

A. Cover Letter

December 29, 2023

Toks Omishakin
Secretary
California State Transportation Agency
400 Capitol Mall, Suite 2340
Sacramento, CA 95814

Honorable Secretary Omishakin,

The Santa Barbara County Association of Governments (SBCAG) is pleased to submit the Initial Allocation Plan request package for the Senate Bill 125 funding for Santa Barbara County. The SBCAG Board of Directors approved our Initial Allocation Plan at their December 14, 2023 meeting. As the Regional Transportation Planning Agency for Santa Barbara County, SBCAG has been apportioned \$53,475,278 of which 1% is available for administration.

SBCAG coordinated with the transit partners in our region to distribute these funds among several projects that will work to reduce greenhouse gas emissions, improve rail and transit services, and improve transit safety throughout the region.

Following 1% for administration, our Board of Directors approved a set side of 10% of SB125 funding as a match for a Transit and Intercity Rail Capital Program (TIRCP) Cycle 7 application. The remaining 90% is being allocated to transit partners for eligible priority projects.

Attachment A provides the project details by agency in our region and Attachment B includes the summary table of our Initial Allocation Plan.

We are thankful to the State of California and to the California State Transportation Agency for this funding. We look forward to working with CalSTA and our transit partners on helping improve transit and rail services in our region.

Please contact Sarkes Khachek, SBCAG Director of Programming, at skhachek@sbcag.org or by telephone at 209.402.4445 if you have any questions.

Thank you,


MARJIE C. KIRN

MEMBER AGENCIES:

Buellton • Carpinteria • Goleta • Guadalupe • Lompoc • Santa Barbara
Santa Maria • Solvang • Santa Barbara County

Executive Director
Santa Barbara County Association of Governments

Cc:

Mark Tollefson, Undersecretary, CalSTA
Chad Edison, Chief Deputy Secretary, Rail and Transit

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B. Allocation Package Narrative Explanation

The Allocation Package Narrative Explanation shall include the following:

i. An explanation of what funding and service actions are being taken within the region that utilize resources other than SB125 funding.

The Santa Barbara County region is generally not using SB 125 Funding for operations related shortfalls. One transit service, the Clean Air Express (CAE) operated by the Santa Barbara County Association of Governments has identified an operations funding shortfall. The remaining transit operators have sufficient funding to maintain baseline service levels through the utilization of a mix of State Transit Assistance (STA), Local Transportation Fund (LTF), Federal Transit Administration (FTA), and local 'Measure A' funding sources. In all cases, including for the CAE, all local, State and Federal funding will be expended first. This is further demonstrated by the region's distribution and application of the SB 125 Funding for capital projects, including those projects which will leverage SB 125 funding for future TIRCP Cycle 7 funding. By utilizing SB 125 for existing/new capital projects, this offsets the need to utilize existing funding (such as higher STA or FTA revenues) which can be maintained for operations.

In the case of the CAE, an ongoing operations funding shortfall has been identified as associated with impacts from the pandemic. The CAE has traditionally relied upon local Measure A sales tax revenues and passenger fare revenues. CAE has not received LTF or STA directly until very recently when SBCAG began administering the service and reporting directly to the State Controllers Office. Previously this funding was disbursed to the city agencies that managed the CAE service (i.e. Lompoc and Santa Maria). Unfortunately, the levels of LTF and STA received by SBCAG for the CAE are below those levels allocated directly to the Cities as CAE only LTF from the County of Santa Barbara and receives 99314 STA (not any 99313 STA). Additionally, FTA revenues go directly to three other transit agencies in the Santa Barbara urbanized areas, SMRT, COLT and SBMTD. CAE only recently received one-time FTA revenues as a result of the COVID response stimulus legislation. Together, the STA/LTF and FTA revenues accounted for approximately 45% of the CAE budget during the current and last two fiscal years.

To overcome the upcoming/ongoing shortfalls, SBCAG has worked with the County of Santa Barbara to identify additional levels of LTF funding that will be made available on an annual basis. This will be in addition to those STA revenues received directly by SBCAG for operations. Additionally, SBCAG has over the prior three years worked towards becoming eligible for FTA formula grant funding which is now available due to the recent 2020 Census. That is, additional FTA 5307 and 5339 will be generated and allocated to the region for CAE operations and capital needs. Initial FTA apportionments allocated to CAE are estimated to increase as SBCAG changes from a "Reduced Reporter" and becomes certified as a "Full Reporter" by the National Transit

Database. In addition to identification of additional formula funding, SBCAG recently adopted a Fare Increase for the CAE service. Over the next three fiscal years, an overall 20% increase to passenger fare pricing will be implemented in stages. To generate additional revenues SBCAG is exploring the possibility of an advertising program. Lastly, in July 2025 the CAE current contract will expire. SBCAG is exploring the potential for a joint procurement for greater economies of scale.

These actions by SBCAG to generate additional funding and lower costs for the CAE will help overcome anticipated operational shortfalls over time. The initial availability to utilize SB 125 funding will ensure baseline 2022 service levels are maintained, and potentially restored to pre-pandemic levels.

ii. A description and justification of the RTPA strategy to use SB 125 funding to construct capital projects and fund operating expenses that lead to improved outcomes in its jurisdiction.

As the RTPA, the Santa Barbara County Association of Governments (SBCAG) developed a strategy that utilizes SB 125 primarily for capital projects that further the transition to zero-emissions, increase capacity for transit operations, improve safety along the rail right of way, and that focus on improving the rider experience, including for items such as safety, service frequencies, and integration of fare payments. These strategies are achieved through a combination of fully funded projects using SB 125 as well as those projects seeking additional/future TIRCP Cycle 7 funding and/or leverage prior TIRCP funding (e.g. Cycle 3).

For example, the project list includes multiple LOSSAN rail corridor crossing projects designed to improve safety for pedestrians, cyclists and motorists increasing the reliability of passenger rail service. Other projects include a Countywide Contactless Integrated Open-loop Fare System, which will provide a single/seamless fare payments platform for passengers of any transit operator in the county. In addition, capital projects identified by the SBMTD and Cities of Lompoc and Santa Maria greatly expand the availability of zero-emission transit vehicles. In the case of the SBCAG and Lompoc transit facilities, these are shared facilities benefiting both the local transit operations (CAE and COLT, respectively) as well as those regional services that serve the jurisdictions (e.g. VCTC Coastal Express, Amtrak Thruway for the SBCAG facility, and CAE and SMRT for the COLT facility).

iii. A detailed breakdown and justification for how the funding is proposed to be distributed between transit operators and among projects, consistent with the legislative intent described in SB 125.

Most transit operators in the region have sufficient funding to maintain baseline service levels by using of a mix of State Transit Assistance (STA), Local Transportation Fund (LTF), Federal Transit Administration (FTA), and local 'Measure A' funding sources. These operators will only use SB 125 funding for capital costs and will be able to keep existing funding

such as higher STA or FTA revenues for operations. CAE is the only operator that has identified a funding shortfall and will use SB 125 to overcome upcoming shortfalls in order to prevent service cuts and continue to operate at current levels of service.

SBCAG worked with the transit operators in the region to determine a sub-allocation methodology for this funding. Because there are multiple transit operators in the region that all have high priority projects, the operators decided to sub-allocate the funding by region, which is the Board approved method that is used for Low Carbon Transit Operations Program and State of Good Repair funding. Per SBCAG Board direction, 10% of the funding will be set aside as a match for a regional TIRCP Cycle 7 competitive application. Of the remaining funds, 45% will go to North County projects, 45% will go to South Coast projects, and 10% will go to regional projects.

This sub-allocation methodology has worked for our region and gives the chance for each operator to fund the priority projects within their service area. It also allows Santa Barbara Metropolitan Transit District (SBMTD) to receive 45% of the funding as the largest operator in the area. If there are existing TIRCP projects or operating needs, the transit operators will use their share of the funding to prioritize these projects.

Currently only SBMTD and CAE have existing TIRCP projects, and CAE has operating needs, and the rest of the funding will be put towards new capital projects throughout the region. These capital projects are high priorities within the service areas that can be moved forward with this one-time funding opportunity to help improve transit services throughout the region.

C. Allocation Package Detailed Project Description

SBCAG has worked with the operators in the region to determine a project list for the \$53,475,278 apportioned to Santa Barbara County. SBCAG will use 1% of the funds for administration, as allowed in the Guidelines. The rest of the funds are listed below, and the detailed project descriptions, as well as regional operator data (Section E), are located in **Attachment A** categorized by implementing agency. Section D includes a summary table of the projects, and the project numbers below correlate to the project numbers in the table, as well as project details in Attachment A. Please note that some projects will receive both TIRCP and ZETCP funding, so project numbers may repeat.

TIRCP Capital

New TIRCP Projects

1. TIRCP Cycle 7 Match - \$5,294,053

10% of TIRCP funds will go towards a match for a county-wide TIRCP Cycle 7 application. The application will include some projects receiving SB 125 funding, as well as additional rail safety improvement projects. These projects are highlighted in green in the summary table in Section D. Some projects have project descriptions while others will have project information at the time of the TIRCP application.

2. City of Lompoc Transit (COLT) Facility Improvement - \$9,610,532

New COLT maintenance and operations facility, which will include solar canopies, bus chargers, and battery storage.

5. SMOOTH, Inc. e-Vehicles - \$1,250,000

Acquisition of all-electric vans or buses.

6. SMOOTH, Inc. Bus Charger - \$250,000

Charging station capability build out.

7. City of Guadalupe eBus - \$1,500,000

Purchase of electric buses.

8. City of Guadalupe Bus Charger - \$500,000

Charging station facility build-out.

9. Santa Ynez Valley Transit (SYVT) Lot 5 Bus Parking Lot - \$900,000

Construct a new parking lot for bus storage, which will include EV charging, security, and other improvements.

11. SYVT Office - \$150,000

Improvements to the Transit Office for use by SYVT Transit Operations.

12. Santa Maria Regional Transit (SMRT) Facility Improvement - \$4,000,000

Additional facility to support growth of the system.

20. SBCAG Clean Air Express (CAE) ZEB Bus Replacement 1 - \$1,201,768
Replacement of 1 diesel motor coach with BEB and charger.

21. SBCAG Clean Air Express ZEB Bus Replacement 8 - \$148,983
Replacement of 8 diesel motor coaches with BEBs and chargers.

Existing TIRCP Projects

15. Santa Barbara Metropolitan Transit District (SBMTD) Terminal 2 Phase 1 Cost Escalation - \$2,000,000

Additional infusion of resources to deliver the original scope.

16. SBMTD Terminal 2 Phase 2A Cost Escalation - \$2,000,000

Additional infusion of resources to deliver the original scope.

17. SBMTD Terminal 2 Phase 2B New Building - \$10,000,000

Construction of a new Administration/Maintenance building at Terminal 2.

18. SBMTD Terminal 1 State of Good Repair Improvements - \$4,160,532
Improvements to maintain facility in a State of Good Repair.

24. SBCAG Clean Air Express Regional Transit Facility Improvements - \$463,603
Paving, fencing, and security improvements and sidewalk construction.

25. SBCAG Ortega Siding - \$300,000
Local match support towards unfunded balance of LOSSAN TIRCP Cycle 7 Project.

ZETCP Capital

10. Santa Ynez Valley Transit EV Bus Purchases - \$736,214
Purchase of 3 new EV buses for SYVT, partially funded by LCTOP.

29. SMRT Opportunity charging - \$1,071,741
Build out of opportunity charging at the Transit Center to support deployment of eBuses.

30. SMRT Electric Over the Road Coach Bus and Charger - \$1,472,338
Purchase of Electric Bus and Charger.

Transit Operations Funding

19. SBCAG Clean Air Express Operating Support - \$1,421,026
Operating funding to maintain current CAE service levels.

22. Fleet Equipment and Technology - \$250,294

Onboard Farebox and ITS equipment and chargers.

D. A summary Excel table including the proposed uses of TIRCP and ZETCP funds by fiscal year of availability.

Attachment B contains a table of all the proposed projects by fiscal year and funding type. Following 1% for administration, our Board of Directors approved a set side of 10% of SB125 funding as a match for TIRCP Cycle 7 application. These projects are highlighted in green, some of which are also receiving SB125 funding. The remaining 90% is being allocated to transit partners for eligible priority projects.

E. Regionally representative transit operator data

i. **Revenue collection methods and annual costs involved in collecting revenue for each transit operator and regional transportation planning agency involved, by payment instrument.**

There are eight bus transit operators in Santa Barbara County, not including two regional operators that originate in neighboring counties. They are: Clean Air Express (CAE), City of Guadalupe (Guadalupe), City of Lompoc Transit (COLT), Easy Lift Transportation, Santa Barbara MTD (SBMTD), Santa Maria Regional Transit (SMRT), Santa Ynez Valley Transit (SYVT), and SMOOTH. Fare collection methods and costs associated with each varies significantly. While SBMTD, COLT, and SMRT each utilize electronic cash counting and pass validating fareboxes with associated infrastructure (such as garage vaults, data systems, licensing and dedicated staffing), other operators have no infrastructure onboard buses aside from manual cash drop boxes and utilize a series of manual processes to count and validate payment, such as visual flash passes.

Most recently, CAE, SBMTD and SMRT have invested in, or have plan to deploy, open loop pass readers onboard their fleets. To better coordinate the deployment of these devices, ensure that no gaps exist with other fleets, and to fully leverage the systems' capabilities, SBCAG as the RTPA is planning a TIRCP Cycle 7 application, matched with SB 125 funding for a project that will design and implement a regional, countywide, integrated fare system. One that will be integrated with a single back end, utilize existing investments and install similar technology across the rest of the small operators. Currently there are minimal transfer agreements between the operators, including for the intercity regional operators such as CAE that operate routes upwards of 70 miles one-way between multiple cities in the North County and South Coast areas. Generally speaking, passengers either must pay using different fare media, or get no discount when "transferring" with cash. The project scope is for a single payment system that can accept contactless EMV, mobile, institutional passes (e.g. student IDs), and employer-purchased media, while also facilitating transfer discounts

and better ridership data collection. SBCAG staff is working with the operators to develop necessary transfer agreements and business rules. In addition, SBCAG is implementing a subregional fare promotion program (using FY23 LCTOP funding) amongst the transit operators in the North County area (i.e. SMRT, Guadalupe, SYVT, COLT and CAE).

Each transit operator's revenue collection methods and cost information are included in the attached transit operator file. As noted, methods vary, and significant gap exists with regard to cash and pass validation from agency to agency. While approximately one third of the buses in this county rely on manual cash boxes and visual validation of passes, presently, for a "best case scenario" wherein operators have all necessary technology to process cash, passes and open loop payments, the following costs would be anticipated (expenses include installation).

Fixed Route Service:

- Cash validating electronic farebox = \$8,000 – 19,000 per bus
- Garage vault system = \$15,000 – 50,000 per fleet
- Annual electronic farebox licenses/support agreements = \$10,000 – 25,000 per fleet
- Open loop pass readers = \$2,000 per bus
- Annual open loop reader licenses/warranty support = \$700 per bus
- Onboard communications equipment = \$1,700 per bus
- Monthly communications service = \$20 – 50 per bus
- IT/mechanic personnel = 0.25-1.0 FTEs dedicated to farebox and pass reader technology (depending on fleet size)

Additional printing/processing fees per pass type are broken down in two categories: percentage of fare paid (Open loop model) or print cost per media (traditional pass). Open loop fees range from 5-12% per fare, including acquirer processors, payment platforms and hardware providers. Per media pass costs can range from \$.05 to \$4.00 per media type sold (e.g. from paper token to magnetic stripe to RFID card).

To equip demand response buses, manual cash boxes combined with open loop readers would be sufficient.

More information regarding each operator can be found in the attached file set.

ii. Statement of existing service plan and planned service changes through the end of 2023-2024, and schedule data in General Transit Feed Specification (GTFS) format.

The GTFS feeds for current service levels and related plans (TAM, ZEB Rollout, Service Development, SRTP's etc) can be found in the attached file sets for each operator.

iii. Expenditure on security and safety measures.

Aside from investments in facility and fleet equipment (lighting, fencing, cameras, etc.) the transit operators in this region traditionally do not have dedicated public-facing safety and security personnel and rely on local law enforcement and first responders. The national

trend for increased concerns about safety and security in and around passenger facilities has been felt by the transit passengers in Santa Barbara County. While conventional transit investments in personnel continue, such as for management, field supervision, and operations control, additional resources dedicated in maintaining a clean, safe and comfortable public right of way is needed to ensure the full utilization of transit. Unfortunately, limited dedicated funding has been insufficient in addressing the rising safety and security challenges which extend beyond transit agency control. This especially true when combined with the rising cost of operations and need for transition to new zero-emissions rolling stock.

To the degree individual operators have itemized safety and security expenditures they have been included in the attached operator file sets.

iv. Opportunities for service restructuring, eliminating service redundancies, and improving coordination amongst transit operators, including but not limited to, consolidation of agencies or reevaluation of network management governance structure.

Recent studies and planning efforts have addressed this item, including agency specific SRTP's as well as through regional plans and studies, such as the Network Integration Study. Specifically, SBCAG has studied potential consolidation of the multiple operators which serve the north county subregion. In addition, SBCAG has begun the process of exploring opportunities to consolidate the Clean Air Express regional commuter bus routes with local operators that serve on either end of the commute corridors. Additionally, SBCAG is examining opportunities for joint-procurements to decrease administrative costs for certain purchase activities, such as service contracts. Depending on the economies of scale, this may or may not be financially prudent. Locally, the Cities of Solvang and Buellton have consolidated transit services with the single Santa Ynez Valley Transit system, and service contract. This has proved beneficial to both entities and to residents. Most recently, the City of Santa Maria within its transit system has formally consolidated branding of two services, that is, SMRT with what was formerly the "Breeze" intercity bus system.

Unfortunately, due to the widespread geography of Santa Barbara County and growing demand, in many cases, additional operations infrastructure and passenger facilities are needed rather than a consolidation or elimination of operations facilities. SBCAG will continue to study this potential, however. Perhaps through growth, at a minimum passenger-facing services, tools and information can be consolidated, if not also operations.

Lastly, in the near future SBCAG has plans for two corridor-specific studies with neighboring RTPA's in San Luis Obispo and Ventura Counties to examine the potential for further coordination, integration and consolidation of inter-regional services.