

CHAPTER IX

Institutional Alternatives

INTRODUCTION

Summit Stage is currently operated as a county transit system under the Board of County Commissioners. As such, it functions as a governmental entity under the laws of the state. One issue to be addressed was the best organizational structure for transit services in Summit County. This chapter describes alternate institutional forms and the advantages or disadvantages of each.

In considering organizational structures, there are three key considerations. First, the organizational structure must be legally authorized to provide public transportation services. Second, the entity must have the legal authority to raise revenue for the operation of the service. Third, the organization must be politically acceptable in the local community.

OPTIONS

There are a number of alternate organizational structures for providing public transportation services in Colorado. Each has various advantages and disadvantages.

Local Government

This is the current organization of Summit Stage. Transit service is provided as an arm of local county government. Other counties in Colorado, including Weld County and Eagle County operate transit service as a branch of local government. Several cities, including Colorado Springs and Fort Collins, operate transit using this organizational structure. Counties have the authority to levy a countywide sales tax and/or use tax which may be dedicated for transit services. General revenue funds may also be used for transit service.

Advantages

- Local government has the legal authority to operate public transportation services within its jurisdictional limits.
- Transit services fall under the direction of elected officials who are responsible to the local community.
- Summit Stage is already organized under this structure.
- A dedicated sales tax may be established for transit services as has been done in Summit County. The tax is implemented on a countywide basis.
- Local government is eligible to directly receive federal and state funds.
- Local government has the administrative capabilities for human resources, financial management, and procurement.

Disadvantages

- Decisions regarding management, operation, and financing of the transit service are made by the Board of County Commissioners which may or may not give transit a high priority.
- Other local governments do not have an official say in the oversight of the transit service.
- Service can not be expanded into adjacent counties under this organizational structure. Intergovernmental agreements would be required with adjacent counties to expand service.
- Local governments may not be eligible for some grants which are available to private nonprofit corporations.

Intergovernmental Transit Agency

Transit service could be provided by a transit agency established through an intergovernmental agreement. This was the organizational structure of the Roaring Fork Transit Agency (RFTA) prior to the formation of a Rural Transportation Authority. The local governments establish the agency through an intergovernmental agreement where the Board representation is established by the agreement.

Advantages

- This organization has a successful record of implementation in Colorado.
- The role of participating governments is firmly defined through the intergovernmental agreement.
- Representation of all local governments on the agency board is assured through the intergovernmental agreement.

- Transit service is provided under the oversight of elected officials from the participating governments.
- Service is not limited by county boundaries. Multiple communities and counties may participate.

Disadvantages

- An intergovernmental agency has no authority to directly raise revenues. Any local tax generation is dependent on the participating local governments.
- Rivalry among participating local governments could impede the decision-making process for administration of the transit service.
- The ability to raise revenues may be limited. Any dedicated tax revenue for transit would have to be approved by voters within the applicable jurisdictions.
- Without a dedicated funding source, the agency will be dependent on general fund appropriations from the member governments.
- A transit agency would either have to establish support services such as human resources and procurement, or depend on one of the participating local governments for these support services.

Metropolitan District

A metropolitan district may be established within a portion of a county, county-wide, or in multiple counties. One of the services which may be provided by a Metro District is public transportation. The district must also have a second purpose such as parking or road improvements.

Advantages

- Metro Districts have the legal authority to provide public transportation within their boundaries provided that is one of the designated services.
- As an extension of local government, Metro Districts would be eligible to receive state and federal funding.
- Metro Districts have strong governmental powers, including the power to impose a property tax. This power could ensure a strong financial base.
- Metro Districts have been established throughout the state for a variety of other purposes.

Disadvantages

- Public transportation combined with another unrelated service may appear to be inefficient to be operated together.

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- A public transportation Metro District could overlap other existing smaller Metro Districts in Summit County.
- There are no examples of a countywide Metro District to provide public transportation in Colorado.
- A Metro District would have to provide its own support services.
- Metro Districts are often viewed as having excessive powers. In the past, many Metro Districts in Colorado have had financial problems and are not often looked upon favorably.

Rural Transportation Authority

Legislation adopted in 1997 and amended in the 2000 session (CRS 43-4-603) provides authority for Colorado municipalities and counties (outside the Regional Transit District area) to establish Rural Transportation Authorities (RTAs). RTAs are able to impose a \$10 annual vehicle registration fee and, with voter approval, may levy a sales tax of up to one percent and/or a visitor benefit fee (fee added to the lodging rate within the area) of up to two percent of the price of overnight lodging. Local governments have considerable flexibility in designing the boundaries of RTAs, which may include all or a portion of the areas of participating jurisdictions. An RTA is a regional, multi-jurisdictional entity that becomes a separate subdivision of the state, but which operates pursuant to an intergovernmental agreement adopted by its member governments.

The RTA is established through a multi-step process. The first step is to establish the boundaries and the participating jurisdictions through intergovernmental agreements. The intergovernmental agreements establish the services to be provided and place the RTA on local election ballots. The second step is to hold the elections. Separate ballot items are required for creating the RTA and for establishing any funding sources.

Advantages

- An RTA has the legal authority to provide public transportation services.
- An RTA has the authority to establish a dedicated revenue source and is eligible to receive federal and state funds.
- An RTA may provide only one service or multiple transportation services.

- There is one successful example of an RTA for public transportation services in Colorado.
- The boundaries of an RTA are not limited by existing local government boundaries. The RTA may encompass all or a portion of any jurisdiction and may overlap multiple counties or municipalities.

Disadvantages

- Formation of the RTA requires an Intergovernmental Agreement among all of the local governments which will be within the boundaries of the RTA.
- A separate election must be held to approve formation of the RTA and to approve the revenue source.
- Formation of an RTA for public transportation services could impede the ability to form an RTA for any other transportation services.

Regional Service Authority

A Regional Service Authority (RSA) may be established under Colorado law (CRS 32-7-101) to provide public surface transportation. A Regional Service Authority is initiated either by petition or by a resolution of the majority of local governments within the proposed boundaries of the Authority. A Service Authority must encompass at least one entire county and may include adjacent counties. Any area is limited to falling within only one Regional Service Authority. Following the petition or resolution, the Authority must be approved by an election. Service Authorities may raise revenues through tolls, fees, and property taxes.

Advantages

- The RSA has legal authority to provide public transportation services within its boundaries.
- An RSA is able to levy a dedicated tax for the service provided and to receive state and federal funds.
- The Board of Directors is elected by the electors within the Authority boundaries.
- An RSA need provide only one service.

Disadvantages

- Once the RSA is formed, it becomes a separate arm of government and is not responsible to the county or any of the local governments within the boundaries of the Authority.

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- There are no other Regional Service Authorities in Colorado established to provide public transportation.
- Regional Service Authorities are not allowed to overlap even though the services offered may be different.
- Establishment of an RSA requires a resolution or petition and then an election to establish the RSA, elect the Directors, and levy a tax. A resolution must be supported by a majority of the governments within the proposed boundaries.

SUMMARY

This chapter has presented various institutional options for providing public transportation services. Each of the options has inherent advantages and disadvantages. Summit Stage currently operates as an arm of the Summit County government. A significant advantage to this option is that it has been supported by the residents of the county. The residents have supported Summit Stage by instituting a dedicated sales tax and then increasing the amount of that dedicated tax in the 2001 election. Based on the results of the community telephone survey, there is strong support for Summit Stage and no indication of dissatisfaction with the current organizational structure.

Formation of a new organization would require multiple steps. Moving to an Inter-governmental Agency offers no advantages over the current structure. The Agency would be dependent on the county sales tax. The agency would either have to construct new facilities and provide support services or rely on Summit County or one of the municipalities to provide the facilities and services.

Formation of a Regional Service Authority offers no advantage over the current structure. The Service Authority must encompass all of the county and cannot raise revenue through a sales tax. Revenue would either be dependent on a contract to receive the sales tax from the county for operation of the service or through a new property tax. The change from the sales tax to a property tax would have to be explained to voters in order to obtain approval to levy the new tax. Further, the RSA would not be under the direction of the existing local governments.

Similarly, a Metro District does not offer significant improvements over the county department. The Metro District must provide at least two services and cannot raise revenue through a sales tax. Approval of a new property tax would be required or a contract with the county for receipt of the sales tax revenue for operation of the service.

A Rural Transportation Authority may provide some benefit, particularly as service may be expanded to adjacent counties in the future. Revenue could be generated from all areas within the boundaries of the RTA. However, a vote to impose the new sales tax for the RTA would be required with an explanation to the voters of why a new sales tax is needed. The experience of forming an RTA for public transportation service has shown that this is an expensive and lengthy process. Several attempts have been made in communities to form an RTA with unsuccessful elections. This has occurred in Fort Collins and Colorado Springs. The only successful RTA for public transportation is the Roaring Fork Transportation Authority which invested a significant amount of money and time to obtain approval. Other RTAs have been formed in the state, but for purposes other than public transportation.

To gain approval from the voters to levy a sales tax for the RTA would likely require repeal of the existing county transit sales tax. The potential exists that one or more communities might decide to not participate in the RTA or the election might fail in one or more communities. There is a significant possibility that the service area would be smaller than the current area and revenue would be lower because taxes would not be collected in one or more communities. This could reduce the amount of service provided by Summit Stage, but more importantly it could alter the mission of the Stage which now serves to connect the communities. If a community chooses not to be a part of the RTA, service might be discontinued to that community and the Summit Stage would no longer meet its mission of providing service to residents and visitors in the county and the goal of meeting the transportation needs of residents by connecting the communities of Breckenridge, Dillon, Frisco, and Silverthorne with the ski resorts and other major destinations.

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If an RTA is formed, the RTA would either have to acquire administrative, maintenance, and storage space or contract with Summit County to use the existing facilities. The RTA would also have to provide support services such as human resources, finance, purchasing, and legal. These would have to be provided by RTA staff or under contract with one of the local governments.

The current organization with Summit Stage as part of Summit County government is the best option at this time. As expansion of service to connect adjacent counties is considered in the future, an RTA may provide significant benefits, both in revenue generation and administrative structure. However the benefits of an RTA are minor compared to the possible disadvantages of creating the RTA at this time.