

2023 Transit Stakeholder Group

Supplemental Transit Information and Initial Recommendations

October 9, 2023



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Stakeholder Group Attendance Listing

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Meeting Summary

The second meeting of the 2023 Transit Stakeholder Group began with brief re-introductions by the co-facilitators, City of Tucson Department of Transportation and Mobility (DTM) Director Sam Credio and Project Manager James Castañeda, stakeholder members, agency support staff, Mayor and Council Office staff and other individuals present. Following introductions, Director Credio re-iterated the group goals, as outlined below:

1. Short-term – Recommendation on securing funding for fare-free transit through the remainder of FY2024
2. Mid-term – Recommendation to secure funding for fare-free transit indefinitely
3. Long-term – Recommendation on a sustainable transit funding source

Next, Director Credio and Mr. Castañeda walked the audience through an extensive presentation to provide additional data which was requested during the initial meeting held on September 25. The presentation included an in-depth overview of the following topics: local Jarret Walker transit studies and media, a review of peer agencies/municipalities and the approaches to transit funding (with an emphasis on fare-free transit), Sun Tran fare structure and pre-pandemic fare revenues, Federal Transit Administration (FTA) formula fund allocations, updates on the transit Comprehensive Operational Analysis (COA), and a review of funding options and revenue generation potential. Director Credio closed out the presentation by re-visiting the group goals and prompting the panel for initial recommendations.

The discussion among participants generated many ideas and additional questions that staff will seek to answer in subsequent meetings. Key highlights of the discussion are summarized below:

- With relation to the peer agencies/municipalities; there are common themes among them, namely a dedicated transit funding source, state contributions, and community demographics.
 - However, it should be recognized that it can be difficult to compare transit provision in other communities given the nuances related to each operation.
- For the funding options matrix, there was consensus that some of the options should be eliminated to better focus the discussions, those include: Transportation Utility Fee (TUF), Impact Fees, and Special Taxing Districts. There was a proposed caveat to this position that the transit funding restrictions tied to the Arizona State Legislature are not permanent and can be adjusted in the future. For the Public Utility Tax (PUT), there was additional guidance that this tax would offset the franchise fee for utilities and would likely be a direct passthrough to customers.
- There was a recommendation to have the Metropolitan Public Transit Authority (MPTA) be the primary long-term solution to funding regional transit operations. There was emphasis placed on the MPTA being the only solution that would support the majority of transit funding needs. While helpful, other options like access agreements would simply not be sufficient to shore up long-term transit funding requirements. The MPTA option also allows for the community to have a dedicated structure to be able to voice their concerns and may encourage more financial

participation from other local businesses. There is additional information needed about MPTA's, those follow-up questions are detailed in the final section of this Meeting Summary.

- The group discussed continuing to pursue fare-free for the short and mid-terms – City of Tucson Mayor and Council has made a clear direction that fare-free shall continue; is there a need for concurrence among this group? For reference, the data shows that ridership has been increasing with the provision of fare-free transit.
- Safety was brought up as a concern within the current transit network. It was noted that safety concerns have coincided but do not correlate with fare-free transit and that the system must be safe regardless of fare policy.

Initial Recommendations

Towards the latter portion of the meeting, Stakeholder participants were asked to provide initial recommendations towards the three group goals, those thoughts are captured below:

Goals Re-Visited – Initial Recommendations



Short term – Recommendation on securing funding for fare-free transit through remainder of FY2024

- Call bed tax/surcharge All Access Transit Fee (maybe non-residents only)
- Access agreements
- Broader outreach for fare-free transit
- Return to fare collection
- TUSD – Fare-free for school aged children



Mid term – Recommendation to secure funding for fare-free transit indefinitely

- Rental car tax (need more info)
- Bed tax
- Access agreements



Long term – Recommendation on a sustainable transit funding source

- MPTA
- Access agreements



Follow-up Questions and Next Steps

In addition to the key discussion points made by stakeholder members and agency staff, there were several requests for additional information needed to inform subsequent conversations. The requests for additional data are categorized and summarized below:

- Historically, why was the State able to contribute transit funding through 2017? What was the reason this funding stopped?

- Regarding the MPTA option, can this system be operated fare-free? For property taxes associated with an MPTA, are there any limitations to what can be imposed and who decides the tax imposition? How would the MPTA Board be established and who would be represented? What role would City of Tucson Mayor and Council have once the MPTA Board is established?
- Additional information on the most recent Fare Study and community sentiments regarding fare-free transit.

City staff will use the above list to gather and present findings at the next Transit Stakeholder meeting, scheduled to take place on October 23, 2023. If additional meetings are required after October 23, that will be discussed at the next meeting.