

Transit Service in the McKinney Urbanized Area – Staff Report

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A BRIEF History of the McKinney Urban Transit District

Formation of the MUTD

The party has been going on for awhile. The McKinney Urban Transit District was formed by Resolution of the McKinney City Council on December 16, 2002



WHY ARE WE HERE THIS AFTERNOON?

The success of the Collin County Transit Service has brought us to the edge of a fiscal cliff....



PROJECTED COSTS

FY24

FY25

3% Growth - \$2,610,161

3% Growth - \$5,092,323

10% Growth - \$3,864,141

10% Growth \$9,802,926

\$8,844,219 CARES Act Funds allotted to City of McKinney for Transit
\$1,408,918 spent through June 2023. **\$7,435,301 remaining**

Projections assume \$100,000 McKinney, \$20,000 Member cities, \$450,00 TXDOT. Annually. Every additional \$100,000 in local match decreases CARES contribution by \$200,000.

For FY24 at 3% growth rate, we will spend **\$1,858,000** in CARES Funds
For FY24 at 10% growth rate, we will spend **\$3,112,341** in CARES Funds

For FY 25, at 3% growth rate, we will spend **\$4,340,523** in CARES Funds
For FY25 at 10% growth rate, we will spend **\$9,051,126** in CARES Funds

FOR FY 23 COST OF SERVICE HAS GROWN AT 7% RATE

LEVERS TO DECREASE GROWTH RATE TO 3%

1. Cap cost per trip

- a. Reduce Dedicated Operator cost
- b. Cap Ride Distance

2. Cap ride demand

- a. Cap total number of trips per month / rider

3. Cap rider eligibility

- a. Cap new riders per month or total riders in the program

A BRIEF HISTORY OF MUTD TRANSIT WILL
ILLUSTRATE THAT CCT IS CURRENTLY OFFERING
PLATINUM SERVICE

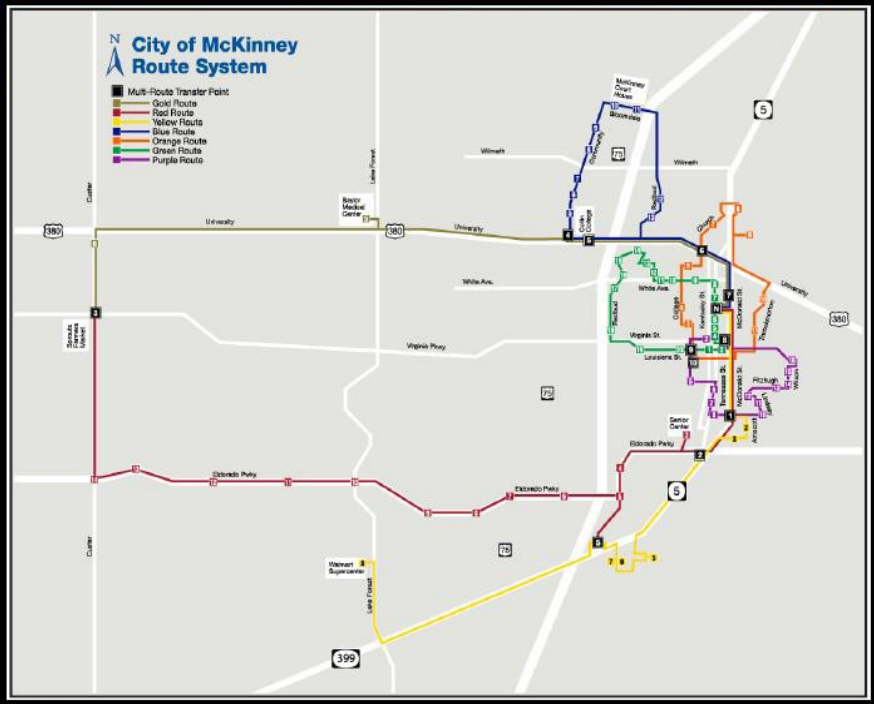
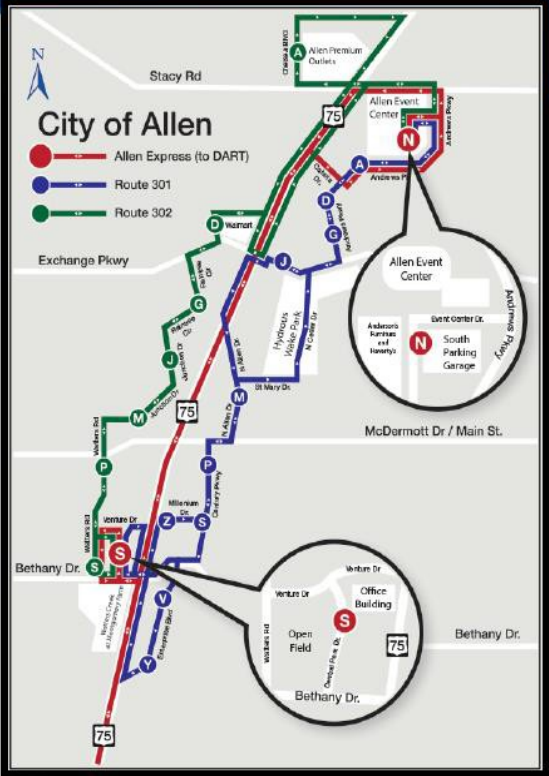
MUTD 1.0

- On April 15, 2003, the City of McKinney designated CCART as the Direct Recipient of FTA 5307 funds.
- CCART provided three (3) fixed routes and paratransit service until October 1, 2010 when service was scaled back to two (2) fixed routes and para-transit service
- The City of McKinney paid \$100,000 per year for this service.
- At some point, Collin County Commissioners also contracted with CCART to provide service to the rural areas of the County.

MUTD 2.0

- In June 2013, the City of McKinney designated TAPS as the Direct Recipient of FTA 5307 funds.
- A fixed route service, along with para-transit service, was provided to the City of McKinney.
- The City provided \$100,000 per year, as well as the use of a City owned lot at the intersection of Hwy 5 and 121 with a stated value of \$250,000 per year.
 - This location was used as the site for a commuter bus service to take McKinney residents from the site to the DART Parker Road station in Plano to access the DART train to Dallas.
 - The service was funded by a grant from the NCTCOG to the City of McKinney for the Job Access Reverse Commute Program. The grant provided \$500,000 over three years

TAPS Service Area – very ambitious and unsustainable



MUTD 3.0

- In November 2015, the City of McKinney cancelled its contract for fixed route, para-transit and commuter bus service with TAPS due to cancellation of services and breach of contract.
- On June 7, 2016, City Council authorized the formation of the McKinney Urban Transit District (again) to provide service for the McKinney Urbanized Area.
- In January 2017, the City requested Direct Recipient status of FTA 5307 funds.

MUTD 3.0 DCTA



DENTON COUNTY
TRANSPORTATION
AUTHORITY

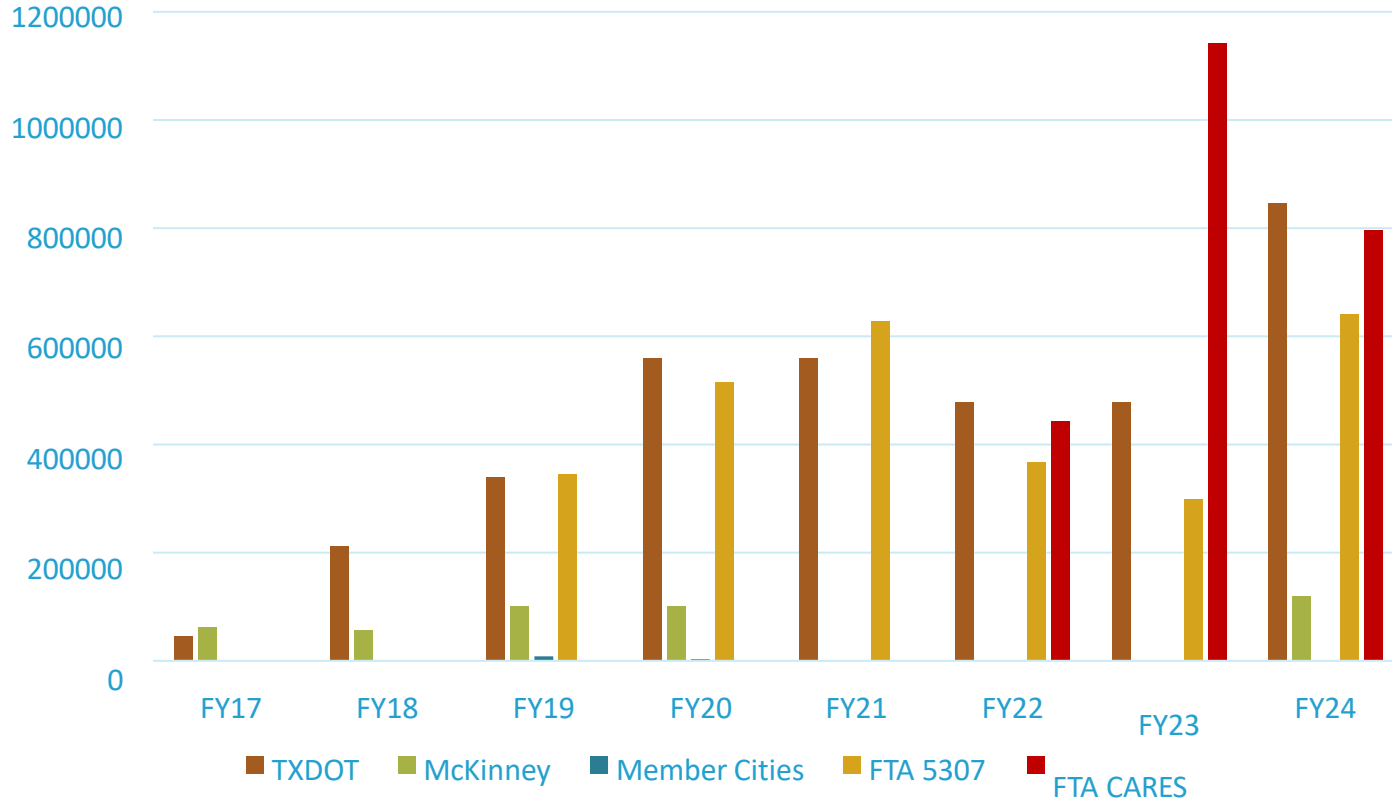
- On May 5, 2017, the City of McKinney entered into an ILA with DCTA to provide transit service for seniors and persons with disabilities to persons residing in McKinney, Princeton, Melissa and Lowry Crossing
 - Irving Holdings provided taxi service through a taxi voucher program
 - Riders paid 25% of the cost of their ride up to a monthly maximum of \$400.
 - Celina joined the MUTD Board in 2018 and Prosper joined in 2019
 - The monthly ride limit was increased to \$600 per customer in June 2019
 - Low- income riders were added to the service in early 2020

MUTD 3.0 DART

- In late 2021, DART was selected as the service provider for the McKinney Urban Transit and DART began service in January 2022.
 - Service was provided by a mix of Irving Holdings vehicles and the three MUTD-owned buses
 - Fares were capped at \$3.00 per ride within the member cities and \$5.00 outside the member cities
 - The fare increased in 2022 to \$3.15 and \$5.25 respectively
 - In June 2022, LYFT began providing service to the McKinney Urban Transit District. Cost per ride plummeted while demand for service skyrocketed
 - GOPASS integration for scheduling of rides was completed in November 2022.

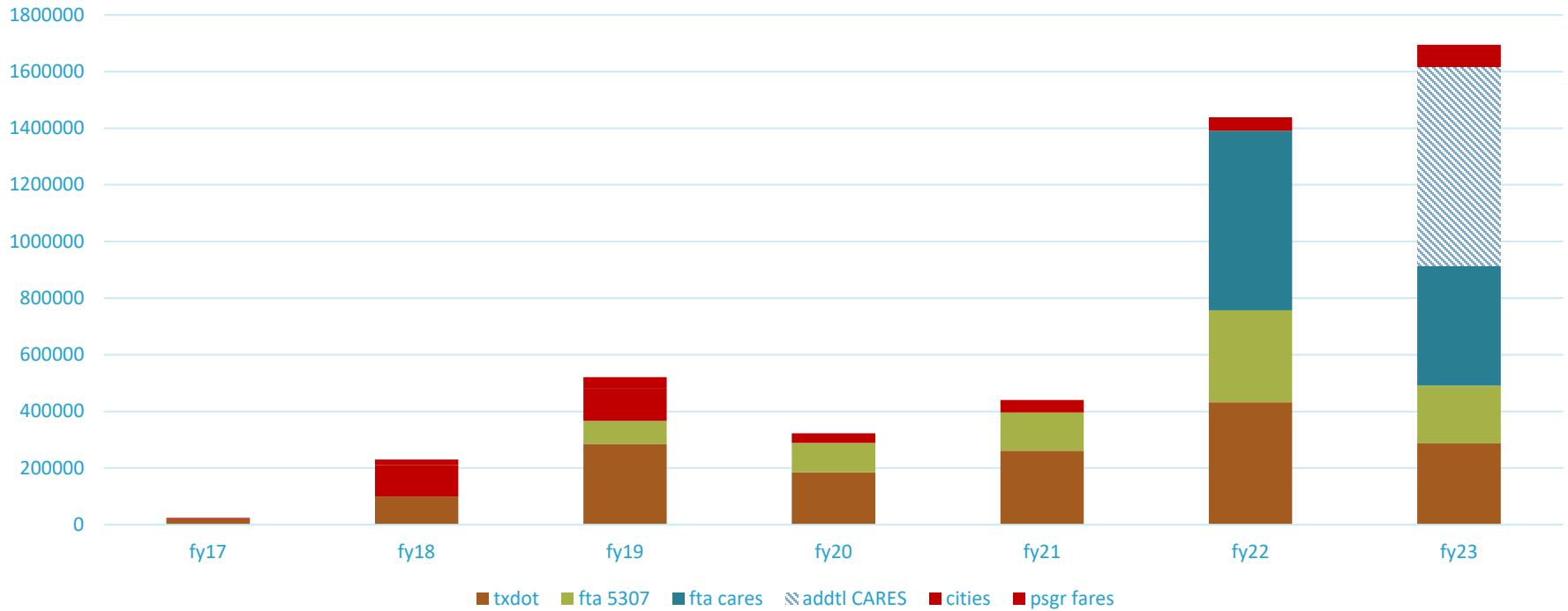


MUTD Expenditures





Cost of Transit Service



- The cost of transit service and its funding breakdown shows that FTA CARES is the largest funding source for the CCT program. FTA CARES grant can accommodate the additional expenditures incurred in FY23.



Cost Saving Measures

- Immediate and Under Way:
 - Encourage use of GoPass rather than call center to book trips
 - Technological improvements to back-end system and user-facing system
 - Efforts to increase shared rides
 - Rider eligibility review
- For Consideration:
 - Increased Fares
 - Freeze eligibility portal
 - Curtail non-dedicated service use, using data-driven determinations

Would an increase in passenger fares make up the difference?

- Public transportation is inherently a safety net for the economically disadvantaged and disabled. As our service is specifically intended to help disadvantaged constituents, raising fares would be counter-intuitive to the objective set by MUTD Board.
 - Seniors over the age of 65, low-income residents, and residents with disabilities are usually reliant upon a fixed income. Raising fares would negatively impact those residents.
- Fares do not make up a significant enough portion of the total to recoup any real benefit to the MUTD.
 - With our present flat fare structure, passenger fares make up about 8% of the total. If flat fares were doubled, they would only make up ~17% of the total. To make a substantial impact on the budget, fares would have to be variable.
 - For CCT to recoup the actual cost per trip per passenger, on average, riders would have to pay:
 - ~\$60 per trip in an MUTD-owned vehicle,
 - ~\$40 per trip in a subcontractor-owned vehicle, or
 - ~\$20 per trip in a nondedicated vehicle.

FOR FY 23 COST OF SERVICE HAS GROWN AT 7% RATE

LEVERS TO DECREASE GROWTH RATE TO 3%

Staff recommendations:

1. Cap cost per trip

- a. Reduce Dedicated Operator cost
- b. Cap Ride Distance - do complete analysis of max subsidy of \$40 per ride

2. Cap ride demand

- a. Cap total number of trips per month / rider

3. Cap rider eligibility

- a. Cap new riders per month or total riders in the program – cap # of new riders to 10 per month with remainder to waiting list. Eliminate low-income subsidy for new riders.