

Financial Task Force - Meeting #1



To: Kansas City Area Transportation Authority (KCATA)
From: Project Team
Re: Summary of Financial Task Force - Meeting #1, 9-11 a.m. on June 3, 2021

Attendance

- 25 participants
- **KCATA:** David Johnson, Jameson Auten, Jon Moore, Cindy Baker, Dick Jarrold
- **Project Team:** Ehren Bingaman, Lyndsey Scofield, Katie Jurenka, Steve Brown, Lauren Reiman, Allison Buchwach, Erin Barham, Schylon Kubic, Taylor Rippe

Agenda and Process Overview

Ehren Bingaman of Transpro welcomed the group to start the meeting. He introduced Deputy CEO and Chief Operating Officer Jameson Auten (who filled in for Robbie Makinen) who shared remarks about the purpose of One RideKC.

David Johnson gave a brief overview of the KCATA, recognized any elected officials in attendance, and remarked that this group represents important voices in the region with specific knowledge about finance and funding.

Bingaman provided an overview of the One RideKC project process and noted that this project is being built on a strong foundation and stitches previous work together. He explained the purpose of the three stakeholder committees, briefly touched on the committee rosters and explained the role Financial Task Force (FTF) Committee members have in the process.

Slides were presented with who did, and did not, accept the invitation to participate in each of the three committees - Stakeholder Advisory Committee, Financial Task Force, and Citizens Advisory Committee. He also gave a framework of the Four Pillars of Access - access to jobs, housing, healthcare, and education - through the lens of social equity.

Funding Sources

Steve Brown, with HTNB, led the presentation on funding. He explained current transit funding sources, how transit is funded today, potential uses for expanded funding, local research to date and a variety of funding sources to evaluate. (He noted the data used to calculate an annual estimate is based on the current year.)

Group Discussion

What would expanded transit funding in the KC region look like?

- Explore options with transportation network companies - Uber, Lyft
- Looking at 20 year plan
- Parking fees at the new garage at the airport?
- Negative reaction to income tax in MO.
 - Not common in other regions and typically for other reasons.
- Downtown parking - when FTA evaluates grant applications, they use the rate of downtown parking.
- Likes downtown parking fee option - to support an added tax.
- KCMO studying tax burden in next 6 months.
- Package transit with other needs - roadway improvements, bridges, etc.

**What funding sources are the most promising for further research and modeling?
Where should we be focusing our efforts?**

- Need to retain revenue, grow and reduce KCMO burden; have we looked at social impact bonds or other tools that can provide upfront capital?
 - Yes to the first question. Second question, haven't gotten to that level of detail and bonding will likely be part of the model, but haven't gotten into details. Private/public partnership (P3) is a bonding deliverable method - typically greater than zero.
 - P3 investment project - Tom Gerend has only example. Provide operational match for service private sector might be willing to contribute - Fitters Model - assemble with private sector funds in Johnson County
 - Cost of issuance and funding source for long term repayment of bonds + operational service. Dependent on long term repayment mechs. If there's the capacity. Less expensive than private because you're not passing on the risk. Value in both regional and istrice more local model depending on services being offered.
 - Investigate TIFIA - overhead cost was too high for the scale of project we're looking at.
 - Scaling to larger program initiatives may be there.
 - Pretty big number before work for TIFIA and administrative goes into it.
- Denver capitol program, rail program a proper P3, airport most notable.
- Cautious about bringing up P3 - looking for one that could provide funding - a different financing mechanism in addition to other funding.
- Is it important for KCATA to say they investigated that (P3)?
 - Yes.
 - Not sure a good answer to say we looked at it. Regional perception that there ought to be a way to rapid transit to the airport. May need to have some answer - express buses - that ties in the airport for regional funding.
 - Necessary to have some premium express to the airport. Light rail would be to build options from different areas to get to KCI - with downtown and Johnson

County. Downtown does not generate trips to KCI, but people want options throughout the region to get to KCI, at least three points in the region (downtown, Johnson County, eastern metro).

- What services, enhances, uses proposing, will drive logic behind the model, need strong interplay between money and plan.
- Can have anything if willing to pay, what is the appetite?
- Detroit significant local business person that rallied the business community to acknowledge the importance of transit. Think about approaching the civic council and get them involved.
- Detroit, private investor leverages federal investment, that person is no longer interested in paying to operate that service. Will revert to a public entity or go bankrupt. Have to know how we will maintain that asset. Backstop it, must service public interest as well.
- Take the conversation a little higher. Lived in Denver for many years. BRT enhances quality of life in that area. Supportive of independent transit board, like Denver, with dedicated revenue sources. Interested in exploring other revenue sources, shouldn't pick just one or the other. Legal problems...income tax because of two states. Try to be innovative with revenue sources as much as possible.

Slide 34 - Funding structure, not tax

- Not sure he's following membership Kathleen mentioned? What was the precipice for discussing existing vs new? Independent board/commission with setup of new entity. Was there a correlation that was already discussed?
- Varying issues with trust and we embarked on an effort to address that. Though KCATA existed to plan and operate the route of Streetcar a separate entity was set up. Someone needs to step in to run the services/entities.
- Elected offices run RTA in Denver. They're elected and run it independently of the City of Denver.
- To modify the ATA compact, it needs to go to Congress to do it. Next option, go to the current entity that authorizes members of the board of commissioners to ask that someone new be added to reflect what they are looking for.
- A participant asked about the ATA board composed of elected officials.
 - KCATA board isn't all elected officials and is not a requirement. Reps from 7 counties in the region and varying levels of...depending on statute.
 - All 10 members of the TAA board are appointed. Makeup based on 1965 compact - 5 MO and 5 KS. Some are elected officials. One position - Cass County appointed by MO Governor.
 - Each state has leverage to structure board appointees, not a change in compact?
 - Minor modifications can be done.
- Contrast this with Denver example where voters vote for RTD members based on district - pretty rare. Even Chicago doesn't have that.

- New entity...TDD model on MO side, publicly elected, KS has different rules, if you want to be directly elected, you have to be a publicly elected officer (opposed to appointed).
- Important issue depending on how funding source is structured - debate over where revenue is coming from versus ridership. Representation on the board will become an issue. Supportive of David Warm's statement - must be vision in deliverables to get to this. Concerned it doesn't exist outside of the core group. Zero fare in kcmo doesn't have broad support in other regions. Need to understand messaging and deliverables around ultimate goals?
- Farthest region has got is adoption of a regional investment fund, addressed equity sales tax issue, governance question, look at that legislation that had been passed in MO, history will be helpful.

Regional Investment District Legislation - Slide 37

- Did we see ridership today vs where it will be in the future? Ridership is now based in KCMO but in years ridership may shift to Johnson County to the airport.
- Most fixed ridership in KCMO. Going out, land use changes and things are farther apart with fewer people taking advantage of the system. In Denver, ridership is higher in suburban areas - but for us cost per trip may be higher because service/usership may be less.
- Reference to Joe, gets into the definition of equity. Legislation mandated percentage of revenue is spent back in a specific county. Need to gain a sense of what equity means in that construct. To bring decisions to an equitable representation...need to think through and explore as going forward.

Slide 39 - Evaluation and Building Consensus

Performance measures for discussion, thrown out there, definition of equity subjective and put in two boxes. Are we meeting regional needs?

- All of the service requests have been greenfield, big box, logistic employers \$15-\$20 per hour, difficult to maintain at that wage, unable to take resources from the system and put them there.
- Big piece of governance discussion, the agency doesn't control land use decisions.
- Opportunity there, the plan must be intentional and connected to long term objectives to see the value of access, growing ourselves and what the community will look like in 30 years. What does growth development of economics look like? Ton of alignment around city plans and high priority transit corridors. Not sure how it fits in the development plan - connect the plan to what the city has for itself. Build it into the narrative. Zero Fare is great now, but will people be willing to invest in it long term.
- A coherent service expansion plan for the region is quite specific and connected to plans already adopted by other municipalities. Our issue is to take the plan - <http://www.kcsmartmoves.org> (not invent a new plan) and turn into one or more

investible strategies. Understand that plan to evaluate how to get politician support and investment for the plan.

- Who are the other organizations that are civic and regionally that can speak on behalf of the consensus and what it looks like? Who else could be a partner with ATA that has the buy-in from the region to help move the needle? What does geographical ROI mean to them to build a stakeholder network?
- Look to KC Chamber Big 5 and KC Rising efforts, consensus coming from this will endorse the plan? Want and need to align. Overlap on those working on programs that are not directly connected to the civic community. KCATA wants to align and so they are not out front alone. We need to be speaking as a region. Need support from the bigger community and business community.

Wrap Up - What's missing, if anything?

- What are considerations of this plan and what's happening at state on fuel tax and push to put it on the ballot? What does it do for voters for this plan?
- The KCATA perspective on fuel tax is not directly beneficial to KCATA. Gas tax only goes to roads/bridges. State tax goes to us is minimal; on KS side is capped but it's a minimum and does come from gas tax proceeds. Won't oppose gas tax.
- If multiple ballots in a three year time frame, might turn off. Not sure most voters can distinguish between gas tax and transit tax?
- Assumption that gas tax would be statewide. Our tax would be local and regional only. Voters should be able to distinguish.
- The point is to make sure not overcrowding the ballot any year. KCMO always plans years in advance for ballot measures/issues.
- Expenditures that inform the planning process.
- Comprehensive to follow money through the process. Philosophy to report out types of measures through process. Where spending, what spending and report out equity measures. Plan is sustainable and accomplishes goals set out to address.

Next Steps

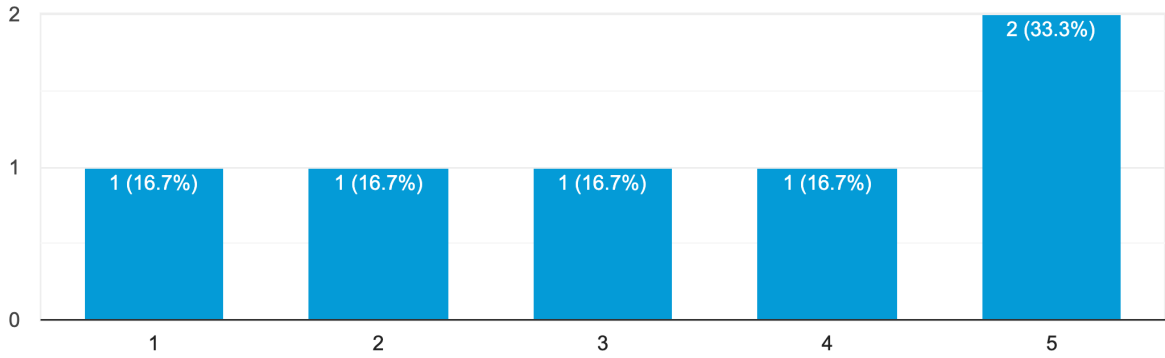
In conclusion, these are the next steps for the FTF:

- FTF meeting #2 - late Summer 2021
- Please reach out to the project team if you have any questions, concerns and/or comments.
- A follow-up email will be sent to participants with the presentation, updated roster and link to the project webpage at <http://oneridekc.org>.

Meeting Evaluation

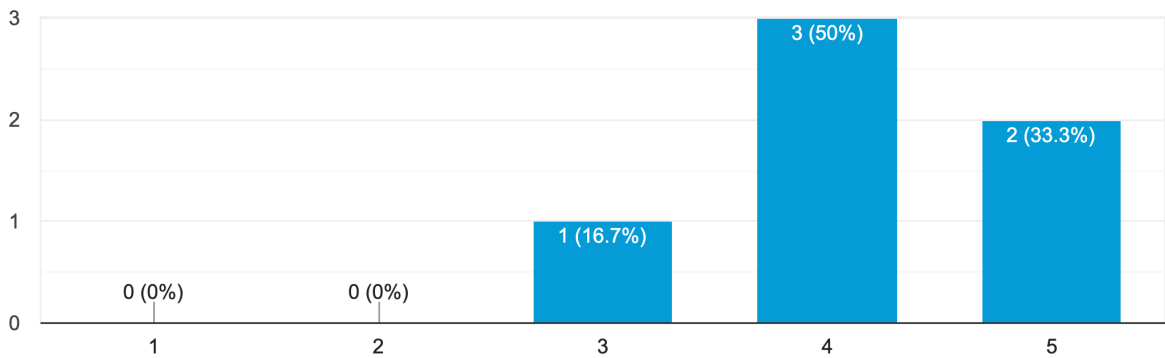
Please rate your level of awareness about regional transit and funding at the BEGINNING of the meeting.

6 responses



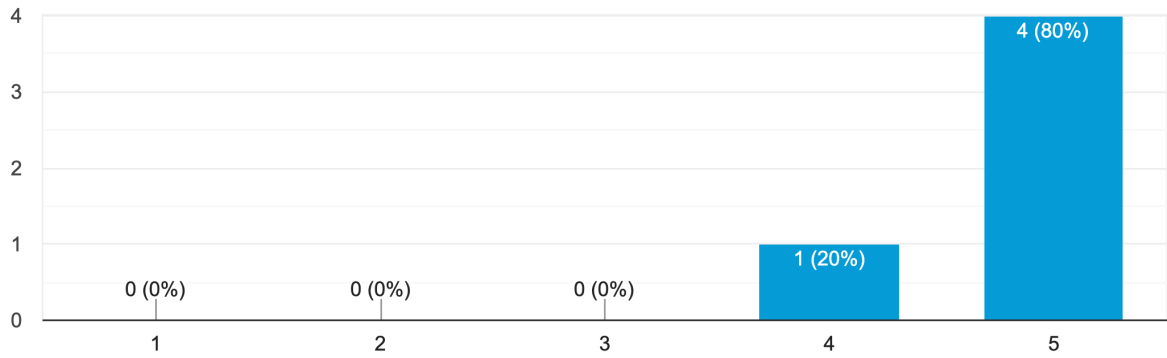
Please rate your level of awareness about regional transit and funding at the END of the meeting.

6 responses



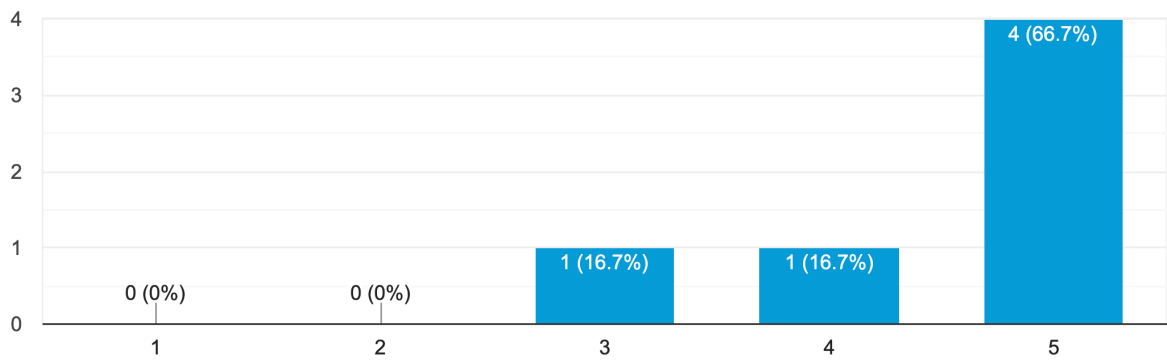
How easy is it to understand the PURPOSE of One RideKC - a regional transit and funding plan?

5 responses



How easy is it to understand the BENEFITS of One RideKC - a regional transit and funding plan?

6 responses



What BENEFITS to regional transit and funding are most important to you or your organization?

6 responses

