



Northern Arizona Intergovernmental Public Transportation Authority

3773 N. Kaspar Drive • Flagstaff, AZ 86004 • 928-679-8900 • FAX 928-779-6868 • www.naipta.az.gov

DATE: May 16, 2016

TO: Josh Copley, Flagstaff City Manager

FROM: Jeff Meilbeck, NAIPTA CEO and General Manager

SUBJECT: Transit Funding Renewal November 8, 2016 Ballot Initiative

The purpose of this memo is to formally request that the City of Flagstaff send a question to voters on November 8, 2016 regarding renewal of the existing transit sales tax at the existing .00295 sales tax rate through 2030. This request is based on the following factors.

- The .00295 sales tax that funds Mountain Line will sunset on June 30, 2020.
- The NAIPTA Board of Directors considered this topic on October 21, 2015 and supported sending a renewal question to voters in 2016 at existing rates.
- A Citizens Review Commission met on April 21, 2016 and requested that Council send a renewal question to voters in November 2016 at existing rates.
- The authority to send a transit tax renewal question to voters is held by the Flagstaff City Council.

Unlike capital projects, 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 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, 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. Sending a transit tax renewal



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question to voters in November 2016 would clear the field of background noise and allow the City to focus on transportation expansion projects in 2018.

If Council does choose to send this question to voters, recent research suggests that it will be approved. Specifically, in an April 2016 statistically valid random sample survey, 86% of those surveyed had a favorable impression of the Mountain Line system and 71% strongly supported extending the current tax for an additional 10 years. Certainty of funding through 2030 would maintain the confidence of passengers, employees, and members of the private sector investing along transit lines.

ALTERNATIVES:

- 1) Send a transit funding renewal question to voters on November 8, 2016 at existing rates (Recommended). This approach would provide certainty and flexibility and is the recommendation of the NAIPTA Board and a Citizen Review Committee.
- 2) Do not send a transit funding renewal question to voters on November 8, 2016 at existing rates (not recommended). This option would put the Mountain Line system at risk. Even if Council sent the question in 2018, and it was not approved, transit funding would stop before a second request could be sent to voters in 2020.
- 3) Send a question for an **increased** transit tax 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 required.
- 4) Make the transit tax permanent or extend it for 20 years rather than 10 (not recommended). Although 20 year terms and permanent terms are relatively common around the Country, Flagstaff has historically requested 10 year terms for transit funding. Evidence of the popularity of a 10 year approach is seen in the April 2016 random sample survey: 71% of respondents strongly support a 10 year term, but only 38% of respondents strongly support a 20 year term.

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If a transit funding extension at the existing .00295 sales tax rate is approved by Council and voters, Mountain Line will continue in its current form through 2030. 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.

SUBMITTED BY:

Jeff Meilbeck
CEO and General Manager

ATTACHMENTS:



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