
CITY OF TEMPE
REQUEST FOR COUNCIL ACTION**Council Meeting Date: 09/08/2016**
Agenda Item: 5C2

ACTION: Adopt a resolution authorizing the Mayor to sign Amendment Two to 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. R2016.87)

FISCAL IMPACT: Arizona State University (ASU) will contribute a total of \$889,854 to the operation of urban (FLASH) and neighborhood circulator bus services (Orbit) in fiscal year 2016-17. ASU is fully funding the FLASH system at the net operating cost of \$751,416 and contributing \$138,439 to the total net operating cost of the Orbit Mars.

RECOMMENDATION: Adopt Resolution No. R2016.87.

BACKGROUND INFORMATION: The Intergovernmental Agreement (IGA) (C2014-196) supplies urban circulator service to the downtown Tempe and ASU campus area. Since 1994, Tempe and ASU have partnered to provide the FLASH system, and the partnership was expanded in 2009 to include a portion of the Orbit system.

FLASH – The fiscal year 2016-17 Agreement continues ASU's financial support for FLASH. This Agreement will have ASU providing an annual contribution of \$751,416 for the operation of FLASH service, a decrease of one percent. The decrease is due to a reduction in revenue miles. Annual boardings on the FLASH system during FY 2016-17 are expected to be 375,000.

ORBIT – The fiscal year 2016-17 Agreement continues ASU's financial support for the Orbit neighborhood circulator system. ASU will provide \$138,439 to support operation of the existing Orbit Mars, which provides connectivity between university administrative facilities and the main campus area. This year's cost increase of five percent due to contractual cost increases.

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

ATTACHMENTS: Resolution and Intergovernmental Agreement Amendment.

STAFF CONTACT(S): Shelly Seyler, Deputy Public Works Director, (480) 350-8854

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