

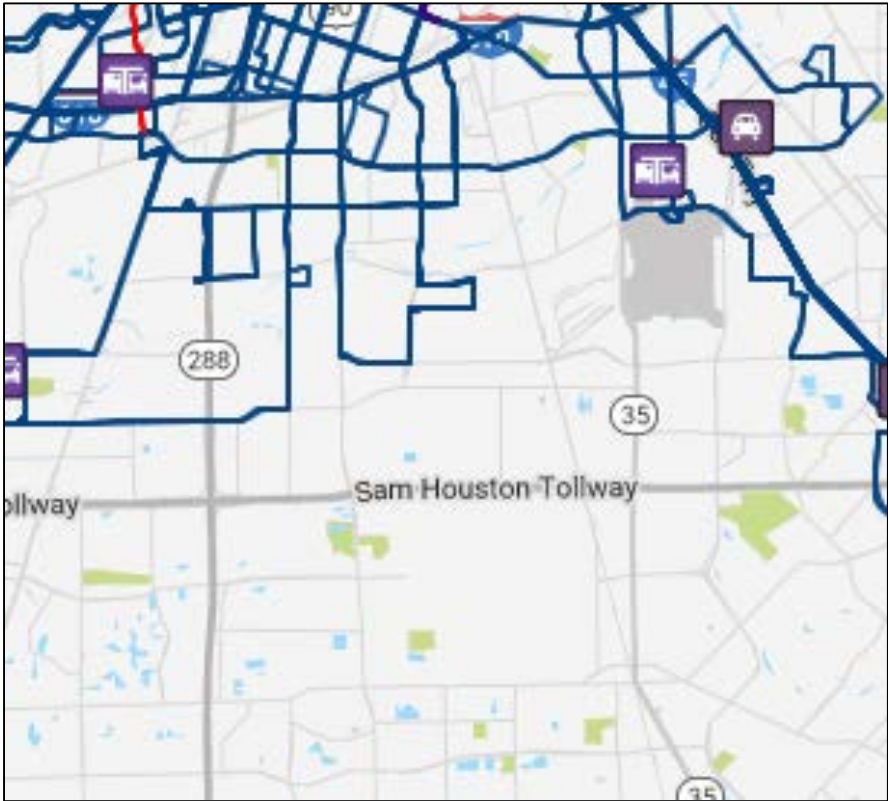
FY19 White Paper



To: Clay Pearson, City Manager
From: Jon R. Branson, Deputy City Manager
CC: John McCarter, Budget Officer
Date: January 10, 2018
Re: Transit/Alternative Transit Options

BACKGROUND

[METRO is the Houston regional transit agency.](#) METRO is funded in large part by a sales tax applicable for certain areas which defines its service area. There are 15 cities and Harris County included in that service area. The City of Pearland is *not* included in the service area as the maximum sales tax is already committed to the City, PEDC, and Brazoria County. However, at times METRO has engaged with the City of Pearland for exploring options to extend some services in partnership. As will be described, there are additionally other regional transit agencies including Harris County and Galveston that operate in the area.



Current METRO service lines near Pearland, including Transit Center at Fannin South (Red Line), just north of Beltway 8 near NRG Stadium.

The City has been working with METRO since 2005 to establish Park & Ride services in the Pearland Area. In November of 2011, METRO purchased approximately 15.6 acres for the site

just north of FM 518 along the northbound feeder road of SH 288 and in their 2012 budget, METRO identified the SH-288/Brazoria County Park & Ride as a new project.

In December of that same year, METRO senior officials called a meeting with former City Manager, Bill Eisen and I to inform us that despite METRO having acquired the property for this very purpose, their Board had a policy change in providing transportation services to non-service area cities and therefore, they would *not* be providing Park & Ride services in Pearland.

The original plan was for METRO to design, construct and to provide Park & Ride services in the area with the City providing up to \$320,000 annually to assist with the operations of the service. After receiving METRO'S change in plans notification, City Council authorized an agreement with the Goodman Corporation in October of 2013 to determine the financial feasibility of moving forward with the project without METRO as a partner, which possibly included the City paying METRO for the same property plus operating costs.

On October 28, 2014, the Goodman Cooperation gave the Council an update on the project and at that meeting, City Council members expressed some concern about moving forward with the project at that time under the revised financial and operating commitments to the City of Pearland. The following details the estimated cost to begin and maintain the program from 2015 – 2022:

2015	\$120,000 - Design Costs
2016	N/A - Construction costs by JARC Grant and Transportation Development Credits
2017	N/A - Construction costs by JARC Grant and Transportation Development Credits
2018	\$313,360 - Operating Costs
2019	\$288,426 - Operating Costs
2020	\$ 75,776 - Operating Costs
2021	\$356,992 - Operating Costs
2022	\$367,808 - Operating Costs

Subsequently on December 18, 2014 the METRO Board unanimously approved the transfer of the Pearland Area Park & Ride to Gulf Coast Center/City of Pearland. The following is the agenda item from that Board meeting.

Authorization for the President & CEO to declare land purchase for the Brazoria County Park & Ride as appropriate for Interlocal cooperation, transfer this land, obtain reimbursement of METRO local expended funds and direct grant actions as necessary to transfer the associated FTA interest in the property and remaining 5316 Job Access and Reverse Commute project grant funds to Connect Transit on behalf of the City of Pearland.

The details of the recommendation to the Board were as follows:

- In November of 2011, METRO purchased 15.6 acres of property along SH 288 for a total of \$3.97 million for the development of a Park & Ride site.
- Of that \$3.97 million, METRO paid 20% of the total cost or **\$794,000** plus incidentals totaling \$795,000.
- Federal Funding from a Job Access Reverse Commute (JARC) Grant paid the balance in the amount of \$3,175,000.

- Federal Funding from a Job Access Reverse Commute (JARC) Grant paid the balance in the amount of \$3,175,000.
- METRO had a recent appraisal of the property completed and the current estimated value of the property is \$4.2 million.
- METRO staff informed the Board that they recently received an unsolicited offer on the property of \$5.3 million.

Subsequently on February 9, 2015 and again on March 16, 2015, the City Council discussed the following options:

1. Agree to move forward with the project and purchase the property from METRO for \$795,000.
2. Work with HGAC to acquire the property at no additional cost to the City.
3. Decline offer from METRO and restate our original offer to acquire the property at no costs to the City of Pearland.
4. **Decline offer from METRO and inform METRO that we are not interested in moving forward with the project at this time.**

Based on the long-range potential financial burden to the City, the Council directed staff to contact METRO and inform them that we were no longer interested in moving forward with the project at that time.

RECENT HISTORY

Over the past two years Staff has had informal conversations with both private transportation companies and public transportation companies regarding the possibilities of providing Park & Ride services from Pearland to and from the Medical Center and Downtown Houston.

In May of 2017, METRO again changed their policy on offering Park & Ride services *outside* their service. The caveat they established a policy that **the rate that they will provide their service for must completely cover all costs for the operation including but not limited to operational, personnel and capital costs.** As a result of this new policy Councilmember Derrick Reed, Councilmember Gary Moore; City Manager, Clay Pearson; Assistant City Manager, Trent Epperson and I met with METRO Board members, the CEO and Executive staff to discuss their new policy and to see if we could begin the dialog once again to determine if there were any future, mutual options to consider. At the conclusion of the meeting it was agreed that we would discuss this with our Council in the future at early budget input or another venue.

As indicated above we have also had conversations with other providers both public and private to provide Park & Ride services in Pearland. In both cases, the first hurdle is where to locate the service that could provide enough parking spaces from 300 to up 1,000 vehicles from roughly 6:00 AM to as late as 7:00 PM, Monday – Friday. Over the years, staff has contacted large acreage property owners to gauge their interest. Ideally a location such as a church or a mall that already has paved parking would be ideal, but a large flat undeveloped parcel of property between 15 and 20 acres of property could also be a possibility in the right location and at the right price.

Both City Staff and those potentially interested in providing services in Pearland have looked at multiple parcels and for various reasons, none stand out. **One site that has been discussed is the existing parking at the Sports Complex at Shadow Creek Ranch.** The existing parking space can easily accommodate up to 350 cars on paved parking with the potential to add additional temporary parking spaces on undeveloped portions of the property. The advantage of this site is that the property is already owned and maintained by the City of Pearland, is accessible

to major roadways, and convenient to large blocks of Pearland residents that might use this service alternative.

One interesting option that has recently availed itself is, a private company has approached the City stating the possibility that they would like to provide a pilot program where the City would not be out of pocket for any operational expenses however, would need to agree to provide “security” during the day and traffic control to kick-off the program. The site they are interested in is the aforementioned, Sports Complex at Shadow Creek Ranch.

Purpose of Discussion

1. See if there is an interest of Council to further investigate Park & Ride options in the Community.
2. If yes, what if any resources would we be willing to commit on an annual basis (actual dollar amount or in-kind services)?
3. Is there an interest in proceeding with the pilot program? If so, for how long and what resources are we willing to commit?