the use of a taxi, or in the case of individuals with Access, a private vendor provides the trip. It costs $12 for a local trip within Safford, for example, by the Access vendor. For a visit to medical specialist, it costs $200.

A detailed economic analysis was conducted to determine the benefits and costs if OATS did not operate. The bottom line was that for every dollar invested in the OATS program, there is an economic benefit of $2.32. A benefit/cost ratio is "quite favorable" concludes the research effort, with the usual criterion of a least a ratio 1.0 for economically viable projects. This is slightly lower than the national benefit/cost ratio found in the TCRP Report 34 of 3.35/1.0.

Sweetwater County Transit Authority

The Sweetwater County (Wyoming) Area Transit (STAR) Authority serves a very sparsely populated rural county not too dissimilar from Graham County. Initiated in 1990, STAR integrated service with a number of client-based, agency-operated systems with a single coordinated public transportation system, somewhat similar to the collaborative effort envisioned in Graham County. At the time of the case study, the service was demand response service with higher than average productivity of 5-6 passengers per vehicle service hour. This is similar to the productivity expected from the fixed route and schedule trip for local transit within Graham County.

A sample of calculation of benefits based on 1996 data is provided below:

<u>Access to Employment:</u> 15,960 of its 83,059 trips provided were work trips. The researchers assumed that 50% of systems work trip riders were transit dependent with no other means of transportation and thus subject to the probable loss of their job without the STAR public transportation service. Using the minimum wage, they calculated the annual wage of the 16 workers this would impact, or $174,720 in 1996 dollars. In addition, STAR had recorded 28 persons moved off of public assistance due to their use of public transit. The researchers assumed that the welfare benefits were half of the employment benefits, and for 28 individuals moved off the rolls, this equated to $152,880 in economic benefits. Adding the employment and welfare reduction benefits together, there was an employment benefit of $327,600 in 1996 dollars or $494,000 in 2015 dollars. The lessons learned applicable to Graham County are that while the number of individuals is relatively small locally, the dollar value of economic benefit is relatively high even when measured conservatively.

<u>Access to Medical Care and Other Social Services:</u> For the STAR case study, medical trips accounted for 7% of the total and nutrition trips accounted for 14%, representing 17,477 annual trips. The researchers estimated that most of the nutrition trips and about one third of the medical trips would not have been made. The remaining trips would probably have been made, but at a much higher cost

for the passenger. They very conservatively assumed a $5.00 per extra cost, much lower than a taxi trip, then the extra trips made by the extra mode would be a value of $36,000 for the 7,200 trips. They decided not to try to estimate the value of increased health or nutrition that STAR provided to its passengers. Stakeholders in Graham County discussed the cost of the Access vendor trip and the costs of a taxi trip as being too expensive for many of the very low income residents who might utilize public transportation. The value of providing lower cost service to replace the Access vendor trips could be quite substantial in Graham County, but the data is not available to calculate the value for the purposes of this report.

Access to Education and Counseling Services: These trips enable the travelers to increase their long-term chance of employment at a decent wage. Assuming 60% of those in the STAR program graduate to a paying job, and that half of these graduates take transit, the researchers estimated that 90 individuals are using STAR for those purposes, and benefits would accrue to 27 individuals. The researchers concluded there would be $365,040 in annual wages in 1996 dollars. In Graham County, it would need to be determined in more detail what the economic benefit would be for providing public transportation for Eastern Arizona College students. This would require an intercept survey of students to provide accurate information, but the economic value to the students would likely be very high.

The researchers concluded that the benefit/cost ratio would be 3.5 to one.

Inferences for Graham County based on National Research

To project what the actual benefit/cost ratio would be in Graham County would require additional data collection. An intercept random sample survey, of 1,038 monthly Workforce Connection clients, the 5,000 Department of Economic Security caseload, Canyonland Health Clinic clients, and Behavioral Health clients would be necessary to gather the information needed to make an informed calculation of the economic benefits.

However, based on the national research, the likely benefit/cost ratio would likely be close to the national average of 3.35 to one, with a likely range of 2.8 to 3.8 to one. Overall, there has been a very strong consensus that there is need for public transportation in Graham County, and that this need has a very substantial economic value.

Appendix A

To: Horatio Skeete, City of Safford
Terry Cooper, Graham County
Terry Hinton, Town of Thatcher
Jeff McCormick, Town of Pima

From: Cliff Chambers, Consultant Project Manger for Transit Feasibility Study
Selena Barlow, Transit Marketing LLC, Consulting Team

Subject: December 14, 2015, 9 am Teleconference Meeting on Roles and Responsibilities for Public Transportation in Graham County

Date: December 7, 2015

Cc: Chris Gibbs, Mayor of Safford, TAC Member
Joe Goodman, Graham County,TAC Member
Laura Rogers, Graham County, TAC Member
Mike Normand, ADOT
Mark Hoffman, ADOT
Tina Munoz, ADOT

Meeting Objectives

The primary objective of the teleconference meeting is to provide the necessary backgound information to facilitate a consensus recommendation from the City Manager of Safford, Town Managers of Pima and Thatcher and Graham County Manager regarding which entities would be responsible for administering, operating and maintaining a local public transportation service.

The Federal Transit Administration (FTA) 5311 program provides funding for rural transit service. The funds are administered by Arizona Department of Transportation. FTA 5311 provides 58% of ongoing operating costs and 80% of capital and administrative costs. Local share match is required for 42% of operating costs and 20% of capital and administrative costs. Local share match can be either cash or in-kind contributions. The secondary objective of the meeting is to discuss the local match contribution requirements—the potential for in-kind contributions and cash requirements—for transit administration, operations and maintenance.

Background

The purpose of the Graham County Transit Feasibility Study is to address the following questions:

1) Is there community support and adequate potential ridership for a viable public transit system in Graham County?
2) Does sufficient local or other financial support exist to provide necessary matching funds for federal funding to financially sustain transit services over time?
3) Does a viable governance structure exist or can one be created to govern, manage and comply with federal funding regulations?

4) Is there the potential to leverage existing funding for transportation in Graham County, and coordinate and add value to existing social service agency transportation services with a public transit service?
5) Do the benefits of providing a public transit system outweigh the costs of service delivery?

The work scope for the 2015 Graham County Transit Feasibility Study has two phases. The first phase was designed to answer the five questions above to determine if public transportation is feasible in Graham County. A detailed working paper presented the Phase I findings. A two-page summary of the key findings and TAC recommendations for Phase I is attached as Attachment 1.

The working paper was reviewed by the Technical Advisory Committee (TAC) and a recommendation made to the Graham County Board of Supervisors, City of Safford City Council, City of Thatcher City Council and the Pima Town Council regarding the feasibility of public transportation in Graham County. Each of these entities voted to move forward with the second phase of the feasibility study.

Phase II of the project, now underway, will involve the development of a detailed service, financial and marketing plan for the desired transit service. The analysis will move from a conceptual plan to specifc details on routes, schedule, transit administration, governance, operating and capital costs.

At the November 4, 2015 TAC meeting there was a desire by the TAC to expedite the Phase II process in order to potentially apply for FTA 5311 funding in the upcoming ADOT cycle. This will require that the TAC meet on January 27 2016 to review the recommended service plan which will include proposed routes and schedules, but also details on proposed transit administration, governance, marketing, and a five-year operating and capital plan. The governing bodies would then review the Phase II Transit Feasibility Plan recommendations and decide whether or not to go forward with a FTA 5311 grant for start-up administrative and capital costs in March 2016. If that funding were approved, start-up tasks could begin in October 2016. If a subsequent FTA 5311 grant is applied for in March 2017, and approved in July 2017, <u>then the public transportation service could start as early as October 2017.</u>

To facilitate this expedited schedule, definitive guidance is needed on the roles and responsibilities to be assumed by the participating jurisdictions. Specifically, what entity(ies) will be responsible for transit administration, transit operations and maintenance. Discussion of potential cash and in-kind contributions required for these functions will enable the consulting team to develop a more detailed operating and capital budget for a five-year period.

Governance Model

There was consensus of the TAC that the Intergovernmental Public Transportation Authority (IPTA) is the preferred governance structure for a local public transportation service in Graham County. Shared governance of public transportation is authorized by Arizona law, and the type of governing agency depends on the size of the county. Counties with less than 200,000 are organized as an IPTA. The members of an intergovernmal public transportation authority can include one or more county entities, incorporated cities or towns, community college districts, and any Indian nation that has a boundary within a county in which an authority is established. It is assumed that the IPTA will oversee transit administration in a contractual arrangement with one or more of the member

entities, which will intially include the City of Safford, Town of Thatcher, Town of Pima and Graham County.

Local Cost Allocation

In the Phase I budget, preliminary cost estimates were made for three financial scenarios. Based on input from the TAC, Phase II will provide a refined budget for a two-bus system with both fixed route and dial-a-ride service. A conceptual map of the fixed-route and dial-a-ride boundary is included as Attachment 2.

The total budget for implementing transit service includes a combination of capital, operating and administrative costs. As previsoulsy noted, FTA 5311 funding will cover the majority of these costs, but requires a local match which can be comprised of a combination of cash and in-kind contributions. The TAC recommended that local share responsibility be allocated based on population. The table below illustrates such an allocation based on an initial estimate of total costs (capital, operting and administration combined).

2010 Population	**2010**		**Preliminary Estimate of Local Shares**		
Within Proposed	**Census**	**Population**	**Start-up**	**Full Service Operations**	
Dial-A-Ride Boundary	**Population**	**Percentage**	**Capital/Admin.**	**First Year**	**Second year**
City of Safford	9,566	38.20%	$ 41,642	$ 58,332	$ 60,715
Graham County	8,221	32.83%	$ 35,788	$ 50,131	$ 52,179
Town of Thatcher	4,865	19.43%	$ 21,179	$ 29,667	$ 30,879
Town of Pima	2,387	9.53%	$ 10,391	$ 14,556	$ 15,150
Total	25,039	100.00%	$ 109,000	$ 152,686	$ 158,923

The first full year of operation will require approximately $153,000 in local share contribution. This can include cash and in-kind contributions from the four IPTA member entitites. However, it can also include cash and in-kind contributions from other entities such as Freeport-McMoRan (for start-up capital costs) and SEACAP (for coordination of their existing Dial-A-Ride service for elderly and disabled individuals with the public transportation service). The value of time of TAC members attending TAC meetings is also an allowable in-kind contribution. Any cash or inkind contributions from non-member entities would reduce the total local match which the four member jurisdications must bear.

Note: Eastern Arizona College was originally included in the Phase I breakdown of local shares. While no official word has been received from Eastern Arizona College, financial participation does not appear to be promising according to the representative who attends the TAC meetings.

Roles and Responsibilities

Implementing and operating a transit system requires several key functions. The IPTA members will need to determine who is to be responsible for each of these.

- Transit Administration
- Fiscal Agent/Financial Monitoring
- Vehicle Maintenance

- Service operations
- Start-up capital costs

Transit Administration

The Transit Manager's role is to ensure that transit service meets local needs, is safe, is operated effectively and efficiently, meets performance standards, is coordinated with other agencies and is marketed to the public and human service agencies. The Transit Manager is responsible for compliance with Federal and State regulations. This position is also typically responsible for grant writing, grant reporting and asset management, among other functions.

During the start-up period and first year of operations, there will likely be a need for a full-time Transit Manager. After the start-up duties are complete and services are operating on a routine basis, this can likely be a part-time position.

Below is an illustrative administrative budget for the first full year of service operations.

Illustrative Administration Budget

Direct Salary	
Transit Manager	$ 48,000
Admistrative Assistant	$ 13,500
Fringe Benefit @36%	$ 17,280
Space Rental	$ 6,000
Program Audit	$ 2,600
Utilities	$ 2,000
Marketing / Advertising	$ 4,000
Printing	$ 2,500
Rental Equipment	$ 2,700
Accounting and Legal	$ 6,000
Admin. Supplies	$ 1,400
Travel/Conference	$ 3,500
Office Phone/Cell Phone	$ 1,400
Misc. Direct Expenses	$ 3,000
Administrative Overhead	$ 11,000
Total	$ 124,880

Note: Under FTA 5311 and ADOT guidelines, transit administration costs can not be more than 30% of the ongoing budget after operations have commenced.

FTA 5311 grant funding would pay for up to 80% of the total administration costs. Therefore, for the first full year of operations, the local share would be approximately $24,976. Items that could be considered as in-kind contributions would be:

- Office Space
- Utilities

- Accounting and legal services (assuming the fiscal agent/financial officer function described next is coupled with transit administration function)
- Administrative overhead (supervision of Transit Manager)

These four "in-kind" categories add up to approximately $25,000 of the total transit administration budget. Potentially, no cash match would be required for the administration function, if one of the member agencies is willing to take on these responsibilities.

The administrative budget figures will be refined once it is determined which of the four entities is responsible for overall transit administration. The dollar value of in-kind local match contributions will also need to be fine tuned based on the actual cost structure of the responsible entity.

Fiscal Agent/Financial Monitoring

The fiscal agent function is closely related to transit administration and it is recommended that one entity be responsible for both of these functions. However, the roles could be handled by different entities and are therefore discussed separately.

The Fiscal Agent is the financial officer under ADOT guidelines for grant submission. FTA 5311 funding reimburses allowable expenses after they are incurred. Therefore, the fiscal agent is typically responsible for paying expenses and then being reimbursed after expense submission. The entity which serves as the fiscal agent will need to have sufficient resources for a minimum working capital of $60,000 to handle cash flow during the first full year of operation. This figure will be fine tuned in consultation with the responsible entity.

Routine accounting of transit expenses and revenues, tracking budget projections versus actual, transit performance reporting, and transit funding account audits are some of the other normal financial monitoring functions performed by the fiscal agent.

For very small transit systems, routine accounting function costs are normally in the range of $4,000-$6,000 per year. This will vary by the entity responsible for the function. This could be an in-kind contribution, but if handled as a stand alone function, the in-kind contribution is not commensurate with the responsibiltiy for working capital.

Transit Maintenance

The maintenance of the fleet is a distinct responsibility of any transit operation. While the maintenance and transit operations functions can be separate, there are distinct efficiencies in having one entity be responsible for both. For example, every day a bus goes into operation, the driver conducts a pre-check of the vehicle to make sure it can be put into operation safely. If there is mechanical issue, for example with the wheelchair lift, there is an immediate need for the driver or dispatcher to coordiante with maintenance to fix the issue. To faciliate communication and coordination of functions, it is recommended that responsibility for maintenance of the transit vehicles be coupled with service operations.

The estimated maintenance costs will be determined once the entity responsible for maintenance is identified and more detailed discussions are held with the fleet shop. Based on the actual experience of transit systems in Benson, Douglas, and Bisbee, part-time mechanic wages and fringe benefits are

estimated at $22,640 and parts and lubricants at $9,000 for a total prelminary estimate of $31,640 for the first year.

If one of the partner agencies were to provide vehicle mainteance as an in-kind contribution, it could potentially reduce the amount of cash contributions required.

Service Operations

This function, which is the core of providing transit services, includes hiring and supervising drivers, and normally also includes dispatching of buses for dial-a-ride services. Entities can choose to directly hire drivers and dispatchers or contract with a private or non-profit third party. For example, the City of Douglas directly hires and supervises drivers, while many small transit agencies contract for this function.

SEACAP is already providing dial-a-ride service for seniors and disabled persons in the community. It would make logistical sense to also contract with SEACAP for the public transportation services. Such a coordinated approach would enable the $30,000 that SEACAP is utilizing for their existing service to be considered as an in-kind contribution and part of the local match.

Driver and dispatcher direct wages are estimated at $98,200 the first full year of operation. Fringe benefits are roughtly estimated at 41.5% based on comparable Arizona transit systems.

Fuel is normally a purchased commodity for transit operations. It is estimated that fuel costs would be $50, 211 the first full year of operation and a cash contribution would be required.

The following is an annual estimate of the hard costs of operations and maintenance of the proposed public transportation service. This chart includes the maintenance costs referenced in the prior section. The costs will be refined once the entity responsible for transit operations is determined.

Illustrative Operations and Maintenance Budget

Driver Wages	$67,000
Dispatcher Wages	$31,200
Mechanic Wages (PT)	$16,000
Fringe Benefits @41.5%	$47,393
Fuel	$50,211
Parts and lubricants	$9,000
Vehicle Insurance	$16,500
Vehicle Licensing	$1,550
Driver Training/Testing	$5,000
Misc.	$6,000
Total	$249,854

The FTA 5311 grant would reimburse 58% of the above operations and maintenance costs. The local match contribution of 42% amounts to $104,939. While there will be a need for some local cash

contributions, the in-kind contribution of maintenance and a potential MOU with SEACAP for a coordinated service approach could reduce the amount of local cash contributions requred.

Start-Up Captial Costs

The start-up captial costs for the proposed transit service will require the procurement of three buses, bus shelters, signage and information panels and other expenses. The following table is a breakdown of the Phase I estimate of $425,000 for total start up capital costs. Its shows the FTA 5311 (80%) and local (20%) share allocations.

Start -Capital Costs	
Buses	$240,000
Bus shelters/access	$110,000
Signage and panels	$30,000
Equipment and Other	$45,000
Total Capital Costs	$425,000
FTA 5311 Share (80%)	$340,000
Local Share (20%)	$85,000

ADOT has a vehicle procurement program that Graham County could utilize for the bus procurments. It requires that the local match contribution be provided when the bus is ordered, however ADOT directly pays the federal 80% share.

Freeport-McMoRan's Community Investment Fund is one potential source of local match funding for start-up capital costs. In 2016, one of the adopted Community Priorities and Focus Areas is "Increase Public Transportation" (either new development or expansion of current options). Applications for the 2016 Community Investment Fund open on February 1, 2016 with a May 1, 2016 deadline.

If the four partner agencies decide to move forward in March 2016 with a FTA 5311 grant application, it would be possible to also submit a Community Investment Fund grant application to cover the first year local share of capital costs.

Determining Roles and Responsibilities for Public Transportation in Graham County

In order to move forward with potential implementation of a transit service, we must determine which IPTA members are willing and able to take on each of the following roles and responsibilities:

- Transit Administration
- Fiscal Agent/Financial Monitoring
- Vehicle Maintenance
- Service operations

Attachment 1
Graham County Transit Feasibility Study
Technical Advisory Committee Findings and Recommendations

1) **Is there community support and adequate potential ridership for a viable public transit system in Graham County?**
   Key Finding: Based on both qualitative and quantitative input, there is a need for additional public transportation in Graham County. Qualitative input from key stakeholders unanimously supported the need for public transportation. Quantitative information provided by social service agencies on their caseloads, census data, and estimates of transit needs based on national research all corroborate the need for local public transportation in Graham County.
   Draft TAC Recommendation: Authorize the consulting team for the Graham County Transit Feasibility Study to proceed to Phase II of the study to develop a detailed service, financial and marketing plan to address the identified needs for local public transportation serving the area between Pima and Solomon.
2) **Does a viable governance structure exist or can one be created to govern, manage and comply with federal funding regulations?**
   Key Finding: Discussions with representatives from the Town of Pima, Town of Thatcher, City of Safford, and Graham County in general felt that the public transportation service, "needs to be combined" in the words of one elected official. The concept of shared funding and governance was a common theme among most stakeholder interviews. In Arizona, shared governance of public transportation is authorized by Arizona law, and the type of governing agency depends on the size of the county. Counties with less than 200,000 are organized as an Intergovernmental Public Transportation Authority (IPTA). The members of an intergovernmal public transportation authority can include one or more county entities, incorporated cities or towns, community college districts, and any Indian nation that has a boundary within a county in which an authority is established. There was consensus of the TAC that the IPTA was the preferred governance structure for a local public transportation service.
   Draft TAC Recommendation: The City of Safford City Council, Town Council of Pima, Town Council of Thatcher, and administration of Eastern Arizona College should each have an advisory vote on their willingness to petition the Graham County Board of Supervisors to form an Intergovernmental Public Transportation Authority. Authorize the consulting team in Phase II of the Graham County Transit Feasibility Study to provide the necessary details and documentation for the formal petition process.
3) **Does sufficient local or other financial support exist to provide necessary matching funds for federal funding to financially sustain transit services over time?**
   Key Finding: The Federal Transit Administration (FTA) 5311 provides funding for rural transit service. FTA 5311 provides 58% of ongoing operating costs and 80% of capital and administrative costs. Local share match is required for 42% of operating costs and 20% of capital and administrative costs. The cash contributions required are the total local share minus the in-kind contribution. In the first full year of operation of a local public transportation system, the best estimate scenario projects a need for $152,686 in total local share. This is projected to include a total of $48,890 in in-kind and $103,796 in cash contributions by members of the recommended Intergovernmental Public Transportation Authority (IPTA), based on allocation of cash contribution by population shares. The

total local share required in the fifth year is estimated at $179,000. The breakdown of primary partner shares in the best estimate scenario is shown below.

Primary Partner Shares Based on Population					
	First Year	**Second Year**	**Third Year**	**Fourth Year**	**Fifth Year**
Safford (40%)	$ 43,600	$ 61,074	$ 63,569	$ 70,729	$ 71,615
Graham County (20)%)	$ 21,800	$ 30,537	$ 31,785	$ 35,364	$ 35,807
Thatcher (20%)	$ 21,800	$ 30,537	$ 31,785	$ 35,364	$ 35,807
Pima (10%)	$ 10,900	$ 15,269	$ 15,892	$ 17,682	$ 17,904
Eastern Arizona College (10%)	$ 10,900	$ 15,269	$ 15,892	$ 17,682	$ 17,904
Total Local Share	$ 109,000	$ 152,686	$ 158,923	$ 176,822	$ 179,037

Draft TAC Recommendation: The Graham County Board of Supervisors, City of Safford City Council, Town Council of Pima, Town Council of Thatcher, and administration of Eastern Arizona College should each have an advisory vote on their willingness to financially support a local public transportation service with their fair share of local cash contributions allocated based on population shares. Please note that, while the Transit Feasibility Working Paper provides estimates of cost shares, these will be refined during Phase II of the Transit Feasibility Study. Final cash contribution shares will be presented to each group for formal approval prior to initiation of the service.

4) **Is there the potential to leverage existing funding for transportation in Graham County, and coordinate and add value to existing social service agency transportation services with a public transit service?**

Key Finding: The San Carlos Apache Nnee Bich'o Nii Transit has several routes that are open to the general public and provides intercity service between Safford and Globe. Social service agencies such as SEACAP and the Blake Foundation provide specialized transportation primarily for seniors and individuals with disabilities. There are coordination opportunties and in-kind contribution potential that have been identified that could leverage existing transportation funding in Graham County to support a local transportation service in Graham County.

Draft TAC Recommendation: The existing San Carlos Apache Transit and specialized transporation services should be fully coordinated with a local public transportation service. Where feasible, in-kind contributions from existing social service transportation should maximize benefits for each party. Authorize ADOT to proceed to Phase II of the Graham County Transit Feasibility Study to define the memoranda of understanding necessary to maximize funding coordination opportunities.

5) **Do the benefits of providing a public transit system outweigh the costs of service delivery?**

Key Finding: A national study of 268 rural areas studied by the Transit Cooperative Research program found that implementing a FTA 5311 program had a benefit/cost ratio of 3.5 to 1. Overall, there has been a very strong consensus that there is need for public transportation in Graham County, and that meeting this need has a very substanital economic value.

Draft TAC Recommendation: The TAC concurs with this finding.

Appendix B
Graham County Transit Feasibility Study
Phase One Financial Scenarios

Since there are many cost and revenue variables that would need to be addressed in the second phase of the Graham County Transit Feasibility Study, it is best to provide a reasonable range of costs and revenues that would need to be provided. Three financial scenarios are described below which help to bracket the potential actual costs and revenues, including a reasonable range of in-kind and cash contributions that would be required to match available FTA 5311 funding. In order to provide realistic estimates, budget figures for FTA 5311 grants for Bisbee, Benson and Douglas for FY 2012/13 were utilized as comparables for the purpose of providing the reasonable range of costs and revenues needed for a public transportation system in Graham County. The following is a description of the three potential scenarios.

Very Conservative Scenario: This scenario assume very low level in-kind contributions and estimated costs are very conservatively estimated at the high end of the cost ranges. This scenario provides a high end estimate of what would be required for cash contributions by potential members of the Intergovernmental Public Transportation Authority.

Best Estimate Scenario: This scenario is based on known cost information and a moderate level of in-kind contributions. In this scenario, costs are calculated based on the average of actual 2012/13 costs from three Arizona rural agencies and inflated to 2015 dollars.

Growth/Minimized Cost Scenario: In this scenario, the maxium amount of in-kind contributions are assumed, providing the low end estimate of what local match hard cash requirements might be. A low end estimate of potential operating costs is also utilized. This scenario results in the low end range of cash contributions by the potential members of the IPTA.

The assumptions uitlized for each scenario are further documented below.

A bundling of financial resources – federal and local - will be required to operate rural public transportation services in Graham County. The necessary costs and revenues are broken into three distinct categories due to different matching requirements and potential funding partners.

- Administrative Costs and Revenues
- Operating Costs and Revenues
- Capital Costs and Revenues

Administrative Costs and Revenues Assumptions

Administrative costs include the salary and fringe benefit costs for the project director, Transit Manager, secretarial services, insurance costs, and facilties to house the administration of the transit

program and any office supplies and rental equipment necessary for administration. Administrative costs can be no more than 30% of the budget.

All scenarios assume that a full-time Transit Manager will be required for one-year of start-up to formalize the organizational structure, develop policies and procedures, order buses, develop bus stop shelters and signage, procure buses, and either contract for operations and/or maintenance or directly hire drivers and make maintenance arrangements. The Phase II products will provide guidance on start-up.

Administrative costs for the Transit Manager, office space, administrative oversight and other eligible expenses are estimated to range from $100,000 to $140,000 during the first full year of operation, with the best estimate scenario at $125,000 per year. After the the first full year of implementation, it may be possible to reduce the Transit Manager position to a half-time position. That potential is reflected in the growth/minimized cost scenario. Most administrative costs are expected to increase at the rate of inflation.

Administrative revenues are funding sources to cover the cost of administering the public transportation service. FTA 5311 funds will pay 80% of administrative costs with 20% of the administrative revenue coming from local match. Local match can include cash contributions from participating members and in-kind contributions.

In-kind match for administration could be the use of office space from one of the participating entities, secretatarial support, and department head oversight of the Transit Manager. It could also include participation by particants in the quarterly TAC meetings.

- The very conservative scenario assumes the only administrative in-kind contribution would be the participation in quarterly TAC meetings.
- The best estimate scenario assumption would add office rental and utilities provided by one of the participating agencies as an in-kind contribution.
- The growth/minimized cost scenario adds administrative overhead, the administrative oversight costs of the Transit Manager as an in-kind contribution.

Below is an illustrative administrative budget for the best estimate scenario for the first full year of public transportation operations.

Illustrative Administration Budget

Direct Salary	
Transit Manager	$ 48,000
Admistrative Assistant	$ 13,500
Fringe Benefit @36%	$ 17,280
Space Rental	$ 6,000
Program Audit	$ 2,600
Utilities	$ 2,000
Marketing / Advertising	$ 4,000
Printing	$ 2,500
Rental Equipment	$ 2,700
Accounting and Legal	$ 6,000
Admin. Supplies	$ 1,400
Travel/Conference	$ 3,500
Office Phone/Cell Phone	$ 1,400
Misc. Direct Expenses	$ 3,000
Administrative Overhead	$ 11,000
Total	$ 124,880

If the above were the actual administration budget for the first full year of operation, the following are potential revenue sources to fund the administrative costs.

Administrative Costs and Revenues	
Total Administrative Cost	$125,000
FTA 5311 Share (80%)	$ 100,000
Local Share (20%)	$ 25,000
Cash	$ 11,610
In-Kind	$ 13,390

As discussed earlier, the Phase II more detailed budget estimates will better define the in-kind contributions and actual hard cash contributions for administration.

Operating Costs and Revenues

Operating expenses are considered those costs directly related to system operations. At a minimum, the following items are considered to be operating expenses: fuel, oil, licenses, salaries and fringe benefits for drivers, dispatchers and transit supervisor/operations manager. In small rural systems like the anticipated Graham County service a lead driver often takes on the responsibility of an operations manager.

There are number of important factors that go into determining operating costs and revenues. Of course, the supply of service is a primary determinant, and this is typically measured in vehicle service hours and vehicle service miles provided. A vehicle service hour is when the bus is in revenue service and available for a passenger to board. A two bus public transportation system operating on 253 weekdays a year (excludes major holidays) from 7:00 am to 6:00 pm results in 5,566 vehicle service hours. This assumes one bus is in Dial-A-Ride operation and the second bus is in fixed route operation for a community service route.

- The very conservative scenario assumes that the service supply remains the same over the first four years of operation.
- The best estimate scenario assumes that two buses are in operation, but the hours of operation are expanded to 6:00 am to 7:00 pm and Saturday service is operated from 9:00 am to 5:00 pm starting in the third full year of operation. This is a very typical limited expansion of public transportation services.
- The growth/minimized cost scenario assumes that a third bus is added to the operations in the third full year of operations to improve service frequencies on the community service route. Therefore, the range of vehicle service hours is from 5,566 for baseline service to 10,683 vehicle service hours for the growth/minimized cost scenario. This provides a reasonable range of operating costs over the first five years of public transportation development.

The biggest driver of operating costs are driver wages and benefits. Fully burdened driver wages include direct wages and fringe benefits. A standard measure for comparison is the fully burdened driver wages per vehicle service hour. Total driver paid time includes inspecting the bus, driving to the start of revenue service, meal and other breaks. The median of the three local examples for fully burdened driver wages is $17.13 per vehicle service hour. This is typical of fully burdened driver costs in more exhaustive peer review of driver wage costs in eight small rural systems in California where the average fully burdened cost per vehicle serivce hours was $18.11.

Maintenance costs can be included in operations cost or can be capitalized. The capitalization of operating will be explored in more detail if the project proceeds to Phase II of the feasibility study. For the purposes here, vehicle maintenance is included as an operating cost for direct comparison of scenarios. There are a number options for maintenance including utilizing the fleet maintenance department of one of the participating government entities or contracting with a vendor.

The third major cost item for transit operations is fuel and there have been wide fluctuations in fuel costs for diesel, gasoline, and CNG over the past ten years. For the purposes here to illustrate the

range of costs, the consulting team is utilizing the average fuel cost per vehicle service mile of the three Southeastern Arizona peer examples, updated to 2015 dollars, in the operating cost estimates.

For the three local public transportation examples in Souteast Arizona, the average operations cost per vehicle service hour was $46 per hour in 2015 dollars, with significant variance of $35 per hour to $67 per hour among the three systems.[1] A review of the cost components revealed that a public transportation system in Graham County should range from $45 per vehicle service hour, utilized in

[1] Based on 2012/13 FTA 5311 budget spreadsheets for Benson, Bisbee and Douglas provided by ADOT and adjusted to 2015 dollars.

the growth/minimized cost scenario to $60 per vehicle service hour for the very conservative scenario. The best estimate is $53 per vehicle service hour.

The figure below is an illustrative example showing the best estimate scenario for operating cost for the first full year of operations.

Illustrative Operations Budget

Driver Wages	$	67,000
Dispatcher Wages	$	31,200
Mechanic Wages (PT)	$	16,000
Fringe Benefits @41.5%	$	47,393
Fuel	$	50,211
Parts and lubricants	$	9,000
Vehicle Insurance	$	16,500
Vehicle Licensing	$	1,550
Driver Training/Testing	$	5,000
Misc.	$	6,000
MOU with SEACAP	$	45,000
Total	$	294,854

The fringe benefit rate for operations is the average of three public transporation rural services in southeastern Arizona. The best estimate approach assumes coordinated operations with SEACAP. A MOU with SEACAP would slightly expand the SEACAP paratransit services for elderly and disabled transportation. This would enable $30,000 they are receiving from SEAGO to be utiized as matching funds, therefore reducing the cash local match by participating entities. This will be discussed in more detail under the cost allocation section later in this chapter.

The following is an illustrative example using the best estimate scenario in how costs would be funded over the first four years of operation. Year One would be devoted to handling start-up tasks. The service supply expansion in vehicle service hours is to increase span of coverage and initiate Saturday service would start in the fourth year. Fares are assumed to be low at $1.00 for the general public and $0.50 seniors and the disabled, with children riding free. The average fare is conservatively estimated at $0.55 per passenger.

The net operating costs are the total operating costs minus fare revenues. The net operating costs are what are eligible for FTA 5311 reimbursement. The federal share of net operating costs is 58%, representing $161,138 the first full year of operation, the second year of the five year plan. The local share is 42% or $116,686..

Operating Costs	Second Year	Third Year	Fourth Year	Fifth Year
Estimated Vehicle Hours	5,566	6,072	7,394	7,394
Total Operating Costs	$ 294,998	$ 331,470	$ 369,866	$ 380,962
Fare Revenue	$17,174	$19,297	$24,204	$24,930
Net Operating Costs	$277,824	$312,173	$345,662	$356,032
FTA 5311 Share (58%)	$161,138	$181,060	$200,484	$206,499
Local Share (42%)	$116,686	$131,113	$145,178	$149,533
Cash	$86,686	$101,113	$115,178	$119,533
In-Kind	$ 30,000	$ 30,000	$ 30,000	$ 30,000

With the desirable use of $30,000 of local match for a coordinated service with SEACAP, the local share cash requirements for operating costs would start at approximately $87,000 and increase to approximately $120,000 over four years. The allocation of costs are described in more detail later in this chapter.

The very conservative scenario does not include the SEACAP coordination and this increases the first year cash contribution by local entities for transit operations.

Capital Costs and Revenues

Capital expenses include the acquisition and improvement of public transit equipment and facilities needed for an efficient public transit system. By FTA definition, all capital expenses include facilities or equipment with a useful life of at least one year. Capital expenses generally exceed $5,000 purchase cost. Capital expenses include buses, vans, radios and communication equipment, vehicle rehabilitation, wheelchair lifts and restraints, engine overhauls and special maintenance tools, operational support such as computer hardware/software and minor construction or rehabilitation of transit facilities. Capital expenses also include bus shelters, and bus stop signage.

The major capital expense for a Graham County transit service will be procurement of three buses. Two buses would be in operation, and one bus would be utilized as a spare, when one of the operating buses needs repairs or preventative maintenance. The fleet characteristics and exact type of vehicle, and the options that should be part of the procurement will be detailed in the second phase of the feasibility study. To provide a reasonable estimate of capital costs, it has been assumed that the average cutaway bus purchased will cost $80,000. This assumption is utilized in all three scenarios, and 80% of the capital costs are paid for through FTA 5311.

A second major capital expense will be bus shelters. The exact number and type of shelters will be determined in the next phase of the project. For budgeting purpose, a total of $140,000 in bus shelter and signage is provided for the start-up year and the first year of operation. A basic bus shelter with delivery and installation typically costs an average of $10,000. Another $72,000 over the five year period is preliminarily budgeted for site improvements to address ADA accessibility issues. This is likely a very low figure compared to what may be needed, but it provides a reasonable effort to ensure adequate wheelchair access at key bus stops.

The figure below is an illustrative example of a capital budget over a five year period. This is very preliminary and would be significantly refined in the second phase of the Graham County Transit Feasibility Study.

Capital Costs	First Year	Second Year	Third Year	Fourth Year	Fifth Year
Buses	$ 240,000				
Bus shelters/access	$ 110,000	$ 30,000			
Signage and panels	$ 30,000	$ 10,000	$ 10,300	$ 10,609	$ 10,927
Equipment and Other	$ 45,000	$ 15,000		$ 15,000	
Total Capital Costs	$ 425,000	$ 55,000	$ 10,300	$ 25,609	$ 10,927
FTA 5311 Share (80%)	$ 340,000	$ 44,000	$ 8,240	$ 20,487	$ 8,742
Local Share (20%)	$ 85,000	$ 11,000	$ 2,060	$ 5,122	$ 2,185
Cash	$ 42,500	$ 5,500	$ 2,060	$ 5,122	$ 2,185
In-Kind	$ 42,500	$ 5,500			

The first year is the start up year where three buses would be ordered early in the year and delivered later in the same year. The first year capital cost is estimated at approximately $425,000 and FTA 5311 would provide revenue to cover 80% of the cost or $340,000. The 20% local match required is $85,000. The best estimate scenario assumes that Freeport-McMoRan would fund 50% of the local share and the other partners fund the other $42,500 in contributions. Freeport-McMoRan has provided very preliminary and non-committal interest in assisting with the start-up development of the public transportation service in Graham County. After the second year, all capital costs are expected to be cash contributions by members of the Intergovernmental Public Transportation Authority.

Best Estimate Scenario Summary

The table on the next page provides a five year summary of expected administrative, operating and capital costs over a five-year period. Under the best estimate scenario, these costs average just over $500,000, per year over a five-year period. The amount of local share required ranges from $109,000 to $179,000 over the five-year period.

Best Estimate Scenario Preliminary Estimate

	First Year	Second Year	Third Year	Fourth Year	Fifth Year
Administrative Costs and Revenues					
Total Administrative Cost	$ 120,000	$125,000	$128,750	$132,613	$136,591
FTA 5311 Share (80%)	$ 96,000	$ 100,000	$ 103,000	$ 106,090	$ 109,273
Local Share (20%)	$ 24,000	$ 25,000	$ 25,750	$ 26,523	$ 27,318
Cash	$ 11,000	$ 11,610	$ 7,958	$ 7,317	$ 6,687
In-Kind	$ 13,000	$ 13,390	$ 17,792	$ 19,205	$ 20,632
Operating Costs		**Second Year**	**Third Year**	**Fourth Year**	**Fifth Year**
Estimated Vehicle Hours		5,566	6,072	7,394	7,394
Total Operating Costs		$ 294,998	$ 331,470	$ 369,866	$ 380,962
Fare Revenue		$17,174	$19,297	$24,204	$24,930
Net Operating Costs		$277,824	$312,173	$345,662	$356,032
FTA 5311 Share (58%)		$161,138	$181,060	$200,484	$206,499
Local Share (42%)		$116,686	$131,113	$145,178	$149,533
Cash		$86,686	$101,113	$115,178	$119,533
In-Kind		$ 30,000	$ 30,000	$ 30,000	$ 30,000
Capital Costs	**First Year**	**Second Year**	**Third Year**	**Fourth Year**	**Fifth Year**
Buses	$ 240,000				
Bus shelters/access	$ 110,000	$ 30,000			
Signage and panels	$ 30,000	$ 10,000	$ 10,300	$ 10,609	$ 10,927
Equipment and Other	$ 45,000	$ 15,000		$ 15,000	
Total Capital Costs	$ 425,000	$ 55,000	$ 10,300	$ 25,609	$ 10,927
FTA 5311 Share (80%)	$ 340,000	$ 44,000	$ 8,240	$ 20,487	$ 8,742
Local Share (20%)	$ 85,000	$ 11,000	$ 2,060	$ 5,122	$ 2,185
Cash	$ 42,500	$ 5,500	$ 2,060	$ 5,122	$ 2,185
In-Kind	$ 42,500	$ 5,500			
Total Costs	**$ 545,000**	**$ 474,998**	**$ 470,520**	**$ 528,087**	**$ 528,480**
Total Local Share Required	**$ 109,000**	**$ 152,686**	**$ 158,923**	**$ 176,822**	**$ 179,037**

Cost Allocation Among Potential Partners

The following discussion is meant to provide elected officials with information on how the local share requirement could be shared among the potential partners of a local public transportation system in Graham County. The information is meant to help stakeholders and elected officials answer one of the critical questions on public transportation feasibility:

> Does sufficient local or other financial support exist to provide necessary matching funds for federal funding to financially sustain transit services over time?

At the May 7, 2015 Technical Advisory Committee, there was consensus for using total population as the basis for cost allocation for the Town of Pima, Town of Thatcher, and City of Safford, and Graham County.

A more refined analysis of population by jurisdiction will be evaluated in Phase II of the project. The following is meant to be illustrative based on rough approximations. Graham's County population is estimated to be about 5,000 in the unincorporated areas. The basis for determining the actual population in the unincorporated area would be the population in the unincorporated areas within the Dial-A-Ride boundary as presented earlier in Chapter 6. Eastern Arizona College has approximately 3,500 students (2,000 part-time and 1,500 full time), 420 of whom reside on campus.

	Population	Illustrative Percentage
Safford	9,556	40%
Thatcher	4,848	20%
Graham County	5,000	20%
Pima	2,387	10%
Eastern Arizona College	3,500	10%

The table below has several sections.

- The first section is on service supply, showing the number of buses in operation, the number of spares, and the annual vehicle service hours provided.
- The second section shows the primary share of the major entities, and their total shares of the required local matched based on the illustrative example percentages of population shown above.
- The third section is the in-kind contributions that would be provided. The assumptions utilized for the in-kind contributions are explained immediately after the table.
- The final section is an estimate of local cash share contributions.

The cash contributions required are the total local share minus the in-kind contribution. In the first full year of operation of a local public transportation system, the best estimate scenario projects a need for $152,686 in total local share. This is projected to include a total of $48,890 in in-kind and $103,796 in cash contributions by members of the recommended Intergovernmental Public Transportation Authority (IPTA), based on allocation of cash contribution by population shares. Another $5,152 is contributed by other social service agency partners in purchasing transit passes for a total of $108,498 in total cash contributions.

Individual contributions by potential members of the recommended ITPA are shown. For example, Safford would need to contribute $41,518 in cash the first year of full operation (Year 2) of the public transportation service and this would grow to $51,362 in the fourth year of operation (year 5), based on best estimate scenario assumptions.

Best Estimate Scenario	First Year	Second Year	Third Year	Fourth Year	Fifth Year
Service Supply					
Number of Buses Peak Operation	Start-up	2 buses, 1 sp.	2 buses, 1 sp.	2 buses, 1 sp.	2 buses 1 sp.
Vehicle Service Hours		5,566	6,072	7,394	7,394
Primary Partner Shares Based on Population					
Safford (40%)	$ 43,600	$ 61,074	$ 63,569	$ 70,729	$ 71,615
Graham County (20)%)	$ 21,800	$ 30,537	$ 31,785	$ 35,364	$ 35,807
Thatcher (20%)	$ 21,800	$ 30,537	$ 31,785	$ 35,364	$ 35,807
Pima (10%)	$ 10,900	$ 15,269	$ 15,892	$ 17,682	$ 17,904
Eastern Arizona College (10%)	$ 10,900	$ 15,269	$ 15,892	$ 17,682	$ 17,904
Total Local Share	$ 109,000	$ 152,686	$ 158,923	$ 176,822	$ 179,037
Partner In-Kind Contributions					
SEACAP MOU	$ 500	$ 30,515	$ 30,530	$ 30,546	$ 30,563
Safford	$ 500	$ 515	$ 530	$ 546	$ 563
Graham County	$ 8,500	$ 8,755	$ 9,018	$ 9,288	$ 9,567
Thatcher	$ 500	$ 515	$ 530	$ 546	$ 563
Pima	$ 500	$ 515	$ 530	$ 546	$ 563
Eastern Arizona College	$ 500	$ 515	$ 530	$ 546	$ 563
Freeport-McMoRan Mine	$ 42,500	$ 4,000	$ 2,000	$ 2,500	$ 3,000
Other TAC Members	$ 2,000	$ 2,060	$ 2,122	$ 2,185	$ 2,251
Other Agency Advertising		$ 1,500	$ 2,000	$ 2,500	$ 3,000
Total In-Kind	$ 55,500	$ 48,890	$ 47,792	$ 49,205	$ 50,632
Partner Cash Shares	**First Year**	**Second Year**	**Third Year**	**Fourth Year**	**Fifth Year**
Safford	$ 21,400	$ 41,518	$ 44,452	$ 51,047	$ 51,362
Graham County	$ 10,700	$ 20,759	$ 22,226	$ 25,523	$ 25,681
Thatcher	$ 10,700	$ 20,759	$ 22,226	$ 25,523	$ 25,681
Pima	$ 5,350	$ 10,380	$ 11,113	$ 12,762	$ 12,841
Eastern Arizona College	$ 5,350	$ 10,380	$ 11,113	$ 12,762	$ 12,841
Total Population Based Cash	$ 53,500	$ 103,796	$ 111,131	$ 127,617	$ 128,405
Other Agency Pass Purchases		$ 5,152	$ 5,789	$ 7,261	$ 7,479
Total Cash Contributions	$ 53,500	$ 108,948	$ 116,920	$ 134,878	$ 135,884

In-Kind Contribution Assumptions

SEACAP MOU: SEACAP currently receives $30,000 per year in Area Agency on Aging (AAA) funding from SEAGO, and is assumed to inflate at 3% per year. Staff at SEAGO and Arizona DOT have both confirmed that if the governing body executed a memorandum of understanding with SEACAP to continue to provide Dial-A-Ride service for elderly and disabled individuals in coordination with the public transportation service, the $30,000 could be uitlized as in-kind match. In effect, this substantially reduces the hard cash contributions by the members of the IPTA.

Participation in Transit Avisory Committee meetings: The labor value of participating in quarterly Technical Advisory Committee meetings, and any other meeting regarding the business of public transportation can be utilized as in-kind contribution. It is conservatively estimated at $500 annually

per participant, inflated by 3% annually. The actual value would be more definitely determined in Phase II of the Feasibility Study.

Graham County In-Kind: Assuming an Intergovernmental Public Transportation Authority is the governing agency, it would likely sign an agreement with one of the local partners to house the Transit Manager. The Best Estimate Scenario assumes that Graham County houses the Transit Manager and the annual value of the office space and utilities is conservatively estimated at $8,000 annually. Again, the value would be more definitively determined in the next phase of the project.

Freeport McMoRan Mine: In stakeholder interviews, Freeport McMoran Mine (Freeport) indicated an interest in providing start-up assistance for a public transportation service and not providing ongoing operating support. The Best Estimate Scenario assumes that Freeport matches dollar for dollar the capital expenses during start-up, which is not completed until Year 2. Therefore, Freeport provides 50% of the capital costs in the start-up year and the first year of operations (year 2), with the governing agency entities providing the other 50% of capital contributions. In addition, it is assumed in the Best Estimate Scenario that Freeport McMoran Mine provides $1,500 in advertising for the transit system the first full year of operating and increases this by $500 per year.

Other Advertising Revenue; Advertising is an eligible in-kind expense. Advertising opportunties would exist in providing advertising on the buses, in bus shelters and local radio stations. This would be further investigated in the next phase of the Study, but is conservatively estimated at $1,500 annually in the first year, and increasing by $500 per year over the first four years of full operation.

Comparison of Scenarios

The Best Estimate Scenario presented above is based on a series of assumptions documented above. The table below is meant to provide a reasonable bracket of what in-kind contributions might be, with the resulting cash contributions of member agencies. There needs to be a sustained commitment and therefore the total five year commitment is shown in the table, with average local match contribution required by scenario.

Using Safford as an example, the required cash contributions vary based on the scenario and specific assumptions.

- Very Conservative Scenario - the average annual cash contribution would be $60,391.
- Best Estimate Scenario - the average annual cash contribution would be $41,956.
- Growth/Minimized Cost Scenario - the more aggressive use of in-kind contributions result in an average annual cash contribution of $28,968. Under this scenario, Safford's in-kind contribution would average 35,176 and would include providing vehicle maintenance as in in-kind service.

	Very Conservative		Best Estimate		Growth, Minimize Cost	
	5-Year Total	Average Annual	5-Year Total	Average Annual	5-Year Total	Average Annual
Partner Shares Based on Pop.						
Safford (40%)	$ 324,633	$ 64,927	$ 310,587	$ 62,117	$ 319,886	$ 63,977
Graham County (20)%)	$ 162,316	$ 32,463	$ 155,294	$ 31,059	$ 159,943	$ 31,989
Thatcher (20%)	$ 162,316	$ 32,463	$ 155,294	$ 31,059	$ 159,943	$ 31,989
Pima (10%)	$ 81,158	$ 16,232	$ 77,647	$ 15,529	$ 79,971	$ 15,994
Eastern Arizona College (10%)	$ 81,158	$ 16,232	$ 77,647	$ 15,529	$ 79,971	$ 15,994
Total Local Share	$ 811,582	$ 162,316	$ 776,468	$ 155,294	$ 799,715	$ 159,943
Partner In-Kind Contributions						
SEACAP MOU*	None	None	$ 122,655	$ 24,531	$ 122,655	$ 24,531
Safford	$ 2,655	$ 531	$ 2,655	$ 531	$ 175,878	$ 35,176
Graham County	$ 2,655	$ 531	$ 45,128	$ 9,026	$ 76,982	$ 15,396
Thatcher	$ 2,655	$ 531	$ 2,655	$ 531	$ 2,655	$ 531
Pima	$ 2,655	$ 531	$ 2,655	$ 531	$ 2,655	$ 531
Eastern Arizona College	$ 2,655	$ 531	$ 2,655	$ 531	$ 2,655	$ 531
Freeport-McMoRan Mine	$ 30,155	$ 6,031	$ 54,000	$ 10,800	$ 109,000	$ 21,800
Other TAC Members	$ 13,273	$ 2,655	$ 10,618	$ 2,124	$ 13,273	$ 2,655
Other Agency Advertising	$ 5,000	$ 1,000	$ 9,000	$ 1,800	$ 24,000	$ 4,800
Total In-Kind	$ 56,700	$ 11,340	$ 252,019	$ 50,404	$ 437,612	$ 87,522
Partner Cash Shares						
Safford	$ 301,953	$ 60,391	$ 209,780	$ 41,956	$ 144,841	$ 28,968
Graham County	$ 150,976	$ 30,195	$ 104,890	$ 20,978	$ 72,421	$ 14,484
Thatcher	$ 150,976	$ 30,195	$ 104,890	$ 20,978	$ 72,421	$ 14,484
Pima	$ 75,488	$ 15,098	$ 52,445	$ 10,489	$ 36,210	$ 7,242
Eastern Arizona College	$ 75,488	$ 15,098	$ 52,445	$ 10,489	$ 36,210	$ 7,242
Total Population Based Cash	$ 754,882	$ 150,976	$ 524,450	$ 104,890	$ 362,103	$ 72,421
Other Agency Pass Purchases	$ 9,406	$ 1,881	$ 25,681	$ 5,136	$ 65,842	$ 13,168
Total Cash Contributions	$ 764,288	$ 152,858	$ 550,131	$ 110,026	$ 427,945	$ 85,589

* There is no SEACAP MOU in the Very Conservative Scenario. First year is start-up and no in-kind is accrued.

Summary of Cost and Revenue Estimates

The analysis above, utilizing three scenarios, provides a realistic range of the cash contributions that would be required by members of the IPTA.

- The best estimate is based on the assumptions that the consulting team feels are most likely and realistic based on experience elsewhere.
- The growth/minimized costs scenario maximizes the use of in-kind contributions and has the lowest operating cost assumptions. It provides what is likely the low end of what would be required in hard cash contributions on an annual basis.
- The very conservative scenario utilizes the high end of what operating costs might be and only assumes a minimal use of in-kind contributions.

Each potential member of the IPTA would need to answer the question:

Is my jurisdiction or college willing to provide financial support to meet local match requirements for federal funding to financially sustain local public transportation services over the next five years?

It is important to note that at this stage, participants are not being asked for a firm commitment, but rather for a pledge to the Arizona Department of Transportation that 1) yes, our jurisdiction would like to proceed to the second phase of the study for a more refined and detailed operations and capital financial plan and 2) that when the final financial plan is completed and comes back for formal adoption, that my jurisdiction is a willing and financially able partner based on the range of potential financial commitments described in the table above.

Of course, the response can come back with yes, proceed with Phase II of the study, but our financial participation comes with specified conditions on financial participation based on the potential member's internal analysis of what is financially feasible.

Appendix C Route Segment Distance, Speed, Stops, Intervals and Timepoints (Page 1)

Distance	Total Distance	Speed Limit (MPH)	Stops	Drive time (minutes)	Estimated Time w stops	Timepoint Interval	Timepoint Description
Swift Trail Junction to Highway 191 and W. 7th (pink route segment)*							
0	0	45	1				Federal Prison
1.1	1.1	55	1	3	3	3	Highway 191
0.9	2	55	1	1	2	5	Thunderbird Mobile Park Home
1.2	3.2	55	1	2	3	8	Dollar Store
1.5	4.7	55	1	2	3	11	Jo-Bi Convenience
2.8	7.5	45	1	4	5	16	SEABHS
0.6	8.1	45	1	1	1	17	W. 7th
8.1			7	13	17		**Total for Segment**
Solomon to Highway 191 and W. 7th (purple route segment)							
0		25	1				Solomon Post Office
3.1	3.1	55	1	4	5	5	Tower Mobile Home Park
0.4	3.5	45	1	1	1	6	Circle K to Hwy 70/Hwy 191
1	4.5	45	1	2	2	8	Sunrise Village Mobile Home
0.7	5.2	45	1	1	2	10	Highway 191 and W.7th
5.2			5	8	10		**Total For Segment**
Pima to Giant Convenience Store, Thatcher (Blue Route Segment)							
0		25					Highway 70 and 200 S
0.5	0.5	25	1	2	3	3	Pima High School
0.3	0.8	25	1	1	1	4	Public Library
0.3	1.1	25	1	1	1	5	Pima Post Office
3.2	4.3	55	1	4	7	12	Central Post office
2.3	6.6	55	1	3	4	16	Giant Convenience Store
6.6			5	11	16		**Total For Segment**
Giant Convenience Store to Basha's (Green route segment)							
0		25	1				Giant Convenience Store
0.2	0.2	25	1	1	1	1	Statium/Church St.
0.2	0.4	25	1	1	1	2	Church/High School Ave.
0.2	0.6	25	1	1	1	3	Church/ 3rd Ave.
1.5	2.1	55	1	4	5	8	Basha's
2.1			5	7	8		**Total For Segment**

* See Exhibits 1 and 10 for colored route segments

All data is preliminary based on initial field notes. Data needs to be validated with additional field test in bus

Appendix C Route Segment Distance, Speed, Stops, Intervals and Timepoints (Page 2)

Walmart to Daily Estates (Red Segment)

0		25				1	WalMart
0.8	0.8	35	1	1	2	2	Mt. Graham Medical Center
0.1	0.9	20	1	1	1	3	Canyonlands
0.2	1.1	25	1	1	1	4	Case de Flores Apts.
0.2	1.3	25	1	1	2	6	Sunshine Valley Apartments
2.1	3.4	45	1	4	4	10	Daily Estates Market
1.5	4.9	25	3	4	5	15	W. Valley View and Hoopes
4.9			8	12	15		**Total For Segment**

Safford/Thatcher Circulator (Yellow Segment)

0			0				191 and W. 7th
0.1	0.1	25	1	1	1	1	Thriftee Food Market
0.4	0.5	25	3	2	3	4	8th & Main St.
0.4	0.9	35	2	2	3	7	D.E.S. / V.A, add to map
1.3	2.2	35	3	3	5	12	Workforce Connections
0.7	2.9	35	1	2	3	15	Basha's
0.5	3.4	25	1	3	3	18	Safeway
0.9	4.3	35	1	3	4	22	Mt. Graham Hospital
0.8	5.1	35	1	3	3	25	WalMart
5.1			13	19	25		**Total For Segment**

Crosstown Safford Route (Orange Segment)

0							WalMart
0.3	0.3	20	2	2	3	3	Lexington Pines Resort
0.3	0.6	25	2	1	2	5	Safford High School @W.10th
0.1	0.7	20	1	1	1	6	Ruth Powell Elementary
0.7	1.4	25	2	3	4	10	Safford Middle School
0.7	2.1	25	2	3	4	14	Thriftee Food Market
2.1			9	10	14		**Total For Segment**

* See Exhibits 1 and 10 for colored route segments

All data is preliminary based on initial field notes. Data needs to be validated with additional field test in bus

Appendix D Arizona Statutes for Intergovernmental Public Transportation Authority

28-9101. Definitions

In this chapter, unless the context otherwise requires:

1. "Authority" means an intergovernmental public transportation authority established pursuant to this chapter.

2. "Board" means the board of directors of an intergovernmental public transportation authority.

3. "Intergovernmental agreement" means an agreement or contract that meets the requirements of title 11, chapter 7, article 3.

4. "Municipality" means an incorporated city or town.

5. "Operating area" means an area established pursuant to this chapter within which the authority provides transportation services.

6. "Public transportation" means local transportation of passengers by means of a public conveyance.

28-9102. Formation

A. An intergovernmental public transportation authority may be organized as provided by this section in any county with a population of two hundred thousand persons or less.

B. The governing body of one or more incorporated cities or towns may petition the county board of supervisors to establish an authority consisting of the area within the incorporated boundary of the municipality or municipalities.

C. If the organizing municipalities are not contiguous, the unincorporated areas between the organizing municipalities must also be included in the authority with the approval of the county board of supervisors. The board of supervisors shall establish the boundaries of the unincorporated area to be included in the authority.

D. Incorporated cities and towns in different counties, each of which meet the population limit prescribed by subsection A, may petition their respective county boards of supervisors to establish a joint authority consisting of the combined areas within their respective municipal boundaries and including any intervening unincorporated areas in the counties.

E. The board of supervisors shall hold at least one hearing on the petition in one of the petitioning municipalities to determine public support for the authority and whether establishing the authority would be in the public interest. In the case of petitioning municipalities in different counties, the board of supervisors of each county shall hold separate hearings and each board shall make its determination separately.

F. If the board of supervisors determines that establishing the authority would serve the public convenience, necessity, safety or welfare, the board of supervisors shall establish the authority by a resolution that includes a description of the boundaries of the authority. In the case of an authority in different counties, the county boards of supervisors shall establish the authority by an intergovernmental agreement.

G. If an authority is established under this chapter, any university that is under the jurisdiction of the Arizona board of regents and that is located in a municipality in the authority, any community college district that is located in a municipality in the authority, or any Indian nation that has a boundary within a county in which an authority is established, may become a member of the authority by intergovernmental agreement.

28-9103. Corporate existence; rights and immunities; official name

A. An authority is a corporate body and political subdivision of this state that may act in its official corporate name and has all of the rights and immunities of municipal corporations that are granted by the constitution and statutes of this state, including immunity of its property from taxation.

B. The initial board of directors of the authority shall adopt the official name of the authority that shall contain the words "intergovernmental public transportation authority".