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Council Action and Executive Summary

Item # 14

Ordinance/Resolution# 13-020

For Meeting of _____
(Ordinance First Reading Date)

For Meeting of August 6, 2012
(Adoption Date)

Please check box that applies to this item:

QUASI JUDICIAL

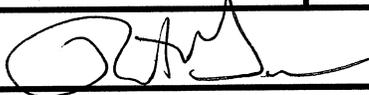
LEGISLATIVE

ADMINISTRATIVE

TITLE: A RESOLUTION TO ALLOW A TEMPORARY EXCEPTION TO THE TRANSIT FARE TARIFF THAT WILL PERMIT CURRENT NEW MEXICO STATE UNIVERSITY (NMSU) AND DOÑA ANA COMMUNITY COLLEGE (DACC) STUDENTS TO RIDE ANY ROADRUNNER TRANSIT BUS FARE FREE THROUGHOUT THE 2012-2013 REGULAR SCHOOL YEAR.

PURPOSE(S) OF ACTION:

To permit NMSU and DACC students to ride buses fare-free during the 2012-2013 school year.

COUNCIL DISTRICT: ALL		
<u>Drafter/Staff Contact:</u> Michael Bartholomew	<u>Department/Section:</u> Transportation/Transit	<u>Phone:</u> 541.2537
<u>City Manager Signature:</u>		

BACKGROUND / KEY ISSUES / CONTRIBUTING FACTORS:

For the past several years, Transit Section staff has discussed the possibility of entering into an "unlimited access agreement" with officials from New Mexico State University (NMSU) and Doña Ana Community College (DACC). This type of transit service agreement is very common in communities that have both public transit and higher education institutions. Currently there is no such agreement with either NMSU or DACC.

An unlimited access agreement can take many forms, but the common factor in all such agreements is payment of a lump sum fee by the educational institution to the transit operator in exchange for the ability of all students (and sometimes staff and faculty) to have unlimited access to all transit services by simply presenting a valid identification to the driver. There are several ways in which colleges and universities fund this type of program, the most common being the assessment of a transportation fee which is usually included in student activity fees. Such agreements are generally seen as win-win, benefiting both students and transit users in the entire community. Once established, the scope of this agreement and the revenue from this type of agreement can grow over the years, depending on the level of services desired by the students. In some communities, unlimited access programs generate enough revenue to add

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routes, increase route frequency on certain routes, and/or expand hours of service on certain routes.

The purpose of this request is to establish a demonstration of the unlimited access agreement. To do this, staff is requesting approval to temporarily exempt the fare for NMSU and DACC students for the 2012-2013 school year (August 20, 2012 – May 11, 2013). Students would be able to access any transit service, including Dial-a-Ride, by presenting their valid NMSU or DACC student identification. Currently the Council-approved Transit Tariff allows students to ride under the reduced fare category which requires a 50-cent base fare or a variety of reduced fare pass options (City Council Resolution No. 09-082).

This demonstration project will provide better data on how many students might use RoadRUNNER Transit services if an unlimited access agreement were in place. The data gathered during this project will be used to develop a permanent unlimited access agreement. This project will also serve as a "test drive" where students will have the opportunity to experience the value of this program and be able to make a more informed decision about the future of this program.

Throughout the 2012-2013 school year, Transit staff and Metropolitan Planning Organization (MPO) staff will meet with students to assess the program. If additional funding can be found, there is a possibility of adding another demonstration project such as a nominal enhancement to the service in the spring 2013 semester. Examples of such enhancements include extending the evening hours of one or two routes (such as routes 20 or 30) serving the university area or improving bus frequency to certain student housing areas. In the spring 2013 semester when the Associated Students of New Mexico State University (ASNMSU) begins discussions to set 2013-2014 student fees, the Transit Section will have gathered much improved data to help negotiate an actual unlimited access agreement with NMSU students.

The only cost to the City of Las Cruces for this demonstration project would be the potential for lost fare revenue from the sales of fares or passes to NMSU and DACC students. ASNMSU has pledged to market fare-free transit access to its students beginning August 2012, so there will be little or no marketing expenses impacting the Transit Section budget. Calculating the true effect of this agreement on revenues is very difficult. Because students currently use the same reduced fare passes used by youth, senior citizens, and persons with disabilities, RoadRUNNER Transit is not able to track how many current trips provided are to NMSU and DACC students. A very rough estimate would be between \$500 and \$1500 in fare loss per month, making a total annual fare loss of \$3,500 - \$10,500. However, staff is also seeing more riders in general; overall ridership was up in FY 2012 by 9%. It is very possible that if general ridership continues to grow, RoadRUNNER Transit may see no effect on the budgeted FY 2013 fare revenue. Additionally, the potential of increased ridership due to more students taking advantage of this demonstration project, can also lead to increased federal transit funding in subsequent fiscal years. Because of these various factors, staff does not see any immediate need to adjust anticipated fare revenue projections in the FY 2013 budget.

Throughout the discussions of implementing an unlimited access program, the Transit Advisory Board has given this demonstration project its support.

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SUPPORT INFORMATION:

1. Resolution.

SOURCE OF FUNDING:

Is this action already budgeted? N/A	Yes	<input type="checkbox"/>	See fund summary below
	No	<input type="checkbox"/>	If No, then check one below:
	<i>Budget Adjustment Attached</i>	<input type="checkbox"/>	Expense reallocated from: _____
		<input type="checkbox"/>	Proposed funding is from a new revenue source (i.e. grant; see details below)
	<input type="checkbox"/>	Proposed funding is from fund balance in the _____ Fund.	
Does this action create any revenue? N/A	Yes	<input type="checkbox"/>	Funds will be deposited into this fund: _____ in the amount of \$ _____ for FY _____.
	No	<input type="checkbox"/>	There is no new revenue generated by this action.

BUDGET NARRATIVE

N/A

FUND EXPENDITURE SUMMARY:

Fund Name(s)	Account Number(s)	Expenditure Proposed	Available Budgeted Funds in Current FY	Remaining Funds	Purpose for Remaining Funds
N/A	N/A	N/A	N/A	N/A	N/A

OPTIONS / ALTERNATIVES:

1. Vote "Yes"; this will allow a temporary exception to the Transit Fare Tariff that will permit current New Mexico State University (NMSU) students and Doña Ana Community College (DACC) students to ride any RoadRUNNER Transit bus fare free throughout the 2012-2013 regular school year as a demonstration project to study the feasibility of a future unlimited access agreement with these educational institutions.
2. Vote "No"; this will not allow a temporary exception to the Transit Fare Tariff that will permit current (NMSU) students and (DACC) students to ride any RoadRUNNER Transit bus fare free throughout the 2012-2013 regular school year as a demonstration project to

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study the feasibility of a future unlimited access agreement with these educational institutions. An unlimited access agreement could be sought without the demonstration project's information, but sound data and buy-in from students would be lacking.

3. Vote to "Amend"; this could allow an amended temporary exception to the Transit Fare Tariff that will permit current (NMSU) students and (DACC) students to ride any RoadRUNNER Transit bus fare free throughout the 2012-2013 regular school year as a demonstration project to study the feasibility of a future unlimited access agreement with these educational institutions. Staff will evaluate whether such an amendment would provide the information necessary to consider an unlimited access agreement.
4. Vote to "Table"; this will delay a temporary exception to the Transit Fare Tariff that will permit current New Mexico State University (NMSU) students and Doña Ana Community College (DACC) students to ride any RoadRUNNER Transit bus fare free throughout the 2012-2013 regular school year as a demonstration project to study the feasibility of a future unlimited access agreement with these educational institutions. This delay would postpone the gathering of necessary information for an unlimited access agreement with these educational institutions.

REFERENCE INFORMATION:

The resolution(s) and/or ordinance(s) listed below are only for reference and are not included as attachments or exhibits

1. Resolution No. 09-082

RESOLUTION NO. 13-020

A RESOLUTION TO ALLOW A TEMPORARY EXCEPTION TO THE TRANSIT FARE TARIFF THAT WILL PERMIT CURRENT NEW MEXICO STATE UNIVERSITY (NMSU) AND DOÑA ANA COMMUNITY COLLEGE (DACC) STUDENTS TO RIDE ANY ROADRUNNER TRANSIT BUS FARE FREE THROUGHOUT THE 2012-2013 REGULAR SCHOOL YEAR.

The City Council is informed that:

WHEREAS, RoadRUNNER Transit staff has been working to develop an unlimited access agreement with New Mexico State University (NMSU) and Doña Ana Community College (DACC) for several years; and

WHEREAS, an unlimited access agreement would permit student access to all transit services in exchange for a per capita student fee to be collected each semester; and

WHEREAS, unlimited access agreements are common in communities with both public transit and institutions of higher education; and

WHEREAS, unlimited access agreements promote constructive and beneficial partnerships between educational institutions and the community as a whole; and

WHEREAS, RoadRUNNER Transit is ready to conduct a demonstration project for the 2012-2013 academic school year during which NMSU and DACC students can use RoadRUNNER Transit services fare free; and

WHEREAS, data collected during this time will be used to help justify a future negotiated unlimited access agreement with NMSU and/or DACC; and

WHEREAS, the existing Transit Tariff requires students to pay reduced fares and purchase reduced-fare passes; and

WHEREAS, the demonstration project will require a temporary exemption from the stated fare in the Transit Tariff for NMSU and DACC students to ride fare-free during the stated fare in the Transit Tariff for NMSU and DACC students to ride fare-free during the 2012-2013 academic year.

NOW, THEREFORE, Be it resolved by the governing body of the City of Las Cruces:

(I)

THAT students of New Mexico State University and Doña Ana Community College are hereby exempt from the transit fare stated in the Transit Tariff during the 2012-2013 academic school year for the purpose of conducting a study of the feasibility of entering into an unlimited access agreement with the City of Las Cruces.

(II)

THAT it is the desire of the City of Las Cruces to promote a partnership with NMSU and DACC through implementation of an unlimited access program that would be for the benefit of students and the community as a whole.

(III)

THAT City staff is hereby authorized to do all deeds necessary in the accomplishment of the herein above.

DONE AND APPROVED this _____ day of _____, 2012.

APPROVED:

Mayor

ATTEST:

City Clerk

(SEAL)

Moved by: _____

Seconded by: _____

APPROVED AS TO FORM:



City Attorney

VOTE:

Mayor Miyagishima: _____

Councillor Silva: _____

Councillor Smith: _____

Councillor Pedroza: _____

Councillor Small: _____

Councillor Sorg: _____

Councillor Thomas: _____