



Technical Memorandum #6

November 14, 2022

Project# 23021.039

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RE: FINAL TM#6: Financial Assessment (Task 4.1)
Curry County Transit Development Plan

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INTRODUCTION

This memorandum assesses the cost of meeting needs identified in *Memorandum #4: Unmet Transportation Needs* and *Memorandum #5: Future Service Opportunities*. It also prioritizes potential transit funding sources, separated into financially constrained and unconstrained lists based on Curry Public Transit (CPT) goals, onboard survey results, and Technical Advisory Committee (TAC) input.

FORECASTED FUNDING

This memorandum describes existing and potential new funding sources and develops funding scenarios using these sources. Funding sources and opportunities are available to CPT at the federal, state, and local levels.

FEDERAL FUNDING OPPORTUNITIES

There are several federal funding sources available to CPT, described below. The most-used sources at present are the Enhanced Mobility of Seniors & Individuals with Disabilities Formula Grant (Section 5310), the Rural Area Formula Grant (Section 5311), and the Bus and Bus Facilities Grant (Section 5339).

SECTION 5310 – ENHANCED MOBILITY OF SENIORS & INDIVIDUALS WITH DISABILITIES FORMULA GRANT

The section 5310 operating grant provides formula funding to states and metropolitan areas for the purpose of meeting the transportation needs of seniors and people with disabilities. Funds are apportioned based on each state's share of the population of these two groups. The Oregon Department of Transportation (ODOT) receives the portion of the funds set aside for small urban and rural areas and distributes these funds to transit providers; Curry County receives these funds through a formula grant. For FY21-23, ODOT received approximately \$24.0 million, of which Curry County received \$214,127 for supporting operations. For FY23-35, Curry County expects to receive \$221,424.

The purpose of the Section 5310 program is to improve mobility for seniors and people with disabilities by removing barriers to transportation service and expanding transportation mobility options. Eligible projects include both "traditional" capital investment and "nontraditional" investment beyond the requirements for Americans with Disabilities Act (ADA) complementary paratransit services. Traditional Section 5310 project examples include:

- Capital for preventative maintenance
- Travel training
- Buses and vans
- Wheelchair lifts, ramps, and securement devices
- Transit-related information technology systems, including scheduling/routing/one-call systems
- Mobility management programs
- Acquisition of transportation services under a contract, lease, or other arrangement

Nontraditional Section 5310 project examples include:

- Supporting volunteer driver programs
- Building accessible paths to bus stops, including curb cuts, sidewalks, accessible pedestrian signals, or other accessible features
- Improving signage or wayfinding
- Supporting the incremental cost of providing same-day service or door-to-door service
- Purchasing vehicles to support new accessible taxi, ridesharing, and/or vanpooling programs

Small Urban Funds projects require a 20% local match. Surface Transportation Block Grant (STBG) projects require a 10.27% local match, which include capital, mobility management, contracted service, and preventative maintenance projects. CPT typically applies for the STBG project type, typically for contracted service and preventative maintenance projects.

SECTION 5311 – RURAL AREA FORMULA GRANT

The Section 5311 grant program provides funding to small cities and rural areas with populations of less than 50,000 for transit capital, planning, and operations, including job access and reverse commute projects. Funds are apportioned to states based on a formula that includes land area, population, revenue vehicle miles, and low-income individuals in rural areas. Funds are distributed to prequalified Oregon providers through ODOT; these providers can include local and tribal governments and non-profit organizations. To be prequalified, providers must have a Drug and Alcohol Policy compliant with 49 CFR Part 655 and seek qualification through an application to the Public Transportation Advisory Committee (PTAC). Providers receive a \$100,000 base allocation, which is then increased using a formula based on miles of rural service operated (60%) and number of rides provided (40%). For FY21–23, ODOT expects to distribute approximately \$20.1 million statewide, with Curry County receiving \$428,058 in 2022. For FY23-25, Curry County expects to

receive \$470,863.¹ The required local match is 43.92% for operations projects and 10.27% each for administration funding and preventative maintenance projects.

In addition to the Section 5311 program, the Federal Transit Administration (FTA) also runs the Section 5311 (f) program, which provides funding for intercity bus programs connecting rural areas to urbanized areas. ODOT combines the FTA intercity funding with Oregon's Statewide Transit Network Program, discussed in the State Funding Opportunities section below.

SECTION 5339 – BUS AND BUS FACILITIES

The section 5339 grant provides funding for small city and rural transit providers to replace vehicles, expand the vehicle fleet, purchase bus-related equipment, construct or modify bus-related facilities, and install signs and shelters. This program provides funding for major capital improvements to rural transit systems that would not be achievable through formula allocations. Each state receives a base \$1.75 million allocation per year, which is then increased based on population and service factors. ODOT then distributes its share of the funds to transit providers through a competitive grant process; a total of \$10.3 million was available during the FY20–22 biennium. The required local match is 15% for vehicles, 10% for alternative fuel facilities and vehicles, and 20% for all other types of eligible projects. For FY 2021-2022, Curry County received \$594,150 in ODOT bus purchase grants.

SURFACE TRANSPORTATION BLOCK GRANT (STBG)

The STBG program provides flexible federal funding to best address state and local transportation needs, including federal-aid highways, bridge and tunnel projects on public roads, pedestrian and bicycle infrastructure, and transit capital projects, such as fleet replacement. ODOT provides a STBG Fund Exchange program in which cities with populations between 5,000 and 200,000, and all counties, can exchange their federal funds for state funds at a rate of 90 cents in state funds for each dollar of federal funds (this rate applies to FY22 and beyond). Recipients can then use the state funds they receive to (1) provide local match for other federal grants or (2) implement their projects without being constrained by federal requirements and paperwork that would accompany the use of federal funds. ODOT also transfers funds it receives from the STBG program into the state's STP Discretionary Bus Replacement Program, described in the State Funding Opportunities section below.

INFRASTRUCTURE INVESTMENT AND JOBS ACT

On November 15, 2021, President Joe Biden signed a transportation and infrastructure bill that directs \$1.2 trillion over five years to modernize roads, bridges, and transit systems, expand high-speed internet systems, and expand the nation's network of electric vehicle charging stations. The legislation includes \$39 billion of new investment to modernize transit and improve accessibility for the elderly and people with disabilities, in addition to continuing existing transit programs for five years as part of the surface transportation reauthorization. In total, the new investments and reauthorization provide \$89.9 billion in guaranteed funding for public transit over the next five years. The bill includes:

- \$1.75 billion dedicated funding for repairing and upgrading aging infrastructure and modernizing bus and rail fleets
- \$8 billion for Capital Investment Grants to bring transit service to new communities.

¹ This amount is not yet finalized; CPT could expect up to 20% more funding.

- \$5.75 billion to replace thousands of transit vehicles, including buses, with clean, zero emission vehicles; 5% of this amount is dedicated to training the transit workforce needed to maintain and operate these vehicles.

OTHER FEDERAL FUNDING

The FTA periodically releases additional funding opportunities. For example, in FY20, the FTA announced the “Mobility for All” Pilot Program to invest in mobility options for older adults, individuals with disabilities, and people with low incomes, aimed to enable connections to jobs, education, and health services. The FTA also provides Section 5314 Technical Assistance and Workforce Development grants, which support technical assistance and educational activities that enable more effective and efficient delivery of transportation services and foster compliance with federal laws (including the ADA). These types of funding opportunities can help providers invest in innovative and effective practices and partnerships. The U.S. Department of Transportation provides Rebuilding American Infrastructure with Sustainability and Equity (RAISE) grants to modernize and create new American infrastructure. Projects that can demonstrate improvements to racial equity, reduce impacts of climate change, and create good-paying jobs are prioritized. Port Orford is a RAISE area of persistent poverty that may be eligible for this funding. Projects outside areas of persistent poverty can still be selected, but the federal share of project costs may not exceed 80%.

STATE FUNDING OPPORTUNITIES

This section describes the various funding opportunities provided by the state of Oregon,. It also summarizes opportunities in California that could help in planning and supporting improved connections to Crescent City.

STATEWIDE TRANSPORTATION IMPROVEMENT FUND & SPECIAL TRANSPORTATION FUND

The Oregon Legislature created the Special Transportation Fund (STF) in 1985. Funds are allocated to 42 jurisdictions around the state based on population. The STF is funded by cigarette tax revenue, excess revenue earned from sales of photo ID cards, and other ODOT funds. The STF Program provides a flexible, coordinated, reliable, and continuing source of revenue to support transportation services for seniors and people with disabilities of any age. The Oregon Legislature intended that STF funds be used to provide transportation services needed to access health, education, work, and social/recreational opportunities so that seniors and people with disabilities may live as independently and productively as possible. The funds may be used for any purpose directly related to transportation services, including transit operations, capital equipment, planning, travel training, and other transit-related purposes. No local match is required.

In 2022, Curry County received \$135,400. The awards for the 2021–2023 biennium will be the final separate STF distribution, as the Oregon Legislature has directed that the STF be merged into the Statewide Transportation Improvement Fund (STIF) by July 1, 2023.

Section 122 of Keep Oregon Moving (Oregon House Bill 2017) established the STIF, a new dedicated funding source for expanding public transportation service, funded through an 0.1% employee payroll tax in Oregon. HB 2017's goals included expanding access to jobs, improving mobility, relieving congestion, and reducing greenhouse gas emissions, while providing a special focus on low-income populations. STIF funds may be used for public transportation purposes that support the operations, planning, and administration of public transportation programs and may also be used as the local match for state and federal grants for public transportation service.

Most (90%) of STIF funds are distributed to Qualified Entities based on a formula; CPT receives direct formula funds. Five percent of STIF funds are available via discretionary grants for flexible funding, while four percent are available via discretionary grants for projects enhancing intercommunity service and the statewide transit network. One percent of the funds are allocated for program administration and a technical resource center.

Table 1 shows the projected growth of STIF formula funding for Curry County. As shown, STIF funding for Curry County is projected to grow by 4.18% per year from 2024 to 2027. These amounts do not include discretionary and intercommunity funds.

Table 1. STIF Funding for Curry County

STIF	2024	2025	2026	2027	Projected Growth 2024-2027
Curry County	\$330,228	\$342,924	\$362,666	\$375,509	4.18%

Source: <https://www.oregon.gov/odot/RPTD/RPTD%20Committee%20Meeting%20Documents/STIF-Allocation-Estimates-Sep-2022.pdf>

The discretionary element of the STIF awarded over \$10.5 million in grants during the 2019–2021 biennium. Eligible recipients include “Qualified Entities” as defined in OAR 732-040-0005(26) that provide public transportation services, as well as other “Public Transportation Service Providers” as defined in OAR 732-040-0005(24). The local match is typically a minimum of 20%, although certain projects may qualify for a 10% local match (e.g., providing access to rural communities, providing service outside a provider’s geographic jurisdiction, filling significant gaps in the Statewide Transit Network, and projects benefitting multiple providers). Eligible projects include capital, planning, management, and transit-adjacent projects (e.g., infrastructure projects to improve transit user safety). Pilot operations projects are also eligible, but discretionary funds are not intended to be a source of ongoing operations funding, and applicants must provide a feasible financial plan for continued operations as part of their application for a pilot project.

STP DISCRETIONARY BUS REPLACEMENT PROGRAM

Oregon transfers federal STBG funds into Section 5310, Section 5311, and Section 5307 (Mass Transit Vehicle Program, used by large urban areas) and allocates funds to transit providers throughout Oregon through a competitive grant process. Funds must be used to replace existing vehicles that were purchased through ODOT and have ODOT on the vehicle title as the first security interest holder. A local match of 10.27% is required. In the 2020–2022 biennium, ODOT allocated \$5 million to the program; Curry County did not receive funding. The Oregon Transportation Commission has committed to continuing this program for at least one more grant cycle.

STATEWIDE TRANSIT NETWORK PROGRAM

This program is designed to support intercommunity and intercity transit services. It is funded partially by the STIF Intercommunity Discretionary Fund (\$7.3 million in the 2019–2021 biennium) and partially by federal Section 5311(f) intercity funds (\$1.3 million).

All entities that are eligible for STIF funding and provide intercommunity/intercity service are eligible to apply to the STIF Intercommunity Discretionary Fund. The required local match is the same as for STIF Discretionary grants: 20%, or 10% for specified project types; intercity service typically has characteristics that qualify for the 10% local match.

Eligibility for 5311(f) funds is broader than for STIF funds, as eligible entities also include non-profit and private for-profit providers of intercity service. However, these funds also require a greater local match: 50% for operations projects and 20% for capital projects and project administration.

RURAL VETERANS HEALTHCARE TRANSPORTATION (RVHT)

The RVHT grant program was created in 2019 by Senate Bill 5538. Funding can be used to provide veterans and federally recognized Tribes with access to healthcare and other transit-related needs.

Funding awards range between \$35,000 and \$75,000. No local match is required; RVHT grants may be leveraged as a local match to secure funding for complementary transit funding. The funding cannot be used for individuals who are civilians and not tribal members. RVHT passengers may not be charged a transit fare. Curry County did not receive this grant in 2021.

CALTRANS GRANTS

CPT coordinates with the Redwood Coast Transit Authority (RCTA) to provide timed connections to bus service connecting to Crescent City, California and beyond. RCTA can apply for California state grants to plan and operate service that directly benefits the residents and businesses of its service area, but which could also indirectly benefit Oregon residents and businesses. For example, RCTA is currently exploring the potential for operating service in the US 199 corridor to connect Del Norte County residents to "specialty medical services and higher order shopping" in the Grants Pass and Medford areas. CPT could potentially partner with RCTA to plan and operate improved service in the US 101 corridor between Crescent City and Brookings.

The California Department of Transportation (Caltrans) administers grants through the Sustainable Transportation Planning Grant Program, developed with the California State Transportation Agency, the Governor's Office of Planning and Research (OPR), the California Air Resources Board, the California Department of Housing and Community Development, and the California Department of Public Health. A list of the available grants is shown below:

- Sustainable Communities Grants (\$29.5 million) to encourage local and regional planning that supports state goals, implements Regional Transportation Plan (RTP) Sustainable Communities Strategies (SCS) (where applicable), and to ultimately achieve the State's greenhouse gas (GHG) reduction target of 40 and 80 percent below 1990 levels by 2030 and 2050, respectively.
- Sustainable Communities Grants (\$29.5 million) to encourage local and regional planning that supports state goals, implements RTP SCS (where applicable), and to ultimately achieve the State's GHG reduction target of 40 and 80 percent below 1990 levels by 2030 and 2050, respectively.
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In addition to the Caltrans Sustainable Transportation Planning Grants, other Caltrans programs include:

- State Transportation Improvement Program (STIP)
- Active Transportation Program
- Transportation Development Act
- Transit and Intercity Rail Capital Program (TIRCP)
- Low Carbon Transit Operations Program (LCTOP)
- State Transit Programs (STIP/Prop 1B (SLPP)/TCRP/Prop. 116/Prop. 1A)

LOCAL FUNDING OPPORTUNITIES

This section describes potential local funding opportunities that CPT should consider. CPT should also continue to work with employers, local organizations, communities, and stakeholders in the region, to identify travel needs and form partnerships that could aid in securing local funds to develop mutually beneficial transportation solutions.

Leveraging Local Funding

Many state and federal funding sources require a 10–20% local match to receive funding. Therefore, small increases in local funding can be leveraged to produce substantial increases in state and federal funding.

CITY CONTRIBUTIONS

At present, the cities of Brookings, Port Orford, and Gold Beach do not financially contribute to the County transit system. General City funds contributions and potential partnerships could be used to expand local mobility options and facilitate connections to future development.

MEDICAL- AND SENIOR- RELATED AND LOCAL REVENUE

Curry County provides services supporting medical care and senior transportation. The County receives revenue from contracted medical and community partners to provide these services. From June 2021 to June 2022, these partnerships provided \$37,750 in funding.

OTHER TRANSIT PROVIDER REVENUE

Other, usually relatively minor, funding sources include advertising/sponsorships and investment income. Advertising typically provides a consistent, small stream of revenue. Some transit providers sell sponsorships for facility names, individual transit vehicles, etc. Many transit providers receive small amounts of investment income from the Local Government Investment Pool (LGIP) on some of their long-term savings. The Oregon State Treasury runs the LGIP, which allows governments to deposit money and earn a rate of return by accessing the Treasury-managed Oregon Short Term Fund (OSTF). Any municipality, political subdivision or public corporation of this state that by law is made the custodian of any public funds, may participate in the pool.

Other Funding Opportunities

There are several additional funding sources that CPT could pursue if additional funding is desired to provide sustainability for the service recommendations. Examples include a local property tax, employer-based payroll tax, or transit utility fee. The property tax and employer-based payroll tax are discussed below as examples of the range of funding that could be generated by these approaches. Table 2 summarizes the projected growth for these potential funding sources for the 20-year planning horizon.

PROPERTY TAX

CPT does not currently have any dedicated taxing authority. CPT could pursue becoming a Transportation Service District in the future under the provisions of ORS 267.510 to 267.650, which would allow it to levy property taxes to help fund its operations. Becoming a Transportation Service District requires, among other things, the County's governing body (the Board of Commissioners) approval. After becoming a Transportation Service District, property taxes would need to be approved via a public ballot. For example, Lincoln County Transportation District, applies a property tax rate slightly less than \$0.10 per \$1000 (0.01%) of the assessed total tax land value, while Tillamook County Transportation District assesses \$0.20 per \$1000.

Table 2 shows three tax rates (0.01%, 0.02%, and 0.03%) applied to FY21-22 countywide assessed values² to estimate the revenue that CPT could raise with a property tax. An annual growth rate of 2.0% was assumed for future years which includes the annual increase in assessed property values and incorporates an annual increase for new development.

EMPLOYER-BASED PAYROLL TAX

Another potential future funding source is an employer-borne payroll tax equal to one tenth of one percent. A tax of that amount would be equivalent to the existing employee-borne tax funding the STIF. This potential funding source is assumed to grow at the same pace as STIF funding (4.18%) in the example below. Ninety percent of the state payroll tax raised in a county is returned through the formula grant; therefore, the 2022 estimate equals Curry County's forecasted FY22 STIF formula revenue divided by 0.9.

Table 2. Projected Revenues - Potential Future Local Funding Sources

Potential Future Funding Source	Scenario	Fiscal Year				
		2022	2027	2032	2037	2042
Property Tax	\$0.10/\$1,000	\$348,202	\$383,022	\$417,842	\$452,662	\$487,483
	\$0.20/\$1,000	\$696,404	\$766,044	\$835,684	\$905,325	\$974,965
	\$0.30/\$1,000	\$1,044,066	\$1,149,066	\$1,253,527	\$1,357,987	\$1,462,448
Employer-based Payroll Tax	0.1%	\$240,188	\$290,387	\$340,586	\$390,786	\$440,985

FUNDING SCENARIOS

Future funding scenarios consider relatively stable - as well as uncertain - funding sources. Although the COVID-19 pandemic has reduced ridership and ridership-associated transit funding, other funding for transit has increased in recent years.

Table 3. Projected Growth Rates for Funding and Costs

Growth Rates	
STIF Formula Employment/STF/Wage Growth	4.18%
5310/5311	2.00%
Other (Non-Emergency Medical Transportation (NEMT), Contract Revenues)	2.00%
Service and Capital Cost	3.50%

² [2021-22 Tax Rate Summary.pdf \(revize.com\)](#)

This memorandum considers the following funding scenarios:

- **Baseline Funding:** This scenario projects existing funding sources at the rates shown in Table 4.
- **Baseline at 90%:** This scenario assumes a 10% reduction in existing funding, projected forward at the historic rate. This scenario provides a proxy estimate of reduced ridership and its impacts on fare and formula fund loss, STIF projections, etc.
- **Baseline at 110%:** This scenario assumes a 10% increase in existing funding, projected forward at the historic rate. This scenario provides a proxy estimate of increased ridership, STIF projections, etc.
- **Baseline + STIF Intercommunity:** This scenario includes existing funding sources plus an additional \$200,000 in STIF Intercommunity. It projects this funding forward at the historic rate. STIF Intercommunity funds could be applied to potential routes. It should be noted that STIF Intercommunity funds are intended to be used for pilots and initial operations. The assumed \$200,000 is a typical operating funding amount for STIF Intercommunity funds; this scenario projects a 2% growth rate.
- **Baseline + City Contributions:** This scenario reflects the cities in Curry County (Brookings, Gold Beach, and Port Orford) each contributing several thousand dollars per year to Curry County to about \$10,000 in local funding and leveraging these dollars as the 20% local match for various state and federal funds, including for the Section 5339 Bus and Bus Facilities, STIF, STP Discretionary Bus Replacement, and Statewide Transit Network Programs. The resulting amount is estimated at \$50,000, projected at a 2% growth rate.
- **Baseline + District Property Tax (0.02%):** This scenario reflects a possibility of Curry County becoming a transportation service district and enacting a property tax rate of \$0.20 per \$1000 of the assessed total tax land value. The forecast property tax is based on an annual increase of 0.02% of total existing property taxes and the additional property taxes from anticipated housing growth in the county.
- **Baseline + Payroll Tax:** This scenario reflects a potential employer-borne payroll tax equal to one tenth of one percent. A tax of that amount would be equivalent to the existing employee-borne tax funding the STIF. This potential funding source is assumed to grow at the same pace as STIF funding (4.18%) in the example below.

Table 4 and Figure 1 show the funding scenarios and approximate projected funding amounts.

Table 4. Projected Funding Scenarios

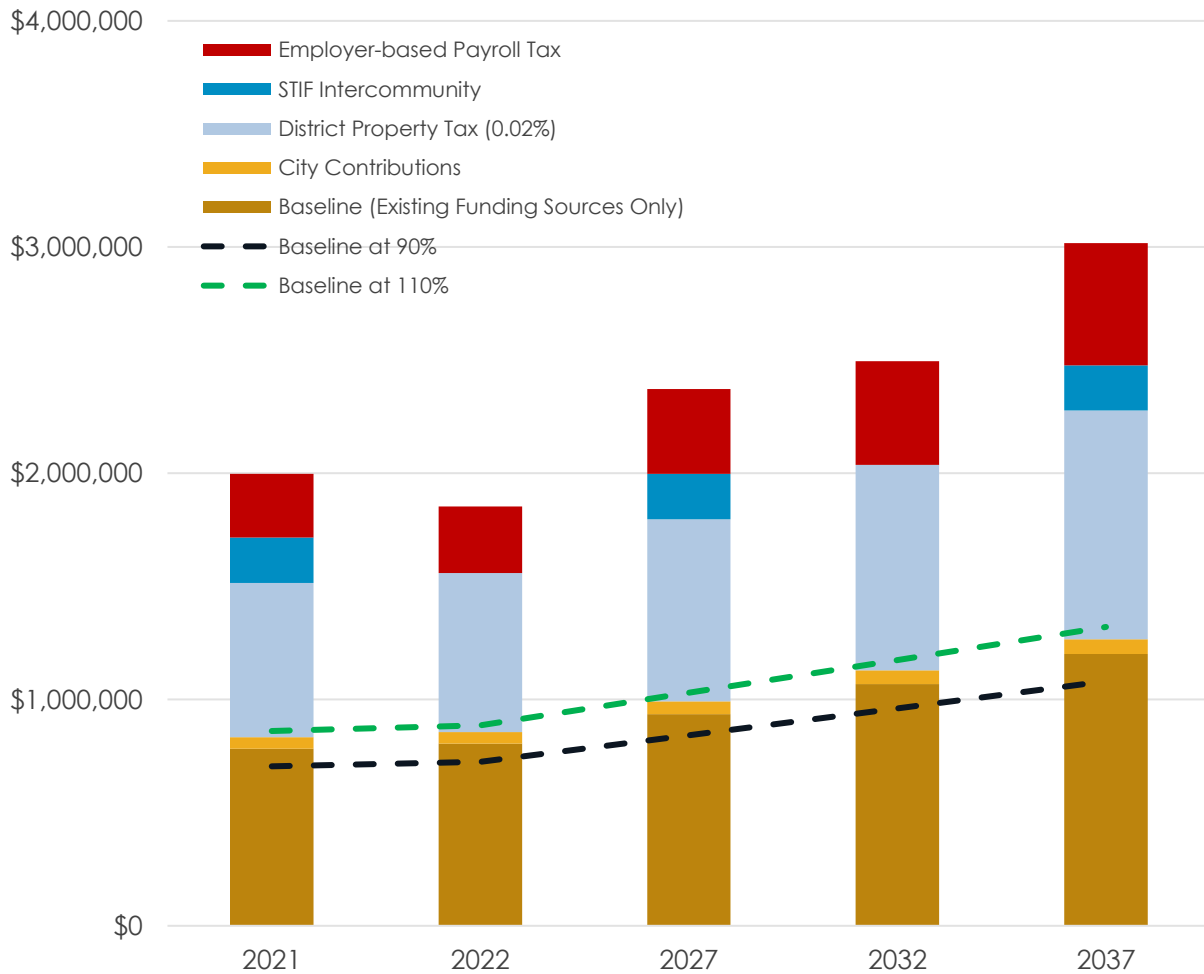
Existing Funding Sources ³	2022	2027	2032	2037	2042
STIF/STF	\$294,000	\$376,000	\$458,000	\$540,000	\$622,000
Section 5311 Funds	\$326,000	\$358,000	\$390,000	\$422,000	\$454,000
Section 5310 Funds	\$147,000	\$161,000	\$175,000	\$190,000	\$204,000
Other (NEMT, Contract Revenues)	\$38,000	\$41,000	\$45,000	\$49,000	\$53,000
Baseline (Existing Funding Sources Only)	\$805,000	\$936,000	\$1,068,000	\$1,201,000	\$1,333,000
Funding Scenarios					
Baseline at 90%	\$725,000	\$842,000	\$961,000	\$1,081,000	\$1,200,000

³Projections based on 2021-2022 CPT budget.

Baseline at 110%	\$886,000	\$1,030,000	\$1,175,000	\$1,321,000	\$1,466,000
Baseline + STIF Intercommunity¹	\$883,000	\$905,000	\$1,036,000	\$1,168,000	\$1,301,000
Baseline + City Contributions	\$856,000	\$992,000	\$1,129,000	\$1,267,000	\$1,404,000
Baseline + District Property Tax (0.02%)	\$1,508,000	\$1,742,000	\$1,976,000	\$2,211,000	\$2,446,000
Baseline + Employer-based Payroll Tax	\$1,099,000	\$1,312,000	\$1,526,000	\$1,741,000	\$1,955,000

¹It was assumed that a grant reward of \$200,000 would be received every two years, for an average of \$100,000 per year.

Figure 1. Projection of Baseline and Funding Scenarios



SERVICE OPPORTUNITY PROJECTIONS

This section discusses cost assumptions and projected costs for short-, mid-, and long-term CPT service recommendations.

SERVICE ALTERNATIVE COST PROJECTIONS AND ASSUMPTIONS

Cost estimates for services were developed for the additional recommendations (beyond the existing services) in the short-term (2022–2025), mid-term (2025–2030) and long-term (2031–2040). Costs for these recommendations are in addition to costs for the existing service. Additional short-term costs were estimated by projecting the current operating cost of \$56.99 per revenue hour. The additional operating cost includes all costs related to operations, maintenance, administration, marketing, etc. A 3.5% annual growth rate was applied to the operating cost when making projections. In addition, a 5% growth rate was applied for 2022 to account for high inflation. Table 5 shows the resulting service recommendation additional costs.

Table 5. Short-Term, Mid-Term and Long-Term Additional Annual Vehicle Hours and Costs for Service Alternatives

Timeline	Recommendation	Description	Annual Cost Estimate ¹	Notes
Short-Term (2025)	Port Orford Dial-A-Ride	New Dial-A-Ride service in Port Orford (9 hours/day)	\$140,000	N/A
	Coordination of Dial-A-Ride with Coastal Express	Coordinate Dial-A-Ride services with Coastal Express arrivals in Brookings, Gold Beach, and Port Orford	N/A	This recommendation would not incur additional costs; connections to/from the Coastal Express would be prioritized at certain times of the day
	Inter-County Service Coordination	Coordinate with other providers to improve efficiency by reducing transfer times and distances, while coordination with cities and Coos County can improve rider access to bus stops.	N/A	Coordination is part of normal administrative costs. However, if schedule changes are needed to improve coordination that require increasing service hours, costs would increase.
	Langlois Library Stop	Make the Langlois Public Library, which is currently a flag stop, a formal stop on the Coastal Express route. A flag stop is a location where riders can 'flag' down a bus, although there is no formal stop	\$9,000 ²	-Provide CPT bus stop sign -Install bus stop shelter -Provide trash cans near the stop -Provide at least one bike rack
	Staff Capacity and Transition	Increase the number of staff employed by CPT, including bus operators and administrative staff. Develop a transition plan for the current manager of CPT.	N/A	Fill vacant positions that are already budgeted; staff costs for new or expanded service are part of the operating cost assumption for those services.

	Marketing & Advertising	Improve marketing and advertising by providing maps and/or brochures	N/A	Uses existing marketing budget
Total Additional Short-Term Recommendations Costs			\$149,000	
Mid-Term (2030)	Brookings Circulator	A local route that would serve the commercial and residential land uses in Brookings and Harbor (13 hours/day).	\$202,000	N/A
	Increased Service Hours of Coastal Express and Dial-A-Ride	Adding an additional run (morning) to the Coastal Express will help to increase frequency and meet unmet needs. Providing more services increases the number of trip types that transit can serve and helps address identified local and regional transit gaps.	\$311,000	N/A
	Bus Stop Improvements including Weather-Resistant Bus Shelters	Improve shelters at stops in Curry County (Port Orford, Gold Beach, Brookings, and both stops in Harbor).	\$23,000 ³	N/A
	Brookings Circulator service to Crescent City	Instead of circulating through Brookings & Harbor every hour, the route could operate on 3-hour headways to provide service to Crescent City to access medical (Sutter Health) and commercial (Walmart) uses difficult to access at present with current service.	(\$62,000)	Uses the same number of service hours (cost) as the hourly circulator, but eliminates the cost of duplicated Coastal Express service between Brookings and Smith River, CA.
	Marketing & Advertising	Continue marketing activities.	N/A	Uses existing marketing budget
Total Additional Mid-Term Recommendations Costs			\$474,000	
Long-Term (2035)	Gold Beach Circulator	A local route that would serve the commercial and residential land uses within Gold Beach (13 hours/day) and/or provide additional service between Gold Beach and Brookings/Harbor between Coastal Express trips.	\$202,000	N/A
	Add Stop at Southwestern Oregon Community College (SWOCC)	Provide services to SWOCC by adding a transit stop at or near the campus.	\$6,000+ ³	Topographic constraints make it difficult to provide pullouts and shelters on US 101; campus access road and parking lot configuration make it difficult to provide an on-campus stop.
	Marketing & Advertising	Continue to improve marketing and advertising in the long run.	N/A	Uses existing marketing budget
Total Additional Long-Term Recommendations Costs			\$208,000	

¹Cost in current dollars

² This is a one-time capital cost. Cost estimates are sourced from Transit in Small Cities: A Primer for Planning, Siting, and Designing Transit Facilities in Oregon <https://digital.osl.state.or.us/islandora/object/osl:10551>

³This is a one-time capital cost.

CAPITAL AND FLEET COSTS

As discussed in *Memo #1: Existing Systems Conditions*, several vehicles need to be replaced. Approximately \$2,593,000 is recommended to be budgeted over the next eleven years for local match to state and federal grants for fleet replacement; \$195,000 per year from FY 22/23 to FY 32/33. The fleet replacement costs are assumed to grow by 3.5% annually throughout the entire plan horizon. Table 6 shows the recommended annual local match for capital improvements and fleet replacement that should be budgeted annually in the future.

Table 6. Future Fleet Replacement Annual Costs

Annual Costs	Sample Fiscal Year				
	2022	2027	2032	2037	2042
Fleet Replacement Costs	\$195,000	\$234,000	\$281,000	\$336,000	\$402,000

TOTAL PROJECTED REVENUES AND COSTS

CPT's existing funding sources provide a base for continuing to provide existing transit services in the region and to enhance those services into the future. Table 7 shows the summary of the short, mid, and long-term costs of the recommendations, based on Table 5. These costs are in addition to the cost of running existing services. These existing costs are presented in Figures 2-6.

Table 7. Summary of Additional Short-Term, Mid-Term and Long-Term Costs

Transit Service Recommendations	Additional Annual Cost (\$1000s, in Today's Dollars)
Short-term	\$149,000
Mid-term	\$474,000
Long-term	\$208,000

Figure 2, Figure 3, Figure 4, Figure 5, and Figure 6 show the projections of existing revenues and funding scenarios along with short-term, mid-term and long-term costs. As shown, existing revenues are not sufficient to fund existing operational and capital costs, short-term costs, medium-term costs, or long-term costs in the future. To ensure sustainability and implement recommended improvements, CPT will need to focus on additional funding sources as shown in the figures below.

Figure 2. Baseline, Short-Term, Mid-Term and Long-Term Cost Projections

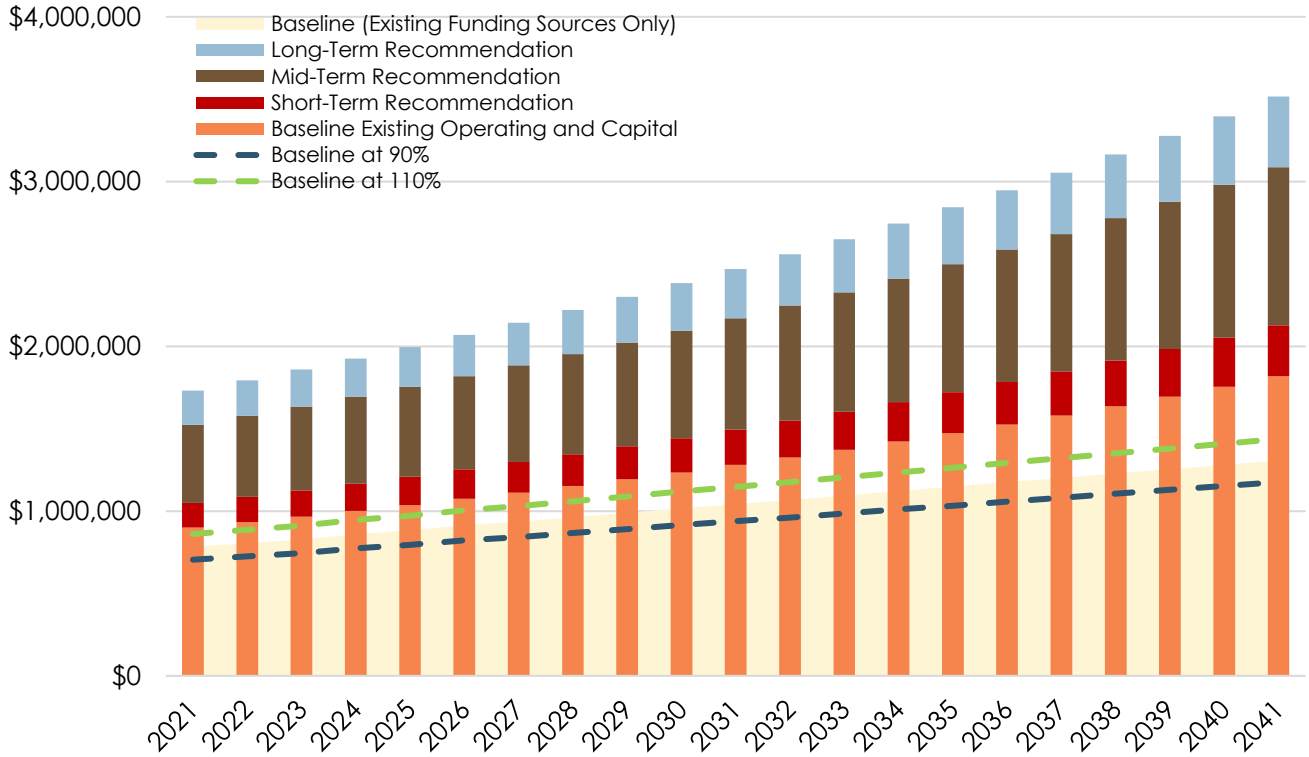


Figure 3. Baseline Plus City Contributions, Short-Term, Mid-Term and Long-Term Costs

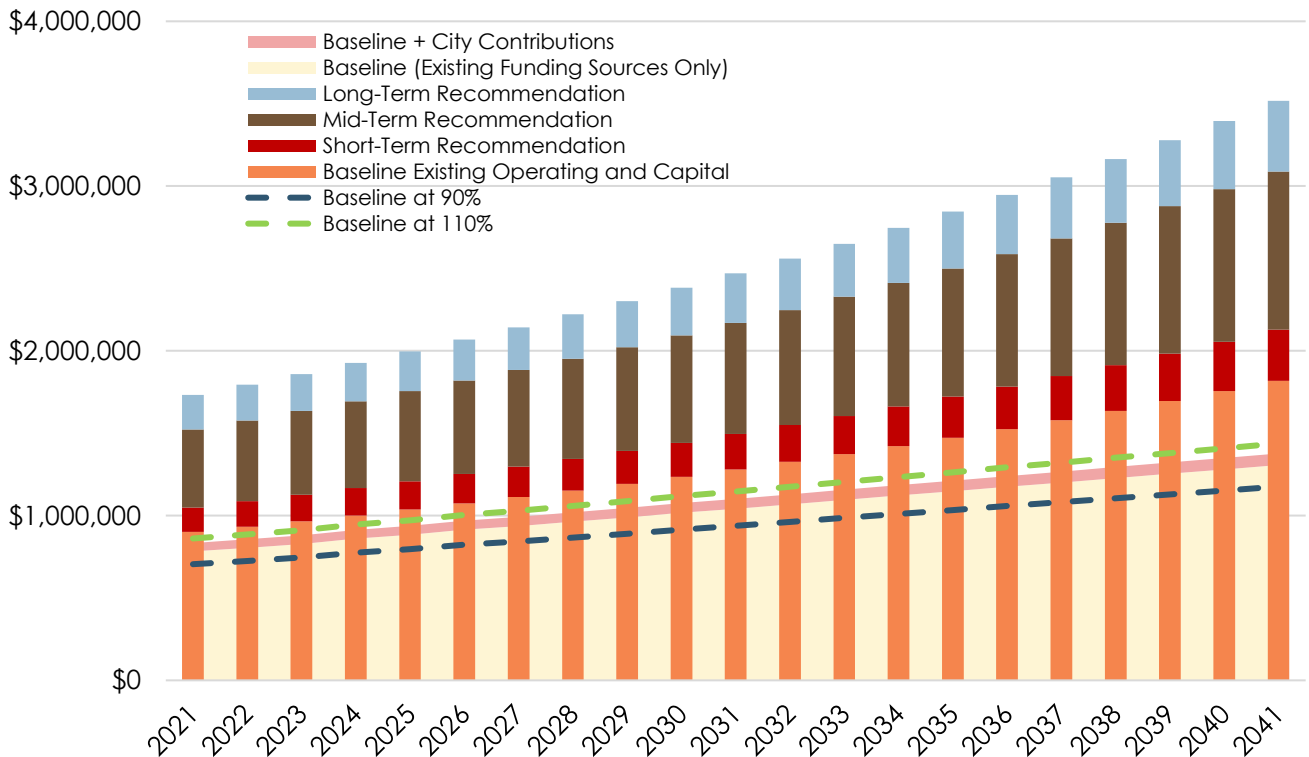


Figure 4. Baseline Plus STIF Intercommunity funds, Short-Term, Mid-Term and Long-Term Costs

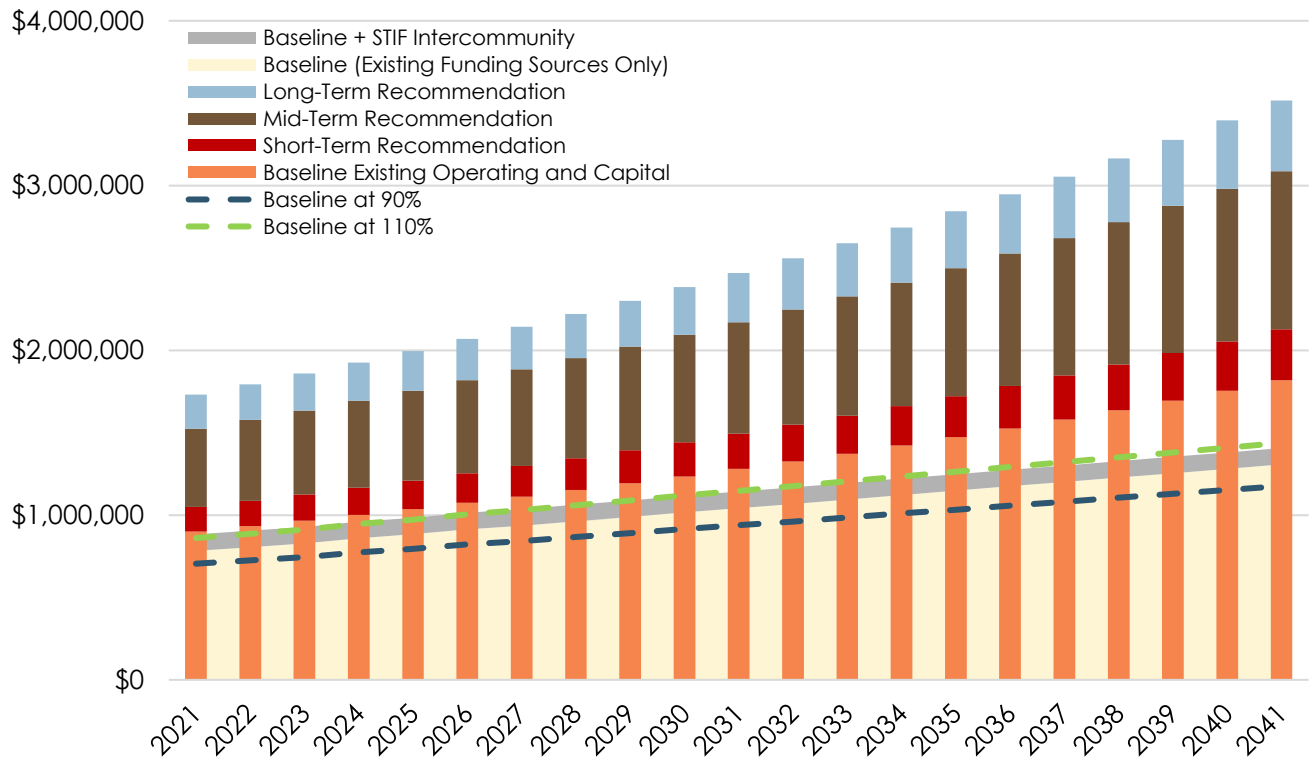


Figure 5. Baseline Plus Employer-based Payroll Tax, Short-Term, Mid-Term and Long-Term Cost Projections

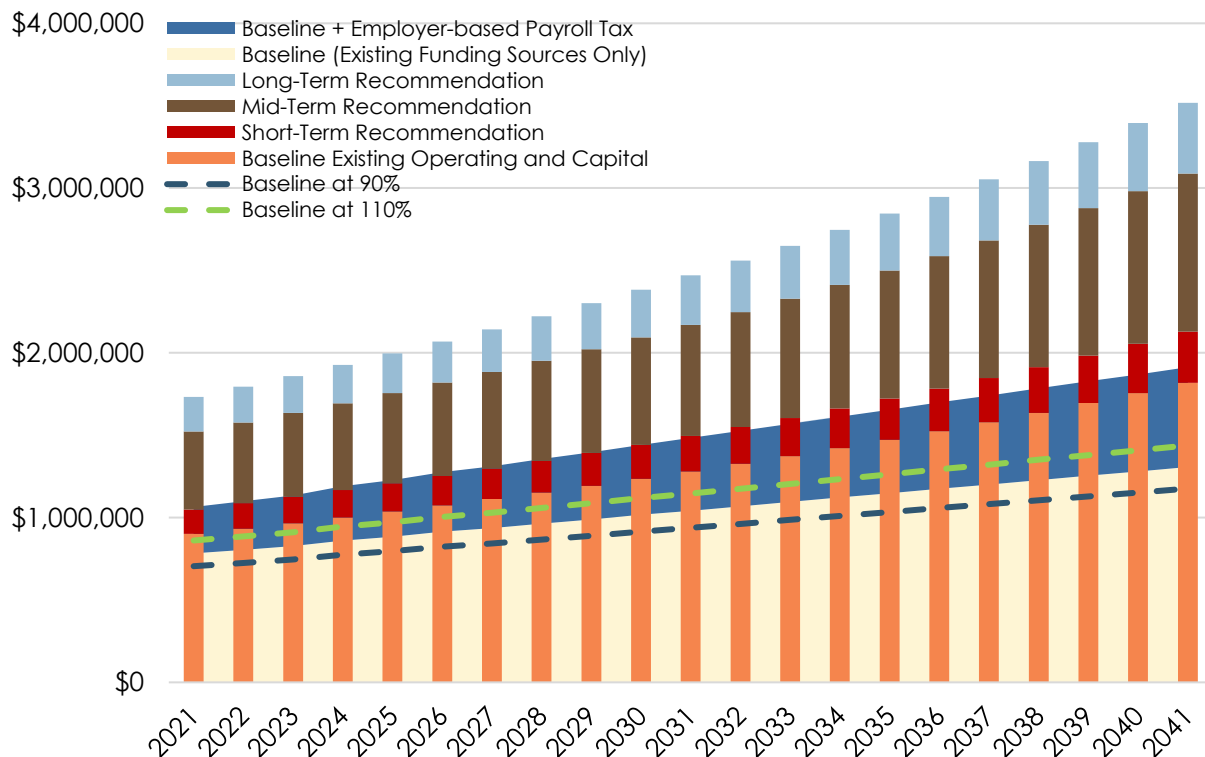
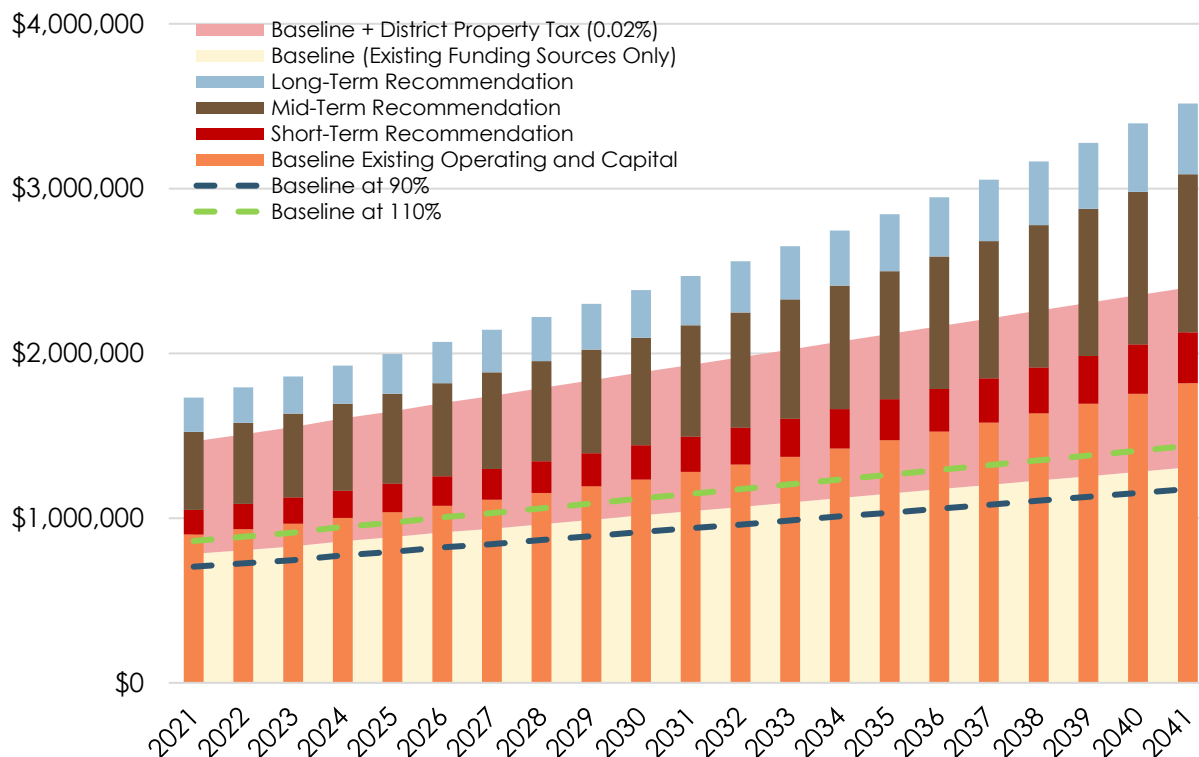


Figure 6. Baseline Plus 0.02% District Property Tax, Short-Term, Mid-Term and Long-Term Cost Projections



As shown in Figure 2 and Figure 3, neither the Baseline scenario or the Baseline + City contributions scenario can cover the existing service operating and capital cost costs for any years. As shown in Figure 4, STIF Intercommunity funds could be used to cover some existing costs plus some short-term costs, but additional sources would be needed to cover the rest of short-term costs, as well as medium- and long-term costs. As shown in Figure 5 and Figure 6, an employer based-payroll tax or a district property tax in addition to the existing sources would cover most short-term costs (for the payroll tax) or short-term and medium-term costs (for the district property tax). No scenario would cover the costs of long-term recommendations.

Project Prioritization

Based on the funding analysis presented above, CPT cannot fund any recommendations with existing funding sources alone. Projected existing operating and capital costs are not predicted to be fully funded without any additional sources. An employer-based payroll tax could cover short-term recommendations through 2037 and a district property tax could cover short-term costs through 2042 and partially cover medium-term costs. Therefore, it is recommended that no-cost or low-cost projects be prioritized first until additional funding sources are secured. Financially constrained projects, which should be prioritized, include:

- Port Orford Dial-A-Ride⁴
- Coordination of Dial-A-Ride with Coastal Express
- Inter-County Service Coordination
- Langlois Library Stop
- Marketing & Advertising

⁴ Funding for Port Orford Dial-A-Ride has already been separately secured, however there is a lack of driver availability.

Priority projects for additional funding include:

- Brookings Circulator
- Increased Service Hours of Coastal Express and Dial-A-Ride
- Bus Stop Improvements including Weather-Resistant Bus Shelters
- Brookings Circulator service to Crescent City
- Gold Beach Circulator
- Add Stop at Southwestern Oregon Community College (SWOCC)

NEXT STEPS

Feedback on the financial assessment presented in this memorandum will be solicited from the Project Management Team and the project Advisory Committee. The feedback will help refine the recommendations in the mid-term and long-term plans and the financial element of the Transit Development Plan.