

ATTACHMENT 1

Santa Barbara City Agreement No. _____

TRANSPORTATION MANAGEMENT AND TRANSIT SERVICES
MASTER AGREEMENT

City of Santa Barbara &
Santa Barbara Metropolitan Transit District
May 1, 2026 – April 30, 2031

THIS AGREEMENT, entered into this _____, by and between the

City of Santa Barbara (hereinafter referred to
as the "City")

and

Santa Barbara Metropolitan Transit District
(hereinafter referred to as the "District"),

for the support and subsidy of transit services within the City of Santa Barbara, California,

- A. The District is established and existing under Part 9, Division 10, of the California Public Utilities Code, codified at Sections 95000-97100, and is authorized to provide public transportation service in the South Coast of Santa Barbara County.
- B. The City and the District desire to promote a "Park Once" concept and encourage persons in the Central Business District (CBD) and the Waterfront to park in City-operated parking lots and utilize the Downtown-Waterfront Shuttle.
- C. The City and the District agree that connectivity between the CBD and the Waterfront is essential to the long-term vitality of the City; and
- D. The City's "Together to Zero" Climate Action Plan (CAP) has identified a goal of promoting use of safe, equitable, zero emission transportation options to reduce pollution and urban congestion, increase public transit mode share, and prioritize transit access and improvements.
- E. The City and the District agree to work collaboratively to implement, market, and promote shuttle services and City-operated parking lots to encourage ridership and promote the "Park Once" concept.
- F. The City previously implemented a Transportation Management Program (TMP) to improve traffic circulation and parking in the City's CBD and Waterfront area.
- G. The City and District recognize that:
 - a) Ease of circulation is critical to the economic vitality of the City's CBD and Waterfront;

- b) Current and planned developments in these areas of the City will result in greater transportation demand in the CBD and Waterfront;
 - c) The City's Circulation Element of the General Plan, the Climate Action Plan, and the Santa Barbara County Air Quality Attainment Plan support expansion of public transportation service as a method of achieving emissions reduction goals and mitigating adverse impacts of vehicular travel; and
 - d) Expanded public transportation service will facilitate greater economic vitality in the CBD and Waterfront while improving air quality and traffic congestion problems.
- H. The City acknowledges that the District has the authority, equipment, and expertise necessary to provide high-quality public shuttle service in the South Coast region, including within the City.

NOW, THEREFORE it is mutually agreed between the Parties that:

1. Downtown-Waterfront Shuttle Service

The District shall provide the Downtown-Waterfront Shuttle service utilizing electric vehicles (EVs). The Downtown-Waterfront Shuttle will provide service on State Street, Chapala Street, and Anacapa Street between Stearns Wharf and Sola Street, and on Cabrillo Boulevard between East Beach and the Harbor. The City shall provide the District a subsidy under the following terms and conditions:

- a) The City shall provide to the District an hourly subsidy determined by the audited cost per revenue hour to the District for the previous fiscal year. This amount may be adjusted upward, but not beyond, the percentage increase in the Consumer Price Index (CPI) reported for the January immediately before the start of the service year, compared to the Base Index described below. Adjustments may not be automatic and require approval of the City Administrator. CPI increases in excess of 5 percent shall require the District and the City to meet and confer about the hourly subsidy amount. The adjusted amount will become the new hourly subsidy. However, the subsidy may not be lower than the hourly subsidy paid in the previous year. The Consumer Price Index to be used shall be the U.S. Department of Labor Consumer Price Index for All Urban Consumers, All Items, for Los Angeles - Long Beach - Anaheim (1982-84 = 100). The Base Index shall be such Consumer Price Index, as reported for January of each year.
- b) For the period of May 23, 2026, to Labor Day weekend of 2026, the City shall provide to the District an hourly subsidy per revenue hour not to exceed \$204.45 for operation of the Downtown-Waterfront Shuttle, as determined by the methodology described in 1.a) above.
- c) For each fiscal year thereafter, the hourly subsidy and billing rate shall be adjusted as described in Section 1.a) above upon approval of the City Administrator.

- d) For requests by the City for additional service on behalf of a third party, such as cruise lines, etc., the hourly subsidy and billing rate shall be adjusted as described in Sections 1.b) and 1.c) above.
- e) The District shall apply the estimated fare box revenue from the prior month as a credit to the monthly invoices, thereby reducing the City's financial responsibility for the services specified herein.
- f) The City shall make payments to the District as provided in Section 6.

2. The District's Right Not to Perform a Service Where Subsidy Is Not Provided

The District is not required to perform any service for which a subsidy is not provided as is specified under the terms, conditions, and limitations provided herein.

3. The District's Discretion Over Services

The District shall be responsible for developing routes, hours of operation, days of operation, and headways appropriate to maintain such services. The District shall retain sole responsibility and full discretion for the planning, management, administration, maintenance, and operation of such services, including hours, location, headways, equipment, personnel, advertising, and services; however, the District shall notify and confer with City staff prior to making any changes to routes, schedules, hours of operation, headways, or equipment. The District may provide such services with District personnel and resources, through third party contracts for all or part of such services, or by other agreements, at the sole discretion of the District. The District shall each year conduct any and all necessary public hearings to develop the routes, days, hours, headways, and methods of operation appropriate for such service.

4. Annual Report

The District shall provide an annual report on the Downtown-Waterfront Shuttle to the City by December 31 of each year or as soon thereafter as feasible, stating total fares collected, ridership, and actual revenue hours.

5. Air Emission Credits

Any air emission credits (under the Clean Air Act, under any California regulations, and under any regulations of the Santa Barbara County Air Pollution Control District) which are generated or available by reason of the use of EVs shall be credited to the District. The District shall assess the reasonable value of such air emissions credits, record their development and value, and keep account of the value of such credits on a generally recognized accounting basis.

6. City Payment Provisions and District Recordkeeping

The City shall pay subsidy payments monthly to the District in response to invoices in the usual City format, approved by the City Administrator. The payments shall be made within sixty days of receipt of the District's invoice. The District shall keep and maintain financial records of all services that receive such subsidy on a generally recognized accounting basis. The District shall maintain such records for at least five years following the date such services were provided. All such financial records shall be made available to City agents and employees for review and audit during regular business hours. The District shall provide the City with a written annual report describing and quantifying the services that have received a subsidy for the preceding year, with a detailed report of all the costs of the services provided.

7. Adjustments to Services

Any changes, adjustments, increases, reductions or losses of service by reason of new or lost funding sources shall be on the basis of the hourly rate described in the appropriate section of this Agreement of qualifying shuttle service or other service subsidized by the City. Any increase in the number of service hours provided will be based upon costs approved in writing by the District General Manager and the City Administrator. Changes in service, operational provisions, specifications, schedules, fares, and location of services, required to meet unforeseen changes in demand, unforeseen funding restrictions, or the availability of additional funds for enhanced service shall be made on 90 days' advance written notice.

8. City Funding Not Guaranteed

The obligation of the City to provide funds hereunder shall be subject to the condition that funds for said services are approved in applicable budgets and appropriated to the City for such services, and subject, further, to the receipt of such funds for use as provided herein. In the event that the City notifies the District by the end of November that funding for the following fiscal year is insufficient to provide annual hours of service that fall within the range in Section 1 above, District shall work cooperatively with City staff in December to develop a mutually agreeable solution for the following fiscal year.

9. Termination

The City reserves the right to terminate the service described in Section 1 of this agreement for any reason upon written notice to District of at least 90 days' written notice to District of any such decision. District reserves the right to suspend and/or terminate the service described in Section 1 at any time for any reason upon written notice to the City of at least 90 days.

10. Notices

All notices, approvals, acceptances, demands and other communications required or permitted hereunder, to be effective shall be in writing and shall be delivered either in person or by mailing the same by United States mail (postage prepaid, registered or certified, return receipt requested) or by Federal Express or other similar overnight

delivery service to the party to whom the notice is directed at the address of such party as follows:

Santa Barbara MTD
General Manager
550 Olive Street
Santa Barbara, California 93101

City of Santa Barbara
Santa Barbara City Administrator
City Hall, 735 Anacapa Street
P.O. Box 1990
Santa Barbara, CA 93110

Any written communication given by mail shall be deemed delivered two (2) business days after such mailing date and any written communication given by overnight delivery service shall be deemed delivered one (1) business day after the dispatch date. Either party may change its address by giving the other party written notice of its new address as herein provided.

11. No Third-Party Beneficiary Intended

Nothing herein is intended to confer any rights or remedies, express or implied, under or by reason of this document on any persons other than the parties hereto and their respective successors and assigns, nor is anything in this document intended to relieve or discharge the obligations or liability of any third persons to any party hereto, nor shall any provision give any third persons any right or subrogation or action over or against any party.

12. Indemnification by City of Santa Barbara

City of Santa Barbara shall, indemnify, defend and hold Santa Barbara Metropolitan Transit District, and Santa Barbara Metropolitan Transit District's agents, officers and employees, harmless from and against all claims, damages, losses, causes of action and expenses, including attorneys' fees, for any personal injury, bodily injury, loss of life or damage to property, violation of any federal, state or municipal law, ordinance or constitutional provision, or other cause which arise out of, relate to, or result from the activities or omissions, negligent or otherwise, under this Agreement.

13. Indemnification by Santa Barbara Metropolitan Transit District

Santa Barbara Metropolitan Transit District shall indemnify, defend and hold City of Santa Barbara, and City of Santa Barbara's agents, officers and employees, harmless from and against all claims, damages, losses, causes of action and expenses, including attorneys' fees, for any personal injury, bodily injury, loss of life or damage to property, violation of any federal, state or municipal law, ordinance or constitutional provision, or other cause which arise out of, relate to, or result from the activities or omissions, negligent or otherwise, under this Agreement.

14. No Agency

Except as otherwise specified herein, for the purposes of this section, City of Santa Barbara shall not be deemed to be Santa Barbara Metropolitan Transit District's agent

and Santa Barbara Metropolitan Transit District shall not be deemed to be City of Santa Barbara's agent.

15. Notification

Each party shall give the other prompt notification when it first learns of an incident or occurrence covered, or likely to be covered, under the terms of this indemnity provision, as well as prompt notification if a claim is made or suit is brought against a party based on an incident or occurrence covered, or likely to be covered, by the terms hereof.

16. Continuing Obligation

To the extent that the City of Santa Barbara has agreed to indemnify, defend and hold harmless Santa Barbara Metropolitan Transit District, its officers, agents and employees under this Agreement, said obligations shall continue to exist during the term of this Agreement and subsequent to this Agreement for those acts or omissions giving rise to liability which occurred during this Agreement.

To the extent that Santa Barbara Metropolitan Transit District has agreed to indemnify, defend and hold harmless City of Santa Barbara, its officers, agents and employees under this Agreement, said obligations shall continue to exist during the term of this Agreement and subsequent to this Agreement for those acts or omissions giving rise to liability which occurred during this Agreement.

17. Term of Agreement

The term of this agreement shall be May 23, 2026, through June 30, 2031.

18. Insurance

Each party recognizes and accepts the other party is self-insured. Either party may purchase commercial insurance to cover their exposure hereunder, in whole or in part.

IN WITNESS WHEREOF, the parties hereto have executed this Transportation Management and Transit Services Master Agreement as of the day and year first above written.

CITY OF SANTA BARBARA
a Municipal Corporation

SANTA BARBARA METROPOLITAN
TRANSIT DISTRICT

By _____

By _____

Kelly McAdoo
City Administrator

Jerry Estrada
General Manager
550 Olive Street
Santa Barbara, CA 93101

APPROVED AS TO FORM:
John S. Doimas
City Attorney

APPROVED AS TO FORM:

By _____

By _____

Trevor Large
MTD Counsel

Arielle Zamora
Deputy City Attorney