MEMORANDUM

TO: Honorable Mayor and Members of Town Council
FROM: Jim Maloney, Town Attorney
         John Fussa, Community Development Director
         Bryce Matthews, Planning Manager
DATE: January 25, 2021
SUBJECT: RTD Update

ISSUE:
The Mayor and Town Council wish to discuss the Regional Transportation District (RTD) that provides transit service in the Town of Parker. The discussion will address services, revenues and whether to remain in RTD or exclude from it.

FISCAL/BUDGET IMPACT:
No budget impact to the Town at present

BACKGROUND:
Context
The Town of Parker is a long-standing member of RTD which provides transit service to the community. Currently, approximately 83 percent of the Town is located within the boundaries of RTD and this would increase to 91 percent in the future because the Anthology North and Hess Ranch property owners/developers are required by the 2019 Town Council approved Partial Waiver Resolution to annex the balance of their developments into RTD (subject to RTD approval). This would leave only a small section of the Town in the Chambers Road corridor between Mainstreet and Hess Road outside of the RTD boundaries. The RTD transit service provided in Town has evolved over time but most recently consisted of the 483 local bus, P Parker regional bus, FlexRide on-demand local shuttle and Access-a-Ride paratransit service for the disabled prior to the COVID-19 pandemic. RTD also provides the Town and its residents access to the regional transit system through its bus service, the Parker and Lincoln/Jordan Park-n-Ride facilities and free parking at light rail stations such as the nearby RidgeGate Parkway Station.

RTD Service and Revenue/Expenses
RTD has substantially reduced transit service throughout the eight (8) counties that comprise the District including in Parker due to the COVID-19 pandemic. At present, RTD has reduced transit service in the Town to the FlexRide on-demand shuttle and Access-a-Ride paratransit service. RTD has indicated that the reduction in transit service throughout the District including the Town is temporary but likely to continue until the COVID-19 pandemic eases or ends; transit demand and associated ridership recovers; and their budget situation improves.

The Parker 2035 Master Plan characterizes the Town as an auto-oriented community with a
reliance on cars for transportation but states that "...we cannot only rely on building our way out of transportation problems..." and that "...plans need to incorporate multimodal opportunities now and in the future." (Parker 2035 Master Plan p.10.1). The Master Plan has multiple transportation goals and strategies including "Provide a multi-modal transportation system that maximizes mode choice and mobility for all users." (Parker 2035 Master Plan p.10.2). The Town’s Transportation Master Plan, which is adopted as part of the Parker 2035 Master Plan, incorporates similar goals and strategies with additional detail and recommendations regarding transit service. The Town has relied upon RTD to provide local transit service, partner with the Town on improving mobility and to support the Master Plan policy of achieving a multi-modal transportation system. The results have been mixed especially with the current reduction in transit service due to the COVID-19 pandemic.

RTD generates revenue to provide transit service throughout the District including in Parker by levying a one (1) percent sales tax and ancillary use tax. Staff requested and obtained information from RTD through 2019 about the revenue generated in the Town arising from their sales tax. In 2019, economic activity in the Town generated $11,546,217 in retail sales tax revenue that is remitted to RTD as shown in the attached RTD Sales Taxes by City table. This accounts for 1.9 percent of RTD’s total 2019 retail sales tax revenue of $604,792,921 received from all municipalities and counties (unincorporated areas) in the District. This amount makes the Town the 16th largest contributor of retail sales tax revenue to RTD among the 41 municipalities and counties (unincorporated areas) in the District. The Town’s 2019 retail sales tax revenue of $11,546,217 also represents 25.5 percent of Douglas County’s 2019 total retail sales tax revenue of $45,721,525 contributed to RTD. The largest retail sales tax contributor to RTD in the County is the City of Lone Tree followed by the Town of Parker and unincorporated areas of the County such as Highlands Ranch. For 2020, the Town generated $7,099,776 in retail sales tax revenue contributed to RTD through July.

All modes of transportation, including transit service, operate at a deficit and require some form of subsidy whether by gasoline tax, sales tax in the case of RTD or user fees such as vehicle registration fees or tolls on E-470 and CDOT Express Lanes. In 2019, RTD received $11,546,217 in retail sales tax revenue from the Town and provided transit service having a total expense of $3,425,087 or approximately 29.7 percent of total revenue. This expense supported the 483 local bus, P Parker regional bus and FlexRide on-demand shuttle as shown in the attached Parker Public Transportation Map. The total expense of RTD service in the Town does not include the cost of Access-a-Ride paratransit or fixed assets such as the Parker Park-n-Ride facility because this information was not provided by the agency. RTD advises staff that the Access-a-Ride service generally requires a subsidy of $49 to $50 per rider/trip. The total cost of transit service provided by RTD in the Town for 2020 has not been provided but is likely less than 2019 due to the temporary service reductions arising from the COVID-19 pandemic. This would change in the future assuming RTD reinstates transit service in the District including in Parker.

Staff will summarize the above-referenced information and be available to discuss the related policy questions with Town Council as follows:

- Benefits and detriments of RTD membership, service;
- Transportation and multi-modal access;
- Economic development considerations;
- Future land use, growth and development; and
- An aging, changing population.

**Process to Exclude from RTD**

In 2004, Representative Tom Wiens sponsored House Bill 04-1066 “Concerning the Opportunity for Voters in the Town of Castle Rock in Douglas County to Determine Whether to be Included in the Boundaries of Certain Special Districts” (the “House Bill”). The purpose of the House Bill was to set up a process that would allow Castle Rock to exclude from RTD. The reason that Representative Wiens needed to sponsor the House Bill for Castle Rock, was due to the absence of a procedure in the Regional Transportation District Act to exclude areas from the boundaries of RTD. The Regional Transportation District Act only contains a procedure for the inclusion of additional areas into the boundaries of RTD. The House Bill was approved by the General Assembly and the residents of Castle Rock ultimately voted to exclude from RTD. Castle Rock is no longer part of RTD and is not subject to the RTD sales and use taxes.

Since 2004, RTD has issued considerable debt much of it arising from the construction of the FasTracks regional transit expansion project that was approved by the voters of the District in 2004. In order to secure the repayment of this debt, RTD has pledged the one (1) percent sales tax it collects from retail sales that occur within the boundaries of the District including in Parker. As a result, even if Parker is able to exclude from RTD, the one (1) percent RTD sales tax would remain in place until the current debt is repaid. This is currently projected to occur in 2050.

Attached is a proposed legislative bill that is based on the 2004 Castle Rock House Bill (the “Parker Bill”). The Parker Bill contains the same process used by Castle Rock to exclude from RTD, but to address the RTD debt and pledged sales tax, the Parker Bill further provides that the Town will:

1. Continue to receive service from RTD until 2050 or when the current long-term debt is retired, whichever occurs first;
2. The Town sales tax would not be subject to any additional sales tax pledge;
3. RTD will provide the Town with a level of service that is reasonably proportional to the sales taxes that are received by RTD from the Town; and
4. The Town will automatically exclude from RTD in 2050 or when the current long-term debt is retired, whichever occurs first.

The differences between the Castle Rock House Bill and the Parker Bill are highlighted in the attachment.

**RECOMMENDATION:**
Request Town Council direction

**REQUESTED DIRECTION:**
Discussion and direction

**ATTACHMENT:**
1. All County and City Sales Taxes by Year Through July 2020
2. Parker Public Transportation Map Pre-COVID 11x17
3. RTD Tax District as of October 2020
4. RTD Tax District with Acreages
5. RTD Proposed Act to hold election 20210119 DRAFT-3