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# MAYOR & COUNCIL MEMORANDUM

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May 9, 2023

Subject: Discussion and Direction Relating to Fare-Free Transit for Sun Tran, Sun Link, and Sun Van (City Wide) Page: 1 of 2

Issue – In response to the COVID-19 pandemic, Mayor & Council directed the City Manager to suspend the collection of transit fares in March 2020. Since that time, Sun Tran, Sun Link and Sun Van have been operating fare-free. The suspension of fares for Sun Tran, Sun Link and Sun Van is set to expire on June 30, 2023. This item is to allow for the Mayor and Council to continue discussions related to fare-free transit operations.

City Manager's Office Recommendation – Time has been set aside for the Mayor and Council to continue the discussion on fare-free transit and provide additional direction, as appropriate. The City Manager recommends Mayor and Council extend fare-free transit to December 31, 2023.

Background – On March 17, 2020, Mayor and Council directed the City Manager, in coordination with the Department of Transportation and Mobility (DTM), and Sun Tran, to suspend the collection of transit fares as part of the City's efforts to mitigate the spread of COVID-19 and lessen the negative financial impact of the pandemic on Tucson residents. Since the initial suspension of fare collection, the Mayor and Council have extended the moratorium on fare collection four additional times, most recently on December 20, 2022. During the most recent transit fare discussion on April 4, 2023, the Mayor and Council were presented with additional information regarding funding options and a detailed look at ridership data across the transit network.

Present Consideration(s) – Sun Tran, Sun Link and Sun Van are currently operating fare-free until June 30, 2023. The Mayor's Office has been in correspondence with local agencies including the University of Arizona, Pima Community College (PCC), and Tucson Unified School District (TUSD) to discuss partnerships to assist funding transit services. Extending fare-free transit until December 31, 2023, will allow time to both continue these conversations and engage additional transit stakeholders to discuss funding strategies for the transit system.

Plan Tucson Consideration(s) – The discussion of this item relates to the following Built Environment Goals and Policies:

*Goal 22.* Well-maintained public facilities and infrastructure that support coordinated cost-effective service delivery for current and future residents.

*Public Infrastructure Policy 1.* Invest in highest priority needs to manage and maintain public infrastructure and facilities that are fundamental to economic development and to sustaining and enhancing living conditions in the community.

*Public Infrastructure Policy 2.* Prioritize major public infrastructure investments in developed areas and for improvements of the existing infrastructure.

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*Land Use, Transportation & Urban Design Policy 13.* Continue to explore and monitor opportunities to increase the use of transit, walking, and bicycles as choices for transportation on a regular basis.

*Land Use, Transportation & Urban Design Policy 22.* Participate in efforts to develop a coordinated regional, multi-modal transportation system that improves efficiency, safety and reliability of transporting people and goods within the region and to destinations outside of the region.

Financial Considerations – The City Manager’s FY 23/24 Recommended Budget includes the assumption of continuing fare-free transit through December 2023, at an estimated cost of \$4.6 million. This would be accomplished from a number of sources, with any remaining amount that would be paid by the Investment Plan dollars allocated to Transit.

<b>Fare Free Funding Sources - Totaling \$4.6 million</b>	<b>Amount</b>
General Fund; via Hotel/Motel Surcharge	\$2,000,000
Partnership with TMC	\$790,000
SunTran efficiency – reduced expenses	\$710,000
Visit Tucson – funding formula adjustment	\$614,000
<b>Identified Funding Sources</b>	<b>\$4,114,000</b>
<b>Remainder: From Transit Investment Plan</b>	<b>\$486,000</b>

Operating Cost and Maintenance Input – None at this time.

Legal Considerations – None at this time.

Respectfully submitted,



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Deputy City Manager

TT/SC/RC/JC/HW  
Transportation and Mobility