

Attachment A

**2016 Cost-Sharing Agreement
City of Gig Harbor and Pierce Transit**

I. **Service Cost Estimates and Monetary Contributions:** Monetary contributions by the City of Gig Harbor and Pierce Transit pursuant to Interlocal Agreement for Trolley Service dated February 24, 2014 for the 2016 Seasonal PT Trolley Service are described below.

A. The estimated cost is a planning level estimate based on the hours and miles identified by Pierce Transit. The 2016 PT Trolley Service is proposed to operate from June 2, 2016 to September 5, 2016. The actual hours and miles needed to operate the service is determined by Pierce Transit during the scheduling of the service prior to implementation.

B. Pierce Transit's targeted system average fare box recovery rate is 16% based on a \$2.00 adult fare. The City of Gig Harbor partnership will allow customers to be charged a \$.50 adult fare, a 75% discount to customers of the usual adult fare, for the seasonal 2016 Trolley Service. The City of Gig Harbor agrees to contribute the estimated targeted 16% fare box recovery to achieve Pierce Transit's average fare box recovery rate. Pierce Transit will deduct fare box revenue from the final invoice to the City of Gig Harbor so as to achieve at least a 16% fare box recovery rate.

C. The City of Gig Harbor's maximum estimated cost is \$46,613. Pierce Transit's estimated cost is \$291,334. If actual costs exceed the estimated amount, Pierce Transit will be liable for the higher cost as long as the service provided does not change significantly. If the parties agree to alter the service in ways that result in an increase in service hours, then this cost-sharing agreement will be renegotiated.

II. **2016 Trolley Service Estimates:**

Estimated 2016 Trolley Service Hours	1,935
2016 Budgeted Cost Per Service Hour	<u>\$ 150.56</u>
Estimated Cost to Operate Service	\$291,334

PT Targeted Average Fare Box Recovery Rate	16%
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Community Investment Required (16% x Estimated Cost to Operate Service)	\$46,613
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Pierce Transit will deduct actual Gig Harbor Trolley fare box revenue, up to 16% partnership funds, from the final invoice.

Estimated Financial Contributions

Pierce Transit	\$244,334
City of Gig Harbor	<u>\$ 46,613</u>
Estimated Cost to Operate Service	\$291,334

Pursuant to the terms of the Parties' Agreement, dated February 24, 2014, Gig Harbor agrees to pay the Community Investment amount listed above for the 2016 PT Trolley Service to offset the adult fare charged to customers of the Service.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement on the 22 day of February, 2016.

CITY OF GIG HARBOR

**PIERCE COUNTY PUBLIC
TRANSPORTATION BENEFIT
AREA CORPORATION**

By: Jill Guernsey
Jill Guernsey
Mayor

By: Sue Dreier
Sue Dreier
Chief Executive Officer

Date: Feb 22, 2016

Date: 2/29/16

Wayne Fanshier
Wayne Fanshier
Chief Financial Officer

Date: 2/25/16

ATTEST:

Deanne Jacobson
Deanne Jacobson, CMC

Date: 2-29-16