

COMMONWEALTH OF MASSACHUSETTS

CITY OF LOWELL

VOTE

IN CITY COUNCIL

ORDER,

To transfer funds for ride share assessments in the Department of Planning and Development.

ORDERED,

By the City Council of the City of Lowell, as follows:

That the amount of Forty Thousand and 00/100 (\$40,000.00) Dollars be transferred:

FROM: Special Revenue Fund #1707 as described in "Attachment A":

TO: Account # 01824170 588401 as described in "Attachment A":

ORDER RECOMMENDED AND INTRODUCED BY:



Eileen M. Donoghue
City Manager

Eileen M. Donoghue
City Manager

July 21, 2020

Mayor John J. Leahy
And
Members of the Lowell City Council

Dear Mayor Leahy and Members of the Lowell City Council,

I am hereby requesting that the City Council vote to transfer \$40,000 from the special revenue fund for ride share assessments into the DPD budget pursuant to a request by the Transportation Engineer, Natasha Vance. At the end of FY2020, the Council approved a transfer to move the funds out of the general fund and into the special revenue fund to preserve them for the next fiscal year (FY2021). This second part of a two-part process initiated in June.

Pursuant to statute, the Transportation Network Company (TNC) Division of the Department of Public Utilities must collect a \$0.20 per-ride assessment on all TNC rides originating in the Commonwealth. In 2017, there were approximately 64.8 million rideshare trips started in Massachusetts which resulted in a \$12.8 million assessment from TNCs. Half of this amount was distributed to MassDevelopment and the Commonwealth's Transportation Fund while the other half was distributed to Massachusetts cities and towns based on the amount of rides started in each community. These funds proposed for appropriation are from monies distributed to Lowell.

Enclosed with this letter is a memorandum from the DPD which explains the need for the transfer. Please do not hesitate to let me know if there are any questions.

Sincerely,



Eileen Donoghue
City Manager

Cc: Conor Baldwin, Chief Financial Officer
Natasha Vance, Transportation Engineer
Tina Masiello, City Auditor

Diane Nichols Tradd
Assistant City Manager/DPD Director

Craig Thomas
Deputy Director

MEMORANDUM

TO: Eileen M. Donoghue, City Manager
Conor Baldwin, CFO

FROM: Diane N. Tradd, Assistant City Manager/DPD Director

DATE: July 28, 2020

SUBJECT: Transfer of Funds for GoLowell Project to Comply with TNC Fund Regulations

In June 2020, prior to the end of the fiscal year, the City Council approved the transfer of \$24,921.87 from the GoLowell account back into MUNIS Account # 1707 RIDESHAR, to retain the funds for the Bike Master Plan (BMP) per the City's required reporting on the use of the funds. In FY21, the funds need to be transferred back to the GoLowell account to complete the BMP.

The City recently received the disbursement of the 2019 per-ride assessment funds. The amount of these funds was calculated based upon the number of Transportation Network Company (TNC) rides (e.g. Uber and Lyft) that originated within our municipal boundaries in 2019. A total of 835,423 rides generated \$83,542.30 in funding for the City. The funds can be used under the following conditions:

- St. 2016, c. 187, § 8(d) **requires** that communities that receive funds report to the Division how they have spent or how they plan to spend the funds, in accordance with the requirements of the law.
- St. 2016, c. 187, § 8(c) **requires** that the funds be used "to address the impact of transportation network services on municipal roads, bridges and other transportation infrastructure or any other public purpose substantially related to the operation of transportation network services in the city or town including, but not limited to, the complete streets program established in section 1 of chapter 90I of the General laws and other programs that support alternative modes of transportation..."
- The Division must post the projects and amounts reported to its website.

Currently, the TNC funds total \$145,225.57. DPD requests that the \$24,921.87 be transferred back to GoLowell account to complete the BMP. In addition, the GoLowell project management team would like to create a 5% contingency fund for the project, by transferring an additional \$15,000, bringing the total amount to be transferred to \$40,000. Although the design consultant has not requested a contract amendment, we anticipate that there will be additional project costs due to COVID-19 and would like to have contingency funds in place. If the funds are not needed for GoLowell, they will be transferred back to MUNIS Account # 1707 RIDESHAR to be used for other City projects.

NV/ns

Attachment

cc: Natasha Vance, Transportation Engineer