



TO: Linda Gorton, Mayor
Urban County Council

FROM: Hilary Angelucci, Senior Special Projects Administrator
Office of the Chief Administrator

DATE: May 18, 2026

SUBJECT: Memorandum of Understanding with Lextran for a Microtransit Pilot Project

Request Council authorization to execute a Memorandum of Understanding with Lextran for a microtransit pilot project to provide an on-demand, flexible, curb-to-curb transportation service in the Northwest zone (Newtown Pike and Versailles Road) of Lexington, designed to supplement Lextran's fixed-route bus and paratransit network. The pilot project is expected to last 12 months. Total cost to LFUCG is \$725,000.

Lextran completed a microtransit feasibility study in 2025 that provides a financial baseline for a one-year pilot project. The Council allocated a total of \$250,000 as part of the FY 2026 Budget and an additional \$475,000 in the FY 2025 fund balance process. Lextran issued a Request for Proposals (RFP) for a vendor to provide day-to-day management and operational administration of the project and is in the process of executing a contract with the selected vendor, Tidewater Transit, LLC. The total estimated cost is \$738,000. LFUCG funding will be utilized for operational costs of the project, with Lextran internalizing as many operational and administrative cost components.

Lextran plans to operate the microtransit service from 6:00am–8:00pm daily, including weekends and holidays, within Zone 1 – Northwest (Newtown Pike/Versailles Road; 9.9 square miles), as identified in the feasibility study for its balanced residential, employment, and paratransit demand. A copy of the map of the designated microtransit service zone is attached.

The term of the MOU shall commence upon Council approval and continue through December 31, 2027. LFUCG may terminate this agreement for any reason whatsoever by providing Lextran with at least thirty (30) days advance written notice.

What is the cost in this budget year and future budget years?

The cost for this FY is: \$725,000

Are the funds budgeted? Yes Account number: 1101-900604-0001-71101

File Number: 0425-26

