



# STAFF REPORT – CITY COUNCIL MEETING

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March 19, 2025

**TO:** Honorable Mayor and City Council Members

**FROM:** Netra Khatri, City Engineer

**PREPARER:** Mara Grow, Administrative Specialist

**DATE:** March 12, 2025

**TITLE:** **Consider Approval of the Agreement for Transfer of Ownership and Management of the Arcata & Mad River Transit System to Humboldt Transit Authority; and Authorize City Manager to Execute all Applicable Documents.**

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## **RECOMMENDATION:**

It is recommended that the Council:

- 1) Approve the Agreement for Transfer of Ownership and Management of the Arcata & Mad River Transit System to Humboldt Transit Authority; and
- 2) Authorize City Manager to Execute all Applicable Documents.

## **INTRODUCTION:**

The City currently contracts with the Humboldt Transit Authority (HTA) to provide all operations and maintenance services for the Arcata and Mad River Transit System (A&MRTS), including scheduling and staffing drivers for A&MRTS routes, parking A&MRTS buses in the HTA yard, and providing regular preventive maintenance, inspections, repair services, and refueling of A&MRTS vehicles.

On October 16<sup>th</sup>, the City Council authorized staff to continue communication with HTA regarding the transfer of A&MRTS assets and services and on January 15<sup>th</sup>, Council approved the resolution to transfer all vehicles to HTA. City staff have continued to be in communication with management staff at HTA, resulting in the attached agreement of transfer which is ready to be executed.

## **DISCUSSION:**

Historically, the A&MRTS had been able to operate on a small budget partly by employing part-time drivers. Currently, the City does not have adequate staffing resources to implement cost-effective operation of the A&MRTS on its own. Therefore, in 2023, the City expanded its contract with HTA for parking, maintenance and repair services to include administration and management of A&MRTS operations. This has been a successful partnership that ensured the continued provision of frequent and economical bus services to Arcata residents and students of Cal Poly Humboldt (CPH). The City also partnered with CPH in 2023 to add a new “Green and Gold” route to provide a reliable transit route for all users, including CPH students.

HTA operates transit services through a joint powers authority (JPA) between the County of Humboldt and the cities of Arcata, Eureka, Fortuna, Rio Dell and Trinidad. The City of Arcata holds one board seat on the JPA, currently held by Mayor Stillman. HTA provides riders with affordable fixed routes and dial-a-ride transportation options that allow access throughout Humboldt County. Services span

from Trinidad, south along Highway 101 to Benbow, and east on Highway 299 from Arcata to Willow Creek, including the Arcata–Eureka Airport, and the communities of McKinleyville, Eureka and Fortuna, with Blue Lake Rancheria providing service to Blue Lake.

This larger operation places HTA in the position to attract and secure full-time bus drivers and to build a larger pool from which to provide staffing for efficient public transit throughout the region. HTA also operates all public transit busses for the City of Eureka. For the past year and a half, HTA has successfully managed operations for the City of Arcata’s A&MRTS routes, and it is in the City’s best interest to transfer ownership and management of the A&MRTS to HTA. This transfer will streamline the transit services for the region under one umbrella, HTA.

**POLICY IMPLICATIONS:**

Public Utility Code section 99288 authorizes a City to contract for transit operation services. HTA possesses the power under California Government Code section 6502 and the joint exercise of powers agreement under which it is constituted to provide this kind of service and receive payment for it.

**BUDGET/FISCAL IMPACT:**

There is no impact to the current budget. Starting FY 25-26 the Transit budget will not be included in the City budget.

**ATTACHMENTS:**

- A. Agreement for Transfer of AMRTS Vehicles and Operations 20250314.