



Northern Arizona Intergovernmental Public Transportation Authority

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DATE PREPARED: March 10, 2016

DATE: March 23, 2016

TO: Chair and Members of the NAIPTA Board

FROM: Jeff Meilbeck, NAIPTA CEO and General Manager

SUBJECT: Transit Funding Renewal

RECOMMENDATION:

This item is provided as information and there is no recommendation from staff at this time.

RELATED WORKPLAN OBJECTIVE

Analyze timing options for returning to voters with a transit tax renewal and prepare a recommendation for Flagstaff City Council by September 2015 that includes a minimum of a flat tax renewal scenario.

RELATED GUIDING PRINCIPLES

- Collaborate to enhance service delivery
- Strive for continuous improvement in all we do

BACKGROUND:

The purpose of this staff report is to provide context and a timeline for meeting NAIPTA's transit tax renewal objective. As has been discussed before, the transit tax that funds Mountain Line will sunset on June 30, 2020. At NAIPTA's May 2015 joint meeting, and again at NAIPTA's October 21st Board of Director's meeting, the Board directed staff to pursue a flat tax renewal in 2016.

The authority to send a transit tax renewal initiative to the voters is held by the Flagstaff City Council. Other City transportation funding will also sunset on June 30, 2020, and it seems likely that City Council will send a comprehensive renewal request to voters in 2018. That decision has not been made by Council and given that the date is almost 3 years off, Council has not yet been asked to formally consider the question.

Unlike capital project initiatives, asking voters to renew the transit tax in 2016 is important to mitigating risk and avoiding crises. To illustrate the risk, if the transit tax question is not sent to voters until November 2018 and fails, funding for Mountain Line will cease on July 1, 2020. Given that the next opportunity for renewal would be November 2020, Mountain Line would



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cease operating for a 4 month period even if the November 2020 request were approved by voters. This service gap would be expensive, disruptive and erode confidence in the public's perception of the City's ability to plan ahead. Conversely, if the question goes to voters in November 2016 and does not pass, Mountain Line can go back in November 2018 with a modified request without jeopardizing the system.

Thinking things through, if the question fails twice, in both 2016 and 2018, it may be evidence that community support no longer exists and Mountain Line service would be allowed to stop. However, failing once at the ballot could be a matter of bad luck, bad management, or other factors that would require a second go. As such, asking in 2016 provides adequate public process without risking a costly, disruptive and confidence - eroding crises.

As Council considers whether or not to send a transit tax renewal question to voters in November 2016, we need to remember that the Regional Transportation Plan (RTP) Steering Committee is also hard at work. The RTP Steering Committee is setting the stage for a broader community discussion about road, bike and pedestrian transportation projects. Another advantage in sending a flat funding transit tax renewal request to voters in November 2016 is that it clears the field of background noise following the Presidential election cycle and allows the City to focus solely on transportation expansion projects in 2018.

There are other benefits of the City sending a flat funding transit tax renewal request to voters in November 2016. Mountain Line is popular in the community and it is likely that transit funding at current levels would be renewed and secured in 2016. This certainty would enhance the confidence of passengers, employees, and members of the private sector investing along transit lines.

ALTERNATIVES:

The NAIPTA Board has already made a recommendation, but the City Council will be given the following alternatives for their deliberations:

- 1) Send a flat tax funding renewal to voters in 2016. This approach would provide certainty and flexibility and is the recommendation of the NAIPTA Board and TAC. Mountain Line is popular in the community and it is likely that transit funding at current levels would be renewed and secured in 2016. This certainty would enhance the confidence of passengers, employees, and members of the private sector investing along transit lines.
- 2) Do not send a flat tax funding renewal to voters in 2016. This option would put the Mountain Line system at risk. Even if Council sent the question in 2018, and it was not



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approved, transit funding would stop before a second request could be sent to voters in 2020.

- 3) Send a request for a transit tax increase to voters in 2016 (not recommended). Although Mountain Line is popular in the community and highly successful in its current form, a request for an increase in 2016 would be out of context with the rest of Flagstaff's transportation system. NAIPTA recommends that the Regional Transportation Plan Steering Committee be allowed to finish its work before Council considers any increases to transit funding. It is important that the community engage fully in the analysis of specific transportation projects and priorities and November 2016 does not provide enough time for the kind of transparent and inclusive dialogue consideration of a transit expansion would require.

FISCAL IMPACT:

A 2016 flat funding initiative, if approved by Council and voters, would secure transit funding for another 20 years. This level of funding certainty would make NAIPTA even more competitive for grants. Funding approval in 2018 would have the same affect but would create more risk and negative consequence if the first request failed and a second request was pushed to 2020.

TAC FEEDBACK

TAC members were supportive of this approach and Martin Ince from the FMPO pointed out that the reduction in background noise in 2018 by addressing transit in 2016 was a distinct advantage.

SUBMITTED BY:

Jeff Meilbeck
CEO and General Manager

ATTACHMENTS:

- 1. Preliminary Calendar 02-26-16 -pages 20-21



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