

Memorandum



Public Works

DATE: March 20, 2008

TO: Mayor and Council

FROM: Carlos de Leon, Deputy Public Works Manager, Transportation (350-8527)

THROUGH: Glenn Kephart, Public Works Manager (350-8205)

SUBJECT: **Issue Review Session 03/20/08: Youth Bus Pass Program**

At the Issue Review Session on March 20, staff will be presenting a recommendation from staff and the Transportation Commission to expand the city's Youth Bus Pass Program to include access to light rail and to rename the program to Youth Transit Pass Program. The Council Transportation, Housing and Environment Committee reviewed this recommendation at their February 26 meeting. ***Council direction is requested regarding this recommendation.*** Estimated costs for expanding the program to include light rail, as well as a summary of the Youth Pass Program (ridership, usage and costs), are provided below.

I. PROGRAM EXPANSION

Expanding the Youth Bus Pass Program to include access to light rail supports the Council's original goals for the program to encourage Tempe youth to use public transportation. It will also help to create a stronger transit culture among Tempe youth and increase transit use in our community well into the future. Light rail will provide additional access and connections for Tempe youth to a variety of cultural, recreational, educational and employment opportunities, including:

- **Cultural/Recreational:** Arizona Science Center, Heard Museum, Phoenix Art Museum, Pueblo Grande Museum, Orpheum Theatre, Dodge Theatre, Chase Field, US Airways Center, Sun Devil Stadium, Wells Fargo Arena, Sky Harbor Airport
- **Educational:** Gateway Community College, East Valley Institute of Technology, ASU Tempe and Phoenix campuses, Xavier College Prep, Brophy College Prep, New School for the Arts & Academics

Estimated Additional Cost Including Light Rail: Because light rail has not yet begun operating, estimated costs of including light rail in the youth pass program are based on predicted ridership. The estimated net cost for year 4 of the Youth Transit Pass Program (July 1, 2008 – June 30, 2009) is \$92,520, as shown in Table 1. This is an increase of \$62,820 from year 3 to year 4. Estimated costs are based on the following assumptions:

- 25% increase in the number of passes distributed
- 18% reduction in Tempe boardings (from 78% to 60% based on increased regional boardings due to light rail)
- increase in average monthly trips per card to 23 boardings (from 22 in year 3)
- increase in average cost per boarding to \$0.48 to account for a recent fare increase

Please note that estimated costs for year 4 are based on a full year of light rail service. Because light rail will begin operating at the end of December 2008, year 4 of the youth pass program will actually include six months of LRT and, therefore, actual costs will most likely be lower.

Table 1: Estimated Cost – Year 3 and Year 4

	Year 3 estimated 07/01/07 - 06/30/08 (w/out LRT)	Year 4 estimated 07/01/08 – 06/30/09 (w/ LRT)
Total Payments	\$135,000	\$231,300
Money Credited Back to Tempe (60%)	\$105,300	\$138,780
Net Cost	\$29,700	\$92,520

II. YOUTH BUS PASS PROGRAM UPDATE

The following is a summary of the Youth Bus Pass Program since the program began in August 2005, for years 1, 2 and 3, as defined below:

- Year 1: August 1, 2005 to June 30, 2006
- Year 2: July 1, 2006 to June 30, 2007
- Year 3: July 1, 2007 to June 30, 2008

Passes Distributed – Existing v. New Riders: Table 2 below shows existing vs. new riders, as reported on registration forms. For Year 3, most of the passes (91%) are being distributed to existing riders. As reported, new riders account for 7% of the total program participants.

Table 2: Passes Distributed – Existing v. New Riders

	Year 1		Year 2		Year 3 (through Feb. 2008)	
	Number	Percent	Number	Percent	Number	Percent
Existing Riders	2,155	92%	2,325	89%	2,261	91%
New Riders	168	7%	282	11%	173	7%
Unknown	21	1%	8	0%	60	2%
Total	2,344	100%	2,615	100%	2,494	100%

Usage and Boarding Information: As shown in Table 3, of the cards being used, the average use per card for Year 3 is 21.82 boardings per month.

Table 3: Usage and Boarding Information

	Year 1	Year 2	Year 3 (through Jan. 2008)
Boardings	347,662	360,346	205,025
# of Cards Used	14,151	15,794	9,397
Monthly Avg. Boardings Per Card	24.57	22.82	21.82

Distribution by Age Groups: In Year 3, the largest age group of users are those ages 16 to 18 as shown below in Table 4.

Table 4: Distribution by Age Groups

	Year 1		Year 2		Year 3 (through Feb. 2008)	
Age Group	Number	Percent	Number	Percent	Number	Percent
6-10	252	11%	329	13%	329	13%
11-13	496	21%	557	21%	505	20%
14-15	911	39%	921	35%	817	33%
16-18	670	28%	805	31%	842	34%
Unknown	15	1%	3	0%	1	0%
Total	2,344	100%	2,615	100%	2,494	100%

Boardings by City: The majority of boardings continue to occur in Tempe, as shown in Table 5 below.

Table 5: Boardings by City

	Year 1	Year 2	Year 3 (through Jan. 2008)
Tempe	79%	76%	76%
Phoenix	10%	12%	12%
Mesa	5%	6%	5%
Scottsdale	3%	3%	3%
Chandler	2%	2%	2%
Guadalupe	1%	1%	2%
Other	0%	0%	0%
Total	100%	100%	100%

Annual Youth Pass Usage Cost

As shown below in Table 6, the estimated net cost of the Youth Bus Pass Program does not include cash fare and monthly pass revenue lost by giving free passes to eligible participants. Please note that in Dec. 2007, local monthly youth fare increased from \$17 to \$22.50.

Table 6: Annual Youth Pass Usage Cost

	Year 1	Year 2	Year 3 (estimated)
Total Payments	\$118,577	\$128,052	\$135,000
Money Credited Back to Tempe	\$94,861	\$98,600	\$105,300
Net Cost	\$23,716	\$29,452	\$29,700

If you have any questions, please contact Carlos de Leon (350-8527 or carlos_deleon@tempe.gov) or Amanda Nelson (350-2707 or amanda_nelson@tempe.gov).