



Minutes City of Tempe Transportation Commission April 27, 2010

Minutes of the City of Tempe Transportation Commission held on Tuesday, April 27th, 2010, 7:30 a.m., at the Transportation Center Don Cassano Community Room, Tempe, Arizona.

(MEMBERS) Present:

Ben Goren, William Haas, Charles Huellmantel, Marcellus Lisotta, Jayson Matthews, Catherine Mayorga, Gary Roberts, Steven Saiz, Peter Schelstraete, Augustus Shaw IV, David Strang, Joan Westlake

(MEMBERS) Absent:

Bryan Young, Marco Valenzuela

City Staff Present:

Dawn Coomer, Jeff Kulaga, Thomas Duensing, Karen Huffman, Gregg Kent, Greg Jordan, Sue Taaffe, Shana Ellis, Robert Yabes, Jyme Sue McLaren, Eric Iwersen, Joe Clements, Jerry Hart, Carlos de Leon, Dana Janofsky, Trevor Cascio

Guests Present:

Bobbie Hendrix, Michael LaBianca, Stephanie Shipp, Kurt Freuna, Wulf Grote, Carla Kahn, Marc Soronson,

David Strang called the meeting to order at 7:30 a.m.

Agenda Item 1 – Consideration of Meeting Minutes

Jayson Matthews made a motion to approve all minutes. William Haas seconded the motion. The motion passed unanimously. The following minutes were approved:

- Multi-modal Planning and Project Review Minutes - January 13, 2010
- Accountability and Governance Committee Minutes – January 27, 2010
- Multi-modal Planning and Project Review Minutes - February 10, 2010
- Ad hoc Transit Fund Committee Minutes – February 25, 2010
- Transportation Commission Meeting Minutes – March 9, 2010
- Accountability and Governance Committee Minutes – March 22, 2010
- Ad hoc Transit Fund Committee Minutes – March 25, 2010

- Public Involvement and Marketing Committee Minutes – April 5, 2010

Agenda Item 2 – Public Appearances

Ahwatukee resident Bobbi Hendrix submitted a petition signed by her and 117 other Express Route 540 riders. The petition was signed to show support for the 540 Express route in hopes of preventing elimination. According to Ms. Hendrix, the express route is essential to her and other riders in getting to work.

Agenda Item 3 – Tempe South Corridor Study Update

Dawn Coomer and Metro staff provided the following update:

Bus TLCP Update

- There is a \$656 million bus shortfall in the PTF revenue.
- The current regional plan delays BRT on Rural Rd. from 2015 to beyond 2026.

Modern Streetcar Update

- Modern Streetcar Facts
 - Fixed-guideway electric rail system
 - Operates in mixed traffic
 - Compatible with on-street parking
 - Shares lanes and stops with buses and bicycles
 - Safe in high pedestrian areas
 - On-board fare collection
 - Approximately 130 passengers/vehicle (35 seated / 95 standing)
- Mill Avenue Modern Streetcar Ridership Forecasts
 - Production of ridership forecasts
 - Regional model – used for FTA application
 - Small area model – refined detail and focused area
 - Project assumptions used in forecast efforts
 - 2.6 mile Mill Avenue alignment: Rio Salado Parkway to Southern Avenue
 - 9 stations
 - 10 minute headways
 - Same fare as local bus
 - Realign routes 65 and 66 to work with Streetcar
 - Minor revision to the Orbit Jupiter route
 - 2015 Ridership: 1,100 to 1,600 per day (does not assume any reallocation of land use or special events)
- Development
 - 20 approved development projects in the corridor; would add the following by 2015:
 - Hotel – Over 1,400 additional rooms
 - Residential – 2,000 residential units
 - Office space – Approximately 2 million sq. feet of office space
 - Retail – Almost ½ million sq. feet of retail space

- Redevelopment – Over 125 acres of potential redevelopment sites in the corridor
- Economic Benefit Analysis
 - This chart depicts the forecasted average property value

Mill Avenue	Average Property Value			
	Residential		Commercial	
	Without Streetcar	With Streetcar	Without Streetcar	With Streetcar
Zone 1	490250	504554	\$3.1 M	\$3.6 M
Zone 2	318988	326314	\$1.4 M	\$1.6 M
Zone 3	226959	231231	\$1.1 M	\$1.3 M
Zone 4	386792	396075	\$1.0 M	\$1.1 M
All Zones	355747	364544	\$1.6 M	\$1.9 M

- Refined Cost Estimates
 - Operations and maintenance costs (based on current LRT ops costs - represents gross costs)
 - \$1.3M per mile (\$YOE)
 - \$3.1M for 2.6 mile line (\$YOE)
 - Capital cost estimates
 - \$162M (\$YOE)
 - 2.6 miles – Rio Salado / Mill to Southern / Mill
 - 5 vehicles
 - 9 stations
- Possible Streetcar Alternative - Ash Avenue Alignments
 - Option A = 2.6 miles – Rio Salado to University
 - Option B = 2.7 miles – 3rd to University
 - The option B benefit is that it would connect Streetcar with LRT.

Commissioner Ben Goren inquired about the city’s potential revenue benefit from the increased property value due to a modern streetcar system. It has been estimated that average property value will increase because of a streetcar system. Commissioner Goren also asked whether it has been determined what the increase in property taxes would be and what the revenue returned to the city would be. Marc Soronson stated that staff has not taken this to the next level in determining the amount of revenue that would be returned to the city.

Commissioner Goren is in support of the Streetcar project but is concerned about how the city is going to pay for the project. Commissioner Charles Huellmantel responded by stating that the assumption the city is going to fund the capital improvements is inaccurate. Soronson also added that there will be no local money used for the \$162 million in capital improvements. The only thing that would require local money is the operation of the Streetcar once it’s in operation.

Commissioner Gary Roberts inquired about the security of the existing \$60 million in the transit life cycle program given the current economic environment that we’re in. Wulf Grote stated that as a region there have been some changes in forecasted expenditures but as it relates to the

Tempe project specifically, we have the adequate resources in the program to continue this project for completion in 2016.

Commissioner Roberts questioned how historic preservation would be looked at? Soronson added that during the environmental evaluation they would be required to define which structures are eligible or on the registrar in addition to any sub surface resources that may be uncovered during construction.

Commissioner Steven Saiz inquired about the reference (made in the presentation) to local monies. Soronson explained that the \$162 million was regional and federal money that covers the capital costs. The local money (city money) would be used to pay for the operations of Streetcar just like the operations of LRT. This cost has not been forecasted yet.

Jyme Sue McLaren added that it's not until the Preliminary Engineering Stage that the federal government requires you to have reasonable funding assumptions. When you enter into the Project Construction Grant Agreement and the federal government grants a project money then there has to be a firm financial plan on how the project will be carried out. This stage is likely two years out.

Commissioner Jayson Matthews inquired if the 2015 estimated 1,100 – 1,600 riders per day were new riders or riders that were estimated based on existing ridership numbers around that corridor. According to Soronson, the vast majority of the 1,100 – 1,600 riders are based on existing numbers.

Commissioner Joan Westlake stated a concern for the Streetcar project. She is concerned with how Tempe will be able to afford such a project in a time when the city is eliminating or cutting back bus service because of a lack of funds. Commissioner Huellmantel stated that operational funding is a problem that Tempe faces now. The projected forecasts show that revenue will be back up by 2016, which is the earliest we would be expected to fund operations.

Agenda Item 4 – Proposed FY 10-11 Transit Service Changes Update

Greg Jordan presented the following:

- The state legislature eliminated \$22 million that would have supported public transportation services in the Valley.
- The impact this will have on Tempe's Transit Fund is minimal – less than \$250,000 a year.
- This will have a much larger impact on our neighboring cities (Mesa, Chandler, Gilbert, Scottsdale and Phoenix).
- The FY 2010-11 budget reduction target is \$3.5 million.
- 421 surveys were filled out during round two of the public process, 7 more than round 1.
- The results suggest round two proposals, if implemented, would have a lower overall community impact.
- Proposals with the most significant impact/opposition:

- Reducing Sunday service from 30 minutes to 60 minutes had the highest overall opposition;
- Light rail cuts to peak period hours and frequency received high overall opposition, although most respondents indicated the impact was not significant;
- Residents were opposed to cuts in Orbit weeknight and Saturday frequency;
- The options receiving the highest relative shares of “significant impact” included the proposal to eliminate local bus service before 5:30 a.m. and the proposal to eliminate the express route 540. However, 60% of the 540 respondents who reported a “significant impact” were not Tempe residents.

Commissioner Roberts asked Ahwatukee resident Bobbi Hendrix, if Chandler and Tempe eliminate the express 540 but Phoenix decides to keep it from Ahwatukee to downtown Phoenix, would that still impact your ridership everyday? According to Ms. Hendrix, this would continue to affect her ridership.

Jayson Matthews made a motion to approve separating the regional bus service reductions from our overall financial plan. Ben Goren seconded the motion. The motion passes unanimously.

Marcellus Lisotta made a motion to proceed with the original recommendation to change peak LRT service hours from 6:00 a.m. – 7:00 p.m. to 7:00 a.m – 6:00 p.m. Gary Roberts seconded the motion. The motion passes unanimously.

Marcellus Lisotta made a motion to proceed with the recommendation to reduce peak hour LRT service from every 10 minutes to every 12 minutes. William Haas seconded the motion. The motion passed with a voice vote, 10-2, with Commission members Shaw and Goren voting no.

- Commissioner Augustus Shaw added that two minutes does make a difference and fears once the frequency goes from 10 minutes to 12 minutes then it would be easier to go from 12 minutes to 15 minutes and so on.

Agenda Item 5 – Draft Transit Financial Balancing Plan

Carlos de Leon presented the following:

- The immediate Transit Fund deficit is projected to be \$18 million in FY09-10 and average \$19 million from FY 09-10 through FY 12-13.
- The Transit 20 Year Financial Forecast suggests an average operating deficit of \$15 million per year.
- The fund balance will be depleted in FY 14-15 if no structural changes are made.
- Future fund deficits are projected to be eliminated primarily by cost reductions totaling \$14.1 million, phased in over the three year period, coupled with the anticipated economic recovery and smaller cost decreases beyond the three year phase-in period.
- The ad-hoc committee’s recommended financial strategy includes:
 - Using approximately \$18.5 million in fund balance to help sustain operations and cover annual projected deficits over the next three fiscal years;

- Eliminating the structural deficit by phasing in annual recurring cost reductions and/or increased revenues by \$4.5 million in FY 10-11, \$4.7 million in FY 11-12, and \$4.9 million in FY 12-13; and,
 - Utilizing fund balance to retire debt once the budget is balanced.
- The ad-hoc committee has identified specific cost reduction measures and revenue generating sources for the upcoming fiscal year. Specific recommendations totaling approximately \$4.5 million for the upcoming fiscal year are:
 - Reducing transit services costs by \$3.5 million.
 - Reducing personnel service and other service costs by \$1.0 million.
- The ad-hoc committee's recommended financial strategy is an even-phased approach, which provides greater flexibility for making adjustments to the structural deficit through the annual budget process based on the latest economic data.

Ben Goren made a motion to accept the Ad Hoc Committee's recommended financial strategy. William Haas seconded the motion. The motion passes unanimously.

The Committee's next meeting is to be determined.

Meeting adjourned at 9:08 a.m.

Prepared by:
Trevor Cascio

Reviewed by:
Carlos de Leon