Attachment A

2016 Cost-Sharing Agreement
City of Gig Harbor and Pierce Transit

I. Service Cost Estimates and Monetary Contributions: Monetary contributions by the City of Gig Harbor and Pierce Transit pursuant to Interlocal Agreement for Trolley Service dated February 24, 2014 for the 2016 Seasonal PT Trolley Service are described below.

A. The estimated cost is a planning level estimate based on the hours and miles identified by Pierce Transit. The 2016 PT Trolley Service is proposed to operate from June 2, 2016 to September 5, 2016. The actual hours and miles needed to operate the service is determined by Pierce Transit during the scheduling of the service prior to implementation.

B. Pierce Transit’s targeted system average fare box recovery rate is 16% based on a $2.00 adult fare. The City of Gig Harbor partnership will allow customers to be charged a $.50 adult fare, a 75% discount to customers of the usual adult fare, for the seasonal 2016 Trolley Service. The City of Gig Harbor agrees to contribute the estimated targeted 16% fare box recovery to achieve Pierce Transit’s average fare box recovery rate. Pierce Transit will deduct fare box revenue from the final invoice to the City of Gig Harbor so as to achieve at least a 16% fare box recovery rate.

C. The City of Gig Harbor’s maximum estimated cost is $46,613. Pierce Transit’s estimated cost is $291,334. If actual costs exceed the estimated amount, Pierce Transit will be liable for the higher cost as long as the service provided does not change significantly. If the parties agree to alter the service in ways that result in an increase in service hours, then this cost-sharing agreement will be renegotiated.

II. 2016 Trolley Service Estimates:

| Estimated 2016 Trolley Service Hours | 1,935 |
| 2016 Budgeted Cost Per Service Hour | $150.56 |
| Estimated Cost to Operate Service | $291,334 |

PT Targeted Average Fare Box Recovery Rate
16%

Community Investment Required
(16% x Estimated Cost to Operate Service)
$46,613

Pierce Transit will deduct actual Gig Harbor Trolley fare box revenue, up to 16% partnership funds, from the final invoice.
Estimated Financial Contributions
Pierce Transit $244,334
City of Gig Harbor $46,613
Estimated Cost to Operate Service $291,334

Pursuant to the terms of the Parties’ Agreement, dated February 24, 2014, Gig Harbor agrees to pay the Community Investment amount listed above for the 2016 PT Trolley Service to offset the adult fare charged to customers of the Service.

IN WITNESS WHEREOF the Parties hereto have executed this Agreement on the ___ day of February, 2016.

CITY OF GIG HARBOR

By: ____________________________
Jill Guernsey
Mayor
Date: ______________

PIERCE COUNTY PUBLIC TRANSPORTATION BENEFIT AREA CORPORATION

By: ____________________________
Sue Dreier
Chief Executive Officer
Date: ______________

______________________________
Wayne Fanshier
Chief Financial Officer
Date: ______________

ATTEST:

______________________________
Deanne Jacobson, CMC
Date: ______________