
CITY OF TEMPE
REQUEST FOR COUNCIL ACTION**Council Meeting Date: 10/16/2014**
Agenda Item: 5C4

ACTION: Adopt a resolution authorizing the Mayor to sign an intergovernmental agreement with the Arizona Board of Regents, for and on behalf of Arizona State University, to provide funding to Tempe for existing urban and neighborhood circulator services. (Resolution No. R2014.137)

FISCAL IMPACT: Arizona State University will contribute a total of \$902,716 to the operation of urban (FLASH) and neighborhood circulator bus services (Orbit) in fiscal year 2014/15. ASU is fully funding the FLASH system at the net operating cost of \$772,192 and contributing \$130,524 to the total net operating cost of the Orbit Mars.

RECOMMENDATION: Adopt Resolution No. R2014.137.

BACKGROUND INFORMATION: Since 1994, Tempe and ASU have partnered to provide the FLASH system which supplies urban circulator service to the downtown Tempe and ASU campus area. The partnership was expanded in 2009 to include a portion of the Orbit system.

FLASH – The fiscal year 2014-15 Agreement continues ASU's financial support for FLASH. This Agreement will have ASU providing an annual contribution of \$772,192 for the operation of FLASH service, an increase of 12.6%. Cost increase is due to a contractual increase in operating cost and a 10% increase in revenue miles. Annual boardings on the FLASH system during FY 2014-15 are expected to be 300,000.

ORBIT – The FY 2014-15 Agreement continues ASU's financial support for the Orbit neighborhood circulator system. ASU will provide \$130,524, to support operation of the existing Orbit Mars which provides connectivity between university administrative facilities and the main campus area. This year's cost is approximately 3% less due to a reduction in fuel cost. In FY 2014, the Orbit gasoline powered fleet was replaced and now operates using compressed natural gas, which is less expensive.

The total amounts to be provided by ASU are inclusive of overhead costs including fuel, facilities and staff. Credit is provided for federal funding received to offset vehicle maintenance expense.

ATTACHMENTS: Resolution and Intergovernmental Agreement.

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Department Director: Don Bessler, Public Works Director
Legal review by: Teresa Voss, Assistant City Attorney
Prepared by: Mike Nevarez, Transit Manager