

2023 Transit Stakeholder Group

Supplemental Transit Information and Draft Recommendations

October 23, 2023



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Stakeholder Group Attendance Listing

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Presentation Summary

The third meeting of the 2023 Transit Stakeholder Group started with a brief presentation from the meeting co-facilitators, City of Tucson Department of Transportation and Mobility (DTM) Director Sam Credio and Project Manager James Castañeda. This presentation covered additional data which was requested during the second meeting held on October 9. The presentation was focused around the three overall goals of the Stakeholder Group:

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

The presentation materials included an in-depth overview of topics such as: Sun Tran fare outreach, rental car tax, hotel/motel tax, and more data on the formation/operation of a Metropolitan Public Transit Authority (MPTA). At the conclusion of the presentation, Stakeholder members were asked several questions to help stimulate conversation and ultimately guide the formation of draft recommendations:

1. Which funding sources make the most sense for sustainable long-term transit service provision?
2. Outside of fares, is there a way to market transit that would promote system investment through avenues such as access agreements?
3. What are some of the other common funding sources that peer systems have tapped into that could be included in this conversation?
4. Which funding strategy best fulfills the needs of the transit system?

Draft Recommendations

Based on the questions posed and discussions amongst the Stakeholder Group, the following draft recommendations are proposed for consideration:

- 1. Establish sustainable funding for public transit services by primarily using a combination of sales tax, property tax and service access agreements with public and private partners who directly benefit from public transit services. (Short and mid-term goals)**

Recommendation support:

- Potential partners include Pima County, Town of Oro Valley, City of South Tucson, University of Arizona, Pima Community College, public school districts and private employers.
- This mix of sustainable funding sources provides decision makers with a range of options to ensure transit services are funded in an equitable manner that precludes an undue financial burden on any one segment of the community.

- Layered funding prevents overreliance on a single funding source that is impacted by rapidly changing economic conditions.
2. **Pursue actions to seek voter approval of a sales tax increment to be dedicated to improved transit service levels, including improved transit facilities, for a specific term with a program of improvements.** (Short and mid-term goals)

Recommendation support:

- The current transit Comprehensive Operational Analysis (COA) will identify specific service improvements that can be funded from this sales tax increment.
 - Continue to prioritize the safety and comfort of transit riders and bus operators.
 - Transit improvements should include more shade and shelters that improve the transit rider experience and support climate action through the strategies outlined in Tucson Resilient Together.
3. **Recommend Mayor and Council include in its next legislative agenda, the pursuit of legislation that allows State revenues to be appropriated to support local public transit services.** (Short and mid-term goals)

Recommendation support:

- Include caveat that state transit appropriations should not decrease existing state-shared revenues with cities.
4. **Recognizing the need for a dedicated, stable source of revenue for transit operations; direct staff to return with a potential plan for Mayor and Council to establish a Metropolitan Public Transit Authority (MPTA) service delivery model.** (Mid and long-term goals)

Recommendation support:

- MPTA represents the only existing provision within the Arizona Revised Statutes (ARS) with the needed features such as dedicated funding authority (via property tax).
- An MPTA can be solely formed by the City of Tucson Mayor and Council through a City ordinance, and allows other regional agencies such as Pima County, City of South Tucson, and the Town of Oro Valley, to join if they desire.
- Existing ARS statutes establish MPTA governance via a voter-elected Board of Directors with full authority for policy, funding, and operational decisions for all aspects of transit.
- MPTA governance features proportional representation among members of the Board of Directors.

Additional Considerations

In addition to the draft recommendations, other key discussion points from the meeting conversations include:

- Pros and cons need to be carefully considered with moving forward on any of the finalized recommendations.

- Ensure that, as transit is a public service, the burden of cost is distributed equitably across the community and not placed solely on one group (such as transit riders).
- One of the known difficulties in service access agreements is quantifying the value of the system for participating agencies; a business model to help calculate and resolve this uncertainty is needed to ensure that said agencies are contributing fairly for transit service provision.
- Recognizing that transit service is an underlying need for the community and has benefits for both users and non-users alike; a fee-user setup is thus not an ideal approach.
- Community outreach regarding this topic cannot be relayed in abstract terms; there needs to be carefully thought-out explanations for any recommendations which are moved forward.

Next Steps

The draft recommendations outlined in this summary represent the distillation of Stakeholder ideas presented during this meeting. To ensure staff is accurately conveying the sentiments and opinions of Stakeholder Group members, the group will reconvene for a final meeting to review and finalize the recommendations in preparation to share with City of Tucson Mayor and Council. The final Transit Stakeholder Meeting will be held on November 13, 2023.