



# Central Yavapai Phased Transit Plan

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**CYMPO**  
Central Yavapai Metropolitan  
Planning Organization



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## CHAPTER 1: INTRODUCTION

Central Yavapai, including the Town of Prescott Valley and the City of Prescott, has been exploring the potential for local and regional public transportation services. As a federally designated urbanized area, Central Yavapai is eligible to receive Federal Transit Administration (FTA) funding to support public transportation services. Accessing these funds, however, requires raising local funds to match federal programs; this has been a persistent challenge for the region.

In February 2020, the Central Yavapai Metropolitan Planning Organization's (CYMPO) Board approved the Central Yavapai Transit Implementation Plan Update (the "TRiP Study"). This study recommended advancing a public transportation demonstration program that would bring public transportation services to the Central Yavapai region. Designed to "demonstrate" the potential of public transportation services, the recommended strategy would operate service for three years after which the service would be evaluated for its value to the community and cost effectiveness. If deemed valuable, communities could opt to continue the service.

Shortly after the CYMPO Board approved the TRiP Study, Arizona, like the rest of the United States, was affected by the COVID-19 pandemic and the public health related restrictions that restricted travel and reduced economic activity. Recognizing the swift and severe impacts of the pandemic and public health restrictions, the U.S. Congress passed the Coronavirus Aid, Relief and Economic Security (CARES) Act; the legislation was signed into law by President Trump on March 27, 2020. The CARES Act was designed to provide fast and direct economic assistance for American workers, families, and small businesses, and preserve jobs for American industries<sup>1</sup>.

In addition to providing funding for American workers, families and small businesses, the CARES Act provided \$25 billion to transit agencies to help prevent, prepare for, and respond to the COVID-19 pandemic. Funding is overseen by the FTA with funding distributed according to existing federal programs. As an urbanized area, the City of Prescott and Town of Prescott Valley are eligible for public transportation funding through the CARES Act. The amount allocated to Prescott and Prescott Valley was \$3,592,646 inclusive of \$3,335,652 based on population, employment, and community demographics plus \$256,994 in bonus funding to reflect Arizona's rapid growth<sup>2</sup>.

CARES Act funding follows similar requirements as traditional FTA funding programs except that funding can be used to support operations and all CARES Act funds are "100% funds" meaning communities do not need to provide local funding to spend these resources. Consequently, **the CARES Act funding created an opportunity for Prescott and Prescott Valley to move forward with the TRiP demonstration program without allocating local funding.** Moving forward with the transit services recommended in the TRiP program not only gives the region an opportunity to test the strategy with minimal risk, it also give the region an opportunity to support residents and local businesses in a "return to work" economy. As part of positioning the region to take advantage of the opportunity created by the CARES Act, CYMPO directed Nelson\Nygaard to adjust the TRiP study to phase in transit

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<sup>1</sup> U.S. Department of the Treasury webpage: The CARES Act Works for All Americans (<https://home.treasury.gov/policy-issues/cares>)

<sup>2</sup> Federal Transit Administration webpage: Fiscal Year 2020 CARES Act Supplemental Public Transportation Apportionments and Allocations (<https://www.transit.dot.gov/cares-act-apportionments>)



service in line with needs and available funding. This technical memo lays out the recommendations developed as part of the Phased Transit Implementation Plan.

## BACKGROUND

### Central Yavapai Transit Implementation Plan Update

As mentioned, the Central Yavapai Metropolitan Planning Organization's (CYMPO) Board accepted the Central Yavapai Transit Implementation Plan Update (the "TRiP Study") in February 2020. Designed to demonstrate the potential of public transportation services, the recommended strategy would operate service for three years after which the service would be evaluated for its value to the community and cost effectiveness. The TRiP included a handful of transit service strategies:

- Demand responsive or dial-a-ride type service for people traveling within the City of Prescott and the Town of Prescott Valley. These services were designed to operate on weekdays and Saturdays.
- Deviated flexible bus service with scheduled pick up locations and times connecting Prescott and Prescott Valley. A second deviated flex route was scheduled from Prescott to the Prescott Airport (Ernest A Love Field)
- Deviated flexible bus service with scheduled pick up locations and times connecting the Town of Dewey-Humboldt with Prescott Valley and Prescott. This service was planned to operate one day per week.
- Supporting mobility management programs including vanpool service for longer distance employment related travel and guaranteed ride home programs.

The TRiP Study also recommended a funding plan and governance structure to support development of the public transportation services. The funding plan was designed to take advantage of federal funds available for urbanized regions through the Federal Transit Administration (FTA). The TRiP Study recommended raising local matching funds through a combination of passenger fares, partnerships with local institutions and nonprofit agencies and contributions from local governments. The TRiP Study also recommended governing the public transportation services as a Joint Powers Organization (JPO), or partnership between the municipalities and institutions contributing financially to the service. A final strategy included in the study called for the region to contract for transit service to realize the greatest cost efficiency.

While many stakeholders recognized the importance of public transportation services in their communities, the ability to raise, dedicate and commit funding to support the service presented a major challenge for the region. While moving forward with a demonstration project helped alleviate some concerns, when the CYMPO Board accepted the study, there was no immediate plan for identifying funding and moving forward with plan implementation.

### Coronavirus Aid, Relief and Economic Security (CARES) Act

The CARES Act was designed to provide fast and direct economic assistance for American workers, families, and small businesses, and preserve jobs for American industries<sup>3</sup>. It also including funding for the public transportation industry and as a federally recognized urbanized area, the City of Prescott and Town of Prescott Valley are collectively eligible for a portion of this through. The amount allocated to Prescott and Prescott Valley was

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<sup>3</sup> U.S. Department of the Treasury webpage: The CARES Act Works for All Americans (<https://home.treasury.gov/policy-issues/cares>)



\$3,592,646 inclusive of \$3,335,652 based on population, employment, and community demographics plus \$256,994 in bonus funding to reflect Arizona's rapid growth<sup>4</sup>.

This technical memo describes a phased approach to moving forward with the transit service development in the Central Yavapai Plan using CARES Act funding. The phased approach generally follows the TRiP but moves towards implementation more slowly; it also include strategies that leverage mobility technologies to better match needs and demand with service investments. This approach allows any new public transportation services to collaborate with existing local transportation providers to deliver services. The goal is to provide high quality, cost effective shared ride transportation services for the region.

## REPORT ORGANIZATION

The technical memo is organized into three chapters immediately following this introductory section:

- Chapter 2: Service Goals and Approach to Delivery
- Chapter 3: Year by Year Service Program
- Chapter 4: Implementation

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<sup>4</sup> Federal Transit Administration webpage: Fiscal Year 2020 CARES Act Supplemental Public Transportation Apportionments and Allocations (<https://www.transit.dot.gov/cares-act-apportionments>)



# CHAPTER 2: SERVICE GOALS AND APPROACH TO SERVICE DELIVERY

## SERVICE GOALS

The TRiP was developed with extensive stakeholder and community engagement. These conversations helped shape priorities not only for service development but also the broader purpose and goals surrounding investing in public transportation generally. The work conducted for the Phased Transit System did not include additional stakeholder and community engagement but instead was designed to be consistent with previously identified goals and expanded them slightly to reflect the current needs.

With this perspective in mind, the Phased Transit System design was guided by the following goals:

- Transit services should connect workers and job seekers with local and regional employment and expand the labor pool available to local employers.
- Transit services should improve access to essential services for veterans, older adults, and people with disabilities.
- Any new investment in local and regional transit service should build on resources already available in the community, including local for-profit and not-for-profit transportation service providers.

## APPROACH TO SERVICE DELIVERY

The phased implementation plan assumes the use of emerging technologies to operate transit services, including microtransit and ride hailing subsidies.

### What is Microtransit?

Microtransit offers flexible “on demand” shared ride service. Riders request a trip and provide where they want to be picked-up and where they want to be dropped-off. In this way, microtransit is like traditional dial-a-ride or demand response service. Microtransit uses software to integrate the reservation, scheduling, and dispatch process, which creates a more streamlined and responsive service as compared with traditional dial-a-ride type services. Traditional dial-a-ride services separate the reservation, scheduling, and dispatching process, so travelers must book a trip in advance; by disaggregating the steps, this approach limits the opportunities for same day services.

The Phased Transit System Plan set the following service design guidelines for proposed microtransit service:

- Trips can be booked in advance or on the day of travel. Riders using the recommend service in Prescott and Prescott Valley Riders can expect a vehicle to pick them up in 20 minutes. Riders traveling between Prescott and Prescott Valley can expect a vehicle to pick them up in 30 minutes.
- Travelers can use their mobile phone, computer or tablet to plan, book and pay for trips. They can also use the phone to book trips.



- Travel is limited to pick-ups and drop-offs within a specific zone. The app uses geofencing to limit trips.

Other important elements of microtransit service include:

- Microtransit services may pick riders up at the curb in front of their destination or may request riders to walk a short distance to a pick-up location. They will also be dropped-off near or in front of their destination. Riders unable to walk short distances can request to be picked up in front of their destination.
- Microtransit is ADA compliant; a portion of the vehicles will have capacity for wheelchairs and drivers can assist riders if required to support their trip.

## **Microtransit: Implementation, Best Practices and Case Studies**

Transit agencies in the United States have been experimenting with microtransit services for several years now, with increased emphasis in the past couple of years as more case studies started to demonstrate more success in more applications. The COVID-10 pandemic is further increasing how transit services are using and adapting microtransit strategies; new implementation models are helping agencies find efficient, effective services for smaller, high need markets.

Microtransit pilots have successfully been implemented in several different ways. One of the most common models involves setting up pickup and drop-off or “virtual bus stops”. These virtual bus stops can be distributed so that the entire service areas are within a 5-minute walk of a virtual bus stops. Passengers looking for rides use a mobile phone, tablet, or computer to book a ride, or they can call a reservation hotline. The app (or reservationist) will tell them when the vehicle will arrive and directed them to one of the virtual bus stops. Most microtransit models also allow riders to be picked up at their door, especially if they meet certain criteria, associated with age or ability. In all cases, microtransit is easy to use, flexible and responsive. As ridership grows, microtransit services can be transitioned to scheduled, fixed route services, which are more effective at carrying larger volumes of riders.

Microtransit typically uses vans, which are wheelchair accessible and can be equipped with bike racks. Microtransit can also be provided with small buses, like the ones used by Yavapai Regional Transit. Vehicles and drivers can be provided by a private service provider or a draw on local resources, including taxi companies or other local transportation providers.

Prescott and Prescott Valley may follow best practices and recent case studies or adapt from these lessons to develop a service designed for the unique circumstances and community characteristics in northern Arizona.

## **What is a Ride Hailing Subsidy?**

Transit agencies and other transportation service providers have long provided subsidies for taxi riders to ensure riders can access work or medical services when traditional transportation is not available. With the launch of ride hailing services or transportation network companies, subsidies have been extended to include vehicle for hire that can be dispatched via a website or mobile phone app. Subsidy programs reduce the cost of the trip for the individual by paying for all or part of the cost of the trip.

Transit agencies use subsidies in areas or during times when there is a need for service, but ridership is too low to support traditional transit services. This may include supporting workers finishing or starting late night shifts; they can also include first or last mile connections between transit stops and traveler’s final origin or destination; and/or as an alternative to paratransit services for older adults and/or people with disabilities.



The Phased Transit System Plan set the following service design guidelines for proposed ride hailing subsidy:

- Ride hailing subsidies are included in the service recommendations to support people traveling to early morning or evening appointments or work shifts.
- Funding restrictions mean that subsidies can only be used by older adults, people with disabilities and/or people traveling to/from work.
- Trips can be booked in advance or on the day of travel. Depending on the service, travelers can use their mobile phone, computer or tablet to book and pay for trips. Travelers may also access the subsidy by calling and booking a trip with a local taxi company.
- Travel is limited to pick-ups and drop-offs within a specific zone and at certain times of the day.
- There are no planned limitations on using the subsidy program. However, if demand for the program significantly exceeds allocated resources, access to the subsidy may be limited. Limitations may include controlling the places and times when the subsidy can be used; or by limiting the number of trips on a per week or per month basis.

### **Ride Hailing: Implementation, Best Practices and Case Studies**

Transit agencies, city governments, employers and other organizations use ride-hailing subsidies to supplement existing services, especially for times and locations which are otherwise difficult to serve. In the United States, ride hailing subsidies are currently being used to help people get to/from late night and early morning work shifts, provide same day service for older adults and people with disabilities and offer connections to/from fixed route transit services. Examples of partnerships with ride hailing companies come from areas and regions as diverse as Livermore California, Des Moines, Iowa, Indianapolis, Indiana and Denton, Texas.

One of the advantages of ride hailing subsidies is the ease of administration. Many programs use access codes to distribute the subsidy, which riders give to dispatcher verbally or enter in their phone when they book a ride. Program sponsors can use the codes to control who receives the code, when it works and how often it can be used. Agencies sponsoring subsidy programs can also set the benefit at a level that maximizes participation but also manages costs. Services can be provided by local taxi companies and newer ride hailing services, like Uber or Lyft.

Some of the most successful ride hailing programs are developed as partnerships between transit agencies and employers or organizations, like universities. These partnerships work by sharing the cost of the subsidy (i.e., if riders receive a \$5 subsidy per ride, each partner pays \$2.50).

Similar to microtransit, Prescott and Prescott Valley may follow best practices and recent case studies if they chose to develop a ride hailing program, or the region can adapt lessons learned to develop a service designed for the unique circumstances and community characteristics in northern Arizona.



# CHAPTER 3: YEAR BY YEAR SERVICE PROGRAM

## INTRODUCTION

The Phased Transit Plan is designed to be implemented via a series of incremental steps to allow the CYMPO region to move forward with a set of core transportation services and expand slowly in line with demand. This approach ensures the transit investment is matched with need and uses resources effectively. It also gives the region an opportunity to adjust and respond to the service as riders learn about and use the service.

Consistent with the TRiP Study, the Phased Transit Plan recommends that new services be implemented as a demonstration project so that the region commits to provide transportation services for a three-year period with the option of two 1-year extensions. This time frame is also consistent with the funding available from the CARES Act. In addition, by implementing service as a demonstration basis the region will be able to test and evaluate the program. The three-year time commitment is also expected to be long enough to attract interest from private transportation service providers. The following section provides a year-by-year overview of the transportation services. Appendix A summarizes the information in tabular form.

## YEAR 1: IMPLEMENT SHARED RIDE PUBLIC TRANSPORTATION NETWORK: PRESCOTT VALLEY ONLY

The first stages of the transit services are designed to support workers traveling to work and older adults, veterans and people with disabilities traveling to appointments and services. From a transit planning perspective, another the goals of the first year of service operations is to introduce the concept of microtransit and ride hailing subsidies to Prescott and Prescott Valley residents and teach them how to use the service.

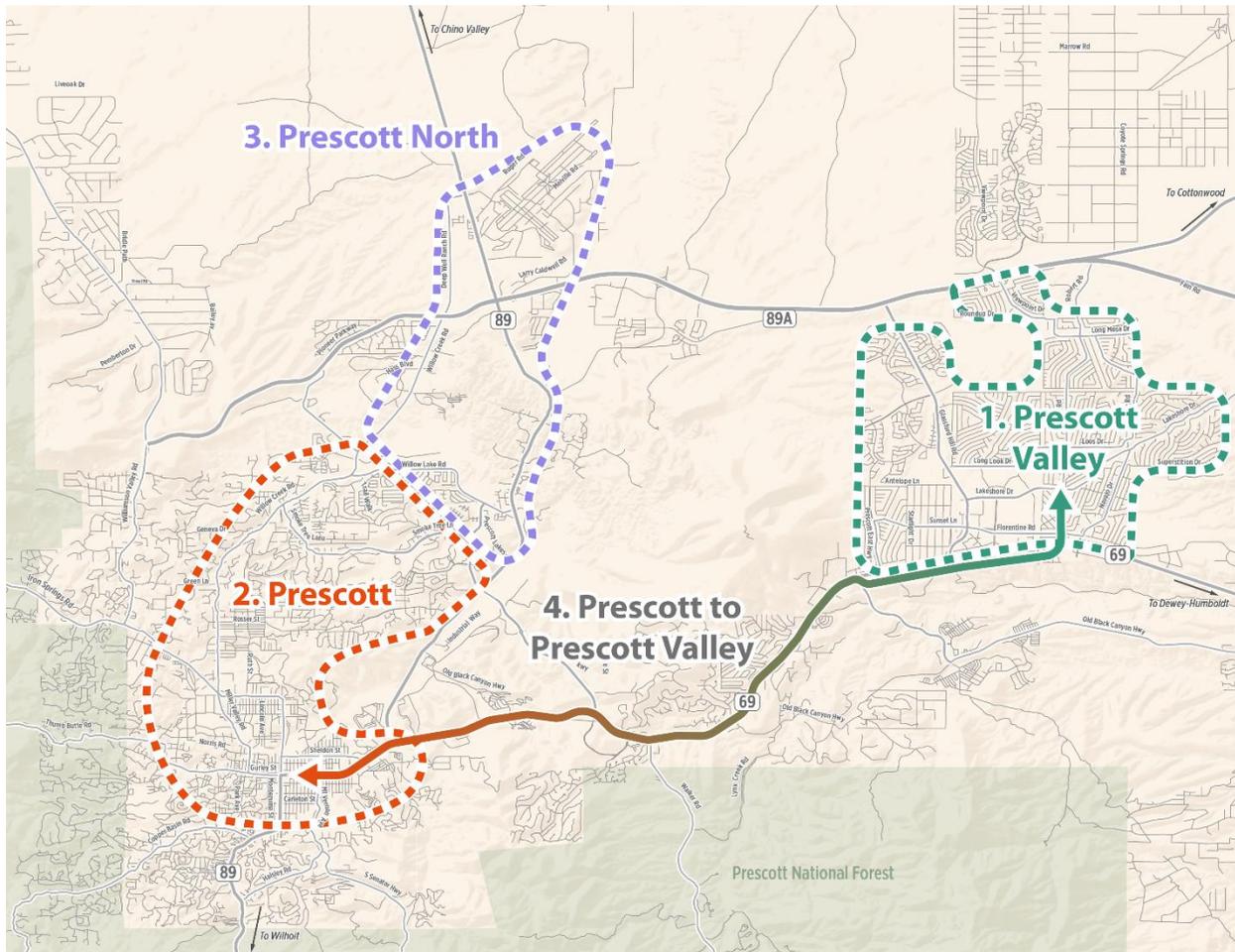
Pending Council review and approval, in the first year the following services will be available:

- Microtransit will be available on weekdays within a targeted portion of the Town of Prescott Valley (Zone 1) (see Figure 1). Service will be available between the hours of 8:00 am and 6:00 pm.
- Ride hailing subsidies for people traveling to/from work and for older adults and people with disabilities. Subsidies will be offered during key times when microtransit service is not available, including 6:00 am to 8:00 am on weekday mornings and from 6:00 pm to 8:00 pm on weekday afternoons and from 6:00 am to 8:00 pm on Saturdays. These times are designed to people who work outside of traditional business hours. In this first year, ride hailing subsidies will also be limited to travel within Prescott Valley (Zone 1).
- The estimated annual cost for this service package is \$258,000 inclusive of fare revenue. The system is expected to provide nearly 9,000 rides. Assuming fares are instituted half-way through the first year of the program, fare revenues will need about \$17,500.



- Annual costs include a stipend for operating and managing the service, including marketing and minor capital investments.
- Assuming no local funds are used to support the program, the region will have about \$2.7 million in CARES Act funding after the first year of operating service.

**Figure 1: Transportation Services Zones**



## YEAR 2: IMPLEMENT SHARED RIDE PUBLIC TRANSPORTATION NETWORK: PRESCOTT AND PRESCOTT VALLEY

Pending Council review and approval second year goals include expanding microtransit and ride hailing subsidies to the urbanized area. Services will continue to be focused on helping people traveling to/from work and to serve the region's highest need members, including veterans, older adults, and people with disabilities. Planned year 2 services include:

- Expand microtransit service to be available on weekdays within parts of Prescott Valley (Zone 1), parts of City of Prescott (Zones 2 and 3) and between Zones 1 and 2 (shown as Zone 4 on Figure 1). Service will be available on weekdays between the hours of 8:00 am and 6:00 pm.



- Offer ride hailing subsidies for people traveling to/from work and for older adults and people with disabilities. The subsidies will be available during key times when microtransit service is not available, including 6:00 am to 8:00 am and from 6:00 pm to 8:00 pm, Monday through Friday and from 6:00 am to 8:00 pm on Saturday. Subsidies will be available for travel within parts of Prescott Valley (Zone 1), parts of City of Prescott (Zones 2 and 3) and between Zones 1 and 2.
- The estimated annual cost for this service package is \$760,000. The system is expected to provide nearly 28,000 rides, netting about \$56,000 in fare revenue. The annual cost of the program, net of fares, is estimated at \$710,000 or about \$25.00 per trip.
- After paying for the first two years of service, roughly \$2.0 million will be remaining in the region's available CARES Act funding.

### **YEAR 3: MANAGE AND MONITOR SERVICE**

Pending approval, moving into the third year of operation, but only the second of the regional network, no major changes for the services are planned. Instead, the focus will be on managing and monitoring service, adjusting it to maximize operations for service efficiency, building partnerships with regional organizations and strengthening connections with existing service providers. The network will include:

- Continuation of microtransit service on weekdays within parts of Prescott Valley (Zone 1), parts of City of Prescott (Zones 2 and 3) and between Zones 1 and 2. Service will be available on weekdays between the hours of 8:00 am and 6:00 pm.
- Offer ride hailing subsidies for people traveling to/from work and for older adults and people with disabilities. The subsidies will be available during key times when microtransit service is not available, including 6:00 am to 8:00 am and from 6:00 pm to 8:00 pm, Monday through Friday and from 6:00 am to 8:00 pm on Saturday. Subsidies will be available for travel within parts of Prescott Valley (Zone 1), parts of City of Prescott (Zones 2 and 3) and between Zones 1 and 2.
- The estimated annual cost for this service package is \$803,000. The system is expected to provide nearly 42,000 rides, netting about \$82,000 in fare revenue. The annual cost of the program, net of fares, is estimated at \$720,000 or about \$24.00 per trip.
- After three years of service, roughly \$1.3 million will be remaining in the region's available CARES Act funding.

### **YEAR 4: MANAGE AND MONITOR SERVICE**

Pending approval year 4 will be the second full year of operating regional service giving the region a strong understanding of the demand and need for services. The basic service structure is assumed to continue – this includes microtransit service on weekdays and ride hailing services on weekday shoulder hours and on Saturdays. Depending on ridership together with community and stakeholder input, network development, the region may consider:

- Transitioning the ride hailing subsidy on Saturday to microtransit.
- Transitioning the service between Prescott and Prescott Valley to deviated flex service with scheduled departure and arrival times.
- Offer ride hailing subsidies on Sundays for people traveling to/from work and for older adults and people with disabilities.



Assuming no major changes are made, the annual cost for full implementation of the shared ride transit network is about \$1.1 million. The system is expected to provide about 48,000 rides, reducing the net cost of operating the service to about \$1.0 million. At this point in time, most of the CARES Act funds will be spent, with about \$300,000 remaining. The primary challenging facing the region, therefore, will be raising local funds to sustain the service moving forward. While the region has had access to FTA Section 5307 Urbanized Area Formula Grant funds, this funding program requires local matching resources. It is likely transit staff will need to begin a detailed evaluation of the service effectiveness, estimate costs to maintain existing service levels and develop an approach moving forward.

## PROGRAM MANAGEMENT RECOMMENDATIONS

The program laid out in the previous section was developed with the following assumptions:

- Microtransit will be implemented using a combination of transportation resources (vehicles and drivers) available locally and dispatch software systems that allow riders to book by calling a central reservation line or booking via an app on their mobile phone, tablet or computer. The exact way that local transportation resources will be integrated with new software dispatching systems will be determined as part of contracting for service.
- Riders needing wheelchair accessible vehicles (WAVs) will be able to use both the microtransit and ride hailing services.
- Marketing the service and ensuring residents understand the service will be critical to the success of the program. As part of encouraging ridership, the study team recommends starting as a fare-free service. As soon as ridership starts to grow and no later than the 6<sup>th</sup> month of service, a fare of \$2.00 per trip can be implemented for microtransit services.
- Microtransit and ride-hailing programs can be used to transfer to/from services offered by the Yavapai Regional Transit (YRT) rural service that brings people into Prescott and Prescott Valley.
- Ridesharing services will require a \$2.00 co-pay for each trip. This means riders will be responsible for paying the first \$2.00 of the trip; the public transportation system will pay the balance of the costs.

The shared ride public transportation network will require active management by a Transit Administrator or Program Manager. The Transit Administrator will focus on communicating with elected officials, stakeholders, residents, and riders as well as build relationships with existing and potential partners, including for-profit and not-for-profit transportation service providers, and area institutions. Addition responsibilities of the Transit Administrator will include:

- Communicating with residents about the service, monitoring service standards (response times, ridership, and usage patterns) and watching demand patterns (common origins and destinations, times of trip requests, etc.). The Transit Administrator will use this information to adjust and “tweak” service offerings to better match needs.
- Setting and managing service standards so the benefits of the program can be communicated with members of the public. The proposed service assumes an estimated vehicle arrival time of no more than 20 minutes, meaning if you book a trip, the vehicle will arrive within 20 minutes (or less). If the service standard is not maintained, the Transit Administrator may need to dispatch additional vehicles.
- The Transit Administrator may also initiate complimentary mobility management programs, such as Guaranteed Ride Home and/or vanpool programs.





# CHAPTER 4: IMPLEMENTATION

## INTRODUCTION

Implementing the transit demonstration project requires several initial steps to establish systems to receive funding, develop a governance structure and operate service. Discussions around transit governance and recommended service operational models were addressed in the TRiP study and are also included in this technical memo. Once the service is operating, the Central Yavapai region will shift focus to managing service and optimizing its impact. Key initial steps include:

- Designating a Direct Recipient to receive FTA funding including funds available from the CARES Act and traditional FTA urbanized formula grant program funding (Section 5307)
- Establishing the JPO legal structure to organize and operate transit services
- Hiring a General Manager and establishing a Transit Board

## Contracting for Service

The Shared Ride Public Transportation demonstration project (described in Chapter 2) can be operated through a combination of service contracts that involve local and national partners. The desired service model is one that used local resources, including vehicles, drivers, and maintenance facilities available through for profit and not-for-profit organizations combined with national partners to provide reservation, scheduling, and dispatch systems. This approach to service will need to be refined and negotiated through a series of conversations with operators to better understand opportunities, costs, and benefits. Early conversations with local and national partners suggest that this model will work, but additional research and evaluation is required before contracting.

## Direct Recipient for FTA Funds

As an urbanized area with a population of less than 200,000, the Central Yavapai region is eligible to be a direct recipient of FTA funds. The region must identify an existing organization or agency; or create a new one (see Joint Powers section) to receive federal funds. This organization must have the legal authority to receive and dispense federal funds and be designated as a direct recipient by the Governor of Arizona. Given the Town of Prescott Valley is likely to be the lead agency, they will almost certainly be the direct recipient of FTA Funds, at least until a regional governance structure is set up. The Central Yavapai region may also work with a partner, such as Yavapai County or the State of Arizona to help process and apply for the FTA grant funds as it develops a local entity to receive and dispense federal funds.

## ESTABLISH A JOINT POWERS ORGANIZATION (JPO)

The transit demonstration project will be a new function in Central Yavapai, which pending council approval will be initiated by the Town of Prescott Valley. As the Town of Prescott Valley begins administering the program, it will



need set up systems to establish itself as a direct recipient of FTA funds. It is also understood that these systems and protocols will evolve with the system, especially as partners like the City of Prescott pending council approval join the effort. When new partners join the transit service, the Town of Prescott Valley and City of Prescott will need to establish a governance structure that shares authority and responsibility for the service among the two partners.

The TRiP study recommended establishing a Joint Powers Organization (JPO) to oversee and manage public transportation services in Central Yavapai. A Joint Powers Organization (JPO) is authorized by Arizona Revised Statutes (ARS) 11-951, 11-952 and 40-1152. Cities and towns can form a separate legal entity that can exercise the powers of the member agencies. Valley Metro light rail service is an example of a transit non-profit corporation formed by Phoenix, Tempe, Mesa, Glendale, Chandler, and Peoria in Maricopa County.

The JPA is recommended because:

- **Partner Objectives:** The JPO offers the most direct and effective means of achieving transit service objectives identified by the potential transit service partners (Cities of Prescott and Prescott Valley, Towns of Chino Valley and Dewey Humboldt and Yavapai County)
- **Governance Needs:** The JPO simplifies administration of public transportation services by creating clear, direct accountability. It also allows the partners to formalize the rules of their regional transit partnership.
- **Financial Feasibility:** The JPO creates the most simple and effective cost structure for Central Yavapai Transit. The structure permits contracting for service operations, ensuring cost effective operations. The JPO does not have taxing authority, but it could use county excise tax for public transportation with voter approval.
- **Operational Efficiencies:** The JPO formation offers operational benefits that would accrue regionally, including sharing of transit system overhead costs, management staffing, and marketing; better leveraging of federal capital funding; and better leveraging of political strengths in Phoenix and Washington.
- **Long Term Opportunities:** The JPO offers flexibility so that other jurisdictions and partners can join the regional transit agency. The JPO can also expand or contract its geographic coverage.

All Arizona subdivisions have legal authority to create JPOs. Moving forward, however, requires agreement among the partners for how the organization will function and be structured as well as financial commitments to support the transit service demonstration for a period of 3-years. The JPO agreement, including financial terms and organizational commitments must be negotiated by the legal teams of the major partners, primarily the City of Prescott and Town of Prescott Valley. The project team developed cost estimates for the transit service, including estimates of federal grant funds and the amount expected from municipal partnerships; this can be a starting point for a financial commitment.

Another item for negotiation is oversight of the organization. One of the underlying values guiding the recommendation of establishing a JPO is that the organizational structure provides for local control and specifically the funding partners have a direct say in how their resources are invested. Most JPOs create a system of shared local control by establishing regional boards funding partners either participate directly or appoint members to represent jurisdictions. Funding partners typically agree that partners with the largest stake in the service should have a larger say in the oversight of those resources. In this case, the City of Prescott and Town of Prescott Valley will contribute most of the local funds and therefore should have a larger role in governance. We recommend that the Central Yavapai Transit Demonstration Project establish a board with nine members; this allows for 3 seats each for Prescott and Prescott Valley plus a shared seat for institutional partners. Seven board members creates a structure that is large enough to share the governance work associated with a new organization across a medium sized organization and small enough to work efficiently. Additional partners such as Yavapai County, Chino Valley or Dewey-Humboldt can be added to the JPO (and Board) at a later date.



### Recommended JPO Board

Town of Prescott Valley – 3 seats

City of Prescott – 3 seats

Institutional Partners – 1 seat

Transit Board members are expected to be active participants in the start-up activities associated with getting the Central Yavapai Transit Demonstration Project underway. This includes developing a series of policies guiding service implementation. It also involves helping the General Manager establish local contacts with elected officials and develop partnerships with community institutions and leadership.

## HIRE A TRANSIT ADMINISTRATOR (OR GENERAL MANAGER)

One of the first steps associated with beginning the transit services in the Town of Prescott Valley will be to identify staffing resources. In the first year of service the demonstration project will serve Prescott Valley only with a variety of critical responsibilities, including setting up federal reporting structures, releasing RFPs for microtransit and ride hailing, developing partnerships with local agencies and developing a marketing plan. These responsibilities may be carried out by a Town employee with technical support from CYMPO and/or consulting resources. In the first year, the work plan will be substantial but likely could be carried out by a part-time staff person, especially if additional resources were available from CYMPO staff and/or contracted staff. These resources could assist with tasks related to federal reporting and marketing.

Once the system expands to include additional partners, such as the City of Prescott, transit staff will transition from Town of Prescott Valley employee to be an employee of the JPO. At this time, staff will likely need to transition to full-time work as the role assumes responsibility for managing and overseeing regional service operations. The Transit Administrator will report directly to a JPO Board of Directors (see Transit Governance section). The recommend program assumes the Transit Administrator will be housed with an existing public organization, ideally located in Central Yavapai, potentially co-located with public works offices in either the Town of Prescott Valley or potentially CYMPO.

The Transit Board will set the policy direction and have fiscal responsibilities for the Central Yavapai Transit Demonstration Service. Responsibilities for implementing these policies and managing financial systems will rest of the General Manager, who is expected to be the transit organizations only full-time direct employee. The GM, in turn, will be responsible for contracting with a private transportation provider to operate the fixed route and demand response service in Central Yavapai. Additional responsibilities assigned to the General Manager include:

- Reporting to the JPO Transit Board.
- Evaluating service performance and potential changes to the service structure to improve effectiveness of transit services, information, and fares and fares structure (among others). Work with municipal partners to support transit capital investments, including (for example) posting and maintenance of information, maintenance of bus stops and bus layover locations.
- Reporting requirements associated with both FTA grants and to inform the Transit Board.
- Establishing and maintaining community relations, including relationship with the Transit Board but also a wider group of stakeholders. These stakeholders include elected officials, service partners (YRT and other human service transportation providers) and staff at municipal public works departments and the Prescott Airport,



- Attracting financial resources and partners to the service, especially from large employers, regional institutions (hospitals, colleges, and universities) and human service transportation providers. Large employers and major institutions are part of the system’s target markets and potential partners in service delivery and funding, potentially through pass programs. The GM should consider the potential of contracting with human service agencies to provide service.
- Developing and implementing a clear marketing strategy that includes information and resources for riders and transit agency partners. One of the biggest challenges facing transit agencies around the country is ensuring people know the service exists and how to use it. Develop a fun and engaging name for the system and underlying brand and then disseminating this information to as wide an audience as possible is fundamental to the demonstration project’s success. Marketing services will be an ongoing activity for the GM.

### Establish Transit Agency Infrastructure

The Central Yavapai Transit Demonstration Project will essentially be a start- up agency. By hiring a private sector transportation service provider, the Transit Board and GM will outsource daily service operations. This will make implementation easier and creates capacity for the Transit Board and GM to develop institutional and physical infrastructure to manage and oversee service implementation.

Ultimately the Transit Board and GM will need to determine how best to share specific responsibilities associated with service start up and ongoing operations (see Table 1). In general, however, the Transit Board will be responsible for the development of the policies and strategic direction of transit service implementation. This includes setting policies associated with fares, marketing and branding, advertisements on buses and at bus stops, and service and customer service standards. The Transit Board will also have financial oversight responsibilities for agency budget and grants management. Other responsibilities include helping the GM with community engagement and partnerships. The GM will be responsible for implementing the policy and strategic direction set by the Transit Board. This includes managing the service contract, managing agency budgets, grants, and finances, and establishing and maintaining community partner relationships. The transit contractor will be responsible for delivering and managing service on the street.

**Table 1: Proposed Central Yavapai Transit Service – Responsibility Assignments**

	Transit Board	General Manager	Transit Service Provider
Transit Policies (Fares, Advertisements, Customer Service)	Development and oversight	Implementation Oversight	Implementation
Financial Management	Oversight	Responsible for contracting, grant management, reporting	Reporting
Community outreach with municipal partners, community institutions and stakeholders	Assistance	Responsible	Indirect responsibilities only (partner in delivery of clean, reliable, safe service)
Transit service operations and maintenance	Oversight	Manage contract Oversight of service planning, standards, and guidelines	Implementations (operations, maintenance, scheduling, dispatch, supervision, etc.)
Marketing	Policy direction	Development and implementation	Implementation



Community infrastructure (website, information systems, bus stops, shelters, etc.)	Policy direction	Responsible to work with municipal partners (installation and maintenance)	Use of facilities
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# Appendix A Estimated Costs, Ridership Vehicles and Funding

## Phased Transit Implementation Program (\$2020)

Year	Transportation Services	Annual Cost	Estimated Ridership	Cost/Rider	Vehicles Deployed	CARES Act Funding Remaining
1	Microtransit: weekdays (8 am to 6 pm)	\$156,000	5,200			
	Ride hailing subsidy: weekday shoulders (6 am to 8 am and 6 pm to 8 pm)	\$20,800	2,080			
	Ride hailing subsidy Saturdays (6 am to 8 pm)	\$14,560	1,456			
	Management, Capital, and Technology	\$75,000				
	Fare revenue	(\$9,000)				
	<b>Annual Total</b>	<b>\$258,000</b>	<b>9,000</b>	<b>\$28.70</b>	<b>1</b>	<b>\$2,742,000</b>
2	Microtransit: weekdays (8 am to 6 pm) - Expanded to Prescott and travel between Prescott and Prescott Valley	\$546,000	22,750			
	Ride hailing subsidy on weekday (6 - 8 am / 6 - 8 pm) and all-day Saturday	\$75,000	5,400			
	Management, Capital, and Technology	\$150,000				
	Fare revenue	(\$57,000)				
	<b>Annual Total</b>	<b>\$710,000</b>	<b>29,000</b>	<b>\$24.50</b>	<b>3.55</b>	<b>\$2,032,000</b>
3	Microtransit Service weekdays (8 am to 6 pm)	\$561,600	37,440			
	Ride hailing subsidy on weekday (6 - 8 am / 6 - 8 pm) and all-day Saturday	\$75,000	2,900			
	Management, Capital, and Technology	\$150,000				
	Fare Revenue	(\$82,000)				
	<b>Annual Total</b>	<b>\$720,000</b>	<b>41,200</b>	<b>\$24.20</b>	<b>4.0</b>	<b>\$1,312,000</b>
4	Microtransit Service weekdays (8 am to 6 pm)	\$845,000	41,600			



Ride hailing subsidy on weekday (6 - 8 am / 6 - 8 pm) and all-day Saturday	\$250,000	6,650			
Management, Capital, and Technology	\$150,000				
Fare Revenue	(\$97,000)				
<b>Annual Total</b>	<b>\$1,000,000</b>	<b>48,250</b>	<b>\$20.70</b>	<b>5.0</b>	<b>\$312,000</b>

Source: Nelson\Nygaard Consulting Associates

Assumptions: CARES Act starting balance of \$3m; 2020\$; all numbers estimated and rounded

