
Sales Tax Service Proposal

Background

TARTA was formed in 1971 and is a political subdivision under Ohio law, similar to a park district or a school district. Our function is to be the primary mass transit operator in the Toledo metropolitan area and we currently provide approximately 3.3 million trips per year. TARTA employs 330 people and owns 191 active revenue vehicles (95 full-size and 96 mini-buses). The TARTA fleet is 100% wheelchair-accessible. The service district is based on property tax and is made up of seven communities and townships in Lucas and Wood Counties. These member communities are Toledo, Sylvania, Sylvania Township, Maumee, Ottawa Hills, Rossford and Waterville.

TARTA provides several types of transportation options; most notably, fixed route, TARPS, Call-A-Ride and service for downtown Toledo sporting events. TARTA also works with other partners to provide special services to stakeholders within the community.

Fixed Route Transportation

TARTA's fixed route service covers all seven-member communities and operates 365 days per year. All service is 100% accessible for persons with disabilities and all vehicles are equipped with bicycle racks. The base fare for the fixed route service is \$1.25 per trip. Ridership for the fixed route service is approximately 2.8 million trips per year.



TARPS (Toledo Area Regional Paratransit Service) is a door to door service for persons with disabilities who are unable to utilize the regular TARTA service and operates in compliance with the Americans with Disabilities Act of 1990 (ADA).



The fare for the service is \$2.50 per trip or double the regular line service fare per the Federal Transit Administration regulations. Ridership was approximately 302,000 trips in 2016.

There is an assessment process to qualify for TARPS based on an individual's disability. Rides may be scheduled from one day to one week in advance. Same day reservations are also taken for a medical purpose if the trip time is available. Registered TARPS passengers may ride TARTA regular line and Call-A-Ride services free of fare by showing their ID.

Call-A-Ride is a curb-to-curb service in Maumee, Ottawa Hills, Rossford, Sylvania, Sylvania Township and Waterville. This service is designed to meet the transportation needs of suburban areas where fixed route usage is typically low. No advance reservations or subscription service are accepted for this service. Passengers who wish to travel outside of their city are taken to a transfer point for the regular TARTA service. Three Call-A-Ride Zones are now operating with a 2016 combined ridership of 84,100. The fare for the service is \$1.25 per person.



TARTA also operates express service to downtown Toledo to attract commuter passengers. TARTA's **Park-N-Ride** system operates Monday through Friday at eight locations.



TARTA also operates service to all **Toledo Mud Hens** and **Toledo Walleye** home games. Simply arrive at a Park-N-Ride location one hour before home game time for a direct ride to either Fifth Third Field or the Huntington Center for \$1.25 per person. Return trips leave 20 minutes following end of game time. Ridership for these services for 2016 was 20,060.



Other Programs and Initiatives

TARTA actively participates in the following community programs and initiatives:

- **Summer Reading Club** – Through a partnership with the Toledo-Lucas County Public Library, TARTA offers free fares for students grades K through 12 who show proof of being enrolled in the Summer Reading Club.
- **Senior Nutrition Passes** – Each month TARTA distributes passes to the Area Office on Aging for senior citizens for free transportation to local senior centers for noontime meals and activities. Ridership has continually increased and reaches more than 100,000 passengers per year.
- **Guaranteed Ride Home** – TARTA's Guaranteed Ride Home program was created for passengers to take a timely, nonscheduled return taxi, Lyft, or Uber trip from their workplace in the event of a personal or family emergency, illness or unexpected employment-related delay, such as unscheduled overtime. TARTA participants can be reimbursed for up to 50% of their fare by submitting their receipt.
- **Emergency Response** – TARTA routinely responds to emergency requests for vehicles. Common uses for the buses are heating or cooling stations for emergency personnel or for evacuation of residents to emergency shelters. TARTA does not charge for these services.

- **Bicycle-Friendly Buses** – TARTA recognizes the role of bicycles in riders' multimodal trips and has bike racks mounted on the front of all buses. Each rack holds two or three bicycles (adult or child) independently. Bikes are easy to mount (no straps or cords are necessary) and can be removed even faster. Bikes ride for free. Usage of the bicycle racks is approximately 17,000 per year.
- **Human Trafficking Coalition** – TARTA staff developed a training program for both drivers and passengers to educate them on human trafficking and how to receive services in the community. For this initiative, TARTA was the recipient of the Ohio Liberator Award in 2015.
- **Free Rides on Election Day** – TARTA provides free fares on Election Day on all TARTA, TARPS and Call-A-Ride services.



Transit funding options

TARTA was founded in 1971 and was the first transit authority formed as a result of new language in the Ohio Revised Code. At that time, property taxes were the only available funding mechanism. Fortunately, things have changed since then, and TARTA has two potential funding options, according to Chapter 306 of the Ohio Revised Code.

The first option, which TARTA currently follows, is for TARTA to receive up to five mills of property taxes, based on voter approval within its jurisdiction. The second option is for TARTA to seek up to one and one-half percent in sales tax. This option would require TARTA's jurisdiction to encompass all of Lucas County. Counties or communities contiguous to Lucas County may also be part of TARTA's jurisdiction for a voter-approved sales tax.

Other than counties and the state, transit authorities created under authority of the Ohio Revised Code are the only public entities that can levy a sales tax. No other public agencies have this authority.

Sales taxes have long been considered by taxpayers to be preferred to property taxes. As a result, of the ten largest transit authorities in Ohio, eight systems are supported with voter-approved local sales taxes. The following chart shows the funding structure for these eight transit systems.

Transit System	Funding
Greater Cleveland Regional Transit Authority	1.00%
Central Ohio Regional Transit Authority (Columbus)	.5%
Greater Dayton Regional Transit Authority	.5%
Metro Regional Transit Authority (Akron)	.5%
Laketran Transit Authority (Lake County)	.25%
Portage Area Regional Transportation Authority	.25%
Stark Area Regional Transit Authority (Canton)	.25%
Western Reserve Transit Authority (Youngstown)	.25%

The Southern Ohio Regional Transit Authority (Cincinnati) relies on a payroll tax levied on workers in Cincinnati. TARTA is the only large urban regional transit authority in Ohio that still relies on property taxes for local funding. The last other authority to do so was WRTA in Youngstown, whose voters replaced its property tax levy on property in the City of Youngstown with a sales tax in all of Mahoning County in November 2008.

Funding need

For the entire community, including persons with disabilities, public transit is a valuable contributor to overall quality of life. The local public transit system, the Toledo Area Regional Transit Authority (TARTA), faces roadblocks in meeting the growing transportation needs of our region due to stagnant funding. While the demand for TARTA's services has been increasing, its local funding, which is tied to property taxes, has decreased. Beyond the financial limitations, TARTA will be unable to meet expected growth demands due to the configuration of its service district. TARTA is composed of individual membership communities that each contribute through a dedicated property tax. This system divides geographic areas of Lucas County and metro Toledo into areas that receive TARTA service and areas that cannot. The region's job and residential growth continues to spread outside of TARTA's current service district and TARTA's current hours of operation, leaving potential transit passengers – including those with disabilities – isolated and left behind. The continuous viability of TARTA is also threatened due to the already oppressive burden on property taxes as the primary way to fund local initiatives. The growth of TARTA, under today's funding structure, requires a new property tax in areas of potential expansion, and there are already a multitude of property taxes in place competing for support. This combination makes it very difficult, and unlikely, to add new areas to TARTA's service district.

Why sales tax

The advantages of a transit sales tax versus a property tax are well known. The following comparison contrasts the differences between the two funding methods.

	Sales Tax	Property Tax
Why enact a sales tax?	Most equitable way of funding public transit. Is more effective and efficient than property tax.	Is regressive and discriminatory since it only applies to property owners
What happens to the property tax?	If the transit and road sales tax is passed, TARTA's property tax will be eliminated. This will lower property taxes in TARTA's service area.	If transit sales tax is defeated, the property tax will continue in TARTA's service area.
Who pays?	Paid by everyone who makes a purchase in TARTA's service area.	Paid by property owners only.
What is the cost (based upon a 100K house)?	At .005%, a person would have to spend \$17,440 on taxable items, not including prescriptions or most food items (which are non-taxable), to equal the property tax for TARTA (\$87.20)	At 2.5 mills, property tax equals \$87.20 for a \$100,000 home, not including rollbacks and exemptions.
What does the passage mean for the future?	Helps TARTA deliver services to all Lucas County and expands its level of service and frequency. One-third of sales tax funds collected are rebated back to member communities for infrastructure construction, repair and maintenance.	Continuation of property tax means TARTA's coverage remains status quo with potential cuts in service as well as limiting access to jobs, health care, and educational opportunities. No additional funds for infrastructure improvements.
How do others fund transit?	All other major Ohio transit authorities are funded by a transit sales tax or payroll tax.	TARTA is the only major transit system in Ohio still funded by property tax.
How often do I pay?	Pay as you go with control over individual purchases. Under state law, housing, medicine, education and most food purchases are exempt from the sales tax.	Pay twice a year.

Levy Proposal

Since its inception, TARTA has relied on property taxes to help support the Authority's operating costs. TARTA's service district is made up of seven communities and townships in Lucas and Wood counties. The citizens of each of these jurisdictions have voted to tax themselves through two 10-year property tax levies, a 1.0 mill that was originally passed in 1971 and expires in 2020 and a 1.5 mill first passed in 1988 that expires in 2026.

TARTA is seeking to replace the 2.5 mills of property tax with a .5% Transit and Road Repair Sales Tax. This tax would be levied under TARTA's taxing authority and allocated so that two-thirds would be used to support TARTA's public transit activities and one-third would be distributed to other governmental entities for the installation, maintenance, and improvement of streets, roads, bridges, sidewalks, and other infrastructure. Disbursement of funds for transportation projects would be monthly and based upon number of cars, trucks, and trailers registered per each Lucas County community according to the Ohio Bureau of Motor Vehicles. For the unincorporated areas of Lucas County, 50% of the funds would be for county roads and 50% would be available for township projects. The allocation formula would be adjusted annually based upon new vehicle registration data. The sales tax levy would be subject to voter approval every ten years.

A chart showing the planned distribution of these funds is below.

.5% sales tax (split 2/3 TARTA, 1/3 Transportation)	
Total estimated sales tax	\$ 30,000,000.00
TARTA portion	\$ 20,000,000.00
Transportation portion	\$ 10,000,000.00

Community Allocation of Transportation Portion (Updated July 12, 2017)		
Berkey	\$	10,007.72
Harbor View	\$	2,519.59
Holland	\$	49,026.07
Lucas County	\$	2,068,313.92
Maumee	\$	386,392.32
Oregon	\$	542,771.83
Ottawa Hills	\$	103,939.04
Rossford	\$	154,519.25
Sylvania	\$	452,302.01
Sylvania Township	\$	418,899.76
Toledo	\$	5,561,374.43
Waterville	\$	135,893.11
Whitehouse	\$	114,040.95

There are many advantages for eliminating TARTA’s property tax and switching to a sales tax model for funding. These reasons include:

1. **Stronger transportation for employment**
 - a. New access for suburban jobs
 - b. Increased frequency for central city job seekers
 - c. Increased transportation for second shift jobs
 - d. Provide new service for third shift jobs

2. **Better transportation for those who need it**
 - a. Countywide access to TARPS
 - b. Increased service for senior citizens
 - c. Targeted increases in service (St. Charles Hospital, Bay Park Hospital, Spring Meadows)

3. **Investment in infrastructure**
 - a. One-third of funds are to be used exclusively to build and maintain roadways, bridges, and sidewalks and other transportation only projects in Lucas County and Rossford.
 - b. Purchase new buses (currently, 66 mini and 43 full-size buses are past useful life)
 - c. Other capital and technological improvements (Wi-Fi, fare boxes, shelters, facilities, etc.)
 - d. Residential property values performed 42 percent better on average if they

were located near public transportation with high-frequency service (APTA)

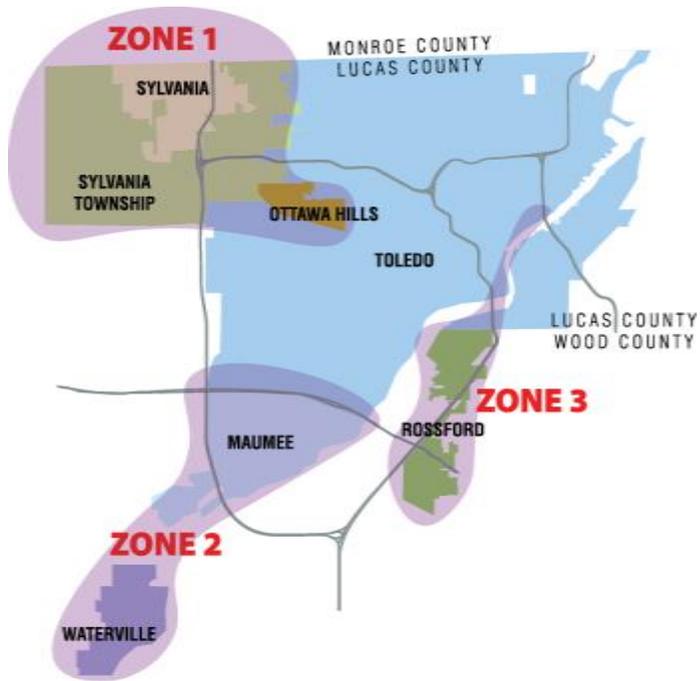
4. ***Investment in our future***

- a. Lessen “brain drain” and attract or retain those ages 18-29 who prefer to live in an area with access to active transportation including public transit
- b. For every dollar communities invest in public transportation, approximately \$4 is generated in economic returns (APTA)

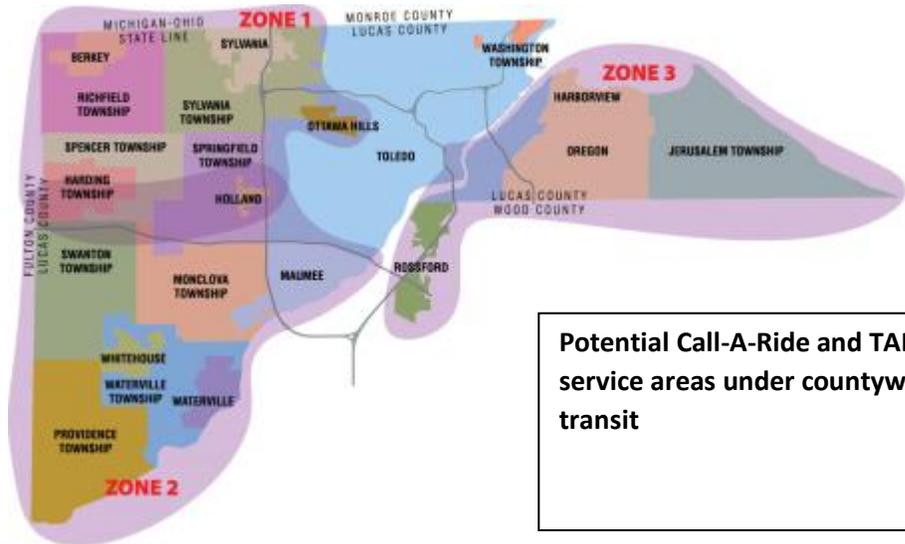
To transition from property tax funding to a sales tax, resolutions must be obtained from each of TARTA seven member communities permitting Lucas County to join as a member community. After receiving these resolutions, the next step is a resolution from the TARTA Board of Trustees submitting the question to the Lucas County Board of Elections for inclusion on the appropriate ballot.

Proposed service changes

Upon receiving the first allocation of sales tax proceeds (expected in July, 2018), TARTA would begin transiting its service model to a county-wide operation. In addition to capital purchases, service would be expanded with our fixed route, Call-A-Ride, and TARPS services to provide countywide access to public transit. For Call-A-Ride and TARPS, these changes would largely be designed to increase the service area as illustrated by the following maps.



Current Call-A-Ride and TARPS service areas



Potential Call-A-Ride and TARPS service areas under countywide transit

The following routes may be modified to improve frequency, increase length, and/or expand service hours especially for second and third shift employment:

Route Number	Route Name	Increase in frequency	Increase in Distance	Increase in time coverage
2M	Franklin Park	✓		✓
3	North/South Crosstown	✓	✓	✓
5	Dorr	✓		✓
6	Sylvania -Centennial/ Franklin Park	✓		✓
10L	Rossford Express	✓		✓
11	Oak	✓	✓	✓
12	Front	✓	✓	✓
13	Starr	✓	✓	✓
14	East Broadway	✓	✓	✓
15A	Summit/Suder via Alexis	✓		✓
15E	Summit/Point Place via Alexis	✓		✓
16	Alexis			✓
17B	Lagrange/Bennet via Miracle Mile	✓		✓
17E	Lagrange/Eleanor via Miracle Mile	✓		✓
19F	Cherry/Franklin Park	✓		✓
19T	Cherry/Tremainsville	✓		✓
20	Central			
20M	Central/Meijer Drive			
20T	Central/Westfield Franklin Park			
22F	Bancroft via UT Campus/	✓		✓
24	Delaware/Kenwood			
24T	Delaware/Indian via Westgate			
26D	Berdan/Douglas/Miracle Mile	✓		✓
26L	Lewis/Alexis-Telegraph	✓		✓
27H	Nebraska/Hill-Reynolds	✓	✓	✓
27N	Nebraska/Angola-Wenz	✓	✓	✓
28	Indiana			
30	Lincoln/Oakwood			
29X	Waterville Express			✓
31	Glendale	✓	✓	✓
31G	Glendale/Southwyck	✓	✓	✓
31H	Heatherdowns/Southwyck	✓	✓	✓
32H	South/Airport	✓	✓	✓
32R	UT Health Science Campus/Southwyck	✓	✓	✓
34	Detroit/Byrne/Western via UTMC	✓		
35	Airport/Maumee-Arrowhead	✓		

Route Number	Route Name	Increase in frequency	Increase in Distance	Increase in time coverage
39M	Monroe/Centennial-Sylvania	✓		✓
39	Franklin Park/City of Sylvania	✓		✓
41	Glendale-Southland/Maumee Arrowhead	✓	✓	
43	Maumee-Arrowhead/Western via UTM	✓	✓	
44X	St. Luke's Hospital			
New Route	McCord Crosstown	✓	✓	✓
New Route	Detroit Crosstown	✓	✓	✓
New Route	Navarre Crosstown	✓	✓	✓
New Route	Airport Express	✓	✓	✓

TARTA has several other activities that are slated for completion within the length of the proposed sales tax. Major initiatives include:

- Van pool program** – TARTA has received federal funds to develop a van pool program for the Toledo region. This program is designed as a transportation option for residents of the Toledo area who work in areas such as Detroit, Ann Arbor, and Findlay to reduce their transportation cost. There is a market for the service in that 31,622 or 18.2% of all workers in Lucas County work outside the county. Because the existing federal funds will be combined with a fee for the passengers, it is expected that we will be able to start and continue the program with no TARTA cash contribution to the project. This program should be operational early next year
- Downtown Transit Facility** – TARTA seeks to construct a single transit hub to replace the existing four transfer centers and eliminate the Loop in downtown Toledo. The Loop is a transit only lane on Jackson, Erie, Jefferson, and Summit that was developed with the then five transit stations in the late 1980s. Elimination of this service and the construction of a single facility would be beneficial to TARTA and its passengers through greater efficiencies such as reduced miles of operation and a consolidation of our services in downtown. This project will also benefit the continued development of downtown Toledo as the elimination of the Loop will allow more parking on these streets and the facility itself may act as a catalyst for development.
- Propane Fuel** - One of our biggest expenses at TARTA is fuel and while TARTA has had success over the past several years with the usage of biodiesel, staff is now

evaluating the usage of additional alternative fuels, including propane, for future bus purchases. Other transit systems have seen a significant reduction in fuel and maintenance costs by converting to this fuel type. We are exploring the option of a propane fueling station to be located at our TARPS facility, which would eventually be used by the 76 vehicles there.

- **Increasing Ridership and Efficiency with Technology** – TARTA continues to seek to use technology as a method to both increase our ridership and improve the efficiency of our service. Some examples of this initiative are:



- **Alternative fare payments** – TARTA will soon be releasing a specification for improved fare payments both onboard its vehicles and remotely through smartphones and the internet. This initiative is in response to passenger demand and the general trends towards less cash being carried by individuals.
- **Improved passenger information** – TARTA staff is currently completing the collection and digitizing of data for all 2,324 bus stops in our service area. This data is being used to develop trip planning capabilities on a stop by stop basis through web sites such as Google Maps and Bing Maps. By doing so, it will be easier for passengers to access information that should improve ridership.
- **Uber / Lyft integration** – TARTA’s Guaranteed Ride Home program currently includes Uber and Lyft as an option for passengers who have emergency transportation needs. For medium sized cities, such as Toledo, Uber and Lyft have been more of a partner mode to public transit as opposed to a direct competitor as in larger cities. This relationship is especially useful in solving the “last mile” issue which bridges the distance gap between the last bus stop and the end destination of the passenger in low density areas. TARTA is also currently investigating using Uber and Lyft as a potential solution for second and third shift work trips where the demand for transportation may not necessarily merit a dedicated transit vehicle.
- **Autonomous vehicles** – In the future, the usage of autonomous vehicles will have dramatic effects on our economy and also on how people utilize transportation services. While there are many uncertainties on the impacts this technology will have on mobility, there will be a direct impact on TARTA’s business and also on how people receive transportation. For TARTA

specifically, it is expected that the greater use of autonomous technology will reduce costs through improved safety, reduced claims, and changes in the composition of the workforce. However, autonomous vehicles will also have a large effect on regional land use and transportation patterns. As a part of this impact, most experts believe that there will be an increase in shared ownership of vehicles and less individually owned automobiles. With a new shared ownership model, transit authorities are envisioned as the provider of service as we are uniquely positioned due to the infrastructure we have already in place with maintenance facilities, scheduling software, call-centers, knowledge in governmental regulations and funding streams, and IT back office support for transportation.

Associated Costs for Improvements

To transition to a county-wide model of service, there are increased costs to fund a broader level of public transit. The chart below outlines these additional annual costs.

Enhancement	Annual Cost
Fixed Route enhancements <ul style="list-style-type: none"> • Increased frequency • Increased geographic coverage • Increased service designed for 2nd shift and 3rd shift employment needs • Additional crosstown routes • Countywide Call-A-Ride 	\$ 4,265,000.00
Countywide TARPS Operation	\$ 1,250,000.00
New Buses	\$ 1,010,000.00
Other Capital Needs	\$ 400,000.00
Annual Expenses	\$ 6,925,000.00

The amount given for annual vehicle replacement needs (\$1,010,000) is the local match requirement of capital grant funds required for a schedule of replacing a fleet of 120 full-size buses and 95 mini-buses every 15 or 7 years respectively. Other capital needs (\$400,000) is based upon the local match required against \$2,000,000 in federal funds anticipated annually for capital/technological enhancement projects.

Summary

TARTA provides a valuable service within the Toledo area. Through innovative techniques, we have increased our efficiency and improved our services to our customers with no additional local funding. As demands change, TARTA will continue to respond to the needs of its customers by focusing on the innovative delivery of its service, and away from the previous traditional methods.

The transition from property tax to sales tax will reinvent public transit within our region and also provide needed funds to be used for the repair and maintenance of our transportation infrastructure. This levy will be used to fund continuing operations and maintain the recent advances made by the Authority. Through its passage, thousands of daily passengers will continue to receive transportation and TARTA will continue to advance and improve as a public transit agency.

The issue of deciding how to fund public transit is an important one. The elected leaders of our region have the ability to pass resolutions supporting the placement of this transition on the ballot. But, ultimately, it is the voters who should have the responsibility of deciding how best to support public transit services in our region. By passage of a sales tax, voters will be taking steps to improve the coverage of public transit services, change the tax method so more people – especially visitors to Lucas County – would now be supporting these services, and also reduce the tax burden of those already paying property taxes toward TARTA.