

Board of Directors of the Kansas City Streetcar Authority

June 7th, 2017 at 12:00 p.m.
Meeting Summary Minutes
Singleton Yard
600 E. 3rd St, Kansas City, Missouri 64106

1. Call to Order:

Michael Hagedorn called the meeting to order. Introductions followed.

2. Approval of Previous Meeting Summary Minutes

Jan Marcason moved to approve the April 27th, 2017 meeting summary minutes, Matt Staub seconded and the motion unanimously carried.

3. Public Comment

There were no public comments.

4. Streetcar "Year One in Review" Report

Tom Gerend reported on the KC Streetcar first year. He said that a Year 1 report was mailed to each of the Board of Directors and one was at their places to review. He discussed several sections in the annual review, including ridership trends, operational performance, and safety metrics. He summarized the progress by the numbers:

- 2 million passenger trips (most by any streetcar start-up in year 1)
- \$2 billion plus in adjacent development
- 10 surface parking lot conversions to new active uses
- 42% of KCMO residents have ridden, 60% Council District 4
- 40% increase in downtown residential density under construction within 3 blocks
- 58% increase in TDD Sales Tax Revenues since start of construction
- 77% of riders are satisfied or very satisfied with service
- 229 new business licenses issued in TDD since the beginning of construction

The Board of Directors commented on how pleased they were with the report. Mike Hagedorn said that he appreciated the In Memoriam to Tom H. Trabon.

5. Safety and Security – KCPD/Streetcar Ambassador Update

Major Daniel Gates, KC Streetcar KCPD off-duty coordinator, provided a general update and said that they are reevaluating the service levels. He provided an update on recent activities and mentioned the following:

- Morning shifts will continue in June
- There was an extra officer on duty at the birthday party at the station stop
- An extra officer was on duty for the Celebration at the Station Memorial Day weekend

There were no incidents to report.

6. Streetcar Riverfront Extension Presentation

Tom Gerend reported that the consultants had a public meeting on the Riverfront Extension Feasibility study on May 31st, 2017 at the Steamboat Arabia Museum. The details of the study can be found at http://kcstreetcar.org/wp-content/uploads/2017/05/SC-to-RF-Open-House-5.31.17_Boards-1-12_MediumRes.pdf Mr. Gerend discussed why the KC Streetcar should go to the riverfront. He said that KC Streetcar is a proven catalyst for development and connecting people to downtown.

The 3 options that were considered are:

- (1) 3rd Street- Will require an 870 foot bridge over railroad tracks that will be expensive and the steep grade causes safety issues and excessive wear-and-tear on streetcars.
- (2) 5th Street- Will require a 1,350 foot bridge and additional track length will increase costs.
- (3) Grand Boulevard- Will use existing bridge, is less expensive and grades are manageable
 - (A) Loop end –requires more track for loop around end. Curved track is more expensive and can be noisy and additional station stop requires more money.
 - (B) Stub end – use of existing bridge, shorter distance with less track to construct and grades are manageable. This option will be easier to expand to the east in the future and will have less noise.

Mr. Gerend said the study team chose 3(B) as the preferred route. There was a robust discussion with the Board Members regarding why 3(B) was chosen. Jeff Krum stated that he needed more information about all of the options before voting in order to make an informed decision. Russ Johnson said that both he and David Johnson were on the study team and support 3(B). It was decided to allow for more discussion about the expansion before voting.

7. Committee Reports

Marketing Committee

Teri Rogers reported that the Marketing Committee met on May 31st. They are re-evaluating the sponsorship fee structure. They are proposing to modify the existing structure to allow more flexibility. Tom Gerend added that they have learned a lot through the first year and have data to allow for flexibility. George Guastello asked if having ads or sponsors inside of the streetcars has been explored. Ms. Rogers said that it was decided early in the project to protect the aesthetics of the Streetcars and to not allow for sponsors inside of the Streetcars. There will be a report to the Board on the changes that have been implemented.

Operations Committee:

Tom Gerend gave a report on ridership and system usage as of May 31st, 2017.

- Total Ridership -2,196,105
 - Total 2017 Ridership -796,952
 - 2017 Daily Average - 5,278
 - Cumulative Daily Average - 2016-2017 - 5,617
- *May 6th, 2017 was the highest ridership since opening day with 17,267

The plan is to run 4 cars, if they are available, on first Fridays and on Saturdays throughout the summer.

Mr. Gerend gave an update on the vehicle purchase financing strategy. He referenced a memo that was sent to Board of Directors prior to meeting and said a copy was at their places for reference as well. The KCSA and KCMO team has completed negotiations with CAF for the purchase of two additional streetcars and have finalized the financing strategy. The final ordinance is scheduled to be issued soon to be able to take the additional purchase through the final step of KCMO approval.

During the final stages of development of the financing plan, it was determined by KCMO Finance that a performance bond would be required to protect both KCSA and KCMO's interest in the event CAF fails to deliver cars as contracted. The additional cost for the performance bond is \$346K. KCSA is proposing to fund this additional increment in cost from excess carryover resulting from operational savings in prior years.

In response to a question raised by Susan Robertson, on why the performance bond requirement wasn't recognized before now, Mr. Gerend said that this process is different than the first time cars were ordered because the contract KCSA had with CAF was an add on to Cincinnati's contract. Russ Johnson asked if there was a risk to not purchasing a performance bond. Mr. Gerend said that the bond is designed to cover all out of pocket and additional costs.

The total purchase will be for 2 cars, spare parts, and support to consist of the following:

\$11,899,00 from current TDD reserves and future TDD allocations
\$346, 000 (performance bond) – KCSA held reserves

Jeff Krum moved to approve the final financing plan to purchase 2 additional streetcars from CAF, Teri Rogers seconded and the motion carried unanimously.

Budget and Finance

Tom Gerend said that the financials are on target and he feels that KCSA is in a great position going into the next fiscal year. The financial reports were at the Board member's places and he asked if there were any questions. There were none.

Matt Staub moved to approved the monthly financial reports, Jeff Krum seconded and the motion unanimously carried.

Mr. Gerend said he is working on an amendment to the FY18 budget and creating a FY19 budget. The Budget and Finance Committee will convene prior to the August 10th Board of Directors meeting to review and discuss both budgets. The FY19 budget has to be approved and sent to KCMO by September 1.

8. Southern UMKC Extension Update

Mr. Gerend gave an update on the Southern UMKC extension study. The scope and contract negotiations are ongoing with the selected contractor. The study will focus on:

- Data collection (utilities, current conditions, etc.)
- Refining alignment details
- Station stop locations and terminus configuration
- Plan for coordinated regional transit service integration and improvement
- Updated cost estimates
- Initiation of Federal funding process

KCSA staff is paying close attention to the President's proposed Federal budget. As proposed, the budget would have serious implications on related funding programs.

A motion was made to approve the Technical Services Agreement subject to Mr. Gerend and Mr. Miller approving the Contract. The motion was seconded and approved.

9. Report from the Executive Director

Tom Gerend reminded the Board Members that due to the summer holidays (Memorial Day, 4th of July and Labor Day) the Board of Directors will not meet in July. The next meeting is August 10th which will combine the July and August meetings.

10. Jon Copaken moved to vote to temporarily close this meeting to the public, pursuant to our authority to do so under subsections 1, 11, 12 and 13 of Section 610.021 of the Missouri Statutes - which authorizes the Authority to close its meetings to the extent the discussion relates to any confidential or privileged communications with its attorney, sealed bids or proposals or related documents, any documents related to a negotiated contract or specifications for competitive bidding, or employees or applicants for employment and that the meeting be reopened to the public upon conclusion of those discussions. Jan Marcason seconded the motion. A roll call of following board members voted to go into closed session: Jeff Krum, Mike Hagedorn, Michael Collins, Jon Copaken, George Guastello, Russ Johnson, Jan Marcason, Susan Ford-Robertson, Teri Rogers, and Matt Staub. No board members voted against the motion.

Matt Staub moved to vote to return to open meeting, Jan Marcason seconded. A roll call of the following board members voted to go back into an open meeting: Jeff Krum, Mike Hagedorn, Michael Collins, Jon Copaken, George Guastello, Russ Johnson, Jan Marcason, Susan Ford-Robertson, Teri Rogers, and Matt Staub. No board members voted against the motion.

After returning to open session, the Board discussed the Riverfront Extension options and why 3(B) was chosen as the preferred route in detail.

Matt Staub moved to approved 3(B)-Grand Boulevard-Stub End as the Preferred Route to extend the Downtown Streetcar to the riverfront, Susan Robertson seconded and the motion carried, with Michael Collins abstaining.

A motion was made and seconded to approve the increases to salaries of the employees of the Streetcar Authority to the amounts discussed in closed session. The motion was approved.

The next meeting will be held on Wednesday, August 10th, 2017, at the Singleton Yard, 600 E. 3rd St., KCMO.

The meeting was adjourned.

Board Members Attending

Michael Collins
Jon Copaken
George Guastello
Michael Hagedorn
Russ Johnson
Jeff Krum
Jan Marcason
Susan Ford-Robertson
Teri Rogers
Matt Staub

Others attending

Ralph Davis, KCMO
Daniel Gates, KCPD
Tom Gerend, KCSA
Lynn Horsley, KC Star
Ebony Jackson, KCSA
Charlie Miller, Lewis Rice
Ruben Montenegro, HTSI
Jason Waldron, City of Kansas City