

Mat-Su Transit Feasibility Assessment

August 2016



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ACRONYMS

ANHC	Alaska Neighborhood Health Center	MOA	Municipality of Anchorage
ANMC	Alaska Native Medical Center	MPO	Metropolitan Planning Organization
ARRA	American Reinvestment and Recovery Act	MSB	Matanuska-Susitna Borough
CATS	Chickaloon Area Transit System	MSSCA	Mat-Su Services for Children and Adults
CIP	Capital Improvement Program	NEMT	Non-Emergency Medical Transportation
CNV	Chickaloon Native Village	NTD	National Transit Database
CIRI	Cook Inlet Region Incorporation	OCS	Office of Children's Services
CITC	Cook Inlet Tribal Council	PCRP	Palmer Mental Health Court/Coordinated Resources Project
Committee	Management Committee	PIP	Public Involvement Plan
DCM	Design Criteria Manual	Plan	Mat-Su Transit Feasibility Assessment
CVTC	Chickaloon Village Traditional Council	QOS	Quality of Service
DOT&PF	State of Alaska Department of Transportation and Public Facilities	RTA	Regional Transit Authority
FAST Act	Fixing America's Surface Transportation Act	SCHC	Sunshine Community Health Center
FTA	Federal Transit Administration	SCF	Southcentral Foundation
HIA	Health Impact Assessment	STA	Sitka Tribe of Alaska
HSCTP	Human Services Coordinated Transportation Plan	SPOTS	Selkirks Pend-Oreille Transit
JARC	Job Access and Reverse Commute Program	TAB	Transportation Advisory Board
JPA	Joint Powers Agency	TANF	Temporary Assistance for Needy Families
LOS	Level of Service	TCRP	Transit Cooperative Research Program
MACS	Metropolitan Area Commuter System (Fairbanks, Alaska)	TIGER	Transportation Investment Grant Economic Recovery Program
MAP-21	Moving Ahead for Progress in the 21st Century	TVT	Treasure Valley Transit
MASCOT	Mat-Su Community Transit	UAA	University of Alaska Anchorage
Mat-Su	Matanuska-Susitna	U-Med	University/Medical

VA Veterans Affairs

WASI Wasilla Area Seniors, Inc.

VNPC Valley Native Primary Care

INTRODUCTION

The Matanuska-Susitna (Mat-Su) Transit Feasibility Assessment consists of a detailed evaluation of existing and future transit services in the Mat-Su Borough (MSB) to identify and recommend potential restructuring of the transit system based on direction provided by MSB transit leaders. The objectives of this assessment are to improve the transit system and to simplify agency administration and funding.

This section of the report introduces the background of why this assessment is needed, provides a summary of the roadway network and demographics of the MSB, and introduces key funding considerations that affect the analysis throughout this report. The remaining sections of the report document the existing transit system, transit service needs, a peer review, an overview of governance models, potential organizational concepts, and an organizational and operational plan.

Background

The following four MSB transit service providers deliver a variety of transit services; including commuter, route deviation, and demand response in the MSB (details regarding each transit provider are discussed in the existing conditions section of this report):

1. Mat-Su Community Transit (MASCOT),
2. Valley Mover,
3. Sunshine Transit, and
4. Chickaloon Area Transit System (CATS).

MASCOT has been in operations since 1999 with the mission to provide public with transportation services to access health care, employment, and other destinations. The other three providers began providing transit service between 2009 and 2011. Two of the providers (MASCOT and Sunshine Transit) receive more than half of their revenue from Federal Transit Administration (FTA) grants. Valley Mover receives about a third of their revenue through the FTA. The Alaska Department of Transportation and Public Facilities (DOT&PF) administers and distributes the FTA funds to each of the transit providers through an annual grant application process.

On May 27, 2014, DOT&PF issued a letter to the MASCOT and Valley Mover Boards of Directors and Sunshine Transit stating that starting December 2016, DOT&PF will no longer accept more than one grant application for transit services in the MSB. The deadline was extended to July 1, 2017 on October 30, 2015 (**Appendix A**). The objective of this letter was to mandate consolidation of transit providers to improve transit administration and operations and promote efficiencies in an environment of scarce transit resources.

In response to DOT&PF's May 27, 2014 letter, a Consolidation Committee¹ was formed to develop a strategy to comply with DOT&PF's letter and to undertake a consolidation plan. The chosen strategy

¹The Consolidation Committee includes representatives from the following groups: MSB Transportation Planner, Coalition on Housing and Homeless, Nugens Ranch, Share a Ride, MSB Mayor, MSB School District, MSB TAB, MSB School District Routing Specialist, Retail Seat – Northern Industrial Training, MASCOT, Chickaloon, Mat-Su Senior Services, Valley Mover, Division of Vocational Rehabilitation, Alaska Family Services, Sunshine Transit, and bus riders.

included the formation of a Planning Team² consisting of stakeholder representatives and transit consultants to complete this Mat-Su Transit Feasibility Assessment.

Roadway Network

Two major state highways traverse the MSB and connect nearby communities. The Glenn Highway is the major transportation route between Anchorage, the Palmer-Wasilla area, Chickaloon, and Glennallen. The George Parks Highway connects the Palmer-Wasilla area to Talkeetna and beyond to Fairbanks and Interior Alaska. The MSB includes a total of 2,837 miles of roads, of which 926 miles are managed by the State of Alaska and 1,745 miles are MSB or local roads. The State typically owns the higher classification roadways (i.e., freeways, major arterials, and minor arterials), while the MSB typically owns the lower classification roadways (i.e., collectors and residential streets). Because most major destinations and traffic generators are located along higher classification roadways, significant coordination with DOT&PF is necessary to locate transit facilities and access within State highway rights-of-way. The distances between major communities in the MSB are listed in the Table 1 below:

Table 1 – Distances between Major Communities

Distance (miles)	Anchorage	Eagle River	Palmer	Wasilla	Talkeetna	Chickaloon
Anchorage	-	16	43	44	114	74
Eagle River	16	-	27	28	98	58
Palmer	43	27	-	13	83	32
Wasilla	44	28	13	-	70	42
Talkeetna	114	98	83	70	-	112
Chickaloon	74	58	32	42	112	-

Demographics

Population and employment demographics for the MSB provide insight into the community being served by the transit providers now and in the future. Continued population and employment growth will make public transit services an increasingly important option to provide mobility and quality of life for MSB residents. The analysis and recommendations provided in this report are tailored to the MSB's unique situation.

Size and Area

The MSB covers 25,258 square miles but has a 2015 population of only 101,095.³ The core area includes Palmer, Wasilla, and the surrounding neighborhoods and is home to the majority of the MSB residents. However, even the core area is primarily characterized by low density residential, commercial, and industrial development. The density within the City of Palmer and Wasilla proper is greater than the surrounding area, but they are still a relatively small portion of the core area population. The two communities represent about one-third of the total core area population, which was estimated at more

² The Planning Team includes representatives from MASCOT and Valley Mover Boards, the Foraker Group, DOT&PF, Mat-Su Health Foundation; and the consultant team (DOWL and Kostelec Planning). The Management Committee includes representatives from MASCOT, Valley Mover, and Sunshine Transit.

³ The 2015 population estimate is based on the most recent US Census numbers for 2015, which were reported on <http://www.matsugov.us/> on March 25, 2016.

than 44,000 in the 2010 Census. This is somewhat unique because most urbanizing areas have a central city that comprises a higher percentage of area population and becomes the focus of transit services.

Population Growth

The MSB is the fastest growing area in the State of Alaska and in 2016 surpassed Fairbanks North Star Borough as the second largest community in Alaska. In the last 25 years, the MSB has averaged 3.4 percent growth per year versus 1.2 percent per year for the state overall.⁴ Recent projections anticipate the MSB continuing to grow at a rate of 1.9 percent per year from 2012 to 2042, which would result in almost doubling the population over 30 years.⁵ The core area of the MSB (i.e., the cities of Wasilla and Palmer, as well as the surrounding neighborhoods and commercial/industrial areas) has experienced the greatest growth and will likely continue to see the greatest increase in population and population density.

As the population increases, the percent and quantity of the population in various age brackets will change, and transportation needs will likewise change (Table 2). Because transportation choices and needs differ, understanding the changing demographics will help the MSB transit providers make wise investments. Because the older population will grow the most rapidly⁶ (i.e., the population within the 70+ age bracket is expected to more than triple between 2012 and 2042), it will become increasingly important for public services to account for their unique needs. For public transportation, the expected result is increased demand for transit, including specialized and social service transit services. In addition, the size of the population that is of prime working age (i.e., 20 to 60 years old) is anticipated to increase by more than 60 percent to almost 85,000 people. This growth is expected to fuel additional demand for commuter transit service.

Table 2 – Population Growth within the MSB by Age Bracket⁷

Age Bracket	2012		2022		2032		2042		Yearly Growth % (2012-2042)	Total % Increase (2012-2042)
	Total	% of Pop.	Total	% of Pop.	Total	% of Pop.	Total	% of Pop.		
70+	4,904	5.2%	9,832	8.3%	16,534	11.6%	18,723	11.3%	4.6%	282%
60-70	8,657	9.2%	13,326	11.3%	12,129	8.5%	13,432	8.1%	1.5%	55%
20-59	51,112	54.5%	58,886	50.0%	70,654	49.5%	83,489	50.2%	1.6%	63%
0-19	29,128	31.1%	35,801	30.4%	43,298	30.4%	50,694	30.5%	1.9%	74%
Total	93,801		117,845		142,615		166,338		1.9%	77%

Source: Alaska State Demographer, 2012-2042

Another way to visualize demographic changes is through population pyramids, which are shown in Figure 1. Over time, Baby Boomers are aging and will move into upper age brackets. Because the MSB

⁴ <http://www.matsugov.us/31-communication/press-releases>

⁵ Alaska Population Projections: 2012 to 2042, Alaska Department of Labor and Workforce Development, Research and A

⁶ The greatest percent increase is expected for residents greater than 70 years old (4.6 percent yearly growth, which would more than double the proportion of this demographic group from 5.2 percent to 11.3 percent of the population by 2042). Youth (i.e., 19 years old or younger) are expected to grow at the same rate as the overall population (1.9 percent yearly growth), which allows this demographic group to maintain a consistent proportion of the population at around 30.5 percent. The two middle demographic groups that make up the majority of the workforce (20 to 59 year olds and 60-69 year olds) grow at a much smaller percentage (1.6 and 1.5 percent, respectively), which drops their proportion of the overall population from 54.5 to 50.2 percent (20 to 59 year olds) and 9.2 to 8.1 percent (60-69 year olds).

will still have a high number of youth and those in the workforce age groups, the population pyramid is expected to have a moderately healthy pyramid shape. Demands will increase related to an aging population, but changes in the MSB are not expected to be as severe as the overall State of Alaska or many other parts of the country where the pyramid is becoming more vertical with near-equal population in each age bracket.

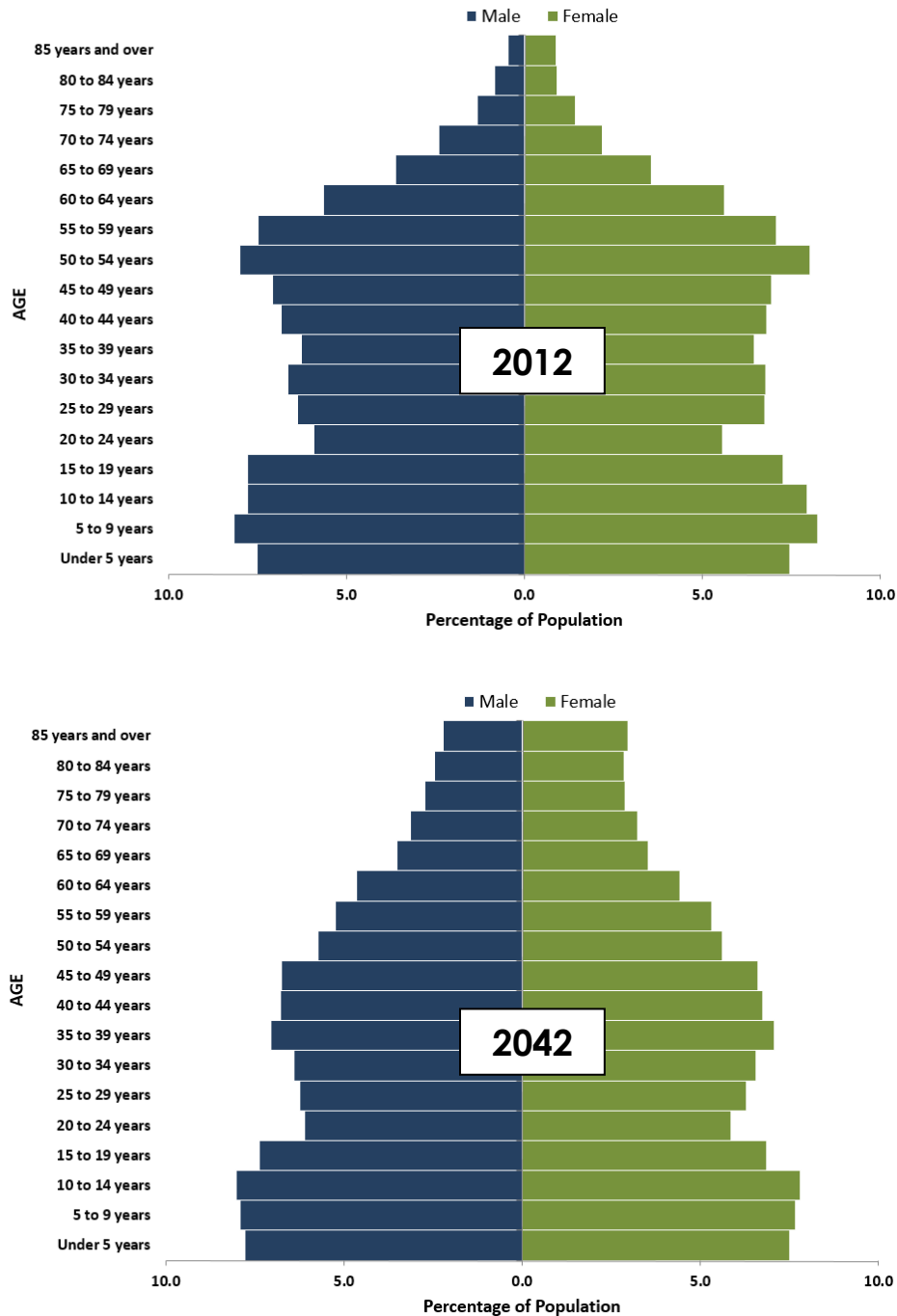


Figure 1 – Population Pyramid Depicting the Changing Age Demographics in MSB from 2012-2042⁸

⁸ Source: Alaska State Demographer, 2012-2042

Employment

The MSB is home to several large organizations with more than 100 employees. Until 2011, the State of Alaska Department of Labor and Workforce Development tracked a variety of statistics that relate to large employers across the State of Alaska. At that time, the MSB had ten of these large employers, including the Mat-Su Regional Medical Center, which was the largest MSB employer with more than 500 jobs. Table 3 lists the other organizations with a large number of employees in the MSB.

Table 3 – Ten Largest Employers in the MSB – 2011*

Company	Employees
Mat-Su Regional Hospital	500+
Safeway/Carrs Matanuska Telephone Association Walmart	300 to 499
Fred Meyer Mat-Su Borough Mat-Su Community Counseling Center Mat-Su Services for Children and Adults (MSSCA) Nye Frontier Ford Wolverine Supply	100 to 299

Source: Alaska Department of Labor and Workforce Development 2011

*Note: Beginning in 2012, according to the Alaska Department of Labor, their non-disclosure rules no longer allow them to provide employment information that relates to or identifies employers.

Work Flow Trips

According to the U.S. Census Work Flow Trips database (i.e., 2009-2013 5-Year American Community Survey Commuting Flows), approximately 24,200 people live and work in the MSB; 13,700 live in the MSB but work elsewhere (mostly in Anchorage); and 1,200 live outside the MSB but work in the MSB. The large percentage of outflow workers, primarily to the Municipality of Anchorage (MOA), explains the demand for long-distance commuter transit services, currently being provided by Valley Mover and the MOA's vanpool services. With a large number of workers remaining in the MSB, there is corresponding potential for transit demand within the MSB.

With regard to the two main cities in the MSB, the census data indicate:

- Wasilla:
 - More than 3,400 people who reside in Wasilla work outside the city limits.
 - Nearly 5,600 people work inside the city limits of Wasilla but reside outside the city limits.
- Palmer:
 - More than 2,100 people who reside in Palmer work outside the city limits.
 - Nearly 3,800 people work inside the city limits of Palmer but reside outside the city limits.

The data suggests that many residents of the adjacent neighborhoods outside city limits travel into the two cities for work. Therefore, additional transit service connecting Palmer and Wasilla to the surrounding areas, particularly residential neighborhoods, could result in increased local commuter ridership.

Funding

Transit funding is a key consideration affecting the type and amount of transit service that can be provided now and in the future. It would be difficult for any public transit system in the U.S. to rely solely on its own revenues to provide a functionally operative service to the traveling public. This means some fiscal mechanism must be identified to close the revenue gap between fares collected and the actual costs of providing public transit services.

The two funding sources that have the greatest impact on the analysis in this report are FTA Section 5311 and Medicaid. These sources are described below; while additional funding opportunities are described in detail in the operational plan provided at the end of this report.

FTA Section 5311 Funding

In 2015, the FTA provided approximately 56 percent of total revenue for public transit in the MSB, primarily through Section 5311 formula grants. The public transit providers in the MSB are eligible for Section 5311 formula grants because of the Rural Area designation. Namely, eligibility for FTA 5311 funding includes having a population less than 50,000 in the urban cluster.

Based on the most recent census data, the 50,000 population threshold is anticipated to be surpassed soon, which could trigger creation of a Metropolitan Planning Organization (MPO) around year 2020. When this occurs, the urban cluster area would no longer qualify for FTA 5311 funding but providers serving this area would be eligible to apply for FTA 5307 funding. In addition, those providers operating in rural areas would still be eligible for the FTA-5311 funding, and if a transit organization provides service in both rural and urban areas, they are eligible for both funding types as long as they are using each funding source as it is intended and required by FTA.

FTA Section 5311 requires match funding of 43.01 percent for operations and 9.03 percent for capital and administrative costs. Transit providers currently match FTA Section 5311 funding with State of Alaska General Funds (which do not require match funding) and other local funding sources; however, it is often a struggle to generate sufficient match funding to be eligible for the desired level of FTA operational funding. Therefore, identifying and sustaining match funding is a vital need for MSB transit providers.

In December 2015, MAP-21 (Moving Ahead for Progress in the 21st Century) was superseded by a new transportation reauthorization law: the Fixing America's Surface Transportation (FAST) Act. The FAST Act provides states with the ability to plan transportation improvement projects with predictable funding through 2020. Other highlights⁹ of the new Act with relation to transit and FTA funding include the following:

- Provides an increase of approximately \$1 billion per year nationally to the transit program,
- Phases in increased Buy America requirements (up to 70 percent by FY 2020),
- Includes changes to the Workforce Development Program,
- Targets funding increases towards improving state of good repair and the bus program,
- Funds transit research from both the Trust and General Fund, and
- Streamlines vehicle procurement and leasing.

⁹ https://www.transit.dot.gov/sites/fta.dot.gov/files/docs/2015_FAST_Act_Presentation.pdf

Medicaid Funding – Non-Emergency Medical Transportation (NEMT)

Medicaid also provides funds for transit agencies, but there are several challenges associated with administering it. To qualify, transit providers must:

1. Enroll with Medicaid under any of the following:
 - o Taxi (provider type 083),
 - o Wheelchair Van Services (provider type 086),
 - o Hotel/motel with restaurant (provider type 088), or
 - o Hotel/motel without restaurant (provider type 089).
2. Prior authorization is needed to take place prior to a Medicaid patient taking a NEMT. The State of Alaska uses Care Coordinators (individuals who typically work in hospitals, clinics, or a health organization) to preauthorize payments to the transit provider.
3. After the NEMT is authorized, the Medicaid patient and Care Coordinator work together to identify the best transit source to use. This transit source can be any transit provider in the MSB.
4. The Medicaid patient provides the transit bus operator with the preauthorized Medicaid voucher.
5. The transit organization submits the voucher to the State of Alaska's Medicaid Office and receives payment within a few days.

Sunshine Transit relies heavily on the use of Medicaid funding for operations. Some factors that should be considered before choosing to pursue Medicaid funding include:

- Care Coordinators can be anyone (they do not need a degree or to be a health organization), but they must go through State of Alaska Senior Disabilities Service training and receive a special "Care Coordinator" Certificate from the State of Alaska.
- Care Coordinators are typically not allowed to work for the transportation agency that will be a recipient of the Medicaid sponsored fare because it is viewed by Medicaid as a conflict of interest.
- Hundreds of Care Coordinators operate in the State of Alaska. Sunshine Community Health Clinic (SCHC) employs Care Coordinator(s) and could continue to provide the same service to the Upper Susitna region with or without Sunshine Transit being affiliated with the Clinic. As long as the two entities operate under the same business entity, they will have to walk a thin line to maintain eligibility for Medicaid funding without being viewed as in conflict. If they were to separate and the Clinic desired to maintain a close working relationship, Sunshine Transit could continue to operate in the same space, parking areas, etc. and to continue to benefit from the Clinic acting as a Care Coordinator in the region. In concept, this would remove some of the risk from Sunshine Transit's business model (e.g. no longer subject to the decisions of a board/business who's primary function is not transportation, less risk of being viewed as a conflict of interest for the Clinic), but continued success would also be dependent on SCHC maintaining the same/similar level of commitment with regard to transit services in the region.
- The key to using Medicaid funding as part of the transportation funding boils down to enrolling in Medicaid and then marketing your medical transportation services to Care Coordinators, Health Organizations, and the public. Under a consolidated model, the new transit organization would need to include marketing to SCHC and other Care Coordinators.

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EXISTING CONDITIONS

With support from partner organizations, the four MSB transit service providers deliver a variety of transit services, including commuter, route deviation, and demand response. Existing conditions of the four transit providers is provided, followed by information related to the partner organizations.

Transit Providers

The following information regarding each transit provider can be found in Table 4 (MASCOT), Table 5 (Valley Mover), Table 6 (Sunshine Transit), and Table 7 (CATS).

- Service and maintenance operations;
- Service schedules;
- Organization structure and staff resources;
- Bus, equipment, and facility inventory;
- Programs, contracts, and union agreements;
- Dispatch systems;
- Fares; and
- Funding sources and budget amounts.

Existing routes and facilities are provided for each transit provider in Figures 2a and 2b (MASCOT), Figure 3 (Valley Mover), Figures 4a to 4D (Sunshine Transit), and Figure 5 (CATS). The MASCOT and Valley Mover figures also show the existing number of monthly rides provided by the providers. The MASCOT ride numbers correspond with an average of July 2015 to March 2016, while the Valley Mover rides are from April 2016. These values are considered representative of a typical month.

Table 4 – MASCOT

Facility	Operations	Schedules	Administration
<p>Location: 225 W. Riley Ave, Wasilla, AK 99654.</p> <p>Land Ownership: City of Wasilla and leased to MASCOT for \$1 per year.</p> <p>Lease Agreement: 20 years, with 10 years remaining.</p>	<p>Organization: In service since 1999.</p> <p>Service Type: Route Deviation and Demand Response bus service.</p> <p>Bus Maintenance: Performed in-house. Buses are rotated out every 4,500 miles, leaving four buses on the road at a given time.</p> <p>Bus Stops: Serves a total of 40 bus stops that are located along 11 routes.</p>	<p>Summary: MASCOT operates Monday through Friday (except for holidays) from 5:30 a.m. to 8:00 p.m. with routes along the Palmer-Wasilla and Parks Highways and within Palmer.</p>	<p>Organization Structure: Consists of a six member board and 12 employees.</p> <p>Staff: The paid staff includes the executive director, two administrative staff members, one transit manager, one dispatcher (currently vacant), six bus drivers, and one maintenance supervisor.</p>
Inventory	Programs, Contracts, Unions		Dispatch
<p>Buses: 14 passenger buses that seat nine to 20 passengers. Retired buses are used for spare parts.</p> <p>Equipment: One 2012 Driving Simulator for training new drivers, valued at approximately \$200,000.</p> <p>Transit Facility: The facility includes five maintenance bays, a wash bay, an outdoor fueling station, and an office.</p>	<p>Purple Pass Program: Provides reduced bus fare options for seniors, individuals with disabilities, and low income persons.</p> <p>Mat-Su Accessible Cabs Program: Provides cab fare assistance for seniors and individuals with disabilities.</p> <p>Taxi to Work Program: Provides job-related transportation for seniors with disabilities and low income persons.</p> <p>Unions: Recognized by the Local 959 Teamsters Union for good faith negotiation. Maintenance staff is covered by International Union of Operating Engineers Local 302.</p>		<p>System: MASCOT uses a program called Novus, from Trip Spark (formerly Trapeze) to schedule, produce manifests, and maintain records for its Demand Response Bus Service. For Route Deviation, riders may call MASCOT dispatch at least 30 minutes in advance to request to be picked up or they may inform a bus operator of the location where they need to be dropped off.</p>
Fares	Funding (Source: BlackCat and MASCOT's FY15 Financial Audit. All numbers are approximat dollar amounts for planning purposes.)		
<p>Summary: A bus rider can either purchase a fare upon entry or they can purchase a punch card. MASCOT offers discounts for senior citizens (see programs listed above).</p>	<p>Funding Sources: FTA Section 5311 funding, Alaska Mental Health Trust Authority, Alaska State General Funds, Temporary Assistance for Needy Families (TANF), local subsidies, donations, and farebox revenue.</p> <p>Funding Budget: In 2015, MASCOT's total revenue was approximately \$868,000, with \$483,000 funded by FTA (primarily 5311) and \$385,000 funded through non-federal sources, such as Alaska Mental Health Trust Authority, Alaska State General Funds, Temporary Assistance for Needy Families (TANF), local subsidies/match, donations, farebox revenues, advertising, and other income. Expenses include administrative, operating, and maintenance. In 2015, MASCOT's total expenses were \$917,000, which resulted in a net shortfall of \$49,000.</p>		

Table 5 – Valley Mover

Facility	Operations	Schedules	Administration
<p>Location: Located on the Parks Highway near the Big Lake intersection at 8336 W. Parks Highway, approximately eight miles west of Wasilla.</p> <p>Land Ownership: The facility is owned by Tew's Enterprise. The land and facility are leased to Valley Mover for a total of \$7,953 a month.</p> <p>Lease Agreement: The lease agreement is for 5 years (2013 to 2018).</p>	<p>Organization: In service since 2011.</p> <p>Service Type: Commuter route.</p> <p>Bus Maintenance: Maintenance is performed in-house. The buses are more than 15 years old and have an average of 600,000 miles on them.</p>	<p>Summary: Valley Mover provides transit service Monday through Friday from 4:40 a.m. to 7:30 p.m. They offer 15 round trips per day from the MSB to Anchorage and one round trip from the Valley to Eagle River.</p>	<p>Organization Structure: Valley Mover's organization includes a five member board and 12 employees, one mechanic, one bus fueler, one bus washer, and six bus operators. The employees are nonunion.</p>
Inventory	Programs, Contracts, Unions	Dispatch	
<p>Buses: Valley Mover owns 18 diesel buses. They operate seven buses and use the others for parts and back up.</p> <p>Facility: The facility is 8,139 square feet, and includes five maintenance bays, a wash bay, an outdoor fueling station, and an office. The lease agreement also includes heavy equipment such as a tire machine.</p>	<p>Contracts: University of Alaska Anchorage (UAA), MSB School District, and Conoco Phillips Students and employees ride for free. The contracts total approximately \$50,000.</p>	<p>System: Valley Mover uses their administrative assistant for dispatch calls that come in during office hours. Customers are expected to call the day before if their flag stop is in the morning before office hours. The office, shop, and buses have radios to dispatch when calls come in.</p>	
Fares	Funding (Source: BlackCat and Valley Mover Income Statements. All numbers are approximate dollar amounts for planning purposes.)		
<p>Summary: Riders can either purchase a fare upon entry or they can purchase a day pass or unlimited monthly pass.</p>	<p>Funding Sources: FTA Section 5311 Alaska State General Funds, farebox revenue, and contracted services with Mat-Su Borough School District, UAA, and Conoco Phillips.</p> <p>Funding Budget: In 2015, Valley Mover total revenue was \$1,242,000 Approximately \$446,000 was funded by FTA Section 5311 and \$796,000 was funded through non-federal sources such as State of Alaska General Funds, advertising, local grants, and farebox revenues. Expenses include administrative, operating and maintenance. In 2015, Valley Mover's total expenses were \$1,215,000 which resulted in net surplus of \$27,000.</p>		

Table 6 – Sunshine Transit

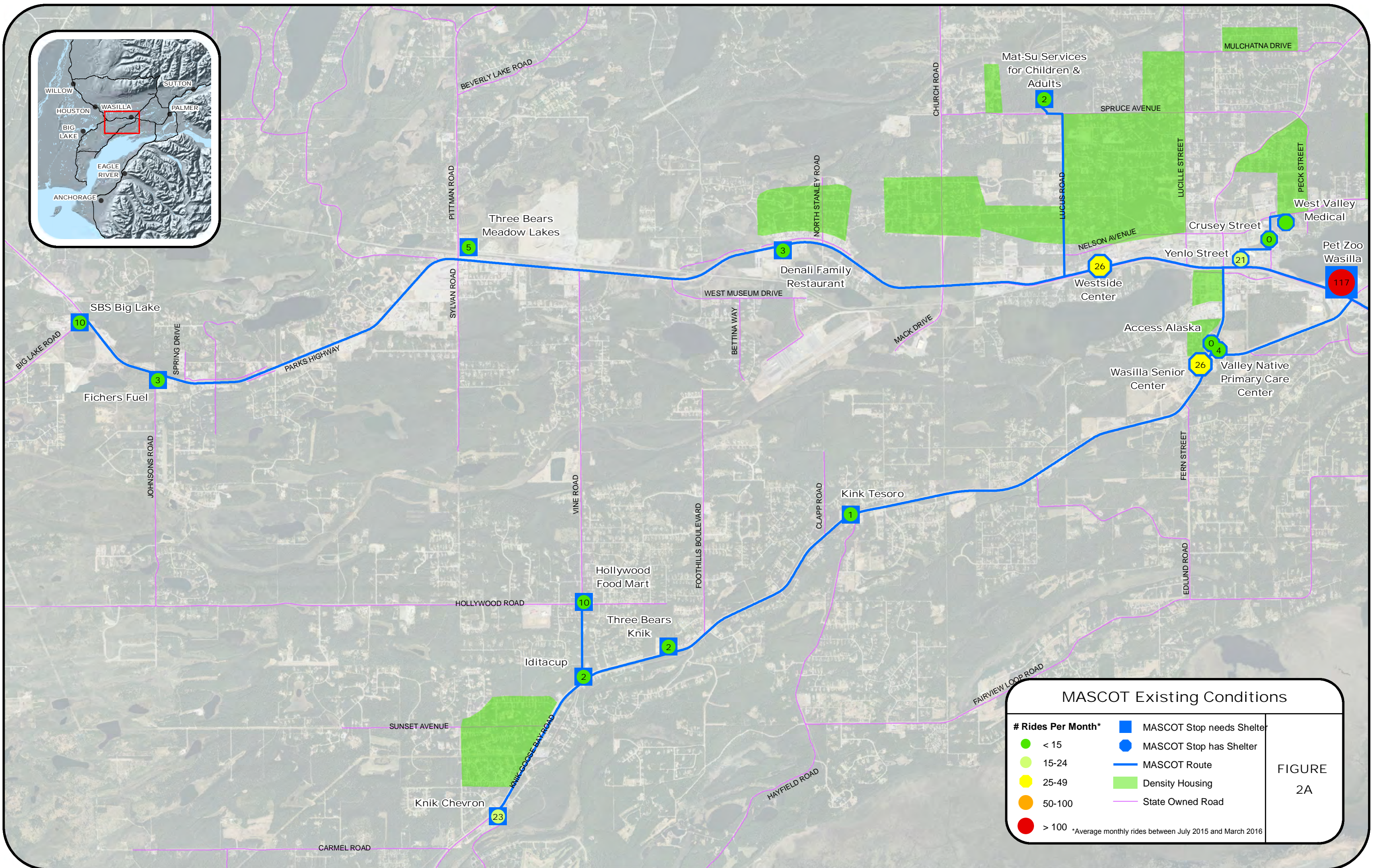
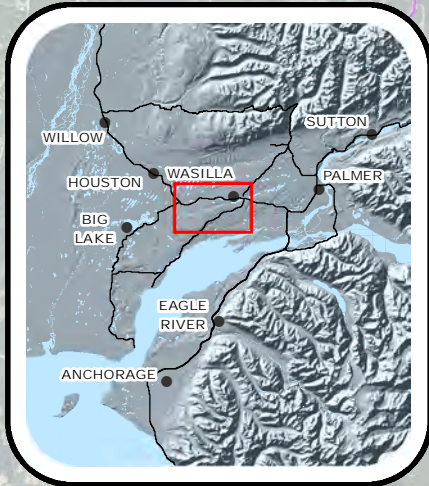
Facility	Operations	Schedules	Administration
<p>Location: Located at Sunshine Community Health Center (SCHC) – 34300 Talkeetna Spur Road, Talkeetna, Alaska.</p> <p>Land Ownership: SCHC provides a 100 square-foot office space for administrative staff. They do not own land or the building.</p> <p>Lease Agreement: None.</p>	<p>Organization: In service since 2009.</p> <p>Service Type: Route Deviation and Demand Response.</p> <p>Bus Maintenance: Maintenance is performed at local maintenance shops in Wasilla. Buses are located in Willow and Talkeetna, neither of which has a garage facility.</p>	<p>Summary: Sunshine Transit operates Monday through Friday, 8:00 a.m. to 7:30 p.m., and Saturday, 10:20 am to 6:00 p.m. on Tuesdays from 9:00 a.m. to 5:00 p.m. a Trapper Creek/Willow Demand Response service is offered with reservations needed at the same rate as in town services. On Wednesdays, 9:00 a.m. to 5:00 p.m., a similar Willow Demand Response service is offered with reservations. They also provide a Monday through Friday Roundtrip Service from Talkeetna to Wasilla, departing at 9 a.m. and returning at 2 p.m.</p>	<p>Organization Structure: Sunshine Transit is overseen by the SCHC Board of Directors. The transit department includes an advisory board (four active members) and the transit manager, who oversees eight bus drivers and two office assistants. Sunshine Transit has a total of 11 employees.</p>
Inventory	Programs, Contracts, Unions	Dispatch	
<p>Buses: Sunshine Transit owns a total of six vehicles, of which one bus is out of service.</p>	<p>Programs: University of Alaska students ride for free and senior citizens can purchase a 10 one-way ride punch card for almost half the price of a regular punch card.</p>	<p>System: The office is staffed at all times with a dispatcher who takes the calls and coordinates the schedule. They have their own phone line so they can get calls directly and do not have to be routed through the clinic line.</p>	
Fares	Funding (Source: BlackCat. All numbers are approximant dollar amounts for planning purposes.)		
<p>Summary: Riders can either purchase a fare upon entry or they can purchase a punch card that provides 10 one-way rides. Students ride for free and senior citizens can purchase a 10 one-way punch card for half the price of a regular punch card.</p>	<p>Funding Sources: FTA Section 5311 funding, Alaska State General Funds, Medicaid, fares, and donations.</p> <p>Funding Budget: In 2015, Sunshine Transit's total revenue was approximately \$363,000, with \$246,000 funded by FTA Section 5311 and \$117,000 funded through other non-federal resources such as Alaska State General Funds, Medicaid, donations, and farebox. Expenses include administrative, operating, and maintenance. In 2015, Sunshine Transit's total expenses were approximately \$355,000, which resulted in a surplus of \$8,000.</p>		

Table 7 –Chickaloon Area Transit System (CATS)¹⁰

Facility	Operations	Schedules	Administration
<p>Location: 8255 N. Glenn Highway, Palmer, Alaska (Milepost 55.5 Glenn Highway).</p> <p>Land Ownership: Facility and land is owned and operated under the Chickaloon Village Tribal Council (CVTC).</p> <p>Lease Agreement: None.</p>	<p>Organization: In service since 2010.</p> <p>Service Type: Demand Response.</p> <p>Bus Maintenance: Maintenance is performed at local maintenance shops in Wasilla.</p>	<p>Summary: Monday through Friday 6:00 am to 6:00 pm (except for holidays).</p>	<p>Organization Structure: CVTC is a federally recognized sovereign government with a nine member traditional council. CATS is overseen by CVTC and has three employees: one transit coordinator, one full-time (30 hours per week) and one on-call employee.</p>
Inventory	Programs, Contracts, Unions		Dispatch
<p>Buses: Two vehicles. Both are ADA-compliant. The Native Village of Chickaloon (NVC) allows CATS to borrow a third vehicle (1999 Ford Explorer) as needed.</p>	<p>Summary: Discounts for Senior Citizens and University Students.</p>		<p>System: The office is staffed at all times with a dispatcher who takes the calls and coordinates the schedule.</p>
Fares	Funding (Source: BlackCat. All numbers are approximat dollar amounts for planning purposes.)		
<p>Summary: CATS offer a variety of fare options for their customers. A bus rider can either purchase a fare upon entry or they can purchase a punch card for a month pass. Students and senior citizens can purchase a punch card and receive a discount with identification.</p>	<p>Funding Sources: FTA Section 5311 Tribal Program, Chickaloon Native Village (CNV) Tribal Transportation Program Funds, and farebox revenue.</p> <p>Funding Budget: In 2015, CATS total FTA formula revenue was \$69,000. This formula dollar amount is awarded to CNV based on their National Transit Database (NTD) inventory. They received a 15 percent increase for 2016, but are uncertain about Fiscal Year 2017 funding. A match is not required for these funds. In 2015, CATS total expenses were \$156,000. The CNV's Tribal Transportation Program and revenue received from fares help to cover operating expenses.</p>		

¹⁰ CATS information is provided for reference even though CATS is not being considered for consolidation.

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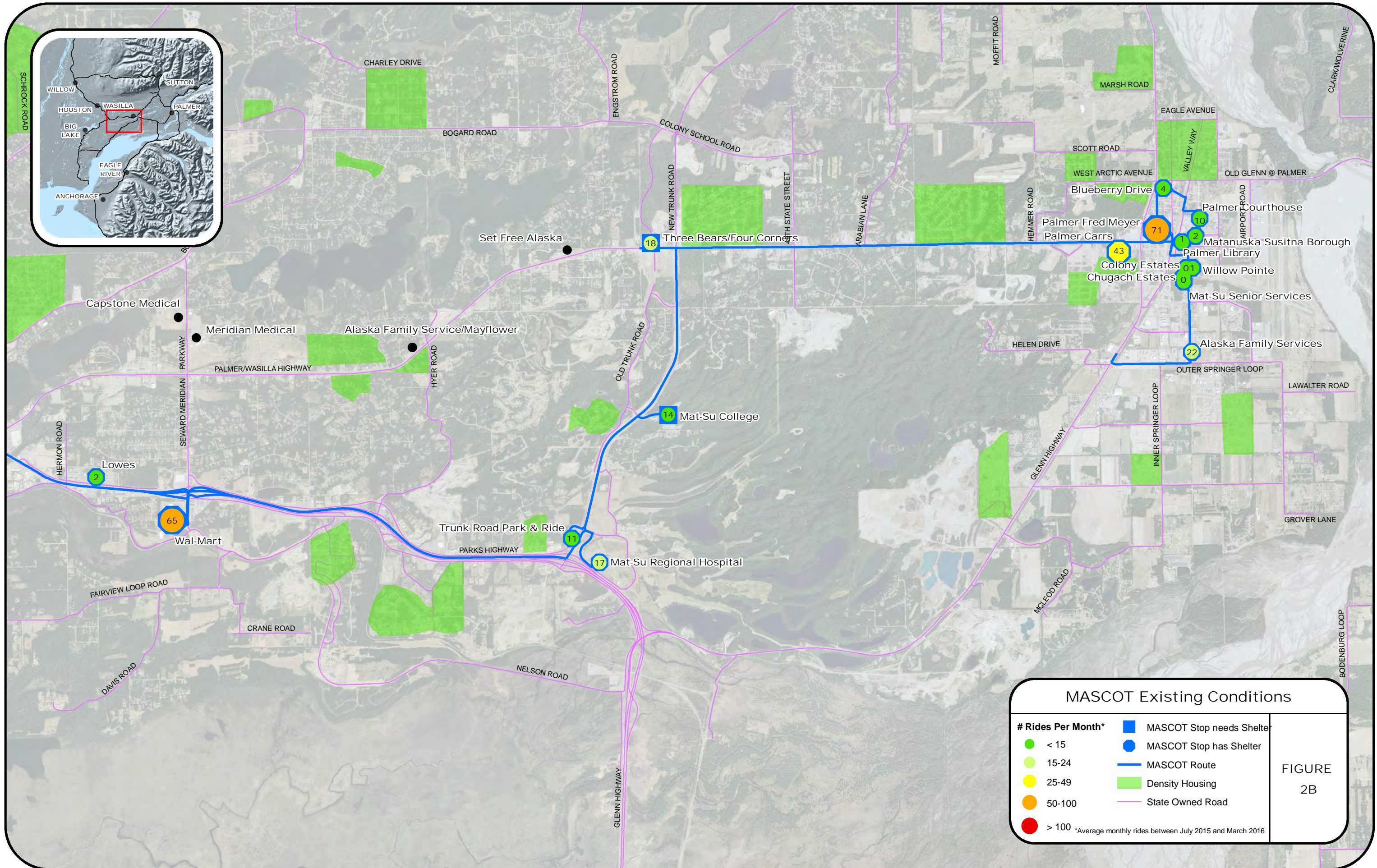
MASCOT Existing Conditions

# Rides Per Month*	Legend
< 15	MASCOT Stop needs Shelter
15-24	MASCOT Stop has Shelter
25-49	MASCOT Route
50-100	Density Housing
> 100	State Owned Road

*Average monthly rides between July 2015 and March 2016

FIGURE 2A

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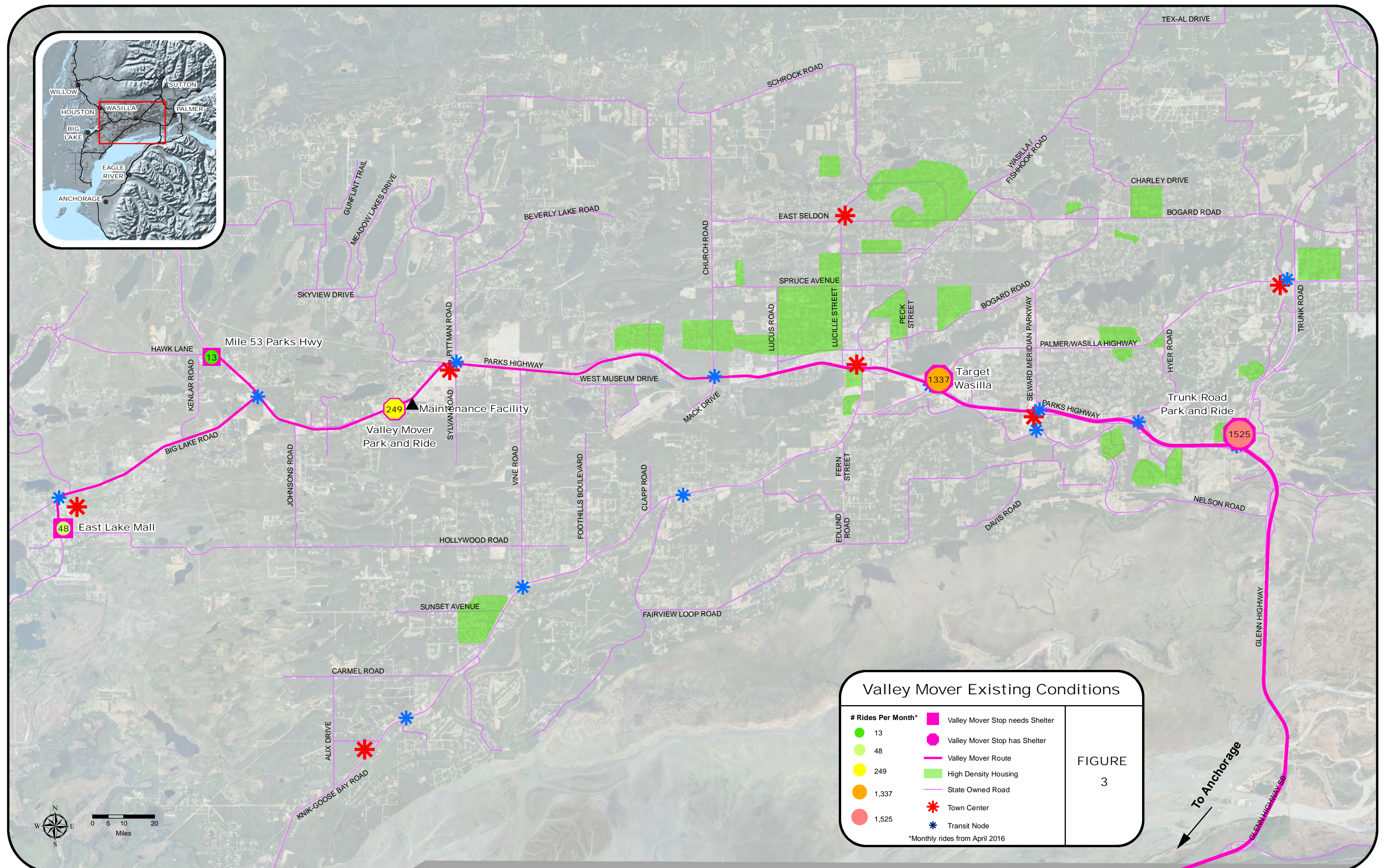
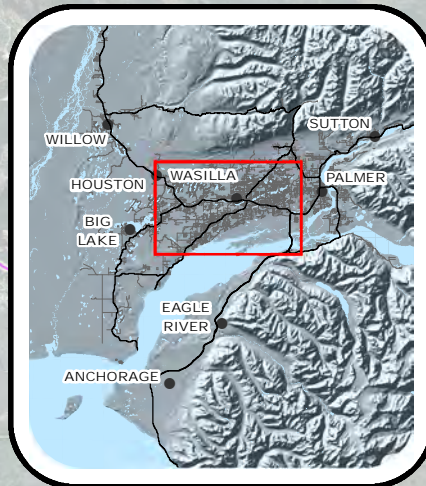


MASCOT Existing Conditions

<p># Rides Per Month*</p> <ul style="list-style-type: none"> ● < 15 ● 15-24 ● 25-49 ● 50-100 ● > 100 	<ul style="list-style-type: none"> ■ MASCOT Stop needs Shelter ● MASCOT Stop has Shelter — MASCOT Route ■ Density Housing — State Owned Road 	<p>FIGURE</p> <p>2B</p>
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*Average monthly rides between July 2015 and March 2016

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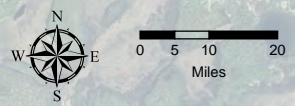


Valley Mover Existing Conditions

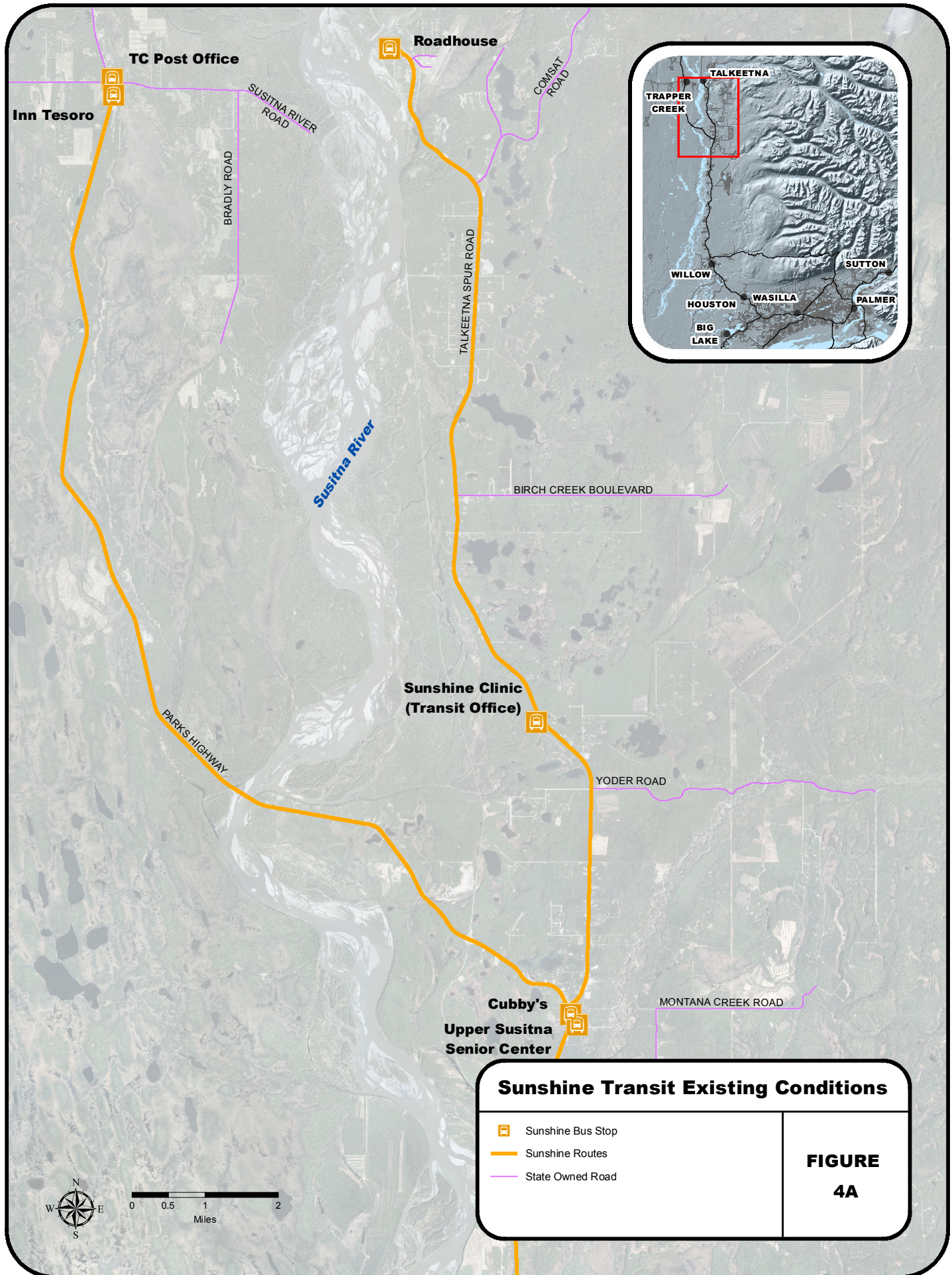
# Rides Per Month*	Valley Mover Stop needs Shelter
13	Valley Mover Stop has Shelter
48	Valley Mover Route
249	High Density Housing
1,337	State Owned Road
1,525	Town Center
	Transit Node

*Monthly rides from April 2016

FIGURE 3



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Sunshine Transit Existing Conditions




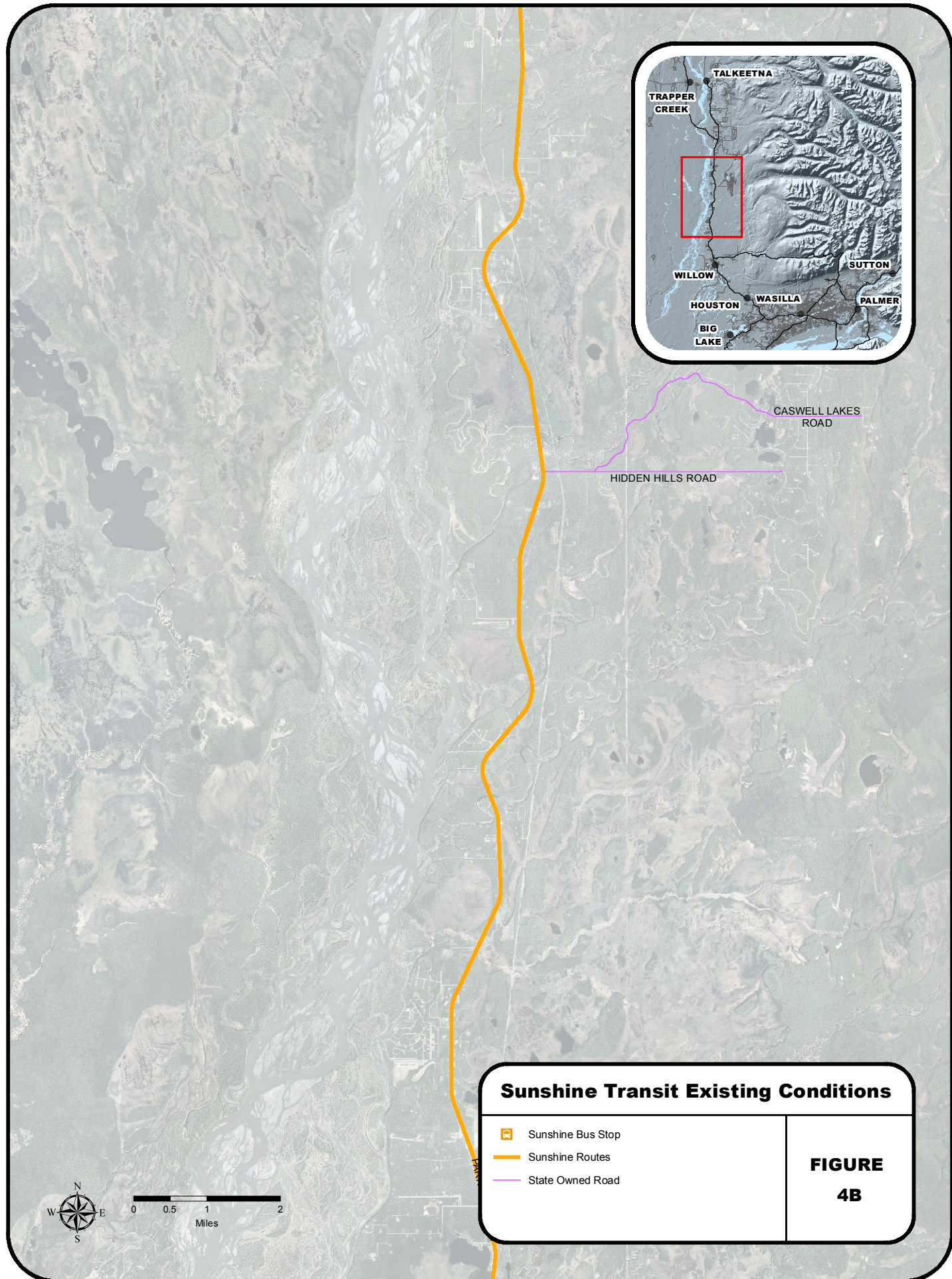
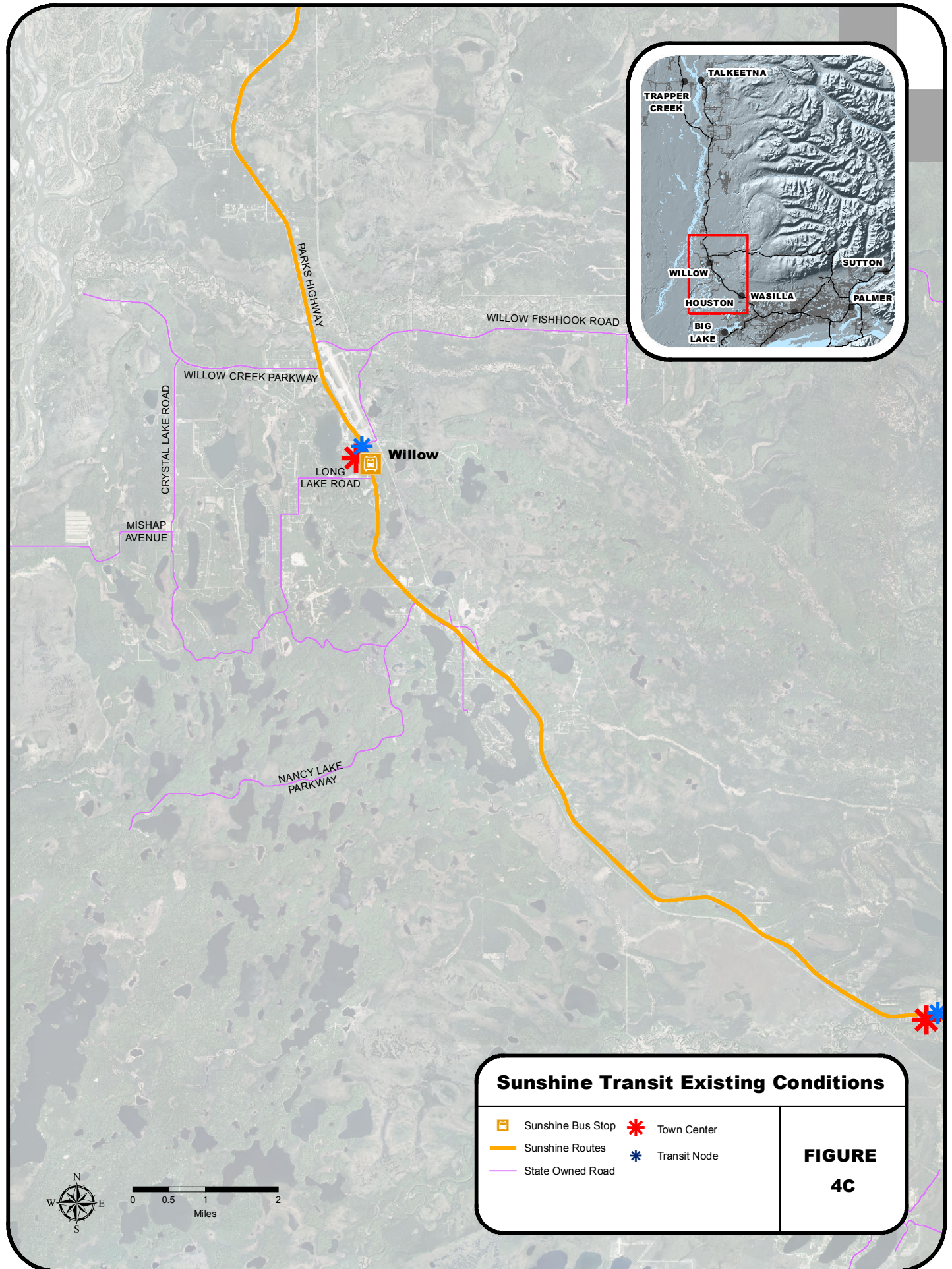
-  Sunshine Bus Stop
-  Sunshine Routes
-  State Owned Road

FIGURE 4A

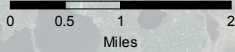


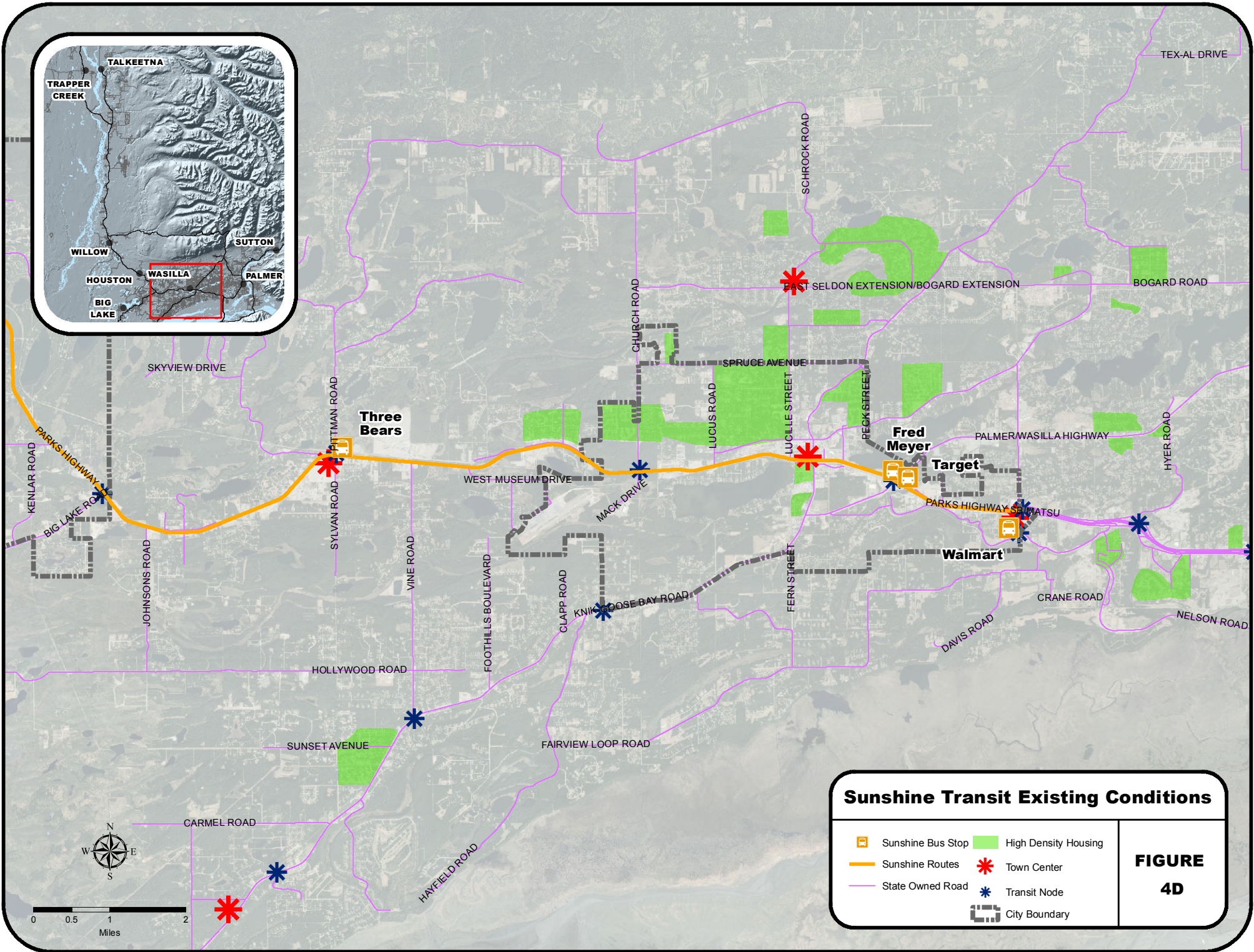


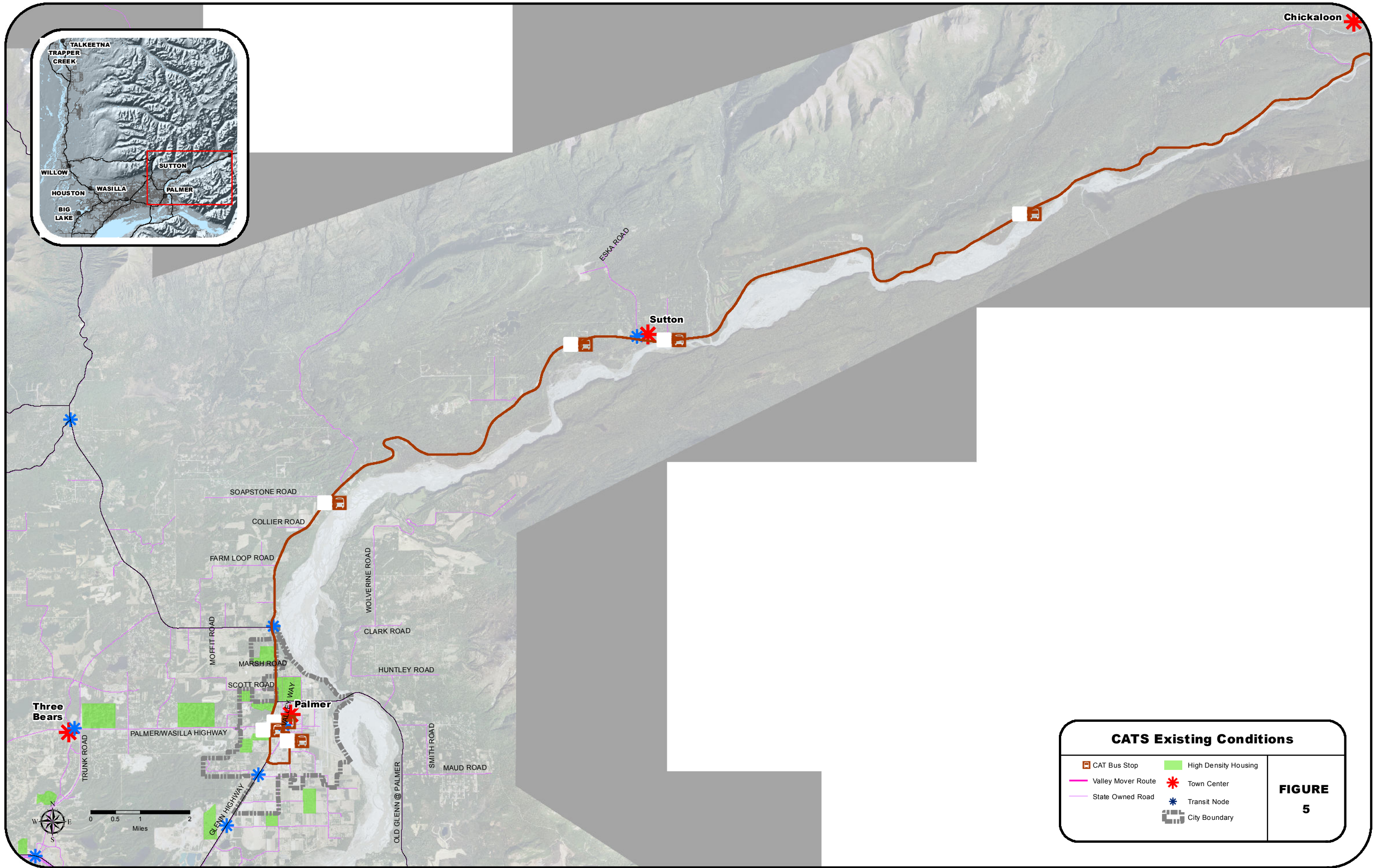
Sunshine Transit Existing Conditions

	Sunshine Bus Stop		Town Center
	Sunshine Routes		Transit Node
	State Owned Road		

FIGURE 4C







CATS Existing Conditions	
CAT Bus Stop	High Density Housing
Valley Mover Route	Town Center
State Owned Road	Transit Node
City Boundary	

FIGURE 5

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Partner Organizations

Partner organizations include the MSB, Human Service Providers, tribal organizations, DOT&PF, and private property owners. Each of these groups plays an important role in the MSB transit system.

MSB Transit Investments

The MSB has provided support for capital transit projects through project management, including transit infrastructure on transportation projects, and coordination with DOT&PF. Below are MSB transit-related financial contributions since 2008:

1. Grant Application Support:

- a. American Reinvestment and Recovery Act (ARRA) grant for the Seward-Meridian Park and Ride lot, transit stop modifications at the Trunk Road Park and Ride lot, and bus stops in Palmer and Wasilla (2010/2011).
- b. FTA grant for Government Peak Recreation Area transit stop and service.
- c. State of Alaska Community Council Revenue-Sharing Program - The MSB applies for and administers this grant each year on behalf of 21 communities. The grants for each community council are up-to \$12,500.

2. Planning:

- a. For a Regional Transit Authority study (\$50,000 contribution for \$100,000 study). Partnered within the MOA in 2010.
- b. Human Service Coordination Transportation Plan (2009): MSB Assembly Resolution supporting implementation of the recommendations contained in the Phase III report. This included specific support for MASCOT vehicle purchases.
- c. Transportation Advisory Board (TAB) Transit Subcommittee (2011): The MSB's TAB created a Transit Subcommittee to help coordinate transit operations. This was the precursor to the current Mat-Su Transit Coalition and Steering Committee. The transit subcommittee was organized after service providers requested funding from the Assembly and were told to come back with a consolidated request.
- d. MSB MPO Self-Assessment (2015): The MSB undertook this self-assessment to determine the possible roles an MPO would play in the MSB and how they can prepare for MPO designation in anticipation of the 2020 Census.
- e. MSB Long-Range Transportation Plan Update (2016, ongoing), includes transit as a significant element of the plan.

3. Capital and Maintenance Support:

- a. MASCOT maintenance 2010 and 2013 for a total of \$380,000.
- b. Purchase of four vanpool vehicles.
- c. Payment for five years of maintenance through agreement with MOA (\$60,000 contribution for a \$175,000 project)
- d. Based on an agreement with DOT&PF, the MSB provides maintenance and liability for the Park & Ride lots.

4. Design:

- a. Transit Design Guidelines (2009): Created MSB-specific transit design standards to guide DOT&PF in inclusion of transit facilities for DOT&PF highway projects in the MSB.
- b. Design drawings for bus stops at the Share-A-Ride lots.

The MSB's Capital Improvement Program (CIP) has identified the following transit-related improvement projects through the year 2022:

1. Replacement Share-A-Ride Vans for Mat-Su (CIP ID #267).
2. Wasilla Transit Center Commuter Rail Dock and Staging Facility Upgrade (CIP ID#256).
3. Meadow Lakes Community MASCOT Stops (CIP ID #124).
4. Old and New Glenn Highway Intersection Park and Ride Facility (CIP ID #268).
5. Regional Transit Maintenance Center (CIP ID #273).
6. Regional Transit Dispatch and Scheduling Center (CIP ID #274).

Human Service Transportation/Non-Emergency Medical Transportation (NEMT)

The MSB has 23 Human Service Providers that either facilitate fare assistance or provide direct transportation services for their clients (See Table 8). Coordination of transportation services with these providers and public transportation providers is complicated due to unique needs of the clients and organizations. Nevertheless, coordinated planning has been accomplished through preparation of the 2011 Human Service Coordinated Transportation Plan and the Steering Committee, as part of federal requirements to be eligible for: FTA Human Service Funding via the State of Alaska; Transportation for Elderly Individuals and Persons with Disabilities (FTA Section 5310); Job Access and Reverse Commute Program (JARC, FTA Section 5316); and The New Freedom Initiative (FTA Section 5317).

The Human Services Coordinated Transportation Plan (HSCTP) for the MSB Area (2011) was conducted to identify common needs and to become eligible to access DOT&PF funding sources. Outlined goals and strategies on how to better coordinate services include:

- Maintain current level of services;
- Expand transportation services;
- Enhance communication and advocacy;
- Expand youth services and programs;
- Improve and expand transit facilities and resources;
- Establish accessible cabs;
- Marketing (via public outreach, employer assistance, promoting client independent, and education state and local officials);
- Improve access to jobs and medical services;
- Share and pool resources, expand existing shuttle services; and
- Provide service to and in rural areas of the MSB.

Table 8 – Human Service Providers in the MSB

Human Service Providers that facilitate fare assistance to their clients by distributing bus passes with discounted fares on public transportation:	Human Service Providers that provide transportation services to their clients:
<ol style="list-style-type: none"> 1. Alaska Family Services 2. Access Alaska/Mat-Su 3. Daybreak Mental Health Services 4. Division of Public Assistance 5. Alaska Department of Health and Social Services 6. Division of Vocational Rehabilitation/Wasilla Branch – Alaska Department of Health and Social Services 7. Mat-Su Activity Respite Center 8. MAXIMUS Alaska Works 9. Office of Children's Services (OCS) – Alaska Department of Health and Social Services 10. Palmer Mental Health Court/Coordinated Resources Project (PCRP)/Alaska Court System 11. Ready Care (Redirides) 12. Wasilla Area Seniors, Inc. (WASI) 	<ol style="list-style-type: none"> 1. Family Promise Mat-Su 2. Alaska Job Corps Center/Palmer 3. Boys and Girls Club of South Central Alaska 4. Hope Community Resources 5. Mat-Su Borough School District 6. Mat-Su Services for Children and Adults 7. Mid Valley Senior Center 8. Nugen's Ranch 9. Mat-Su Senior Services (Previously Palmer Senior Center) 10. Coalition on Housing and Homelessness 11. Sunshine Community Health Clinic

The transportation operations of the various providers have a commonality in that they are generally providing door-to-door or door-through-door services individually tailored to an organization's client base. The nature of human service transportation differs greatly from general public transportation due to the personalized nature of the trip and the mission of the organization.

Mat-Su Senior Services is the most elaborate provider in the MSB, providing approximately 25,000 one-way rides in 2015 to more than 400 clients. The Mat-Su Senior Services transportation department has many similarities to paratransit services and their staff acknowledges that a majority of the trips they provide would be difficult to transfer to commuter service due to the unique needs of their clients.

The complexities of trying to coordinate these services are mostly due to various funding sources and their requirements. Human Service Providers such as the Mat-Su Senior Services have several funding sources (Older Americans Act Title 3 funds, State of Alaska General Funds for Senior In-Home Care, Adult Day Health Care: Transportation (Medicaid); and Medicaid waiver (nursing home level of care) that do not allow them to offer public transportation services, unless they are using Medicaid.

Human Service Providers in the MSB are interested in considering ways to gain ridership on their deadheads (empty buses returning from a stop) and to coordinate better with the MSB transit providers to expand transit options and efficiency.

Once the transit organization(s) are operating efficiently, coordination with the Human Service Providers listed above can take place and services can potentially be expanded.

Alaska DOT&PF

DOT&PF manages approximately 708 miles of roadway in the MSB. DOT&PF requires permitting and design standards for transit infrastructure in State rights-of-way. In the past, the MSB has coordinated such design efforts with DOT&PF as part of corridor studies and specific projects. As fixed-route services evolve and demand for access increases, it is likely that transit providers may wish to stop and board/alight passengers along routes rather than doing this in existing parking lots or designated off-street stops. DOT&PF will not allow public transit buses to stop on the roadway on a regularly scheduled basis without obtaining an encroachment permit for a bus stop. Encroachment consists of a bus stop sign and likely other physical improvements to facilitate safe movement of pedestrians, bus operations, and traffic flow. Transit stop design guidelines will also be required specifying acceptable design for the bus stop signs and other features. In addition to the encroachment permit, DOT&PF will require a signed memorandum of agreement between the transit provider and DOT&PF regarding responsibility for bus stop maintenance.

DOT&PF has two designated Mat-Su area planners within their Southcentral Region offices to serve both the core area and rural areas of the MSB. Coordination between DOT&PF and MSB to identify, design, and permit transit facilities would be simpler under a consolidated transit structure.

Private Property Owners

Private property owners and developers influence ridership and operations. When new development occurs, transportation demand can shift from one area of the MSB to another. The relationship with private property owners to allow services to access their property has limitations in terms of the long-term sustainability of services on-site. Where possible, transit service providers and the MSB should pursue lease and indemnification agreements to formalize each party's roles to protect both the property owners and transit service providers. MSB and/or the local cities may want to consider negotiating the designation of some portion of large parking lots as Park & Ride lots during the development approval process. This would provide more long-term security for services and better integrate land use and transportation.

Potential Partnerships -Tribal and Health Organizations

The MSB is home to many tribal and health organizations that could benefit from partnering with transit providers. These include: Native Village of Chickaloon, Knik Tribal Council, Knikatnu, Inc., Cook Inlet Region Incorporation (CIRI), the Native Village of Eklutna, Eklutna Incorporated, and SCF. Cook Inlet Tribal Council (CITC) is the tribal consortium for the region.

SCF is an Alaska Native-owned, non-profit health care organization serving 65,000 Alaska Natives living in Anchorage, Mat-Su Valley, and 55 rural villages. SCF operates the Valley Native Primary Care (VNPC) Center (Benteh Nuutah) under an agreement with the Native Village of Chickaloon and Knik Tribal Council. VNPC provides clinic services and primary care, dental, optometry, physical therapy, and counseling. VNPC has just recently acquired the facilities and funding necessary to provide direct services to Alaska Natives in the MSB. If a patient is in need of services that the local clinic cannot provide specialty referrals and surgery are sent to Anchorage, then they are referred to the Alaska Native Medical Center (ANMC) in Anchorage. As the relationship between SCF, VNPC operations, and the local tribal citizens' change, it will be necessary to consider adjusting the transportation patterns to help ensure that Alaska Natives living in the MSB have adequate opportunity for transit access to medical appointments. While MASCOT currently coordinates with VNPC, MSB transit organizations will benefit from improved coordination with VNPC and ANMC.

TRANSIT SERVICE NEEDS

Transit service needs were evaluated for the MSB to determine gaps between current and desired conditions, while also accounting for market conditions and opportunities. The evaluation considered stakeholder feedback, service area and routes, transit facilities, and administration. The analysis of needs forms the basis of the service recommendations included in this Assessment. The primary focus of the needs analysis was in the core area, since this area has the greatest opportunity to benefit from service improvements.

Public Outreach

Planning for an improved transit system in the MSB requires extensive outreach to the public and various stakeholders to better understand transit needs. The Planning Team developed a Public Involvement Plan (PIP) (see **Appendix B**) to guide the public outreach process. The team participated in three Management Committee meetings, conducted one stakeholder workshop, interviewed eight individual stakeholders, conducted bus ride-alongs for three days, attended community events in Talkeetna and Chickaloon, and hosted an online public survey throughout the project (Table 9).

Table 9 – Meeting Dates and Purpose

Meeting	Date	Notes
Management Committee Meeting	January 20, 2016	The purpose of these meetings was to share progress, discuss data needs, and to gather input on planning documents, and help develop recommendations throughout the planning process. Meeting presentations and notes can be found in Appendix C .
Management Committee Meeting	March 2, 2016	
Board Meeting	April 4, 2016	
Steering Committee	April 6, 2016	
Management Committee Meeting	April 6, 2016	
Board Meeting	May 2, 2016	
Management Committee Meeting	May 4, 2016	
Management Committee Meeting	July 13, 2016	
Management Committee Meeting	July 20, 2016	
Stakeholder Workshop	March 1, 2016	

Public Survey

A public survey was conducted as part of the planning process and was made available through the project website, Facebook page, and hard copies sent to interested parties. The project team also completed surveys by interviewing the public during the bus ride-alongs to capture feedback from bus

riders. Overall, the public outreach was extremely successful, as measured by the completion of 223 surveys.

The surveys indicated that over 62 percent of the hard copy respondents use transit in the MSB, while only 35 percent of the online respondents do. Owning their own vehicles was the primary reason why many residents choose not to use transit. The most common needs for riders included more consistent schedules, more frequent and timely stops, additional bus stops with signage, easily accessible route information, and service to broader areas. The most common suggestions for improvements closely correlate with resolving the most common barriers.

Detailed survey results can be found in **Appendix E**.

Stakeholder Interviews

Meetings were held with MSB, DOT&PF, Alaska Primary Care Associates, MASCOT and Valley Mover Executive Directors, People Mover, SCF, and the Wasilla Senior Center to discuss their role in transit and vision for transit in the MSB. Key points from these discussions are summarized below:

Transit Agencies

- Grant money is left on the table every year because there is not enough match funding to apply for it.
- MASCOT has not tapped into State of Alaska Community Council Revenue Sharing Programs in the past. They are interested in this revenue source.
- MASCOT has worked to coordinate with Mat-Su College Schedule in the past. They tried a later bus to accommodate the schedule, but there was no ridership. They are interested in future coordinated efforts to support providing students and teachers with public transit access to the college.
- MASCOT's limited staff/resources make it difficult to maintain the website, social media, and public communications.
- Valley Mover stated that business operations have gotten easier the longer they have been in operation. They have strong partnerships that support their organization and that has taken some of the pressure off of Valley Mover to find match funding every year.
- Valley Mover has worked with SCF in the past. SCF would purchase passes in bulk and had agreement with them to give an annual update on ridership. The agreement was ~\$1,000/month.

MSB

- Palmer area bus stops were funded through an American Recovery and Reinvestment Act Grant.
- MSB receives Community Council Revenue-Sharing: State of Alaska -administered grant each year. The money is then provided to each community council in the MSB through an annual application process.
- When different transit agencies operating in the MSB were requesting funds from the MSB, the MSB Assembly responded to the request by asking the transit agencies to request funding through one consolidated application.
- The MSB has an agreement with the DOT&PF for maintenance and liability of the Park & Ride lots while DOT&PF retains fee simple ownership.
- The MSB designed and produced plans for bus stops and Park & Ride lots to assist transit operations.
- MSB intends to request that the MSB Assembly adopt this assessment and plan.

Mat-Su Seniors

- They are interested in potential paratransit contract opportunities with the new organization.
- They have been in operation for ~ 35 years.
- They have 35 vehicles plus drivers who have knowledge of how to provide door-to-door service.

Alaska Primary Associates

- SCF is a potential stakeholder.
- Significant discussion surrounding Medicaid pros/cons, reform, and ways to reduce transportation costs.
- They are interested in bridging the gap between transit and health, but have not completed much planning to date.
- They recognize that building health clinics and hospitals that are not located next to or on an existing transit route is an issue. For example, the Alaska Neighborhood Health Center (ANHC) located in Anchorage was not built on a transit route. In order for the patients to access the ANHC, a van service had to be developed, which has proven to be a short-term solution that needs long-term funding. ANHC has had to go to the Alaska State Legislature to ask for help in funding their route.

Summaries of the discussions and detailed notes from each meeting can be found in **Appendix F**.

Sunshine Transit

In the early stages of the planning process, DOT&PF requested that the Planning Team research the potential for Sunshine Transit to be included as part of this assessment. The Planning Team conducted interviews with Sunshine Transit, SCHC, and the State of Alaska's Department of Health and Social Services Medicaid department and found the following key considerations for this report:

1. Sunshine Transit operates as a line business under the SCHC's non-profit organization. The SCHC Board of Directors has discussed potentially separating from Sunshine Transit but has no immediate plans to do so. SCHC and Sunshine Transit have been operating together as one business since 2009. Separating businesses will need to be carefully examined. SCHC provides office space, bus storage, and approximately \$30,000 per year in administrative expenses, including payroll, banking, accounting, reporting, human resources, and administrative support. Sunshine Transit may need to identify a new funding source for these expenses, and find a new facility for administrative staff and bus storage unless Sunshine Transit contracts with SCHC to maintain the use of these facilities.
2. Sunshine Transit has been able to use Medicaid funding (approximately \$90,000) as match for FTA funding. This has been a mutually beneficial relationship whereby SCHC is an approved Care Coordinator in the region and Sunshine is one of the few transit options available. Severing the ownership of SCHC from Sunshine Transit is seen as a potential risk to maintaining the reliability of the Medicaid funding unless a long-term contractual relationship can be established. SCHC stated that they will not separate the two businesses if it results in negatively impacting public transit in the area.

Bus Ride-Alongs

The Planning Team conducted bus ride-alongs during the week of March 2, 2016 (Table 10). During the bus ride-alongs the Planning Team talked with riders and operators, and also mapped existing routes and bus stops. Personal experience and interaction gave the Planning Team valuable insights that cannot be gained through desktop analysis.

Table 10 – Bus Ride-along Dates and Observations

Date	Transit Provider	Schedule	Observation
March 2, 2016	Valley Mover	Depart Anchorage at 8:05AM, arrive in Wasilla at Target at 8:55AM	<ul style="list-style-type: none"> • 3 people on the bus • Not a lot of information regarding bus routes, pick up locations, transfer stations, or bus pass purchases at the downtown transit center
March 2, 2016	MASCOT	<ul style="list-style-type: none"> • Depart Wasilla at Pet Zoo at 10:38AM on Bus #2 to Fred Meyers in Palmer • Transferred to Bus #3 department Fred Meyers in Palmer traveling back to Pet Zoo in Wasilla 	<ul style="list-style-type: none"> • 3 pickups total. One at Pet Zoo, two at college. • There are more bus stops and shelters in Palmer than Wasilla
March 3, 2016	Valley Mover	Depart downtown Anchorage at 4:30PM to Trunk Road Park-and-Ride lot at 5:20PM	<ul style="list-style-type: none"> • 29 riders • Many riders were commuters



Photo: Kelly, an AmeriCorps Volunteer riding Valley Mover

“I am really pleased with the commuter route offered by Valley Mover. They are on time and consistent. I think that there needs to be some type of monthly pass that is transferable between transit providers. I would like to see shelters and bus stop signs at the MASCOT bus stops. I also think that the MASCOT routes are infrequent and disorganized. Lastly, the customer service and information about schedule changes or programs could also be improved.”

Key Findings

- Many bus stops and transfer stations for MASCOT and Valley Mover lack information regarding bus schedules, transfer locations, and bus pass purchase.
- The bus stop locations are not immediately visible or obvious to the general public.
- Bus stops are primarily located at typical destination spots, such as large shopping centers, schools, hospitals, or transfer stations, but lack the corresponding stops in residential areas where riders first need to access the transit system.
- Some routes experience very low ridership or have duplicative service. For example, on one route the MASCOT driver stated that they see no more than 8 people per day. On another route, the MASCOT bus circled the Blueberry Drive loop twice but did not pick up a single rider.
- Monthly ridership data shows extremely low ridership outside the core times.
- MASCOT and Valley Mover do not have existing contracts or signed agreements with some of the major locations where they currently stop, such as Target, Fred Meyer, and Pet Zoo. The businesses

can ask them to move their stops at any time unless they are able to negotiate contracts and/or secure right-of-way for permanent locations.

- Some bus stops, such as the MASCOT stop in Wasilla at the Pet Zoo (Figure 6), are located in the middle of the parking lot with no signage, shelter, or designated pedestrian routing.

Service Area and Routes

Due to its large area, low density, and funding limitations, the MSB faces challenges when choosing how best to provide public transit service to its residents and businesses. Like all transit, it faces trade-offs between competing goals of service coverage and frequency. Coverage relates to where service is provided, while frequency is how often buses are able to provide service to an area. MASCOT has historically focused on coverage goals by focusing on social service needs within the area; however, it did provide some commuter services before Valley Mover began serving that role in 2011. Valley Mover focuses more on frequency and scheduling for commuters to Anchorage. When considering service area and route needs, for service providers, a variety of factors were considered. These factors included health considerations, population density, and key generators.

Key Findings

- Many bus routes in the MSB serve destinations but not residential origins, which limits the ability to capture ridership, which was observed during the bus ride-alongs and confirmed when analyzing each transit provider's schedule.
- Overlapping bus routes reduce the efficiency of limited resources.
- It is sometimes difficult and inconvenient for riders to make connections between transit providers.
- Park & Ride lots are an important feature for those commuting to Anchorage.
- Low population density throughout the MSB makes transit service more challenging.
- It is not convenient for transit users to access the U-Med District or ANMC.
- Based on ridership data, existing conditions inventory, stakeholder workshop, bus ride-alongs, survey responses, and stakeholder interviews, improvements to the existing MASCOT routes are needed in order to gain more riders and save on operations/administration costs.
- MASCOT has a total of 39 stops; 23 of these stops have < 10 riders per month.



Figure 6 – MASCOT Bus Stop - Pet Zoo

Health and Public Transportation

For people living in rural areas and small towns, the availability of reliable transportation can have a major impact on their ability to access adequate and regular healthcare, purchase nutritious foods, live an active and independent lifestyle, establish healthy social relationships, and more. In order to better understand how transit in the MSB can serve populations in need of access to health care, the Planning Team conducted an evaluation process using a Rapid Health Impact Assessment (HIA)^{11,12} (**Appendix G**).

For a transit-specific Rapid HIA, the socio-economic indicators known as “health determinants” are the range of personal, social, economic, and environmental factors that influence health status.¹³ The conditions in the places where people live, learn, work, and play affect a wide range of health risks and outcomes. Populations that are dependent upon transit are often those that are most in need of access to health care. The Mat-Su Health Foundation’s Community Health Needs Assessment (2013) found that:

- 7 percent of MSB residents had to forego a health-related appointment due to a transportation issue. 16 percent of the MSB Alaska Native population had to forego an appointment due to transportation.
- “Transportation” was identified as the #1 greatest health-related need of MSB seniors.

Population Density

The transit challenge for growth areas like the MSB, which is viewed by many as an area desirable for dispersed development and growth patterns, is to encourage higher density housing and employment nodes. The distance between major population centers and disbursement of major employers, combined with the distance to Anchorage, create long bus routes and high costs per rider. These higher costs create funding and efficiency challenges because the primary benefits of transit are related to the ability for multiple riders to share a ride.

Key Generators

An important consideration when evaluating transit routes is identifying where key generators are located. In Palmer, major employers such as the MSB, the Library, and downtown businesses are located within a few blocks and are relatively close to each other. Major employers within the City of Wasilla are located primarily along the Parks Highway or outside the central business district. The 12-mile distance between the central business districts of Palmer and Wasilla requires lengthy route run times that traverse rural areas that generate little to no ridership.

One challenge associated with key generators in the MSB is that existing transit services are oriented toward stops that are the end point for most types of trips, such as shopping areas, health services and government services. Because people do not live at these locations, existing and potential riders have to get to one of the destination-based stops to then use the services. This typically requires walking a long distance or using a vehicle. The low density nature of most residential areas is not conducive to routing fixed route services through them; therefore, expansion of demand response services should be considered.

¹¹ A Rapid HIA defines the potential impact of an that action across a population (e.g. a city, town, county, region, state or country) or within geographic areas where populations with poor health indicators reside.

¹² Defined as a HIA that is “reliant upon existing information,” meaning there is limited resources to collect primary data through individual, independent surveys or detailed involvement of a broad range of health professionals.

¹³ US Department of Health and Human Services. <https://www.healthypeople.gov/2020/about/foundation-health-measures/Determinants-of-Health>

Key Findings: Service Improvement Needs

A combination of health considerations, population density, and key generators were considered for the Wasilla and Palmer areas to identify potential service improvements. Figure 7 illustrates the areas in the MSB that have the highest indicators of both transit dependence and health needs, and providing improved transit service to these areas is expected to increase ridership and support a more healthy community. The indicators available at the Census Tract level used in this Assessment are:

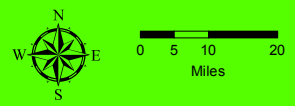
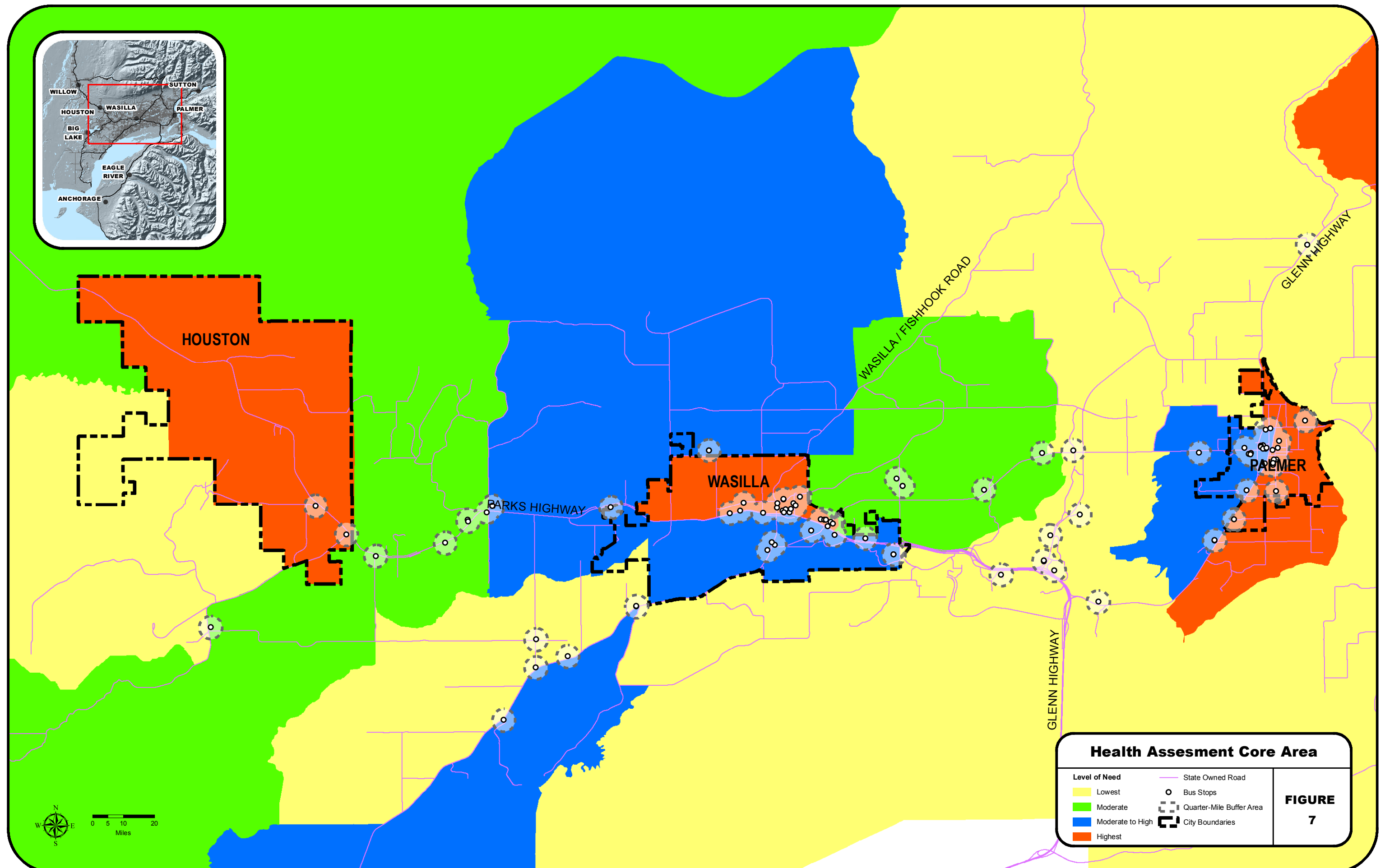
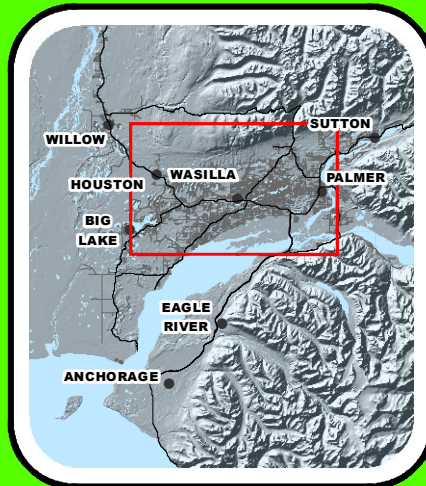
- Percent of households without access to a vehicle;
- Percent of households below poverty;
- Percent of high school graduates or higher;
- Percent of population spending more than 30 percent of household income on rental housing;
- Percent of households receiving SNAP benefits (food stamps);
- Percent of Alaska Native population; and
- Population density.

This figure represents an overlay of these factors based on an exercise known as “suitability analysis” where two of the factors (households without access to a vehicle and households below poverty) were given more weight than the other factors. This suitability analysis led to a ranking of each Tract based on a weighted score, and those Tracts were then divided into the following four categories:

- **RED (“High” level of need).**
- **BLUE (“Medium” level of need)**
- **YELLOW and GREEN (“Low” level of need)**

Figures 8 and 9 zoom in on the Wasilla and Palmer areas and show how current service coverage relates to these considerations. As shown, the key generators are mostly within service areas. However, western Wasilla and eastern Palmer (particularly outside the city limits) have neighborhoods where the health need is high and current service is lacking. These are locations where improved service could be considered. It is also noteworthy that there are medical facilities along the Bogard Road/Seldon Road corridors in eastern Wasilla that are not located within a quarter mile of a transit stop. This is another area where another bus stop or two could improve the transit coverage and increase ridership.

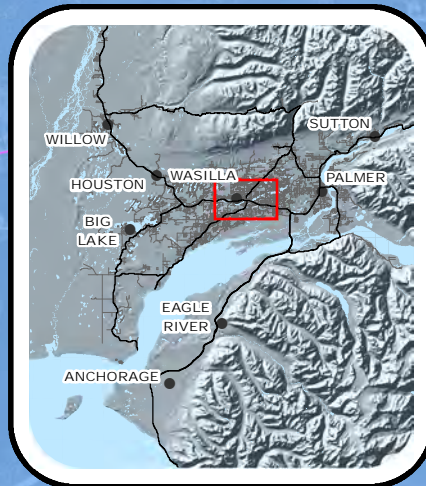
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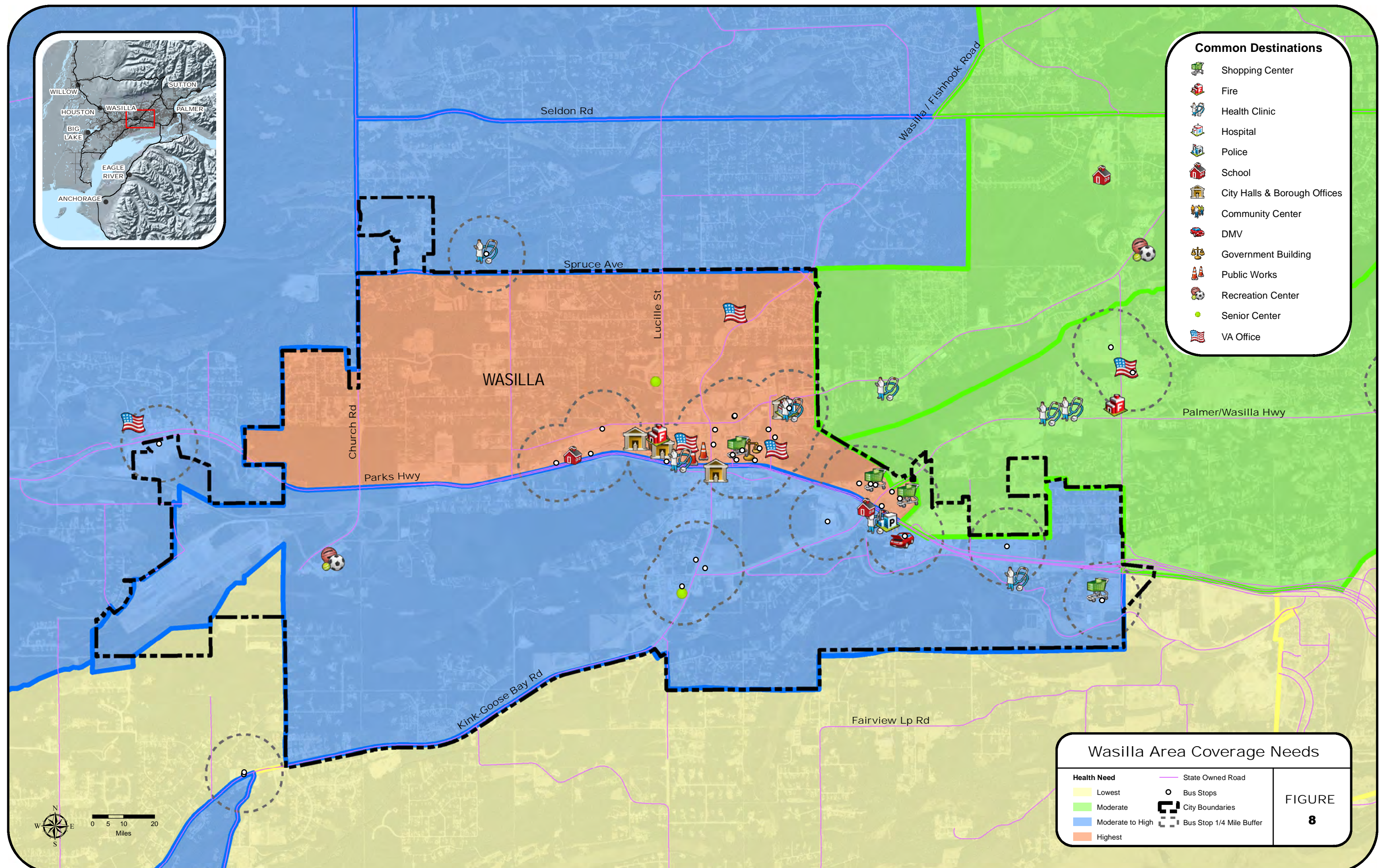
Health Assessment Core Area	
Level of Need	State Owned Road
Lowest	Bus Stops
Moderate	Quarter-Mile Buffer Area
Moderate to High	City Boundaries
Highest	

FIGURE 7

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- Common Destinations**
- Shopping Center
 - Fire
 - Health Clinic
 - Hospital
 - Police
 - School
 - City Halls & Borough Offices
 - Community Center
 - DMV
 - Government Building
 - Public Works
 - Recreation Center
 - Senior Center
 - VA Office



Wasilla Area Coverage Needs

	Lowest		State Owned Road
	Moderate		Bus Stops
	Moderate to High		City Boundaries
	Highest		Bus Stop 1/4 Mile Buffer

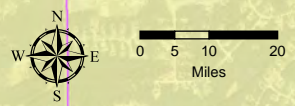
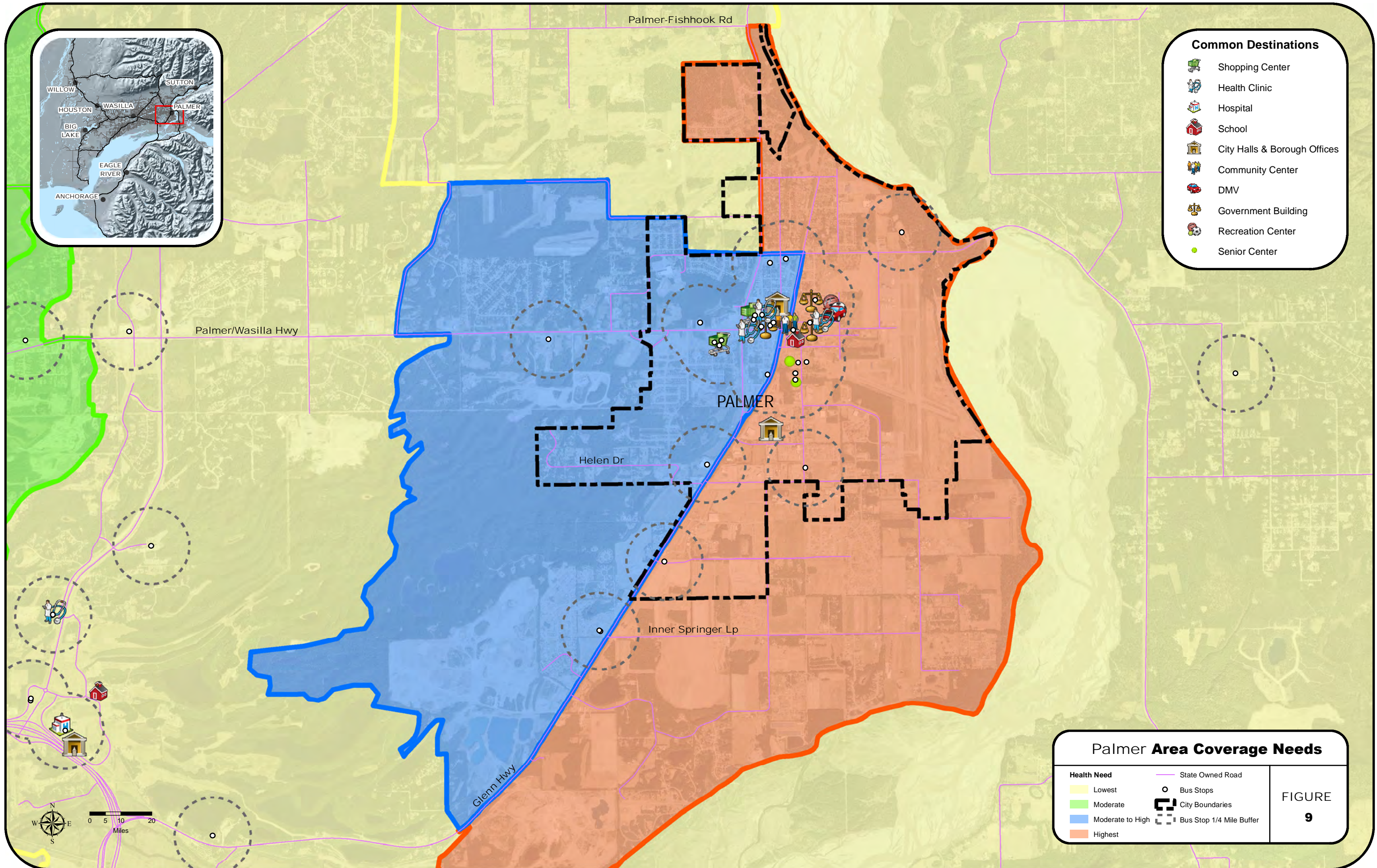


FIGURE 8

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Transit Facilities

The four transit providers and MSB own or operate multiple transit facilities to support transit service. These include bus stops, Park & Ride lots, and transit centers.

Bus Stops Facilities

Bus stops are typically informal, poorly marked, not ADA compliant, and not attractive or convenient for users. One example is the Valley Mover bus stop and transfer station located in downtown Anchorage (Figure 10). This stop is lacking information (shown in the photo below). It is difficult to recognize that it is even a bus stop and, if a rider doesn't know where he or she is going and/or if they have limited experience riding the bus, it can be difficult to navigate the existing transit system. For a person to transfer from Valley Mover to MASCOT, they must get off at Target and cross a very busy intersection to reach Fred Meyer (see Figure 11). The transfer can be difficult for those who are disabled or elderly, especially during the winter months.



Figure 10 – Valley Mover Bus Stop Sign – Downtown Transit Center

In order to have bus stops on DOT&PF-owned roads, transit operators must obtain permits. For MSB roads, transit operators do not need permits. In some circumstances, MASCOT and Valley Mover transit vehicles must pull off the roadway to pick-up and/or discharge passengers. During periods of peak vehicular traffic, this practice can result in significant increases to transit travel times and may lead to development of a fixed-route transit service that has the option of stopping at designated on-road bus stops. Such a framework should be modeled after the existing one between the DOT&PF and the MOA. People Mover is permitted to establish bus stops within the State right-of-way and to make improvements beyond basic informational signage because there is a Memorandum of Agreement between the two entities relative to maintenance and liability of the bus stops.

Park & Rides

The MSB has a total of four Park & Ride Lot Locations. MSB residents that have vehicles and work in Anchorage or Eagle River, use these Park & Ride Lot locations Monday through Friday. Some residents carpool to the Park & Ride Lots, and catch the MASCOT or Valley Mover bus, while others may drive a vehicle to the Park & Ride Lot and carpool to Anchorage. The two most used Park & Ride Lots include:

- 1) Trunk Road Park & Ride Lot located at East Blue Lupine Dr. in Palmer. It is serviced by carpool, MASCOT, Valley Mover, Sunshine Transit, and CATS. Approximately 190 parking spots are available. During the weekdays, the parking spots are about 75 percent full.
- 2) Seward Meridian Parkway Park & Ride Lot located on the northeast quadrant of the Seward Meridian/Parks Highway Interchange. It is serviced by vanpools, MASCOT, CATS, and Sunshine Transit. Approximately 100 parking spots are available, and weekday observations revealed they are approximately 50 percent utilized. The MSB received approximately \$2 million in American Recovery and Reinvestment Act Funds for transit improvements, including construction of this Park & Ride Lot and several bus stops.

As mentioned in the market analysis, the MSB workforce is expected to grow 1.6 percent each year throughout 2042, which would indicate the need to continue to seek opportunities for expanding or constructing new Park & Ride lots to accommodate 50 to 75 percent more spaces. The other two Park & Ride lots include Alaska State Fair Park & Ride and Valley Mover Park & Ride, but they are less formal in terms of marked spaces. Preserving open spaces in convenient, easy-to-access locations near existing interchanges should be prioritized.

Transit Centers

The City of Wasilla, Valley Mover, and the Alaska Railroad have collaborated to establish a multi-modal transit facility at the old Kenai Supply Building location in Palmer, near the Alaska State Fairgrounds. The lay out of this site accommodates access for transit vehicles and facilitates efficient passenger transfers. Previous planning efforts from the MSB have included establishing certain fixed-route services with termini at designated transit centers in Wasilla and Palmer. These fixed routes are anticipated to coordinate with paratransit operations. The concept was for paratransit operators to collect riders from lower-density areas and bring them to designated bus stops along the fixed-routes where pulsed passenger transfers would occur. Riders using this option would then take the larger bus vehicle to either their eventual destination or to a transit center if their travel plans require multiple transfers (Kempen, 2016).

Key Findings

Current MASCOT and Valley Mover bus stops provide little or no information about bus routes, schedules, and connections. For example, bus stops in Wasilla have no shelter, identification, or information about bus routes and pick up times. Most stops are poorly marked, and contain no route maps or schedules.

Marketing and Communications

To support service, each transit provider oversees a dispatch system, perform marketing, and coordinate with other transit providers (such as People Mover in Anchorage). Opportunities exist for improving these areas.

Dispatch System

All buses, for both MASCOT and Valley Mover, are equipped with radios to communicate with drivers while they are operating. However, two independent dispatch systems are being used between MASCOT and Valley Mover. Because the existing dispatch system is not coordinated between the

providers, a delay or schedule change by one of the transit providers, may not be communicated in time for another provider to adjust schedules or relay that information to users. This can cause a domino effect for an individual trying to connect transit providers via transfer stations. The result is a frustrating experience that discourages transit users.

MASCOT uses a program called Novus to schedule, produce manifests, and maintain records for its demand response bus service. This system is also capable of being used for other types of bus service; however it is outdated and other more advanced systems would work better for a larger multi-service type provider. MASCOT does not have a large volume of dispatch calls, so radios are used to communicate calls to the office, shop, and buses.

Valley Mover's dispatch is performed primarily by the administrative assistant. All calls come in during office business hours; customers are expected to call the day before if their flag stop is in the morning before the office opens. Individually,

The need for a central transit dispatch system was raised during the public outreach. A central dispatch would communicate schedule delays or changes, incidents, and other relevant information that could impact ridership schedules. A central dispatch could coordinate not only with the staff and drivers, but also with the public via social media outreach methods. For instance, if a bus is delayed, the central dispatcher could notify the connecting bus and post an instant message via social media or text messaging so that all users would have easy access to current schedule information.

Marketing

Marketing within the general community, as well as to elected officials, potential contractors and funding agencies, and other stakeholders is vital to the sustainability of the transit system. Finding innovative ways to create revenue through targeted marketing techniques is necessary for generating match funding. For example, Valley Mover has acquired contracts with the University of Alaska Anchorage, Conoco Phillips, and the MSB School District through marketing efforts. They use funding from these contracts to match FTA Section 5311 funding. A similar approach should be expanded to other organizations such as large retailers and institutions such as CIRI/Tikahtnu Commons, health organizations, Ted Stevens Anchorage International Airport, and SCF. Detailed recommendations are discussed in the operational plan.

Coordination between MSB Transit and People Mover

The University/Medical (U-Med) District in Anchorage is the largest employment district and the fastest growing area in the Anchorage Bowl. MSB residents currently take Valley Mover into the Downtown Transit Facility to transfer to People Mover buses that take them to the U-Med area. During an interview with People Mover, the need for coordination between People Mover and Valley Mover to help get MSB residents to the U-Med District more efficiently was brought up. The idea of having a transfer station somewhere near the Muldoon Road interchange or near the DeBarr Road/Muldoon Road intersection was discussed. This would allow MSB residents to connect with People Mover bus 75 that picks up at Tikahtnu Commons and along Muldoon Road and drops off in the U-Med District. Other areas with high demand for ridership were also discussed as potential for improved coordination efforts, such as the Federal Building and the Dimond Center Mall.

Key Findings

- Lack of collaboration between transit providers is evidenced by the public's perception and observations during interviews with internal transit staff.
- Human Service Providers and transit providers want to improve coordination and resource sharing.
- Communication regarding online information (such as schedules and delays) can be strengthened between the transit providers and the public.
- Improved access to the U-Med District would require more convenient routes and scheduling to accommodate the morning class start times and the primary medical shift changes that occur daily at 7 am and 7 pm.
- Bus riders would like to purchase a bus pass that is transferable between the different providers, including People Mover, MASCOT, and Valley Mover.
- Bus riders felt that the transit providers could improve customer service on the buses, particularly in the Wasilla/Palmer area.
- Bus riders expressed concern about the time it takes to transfer between buses and the location of the transfer stations not being evident to the public, i.e. MASCOT's Pet Zoos bus stop is in the middle of Pet Zoo's parking lot and has no sign. You have to already know where the stops in Wasilla are; frustrating for inexperienced riders.
- Human Service Providers are eager to coordinate with public transit.
- Medicaid regulations and administration create challenges for collaboration between Human Service Providers and Public Transit Providers.



Figure 11 – Valley Mover Bus Stop – Target

PEER REVIEW

The Planning Team identified 11 (four in Alaska and seven in the Lower 48) peer transit service providers in regions across the United States that had similar rural and/or small town geographic contexts to the MSB. The goal of researching and reaching out to these providers was to identify similarities and lessons learned about consolidation that MSB transit providers can consider.

Select information is provided in Table 11, as compiled from agency interviews, websites, Transit Cooperative Research Program (TCRP) reports, annual reports, and agency transit service plans. Detailed summaries of all the peer reviews are provided in **Appendix H**. MSB transit providers should view these organizations as resources they can reach out to for continuing advice as the MSB transit system matures and evolves.

Table 11 – Lessons Learned from Transit Providers

Transit Provider	Relevant Observations	Applicability to MSB Transit Providers
Alaska		
Capital Transit (Juneau, Alaska)	Marketing – In 2014, approximately 1 million riders were documented. For a town of 30,000 this is really high. Coordination with the tourism industry is key for high ridership, particularly in the summer. Capital Transit works closely with the visitors center and the airport to exchange information on cruise ship and flight schedules. This coordination has contributed to the high ridership.	<ul style="list-style-type: none"> With the increase in tourism and the project growth in population in the MSB, the MSB Transit Providers can begin to plan and market for targeting the tourism industry, especially in Talkeetna.
the RIDE (Sitka, Alaska)	Tribal Partnerships - The RIDE relies heavily on the Sitka Tribe of Alaska (STA) Tribal Transportation Grant which can be used as match. STA oversees administration. In addition, Sitka Tribe of Alaska donates annually at least \$35,000 from other tribal funds to support the RIDE.	<ul style="list-style-type: none"> CATS receive their funding from FHWA/BIA Tribal Transportation Program. They are a potential partner for the MSB Transit Provider once the organization is operational and able to consider ways to partner with CATS.
Metropolitan Area Commuter System (MACS) (Fairbanks, Alaska)	<ul style="list-style-type: none"> Fixed route. Paratransit is contracted out. Senior citizens ride free every day. Website includes a “How to ride the bus” fact sheet for public. 	<ul style="list-style-type: none"> The MSB Transit Providers could develop a fact sheet to be published and communicated with the public that describes step by step “how to ride the bus”.

Transit Provider	Relevant Observations	Applicability to MSB Transit Providers
<p>People Mover (Anchorage, Alaska)</p>	<ul style="list-style-type: none"> • Fixed route. • Paratransit is contracted out. • Marketing and customer service team set up and manage all contracts. • Hold contracts with UAA, Anchorage School District, and Conoco Phillips. • Have a bus stop amenities guideline document. 	<ul style="list-style-type: none"> • The MSB Transit Providers have opportunities to contract with the Human Service Providers listed in this assessment. The Human Service Providers have expressed interest. • The MSB Transit Providers can use the People Mover Bus Stop Amenity Guideline as a resource to develop their own bus stop amenity guidelines, which will help prioritize bus stop improvements and assign resources accordingly.
<p>Lower 48</p>		
<p>Greenway Transit – Western Piedmont Regional Transit Authority (Alexander, Burke, Caldwell, and Catawba Counties, North Carolina)</p>	<ul style="list-style-type: none"> • Consolidation Takes Time – Consolidation can take several years to fully take effect, from administrative consolidation to fully integrating routes. Greenway Transit completed their first study in 2004. The implementation phase began in 2005, was completed in 2007. The new organization was not put into service until early 2008. • Vehicle Fleet – leave vehicles where they operate currently. It doesn't make sense to bring vehicles back to a central location. • Attrition – If consolidation means fewer employees, allow it to happen through attrition. 	<ul style="list-style-type: none"> • The MSB Transit Providers that are being considered as part of the consolidation can develop a reasonable schedule using this assessment and operational plan that will be realistic. The consolidation can take up to 4-5 years. • With consolidation, the new organization should not focus so heavily on consolidating the location of the vehicle fleet. It is okay to leave the vehicles where they are.
<p>Oats, Inc. (Columbia, Missouri)</p>	<ul style="list-style-type: none"> • Serves a population base of 400,000 in 87 counties. • Local governments provide the transit organization funding to use as FTA match as long as transit services are provided to their counties. • With such a large service, operations are broken down into 7 regional divisions. 	<ul style="list-style-type: none"> • The MSB Transit Providers could work with the MSB and the MSB Community Councils to negotiate transit service to their communities in exchange for match support. • Keeping distinct service in Talkeetna and Chickaloon area is necessary and works well in other areas.

Transit Provider	Relevant Observations	Applicability to MSB Transit Providers
<p>Green Mountain Community Network, Inc. (Bennington County, Vermont)</p>	<ul style="list-style-type: none"> • Private non-profit organization overseen by a volunteer Board of Directors and management team and funded in part by the State of Vermont Transportation Budget, the Federal Transit Administration and Medicaid. • Full service transit provider, offering deviated fixed bus routes, demand response, Medicaid, Reach-up, elder/disabled transportation and private pay services. • Maintains a pool of volunteer (or per diem) drivers, who use their personal vehicles to transport a variety of clients. These individuals are reimbursed for their mileage expenses. 	<ul style="list-style-type: none"> • The MSB Transit Providers can offer a wide variety of services, including Non-Emergency Medical Transportation. • The MSB Transit Providers could develop a volunteer program that would allow drivers to take vehicles home and use them for personal use as long as they work a certain amount of hours for the transit provider.
<p>Virginia Regional Transit (Purcellville, Virginia)</p>	<ul style="list-style-type: none"> • Non-profit agency that provides contracted services to a variety of communities in rural and suburban areas of Northern Virginia. • Operates as an umbrella agency with several service providers under its purview. • Employs full-time staff to manage each of its service geographies, similar to how the consolidated organization in the MSB could employ separate management staff members in Talkeetna. • Operates on a contract basis through local government agencies and recently made the transition from a grant recipient to a contracted service provider. • A recent transition of one of its service areas from rural to urban (as could happen in the Mat-Su with the 2020 Census) resulted in the new urbanized area contracting with VRT to continue the services it provided as a non-profit prior to MPO designation. 	<ul style="list-style-type: none"> • The MSB Transit Providers should keep distinct service in Talkeetna and Chickaloon area and employ full time staff to service those areas.

Transit Provider	Relevant Observations	Applicability to MSB Transit Providers
<p>Downeast Transportation, Inc. (Ellsworth, Maine)</p>	<ul style="list-style-type: none"> • Private non-profit with 17 buses that provides shopping trips to Ellsworth and Bangor, and in-town shuttle service for Bucksport, Ellsworth, and Bar Harbor. • Receives funds from a variety of sources, including: <ul style="list-style-type: none"> ◦ Acadia National Park provides majority of operating budget due to seasonal demand. Seasonal services are fare-free. ◦ Passenger donations (\$50,000 per year). ◦ 22 municipalities based on amount of service provided (\$500 to \$45,000 per municipality). 	<ul style="list-style-type: none"> • The MSB Transit Providers should look into the National Park Service as a potential funding source or contracting entity. • The MSB Transit Providers may also consider developing a campaign to collect donations from passengers.
<p>Treasure Valley Transit (TVT) (Nampa, Idaho)</p>	<ul style="list-style-type: none"> • Non-profit that contracts with local communities to provide transit services (fixed route, demand response) in small towns in SW Idaho and emerging suburban areas west of Boise. • Provides non-emergency medical transportation through a contract with the Idaho Medicaid Brokerage program. • Staff includes Executive Director, Finance and Grants Officer, Mobility Manager, Lead Dispatch/Statistics, and Administrative Assistant/Dispatch. 	<ul style="list-style-type: none"> • Similar findings as prior transit providers
<p>Selkirks Pend-Oreille Transit (SPOTS) (Dover, Idaho)</p>	<ul style="list-style-type: none"> • Non-profit collaborative venture formed through a Memorandum of Understanding between four small cities, but the system is transitioning to a Joint Powers agency, showing the flexibility of future changes. • Provides various types of services (i.e., fixed route, door-to-door vehicles, paratransit, demand-response, and vanpools) but allows private providers to serve Medicaid needs. • Contracts for maintenance rather than performing it in house. 	<ul style="list-style-type: none"> • Similar findings as prior transit providers

GOVERNANCE MODELS OVERVIEW

This chapter contains an overview of common transit governance models that are used throughout the U.S. A review of these models was performed to guide this Assessment, evaluate alternatives for the MSB transit providers, and determine a recommended governance structure that would achieve the objectives of this Assessment and meet the single applicant requirements for DOT&PF funding eligibility.

Secondary objectives of the governance review included: 1) determining whether a non-profit model would continue to best serve the citizens and transit patrons within the MSB, and 2) better understanding of potential consolidation structures for the region's transit service providers.

Developing a long term vision for transit services in the MSB requires an understanding of what models are available and best suited for the market. The profiles of these governance models are a starting point for future or long-range transit discussions as the MSB population and transportation network evolves.

Governance Types

The prevailing transit governance models exist on two paradigms: a non-profit model and a public agency model. Figure 12 shows the threshold between how these governance models are typically arranged. In reality, the models are never as clear cut as they may appear, e.g. when a non-profit transit agency is acting on behalf or under contract to a public agency. The structure of transit agencies vary greatly across the spectrum to adapt to local conditions.

The independent non-profit model shown on the left side of the spectrum reflects the current model in the MSB where multiple independent non-profit agencies are providing services. In geographies smaller than the MSB this is rare because non-profits typically serve one or two communities or a county. They emerge from a community need and require no formal legislation to be organized. Given the vast expanse of the MSB, it is easy to see how four independent non-profit service providers emerged. It is also easy to see why growth has brought about the need to move to the right on the governance spectrum.

Public agency governance models are almost always an exclusive government-led service organized via legislation for a regional transit authority or cooperative arrangements via a joint powers authority between more than one municipal government. In some cases, regional transit authorities or joint powers arrangements may contract with non-profit service providers because it is more economical or more convenient than tasking a public agency to run the day-to-day operations. Regional transit authorities are formed via legislation that enables their organization either through broad statewide enabling legislation or geographically-specific legislation as was pursued for the authority in Southcentral Alaska.

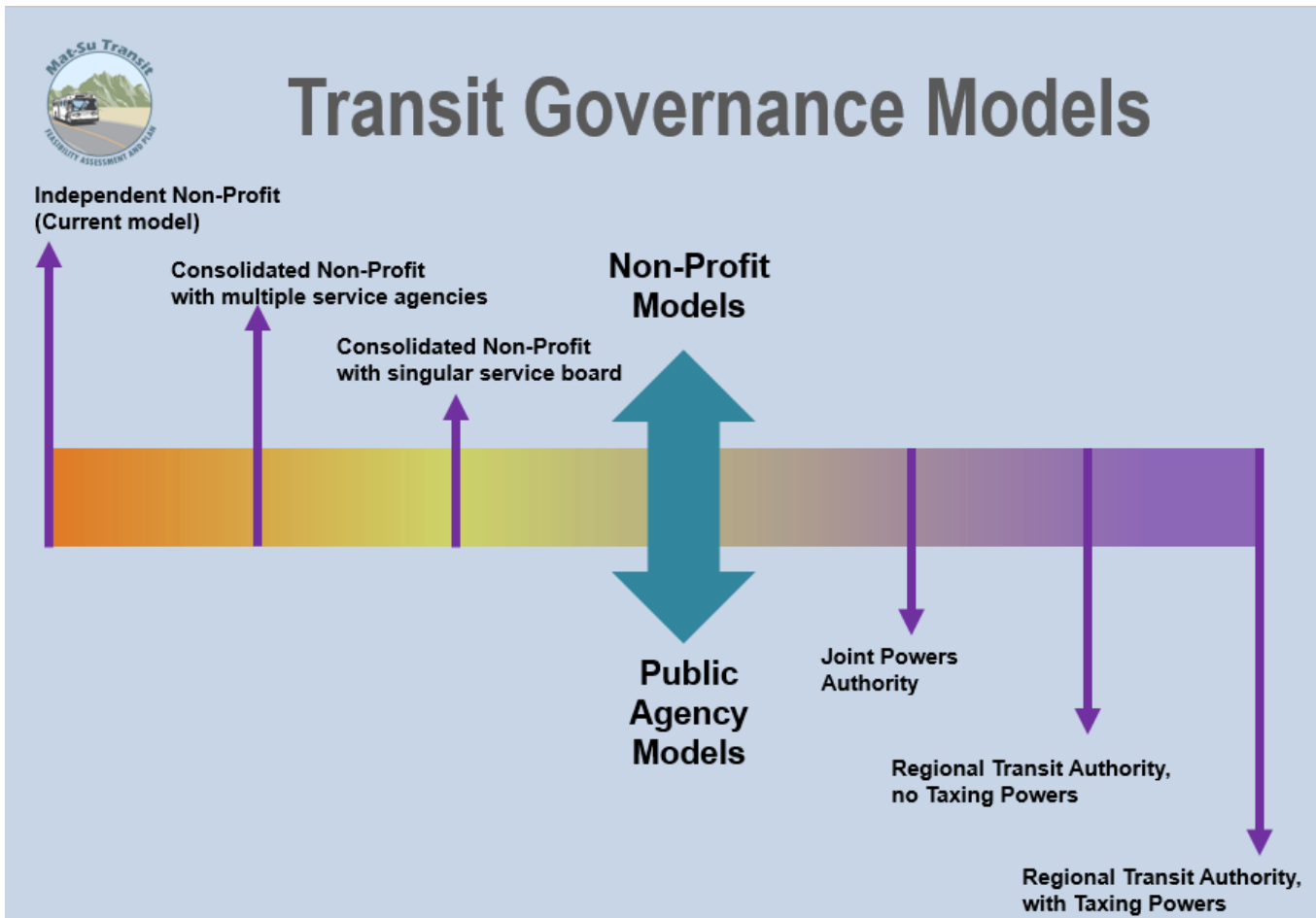


Figure 12 – Transit Governance Models

Non-Profit Agencies

Non-profit transit service providers are the backbone of rural transit in most of the U.S. They are flexible in how they operate and form partnerships because they are not constrained by formal public agency arrangements. The non-profit model has served the MSB for several years.

Non-profit agencies typically derive from a basic need to provide human service types of transportation as patrons needed access to employment, medical treatment, developmental services, groceries and shopping at a point in time when there was no publicly-managed service available. This is typical for rural and small town environments where the need for such services may not be viewed as vital or financially attainable given budget constraints on governments serving smaller population bases.

The private non-profit providers implement services to fill the gap and sometimes take the logical next step to provide services to the general public. Like in the MSB, non-profits are governed by a board of directors chosen to represent the area served by the agency. Funding comes from state and federal grants, fares, private contracts, and social service or health-based transportation funding.

The primary advantage of a non-profit provider is that it requires no enabling legislation since it is a private 501(c)(3) corporation. Non-profits enjoy considerable freedom to make their own decisions without governmental interference and can more easily adapt services to meet evolving demands. Due to lack of dedicated tax revenue common to public agency models, non-profits must seek funding partners and make requests of public agencies such as cities or the MSB to continue operating.

Through the peer review and analysis of common models, it is typical to see board members include local government officials in addition to private citizens. Many non-profits include technical or other advisory committees to the board and may designate other staff or board members to other local committees, such as MPOs.

Non-profit transit agencies typically exist in three contexts:

- **Independent Non-Profit Providers:** A geographic area is serviced by multiple non-profit transit providers due to different contexts (e.g. rural vs. urban) or different service types (e.g. commuter vs. demand response). Once services begin to overlap or merge, it is easy for the public and elected officials to become confused over which agency provides a certain type of service or services a specific area. Funding pursuits often become more competitive and multiple governing boards can lead to inefficiencies. Multiple non-profits may be forced to ask the same businesses and agencies for support once services begin to overlap. Like in the MSB, multiple independent non-profit agencies can emerge over time to serve specific clientele needs. MASCOT provides a service model more typical of suburban or small town fixed routes or demand response services; Valley Mover provides a long-distance commuter service; and Sunshine Transit and CATS serve more remote rural communities with linkages to more developed areas.
- **Consolidated Non-Profit with Multiple Service Providers:** Models exist where multiple independent non-profit providers exist under a larger umbrella-like agency that helps direct money and coordinate planning while allowing each individual provider to continue serving their client base. The umbrella-like organization essentially acts as the “bank” and distributes funding based on mutual agreements or funding formulas based on a variety of factors including performance, contracts with employers or agencies, or directives on funding either from federal grants or local agencies. It can also act as a singular voice and applicant for funding pursuits on behalf of the member agencies. Strategic planning and route coordination is typically led by the umbrella organization. The lead organization may not always be a “new” organization. Multiple organizations may emerge with a lead organization chosen based on size, geography, history, or dominant service type (typically urban fixed route). Other models under this type of arrangement allow the consolidated non-profit to pursue contracts in other nearby regions or municipalities. Some models in states like Idaho, Missouri and Virginia have evolved into large non-profit agencies that manage county-level transit services across a broader region of the state.
- **Consolidated Non-Profit with Singular Service Board:** This model represents a fully-consolidated governance model where a single non-profit manages all service types. Different services may be organized as different departments but they do not have separate boards or management structures. The fully-consolidated provider acts as one voice for transit in an area and manages all aspects of planning, operations, maintenance and funding pursuits. Consolidated services are typically more successful at securing dedicated funding from municipalities. They are also positioned to act as an operations management “company” that contracts with a regional transit authority or municipality to provide services.

Public Agencies

Public agency transit providers are organized under city, borough, or regional governments and often times act as an extension of that government or a department within a government agency. Public providers are less nimble compared to non-profit agencies because of the accountability to the public agency. A benefit of a public agency model is the link to a consistent funding source or, at least, an

expectation that the municipal governments will provide funding for operations. Two models are typical under this arrangement: a joint powers authority and a regional transit authority without dedicated funding.

- 1. Joint Powers Agency.** A joint powers agency (JPA) is limited to coordinating service between political subdivisions such as a city or MSB; it cannot include non-governmental stakeholders. A JPA can do whatever its constituent members are legislatively enabled to do, such as operating a transit system. JPAs lack enabling legislation created to help maintain a revenue stream. JPAs must rely, instead, on the cities and/or counties that comprise the JPA for funding through intergovernmental transfers. The key disadvantage to a JPA is its exclusion of important stakeholders such as institutions (e.g. university or hospital) and private transit providers from the coordination process. JPAs may have technical advisory committees that incorporate non-governmental stakeholders. Services under a JPA can be fully consolidated and managed by the JPA or can be an arrangement of different city or county service providers governed by the JPA's board that includes representatives of the government agencies. The JPA board exists to advise the individual providers that it governs. Cities, counties, and other operators must actually carry out the decisions of the board.
- 2. Regional Transit Authority:** Regional transit authorities (RTAs) are generally seen as having the greatest capacity to govern and operate transit of the various governance models available to regions interested in coordination. An RTA is the most effective regional measure, but it is also the most difficult to create. Such an organization can include representation from government and other transit spheres including the state legislature, counties, municipalities, educational institutions, private transit providers, etc. Governmental units are guaranteed board positions; other stakeholders may be limited to ex officio positions. The RTA's efficacy comes from its status as a fully state enabled organization with the ability to locate and further develop dedicated funding sources (taxes, bonds) as well as develop its own policies. An RTA can operate a transit system or contract these operations to another group, such as a private transit operations company or a non-profit transit provider.

Pros/Cons of These Models

Table 12 contains a set of pros and cons related to non-profit transit agencies and public agency models. In general, the flexibility available to non-profits serves rural areas very well and can take the burden off of public agencies that provide funding support (when they provide funding support).

Table 12 – Pros and Cons of Different Governance Models

Model	Pros	Cons
Non-Profit Transit Provider	<ul style="list-style-type: none"> • Independent of local government agencies, allowing more streamlined policies & procedures • Can more easily integrate new partners and funding sources into the organization • Maximize opportunities for private funding and philanthropy • Less subject to political change over time 	<ul style="list-style-type: none"> • Operating a quasi-public service without full public support • Limited opportunities for long-term financial stability • Challenges in maintaining identity & support among public agencies because of non-governmental status (e.g. not a public agency's department)
Public Transit Agency or Authority	<ul style="list-style-type: none"> • Consistent financial support and/or expectation of financial support from public agencies • More direct support for operations, grant pursuits & planning • Business model more relatable to federal, state and local government agencies 	<ul style="list-style-type: none"> • Limited to what state law allows in terms of organizational structure and taxing authority • Subject to greater bureaucratic policies and procedures beyond federal funding laws • Limited opportunities for private funding and philanthropy • Subject to political change

The Long-Range View

The major change on the horizon for the MSB is the prospect of a MPO being formed following the 2020 Census. The current core area (referred to as the Lakes-Knik-Fairview-Wasilla “urban cluster” in Census terms¹⁴) had approximately 44,000 residents in the 2010 Census. The MSB urban cluster is comprised of Wasilla and Palmer, with areas in between and surrounding the two cities included in the population estimate due to prevailing land use densities that are defined as urban in nature by the federal government. Once an urban cluster reaches a population of 50,000 it is categorized as an Urbanized Area and an MPO is required to lead continuing, comprehensive and collaborative transportation planning within the urbanized area.

The Urbanized Area designation also opens the area up to becoming a recipient of FTA 5307 Urbanized Area funds. The governance framework of an MPO generally includes a policy board and a technical committee. A well-organized consolidated transit provider in the MSB stands a good chance to have membership on the technical committee and potentially make a case for one of its board members to be appointed to the MPO board. This will help the transit provider better integrate planning into the regional framework and provide avenues to pursue various funding opportunities through the MPO. This is also why it is advisable that the transit provider form a technical committee made up of members of the city and MSB government(s) (typically from the planning departments).

¹⁴ http://www2.census.gov/geo/maps/dc10map/Uauc_RefMap/uc/uc47132_lakes--knik-fairview--wasilla_ak/DC10UC47132.pdf

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ORGANIZATIONAL CONCEPTS

Organizational concepts were identified based on 1) a peer review of other transit providers (both in Alaska and elsewhere), 2) the governance model considerations discussed previously, and 3) discussions with the project team regarding the unique situation of each of the region's existing transit providers. Through the Assessment process, the following concepts were selected for further refinement and evaluation:

Concept 1: No Change

This concept is considered the baseline for comparing pros and cons of the consolidation concepts.

- **Advantages :**
 - The transit organizations would remain separate each having a distinct focus and mission,
 - Routes and bus stops would remain the same, and
 - The patrons and employees would maintain familiarity with the existing system.
- **Disadvantages:**
 - FTA and other potential funding sources such as the MSB or DOT&PF will no longer provide funding to more than one entity in the MSB. Thus, no State or Federal grant money is anticipated under this concept for existing services or expansion.

Concept 1 Summary

- **Would they keep the same names?** Yes, they would keep the same names.
- **Would buses operate the same?** Yes, there would be no change to existing operations.
- **How does this improve service?** Concept 1 would not improve service. New funding for expansion of services would likely not be granted.
- **What is the impact to current employees?** Current employees will remain in their positions assuming other sources of funding can be identified to maintain operations; however, it is likely that operations will not be able to continue without grant funding.
- **Where will it be housed?** No change to existing locations.
- **What is the cost of this concept?** Despite federal support, each MSB transit provider faces funding challenges – see Table 13 for the operational costs reported for each provider in 2015. Examples of these challenges are evidenced by the fact that MASCOT experienced a shortfall of approximately \$49,000 and Valley Mover's buses are nearing the end of their expected service life and many are in need of replacement. The cost of this option is that the transit entities would not likely be able to remain viable without federal grant funding.

Table 13 – Concept 1 2015 Reported Operational Costs

Funding Category	Transit Provider			Total Combined
	MASCOT	Valley Mover	Sunshine Transit	
Revenue				
FTA Funding	\$483,000	\$446,000	\$246,000	\$1,175,000
Non-Federal In-Kind (State, Match, Contracts)	\$350,000	\$563,000	\$107,000	\$1,020,000
Farebox	\$35,000	\$233,000	\$10,000	\$278,000
Total Revenue	\$868,000	\$1,242,000	\$363,000	\$2,473,000
Expenses				
Personnel	\$454,000	\$505,000	\$198,000	\$1,157,000
Fuel and Equipment*	\$85,000	\$477,000	\$91,000	\$653,000
Overhead and Other (Utilities, Rent, Insurance, Supplies, etc.)	\$378,000	\$233,000	\$66,000	\$677,000
Total Expenses	\$917,000	\$1,215,000	\$355,000	\$2,487,000
TOTAL DEFICIT OR SURPLUS	(\$49,000)	\$27,000	\$8,000	(\$14,000)

*Includes \$237,000 in equipment expenses not reported on Valley Mover's 2015 Income Statement.

Concept 2: Consolidate MASCOT and Valley Mover

This concept consolidates MASCOT and Valley Mover by into one organization that would provide the combined services of both prior entities. This would likely be accomplished by dissolving one of the 501(c)(3) organizations and using the other one under a new name. Under this concept, Sunshine Transit would remain a separate organization and DOT&PF would need to agree to continue to allow Sunshine Transit to submit its own grant application for FTA funding or they would need to reach a contractual or formulaic agreement with the new consolidated company to apply for funding on Sunshine's behalf.

• Advantages:

- Potentially one grant applicant to DOT&PF for transit services in MSB, which makes the Valley a more appealing candidate for federal funding because agencies will have greater confidence that the funding is being used effectively.
- More efficient organization that reduces overlap of services, administration, and multiple boards and commissions.
- A single transit provider will be more intuitive and ease communication with the general public, and will simplify creation of a central dispatch.
- Creates a single entity that provides a collective transit voice and can focus on improving coordination with Human Service Providers and other transportation agencies.
- Enhances marketing opportunities by giving sponsors a wider reach for their investment.
- Simplifies coordination with local municipalities, MSB, and DOT&PF in developing transit facilities design guidelines, permits, and maintenance agreements.
- Features a new organization that will be better positioned for the potential future MPO.
- The initial consolidation of MASCOT and Valley Mover would be simpler without the addition of a third entity and would achieve the greatest immediate benefit for the Valley due to the relatively small volume of services provided by Sunshine Transit.

- **Disadvantages:**

- Public understanding of new structure will require time/resources to educate users and explain why the change occurred.
- Does not fully align with the consolidation expectation of agencies and funding sources without Sunshine Transit being included and may put future federal FTA funding at risk.
- Does not prepare for possible separation of SCHC and Sunshine Transit that has been suggested by the SCHC Board as a long term consideration.
- If the eventual consolidation of Sunshine Transit into the new organization becomes a reality, then Concept 2 will prolong the consolidation process and potentially increase the administrative effort/cost.
- If Sunshine Transit is not a grant applicant (e.g. if the new consolidated organization is submitting on their behalf), Sunshine Transit may be required under federal procurement requirements to compete for a contract to provide transit services in the Upper Susitna region.

Concept 2 Summary

- **Would they keep the same names?** It is likely that the new entity will have a new name that helps to signify the change in structure and operations. It is possible that one or the other business names could be reused for the new organization.
- **Would buses operate the same?** No, the buses would be consolidated under a single 501(c)(3). The routes would initially remain intact, but would soon be revised to take advantage of route efficiencies and improvements discussed in the Needs and Market Analyses.
- **How does this improve service?** Concept 2 reduces overlap of services, streamlines communication to the public, consolidates schedules and operations, and allows for a consolidated operations plan between the two primary providers.
- **What would be the impact to current employees?** The two Boards of Directors would become one, and the two organizations would combine, resulting in 22 employees (5 administrative, 12 bus drivers, 1 dispatcher, and 4 maintenance and support staff). This concept eliminates a total of 3 positions (1 executive director, 1 transit manager, and 1 administrative assistant).
- **Where would it be housed?** The MASCOT facility is in a more favorable location in the heart of Wasilla compared to the Valley Mover site on the Parks Highway west of Wasilla in Meadow Lakes. The MASCOT site has a longer lease remaining on the existing facility (8 more years compared to an annual renewable lease at the Valley Mover facility) but the MASCOT site is essentially free to lease in comparison to the Valley Mover site (\$1/year vs. approximately \$100K/year). The existing MASCOT maintenance facility is not suitable for the consolidated organization because the Valley Mover buses are too large for the maintenance building and the site is too small to provide adequate parking. Considerable expansion of the building and parking area would be required to accommodate the consolidated facility. The Valley Mover site is larger and can accommodate parking for all of the consolidated fleet. The Valley Mover maintenance building can accommodate any bus in the fleet, but would likely need to expand the number of maintenance bays to function efficiently. There appears to be ample administrative office space at either location. In the near term, locating the consolidated organization would be best suited at the MASCOT site for the administrative

staff and leave the parking, maintenance, and operations at the existing sites. Ideally, the new organization would plan and fund a capital improvement project to consolidate facilities within the next 5 years at or adjacent to the MASCOT site or other suitable location that would accommodate the combined fleet.

- **How much would it cost to implement this concept?** The consolidation costs (see Table 14) are one-time costs that would be incurred as part of the transition to a single organization. For Concept 2, the consolidation cost is estimated at about \$413,000 – these costs do not improve any capital costs required to consolidate the maintenance facilities.

Table 14 – Planning Level Consolidation Cost Estimate

Item	Estimated Cost			
	Concept 1	Concept 2	Concept 3	Concept 4
Staff Recruitment and HR Transition Support	\$0	\$50,000	\$50,000	\$50,000
Branding, Materials (Website, Schedules, etc.), and Signage (Buses and Bus Stops)	\$0	\$160,000	\$170,000	\$10,000
Legal Fees	\$0	\$50,000	\$70,000	\$20,000
Accounting and IT Systems Integration (includes minor improvements to dispatch)	\$0	\$60,000	\$70,000	\$60,000
Facility Relocation and Furnishings	\$0	\$10,000	\$15,000	\$10,000
Subtotal	\$0	\$330,000	\$375,000	\$150,000
25% Contingency	\$0	\$83,000	\$94,000	\$38,000
Total	\$0	\$413,000	\$469,000	\$188,000

The operational costs for Concept 2 were likewise estimated using the documented 2015 revenue and expenses for each service provider and applying them to the consolidated organization. Table 15 lists the planning level operational cost estimate for Concept 2. It is important to note that this should be considered a lower threshold for the revenue. As discussed, the consolidated organization will have opportunity for greater fleet efficiency, new marketing, larger/new grant applications, partnering with the private sector, and increasing farebox revenue. Additionally, if the population forecasts are close, the farebox revenue will likely increase proportionately and should see a 60 to 80 percent increase over the next 15 to 20 years. These items all increase the potential revenue that could be generated by the new organization.

Table 15 – Concept 2 Planning Level Operational Cost Estimate

Funding Category	Transit Provider
	<i>New Organization (MASCOT and Valley Mover)</i>
Revenue	
FTA Funding	\$929,000
Non-Federal In-Kind (State Funding, In-Kind Donations, Contracts)	\$913,000
Farebox	\$268,000
Total Revenue	\$2,110,000
Expenses	
Personnel	\$891,000
Fuel and Equipment	\$562,000
Overhead and Other (Utilities, Rent, Insurance, Supplies, etc.)	\$611,000
Total Expenses	\$2,064,000
TOTAL DEFICIT OR SURPLUS	\$46,000

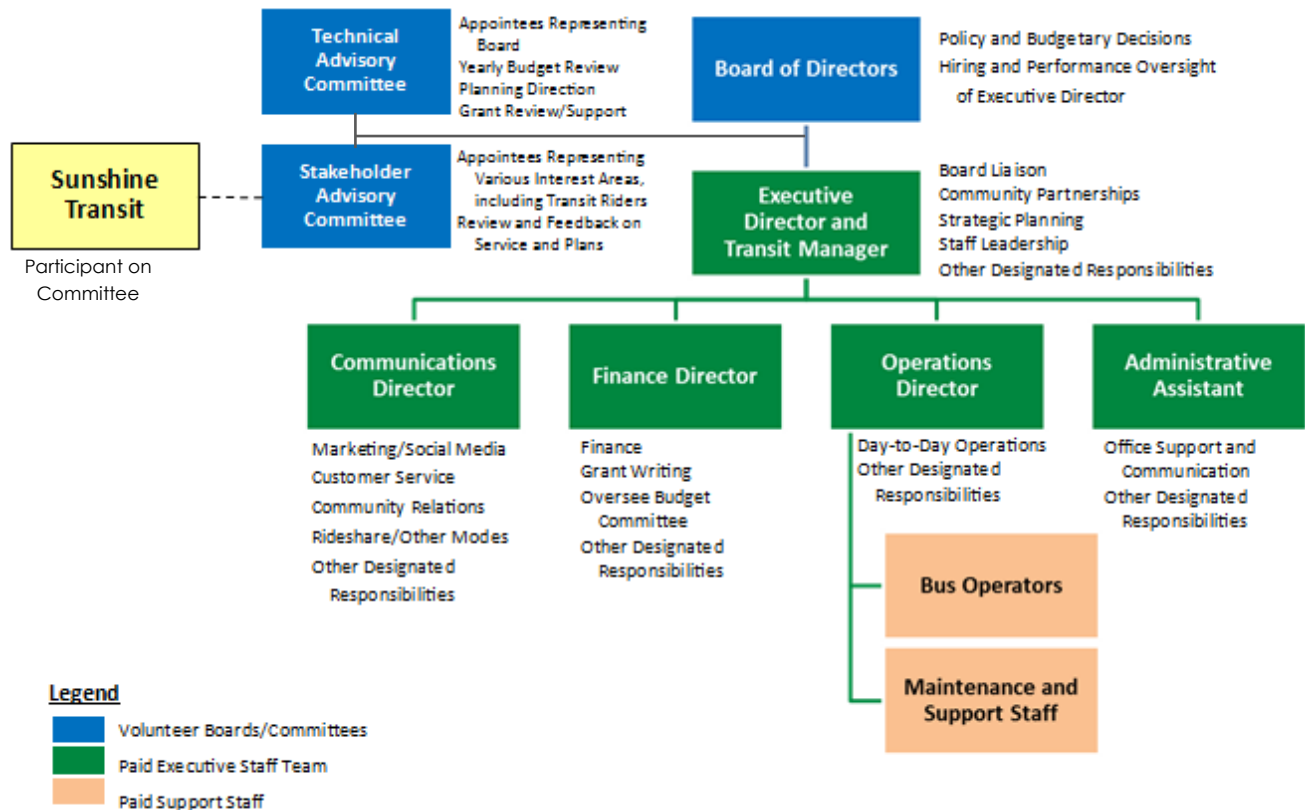


Figure 13 – Concept 2: Consolidation of MASCOT and Valley Mover

Concept 3: Consolidate MASCOT, Valley Mover, and Sunshine Transit

Concept 3 proposes to consolidate MASCOT and Valley Mover as described in Concept 2, with the added complication of separating Sunshine Transit from SCHC and integrating them into the new consolidated transit organization. The advantages and disadvantages of Concept 3 are nearly the same as Concept 2 with the following exceptions:

- **Advantages:**
 - Fully aligns with the consolidation mandate and expectation of agencies and funding sources. This will make transit services in the MSB an even more appealing investment for federal agencies because the new organization will be easy to interface with and responsibilities, coverage, and transit goals will be clear.
 - Even more efficient organization by reducing overlap of services, and the need for a separate Sunshine Transit board of directors.
 - May be able to build on Sunshine Transit's Medicaid funding experience to expand this program in the MSB as the senior population triples over the next 20 years.
 - Including Sunshine Transit in the consolidation now will enable the non-profit documentation, board representatives, policies, and by-laws to fully consider the implications of the third entity.
 - Opportunity to expand Talkeetna transit services past medical focus to include tourism.
- **Disadvantages:**
 - Maintaining the relationship and funding support from SCHC could diminish over time unless contractual agreements can be established.
 - Keeping Medicaid as an option for match funding will likely require greater administrative effort on behalf of the new organization. The cost estimates prepared for this option include a Communications Director which would lead marketing efforts for Medicaid.
 - The larger organization may require additional space for bus storage and administrative staff. The new organization will need to try and contract with SCHC to maintain the existing office space and parking areas as currently occupied by Sunshine Transit.
 - Maintaining Sunshine Transit's operations could be seen as dispersing the focus/resources away from the Core Area of the MSB where there is greater opportunity for transit growth.
 - Cost per rider in the more rural parts of the MSB will be greater and absorbing Sunshine into a larger entity could see a reduction in the quality of the service for Sunshine Transit users.

Concept 3 Summary

- **Would the transit providers keep the same names?** Under Concept 3 the new would likely have a new name that helps with branding the new organization and to signify the change in structure and operations. Sunshine Transit would be branded as part of the new transit organization.
- **Would buses operate the same?** No, 37 buses would consolidated under a single 501(c)(3). The routes would initially remain intact, but would soon be revised to take advantage of route efficiencies and improvements discussed in the Needs and Market Analyses.
- **How does this improve service?** Concept 3 has the greatest reduction in overlap of services, borough-wide streamlined public communication, most consolidated schedules and operations, and a single consolidated operations plan for the entire MSB. If the new organization is interested

in maintaining/expanding Medicaid funded transportation services, then the new organization will need to enroll as a Medicaid Provider and reach agreement with SCHC and other Health Service Providers who employ Care Coordinators to provide transportation services. This additional Medicaid funding could be used as match for FTA 5311 funding.

- What would be the impact to current employees?** The two Boards of Directors would merge into one (Sunshine doesn't currently have a board that is separate from SCHC), and the two organizations and one department would combine, resulting in 31 employees (7 administrative, 19 bus drivers, 1 dispatcher, and 4 maintenance and support staff). This corresponds to a reduction of 3 positions (1 executive director, 1 transit manager, and 1 administrative manager). With Sunshine Transit leaving SCHC, the new organization will also need to provide the support services or identify another funding source for the administrative costs that SCHC provides for Sunshine Transit operations (this is estimated by Sunshine Transit as being more than \$27,000. A more exact figure is not known since SCHC does not fully separate the costs to operate transit service from clinic operations).
- Where would it be housed?** See discussion above for Concept 2.
- How much would it cost to implement this concept?** The consolidation costs for Concept 3 are estimated at approximately \$469,000 (see Table 14). The estimated operational costs for Concept 3 based on 2015 financial data are shown in Table 16.

Table 16 – Concept 3 Planning Level Operational Cost Estimate

Funding Category	Transit Provider
	<i>New Organization (MASCOT, Valley Mover, and Sunshine Transit Combined)</i>
Revenue	
FTA Funding	\$1,175,000
Non-Federal In-Kind (State Funding, In-Kind Donations, Contracts)	\$1,020,000
Farebox	\$278,000
Total Revenue	\$2,473,000
Expenses	
Personnel	\$1,089,000
Fuel and Equipment	\$653,000
Overhead and Other (Utilities, Rent, Insurance, Supplies, etc.)	\$677,000
Total Expenses	\$2,419,000
TOTAL DEFICIT OR SURPLUS	\$54,000

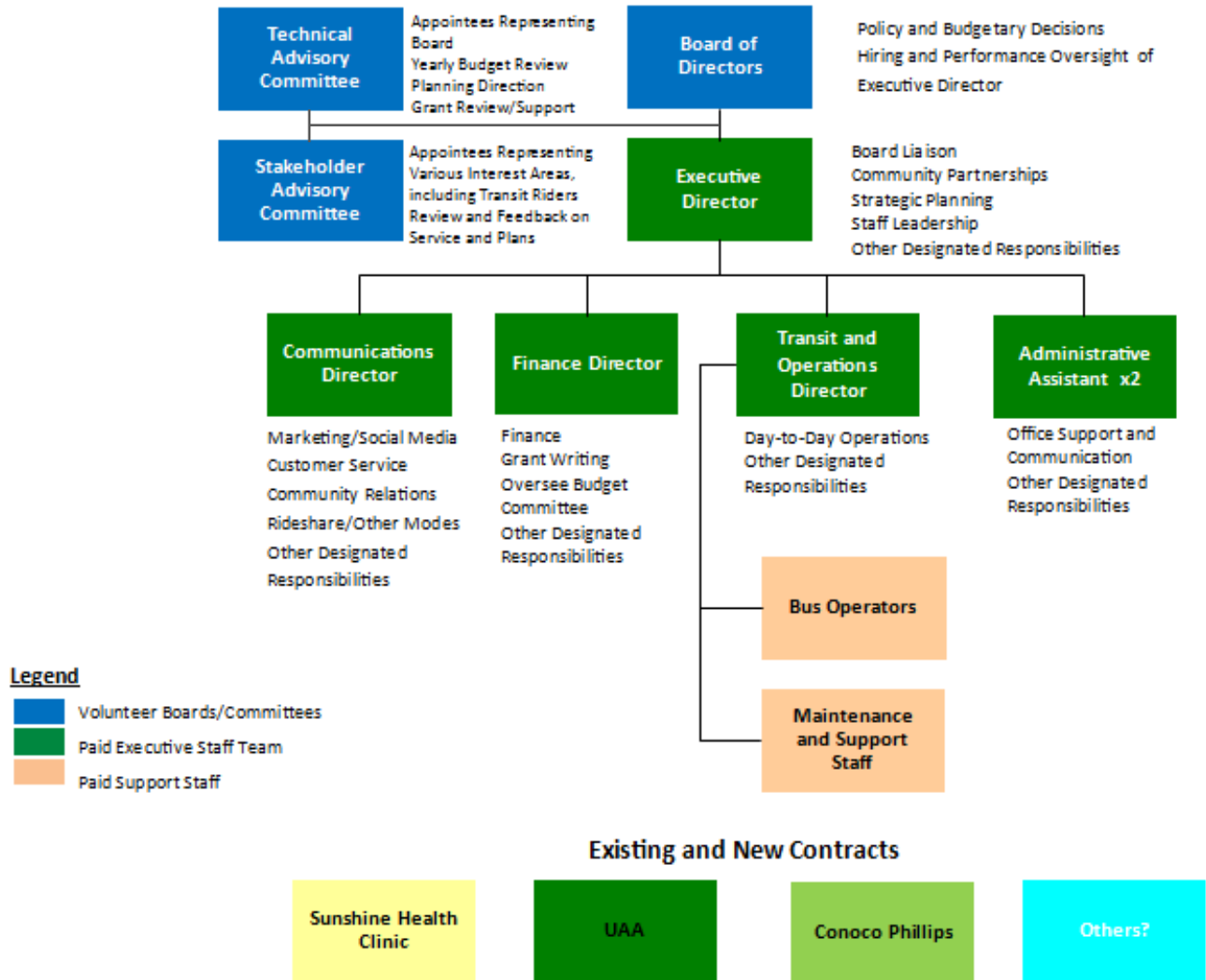


Figure 14 – Concept 3: Single Consolidated MSB Transit Organization

Concept 3A: Consolidate MASCOT and Valley Mover initially and integrate Sunshine Transit later (Phased Approach)

Concept 3A proposes to consolidate MASCOT and Valley Mover as described in Concept 2, and incorporate Sunshine Transit after the consolidated transit organization is operational. The rationale behind this phased approach to the fully consolidated concept is to focus on the two largest organizations first and wait until the new organization has been able to start running more smoothly before introducing the unique challenges associated with Sunshine Transit's operations – specifically their business relationship to SCHC and the dependence on Medicaid funding as a primary source of match funding. The advantages and disadvantages of Concept 3A are nearly the same as Concept 3 with the following exceptions:

- Advantages:**
 - Allows a phased approach while still meeting the intent of DOT&PF consolidation mandate.

- The new organization will have time to begin consolidation under new leadership and can get organized prior to adding in Sunshine Transit, perhaps resulting in less stress to the overall system.
 - Sunshine Transit and SCHC will have time to further investigate the administrative and organizational impacts of separating businesses.
 - The new organization can enroll as a State of Alaska's Medicaid Provider prior to Sunshine Transit being added to the organization. This would enable them to ease into the transition and give confidence to Sunshine that the funding would continue.
 - This would provide time for the consolidated transit organization to develop a Non-Emergency Medical Transportation Marketing Plan and hire the necessary staff.
- **Disadvantages:**
 - Delays what may be the inevitable split of Sunshine Transit from SCHC and could result in greater administrative efforts and re-work associated with creation of the new non-profit entity and branding efforts.
 - Delay may result in unforeseen funding or organizational issues.
 - On-going frustrations with Sunshine Transit having to walk the fine line between being a transportation entity and not a Care Coordinator.

Concept 3 A Summary

- **Would the transit providers keep the same names?** Initially Sunshine Transit would not change. Upon consolidation, Sunshine Transit would be branded as part of the new transit organization.
- **Would buses operate the same?** Ultimately the buses would operate as described for Concept 3.
- **How does this improve service?** Concept 3A's service improvements are the same as Concept 2 prior to consolidation of Sunshine Transit, and the same as Concept 3 thereafter.
- **What would be the impact to current employees?** The new board of directors would represent the new organization which initially combines MASCOT and Valley Mover, resulting in 22 employees (5 administrative, 12 bus drivers (10 full time/4 part time), 1 dispatcher, and 4 maintenance and support staff). Once Sunshine Transit is included in the organization, an additional 10 employees (2 administrative, 7 bus drivers, and 1 dispatcher) would join the new organization for a total of 32 employees (7 administrative, 19 bus drivers, 2 dispatcher, and 4 maintenance and support staff). If this concept is chosen, the new organization should plan for additional administrative space and bus storage to accommodate Sunshine Transit. The current estimate for these costs (currently paid for by SCHC) is about \$30,000. All bus operators and maintenance staff will be needed for this concept, and will not be impacted by the consolidation.
- **Where would it be housed?** See discussion for Concepts 2 and 3. Provided SCHC desires to maintain the close working relationship, no changes to Sunshine Transit's location is anticipated. The only exception is that a portion of the administrative needs (e.g. financial management, HR, IT) for Sunshine Transit may be consolidated into the larger organization.
- **How much would it cost to implement this concept?** The consolidation costs for Concept 3A are initially the same as Concept 2. When the decision to incorporate Sunshine Transit is made, then the costs will be close to those identified in Concept 3. Additional administrative and

consolidation costs may result from duplicated efforts such as branding, legal fees, and staff labor.

Concept 4: New Umbrella Organization

Concept 4 creates a new organization that would function as an administrative umbrella for MASCOT, Valley Mover, and Sunshine Transit, allowing them to continue to operate their existing services much as they do today. The new organization would apply for and distribute FTA funding through established formulas or contractual agreements. The umbrella organization could be a non-profit or government agency. Concept 4 could be a long-term solution or it could perform a transitional role that would enable funding to proceed in 2016-17, and ease the impact of restructuring the providers as described in Concepts 2 or 3. Staffing the umbrella organization would create new challenges to avoid creating inefficiencies and communication barriers. The existing transit providers would need to reduce their staffing and leave certain responsibilities (such as those performed by the Financial Manager and Administrative Assistant) to the new organization.

- **Advantages :**

- Could be implemented quickly with potentially reduced costs in comparison to other Concepts (e.g. no need to change business names, educate the public, re-sign the buses and stops, etc.).
- Alternatively, this concept could be used as an interim measure before the full consolidation process.
- Aligns with the minimum requirements of the consolidation mandate letter from DOT&PF. One grant applicant for funding from DOT&PF and other agencies.
- May still be able to take advantage of improved communication to create more efficient operations amongst the three transit providers.

- **Disadvantages:**

- If this is just an interim solution, it further clouds the consolidation issue, drags out the decision making process, and likely will cost more than Concepts 2 and 3 by the time the full consolidation occurs.
- The structure, duties, and responsibilities of the boards of directors would be confusing for board members and the public unless the existing boards were dissolved and reconstituted under the umbrella organization.
- Concept 4 may not meet the expectations of agencies and funding sources for having a single consolidated entity due to concerns about increased inefficiencies of the new organization.
- Does not prepare for possible separation of SCHC and Sunshine Transit that has been suggested by the SCHC Board as a long term consideration.

Concept 4 Summary

- **Would the transit providers keep the same names?** Yes, the providers would operate with no apparent changes to the general public.
- **Would buses operate the same?** Yes. No changes to the existing operations would occur unless Concept 4 is used as an interim solution to the eventual implementation of Concept 2 or 3. In that case the operations would change similarly as described previously.

- **How would this improve service?** Under the umbrella organization concept, service is likely to remain as it exists with minor improvements from improved communication/administration.
- **What is the impact to current employees?** Ultimately, four boards of directors would be needed for this new organization—one for the umbrella organization and one for each of the transit providers (including Sunshine Transit). The financial duties from each of the organizations would be consolidated into the umbrella organization – resulting in the need for a new financial officer. The new financial officer’s primary duties would be to see that the annual grant application is completed properly, monitor grant funding amongst the providers, and provide financial services to the service providers. Administrative assistants would still be needed for each provider, but the financial officers could be consolidated. The net change would be no increase in new staff, but the responsibilities would change. The new umbrella organization would have an executive director and financial officer which would eliminate the need for financial officers for the individual providers.
- **Where would it be housed?** All of the providers would remain in their existing facilities. The umbrella organization leadership would be co-located with either MASCOT or Valley Mover to avoid the need for leasing new space.
- **What is the cost of this concept?** The consolidation costs (see Table 14) for Concept 4 is estimated at about \$188,000. This assumes that Concept 4 is not an interim measure. If Concept 4 is simply a transitional phase, then the costs will increase to include all of the expenses shown for Concept 2 or 3 and will likely exceed \$500,000. Operational costs for Concept 4 are shown in Table 17.

Table 17 – Concept 4 Planning Level Operational Cost Estimate

Funding Category	Transit Provider
	<i>Total Umbrella Organization (MASCOT, Valley Mover, and Sunshine Transit)</i>
Revenue	
FTA Funding	\$1,175,000
Non-Federal In-Kind (State Funding, In-Kind Donations, Contracts)	\$1,020,000
Farebox	\$278,000
Total Revenue	\$2,473,000
Expenses	
Personnel	\$1,177,000
Fuel and Equipment	\$653,000
Overhead and Other (Utilities, Rent, Insurance, Supplies, etc.)	\$677,000
Total Expenses	\$2,507,000
TOTAL DEFICIT OR SURPLUS	(\$34,000)

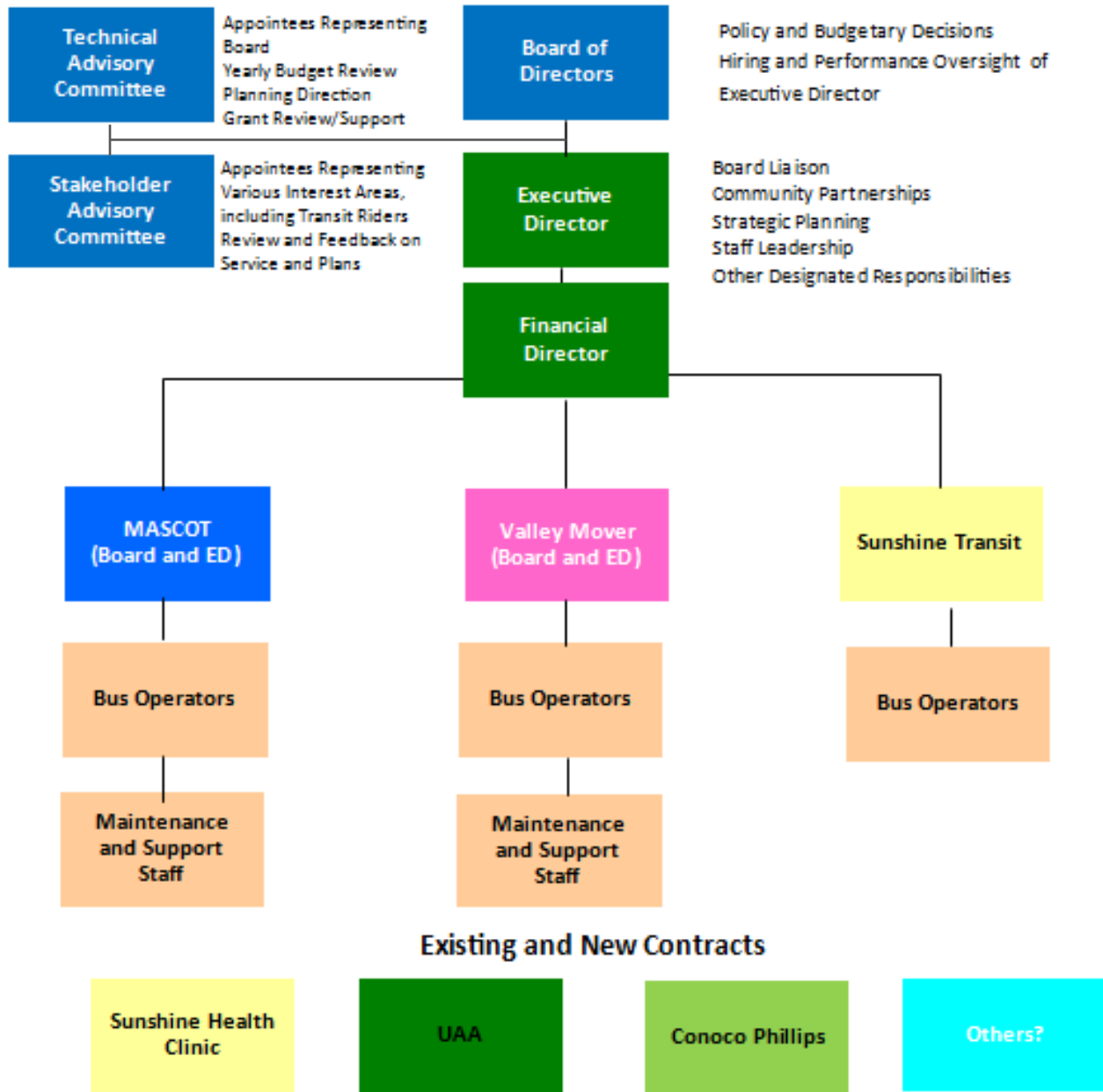





Figure 15 – Concept 4: New Umbrella Organization

Concept Comparison and Evaluation





















A comparison of Concepts 1-4 is summarized below using criteria developed based on feedback received throughout the planning process. These criteria are intended to help answer qualitative questions regarding the feasibility and reasonability of the concepts. The criteria focus on areas of most critical interest and are grouped into the following four categories:

- **Regulatory** criteria evaluate whether the concepts comply with specified regulatory requirements.
- **Organizational** criteria evaluate the Concept's anticipated ability to provide an organization that can be run effectively and coordinate better with regional stakeholders.
- **Transit Service** criteria evaluate how well transit riders' needs are met.
- **Financial** criteria evaluate the Concept's anticipated ability to meet financial needs.

Symbol	Answer
	Yes
	Maybe/ Possibly/ Neutral
	No

To perform the evaluation, the Planning Team considered questions related to the four categories and then determined how likely the question was to receive a yes, maybe/possible/neutral, or no as the answer. Table 18 provides the results of the evaluation.

Table 18 – Concept Comparison Summary

Evaluation Criteria	Question	Concepts			
		1. No Change	2. Consolidate MASCOT and Valley Mover	3/3A – Full Consolidation	4. Umbrella Organization
Regulatory					
Eligibility for FTA funds	<i>Will MASCOT, Valley Mover, and Sunshine Transit be eligible for FTA funds?</i>				
Prepared for Potential Future MPO	<i>Will the transit providers be better prepared for future urbanized area (e.g. MPO) designation and funding?</i>				
Organizational					
Unified Transit Provider	<i>Does the structure accommodate efforts to act as a unified transit provider regarding service and coordination with regional partners?</i>				
Ease of Transition	<i>Will the transition be simple?</i>				
Ease of Transition	<i>Will the transition be clear and intuitive?</i>				

Evaluation Criteria	Question	Concepts			
		1. No Change	2. Consolidate MASCOT and Valley Mover	3/3A – Full Consolidation	4. Umbrella Organization
Transit Service					
Service Levels	Are service levels expected to be maintained or improved?	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Rider Experience	Will transit riders experience a more seamless transit system with more consistent expectations?	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Operational Efficiencies	Will operational inefficiencies be improved?	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Financial					
Matching Funds	Will matching funds be easier to obtain?	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Contracted Services	Will opportunities for new partners be created?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Meet Debt Obligations	Will debt obligations be easier to pay?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Accounting Practices	Will accounting expectations be easier to complete?	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Fleet Updates	Will fleet needs be easier to plan for and fund?	<input type="radio"/>	<input checked="" type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>
Medicaid	Will Medicaid funding be easier to obtain?	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

ORGANIZATION & OPERATIONAL PLAN

Description of the Preferred Alternative

On July 18, 2016, the MASCOT and Valley Mover Boards of Directors voted to reconstitute membership on the boards. This significant step towards consolidation maintained two separate boards, but the membership on both boards is now identical with membership consisting of three prior Valley Mover board members, three prior MASCOT board members, and three at large members. On July 20, 2016, DOT&PF issued clarification¹⁵ on the transit structure that will meet the intent of their consolidation mandate which provided important information for the Boards of Directors and Management Committee to determine a path forward. Later that day, the Management Committee and Board members met to discuss the findings of the Draft Mat-Su Transit Feasibility Assessment and to deliberate the organizational concepts.

At the conclusion of this meeting, Concept 3A was selected as the Preferred Alternative for consolidating transit service in the MSB. The phasing and anticipated schedule for Concept 3A is described below:

- Phase 1 is the consolidation of MASCOT and Valley Mover.
- Phase 2 will later add Sunshine Transit to the organization with a goal of completing Phase 2 within 3-5 years.

The primary rationale for selection of Concept 3A as the Preferred Alternative was the phased concept of adding Sunshine Transit to the organization at a later date. Separation of Sunshine Transit from SCHC and the related funding complications would have magnified the complexity and delayed the implementation of a transit merger, but under Concept 3A, Phase 1 is able to proceed immediately and preparations can be put in place that will accommodate the future addition of Sunshine Transit (Phase 2). This concept is consistent with the DOT&PF consolidation mandate as clarified on July 20 because the concept outlines a timetable for full consolidation that avoids the perpetual funding of more than one grant.

This chapter details the organizational structure and operational plan as required to guide the consolidation process and schedule.

Organizational Structure/Staff Resources

The organizational structure and staff resources anticipated for the next five years are detailed below to assist the Board with the restructuring of resources and staffing the new organization. Resources and staff for each phase of consolidation are differentiated below.

¹⁵ The DOT&PF sees Alternative 3 as the preferred end state for the administration of public transportation in the MSB and recognizes the need for additional transition time to work through issues of administration and service structure to provide transit service in parts of the MSB appropriate to need, including the portion of the service area currently served by Sunshine Transit. DOT&PF will provide separate grant support to Sunshine Transit for an interim period to allow for the transition. Under this scenario, grant funding from DOT&PF to the unified entity will be evaluated and awarded based on need as identified and prioritized through plans, subject to formula and availability of funding. Should another alternative be chosen requiring a perpetual funding of more than one grantee, the Department would cap 5311 funding at \$1 million as they do in other transit service areas statewide. The funding cap would apply to the combined service area. (DOT&PF, e-mail from Eric Taylor to the Planning Team, July 20, 2016)

Phase 1: Consolidate MASCOT and Valley Mover

The staff and organizational structure for Phase 1 are described below.

Board of Directors. The new Board established in July 2016 is a combined board of 9 persons who were chosen from the prior boards. The new board is made of representatives from the MASCOT and Valley Mover boards, two community members, and a representative from Sunshine Transit (the board member from Sunshine Transit is an advisory, non-voting member). This transitional board was selected to maintain continuity and institutional knowledge from the prior boards. Based on the Transportation Research Board's Transit Board Governance Guidebook (FTA, 2002), average board size for a medium sized transit agency board is 7-10 members; the new board falls within this range. We recommend that the Board review the size of the board after full consolidation to determine if the group size is meeting the needs of the organization or if changes need to be made.

Executive Director. One of the first steps in the consolidation will be hiring an Executive Director, which should include an external search while also being open for internal applicants. The Board will select an Executive Director that will be responsible for overseeing the merger of the organizations and hiring key department managers that will work as a team to complete the consolidation implementation and action plan.

Organizational Staff. All other staff will be selected by the Department Managers and approved by the Executive Director, and are envisioned to be primarily transitioned from the existing to the new organization. The Department Managers will consist of a Communications Manager, Financial Manager, Transit Manager, and Administrative Manager. It is envisioned that these positions will be selected from the MASCOT and Valley Mover organizations if desired or that new positions would be recruited. The remaining staff is outlined in the organizational chart on the following page.

Transit Advisory Committees play a valuable role in increasing public involvement and providing insight and feedback that transit providers can use to improve both planning and operations. In a recent survey of transit providers performed by the Transit Cooperative Research Program (TCRP), more than 80 percent of respondents indicated they involved an advisory committee in their planning processes during the prior three years.¹⁶ These committees go by many different names and vary in structure, function, membership, and management; however, they are most likely to benefit the transit provider when they are adapted to meet the unique needs of the community. In addition, the TCRP report found the following best practices for successful committees:

- Have a clear expectations and communication about committee roles and responsibilities,
- Be representative of a broad cross-section of viewpoints balanced with the need to maintain a manageable committee size,
- Consider professional public involvement staff to support committees efforts,
- Perform periodic committee evaluation,
- Provide opportunities to involve and obtain input and support from interested stakeholders, and
- Provide opportunities to coordinate with Health Service Providers and engage partners.

¹⁶ *Effective Use of Citizen Advisory Committees for Transit Planning and Operations*, TCRP Synthesis 85, 2010

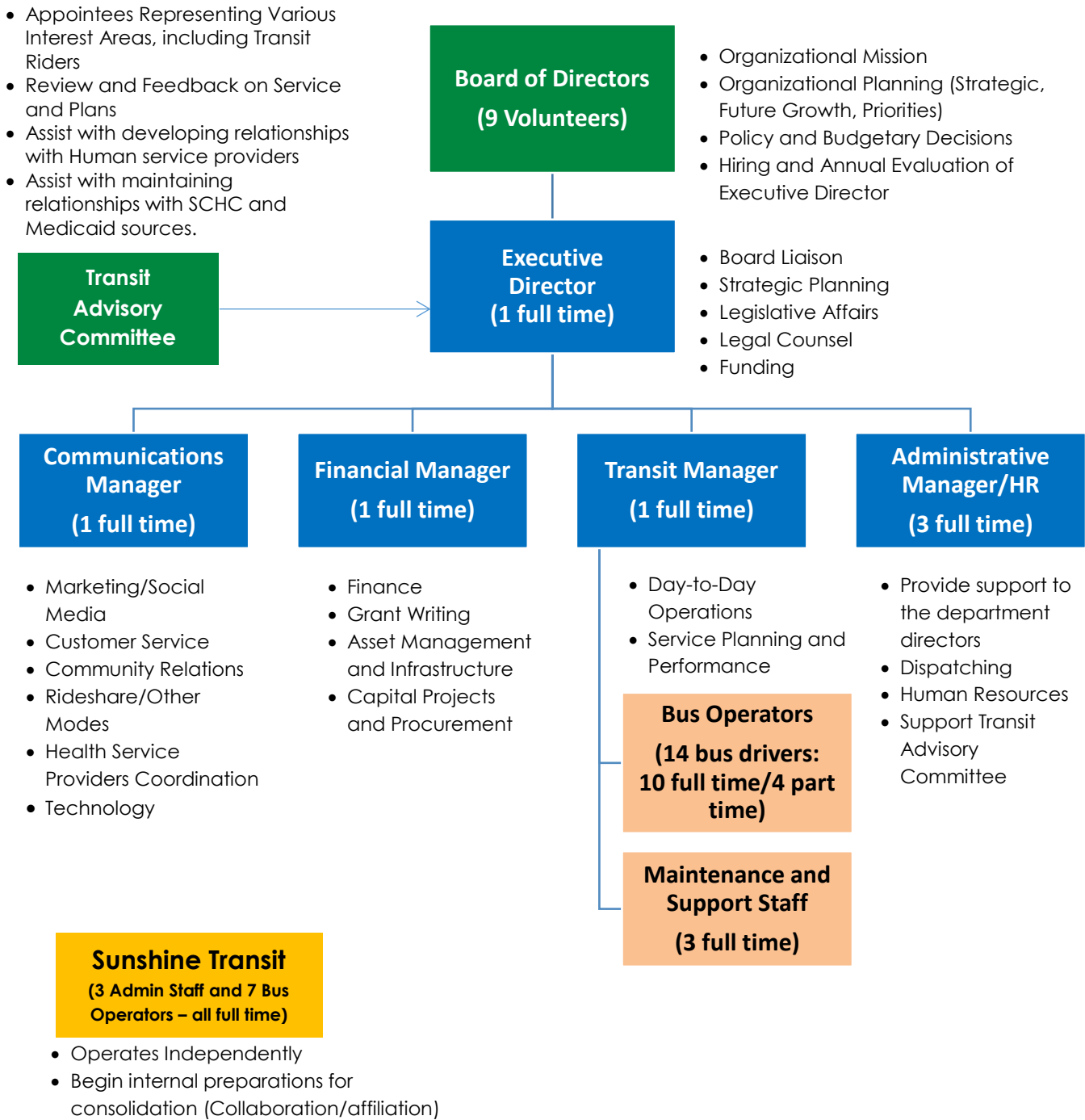


Figure 16 – Phase 1: Organizational Chart

Phase 2: Add Sunshine Transit to the Consolidated Organization

When the Board determines that consolidation with Sunshine Transit is appropriate, the Executive Director, with guidance from the Board, will determine the administrative and operational staff that will remain and be incorporated into the consolidated organization. Ideally, all or the majority of the existing staff and leadership will transition to the new organization with the desired goal of reaching agreement with SCHC to remain in the same facilities. If this agreement cannot be reached, new facilities in the Upper Susitna region will need to be identified. It is not feasible for Sunshine Transit's services to be provided by Wasilla based resources.

The Board may wish to consider assigning one position (not just an advisory, non-voting position) on the Board to someone who can represent the Upper Susitna Region. The Sunshine Transit Manager position will need to be renamed and will report to the Transit Manager. All other staff will be assigned to their respective Departments, despite the fact that they will be working in a different facility. The human resource, IT, and financial administration efforts for the Sunshine Transit organization will be added to the consolidated organization.

One of the key changes that will result from Phase 2 of the consolidation will be the new focus on Medicaid as a means of maintaining funding and ridership in the Upper Susitna region. This responsibility is currently borne largely by the SCHC staff and will need to be transitioned to the new consolidated organization and will likely require a new administrative staff person that is dedicated to coordinating Medicaid funding and transportation issues. All other additional financial and administrative work that results from the Phase 2 consolidation will likely be able to be absorbed by the Phase 1 organization. The fully consolidated organization at the completion of Phase 2 is outlined in the organizational chart on the following page.

Over time, as workload and finances allow, the organization could add specialists to assist each of the managers. In addition, a Planning Manager and Associate Planner could also be considered for the organization.

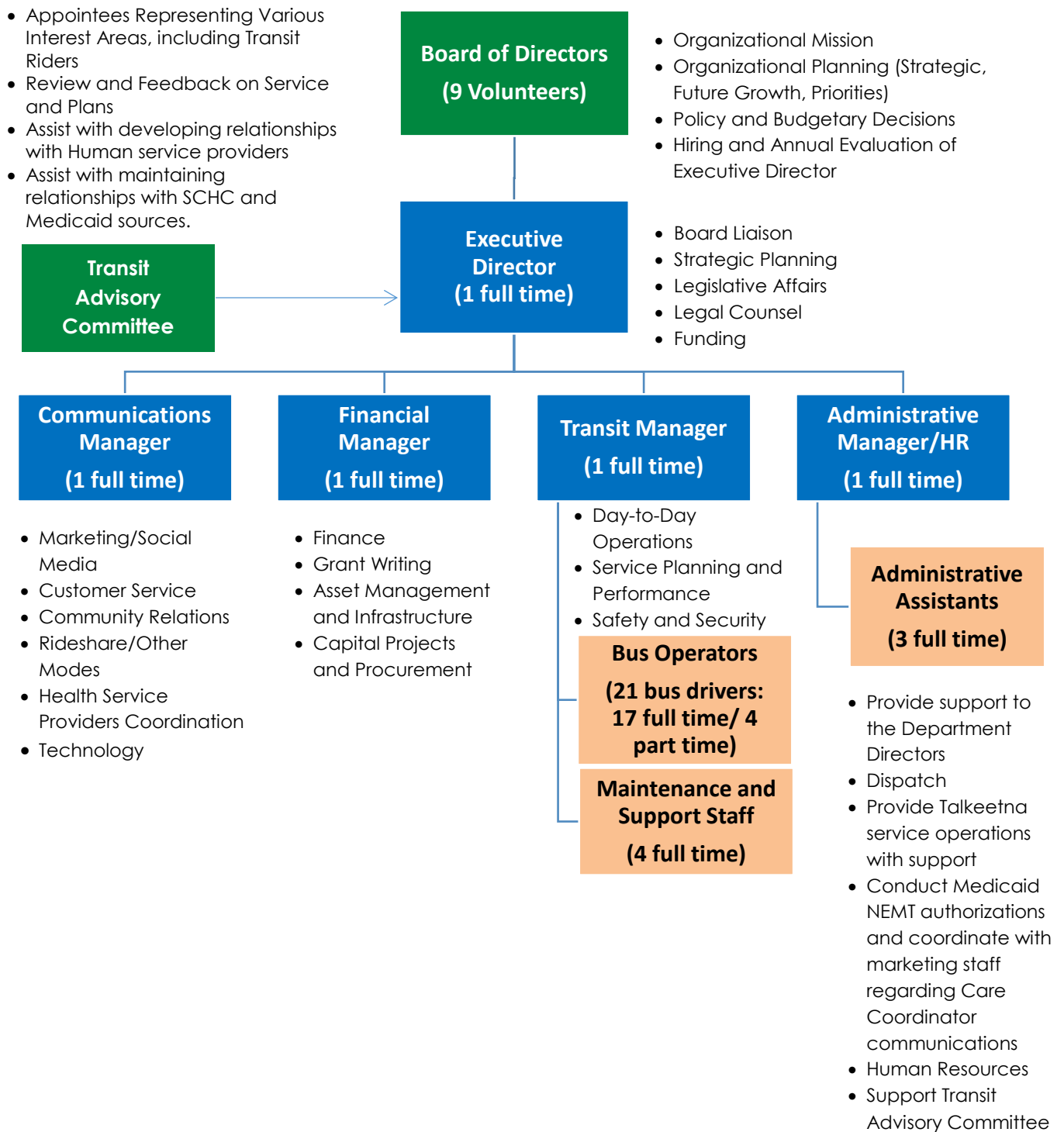


Figure 17 – Phase 2: Organizational Chart

Inventory/Infrastructure

The existing transit organizations involved in the consolidation will need to legally transfer all buses and capital inventory to the new organization. There are a total of 34 buses (including Sunshine Transit), 16 in service and 18 not in service, two property lease agreements and one transit facility that will need to be transferred. The current number of buses is expected to be sufficient to serve the new routes. A breakout of the bus and capital inventory is listed in Table 19 and Table 20.

Table 19 – Bus Inventory

Buses	Year	Quantity	Passengers	Notes/Needs
Buses In Service				
Newflyer Buses	1995-1998	7	39	Buses are over 15 years old and have an average of 600,000 miles on them.
Cutaway Buses	2010-2012	4	16-20	Buses are rotated every 4,500 miles for maintenance.
Sunshine Transit Cutaway Buses*	2007-2015	3	12-14	None
Sunshine Transit Express Van*	2013	1	8	None
Sunshine Transit Equinox*	2015	1	11	None
Total Buses In Service		16		
Buses Not In Service				
Newflyer Bus	1995	11	39	Provides parts and back up.
Cutaway Buses	2002-2010	6	16-20	All buses are inactive. Three buses are used for parts only. The other buses are in maintenance.
Freightliner Sprinter	2011	1	11	None
Total Buses Not In Services		18		

*Sunshine buses are included as part of this table so the organization can prepare for the transition to a full consolidation.

Table 20 – Capital Inventory

Capital Assets	Characteristics	Lease Agreement	Cost	Landlord	Tenant
Facilities					
Property Lease Agreement (Where Transit Bus Facility is located)	5 acre property, with 9,750 square feet of visitor/employee parking.	May 2006- April 2026	\$1 per year	City of Wasilla	MASCOT
Transit Bus Facility	30,147 square feet building with 4,147 square feet of office space and 26,000 square feet of bus storage and maintenance bays.	FTA Funded* 2004	~\$1.8 million	City of Wasilla	MASCOT
Transit Bus Barn Facility Lease Agreement	8,136 square feet building with 1,536 square feet of office space and 6,600 square feet of bus storage and maintenance bays.	May 2014- April 2018	~\$100k per year	Tew's Enterprises	Valley Mover

*Note: FTA has a vested interest in all real property obtained or constructed using FTA dollars and may require repayment of some or all of the Federal assistance expended on a property if the grantee unreasonably delays or fails to use the project property during the useful life of that property.¹⁷

¹⁷ FTA Circular 5010. D & .E

Disposition. If the recipient determines that real property is no longer needed for the purpose for which it was acquired, FTA may approve the use of the property for other purposes. **Useful Life:** Useful life means the expected lifetime of property, or the acceptable period of use in service. Useful life of revenue rolling stock begins on the date the vehicle is placed in revenue service and continues until it is removed from service. Note: Land does not depreciate and does not have a useful life; however, construction, buildings, improvements, and so forth, occupying the land do have a useful life and depreciate.

Facilities. Determining the useful life of a facility must take into consideration such factors as the type of construction, nature of the equipment used, historical usage patterns, and technological developments. Based on any of the methods identified above in Chapter IV, Paragraph 4.f(1), a railroad or highway structure has a minimum useful life of 50 years, and most other buildings and facilities (concrete, steel, and frame construction) have a useful life of 40 years.

Continuing Control (Chapter IV.3.e.1). The grantee agrees to maintain continuing control of the use of project property and constructed improvements to the extent satisfactory to FTA. The grantee agrees to use project property for appropriate project purposes for the duration of the useful life of that property, as required by FTA. If the grantee unreasonably delays or fails to use the project property during the useful life of that property, the grantee agrees that it may be required to return the entire amount of the Federal assistance expended on that property. The grantee further agrees to notify FTA immediately when any project property is withdrawn from project use or when any project property is used in a manner substantially different from the representations the grantee made in the Grant Agreement or Cooperative Agreement for the project.

Financial Resources/Consolidated Budget

Financial management of existing and combined resources for the consolidated organization will now justify hiring a dedicated Financial Manager. The financial systems will also need to be integrated. It is recommended that the new organization hire an outside firm to conduct this initial effort. The system provider can consolidate the existing financial systems and provide training (if necessary) for staff on how to operate and maintain the new system.

As shown in Table 21, the estimated cost to consolidate the new organization is approximately \$469,000. These are costs would be above and beyond the typical annual costs to operate the transit organizations. These costs include staff recruitment, HR support, legal fees, facility rehabilitations/relocation, and contingency. These costs do not include capital expenditures to consolidate the maintenance facilities, purchase new buses, print different passes, or replace fare boxes if the new organization decides to transition to a common fare box for all buses. The costs for Phase 1 are the majority of this estimate. The portion of the consolidated costs that will be related to Phase 2 is about \$70,000 of the total cost (building and bus signage, incorporation of Medicaid financial management into the accounting system, website update and announcement to stakeholders, HR support for staff transition, and IT expenses).

Table 21 –Phase 1 and Phase 2 Consolidation Costs

Item	Estimated Cost
Staff Recruitment and HR Transition Support	\$50,000
Branding, Materials (Website, Schedules, etc.), and Signage (Buses and Bus Stops)	\$170,000
Legal Fees	\$70,000
Accounting and IT Systems Integration (includes minor improvements to dispatch)	\$70,000
Facility Relocation and Furnishings	\$15,000
Subtotal	\$375,000
25% Contingency	\$94,000
Total	\$469,000

The ability to fund the consolidation will be the critical path for the schedule. If sufficient funding for the Phase 1 consolidation can be obtained in two years, then the consolidation will closely follow. If the funding lags, the consolidation could require 4-5 years. For schedule purposes we assumed \$200,000 per year could be allocated to consolidation.

Table 22 shows the estimated operating costs for Phase 1, which is approximately \$2,000,000. When Sunshine Transit is included into the consolidation (Phase 2), the cost will increase to support Sunshine Transit's expenses.

Table 22 and Table 23 on the following page provide details on revenues and expenses for Phase 1 and Phase 2.

Table 22 –Phase 1 Planning Level Consolidated Budget

Funding Category	Transit Provider
	<i>New Organization (MASCOT and Valley Mover)</i>
Revenue	
FTA Funding	\$929,000
Non-Federal (State Funding, In-Kind Donations, Contracts)	\$913,000
Farebox (assumes same as currently collected by providers)	\$268,000
Total Revenue	\$2,110,000
Expenses	
Personnel	\$891,000
Fuel and Equipment	\$562,000
Overhead and Other (Utilities, Rent, Insurance, Supplies, etc.)	\$611,000
Total Expenses	\$2,064,000
TOTAL DEFICIT OR SURPLUS	\$46,000

Table 23 –Phase 2 Planning Level Consolidated Budget

Funding Category	Transit Provider
	<i>New Organization (MASCOT, Valley Mover, and Sunshine Transit Combined)</i>
Revenue	
FTA Funding	\$1,175,000
Non-Federal (State Funding, In-Kind Donations, Contracts)	\$1,020,000
Farebox	\$278,000
Total Revenue	\$2,473,000
Expenses	
Personnel	\$1,089,000
Fuel and Equipment	\$653,000
Overhead and Other (Utilities, Rent, Insurance, Supplies, etc.)	\$677,000
Total Expenses	\$2,419,000
TOTAL DEFICIT OR SURPLUS	\$54,000

Facility Consolidation Considerations

A large part of consolidating and having a successful merger of two organizations is to foster unity by breaking down the barriers (physical and virtual) from the old organizations and developing a new company culture. This will require that the managers and office staff be housed in a space that will enable them to work together as one organization. The new organization will have 7 office staff (plus 1 more Medicaid specialist after Phase 2) and will require about 2000 - 2500 square feet of office space to meet the needs of the organization.

As discussed in Concept 2 earlier in the report, the MASCOT facility has ample Class B type office space for the combined administrative staff, but the bus facilities cannot be combined without a capital

improvement project because Valley Mover buses will not fit in the maintenance bays and the parking area is too small for the combined fleet. On the other hand, the Valley Mover site has ample parking area for both fleets and the maintenance building can accommodate any bus in the fleet, but the number of maintenance bays would need to increase and the administrative office space is Class C type space and would require considerable upgrades to meet the needs of the combined transit organization. Locating the administrative staff away from the mechanics and drivers is not an ideal solution and would need to be weighed against the advantages of having a combined office staff.

The MASCOT site has a longer lease remaining on the existing facility (10 more years compared to a lease expiring in 2018 at the Valley Mover facility) but the MASCOT site is essentially free to lease in comparison to the Valley Mover site (\$1/year vs. approximately \$100K/year). In the short term, locating the office staff at the MASCOT site and keeping the rest of the organization in their existing sites is the recommended solution and then plan for a capital improvement project within the next 5 years to accommodate the consolidated fleet. A site selection study/alternatives analysis will be necessary to determine the most cost effective option for meeting the office, maintenance, and fleet needs, whether it be expansion of one of the existing sites or a new facility altogether. This study should take into consideration that FTA may require repayment of some or all of the Federal assistance expended on a property if the grantee (in this case the City of Wasilla) unreasonably delays or fails to use the project property during the useful life of that property.¹⁸

Services Provided

The new organization will continue to provide commuter, route deviation, and Demand Response bus service. Services will be provided to the public Monday – Friday 4:30 a.m. – 7:30 p.m. (excluding holidays).

The service area will remain the same which includes Wasilla, Palmer, Talkeetna, Trapper Creek, Willow, Sutton and Anchorage. While a focus of the Operational Plan is on revised transit routes, it is also important to note that the same resources as currently employed are recommended to be used to continue providing Demand Response services (referred to by MASCOT as the “Otter Bus”), including the shopper shuttle for the Wasilla Senior Center. Additional demand services are recommended as the new organization is able to obtain additional funding. One way to approach this need is through developing partnerships with organizations and businesses throughout the community, including the State Fair. As these organizations provide financial assistance, the consolidated transit provider may offer to increase service to those locations, especially with additional demand response services.

Routes

Out of financial necessity, the existing organizations already have a mindset to be flexible, work efficiently and make wise use of scarce resources. As part of the operational analysis, we evaluated the routes to determine if additional efficiencies or other demand modifications should be considered.

Route recommendations were developed based on the project team’s research and observations from bus ride-alongs, industry best practices, and the following data collected during this Assessment:

- 1) Trip Generators
- 2) Ridership Data
- 3) MSB’s Demographic/Housing Density Study

¹⁸ FTA Circular 5010. Continuing Control (Chapter IV.3.e.1)

Data supporting the analysis and recommendations can be found in **Appendix I, J, and K**.

Wholesale modifications to the routes are not anticipated. Development in the MSB is not at a density that allows widespread spacing of new routes and stops. MASCOT has been correct in focusing their efforts on the core urban areas with a route along Knik Goose Bay Road, Parks Highway, Palmer Wasilla Highway, and the Palmer central business district. Recommended modifications include the following:

1. Consolidate the Pet Zoo and Target bus stops in Wasilla into a single facility bus stop that will function as a Central Transit Station. A site selection process is recommended to determine the location, design, ownership, and funding of this facility and also to account for community feedback and other considerations. Ideally, this facility would be located either in the public right-of-way or in a space that would be owned and maintained by the transit agency and not subject to the goodwill of the retail center to remain operations.

A Central Transit Station is recommended for the following reasons:

- a. The existing stops are in a central location for public transit access and have the network's highest ridership (other than Park & Ride lots).
- b. A Central Transit Station simplifies transfers, particularly when there are only a few routes.
- c. It relieves the transit agency of the potential risk of not being allowed to stop on private property at the Pet Zoo and/or Target.

The Central Transit Station would be a scaled down version of a similar facility located in Anchorage near the Muldoon Road and DeBarr Road intersection – called the Muldoon Transfer Station. In concept, this facility would be bus stop turnouts on both sides of Palmer-Wasilla Highway near a signalized intersection to control pedestrian crossings. Alternatively, space could be acquired in this vicinity to construct an off-street transfer station of similar size.

A policy document that includes bus stop standards and amenities for providing greater passenger, pedestrian and traffic safety can help enforce these guidelines as projects are being planned and developed for the new transit organization. **Appendix L and M** include examples of bus stop amenities policy documents currently used by MOA's People Mover and Olympia Washington's Intercity Transit Service. The MOA is in the process of updating the Design Criteria Manual (DCM) which identifies transit amenities and requirements. It will also be beneficial for the new consolidated organization to work with DOT&PF to identify when and where they can automatically incorporate transit improvements with existing projects, as MOA's People Mover does in Anchorage.

2. Configure the three point-to-point routes to also go through this Central Transit Station. The linear nature of the Valley transit network and the fortuitous configuration of the three primary transit corridors, enable all of the routes to easily route through a single point without the need for additional out of direction travel. This enables the system to have the transfer efficiencies of a hub/spoke system (no more than one transfer needed to go anywhere in the system) with the added efficiency of three point-to-point routes that are enhanced by the flexibility of demand response and a bus schedule that enables the same buses to cycle through routes 3 and 4, thereby eliminating the need for transfers between these routes.
3. Focus on establishing greater frequency for Parks Highway east/west travel and simplify this route so that it functions as a shuttle service on this artery. Make it a service that core users can rely on and that increases visibility to the public and advertisers.

4. Limit routes west/north of the Valley Mover Transit Facility (8336 Parks Highway near Big Lake intersection) to demand response only except for the route currently served by Valley Mover.
5. Limit routes east of central Palmer to demand response only to enable the Palmer - Wasilla Highway route to function as an express shuttle between the communities.
6. Add an additional Anchorage stop to the express route to connect with People Mover routes on the east side of Anchorage and provide a more direct connection for MSB residents to major employment areas, particularly the U-Med District. The primary connection location being recommended is the Muldoon Transfer Center, where the express route could stop and drop off riders who do not need to continue on to Downtown Anchorage. A few minutes of additional travel time would be added to the express route, but with effective schedule coordination and planning, Anchorage People Mover and the MSB commuter schedules can provide more direct routes and numerous time-saving options for the public. For example, if a commuter is trying to ride public transit from Wasilla to the U-Med District they currently must go all the way Downtown before transferring, see below:

Take commuter route traveling inbound from the Trunk Road Park & Ride, departing at 5:10 a.m., to Anchorage's People Mover Downtown Transit Center, arriving at 5:50 a.m., and then transfer to bus #75, departing at 6:10am, traveling outbound to the U-Med District, arriving at 6:22 a.m..

The example described above is a best case scenario. If the express route were to stop first at the Muldoon Transfer Center, a rider could transfer to a People Mover route that heads directly to the U-Med District and save 15-30 minutes over the existing route. Additional travel time would be added to those riders continuing on to Downtown Anchorage, but this time could be kept to a minimum by only adding this one stop. It may also be beneficial to limit this stop to selected express routes, depending on timing of the connecting People Mover routes.

A coordinated stop at Muldoon Road would also provide single transfer access to People Mover Routes 1, 3, 8, 13, and 15 which would open up numerous opportunities for MSB commuters. The Anchorage People Mover Bus Routes are included in **Appendix N**. It is important to note that operating within the Anchorage urban area is a sensitive issue that will require coordination with People Mover and DOT&PF to make sure that the operations remain within funding guidelines. In addition, conversation regarding additional stops in Anchorage may be driven by the Anchorage Municipal Code.

As an alternative to the Muldoon Transfer Center connection, the new organization may choose to coordinate with People Mover to provide direct express routes to the U-Med District. Demand for this direct service could be driven by partnerships with the University and various Health Service Providers. Surveys of existing riders, initial incentives, and phased implementation could be used to gauge and increase demand for direct routes to the U-Med District.

7. Time the commuter route stops at the Central Transit Station and at Trunk Road to align with the arrival/departure of the local routes to reduce commute times and encourage transfers.
8. Consider new Park & Ride lots in the vicinity of Settler's Bay and/or near the Central Transit Station within the next 5-10 years. Knik Goose Bay is one of the fastest growing areas of the MSB and traffic is/has been growing at a 4 to 6 percent rate per year. At this pace, traffic volumes will double in the next 10 years and the transportation network will face significant congestion that will help to encourage greater express transit use.

Following are descriptions of the proposed new service area routes accompanied by proposed schedules and maps.

Route 1 (Red Line) – Route 1 travels from Wasilla to Anchorage and is similar to the existing Valley Mover Commuter Route (Table 24). This route continues to meet commuter needs and provide contractual and grant funded services. Minor changes to schedules and stop locations should be made to coordinate with the other transit routes in the MSB and additional People Mover routes in Anchorage, particularly at the new Central Transit Station and the Muldoon Transfer Center.

Table 24 – Route 1 Service (Red Line)

	New Service	Comparison with Existing Service
Route	Wasilla to Downtown Anchorage and back to Wasilla, with some runs also connecting to Big Lake	Similar to the existing Valley Mover commuter route, but with improved coordination with other routes
Target Riders	Commuters to/from Anchorage (with some local riders along the Parks Highway)	
Service Hours	4:40 a.m. to 8:00 a.m., with late morning break	
Trips	Six trips in the AM (4:40 a.m. to 10:00 a.m.) Eight trips in the PM (11:40 a.m. to 8:00 p.m.)	
Headways	AM: Average of 30 minutes, with one hour for final bus; however, two buses are clustered around a 6:30 a.m. arrival in down Anchorage and two other buses are clustered around a 7:30 a.m. arrival PM: Approximately one hour (first four buses), 30 minutes (next three buses, though clustering of two buses each around 4:20 p.m. and 5:20 p.m. departures from downtown Anchorage), and one hour (final bus)	
Details	AM: six buses (or five buses with one making the trip twice) leave Wasilla (headed to Anchorage) between 4:40 a.m. and 7:50 a.m. and return between 6:55 a.m. and 10:00 a.m. PM: Eight buses (or six buses with two making the trip twice) leave Wasilla (headed to Anchorage) between 11:40 a.m. and 5:40 p.m. and return between 2:30 p.m. and 8:00 p.m. Each roundtrip takes between two hours fifteen minutes and three hours depending on time of day (due to traffic), regular stops (e.g., Central Transit Station, Wasilla park & ride lots, downtown Anchorage, and a new stop at the Muldoon Transfer Center), and variable stops (e.g., Big Lake, Veterans Affairs Clinic, Northway Mall, etc.)	Use same Newflyer buses currently operated by Valley Mover

Route 2 (Green Line) - Route 2 starts at the Central Transit Station and then travels back and forth between the Trunk Road Park & Ride and Valley Mover Park & Ride (Table 25). This is a consolidation of portions of three existing MASCOT routes and will provide more frequency along the Parks Highway. Several stops will be made along the way, including Three Bears Meadow Lakes, Denali Family Restaurant Westside Center, Wasilla Senior Center, Central Transit Station, Walmart, and Trunk Road Park & Ride. Additional stops, such as at the Curtis D. Menard Memorial Sports Center, may be considered upon request. The purpose of this route is to provide more frequency throughout the day along the main corridor within the City of Wasilla. Travel time for this route is expected to be ~45 minutes each direction. The new organization will need to identify buses for this route and the schedule may need to be adjusted depending on coordination with businesses along this route and whether additional bus stop locations are desired.

Table 25 – Route 2 Service (Green Line)

	New Service	Comparison with Existing Service
Route	Parks Highway between the Trunk Road Park & Ride and Valley Mover Park & Ride	Some similarities with the following three MASCOT routes:
Target Riders	Local riders along the Parks Highway (route serves as backbone to the local network)	Wasilla to Palmer (and return trip) Wasilla to M. Lakes/Big Lake (and return trip) Wasilla to Mat-Su Regional Urgent Care (and return trip)
Service Hours	7:00 a.m. to 7:30 p.m., with a 1-hour break in the morning (e.g., 10:00 a.m. to 11:00 a.m.) and a one-hour break in the afternoon (e.g., 2:00 p.m. to 3:00 p.m.)	Current service along the eastern portion of this route starts earlier (5:50 a.m.) but also ends earlier (6:30 p.m.); there are also longer headways around 10:00 a.m. and 3:00 p.m.
Trips	Seven trips (two trips between 7:00 a.m. and 10:00 a.m., two trips between 11:00 a.m. and 2:00 p.m., and Three trips between 3:00 p.m. and 7:30 p.m.)	Seven trips on east end (some stops require rider request)
Headways	One hour thirty minutes (with exception of break times)	Vary between thirty minutes and two hours thirty minutes
Details	One bus travels back and forth along the route during service hours Each roundtrip takes one hour thirty minutes Schedule should be coordinated with other routes to facilitate connections between destinations along the Parks Highway and the adjacent areas served by other routes.	Three different buses currently serve portions of the route at different times during the day New service to use same size buses currently operated by MASCOT

Route 3 (Turquoise Line) – Route 3 starts at Central Transit Station and travels southwest to the Knik Chevron, with multiple stops along the way (including the Wasilla Senior Center), before turning around and returning to Central Transit Station (Table 26). Iditacup is identified as a bus stop on the route, but will be a route deviation stop. From Central Transit Station, the route then travels west towards the Westside Center (with a stop in downtown Wasilla), north to Mat-Su Health Services (as well as the adjacent Mat-Su Services for Children & Adults), then turns around and returns to the Central Transit Station. The primary purpose of this route is to collect passengers from residential areas and trip generators, and bring them to the Parks Highway so they can connect to other parts of town. The bus serving this route is expected to also serve Route 4 by alternating between the two routes throughout the day.

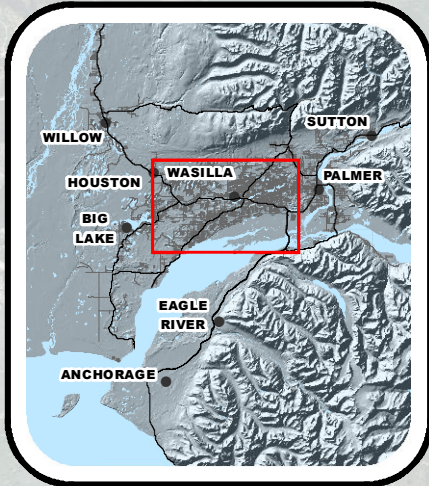
Table 26 – Route 3 Service (Turquoise Line)

	New Service	Comparison with Existing Service
Route	Segment one: Knik-Goose Bay Road between Pet Zoo and the Knik Chevron Segment two: Portions of Parks Highway and Lucas Road between Pet Zoo and Mat-Su Health Services (as well as the adjacent Mat-Su Services for Children & Adults)	Some similarities with the following two MASCOT routes: Wasilla to Knik (and return trip) Wasilla to Palmer (western end within Wasilla)
Target Riders	Local Wasilla area riders being collected from residential areas and trip generators and connecting to Routes 1 and 2 along the Parks Highway	
Service Hours	5:20 a.m. to 8:00 p.m. (with mid-morning and mid-afternoon breaks)	Similar service hours
Trips	Four trips for each segment (two morning trips, one afternoon trip, and one evening trip)	Segment 1 currently has three trips Segment 2 currently has up to three trips (based on rider request)
Headways	Average of four hours (shorter headways in the morning and evening, and a longer headway in the middle of the day)	Approximately six hours
Details	One bus alternates between traveling on these two segments and on the Route 4 segment during service hours (i.e., except for during the break in the middle of the day) Segment one roundtrip takes one hour Segment two roundtrip takes 40 minutes	New service to use same size buses currently operated by MASCOT

Route 4 (Orange Line) – Route 4 starts at Central Transit Station, travels east towards the Trunk Road Park & Ride, heads north on the Palmer-Wasilla Highway, and ends at the Palmer Fred Meyer, stopping at Lowes, Walmart, Trunk Road Park & Ride, Mat-Su Regional Hospital, Mat-Su College, Three Bears Four Corners, Palmer Carrs, and Palmer Fred Meyer (Table 27). In Palmer, a 15 minute window will be provided for the bus to visit up to three additional stops per run based on deviated route requests. The bus serving this route is expected to also serve Route 3 by alternating between the two routes throughout the day.

Table 27 – Route 4 Service (Orange Line)

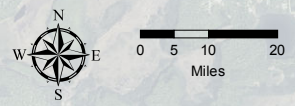
	New Service	Comparison with Existing Service
Route	Portions of Parks Highway, Trunk Road, and Palmer-Wasilla Highway, between Pet Zoo and Palmer Fred Meyer with a 15-minute window in Palmer to serve up to three additional stops per run	Some similarities with the following two MASCOT routes: Wasilla to Palmer (and return trip) Wasilla to Mat-Su Regional Urgent Care (and return trip)
Target Riders	Local Palmer area riders being collected from residential areas and trip generators and connecting to Routes 1 and 2 along the Parks Highway	
Service Hours	5:20 a.m. to 7:00 p.m. (with mid-morning and mid-afternoon breaks)	Similar service hours
Trips	Four trips (two morning trips, one afternoon trip, and one evening trip)	Seven trips from Wasilla to Palmer, Eight trips from Palmer to Wasilla (with multiple stops based on rider request)
Headways	Average of four hours (shorter headways in the morning and evening, and a longer headway in the middle of the day)	Vary between 30 minutes and 2 hours 30 minutes
Details	<p>First bus becomes Route 2 on return trip (once it stops at Trunk Road Park & Ride); this allows Routes 3 and 4 to have first run at same time in the morning so they can connect with Route 1</p> <p>For remainder of day, this route is served by the same bus that alternates between traveling on this route and on the Route 3 segments</p> <p>Roundtrip takes one hour 40 minutes</p>	New service to use same size buses currently operated by MASCOT



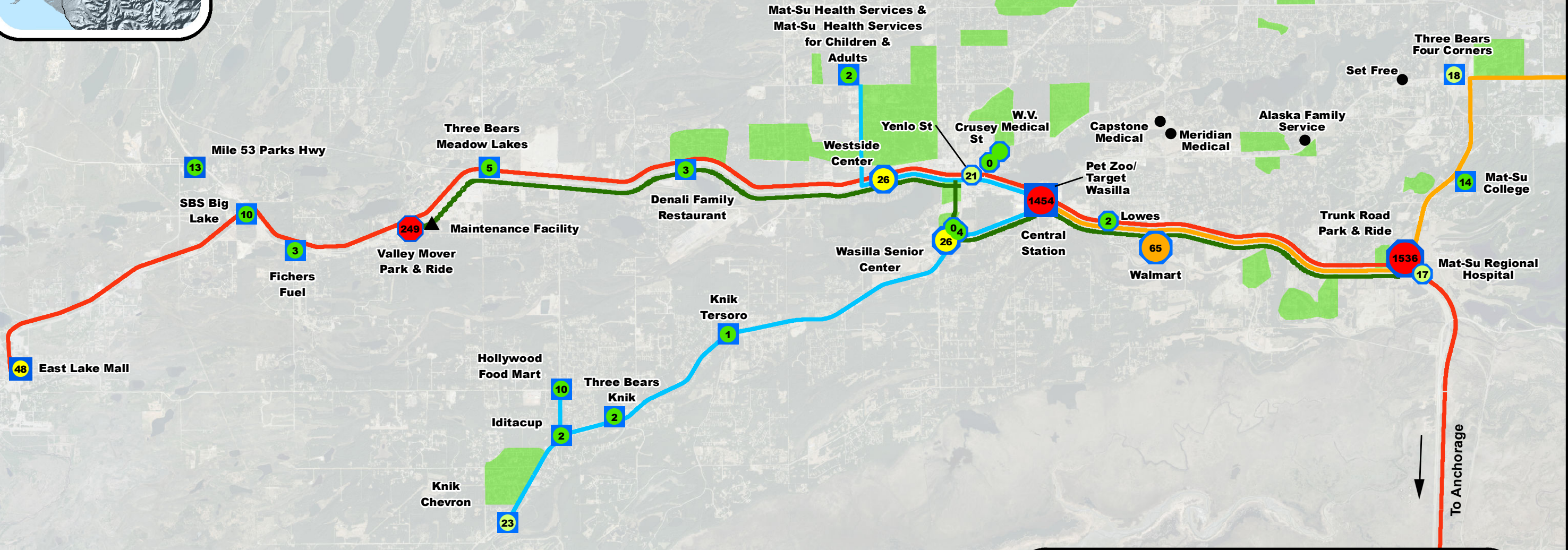
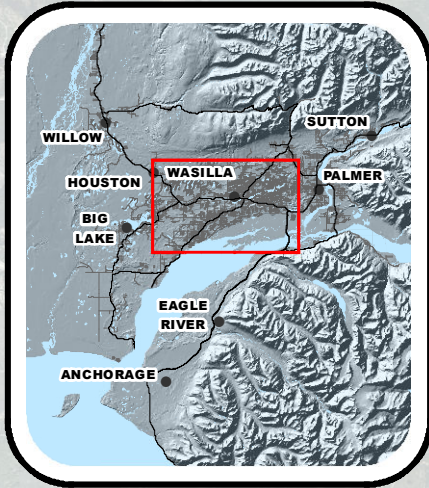
Wasilla Existing Ridership/Stops/Routes

# Rides Per Month	Stop Legend	Valley Mover	MASCOT
● 0-15	■ Needs Shelter	— Wasilla to Knik	
● 15-25	● Has Shelter	— Wasilla to Palmer	
● 25-50	■ Higher Density Housing	— Wasilla to M. Lakes / Big Lake	
● 50-100		— Mat-Su Reg. Urgent Care	
● >100			

FIGURE 18



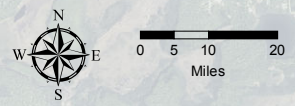
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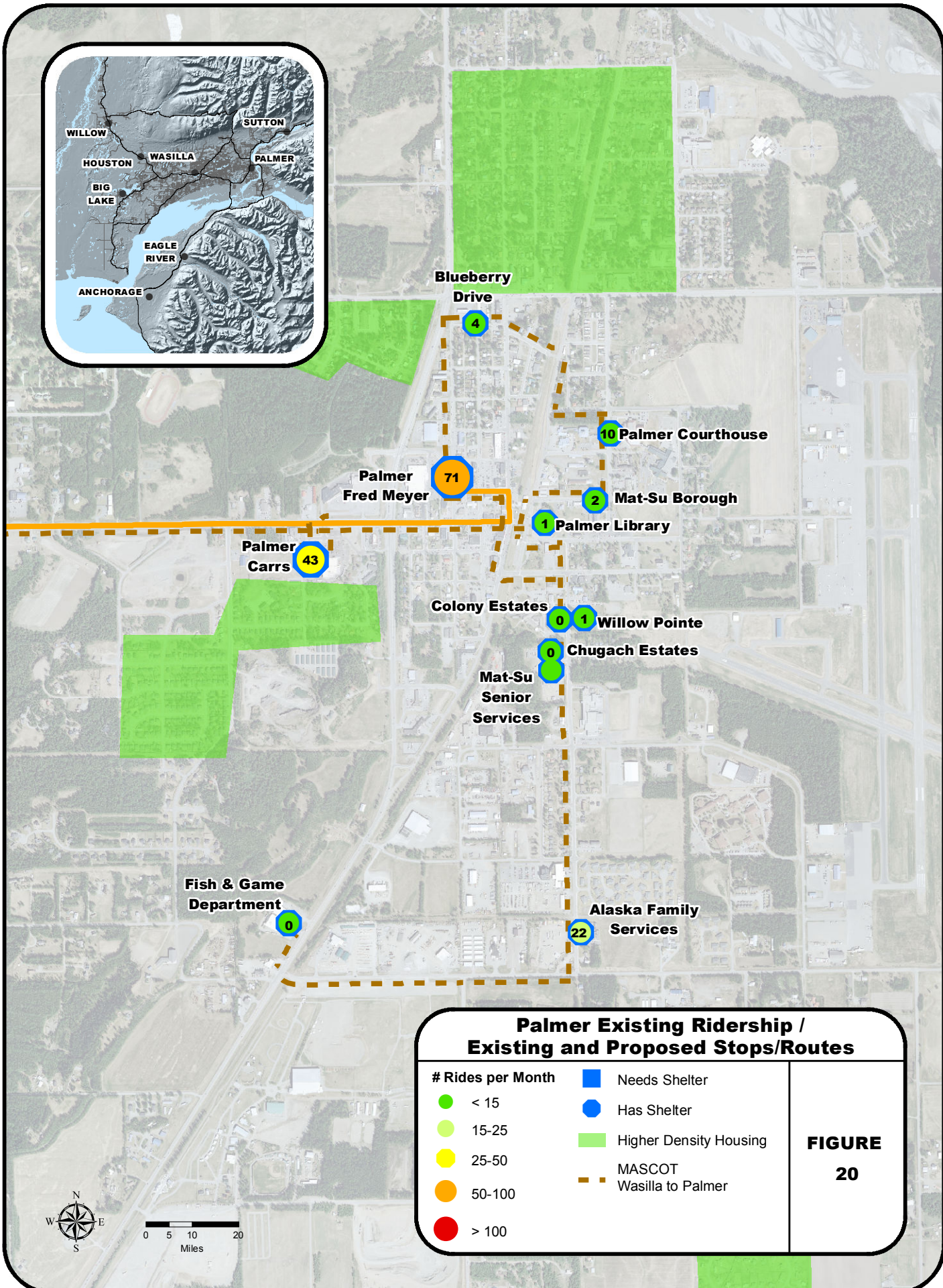
Wasilla Existing Ridership/Stops - Proposed Routes

# Rides Per Month	Bus Stop	Route
0-15	Needs Shelter	Route 1
15-25	Has Shelter	Route 2
25-50	Higher Density Housing	Route 3
50-100	Prior Bus Stop	Route 4
>100		

FIGURE 19



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Palmer Existing Ridership / Existing and Proposed Stops/Routes

# Rides per Month	Needs Shelter
● < 15	● Has Shelter
● 15-25	■ Higher Density Housing
● 25-50	— MASCOT
● 50-100	— Wasilla to Palmer
● > 100	

FIGURE 20



To facilitate review of the interaction and coordination between the various routes, Table 28 lists the key origins and destinations in the transit network that define the various routes. The table also includes a sampling of approximate times when routes would serve these transit stops. When the new organization develops schedules for each route, the schedules should be coordinated to facilitate connections between destinations along the Parks Highway and with the adjacent areas served by other routes. For example:

- Segment 1 of Route 3 (i.e., the Knik segment) performs a loop starting at 5:20 a.m. and arrives back at the Central Transit Center at 6:20 a.m., which is in time for riders to connect to Route 1, which stops at the center at 6:25 a.m. before continuing on to Anchorage.
- Route 4 starts at 5:20 a.m. and picks up riders in Palmer before returning to the Trunk Road Park & Ride, where it arrives at 6:40 a.m. Two Route 1 buses headed to Anchorage are scheduled to also arrive around this same time (6:40 a.m. and 6:55 a.m.).

Table 28 – Sample Route Coordination with Key Stop Locations and Potential Connection Times

Key Stops/ Transfer Locations	Route 1 (Red Line)		Route 2 (Green Line)		Route 3 (Turquoise Line)				Route 4 (Orange Line)	
	<u>EB</u>	<u>WB</u>			Segment 1 (Knik)		Segment 2 (MSSCA)			
Big Lake	<u>EB</u> 4:55am 6:00am	<u>WB</u> N/A								
Valley Mover Park & Ride	<u>EB</u> 4:40am 4:45am 5:20am 5:50am 6:25am	<u>WB</u> 6:55am 7:35am 8:30am 8:40am 10:00am	7:25am 8:55am							
Central Transit Center	<u>EB</u> 4:55am 5:20am 5:35am 6:25am 6:40am 7:50am	<u>WB</u> 6:40am 7:20am 7:50am 8:15am 8:25am 9:45am	<u>EB</u> 7:50am 9:20am	<u>WB</u> 7:00am 8:30am 10:00am	<u>Start</u> 5:20am 8:40am	<u>Return</u> 6:20am 9:40am	<u>Start</u> 6:20am 9:40am	<u>Return</u> 7:00am 10:20am	<u>Start</u> 5:20am 7:00am	<u>Return</u> 7:00am 8:40am
Trunk Road Park & Ride	<u>EB</u> 5:10am 5:35am 5:50am 6:40am 6:55am 8:05am	<u>WB</u> 7:35am	8:10am 9:40am						<u>EB</u> 5:40am 7:20am	<u>WB</u> 6:40am 8:20am
Muldoon Transfer Center	<u>SB</u> 5:40am 6:05am 6:25am 7:15am 7:25am 8:35am									

Key Stops/ Transfer Locations	Route 1 (Red Line)		Route 2 (Green Line)	Route 3 (Turquoise Line)		Route 4 (Orange Line)
	SB	NB		Segment 1 (Knik)	Segment 2 (MSSCA)	
Downtown Anchorage	5:55am 6:20am 6:40am 7:30am 7:40am 8:50am	5:55am 6:20am 6:40am 7:30am 7:40am 8:50am				
Palmer Fred Meyer						<u>Arrive</u> 6:05am 7:40am <u>Depart</u> 6:20am 7:55am
Knik Chevron (Settler's Bay)				5:50am 9:10am		
Mat-Su Health Services (and MSSCA)					6:40am 10:00am	

Implementation Priorities and Action Plan

This section outlines the steps needed for implementing the new organization through a phased approach. It also includes marketing and communications steps since they are critical elements for the new organization.

The next steps will require legal, accounting, and non-profit professionals to guide the process and provide the resources to complete the consolidation effort. It is recommended that the new organization operate as one entity for at least one year prior to embarking on Phase 2.

The following steps in Table 29 have been identified as critical to successful implementation:

Table 29 – Phase 1 Implementation Priorities and Action Plan

Task	Timeline	Responsible Party
Either create a new 501(c)(3) and purchase a business license or select which existing 501(c)(3) to use for the consolidated organization and file a company name change. Develop operating agreements.	August 2016 – November 2016	Board of Directors
Conduct a financial assessment of assets, debts, and liabilities. The Boards may elect to use an existing contractor/firm to reduce costs.	November 2016 – February 2017	Board of Directors and Certified Public Accountant

Task	Timeline	Responsible Party
Develop terms and conditions of merger/consolidation (with legal assistance and building on transit feasibility plan). Develop a statement of changes in articles of incorporation. Adopt a plan for merger and articles of merger.	August 2016 – February 2017	Board of Directors with Professional Support
File articles of merger/consolidation (Merger is effective when certification is granted by state).	March 2017	Board of Directors with Professional Support
Hire new Executive Director and other key positions.	January 2017	Board of Directors
Plan for distribution of assets. Develop a staffing/asset management plan and service delivery plan.	January 2017 – May 2017	Board of Directors with Professional Support
Develop a consolidated action plan for marketing and communications.	July 2017 – August 2017	Executive Director, Communications Manager, and with Transit Manager
Consolidate/optimize routes and schedules.	July 2017 – September 2017	Executive Director, and Transit Manager
Consolidate financial and information technology management systems.	July 2017 – December 2017	Executive Director and Financial Manager
<p>Develop logo, signage, website, and advertising (if the Board decides to create a new name for the consolidated organization rather than retaining one of the existing names). Begin branding the new organization (e.g. website, Facebook page, signage, buses and bus stops, and office supplies).</p> <p>Develop an education campaign using the public information systems and material that will inform the public about the new organization, schedules, fares and any other important changes.</p>	July 2017 – March 2018	Executive Director and Staff
Publish maps and diagrams, schedules, and wayfinding signage that will help the public understand how to use the transit system.	September 2017 – March 2018	Executive Director, Communications Manager, and Transit Manager
Apply for grants to purchase new/newer buses for the Wasilla/Palmer to Anchorage express route. This timeline allows for the new organization to begin operations, set up a capital improvement program, and begin to apply for grants.	Spring 2018	Executive Director, Financial Manager, and Transit Manager

Task	Timeline	Responsible Party
<p>Consolidate dispatch, IT, and Information management (ridership, fare structures etc.) systems. It is also recommended that the new organization consider applying for grants to cover the following:</p> <ul style="list-style-type: none"> o Purchase Radio communication equipment for all buses operated by the consolidated entity. o Purchase Mobile Data Transmitters or Tablet equipment that can track rides, fares etc. and interface with the dispatch software. o Release an RFP for a new open ended dispatch/scheduling software. The new software should be capable of coordinated dispatch with Sunshine Transit and CATS, as well as the Human Service Agencies providing transportation and taxi providers for progression towards a consolidated dispatch center. 	<p>Spring 2018 – Spring 2019</p>	<p>Executive Director, Communications Manager, and with Transit Operations Manager</p>
<p>Develop a marketing action plan for existing and new contracts, including contracts with Human Service Providers. Develop a marketing action plan targeted towards the health organizations, Medicaid riders, and Care Coordinators located in the MSB.</p>	<p>Spring 2018 – Fall 2018</p>	<p>Executive Director, Communications Manager, and Transit Manager</p>
<p>Create feedback systems for internal and external communications to evaluate if the new marketing and communication systems are working. Feedback systems may include peer reviews, surveys, or interviews. Incentives attached to the feedback systems such as a gift card or free bus passes can help staff and public provide meaningful feedback.</p>	<p>Spring 2018 – Fall 2018</p>	<p>Executive Director, Communications Manager, and Transit Manager</p>

On a parallel timeline as preparation for Phase 2:

1. Sunshine Transit and SCHC should begin to function as two separate organizations to gain a better understanding of costs and operations.
2. Discussions should occur between the new Board of Directors and SCHC Board of Directors to discuss concerns, timelines, operation, etc.
3. Develop a Memorandum of Agreement between SCHC Board and the new organization Board regarding future operations and SCHC’s ongoing support of Sunshine Transit (post consolidation) including, staffing, facilities, Medicaid and Care Coordinator relationships, and financial support.

When all agreements are in place and sufficient funding has been identified, merge Sunshine Transit into the new organization.

Funding Opportunities

Table 30 includes funding opportunities for the new organization to take advantage of as soon as possible. The funding opportunities are in priority order and include advantages, disadvantages, and a recommended strategy.

Table 30 – Funding Opportunities

Funding Opportunity	Description	Advantages	Disadvantages	Recommended Strategy
Medicaid	A federally subsidized program that is administered by the state to provide medical services, including transportation, for low income persons.	Medicaid funding can be used as match for FTA 5311 funds.	Requires administrative staff (which is an additional cost) of the new organization, specifically marketing to surrounding care coordinators ¹⁹ and health organizations that are responsible for contacting Medicaid to receive prior authorization for medical transportation. Understanding of Medicaid regulations and requirements. Transportation providers are not typically proficient at medical claiming and validating eligibility. (Powers, 2016)	MASCOT, Valley Mover, Sunshine Transit, and CATS are all eligible to enroll in Medicaid and become a Medicaid Provider. Valley Mover is already enrolled. In order to enroll, the transit provider should consider having a marketing staff member assigned to only marketing NEMT Services. Other duties of this staff member may include dispatching, authorization, and other marketing duties.

¹⁹ Care coordinators are liaisons between patients and the healthcare system. A care coordinator ensures that patients receive the care they need. They coordinate patient-care services. A care coordinator typically works in hospital, physician’s office, or nursing care facility.

Funding Opportunity	Description	Advantages	Disadvantages	Recommended Strategy
<p>State of Alaska Community Revenue-Sharing Program</p>	<p>The Community Revenue Sharing Program annually provides Alaska's boroughs, cities, and unincorporated communities with funds to the delivery of basic public services. Payments received by communities can be used at the discretion of the community for any public purpose as it is generally recognized that local residents are in the best position to determine the needs and priorities of their own communities.</p>	<p>Funding is flexible and can be used as a non-federal source for match.</p>	<p>Funding is designated to the communities and coordination can be challenging to allocate the available funding to transit purposes.</p>	<p>The MSB applies for this grant on behalf of 21 communities. The grants for each community are up to \$12,500 – a total of \$262,500. The funding outlook on this program is positive. The State is proposing to increase this amount to ~\$15,000 for each community in 2018. The transit organization's marketing staff could meet with the councils to inquire about their interest with providing transit support. The communities must believe they are being served by transit to maintain this support.</p>
<p>Institutions and Major Employers</p>	<p>Contract to provide discounted fares for Conoco Philips Employees, UAA, MSB School District, etc.</p>	<p>Flexible and proven source that is already being used. Low administrative burden to use this funding. Funding can be used for match.</p>	<p>Takes work to develop relationships with employers and can be subject to fluctuations in the economy.</p>	<p>The new marketing/communications coordinator will develop a marketing plan which includes an evaluation of existing contracts and an action/marketing plan to seek new partners.</p>
<p>State of Alaska's Budget</p>	<p>Despite Alaska's financial deficit, match funding for transit providers are included in the 2017 Capital Budget. Over the past three years, transit providers were receiving \$12,000 to \$40,000 in State match funding that was included as part of the State's Capital Budget.</p>	<p>Funding has very few restrictions and can be used for FTA 5311 match.</p>	<p>The State of Alaska is facing fiscal challenges and continues to make budget cuts each year. This funding source is considered uncertain.</p>	<p>Hire a lobbyist to represent the MSB transit needs and work to get transit funding into the operating budget.</p>

Funding Opportunity	Description	Advantages	Disadvantages	Recommended Strategy
Farebox	Increase fares or change fare structure to increase revenues.	Widely applied. Can be a slight increase with large benefits. Can offset net operating expenditures and be applied back to transit program expenses.	Cannot be used as match for FTA 5311 funding.	This is a likely increased revenue source with consolidation. The public may be accepting of a rate increase if they see improvements to quality in the form of improved routes, facilities, and schedules.
Advertising	Additional advertising on vehicles and bus stops.	Already used and is attractive to some businesses. Can be used for match funding.	Sometimes visually unattractive. Businesses sometimes ask to be paid for their logo. Requires a lot of marketing work.	Seek advertising contracts with the large employers in the MSB such as Mat-Su Regional Hospital, Walmart, Fred Meyer, and other large businesses.
State of Alaska FTA 5311	Non-Urbanized Formula Program grants for transit capital, operating assistance, and program administration (for populations with less than 50,000).	Already used and funding is available.	Must consolidate in order to be eligible for this funding. Capital, operations, and project administration expenses require match funding.	Comply with State of Alaska FTA grant requirements and pursue as much of this funding as necessary.
Alaska Mental Health Trust Authority	The Alaska Mental Health Trust Authority funds each year the Coordinated/Non-coordinated Transportation Program. Projects funded through this federal program as well as Alaska Mental Health Trust (AMHT) are required to be derived from a locally developed, coordinated plan.	Promotes coordinated transportation services between public transportation and human service providers. Funding can be used for capital projects and vouchers.	Funding outlook at the SOA is not positive at this time making it more competitive to obtain.	Update the 2011 MSB Human Service Coordinated Transportation Plan using data and project needs presented in this plan and identified by the new organization.

Funding Opportunity	Description	Advantages	Disadvantages	Recommended Strategy
Tribal Transportation Program Funds (Bureau of Indian Affairs and Federal Highways Programs)	Tribes receive tribal transportation funding from Bureau of Indian Affairs and Federal Highways Administration each year based on tribal population and miles. Funding is formula driven.	Funding can be used for transit and match. This funding source can be used as match for FTA Transit Programs.	Coordination and garnering consensus with the tribal organizations can be challenging and can make this funding unreliable.	Develop relationships with the MSB tribal governments to learn more about their needs and priorities and identify ways to partner on transit.
Transportation Investment Grant Economic Recovery Program (TIGER)	The U.S. DOT has made ~\$500 million available for transportation projects across the State.	Funding is for capital projects only.	Limited funding availability; significant competition. Requires a significant administrative effort with a relatively low chance of success.	Identify a site for a centralized transit facility. Prepare a grant application(s) for a new or expanded transit facility, central transit station, enhanced bus stops, and buses.
National Aging and Disability Transportation Center	This grant opportunity is intended to support program innovations and approaches that increase accessible transportation options for older adults and people with disabilities living in the community.	Grants are intended to maximize the utilization of Section 5311 and other federal funding investments.	Limited number of grants awarded (six \$50,000 grants every year) and only for a twelve month period.	Consider program innovations and approaches to increase accessible transportation options for older adults and people with disabilities. If a competitive idea is developed, then apply for the grant.
Nutrition, Transportation, and Support Services Grants	Grants fund non-profit agencies in Alaska to provide meals and nutrition and health education information to seniors, including transportation services that enable seniors to maintain mobility and independence.	Opportunity to partner with senior centers.	Limited to funding services to seniors for purposes of food, with special attention given to ADA accessibility services.	Coordinate with Palmer and Wasilla senior centers to consider joint application with intent to use funds to cover transportation needs associated with providing access to food and nutrition.

Funding Opportunity	Description	Advantages	Disadvantages	Recommended Strategy
U.S. Department of Health and Human Services – Temporary Assistance for Needy Families (TANF)	The TANF program is designed to help needy families achieve self-sufficiency. States receive block grants to design and operate programs that accomplish one of the purposes of the TANF program.	Funding is flexible and can be used as match.	Funding must be used to meet the mission of the funding organization. Transit is considered meeting its mission, but funds must be used for specific items.	Apply for a TANF grant.
Park & Ride User Fees	Charge a monthly Park & Ride fee that can also be a part of the monthly commuter fee either through Valley Mover or MOA's vanpool program. The fees for the Park & Ride can be put into the operations of the transit organization.	Widely applied. Can be a small fee with large benefits. Flexible funding.	Could discourage Park & Ride use if the fee is too high.	The public may be accepting of a new fee if they see improvements to quality in the form of improved routes, facilities, and schedules.

Performance Measures for Monitoring

Federal funding and transportation planning trends indicates a greater allocation of resources based on the use of performance measures to evaluate how well transit services perform over time. Various performance measures may be considered by the consolidated organization.

People Mover uses the following list of performance measures²⁰ as the basis of measuring its progress in achieving its goals:

- Percent of trips that are on-time, total number of trips with insufficient capacity, and total number of passengers by passed due to full trip
- Local taxpayer cost per passenger trip, adjusted for CPI/U
- Percent change in system ridership

Other metrics that may be explored include measures of route productivity, revenue miles, cost and service effectiveness, cost efficiency, and service quality. In addition, the federal Transit Cooperative Research Program (TCRP)²¹ published the third edition of the *Transit Capacity and Quality of Service Manual* in 2013. The Manual serves as the standard by which transit services are measured in terms of comfort and perception among riders. Quality of Service (QOS) is the transit equivalent to Level of

²⁰ Anchorage's Performance. Value. Results. (PVR) Initiative

²¹ Transit Cooperative Research Program. *Transit Capacity and Quality of Service Manual*, 3rd Edition. Washington, DC. 2013. (<http://www.trb.org/Main/Blurbs/169437.aspx>)

Service (LOS), as it attempts to put transit on even terms with how highways are evaluated²², planned and funded. QOS reflects “how passengers perceive the quality of the transit service offered and provided, while also considering the transit provider’s needs and objectives.”¹³

The TCRP Manual notes that QOS focuses on two areas:

1. Transit availability: Is transit service an option for a given trip? And
2. Transit comfort and convenience. If transit service is an option, how attractive is it to potential passengers?

The QOS provided depends on the operating decisions made by a transit agency within the constraints of its budget, particularly decisions as to where transit service should be provided, how often and how long it is provided, and how it is provided. These decisions in turn, are often guided by the agency’s goals and objectives.

The express, fixed route and Demand Response services represent service types profiled in the manual. **Appendix O** includes qualitative metrics that can be applied to existing and new transit services. A consolidated service under Option 3A can begin collecting data on these metrics and updating them as services change or as Phase 2 is implemented.

To attract increased future funding, the new organization may consider developing metrics similar to People Mover’s or using the QOS Performance Measures Data Sheets (**Appendix O**) to measure performance, record data, and integrate it into future long-range transportation plans and grant applications.

²² Transportation facilities, such as highways, have been evaluated using LOS for decades. When a highway or intersection becomes congested, highway planners and engineers are able to use LOS metrics to determine how much delay or level of comfort motorists feel in those situations. They can make estimates based on LOS data as to what current and future needs are, in terms of capacity for motorists. Typically, LOS is assigned a letter grade--A through F—where A is free-flowing traffic and F means the system is overcapacity and is experiencing excessive delay. LOS is used to project future needs, drive the design of highway investments, and make the case to elected officials and others as to their funding needs.



DOWL