



**City of Gig Harbor
City Council Meeting Agenda Bill**

Meeting Date: February 14, 2022

SUBJECT: Interlocal Agreement with Pierce Transit for 2022 Trolley Service

PURPOSE & RECOMMENDATION: The purpose of this agenda bill is to authorize the annual agreement with Pierce Transit to provide trolley service in downtown Gig Harbor.

SUGGESTED MOTION: Move to authorize the Mayor to sign an Interlocal Agreement with Pierce Transit for 2022 Trolley.

SUBMITTED BY: Laura Pettitt

DEPARTMENT: Tourism & Communications

PHONE: 853-3554

BACKGROUND INFORMATION: Pursuant to the terms of the Agreement between Pierce Transit and the City of Gig Harbor, dated February 24, 2014, Gig Harbor agrees to pay the Community Investment amount listed below for the 2022 PT Trolley Service to offset the adult fare charged to customers of the Service.

This cost has been offset by donations from city partners in years past totaling \$20,000.

DISCUSSION: We will again be approaching Uptown Business District, Herons' Key, the Inn at Gig Harbor, the Downtown Waterfront Alliance, and the Gig Harbor Chamber of Commerce to offset the total cost. The amount budgeted from LTAC funds is \$25,000, we estimate coming in just below that at \$24,244.26.

FISCAL CONSIDERATION:

Expenditure Required: \$49,244.26	Amount Budgeted: \$50,000.00	Appropriation Required: \$0
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BOARD/COMMISSION/COMMITTEE RECOMMENDATION: None.

ATTACHMENTS: Amendment to 2014 Master Interlocal Agency Agreement Between City of Gig Harbor and Pierce Transit

REVIEWED BY:

Mayor
 City Administrator
 City Attorney

Finance Director
 Department Head



**Amendment to 2014 Master Interlocal Agency Agreement
Between City of Gig Harbor and Pierce Transit
2022 Trolley Service Cost-Sharing Agreement**

- I. **Service Cost Estimates and Monetary Contributions:** Monetary contributions by the City of Gig Harbor and Pierce Transit pursuant to Interlocal Agreement for Trolley Service dated February 24, 2014 for the 2022 Seasonal PT Trolley Service are described below.
 - A. The estimated cost is a planning level estimate based on the hours and miles identified by Pierce Transit. The 2022 PT Trolley Service is proposed to operate from June 4, 2022 to September 4, 2022. The actual hours and miles needed to operate the service is determined by Pierce Transit during the scheduling of the service prior to implementation.
 - B. Pierce Transit's targeted system average fare box recovery rate is 16% based on a \$2.00 adult fare. The City of Gig Harbor partnership will allow customers to be charged a \$.50 adult fare, a 75% discount to customers of the usual adult fare, for the seasonal 2022 Trolley Service. The City of Gig Harbor agrees to contribute the estimated targeted 16% fare box recovery to achieve Pierce Transit's average fare box recovery rate. Pierce Transit will deduct fare box revenue from the final invoice to the City of Gig Harbor to achieve at least a 16% fare box recovery rate.
 - C. The City of Gig Harbor's maximum estimated cost is \$47,068.13. Pierce Transit's estimated cost is \$247,107.69. If actual costs exceed the estimated amount, Pierce Transit will be liable for the higher cost as long as the service provided does not change significantly. If the parties agree to alter the service in ways that result in an increase in service hours, then this cost-sharing agreement will be renegotiated.
 - D. Due to the extraordinary circumstances related to COVID-19, this 2022 Cost Sharing Agreement between the City of Gig Harbor and Pierce Transit requires flexibility with respect to the 2022 Trolley season. As such, appropriate start dates, pro-rated invoicing, and/or termination of the 2022 Trolley season will be coordinated between the City of Gig Harbor and Pierce Transit. Cancellation of the 2022 Trolley season does not terminate the 2014 Master Agreement between said agencies.

II. 2022 Trolley Service Estimates:

Estimated 2022 Trolley Service Hours	1,888
Estimated 2022 Budgeted Cost Per Service Hour	<u>\$ 163.00</u>
Estimated Cost to Operate Service	\$ 307,776.60
PT Targeted Average Fare Box Recovery Rate	16%
Community Investment Required (16% x Estimated Cost to Operate Service)	\$ 49,244.26



Pierce Transit will deduct actual Gig Harbor Trolley fare box revenue, up to 16% partnership funds, from the final invoice.

Estimated Financial Contributions

Pierce Transit	\$ 258,532.34
City of Gig Harbor	<u>\$ 49,244.26</u>
Estimated Cost to Operate Service	\$ 307,776.60

Pursuant to the terms of the Parties' Agreement, dated February 24, 2014, Gig Harbor agrees to pay the Community Investment amount listed above for the 2022 PT Trolley Service to offset the adult fare charged to customers of the Service.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement on the _____ day of _____ 2022.

CITY OF GIG HARBOR

**PIERCE COUNTY PUBLIC
TRANSPORTATION BENEFIT AREA
CORPORATION**

By:

By:

Tracie Markley, Mayor

Michael Griffus
Chief Executive Officer

Date: _____

Date: _____