



**HILLSBOROUGH TRANSIT AUTHORITY  
&  
TAMPA HISTORIC STREETCAR INC.**

**BOARD OF DIRECTORS JOINT MEETING  
MONDAY, JULY 19, 2010**

**10:00 AM**

**1201 EAST 7<sup>TH</sup> AVENUE, 3RD FLOOR  
FLORIDA CONFERENCE ROOM**

**AGENDA**

**DISCUSSION ITEMS**

- a. HART FY2011 Proposed Streetcar Budget and Status of Endowment Fund ~ David Persaud
- b. Potential Revenue Enhancement And Cost Saving Opportunities ~ Olga Gonzalez

**ADJOURNMENT**

THE HART/THS BOARD PACKET IS AVAILABLE ON HART'S WEBSITE AT [WWW.GOHART.ORG](http://WWW.GOHART.ORG)

**DISCUSSION ITEM**

***HART FY2011 Proposed Streetcar Budget and Status of Endowment Fund***

The purpose of this report is to present the Board with HART FY2011 Proposed Streetcar Budget.

**DISCUSSION**

The HART FY2011 Proposed Streetcar Budget is being transmitted to the THS, Inc. Board members for review and discussion.

The FY2011 Budget reflects \$2,085,620 in operating expenses which is \$10,960 or 0.5 percent over the FY2010 budget.

Detailed narrative and budget variances are presented in the attached report.

A companion report on the THS, Inc. FY2010 Budget-to-actual through March 31, 2010, is also presented with assumptions through September 30, 2010, and a projection for FY2011. These projections are based on HART staff assumption as described in the report with the Endowment being exhausted and a projected shortfall in FY2011 of \$324,529.

**RECOMMENDATION**

The THS, Inc. Board reviews the budget and advises HART on the proposed budget for FY2011 compared to FY2010. Review the THS, Inc. financial projections for FY2011 and the projected deficit of \$325,000 and the impact on funding the Streetcar operations for FY2011.

Prepared by: David Persaud, Director of Finance

Reviewed by: Brenda Mowen, Chief Administrative Officer

Approved by: David Armijo, Chief Executive Officer

Attachments:

HART FY2011 Proposed Streetcar Budget

HART Projections on THS, Inc. Operations and Endowment for FY2010 & FY2011.

**SECTION VI**

**TECO LINE  
STREETCAR  
SYSTEM**

**HILLSBOROUGH TRANSIT AUTHORITY  
FY2011 & FY2012 BUDGETS**

**STREETCAR SYSTEM**

**OVERVIEW**

HART operates the TECO Line Streetcar System in Tampa, Florida, under contract with the Tampa Historic Streetcar, Inc. (THS, Inc.). This chapter provides a description of the system, how it is funded, performance goals for FY2010 and both capital and operating plans for future years.

The first phase of the TECO Line Streetcar System began operation October 19, 2002. The streetcar system is an electrically powered rail transit system approximately 2.4 miles in length. The initial segment functions as a single-track, bi-directional system with passing tracks to permit the passing of vehicles traveling in opposite directions. The streetcar tracks do not share vehicle travel lanes, and are separated from traffic by low barriers, warning signs, pavement striping, and/or landscaping. At signalized intersections, a separate signal for the streetcar motormen is linked to the traffic control system.

In late 2009 a planned .3 mile extension was begun which will take the streetcar system to the south side of downtown Tampa. The new extension will open by December of 2010 with its track extending from Dick Greco Plaza going North along Franklin Street and ending at Whiting Street.



### **Ybor Station**

Ybor Station (car barn) occupies the ground and mezzanine levels of the HART Raymond C. Miller building, the top floor is occupied by the HART administrative office. The streetcar facility includes a yard and support services for rolling stock maintenance and a base of operation for the streetcar system. The site is located in Ybor City on the block bounded by 6<sup>th</sup> Avenue to the south, 13<sup>th</sup> Street on the east, 7<sup>th</sup> Avenue to the north, and Nuccio Parkway on the west. Ybor Station was designed to be constructed in phases. The first phase has sufficient capacity to accommodate the storage and maintenance of up to twelve streetcars. In addition to the yard and the building to support maintenance and operation of the system, the site includes a small park known as Rough Riders Park, and pedestrian improvements.

The facility includes administrative offices, locker rooms, rest room facilities, storage space for supplies, an automatic vehicle wash system, two undercarriage work pits, hydraulic jacks, and equipment to maintain the fleet. Some heavy repairs are contracted out. HART owns a trailer to transport the vehicles when necessary for major maintenance and emergency evacuation.

### **Dick Greco/Southern Transportation Plaza**

The Southern Transportation Plaza is an intermodal facility that provides access and connection among pedestrians, the streetcar system, HART buses (Route 96 In-Town Downtown Trolley, Route 97 Weekend Downtown Evening Shuttle), tour buses, and taxis. The facility is located on the southern half of the block (approximately) bounded by Old Waters Street to the south, Florida Avenue on the east, Channelside Drive to the north, and Franklin Street on the west directly in front of the Convention Center. The streetcar alignment crosses the site diagonally to allow for a later extension of the system north into the Central Business District (CBD). The design of this station stop differs from the other nine station stops in a number of ways. It is much larger due to its location and usage, and it includes bus bays and a taxi queuing area, extensive landscaping and pedestrian pathways, and space for vendors.

### **Vehicles**

HART initially purchased eight historic “Birney” replica streetcars for the system. An additional replica Birney streetcar was received in 2005. A Gomaco replica “Breezer” streetcar was received in 2004 and purchased in 2005. The streetcars closely resemble the double-truck Birney or Breezer cars that operated in Tampa during the heyday of streetcar service. Each vehicle is approximately 46 feet long and 8 feet 6 inches wide. The vehicles are steel-framed with double, four-wheeled trucks and four 27-hp GE type traction motors mounted on MCB style trucks from ATM of Milan, Italy. The streetcars operate on 600 volts of direct current provided by an overhead power distribution system. Each vehicle weighs approximately 48,000 pounds and has a maximum operating speed of 30 miles per hour. The capacity of each vehicle is 44 seated, with space for 40 standing passengers.

The system permits up to 7.5 minute headways, or a vehicle in each direction every 7.5 minutes. Currently, headways vary from 15 to 30 minutes, typically 15 and 20 minute headways are used.

**STREETCAR OPERATION & RIDERSHIP**

HART manages and operates the TECO Line Streetcar System under a contract with Tampa Historic Streetcar, Inc. (THS) a non-profit corporation formed by the City of Tampa. HART provides three types of service for the system. Each is defined and discussed below.

Base Service is the day-to-day service frequency and hours of operation. The THS Board, in its original corporate business plan, established the service frequency and hours of operation for basic service as presented below.

	<u>Hours of Service</u>	<u>Service Frequency</u>
Sunday	12:00 pm to 8:00 pm	every 20 minutes
Monday	11:00 am to 10:00 pm	every 20 minutes
Tuesday	11:00 am to 10:00 pm	every 20 minutes
Wednesday	11:00 am to 10:00 pm	every 20 minutes
Thursday	11:00 am to 10:00 pm	every 20 minutes
Friday	11:00 am to 3:00 pm	every 20 minutes
	3:00 pm to 1:00 am*	every 15 minutes
	1:00 am to 2:00 am *	every 30 minutes
Saturday	9:00 am to 11:00 am	every 30 minutes
	11:00 am to 1:00 am*	every 15 minutes
	1:00 am to 2:00 am *	every 30 minutes

\* am next day.

This schedule results from trials of higher operating speeds and reduced car numbers (i.e. 2 cars 20 minute) and is sufficient for current and short-term projected patronage demand. Additional efficiencies may not be achieved until the streetcars' environment (road crossings, traffic signals, manual fare system) are transitioned.

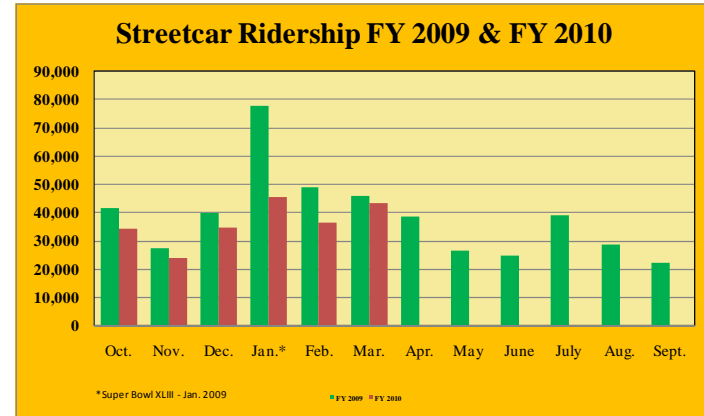
A higher operating speed and reduced number of cars translates into approximately 14,103 billable hours of service annually. Extra service is defined as service that exceeds the Base Service level. Extra service includes the use of additional vehicles to provide more capacity or increase service frequency to meet patronage requirements.

Note: Assumes no operation on Thanksgiving and Christmas

<b>SERVICE RATES PER VEHICLE HOUR</b>						
<b>SERVICE RATES</b>	<b>FY2007 Actual</b>	<b>FY2008 Actual</b>	<b>FY2009 Actual</b>	<b>FY2010 Budget</b>	<b>FY2011 Proposed</b>	<b>FY2012 Planned</b>
Base Service Rate	\$128.15	\$141.14	\$144.86	\$150.80	\$147.88	\$150.31
Extra Service Rate (within Base Service Period)	\$66.72	\$76.97	\$81.06	\$74.64	\$74.59	\$76.13
Extra Service Rate (outside Base Service Period)	\$86.63	\$99.09	\$111.19	\$102.56	\$101.51	\$103.66
Special Service Rate	\$128.15	\$141.14	\$146.29	\$150.80	\$147.88	\$150.31
(Does not include THS Profit)						
<b>Base Service Cost</b>						
Base Service Hours	17,204	17,256	13,780	13,758	14,103	14,103
Base Service Rate	<u>\$128.15</u>	<u>\$141.14</u>	<u>\$144.86</u>	<u>\$150.80</u>	<u>\$147.88</u>	<u>\$150.31</u>
<b>Base Service Cost to THS</b>	<b>\$2,204,693</b>	<b>\$2,435,512</b>	<b>\$1,996,171</b>	<b>\$2,074,660</b>	<b>\$2,085,620</b>	<b>\$2,119,760</b>
Credit of Revenue from Grant	<u>\$300,000</u>	<u>\$300,000</u>	<u>\$300,000</u>	<u>\$300,000</u>	<u>\$300,000</u>	<u>\$300,000</u>
<b>Total Cost to THS</b>	<b><u>\$1,904,693</u></b>	<b><u>\$2,135,512</u></b>	<b><u>\$1,696,171</u></b>	<b><u>\$1,774,660</u></b>	<b><u>\$1,785,620</u></b>	<b><u>\$1,819,760</u></b>

## **Ridership**

Ridership for FY2009 was 462,461 boardings. Total FY 2010 Streetcar ridership through March 2010 averaged 36,425, down 22.4 percent from the comparable period in FY2009. FY 2009 ridership was greatly aided by Super Bowl XLIII.



## **Challenges and Opportunities in FY2011**

Streetcar operations will be challenged with the potential of service reductions in order to manage the projected deficit in streetcar endowment funding. Several saving options have been identified and can be immediately implemented, such as reductions in headways, service hours and service days. Streetcar operations management staff will continue to explore all potential operational cost saving efficiencies.

HART will be completing the 1/3 mile southern extension of the line to further travel into the CBD. Streetcar operations management staff will assist with this project as needed. With the extension scheduled to be complete in December 2010, HART anticipates an increase in ridership.

## **FINANCIAL PLAN FOR OPERATIONS**

**Assessment District** - In February 2000, the City of Tampa created an assessment district that includes downtown Tampa, central business district, the Channel District and Ybor City to provide financial support for the operation of the streetcar system. The assessment district generated \$596,986 in FY2009. The City of Tampa estimates collections of \$519,724 for 2010. A new Special Assessment District formed in Channelside started with collections in 2008. To generate this revenue, all properties within the district that do not have a homeowner's exemption are taxed at a rate of one-third mil. These funds are collected by the City and then transferred to the not-for-profit corporation.

**Endowment Fund** - An endowment fund was created from funds generated from the termination of a little used people mover system, the sale of system naming rights, vehicle naming rights, station naming rights, and seats in the streetcars. Tampa Historic Streetcar, Inc. invests and manages the fund. Income derived from the fund is used to support the operation of the system. The fund had a balance of \$1.248 million as of September 30, 2009.

**Fares** - The Board of Tampa Historic Streetcar, Inc. sets the fare policy and HART as the contract operator collects the fares.

**Advertising** - HART and THS administer the advertising program for the streetcar system. Each vehicle has space on the inside and designated vehicles on the outside to allow for advertising.

**Grants and Public Sector** – State, Federal grants and local funds were used to construct the system and purchase the streetcars. Additional grant funding is programmed for a proposed future extension. The streetcar system generates additional state and federal formula funding for HART, a portion of which is used to offset its operating cost. The Tampa Port Authority also contributes operating funds to the system.

### **Service Policy**

Three types of service have been identified by the THS Board. Each is defined and discussed below.

**Base Service** – Base service is defined as the day-to-day service frequency and hours of operation. The approved annual Operation Budget defines the service frequency and hours of operation for basic service as approved by the THS Board.

The Base Service Level is the basis for the Operation Budget. All anticipated functions, manpower needs, and direct and indirect costs in the budget are based on this service level.

**Extra Service** – Extra service is defined as service that exceeds the Base Service level. Extra Service includes the use of additional vehicles to provide more capacity or increase service frequency; or additional hours of service, either starting earlier or operating later than required to provide Base Service; or a combination of the two. The rate for this service within the Base Service hours and the rate for Extra Service outside of the Base Service hours are recalculated annually and approved as part of the annual operating budget.

HART has been authorized by THS to run extra service for additional patronage at all times. If the extra service will require motormen to be scheduled in advance, HART is required to get authorization from the THS Board. Extra service is reported to the THS Board on a monthly basis.

**Special Service** – Special service is defined as third-party sponsored service. Requests for service are made to HART; THS sets the rate for the service and receives payment. HART reports to the THS Board the number of streetcars used for the service, the length of the service, and the number of riders. The ability to provide service is dependent on the availability of vehicles. HART bills THS for Special Service at the fully allocated service rate (as required by the FTA for Charter Service) times the number of hours with a one – hour minimum. In addition to HART’s annually calculated cost to provide this service, THS adds a small profit.

<b>STREETCAR HOURS OF SERVICE</b>					
	<b>Base Hours</b>	<b>Base Rate</b>	<b>Extra Service (Inside Rate)</b>	<b>Extra Service (Outside Rate)</b>	<b>Special</b>
2003 Actual	16,358	\$77.15	\$43.69	\$54.62	\$83.00
2004 Actual	17,260	\$94.55	\$54.50	\$67.00	\$102.00
2005 Actual	17,212	\$101.37	\$58.42	\$71.82	\$102.00
2006 Actual	17,204	\$109.36	\$59.50	\$72.73	\$108.03
2007 Actual	17,204	\$118.69	\$64.61	\$90.59	\$118.69
2008 Actual	17,256	\$122.75	\$63.86	\$91.96	\$122.75
2009 Actual	13,780	\$144.86	\$81.06	\$111.19	\$146.29
2010 Budget	13,758	\$150.80	\$74.64	\$102.56	\$150.80
2011 Proposed	14,103	\$147.88	\$76.13	\$101.51	\$147.88
2012 Planned	14,103	\$150.31	\$76.13	\$103.66	\$150.31

<b>STREETCAR RIDERSHIP AND FARE REVENUES</b>				
<b>Year</b>	<b>Ridership</b>	<b>% of Change</b>	<b>Fare Revenue</b>	<b>% of Change</b>
2003 Actual	421,764	0.00%	\$0	0.00%
2004 Actual	425,614	0.91%	\$448,088	0.00%
2005 Actual	434,498	2.09%	\$451,903	0.85%
2006 Actual	389,785	-10.29%	\$475,903	5.31%
2007 Actual	437,612	12.27%	\$607,423	27.64%
2008 Actual	440,738	0.71%	\$628,226	3.42%
2009 Actual	462,704	4.98%	\$652,345	3.84%
2010 Budget	440,000	-4.91%	\$638,000	-2.20%
2011 Proposed	430,000	-2.27%	\$623,550	-2.26%
2012 Planned	450,000	4.65%	\$659,080	5.70%

**Operator’s Agreement for the TECO Streetcar**

The agreement dated October 8, 2006, between HART and the Tampa Historic Streetcar, Inc. is for five (5) years and is scheduled to terminate on September 30, 2011 (2007 – 2011). The City of Tampa, THS and HART are also parties to a Tri-Party Agreement dated October 1, 2001, (the Tri-Party Agreement). The Tri-Party Agreement contemplates that THS would engage a third party to operate the Streetcar System. THS has engaged HART as the operator of the Streetcar System.

**HILLSBOROUGH TRANSIT AUTHORITY  
PROPOSED FY2011 SUMMARY BUDGET WITH FY2010 TO FY2011 CHANGES  
STREETCAR MODE**

	FY2008 Actual	FY2009 Actual	Mar YTD FY2010 Actual	FY2010 Budget	FY2011 Proposed	Change From FY2010 to FY2011	
						Dollar	Percent
Operating Revenues:							
Fare Revenues	\$446,137	\$441,276	\$212,921	\$438,000	\$432,930	(\$5,070)	-1.2%
Pass Revenues	\$182,089	\$211,069	\$103,767	\$200,000	\$190,620	(\$9,380)	-4.7%
Total Fare & Pass Revenues	\$628,226	\$652,345	\$316,688	\$638,000	\$623,550	(\$14,450)	-2.3%
Advertising	\$450	\$0	\$0	\$0	\$0	\$0	0.0%
Other Income	\$2,435	\$12,363	\$1,767	\$0	\$0	\$0	0.0%
Total System Revenues	\$2,885	\$12,363	\$1,767	\$0	\$0	\$0	0.0%
Federal Operating Grants	\$200,000	\$200,000	\$100,000	\$200,000	\$200,000	\$0	0.0%
State Operating Grants	\$100,000	\$100,000	\$50,000	\$100,000	\$100,000	\$0	0.0%
Local Operating Grants	\$150,000	\$150,000	\$300,000	\$300,000	\$300,000	\$0	0.0%
Tampa Historic Streetcar	\$1,126,807	\$902,835	\$430,179	\$836,660	\$862,070	\$25,410	3.0%
Total Operating Grants	\$1,576,807	\$1,352,835	\$880,179	\$1,436,660	\$1,462,070	\$25,410	1.8%
Total Operating Revenues	\$2,207,918	\$2,017,543	\$1,198,634	\$2,074,660	\$2,085,620	\$10,960	0.5%
Operating Expenses:							
Salaries	\$1,221,152	\$1,164,931	\$573,421	\$1,064,870	\$1,034,000	(\$30,870)	-2.9%
Fringe Benefits	\$365,682	\$367,258	\$193,005	\$346,200	\$397,540	\$51,340	14.8%
Fuel and Oil	\$2,446	\$1,357	\$1,021	\$9,700	\$8,700	(\$1,000)	-10.3%
Parts and Supplies	\$186,493	\$174,604	\$43,517	\$295,440	\$295,040	(\$400)	-0.1%
Operational Services	\$32,157	\$25,047	\$7,658	\$26,650	\$23,470	(\$3,180)	-11.9%
Administrative Services	\$707	\$6,398	\$0	\$10,000	\$3,900	(\$6,100)	-61.0%
Marketing and Printing	\$36,278	\$33,282	\$13,929	\$50,000	\$50,000	\$0	0.0%

	FY2008 Actual	FY2009 Actual	Mar YTD FY2010 Actual	FY2010 Budget	FY2011 Proposed	Change From FY2010 to FY2011	
						Dollar	Percent
Insurance Costs	\$78,452	\$56,479	\$9,743	\$81,000	\$84,100	\$3,100	3.8%
Utilities	\$167,776	\$172,304	\$63,348	\$164,600	\$161,900	(\$2,700)	-1.6%
Taxes and Fees	\$0	\$0	\$0	\$70	\$0	(\$70)	-100.0%
Other Expenses	<u>\$26,953</u>	<u>(\$5,474)</u>	<u>\$8,404</u>	<u>\$26,130</u>	<u>\$26,970</u>	<u>\$840</u>	<u>3.2%</u>
Total Operating Expenses	<u>\$2,118,096</u>	<u>\$1,996,186</u>	<u>\$914,046</u>	<u>\$2,074,660</u>	<u>\$2,085,620</u>	<u>\$10,960</u>	<u>0.5%</u>
Revenues over (Under) Expenses	<u>\$89,822</u>	<u>\$21,357</u>	<u>\$284,588</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>0.0%</u>

**HILLSBOROUGH TRANSIT AUTHORITY  
FY2011 & FY2012 BUDGETS**

**SUMMARY OF REVENUES & EXPENSES  
FY2011 STREETCAR BUDGET**

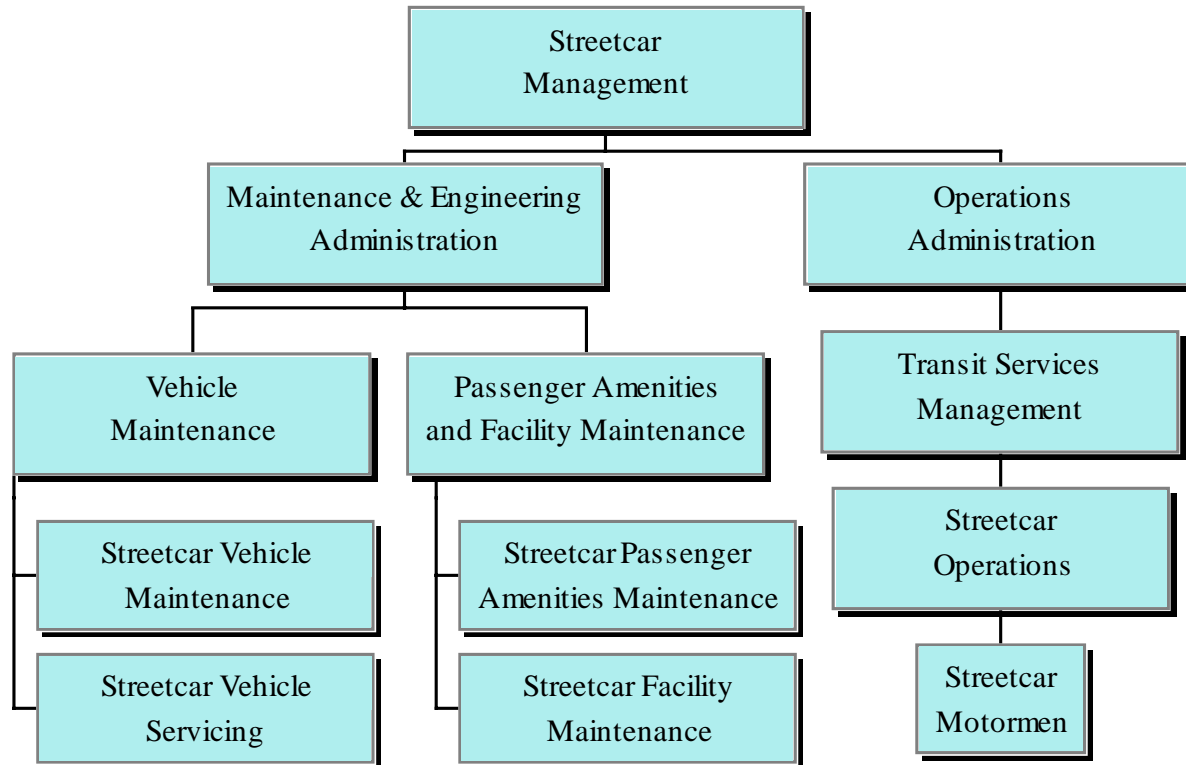
**Streetcar Revenues**

- Fare & Pass Revenues – Fare and pass revenue is expected to decrease by 2.3 percent or \$14,450 under FY2010.
- THS, Inc. revenue is increasing \$25,410 or 3 percent due to the Streetcar budget increase of \$10,960.

**Streetcar Expenses**

- Salaries – Salaries expense is expected to decrease by 2.9 percent or \$31,000 under FY2010. This decrease is primarily related to the cost of providing dispatch services.
- Fringe Benefits – Fringe benefit expense is expected to increase by 15 percent or \$51,000 over FY2010. This increase is primarily due to a 12 percent increase in insurance costs and funding for the Florida Retirement System of 10 percent.
- Parts and Supplies – Parts and Supplies expense is expected to be flat as compared to FY2010.
- Operational Services – Operational Services expense is expected to decrease by \$3,180 over FY2010.
- Administrative Services – Administrative Services expense is expected to decrease by \$6,100 under FY2010.
- Marketing and Printing – Marketing and Printing expense is expected to be flat as compared to FY2010.
- Utilities – Utilities expense is expected to decrease by \$2,700 under FY2010.

**HILLSBOROUGH TRANSIT AUTHORITY  
STREETCAR OPERATIONS & MAINTENANCE BY FUNCTION**



<b>**STREETCAR**</b>							
<b>Position Title</b>	<b>FY2006 Budget</b>	<b>FY2007 Budget</b>	<b>FY2008 Budget</b>	<b>FY2009 Budget</b>	<b>FY2010 Budget</b>	<b>FY2011 Proposed</b>	<b>FY2012 Planned</b>
Manager of Streetcar	1.0	1.0	1.0	0.0	0.0	0.0	0.0
Assistant Manager of Streetcar	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Administrative Assistant I	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Dispatcher	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Road Supervisor	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Conductor Motorman Generals	5.0	0.0	0.0	0.0	0.0	0.0	0.0
Conductor Motorman	9.0	14.0	14.0	10.0	9.0	9.0	9.0
Assistant Manager of Streetcar Maintenance	1.0	1.0	1.0	1.0	0.0	0.0	0.0
Supervisor of Streetcar Maintenance	0.0	0.0	0.0	0.0	1.0	1.0	1.0
Mechanics	2.0	2.0	2.0	3.0	3.0	3.0	3.0
Facilities Maintenance Technicians	1.0	1.0	1.0	2.0	2.0	2.0	2.0
General Maintenance Technicians	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Service Attendants	3.0	3.0	3.0	2.0	2.0	2.0	2.0
<b>TOTAL</b>	<b>29.0</b>	<b>29.0</b>	<b>29.0</b>	<b>25.0</b>	<b>24.0</b>	<b>24.0</b>	<b>24.0</b>

**HILLSBOROUGH TRANSIT AUTHORITY  
FY2011 & FY2012 BUDGETS**

**STREETCAR TRENDS AND STATISTICS  
FY2005 - FY2012**

<i>STATISTICS</i>	<i>FY 2005 ACTUAL</i>	<i>FY 2006 ACTUAL</i>	<i>FY 2007 ACTUAL</i>	<i>FY 2008 ACTUAL</i>	<i>FY 2009 ACTUAL</i>	<i>FY 2010 BUDGET</i>	<i>FY 2011 PROPOSED</i>	<i>FY 2012 PLANNED</i>
<i>Total Streetcar Miles</i>	84,944	88,334	88,663	82,032	74,913	70,790	79,367	80,562
<i>Revenue Streetcar Miles</i>	83,709	87,496	87,147	81,856	74,604	70,567	78,631	79,755
<i>Total Passengers (including PSA's and Companions)</i>	434,498	389,785	437,612	440,738	462,461	440,000	430,000	450,000
<i>Total Passengers Revenue</i>	\$451,903	\$539,845	\$607,423	\$628,226	\$652,345	\$638,000	\$623,550	\$659,080
<i>Total System Revenue</i>	\$1,771,721	\$1,956,624	\$634,546	\$631,111	\$664,708	\$638,000	\$623,550	\$659,080
<i>Total Operating Expenses</i>	\$1,648,750	\$1,947,470	\$2,041,902	\$2,118,096	\$1,996,186	\$2,074,660	\$2,085,620	\$2,119,760
<i>Total Operating Subsidy</i>	(\$122,971)	(\$9,154)	\$1,407,356	\$1,486,985	\$1,331,478	\$1,436,660	\$1,462,070	\$1,460,680
<b><i>RATIOS</i></b>								
<i>Operating Cost per Total Mile</i>	\$19.41	\$22.05	\$23.03	\$25.82	\$26.65	\$29.31	\$26.28	\$26.31
<i>Operating Cost per Revenue Mile</i>	\$19.70	\$22.26	\$23.43	\$25.88	\$26.76	\$29.40	\$26.52	\$26.58
<i>Passengers per Revenue Mile</i>	5.19	4.45	5.02	5.38	6.20	6.24	5.47	5.64
<i>Operating Cost per Passenger</i>	\$3.79	\$5.00	\$4.67	\$4.81	\$4.32	\$4.72	\$4.85	\$4.71
<i>Operating Subsidy per Passenger</i>	(\$0.28)	(\$0.02)	\$3.22	\$3.37	\$2.88	\$3.27	\$3.40	\$3.25
<i>Average Passenger Fare</i>	\$1.04	\$1.38	\$1.39	\$1.43	\$1.41	\$1.45	\$1.45	\$1.46
<i>Percentage of Operating Cost Recovered from Passenger Revenues</i>	27.4%	27.7%	29.7%	29.7%	32.7%	30.8%	29.9%	31.1%
<i>Percentage of Operating Cost Recovered from Total System Revenues</i>	107.5%	100.5%	31.1%	29.8%	33.3%	30.8%	29.9%	31.1%

**\*\*Note:** Includes all revenue for the System, including passenger fares, THS, Inc. reimbursement to the Authority, and miscellaneous income.

Revenue Recovery Ratio – Streetcar per Contract with HART

<b>STREETCAR REVENUE RECOVERY</b>			
<b>Year</b>	<b>Operating Expenses</b>	<b>Fare Revenue</b>	<b>Recovery Ratio</b>
2004 Actual	\$1,439,960	\$448,088	31.12%
2005 Actual	\$1,648,750	\$451,903	27.41%
2006 Actual	\$1,947,470	\$475,903	24.44%
2007 Actual	\$2,041,902	\$607,423	29.75%
2008 Actual	\$2,118,096	\$628,226	29.66%
2009 Actual	\$1,996,186	\$652,345	32.68%
2010 Budget	\$2,074,660	\$638,000	30.75%
2011 Proposed	\$2,085,620	\$623,550	29.90%
2012 Planned	\$2,119,760	\$659,080	31.09%

<b>FARE STRUCTURE FOR FY2007 THROUGH FY2011</b>								
<b>Category</b>	<b>FY2007</b>	<b>FY 2008</b>	<b>FY 2009 Effective 11/2/2008</b>	<b>FY2009 Change % over FY2008</b>	<b>FY 2010 No Changes</b>	<b>FY2010 Change % over FY2009</b>	<b>FY 2011 No Changes</b>	<b>FY2011 Change % over FY2010</b>
<b>STREETCAR</b>								
Cash Fare	\$2.00	\$2.50						
Discount Cash Fare	\$1.00	\$1.25						
1-Day Unlimited Ride	\$4.00	\$5.00						
1-Day Unlimited Ride Discount	\$2.00	\$2.50						
3-Day Unlimited Ride	\$9.75	\$11.00						
3-Day Unlimited Ride Discount	\$8.00	\$9.00						
20-Ride Pass		\$25.00						
Annual Pass		\$200.00						

ATTACHMENT II

DRAFT

May 27, 2010

**Hillsborough Transit Authority  
Report on THS, Inc.  
FY2010 and FY2011 Budget Projections  
Observations on Assumptions**

HART Streetcar Operating Budget

1. Recognize the adopted FY2010 Budget
2. Recognize the proposed FY2011 Budget

THS, Inc. Budget

1. Assumes a reduction of \$40,000 in SSD assessment accounts in FY2010
2. Assumes Port Authority will provide \$150,000 in FY2011
3. Assumes the Endowment balance for 9/30/2010 is applied to FY2011 budget
4. Assumes advertising income will decrease in 2010 and 2011 by \$88,000
5. Insurance for CSX will increase 3 percent
6. All other THS, Inc. expenses are flat

Insights to the Projections

1. Lee Huffstutler's financial statements to the THS, Inc. Board for the period ending March 2010 has an Endowment balance of \$900,480.
2. The revised projections by HART is showing an ending balance of \$423,188 in the Endowment at 9/30/2010.
3. The projected short-fall for FY2011 is estimated at \$324,529.
4. These observations are based on HART's staff assumptions using March 31, 2010, THS, Inc. financial statement and projecting through 9/30/2010.
5. The FY2011 projections assume revenues and expenses will remain relatively flat.
6. The drawdown from the Endowment in FY2010 is projected to be an additional \$129,000.

**Tampa Historic Streetcar, Inc.**

**Budgetary Analysis**

	FY 2010 1st Six Month Budget	FY 2010 2nd Six Month Budget	FY 2010 Annual Budget	6 Months Ended Mar Actual	6 Months Ended Sept Projected	FY 2010 Annual Projected	FY10 Proj Variance from FY10 Bud	FY 2011 Annual Proposed	FY11 Prop Variance from FY10 Proj
<b>Statistics</b>									
Ridership	220,000	220,000	440,000	218,551	181,449	400,000	(40,000)	430,000	30,000
Service Hours	6,879	6,879	13,758	6,935	6,940	13,875	117	14,103	228
<b>Revenues</b>									
Fed Sect 5307 (Cap Maint)	\$100,000	\$100,000	\$200,000	\$100,000	\$100,000	\$200,000	\$0	\$200,000	\$0
State Block	\$50,000	\$50,000	\$100,000	\$50,005	\$49,995	\$100,000	\$0	\$100,000	\$0
Tampa TIF	\$150,000	\$150,000	\$300,000	\$157,090	\$142,910	\$300,000	\$0	\$300,000	\$0
Fare Box Revenue	\$319,000	\$319,000	\$638,000	\$314,829	\$314,829	\$629,658	(\$8,342)	\$623,550	(\$6,108)
SSD Existing Non-Homestead	\$445,478	\$74,246	\$519,724	\$469,952	\$10,048	\$480,000	(\$39,724)	\$480,000	\$0
Port Authority Contribution	\$75,000	\$75,000	\$150,000	\$150,000	\$0	\$150,000	\$0	\$150,000	\$0
Car Leasing	\$10,000	\$10,000	\$20,000	\$12,953	\$12,953	\$25,906	\$5,906	\$26,000	\$94
Advertising	\$50,000	\$50,000	\$100,000	\$6,164	\$6,164	\$12,328	(\$87,672)	\$12,000	(\$328)
Interest on Operating Account	\$750	\$750	\$1,500	\$0	\$0	\$0	(\$1,500)	\$0	\$0
Draw from Endowment	\$282,722	\$312,722	\$595,444	\$234,447	\$490,124	\$724,571	\$129,127	\$429,536	(\$295,035)
<b>Total Revenues</b>	<b>\$1,482,950</b>	<b>\$1,141,718</b>	<b>\$2,624,668</b>	<b>\$1,495,440</b>	<b>\$1,127,023</b>	<b>\$2,622,463</b>	<b>(\$2,205)</b>	<b>\$2,321,086</b>	<b>(\$301,377)</b>
<b>Expenses</b>									
Operating Cost less reimbursable costs	\$887,330	\$887,330	\$1,774,660	\$828,014	\$946,646	\$1,774,660	\$0	\$1,785,620	\$10,960
Capital Maint Charged to Federal Grant	\$100,000	\$100,000	\$200,000	\$100,000	\$100,000	\$200,000	\$0	\$200,000	\$0
Costs Charged to State Grant	\$50,000	\$50,000	\$100,000	\$50,005	\$49,995	\$100,000	\$0	\$100,000	\$0
<b>Subtotal HART Expenses</b>	<b>\$1,037,330</b>	<b>\$1,037,330</b>	<b>\$2,074,660</b>	<b>\$978,019</b>	<b>\$1,096,641</b>	<b>\$2,074,660</b>	<b>\$0</b>	<b>\$2,085,620</b>	<b>\$10,960</b>
HART Extra Service	\$15,000	\$15,000	\$30,000	\$16,947	\$13,053	\$30,000	\$0	\$30,000	\$0
CSX Interlock Insurance	\$408,608	\$0	\$408,608	\$406,403	\$0	\$406,403	(\$2,205)	\$418,595	\$12,192
THS Board: Legal	\$12,500	\$12,500	\$25,000	\$4,007	\$20,993	\$25,000	\$0	\$25,000	\$0
THS Board: Accounting	\$10,500	\$0	\$10,500	\$10,500	\$0	\$10,500	\$0	\$10,500	\$0
THS Board: Insurance	\$6,400	\$0	\$6,400	\$6,400	\$0	\$6,400	\$0	\$6,400	\$0
THS Board: Advertising	\$7,500	\$7,500	\$15,000	\$820	\$14,180	\$15,000	\$0	\$15,000	\$0
THS Board: Development Consultant	\$27,000	\$27,000	\$54,000	\$28,632	\$25,368	\$54,000	\$0	\$54,000	\$0
THS Board: Other	\$250	\$250	\$500	\$293	\$207	\$500	\$0	\$500	\$0
<b>Subtotal THS Board Expenses</b>	<b>\$487,758</b>	<b>\$62,250</b>	<b>\$550,008</b>	<b>\$474,002</b>	<b>\$73,801</b>	<b>\$547,803</b>	<b>(\$2,205)</b>	<b>\$559,995</b>	<b>\$12,192</b>
<b>Total Expenses</b>	<b>\$1,525,088</b>	<b>\$1,099,580</b>	<b>\$2,624,668</b>	<b>\$1,452,021</b>	<b>\$1,170,442</b>	<b>\$2,622,463</b>	<b>(\$2,205)</b>	<b>\$2,645,615</b>	<b>\$23,152</b>
<b>Net Operating Gain (Loss)</b>	<b>(\$42,138)</b>	<b>\$42,138</b>	<b>\$0</b>	<b>\$43,419</b>	<b>(\$43,419)</b>	<b>\$0</b>	<b>\$0</b>	<b>(\$324,529)</b>	<b>(\$324,529)</b>
<b>Endowment</b>									
Beginning Balance			\$1,182,693	\$1,119,271	\$900,480	\$1,119,271		\$423,188	
Transfers Out			(\$595,444)	(\$234,447)	(\$490,124)	(\$724,571)		(\$429,536)	
Earnings 3.0% Budget / 2.85% Actual			\$35,481	\$15,656	\$12,832	\$28,488		\$6,348	
Net Transfers			(\$559,963)	(\$218,791)	(\$477,292)	(\$696,083)		(\$423,188)	
<b>Ending Balance</b>			<b>\$622,730</b>	<b>\$900,480</b>	<b>\$423,188</b>	<b>\$423,188</b>		<b>\$0</b>	

## **DISCUSSION ON POTENTIAL REVENUE ENHANCEMENT AND COST SAVING OPPORTUNITIES**

### **RECOMMENDED ACTION**

That the Hillsborough Area Regional Transit and TECO Historic Streetcar Board of Directors consider the following potential revenue enhancing and cost saving opportunities and staff direction as appropriate pursuant to this discussion.

### **THS BUDGET SNAPSHOT**

HART staff has presented a balanced budget for the FY 2011 Streetcar Operating Budget; however a drop in fare and advertising revenues needs to be addressed for the upcoming budget cycle. A presentation of the THS Budget and Status of the Endowment Fund is part of this meeting agenda.

Previously the THS Board implemented several changes to decrease expenditures which were put into place in July 2009 and the current proposed budget reflects those changes. Baselines have been lowered but no changes have been made since last July. Other potential changes to reduce costs could include trimming service back or going dark some days.

### **REVENUE ENHANCEMENT OPTIONS**

The THS Board is in the process of exploring cross marketing opportunities with other businesses in the area to enhance revenue.

At a June 9 meeting, THS Board met with representatives from Tampa Bay & Company and HDR Engineering, Inc, HART's marketing consultant firm to discuss opportunities to promote local attractions and offer public transportation options to area visitors.

The Board has recently considered marketing opportunities via interactive kiosks and the internet and working with the visitor's bureau to promote the streetcar and other transit options to convention or conference attendees and event planners.

### **ADVERTISING PLAN**

On June 16, the THS Board directed staff to coordinate with HDR, HART's advertising and marketing contractor, to develop an Advertising Plan for the streetcar. Staff recommends that THS continue to mirror HART in advertising policies for ease and convenience of cross-marketing, but will proceed as directed by the THS Board.

HDR will develop an advertising plan for the six stations not currently named, the new station at Whiting and Franklin, the interior ad space on 9 cars, the two panel car topper available on 1 car, the front and back exterior available on 9 cars, and naming rights for 9 streetcars. HDR's

advertising plan will also include opportunities for cross promotion with area attractions and with promotions run on HART services.

It is important to note that there are currently two streetcars with car topper advertising space and on May 19, the THS Board approved entering into a one-year contract with the Seminole Hard Rock Hotel and Casino for a two-panel car-topper advertisement in the amount of \$13,500 thereby committing that ad space for one-year on one car.

*Request from THS to Allow Alcohol and/Tobacco Advertising on Streetcar*

At its May 19, meeting, the THS Board of Directors passed a motion to formally request the HART Board of Directors to allow THS to adopt an advertising policy thereby allowing the THS Board to approve the advertising of alcohol and/or tobacco products on the streetcars as an income revenue generating source. This request was reported to the HART Board via the Chief Executive Officer's report on the June 7 Board Agenda, but no comments were received from the HART Board.

As a bit of background the THS Board has engaged in several efforts to increase advertising revenues. The THS Board lately has discussed the possibility of advertising alcohol and tobacco products on the streetcars as a source to generate more income for the agency.

In order for the THS Board to advertise alcohol and/or tobacco products on the streetcar, the specific approval from the HART Board of Directors is required.

Prepared by: Olga Gonzalez, Manger of Executive Policy & Board Relations  
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David Persaud, Director of Finance  
Approved by: David Armijo, Chief Executive Officer