Hillsborough Area Regional Transit (HART)
GOVERNANCE AND OPERATIONAL MANAGEMENT ANALYSIS

December 15, 2023

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EXECUTIVE SUMMARY

The Governance and Operational Management Analysis was prompted by two bills pertaining to transit agency consolidation: CS/HB 1397 and CS/SB 1532. CS/HB 1397 was passed during the 2023 Florida State Legislative Session and signed into law on June 2, 2023. The recently enacted law directs the Florida Department of Transportation (FDOT) to conduct a review of the organizational structure and operations of the Hillsborough Area Regional Transit Authority (HART), doing business as Hillsborough Transit Authority. Findings from this analysis produced an assessment of HART's organizational structure along with possible considerations to promote operational efficiencies, effectiveness, and long-term organizational sustainability. It objectively considered the agency's governing structure, board policies, and examined its financial assets, obligations, facilities, and operations. While this study was comprehensive in nature, it was limited in duration and scope given statutory time constraints leaving an in-depth review of HART's route coverage and detailed legal review of all governance scenarios to be addressed at a cursory level.

The HART Governance and Operational Management Analysis was a muti-step process commencing with document review and stakeholder interviews. Prior study documents and agency information were extensively reviewed to form the basis of a constructive internal assessment related to HART's performance over the past decades. Stakeholder interviews provided valuable context pertaining to HART—both past and present. Ultimately, the document review and stakeholder interviews formed a detailed foundation for extensive policy and transit best practice research, coupled with comparisons with nine (9) peer agencies. This methodical prerequisite contributed to the identification of a series of potential governing scenarios and agency considerations.

BOARD STRUCTURE

HART's Charter outlines a board of directors which includes one director from each of its two member governments plus an additional director for every 150,000 residents in that member's jurisdiction. HART's current board size (14) is larger than the average size (10) of the nine peer agencies, which is also 40 percent larger than the national average of 10 members. However, the Charter's language would require the board to add additional members along with population growth within the City of Tampa and Hillsborough County. Considering this region is one of the fastest growing areas in the State and Nation, it is reasonable to assume that board will grow in size within the coming years if no action is taken. A review of HART's board composition, along with establishing some type of minimum qualifications for appointed board members, is advisable based on peer agency comparison and transit agency best practices. Lastly, formally defining the processes for board interactions could help improve interactions between HART's Chief Executive Officer (CEO) and the board, a topic that is currently being explored by HART's board legal counsel.

OPERATIONS

There have been questions regarding HART's operations, but available data indicate that HART has been effective in the operation of its daily transit service. This is evident in its operating performance as reported to the National Transit Database (NTD), its recent ridership recovery, and its ability to operate service despite limited fiscal and staffing resources. The HART leadership team provided anecdotal evidence of sound management practices, including the appropriate span of control amongst its organization structure, active fleet management practices in accordance with the Federal Transit Administration's (FTA) recommendations for fleet size and maintenance staffing, and sound preventative maintenance procedures. Given the change in human behavior following federally-imposed mandates during the pandemic, HART, like many transit agencies across the nation, would benefit from an updated Comprehensive Operations Analysis (COA) and an updated transit development plan (TDP). A COA examines a transit system to determine if improvements can be made to make the network more efficient and effective. A TDP is a transit agency's multi-year financial and operating plan. The process of developing the two documents would assist HART in updating its operations to match the current needs of its post-2020 service area.

ASSETS

As detailed during stakeholder interviews, HART's facilities are inadequate for its current operations. Its heavy maintenance facility does not have adequate space to maintain its current fleet, or future fleet expansions, and has major subcomponents that are no longer in a state of good repair. The condition of those subcomponents negatively impacts HART's operations. Further, there are known deficiencies that cause recurring safety concerns. For instance, water intrusion into administrative areas has caused mold resulting in serval rooms being closed to protect employees.

HART's asset management concerns appear to be associated with inadequate asset replacement funding. The current capital budget will not significantly reduce its State of Good Repair (SGR) backlog over the next five years. Further, it is unlikely to bring the backlog into compliance with its approved performance targets.

FINANCIAL ANALYSIS

In recent years, HART has been hampered by fiscal constraints that have prompted scrutiny of its financial processes and operational performance. These concerns have been magnified by the impacts of the decreased ridership in recent years, high personnel turnover, and projections that the agency will face a "fiscal cliff" by 2024, which is two years sooner than projected. When HART is compared to similar-sized transit agencies across the country, it is respectively funded at a lower per-person level, often times compared to transit agencies serving smaller urbanized areas. Funding received through the federal Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA Act), and the American Rescue Plan Act (ARPA) have provided the agency with a respite but are not seen as sustainable sources of revenue over the long-term. Developing a cost allocation plan, optimizing federal funding opportunities, and conducting an annual performance report could allow HART to outline costs, highlight successes, and draw attention to funding deficiencies.

GOVERNANCE SCENARIOS

A series of potential governance scenarios were identified using an iterative approach comprising stakeholder interviews, peer-agency analysis, existing document review, transit best-practice knowledge, and industry research.

1. Status Quo with Optimization
2. Dissolve and Rebuild
3. Formal Partnering
4. County/City Governance Model
5. Privatization of Operations
6. Merger with Another Agency
7. Intergovernmental Governance / Regional Transit Authority

These governance structure scenarios must be considered within the context that all transit agencies, locales, and customer bases are unique. A combination of scenarios, omission of alternatives, or amendment to future organizational structures must be embraced to meet the specific needs, challenges, and characteristics of the region it is serving. Further, legal considerations would need to be completed for each governance scenario. This was performed by outside counsel and submitted to the FDOT in mid-November of 2023. Said legal review confirmed and built upon the findings from the 2012 Report of General Counsels Regarding Legal Issues Arising out of Consolidation in relation to the 2012 HART and PSTA Consolidation Study. A copy of the legal review has been included in Appendix L.

This report outlines multiple scenarios to address HART's opportunities for improvement. While this study was comprehensive in nature, it was limited in duration and scope. Therefore, it is recommended that further planning studies be performed in order for HART to reach its full potential—addressing the needs of those traveling both within Hillsborough County and the Tampa-St. Petersburg Region. Specifically, a comprehensive operations analysis, transit development plan, and updated strategic plan would assist the new CEO and leadership team in making the organizational adjustments to continue passenger growth and meet the needs of the region.

LIST OF ACRONYMS

ATL	Atlanta-Region Transit Link Authority
APTA	American Public Transportation Association
ARPA	American Rescue Plan Act
BRT	Bus Rapid Transit
CARES	Coronavirus Aid, Relief, and Economic Security
CASOKY	Community Action of Southern Kentucky
CB	Commuter Bus
CBD	Central Business District
CEO	Chief Executive Officer
COA	Comprehensive Operations Analysis
CRRSA	Coronavirus Response and Relief Supplemental Appropriations
DO	Directly Operated
DR	Demand Response
FDOT	Florida Department of Transportation
FB	Ferryboat
FS	Florida Statutes
FTA	Federal Transit Administration
FY	Fiscal Year
GCRTA	Greater Cleveland Regional Transit Authority
JPA	Joint Powers Agreement
JTA	Jacksonville Transportation Authority
HART	Hillsborough Area Regional Transit Authority (dba Hillsborough Transit Authority)
IP	Inclined Plane
LOGT	Local Option Gas Tax
LR	Light Rail
LYNX	Central Florida Regional Transportation Authority (dba LYNX)

MARTA	Metropolitan Atlanta Rapid Transit Authority
MB	Motor Bus
MG	Automated Guideway
MOU	Memorandum of Understanding
MR	Monorail
MPO	Metropolitan Planning Organization
NORTA	New Orleans Regional Transit Authority
NTD	National Transit Database
PSTA	Pinellas Suncoast Transit Authority
PRT	Pittsburgh Regional Transit
RATP	Régie Autonome des Transports Parisiens
RPO	Regional Planning Organization
RVH	Revenue Vehicle Hour
RVM	Revenue Vehicle Mile
SC	Streetcar
SEPTA	Southeastern Pennsylvania Transportation Authority
TARC	Transit Authority of River City (Louisville, KY)
TBARTA	Tampa Bay Area Regional Transit Authority
TDP	Transit Development Plan
THEA	Tampa Hillsborough Expressway Authority
TPO	Transportation Planning Organization
VP	Vanpool
VT	Vintage Trolley
UPT	Unlinked Passenger Trips

GLOSSARY

ADA Accessible Stations -- Public transportation passenger facilities which, in compliance with ADA requirements, provide ready access and do not have physical barriers that prohibit and/or restrict access by individuals with disabilities, including individuals who use wheelchairs.

ADA Accessible Vehicles -- Public transportation revenue vehicles which, in compliance with ADA requirements, do not restrict access, are usable, and provide allocated space and/or priority seating for individuals who use wheelchairs, and which are accessible using lifts or ramps.

Bus (MB) -- A transit mode comprised of rubber-tired passenger vehicles operating on fixed routes and schedules over roadways. Vehicles are powered by diesel, gasoline, battery, or alternative fuel engines contained within the vehicle.

Bus Rapid Transit (BRT) -- Fixed-route bus systems that operate at least 50 percent of the service on fixed guideway. These systems also have defined passenger stations, traffic signal priority or preemption, short headway bidirectional services for a substantial part of weekdays and weekend days; low-floor vehicles or level-platform boarding, and separate branding of the service. Agencies typically use off-board fare collection as well. This is often a lower-cost alternative to light rail.

Commuter Bus (CB) -- Local fixed-route bus transportation primarily connecting outlying areas with a central city. Characterized by a motorcoach (aka over-the-road bus), multiple trip tickets, multiple stops in outlying areas, limited stops in the central city, and at least five miles of closed-door service.

Cooperative Agreement -- An agreement where one or more public transit agencies or governmental units contribute to, or are assessed for, the value of public transit services provided by another public transit agency. There is usually a written memorandum of understanding or mutual agreement on the calculation and payment for the services. Generally, the service is part of the public transit agency's directly operated (DO) service.

Demand Response (DR) -- A transit mode comprised of passenger cars, vans or small buses operating in response to calls from passengers or their agents to the transit operator, who then dispatches a vehicle to pick up the passengers and transport them to their destinations.

Demand-Response Service – Non-fixed-route service, often referred to as Dial-a-Ride, using vans or buses to transport passengers to pre-arranged times and location within the system's service area. This service may or may not require advanced reservations.

Fare Assistance -- The subsidy given to the transit agency, usually by state and local governments, on behalf of specific classes of passengers, such as students, the elderly, and persons with disabilities. The subsidy may also come from the private sector, such as employers giving assistance to offer employees programs to use public transit services at reduced rates or free. The fare assistance helps to offset the reduced or free services provided to these passengers. It is usually based on the amount of service provided; i.e., the subsidy is calculated based on the number of rides taken but may be a lump sum payment.

Fare Revenues -- All income received directly from passengers, paid either in cash or through pre-paid tickets, passes, etc. It includes donations from those passengers who donate money on the vehicle. It includes the reduced fares paid by passengers in a user-side subsidy arrangement.

Ferryboat (FB) – A transit mode comprised of vessels carrying passengers over a body of water. Intercity ferryboat (FB) service is excluded, except for that portion of such service that is operated by or under contract with a public transit agency for predominantly commuter services. Predominantly commuter service means that for any given trip segment (i.e., distance between any two piers), more than 50 percent of the average daily ridership travels on the ferryboat on the same day.

Fixed-Route – Transit services where vehicles run on a regular, repetitive schedule and stop to pick up/drop off passengers at specific locations. Typically, fixed-route service is characterized by printed schedules or timetables, designated bus stops, and the use of larger transit vehicles.

Flex Service – On-demand service where riders book rides in advance within designated zones and walk to arranged pick-up location. HART provide door-to-door and fixed-route flex services within four areas throughout Hillsborough County.

Headway -- The time interval between vehicles moving in the same direction on a particular route.

Heavy Rail (HR) -- A transit mode that is an electric railway with the capacity for a heavy volume of traffic. It is characterized by high speed and rapid acceleration passenger rail cars operating singly or in multi-car trains on fixed rails, separate rights-of-way (ROW) from which all other vehicular and foot traffic are excluded, sophisticated signaling, and high platform loading.

Inclined Plane (IP) (mode) -- A transit mode that is a railway operating over exclusive right-of-way (ROW) on steep grades (slopes) with powerless vehicles propelled by moving cables attached to the vehicles and powered by engines or motors at a central location not on-board the vehicle. The special tramway types of vehicles have passenger seats that remain horizontal while the undercarriage (truck) is angled parallel to the slope.

Intercity Bus (IB) (Rural Module) -- Regularly scheduled public service using an over-the-road bus that operates with limited stops between two urbanized areas or that connects rural areas to an urbanized area. Intercity bus mode should only be used by private, intercity bus providers.

Light Rail (LR) (mode) -- A transit mode that typically is an electric railway with a light volume traffic capacity compared to heavy rail (HR). It is characterized by passenger rail cars operating singly (or in short, usually two car, trains) on fixed rails in shared or exclusive right-of-way (ROW), low or high platform loading, and vehicle power drawn from an overhead electric line via a trolley or a pantograph.

Monorail/Automated Guideway (MG) (MR) -- An electrically powered mode of transit operating in an exclusive guideway or over relatively short distances. The service is characterized by either monorail systems with human-operated vehicles straddling a single guideway or by people-mover systems with automated operation.

Paratransit – Wheelchair-accessible, demand-response transportation service. The transit agency may limit the service to certain people by qualification, and generally requires reservations or calling ahead.

Public Transportation/Transit -- Transportation services delivered by bus, rail, or other vehicle, either publicly or privately owned, that provide regular and continuing transportation to the public upon payment of a fare/excluding school buses, charter or sightseeing services.

Private Modes – A non-public form of transportation typically operated by Private For-profit providers. Examples of these private modes include airports, Amtrak, intercity bus, etc.

Revenue Time – The hours (miles) those are comprised of running time and layover/recovery time.

Rolling Stock – Transit vehicles such as buses, vans, cars, railcars, locomotives, trolley cars and buses, and ferry boats, as well as vehicles used for support services.

Running Time – The hours (miles) the vehicle travels on the route in passenger service, typically from the beginning to the end of a route. It includes all travel and time from the point of the first passenger pickup to the last passenger drop-off, as long as the vehicle does not return to the dispatching point.

Scheduled Vehicle Revenue Miles – The vehicle revenue miles computed from the scheduled service.

Service Area Bus – A measure of access to transit service in terms of population served and area coverage (square miles). The reporting transit agency determines the service area boundaries and population for most transit services using the definitions contained in the Americans with Disabilities Act of 1990 (ADA): "Bus. (i) The entity shall provide complementary paratransit service to origins and destinations within corridors with a width of three-fourths of a mile on each side of each fixed route. The corridor shall include an area with three-fourths of a mile radius at the ends of each fixed route. (ii) Within the core service area, the entity also shall provide service to small areas not inside any of the corridors, but which are surrounded by corridors. (iii) Outside the core service area, the entity may designate corridors with widths from three-fourths of a mile up to one and one-half miles on each side of a fixed route, based on local circumstances. (iv) The core service area is that area in which corridors with a width of three-fourths of a mile on each side of each fixed route merge together such that, with few and small exceptions, all origins and destinations within the area would be served."

Service Area Demand Response – As Demand Response does not operate over a fixed route, but rather serves a broad area, the service area cannot be measured by corridors (see Service Area — Bus). Therefore, the service area for DR is the area encompassing the origin to destination points wherever people can be picked up and dropped off.

Unlinked Passenger Trips (UPT) – The number of passengers who board public transportation vehicles. Passengers are counted each time they board vehicles no matter how many vehicles they use to travel from their origin to their destination.

Vanpool (VP) – A transit mode comprised of vans, small buses and other vehicles operating as a ride sharing arrangement, providing transportation to a group of individuals traveling directly between their homes and a regular destination within the same geographical area. The vehicles shall have a minimum seating capacity of seven persons, including the driver. For inclusion in the NTD, it is considered mass transit service if it meets the requirements for public mass transportation and is publicly sponsored.

Vehicle Hours (Miles) – The hours (miles) that a vehicle is scheduled to or actually travels from the time it pulls out from its garage to go into revenue service to the time it pulls in from revenue service. It is often called platform time.

Vintage Trolley / Streetcar (VT) (SC) – Vehicle type: Vintage or antique rail cars originally manufactured before 1975. The vehicles are typically operated in mixed traffic right-of-way (ROW) but may also operate on exclusive or controlled access rights-of-way (ROW).

STUDY'S PURPOSE & BACKGROUND

STUDY PURPOSE

During the 2023 Regular Legislative Session, CS/HB 1397 (CS/SB 1532) was passed and subsequently signed into law on June 2, 2023. The new law directs the Florida Department of Transportation (FDOT) to conduct a review of the organizational structure of the Hillsborough Area Regional Transit Authority (HART)—doing business as Hillsborough Transit Authority—as well as explore possible changes to ensure long term organizational sustainability. Building on the last two decades of analysis into transit agency consolidation in the Tampa Bay Region, the HART Governance and Operational Management Analysis is an assessment of the agency's governing structure, board, and policies, and examines its financial assets, obligations, facilities, and operations. Findings from the analysis contained in this report satisfy the requirements of CS/HB 1397 – Regional Transportation Planning.

BACKGROUND

Transit agency consolidation in the Tampa Bay Region has been a topic of discussion for over two decades. Previous studies have been conducted in consideration of transit agency consolidation in the Tampa Bay Region. In the 2012/2013 HART and PSTA (Pinellas Suncoast Transit Authority) Consolidation Study conducted by McCollom Management Consulting, three scenarios were presented as options for consolidation:

Status Quo: The two agencies maintain their current independent legal status and manage their own respective organizations while continuing to cooperate when mutually beneficial opportunities arise.

Formal Partnering – Joint Powers Agreement (JPA): The two agencies, in a formal partnering agreement, would collaborate extensively to act in unison where practical and mutually beneficial while remaining legally separate and retaining control over local service levels and fares. JPA is a way to implement the formal partnership where the two agencies create a joint powers agency. The JPA would establish a new board of directors created from and to work in partnership with the boards of the two agencies.

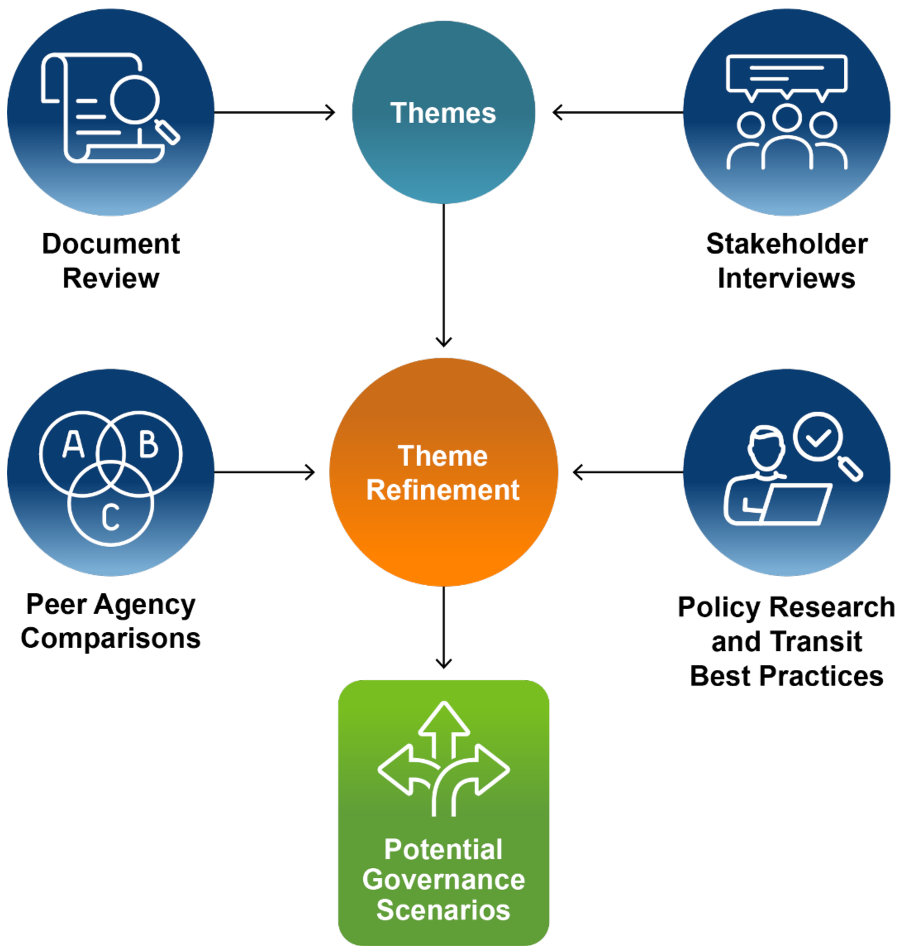
Merger: The two agencies are both dissolved, and a new organization is formed to manage, administer, set policy for, and operate the combined services with a single management and service plan as well as a single board of directors.

A 2014 consolidation analysis conducted by KPMG included further analysis of the formal partnership, specifically JPA. Building from the McCollom study, KPMG analyzed 11 functional areas for collaboration and consolidation between HART and PSTA, yielding four major takeaways. First, analysis of administrative, support, and operations service costs found them to be within acceptable ranges. Second, the cost savings from outsourcing administrative functions would be hampered by the significant cost to implement the outsourcing. Third, while HART and PSTA already collaborate in some areas (i.e., joining the five-county area in establishing a regional fare collection system), the agencies could do more to enhance communications and increase efficiencies by conducting regularly scheduled workshops. Lastly, KPMG recommended against consolidation as a viable option due to the high cost to implement it, citing significant increases in operational, technological, and legal risks.

METHODOLOGY

The HART Governance and Operational Management Analysis was a muti-step process starting with document review and stakeholder interviews. Findings from these generated a series of themes that were refined and supported with extensive policy and transit best practice research, as well as peer agency comparison. Based on the refined themes a series of potential governance scenarios and agency considerations were developed. Figure 1 shows an illustration of the methodology behind this study.

Figure 1: Methodology Mind Map



DOCUMENT REVIEW

The study began with an analysis of previously published documents and background information relevant to HART's governance and operations, including:

- 2023 Regional Competitiveness Summary Report
- Amendment and Restatement of the Charter of HART
- Compensation and Classification Study HART Final Report
- Considerations for Consolidation of Tampa Bay transit service providers
- Findings & Conclusions APTA Peer Review HART
- FY2021 Success Plan Hillsborough Area Regional Transit Authority
- HART and PSTA Consolidation Study: Evaluation of Three Scenarios
- 2023 HART Board Workshop Presentation
- HART-PSTA Consolidation Study
- 2014 TBARTA Board Meeting Presentation of Financial Analysis Results Cost
- KPMG Financial Analysis of Cost Savings – Transit Authority Functions and Activities Consolidation Presentation
- Regional Transit Feasibility Plan: A Route Map to Implementation
- 2012 Report of General Counsels Regarding Legal Issues Arising out of Consolidation
- Transit Development Plan Final Report HART 10 Year Plan Update
- 2018 Transit Asset Management (TAM) Plan
- 2013 - 2021 National Transit Database Reports
- 2018 - 2021 Comprehensive Annual Financial Reports
- 2018 - 2023 Adopted Operating and Capital Budget Executive Summary
- FY 2024 Tentative Annual Budget
- FTA FY2022 Triennial Review – Final Report
- FY 2024 Tentative Mileage Rate Public Hearing Documents

A table summarizing these documents has been included as part of Appendix A.

STAKEHOLDER INTERVIEWS

During the months of June-August 2023, the study team completed a total of 17 stakeholder interviews. Participants were identified in collaboration with FDOT and selected based on their insight into HART's operations, peer agency transit operations, and/or general knowledge related to transportation throughout Hillsborough County and surrounding areas. During the interviews additional participants were recommended for interviews. Interviewees included HART's current and past CEOs, board members and legal counsel, peer transit agency personnel and board members, elected officials, City of Tampa and Plan Hillsborough Transportation Planning Organization (TPO) staff, Tampa Downtown Partnership staff, Tampa Bay Partnership staff, as well as staff members from Tampa Hillsborough County Expressway Authority (THEA). The interviews were informal and conducted in a discussion/conversation style either in-person or via virtual meeting, as based on interviewee preference. A series of open-ended questions were used to guide the interviews (Appendix B).

Once the interviews were completed, the project team reviewed interview notes to identify reoccurring themes or topics across the interviews. A total of seven (7) topics were commonly discussed by interviewees:

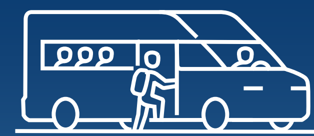
1. **Funding challenges** – including numerous statements that "HART is significantly underfunded"
2. **Board concerns** – including concern related to board size, composition, term lengths, the need for minimum qualifications, as well as board/CEO relationships and roles
3. **Service coverage concerns** – are the services aligned with the needs of the region?
4. **Partnerships and collaboration** – improved partnerships are needed including partnerships with other transit agencies through shared service agreements, staff sharing, as well as improved collaboration with MPO, planning commission, City of Tampa, THEA, etc.; need for a regional partnerships approach
5. **Transportation challenges in Hillsborough at large** – not just transit; the area is seeing rapid population growth; there is a lack of infrastructure, and land is segmented by Tampa Bay and other topographical boundaries
6. **Staffing shortages** – HART is challenged by staffing shortages, with many positions vacant
7. **Organizational structure changes** – including discussions related to improvements to current structure, as well as changes to a new form of organizational structure such as a merger, privatization, or city/county ownership

In addition to stakeholder interviews, the project team met with sponsors of CS/HB 1397 and CS/SB 1532 to gain a deeper understanding of the intent of the legislative bills. During this meeting, the sponsors indicated their intention to 1) assist HART in delivering on its mission of taking people to the places that enhances their lives, and 2) make the organization as efficient and effective as possible in delivering transit services.

PEER AGENCY COMPARISONS

For the purpose of this study, potential peers were considered based on four (4) criteria: transit modes operated; calendar year 2021 total Unlinked Passenger Trips (UPT); calendar year 2021 UPT for the bus mode only; and similar governance or legal structures to HART.

HART is one of few transit agencies across the nation that still operates a traditional streetcar (SC). Many transit agencies operate light rail (LR) vehicles that are designed to mimic the design of street cars but are reported to the Federal Transit Administration (FTA) as LR. Of the peers identified, only New Orleans Regional Transit (RTA) operates a SC. Pittsburgh Regional Transit (PRT) and Greater Cleveland Regional Transit Authority operate LR. HART provided 10,488,184 total UPT in 2021. Our selected peer group included four (4) agencies within 4 million total UPT of HART's ridership performance. HART's 2021 bus UPT was 9,570,801. Our peer group included four (4) agencies within 3 million bus UPT of HART's performance. Three peer agencies appear on both lists.



Unlinked Passenger Trips (UPT) are the number of passengers who board public transportation vehicles. Passengers are counted each time they board vehicles no matter how many vehicles they use to travel from their origin to their destination.

The final criterion of "similar governance or legal structures" included four (4) other Florida-based transit agencies and seven (7) agencies with similar legal structure to HART. Lastly, one (1) regional authority was included which focuses on intercounty connections. This form of governance structure was important to stakeholders interviewed as part of this study.

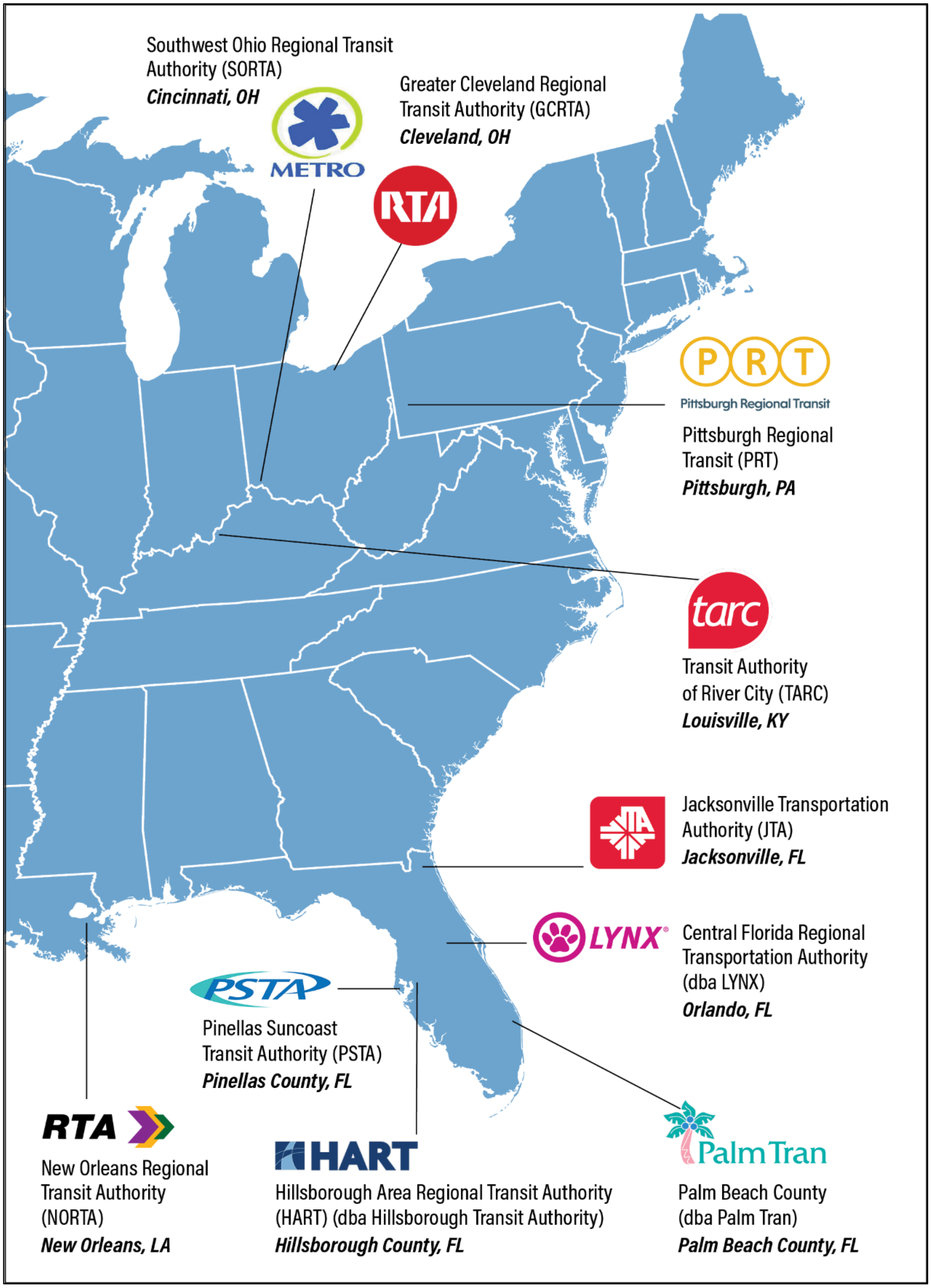
All nine (9) of the identified peer agencies were provided to FDOT for consideration before further analysis was conducted. A full listing of the peer agencies investigated is included in Table 1, with their locations shown in Figure 2.

Table 1: Peer Agency Selection

AGENCY	LOCATION	MODES	2021 UPT	2021 BUS UPT
Hillsborough Area Regional Transit Authority (HART) (dba Hillsborough Transit Authority)	Hillsborough County, FL	MB, DR, SC	10,448,184	9,570,801
Jacksonville Transportation Authority (JTA)	Jacksonville, FL	MB, CB, DR, FB, MR	5,921,568	5,650,552
Pinellas Suncoast Transit Authority (PSTA)	Pinellas County, FL	MB, BR, DR	10,115,445	9,853,228
Central Florida Regional Transportation Authority (dba LYNX)	Orlando, FL	MB, BR, DR, VP	14,130,531	12,880,333
Palm Beach County (dba Palm Tran)	Palm Beach County, FL	MB, DR	6,616,122	5,919,290
Port Authority of Allegheny County (PRT) (dba Pittsburgh Regional Transit)	Pittsburgh, PA	MB, DR, LR, IP	22,468,100	20,136,048
Greater Cleveland Regional Transit Authority (GCRTA)	Cleveland, OH	MB, BR, HR, LR, DR	15,872,963	11,184,684
Southwest Ohio Regional Transit Authority (SORTA)	Columbus, OH	MB, DR	9,730,680	9,600,324
New Orleans Regional Transit Authority (NORTA)	New Orleans, LA	MB, SC, FB, DR	7,702,715	4,615,821
Transit Authority of River City (TARC)	Louisville, KY	MB, DR	4,720,629	4,402,747

MB = Motor Bus, CB = Commuter Bus, DR = Demand Response, FB = Ferryboat, HR = Heavy Rail, IP = Inclined Plane, LR = Light Rail, MR = Monorail, VP = Vanpool

Figure 2: Peer Agency Locations



AGENCY ANALYSIS

The following section will present an overview of HART as a transit agency, including information related to transit service and performance, current fare structure, funding, organizational structure, as well as governing board composition. Background information about HART ridership metrics and fare structure provides comprehensive insight into the agency's fiscal responsibility. Defining HART's organizational structure and a governing board provides additional understanding of the agency's refined hierarchical model. Important statistics are highlighted in Figure 3 below.

Figure 3: Agency Profile Overview

TRANSIT SERVICE AND OPERATIONS

Headways are the time interval between vehicles moving in the same direction on a particular route.

HART service options include standard local bus routes, limited/commuter express service, as well as service to Tampa International Airport. Service hours vary depending on the service and day of the week. Weekday standard service bus routes begin between 4:00 and 5:00 AM and end around midnight. Headways are usually between 20 to 30 minutes for most routes, but routes with lesser ridership have hourly headways. Weekend service hours generally begin around 6:00 AM and end around 11:00 PM with decreased frequency compared to the weekdays.

MetroRapid is a Bus Rapid Transit (BRT) service connecting Downtown Tampa and the University Area via Nebraska and Fletcher Avenues. HART's MetroRapid buses operate on a similar timetable to regular bus services with service beginning at 4:30 AM and ending at midnight. MetroRapid utilizes 15-minute headways and operates on weekdays.

HARTFlex is a hybrid fixed-route and demand-response van service operating in four outer lying areas in Hillsborough County, including: South County, Port Tampa, Brandon, and East Fletcher. HARTPlus provides complementary door-to-door ADA paratransit service to people with disabilities.

The TECO Line Streetcar system is a 2.7-mile section that connects Downtown, the Channel District, and Ybor City with an end-to-end running time of about 25 minutes. The streetcar began offering fare-free rides in 2018 with service every 15 minutes from 7:00 AM to 11:00 PM on weekdays Monday through Thursday. In 2018, HART received a $2.7 million grant from FDOT to increase service hours and frequency for the TECO Line Streetcar. An additional $700,000 commuter assistance grant allows the service to remain fare-free through 2024. On Fridays, the streetcar operates from 7:00 AM to 2:00 AM and on Saturdays the streetcar operates from 8:30 AM to 2:00 AM. Sunday service hours are from 8:30 AM until 11:00 PM. The streetcar generally operates with 15-minute headways but during the unique peak hours of 1 PM – 9 PM, Friday through Sunday, streetcar headways are decreased to 12 minutes. The unique peak hours of the TECO Line Streetcar are largely a product of the streetcar's function as a tourist attraction, along with an increase in entertainment options in Downtown Tampa, and overall population growth in the service area. More detailed information pertaining to HART's service area and service offerings can be found in Appendix C.

HART RIDERSHIP TRENDS

A 2019 study by the Center for Urban Transportation Research at the University of South Florida analyzed HART ridership levels from 2012-2018 [1][1], comparing the agency to national ridership trends. According to the report, from 2012-2014 HART's ridership reached a 60-year high. The report attributed this growth to urbanizing populations and the attractiveness of the Central Business District (CBD). Despite these positive trends, 2015-2017 brought along transit ridership losses following a shift in population patterns and a migration towards suburban, less densely populated areas of Hillsborough County. HART's ridership decreased by as much as 17 percent from 2016-2018.

HART is one of few agencies nationwide that has recovered their ridership post-covid to pre-pandemic levels (National Transit Database, 2021).

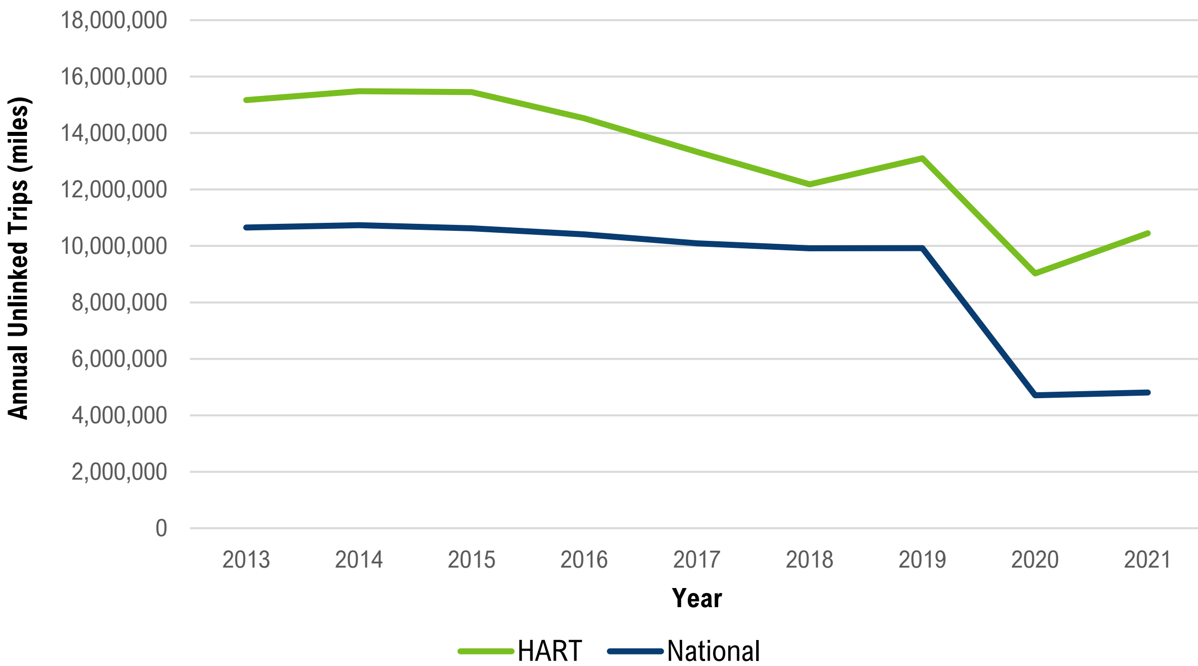
Furthermore, during 2020, ridership metrics decreased. This drop in annual unlinked trips from roughly 13 million to 9 million between 2019 and 2020 is represented in Figure 4. This trend of annual unlinked trip regression was also evident among peer agencies such as Pinellas Suncoast Transit Authority (PSTA) who experienced a regression from 13,615,634 annual unlinked passenger trips in 2019 to 10,910,819 annual unlinked passenger trips in 2020 (Figure 5). Yet in 2021 HART, saw promising trends in returning ridership.

Between 2021 and 2023, HART gained the distinction of being one of 34 transit agencies in the nation whose ridership has fully returned to (and in a few instances, surpassed) pre-pandemic levels. This data was obtained from a sample of 131 transit agencies, placing HART amongst the 26 percent of sampled agencies (34 out of 131) with ridership that has returned to, or surpassed, pre-pandemic levels. Data from the American Public Transportation Association (APTA) shows that ridership recovery rates for HART have been consistently higher than the national average, and higher than agencies with similarly sized service populations.

Post-2020 studies have shown that transit services, like HART's, which tailor fixed route bus service to the needs of essential worker populations are resilient to impacts on ridership and have recovered more quickly to pre-pandemic levels [2]. It should also be noted that the elimination of fares on the TECO Line Streetcar in 2018 has led to an explosive growth in ridership, which has helped to offset any ridership losses on other transit modes. The TECO Line Streetcar remains fare-free to date.

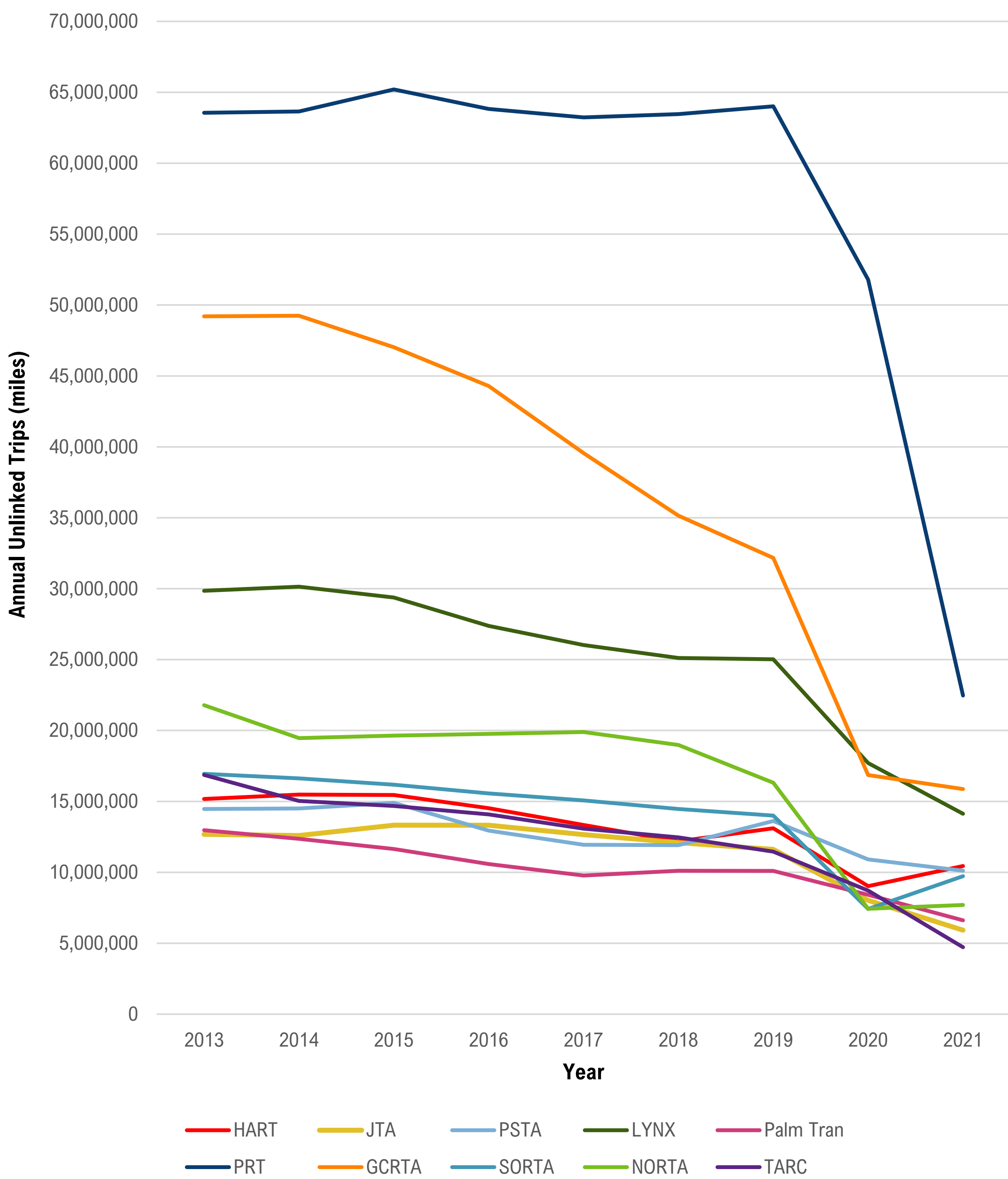
[1] [ ] corresponds to References found on page 63-64

Figure 4: National and HART's Annual Unlinked Passenger Trips (2013 - 2021)



Source: National Transit Database, 2013-2021 HART Annual Unlinked Passenger Trips

Figure 5: Peer Agencies Annual Unlinked Trips (2013 - 2021)



Source: National Transit Database, 2013-2021

Background: Choice Riders vs. Transit-Dependent Riders

Potential bus riders can be divided into two categories: choice riders and transit dependent riders. The ridership of all transit services is comprised of some mixture of these two groups.

Choice Riders – Riders who have multiple transportation modes available to them but choose to take transit because it is the fastest, most convenient, most enjoyable, or most feasible option. For some, taking transit is simply more convenient than driving, biking, or walking. This is typically thanks to high frequency, with abundant bus route options offering convenience and a variety of options. Taking transit may also be a cost-saving measure, to save money that would otherwise have been spent on gas, parking fees, and vehicle maintenance. Finally, the factors that impact a choice rider's decision to take transit can change depending on personal or economic conditions. For example, a decrease in gas prices can make driving a more affordable option. This can lead a choice rider to drive instead of taking transit, regardless of the service levels or amenities the transit provider offers.

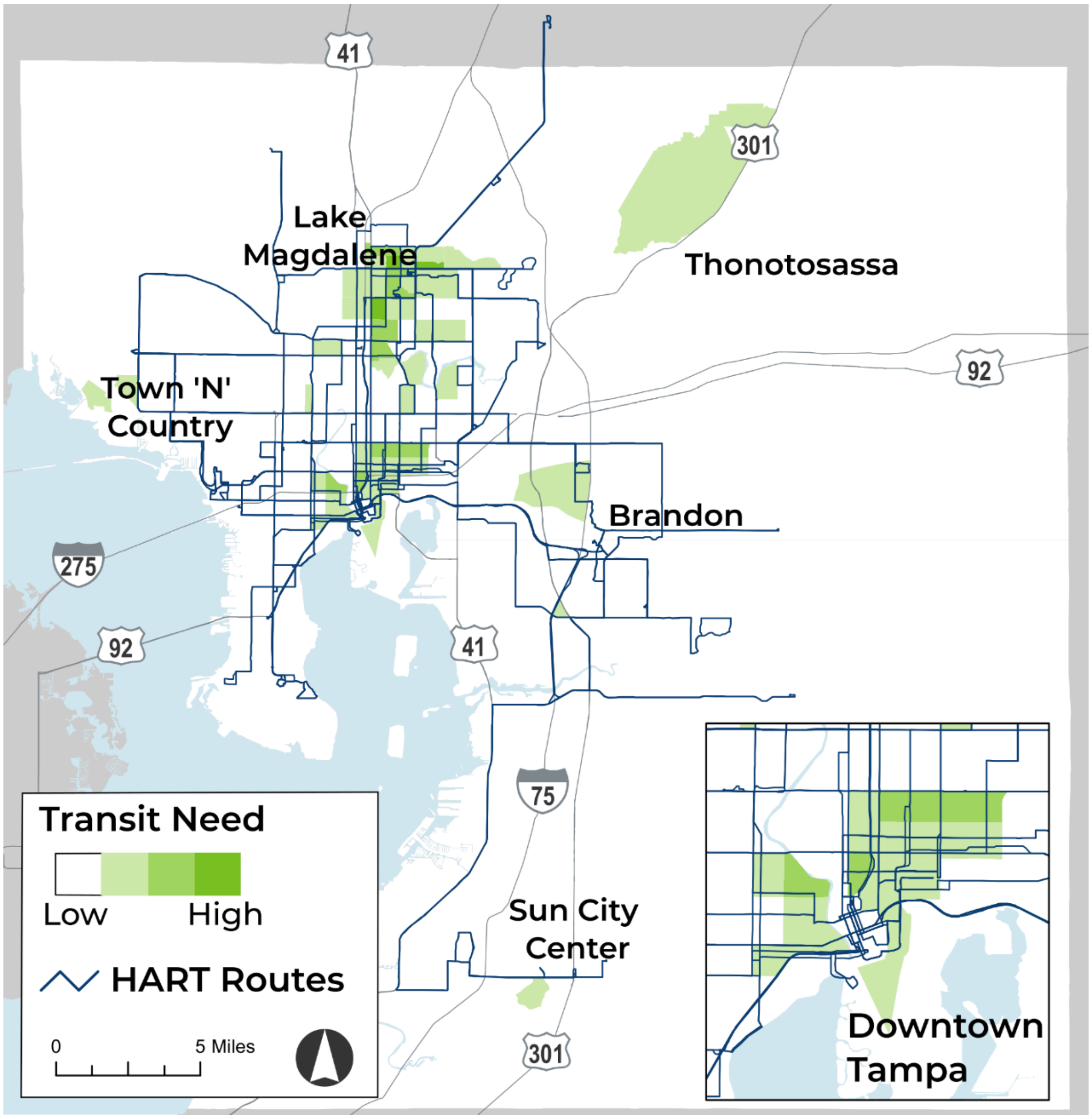
Transit-Dependent Riders – Riders who rely exclusively on the local transit system to meet their transportation needs; they have no feasible alternatives. Transit-dependent riders might depend on transit service for many reasons—their income may not be high enough to purchase and maintain a private vehicle; they may have a disability that makes it extremely challenging to drive, walk, or bicycle; or they may either be too old or too young to drive a car legally or safely. Ultimately, transit is the only feasible or effective transportation option for them to meet their daily needs; if transit service is not available, their mobility is severely limited.

Notably, improving transit service for transit dependent riders can also make the service a more attractive transportation option for choice riders. Making improvements to bus frequency, reliability, and station amenities improves the usability of the service to both groups of riders.

Figure 6 shows which areas in Hillsborough County may have more transit-dependent riders and a greater need for transit, based on key demographic factors that are known to influence transit ridership. The areas highlighted are in the top 10 countywide for population density, percent of households below poverty, percent of households without access to a private vehicle, or a combination of the three.

As Figure 6 indicates, HART's fixed-route system is currently serving the county's areas of higher transit need in and around downtown Tampa, as well as the areas around Lake Magdalene, Brandon, and Sun City Center. Other potential concentrations of transit-dependent residents are north of Thonotosassa (along US Route 301) and the western developments of Town 'N' County near the western edge of the county.

Figure 6: Map of HART's Fixed-Route Service Area



Source: American Community Survey 5-Year Estimates, 2021

PERFORMANCE TRENDS

Operational performance is gauged across various key industry measures and indicators. Performance measures are tracked and reported internally and externally. This section reviews HART's performance in providing transit service to the community.

Performance indicators for HART are reported system-wide, then broken down separately by mode, to distinguish the impacts from these operational changes. Detailed system-wide performance tables and trends can be found in Appendix D trough Appendix G.

HART's Fixed Route bus services include standard local routes along with limited/commuter express service and service to Tampa International Airport. The Commuter Express, also referred to as Limited Express, services utilize park-and-ride features along with limited stops - decreasing ingress and egress time and streamlining commutes.

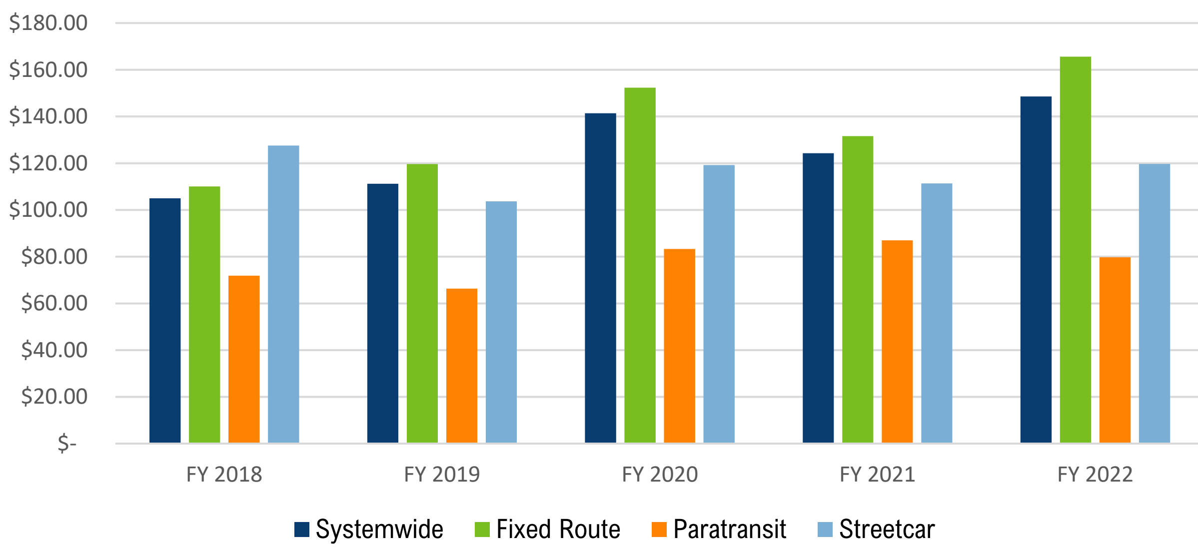
HARTPlus provides complementary door-to-door ADA paratransit service to people with disabilities.

The TECO Line Streetcar system is a 2.7-mile section that connects Downtown, the Channel District, and Ybor City, with an end-to-end running time of about 25 minutes. The TECO Line Streetcar has been fare-free for passengers since 2018.

1 Operating cost per vehicle service hour, an indicator of cost efficiency (Figure 7):

- **Systemwide** – increased 41.5 percent from $105.02 in FY 2018 to $148.60 in FY 2022. During this period, vehicle service hours decreased 8.9 percent, while operating costs based on audited data increased 29 percent.
- **HART Fixed Route** – increased 50.5 percent from $110.05 in FY 2018 to $165.63 in FY 2022. During this period, vehicle service hours decreased 15.1 percent, while operating costs increased 27.7 percent.
- **HARTPlus Paratransit** – increased 10.9 percent from $71.89 in FY 2018 to $79.75 in FY 2022. During this period, vehicle service hours increased 17.8 percent, while operating costs increased 30.7 percent.
- **TECO Streetcar** – decreased 6.2 percent from $127.57 in FY 2018 to $119.72 in FY 2022. During this period, vehicle service hours increased 87.8 percent, while operating costs increased 76.2 percent.

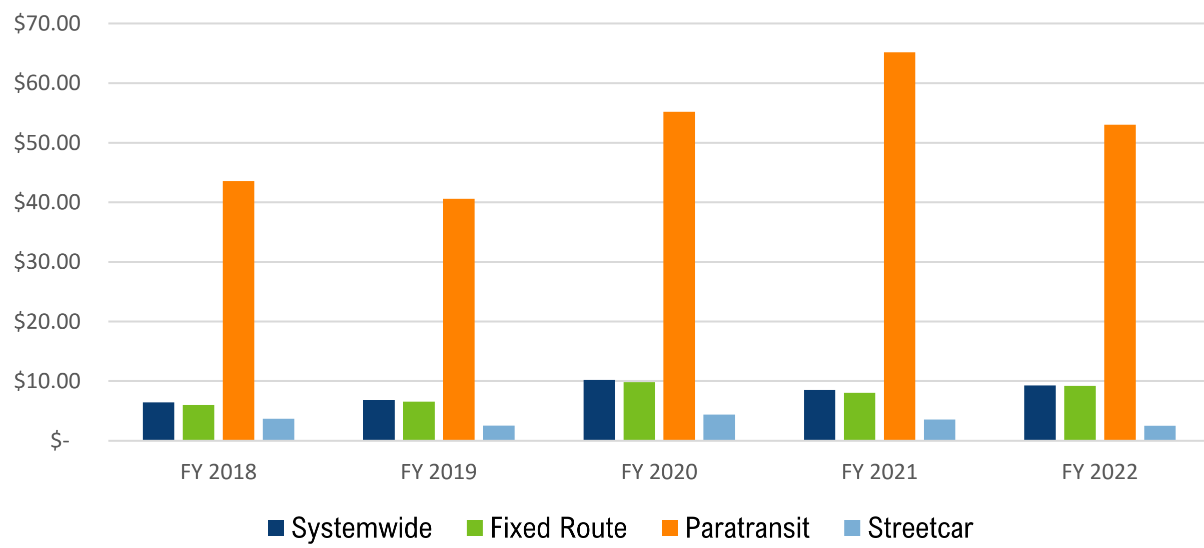
Figure 7: Operating Cost Per Hour



2 Operating cost per passenger, an indicator of cost effectiveness (Figure 8):

- **Systemwide** – increased 43.8 percent from $6.45 in FY 2018 to $9.28 in FY 2022. Overall ridership declined by 10.3 percent in the same period.
- **HART Fixed Route** – increased 53.4 percent from $6.00 in FY 2018 to $9.21 in FY 2022. Overall ridership decreased by 16.8 percent in the same period.
- **HARTPlus Paratransit** – increased 21.7 percent from $43.57 in FY 2018 to $53.02 in FY 2022. Overall ridership increased by 7.4 percent in the same period.
- **TECO Streetcar** – decreased 31.7 percent from $3.72 in FY 2018 to $2.54 in FY 2022. Overall ridership increased by 158 percent in the same period.

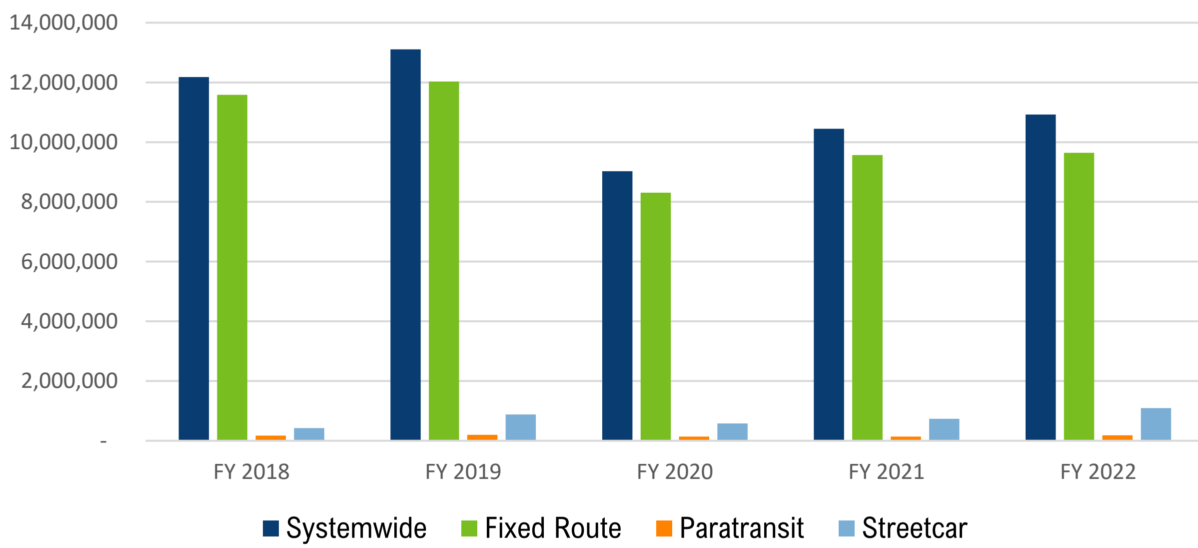
Figure 8: Operating Cost Per Passenger



3 **Passengers per vehicle service hour, which measures the effectiveness of the service delivered (Figure 9):**

- **Systemwide** – decreased 1.6 percent from 16.3 passengers in FY 2018 to 16.0 passengers in FY 2022.
- **HART Fixed Route** – decreased 1.9 percent from 18.3 passengers in FY 2018 to 18.0 passengers in FY 2022.
- **HARTPlus Paratransit** – decreased 8.8 percent from 1.6 passengers in FY 2018 to 1.5 passengers in FY 2022.
- **TECO Streetcar** – increased 37.4 percent from 34.3 in FY 2018 passengers to 47.1 passengers in FY 2022.

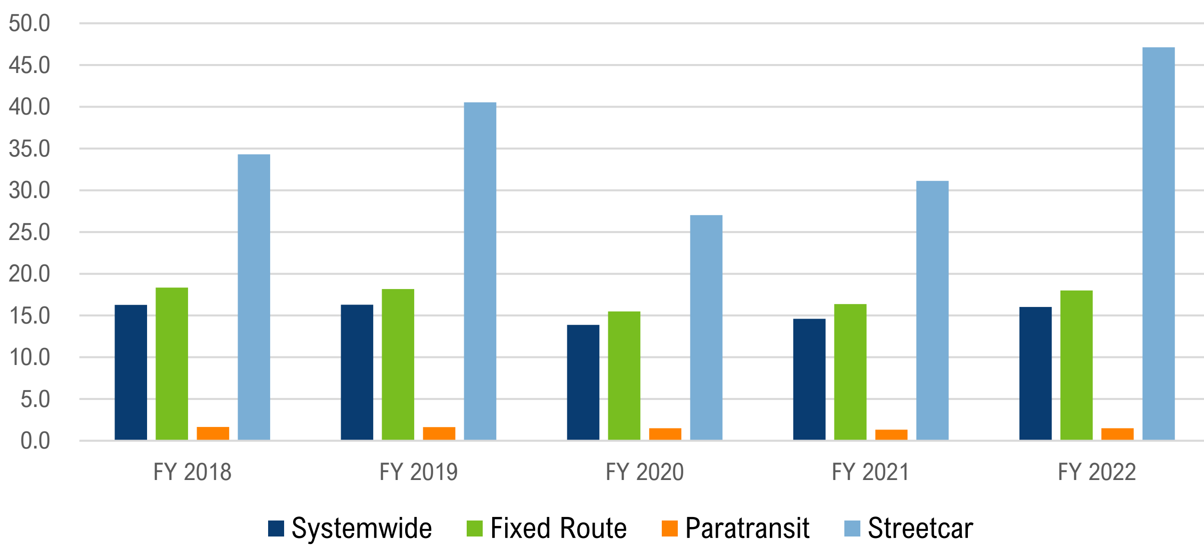
Figure 9: HART Passenger Trips By Mode



4 **Passengers per vehicle service mile, indicator of service effectiveness (Figure 10):**

- **Systemwide** – decreased 0.4 percent from 1.31 to 1.30 passengers per mile between FY 2018 and FY 2022.
- **HART Fixed Route** – decreased 1.7 percent from 1.50 in FY 2018 to 1.47 passengers per mile in FY 2022.
- **HARTPlus Paratransit** – decreased 4.8 percent from 0.114 in FY 2018 to 0.108 passengers per mile in FY 2022.
- **TECO Streetcar** – increased 35 percent from 6.49 in FY 2018 to 8.76 passengers per mile in FY 2022.

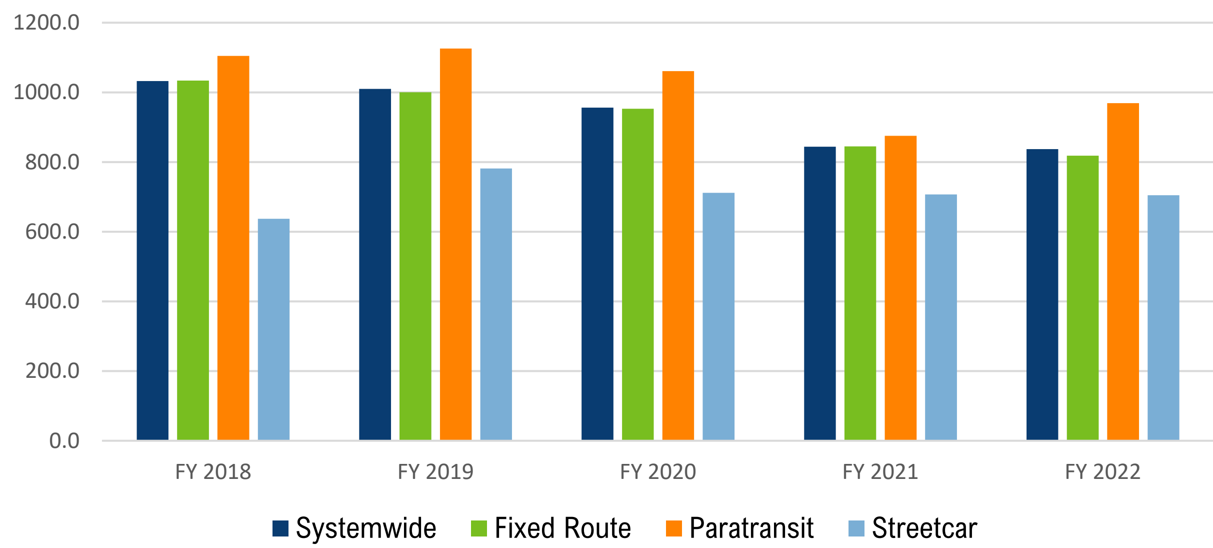
Figure 10: Passengers Per Revenue Hour



5 Vehicle service hours per employee (Figure 11):

- **Systemwide** – decreased by 18.9 percent from 1,032.5 in FY 2018 to 837.2 vehicle service hours per employee in FY 2022.
- **HART Fixed Route** – decreased by 20.9 percent from 1,034 in FY 2018 to 818.3 vehicle service hours per employee in FY 2022.
- **HARTPlus Paratransit** – decreased by 12.3 percent from 1,104.6 in FY 2018 to 968.9 vehicle service hours per employee in FY 2022.
- **TECO Streetcar** – increased by 16.5 percent from 637.1 in FY 2018 to 704.9 vehicle service hours per employee in FY 2022.

Figure 11: Vehicle Service Hours per Employee



6 Farebox recovery as derived from passenger fares and passes (Figure 12):

- **Systemwide** – decreased 50.4 percent from 16 percent in FY 2018 to 7.94 percent in FY 2022.
- **HART Fixed Route** – decreased 50.1 percent from 16.48 percent in FY 2018 to 8.23 percent in FY 2022.
- **HARTPlus Paratransit** – decreased 28.3 percent from 10.57 percent in FY 2018 to 7.58 percent in FY 2022.
- **TECO Streetcar** – decreased by 100 percent from 20.85 percent in FY 2018 to zero percent in FY 2022. Free fares were implemented on the TECO Streetcar in FY 2019.

Figure 12: Farebox Recovery

Performance Impacts / Significance

HART has experienced significant increases in costs over the past few years across most of its service modes primarily due to factors outside of their control. Federally-induced inflation, which has been partially Federally induced, has not spared the transit industry and most agencies across the nation have experienced increased fuel and labor costs. Additionally, the purchase cost of transit vehicles has increased in excess of 10% since 2021. The cost increase has been so significant that FTA has provided guidance to transit agencies on how to address increases to the cost of vehicles that were previously ordered but not yet delivered. HART has actively managed its fleet and has divested of vehicles to match FTA's recommended guidelines. This proactive step illustrates the organization's efforts to contain costs to the extent possible. HART's costs will likely continue to increase consistent with the rest of the industry. Future adjustments to HART's services through a Comprehensive Operations Analysis would likely improve service efficiency, but not reduce overall costs.

FINANCIAL ASSETS AND OBLIGATIONS

PASSENGER FARES

HART's one-way local and limited express adult fare is $2.00 (Table 2). The agency offers a half fare discount, charging $1.00 for adults aged 65 and older, persons with disabilities, Medicare cardholders, and youth between the ages of 5 and 18. Children aged 5 and younger ride fare free if accompanied by a paying adult. Express services require full fare prices of $3.00. The cost of a one-way ADA-complementary paratransit trip is $4.00 (HARTPlus). Through a contracted partnership with the University of South Florida, USF students ride fare free with a valid student ID. Further fares include HARTFlex passes, which are $1.00 for one-way cash trips and $2.00 for all day passes. More detailed information pertaining to HART's fare structure including day pass options and ticket packages can be found in Appendix H.

HART and PSTA have recently collaborated to procure a mobile pay service named Flamingo Fares. Spanning across agencies, Flamingo Fares is a regional fare payment system for the entire Tampa Bay region.It provides standard bus transportation for each agency using store value and fare-capping methods. Current fare rates include consecutive 3-day regional passes for $18, 7-day regional passes for $25.00 or a monthly regional pass for $85. All pass options are only valid accompanied by the Flamingo Fares app.

Table 2: HART Fare Structure

TICKET TYPE	TICKET PRICE	DISCOUNTED TICKET PRICE
One-Way Local	$2.00	$1.00
Limited Express	$2.00	$1.00
Express	$3.00	$1.50
HARTPlus	$4.00	$2.00
HARTFlex	$1.00	$2.00 (All Day Pass)

Table 3 compares HART's standard one-way non-discount fare to the nine peer agencies. The mean one-way non-discount fare price among the agencies is $2.03, with a high of $2.75 and a low of $1.25. This shows that HART's fares are comparable to those of other agencies of similar size and performance from across the nation. The national average, not controlling for agency size or travel mode, was $1.52 as of 2020 [3]. Internal agency factors, including but not limited to quality of service, service frequency, and service reliability, as well as external variables, including but not limited to local cost of living, state minimum wages, and available alternative transportation options, must also be considered when assessing fare pricing.

Table 3: Fare Comparison

PEER AGENCIES	FARE PRICE*
HART	$2.00
JTA	$1.75
PSTA	$2.25
LYNX	$2.00
Palm Tran	$2.00
PRT	$2.75
GCRTA	$2.50
SORTA	$2.00
NORTA	$1.25
TARC	$1.75

**Standard One-Way Fare Non-Discount*

FUNDING

HART receives annual federal funds from the FTA which are allocated towards capital projects and operating expenses. Over the past three years, federal funding was supplemented by Congress, which included the Coronavirus Aid, Relief, and Economic Security (CARES) Act; Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA); and the American Rescue Plan Act (ARPA). Additional funding sources include state grants such as the FDOT Public Transit Block Grant and local funds from the City of Tampa and Hillsborough County. Revenue from fares and passes, local contributions, interest income, and advertising are also part of the agency's funding portfolio.

As a designated Independent Special District, HART is authorized to levy an ad valorem tax. This can be up to one-half mil ($0.50) on the taxable value of real and tangible personal property within its member jurisdictions or up to three mils subject to public referendum. HART's ad valorem taxes are reviewed as part of Hillsborough County's annual assessment which levies taxes on November 1 each year. Local funding sources such as these—in addition to federal and state funds, both formula and discretionary—are crucial for transit agencies' operations nationwide. The proportion of HART's revenue from property tax is significant due to its 0.5000 millage rate, which has been in place since FY 2012. It dictates Hillsborough County's tax revenue and is contingent upon its Tax Collector who must collect property tax proceeds and then remit the proceeds to HART. The taxable values of various properties are

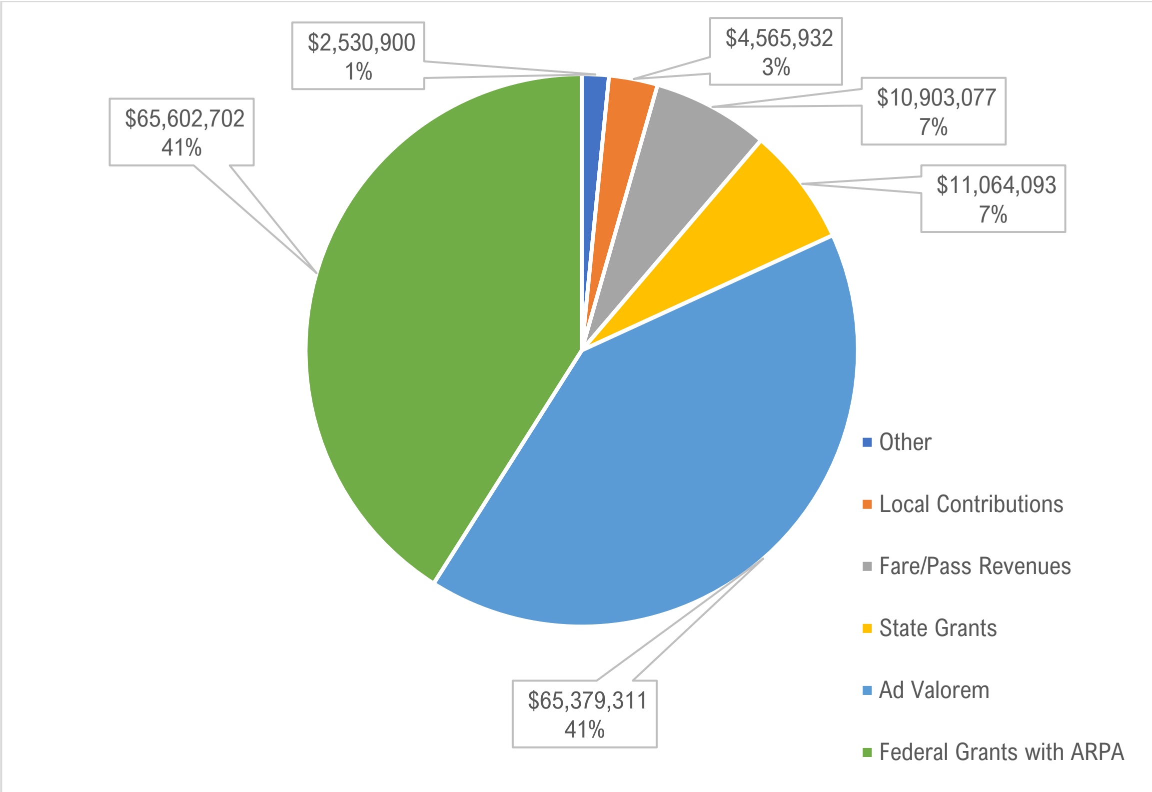
An ad valorem tax is a tax amount based on the value of a property. In Tampa, the Hillsborough County property appraiser will annually assess the value of a property. The monetary value obtained by this assessment then determines the amount of ad valorem tax owed to the local tax collector. From there, tax money is distributed to fund local agencies such as HART.

determined by the millage rate and the Hillsborough County Property Appraiser. Funds collected as part of the millage rate must be expended within their own geography; therefore, the monetary value from property tax collected in Hillsborough County should be redirected towards transportation services serving its residents.

Theoretically, this process should create a positive feedback loop wherein increased population and property tax revenue from the millage rate creates more funding and operating revenue for HART. In turn, the agency could reinvest the money from ad valorem tax revenue into service improvements, route expansion, improved technology, and more. The monetary gains from the millage rate could create a better transportation infrastructure and incentivize public transit use [4]. For FY 2023, ad valorem taxes contributed the second largest funding source. It lagged only slightly behind federal funds, both contributing over $65 million or 41 percent (Figure 13). While the millage rate and subsequent tax revenue are crucial towards funding HART, however, this funding structure is vulnerable to financial or real estate value crises. As demonstrated by the decrease in passenger fare revenues during the pandemic, federal aid such as the March 2020 Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was necessary to keep transportation agencies solvent. The revenue generated from passenger fares pales in comparison to ad valorem tax revenue. Fares and passes generate almost $11 million, while state grants form slightly more than $11 million, contributing roughly 7 percent each (Figure 13). The remaining 4 percent include advertising income, interest, and local contributions [5].

Thus, the importance of local property values and the ad valorem tax in funding HART cannot be understated [4], especially since the pandemic-related federal assistance deviates from the normal funding structure. While such a significant federal fund contribution may not be regarded as a constant in the foreseeable future, the growing population of Hillsborough County, and consequently the tax base for ad valorem tax, means that HART's funding is largely contingent on the influx of residents and their property taxes. Therefore, meeting the service expectations of HART's growing customer base will be crucial in the future. As part of the FDOT mandated Transit Development Plan (TDP), HART is required to provide a detailed list of projects or services necessary to meet the goals and objective of its TDP. Therefore, HART must remain cognizant of present and future funding sources for their programs as it is currently heavily reliant on federal funds for future capital projects [5].

Figure 13: FY 2023 Operating and Capital Revenue



Source: HART Adopted Operating and Capital Budget 2023

FUNDING SOURCES

HART relies on numerous resources and grant programs to fund its operations, administration, maintenance, and capital programs, as broken down in Figure 14. The majority of funding identified is from local sources, followed by federal and state sources, as shown in Table 4. The subsequent sections will provide an overview of HART's funding sources and amounts over a five-year period (FY 2018 to FY 2022). Detailed descriptions related to the various funding sources can be found in Appendix I.

Figure 14: HART Average Operating & Capital Funding Sources FY 2018-2022

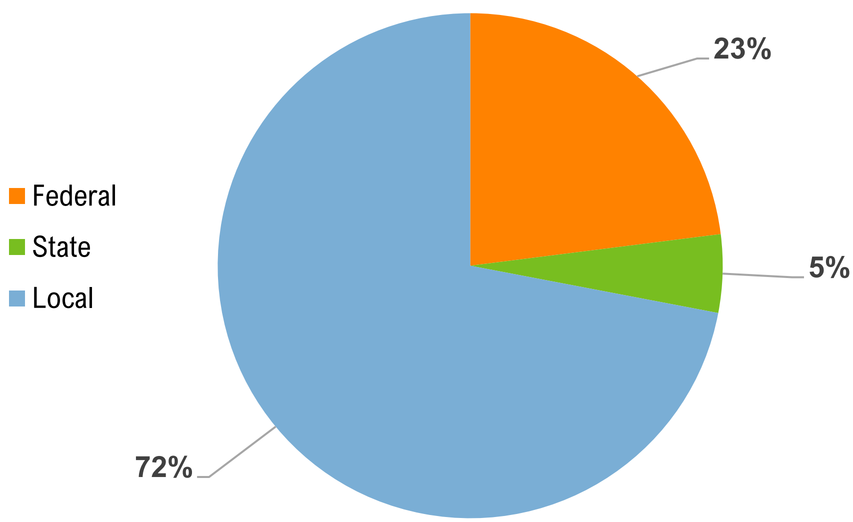


Table 4: HART Funding Sources Matrix

FEDERAL	STATE	LOCAL
• FTA Section 5307 • CARES Act • Coronavirus Response & Relief (CRSSAA) • American Rescue Plan Act (ARPA) • FTA Section 5309 • FTA Section 5310 • FTA Section 5337 • FTA Section 5339 • FHWA (Pass-through) • CNG Fuel Credits	• State Public Transit Block Grant Funds	• Passenger Fare Revenue • Advertising Income • Ad Valorem Sales Taxes • Ad Valorem Property Taxes • Local Contributions • Concessions • Other revenues

Federal Sources

HART's operations and capital programs rely on various federal formula and discretionary support grants. Federal funding comprises nearly one-quarter of HART's funding. The federal funding amounts are summarized in Table 5.

Table 5: Federal Funding Sources

FEDERAL FUNDING CATEGORIES	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	AVERAGE FUNDING
FTA Section 5307 Urban Formula	$14,033,338	$21,452,193	$14,057,314	$15,823,816	$8,293,733	$14,732,079
CARES Act 5307 Urbanized Area	$0	$0	$16,659,569	$23,309,263	$0	$19,984,416
CRRSA Act 5307 Urbanized Area	$0	$0	$0	$0	$15,747,731	$15,747,731
ARPA 5307 Urbanized Area	$0	$0	$0	$0	$9,803,587	$9,803,587
FTA Section 5309	$68,780	$17,828	$76,604	$9,070	$0	$34,456
FTA Section 5310	$234,259	$701,145	$219,449	$638,735	$195,058	$397,729
FTA Section 5337	$820,679	$67,778	$725,131	$1,255,623	$955,023	$764,847
FTA Section 5339	$6,121,865	$1,226,108	$1,435,178	$1,469,310	$6,275,059	$3,305,504
FHWA Funds (FDOT Pass-Thru)	$157,809	$542,824	$2,900,776	$102,173	$170,954	$774,907
FTA Section 20005b TOD Funds	$0	$0	$0	$0	$298,271	$298,271
FTA Operations Emergency Relief Funds	$0	$110,000	$0	$349,268	$0	$91,854
CNG Fuel Credits	$0	$0	$0	$944,141	$332,014	$638,078
Total Federal Funding	$21,436,730	$24,117,876	$36,074,021	$43,901,399	$42,071,430	$33,520,291

Source: National Transit Database

State Sources

FDOT is primarily a capital funding partner for transit agencies across the state, supported by on-going local funding of operations and maintenance. State funding comprises between 5 to 6 percent of HART's revenue stream for operations and capital support. The FDOT has several financial assistance programs provided through legislative formula or discretionary authority. HART primarily relies on the State Public Transit Block Grants in addition to federal grants cited in the previous section. State funding is summarized in Table 6.

Table 6: State Funding Sources

STATE FUNDING CATEGORIES	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	AVERAGE FUNDING
State Public Transit Block Grant Funds	$7,149,956	$9,267,197	$8,606,094	$7,570,227	$7,927,795	$8,104,254

Source: National Transit Database

Local Sources

Local funding sources identified include fare and supplementary fare revenues from the operation of HART bus services, advertising revenue, local ad-valorem taxes, and local General Fund contributions as summarized in Table 7.

Table 7: Local Funding Sources

LOCAL FUNDING CATEGORIES	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	AVERAGE FUNDING
Passenger Fares	$12,579,287	$12,272,464	$8,830,110	$6,226,946	$8,044,619	$9,590,685
Advertising Income	$1,089,898	$1,109,730	$564,256	$1,739,039	$1,660,872	$1,232,759
Ad Valorem Sales Tax Revenue	$0	$84,299,484*	$111,409,428*	$21,012,548*	$0	$72,240,487*
Ad Valorem Property Tax	$40,801,680	$44,834,934	$48,870,629	$53,130,355	$58,182,959	$49,164,111
Local Contributions	$3,566,913	$3,395,685	$1,475,577	$1,531,207	$1,566,817	$2,307,240
Concessions	$32,026	$29,906	$19,610	$13,236	$5,088	$19,973
Other Revenues	$405,254	$934,919	$468,448	$472,459	$1,948	$456,606
Total Local Funding	**$58,475,058**	**$146,877,122**	**$171,638,058**	**$84,125,790**	**$69,462,303**	**$106,115,666**

*Source: National Transit Database. *In 2021, the Ad Valorem Sales Tax Revenue was ruled unconstitutional by the Florida Supreme Court.*

FINANCIAL MANAGEMENT

HART's Chief Financial Officer (CFO) administers the agency's Procurement & Contracts, Financial Operations, and Budget & Grants Departments. Based on the most recent organization chart (dated 9/5/2023), the CFO is assisted by three department directors for each of these departments. A fourth employee directly under the CFO, the Executive Assistance of Finance & Treasury, oversees the Disadvantaged Business Enterprise program. The department is budgeted for 35 positions. A summary of the CFO Office organizational chart is shown in Table 8.

Table 8: CFO Office Personnel Summary

DEPARTMENT	BUDGETED POSITIONS	VACANCIES
Chief Financial Officer	1	0
Procurement & Contracts	6	2
Finance & Treasury	3	0
Financial Operations	20	1
Budgets & Grants	5	1
TOTAL	**35**	**4**

Source: CFO Office Organizational Chart, 9/5/2023

Based on the organization chart breakdown, the Financial Operations division is the largest with 20 budgeted employees. This division manages accounts payable and receivable, general accounting, payroll, retail sales, and revenue. The next largest division is Procurements and Contracts with six budgeted employees, followed by Budget and Grants with five, and Finance and Treasury with three. Procurements and Contracts has the highest vacancy ratio (33 percent) with two contract specialist positions vacant. Financial Operations has one vacant retail sales representative position and Budget and Grants has one vacant accountant position.

HART's current CFO has been with the agency since the spring of 2021, initially in an interim capacity. The CFO previously served as Deputy General Manager of Finance and Administration of the GCRTA prior to being appointed. An audit of HART's financial statements in May 2022 found that the "absence of finance staff put[s] a strain on the current personnel to complete their responsibilities in an accurate and timely manner," constituting a "material weakness" of the agency. The Manager of Accounting and the Director of Budgets and Grants positions remained vacant at that time. Both positions have since been filled.

BUDGETARY PROCESS & TRENDS

The agency commences its annual budget process in March. The CEO establishes the procedures and guidelines to be followed by each department in developing budget requests for the year. Departmental budget requests are reviewed, analyzed, and aggregated into budget recommendations that will reflect the strategic objectives and policies of the HART board. Once the budgets are established, they are expanded to reflect as accurately as possible all costs related to activities of each program, department, or cost center. The proposed balanced budget is then presented to the HART board and adopted in accordance with Florida law in June. HART's budget preparation process is summarized in Table 9.

Table 9: HART Budget Preparation Matrix

MONTH	BUDGET ACTIVITIES
March	• Budget Kickoff Meeting ensues. • Operating Budget Planning, Development, and Procedures meeting with the CEO, Chiefs and Directors for senior level discussion. • Further discussion on capital budget process. • Distribution and discussion on the operating budget templates to the CEO Chiefs and Directors.
April	• Operating Revenues Discussion, team meetings with CEO, Chiefs and Directors. • Update on operating budget development with CEO, Chiefs, and Directors.
May	• Operating Budget requests, Team meetings with CEO, Chiefs, and Directors. Division request presentation. • Preliminary Division/Department Budget Presentation for Team Discussion. • Presentation of completed tentative budget to CEO, Chief, and Directors. • Proposed Operating Budget, Capital Plan and Capital Budget presentation to the Finance and Audit Committee.
June	• Board Meeting: Proposed Operating Budget, Capital Plan and Capital Budget presented to the HART Board for consideration for approval. • Finance and Audit Committee: Presentation of proposed amendment of the Operating and Capital Budget.
July	• Proposed budget submitted to governing legislative bodies. • Board to consider operating and capital budget amendments for approval. • Presentation on proposal fiscal year Operating and Capital Budget.

Source: Budget Preparation Calendar – HART Adopted Operating and Capital Budgets

Contained in the adopted operating and capital budgets document is a summary of operating revenues and expenses. Operating expenses contain 13 budget line items. Based on the table, operating expenditures increased 62 percent from FY 2018 to FY 2023 from $70.5 million to $114.3 million, averaging $93.5 million over the six-year period. Health care was designated a separate budgetary line item from fringe benefits starting in FY 2020. A summary of the budgetary line items is summarized as follows:

- **Salaries and wages** comprised 50.6 percent of budgeted operational expenditures based on a six-year average. The budget line item increased 59 percent from FY 2018 to FY 2023. The highest increase was 21 percent in FY 2021. HART was able to maintain staffing levels with no layoffs throughout 2020.
- **Fringe benefits** comprised about 13 percent of budgeted operational expenditures and exhibited a 9 percent decrease from FY 2018 to FY 2023. The decrease was partly attributed to designating health care as its own budget line item in FY 2020, which resulted in a 47 percent decrease. In FY 2021, fringe benefits increased 31 percent. Part of this increase is attributed to the required recording of HART's state pension proportionate share.
- **Health care costs** increased 44 percent from FY 2020 to FY 2023. Health care costs increased of 22 percent in FY 2021 followed by smaller increases in FY 2022 and FY 2023 of 8 and 10 percent, respectively.
- **Fuel and oil costs** increased 126 percent overall from FY 2018 to FY 2023. After exhibiting decreases of 7 and 15 percent in FY 2020 and FY 2021, fuel costs increased in FY 2022 and FY 2023 by 59 and 31 percent, respectively.
- **Parts and supplies costs** exhibited a 51 percent increase from FY 2018 to FY 2023. The increase is attributed to an aging fleet as well as additional maintenance required on used buses acquired in FY 2020.
- **Operational contract services costs** saw an 88 percent increase from FY 2018 to FY 2023, exhibiting the highest increase of 25 percent in FY 2019. The major contributing factors for these increases include security services due to increased response calls involving employees and patrons.
- **Administrative contract services costs** increased by 4 percent from FY 2018 to FY 2023. After a series of cost decreases from FY 2019 through FY 2021, administrative contract service costs increased 38 and 8 percent in FY 2022 and FY 2023, respectively. These cost increases are attributed to the retention of consulting services and executive staff.
- **Legal services costs** increased 83 percent from FY 2018 to FY 2023 due to a 119 percent increase in FY 2021. This increase was attributed to legal fees for services provided related to the ATU contract negotiations as well as for an unanticipated investigation of a whistleblower complaint.
- **Marketing and printing** costs exhibited an 8 percent increase during the six-year review period. After a 41 percent increase in FY 2019, marketing costs decreased 15 percent in FY 2020.
- **Insurance costs** increased 44 percent from FY 2018 to FY 2023 with the highest increases occurring in FY 2022 and FY 2023.
- **Utilities** costs decreased 5 percent over the six-year period.

- **Taxes and fees** saw a 149 percent increase from FY 2018 to FY 2023. There was an increase of 199 percent in FY 2021 and a 68 percent increase in FY 2023.
- **Other administrative expenses** decreased 13 percent from FY 2018 to FY 2023.

Salaries and wages, fringe benefits and health care are the largest expense categories comprising approximately 70 percent of total operating costs based on the six-year average. The expense line items with the highest increases during the period were taxes and fees, fuel and oil, operational contract services, and legal services. According to HART's budgetary methodology, budget control is exercised at the cost center level. Budget line items may show negative balances, but total budgets of cost centers may not be exceeded. Budget performance is evaluated based on budget and actual amounts monthly, quarterly and at fiscal year-end. Table 10 summarizes HART's annual expenditure from FY 2018 to 2023.

Table 10: FY 2018-FY 2023 HART Annual Expenditure Summary

EXPENSE CATEGORY	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2018-FY 2023 CHANGE	6-YEAR AVERAGE	PERCENT OF BUDGET
Salaries and Wages	$36,399,255	$38,125,205	$42,454,701	$51,438,845	$54,414,689	$58,031,166		$46,810,644	50.6%
% ANNUAL CHANGE		*5%*	*11%*	*21%*	*6%*	*7%*	*59%*		
Fringe Benefits*	$13,376,798	$15,523,756	$8,210,268	$10,783,310	$11,482,621	$12,138,796		$11,919,258	12.9%
% ANNUAL CHANGE		*16%*	*-47%*	*31%*	*6%*	*6%*	*-9%*		
Health Care**	$0	$0	$7,556,303	$9,214,480	$9,919,061	$10,911,517		$6,266,894	6.8%
% ANNUAL CHANGE				*22%*	*8%*	*10%*	*44%*		
Fuel and Oil	$3,324,950	$4,622,781	$4,279,803	$3,621,072	$5,747,000	$7,501,616		$4,849,537	5.2%
% ANNUAL CHANGE		*39%*	*-7%*	*-15%*	*59%*	*31%*	*126%*		
Parts and Supplies	$3,664,584	$4,401,503	$4,934,747	$5,436,050	$5,499,861	$5,543,691		$4,913,406	5.3%
% ANNUAL CHANGE		*20%*	*12%*	*10%*	*1%*	*1%*	*51%*		
Operational Contract Services	$4,765,243	$5,945,309	$6,765,333	$7,840,562	$9,648,220	$8,963,620		$7,321,381	7.9%
% ANNUAL CHANGE		*25%*	*14%*	*16%*	*23%*	*-7%*	*88%*		
Administrative Contract Services	$1,612,533	$1,281,311	$1,188,050	$1,125,729	$1,549,675	$1,679,453		$1,406,125	1.5%
% ANNUAL CHANGE		*-21%*	*-7%*	*-5%*	*38%*	*8%*	*4%*		
Legal Services	$690,905	$652,931	$608,430	$1,329,765	$1,321,038	$1,264,359		$977,905	1.1%
% ANNUAL CHANGE		*-5%*	*-7%*	*119%*	*-1%*	*-4%*	*83%*		
Marketing and Printing	$533,935	$753,442	$638,289	$613,655	$628,711	$578,048		$624,347	0.7%
% ANNUAL CHANGE		*41%*	*-15%*	*-4%*	*2%*	*-8%*	*8%*		
Insurance Costs	$3,447,475	$3,756,386	$3,775,029	$3,944,568	$4,501,522	$4,970,231		$4,065,869	4.4%
% ANNUAL CHANGE		*9%*	*0%*	*4%*	*14%*	*10%*	*44%*		
Utilities	$1,061,146	$1,073,150	$852,967	$898,193	$979,931	$1,013,342		$979,788	1.1%
% ANNUAL CHANGE		*1%*	*-21%*	*5%*	*9%*	*3%*	*-5%*		
Taxes and Fees	$145,351	$129,187	$126,730	$378,489	$215,353	$362,283		$226,232	0.2%
% ANNUAL CHANGE		*-11%*	*-2%*	*199%*	*-43%*	*68%*	*149%*		
Other Administrative Expenses	$1,545,213	$2,662,781	$2,101,108	$2,610,673	$2,910,215	$1,350,988		$2,196,830	2.4%
% ANNUAL CHANGE		*72%*	*-21%*	*24%*	*11%*	*-54%*	*-13%*		
TOTAL OPERATING EXPENSES	$70,567,388	$78,927,742	$83,491,758	$99,235,391	$108,817,897	$114,309,110		$92,558,214	
% ANNUAL CHANGE		*12%*	*6%*	*19%*	*10%*	*5%*	*62%*		

Source: HART Adopted Budgets – Summary of Operating Revenues and Expenses

**Fringe benefits line item includes health care costs in FY 2018 and FY 2019*

***Health care was designated as a separate line item from fringe benefits commencing in FY 2020*

FTA TRIENNIAL REVIEW

As a recipient of FTA urbanized formula and discretionary funding, HART is subject to an FTA Triennial Review. This is an assessment of a transit operator's "compliance with Federal requirements, determined by examining a sample of award management and program implementation practices." As such, the Triennial Review is not intended as, nor does it constitute, a comprehensive and final review of compliance with award requirements. HART's most recent FTA triennial review began with a scoping meeting on March 8-10, 2022, with site visits on April 4-7, 2022. A final report was issued on June 10, 2022.

The latest Triennial Review focused on HART's compliance in 23 areas. No deficiencies were found with FTA requirements in 15 areas. Five areas were not applicable and there were no repeat deficiencies from the 2018 FTA Triennial Review. Deficiencies were found in three areas: Financial Management and Capacity; Procurement; and Disadvantaged Business Enterprise (DBE) procedures.

The Triennial Review cited lacking or missing required written financial management policies and procedures for the deficiency in the Financial Management and Capacity area. Corrective actions required HART to submit the following documentation to the FTA Region IV Office:

- Financial management policies and procedures for managing FTA award funds in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award.
- This must include procedures for determining allowability of cost and timely distribution of funds in accordance with 2 CFR 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.*
- Documentation that HART has trained appropriate staff on the new policies and procedures.

HART was required to respond to the deficiencies in this area by August 10, 2022. HART responded to the deficiencies in September 2022 with a corrective action plan (CAP).

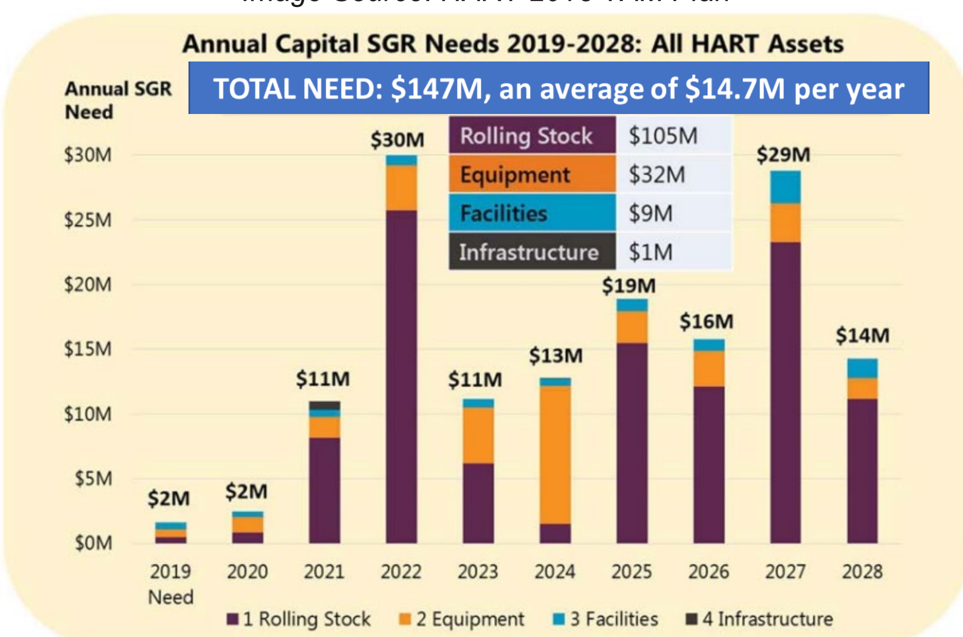
ASSETS

The federal surface transportation bill Moving Ahead for Progress in the 21st Century (MAP-21), reauthorized through the Fixing America's Surface Transportation Act (FAST ACT) requires all transportation assets be assessed and monitored to maintain assets in a "state of good repair (SGR)." These requirements remain in the current federal authorization. The Federal Transit Administration (FTA) enacted a Final Rule effective October 1, 2016, requiring all recipients and sub-recipients of federal financial assistance through the FTA to complete Transit Asset Management (TAM) Plans by October 1, 2018, in compliance with the MAP-21 mandate. FTA's requirements continue to expand and now require physical condition assessments of assets above and beyond the previous age-based condition assessments. HART published a TAM plan in 2018 that met the requirements of the MAP-21 mandate [11].

In 2018, HART's TAM Plan included 3,148 distinct assets which were reportable at an estimated value of $252 million in 2018 dollars, including replacement of the heavy maintenance facility and the associated site (estimated near $35 million in 2018 dollars). The plan also included an estimated total need of $147 million to maintain those assets in an SGR needs assessment from 2019 to 2028 (Figure 15).

Figure 15: HART State of Good Repair (SGR) Needs 2019-2028

Image Source: HART 2018 TAM Plan



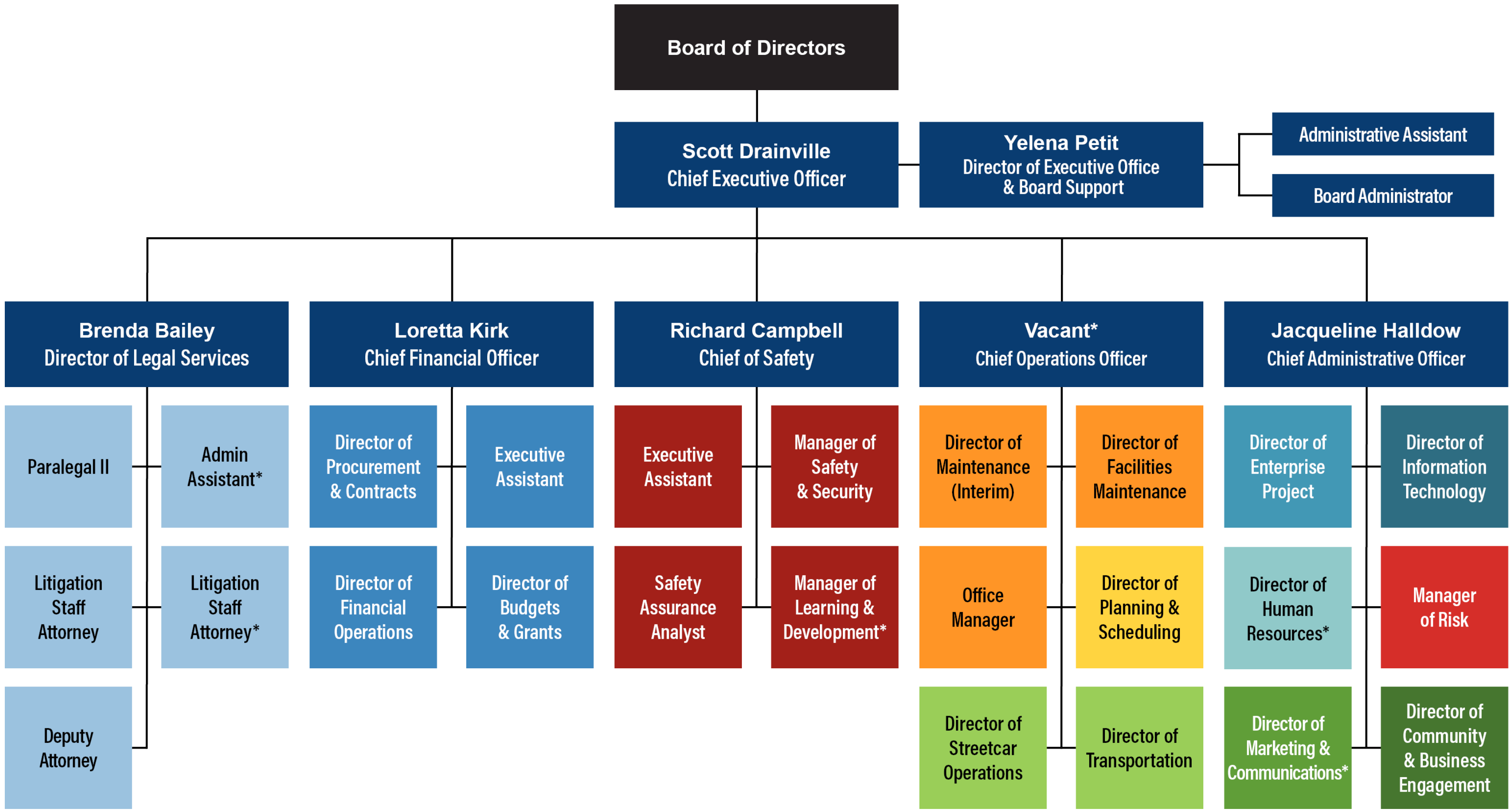
GOVERNANCE

ORGANIZATIONAL STRUCTURE

The board of directors oversees the CEO, who subsequently is responsible for the Authority's daily operations as illustrated in Figure 16. The CEO directly supervises the core leadership personnel. These consist of Director of Executive Office and Board Support; Director of Legal Services; Chief Financial Officer (CFO); Chief of Safety; Chief Operations Officer (COO); and Chief Administrative Officer (CAO). Each of these personnel manages at least one of the 13 departments, with the CEO serving a larger role in the two director-led departments of Legal Services and the Executive Office and Board Support. The COO and CAO manage the most departments with three (3) and six (6), respectively.

As described in official documents such as the 2021 Success Plan and 2023 Budget, HART’s four key goals are to 1) be financially sustainable; 2) prioritize the customer experience; 3) support employee success; and 4) enhance community value.

Figure 16: HART Organizational Chart



Executive Office
Legal Services Department
Project Management Department
Information Technology Department
Community & Business Engagement Department
Risk Management Department
Safety & Security & Training Department
Planning & Scheduling Department
Maintenance Department
Procurements & Contracts, Finance, and Budgets & Grants Department
Human Resources Department
Transportation Department
Marketing & Communications Department

* = Vacancy

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CHARTER

As of April 2022, an Amendment and Restatement of the Charter of the Hillsborough Transit Authority was issued to replace the initial Charter from 1979 when the Hillsborough Transit Authority was originally formed. The initial Charter stated that the Authority was formed to plan, finance, acquire, construct, operate, and maintain mass transit facilities, together with such supplementary transportation assistance. Coincidentally, the late 1970s and early 1980s was also when many other US transit agencies moved to adopt more standardized structures and guidelines following the passage of the Surface Transportation Assistance Act in 1977-1978.

In 2018, Hillsborough County voters approved a 1 percent transportation sales tax which was challenged in the Florida Supreme Court since many claimed the tax to be unconstitutional as it “conflicted with a state law that gives the County Commission the authority to allocate such funds.” In 2021, the sales tax was overturned in a 4-1 decision with many making the argument that what voters approved in 2018 was no longer consistent and had been fundamentally changed through charter decisions being struck down by a lower court.

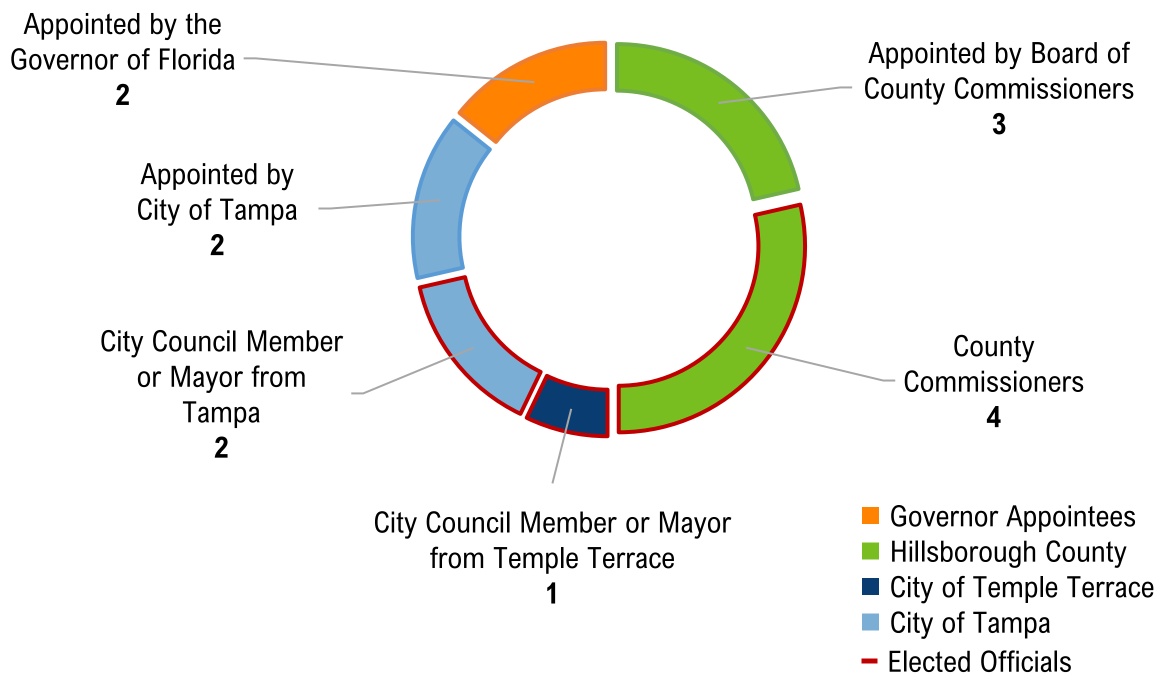
GOVERNING BOARD

HART's board of directors is made up of 14 members. Two members are appointed by the Governor of Florida; one member, either the Mayor or a City Council member, is appointed by the City of Temple Terrace; four members are appointed by the City of Tampa (including at least one Tampa City Council member or the Mayor); and seven are appointed by the Hillsborough Board of County Commissioners (including at least four County Commissioners).

The board of directors is responsible for setting policies and direction for the Authority, making decisions, designating management, influencing operations, and maintaining primary fiscal responsibility. Half of HART’s 14 board members are elected officials. Figure 17 below summarizes the makeup of HART’s board of directors by both required jurisdictions and elected officials (outlined in red) versus appointments.

Board members must reside in Greater Hillsborough County but not necessarily the jurisdiction that the board member represents. For example, the City of Tampa representative needs to be a Hillsborough County resident but is not required to be a City of Tampa resident. Board members fulfill three-year terms and are required to remain in the office until their successor is appointed. Board member removal and requests for replacement may occur after a majority vote from the entire board. Rationale for board member removal includes misconduct, malfeasance, misfeasance, or neglect of duty in office. The members of the board of director select officer positions for a chair, vice chair, and a secretary each year through an open floor process. Board officers serve for one-year terms and may serve up to three consecutive terms in said officer role. HART’s CEO manages the agency and reports directly to the board of directors.

Figure 17: Proportion of Elected Officials on HART's Board of Directors



OBSERVATIONS

As mentioned previously, the HART Governance and Operational Management Analysis was a muti-step process which started with document review and stakeholder interviews. Findings from these generated a series of themes that were refined and supported with extensive policy- and transit best practice research, as well as comparison with nine (9) peer agencies from across the nation. Based on this analysis, the subsequent section will present a series of observations provided by interviewees as they relate to HART's Charter, governing board, board powers, transit operations, asset management, as well as the agency's financial assets.

TRANSIT OPERATIONS

HART has been effective in the operation of its daily transit service. This is evident in its operating performance as reported to the National Transit Database, its post-pandemic ridership recovery, and its ability to operate service despite limited fiscal and human resources. The HART leadership team provided anecdotal evidence of sound management practices, including the appropriate span of control amongst its organization structure, active fleet management practices in accordance with FTA's recommendations for fleet size and maintenance staffing, and sound preventative maintenance procedures.

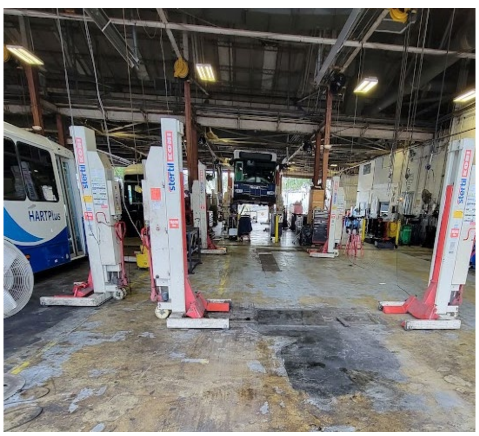
HART's facilities are inadequate for its current operations and limit its ability for future operations. Its heavy maintenance facility does not have adequate space to maintain its current fleet. For example, half of the building has a ceiling that is too low to lift HART's current CNG buses to a height where mechanics can stand under the vehicle. The site layout requires HART's operators and mechanics to make turns which are challenging for the most seasoned professionals such as the turn from its service lanes into the bus wash bay. The site itself has several locations which are depressed or have sunken to the point that they fill with water. HART has been forced to weight-limit those areas of the site to avoid further erosion. The size of the lot also constrains the ability for HART to grow its fleet to meet future service requirements.

HART's current network was planned and initiated prior to 2019. The pandemic has caused many underlying drivers of transit demand to decrease such as need to travel to the office due to telework, decreased travel to shopping centers due to the rise in delivery services, and decreased travel to medical centers due to telemedicine. HART would benefit from an updated Comprehensive Operations Analysis (COA) and an updated transit development plan (TDP). A COA examines a transit system to determine if improvements can be made to make the network more efficient and effective. A TDP is a transit agency's multi-year financial and operating plan. The process of developing the two documents would assist HART in updating its operations to match the current needs of its riders and service area.

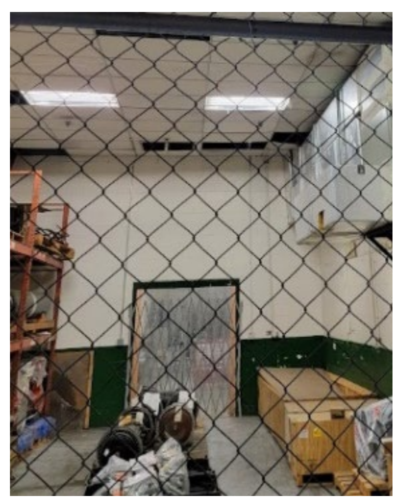
ASSET MANAGEMENT

The following section outlines observations and findings related to HART's asset management. These were identified based on careful review of HART's TAM plan, site visits to HART's facilities, as well as discussions with HART's leadership related to the condition of its assets and their impact on HART'S ability to deliver on its mission.

The condition of HART's heavy maintenance facility has major subcomponents that are no longer in a state of good repair. Those include the substructure, shell, interior, HVAC, equipment, and the site itself. The condition of those subcomponents not only negatively impact HART's operations, but also place employees and other assets at risk. For example, several sections of the roof on the maintenance facility have significant leaks into areas where major parts and supplies are stored. During the site visits, water damage in rooms storing new transmissions, engine parts, and other expensive parts and components were observed by the study team. In addition, holes in the shell of the building, which not only expose its contents to the weather elements but also risk the structural integrity of the building, were found in numerous locations. The hydraulic lift system for the facility is inoperable which has required HART to acquire portable hydraulic lifts as a permanent solution.



Inadequate funding for asset management increases the likelihood of breakdowns and malfunctions, which could result in decreased productivity and unplanned downtime. Future funding strategies for HART should include not only a capital budget which brings its SGR backlog for facilities into compliance with its approved performance targets, but which also includes funding for implementation of its TAM Plan. Failure to maintain assets in accordance with FTA TAM guidelines could put future formula grant funding in jeopardy.



FINANCE

In recent years, HART has been beset by fiscal constraints that have prompted scrutiny of its financial processes and operational performance. These concerns have been magnified by changes in travel behavior over the past several years, high personnel turnover, and projections that the agency will face a "fiscal cliff" by 2024, two years sooner than projected. Dozens of senior staff members have been relieved of duty and key positions have been left unfilled while the agency continued to face financial challenges. It is recommended that the agency should continue efforts to fill vacancies that are critical to maintaining its fiduciary obligations.

CURRENT CONDITIONS

HART is considered one of the nation's most underfunded transit agencies with per-person spending rivaling that of agencies serving much smaller urbanized areas. Based on a 2017 Tampa Bay Times analysis, the agency ranks 29th out of the country's 30 largest metro areas in four of six common federal metrics of public transit coverage and usage [10]. The agency spent far less on transit each year than any other major metro area and was cited as the only top-20 metro region to spend less than $213 million annually ($114 million for FY 2023). Its $141 million operating budget was on par with Bridgeport, Connecticut and Buffalo, New York, each of which have 1.5 million fewer people. Using another metric, HART reaches the same number of jobs as agencies in Boise, Idaho, or Chattanooga, Tennessee, but serves five times as many people.

A 30-year one-percent countywide transportation surtax failed to pass in November 2022. HART would have received 45 percent of the money generated by the surtax to fund road and transit improvements in Hillsborough County. It would have been required to spend at least 45 percent of that amount enhancing bus services and at least 25 percent expanding transit services that utilize exclusive transit right-of-way for at least half the length of the service. Funding received through one-time federal funding supplements have provided the agency with a respite but are not sustainable sources of revenue over the long-term.

HART retained a management consultant to conduct a thorough analysis of its financial strategy. The analysis found that HART's annual operating costs grew at an average rate of 8 percent from FY 2017 and FY 2023. Within the next 30 years, the agency faces $9.5 billion in unfunded costs attributed to the TECO streetcar extension in Tampa, frequency improvements, and new express bus routes. This figure is equivalent to 53 percent of total costs. The agency has also seen passenger fare revenues decrease 4.3 percent on average.

A review of HART's budget documents and policies found no indication that the agency has adopted a cost allocation plan. Cost allocation is the process of assigning the shared costs of a resource, good, or service to the programs that benefit from them, such as departments, products, programs, or organizational branch. It involves identifying the cost objects in a company, identifying the costs incurred by the cost objects, and then assigning the costs to the cost objects based on specific criteria. The cost allocation plan is expected to be a reasonable estimate of how an organization will use and charge shared costs and services. A written cost allocation plan is a clear best practice guide for effective fiscal management. As with any plan, cost allocation plans often change, so it is not enough to simply develop a plan at the beginning of the year. Throughout the year, organizations should evaluate if the plan has changed and if cost apportionments must be changed.

Developing a cost allocation plan, optimizing federal funding opportunities, and conducting an annual performance report could allow HART to outline costs, highlight successes, and draw attention to funding deficiencies.

PEER AGENCY FUNDING

The nine peer agencies analyzed also have diverse funding sources and reflect national trends. Two-thirds of all U.S. transit agencies' incomes are from government, of which 75 percent come from the state or local level [13]. Local taxes—be it ad valorem, gas, or use—are the primary funding source for five of the nine agencies. Usual rates among the peer agencies are between 0.75 and 1 percent. Both JTA and Palm Tran utilize a gas tax. NORTA was unique in its taxing structure, generating revenue from three separate sales taxes: general use, hotel/motel, and state motor vehicle. This is most likely due to the lack of subsidies for NORTA, as it is the only agency to not have some level of governmental assistance in its top five funding sources.

The most common secondary funding source is federal assistance, primarily subsidies and one-time federal funding over the past three years, such as ARPA. PRT and TARC are unique in that their primary source came directly from state funds, which is typically eclipsed by federal assistance as a source among the peer agencies. Local subsidies only appeared as a major funding source in two agencies, LYNX and PRT, with it being the primary source for the former. Passenger fares were most often a much smaller, tertiary funding source. Only HART and GCRTA had ARPA funds as their primary funding source in their most recent fiscal records. HART also stood apart from most of its Florida peers in that local taxes—gas and ad valorem—are its second largest funding source. Additional federal grants are HART's tertiary funding source, followed by state grants and finally fare revenue.

GOVERNING BOARD

From reviewing the peer transit agency's board structures and comparing them against HART's, there are a range of approaches to board membership, representation and appointments, terms, power, and responsibilities and duties in place at HART. The agency's board of directors is responsible for setting policies and setting direction for the Authority, making decisions, designating management, influencing operations, and maintaining primary fiscal responsibilities. The board is comprised of 14 members, as described in the previous section. All board members are appointed for three-year terms and each member is expected to hold office until their successor has been appointed. The following themes were revealed:

BOARD SIZE

Board size was one of the mostly commonly referenced concerns related to HART's board of directors. The peer agency review revealed that the nine peer agencies have an average board size of 10 members, while HART currently has 14. When determining the size of an agency's board, it is important to consider the system's structure, group dynamics, and skill needs, especially since board size is also related to its interests, effectiveness in planning, and decision-making style. Larger boards can be advantageous because they offer more viewpoints, but also impede decision making. Smaller boards may be more challenging as individual interests may play a greater role in directing an agency's priorities [6]. Boards average 9 members nationally [7] but studies suggest they should not be more than 15 [8]. If more members are needed or present, a committee structure could be helpful in managing board members and representing the population of the service area [8].

BOARD TERMS

Nationwide, board terms vary but are typically between 3-4 years [7]-[8]. HART currently has a 3-year board term set, though stakeholder interviews suggest there is a need to revamp board composition, as noted above. There is also consideration for shortening board terms to introduce new ideas and encourage different ways of thinking more regularly. Term limits for board members are an effective way to create a more productive and engaged board.
Eight of the peer transit agencies implement 1-to 4-year terms, with the exception of NORTA and LYNX. NORTA's members serve at the discretion of the appointing authority, while LYNX's terms are based on the elected office of the representative even in the case of a designee. The most common term is 3 years with a consecutive 3-term limit. Elected officials serve for the entirety of their election term, including those on the board for PSTA and LYNX. TARC has the most unique term structure, with at least two members each serving 1- to 4-year terms. Even with the variation in terms, every board capped terms at 8 to 12 years total.

BOARD COMPOSITION

Board member composition was referenced during stakeholder interviews and supported by best practice research as an important determinant for transit agency success. Peer agency comparison revealed disability status and employment background to be important variables when considering board appointments. A Detroit Regional Transit Legal Structures and Governance study defined member qualifications, stating that board members should be [8]:

- representative of the entire region but independent of the served municipalities; appointed by county/city executives; must not be a government employee or elected official; must have a resident within their respective jurisdiction (Michigan Act 387, 2012)
- individuals well-versed in "financial expertise, legal and accounting skills, business backgrounds, transit and transportation experience, or related qualifications"
- pursuing ongoing education and a deep understanding of local issues, transportation and population trends, transit nuances, and board responsibilities.

The members represented on each board can be broadly separated into three distinct categories: jurisdictions, advocates, and subject matter experts. The most common group among HART and its peers are representatives by jurisdictions. These boards require members, or appointing parties, be from select municipalities or county government to represent the areas served. The boards of PSTA and LYNX are almost entirely comprised of city or county officials, whereas Palm Tran, GCRTA, SORTA, and NORTA have those officials choose board members. Both GCRTA and SORTA have the added caveat of committing several board memberships to county residents within their service area. HART requires that at least one member from each of its jurisdictions be an elected official and currently has seven elected officials on its board.

The second category is advocates. Of the nine agencies, Palm Tran is unique in their definition and choice of categorical representation on their 13-member board. They require a member for each of the following groups: disability advocate, environmental advocate, regular passengers for both fixed route and paratransit, senior citizen, citizen at-large, and a representative of the diverse communities of Palm Beach County. An additional five agencies have advocates on their boards in some capacity: PRT, GCRTA, SORTA, NORTA, and TARC. The individuals' advocacy either came from their professional backgrounds, volunteer work, or personal circumstances, and covers a range of topics. These include but are not limited to individuals with disabilities, labor unions, the environment, and public health. Advocates also include general citizen representation as these individuals advocate for the public at-large.

The final category is subject matter experts, which are becoming increasingly common [7]. While subject matter experts are not explicitly required in most of the board's bylaws, the professional backgrounds of appointed members indicate the organization's goals and values. Business was by far the most prevalent subject matter, with seven of the nine peer boards having business subject matter experts. JTA and TARC were primarily comprised of business professionals. Banking/finance and law follow, represented on six boards and most strongly at JTA, TARC, and SORTA. Communications and planning experts are present on five boards, with GCRTA, NORTA, and TARC having the most planners proportionally. Four boards include subject matter experts on real estate and transportation systems, both with relatively limited representation. HART's board also mirrors these common trends, with incidental subject matter experts primarily in advocacy, business, and law.

BOARD GOVERNANCE & POWERS

Generally, the board of directors provides some amount of administrative support which includes support to the CEO or General Manager's administrative staff [6]. However, stakeholder interviews revealed the need for clear direction related to interactions, greater transparency from the CEO level down, as well as greater communication between the CEO and board of directors. Currently, HART's board of directors' legal counsel is working on an independent study to investigate how the relationship between the board of directors, General Counsel, and CEO operates and functions and will present their findings to HART's board of directors in the coming months.

Peer agency comparison revealed that board membership is often by appointment by a larger government body. This is typically a city or county government, with two of the nine agencies dedicating some appointments for the governors' choice. These same two boards, JTA and LYNX, have seats dedicated to a state DOT district leader. Six of the nine boards have local elected officials, with PSTA and LYNX explicitly dedicating seats for individuals in local office. The presence of elected officials on other boards appeared to be incidental. However, research and stakeholder interviews both show that elected officials should not be the majority of members [8]. Instead, a range of board members is more ideal which should include individuals with knowledge in business, finance, law, and politics, but also civic leaders and transit and disability advocates to ensure that the agency's mission and vision are fulfilled.

Best practices dictate a separation of powers between the board of directors and the executive teams who run daily operations. Expectations for how, and how often, meetings should occur should be well defined in the agency's governance documents and bylaws. Meeting minutes and agency documents should be well-kept and widely available to facilitate transparency [8]. Most of the peer agencies explicitly state these expectations in their bylaws and/or charters; however, the ease of accessing these documents varies widely. The board's focus should be the oversight, policy making, and financial accountability of the agency. Best practices state that board members should refrain from involvement in the agency's day-to-day operations, which should be handled by the professionals they hire and led by the CEO [9].

Seven of the nine boards were created by their respective state legislatures as independent special purpose districts. Also known as an Independent Special District, this structure gives agency's autonomy in their transportation focus while facilitating regional coordination. The existing literature suggests that this government structure tends to have higher farebox recovery ratios and spending per revenue vehicle mile. Transit agencies that are integrated into city or county government tend to have higher labor productivity and efficiency [10]. More research is needed to identify the strengths and challenges of different board structures in relation to their local governments. A summary of the peer agency board composition, fare, and funding sources can be seen in Figure 18.

Figure 18: Peer Agency Comparison

PEER AGENCY	BOARD SIZE	BOARD MEMBER TERMS IN YEARS	STANDARD ONE-WAY FARE	LARGEST FUNDING SOURCE
HART	14	4	$2.00	Federal Assistance
Jacksonville Transportation Authority	7	3	$1.75	Local Sales Tax
PSTA	15	3	$2.25	Local Ad Valorem Tax
LYNX	5	Determined by Elected Office Terms	$2.00	Fare Revenue
Palm Tran	13	3	$2.00	Local Sales Tax
PRT Pittsburgh Regional Transit	10	4	$2.75	State Funds
RTA	8	3	$2.50	Federal Assistance
METRO	16	3	$2.00	Local Sales Tax
RTA	8	At the Pleasure of the Appointing Authorities	$1.25	Local Sales Tax
tarc	8	1 to 4	$1.75	State Funds
Peer Trends	10	3.5	$2.03	Local Sales Tax
National Trends	9	3	$1.52	Two thirds of transit agencies' income is from governments, primarily state and local

POTENTIAL GOVERNANCE SCENARIOS

A total of seven (7) potential governance scenarios, including a status quo and a dissolve and rebuild, have been identified using an iterative approach comprising stakeholder interviews, peer-agency analysis, existing document review, transit best-practice knowledge, and industry research.

It is important to note that each transit agency is unique, not only in the way it was formed and funded, but also in relation to the local community in which it operates. There is no one-size-fits-all solution to transit governance, and existing research points to challenges with their transferability [14]. Therefore, any chosen governance structure must be tailored to meet the specific needs, challenges, and characteristics of the region it is serving.

The following sections present a summary of each potential governance scenario, including providing peer-agency examples from across the nation, potential benefits, applicability to HART and Hillsborough County, as well as implementation challenges and considerations. For more detail on each governance scenario, see Appendix K. Further any chosen governance scenarios would need careful legal considerations which falls outside of the scope of this study. However, a legal review was performed separate to this report, and submitted to the FDOT in mid-November of 2023. The subsequent section only includes excerpts from said review, please refer to full legal report for detailed information pertaining to each scenario (Appendix L).

STATUS QUO WITH OPTIMIZATION

Under a status quo scenario, HART would retain its current governance structure and largely remain unchanged. Staffing, unaltered. While this option excludes major modifications to HART's governance structure, there is an opportunity to implement minor changes that could benefit the Authority, including but not limited to:

- Modifying the board structure through amended bylaws or by changing the organization of the board to ensure it adequately represents the growing region and its evolving needs.
- Rebranding the agency to offer a "fresh start" in the public eye and move beyond recent negative perceptions.
- Adjusting services to meet the needs of the quickly growing area and incorporate best practices for providing transit services to HART's unique region.
- Conducting an updated Comprehensive Operations Analysis (COA) given the change in travel behavior over the past three years.
- Instituting an Independent Annual Performance Report. Annual performance reports, such as the one conducted by the Southeastern Pennsylvania

Legal Excerpts

"A status quo scenario means that all legal structures and organization stays in place with no changes."

"Board of Directors of HART has sufficient authority to: adjust its services; undertake a COA; commission a Independent Annual Performance Report."

**Please see Appendix L for full legal review of this scenario.*

Transportation Authority (SEPTA) are used by transit agencies to assess the success of internal financial planning. As there has been a call for more accountability and transparency in HART's planning and spending, an annual report could allow the Authority to outline costs, highlight successes, and draw attention to funding deficiencies. Part of the process is selecting and defining key performance indicators (KPIs) such as asset management, costs, and customer satisfaction in order to provide a holistic overview of the Authority's performance.

DISSOLVE AND REBUILD

There are multiple examples in the history of public transportation where agencies were dissolved and replaced with new agencies. For example, in Pennsylvania, the Port Authority of Allegheny County was created in 1956 to replace 32 independent bus and incline operators. In 1962, the Southeastern Pennsylvania Transportation Authority (SEPTA) was created to replace Philadelphia Transportation Company's transit operations. In both of those instances, the former agencies were declared bankrupt, and the creation of the new agencies was intended to replace the services of their defunct predecessors. There are numerous concerns with a dissolve and rebuild scenario that would need to be further evaluated.

Key considerations for this scenario include:

- HART does not own their assets; they would have to pay back the cost of remaining values of each asset to FTA or transfer it to an existing qualified federal recipient.
- Could result in loss of public and governmental stakeholder trust.
- Locals would need to vote on new taxing authority.
- Unions would need to vote on agreement to dissolve existing labor agreements and creation of new ones.

Legal Excerpts

"HART governing Board of Directors would need to approve its voluntary dissolution, the distribution of its assets and the assumption of its obligations."

"The local government members of HART would also need to authorize the dissolution."

"Will require a change in the Designated Recipient under federal law."

"Voter referendum on a new authority."

**Please see Appendix L for full legal review of this scenario.*

FORMAL PARTNERING

Memorandums of Understanding (MOUs) and Joint Powers of Agreement (JPAs) are both formal agreements between two parties. While they are typically not legally binding, these agreements help to establish mutual intention and eliminate uncertainty. An MOU is a broader expression of agreement that explains the general concept and sets expectations for the partnership. HART currently has several active MOUs with partner organizations, including but not limited to:

- An agreement with the Tampa Bay Area Regional Transit Authority (TBARTA) to provide funding for Flamingo Fares, a regional contactless fare payment system. Please note, this MOU will cease once TBARTA's dissolution process is complete in 2024.

- An agreement with the Pinellas Suncoast Transit Authority (PSTA), Sarasota County Area Transit (SCAT), Hernando County, and Pasco County to establish rules and responsibilities for the partnership supporting the above-mentioned Flamingo Fares.

A JPA is a more formal contract, specifically between two or more public agencies, to provide a service cooperatively or share powers/responsibilities outside each agency's jurisdiction. This type of agreement can authorize one agency to provide a service on behalf of another or create an independent agency to provide the service on behalf of all participants in the agreement.

In this scenario, HART would retain their current governance structure but would continue to cooperate with other agencies through some type of formalized partnership such as a Joint Powers Agreement (JPA) or a Memorandum of Understanding (MOU). A Joint Powers Agreement would allow the region's transit agencies to formally cooperate for their mutual benefit while retaining their individual legal structures.

Key considerations for this scenario include:

- Inter-agency collaboration and good working relationship with other public agencies are essential for successful transit governance.
- Typically not legally binding; formal documentation of a binding agreement between two or more parties; establishing mutual intention and helping to eliminate uncertainty.
- Assets would remain within the control of each agency but could be flexed to benefit them all. For example, HR staff could be shifted between agencies to handle urgent situations.
- Closer cooperation and collaboration between agencies; formalized and documented.
- MOUs could address some factors such as pay parity across job functions or ordering, and joint ordering of major parts and supplies.
- Could be implemented in combination with other scenarios.
- Joint service development efforts – particularly as it relates to travelling between counties within the region. Formalized coordination and planning towards connecting transit services across the region.
- One common fare media but fare structure would be dependent on local funding.
- Consolidates senior management.
- Sharing of technical services that require investment in training.
- Challenges might arise related to difference in bargaining agreements with separate unions.

Legal Excerpts

"Any JPA would need to conform to the provision in the Florida Constitution, Article VIII, Section 4, regarding transfer of powers…"

"…no change in Designated Recipient is necessary."

"The present collective bargaining agreements would continue in effect…"

**Please see Appendix L for full legal review of this scenario.*

- Expand MOUs related to shared maintenance service, training opportunities, procurement etc.
- A regional MPO is being considered by the MPO's serving Hillsborough, Pasco, and Pinellas – how will this impact/steer transportation in the region going forward.
- Legal constraints with JPA as outlined in memo from HART and PSTA Legal Counsels in 2012 – no provision in Florida related to JPAs for transit agencies.
- Agencies would need to determine the composition of the JPA, including considerations related to size and powers of its governing board, federal fund designation determinations (JPA or remain with agencies), local funding allocations, managerial and administrative duties etc.

It should be noted that this option could be implemented in conjunction with other scenarios. Here are a few examples of JPAs and/or MOUs that have been implemented in other regions:

- Sound Transit, Seattle, WA
- Shasta Regional Transportation Authority, Shasta County, CA
- Trinity Railway Express, Dallas-Fort Worth, TX
- Virginia Railway Express, Northern Virginia
- WeGo Public Transit, Nashville, TN

COUNTY/CITY GOVERNANCE MODEL

For this scenario, governance would be transferred to a Public Entity — i.e., the City of Tampa or Hillsborough County. Such a governance structure could be modeled in a similar manner to the Sunshine Line, a county agency operating door-to-door transportation services for Transportation Disadvantaged residents within Hillsborough County [15].

Key considerations for this scenario include the following:

- The HART CEO would have a clear reporting structure like every other like every other county or city department. For example, HART would be accountable to the County Executive.
- Such a model could allow for decision making processes to be kept "in house". Which in turn could lead to integrated approaches to problem-solving. All of the county departments answer to the same chief executive which allows for alignment of resources for addressing challenges and priorities.
- Dedicated, predictable funding source as part of city/county budget. If new entity is granted ad valorem

Legal Excerpts

"There are several significant legal issues associated with this approach."

"…the HART Board of Directors will need to approve the transfer, and such approval will likely be subject to several conditions, including without limitation, obtaining necessary consents and approvals from the State and federal government…"

**Please see Appendix L for full legal review of this scenario.*

taxing authority, referendum approval of the areas affected by the new entity would be required.

- HART's board would comprise of county commission only and not necessarily have city representation, or vice versa.
- Change in designated recipient of federal funds would be required. The public entity would have to be the designated recipient for federal grants.
- Assets could be transferred over to the public entity.
- Transit agency could be more involved in land use decision making processes.
- Research show that local context is critical for understanding transit priorities and decision-making processes.
- Lack of geographic flexibility – agency would have to operate within its service area or have agreements in place to provide service outside of its jurisdiction.
    - If the agency would belong to the city, what agreements would need to be put in place for the transit agency to service the entire county? One example is how the Chicago Transit Authority provides rail service outside of its service boundaries through their Yellow Line.

Examples of a city/county governance model include:

- StarMetro — The City of Tallahassee purchased StarMetro (formerly TalTran) from Cities Transit Company in 1973
- Gainesville RTS
- City of Phoenix Public Transit Department
- Pittsburgh Regional Transit — Created as the Port Authority of Allegheny County by the Pennsylvania General Assembly in 1956

PRIVATIZATION OF OPERATIONS

Privatization would involve HART or Hillsborough County hiring a for-profit contractor to operate transit in the service area. Privatization is most often used as a temporary or stopgap measure to provide transit service to a community. Contracts are typically renewed annually, and payment to the contractor is often based on a rate per revenue vehicle mile (RVM).

Key considerations for this scenario include the following:

- Existing assets (buses and facilities) could be leased to the contractor and future vehicle purchases could be made through a public entity such as HART or the County in order to take advantage of federal matching funds.
- Contracting out operations could relieve some of the pressure on agencies that are struggling to hire operators and maintenance staff. HART's Board would need to decide how far into the agency to contract.

- For-profit transportation operators have greater incentives to be efficient with resources, however recent research indicates that private transit providers are no longer more efficient or effective than their public counterparts [16].
- For-profit transportation operators could import technical expertise but often lack local knowledge and commitment to the community.
- May create in-stability within the agency due to driver turnovers.
- Contracts based on RVMs are fairly predictable over the course of the year and make it simpler for HART or the County to budget for transit service month-to-month and year-to-year.
- Because the contractor is motivated to increase profits, fares could rise too high to be affordable to many transit users.
- If the rate paid to the contractor is based on revenue vehicle miles or revenue vehicle hours, there is no incentive for the operating entity to attract or maintain riders. Unpopular or unproductive routes bring in roughly equal revenue compared to a frequently used route under this contract structure.
- By outsourcing operations to a private entity, the community and local officials would largely lose control of services in the long term (service locations, customer service, safety innovations, etc.).

Legal Excerpts

"Under its enabling legislation and its Charter, it appears that HART has the legal authority to enter into a contract with a private contractor to operate transit in its service area."

"….additional legal analysis will be required related to both the FTA grants and regulatory compliance as well as the collective bargaining agreements."

**Please see Appendix L for full legal review of this scenario.*

Examples of privatization of transit agency operations in other regions include:

- **GoBG Transit** - The City of Bowling Green, KY, contracted non-profit Community Action of Southern Kentucky (CASOKY) to operate both fixed-route and shared-ride service in the city between 2003 and 2023, with RATP Dev USA joining the contract in 2020 to provide management of service while CASOKY continued the day-to-day operations. In 2023 the City removed CASOKY from the contract and has hired RATP Dev USA to handle all management and operations moving forward [17].
- **Yuma County Area Transit (YCAT)** – The Yuma County Intergovernmental Public Transportation Authority in Yuma, AZ, contracts out all operations and maintenance for its fixed-route service (Yuma County Area Transit, or YCAT) because it is a relatively new system and has not developed the capacity to perform these services in house. In 2010, concerns about low ridership, ineffective routes, and high contractor costs nearly led to the shutdown of YCAT; however, the MPO was able to avoid a complete shutdown by reducing service, restructuring the transit agency, and changing contractors. YCAT service has been contracted out to five third-party operators since 2000, including Saguaro Foundation and First Transit.

MERGER WITH ANOTHER AGENCY

In a merger scenario, both agencies to be merged (such as HART and PSTA) would be dissolved, and a new entity would be created. The new transit organization would manage and operate transit within both service areas/counties. The merged entity would take the place of the two agencies, vested with all of the same powers and responsibilities as the original agencies [18].

Key considerations for this scenario include the following:

- Consolidates agency operations into one, may be seen as service efficiency.
- Requires the declaration of a new designated recipient of the FTA funds.
- A single board would evaluate and manage the planning and performance of bus routes.
- Consolidates senior management.
- Impact on Collective Bargaining Agreements. New entity would negotiate new collective bargaining agreements unless no union was selected.
- Opportunity to consolidate management and administration into one location.
- Legal actions required by change in Legislation may take a lot of time to accomplish.
- Consolidation of staff and specifically management.
- Potential for changes in bus service.
- A merged agency would need to evaluate the impact on paratransit service requirements.
- Consider the variation of wage rates between two current agencies.
- Cross-training of staff required to adopt one set of procedures.
- All assets need to be transferred to the new agency, including the transfer of vehicle registrations.
- Requires an extensive marketing campaign to introduce the new agency and services to existing and new customers.

An example of a merger would be the 1984 merger of the St. Petersburg Municipal Transit System and the Central Pinellas Transit Authority to create PSTA.

Legal Excerpts

"The merger would require state legislation and a referendum process for abolishing the PSTA and HART and the creation of a new authority that provides service in both counties."

"…if the new, merged entity was granted ad valorem taxing authority, referendum approval of the areas affected by the new, merged entity would be required."

**Please see Appendix L for full legal review of this scenario.*

INTERGOVERNMENTAL GOVERNANCE - REGIONAL TRANSIT AUTHORITY

Regional transit authorities are a type of intergovernmental arrangement, whereby the authority provides a consistent, unified transit service over a larger region made up of multiple municipalities. Typically, municipalities provide funding (often supplemented by a regional sales tax) and appoint representatives to the authority's board. Crucially, municipalities are not required to participate in a regional transit authority. They can "opt-in" to service provided by the authority, either at its creation or at a later date when growth in the regional system makes participation an attractive option. Municipalities can also choose to "opt-out" if they feel providing funding to the service is no longer a responsible use of limited municipal funds. Overall, this creates a more flexible transit governance model that grants municipal leaders with significant control over funding and provision of services.

Most relevant to HART, regional transit authorities are most common in fast-growing Sunbelt metropolitan areas, where regional cooperation is essential to extending transit service to rapidly developing municipalities. This scenario would entail the formation of a new regional authority. The Atlanta-Region Transit Link Authority (ATL), created when GA HB930 was signed into law on May 3, 2018, can serve as a case example:

Legal Excerpts

"The approval of the governing legislative body of the local governments who opt in would be required, as well as interlocal agreements under Florida Statutes, Section 163.01…"

"Creating a dedicated regional sales tax for a regional authority would require the enactment of new legislation…"

**Please see Appendix L for full legal review of this scenario.*

- ATL is a regional transit governance and funding structure focused on improving coordination, integration, and efficiency of transit in metro Atlanta.
- Governed by a 16-member board comprised of metro Atlanta business leaders and government officials.
- The ATL is responsible for creating a unified regional transit system brand, developing the ATL Regional Transit Plan, as well as identifying and prioritizing the projects and initiatives required to develop region-wide transit.
- Tasked specifically to develop a regional transit plan for a 13-county area comprised of Cherokee, Clayton, Coweta, Cobb, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Henry, Paulding and Rockdale Counties.
- Counties within the ATL can hold a referendum to raise an additional sales tax of up to 1 percent for up to 30 years.
- The ATL can issue its own bonds and can work with other state agencies to issue bonds. Current transit providers have their operational and funding autonomy preserved. MARTA will remain responsible for operating the region's heavy rail system, including any new heavy rail projects.
- Effective July 1, 2020, the ATL was legislatively authorized to oversee the state's Xpress regional commuter transit system and the Atlanta region's vanpool system.

Key considerations for this scenario include:

- Has a dedicated funding source:
  - Local option gas tax
  - Contributions from counties
  - Millage
  - Sales tax set-aside
- Has control of dedicated funding source.
- No impact on existing agencies' formula funds.
- Ability to seek grants.
- Ability to bond against dedicated revenue.
- Solely focused on inter-jurisdictional connections.
- Maintains ownership of its capital assets but does not operate services. Services operated by existing transit agencies through interlocal agreements.
- Service data credited to the transit agency that operates the service for NTD purposes

This type of authority is different from the Tampa Bay Area Regional Transit Authority (TBARTA) which voted to dissolve itself earlier this year. TBARTA was only a planning organization and had no significant enforcement mechanism. ATL has control of funds, and therefore has the ability to enforce its policies and strategic direction by withholding funds if necessary. Further, its board is comprised of only one elected official from each jurisdiction, one executive from each transit agency, and one representative from each affected MPO/TPO/RPO.

Figure 19: Potential Governance Scenario Summary

STATUS QUO WITH OPTIMIZATION

- Retain current governance structure; largely remain unchanged
- Opportunity to optimize minor changes
  - Modify the board composition
  - Comprehensive Operations Analysis
  - Independent Annual Performance Report

DISSOLVE & REBUILD

- Board vote required for a voluntary dissolution
- Local government members would need to authorize the dissolution
- HART does not own their assets; return funds to FTA
- Could result in loss of public and governmental stakeholder trust
- Numerous legal considerations

FORMAL PARTNERING

- Retain current governance structure
- Formalized partnership
  - Memorandums of Understanding (MOUs)
  - Joint Powers Agreement (JPA)
- No changes to FTA designated recipient or bargaining agreements
- Consolidates senior management; sharing of technical services
- Legal considerations: No JPA provision in Florida for transit agencies; interlocal cooperation / interlocal agreements

MERGER

- Merging agencies would be dissolved; a new entity would be created
- FTA designated recipient change needed
- Single centralized management staff and administrative support
- Could increase paratransit obligations
- Legal considerations: bargaining agreements; referendum; law enabling merger; governing board composition

COUNTY/CITY GOVERNANCE MODEL

- Governance transferred to a Public Entity (City of Tampa or Hillsborough County)
- CEO would report to County Executive / City Manager
- Service Area / Jurisdictional boundary challenges; interlocal agreements
- FTA designated recipient change and asset transfer needed
- Legal considerations: bargaining agreements; referendum; board approval of transfer; governing board composition

PRIVATIZATION OF OPERATIONS

- Hiring for-profit transit operator; leasing of assets
- Could relieve pressure from staffing shortages
- Could import technical expertise but often lack local knowledge/commitment to the community
- Fare escalation concerns; loss of long term control
- Legal considerations: bargaining agreements; FTA designated recipient implications; board approval; Public-Private Partnerships

INTERGOVERNMENTAL GOVERNANCE

- Establishment of a Regional Transit Authority
- Agencies would "opt-in" to service provided by the authority
- Need dedicated funding source such as gas tax
- No impact on existing agencies federal formula funds for transit
- Solely focused on inter-jurisdictional connections
- Interlocal agreements with existing agencies for operations
- Legal considerations: referendum; interlocal agreements; new legislation

CONCLUSION

HART, as an agency, has been studied multiple times over the past decade. This report focused on meeting the intentions of CS/HB 1397 – Regional Transportation Planning by examining HART's governing structure, board, and policies, as well as its financial assets, obligations, facilities, and operations. The agency has demonstrated its value to Hillsborough County despite opportunities for improvement to its governance structure, funding, and facilities. For example, HART is one of few Tier 1 transit agencies across the nation that has recovered its ridership back to its pre-pandemic levels, and the agency's compliance with FTA operational and management guidelines is strong.

This report contains numerous agency considerations that could help promote operational efficiencies, effectiveness, and long-term organizational sustainability of HART. These considerations could help address some of the challenges and concerns identified during stakeholder interviews and peer agency comparisons. For example, changes to HART's board structure may be necessary, including evaluating its size and composition. In addition, establishing a transit advisory role and/or setting minimum qualifications could help to ensure that subject matter experts related to transit are included. Further, a comprehensive operational analysis, transit development plan, and updated strategic plan could assist the new CEO and his leadership team in making the adjustments necessary for the organization to continue to grow ridership and meet the needs of the region. Other considerations include developing a cost allocation plan, optimizing federal funding opportunities, and conducting an annual performance report. These steps could allow HART to outline costs, highlight successes, and draw attention to funding deficiencies.

In accordance with CS/HB 1397, this report has identified a series of potential governance scenarios for further consideration. While this study was comprehensive in nature, it was limited in duration and scope. As there is no one-size-fits-all solution to transit governance, any chosen governance structure must be tailored to meet the specific needs, challenges, and characteristics of Hillsborough County and the Tampa-St. Petersburg Region.

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APPENDIX A: DOCUMENT REVIEW SUMMARY

Table 11: Document Review Summary Table

-	GENERAL CONTENT / PURPOSE
2023 Regional Competitiveness Summary Report	The 2023 Regional Competitiveness Summary Report is intended to serve as a reference for businesses, government, and nonprofits in the Tampa Bay area as these groups seek to understand the changing socioeconomic, infrastructural, and educational trends in the region. The summary eloquently states that "Systems change is a long-term process, and much like a dance, we expect a rhythm of a few steps forward and one step back." This statement is relevant when comparing the growth of Tampa to 19 other peer regions throughout the United States which are similar in size and population. In certain metrics such as youth poverty rate, Tampa troublingly ranks 18th out of 20 regions and took backwards steps, having ranked 17th the year prior. Conversely, in the realm of net migration, Tampa has moved from 2nd to 1st of 20 regions, indicating that pull factors for the area are strong. The overall trend is that Tampa Bay continues to attract new residents, but efforts to propel improvements to the quality of life for residents and economic growth for the region must remain constant.
Amendment and Restatement of the Charter of the Hillsborough Transit Authority	Restatement of the Charter of the Hillsborough Transit Authority is an amendment to the initial Charter from 1979 that formed the Hillsborough Transit Authority. Hillsborough Transit Authority is also colloquially called HART, as it was formerly branded as Hillsborough Area Regional Transit. The initial Charter stated that the Authority was formed to plan, finance, acquire, construct, operate and maintain mass transit facilities, together with such supplementary transportation assistance.
Compensation and Classification Study Hillsborough Area Regional Transit Authority Final Report	In view of considerable financial and funding constraints, the 2020 Compensation and Classification Study from MGT Consulting helps HART with research regarding a competitive companywide compensation system commensurate with modern transportation labor markets' needs. HART intends to provide fair compensation for employees at rates consistent with job content, scope, responsibility, and other appropriate compensable factors to ensure that the agency can recruit and retain the most suitable talent.
Considerations for Consolidation of Tampa Bay transit service providers	The 2023 Considerations for Consolidation of Tampa Bay transit service providers is a document from the Florida Department of Transportation (FDOT) summarizing two studies from separate consulting agencies who reviewed the potential function and cost

	savings of partnerships or mergers between local transit service providers in the Tampa Bay area.
Findings & Conclusions APTA Peer Review Hillsborough Area Regional Transit	Seeking to optimally allocate funding, the 2021 Success Plan concentrates on the performance management process, which is intended to guide employee engagement on projects that bolster HART's status as a successful transit agency. The plan is divided into three sections: Definitions of Success, Performance Scorecard, and Work Plan.
FY2021 Success Plan Hillsborough Area Regional Transit Authority	Coinciding with the passage of various state and federal funding sources, the 2021 Success Plan concentrates on the performance management process, which is intended to guide employee engagement on projects that bolster HART's status as a successful transit agency. The plan is divided into three sections: Definitions of Success, Performance Scorecard, and Work Plan.
HART and PSTA Consolidation Study: Evaluation of the Three Scenarios	The 2023 Considerations for Consolidation of Tampa Bay transit service providers is a document from HART and PSTA summarizing a study from McCollum Management Consulting who reviewed the potential function and cost savings of partnerships or mergers between local transit service providers in the Tampa Bay area. The first study conducted by McCollum Management Consulting in 2013 proposed three options regarding agency consolidation: the status quo, formal partnership, and full merger.
HART Board Workshop Presentation	For a transportation agency to fulfill its potential, corporate structure and culture must be refined to near ideal levels. Margins are increasingly thin in the realm of transportation services, and seemingly minute changes in governing structure or policy can be wholly transformative. The 2023 HART Board Workshop Presentation encompasses a bipartite approach to Systemic Employment Issues and Legal/Governance Structure Review Recommendations.
HART-PSTA Consolidation Study	The 2013 PSTA-HART Consolidation Study is a review intended to improve transit connectivity, streamline operations, and augment services under the authority of the Tampa Bay Area regional Transportation Authority (TBARTA). The agencies within TBARTA – Pinellas Suncoast Transit Authority and Hillsborough Area Regional Transit Authority – were encouraged to assess how their respective governance structure, funding option/implementation, facilities, finances, and action align with the TBARTA master plan. This assessment order from FDOT initiated the aforementioned consultant programs from McCollum Management Consulting and KPMG.
January 2014 TBARTA Board Meeting Presentation of Results Financial Analysis of Cost Savings	The January 2014 TBARTA Board Meeting Presentation of Results Financial Analysis of Cost Savings provided insight into the potential collaboration or consolidation of Hillsborough Area Regional Transit and Pinellas Suncoast Transit Authority. KPMG additionally reviewed the McCollom Management Consulting Study of HART and PSTA

	mergers. Some key takeaways from the McCollom Study include possible $2.4 million in savings by eliminating 22 positions between HART and PSTA, future Desk Audit and Functional Review Studies, and an overall theme of strategic coordination
KPMG Financial Analysis of Cost Savings - Transit Authority Functions and Activities Consolidation Presentation	The base data in this financial analysis is from the 2013 McCollom Study. The 11 functional areas within administrative service, support services, and operations services identified in the McCollom Study were analyzed to identify the potential financial and operations impacts if HART and PSTA were to collaborate, consolidate, or merge. Overall, it appears that it would be less costly to increase the two agencies' collaboration.
Regional Transit Feasibility Plan: A Route Map to Implementation	In the context of constrained funding prior to the 2021 IIJA, The HART Regional Transit Feasibility Plan sought to prioritize projects with greatest potential to receive federal or state grant funding while also accounting for the progressive, forward-thinking nature of each plan. The plan is conscious of which projects best utilize modern technology and serve the region in a contemporary context while also fostering future growth.
2012 Report of General Counsels Regarding Legal Issues Arising out of Consolidation Study	The 2012 Report of General Counsels Regarding Legal Issues Arising out of Consolidation Study is a combined effort between HART and PSTA to utilize the services of McCollom Consulting to identify potential issues from the consolidation act. As previously discussed, the three merger options proposed by McCollom were maintaining the status quo and avoiding consolidation, a formal partnership, and joint powers. (Consolidation concerns detailed in Report Summaries Doc)
Transit Development Plan Final Report HART 10 Year Plan Update	As demonstrated that prior to the passage of the IIJA and BIL, financial constraints significantly impacted the scope of transit agency planning. Hence, the 2017 Transit Development Plan Final Report outlines a strategic guide for public transportation in the Hillsborough County area throughout the years 2018 – 2027. The TDP creates a community-based vision for public transportation, identifying needs and service improvements which require additional funding.

APPENDIX B: SAMPLE INTERVIEW GUIDE

Tell us a little about how significant HART is to your service area.

What are the most significant transportation challenges facing your region today?

Describe for us the role the HART board plays in its governance.

What works well with HART's current governance structure?

Is there anything you would change about HART to improve its ability to deliver on its mission?

How well is HART delivering public transportation to your service area? Tell us what you would sustain, and what you would change?

How well is the overall transportation system of the region integrated?

Is there anything else you would like to share with us about HART?

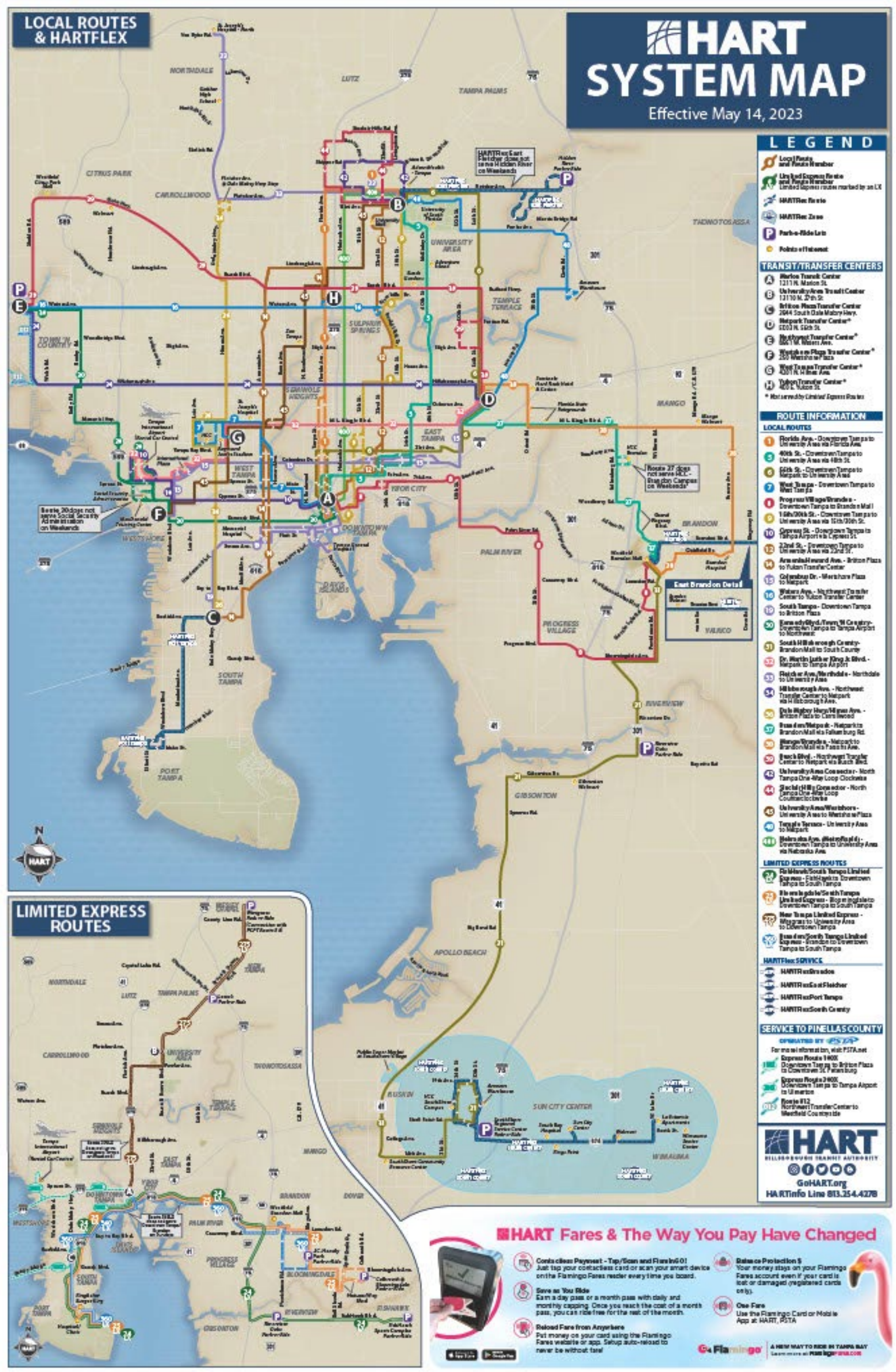
APPENDIX C: HART SERVICE INFORMATION

SERVICE AREA

HART has a service area of 1,243 square miles (Figure 20). In response to population growth, HART has extended their service area to encompass most of Hillsborough County. For example, HART serves the Tampa and Temple Terrace, along with census-designated-places of Town 'n' Country, Citrus Park, and Northdale, Florida, which are in nearby neighboring Pinellas County. The agency's service area also encompasses areas in the northeast quadrant of Tampa, bordering on Thonotosassa, Florida. Supplementary services are also provided to the Tampa peninsula area, supporting south Tampa and Port Tampa. Finally, HART's service area also extends as far southeast as Wimauma, Ruskin, and Sun City Center, Florida.

Gaps in HART's service are located in portions of Citrus Park, Town 'n' Country, Cheval, and Lutz. These census designated places are in the northwest portion of Hillsborough County and are sparsely populated. Table 12 shows a listing of HART bus terminals and transit centers.

Figure 20: HART System Map, 2023



Source: https://www.gohart.org/pages/maps-schedules.aspx

Table 12: HART Bus Terminals and Transit Centers

MAIN HUBS	SECONDARY BUS TERMINALS
Marion Transit Center – Downtown Tampa, main hub	WestShore Plaza
University Area Transit Center	Britton Plaza
NetPark Transfer Center	SouthShore Regional Service Center
West Tampa Transfer Center	Yukon Transfer Center
Northwest Transfer Center	WestShore Plaza
Tampa International Airport Rental Car Facility Bus Hub	
Marion Transit Center – Downtown Tampa, main hub	

HART SERVICE TYPES

FIXED-ROUTE BUS SERVICE

HART's bus services include standard local routes along with limited/commuter express service and service to Tampa International Airport. The fleet is comprised of 132 buses, 85 of which are powered by Compressed Natural Gas (CNG). HART is currently transitioning their fleet of buses and vans to utilize CNG, with intent to implement an entirely CNG powered fleet by 2026. A comprehensive transition to CNG powered transportation would make HART the first transportation agency in Florida to shift entirely to CNG.

The Commuter Express, also referred to as Limited Express, services utilize park-and-ride features along with limited stops - decreasing ingress and egress time and streamlining commutes. Limited Express routes are not to be confused with Express Route 100X, 300X, and Route 812. These routes are operated by neighboring Pinellas Suncoast Transit Authority (PSTA), operating from Tampa to St. Petersburg. Service to Tampa International Airport is also provided by HART during all days of the week, deploying three diverse bus routes.

HART's service hours vary depending on the service in question. By and large, weekday standard service bus routes begin between 4 AM and 5 AM whilst terminating around midnight. Headways are usually between 20 to 30 minutes. Weekend service hours generally begin around 6 AM and end around 11 PM.

HART's service to Tampa International Airport comprises of three distinct routes. Route 10 service begins as early as 5:30 AM on weekdays and 7AM on weekends, providing transportation from downtown Tampa. Route 30 operates in a similar area and begins service at 4:30 AM on weekdays. Additionally, Route 32 provides connections from the Netpark Transfer Center and Tampa International Airport beginning at 5 AM on weekdays and 6:15 AM on weekends. Airport service buses operate on hourly headways.

METRORAPID

MetroRapid is a Bus Rapid Transit (BRT) service connecting Downtown Tampa and the University Area via Nebraska and Fletcher Avenues. The service features limited stops, traffic signal priority - via GPS technology that extends green lights and shortens red lights improving travel time by 15 percent - ticket vending machines at select station stops, enhanced passenger stations with bicycle racks, and low floor buses. Through these innovative measures, HART expedites travel for many residents of this high-traffic service area.

HART's MetroRapid buses operate on a similar timetable to regular bus services with service beginning at 4:30 AM and ending at midnight. MetroRapid utilizes 15-minute headways and operates on weekdays. MetroRapid is championed as a time, money, and environment saving alternative to traditional single occupancy vehicle commutes.

HARTFLEX AND HART PLUS VAN SERVICE

HART operate two types of van services, HARTFlex and HARTPlus (paratransit). HARTFlex is a hybrid fixed-route and demand-response van service operating in four outer lying areas in Hillsborough County including: Wimauma Community, Manhattan Avenue, East Fletcher Avenue and Brandon Boulevard. HARTFlex is comprised of an 8-van fleet.

HARTPlus provide complementary door-to-door ADA paratransit service to people with disabilities. HARTPlus services operate 75 vans. Service hours for HARTFlex and HARTPlus begin at 8 AM and end at 5 PM and reservations are required.

TECO LINE STREETCAR

The TECO Line Streetcar system is a 2.7-mile section that connects Downtown, the Channel District, and Ybor City, with an end-to-end running time of about 25 minutes. There are nine historic replica streetcars on the TECO Line service. The streetcar began offering fare-free rides in 2018, which will continue through fiscal-year 2024, with service every 15 minutes from 7 AM to 11 PM on weekdays Monday through Thursday. On Fridays, the streetcar operates from 7 AM to 2 AM; this is particularly useful for residents and visitors who would like to take advantage of the nightlife that Downtown Tampa and the surrounding area have to offer. Furthermore, the late-night service continues on Saturday as the streetcar operates from 8:30 AM to 2 AM. Sunday service hours are from 8:30 AM until 11 PM.

APPENDIX D: SYSTEM-WIDE PERFORMANCE INDICATORS

Table 13: FY 2018-FY 2022 HART System-Wide Performance Indicators

PERFORMANCE DATA AND INDICATORS	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	% CHANGE FY2018-FY2022
Operating Cost	$78,592,993	$89,477,763	$92,010,616	$88,865,388	$101,354,062	29.0%
Total Passengers	12,182,690	13,107,600	9,026,968	10,448,184	10,923,846	-10.3%
Vehicle Service Hours	748,329	804,492	650,824	714,931	682,052	-8.9%
Vehicle Service Miles	9,307,551	10,122,943	8,021,241	8,712,080	8,377,704	-10.0%
Employee FTE's	725	797	681	847	815	12.4%
Passenger Fares	$12,576,581	$12,412,904	$9,029,994	$6,272,298	$8,044,619	-36.0%
Operating Cost per Passenger	$6.45	$6.83	$10.19	$8.51	$9.28	43.8%
Operating Cost per Vehicle Service Hour	$105.02	$111.22	$141.38	$124.30	$148.60	41.5%
Operating Cost per Vehicle Service Mile	$8.44	$8.84	$11.47	$10.20	$12.10	43.3%
Passengers per Vehicle Service Hour	16.3	16.3	13.9	14.6	16.0	-1.6%
Passengers per Vehicle Service Mile	1.31	1.29	1.13	1.20	1.30	-0.4%
Vehicle Service Hours per Employee	1,032.5	1,009.8	956.4	843.8	837.2	-18.9%
Average Fare per Passenger	$1.03	$0.95	$1.00	$0.60	$0.74	-28.7%
Fare Recovery Ratio	16.00%	13.87%	9.81%	7.06%	7.94%	-50.4%

Source: National Transit Database; HART Annual Comprehensive Financial Reports (FY 2018-FY 2021) for Audited Systemwide Operating Costs/Passenger Fares

Table 14: FY 2018-FY 2022 HART Fixed Routes Performance Indicators

PERFORMANCE DATA AND INDICATORS	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	% CHANGE FY 2018-FY2022
Operating Cost	$69,518,173	$79,232,697	$81,694,363	$76,963,257	$88,776,977	27.7%
Total Passengers	11,586,334	12,032,360	8,306,062	9,570,801	9,644,403	-16.8%
Vehicle Service Hours	631,676	662,200	536,222	584,719	535,992	-15.1%
Vehicle Service Miles	7,727,207	8,199,395	6,559,426	7,187,617	6,544,375	-15.3%
Employee FTE's	611	662	563	692	655	7.2%
Passenger Fares	$11,455,183	$11,477,437	$8,265,314	$5,746,646	$7,302,433	-36.3%
Operating Cost per Passenger	$6.00	$6.58	$9.84	$8.04	$9.21	53.4%
Operating Cost per Vehicle Service Hour	$110.05	$119.65	$152.35	$131.62	$165.63	50.5%
Operating Cost per Vehicle Service Mile	$9.00	$9.66	$12.45	$10.71	$13.57	50.8%
Passengers per Vehicle Service Hour	18.3	18.2	15.5	16.4	18.0	-1.9%
Passengers per Vehicle Service Mile	1.50	1.47	1.27	1.33	1.47	-1.7%
Vehicle Service Hours per Employee	1,034.0	1,000.5	953.2	844.9	818.3	-20.9%
Average Fare per Passenger	$0.99	$0.95	$1.00	$0.60	$0.76	-23.4%
Fare Recovery Ratio	16.48%	14.49%	10.12%	7.47%	8.23%	-50.1%

Source: National Transit Database

Table 15: FY 2018-FY 2022 HARTPlus Paratransit Performance Indicators

PERFORMANCE DATA AND INDICATORS	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	% CHANGE FY2018-FY2022
Operating Cost	$7,497,115	$7,997,719	$7,755,197	$9,272,328	$9,796,490	30.7%
Total Passengers	172,054	196,897	140,509	142,297	184,771	7.4%
Vehicle Service Hours	104,286	120,620	93,127	106,592	122,835	17.8%
Vehicle Service Miles	1,514,934	1,809,676	1,347,846	1,396,584	1,708,365	12.8%
Employee FTE's	94	107	88	122	127	34.3%
Passenger Fares	$792,382	$929,626	$764,680	$525,652	$742,186	-6.3%
Operating Cost per Passenger	$43.57	$40.62	$55.19	$65.16	$53.02	21.7%
Operating Cost per Vehicle Service Hour	$71.89	$66.31	$83.28	$86.99	$79.75	10.9%
Operating Cost per Vehicle Service Mile	$4.95	$4.42	$5.75	$6.64	$5.73	15.9%
Passengers per Vehicle Service Hour	1.6	1.6	1.5	1.3	1.5	-8.8%
Passengers per Vehicle Service Mile	0.114	0.109	0.104	0.102	0.108	-4.8%
Vehicle Service Hours per Employee	1,104.6	1,125.9	1,061.2	875.4	968.9	-12.3%
Average Fare per Passenger	$4.61	$4.72	$5.44	$3.69	$4.02	-12.8%
Fare Recovery Ratio	10.57%	11.62%	9.86%	5.67%	7.58%	-28.3%

Source: National Transit Database

Table 16: FY 2018-FY 2022 TECO Streetcar Performance Indicators

PERFORMANCE DATA AND INDICATORS	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	% CHANGE FY 2018-2022
Operating Cost	$1,577,705	$2,247,347	$2,561,056	$2,629,803	$2,780,595	76.2%
Total Passengers	424,302	878,343	580,397	735,086	1,094,672	158.0%
Vehicle Service Hours	12,367	21,672	21,475	23,620	23,225	87.8%
Vehicle Service Miles	65,410	113,872	113,969	127,879	124,964	91.0%
Employee FTE's	19	28	30	33	33	69.8%
Passenger Fares	$329,016	$5,841	$0	$0	$0	-100.0%
Operating Cost per Passenger	$3.72	$2.56	$4.41	$3.58	$2.54	-31.7%
Operating Cost per Vehicle Service Hour	$127.57	$103.70	$119.26	$111.34	$119.72	-6.2%
Operating Cost per Vehicle Service Mile	$24.12	$19.74	$22.47	$20.56	$22.25	-7.7%
Passengers per Vehicle Service Hour	34.3	40.5	27.0	31.1	47.1	37.4%
Passengers per Vehicle Service Mile	6.49	7.71	5.09	5.75	8.76	35.0%
Vehicle Service Hours per Employee	637.1	781.5	711.8	707.0	704.9	10.6%
Average Fare per Passenger	$0.78	$0.01	$0.00	$0.00	$0.00	-100.0%
Fare Recovery Ratio	20.85%	0.26%	0.00%	0.00%	0.00%	-100.0%

Source: National Transit Database

APPENDIX E: VEHICLE OPERATIONS PERFORMANCE

This section provides an analysis of cost indicators related to vehicle operations measures as reported in the National Transit Database (NTD) over a five-year period (FY 2018 to FY 2022). Vehicle operations costs for fixed-route services increased 33.6 percent over the five-year review period. Operator pay hours increased 7.5 percent. Vehicle service hours per operator pay hour decreased by 21.1 percent. Vehicle service miles per operator pay hour decreased by 21.2 percent. Service hours per total hour and service miles per total mile increased by 1.2 percent and 0.2 percent, respectively. Passenger miles per passenger trip, a reflection of average passenger trip length, decreased by 15.2 percent, from 6 miles to 5.1 miles. Fuel and lubricants costs per vehicle service mile increased 30.5 percent.

Vehicle operations costs for HARTPlus paratransit services increased 81 percent during the review period. Operator pay hours increased 41.8 percent. Vehicle service hours per operator pay hour decreased by 16.9 percent. Vehicle service miles per operator pay hour decreased by 20.5 percent. Service hours per total hour and service miles per total mile increased by 0.7 percent and 0.3 percent, respectively. Passenger miles per passenger trip, a reflection of average passenger trip length, decreased by 0.9 percent, remaining stable at about 9.2 miles. Fuel and lubricants costs per vehicle service mile increased 197.5 percent. Operations cost per vehicle service hour and cost per vehicle service mile increased by 53.7 percent and 60.5 percent, respectively. Cost per passenger trip and cost per passenger mile increased 68.5 percent and 67 percent, respectively.

Vehicle operations costs for the TECO Line Streetcar increased by 90.2 percent during the review period due to service expansion and an increase in ridership demand. Operations cost per vehicle service hour and cost per vehicle service mile increased by 4.6 percent and 0.7 percent, respectively. Cost per passenger trip decreased 27.1 percent, whereas cost per passenger mile decreased by 13.4 percent. Detailed vehicle operations performance tables are included in Table 17, 18 and 19.

Table 17: FY 2018-FY 2022 NTD Vehicle Operations Performance Indicators – Fixed Route

BASE DATA & PERFORMANCE INDICATORS	BASE YEAR FY18	FY19	FY20	FY21	FY22	% CHANGE FY18-FY22
Cost for Operations	$29,379,418	$31,939,089	$25,410,194	$38,486,640	$39,238,284	33.6%
Operator Salaries and Wages	$15,207,512	$16,318,874	$13,222,313	$17,430,385	$17,632,725	15.9%
Cost of Fuel and Lubricants	$3,945,332	$4,049,423	$3,147,872	$2,743,944	$4,359,391	10.5%
Operator Pay Hours	835,366	940,694	734,085	975,584	898,258	7.5%
Vehicle Service Hours (VSH)	631,676	662,200	536,222	584,719	535,992	-15.1%

BASE DATA & PERFORMANCE INDICATORS	BASE YEAR FY18	FY19	FY20	FY21	FY22	% CHANGE FY18-FY22
Vehicle Service Miles (VSM)	7,727,207	8,199,395	6,559,426	7,187,617	6,544,375	-15.3%
Total Vehicle Hours	660,695	693,279	565,663	602,434	554,216	-16.1%
Total Vehicle Miles	8,467,971	9,073,833	7,355,329	7,652,872	7,157,294	-15.5%
Unlinked Passenger Trips	11,586,334	12,032,360	8,306,062	9,570,801	9,644,403	-16.8%
Passenger Miles	69,745,753	71,147,496	50,056,896	40,146,760	49,254,823	-29.4%
Veh Ops Cost per VSH	$46.51	$48.23	$47.39	$65.82	$73.21	57.4%
Veh Ops Cost per VSM	$3.80	$3.90	$3.87	$5.35	$6.00	57.7%
Veh Ops Cost per Psgr Trip	$2.54	$2.65	$3.06	$4.02	$4.07	60.4%
Veh Ops Cost per Psgr Mile	$0.42	$0.45	$0.51	$0.96	$0.80	89.1%
Avg Wage per Operator Pay Hour	$18.20	$17.35	$18.01	$17.87	$19.63	7.8%
Fuel & Lubricants Cost per VSM	$0.51	$0.49	$0.48	$0.38	$0.67	30.5%
VSH per Operator Pay Hour	0.76	0.70	0.73	0.60	0.60	-21.1%
VSM per Operator Pay Hour	9.25	8.72	8.94	7.37	7.29	-21.2%
Service Miles per Service Hour	12.2	12.4	12.2	12.3	12.2	-0.2%
Service Hours / Total Hours	95.6%	95.5%	94.8%	97.1%	96.7%	1.2%
Service Miles / Total Miles	91.3%	90.4%	89.2%	93.9%	91.4%	0.2%
Avg Psgr Miles per Psgr Trip	6.0	5.9	6.0	4.2	5.1	-15.2%

Source: National Transit Database

Table 18: FY 2018-FY 2022 NTD Vehicle Operations Performance Indicators – Paratransit

BASE DATA & PERFORMANCE INDICATORS	BASE YEAR FY18	FY19	FY20	FY21	FY22	% CHANGE FY18-FY22
Cost for Operations	$4,452,960	$4,942,256	$3,716,396	$6,862,133	$8,059,263	81.0%
Operator Salaries and Wages	$2,863,202	$3,207,826	$2,423,117	$3,857,365	$4,389,950	53.3%
Cost of Fuel and Lubricants	$312,758	$362,762	$242,979	$548,813	$1,049,355	235.5%
Operator Pay Hours	163,185	191,125	147,334	217,722	231,422	41.8%
Vehicle Service Hours (VSH)	104,286	120,620	93,127	100,864	122,835	17.8%
Vehicle Service Miles (VSM)	1,514,934	1,809,676	1,347,846	1,363,101	1,708,365	12.8%
Total Vehicle Hours	123,121	138,070	108,036	120,912	146,021	18.6%
Total Vehicle Miles	1,746,732	2,056,151	1,555,209	1,599,966	1,974,734	13.1%
Unlinked Passenger Trips	172,054	196,897	140,509	134,293	184,771	7.4%
Passenger Miles	1,575,340	1,907,491	1,258,118	1,127,993	1,707,085	8.4%
Veh Ops Cost Per VSH	$42.70	$40.97	$39.91	$68.03	$65.61	53.7%
Veh Ops Cost Per VSM	$2.94	$2.73	$2.76	$5.03	$4.72	60.5%
Veh Ops Cost Per Psgr Trip	$25.88	$25.10	$26.45	$51.10	$43.62	68.5%
Veh Ops Cost Per Psgr Mile	$2.83	$2.59	$2.95	$6.08	$4.72	67.0%
Avg Wage per Operator Pay Hour	$17.55	$16.78	$16.45	$17.72	$18.97	8.1%
Fuel & Lubricants Cost per VSM	$0.21	$0.20	$0.18	$0.40	$0.61	197.5%
VSH per Operator Pay Hour	0.64	0.63	0.63	0.46	0.53	-16.9%
VSM per Operator Pay Hour	9.28	9.47	9.15	6.26	7.38	-20.5%
Service Miles Per Service Hr	14.5	15.0	14.5	13.5	13.9	-4.3%

BASE DATA & PERFORMANCE INDICATORS	BASE YEAR FY18	FY19	FY20	FY21	FY22	% CHANGE FY18-FY22
Service Hours / Total Hours	84.7%	87.4%	86.2%	83.4%	84.1%	-0.7%
Service Miles / Total Miles	86.7%	88.0%	86.7%	85.2%	86.5%	-0.3%
Avg Psgr Miles per Psgr Trip	9.2	9.7	9.0	8.4	9.2	0.9%

Source: National Transit Database

Table 19: FY 2018-FY 2022 NTD Vehicle Operations Performance Indicators – Streetcar

BASE DATA & PERFORMANCE INDICATORS	BASE YEAR FY18	FY19	FY20	FY21	FY22	% CHANGE FY18-FY22
Cost for Operations	$794,327	$1,122,320	$1,228,707	$1,418,256	$1,511,062	90.2%
Operator Salaries and Wages	$418,919	$613,259	$617,044	$700,461	$741,965	77.1%
Cost of Fuel and Lubricants	$4,133	$5,322	$5,317	$4,217	$8,026	94.2%
Operator Pay Hours	21,163	34,619	36,887	41,136	43,160	103.9%
Vehicle Service Hours (VSH)	12,367	21,672	21,475	23,620	22,487	81.8%
Vehicle Service Miles (VSM)	65,410	113,872	113,969	127,879	123,616	89.0%
Total Vehicle Hours	12,440	21,764	21,573	23,620	22,487	80.8%
Total Vehicle Miles	65,627	114,149	114,263	127,879	123,616	88.4%
Unlinked Passenger Trips	424,302	878,343	580,397	735,086	1,107,584	161.0%
Passenger Miles	690,084	1,220,892	762,728	1,062,310	1,516,343	119.7%
Veh Ops Cost Per VSH	$64.23	$51.79	$57.22	$60.04	$67.20	4.6%
Veh Ops Cost Per VSM	$12.14	$9.86	$10.78	$11.09	$12.22	0.7%
Veh Ops Cost Per Psgr Trip	$1.87	$1.28	$2.12	$1.93	$1.36	-27.1%
Veh Ops Cost Per Psgr Mile	$1.15	$0.92	$1.61	$1.34	$1.00	-13.4%
Service Miles Per Service Hr	5.3	5.3	5.3	5.4	5.5	3.9%
Service Hours / Total Hours	99.4%	99.6%	99.5%	100.0%	100.0%	0.6%
Service Miles / Total Miles	99.7%	99.8%	99.7%	100.0%	100.0%	0.3%
Avg Psgr Miles per Psgr Trip	1.6	1.4	1.3	1.4	1.4	-15.8%

Source: National Transit Database

APPENDIX F: MAINTENANCE PERFORMANCE

This section provides an analysis of cost indicators related to maintenance measures as reported in the NTD over a five-year period (FY 2018 to FY 2022). Maintenance costs for fixed-route services increased from $12.2 million in FY 2018 to $15.3 million in FY 2022, a 24.6 percent increase. Maintenance costs per vehicle hour and per vehicle mile increased by 48.6 percent and 47.5 percent, respectively. Maintenance cost per active vehicle increased by 62.4 percent. Vehicle hours per maintenance pay hour and vehicle miles per maintenance pay hour, functions of maintenance productivity, decreased by 15.2 percent and 14.5 percent, respectively. Vehicle hours per active vehicle and vehicle miles per active vehicle increased by 9.3 percent and 10.1percent, respectively.

Maintenance costs for HARTPlus paratransit service increased by 53.8 percent during the five-year period, according to the NTD. Consequently, maintenance cost per vehicle hour and per vehicle mile increased by 29.7 percent and 36 percent, respectively. Maintenance cost per active vehicle increased by 108.9 percent. Vehicle hours per active vehicle and vehicle miles per active vehicle increased by 61.1 percent and 53.6 percent, respectively. The vehicle spare ratio decreased from 100 percent to 17.8 percent during the period, as the number of peak vehicles increased by 25 percent while the number of active vehicles decreased 26.4 percent FY 2018 to FY 2022.

Maintenance costs for the TECO Line Streetcar service increased by 65.5 percent during the review period. Maintenance cost per vehicle hour and per vehicle mile decreased by 8.4 percent and 12.1 percent, respectively. Maintenance cost per active vehicle increased by 35.4 percent. Vehicle hours per active vehicle and vehicle miles per active vehicle increased by 47.9 percent and 54.1 percent, respectively. Maintenance performance tables for HART Fixed Route, HARTPlus Paratransit, and TECO Streetcar service modes are included in Tables 20-22.

Table 20: FY 2018-FY 2022 NTD Maintenance Performance Indicators – Fixed Route

BASE DATA & PERFORMANCE INDICATORS	BASE YEAR FY18	FY19	FY20	FY21	FY22	% CHANGE FY18-FY22
Cost for Maintenance	$12,284,585	$13,453,769	$16,979,638	$16,417,029	$15,310,751	24.6%
Maintenance Pay Hours	263,942	269,687	290,647	263,176	261,050	-1.1%
Total Vehicle Hours	660,695	693,279	565,663	602,434	554,216	-16.1%
Total Vehicle Miles	8,467,971	9,073,833	7,355,329	7,652,872	7,157,294	-15.5%
Active Vehicles	172	185	185	145	132	-23.3%
Peak Vehicles	133	137	133	125	99	-25.6%
Total Vehicle Failures	1,849	1,690	1,257	1,432	1,730	-6.4%
Maintenance Cost per Veh Hour	$18.59	$19.41	$30.02	$27.25	$27.63	48.6%
Maintenance Cost per Veh Mile	$1.45	$1.48	$2.31	$2.15	$2.14	47.5%
Maintenance Cost per Active Veh	$71,422	$72,723	$91,782	$113,221	$115,991	62.4%
Veh Hours per Maint Pay Hour	2.50	2.57	1.95	2.29	2.12	-15.2%
Veh Miles per Maint Pay Hour	32.08	33.65	25.31	29.08	27.42	-14.5%
Veh Hours per Active Vehicle	3,841	3,747	3,058	4,155	4,199	9.3%
Veh Miles per Active Vehicle	49,232	49,048	39,759	52,778	54,222	10.1%
Veh Miles Between Failures	4,580	5,369	5,851	5,344	4,137	-9.7%
Spare Ratio	29.3%	35.0%	39.1%	16.0%	33.3%	13.7%

Source: National Transit Database

Table 21: FY 2018-FY 2022 NTD Maintenance Performance Indicators – Paratransit

BASE DATA & PERFORMANCE INDICATORS	BASE YEAR FY18	FY19	FY20	FY21	FY22	% CHANGE FY18-FY22
Cost for Maintenance	$644,855	$727,163	$561,893	$962,951	$991,718	53.8%
Maintenance Pay Hours	8,917	9,390	12,490	21,176	21,288	138.7%
Total Vehicle Hours	123,121	138,070	108,036	120,912	146,021	18.6%
Total Vehicle Miles	1,746,732	2,056,151	1,555,209	1,599,966	1,974,734	13.1%
Active Vehicles	72	73	73	53	53	-26.4%
Peak Vehicles	36	56	56	45	45	25.0%
Total Vehicle Failures	183	267	188	142	216	18.0%
Maintenance Cost Per Veh Hour	$5.24	$5.27	$5.20	$7.96	$6.79	29.7%
Maintenance Cost Per Veh Mile	$0.37	$0.35	$0.36	$0.60	$0.50	36.0%
Maintenance Cost Per Active Veh	$8,956	$9,961	$7,697	$18,169	$18,712	108.9%
Veh Hours per Maint Pay Hour	13.81	14.70	8.65	5.71	6.86	-50.3%
Veh Miles per Maint Pay Hour	195.89	218.97	124.52	75.56	92.76	-52.6%
Veh Hours Per Active Vehicle	1,710	1,891	1,480	2,281	2,755	61.1%
Veh Miles Per Active Vehicle	24,260	28,166	21,304	30,188	37,259	53.6%
Veh Miles Between Failures	9,545	7,701	8,272	11,267	9,142	-4.2%
Spare Ratio	100.0%	30.4%	30.4%	17.8%	17.8%	-82.2%

Source: National Transit Database

Table 22: FY 2018-FY 2022 NTD Maintenance Performance Indicators – Streetcar

BASE DATA & PERFORMANCE INDICATORS	BASE YEAR FY18	FY19	FY20	FY21	FY22	% CHANGE FY18-FY22
Cost for Maintenance	$657,574	$881,960	$1,009,215	$1,085,444	$1,088,548	65.5%
Total Vehicle Hours	12,440	21,764	21,573	23,620	22,487	80.8%
Total Vehicle Miles	65,627	114,149	114,263	127,879	123,616	88.4%
Active Vehicles	9	8	8	11	11	22.2%
Peak Vehicles	3	4	4	4	4	33.3%
Maintenance Cost Per Veh Hour	$52.86	$40.52	$46.78	$45.95	$48.41	-8.4%
Maintenance Cost Per Veh Mile	$10.02	$7.73	$8.83	$8.49	$8.81	-12.1%
Maintenance Cost Per Active Veh	$73,064	$110,245	$126,152	$98,677	$98,959	35.4%
Veh Hours Per Active Vehicle	1,382	2,721	2,697	2,147	2,044	47.9%
Veh Miles Per Active Vehicle	7,292	14,269	14,283	11,625	11,238	54.1%
Spare Ratio	200.0%	100.0%	100.0%	175.0%	175.0%	-12.5%

Source: National Transit Database

APPENDIX G: ADMINISTRATIVE PERFORMANCE INDICATORS

This section provides an analysis of cost indicators related to administrative measures as reported in the NTD over a five-year period (FY 2018 to FY 2022). Administrative costs reported to fixed-route service increased 13.8 percent for the five-year period (FY 2018 to FY 2022) while administration pay costs increased 25.1 percent. As a result of the increase in costs and decrease in ridership, performance indicators measured by cost per vehicle hour, per vehicle mile, and per passenger trip exhibited increases. Administrative cost per vehicle hour and per vehicle mile increased by 34.1 percent and 34.4 percent, respectively; administrative cost per passenger trip and per passenger mile increased by 36.7 percent and 61.1 percent, respectively.

Administrative costs for HARTPlus paratransit increased by 338.4 percent over the five-year period although administrative pay hours decreased 54.7 percent. Administrative cost per vehicle hour and per vehicle mile increased by 272.2 percent and 288.8 percent, respectively; administrative cost per passenger trip and per passenger mile increased by 308.2 percent and 304.6 percent, respectively.

For the TECO Line Streetcar, administrative costs increased by 43.9 percent during the review period. Combined with increases in service hours and miles, and ridership, administrative cost per vehicle service hour, per vehicle service mile, per passenger trip, and per passenger mile decreased. Administrative cost per vehicle hour and per vehicle mile decreased by 20.9 percent and 23.9 percent, respectively; administrative cost per passenger trip and per passenger mile decreased by 44.9 percent and 34.5 percent, respectively. Administrative performance tables have been included in Tables 23-25.

Table 23: FY 2018-FY 2022 NTD Administration Performance Indicators – Fixed Route

BASE DATA & PERFORMANCE INDICATORS	BASE YEAR FY18	FY19	FY20	FY21	FY22	% CHANGE FY18-FY22
Costs for Administration	$30,076,561	$29,120,260	$22,121,592	$27,520,134	$34,227,942	13.8%
Administration Pay Hours	138,693	137,471	118,025	177,843	173,543	25.1%
Vehicle Service Hours (VSH)	631,676	662,200	536,222	584,719	535,992	-15.1%
Vehicle Service Miles (VSM)	7,727,207	8,199,395	6,559,426	7,187,617	6,544,375	-15.3%
Unlinked Passenger Trips	11,586,334	12,032,360	8,306,062	9,570,801	9,644,403	-16.8%
Passenger Miles	69,745,753	71,147,496	50,056,896	40,146,760	49,254,823	-29.4%
Admin Cost Per VSH	$47.61	$43.98	$41.25	$47.07	$63.86	34.1%
Admin Cost Per VSM	$3.89	$3.55	$3.37	$3.83	$5.23	34.4%
Admin Cost per Psgr Trip	$2.60	$2.42	$2.66	$2.88	$3.55	36.7%
Admin Cost per Psgr Mile	$0.43	$0.41	$0.44	$0.69	$0.69	61.1%
VSH per Admin Pay Hour	4.55	4.82	4.54	3.29	3.09	-32.2%
VSM per Admin Pay Hour	55.71	59.64	55.58	40.42	37.71	-32.3%

Source: National Transit Database

Table 24: FY 2018-FY 2022 NTD Administration Performance Indicators – Paratransit

BASE DATA & PERFORMANCE INDICATORS	BASE YEAR FY18	FY19	FY20	FY21	FY22	% CHANGE FY18-FY22
Costs for Administration	$170,045	$1,068,542	$1,011,937	$837,826	$745,509	338.4%
Administration Pay Hours	24,272	22,309	22,719	14,362	11,001	-54.7%
Vehicle Service Hours (VSH)	104,286	120,620	93,127	100,864	122,835	17.8%
Vehicle Service Miles (VSM)	1,514,934	1,809,676	1,347,846	1,363,101	1,708,365	12.8%
Unlinked Passenger Trips	172,054	196,897	140,509	134,293	184,771	7.4%
Passenger Miles	1,575,340	1,907,491	1,258,118	1,127,993	1,707,085	8.4%
Admin Cost Per VSH	$1.63	$8.86	$10.87	$8.31	$6.07	272.2%
Admin Cost Per VSM	$0.11	$0.59	$0.75	$0.61	$0.44	288.8%
Admin Cost per Psgr Trip	$0.99	$5.43	$7.20	$6.24	$4.03	308.2%
Admin Cost per Psgr Mile	$0.11	$0.56	$0.80	$0.74	$0.44	304.6%
VSH per Admin Pay Hour	4.30	5.41	4.10	7.02	11.17	159.9%
VSM per Admin Pay Hour	62.41	81.12	59.33	94.91	155.29	148.8%

Source: National Transit Database

Table 25: 17 – FY 2018-FY 2022 NTD Administration Performance Indicators – Streetcar

BASE DATA & PERFORMANCE INDICATORS	BASE YEAR FY18	FY19	FY20	FY21	FY22	% CHANGE FY18-FY22
Costs for Administration	$125,804	$252,658	$147,918	$134,787	$180,985	43.9%
Administration Pay Hours	242	207	200	323	0	-100.0%
Vehicle Service Hours (VSH)	12,367	21,672	21,475	23,620	22,487	81.8%
Vehicle Service Miles (VSM)	65,410	113,872	113,969	127,879	123,616	89.0%
Unlinked Passenger Trips	424,302	878,343	580,397	735,086	1,107,584	161.0%
Passenger Miles	690,084	1,220,892	762,728	1,062,310	1,516,343	119.7%
Admin Cost Per VSH	$10.17	$11.66	$6.89	$5.71	$8.05	-20.9%
Admin Cost Per VSM	$1.92	$2.22	$1.30	$1.05	$1.46	-23.9%
Admin Cost per Psgr Trip	$0.30	$0.29	$0.25	$0.18	$0.16	-44.9%
Admin Cost per Psgr Mile	$0.18	$0.21	$0.19	$0.13	$0.12	-34.5%

Source: National Transit Database

APPENDIX H: HART FARE PASSES AND PACKAGES

Local 1-Day Unlimited passes provide an unlimited number of rides on the date which the pass is activated. HARTride passes cost $4.00 for local trips/services and limited express routes and $6.00 for Express routes with a half-fare discount policy. The Express Route 1-Day Unlimited goes beyond local route limitations and allows riders to use Express Routes for the valid day as well (Table 26). Ticket packages such as the 10 Pack of 1-Day Unlimited HART Fare Local and Limited Express allow the buyer to activate each 1-Day ticket on the necessary date. Neither singular 1-Day tickets or ticket packages expire and can be used for a single day once the card is validated.

Packages induces a 31-Day Unlimited HART Fare. This Unlimited pass is $65.00 for local and limited express, $95.00 for express and offers the same discounted fare conventions as all other ticketing options. There are supplementary bulk ticket package options like the 10-pack, 1-day Unlimited HART Fare which provides ten single-day unlimited passes which can be validated on a date determined by the user. These passes cost $37.00 for local and limited express and $53.00 for a 10-pack of express passes. Similarly, the same discounted fare conventions apply as all other ticketing options.

Table 26: HART Day Pass Options

PASS TYPE	PASS PRICE	DISCOUNTED PASS PRICE
Local 1-Day Unlimited	$4.00	$2.00
Express Route 1-Day Unlimited	$6.00	$3.00
PACKAGE TYPE	**PACKAGE PRICE**	**DISCOUNTED PACKAGE PRICE**
10 Pack of 1-Day Unlimited HART Fare Local and Limited Express	$37.00	
10 Pack of 1-Day Unlimited HART Fare Local and Unlimited Express	$53.00	
31 Day Unlimited Local and Limited Express	$65.00	

APPENDIX I: FUNDING DESCRIPTIONS

FTA SECTION 5307

FTA Section 5307 provides formula grants available to urbanized areas and to governors for transit capital and operating assistance in urbanized areas and for transportation-related planning. Governors, responsible local officials, and publicly owned operators of transit services shall designate a recipient to apply for, receive, and dispense funds for urbanized areas. HART is a direct recipient of these urbanized area formula grant funds, which are allocated towards operating and capital assistance. Based on a five-year annual average, HART has received $14.7 million.

FTA SECTION 5309

FTA Section 5309 is a discretionary grant program that funds transit capital investments including heavy rail, commuter rail, light rail, streetcars and bus rapid transit. Funding received by HART under this program has averaged $34,456 over the five-year period.

FTA SECTION 5310

FTA Section 5310 provides formula funding to states and designated recipients to meet the transportation needs of older adults and people with disabilities when the transportation service provided is unavailable, insufficient, or inappropriate to meeting these needs. Funds are apportioned based on each state's share of the population for these two groups. Formula funds are apportioned to direct recipients; for rural and small urban areas, this is the state Department of Transportation, while in large urban areas, the governor chooses a designated recipient. The program aims to improve mobility for older adults and people with disabilities by removing barriers to transportation service and expanding transportation mobility options. This program supports transportation services planned, designed, and carried out to meet the transportation needs of older adults and people with disabilities in all areas. HART is a sub-recipient of Section 5310 funds passed through the District 7 Office of Modal Development of the Florida Department of Transportation (FDOT). FTA Section 5310 revenues have averaged $397,729 from FY 2018 to FY 2022.

FTA SECTION 5337 – STATE OF GOOD REPAIR

FTA Section 5337, State of Good Repair Program, provides capital assistance for maintenance, replacement, and rehabilitation projects of high-intensity fixed guideway and motorbus systems to help transit agencies maintain assets in a state of good repair in urbanized areas. Additionally, State of Good Repair formula grants are eligible for developing and implementing Transit Asset Management plans. HART has received an average $764,847 during the five-year period.

FTA SECTION 5339

The Bus and Bus Facilities Program provides funding to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities including technological changes or innovations to modify low or no emission vehicles or facilities. Funding is provided through formula allocations and discretionary grants. This was a new formula grant program in MAP-21 that replaced FTA Section 5309 from SAFETEA-LU. The program provides funding to replace, rehabilitate and purchase buses and related equipment and to construct bus-related facilities. The program requires a 20 percent local match. Funding for FTA Section 5339 totals $3.7 billion under the FAST Act and remains unchanged under the current federal authorization. Funding received under this discretionary program has averaged $3.3 million.

ONE-TIME FEDERAL FUNDING SUPPLEMENT

In response to the pandemic, Congress enacted a series of financial relief measures to mitigate the fiscal and economic impacts in the public and private sectors. For public transit operators, relief funds were made available through the FTA to cover a variety of operating and capital costs including salaries and benefits, personal protective equipment, and preventative maintenance.

The first of these appropriations was the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which provides funds for expenses eligible under FTA Sections 5307 and 5311. HART received supplemental FTA Section 5307 funding under the CARES Act amounting to $16.6 million in FY 2020 and $23.3 million in FY 2021. The second coronavirus relief appropriation was the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA). Like the CARES Act, CRRSAA provided supplemental formula funding under FTA Section 5307 but also provided funds for expenses eligible under FTA Section 5310. The CRRSAA requires that all CARES Act funds that remained unobligated as of December 27, 2020, as well as all CRRSAA funds shall, to the maximum extent possible, be directed to payroll and operations of public transit (including payroll and expenses of private providers of public transportation), unless the recipient certified to FTA that the recipient has not furloughed any employees. Funding received under CRRSAA was $15.7 million in FY 2022.

The third relief appropriation is the American Rescue Plan Act (ARPA). ARPA also provides supplemental formula funds for eligible expenses under FTA Sections 5307 and 5311. And just as under CRRSAA, ARPA also provides funds for eligible expenses under FTA Section 5310. HART received $9.8 million in ARPA funding in FY 2022.

CNG FUEL CREDITS

These pertain to revenues received from the federal government for Alternative Fuel Credits based on HART's Compressed Natural Gas (CNG) usage. Section 13201 of the Inflation Reduction Act extends the $0.50 per gasoline gallon equivalent excise tax credits for alternative fuels from 2021 through 2024. Public transit agencies that fuel their vehicles with CNG, liquefied natural gas (LNG), or liquified hydrogen benefit from this tax credit. Fuel credits were received in FY 2021 and FY 2022 for $944,141 and $332,014, respectively.

FHWA PASS-THROUGH GRANTS

Florida receives funding by contract authority from the United States Department of Transportation's Federal Highway Administration (FHWA) through the Surface Development Block Grant. Subject to the overall federal-aid obligation limitation, a portion of these allocations are for transportation "alternatives" or "enhancements." Under the Transportation Regional Incentive Program, HART was able to fund its Regional Mobility Fare Collection program. Other pass-through grants from FDOT have included a $2.7 million Innovation Grant in 2018. This grant allowed for the TECO Line Streetcar to expand services with increased frequency and service hours. In 2023, HART was awarded a $700,000 Commuter Assistance grant through FDOT that will allow the streetcar to remain fare free for an additional year.

STATE PUBLIC TRANSIT BLOCK GRANT PROGRAM

The Public Transit Block Grant Program was enacted by the Florida Legislature to provide a stable source of funding for public transit. Funds are awarded by FDOT to those public transit operators eligible to receive funding from the FTA Sections 5307 and 5311 formula programs. Public Transit Block Grant Program funds may be used for eligible capital and operating costs of providing public transit service.

Program funds may also be used for transit service development and transit corridor projects. Public Transit Block Grant projects must be consistent with applicable approved local government comprehensive plans. State participation is limited to 50 percent of the non-federal share of capital projects. Program funds may be used to pay up to 50 percent of eligible operating costs, or an amount equal to the total revenue, excluding farebox, charter, and advertising revenue, and federal funds received by the provider for operating costs, whichever amount is less. Public Transit Block Grants received have ranged from $7.1 million in FY 2018 to $8.6 million in FY 2020 with an average annual amount of $8.1 million.

PASSENGER FARE REVENUES

Passenger fares comprise the largest source of direct operating revenues for the agency. Fares are charged for most service modes. There are four cash fare categories on the fixed routes. There are two fare categories on the HARTPlus paratransit service and the HARTFlex service, respectively. In addition, multi-ride passes and tickets are available for purchase. The TECO Line Streetcar has been fare-free since 2018 when HART was awarded $2.7 million Innovation Grant by the FDOT. This allowed for streetcar services to expand services with increased frequency and service hours. In 2023, HART was awarded a $700,000 Commuter Assistance grant through FDOT that will allow the streetcar to remain fare free for an additional year. Passenger fare revenues have averaged $9.6 million annually from FY 2018 to FY 2022.

FY 2018 saw the highest fare revenues of $12.57 million while FY 2021 recorded the lowest revenues of $6.2 million.

ADVERTISING REVENUE

One of the sources of direct ancillary revenue is through HART’s advertising program. Advertising space is available on HART buses, bus shelters, on-bus annunciators and scroll texting. The agency has retained several vendors to sell its advertising space to local businesses and organizations. Advertising income has averaged $1.2 million from FY 2018 to FY 2022. The agency received its highest revenues of the period in FY 2021, which amounted to more than $1.7 million.

AD VALOREM TAXES

A significant source of non-direct local revenue for HART has been ad valorem taxes. HART has been determined to be an “Independent Special District” as described in Section 189.403, Florida Statutes, and is authorized to levy an ad valorem tax of up to one-half mill (0.50) on the taxable value of real and tangible personal property within the jurisdiction of its members. HART is currently capped at a millage rate of .5000. A millage rate is the amount per $1,000 used to calculate property taxes owed. HART budgets at 95 percent of ad valorem proceeds. Ad valorem tax revenues have comprised about one-half of HART's total local revenues.

In addition, revenues from HART's portion of a 1 percent Transportation Improvement Surtax were anticipated to be received. These funds were held from current use until HART receives authorization to utilize the funds as well as direction on how the moneys are to be spent. The countywide transportation surtax failed to pass in November 2022, which would have funded road and transit improvements in the region. HART would have received 45 percent of the money generated by the surtax. The agency would have been required to spend at least 45 percent of that amount enhancing bus services and at least 25 percent expanding transit services that utilize exclusive transit right-of-way for at least half the length of the service.

LOCAL CONTRIBUTIONS

HART receives local support contributions from constituent jurisdictions such as the City of Tampa. The City contributes to the agency from its General Fund and Tax Increment Refinancing revenues to support the TECO Line Streetcar.

APPENDIX J: NTD REPORTS – 2021 - 2017

http://www.gohart.org/
1201 E. 7Th Avenue
Tampa, Fl 33605-3502

Hillsborough Area Regional Transit Authority
2021 Annual Agency Profile

General Information

Urbanized Area Statistics - 2010 Census

Tampa-St. Petersburg, FL

957	Square Miles
2,441,770	Population
17	Pop. Rank out of 498 UZAs

Other UZAs Served

0 Florida Non-UZA

Service Area Statistics

1,243	Square Miles
1,419,998	Population

Service Consumption

42,370,544	Annual Passenger Miles (PMT)
10,448,184	Annual Unlinked Trips (UPT)
32,734	Average Weekday Unlinked Trips
21,427	Average Saturday Unlinked Trips
16,961	Average Sunday Unlinked Trips

Service Supplied

8,712,080	Annual Vehicle Revenue Miles (VRM)
714,931	Annual Vehicle Revenue Hours (VRH)
199	Vehicles Operated in Maximum Service (VOMS)
234	Vehicles Available for Maximum Service (VAMS)

Database Information

NTDID: 40041
Reporter Type: Full Reporter
Asset Type: Tier I (Rail)
Sponsor NTDID:

Assets

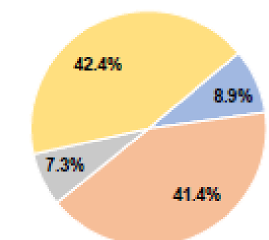
Revenue Vehicles	320
Service Vehicles	66
Facilities	27
Track Miles	3.50
Lane Miles	1.10

Financial Information

Sources of Operating Funds Expended

Fares and Directly Generated	$8,195,303	8.9%
Local Funds	$38,042,853	41.4%
State Funds	$6,743,794	7.3%
Federal Assistance	$38,972,910	42.4%
Total Operating Funds Expended	$91,954,860	100.0%

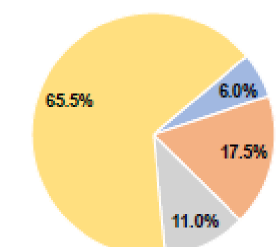
Operating Funding Sources



Sources of Capital Funds Expended

Fares and Directly Generated	$452,017	6.0%
Local Funds	$1,316,309	17.5%
State Funds	$826,433	11.0%
Federal Assistance	$4,928,489	65.5%
Total Capital Funds Expended	$7,523,248	100.0%

Capital Funding Sources



Summary of Operating Expenses (OE)

Labor	$69,348,502	73.9%
Materials and Supplies	$7,748,433	8.3%
Purchased Transportation	$124,521	0.1%
Other Operating Expenses	$16,642,992	17.7%
Total Operating Expenses	$93,864,448	100.0%
Reconciling OE Cash Expenditures	-$1,909,588	
Purchased Transportation (Reported Separately)	$0	

Modal Characteristics

Modal Overview

Mode	Vehicles Operated in Maximum Service: Directly Operated	Vehicles Operated in Maximum Service: Purchased Transportation	Uses of Capital Funds: Revenue Vehicles	Systems and Guideways	Facilities and Stations	Other	Total
Demand Response	45 [1]	25 [1]	$4,232,967	$0	$0	$0	$4,232,967
Bus	125	-	$0	$1,586,437	$343,038	$1,360,806	$3,290,281
Street Car Rail	4	-	$0	$0	$0	$0	$0
Total	174	25	$4,232,967	$1,586,437	$343,038	$1,360,806	$7,523,248

Operation Characteristics

Mode	Operating Expenses	Fare Revenues	Uses of Capital Funds	Annual Passenger Miles	Annual Unlinked Trips	Annual Vehicle Revenue Miles	Annual Vehicle Revenue Hours	Fixed Guideway Directional Route Miles	Vehicles Available for Maximum Service	Vehicles Operated in Maximum Service	Percent Spare Vehicles	Average Fleet Age in Years[3]
Demand Response	$8,802,158 [1]	$525,652 [1]	$4,232,967	1,161,476	142,297	1,396,584	106,592	0.0	78	70 [1]	11.4%	2.7
Bus	$82,423,803	$5,746,646	$3,290,281	40,146,758	9,570,801	7,187,617	584,719	0.0	145	125	16.0%	8.0
Street Car Rail	$2,638,487	$0	$0	1,062,310	735,086	127,879	23,620	5.4	11	4	175.0%	23.0
Total	$93,864,448	$6,272,298	$7,523,248	42,370,544	10,448,184	8,712,080	714,931	5.4	234	199	15.0%	

Performance Measures

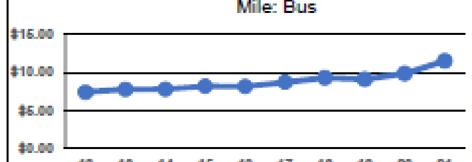
Service Efficiency

Mode	Operating Expenses per Vehicle Revenue Mile	Operating Expenses per Vehicle Revenue Hour
Demand Response	$6.30	$82.58
Bus	$11.47	$140.96
Street Car Rail	$20.63	$111.71
Total	$10.77	$131.29

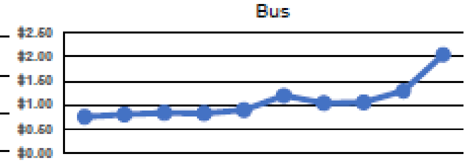
Service Effectiveness

Mode	Operating Expenses per Passenger Mile	Operating Expenses per Unlinked Passenger Trip	Unlinked Trips per Vehicle Revenue Mile	Unlinked Trips per Vehicle Revenue Hour
Demand Response	$7.58	$61.86	0.1	1.3
Bus	$2.05	$8.61	1.3	16.4
Street Car Rail	$2.48	$3.59	5.7	31.1
Total	$2.22	$8.98	1.2	14.6

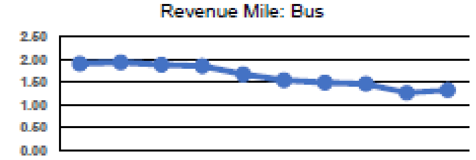
Operating Expense per Vehicle Revenue Mile: Bus



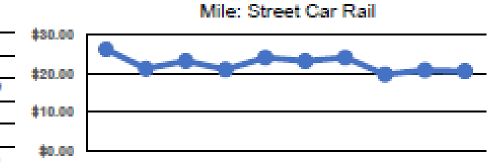
Operating Expense per Passenger Mile: Bus



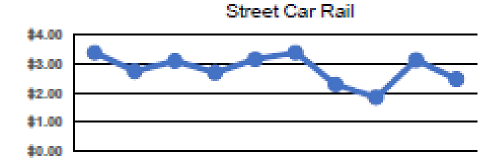
Unlinked Passenger Trip per Vehicle Revenue Mile: Bus



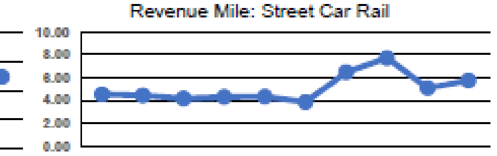
Operating Expense per Vehicle Revenue Mile: Street Car Rail



Operating Expense per Passenger Mile: Street Car Rail



Unlinked Passenger Trip per Vehicle Revenue Mile: Street Car Rail



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1201 E. 7Th Avenue
Tampa, Fl 33605-3502

Hillsborough Area Regional Transit Authority
2020 Annual Agency Profile

General Information

Urbanized Area Statistics - 2010 Census
Tampa-St. Petersburg, FL
957 Square Miles
2,441,770 Population
17 Pop. Rank out of 498 UZAs

Service Consumption
52,077,742 Annual Passenger Miles (PMT)
9,026,968 Annual Unlinked Trips (UPT)
28,122 Average Weekday Unlinked Trips
18,755 Average Saturday Unlinked Trips
14,011 Average Sunday Unlinked Trips

Database Information
NTDID: 40041
Reporter Type: Full Reporter
Asset Type: Tier I (Rail)
Sponsor NTDID:

Service Area Statistics
255 Square Miles
807,015 Population

Service Supplied
8,021,241 Annual Vehicle Revenue Miles (VRM)
650,824 Annual Vehicle Revenue Hours (VRH)
193 Vehicles Operated in Maximum Service (VOMS)
266 Vehicles Available for Maximum Service (VAMS)

Assets

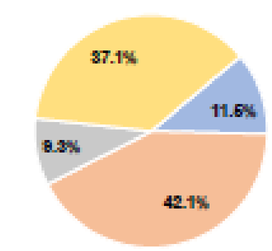
Revenue Vehicles	283
Service Vehicles	64
Facilities	25
Track Miles	10.46
Lane Miles	-

Financial Information

Sources of Operating Funds Expended

Fares and Directly Generated	$10,365,198	11.5%
Local Funds	$37,867,156	42.1%
State Funds	$8,390,631	9.3%
Federal Assistance	$33,379,962	37.1%
Total Operating Funds Expended	$90,002,947	100.0%

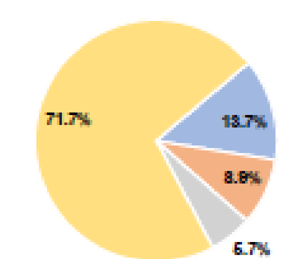
Operating Funding Sources



Sources of Capital Funds Expended

Fares and Directly Generated	$514,236	13.7%
Local Funds	$335,090	8.9%
State Funds	$215,463	5.7%
Federal Assistance	$2,694,059	71.7%
Total Capital Funds Expended	$3,758,848	100.0%

Capital Funding Sources



Summary of Operating Expenses (OE)

Labor	$48,131,359	66.7%
Materials and Supplies	$8,952,406	12.4%
Purchased Transportation	$0	0.0%
Other Operating Expenses	$15,103,725	20.9%
Total Operating Expenses	$72,187,490	100.0%
Reconciling OE Cash Expenditures	$1,259,232	
Purchased Transportation (Reported Separately)	$0	

Modal Characteristics

Modal Overview

Mode	Vehicles Operated in Maximum Service: Directly Operated	Vehicles Operated in Maximum Service: Purchased Transportation	Uses of Capital Funds: Revenue Vehicles	Systems and Guideways	Facilities and Stations	Other	Total
Demand Response	56	-	$0	$0	$0	$0	$0
Bus	133	-	$0	$1,014,081	$1,727,799	$957,660	$3,699,540
Street Car Rail	4	-	$0	$0	$59,308	$0	$59,308
Total	193	-	$0	$1,014,081	$1,787,107	$957,660	$3,758,848

Operation Characteristics

Mode	Operating Expenses	Fare Revenues	Uses of Capital Funds	Annual Passenger Miles	Annual Unlinked Trips	Annual Vehicle Revenue Miles	Annual Vehicle Revenue Hours	Fixed Guideway Directional Route Miles	Vehicles Available for Maximum Service	Vehicles Operated in Maximum Service	Percent Spare Vehicles	Average Fleet Age in Years*
Demand Response	$5,290,226	$564,500	$0	1,258,118	140,509	1,347,846	93,127	0.0	73	56	30.4%	4.7
Bus	$64,511,424	$8,265,610	$3,699,540	50,056,896	8,306,062	6,559,426	536,222	0.0	185	133	39.1%	7.4
Street Car Rail	$2,385,840	$0	$59,308	762,728	580,397	113,969	21,475	5.4	8	4	100.0%	21.8
Total	$72,187,490	$8,830,110	$3,758,848	52,077,742	9,026,968	8,021,241	650,824	5.4	266	193	27.4%	

Performance Measures

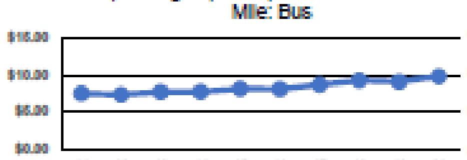
Service Efficiency

Mode	Operating Expenses per Vehicle Revenue Mile	Operating Expenses per Vehicle Revenue Hour
Demand Response	$3.92	$56.81
Bus	$9.83	$120.31
Street Car Rail	$20.93	$111.10
Total	$9.00	$110.92

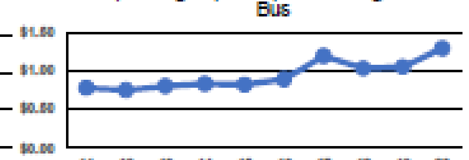
Service Effectiveness

Mode	Operating Expenses per Passenger Mile	Operating Expenses per Unlinked Passenger Trip	Unlinked Trips per Vehicle Revenue Mile	Unlinked Trips per Vehicle Revenue Hour
Demand Response	$4.20	$37.65	0.1	1.5
Bus	$1.29	$7.77	1.3	15.5
Street Car Rail	$3.13	$4.11	5.1	27.0
Total	$1.39	$8.00	1.1	13.9

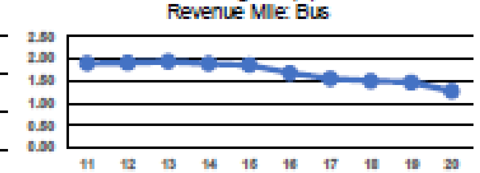
Operating Expense per Vehicle Revenue Mile: Bus



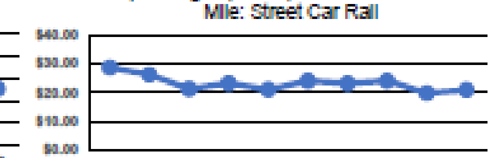
Operating Expense per Passenger Mile: Bus



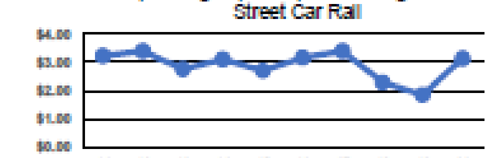
Unlinked Passenger Trip per Vehicle Revenue Mile: Bus



Operating Expense per Vehicle Revenue Mile: Street Car Rail



Operating Expense per Passenger Mile: Street Car Rail



Unlinked Passenger Trip per Vehicle Revenue Mile: Street Car Rail

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1201 E. 7th Avenue
Tampa, FL 33605-2311

Hillsborough Area Regional Transit Authority

2019 Annual Agency Profile

Interim Chief Executive Officer: Mrs. Carolyn House Stewart
(813) 384-6266

General Information

Urbanized Area Statistics - 2010 Census
Tampa-St. Petersburg, FL
957 **Square Miles**
2,441,770 **Population**
17 **Pop. Rank out of 498 UZAs**

Service Consumption
74,275,881 **Annual Passenger Miles (PMT)**
13,107,600 **Annual Unlinked Trips (UPT)**
41,398 **Average Weekday Unlinked Trips**
27,238 **Average Saturday Unlinked Trips**
19,615 **Average Sunday Unlinked Trips**

Database Information
NTDID: 40041
Reporter Type: Full Reporter

Service Area Statistics
255 **Square Miles**
807,015 **Population**

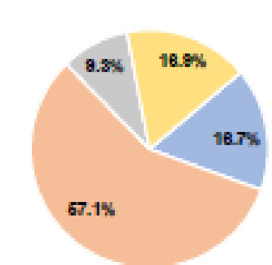
Service Supplied
10,122,943 **Annual Vehicle Revenue Miles (VRM)**
804,492 **Annual Vehicle Revenue Hours (VRH)**
197 **Vehicles Operated in Maximum Service (VOMS)**
266 **Vehicles Available for Maximum Service (VAMS)**

Financial Information

Sources of Operating Funds Expended

Fares and Directly Generated	$14,133,588	16.7%
Local Funds	$48,413,436	57.1%
State Funds	$7,874,896	9.3%
Federal Assistance	$14,348,461	16.9%
Total Operating Funds Expended	$84,770,381	100.0%

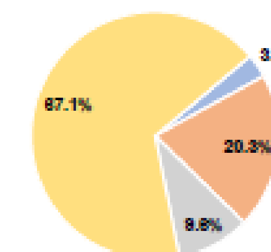
Operating Funding Sources



Sources of Capital Funds Expended

Fares and Directly Generated	$451,646	3.1%
Local Funds	$2,952,573	20.3%
State Funds	$1,392,301	9.6%
Federal Assistance	$9,769,415	67.1%
Total Capital Funds Expended	$14,565,935	100.0%

Capital Funding Sources



Summary of Operating Expenses (OE)

Labor	$59,356,898	71.1%
Materials and Supplies	$9,658,305	11.6%
Purchased Transportation	$0	0.0%
Other Operating Expenses	$14,492,814	17.4%
Total Operating Expenses	$83,508,017	100.0%
Reconciling OE Cash Expenditures	$1,262,364	
Purchased Transportation (Reported Separately)	$0	

Modal Characteristics

Modal Overview

	Vehicles Operated in Maximum Service		Uses of Capital Funds				
Mode	Directly Operated	Purchased Transportation	Revenue Vehicles	Systems and Guideways	Facilities and Stations	Other	Total
Demand Response	56	-	$1,101,414	$286,462	$0	$0	$1,387,876
Bus	137	-	$8,829,677	$2,429,714	$935,141	$632,877	$12,827,409
Street Car Rail	4	-	$0	$127,984	$222,666	$0	$350,650
Total	197	-	$9,931,091	$2,844,160	$1,157,807	$632,877	$14,565,935

Operation Characteristics

Mode	Operating Expenses	Fare Revenues	Uses of Capital Funds	Annual Passenger Miles	Annual Unlinked Trips	Annual Vehicle Revenue Miles	Annual Vehicle Revenue Hours	Fixed Guideway Directional Route Miles	Vehicles Available for Maximum Service	Vehicles Operated in Maximum Service	Percent Spare Vehicles	Average Fleet Age in Years[a]
Demand Response	$6,737,961	$789,186	$1,387,876	1,907,491	196,897	1,809,676	120,620	0.0	73	56	23.3%	3.9
Bus	$74,513,118	$11,483,278	$12,827,409	71,147,498	12,032,360	8,199,395	662,200	0.0	185	137	26.0%	6.8
Street Car Rail	$2,256,938	$0	$350,650	1,220,892	878,343	113,872	21,672	5.4	8	4	50.0%	20.8
Total	$83,508,017	$12,272,464	$14,565,935	74,275,881	13,107,600	10,122,943	804,492	5.4	266	197	25.9%	

Performance Measures

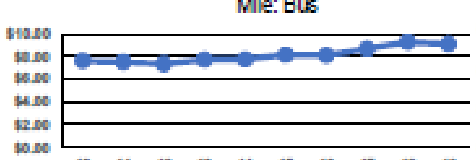
Service Efficiency

Mode	Operating Expenses per Vehicle Revenue Mile	Operating Expenses per Vehicle Revenue Hour
Demand Response	$3.72	$55.86
Bus	$9.09	$112.52
Street Car Rail	$19.82	$104.14
Total	$8.25	$103.80

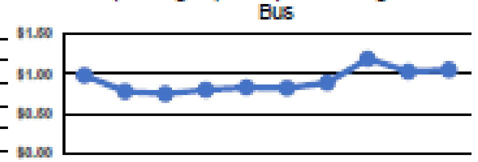
Service Effectiveness

Mode	Operating Expenses per Passenger Mile	Operating Expenses per Unlinked Passenger Trip	Unlinked Trips per Vehicle Revenue Mile	Unlinked Trips per Vehicle Revenue Hour
Demand Response	$3.53	$34.22	0.1	1.6
Bus	$1.05	$6.19	1.5	18.2
Street Car Rail	$1.85	$2.57	7.7	40.5
Total	$1.12	$6.37	1.3	16.3

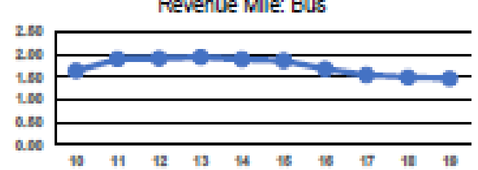
Operating Expense per Vehicle Revenue Mile: Bus



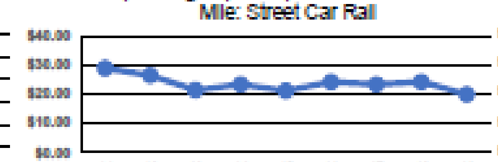
Operating Expense per Passenger Mile: Bus



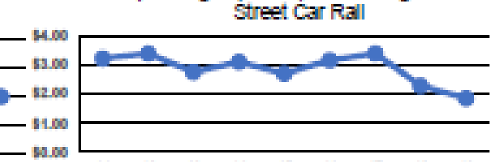
Unlinked Passenger Trip per Vehicle Revenue Mile: Bus



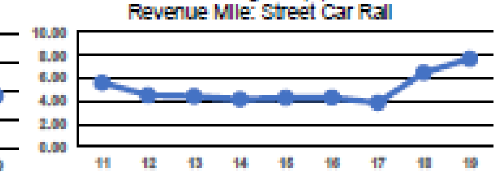
Operating Expense per Vehicle Revenue Mile: Street Car Rail



Operating Expense per Passenger Mile: Street Car Rail



Unlinked Passenger Trip per Vehicle Revenue Mile: Street Car Rail



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1201 E. 7th Avenue
Tampa, FL 33605-2311

Hillsborough Area Regional Transit Authority

2018 Annual Agency Profile

General Information

Urbanized Area Statistics - 2010 Census
Tampa-St. Petersburg, FL
957 Square Miles
2,441,770 Population
17 Pop. Rank out of 498 UZAs

Service Consumption
72,011,177 Annual Passenger Miles (PMT)
12,182,690 Annual Unlinked Trips (UPT)
39,417 Average Weekday Unlinked Trips
24,333 Average Saturday Unlinked Trips
15,958 Average Sunday Unlinked Trips

Database Information
NTDID: 40041
Reporter Type: Full Reporter

Service Area Statistics
255 Square Miles
807,015 Population

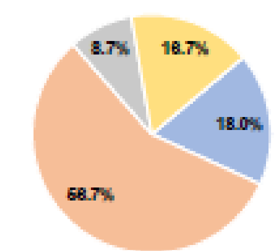
Service Supplied
9,307,551 Annual Vehicle Revenue Miles (VRM)
748,329 Annual Vehicle Revenue Hours (VRH)
172 Vehicles Operated in Maximum Service (VOMS)
253 Vehicles Available for Maximum Service (VAMS)

Financial Information

Sources of Operating Funds Expended

Fares and Directly Generated	$14,575,495	18.0%
Local Funds	$45,888,344	56.7%
State Funds	$7,041,010	8.7%
Federal Assistance	$13,489,061	16.7%
Total Operating Funds Expended	$80,993,910	100.0%

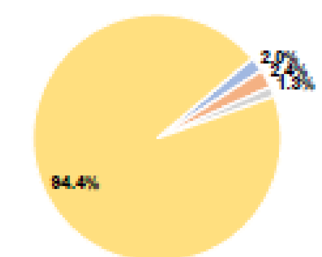
Operating Funding Sources



Sources of Capital Funds Expended

Fares and Directly Generated	$165,288	2.0%
Local Funds	$199,657	2.4%
State Funds	$108,943	1.3%
Federal Assistance	$7,947,669	94.4%
Total Capital Funds Expended	$8,421,557	100.0%

Capital Funding Sources



Summary of Operating Expenses (OE)

Labor	$56,625,695	71.3%
Materials and Supplies	$9,150,593	11.5%
Purchased Transportation	$0	0.0%
Other Operating Expenses	$13,686,519	17.2%
Total Operating Expenses	$79,462,807	100.0%
Reconciling OE Cash Expenditures	$1,531,103	
Purchased Transportation (Reported Separately)	$0	

Modal Characteristics

Modal Overview	Vehicles Operated in Maximum Service		Uses of Capital Funds				
Mode	Directly Operated	Purchased Transportation	Revenue Vehicles	Systems and Guideways	Facilities and Stations	Other	Total
Demand Response	36	-	$725,890	$6,559	$0	$0	$732,449
Bus	133	-	$5,138,750	$1,880,770	$306,908	$263,138	$7,589,566
Street Car Rail	3	-	$0	$96,990	$2,552	$0	$99,542
Total	172	-	$5,864,640	$1,984,319	$309,460	$263,138	$8,421,557

Operation Characteristics

Mode	Operating Expenses	Fare Revenues	Uses of Capital Funds	Annual Passenger Miles	Annual Unlinked Trips	Annual Vehicle Revenue Miles	Annual Vehicle Revenue Hours	Fixed Guideway Directional Route Miles	Vehicles Available for Maximum Service	Vehicles Operated in Maximum Service	Percent Spare Vehicles	Average Fleet Age in Years[a]
Demand Response	$6,144,538	$692,382	$732,449	1,575,340	172,054	1,514,934	104,286	0.0	72	36	50.0%	3.9
Bus	$71,740,564	$11,564,189	$7,589,566	69,745,753	11,586,334	7,727,207	631,676	0.0	172	133	22.7%	6.2
Street Car Rail	$1,577,705	$322,716	$99,542	690,084	424,302	65,410	12,367	5.4	9	3	66.7%	19.8
Total	$79,462,807	$12,579,287	$8,421,557	72,011,177	12,182,690	9,307,551	748,329	5.4	253	172	32.0%	

Performance Measures

Service Efficiency		
Mode	Operating Expenses per Vehicle Revenue Mile	Operating Expenses per Vehicle Revenue Hour
Demand Response	$4.06	$58.92
Bus	$9.28	$113.57
Street Car Rail	$24.12	$127.57
Total	$8.54	$106.19

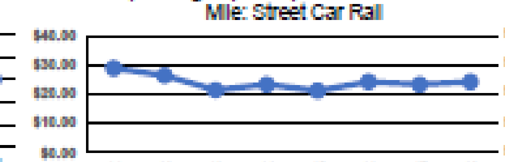
Service Effectiveness				
Mode	Operating Expenses per Passenger Mile	Operating Expenses per Unlinked Passenger Trip	Unlinked Trips per Vehicle Revenue Mile	Unlinked Trips per Vehicle Revenue Hour
Demand Response	$3.90	$35.71	0.1	1.6
Bus	$1.03	$6.19	1.5	18.3
Street Car Rail	$2.29	$3.72	6.5	34.3
Total	$1.10	$6.52	1.3	16.3

Operating Expense per Vehicle Revenue Mile: Bus

Operating Expense per Passenger Mile: Bus

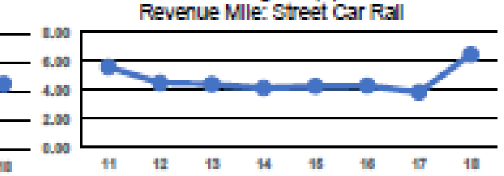
Unlinked Passenger Trip per Vehicle Revenue Mile: Bus

Operating Expense per Vehicle Revenue Mile: Street Car Rail



Operating Expense per Passenger Mile: Street Car Rail

Unlinked Passenger Trip per Vehicle Revenue Mile: Street Car Rail



Notes:

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1201 E. 7th Avenue
Tampa, FL 33605-2311

Hillsborough Area Regional Transit Authority

2017 Annual Agency Profile

General Information

Urbanized Area Statistics - 2010 Census

Tampa-St. Petersburg, FL
957 Square Miles
2,441,770 Population
17 Pop. Rank out of 498 UZAs

Service Consumption

62,929,680 Annual Passenger Miles (PMT)
13,335,761 Annual Unlinked Trips (UPT)
44,247 Average Weekday Unlinked Trips
24,356 Average Saturday Unlinked Trips
16,291 Average Sunday Unlinked Trips

Database Information

NTDID: 40041
Reporter Type: Full Reporter

Service Area Statistics

255 Square Miles
875,598 Population

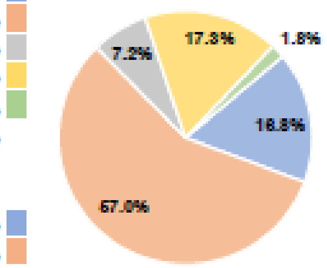
Service Supplied

9,862,653 Annual Vehicle Revenue Miles (VRM)
770,116 Annual Vehicle Revenue Hours (VRH)
201 Vehicles Operated in Maximum Service (VOMS)
245 Vehicles Available for Maximum Service (VAMS)

Financial Information

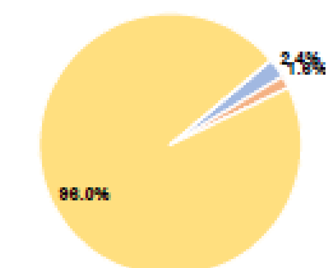
Sources of Operating Funds Expended		
Fare Revenues	$13,753,255	16.8%
Local Funds	$46,670,416	57.0%
State Funds	$5,898,596	7.2%
Federal Assistance	$14,144,839	17.3%
Other Funds	$1,451,197	1.8%
Total Operating Funds Expended	$81,918,303	100.0%

Operating Funding Sources



Sources of Capital Funds Expended		
Fare Revenues	$240,072	2.4%
Local Funds	$154,321	1.6%
State Funds	$0	0.0%
Federal Assistance	$9,549,068	96.0%
Other Funds	$0	0.0%
Total Capital Funds Expended	$9,943,461	100.0%

Capital Funding Sources



Summary of Operating Expenses (OE)		
Salary, Wages, Benefits	$59,614,627	74.6%
Materials and Supplies	$8,786,681	11.0%
Purchased Transportation	$0	0.0%
Other Operating Expenses	$11,524,039	14.4%
Total Operating Expenses	$79,925,347	100.0%
Reconciling OE Cash Expenditures	$1,992,956	
Purchased Transportation (Reported Separately)	$0	

Modal Characteristics

Modal Overview	Vehicles Operated in Maximum Service		Uses of Capital Funds				
Mode	Directly Operated	Purchased Transportation	Revenue Vehicles	Systems and Guideways	Facilities and Stations	Other	Total
Demand Response	36	-	$321,250	$0	$0	$0	$321,250
Bus	162	-	$7,310,355	$1,476,282	$488,796	$338,322	$9,613,755
Street Car Rail	3	-	$0	$0	$8,456	$0	$8,456
Total	201	-	$7,631,605	$1,476,282	$497,252	$338,322	$9,943,461

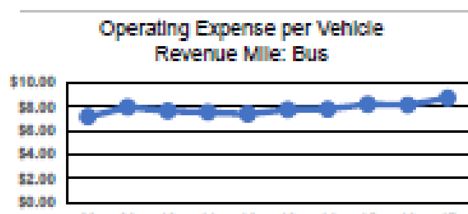
Operation Characteristics

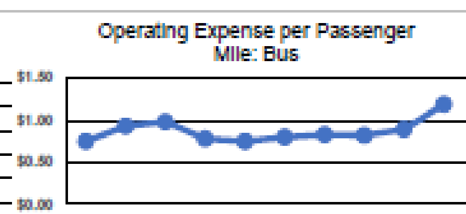
Mode	Operating Expenses	Fare Revenues	Uses of Capital Funds	Annual Passenger Miles	Annual Unlinked Trips	Annual Vehicle Revenue Miles	Annual Vehicle Revenue Hours	Fixed Guideway Directional Route Miles	Vehicles Available for Maximum Service	Vehicles Operated in Maximum Service	Percent Spare Vehicles	Average Fleet Age in Years*
Demand Response	$5,887,930	$617,985	$321,250	1,455,969	153,982	1,466,213	100,675	0.0	48	36	25.0%	3.5
Bus	$72,349,970	$13,633,263	$9,613,755	60,976,285	12,901,178	8,323,695	655,997	0.0	187	162	13.4%	6.9
Street Car Rail	$1,687,447	$538,478	$8,456	497,426	280,601	72,745	13,444	5.4	10	3	70.0%	18.8
Total	$79,925,347	$14,789,726	$9,943,461	62,929,680	13,335,761	9,862,653	770,116	5.4	245	201	18.0%	

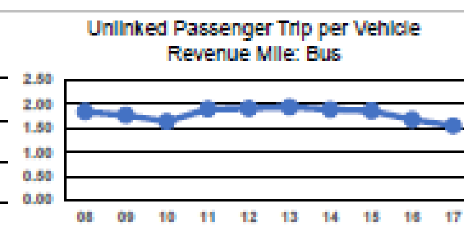
Performance Measures

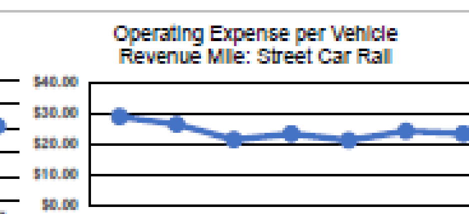
	Service Efficiency	
Mode	Operating Expenses per Vehicle Revenue Mile	Operating Expenses per Vehicle Revenue Hour
Demand Response	$4.02	$58.48
Bus	$8.69	$110.29
Street Car Rail	$23.20	$125.52
Total	$8.10	$103.78

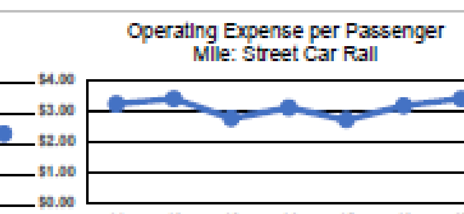
	Service Effectiveness			
Mode	Operating Expenses per Passenger Mile	Operating Expenses per Unlinked Passenger Trip	Unlinked Trips per Vehicle Revenue Mile	Unlinked Trips per Vehicle Revenue Hour
Demand Response	$4.04	$38.24	0.1	1.5
Bus	$1.19	$5.61	1.5	19.7
Street Car Rail	$3.39	$6.01	3.9	20.9
Total	$1.27	$5.99	1.4	17.3

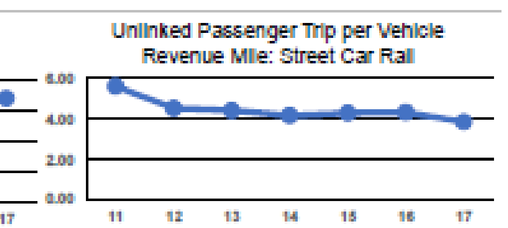












APPENDIX K: DETAILED GOVERNANCE SCENARIOS

A total of seven (7) potential governance scenarios have been identified using an iterative approach comprising stakeholder interviews, peer-agency analysis, existing document review, transit best-practice knowledge, and industry research.

It is important to note that each transit agency is unique, not only in the way it was formed and funded, but also in relation to the local community in which it operates. There is no one-size-fits-all solution to transit governance, and existing research points to challenges with their transferability [14]. Therefore, any chosen governance structure must be tailored to meet the specific needs, challenges, and characteristics of the region it is serving.

The following sections present a summary of each potential governance scenario, including providing peer-agency examples from across the nation, potential benefits, applicability to HART and Hillsborough County, as well as implementation challenges and considerations.

STATUS QUO WITH OPTIMIZATION

It may be determined after additional analysis that large-scale changes to HART's governance are unnecessary. Under a status quo scenario, HART would retain its current governance structure and largely remain unchanged. Staffing, operations, management, and regional coordination would be unaltered. While this option excludes major modifications to HART's governance structure, there would still be an opportunity to implement changes that could benefit the Authority, some of which are included below.

BOARD STRUCTURE

The structure of the board could be modified to better represent the growing region and its changing needs. The current arrangement, based on population, might not be appropriate for the organization's overall health due to the significant growth in the area, which is expected to continue, resulting in an increased number of representative members. Larger boards can generate an overabundance of ideas and opinions which could make decision-making more cumbersome.

In addition, minimum qualifications could be implemented for some board positions. Currently, the board consists of elected officials or those appointed by elected officials without any requirements regarding transit knowledge or experience. Subject matter experts can provide grounded recommendations and informed feedback.

REBRANDING

In order to provide a "fresh start" in the public eye and move beyond recent negative perceptions, HART leadership could consider rebranding. Rebranding offers HART the opportunity to establish a clear vision, mission, and goals. This would include a market analysis and community outreach to understand the needs and preferences of current and potential customers. Conducting a community outreach campaign for the rebranding allows the transit agency to show customers that they are being heard and that their needs and opinions are being thoughtfully incorporated into systemic changes. This strategy gives the public a sense of ownership in their transit system and creates transparency.

SERVICE ADJUSTMENTS

HART leadership could also consider service adjustments aimed at meeting the needs of the quickly growing area and incorporate best practices for providing transit services to HART's unique region. These adjustments could be targeted at specific areas of need determined with market and propensity analyses. However, it may be advantageous for the Authority to consider conducting a Comprehensive Operations Analysis (COA). COAs offer agencies an opportunity to examine the entire route network, and result in short and long-term recommendations that meet Transit Development Plan (TDP), Long Range Transportation Plan (LRTP), and local and regional visioning and planning goals.

An additional motivation for conducting a COA at this time would be to evaluate changes to operations and needs based on adjustments in ridership, service needs, and customer perception of transit over the past three years [19]. Unlike many agencies across the nation, HART is in a unique position in that total ridership levels have only dropped by 3 percent since 2019.

ANNUAL PERFORMANCE REPORT

Annual performance reports, such as the one conducted by the Southeastern Pennsylvania Transportation Authority (SEPTA) [20], are used by transit agencies to assess the success of internal financial planning. As there has been a call for more accountability and transparency in HART's planning and spending, an annual report could allow the Authority to outline costs, highlight successes, and draw attention to funding deficiencies. Part of the process is selecting and defining key performance indicators (KPIs) such as asset management, costs, and customer satisfaction in order to provide a holistic overview of the Authority's performance.

DISSOLVE AND REBUILD

There are multiple examples in the history of public transportation where agencies were dissolved and replaced with new agencies. For example, in Pennsylvania, the Port Authority of Allegheny County was created in 1956 to replace 32 independent bus and incline operators. In 1962, the Southeastern PA Transportation Authority (SEPTA) was created to replace Philadelphia Transportation Company's transit operations. In both of these instances, the former agencies were declared bankrupt, and the creation of the new agencies was intended to replace the services of their defunct predecessors. There are numerous concerns with a dissolve and rebuild scenario that would need to be further evaluated, including legal considerations which are not addressed as part this report. Such considerations would include the requirement for state legislation and a referendum process for abolishing HART and the creation of a new authority that would continue to provide essential transit service to the region. Some of these requirements were outlined in a 2012 HART-PSTA general counsel memo regarding the legal issues arising out of a consolidation [18]; however, an updated legal review would likely need to be completed. In addition, a change in the designated recipient of federal funds from HART to the new entity would be required. For example, the new entity would have to be the designated recipient to receive FTA Section 5307 urbanized area formula grants (49 U.S.C. 5307). For any capital asset funding by the FTA, they retain a portion of the ownership stake in all capital assets for the entirety of their useful life. Therefore, HART does not own the full value of their assets which would require HART to repay the cost of remaining values of each asset to the FTA or transfer it to an existing qualified federal recipient. Beyond legal and organization considerations, a dissolve and rebuild scenario would likely result in loss of public and governmental stakeholder trust.

FORMAL PARTNERING

Memorandums of Understanding (MOUs) and Joint Powers of Agreement (JPAs) are both formal agreements between two parties. While they are typically not legally binding, these agreements help to establish mutual intention and eliminate uncertainty. An MOU is a broader expression of agreement that explains the general concept and sets expectations for the partnership. HART currently has several active MOUs with partner organizations, including but not limited to:

- An agreement with the Tampa Bay Area Regional Transit Authority (TBARTA) to provide funding for Flamingo Fares, a regional contactless fare payment system. Please note, this MOU will cease once TBARTA's dissolution process is complete in 2024.
- An agreement with the Pinellas Suncoast Transit Authority (PSTA), Sarasota County Area Transit (SCAT), Hernando County, and Pasco County to establish rules and responsibilities for the partnership supporting the above-mentioned Flamingo Fares.

A JPA is a more formal contract, specifically between two or more public agencies, to provide a service cooperatively or share powers/responsibilities outside each agency's jurisdiction. This type of agreement can authorize one agency to provide a service on behalf of another or create an independent agency to provide the service on behalf of all participants in the agreement.

In the context of this study, a JPA would create a new transit agency that would jointly exercise the powers of each agency within the agreement. In this scenario, HART would retain their current governance structure but would continue to cooperate with other transit agencies; there could be one or more other agencies participating in the JPA, but they would remain legally separated. Similarly, all assets included in the agreement would remain within control of each agency. Finally, senior management of both agencies would be consolidated under this type of agreement.

In conjunction with a JPA, MOUs could be used to address other elements of a merged transit service, such as pay parity (i.e., ensuring that those in similar positions in different constituent agencies receive equitable compensation) across job functions. They can also formalize collaboration between participating agencies on functions like procurement, ordering major parts and supplies, sharing/coordinating maintenance services, and training staff.

There are multiple potential benefits to utilizing a JPA and/or MOU. Assets included in the agreement could be shared or flexed between agencies to meet fluctuating service, administrative needs, or address urgent situations; for example, maintenance staff could be moved between agencies to address a shortage of workers at a particular facility or help recover from a natural disaster. Coordinating purchases and procurement, consolidating senior management, or sharing of technical services that require investment in training, could also result in operational cost savings. Additionally, it would be possible to establish a common media (i.e., paper tickets, smart card, phone app) for paying fares, allowing riders to access services more seamlessly across the combined service area.

There are also potential challenges to establishing and maintaining an effective JPA or MOU. A 2012 memo from the HART and Pinellas Suncoast Transit Authority (PSTA) General Counsels examined the legal constraints of a JPA in the State of Florida and found that there are currently no provisions under Florida law that permit transit authorities to enter into such an agreement and the Florida Legislature would need to pass legislation to address this. Challenges may also arise from differences between employee unions associated with each agency as they may be operating under bargaining agreements with terms that are not consistent and would have to be addressed for the JPA to be effective. Finally, inter-agency collaboration and good working relationships with other public agencies are essential for successful transit governance since cooperation of this type can take significant time and energy to maintain at the level needed for an agreement to be successful.

If it is determined that a JPA and/or MOU would be the appropriate scenario for HART, and the Florida legislature adopts legislation to permit transit authorities to establish JPAs, several steps would need to be taken. The agencies included in the agreement would need come to a consensus about several aspects of the JPA and/or MOU, including (but not limited to):

- The size and powers of its governing board.
- What entity will be designated to receive Federal transportation funding, the JPA-created agency or the constituent agencies.
- How managerial and administrative duties will be organized.

Joint transit service development efforts would also have to be considered, particularly as it relates to traveling between counties within the agreement service area. Ultimately, the JPA or MOU would need to formalize the coordination and planning of connecting the transit services offered by each constituent agency to create a seamless transit network across the entire service area. Finally, a regional MPO will be formed on December 31, 2023, by the MPO's serving Hillsborough, Pasco, and Pinellas. It will need to be determined how this new organization would impact or relate to a potential JPA and/or MOU arrangement.

It should be noted that this option could be implemented in conjunction with other scenarios. Here are a few examples of JPAs and/or MOUs that have been implemented in other regions:

- Sound Transit, Seattle, WA
- Shasta Regional Transportation Authority, Shasta County, CA
- Trinity Railway Express, Dallas-Fort Worth, TX
- Virginia Railway Express, Northern Virginia
- WeGo Public Transit, Nashville, TN

COUNTY/CITY GOVERNANCE MODEL

For this scenario, governance would be transferred to a Public Entity — i.e., the City of Tampa or Hillsborough County. Such a governance structure could be modeled in a similar manner to the Sunshine Line, a county agency operating door-to-door transportation services for Transportation Disadvantaged residents within Hillsborough County [15].

There are numerous legal considerations as part of this governance scenario that would need to be further evaluated as they fall outside the scope of this report. Such considerations include the requirement for state legislation and a referendum process for abolishing HART and the formation of the new county/city governance model, including an assessment of any required changes to HART's ad valorem taxing power.

Within a city/county governance model, the HART CEO would have a clear reporting structure like every other county or city department. For example, HART would be accountable to the County Executive. Such a model could allow for decision making processes to be kept "in house," which in turn could lead to integrated approaches to problem-solving. For example, all of the county departments answer to the same chief executive which allows for alignment of resources for addressing challenges and priorities. Similar benefits could be seen in relation to increased integration between departments in relation to land use and transit, providing a forum for the transit agency to participate in land use decision making processes. This in turn could help shape the long-term success of the transit system and allow the local government to identify potential transportation concerns early on.

Further, within a city/county governance model the agency would have a dedicated, predictable funding source as part of the county budget and existing assets could be transferred over to the public entity. However, a change in designated recipient of federal funds from HART to the new public entity would be required. For example, the City/County would have to be the designated recipient to receive FTA Section 5307 urbanized area formula grants (49 U.S.C. 5307). Similarly, the existing board structure would need to be changed in accordance with the new governance model. For example, the primary level of board control would fall to the City of Tampa.

Another area of possible concern with this governance model would be related to lack of geographic flexibility, wherein the agency would be confined to operating within its service area [10]. Therefore, careful considerations should be given for establishing agreements to provide service outside of agency jurisdictions. For example, if the transit agency belonged to the City of Tampa, agreements would need to be put in place for the transit agency to service Hillsborough County at large. One example is how the Chicago Transit Authority provides rail service outside of its service boundaries through their Yellow Line.

Examples of a city/county governance model include:

- StarMetro — The City of Tallahassee purchased StarMetro (formerly TalTran) from Cities Transit Company in 1973
- Gainesville RTS
- City of Phoenix Public Transit Department
- Pittsburgh Regional Transit — Created as the Port Authority of Allegheny County by the Pennsylvania General Assembly in 1956

PRIVATIZATION OF OPERATIONS

Privatization would involve HART or Hillsborough County hiring a for-profit contractor to operate transit in the service area. Privatization is most often used as a temporary or stopgap measure when providing fixed-route transit service to a community. Contracts are typically renewed annually, and payment to the contractor is often based on a rate per revenue vehicle mile

(RVM). Existing assets (buses and facilities) could be leased to the contractor and future vehicle purchases could be made through a public entity such as HART or the County in order to take advantage of federal matching funds.

Contracting out operations can provide some benefits to overall transit operations in a region, such as relieving some of the pressure on agencies that are struggling to hire operators and maintenance staff. In addition, contracts based on RVMs are fairly predictable over the course of the year and make it simpler for HART or the local government to budget for transit service month-to-month and year-to-year.

Proponents of privatization also point to the fact that for-profit transportation operators have greater incentives to be efficient with resources; however, recent research indicates that private transit providers are no longer more efficient or effective than their public counterparts [16]. Privatization can also be more costly in the long term because if the rate paid to the contractor is based on RVMs or revenue vehicle hours, there is no incentive for the operating entity to attract or maintain riders. Unpopular or unproductive routes bring in roughly equal revenue compared to a frequently used route under this contract structure. Another risk with privatized transit service is that since the contractor is motivated to increase profits, fares could potentially rise too high to be affordable to many transit users.

Overall, by outsourcing operations to a private entity, the community and local officials could streamline their involvement in transit operations, but they would largely lose control of services in the long term (service locations, customer service, safety innovations, etc.).

Examples of privatization of transit agency operations in other regions include:

- **GoBG Transit** - The City of Bowling Green, KY, contracted non-profit Community Action of Southern Kentucky (CASOKY) to operate both fixed-route and shared-ride service in the city between 2003 and 2023, with RATP Dev USA joining the contract in 2020 to provide management of service while CASOKY continued the day-to-day operations. In 2023 the City removed CASOKY from the contract and has hired RATP Dev USA to handle all management and operations moving forward [17].
- **Yuma County Area Transit (YCAT)** – The Yuma County Intergovernmental Public Transportation Authority in Yuma, AZ, contracts out all operations and maintenance for its fixed-route service (Yuma County Area Transit, or YCAT) because it is a relatively new system and has not developed the capacity to perform these services in house. In 2010, concerns about low ridership, ineffective routes, and high contractor costs nearly led to the shutdown of YCAT; however, the MPO was able to avoid a complete shutdown by reducing service, restructuring the transit agency, and changing contractors. YCAT service has been contracted out to five third-party operators since 2000, including Saguaro Foundation and First Transit.

MERGER WITH ANOTHER AGENCY

In a merger scenario, both agencies to be merged (such as HART and PSTA) would be dissolved, and a new entity would be created. The new transit organization would manage and operate transit within both service areas/counties. The merged entity would take the place of the two agencies, vested with all of the same powers and responsibilities as the original agencies [18]. Key considerations for this scenario include the following.

Under the provisions of 2012 Florida State Statute, [Florida Statute Sections 189.4042(2), 163.570], as noted in the November 2012 Report of General Counsels Regarding Legal Issues Arising out of Consolidation Study, and the Evaluation of Three Scenarios [18], a merger requires a series of legislative actions, board actions, and referenda, including:

- a special act of the Legislature or a change in the general law enabling the merger of agencies,
- approval of a majority of the governing bodies of HART's members, and
- voter approval of a referendum of HART's members jurisdictions.

In the case of a merger with PSTA, a referendum approval in PSTA's service area or a vote of a majority plus one of the PSTA board [18] would also be required. See Section 163.570, Florida Statutes. Legal actions required by a change in legislation may take a lot of time to accomplish. The required legislative approval and local actions would require at least one election cycle, and maybe more. If unsuccessful at one step, the process requires killing the merger for at least one more election cycle.

In general, "any merger or dissolution of HART would have to be done by the same procedure utilized originally to grant HART its ad valorem taxing power. HART was created by interlocal agreement between HART's member governments pursuant to…Chapter 163, Part V, Florida Statutes. Its ad valorem taxing authority was authorized by referendum." [12]

A merger would consolidate agency operations into one, which may be seen as service efficiency. This scenario would most likely consolidate senior management and other staff; however, the variation in wage rates between the two agencies would need to be addressed. This would also be an opportunity to consolidate management and administration into one physical location, creating a common customer service information system. Cross-training of staff would be required to adopt one set of procedures. And all assets would need to be transferred to the new agency, including the transfer of vehicle registrations.

Under this scenario, there is the potential for significant changes in bus service; therefore, an extensive marketing campaign would be required to introduce the new agency and services to existing customers. A single Board of Directors would evaluate and manage the planning and performance of bus routes. A merged agency would need to evaluate the impact on paratransit service requirements. One common fare media would be established but the fare structure would be dependent on local funding contributions and requirements.

If the new entity is granted ad valorem taxing authority, referendum approval of the areas affected by the new, merged entity would be required. According to the 2012 legal opinion, the merged organization would be funded using a uniform regional tax [12]. This scenario requires the declaration of a new designated recipient of the FTA funds. A merger would also impact Collective Bargaining Agreements of each agency [12] where the new entity would negotiate new collective bargaining agreements unless no union was selected.

An example of a merger would be the 1984 merger of the St. Petersburg Municipal Transit System and the Central Pinellas Transit Authority to create PSTA.

INTERGOVERNMENTAL GOVERNANCE - REGIONAL TRANSIT AUTHORITY

Regional transit authorities are a type of intergovernmental arrangement, whereby the authority provides a consistent, unified transit service over a larger region made up of multiple municipalities. Typically, municipalities provide funding (this is often supplemented by a regional sales tax) and appoint representatives to the authority's board.

Crucially, municipalities are not required to participate in a regional transit authority. They can "opt-in" to service provided by the authority, either at its creation or at a later date when growth in the regional system makes participation an attractive option. Municipalities can also choose to "opt-out" if they feel providing funding to the service is no longer a responsible use of limited municipal funds. Overall, this creates a more flexible transit governance model that grants municipal leaders with significant control over funding and provision of services.

Regional transit authorities are found throughout the United States and govern a wide range of systems and metropolitan environments. They cover both legacy systems, like SEPTA in Philadelphia, PA, and newer systems, like DART in Dallas-Ft. Worth, TX. There are also regional authorities for all transit modes, but they typically focus on providing bus service and multi-modal systems. Most relevant to HART, regional transit authorities are most common in fast-growing Sunbelt metropolitan areas, where regional cooperation is essential to extending transit service to rapidly developing municipalities. This scenario would entail the formation of a new regional authority.

The Atlanta-Region Transit Link Authority (ATL) can serve as a case example. ATL is a regional transit governance and funding structure created when GA HB930 was signed into law on May 3, 2018. It is focused on improving coordination, integration, and efficiency of transit in metro Atlanta. The ATL is governed by a 16-member board comprised of metro Atlanta business leaders and government officials.

The ATL was created to provide coordinated transit planning and funding for the metro Atlanta region. The ATL is responsible for developing the ATL Regional Transit Plan, as well as identifying and prioritizing the projects and initiatives required to develop region-wide transit. The ATL is also charged with creating a unified regional transit system brand. Effective July 1, 2020, the ATL was legislatively authorized to oversee the state's Xpress regional commuter transit system and the Atlanta region's vanpool system.

The ATL has been tasked specifically to develop a regional transit plan for a 13-county area comprised of Cherokee, Clayton, Coweta, Cobb, DeKalb, Douglas, Fayette, Forsyth, Fulton, Gwinnett, Henry, Paulding and Rockdale Counties. Counties within the ATL can hold a referendum to raise an additional sales tax of up to 1 percent for up to 30 years. The ATL can issue its own bonds and can work with other state agencies to issue bonds. The ATL will work closely with all existing and future transit systems. Current transit providers have their operational and funding autonomy preserved. MARTA will remain responsible for operating the region's heavy rail system, including any new heavy rail projects. Key considerations for this scenario include:

- It has a dedicated funding source:
    - Local option gas tax
    - Contributions from counties
    - Millage
    - Sales tax set-aside

- Has control of dedicated funding source.
- No impact on existing agencies' formula funds.
- Ability to seek grants.
- Ability to bond against dedicated revenue.
- Solely focused on inter-jurisdictional connections.
- Maintains ownership of its capital assets but does not operate services. Services operated by existing transit agencies through interlocal agreements.
- Service data credited to the transit agency that operates the service for NTD purposes.

This type of authority is different from the Tampa Bay Area Regional Transit Authority (TBARTA) which voted to dissolve itself earlier this year. TBARTA was only a planning organization and had no significant enforcement mechanism. ATL has control of funds, and therefore has the ability to enforce its policies and strategic direction by withholding funds if necessary. Further, its board is comprised of only one elected official from each jurisdiction, one executive from each transit agency, and one representative from each affected MPO/TPO/RPO.

APPENDIX L: LEGAL REVIEW OF GOVERNANCE SCENARIOS

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November 30, 2023

Introduction

The 2023 Law

Chapter 2023-188, Laws of Florida, enacted on June 2, 2023 (the "2023 Law"), requires the Florida Department of Transportation (the "Department") to conduct a study of the organizational structure and operation of the Hillsborough Area Regional Transit Authority ("HART") and requiring the Department to submit a specified report to the Governor and Legislature.

In the 2023 Law, the Legislature expressed the following intent in passing the law:

> "It is the intent of the Legislature to explore transformative changes to the policy management structure of HART to achieve organizational efficiencies with the goal of streamlining decision making, improving transparency, and enhancing the effectiveness of local and regional public transit service delivery."

In the 2023 Law, the Legislature provided the following direction to the Department:

> "The [D]epartment, or its consultant, shall conduct a study reviewing aspects of HART's organizational structure and operation, including, but not limited to, the following:
>
> (a) The HART charter to evaluate the authority's governance structure, including governing board membership, funding, representation, terms, powers, duties, and responsibilities.
>
> (b) Financial assets and obligations.
>
> (c) Facilities and operations.
>
> (d) Issues, advantages, disadvantages, and actions required regarding the dissolution of HART as an agency and options to

continue transit services in Hillsborough County in the absence of HART, including service delivery, funding, and asset management.

(e) Issues, advantages, disadvantages, and actions required regarding collaboration, consolidation, or merger with other transportation service providers in the Tampa Bay region within or adjacent to Hillsborough County, including service delivery, funding, and asset management.

(f) Policies adopted by the HART governing board and the proposal of amendments thereto related to governance, roles, and responsibilities of governing board officers, the executive administrator or chief executive officer, and the general counsel.

(g) Any other matters deemed necessary or appropriate by the Department.

Legal Analysis.

Our firm has been retained by the Department for the purpose of providing legal analysis of certain aspects of the study required by the 2023 Law. In particular, in its direction to our firm, the Department has requested our analysis associated with seven (7) specific governance scenarios. This memorandum will be organized based upon these scenarios and will include a brief summary of each scenario followed by our legal analysis of such scenario.

In addition, we note that both HART, and, to the extent applicable, Pinellas Suncoast Transit Authority ("PSTA"), each have two collective bargaining agreements for their respective blue-collar employees and supervisory employees. We have assumed for the purposes of our analysis that to the extent these collective bargaining agreements have recently expired or are expiring in the near future, any new collective bargaining agreements will be substantially the same as the recently expired or soon to expire agreements that we reviewed for the purposes of this analysis. To the extent further action is taken to pursue a scenario presented below, the effect of the collective bargaining agreements on the legal analysis of such scenario will require follow up legal analysis to confirm the underlying facts forming the basis of our analysis.

In addition, please note that in 2012, certain aspects of this legal analysis were previously conducted in connection with a similar study (the "2012 Study") conducted by HART and its sister agency which performs similar services in Pinellas County, Florida, PSTA. In some instances, we will refer to the 2012 Study below where the same legal issues as set forth in the 2012 Study are applicable herein.

Finally, please note that this analysis is a general legal overview of the scenarios presented below and that additional legal issues may arise to the extent it is determined to further study or pursue a specific scenario, if the fact pattern associated with the particular scenario changes, or if more fact emerge as a result of additional analysis of a particular scenario.

Description and Analysis of Scenarios

Scenario 1 - Status Quo

Scenario Description:

HART would retain its current governance structure and largely remain unchanged. Staffing, operations, management, and regional coordination would be unaltered. While this option excludes major modifications to HART's governance structure, there is an opportunity to implement minor changes that could benefit the Authority, including but not limited to:

- Modifying the board structure through amended bylaws or by changing the organization of the board to ensure it adequately represents the growing region and its evolving needs.
- Rebranding the agency to offer a "fresh start" in the public eye and move beyond recent negative perceptions.
- Adjusting services to meet the needs of the quickly growing area and incorporate best practices for providing transit services to HART's unique region.
- Conducting a post-pandemic Comprehensive Operations Analysis (COA) to account for the effects of COVID-19 on HART.
- Instituting an Independent Annual Performance Report. Annual performance reports, such as the one conducted by the Southeastern Pennsylvania Transportation Authority (SEPTA) [2] are used by transit agencies to assess the success of internal financial planning. As there has been a call for more accountability and transparency in HART's planning and spending, an annual report could allow the Authority to outline costs, highlight successes, and draw attention to funding deficiencies. Part of the process is selecting and defining key performance indicators (KPIs) such as asset management, costs, and customer satisfaction in order to provide a holistic overview of the Authority's performance.

Legal Analysis:

A status quo scenario means that all legal structures and organization stays in place with no changes. Consequently, the analysis below will address the minor changes described above in the order presented above.

Board Structure

From a legal perspective, the composition of the Board is governed by the HART Charter and Florida's Regional Transportation Authority Law, Florida Statutes, Chapter 163, Part V (Florida Statutes, Sections 163.565 through 163.572), the generally applicable law under which HART was formed.

Under Article IV, Section 1 of the HART Charter, the Board is comprised of one director for each county or municipal member, plus "an additional director for each 150,000 persons, or major fraction thereof resident in that member's jurisdictional limits" subject to an adjustment to the count of county residents for residents located in the jurisdictional limits of a municipal member within that county. In addition, the Governor appoints two (2) directors to the Board of Directors. See, Florida Statutes, Section 163.567(4). This is consistent with the requirements of Florida Statutes, Section 163.567(2)(a) and (4).

Article XI of the HART Charter requires the vote of the Board of Directors, ratified by the governing legislative bodies of each member to amend its Charter. The HART Charter does not specify whether a majority or unanimous vote is required, but Article V, Section 1 of the HART Charter appears to require a simple majority or a plus one majority (depending on the size of the board and quorum status at the meeting in which the amendment is considered) to take official action. Therefore, it appears that Article V, Section 1 would be controlling. If an analysis of the changes in the demographics of the region allows for changes in the composition of the Board based upon the parameters set forth in Chapter 163, Part V, then the governing Board of Directors of HART could adopt a charter amendment in accordance with Article XI of its Charter based on the procedures set forth in Article V, Section 1 of its Charter.

Rebranding

To the extent that such rebranding includes a change in HART's name, the rebranding of HART may also require a Charter amendment pursuant to Article XI of its Charter. In particular, Article I, Section 1 of the Charter would need to be amended in accordance with the requirements for HART Charter Amendments described above. In addition, the stated powers of HART as set forth in its Charter (Article VI, Section 1) and in Florida Statutes, Section 163.568 give HART clear legal authority to undertake a rebranding effort, including hiring professionals and incurring costs and expenses in connection with such an effort.

Adjusting Services

We believe that the Board of Directors of HART has sufficient authority to adjust its services (see, HART Charter, Article VI and Florida Statutes, Section 163.568) by taking official action at a public, duly noticed Board meeting in which a quorum is present. Any such adjustment must comply with applicable State and Federal laws, including, specifically, the federal laws associated with any grant funding by the Federal Transportation Administration. ("FTA") as well as the terms and provisions of any existing federal or State grants.

Comprehensive Operations Analysis (COA)

We believe that the Board of Directors of HART has sufficient authority to undertake such an analysis by taking official action at a public, duly noticed Board meeting in which a quorum is present (see, HART Charter, Article VI and F.S., Section 163.568).

Independent Annual Performance Report

We believe that the Board of Directors of HART has sufficient authority to commission such a report by taking official action at a public, duly noticed Board meeting in which a quorum is present (see, HART Charter, Article VI and F.S., Section 163.568).

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<u>Scenario 2 - Dissolve & Rebuild</u>

Scenario Description:

> There are multiple examples in the history of public transportation where agencies were dissolved and [been] replaced with new agencies. For example, in Pennsylvania, the Port Authority of Allegheny County was created in 1956 to replace 32 independent bus and incline operators. In 1962, the Southeastern PA Transportation Authority (SEPTA) was created to replace Philadelphia Transportation Company's transit operations. In both of those instances, the former agencies were declared bankrupt, and the creation of the new agencies was intended to replace the services of their defunct predecessors. There are numerous concerns with a dissolve and rebuild scenario that would need to be further evaluated. Key considerations for this scenario include:
>
> - HART does not own their assets; they would have to pay back the cost of remaining values of each asset to FTA or transfer it to an existing qualified federal recipient.

- Could result in loss of public and political stakeholder trust.
- Legal issues:
  - Locals would need to vote on new taxing authority.
  - Unions would need to vote on agreement to dissolve existing labor agreements and creation of new ones.

For the purposes of this legal analysis this scenario, it is contemplated that HART would be voluntarily dissolved and replaced with a new agency to serve Hillsborough County only.

Legal Analysis:

Dissolution of HART

If HART were to voluntarily dissolve, many of the issues described below under Scenarios 3 and 6 would also apply to the process of HART voluntarily dissolving itself. In particular:

- A majority of the HART governing Board of Directors would need to approve its voluntary dissolution, the distribution of its assets and the assumption of its obligations. See, Scenario Number 6 discussion, as well as Article I, Section 2 of the HART Charter.
- The local government members of HART would also need to authorize the dissolution. See discussion of Scenario 6 below.
- Since HART is the Designated Recipient for Hillsborough County, the dissolution of HART and formation of a new entity will require a change in the Designated Recipient under federal law. The 2012 Study provided as follows with respect to a change in Designated Recipient:

> Documentation for new or changed Designated Recipients in areas over 200,000 in population shall include the following: (1) A letter expressing the concurrence of the Governor or of another state agency in which the Governor's authority to concur in designations of recipients has been delegated; (2) Concurrence by the publicly-owned operators of mass transportation servicing the urbanized area of the Designated Recipient(s); (3) An appropriately certified resolution of the policy-making body of the Metropolitan Planning Organization (MPO) concurring in the Designated Recipient(s); and (4) For each Designated Recipient, an opinion of counsel certifying to the entity's legal capacity to perform the functions of a Designated Recipient.

Therefore, the transition from HART to a new entity will require a letter from the Governor, approval of the HART Boards of Directors, and approval of the Hillsborough MPO. See, U.S. Department of Transportation Federal Transit Administration CIRCULAR FTA C 9030.1E January 16, 2014 Subject: URBANIZED AREA FORMULA PROGRAM: PROGRAM GUIDANCE AND APPLICATION INSTRUCTIONS

- The dissolution of HART and formation of a new entity will impact the collective bargaining agreements in that the employees in the two bargaining groups (blue collar and supervisory) would have the option of voting for the union that presently represents the HART respective bargaining unit, or no union. Once the elections were completed, unless the employees selected no union, the new entity would be required to negotiate new collective bargaining agreements with the selected unions. See discussion of Scenarios 3 and 6 below.

Voter Referendum

Under this scenario, the legal requirement for a voter referendum on a new authority will necessarily be based upon the proposed new authority, their purposes and powers and any federal or state laws applicable to such an authority. We do not have sufficient information at this time to conduct such an analysis. However, we do note that there are transit authorities authorized under Florida law that do not require a voter referendum *for their establishment*. (e.g., See, Florida Statutes, 163.567 - requires affirmative action of the member local governments as well as notices to and actions by the State, but not a voter referendum to establish). We do note, however, that a referendum is required pursuant to Florida Statutes, Section 163.570, and Florida Constitution, Article VII, Section 9(b) to the extent that HART exercises its right to levy an ad valorem tax in furtherance of its statutory purpose..

Formation of a New Agency

This scenario contemplates the formation of a new agency. In this and all other scenarios involving such action, there necessarily will be an associated legal process in order to form such an entity. The type of entity and the legal process will depend upon factors such as identifying the local government member or members involved in the formation of the new agency, the scope of services to be provided by the new agency, the sources of funding of the new agency and the service area of the new agency, among other factors.

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Scenario 3 - Joint Powers Agreement (JPA) & Memoranda of Understanding (MOU)

Scenario Description:

HART would retain their current governance structure but would continue to cooperate with other agencies through some type of formalized partnership such as a Joint Powers Agreement (JPA) or a Memorandum of Understanding (MOU). A Joint Powers Agreement would allow the regions transit agencies to formally cooperate for their mutual benefit while retaining their individual legal structures. Key considerations for this scenario include:

- Inter-agency collaboration and good working relationship with other public agencies are essential for successful transit governance.
- Typically, not legally binding; formal documentation of a binding agreement between two or more parties; establishing mutual intention and helping to eliminate uncertainty.
- Assets would remain within the control of each agency but could be flexed to benefit them all. For example, HR staff could be shifted between agencies to handle urgent situations.
- Closer cooperation and collaboration between agencies; formalized and documented.
- MOUs could address some factors such as pay parity across job functions or ordering, and joint ordering of major parts and supplies.
- Could be implemented in combination with other scenarios.
- Joint service development efforts – particularly as it relates to travelling between counties within the region. Formalized coordination and planning towards connecting transit services across the region.
- One common fare media but fare structure would be dependent on local funding.
- Consolidates senior management.
- Sharing of technical services that require investment in training.
- Challenges might arise related to difference in bargaining agreements with separate unions.
- Expand MOUs related to shared maintenance service, training opportunities, procurement etc.
- A regional MPO is being considered by the MPO's serving Hillsborough, Pasco, and Pinellas – how will this impact/steer transportation in the region going forward.

- Legal constraints with JPA as outlined in memo from HART and PSTA Legal Counsels in 2012 – no provision in Florida related to JPAs for transit agencies.
- Agencies would need to determine the composition of the JPA, including considerations related to size and powers of its governing board, federal fund designation determinations (JPA or remain with agencies), managerial and administrative duties etc.

Legal Analysis:

Many of the potential actions described above for this scenario (collaboration, cooperation, joint efforts, common media, management consolidation, shared maintenance training, procurement) are within the statutory and charter powers granted to HART. See HART Charter Article VI, Section 1; Florida Statutes, Section 163.568.

With respect to a similar scenario, the 2012 Study contained the following analysis (which includes our additional analysis):

> Any JPA would need to conform to the provision in the Florida Constitution, Article VIII, Section 4, regarding transfer of powers, which provides:
>
>> By law or by resolution of the governing bodies of each of the governments affected, any function or power of a county, municipality or special district may be transferred to or contracted to be performed by another county, municipality or special district, after approval by vote of the electors of the transferor and approval by vote of the electors of the transferee, or as otherwise provided by law.
>
> Florida courts have interpreted this provision to limit transfers of powers, to those instances where specifically authorized by state law or pursuant to a referendum. See, e.g., Sarasota County v. Town Longboat Key, 355 So. 2d 1197 (Fla. 1978).

Additional Analysis: We agree that compliance with Article VIII, Section 4 is required, but for the sake of clarity, we believe that compliance can be obtained through either dual referenda of the local governments transferring and undertaking such services, or applicable provision of law that permits such transfers[1]. We further believe that the Florida

[1] See, Florida Attorney General Opinion AGO 2013-24 ("While there is a general requirement in section 4, Article VIII, Florida Constitution, for dual referenda when a municipality, county, or special district contracts for or transfers a function or power to another governmental entity, the section recognizes that such a transfer or contract may be effected "as otherwise provided by law." Nothing in the plain language of section 166.0495, Florida Statutes, its legislative history,[3] or section 163.01, Florida Statutes, indicates dual referenda requirement for approval of such an interlocal agreement.")

Interlocal Cooperation Act, Florida Statutes, Section 163.01 is an example of a state law permitting such a transfer.

The legislative intent of the Florida Interlocal Cooperation Act, set forth in Florida Statutes, Section 163.01 (2) provides as follows:

> It is the purpose of this section to permit local governmental units to make the most efficient use of their powers by enabling them to cooperate with other localities on a basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population, and other factors influencing the needs and development of local communities.

This scenario may vary from the similar scenario included in the 2012 Study in that the legal analysis in 2012 focused on joint powers agreements. We do not view this current scenario so narrowly. As described above, this scenario contemplates cooperation with other agencies through some type of formalized partnership such as a Joint Powers Agreement (JPA) or a Memorandum of Understanding (MOU). The purpose of the Florida Interlocal Cooperation Act is to allow local government units for form partnerships for their mutual benefit and for the benefit of their residents, so we believe that an Interlocal Agreement under the Florida Interlocal Cooperation Act will serve this purpose under this proposed scenario.

We further believe that HART and its sister agency, PSTA constitute "public agencies" for the purposes of the Florida Interlocal Cooperation Act. HART is established in accordance with Florida Statutes, Chapter 163, Part V. Accordingly, HART is a body politic and corporate. See, Florida Statutes, Section 163.566(1). PSTA was formed pursuant to a Special Law of the State of Florida, the "Pinellas Suncoast Transit Authority Law." Laws of Florida, Chapter 70-907, as amended and modified. Pursuant to Section 2(1) of this Law, PSTA constitutes a body politic and corporate and an independent special district. As described above, HART also has determined that it is an independent special district.

Under the Florida Interlocal Cooperation Act, a "public agency" is broadly defined and includes, but is not limited to, a single and multipurpose special district, a single and multipurpose special authority. As both PSTA and HART constitute special districts, we believe that they fall within the scope of the Florida Interlocal Cooperation Act and that it is it is possible for HART and PSTA to negotiate, approve and execute an Interlocal Agreement under the Florida Interlocal Cooperation Act for the purpose of facilitating this scenario.

The terms of the Interlocal Agreement may require additional actions by the agencies forming the new entity, may require member local government approvals and may also require referenda, depending on the revenue source used to fund the new entity.

The 2012 Study includes the following additional analysis related to the 2012 Study scenario that was similar to this scenario:

> Designated Recipient for FTA Funds
>
> In order for an urbanized area or public agency to receive FTA funds under the Urbanized Area Formula Program, a grant recipient must be a "Designated Recipient." 49 U.S.C. § 5307 (2012). Presently, HART is the designated recipient for these federal grants in Hillsborough County. The Pinellas County MPO is the designated recipient in Pinellas County, although it recently has indicated a willingness to transfer the designated recipient status to PSTA. If a JPA is created, HART and PSTA would need to determine if a change in the designated recipients is desired so that the JPA is the designated recipient.

Additional Analysis: The provisions of 49 U.S.C. § 5307 remain applicable and it appears that since 2012, PSTA has become a "Designated Recipient." Under this scenario, it is anticipated that HART and PSTA will remain in place as Designated Recipients, so no change in Designated Recipient is necessary.

> Regulatory Compliance Implications
>
> If the JPA is set up such that the PSTA and HART retain their ad valorem taxing authority, there would not be any change as relates to regulatory compliance.

Additional Analysis: We agree with this analysis as being applicable to this scenario.

> Grant and Asset Management
>
> According to the Draft Report, in the JPA option, PSTA and HART would remain separate legal entities, and the assets of each organization, such as buses, equipment, and facilities would remain within the control of each respective agency. However, if the JPA were to become the designated recipient or the grantee for federal grants, it would be recommended that the assets be transferred to the JPA. Otherwise, the FTA would require subgrantee agreements between the JPA and the transit agencies.

Additional Analysis: We agree with this analysis as being applicable to this scenario.

> Collective Bargaining Agreements
>
> HART and PSTA both have two unions, one union that represents blue-collar employees and one that represents supervisors. HART's two bargaining units are

represented by the Teamsters and Amalgamated Transit Union (ATU). PSTA's two bargaining units are represented by Service Employee International Union (SEIU).

Under the Joint Powers option, PSTA and HART would each continue to employ their bus operators, maintenance employees and customer service representatives. Therefore, HART and PSTA would respectively continue with their present bargaining units and unions. The present collective bargaining agreements would continue in effect and both PSTA and HART would continue to negotiate with their existing unions any new agreements.

Additional Analysis: We agree with this analysis as being applicable to this scenario.

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Scenario 4: Transfer to a City or County

Scenario Description:

Governance would be transferred to a Public Entity such as the City of Tampa or Hillsborough County, similar to how the county currently operates the Sunshine Line. Key considerations for this scenario include the following:

- The HART CEO would have a clear reporting structure like every other county department. HART would be accountable to the County Executive.
- Such a model would allow for decision making processes to be kept "in house". Which in turn could also lead to integrated approaches to problem-solving. All of the county departments answer to the same chief executive which allows for alignment of resources for addressing challenges and priorities.
- Dedicated, predictable funding source as part of city/county budget. If new entity is granted ad valorem taxing authority, referendum approval of the areas affected by the new entity would be required.
- Change in designated recipient of federal funds would be required. The public entity would have to be the designated recipient for federal grants.
- Assets could be transferred over to the public entity.
- Transit agency could be more involved in land use decision making processes.
- Research show[s] that local context is critical for understanding transit priorities and decision-making processes.
- Lack of geographic flexibility agency would have to operate within its service area or have agreements in place to provide service outside of its jurisdiction.

Legal Analysis:

There are several significant legal issues associated with this approach. First, the transferee or "host" government would need to consent to such a transfer from HART and HART would need to authorize the transfer. Such consent by the transferee local government may consist of an approval by its governing legislative body and may also include referendum approval for such an action. In addition, the HART Board of Directors will need to approve the transfer, and such approval will likely be subject to several conditions, including without limitation, obtaining necessary consents and approvals from the State and federal government (see analysis above), implementing a procedure for the orderly transfer of assets and operations, obtaining contractual consents and addressing the collective bargaining agreements (See Scenario 3 analysis above)

Under this scenario, there may be a mismatch between the service area for HART and the jurisdictional boundaries of the City or the County, so a legal mechanism may be needed to allow the transferee or "host" local government to operate outside its jurisdictional boundaries. In addition, the allocable share of the budget for each member of HART will need to be transferred or paid by each member to the "host" government and a legal mechanism for such transfers or payments will be needed. We believe that it is legally possible for the host government to address both of these issues through an interlocal agreement Both of these issues should be able to be addressed by an interlocal agreement under the Florida Interlocal Cooperation Act.

As this scenario would involve the transfer of assets and operations to a transferee local government, the same legal issues described above under Scenarios 2 and 3 with respect to the relationship with the Federal and State governments (and, in particular, the need for a new Designated Recipient if the transfer is to a City or a County) as well as the Collective Bargaining Agreements would apply to this scenario as well.

***

<u>Scenario 5: Privatization of Operations</u>

Scenario Description:

Privatization would involve HART or Hillsborough County hiring a for-profit contractor to operate transit in the service area. Privatization is most often used as a temporary or stopgap measure to provide transit service to a community. Contracts are typically renewed annually, and payment to the contractor is often based on a rate per revenue vehicle mile (RVM). Key considerations for this scenario include the following:

- Existing assets (buses and facilities) could be leased to the contractor and future vehicle purchases could be made through a public entity such as HART or the County in order to take advantage of federal matching funds.
- Contracting out operations could relieve some of the pressure on agencies that are struggling to hire operators and maintenance staff. HART's Board would need to decide how far into the agency to contract.
- For-profit transportation operators have greater incentives to be efficient with resources, however recent research indicates that private transit providers are no longer more efficient or effective than their public counterparts.
- For-profit transportation operators could import technical expertise but often lack local knowledge and commitment to the community.
- May create instability within the agency due to driver turnovers.
- Contracts based on RVMs are fairly predictable over the course of the year and make it simpler for HART or the County to budget for transit service month-to-month and year-to-year.
- Because the contractor is motivated to increase profits, fares could rise too high to be affordable to many transit users.
- If the rate paid to the contractor is based on revenue vehicle miles or revenue vehicle hours, there is no incentive for the operating entity to attract or maintain riders. Unpopular or unproductive routes bring in roughly equal revenue compared to a frequently used route under this contract structure.
- By outsourcing operations to a private entity, the community and local officials would largely lose control of services in the long term (service locations, customer service, safety innovations, etc.).

Legal Analysis:

Under the provisions of its Charter and its enabling legislation, HART has the authority to:

- To acquire and operate, *or provide for the operation of*, local transportation systems, public or private, within the area…. Florida Statutes, Section 163.568(2)(e). HART Charter, Article VI, Section 1(j).
- To make contracts of every name and nature and to execute all instruments necessary or convenient for the carrying on of its business. Florida Statutes, Section 163.568(2)(f). HART Charter, Article VI, Section 1(k).
- To enter into management contracts with any person or persons for the management of a public transportation system owned or controlled by the authority for such period or periods of time, and under such compensation and other terms and conditions, as shall be deemed advisable by the authority. Florida Statutes, Section 163.568(2)(g). HART Charter, Article VI, Section 1(l).

Under its enabling legislation and its Charter, it appears that HART has the legal authority to enter into a contract with a private contractor to operate transit in its service area. We do note that privatization will be subject to HART's enabling act provisions and Charter, including, for example, Section 163.568 (1)(d) which requires that rates, fees and charges be "equitable and just." [2]

As additional statutory authority for HART, the Florida Legislature passed the Public-Private Partnerships Act (the "Act"), currently codified as Florida Statutes, Section 255.065. This Act authorizes local and state governments to use public-private partnerships ("P3s") in a broad range of infrastructure projects. Section 255.065 allows the use of P3 by any responsible public entity, including counties, municipalities, school boards, regional entities, and state subdivisions. Public private partnerships may be used for qualifying projects, including any facility or project that serves a public purpose, and improvements of existing facilities (including equipment).

Under the Act, P3s are permitted for "qualifying projects" which include "any ferry or mass transit facility … or any other public facility or infrastructure that is used or will be used by the public at large or in support of an accepted public purpose or activity. Under the Act, P3s are permitted to be entered into by a "responsible public entity" which is defined as "a county, municipality, school district, special district, or any other political subdivision of the state; a public body corporate and politic; or a regional entity that serves a public purpose and is authorized to develop or operate a qualifying project."

Under this Act, the responsible public entity must find that the proposed project is in the public's best interest and that the project will be owned by the public entity on completion or termination of the agreement. A responsible public entity may solicit proposals for such projects or may receive unsolicited proposals. If unsolicited proposals are received, the public entity must publish its intent to receive other proposals for such a qualifying project. Public entities have discretion to determine the appropriate time frame for receiving competing proposals.

As applied to this scenario, HART constitutes a responsible public entity under the Act and the operation of its transit system would constitute a qualifying project. If this scenario is pursued further, additional legal analysis will be required related to both the FTA grants and regulatory compliance as well as the collective bargaining agreements, both of which are described in more detail under Scenario 3 above.

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[2] See also HART's Charter, Article VI, Section 1(i), which additionally requires that such rates, fees and charges be "consistent with pertinent State and Federal law."

Scenario 6: Merger with PSTA

Scenario Description:

In a merger scenario, both agencies would be dissolved, and a new entity be created. The new transit organization would manage and operate transit within both service areas/counties. The merged entity would take the place of the two agencies, vested with all of the same powers and responsibilities as the original agencies [5]. Key considerations for this scenario include the following:

- Under the provisions of 2012 Florida State Statute, [Florida Statute Sections 189.4042(2), 163.570], as noted in the November 2012 Report of General Counsels Regarding Legal Issues Arising out of Consolidation Study, and the Evaluation of Three Scenarios [14], a merger requires a series of legislative, Board actions, and referenda, including:
    - a special act of the Legislature or a change in the general law enabling the merger of agencies
    - approval of a majority of the governing bodies of HART's members
    - voter approval of a referendum of HART's members jurisdictions
    - referendum approval in PSTA's service area or a vote of a majority plus one of the PSTA Board.
- If new entity is granted ad valorem taxing authority, referendum approval of the areas affected by the new, merged entity would be required.
- Requires the declaration of a new designated recipient of the FTA funds.
- Impact on Collective Bargaining Agreements:
    - New entity would negotiate new collective bargaining agreements unless no union was selected.
- Consolidates agency operations into one, may be seen as service efficiency.
- A single board would evaluate and manage the planning and performance of bus routes.
- Consolidates senior management.
- One common fare media but fare structure would be dependent on local funding.
- According to the 2012 joint legal opinion, the merged organization would be funded using a uniform regional tax.
- Opportunity to consolidate management and administration into one location.
- Legal actions required by change in Legislation may take a lot of time to accomplish.

- Consolidation of staff and specifically management.
- Potential for changes in bus service.
- A merged agency would need to evaluate the impact on paratransit service requirements.
- Consider the variation of wage rates between two current agencies.
- Cross-training of staff required to adopt one set of procedures.
- All assets need to be transferred to the new agency, including the transfer of vehicle registrations.
- Requires an extensive marketing campaign to introduce the new agency and services to existing and new customers.

Legal Analysis:

With respect to a similar scenario, the 2012 Study contained the following analysis (which includes our additional analysis):

> A merger provides a single centralized management staff and administrative support. However, a merger goes one step further by dissolving the existing transit agencies and replaces them with a new corporate entity that has complete control over all employees, assets, activities, service policies, governance, facilities, and financing policies and decisions. A past example of a merger is the 1984 merger of the St. Petersburg Municipal Transit System and the Central Pinellas Transit Authority that created PSTA.
>
> The merged entity would have a governing board similar to the ones it would replace. There are many ways to set up the appointment of the board members. One example is the Tampa Bay Water Authority. Its board is comprised of nine directors, each entitled to one vote and appointed by a member government as follows: (2) by the Hillsborough Board of County Commissioners, (2) by the Pasco Board of County Commissioners, (2) by the Pinellas Board of County Commissioners, (1) by the New Port Richey City Council, (1) by the St. Petersburg City Council, and (1) by the Mayor of Tampa (who may be the Mayor him/herself. The period by which each director serves is at the discretion of the member government that appointed them. Moreover, the member governments make reappointments as necessary to ensure continuous representation of that member government on the board. Another way that the board could be appointed is to allow an equal number of appointments by each county and allow either the Legislature or the Governor to appoint one member to ensure there is an odd number of members.

Additional Analysis: We agree with this analysis as being applicable to this scenario.

A major difference between the JPA option and the full merger scenario is the legal process involved in creating the new transit organization. The merger would require state legislation and a referendum process for abolishing the PSTA and HART and the creation of a new authority that provides service in both counties.

The merger of PSTA and HART would require a special act of the Legislature or a change in general law enabling merger of the agencies, followed by the approval of a majority of the governing bodies of HART's members, voter approval of a referendum of HART's members' jurisdictions, and referendum approval in PSTA's service area or a vote of a majority plus one of the PSTA Board. Additionally, if the new, merged entity was granted ad valorem taxing authority, referendum approval of the areas affected by the new, merged entity would be required. Sections 189.4042(2), 163.570, Fla. Stat.; AGO 79-20. Fla. Const., Art. VII, § 9(b).

Any merger or dissolution of HART would have to be by the same procedure utilized originally to grant HART its ad valorem taxing power. HART was created by interlocal agreement between HART's member governments pursuant to general law. See Chapter 163, Part V, Fla. Stat. Its ad valorem taxing authority was authorized by referendum. Accordingly, enactment of a new state law authoring the new taxing authority and approval of each the governing bodies of HART's member governments would be required to proceed with the merger. HART's current members are City of Tampa, Hillsborough County, and City of Temple Terrace. Therefore, a majority of their governing bodies would have to approve the dissolution and merger.

Upon the approval by a majority of the governing bodies of Tampa, Hillsborough County, and Temple Terrace, the voters in each jurisdiction would then be required to approve the merger or dissolution of taxing authority in a referendum. Section 163.570, Fla. Stat.; Fla. Const., Art. VII 9(b). In addition, if a legislative act authorizing merger of HART with PSTA passes, there would have to be a referendum of the cities and unincorporated areas in PSTA's service area or a vote of majority plus one of the PSTA Board to dissolve PSTA. As stated above, the merged entity would take the place of the original two transit agencies, vested with all the same powers and responsibilities as the original agencies. It will presumably take over control of the assets of HART and PSTA. It would probably be necessary to obtain FTA approval of the conveyance of the assets of PSTA and HART purchased or constructed with FTA funds. The new, merged entity would then need to comply with the FTA regulations regarding use and disposal of those assets.

Additional Analysis: We agree with this analysis as being applicable to this scenario.

Since the merger would result in the dissolution of PSTA and HART, there would need to be a new Designated Recipient. The process is same as the one mentioned under the joint powers scenario whereby (1) a letter expressing the concurrence of the Governor or of another state agency in which the Governor's authority to concur in designations of recipients has been delegated; (2) Concurrence by the publicly-owned operators of mass transportation servicing the urbanized area of the Designated Recipient(s); (3) An appropriately certified resolution of the policy-making body of the two MPOs concurring in the Designated Recipient(s); and (4) an opinion of counsel certifying to the new, merged entity's legal capacity to perform the functions of a Designated Recipient.

Additional Analysis: We agree with this analysis as being applicable to this scenario.

Title IV Compliance. U.S. Department of Transportation (USDOT) has promulgated rules in Code of Federal Regulations Title 49, Part 21 that address non-discrimination in federally funded programs. These rules implement Title VI of the Civil Rights Act of 1964 and are commonly referred to as Title VI compliance. 49 C.F.R. Section 21.5 specifically prohibits discrimination based on race, national origin, economic status, and other identified categories. FTA has issued guidance to assist grant recipients in meeting these regulatory requirements. They focus primarily on ensuring service is equitably allocated throughout the service area in a manner that does not have a disparate negative impact on the identified categories of customers within the service area. No discriminatory intent is required for non-compliance with the USDOT rules and FTA guidance. As part of the FTA compliance process, each grant recipient is required to evaluate service on a system-wide basis and:

- Ensure that the level and quality of transportation service is provided without regard to race, color, or national origin.
- Promote the full and fair participation of all affected populations in transportation decision making.
- Prevent the denial, reduction, or delay in benefits related to programs and activities that benefit minority populations or low-income populations.
- Ensure meaningful access to programs and activities by persons with limited English proficiency.

FTA Circular C47O2.1B, Chapt. II

The guidance provides direction regarding how to collect data, develop quantifiable measures, and provide assurance that the grant recipient is operating and allocating resources in a non-discriminatory manner throughout the service area. Elements of the FTA guidance that should be evaluated to provide assurance include vehicle load, vehicle headway, on-time performance, distribution of transit amenities, and service availability. See FTA Circular C 47O2.1B, Chapter IV.

These standards do not implicate a discriminatory intent but focus on allocation of resources equitably throughout the transit system. Accordingly, any significant change in the service area will require re-evaluation of Title VI compliance and any significant change in service in an existing or new service area will require re-evaluation of Title VI compliance to ensure that resources are not being impermissibly diverted away from needed services for categories of customers protected by federal law. Undoubtedly, once a merged service area is created a Title VI review would be required and system-wide allocation of resources would need to be evaluated for compliance with Title VI.

Additional Analysis: We agree with this analysis as being applicable to this scenario.

Paratransit Service. When a transit agency provides required paratransit service complementary to fixed-route bus service, the agency must provide paratransit service at least within 3/4 miles of its fixed route bus service and within the agency's core service area. See 49 C.F.R. §§ 37.121 and 37.131. These rules and FTA guidance provide additional flexibility when bus service is provided outside the core service area and for service provided across jurisdictional boundaries.

A merged agency would need to evaluate how the new merged service area impacts its paratransit service requirements. The core service area as a merged agency would need to be determined and the impact of service previously considered trans-jurisdictional would need to also be evaluated. The definition of core service area in 49 C.F.R. §131(a) and the change of some routes from trans-jurisdictional to service within the service area could increase paratransit obligations.

Additional Analysis: We agree with this analysis as being applicable to this scenario.

Collective Bargaining Agreements. If a merger of PSTA and HART were to take place, an election run by the Public Employee Relations Commission (PERC) would occur to determine which union would represent the blue-collar employees and which union would represent the supervisory employees of the new merged entity. The employees in the two bargaining groups (blue collar and supervisory) would have the option of voting for the union that presently represents the PSTA respective bargaining unit, the union that presently represents the HART respective bargaining unit, or no union. Once the elections were completed, unless the employees selected no union, the new merged entity would be required to negotiate new collective bargaining agreements with the selected unions. During the period of time between the effective date of the merger and the date the new collective bargaining agreements go into effect, the terms of the four collective bargaining agreements in effect at the time of the merger (two at HART and two at PSTA), would continue to apply. Since the PERC election would not take place until after the effective date of the merger, there will be some period of time when the four existing agreements will still be in effect. Thus, there will be some time when employees in the same classification, blue collar or supervisory, will be governed by different pay scales, rules and other conditions of employment.

One other consideration in terms of labor and employment is the effects of 13c. The federal regulations protect against the loss of union jobs held in an entity that receives federal funds. If a merger were to take place and the new entity wished to reduce the number of jobs in either the combined blue-collar unit or the combined supervisory unit, we would need to address compliance with 13c.

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Scenario 7: Intergovernmental Governance - Regional Transit Authority

Scenario Description:

Regional transit authorities are a type of intergovernmental arrangement, whereby the authority provides a consistent, unified transit service over a larger region made up of multiple municipalities. Typically, municipalities provide funding (this is often supplemented by a regional sales tax) and appoint representatives to the authority's board.

Crucially, municipalities are not required to participate in a regional transit authority. They can "opt-in" to service provided by the authority, either at its creation or at a later date when growth in the regional system makes participation an attractive option. Municipalities can also choose to "opt-out" if they feel providing funding to the service is no longer a responsible use of limited municipal funds. Overall, this creates a more flexible transit governance model that grants municipal leaders with significant control over funding and provision of services.

Regional transit authorities are found throughout the United States and govern a wide range of systems and metropolitan environments. They cover both legacy systems, like SEPTA in Philadelphia, PA, and newer systems like DART in Dallas-Ft. Worth, TX. There are also regional authorities for all transit modes, but they typically focus on providing bus service and multi-modal systems. Most relevant to HART, regional transit authorities are most common in fast-growing Sunbelt metropolitan areas, where regional cooperation is essential to extending transit service to rapidly developing municipalities. This scenario would entail the formation of a new regional authority.

Key considerations for this scenario include:

- It has a dedicated funding source:
  - Local Option Fuel Tax
  - Contribution from Counties
  - Millage
  - Sales tax set-aside
- Has control of dedicated funding source.
- No impact on existing agencies' formula funds.
- Ability to seek grants.
- Ability to bond against dedicated revenue.
- Solely focused on inter-jurisdictional connections.
- Maintains ownership of its capital assets but does not operate services. Services operated by existing transit agencies through interlocal agreements.
- Service data credited to the transit agency that operates the service for NTD purposes.

Legal Analysis:

Under this scenario, HART would retain its existence and independence as an agency of the State. It would remain a Designated Recipient for FTA purposes and its collective bargaining agreements would remain in effect, as negotiated from time to time.

This scenario provides for the creation of a regional authority with a dedicated regional funding source. The regional authority will be responsible for regional planning, may have regional projects, and will have a dedicated regional funding source to fund such projects. Local governments would have the ability (but will not be obligated) to join in the regional authority and compete for inclusion of its projects within the regional authority's regional plans. In like manner, the regional authority can plan and prioritize projects of regional significance and use its dedicated funding source to fund its own projects.

Like Scenario 6 above, this scenario will require new legislation to establish the new regional entity and to provide for a dedicated regional funding source for the entity. However, unlike scenario 6, the existing agencies, including HART would not be dissolved. Like various scenarios described above, HART would continue to operate its system (or possibly, contract out operations), would continue as a Designated Recipient for FTA purposes and their collective bargaining agreements would remain in effect.

As described above, potential funding sources referenced include millage/ad valorem, County contributions, Local Option Gas/Fuel Tax and Sales Tax. In addition, this scenario contemplates interlocal agreements for the purpose of the regional authority contracting with each local authority to provide services within their respective jurisdiction. We will briefly address each of these below, but note that additional legal analysis will be required if further analysis of this scenario is necessary.

Ad Valorem

See the analysis in Scenario 6 above with respect to the use of ad valorem taxes. A referendum would be required if this is intended as a revenue source for a regional authority. The approval of the governing legislative body of the local governments who opt in would also be required.

Local Option Fuel Tax

In conjunction with its restructuring of state transportation taxes, the 1983 Legislature provided local governments with a major new source of revenue, currently referred to as the Local Option Fuel Tax. Counties are authorized to raise the maximum rate of the tax to 6¢ per gallon for a duration of up to 30 years. Collection of the tax at the retail level. Proceeds of the tax generally can only be used for transportation purposes[3].

In 1993, the Florida Legislature granted counties the option of imposing still another 1¢ to 5¢ on each gallon of motor fuel (gasoline and gasohol, but not diesel). The first six cents of the tax on motor fuel may be imposed by a majority vote of the Board of County Commissioners or a county-wide referendum initiated by either the county commission or municipalities representing more than 50% of the county's population. To impose the remaining five cents, however, an extraordinary vote of the county commission or a county-wide referendum initiated by the commission is required.

The proceeds of the tax must still be shared with municipalities, either in accordance with a mutually agreed upon distribution scheme (which is subject to periodic review) or, if agreement cannot be reached, by using a backup formula contained in the statute. A local government may pledge any of its revenues from the tax to repay state bonds issued on its behalf and, in addition, may use such revenues to match state funds in the ratio 50%/50% for projects on the State Highway System, or for other road projects which would alleviate congestion on the State Highway System.

See, Florida Statutes, Chapters 206 (Parts I & II), 212 (Part I) and 336.

County Contributions

The approval of the governing legislative body of the local governments who opt in would be required, as well as interlocal agreements under Florida Statutes, Section 163.01 would likely be needed as well.

[3] There is an exception on the use requirement for small counties, which does not apply in this case.

Sales Tax

Creating a dedicated regional sales tax for a regional authority would require the enactment of new legislation, and would include any procedure steps required in such legislation to be implemented for this purpose.

Interlocal Agreements

See Scenario 3 above with respect to any interlocal agreements under the Florida Interlocal Cooperation Act, Florida Statutes, Section 163.01. Local governments (counties, cities) can enter into interlocal agreements. Additional analysis to confirm that the proposed scope of the interlocal agreement as well as the obligations of the local government under the interlocal agreement are legally permissible. Any such agreement will be subject the approval of the governing legislative body of the local government. HART is also capable of entering into interlocal agreements and the same analysis of scope and obligations will be required if this Scenario is selected for further review.