

AGENDA ITEM #: _____

DATE: September 23, 2019

CAR #: 2019-6770



CITY COUNCIL ACTION REPORT

SUBJECT: Approve Amendment Eight to the Intergovernmental Agreement between the city of Goodyear and the Regional Public Transit Authority to implement a two-year pilot program for RideChoice and approve a FY2020 budget transfer

STAFF PRESENTER(S): Christine McMurdy, Administrative Services Supervisor

OTHER PRESENTER(S): N/A

Summary: Effective October 1, 2019, a two-year pilot is proposed by Valley Metro whereby ADA certified residents of Goodyear will be able to use Valley Metro RideChoice to reserve a ride to work, school or medical appointments for a fare of \$3 for up to 8 miles with any additional miles costing \$2 per mile. Users of the service may take up to 20 trips per month. Additionally, if customers need to take longer trips, they may be eligible to receive their service as a monthly allocation of 400 miles for trips of no more than 50 miles in length within Maricopa County. Goodyear is required to pay for services originating in Goodyear. The cost for the service would be funded from Park and Ride Marquee funds that are unbudgeted but available for transit related purposes only.

Recommendation:

Authorize the City Manager to approve Transit Services Amendment Eight between the city of Goodyear and the Regional Public Transit Authority to implement a two-year Pilot RideChoice program in Goodyear and authorize a budget transfer of \$200,000 from the Park and Ride Marquee fund balance to pay for the first year of the two-year pilot program.

Fiscal Impact: In the absence of any actual history of RideChoice ridership in Goodyear, Valley Metro estimated the cost for the first year of the pilot program by looking at the historical ridership averages in Tempe, Chandler and Surprise. They considered total population, senior population, enrollment and active user rates, and average trip frequencies by users to develop the estimated number of trips, factored in the contractor's transportation cost and Valley Metro overhead and deducted the estimated fare revenue. Based on this analysis, Valley Metro estimates the city's cost for services under this agreement from October 1, 2019 through June 30, 2020 will be \$179,121.

Although there is a monthly cap on use by eligible individuals, there is not a cap on the number of participants and the actual cost may vary from the Valley Metro estimate. As a result, an FY2020 budget transfer of \$200,000 is proposed. The cost for the city's share of services for the second year of the Pilot program will be included in the FY2021 Transit Services Amendment

and Engineering Department FY2021 base budget request as a one-time expenditure pending analysis of the pilot.

The source of funds for the budget transfer is the Park and Ride Marquee fund, which has a budgeted beginning fund balance of \$1.2M. The annual revenue to this fund is \$100,000. This fund has not been budgeted for other uses and is restricted to transit purposes. The fund would not be able to sustain this program on an ongoing basis, as annual revenues are less than half the program-estimated costs. The pilot would evaluate savings, if any, in Dial A Ride expenses and develop funding recommendations.

Background and Previous Actions

On June 3, 2019, staff presented the RideChoice program at a City Council Work Session regarding Goodyear's current Paratransit (Dial A Ride) service. In addition to being a less expensive alternative to Dial A Ride, RideChoice does not adhere to a federally mandated service area so the service would be available to all Goodyear residents that are ADA certified. Valley Metro developed the program to help cities reduce the paratransit obligation cost by setting limits on the number of trips, distance traveled and cost for the service.

Staff Analysis

RideChoice will expand mobility for Goodyear's ADA certified residents and it may lower the city's Paratransit expenditures because it offers more flexibility to current Dial-A-Ride customers at a lower cost to operate. RideChoice provides easy access to a larger network of transportation providers and more trips to travel to where our residents need to go. The benefits of the program include:

- One telephone number – Whether requesting a trip, changing or canceling a trip, or checking the status of a requested trip, there is only one phone number to call: 602-716-2111.
- 24/7 access – The RideChoice Call Center and the RideChoice service are both available 24 hours per day, 7 days per week, including holidays. There is no need to book ahead, and passengers do not have to share their trip.
- Providers – RideChoice providers include an array of commercial transportation providers, including the popular rideshare service Uber, several local taxicab companies, and other providers who operate wheelchair-accessible vehicles.
- More access – Users can take up to 20 RideChoice one-way trips per month. If they need RideChoice to get to work, school or medical appointments, and exceed the 20-trip allotment, Valley Metro will allow customers an additional 30 one-way trips per month.
- A simple fare structure – RideChoice costs \$3 for up to an eight-mile trip. If the trip is longer than 8 miles, the user pays just \$2 for each additional mile.
- Hands-free fares – With RideChoice, there is no need for cash or tickets. Customers provide a credit card, debit card, or checking account and routing number when they book their trip.

***Valley Metro Piloting a New Mileage Option:**

Based on feedback received from customers in cities that have been operating RideChoice for a few months, Valley Metro decided to implement a two-year pilot program of their own by offering a new mileage-based option for customers that are not well served by the per-trip model because they need longer trips. The mileage-based option allows a customer 400 miles per month for trips of up to no more than 50 miles in length within Maricopa County for a fare of \$3 per trip. When the customer reaches their 400-mile allotment, service is discontinued until the start of the next month. Unused miles will not carry over to the following month.

The new mileage-based option gives customers more flexibility. Instead of taking 50 eight-mile trips, a customer could choose to take 20 twenty-mile trips or 10 forty-mile trips or a combination of short and long trips, depending on the customer's needs. If a customer enrolls in the trip-based program and wants to switch to the mileage-based program, they can do so at the start of the following month and vice-versa.

Attachments

RPTA IGA Amendment 8 FY2020