



MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMITTEE MEMORANDUM

TO: Neighborhoods/Community Affairs Committee

FROM: Jimmy L. Morales, City Manager

Date: April 29, 2013

SUBJECT: **DISCUSSION REGARDING MIAMI BEACH MASS TRANSIT LOOP**

This item was referred to Neighborhoods/Community Affairs Committee during the Joint Neighborhoods/Community Affairs/Land Use and Development Committee on March 19, 2012.

DISCUSSION REGARDING TRANSIT ENHANCEMENTS FOR NORTH BEACH

This item was referred to Neighborhoods/Community Affairs Committee during the Joint Neighborhoods/Community Affairs/Land Use and Development Committee on March 19, 2012.

This item is being presented to the Neighborhoods/Community Affairs Committee (NCAC) for discussion and further direction.

BACKGROUND

At the March 19, 2013 Joint NCAC/LUDC meeting, the Committee recommended the Administration pursue the analysis of two independent circulator routes, one serving North Beach and one serving Middle Beach. The Committee expressed a desire to extend circulator service to corridors that would not be served by the proposed North-Middle Beach Circulator. The Committee also recommended that the City coordinate with MDT for the provision of an express bus route along Collins Avenue as part of the County's ongoing transit service evaluation study. The recommended MDT express bus route along Collins Avenue would serve to connect the proposed independent North Beach and Middle Beach Circulators to the South Beach Local via an express north-south service. In addition to the recommendation to pursue two independent circulator routes, the Committee also raised questions and concerns regarding ridership estimates and the financing plan for the operating scenarios considered, in particular, certain assumptions made regarding wages and the omission of costs related to a bus maintenance facility in the analysis.

UPDATE SINCE THE MARCH 19, 2013 JOINT NCAC/LUDC MEETING

Since the March 19, 2013 Joint NCAC/LUDC meeting, the City and its consultant team have conducted further analysis in order to refine the financing plan for the operating scenarios evaluated and address the Committee's stated concerns. The analysis included evaluating the effect of the City's Living Wage Ordinance on labor costs for operating scenarios two (2) and three (3) described below. In addition, there have been discussions with the City's Fleet Management Division in order to assess the available capacity and existing resources of the City facility located at Terminal Island

for use as a storage/maintenance facility for the circulator buses.

Attached herewith is a map of the proposed North-Middle Beach Circulator Route (Attachment A); a copy of the March 19, 2013 Memo to NCAC/LUDC (Attachment B); and an updated table listing the advantages and disadvantages of each of the three (3) potential alternative pricing/financing scenarios evaluated as part of the North-Middle Beach Circulator Study (Attachment C).

The Administration will be providing an update on these issues at the meeting on April 29, 2013.

CONCLUSION

Funds for the North-Middle Beach Circulator Feasibility Study were provided by a grant from the Miami-Dade MPO. The grant required a twenty (20) percent match from the City. The total cost of the study (\$49,970) included a contingency of \$5,000. Currently, this contingency is being utilized to address comments raised by the Joint NCAC/LUDC pertaining to the draft feasibility study. In order to pursue the recommendation of the Joint NCAC/LUDC to evaluate alternatives for two independent circulator routes, additional analysis would be required. The additional effort would include transit modeling, ridership forecasts, procurement options, and alternative financing scenarios for each circulator alternative. This effort would require additional resources as it would extend beyond the scope of services covered by the MPO grant.

Upon direction from the Committee, the Administration would engage one of its transportation planning and traffic engineering firms to provide a scope of services and fee proposal for this additional work. Funding for this effort would be from FY 2012/13 and FY 2013/14 People's Transportation Plan (PTP) funds.

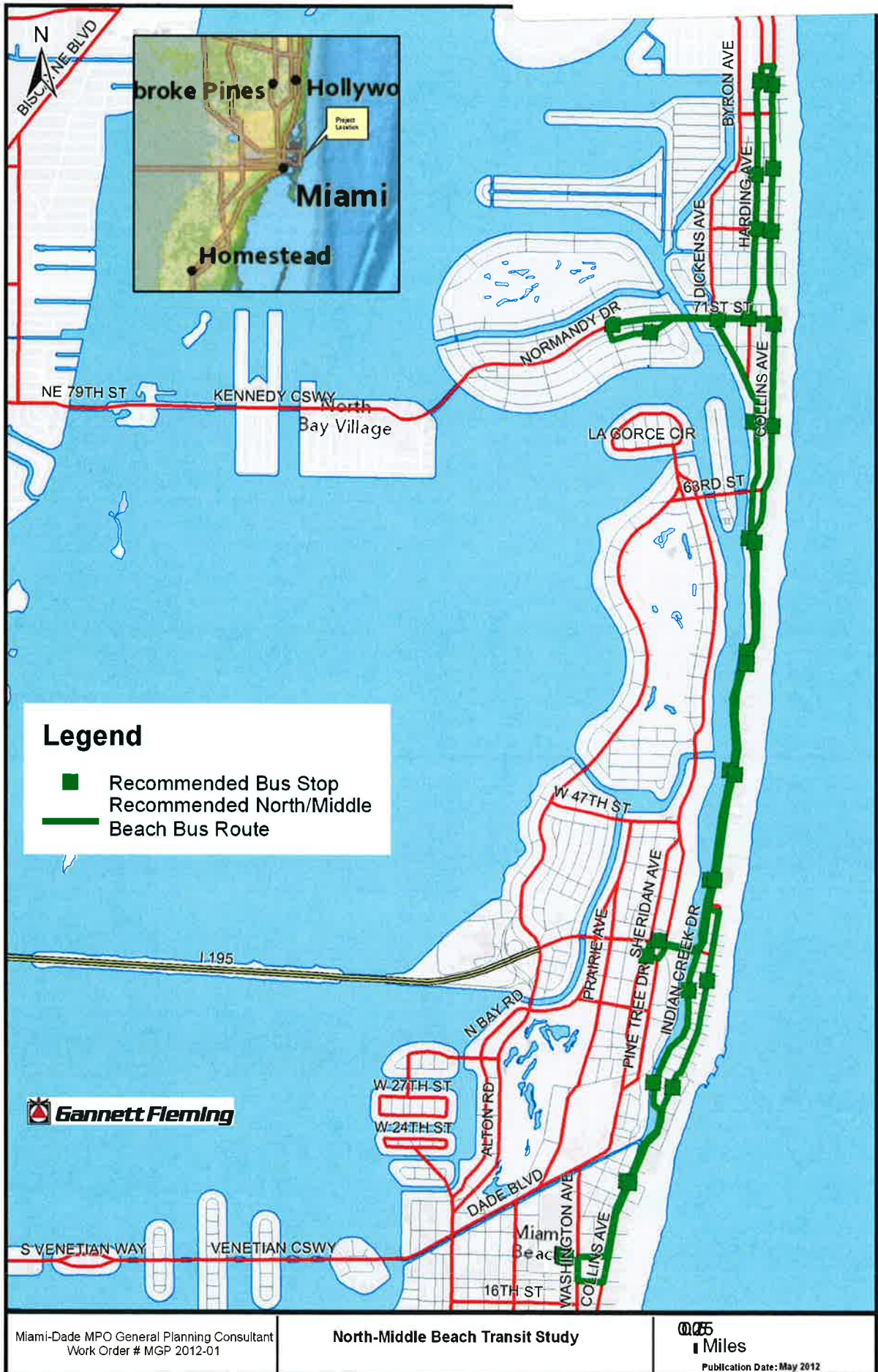
Concurrently, the Administration will continue to coordinate with MDT regarding its on-going comprehensive evaluation of County bus routes in order to better understand how a new grid system may impact the City and the Middle and North Beach communities in particular.

This item is being presented to the Neighborhoods/Community Affairs Committee (NCAC) for discussion and further direction.

Attachments:

- A: Map of Proposed North-Middle Beach Circulator Route
- B: Joint NCAC/LUDC Meeting Memo dated March 19, 2013
- C: North-Middle Beach Circulator Operating Scenarios: Table of Advantages and Disadvantages


KGB/JRG/JFD





MIAMI BEACH

City of Miami Beach, 1700 Convention Center Drive, Miami Beach, Florida 33139, www.miamibeachfl.gov

COMMITTEE MEMORANDUM

TO: Neighborhood/Community Affairs Committee and Land Use Development Committee

FROM: Kathie G. Brooks, Interim City Manager

Date: March 19, 2013

SUBJECT: **DISCUSSION REGARDING MIAMI BEACH MASS TRANSIT LOOP**

This item was previously discussed at the Finance and Citywide Projects Committee (FCWP) on July 10, 2012 and referred to Neighborhood/Community Affairs Committee (NCAC).

DISCUSSION REGARDING TRANSIT ENHANCEMENTS FOR NORTH BEACH

This item was referred to Land Use and Development Committee (LUDC) by Commissioner Libbin at the City Commission meeting of December 12, 2012.

This item is being presented to the joint Neighborhood/Community Affairs Committee (NCAC)/Land Use and Development Committee (LUDC) for discussion and further direction.

BACKGROUND

In 2012, the City of Miami Beach, in partnership with the Miami-Dade Metropolitan Planning Organization (MPO), initiated a feasibility study to identify a transit service that would be customized to the unique needs of the A1A/Collins Avenue/Indian Creek Drive corridor along the eastern coast of the City. The purpose of the study was to evaluate the feasibility of implementing circulator service in the North and Middle Beach communities, similar to the existing South Beach Local service. The need for a North-Middle Beach Circulator is documented in the Transportation Element of the City's 2025 Comprehensive Plan and in the City's Municipal Mobility Plan.

While A1A is currently served by a dozen Miami-Dade Transit (MDT) bus routes, MDT best serves trips between Miami Beach and destinations elsewhere in Miami-Dade County. Only two routes traverse the length of the corridor between 71 Street and South Beach; other routes cover portions of that length and then connect with the rest of the county across Biscayne Bay. Traveling by bus within the city along the A1A corridor is therefore more complicated and less convenient than would otherwise be expected.

The 2009 Community Satisfaction Survey reported that 81 percent of respondents in the Mid Beach condo corridor (Collins Avenue from 47 Street to 53 Street), and 69 percent of North Beach respondents use a car as their primary mode of transportation. Public transit bus use was six percent or less for the three geographic areas (Mid Beach condo corridor and North Beach). The relatively low reliance on public transit appears to reflect the deficiencies in existing bus service in the study corridor.

The proposed service would be configured to serve the high rise condominiums, apartment buildings, and hotels for which transit is a voluntary alternative to private automobile. Generally, auto ownership and household income in the corridor are high suggesting considerable discretion in mode choice for residents and visitors in the corridor. In addition, the service would carry residents and visitors to non-work destinations: restaurants, entertainment venues, and shopping rather than to places of employment (Attachment A). While the service could also carry workers to jobs, the existing MDT service suffices and this proposed service could offer additional options for work trips.

The City's proposed North-Middle Beach circulator service would satisfy the following objectives:

- 1) Provide enhanced transit service via a one-seat ride between a high-density residential corridor (Collins Avenue) and commercial districts (71 Street and 41 Street) thereby linking North and Middle Beach communities and providing a direct connection to the South Beach Local (Attachment A); and
- 2) Customize, or brand, the service to a unique market of non-captive riders and non-work trips via a direct one-seat connection between North Beach and Middle Beach to South Beach. Such a connection is not currently offered by Miami-Dade Transit (MDT). On the MDT system, a transfer to the western portions of 71 Street or 41 Street would require an extended walk or a transfer to other MDT routes; and
- 3) Pursuant to the request from the FCWP Committee in July 2012, the circulator service would serve senior and low income residents by serving the Stella Maris facility located at 87 Street and the Four Freedoms facility located at 38 Street.

In 2012, the City obtained a municipal grant in the amount of \$50,000 from the Miami Dade County Metropolitan Organization (MPO) for the North-Middle Beach Circulator Feasibility Study. The MPO retained the services of Gannet Fleming to perform this study.

As part of the feasibility study, a user survey was conducted along the project corridor. Surveys were distributed in 25 hotels and residential buildings containing approximately 4,800 residents. Responses detailing travel behavior and use of existing transit were received from approximately four percent of those contacted. The responses came from a broad base of the community and expressed an indication that a customized transit service would appeal to those living and visiting the study corridor.

Annual ridership on the proposed North-Middle Beach Circulator, based on the current ridership of the South Beach Local and user surveys conducted by the project team, is estimated to be approximately 1.2 million annually. This is slightly lower than the ridership of the current South Beach Local which is 1.5 million annual passengers. (Attachment B).

The draft feasibility report evaluated three (3) potential alternative pricing/financing scenarios (Attachment C).

1. MDT owns and operates the service

If the service is provided by MDT (similar to the South Beach Local service), there would be no capital costs to the City and the estimated annual operating and maintenance cost would be approximately \$3.16 million assuming no County contribution. MDT charges \$131.54 per vehicle-hour for operations and maintenance of its system. It is important to note that based on recent discussions with MDT staff, it is unlikely that MDT would contribute any funds for the operation of a municipal circulator system due to its current budgetary constraints. As an example, the City of Cutler Bay circulator system is operated and maintained by MDT; however, all operating costs are borne by Cutler Bay.

2. Miami Beach owns and operates the service

The study recognized that the type of vehicle required by the proposed service should a smaller alternative. A 32 foot heavy duty bus has been identified as the preferred vehicle for this service. In addition, in order to keep headways at 20 minutes, the consultant has identified the need for six buses operating and one bus for spare. If the service is provided by the City, the cost of the service is estimated at \$2.17 million in capital (for the purchase of seven (7) 32' long heavy duty buses); and \$1.38 million in annual operating and maintenance costs based upon current operating costs being paid for similar services in City of Hialeah and City of Doral.

3. Turnkey operation by private vendor

Under a turnkey operation, a private vendor would provide the buses, fuel, drivers, maintenance, and insurance under contract with the City of Miami Beach. Under this scenario, it is anticipated that the annual operation and maintenance costs would be similar to a City-provided service scenario due to capital financing costs. Numerous municipal circulators are currently operating under a turnkey operation, including the City of Miami, City of Coral Gables, City of Hialeah, City of Homestead, and City of Doral.

At the Finance and City Wide Projects Committee (FCWPC) meeting on July 10, 2012, the administration explained that fifty percent of the amount of Quality of Life (QOL) funds earned are committed to the payment of a portion of the debt service for the Miami Beach Redevelopment Agency - City Center/Historic Convention Village Bonds, which are used for the development, improvement and construction of certain public areas including a portion of the Cultural Center facilities located within the City Center District. The remaining fifty percent is allocated equally among North Beach, Middle Beach, and South Beach for capital projects that enhance Miami Beach's tourist related areas and various arts and cultural programs. The administration then stated that instead of four categories, the 50% of QOL funds could be broken into 5 categories, where transit would be the 5th category. Once the project is fully developed, the QOL funding described above can be used to sustain the capital and operating expenses for a North-Middle Beach Transit Circulator.

The FCWPC recommended that no action be taken on this item in Fiscal Year (FY) 2013 and that the item be ready for discussion and action, if so directed by City Commission, for FY 2014.

On September 10, 2012, the Draft North-Middle Beach Circulator Feasibility Study, prepared by Gannett Fleming and Associates in May 2012, was presented to the Transportation and Parking Committee (TPC) and a discussion ensued regarding the findings and recommendations in the draft feasibility report. The TPC passed a motion encouraging the City to use any funds available to strengthen the current bus service with MDT. If the project moves forward TPC has requested that the service be tied into the current MDT bus system, eliminating stops and shortening the headways. Furthermore, the TPC opined that the City should not be in the business of operating a bus system.

Subsequently, on September 14, 2012, City staff met with MDT to discuss the proposed circulator service for North-Middle Beach and how the City's and County's bus operations could collaborate to meet the transit needs of the community and avoid any duplication of service. Overall, MDT believed that the Collins Avenue corridor is currently well-served by its bus system and that the City's proposed circulator could potentially take ridership from the MDT system. MDT noted that it

would not operate any unique (or branded) vehicles along the Collins Avenue corridor but could wrap the existing fleet. It is important to note that most of the MDT bus routes operating in Miami Beach, with the exception of the South Beach Local and Route 115/117, extend well beyond the Miami Beach municipal limits, serving municipalities to the north and west on the mainland. Further, if MDT operated the circulator, differential pricing for residents would not be possible. According to preliminary conversations with MDT, they would likely scale back their existing service along Collins Avenue should the City move forward with its circulator service.

On October 30, 2012, during a general discussion on North Beach issues, the City's Planning Board strongly supported efforts to increase the availability of transit options in the North Beach area and passed a Resolution urging the City Commission to refer to the LUDC a discussion item on transportation options in the North Beach Area, including a circulator bus for North Beach and better connector options for South, Middle, and North Beach. At the December 12, 2012 City Commission meeting, the item was referred to the LUDC.

ANALYSIS

Below is a table listing the advantages and disadvantages of each of the three potential alternative pricing/financing scenarios evaluated as part of the North-Middle Beach Circulator Study.

	Scenario	MDT Operates Service	Miami Beach Operates Service	Turnkey Operation by Private Vendor
Criteria	Flexibility of operations	Future changes in service are subject to negotiation with MDT	City maintains full control of all aspects of operation	Operational issues must be agreed by contract and may be difficult to change over the life of the contract
	Ability to deliver a premium service to the unique market	Limited ability to offer informational services for residents and tourists and tailor service to particular events and travel patterns	Able to offer the widest range of tour guide, concierge, and customized services to customers.	Customized services can be agreed through contract with some cost implications for future changes.
	Ability to use customized vehicles	Limited to existing MDT fleet	Full range of choices including alternative fuel vehicles; would need to work with other agencies as the order would be relatively small.	Broad range of choices including alternative fuel vehicles; some limits on availability of certain vehicles, which would depend upon the willingness of the vendor to accommodate City preferences.
	Ability to maintain high service standards	Limited. MDT drivers operate under contract and cannot be expected to perform beyond current MDT standards.	Maximum ability to train drivers and other personnel and establish the highest performance standards. City can directly respond to performance deficiencies.	Performance standards can be established by contract thereby requiring the high quality of service envisioned for this service. Unanticipated issues can be addressed through negotiation.

Scenario	MDT Operates Service	Miami Beach Operates Service	Turnkey Operation by Private Vendor
Initial Cost	No "up front" costs. MDT to deliver equipment and personnel on "Day 1."	Requires purchase of vehicles and hiring and training of staff, which represents a substantial initial investment.	Cost of procuring the vendor; higher cost than MDT as operator but most costs would be amortized over the life of the contract.
Annual Costs	Lowest annual cost. Cost would be even throughout the term of the initial five years.	Somewhat higher cost than MDT as operator. Lower costs could be achieved if City staff can be hired for less than current MDT wages as has been done in other cities. Use of existing staff for management and administrative positions could result in cost savings.	Somewhat higher cost than MDT as operator. Efficiencies of a private enterprise and the competitive nature of the contract could result in additional cost savings. Profit margins could reduce those savings.
New Facilities	None. MDT has facilities for storage, washing, and maintenance of buses.	City would need to construct storage and maintenance facility.	Vendor would be responsible for securing a storage and maintenance facility and office space. Some or all of this might be located outside of the City.

MDT is currently evaluating its current countywide bus system through a transit service evaluation study which began earlier this year. The purpose of the study is to evaluate the effectiveness and efficiency of the current MDT bus system in order to make route and service plan changes that are more simple to understand, more efficient to operate, and more reliable. As part of this effort, MDT is considering the advantages and disadvantages of restructuring its bus routes to create a more grid-like network as the current route system has become complex, not as user-friendly as desired, and less efficient and effective. MDT expects possibly implementing any recommended service changes in a phased manner, with the first round of service changes occurring as soon as November 2013. Per the TDP, Route 115/117 would be restructured to operate in only one direction rather than the current bi-directional loop. The MDT service change is proposed to take effect in Fiscal Year 2014.

In this context, City staff will work closely with MDT, to potentially restructure Route 115/117 and other routes serving the A1A/Collins Avenue corridor. Any bus service changes in the North-Middle Beach communities must be closely coordinated between the City and County in order to implement an effective bus service that meets the objectives of this study and the mobility needs of the community.

RECOMMENDATION

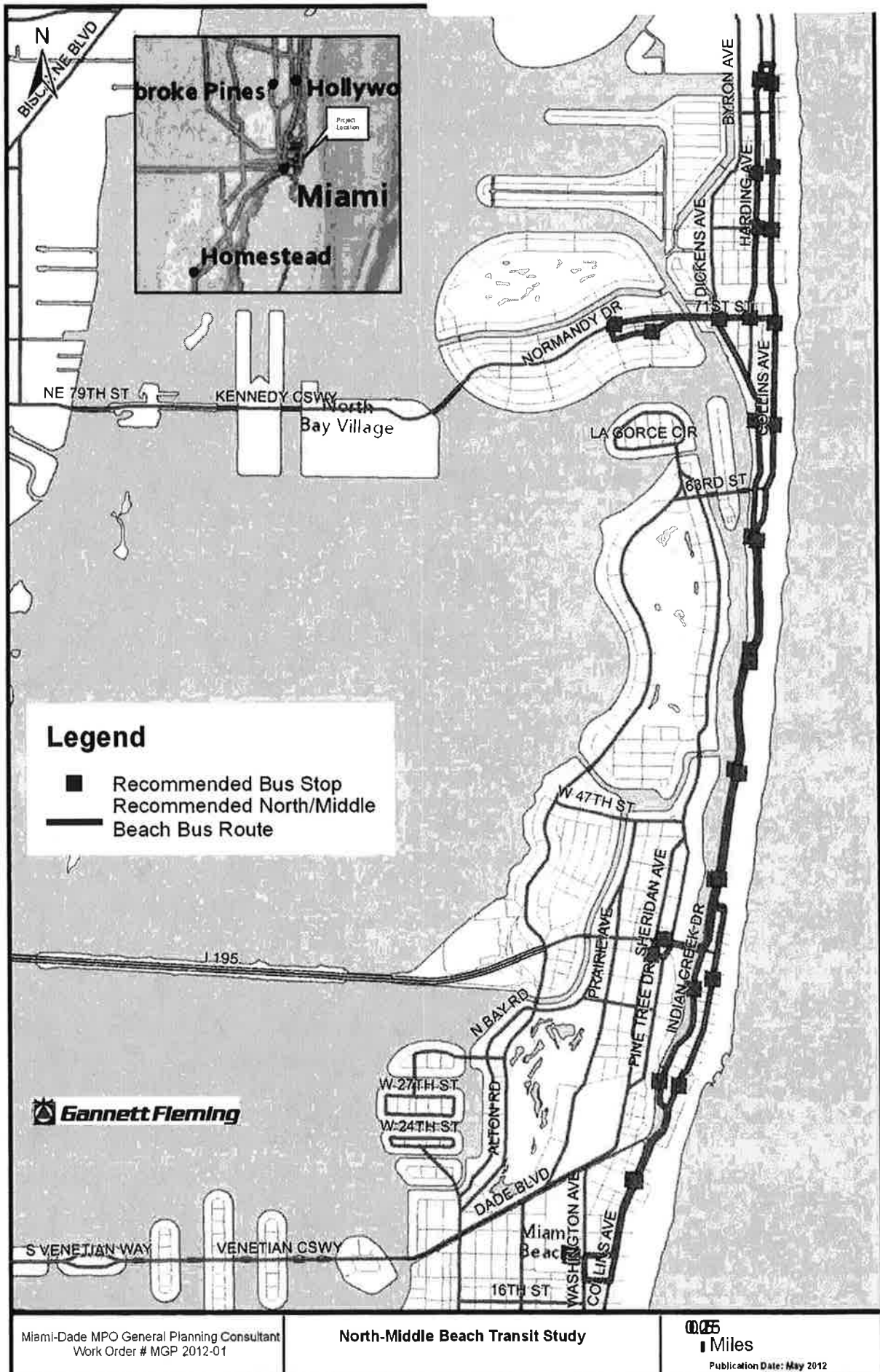
The above information is presented to the joint NCAC/LUDC for discussion and further direction as to which scenario, if any, is the most advantageous to the City. Regardless of the scenario

recommended, the Administration recommends not moving forward until MDT's ongoing comprehensive evaluation of its bus routes is completed and there is a better understanding of how a new grid network of bus routes may impact the City, and the Middle and North Beach communities in particular.

Attachments:

- A: North-Middle Beach Transit Circulator Route (Revised)
- B: Ridership Estimate for North-Middle Beach Circulator
- C: Alternative Pricing/Financing Scenarios

JGG/EHB/JF/S/JRG



Legend

- Recommended Bus Stop
- Recommended North/Middle Beach Bus Route

Gannett Fleming

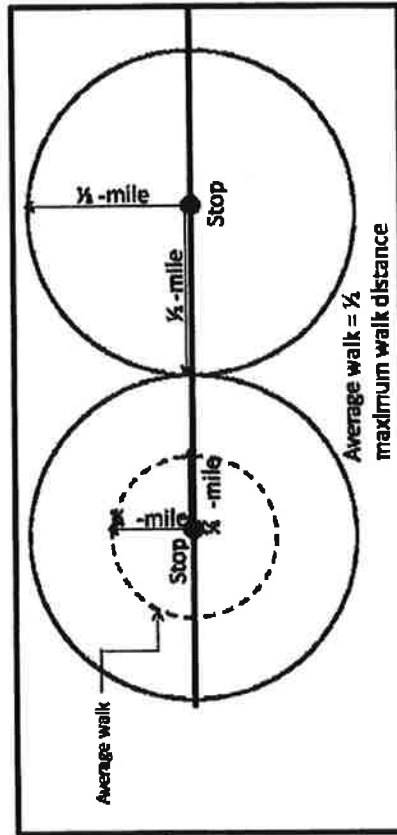
Miami-Dade MPO General Planning Consultant
Work Order # MGP 2012-01

North-Middle Beach Transit Study

0.05 Miles
Publication Date: May 2012

Ridership Estimate

Service	Annual Ridership
South Beach Local	1,543,000
DecoBus with northern extension	1,170,000



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Alternative Pricing/Financing Scenarios

Scenario	Capital Costs	Annual Operating & Maintenance Costs	Year					Total (excluding escalation and time value of money)
			Year 1	Year 2	Year 3	Year 4	Year 5	
MDT Operates Service ¹	2,169,000	3,160,000	3,433,000	3,433,000	3,433,000	3,433,000	3,433,000	17,166,000
Miami Beach Operates Service ²	2,169,000	1,382,000	3,551,000	1,382,000	1,382,000	1,382,000	1,382,000	9,080,000
Turnkey operation by private vendor ³	2,169,000	1,382,000	1,655,000	1,655,000	1,655,000	1,655,000	1,655,000	8,276,000

1 - MDT charges standard price of \$131.54 per vehicle-hour, no additional charges for maintenance, or staff. Vehicle costs are added and amortized over 12 years.

2 - Miami Beach matches private vendor labor costs, maintenance and vehicle storage in existing facilities; City purchases buses and continues service beyond Year 5 or recoups cost through resale. Otherwise, full cost of buses is borne in the first five years.

3 - Private vendor incorporates all costs into annual agreement, which are based on comparable municipal services. Cost of vehicles amortized over 12 years.

North-Middle Beach Circulator Operating Scenarios: Advantages and Disadvantages Table

	Scenario	MDT Operates Service	Miami Beach Operates Service	Turnkey Operation by Private Vendor
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	New Facilities	None. MDT has facilities for storage, washing, and maintenance of buses.	City would need to construct storage and maintenance facility.	Vendor would be responsible for securing a storage and maintenance facility and office space. Some or all of this might be located outside of the City.