



**Anchorage/Matanuska-Susitna Borough
Regional Transit Authority Plan**

**Prepared for the Municipality of Anchorage and the
Matanuska-Susitna Borough**

December 31, 2011





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I. INTRODUCTION

Introduction

The Municipality of Anchorage in conjunction with the Matanuska-Susitna (Mat-Su) Borough contracted with RLS & Associates, Inc. to develop a Regional Transit Authority (RTA) Plan. This Plan examines the feasibility of establishing an RTA and will serve as a guide for the management and organizational structure for current and future regional public transportation services in Southcentral Alaska. Four tasks are included in the RTA Plan. These are:

- ◆ A review of regional transit management and governance;
- ◆ An analysis of regional transit service and operations;
- ◆ An analysis of regional transit costs and funding; and
- ◆ The creation of a Regional Transit Authority Plan and recommendations.

The information, findings, and recommendations of each of the first three tasks are discussed in technical memoranda and included as Appendix A, B, and C. Appendix D contains recommended modifications to Senate Bill 152, a requested addition to Task 3. This document is a summary of the findings and recommendations comprising the Regional Transit Authority Plan. It includes an overview of existing public transportation services, the recommended organizational structure of a Southcentral Alaska RTA, a summary of comments made at public meetings and stakeholder interviews, descriptions of potential RTA-provided transit services, a financial plan and an implementation plan. This document incorporates suggestions received from staff and agencies after review of a draft version.

There are several public transportation services currently being provided in the Municipality of Anchorage and Mat-Su Borough. People Mover and AnchorRIDES are services of the Public Transportation Department of the Municipality of Anchorage. MASCOT is a service of Mat-Su Community Transit, a private non-profit agency organized solely to provide public transportation service to Mat-Su Borough residents. Valley Mover, a Mat-Su based private non-profit, and the municipality's Share-A-Ride Program provide commuter transportation services between Mat-Su Borough and Anchorage. A summary of the transportation services provided by these organizations appears in the following section.

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II. CURRENT PUBLIC TRANSPORTATION SERVICES

MUNICIPALITY OF ANCHORAGE

The Municipality of Anchorage provides public transportation services through its Public Transportation Department. Three types of services are provided. The table in Exhibit II-1 outlines these services. People Mover is the fixed route service that is operated throughout most of the municipality. It consists of fourteen (14) routes serving Anchorage, South Anchorage, and Eagle River. AnchorRIDES is the demand response service that includes Americans with Disabilities Act (ADA) complementary paratransit, senior transportation, Medicaid waiver transportation, Eagle River Connect, and other coordinated transportation services. The Municipality of Anchorage contracts with MV Transportation for this service. The third type of transportation is vanpool and carpool service provided through the Share-a-Ride program. The Municipality of Anchorage contracts with VPSI which manages this service.

**Exhibit II-1
Anchorage Transit Services**

Service	Type	Hours of Operation
People Mover	Fixed Route	5:30a-11:30p
AnchorRIDES	Demand Response	5:30a-11:30p
Share-a-Ride	Ride Sharing	Varies – Can Be Any Hours

MAT-SU BOROUGH

Within Mat-Su Borough, two entities currently provide public transit services: MASCOT and Valley Mover. Exhibit II-2 depicts the available transit services. Valley Mover is a private non-profit organization which is the recipient of Federal Transit Administration funding. It has been in operation for about three years and initially provided a for-profit fixed route service between the Mat-Su Borough and Anchorage. It recently became a non-profit organization and a recipient of Federal Transit Administration Section 5311 funding for this service in 2011.

MASCOT operates public transit services within Mat-Su Borough. The system consists of demand response services, and a deviated fixed route that operates between Palmer and Wasilla. Services are provided from 5:00 a.m. to 8:00 p.m. and are available to the general public. In addition, the Chickaloon Village is providing transportation services between the Chickaloon area and Palmer.

**Exhibit II-2
Mat-Su Transit Services**

Service	Type	Hours of Operation
MASCOT	Route Deviation, Demand Response	5:00a-9:00p
Valley Mover	Intercity Bus	5:00a-8:30p
Chickaloon Public Transit	Route Deviation	6:40a-6:20p

The Alaska Railroad Corporation is another provider of passenger service in the region. It operates service between Anchorage and Wasilla, Fairbanks, Seward and Girdwood during the summer tourist season, typically mid-May to mid-September. It operates passenger service to Fairbanks weekends only through the winter months. This train operates northbound on Saturday and southbound on Sunday.

There are also many human service agencies that provide transportation to specific populations within the Municipality of Anchorage and the Mat-Su Borough. These services are not open to the general public and for that reason were not included in this plan.

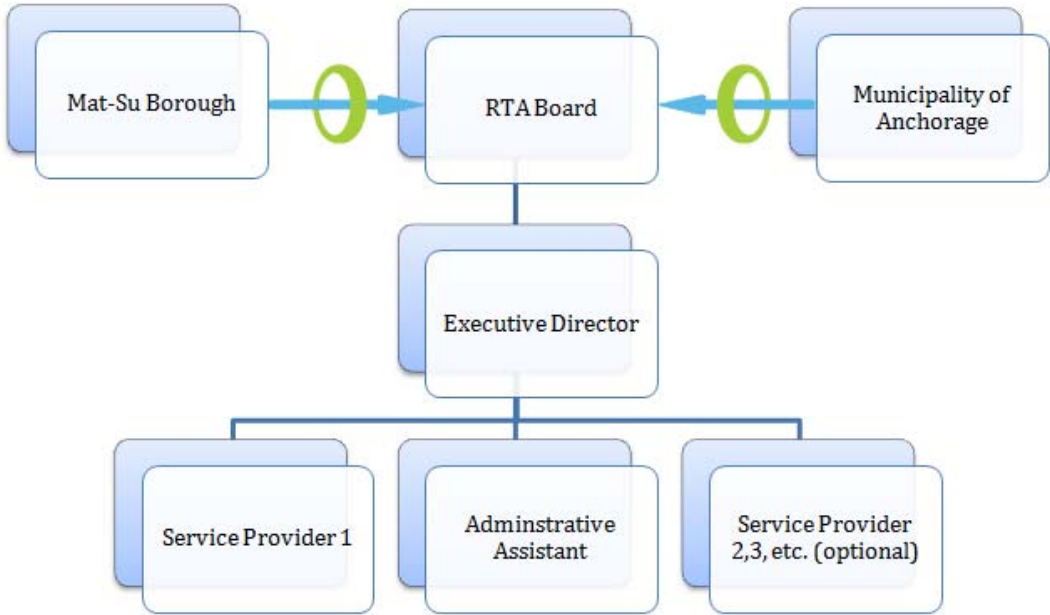
III. RTA ORGANIZATIONAL STRUCTURE

Based on research conducted of RTA-enabling statutes that exist in seven other states, and a review of seven case studies of RTAs that were formed under a state-enabling statute, four alternative organizational structures for a Southcentral Alaska RTA were developed. These are more fully described in Appendix A and include:

- 1. Non-Operating Overlay District
- 2. Overlay District/New Service Provider
- 3. Consolidated Service Provider
- 4. Division of AMATS

The recommended RTA would be created to provide new transit service(s). The RTA would be multi-jurisdictional, operating in both Mat-Su Borough and Anchorage. The existing People Mover, MASCOT, and other organizations and services remain as they are currently. New funding would be needed for the new structure as well as operating and maintenance of new services. Exhibit III-1 depicts the organizational structure of the RTA as an overlay district/new service provider as recommended in task 1 of the study, included as Appendix A.

**Exhibit III-1
RTA Organizational Chart**



RTA board members would be appointed by the Mat-Su Borough and Anchorage Assemblies, who in turn would appoint an executive director. The executive director would oversee an administrative

assistant and manage contracts with one or more transportation service providers. Appendix E provides examples of RTA enabling legislation and describes the job descriptions of key staff.

FUNCTIONAL RESPONSIBILITIES

An RTA would have the primary responsibility for developing service plans and long-range transit plans for the region. It would also have grants administration and financial management responsibilities as it would administer some FTA transit funding for the region. The Municipality of Anchorage (MOA), Mat-Su Borough, MASCOT, and Valley Mover would have responsibility for the overall management of their transit services, operational planning, transportation operations and maintenance, and other management functions.

RTA-sponsored service will be contracted with People Mover, MASCOT, private transportation providers, or other organizations to operate the new transit service. The RTA will not directly operate transportation services. This has the advantage of avoiding the cost of new facilities for operations and maintenance. Despite not directly operating any service, the RTA would act as a means to develop joint fares or passes that would allow passengers to transfer seamlessly between services and providers.

With the RTA contracting with other entities to provide the new services, the RTA would not have any responsibilities in the areas of transportation operations, maintenance, scheduling, safety, or training. It would have oversight and financial management responsibilities since it would administer the funding used to pay for the new services. The functional responsibilities are outlined in Exhibit III-2.

**Exhibit III-2
RTA Functional Responsibilities**

	Overlay-Provide New Service		
	MOA	MSB	RTA
Management and Control	√	√	√
Regional Service Planning			√
Local Service Planning	√	√	
Regional Operational Planning	√	√	√
Local Operational Planning	√	√	
Grants Administration	√	√	√
Financial Management	√	√	√
Personnel Management	√	√	√
Procurement	√	√	√
Marketing	√	√	√
Scheduling	√	√	
Transportation Operations	√	√	
Safety and Training	√	√	
Maintenance	√	√	
Legal	√	√	√

STAFFING

Staffing levels would initially include an executive director and an administrative assistant. It would likely be more cost efficient to contract with a local firm for accounting/bookkeeping services than having an additional person for this function. In time, however, it may be necessary to add an additional staff member depending on work load.

ADVANTAGES AND DISADVANTAGES

The following advantages and disadvantages for an RTA with the described functions were identified.

Advantages

- ◆ New funding and new transit services would be provided.
- ◆ The RTA would assume some grants administration, procurement, marketing and other functions to supplement efforts of the Municipality of Anchorage Public Transportation Department, Mat-Su Borough, Valley Mover, and MASCOT staff.
- ◆ The operation of new services would take advantage of the capabilities and infrastructure of existing public transit providers.
- ◆ Enhanced coordination would result with the influence of an RTA serving jurisdictions that People Mover, MASCOT, and Valley Mover already serve.

Disadvantages

- ◆ Creating an RTA would require actions at both the state and local levels, however, none have been committed at this time. State enabling legislation will need to be passed by the State Legislature and actions will need to be taken by local governments to create an RTA.
- ◆ It may be difficult to obtain new funding to finance any new transit service.

IV. PUBLIC OUTREACH

The RLS & Associates, Inc. team participated in conversations with the groups listed in Exhibit IV-1 during the weeks of December 7, 2010, September 12, 2011, and October 24, 2011. Information about the Regional Transit Authority planning effort provided by the project team consisted of a PowerPoint presentation, a fact sheet, information boards, and a summary of the PowerPoint presentation. Some meetings were formal, such as the Joint Municipality of Anchorage and Matanuska Susitna Borough Assembly meeting. Others were informal conversations.

Exhibit IV-1 Chronology of Public Outreach

Date	Group	Representing
12/02/10	<i>AMATS Technical Advisory Committee</i>	Municipal Traffic, Public Transportation, Public Works, Planning, Health Divisions and Port of Anchorage Alaska Railroad Corporation Alaska Department of Environmental Conservation Alaska Department of Transportation (DOT)
12/06/10	<i>MOA Legal Department</i>	Municipality of Anchorage
12/06/10	<i>Joint MOA/MAT-SU BOROUGH Assembly Meeting</i>	Elected Assembly members from Matanuska Susitna Borough and Municipality of Anchorage
12/07/10	<i>Community Transportation Coalition</i>	City of Palmer City of Wasilla City of Houston (invited) Mat-Su Borough Mat-Su Community Transit (MASCOT) Valley Mover Alaska Department of Transportation & Public Facilities Engineering Consultants (various) Mat-Su Area Legislators Native Village of Chickaloon (invited)
12/07/10	<i>Mat-Su Area Legislative Staff</i>	Elected officials
12/08/10	Highway to Highway Team	Anchorage project with regional significance, bus rapid transit alternative being considered
12/08/10	<i>MASCOT Board of Directors</i>	Mat-Su Community Transit Board of Directors
12/08/10	<i>DOT&PF Statewide Planning</i>	Statewide Planning Special Assistant to DOT Commissioner
12/09/10	<i>MOA Public Transportation Advisory Board</i>	Transit Advisory Board
12/16/10	<i>AMATS Policy Committee</i>	Metropolitan Planning Organization Policy Committee
01/12/11	<i>Alaska Mobility Coalition</i>	Statewide transit advocacy group
06/13/11	<i>MASCOT Board of Directors</i>	Mat-Su Community Transit Board of Directors
09/12/11	<i>DOT & PF Central Region Planning Staff</i>	Staff briefing
09/15/11	<i>Mat-Su Transportation Fair</i>	Information provided to public on transportation projects
09/16/11	<i>Regional Transportation Groups</i>	People Mover, Mat-Su Borough, FTA, DOT & PF, and Valley Mover staff

Date	Group	Representing
10/24/11 10/25/11	<i>Anchorage Metropolitan Area Transportation Solutions, Metropolitan Transportation Plan</i>	Provided RTA information to attendees of public meetings regarding the 2035 Metropolitan Transportation Plan update.
10/26/11	Alaska Transit Conference	Present findings of RTA study to attendees of annual Alaska Transit Conference.
10/27/11	<i>Joint MOA/MAT-SU BOROUGH Assembly Meeting</i>	Elected Assembly members from Matanuska Susitna Borough and Municipality of Anchorage

Issues and comments received from the various groups fell into several broad categories noted below. The comments are summarized by category in the Appendices.

1. State Enabling Legislation
2. Anchorage/Mat-Su Regional Transit Authority
3. Funding
4. Current Services
5. Future Services
6. General Comments
7. Questions that the RTA study should answer
8. Inclusion of Commuter Rail and south Anchorage Express services

V. RECOMMENDED SERVICE PLAN

The recommended service plan is divided into short and long range service improvements. Short range service improvements can be implemented as soon as funding becomes available. Long range recommendations can be provided when demand grows enough to warrant their implementation.

SHORT RANGE

Vanpools

An integral part of the regional public transit system is an extensive vanpool program. This program was started and is currently administered by the Municipality of Anchorage Public Transportation Department. However, most of the existing vanpools originate in and benefit the residents of the Mat-Su Borough. Since most of the employers served by these vanpools are located in Anchorage, both areas benefit. Because of the regional nature of this program, it should be the responsibility of an RTA.

There are plans to expand the vanpool program from the current number of sixty (60) vanpools to at least seventy-five (75) by 2025. In the past, Anchorage's CMAQ funding and Alaska Section 5311 capital funding assistance from the Mat-Su Borough was used to purchase the vans for the vanpool program. If this funding source is not available in the future, then the capital cost of the vanpools will need to be paid by vanpool passengers. Currently, all operating costs are paid by vanpool passengers. This service would be the first to be undertaken by the RTA.

Palmer/Wasilla – Anchorage Commuter Express

Commuter Express service will be provided initially by the RTA. It includes weekday peak hour trips designed to serve residents of Mat-Su Borough who are employed in Anchorage. It operates from Palmer and Wasilla to Anchorage during the morning and afternoon peak periods. In Anchorage, this route would serve the downtown, Midtown, and U-Med District areas.

This express route would operate in addition to the existing Route 102, which provides express service along the Glenn Highway between the Eagle River/Chugiak area to Anchorage. This new route would alternate its starting point between Wasilla and Palmer and operate all trips between the Trunk Road Park and Ride lot to downtown Anchorage. From there it would follow the People Mover Route 102 alignment with stops at the downtown transit center, C Street and 36th Avenue, the U-Med District, and the Alaska Native Medical Center. The existing express service provided by Valley Mover is a framework for this service. The RTA would provide stable funding and improved service levels as the Mat-Su Borough continues to become more urbanized. Exhibit V-1 shows its proposed alignment.

Exhibit V-1 Palmer/Wasilla - Anchorage Commuter Express



Level of Service

The directional orientation of this service is inbound from Mat-Su Borough in the mornings and outbound from Anchorage in the afternoons. A basic level of service will be provided initially with buses leaving every 30 minutes from the Trunk Road Park and Ride lot during the morning peak period. Branches to and from Palmer and Wasilla will leave every 60 minutes on an alternating basis. A profile of this route is shown in Exhibit V-2 below.

**Exhibit V-2
Palmer/Wasilla - Anchorage Express**

Route	Service Span			Headway		Veh. Req.		Rev. Hours	Rev. Miles
	Weekday	Saturday	Sunday	Weekday		Weekday		Weekday	Weekday
				Peak	Base	Peak	Base		
Palmer/Wasilla - Anchorage Express	6:00a - 9:00a 3:00-6:00p	--	--	30	--	5	--	15.8	505.6

Capital and Operating Costs

Capital improvements needed for this express route include the buses required to operate these routes. The proposed express service would require the purchase of six buses. Five would be needed during the peak period and one would be a spare. As shown in Exhibit V-3, the estimated total capital cost of the proposed commuter express service is \$2.55 million. It is assumed that existing parking lots can be used as park and ride lots for this route.

**Exhibit V-3
Wasilla/Palmer Commuter Express Start-Up Capital Cost**

Item	No. of Units	Unit Cost	Total Cost
Buses	6	\$425,000	\$2,550,000

The estimate of commuter express operating costs is based on the current average vehicle hour costs for People Mover of \$124 per vehicle hour. With 15.8 revenue hours for each non-holiday weekday, there are an estimated 4,029 revenue hours annually for the commuter express service. This translates to a total annual operating cost of \$499,596. Exhibit V-4 shows the estimated annual operating costs.

**Exhibit V-4
Wasilla/Palmer Commuter Express Annual Operating Costs**

Daily Revenue Hours	Annual Revenue Hours	Annual Operating Costs
15.8	4,029	\$499,596

South Anchorage Express

Additional express bus service is included as part of the FTA Very Small Starts Project initiated through the Highway to Highway¹ (H2H) project and are included in the RTA Service Plan. The South Anchorage Express would operate on A/C Streets between downtown Anchorage and South Anchorage.

The following stops are proposed:

- ◆ A-C Streets/15th Avenue
- ◆ A-C Streets/Northern Lights/Benson
- ◆ A-C Streets/36th Avenue
- ◆ C Street/Tudor Road
- ◆ C Street/International Airport Road
- ◆ C Street/76th Street
- ◆ Dimond Center
- ◆ Old Seward Highway/O'Malley Road
- ◆ Old Seward Highway/Huffman Road

Level of Service

Exhibit V-5 shows the proposed frequencies, vehicle requirements, and revenue hours by time of day and day of week.

**Exhibit V-5
South Anchorage Express Profile**

Route	Service Span			Headway			Veh. Req.			Rev. Hours		
	Weekday	Saturday	Sunday	Weekday		Week - end	Weekday		Week - end	Wkdy.	Sat.	Sun.
				Peak	Base		Peak	Base				
S. Anch. Express	6:00a – 10:00a	8:00a-10:00p	9:00a-7:00p	30	30	60	2	2	1	30.0	14.0	10.0

Capital and Operating Cost

The construction of stations/enhanced bus stops associated with the South Anchorage Express are assumed to be part of the FTA Very Small Starts Project initiated through the Highway-to-Highway project and these costs are not included as part of the RTA Plan. Additional capital costs for the South Anchorage Express are projected to be \$850,000 for vehicles. These are summarized in Exhibit V-6.

**Exhibit V-6
South Anchorage Express Start-Up Capital Costs**

Item	No. of Units	Unit Cost	Total Cost
Express Buses	2	\$425,000	\$850,000

¹ In mid 2011, the Highway to Highway (H2H) project was halted. It has been split into three phases in the current AMATS 2035 Metropolitan Transportation Plan Update. Approval of the updated document is anticipated in April 2012.

Operating costs for the South Anchorage Express are summarized in Exhibit V-7 below. The estimate of operating costs is based on the current average cost per revenue vehicle hour for People Mover of \$124. With 30 revenue hours for each non-holiday weekday, 14 hours for Saturdays, and 10 hours for Sundays, there is an estimated 8,898 revenue hours annually. This translates to a total annual operating cost of \$1, 103,352.

**Exhibit V-7
South Anchorage Express Annual Operating Costs**

Weekday Revenue Hours	Annual Revenue Hours	Annual Operating Costs
30	8,898	\$1,103,352

Exhibit V-8 shows the proposed alignment of the South Anchorage Express Route.

Exhibit V-8 South Anchorage Express



Commuter Rail Alternative

The Alaska Railroad Corporation (ARRC) is interested in pursuing commuter rail in the region. The service option was considered in Task 2 and dismissed in favor of express bus service. During review of the draft of this document, the ARRC requested adding the option to the short-term recommendations to enable the region to continue to seriously consider this option. They also cite continued public interest in the service and recent improvements to the rail line as reasons that commuter rail is feasible in the short term. The upgrades to rail infrastructure undertaken by the ARRC with formula funds from FTA decreased rail transit times to a level comparable to bus transit in the Wasilla to Anchorage corridor. Therefore, as an alternative to commuter express service, commuter rail service can be considered as the short-range transit service improvement.

The catchment area for commuter rail is broader in range than a typical express bus catchment area. The catchment area of an express bus park and ride is typically a 2.5 mile radius, while the catchment area for commuter rail is a 5 mile radius. The commuter rail option would utilize park and ride or drop-off service located at rail stations as a regional collector and connector for residential areas not served by local bus routes. This is especially true in the Mat-Su Valley where bus routes are limited and cannot draw from areas north of Wasilla such as Meadow Lakes, Big Lake, Nancy Lake and even the Wasilla and Palmer area. These residents could come into the proposed Wasilla Intermodal Facility² for connection to trains. In the long-term, additional bus service to the facility would be important for residents who rely on public transportation.

It is important to note that in addition a feeder bus service is necessary to transport passengers from rail stations to final destinations. Unlike an express bus service, which can exit the highway and perform a local route alignment to allow passengers to reach their destination commuter rail service is restricted to the location of rail stations. Passengers disembarking at these stations will need to transfer to a feeder bus route in order to reach their final destination. The feeder service would need to be a new service as the existing route structure does not provide a timed transfer to any station location. In the short term an alternative to a feeder bus service is a combination of vanpools and car pools located at the rail stations. These services would allow passengers a means to travel to their final destination after arriving at a train station.

Commuter rail may also bring revenue to the RTA in the form of fixed guideway mileage formula funds (5309). It should be noted that the potential increase in revenues will constitute a small part of the net operating costs of commuter rail service.

The map in Exhibit V-9 depicts the commuter rail service and feeder bus services.

² Preliminary engineering and environmental work is underway through a Memorandum of Agreement between the Alaska Railroad Corporation and the City of Wasilla. The City of Wasilla is managing the project.

Exhibit V-9 Commuter Rail



Anchorage Mat-Su RTA Plan

Level of Service

The proposed commuter rail service would operate between the Mat-Su Valley and Anchorage. The service would operate three trains at a maximum of 42 miles per hour and service nine stations, outlined in Exhibit V-10. It is estimated that this level of service would serve 210,000 passenger trips annually. This would yield an anticipated \$834,000 in farebox revenue, or 18.4 percent of the operating cost. The commuter rail service would operate during weekday peak commute hours only. This includes three trips to Anchorage in the morning and three return trips to Mat-Su in the evening. This service would be operated using three trains on 30-minute headways during the peak periods, resulting in a total of 8.6 revenue hours and 315 revenue miles. Exhibit V-11 depicts a profile of the commuter rail service.

**Exhibit V-10
Commuter Rail Stations**

From	To	Miles	Minutes
Wasilla	Matanuska	8.5	13
Matanuska	Eklutna	9.4	14
Eklutna	Birchwood	5.7	9
Birchwood	Eagle River	8.2	12
Eagle River	Elmendorf	7.6	11
Elmendorf	Anchorage	5.9	9
Anchorage	Spenard	3.2	5
Spenard	Airport	4.0	5

Source: *Anchorage Commuter Rail Operation Concept*,
Working Paper #1 – Ridership Forecast, Wilbur Smith Associates.

**Exhibit V-11
Commuter Rail Profile**

Route	Service Span			Headway		Veh. Req.		Rev. Hours	Rev. Miles
	Weekday	Saturday	Sunday	Weekday	Weekday	Peak	Base	Weekday	Weekday
Commuter Rail	6:30a-9:00a	--	--	Peak	Base	Peak	Base	8.6	315.0
	4:30p-7:00p			30	--	3	--		

As explained above commuter rail service operating in the Glenn Highway Corridor will require the use of feeder bus services in Anchorage to distribute passengers to and from their destinations and the rail stations. At a minimum feeder services would need to be implemented in Downtown Anchorage and at the Stevens International Airport. The downtown feeder would serve passengers arriving at the Ship Creek rail station. The service would loop from the station down the A-C couplet to 36th Street. The airport feeder would operate in a loop serving the airport train station and traveling to Postmark Drive and Frontage Road. Exhibit V-12 depicts a profile of the feeder bus service necessary to service the commuter express passengers. The result is a requirement of one vehicle for each route and headways of 30 minutes to meet peak demands in the morning and afternoon.

**Exhibit V-12
Feeder Bus Profile**

Route	Service Span	Headway		Veh. Req.		Rev. Hours	Rev. Miles
		Weekday		Weekday		Weekday	Weekday
	Peak	Base	Peak	Base			
Downtown Feeder	7:00a-8:30a 4:30p-6:00p	30	--	1	--	5.3	82.3
Airport Feeder	7:00a-8:30a 4:30p-6:00p	30	--	1	--	5.3	79.9

Capital and Operating Costs

Capital costs are estimated to total \$39 million. This includes the cost of building stations, a car shop in Wasilla, rolling stock, pre-operations testing, and feeder bus service. As shown in Exhibit V-13, the estimated total capital cost of the proposed commuter rail is \$39,949,000. Planning is underway for a Wasilla multi-modal facility near the Wasilla Airport.

**Exhibit V-13
Commuter Rail Capital Cost**

Cost Category	Cost (2000)	Cost (2011)
Station Cost	\$5,028,000	\$6,960,000
Wasilla Car Shop	\$8,540,000	\$11,821,000
Rolling Stock	\$14,000,000	\$939,000
Feeder bus (2)		\$850,000
Total	\$28,246,000	\$39,949,000

Source: *South Central Rail Network Commuter Study and Operations Plan, 2002*
(A 3% inflation rate was used to project 2011 costs)

Operating costs were calculated for the proposed level of service. These costs reflect the options to use a self-propelled multiple unit rail car (Budd car) or a locomotive train with bi-level cars. The total cost difference between the options is a reflection of fuel consumption rates and maintenance of way costs associated with the weight of the locomotive train and bi-level cars. These costs were updated to 2011 dollars. Both options would currently total about \$4.2 million annually. The Exhibit V-14 shows the estimated annual operating costs.

**Exhibit V-14
Commuter Rail Annual Operating Costs**

Cost Category	Budd Car (2011)	Locomotives and Bi-Level Cats (2011)
Transportation	\$774,000	\$744,000
Maintenance of Equipment	378,000	\$264,000
Fuel	\$149,000	\$274,000
Maintenance of Way	\$26,000	\$46,000
Facility Maintenance	\$180,000	\$180,000
Station Services	\$270,000	\$270,000
Insurance	\$1,107,000	\$1,107,000
General and Administrative	\$981,000	\$970,000
Feeder bus Service	\$335,172	\$335,172
Total	\$4,211,172	\$4,221,172

*Source: South Central Rail Network Commuter Study and Operations Plan, 2002
(A 3% inflation rate was used to project 2011 costs)*

LONG RANGE

As ridership grows on these express or commuter rail routes, the following improvements should be considered:

- ◆ Add trips so that the frequencies are every 15 minutes during the peak periods;
- ◆ Add trips so that there are clusters of buses designed to serve the most popular shift times;
- ◆ Expand the service span so that there are early arriving and departing, and late arriving and departing buses to serve as back up for those who occasionally work late or arrive early;
- ◆ Add mid-day trips and begin to make the route more bi-directional in nature. Initial mid-day trips could be in combination with People Mover routes in the corridor; and
- ◆ Eventually, as demand grows, improve the schedule to gradually approach that of the proposed BRT with all day service and 10-minute peak frequencies to be able to meet the requirements of the Very Small Start program. (See Appendix B for a more complete description of this program.)
- ◆ Add vanpools, routes to serve commuter rail.

Initial BRT

The initial BRT line, which is proposed as part of the FTA Very Small Starts Project initiated through the H2H project³, would run between downtown Anchorage and the U-Med District. The following stops would be made in addition to the downtown stops along 5th and 6th Avenues:

- ◆ A/C Streets/15th Avenue
- ◆ A/C Streets/Northern Lights Boulevard
- ◆ 36th Avenue/A-C Streets

³H2H Seward Highway to Glenn Highway, Alaska State Project 58544, *Modifications to Transit Costs*, August 18, 2011.

- ◆ 36th Avenue/Lake Otis Parkway
- ◆ U-Med Stop/Providence Drive
- ◆ Alaska Native Medical Center/Diplomacy Drive

Level of Service

A profile of proposed BRT service is included in Exhibit V-15.

**Exhibit V-15
Initial BRT Profile**

Route	Service Span			Headway			Veh. Req.			Rev. Hours		
	Weekday	Saturday	Sunday	Weekday		Week - end	Weekday		Week - end	Wkdy.	Sat.	Sun.
				Peak	Base		Peak	Base				
Initial BRT	6:00a – 10:00a	8:00a-10:00p	9:00a-7:00p	10	15	30	8	6	3	88.0	28.0	20.0

Source: H2H Seward Highway to Glenn Highway, Alaska State Project 58544, *Modifications to Transit Costs*, August 18, 2011.

Capital and Operating Costs

Since the construction of stations and enhanced bus stops are assumed to be part of the FTA Very Small Starts Project initiated through the Highway-to-Highway project, these costs are not included as part of the RTA Plan. Additional capital costs for the BRT are projected to be \$6.5 million. These are summarized in Exhibit V-16.

**Exhibit V-16
Initial BRT Start-Up Capital Costs**

Item	No. of Units	Unit Cost	Total Cost
BRT Buses	8	\$800,000	\$6,400,000
Signal Transit Preempt Units	100	\$1,500	\$150,000
Total			\$6,550,000

Operating costs for the Initial BRT are summarized in Exhibit V-17 below. The estimated BRT operating costs are based on the current average cost per revenue vehicle hour for People Mover of \$124. With 88 revenue hours for each non-holiday weekday, 28 hours for Saturdays, and 20 hours for Sundays, there are an estimated 24,936 revenue hours annually. This translates to a total annual operating cost of \$3,092,064.

**Exhibit V-17
Initial BRT Annual Operating Costs**

Weekday Revenue Hours	Annual Revenue Hours	Annual Operating Costs
88	24,936	\$3,092,064

Source: H2H Seward Highway to Glenn Highway, Alaska State Project 58544, *Modifications to Transit Costs*, August 18, 2011.

The map in Exhibit V-18 depicts the Initial BRT line as described.

Exhibit V-18 Initial BRT



Glenn Highway BRT

As demand for service increases, the Palmer/Wasilla commuter express route may transition to full BRT service. This will be aided by the planned construction of an HOV lane on the Glenn Highway which is projected to be completed in 2025. The alignment of the proposed BRT would be operated along the Glenn Highway HOV lane from Anchorage to North Birchwood and along the Glenn Highway from North Beachwood to Palmer. The BRT would provide service between Palmer, Wasilla, downtown Anchorage, Midtown Anchorage, and the U-Med District.

Level of Service

The headway listed in Exhibit V-19 is for the proposed BRT between Peter's Creek and the U-Med District. The portion between Peter's Creek and Wasilla/Palmer operates with 30 minute frequencies during the weekday peak periods only.

**Exhibit V-19
Glenn Highway BRT Profile**

Route	Service Span			Headway			Veh. Req.			Rev. Hours		
	Weekday	Saturday	Sunday	Weekday		Week - end	Weekday		Week - end	Wkdy.	Sat.	Sun.
				Peak	Base		Peak	Base				
Glenn Hwy. BRT	5:30a – 12:00a	8:00a-10:00p	9:00a-7:00p	10	15	60	14	8	3	143.5	42.0	30.0

Source: H2H Seward Highway to Glenn Highway, Alaska State Project 58544, *Modifications to Transit Costs*, August 18, 2011. Palmer/Wasilla – Peter's Creek segment is included.

Capital and Operating Costs

Since the construction of HOV lanes and stations associated with the Glenn Highway BRT are assumed to be part of the FTA Very Small Starts Project initiated through the Highway-to-Highway project, these costs are not included as part of the RTA Plan. Additional capital costs for the BRT are projected to be \$13.75 million. These are summarized in Exhibit V-20.

**Exhibit V-20
Glenn Highway BRT Start-Up Capital Costs**

Item*	No. of Units	Unit Cost	Total Cost
Signal Transit Preempt Units	25	\$1,500	\$37,500
BRT Buses	17	\$800,000	\$13,600,000
Total			\$13,750,000

*Source: H2H Seward Highway to Glenn Highway, Alaska State Project 58544, *Modifications to Transit Costs*, August 18, 2011. Palmer/Wasilla – Peter's Creek segment is included.

Exhibit V-21 depicts the alignment of the proposed BRT service.

Exhibit V-21 Glenn Highway BRT



Operating costs will increase significantly from the commuter express service. These are summarized in Exhibit V-22 below. The estimated BRT operating costs are based on the current average cost per revenue vehicle hour for People Mover of \$124. With 143.5 revenue hours for each non-holiday weekday, 42.0 hours for Saturdays, and 30.0 hours for Sundays, there are an estimated 40,336.5 revenue hours annually. This translates to a total annual operating cost of \$5,001,726. These costs are over and above the costs for the initial BRT, but would incorporate the downtown to U-Med segment as part of the Glenn Highway BRT route.

**Exhibit V-22
BRT Annual Operating Costs**

Weekday Revenue Hours	Annual Revenue Hours	Annual Operating Costs
143.5	40,336.5	\$5,001,726

Source: H2H Seward Highway to Glenn Highway, Alaska State Project 58544, *Modifications to Transit Costs*, August 18, 2011.

South Anchorage BRT

An additional BRT line is proposed as part of the FTA Very Small Starts Project initiated through the H2H project and is included in the RTA Service Plan. This includes a BRT line that would operate along the same alignment as the South Anchorage Express between downtown Anchorage and South Anchorage. The BRT would serve the following stops, which are the same as the South Anchorage Express:

- ◆ A-C Streets/15th Avenue
- ◆ A-C Streets/Northern Lights/Benson
- ◆ A-C Streets/36th Avenue
- ◆ C Street/Tudor Road
- ◆ C Street/International Airport Road
- ◆ C Street/76th Street
- ◆ Dimond Center
- ◆ Old Seward Highway/O'Malley Road
- ◆ Old Seward Highway/Huffman Road

Level of Service

Exhibit V-23 shows the proposed frequencies, vehicle requirements, and revenue hours by time of day and day of week. The level of service is the same as the proposed Glenn Highway BRT and meets the FTA Very Small Starts program.

**Exhibit V-23
South Anchorage BRT Profile**

Route	Service Span			Headway			Veh. Req.			Rev. Hours		
	Weekday	Saturday	Sunday	Weekday		Week - end	Weekday		Week - end	Wkdy.	Sat.	Sun.
				Peak	Base		Peak	Base				
S. Anch. BRT	5:30a – 12:00a	8:00a-10:00p	9:00a-7:00p	10	15	60	8	6	2	86.0	28.0	20.0

Source: H2H Seward Highway to Glenn Highway, Alaska State Project 58544, *Modifications to Transit Costs*, August 18, 2011.

Capital and Operating Costs

Similar to the Glenn Highway BRT, the construction of HOV lanes and stations associated with the South Anchorage BRT are assumed to be part of the FTA Very Small Starts Project initiated through the Highway-to-Highway project; these costs are not included as part of the RTA Plan. Additional capital costs for the South Anchorage BRT are projected to be \$8.15 million. These are summarized in Exhibit V-24.

**Exhibit V-24
South Anchorage BRT Start-Up Capital Costs**

Item	No. of Units	Unit Cost	Total Cost
BRT Buses	10	\$800,000	\$8,000,000
Signal Transit Preempt Units	25	\$1,500	\$37,500
Total			\$8,150,000

Operating costs for the South Anchorage BRT are summarized in Exhibit V-25. The estimate of BRT operating costs are based on the current average cost per revenue vehicle hour for People Mover of \$124. With 86.0 revenue hours for each non-holiday weekday, 28.0 hours for Saturdays, and 20.0 hours for Sundays, there are an estimated 24,426 revenue hours annually. This translates to a total annual operating cost of \$3,028,824.

**Exhibit V-25
South Anchorage BRT Annual Operating Costs**

Weekday Revenue Hours	Annual Revenue Hours	Annual Operating Costs
86	24426	\$3,028,824

Source: H2H Seward Highway to Glenn Highway, Alaska State Project 58544, *Modifications to Transit Costs*, August 18, 2011.

Other Potential Long Range Transit Service

There are a number of other public transportation improvements that have been studied and/or proposed in the past that an RTA could participate in its financing and/or operation. These include express bus service to Girdwood and other transit modes such as expanded commuter rail and ferry service.

The map in Exhibit V-26 depicts the South Anchorage BRT as described above.

Exhibit V-26 South Anchorage BRT



VI. IMPLEMENTATION PLAN

Implementation

In order to implement organizational, service, and other recommendations of this plan, a number of changes will need to be made, requiring the following action steps:

RTA ENABLING LEGISLATION

Proposed RTA Enabling Legislation

Alaska currently does not have legislation enabling the creation of regional transit authorities. Therefore, legislation will need to be proposed to the Alaska State Legislature and a sponsor for the bill identified. Language for the bill must also be finalized. Sample language is provided in Appendix D.

Voice Local Support for RTA Legislation

An RTA bill may be introduced but it may not progress through the State Legislative process. A significant effort must be made to not only show the State Legislature the benefits of RTAs, but also to substantiate that there is considerable support for this legislation. Organizations like the Alaska Mobility Coalition can be solicited to help educate the public about the RTA legislation. Recent efforts in Alaska for other statewide issues have been made to hold community on-line conversations and other forums which could also be used for the RTA legislation.

State Legislature Takes Action on RTA Enabling Authority

Enabling statutes to create regional transit authorities in Alaska have been introduced to the State Legislature in the past, but no action was taken. This legislation, or some version of it, must be reintroduced to the Alaska Legislature for action. If passed, this legislation will contain the requirement that some local action is needed to create an RTA. If the legislation is not passed, then another mechanism to facilitate the implementation of regional transit services must be identified.

If RTA Enabling Legislation Passes

MOA and Mat-Su Borough Create MOU

Following the successful passage of RTA legislation, local action is required to create an RTA. The first step will be to develop a draft Memorandum of Understanding (MOU) between the Municipality of Anchorage and Mat-Su Borough. The intent of the MOU is to obtain a general agreement that both parties desire to form an RTA, and to spell out any general terms and conditions to do so. This can be accomplished in a workshop involving the entire joint Assemblies or a group of representatives. Examples of intermunicipal agreements are included in Appendix F.

Create Draft By-Laws

By-laws that establish the governance policies and procedures for the RTA must be created. Any relevant aspects of the MOU or its workshop should be incorporated into the by-laws. The by-laws must include, if not already in the state enabling statutes, the composition of the board of directors and the methodology for approving them. Technical assistance should be sought for this task. A working group comprised of Anchorage and Mat-Su representatives should be formed and workgroups held to

facilitate their input. At the end of this process, a draft set of RTA by-laws should be produced and submitted to the Anchorage and Mat-Su Assemblies for approval. Appendix G includes examples of RTA by-laws.

MOA and Mat-Su Borough Pass Authorizing Resolution and Approve Start-up Funding

Formal action must then be taken by each Assembly to create the RTA. An authorizing resolution, or local referendum, creating an RTA must be passed and the draft by-laws approved. Start-up funding will also need to be approved.

MOA and MAT-SU BOROUGH appoint representatives to RTA

Representatives to the RTA board of directors will need to be appointed in accordance with the approved by-laws and/or state enabling statutes. The board of directors will include, but not be limited to, business leaders, transportation stakeholders, and government officials. In addition, staff from MOA and Mat-Su Borough should be designated to assist the RTA Board in the first few months of existence to get established.

Organizational Meeting

At the organizational meeting of the RTA, the by-laws should be adopted and officers appointed. A schedule of meetings should be determined and a method to advertise them to the public established. Action should also be taken as to whether and, if so, when an executive director would be hired.

If RTA Legislation Does Not Pass

There are a number of options that can be pursued in the absence of an RTA to provide desired regional transportation services. Intermunicipal arrangements are a common way (although not widespread in Alaska) for municipalities to jointly provide services. However, this arrangement may not be able generate revenue on its own and must, therefore, rely on the local budgeting process of the Municipality of Anchorage and Mat-Su for financial support.

Create an Intermunicipal Agreement

An Intermunicipal Agreement can be created between the Municipality of Anchorage and Mat-Su Borough to provide commuter express and/or BRT service. One of these entities can be designated to assume the responsibilities that an RTA would have in the provision of regional transit services. Policies for sharing regional transit service costs can be worked out in a Memorandum of Understanding as well other aspects of the arrangement, such as Municipal and Borough policy input, service changes, fares, operational procedures, etc. In an agreement to provide commuter express and/or BRT service, the Department of Transportation (DOT) should act as a third party between the Municipality of Anchorage and Mat-Su Borough. The DOT would focus on coordination and act as a potential funding for the services.

Establish Private Non-Profit Organization

One option to provide the desired transit services is to create a private non-profit organization that would be funded through the intermunicipal agreement. Under Alaska Department of Transportation policy, any individual can establish a private non-profit entity for the purpose of providing public transportation. An example of this is Valley Movers which operates bus service between Wasilla and Anchorage. Valley Movers is currently a recipient of FTA Section 5311 funding to provide commuter-oriented transportation between these locations. It is possible that the service currently being provided

can be expanded to meet the specifications of the desired Palmer/Wasilla – Anchorage commuter express.

FINALIZE SERVICE DESIGN

Services funded and/or operated by the RTA must be finalized and a request for proposals (RFP) developed to select a provider of the desired routes or transit services.

SOLICIT AND ACQUIRE FUNDING

Funding for the desired transportation services must be secured. Any grant applications, budget requests, or other steps to acquire the necessary financing must be identified and action taken.

ADVERTISE AND SELECT SERVICE CONTRACTS

Once funding is in place, the RTA will be ready to select a contractor to operate the commuter express or other selected services. A Request for Proposals (RFP) must be developed and advertised. Normally, contracts are for three to five years, with a new RFP process conducted for each subsequent contract period.

Review Vanpool Needs

A review of vanpool program needs should be conducted at least annually. An analysis of trends in the formation and return of vanpools will guide RTA plans to expand, contract, or maintain the status quo of the program. This will dictate the number of vans that must be purchased in the future years.

Long Term Projects

There are several potential regional services that the RTA may assume. Because of their long term nature, studies must be conducted or updated. These include:

- ◆ Evaluate Palmer/Wasilla - Eagle River – Anchorage BRT feasibility
- ◆ Evaluate South Anchorage BRT feasibility
- ◆ Review feasibility of managing ferry service
- ◆ Conduct Girdwood corridor study
- ◆ Conduct commuter rail feasibility
- ◆ Review feasibility of demand funding

When and if it is determined by any or all of these studies find that it is feasible to proceed, the RTA will be required to conduct the same process as the commuter express services, including finalizing service design, creating and advertising an RFP, and selecting a contractor.

Exhibit VI-1 summarizes the previously described actions that will be required over the next three years to implement the Anchorage/Mat-Su Borough RTA Plan.

Exhibit VI-1 Implementation Timetable

	2012				2013				2014			
	1 st QTR	2 nd QTR	3 rd QTR	4 th QTR	1 st QTR	2 nd QTR	3 rd QTR	4 th QTR	1 st QTR	2 nd QTR	3 rd QTR	4 th QTR
<i>RTA Enabling Legislation Proposed</i>												
Bill Finalized and Submitted												
- Sponsor Identified												
- H.R. – Modified or Kept Intact												
- Bill Introduced												
Voice Local Support for RTA Legislation												
- Alaska Mobility Coalition Forum												
- Supporters Contact Legislators												
State Assembly Takes Action on RTA Enabling Authority												
<i>If RTA Enabling Legislation Passes</i>												
MOA and MSB draft MOU												
- Joint Assembly Workshop Held												
- MOU Drafted and Finalized												
Create Draft By-Laws												
- Assemblies' Subcommittee Formed												
- Technical Assistance Provided/Workshops Held												
- By-Laws Created												
MOA and MSB Pass Authorizing Resolution and Approve RTA By-Laws and Start-up Funding												
MOA and MSB appoint representatives to RTA												
Organizational Meeting												
<i>If RTA Legislation Does Not Pass</i>												
Create an Intermunicipal Agreement												
- Governance Structure												
- Funding Commitments												
Establish Private Non-Profit Organization												
<i>After RTA or Intermunicipal Agreement is in Place</i>												
Finalize Service Design												
- Palmer/Wasilla – Anchorage Express												
- South Anchorage Express												
Solicit and Acquire Funding												
- Local Funding Transfers												
- Submit Grant Applications												
- Receive Grant Approval(s)												
Advertise and Select Service Contracts												
- Develop RFP												
- Advertise RFP												
- Review Proposals and Select Service Provider(s)												
- Service Start-Up												
Long Term Project Planning												
- South Anchorage BRTs												
- Glenn Highway BRT												
- Dedicated Funding												
- Other Long Term Projects												

VII. FINANCIAL PLAN

Financial

The base financial plan includes the creation of the RTA, the implementation of expanded vanpool service, the Palmer/Wasilla – Anchorage commuter express, and the South Anchorage express service. The projection of these costs and revenues are included in Exhibit VII-1. The following assumptions were made when developing these projections:

- ◆ Staffing for the RTA consists of a general manager/executive director and an administrative assistant.
- ◆ Staff responsibilities will include grants administration, marketing, planning, and financial management.
- ◆ Vanpool program consists of capital costs and contracted program administration costs only with operating costs covered by participants. These costs will be funded through the Congestion Mitigation and Air Quality (CMAQ) program and Mat-Su Borough contribution. There are current plans to expand the vanpool program. Capital costs for a fleet of 75 vans for vanpools are reflected in the cost projections.
- ◆ Commuter express bus services will be contracted.
- ◆ FTA Section 5311 funding will be available to operate the commuter express serving Mat-Su Borough as long as a portion of the trip remains in a rural area. It will not be available to fund the South Anchorage express.
- ◆ Local funding will be provided through a combination of newly appropriated state funding and contributions from the Municipality of Anchorage and Mat-Su Borough.
- ◆ Fare revenues are based on a ridership projection of 118,923 for the Palmer/Wasilla Express, 237,846 for the South Anchorage Express, and an average fare of \$3.50. This fare is slightly less than Valley Mover is currently charging.
- ◆ Initial capital costs will be funded by way of a “start-up” or “seed” funding appropriation. Potential sources of initial capital costs include federal capital grant, state appropriation, or local government contribution.
- ◆ After this start-up funding, capital costs for bus purchases are assumed to be funded out of a capital reserve account with no special federal, state, or local grant or appropriation. Vanpool vans are assumed to be funded with twenty (20) percent from this capital reserve, and the remainder from the CMAQ program.
- ◆ Revenues and costs will increase annually at an average three percent inflation rate.
- ◆ Cost projections are for a constant level of service with no increases or decreases in routes or schedules.

A second set of cost and revenue projections were made that are focused on the additional cost of BRT service. It was assumed that it would be implemented in Year 15 of the plan, or around 2026 if an RTA was formed in 2012. These are included in Exhibit VII-2.

**Exhibit VII-1
Twenty Year Costs and Revenue Projections**

Operating Costs	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Personnel										
Administration	\$ 135,000	\$ 139,050	\$ 143,222	\$ 147,518	\$ 151,944	\$ 156,502	\$ 161,197	\$ 166,033	\$ 171,014	\$ 176,144
Marketing & Customer Service	\$ 40,000	\$ 41,200	\$ 42,436	\$ 43,709	\$ 45,020	\$ 46,371	\$ 47,762	\$ 49,195	\$ 50,671	\$ 52,191
Program Planning	\$ 20,000	\$ 20,600	\$ 21,218	\$ 21,855	\$ 22,510	\$ 23,185	\$ 23,881	\$ 24,597	\$ 25,335	\$ 26,095
Total Personnel Services	\$ 195,000	\$ 200,850	\$ 206,876	\$ 213,082	\$ 219,474	\$ 226,058	\$ 232,840	\$ 239,825	\$ 247,020	\$ 254,431
Non-Labor										
Administration	\$ 27,530	\$ 28,356	\$ 29,207	\$ 30,083	\$ 30,985	\$ 31,915	\$ 32,872	\$ 33,858	\$ 34,874	\$ 35,920
Marketing & Customer Service	\$ 25,000	\$ 25,750	\$ 26,523	\$ 27,318	\$ 28,138	\$ 28,982	\$ 29,851	\$ 30,747	\$ 31,669	\$ 32,619
Purchased Transportation – S. Anch. Expr.	\$ 1,100,872	\$ 1,133,898	\$ 1,167,915	\$ 1,202,953	\$ 1,239,041	\$ 1,276,212	\$ 1,314,499	\$ 1,353,934	\$ 1,394,552	\$ 1,436,388
Purchased Transportation – Mat-Su Expr.	\$ 500,000	\$ 515,000	\$ 530,450	\$ 546,364	\$ 562,754	\$ 579,637	\$ 597,026	\$ 614,937	\$ 633,385	\$ 652,387
Contract Services - vanpool	\$ 13,500	\$ 13,905	\$ 14,322	\$ 14,752	\$ 15,194	\$ 15,650	\$ 16,120	\$ 16,603	\$ 17,101	\$ 17,614
Total Non-Labor	\$ 1,666,902	\$ 1,716,909	\$ 1,768,416	\$ 1,821,469	\$ 1,876,113	\$ 1,932,396	\$ 1,990,368	\$ 2,050,079	\$ 2,111,582	\$ 2,174,929
Total Operating Costs	\$ 1,861,902	\$ 1,917,759	\$ 1,975,292	\$ 2,034,551	\$ 2,095,587	\$ 2,158,455	\$ 2,223,208	\$ 2,289,905	\$ 2,358,602	\$ 2,429,360
Operating Revenues										
- Fare Revenues	\$ 416,231	\$ 832,461	\$ 857,435	\$ 883,158	\$ 909,653	\$ 936,942	\$ 965,050	\$ 994,002	\$ 1,023,822	\$ 1,054,537
- FTA Section 5311 - Operations	\$ 125,000	\$ 128,750	\$ 132,613	\$ 136,591	\$ 140,689	\$ 144,909	\$ 149,257	\$ 153,734	\$ 158,346	\$ 163,097
- FTA Section 5311 - Admin.	\$ 180,000	\$ 185,400	\$ 190,962	\$ 196,691	\$ 202,592	\$ 208,669	\$ 214,929	\$ 221,377	\$ 228,019	\$ 234,859
- State Transit Local Match	\$ 125,000	\$ 128,750	\$ 132,613	\$ 136,591	\$ 140,689	\$ 144,909	\$ 149,257	\$ 153,734	\$ 158,346	\$ 163,097
- Anchorage Contribution	\$ 500,000	\$ 515,000	\$ 530,450	\$ 546,364	\$ 562,754	\$ 579,637	\$ 597,026	\$ 614,937	\$ 633,385	\$ 652,387
- Mat-Su Borough Contribution	\$ 200,000	\$ 206,000	\$ 212,180	\$ 218,545	\$ 225,102	\$ 231,855	\$ 238,810	\$ 245,975	\$ 253,354	\$ 260,955
Total Operating Revenues	\$ 1,546,231	\$ 1,996,361	\$ 2,056,252	\$ 2,117,939	\$ 2,181,478	\$ 2,246,922	\$ 2,314,330	\$ 2,383,759	\$ 2,455,272	\$ 2,528,930
Capital Costs										
Vehicle Purchases										
- Buses	\$ 3,400,000									
- Vanpool Vans	\$ 750,000		\$ 1,200,000	\$ 1,200,000		\$ 869,456		\$ 1,391,129	\$ 1,391,129	
Total Capital Costs	\$ 4,150,000	\$ -	\$ 1,200,000	\$ 1,200,000	\$ -	\$ 869,456	\$ -	\$ 1,391,129	\$ 1,391,129	\$ -
Capital Revenues										
- Vanpool Capital Assistance	\$ 570,000									
- CMAQ (vanpool vans)	\$ 180,000		\$ 1,200,000	\$ 1,200,000		\$ 869,456		\$ 1,391,129	\$ 1,391,129	
- Capital Grant	\$ 3,400,000									
- Capital Reserve										
Total Capital Revenues	\$ 4,150,000	\$ -	\$ 1,200,000	\$ 1,200,000	\$ -	\$ 869,456	\$ -	\$ 1,391,129	\$ 1,391,129	\$ -
Surplus/Shortfall	\$ (315,672)	\$ 78,602	\$ 80,960	\$ 83,389	\$ 85,890	\$ 88,467	\$ 91,121	\$ 93,855	\$ 96,670	\$ 99,571

**Exhibit VII-1
Twenty Year Costs and Revenue Projections (cont.)**

	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Operating Costs										
Personnel										
Administration	\$ 181,429	\$ 186,872	\$ 192,478	\$ 198,252	\$ 204,200	\$ 210,326	\$ 216,635	\$ 223,134	\$ 229,828	\$ 236,723
Marketing & Customer Service	\$ 53,757	\$ 55,369	\$ 57,030	\$ 58,741	\$ 60,504	\$ 62,319	\$ 64,188	\$ 66,114	\$ 68,097	\$ 70,140
Program Planning	\$ 26,878	\$ 27,685	\$ 28,515	\$ 29,371	\$ 30,252	\$ 31,159	\$ 32,094	\$ 33,057	\$ 34,049	\$ 35,070
Total Personnel Services	\$ 262,064	\$ 269,926	\$ 278,023	\$ 286,364	\$ 294,955	\$ 303,804	\$ 312,918	\$ 322,305	\$ 331,974	\$ 341,934
Non-Labor										
Administration	\$ 36,998	\$ 38,108	\$ 39,251	\$ 40,429	\$ 41,642	\$ 42,891	\$ 44,178	\$ 45,503	\$ 46,868	\$ 48,274
Marketing & Customer Service	\$ 33,598	\$ 34,606	\$ 35,644	\$ 36,713	\$ 37,815	\$ 38,949	\$ 40,118	\$ 41,321	\$ 42,561	\$ 43,838
Purchased Transportation – S. Anch. Expr.	\$ 1,479,480	\$ 1,523,864	\$ 1,569,580	\$ 1,616,668	\$ 1,665,168	\$ 1,715,123	\$ 1,766,576	\$ 1,819,574	\$ 1,874,161	\$ 1,930,386
Purchased Transportation – Mat-Su Expr.	\$ 671,958	\$ 692,117	\$ 712,880	\$ 734,267	\$ 756,295	\$ 778,984	\$ 802,353	\$ 826,424	\$ 851,217	\$ 876,753
Contract Services - vanpool	\$ 18,143	\$ 18,687	\$ 19,248	\$ 19,825	\$ 20,420	\$ 21,033	\$ 21,664	\$ 22,313	\$ 22,983	\$ 23,672
Total Non-Labor	\$2,240,177	\$2,307,382	\$2,376,604	\$2,447,902	\$2,521,339	\$2,596,979	\$2,674,888	\$2,755,135	\$2,837,789	\$2,922,923
Total Operating Costs	\$ 2,502,241	\$ 2,577,308	\$ 2,654,627	\$ 2,734,266	\$ 2,816,294	\$ 2,900,783	\$ 2,987,806	\$ 3,077,440	\$ 3,169,764	\$ 3,264,856
Operating Revenues										
- Fare Revenues	\$ 1,086,173	\$ 1,118,758	\$ 1,152,321	\$ 1,186,890	\$ 1,222,497	\$ 1,259,172	\$ 1,296,947	\$ 1,335,856	\$ 1,375,931	\$ 1,417,209
- FTA Section 5311 - Operations	\$ 167,990	\$ 173,029	\$ 178,220	\$ 183,567	\$ 189,074	\$ 194,746	\$ 200,588	\$ 206,606	\$ 212,804	\$ 219,188
- FTA Section 5311 - Admin.	\$ 241,905	\$ 249,162	\$ 256,637	\$ 264,336	\$ 272,266	\$ 280,434	\$ 288,847	\$ 297,513	\$ 306,438	\$ 315,631
- State Transit Local Match	\$ 167,990	\$ 173,029	\$ 178,220	\$ 183,567	\$ 189,074	\$ 194,746	\$ 200,588	\$ 206,606	\$ 212,804	\$ 219,188
- Anchorage Contribution	\$ 671,958	\$ 692,117	\$ 712,880	\$ 734,267	\$ 756,295	\$ 778,984	\$ 802,353	\$ 826,424	\$ 851,217	\$ 876,753
- Mat-Su Borough Contribution	\$ 268,783	\$ 276,847	\$ 285,152	\$ 293,707	\$ 302,518	\$ 311,593	\$ 320,941	\$ 330,570	\$ 340,487	\$ 350,701
Total Operating Revenues	\$ 2,604,798	\$ 2,682,942	\$ 2,763,431	\$ 2,846,333	\$ 2,931,723	\$ 3,019,675	\$ 3,110,265	\$ 3,203,573	\$ 3,299,681	\$ 3,398,671
Capital Costs										
Vehicle Purchases										
- Buses			\$ 4,847,587							
- Vanpool Vans	\$ 1,007,937		\$ 1,612,700	\$ 1,612,700		\$ 1,168,476		\$ 1,869,561	\$ 1,869,561	
Total Capital Costs	\$ 1,007,937	\$ -	\$ 6,460,287	\$ 1,612,700	\$ -	\$ 1,168,476	\$ -	\$ 1,869,561	\$ 1,869,561	\$ -
Capital Revenues										
- Vanpool Capital Assistance										
- CMAQ (vanpool vans)	\$ 1,007,937		\$ 1,612,700	\$ 1,612,700		\$ 1,168,476		\$ 1,869,561	\$ 1,869,561	
- Capital Grant										
- Capital Reserve			\$ 4,847,587							
Total Capital Revenues	\$ 1,007,937	\$ -	\$ 6,460,287	\$ 1,612,700	\$ -	\$ 1,168,476	\$ -	\$ 1,869,561	\$ 1,869,561	\$ -
Surplus/Shortfall	\$ 102,558	\$ 105,634	\$ 108,803	\$ 112,068	\$ 115,430	\$ 118,892	\$ 122,459	\$ 126,133	\$ 129,917	\$ 133,815

**Exhibit VII-2
Twenty Costs and Revenue Projections Including BRT Service**

	Year 1	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20
Operating Costs											
Personnel											
Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 102,100	\$ 105,163	\$ 108,318	\$ 111,567	\$ 114,914	\$ 118,362
Marketing & Customer Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 30,252	\$ 31,159	\$ 32,094	\$ 33,057	\$ 34,049	\$ 35,070
Program Planning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,126	\$ 15,580	\$ 16,047	\$ 16,528	\$ 17,024	\$ 17,535
Total Personnel Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 147,478	\$ 153,377	\$ 159,512	\$ 165,892	\$ 172,528	\$ 179,429
Non-Labor											
Administration	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,821	\$ 21,445	\$ 22,089	\$ 22,751	\$ 23,434	\$ 24,137
Marketing & Customer Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,907	\$ 19,475	\$ 20,059	\$ 20,661	\$ 21,280	\$ 21,919
Purchased Transportation – Initial BRT		\$ 4,280,051	\$ 4,408,453	\$ 4,408,453	\$ 4,540,706	\$ 4,676,927	\$ 4,817,235	\$ 4,961,752	\$ 5,110,605	\$ 5,263,923	\$ 5,421,841
Purchased Transportation – S. Anch. BRT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,573,866	\$ 4,711,082	\$ 4,852,414	\$ 4,997,986	\$ 5,147,926	\$ 5,302,364
Purchased Transportation – Mat-Su BRT	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,554,306	\$ 7,780,935	\$ 8,014,363	\$ 8,254,794	\$ 8,502,438	\$ 8,757,511
Total Non-Labor	\$ -	\$ 4,280,051	\$ 4,451,253	\$ 4,451,253	\$ 4,629,303	\$ 4,844,827	\$ 5,118,620	\$ 5,386,539	\$ 5,663,380	\$ 5,941,106	\$ 6,219,773
Total Operating Costs	\$ -	\$ 4,280,051	\$ 4,629,303	\$ 4,629,303	\$ 4,629,303	\$ 16,992,304	\$ 17,671,997	\$ 18,378,876	\$ 19,114,031	\$ 19,878,593	\$ 20,673,736
Operating Revenues											
- Fare Revenues	\$ -	\$ 2,250,000	\$ 2,317,500	\$ 2,317,500	\$ 2,387,025	\$ 6,958,636	\$ 7,167,395	\$ 7,382,417	\$ 7,603,889	\$ 7,832,006	\$ 8,066,966
- FTA Section 5311 - Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
- FTA Section 5311 - Admin.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
- State Transit Local Match	\$ -	\$ 200,000	\$ 206,000	\$ 206,000	\$ 212,180	\$ 302,518	\$ 311,593	\$ 320,941	\$ 330,570	\$ 340,487	\$ 350,701
- Local Dedicated Funding	\$ -	\$ 2,000,000	\$ 2,060,000	\$ 2,060,000	\$ 2,121,800	\$ 10,000,000	\$ 10,300,000	\$ 10,609,000	\$ 10,927,270	\$ 11,255,088	\$ 11,592,741
Total Operating Revenues	\$ -	\$ 4,450,000	\$ 4,583,500	\$ 4,583,500	\$ 4,721,005	\$ 17,261,154	\$ 17,778,988	\$ 18,312,358	\$ 18,861,729	\$ 19,427,581	\$ 20,010,408
Capital Costs											
Vehicle Purchases											
- Buses		\$ 6,400,000	\$ 6,400,000	\$ 6,400,000	\$ 6,400,000	\$ 21,600,000	\$ 21,600,000	\$ 21,600,000	\$ 21,600,000	\$ 21,600,000	\$ 21,600,000
- Other (stations, enhanced bus stops)		\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000	\$ 300,000
Total Capital Costs	\$ -	\$ 6,550,000	\$ 6,550,000	\$ 6,550,000	\$ 6,550,000	\$ 21,900,000	\$ 21,900,000	\$ 21,900,000	\$ 21,900,000	\$ 21,900,000	\$ 21,900,000
Capital Revenues											
- Capital Assistance		\$ 6,550,000	\$ 6,550,000	\$ 6,550,000	\$ 6,550,000	\$ 21,900,000	\$ 21,900,000	\$ 21,900,000	\$ 21,900,000	\$ 21,900,000	\$ 21,900,000
- Capital Grant						\$ 17,520,000	\$ 17,520,000	\$ 17,520,000	\$ 17,520,000	\$ 17,520,000	\$ 17,520,000
- Capital Reserve		\$ -	\$ -	\$ -	\$ -	\$ 4,380,000	\$ 4,380,000	\$ 4,380,000	\$ 4,380,000	\$ 4,380,000	\$ 4,380,000
Total Capital Revenues	\$ -	\$ 6,550,000	\$ 6,550,000	\$ 6,550,000	\$ 6,550,000	\$ 21,900,000	\$ 21,900,000	\$ 21,900,000	\$ 21,900,000	\$ 21,900,000	\$ 21,900,000
Surplus/Shortfall	\$ -	\$ -	\$ 169,949	\$ 132,247	\$ 91,702	\$ 268,849	\$ 106,992	\$ (66,518)	\$ (252,303)	\$ (451,012)	\$ (663,328)

Key to the implementation of BRT service is the creation of a dedicated funding source for public transportation. Exhibit V-2 below lists five revenue sources that are commonly used as dedicated public transit funds. These types of revenue sources are used at varying degrees for public transit. Sales and property taxes are the most common. Appendix A provides detailed case studies of RTAs across the United States and identifies the dedicated revenue sources.

**Exhibit VII-3
Common Dedicated Revenue Sources**

Revenue Source	Revenues highly stable in relation to economic fluctuations			Revenue growth likely to outpace overall economic growth			Relative size of tax/ fee rate needed to collect a specified amount of dedicated revenue		
	Yes	No	Details	Yes	No	Details	Yes	No	Details
Sales Tax		X	Likely more susceptible to economic fluctuations than property or fuel tax.		X	Retail sales usually take up a declining share of income as income rises.	X		Tax base is broad, especially when most retail purchases, including food, are taxed.
Income Tax		X	Likely more susceptible to economic fluctuations than property or fuel tax.	X		Usually outpaces economic growth because of progressive nature.	X		Applicable tax base is broad, especially for an income tax.
Fuel Tax	X		Highly stable, but could be susceptible to random fluctuations.		X	Historically, grows slowly, but faster than sales tax.		X	Tax base is relatively narrow.
Property Tax		X	Moderate susceptibility to economic fluctuations, but likely less susceptible than sales or income/payroll tax.	Varies		Widely variant growth patterns at county level depending on local economic conditions.	X		Tax base is relatively broad.
Vehicle Registration Fees	X		Likely very stable, but may exhibit a lagged response to economic downturn.		X	Unlikely to keep pace with economic growth because car ownership levels are already high.		X	Tax base is relatively narrow.

Source: United States Government Accountability Office

APPENDICES

