

CITY COUNCIL REPORT



Meeting Date: April 14, 2015
 General Plan Elements: **Community Mobility**
 General Plan Goals: **Safely, effectively, and efficiently move people, goods, and information**

ACTION

1. Presentation, discussion and possible direction to staff on funding for the Camelback Road, Downtown, and Day Tripper Trolleys; including possible elimination of the Day Tripper Trolley.

RECOMMENDATION

The Transportation Department recommends:

1. Discontinuing the Day Tripper.
2. Funding the Downtown Trolley with \$300,000 in hotel bed taxes previously used to fund the Day Tripper and \$150,000 in Transportation Department operating funds (primarily transportation-dedicated city sales tax and Federal grant funds).
3. Funding the new Camelback Trolley with \$385,000 in Transportation Department operating funds (primarily transportation-dedicated city sales tax and Federal grant funds).

CONTEXT

A. Commission Votes

At the March, 17 2015 Tourism Development Commission meeting, the Commission voted 6 to 0 to recommend to the City Council to:

1. Continue the Day Tripper to the end of the current season.
2. Not use hotel bed tax money to fund the Downtown Trolley.

At the March 25, 2015 Transportation Commission meeting, the Commission voted 6 to 0 to recommend to the City Council to:

1. Discontinue the Day Tripper after the end of the current season.
2. Fund the Downtown Trolley with \$300,000 in hotel bed taxes previously used to fund the Day Tripper and \$150,000 in Transportation Department operating funds (primarily transportation-dedicated city sales tax and Federal grant funds).
3. Fund the new Camelback Trolley with \$385,000 in Transportation Department operating funds (primarily transportation-dedicated city sales tax and Federal grant funds).

B. Urgency

The Transportation Department continuously examines bus and trolley routes for potential improvements. Trolley routes in Scottsdale are the exclusive responsibility of the City of Scottsdale. Bus routes in Scottsdale are operated by either the City of Phoenix or Valley Metro. Bus route changes require coordination with adjacent communities. Route modifications can only occur in April and October of each year, and must be determined six months prior to implementation to allow all affected communities to prepare for the changes.

The proposed recommendations alter the existing Camelback Road Bus Route 50 which is operated by the City of Phoenix. For this recommendation to be implemented in October 2015, the Scottsdale City Council must act in the 14 April 2015 Council meeting.

C. History

The Hospitality Trolley – now known as the Day Tripper – has been operational for five years with City-owned and privately-operated vehicles. The Day Tripper operates for three months.

At the October 7, 2014 City Council meeting, the Transportation Department recommended discontinuing the Day Tripper. The City Council directed that the trolley continue for one additional season – primarily to serve Super Bowl events. The Council also increased the frequency from 30-minute service in the 2013-2014 season to 15-minute service in the 2014-2015 season.

D. Day Tripper Ridership

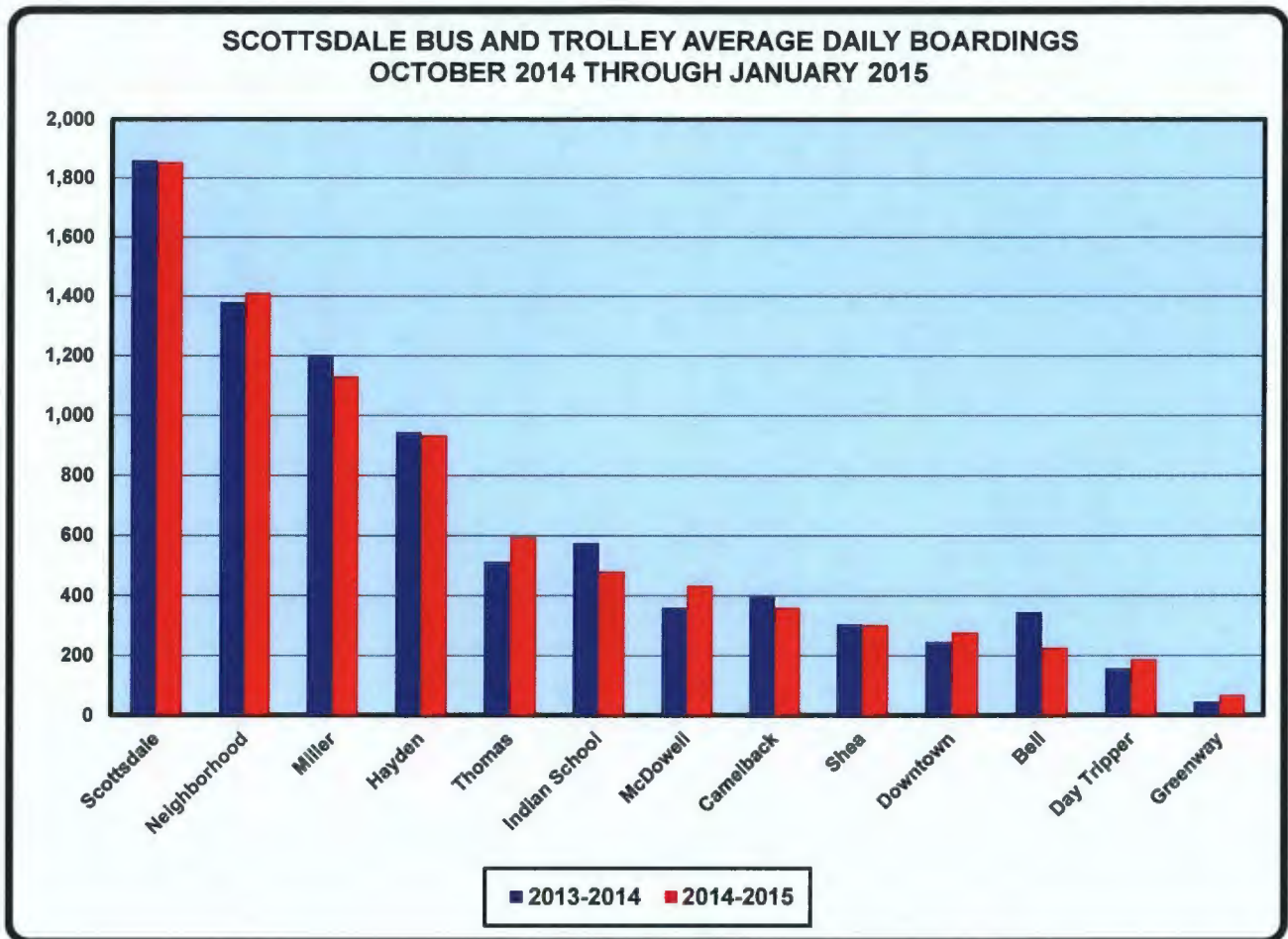
The Day Tripper (previously Hospitality Trolley), for the fifth consecutive season, has attracted low ridership, as indicated below.

<u>SEASON</u>	<u>AVERAGE DAILY RIDERS THROUGH 22 MARCH</u>
2010-2011.....	150
2011-2012.....	161
2012-2013.....	175
2013-2014.....	207
2014-2015.....	229

The graph on the following page indicates the average daily ridership for each Scottsdale bus and trolley route for the 2013-2014 and 2014-2015 season of October 1 through January 31. The Day Tripper operates seasonally, and therefore the daily average is only from late December through January in each of the two years. If Valley Metro provides February data prior to the April 14 Council meeting, these additional data will be presented at the City Council meeting.

The Day Tripper has the greatest full-week frequency of all bus and trolley routes in Scottsdale at 15 minutes for seven-days-per-week. The Downtown Trolley also operates at 15-minute frequency for seven-days-per-week. The Neighborhood Trolley operates at 20-minute frequency for seven-days-per-week, while the Miller Road Trolley operates at 30-minute weekday frequency and 60-minute weekend frequency.

The Thomas Road bus operates at 15-minute frequency on weekdays. Scottsdale Road, McDowell Road, and Indian School Road buses operate at 20-minute frequency weekdays. All four of these routes operate at 30-minute frequency on weekends. All other routes operate at 30-minute frequency weekdays and 60-minute frequency weekends, with only one exception.



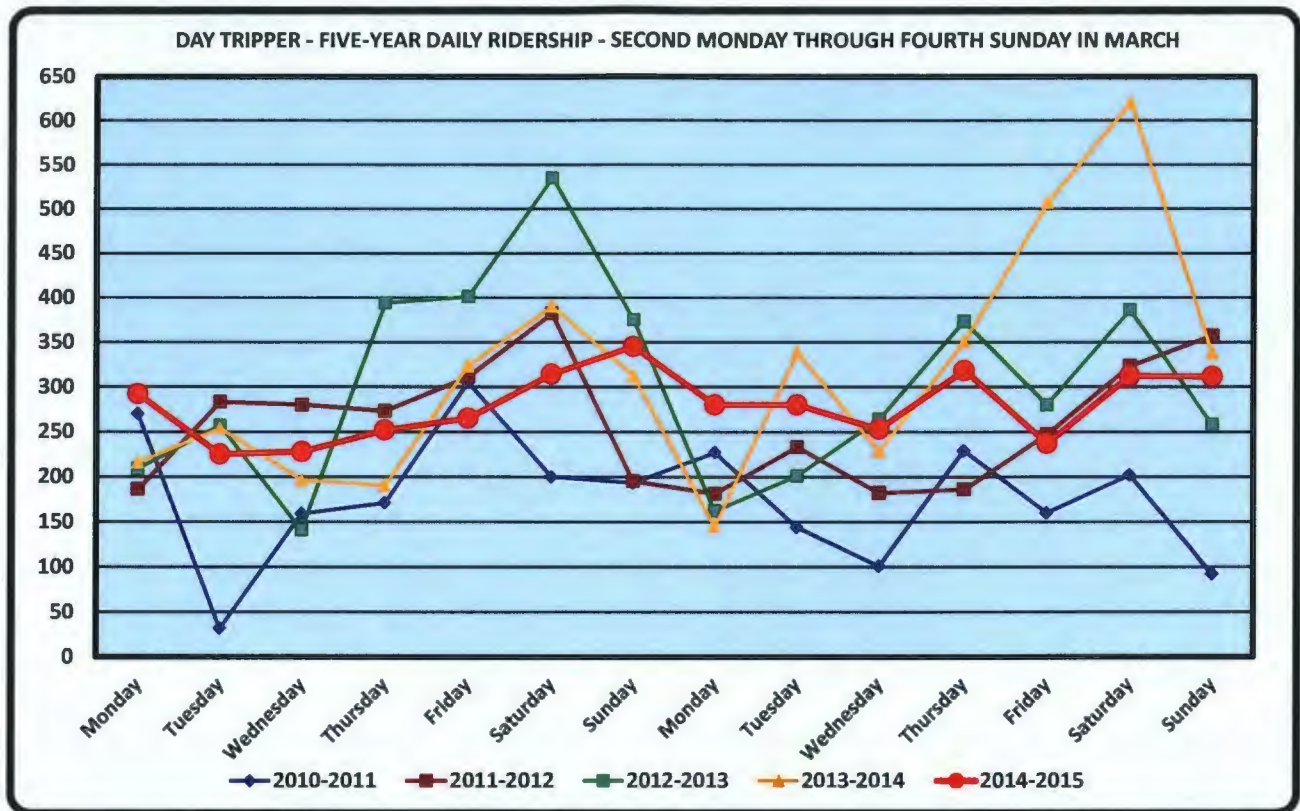
The 2014-2015 Day Tripper 88-day average daily ridership, through March 22, was 230 compared to last year's 88-day average daily ridership of 206. This represents a 12% average daily ridership increase. Current total 88-day ridership is 20,242 compared to last season's 88-day total of 18,151; a 10% increase.

The graph on the following page compares the most recent available fourteen days' ridership with the same days-of-the-week from the previous four seasons. These data represent the daily ridership from the second Monday in March to the fourth Sunday in March. During the 2014-2015 season, the Day Tripper operated with 15-minute frequency, while for the previous four seasons, the Day Tripper operated with 30-minute frequency.

The table below indicates the number of days during the 14 days from the second Monday in March through the fourth Sunday in March when previous seasons exceeded the ridership in the current season.

SEASON	DAYS IN MOST RECENT TWO-WEEK PERIOD WITH RIDERSHIP GREATER THAN 2014-2015 SEASON
2010-2011.....	1
2011-2012.....	8
2012-2013.....	9
2013-2014.....	7

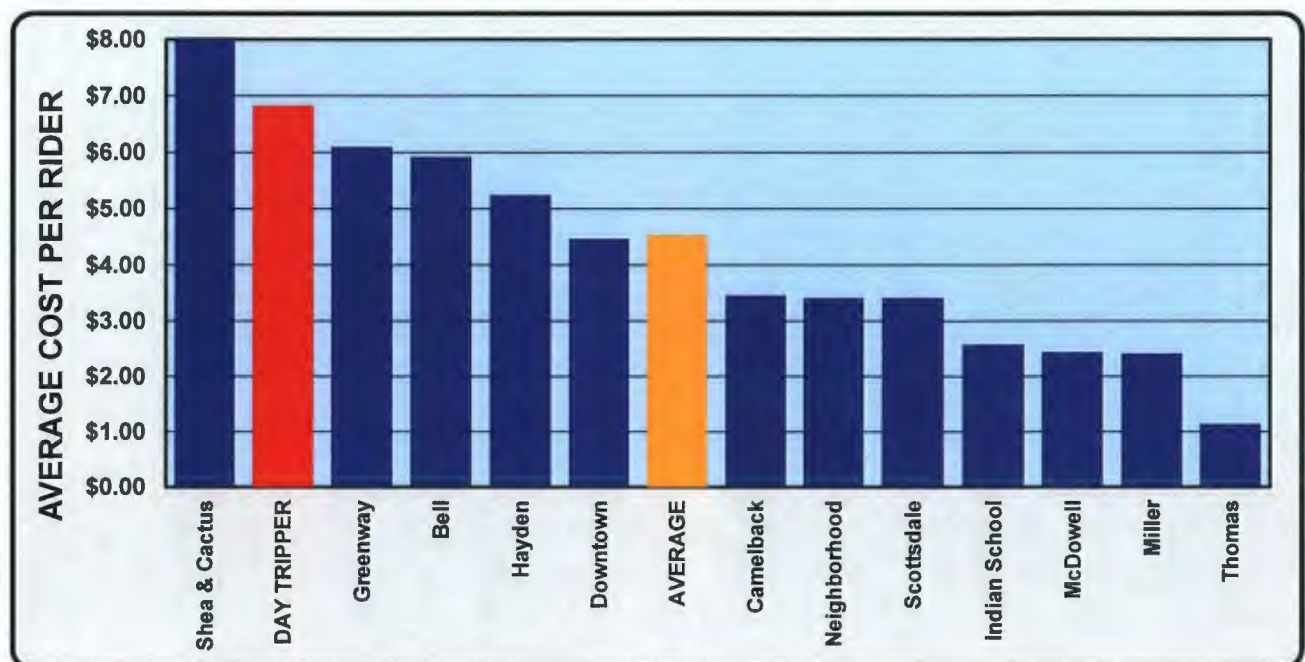
50% or more of the days within the most recent available two-week period, the Day Tripper had fewer daily riders in the current season than the previous three seasons.



If the Day Tripper were a service desired by Scottsdale Road hotel guests, then the increased frequency and cost would result in daily ridership in the current season much greater than previous seasons – especially near the season end. The Day Tripper is a product few hotel guests are using.

E. Day Tripper – Cost

The graph below indicates the cost of all bus and trolley routes in Scottsdale for the 2013-2014 fiscal year. The current fiscal year will end 30 June 2015. These data compare the service cost to the number of riders. Last season, the Day Tripper had the second highest cost-per-rider.



For the 2013-2014 season, the Day Tripper cost-per-rider was approximately \$6.94. For the 2014-2015 season through the end of February, the Day Tripper cost-per-rider was approximately \$11.01. The Day Tripper cost in the 2013-2014 season was \$180,000 and was increased to \$270,000 for the 2014-2015 season. (An additional \$30,000 was dedicated to increased marketing of the Day Tripper.) The total budget cost was reduced by \$21,375 in advertising – which is reflected in the cost-per-rider calculation.

F. Day Tripper – Summary

Comparing the 2014-2015 season to the 2013-2014 season:

- 100% Frequency increase
- 50% Cost increase
- 10% Ridership increase (through March 22, 2015)
- 59% Cost-per-rider increase (through February 28, 2015)

The final day of the Day Tripper season is April 1, 2015. At the April 14 Council meeting, complete season Day Tripper ridership and costs will be presented.

The Day Tripper provides excellent service to the Scottsdale Road hotels and businesses located between Scottsdale Fashion Square and Fairmont Scottsdale Princess. Only the Day Tripper and the Downtown Trolley, of all bus and trolley routes in Scottsdale, have the highest frequency of 15-minute, 7-days-per-week service. The Day Tripper was comprehensively marketed for the 2014-2015 season, the only bus or trolley route in Scottsdale that received intensive dedicated marketing. Few Scottsdale Road hotel guests utilize the Day Tripper.

If the Day Tripper averaged 400 to 600 riders-per-day, the Transportation Department would dedicate attention to refine and improve its service. However, five consecutive years of minimal ridership reveals that the product is not desired by its intended customers.

The Day Tripper route is identical to Scottsdale Road Bus Route 72. The Transportation Department believes it inappropriate to provide redundant service when equally deserving businesses in other Scottsdale locations have poor trolley service. The taxes used to fund the Day Tripper could be used more productively for other tourist-related trolley services.

G. Downtown Trolley:

The Downtown Trolley began operation in Scottsdale in 1980. The primary purpose of the Downtown Trolley was to serve Scottsdale tourists and tourist-related businesses. From 1980 through 1990, the trolley was funded exclusively by advertising. From 1991 to 1997, the City of Scottsdale provided \$50,000 annually to the Scottsdale Chamber of Commerce to supplement the advertising funding. From 1997 through the current year, the Downtown Trolley has been exclusively funded by the City of Scottsdale transportation operating funds. These funds are primarily generated by the City of Scottsdale transportation-dedicated sales tax and Federal grant funds. The objective of the Downtown Trolley has remained consistent for 35 years – to serve Scottsdale tourists and Scottsdale tourist-related businesses.

The Downtown Trolley ridership peaked at 460 average daily riders in the 2008-2009 season when the route operated at 10-minute frequency. For the 2009-2010 season, because of limited funding, frequency was reduced to 15 minutes and the route was modified extensively. Ridership declined 40% to a daily average of 223 riders in 2013-2014. In the opinion of the Transportation Department, returning this route to 10-minute frequency would increase

ridership and be very beneficial for tourists and tourist-related businesses. The Downtown Trolley serves all areas in Downtown Scottsdale and operates 365 days-per-year.

The graph below compares the average daily ridership of the Downtown Trolley to the Day Tripper for the past ten complete fiscal years. The Downtown Trolley ridership has continued to diminish since the frequency was reduced from 10 minutes to 15 minutes. The Day Tripper has never been successful. The Downtown Trolley was once successful, and the Transportation Department believes it would again be successful with additional funding.



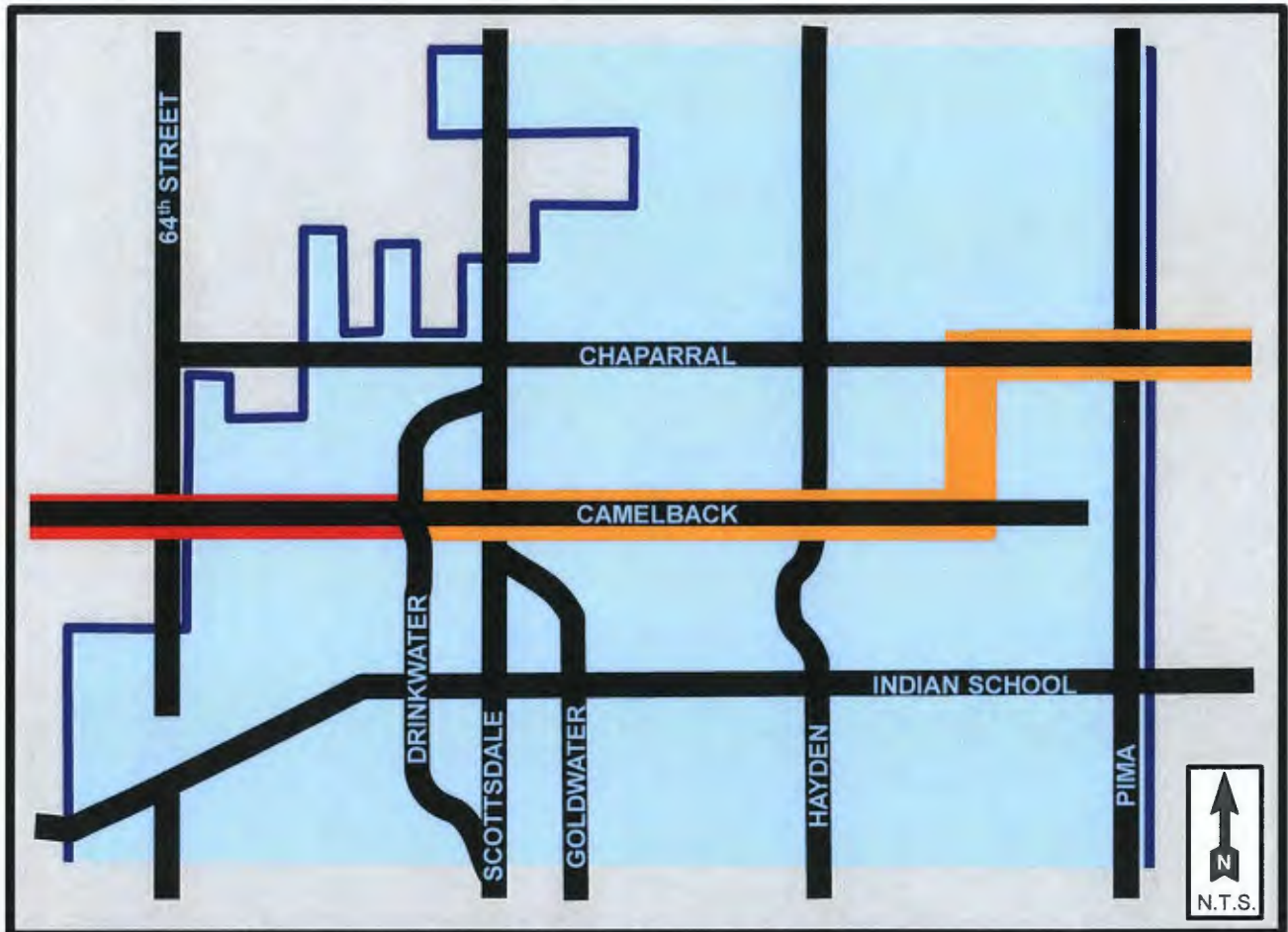
H. Camelback Trolley:

Currently, Camelback Road Bus Route 50 is operated by the City of Phoenix. West of 44th Street, in the City of Phoenix and the City of Glendale, 10-minute service is provided during the peak periods of 6:00 to 9:00 AM and 3:00 to 6:30 PM. Prior to 6:00 AM, 15-minute service is provided. During the remainder of the day, 30-minute service is provided. Eastbound service begins at 4:55 AM and ends at **10:38 PM**. Westbound service begins at 5:27 AM and ends at **10:45 PM**. Within the City of Scottsdale, the frequency varies irregularly from 20 minutes to 60 minutes. Eastbound service begins at 6:17 AM and ends at **7:07 PM**. Westbound service begins at 5:22 AM and ends at **7:45 PM**.

A new trolley route is proposed to replace Camelback Road Route 50 from Scottsdale Fashion Square to Scottsdale Community College. Valley Metro Route 50 would terminate at Scottsdale Fashion Square. The new weekday trolley route would use Camelback Road from Scottsdale Road to Granite Reef Road, then Granite Reef Road to Chaparral Road, then Chaparral Road to Scottsdale Community College. The new trolley would be operated by the City of Scottsdale. In addition to serving Scottsdale Fashion Square and Scottsdale Community College; this new trolley route would serve Camelback Towers, Le Cordon Bleu Culinary School, W Hotel, Camelback Shadows, and residential neighborhoods adjacent to Camelback Road and

Chaparral Road between Scottsdale Road and Pima Road. The new service would provide 15-minute frequency on weekdays and 30-minute frequency on weekends from approximately 6:00 AM to **10:00 PM**.

The schematic below indicates the location of the proposed Camelback Road Trolley. The dark blue line represents the City of Scottsdale border. The yellow line depicts the proposed Camelback Road Trolley route. The red line depicts the proposed new Camelback Road Bus Route 50. The new proposed Route 50 operated by the City of Phoenix would operate within the city limits of Scottsdale from 64th Street to Scottsdale Fashion Square. This would provide 20-minute service throughout the day.



The Transportation Department estimated the cost for the City of Phoenix to operate Camelback Road Route 50 at 15-minute frequency from approximately 6:00 AM to approximately 10:00 PM. This estimated cost was approximately \$600,000. The City of Scottsdale Transportation Department estimated cost for the proposed Camelback Road Trolley route is approximately \$385,000. This estimate includes the cost for the City of Phoenix to operate Bus Route 50 from 64th Street to Scottsdale Fashion Square.

I. Additional Considerations

The Tourism Strategic Plan includes a Transportation Element, which states in part:

“Transportation is a key asset for Scottsdale in the future:

An urban experience is key to Scottsdale's tourism sustainability and growth-to that point.

A walkable, lively, urban, amenity-rich downtown is critical,
Downtown suffers from a suburban, driving culture, this slows the development of
walkability in downtown both in expectation and infrastructure,
Millennials and next gen visitors and locals want transportation options, these
visitors don't want to rent a car, and all support biking and light rail,
Driving a car is difficult at night for older visitors, for those who want to have a
cocktail,
Parking, or rather "free" parking, is choking off appropriate and permitted
development downtown,
Biking infrastructure is incomplete when it comes to its usefulness for tourism"

These transportation elements within the Tourism Strategic Plan apply equally to the Day Tripper and the Downtown Trolley, as well as the proposed Camelback Road Trolley.

At the March 17 Tourism Development Commission meeting, Chair Scholefield moved and Commissioner Bailey seconded to have the Commission re-evaluate the Day Tripper performance at the conclusion of the current season. This motion passed 6 to 0 with Commissioner Grupp absent. During discussion of this motion, it was mentioned that the Day Tripper provides marketing benefit to the Scottsdale hospitality industry.

The Day Tripper season ends April 1, 2015. Complete Day Tripper 2014-2015 season rider and cost information will be available at the April 14 Council meeting.

Also at the March 17 Tourism Development Commission meeting, Chair Scholefield moved and Commissioner Bailey seconded to not support the use of bed tax monies for the Downtown Trolley. This motion passed 6 to 0 with Commissioner Grupp absent. The Tourism Development Commission commented that in their opinion the Downtown Trolley was not an intended purpose of the hotel bed tax. The opinion was also stated that hotel bed taxes should not be used for services that have been historically funded through other resources.

The Tourism Development Commission elected to not consider the proposed funding for the proposed Camelback Road Trolley. They indicated that this recommendation was a Transportation Department and Transportation Commission topic as it does not involve hotel bed tax.

During discussion of the motion regarding the Downtown Trolley, a Tourism Development Commissioner stated that the Downtown Trolley does not serve only tourists. This commissioner indicated that the Downtown Trolley will serve two apartment complexes currently in construction.

At the March 19 Transportation Commission meeting, a representative of the Tourism Development Commission also questioned if the Downtown Trolley served tourists or residents.

The Transportation Department surveyed riders on the Downtown Trolley on March 21st, March 23rd, March 24th, March 25th, and March 26th from 11:00 AM to 1:00 PM and from 2:00 PM to 6:00 PM. Riders were asked if they were full-time residents, part-time residents, or out-of-area visitors. If they were out-of-area visitors, they were asked the hotel where they were staying. The total number of Downtown Trolley riders surveyed was 583. The summarized results are provided on the following page.

DOWNTOWN TROLLEY LATE MARCH INFORMAL RIDER SURVEY

Outside Arizona	85%
Inside Arizona, outside Maricopa County.....	2%
Inside Maricopa County, outside Scottsdale.....	6%
Inside Scottsdale.....	4%
Part-time Resident.....	3%

The named hotels were:

Best Western	Hilton Garden Suites	Phoenix Pointe Hilton
Biltmore	Holiday Inn Express	Phoenix Renaissance
Camelback Inn	Homestead Suites	Phoenix Sheraton
Chaparral Suites	Hospitality Suites	Phoenix Vi Quia
Courtyard Marriott	Hyatt Place	Phoenician
Days Inn	Indigo, Legacy	Ramada Valley Ho
Desert Ridge Marriott	Marriott	Sanctuary
Doubletree	Mesa Days Inn	Scottsdale Conference Center
Econolodge	Mesa Hyatt	Scottsdale Links
Embassy Suites	Mesa Radisson	Scottsdale Playa
Extended Stay	Phoenix Orange Tree	Sheraton
Fairmont Princess	Phoenix Palms	Talking Stick
Goodyear Hotel	Peoria Comfort Inn	Tempe Hospitality Suites
Grayhawk Venue	Phoenix Marriott	

During the 2013-2014 Day Tripper season, a survey of Day Tripper riders was accomplished by the Tourism and Events Department. This survey discovered that approximately 58% of Day Tripper riders were from outside Scottsdale, and 42% lived or worked in Scottsdale. This survey was repeated in the 2014-2015 season. This report is not completed. Results will be available at the April 14 Council meeting. However, the initial results, considering only 6 of the total 8 survey weeks, are that approximately 51% were from outside Scottsdale, and 49% lived or worked in Scottsdale. Therefore, based on these two surveys, a substantially higher percentage of out-of-state tourists use the Downtown Trolley than use the Day Tripper.

At the March 25 Transportation Commission meeting, Chair Olmsted moved and Vice-Chair Holley seconded to recommend that the City Council discontinue the Day Tripper at the conclusion of the current season. This motion passed 6 to 0 with Commissioner Rosenberg absent.

Also at the March 25 Transportation Commission meeting, Chair Olmsted moved and Commissioner Bretz seconded to recommend that the City Council use the \$300,000 in hotel bed tax monies used to fund the Day Tripper for the 2014-2015 season to partially fund the Downtown Trolley for the 2015-2016 fiscal year. This motion passed 6 to 0 with Commissioner Rosenberg absent.

Also, at the March 25 Transportation Commission meeting, Chair Olmsted moved and Commissioner Graham seconded to recommend that the City Council use the \$300,000 in transportation operating fund monies used to fund the Downtown Trolley for the 2014-2015 season to partially fund the proposed Camelback Road Trolley for the 2015-2016 fiscal year. This motion passed 6 to 0 with Commissioner Rosenberg absent.

RESOURCE IMPACTS

Available Funding

Funding for the Day Tripper uses hotel bed tax revenue. It is always critical that tax revenue be spent wisely. All Scottsdale hotels are required to assess each of their guests 5% of their room charge, often termed a “hotel bed tax”. This tax was initiated in May 1977 by citywide election. The hotel bed tax was increased from 3% to 5% by citywide election on March 9, 2010, and adopted by City Council on June 28, 2011 by Ordinance 3954.

The Transportation Department believes it inappropriate to use tax-payer monies to provide a transportation service that is very minimally utilized by its intended customers, particularly when alternative service is provided on the same route, and importantly when these funds could be used to provide substantially improved transportation service in another geographic area within Scottsdale.

Staffing, Workload Impact

There is no additional workload impact with the recommended trolley route modifications.

Maintenance Requirements

There is no additional maintenance requirement with the recommended trolley route modifications.

Future Budget Implications

Bus and trolley service funding is included in the City Council budget discussions and adoption each fiscal year.

OPTIONS & RECOMMENDATION

Alternatively, Council has the options of:

- A. Continue Day Tripper service.
- B. Reduce Day Tripper service from 15-minute frequency to 30-minute or 60-minute frequency.
- C. Shorten Day Tripper route.
- D. Not use hotel bed tax to fund Downtown Trolley service.
- E. Discontinue Downtown Trolley service.
- F. Not fund proposed Camelback Road Trolley service.
- G. Fund proposed Camelback Road Trolley service with transportation operating funds by reducing other bus or trolley route service.
- H. Delay consideration of proposed Camelback Road Trolley, and thereby delay implementation until April 2016.
- I. Approve hotel bed tax funding for the Downtown Trolley, approve operating budget funding for the Camelback Road Trolley, and delay consideration of the Day Tripper to a future Council meeting.

The Transportation Department recommends that:

- 1. The Day Tripper service be permanently discontinued.
- 2. The \$300,000 of hotel bed tax revenue expended on the three-month Day Tripper for the 2014-2015 season be expended on the 12-month Downtown Trolley for the 2015-2016 fiscal year.

3. The \$300,000 of operating revenue expended on the Downtown Trolley for the 2014-2015 season be expended on the new Camelback Road Trolley for the 2015-2016 fiscal year.

The Transportation Department opinion is that the Day Tripper has attracted minimal ridership for each of the five years it has operated. The increased ridership in the 2014-2015 season compared to the 2013-2014 season is very small relative to the increased frequency and cost. Furthermore, the Day Tripper ridership is so minimal that its absence would not cause negative impacts to hotel guests.

The Transportation Department opinion is that the Downtown Trolley provides a valuable service to tourists and tourist-related business in Downtown Scottsdale, and should be continued. Its very dominant use is by tourists from outside Arizona, and its second highest use is by tourists outside of Scottsdale yet within Maricopa County. In the department opinion, increased frequency of the Downtown Trolley would result in a larger number of additional riders than currently use, or can reasonably be expected in the future to use, the Day Tripper. Therefore, the Downtown Trolley should be funded by the hotel bed tax.

The Transportation Department opinion is that the current Camelback Road Route 50 underserves the citizens and businesses of Scottsdale and Scottsdale Community College. Its current frequency is very erratic and ends too early, thereby discouraging ridership. Utilizing a Scottsdale-operated trolley will increase ridership and is substantially less expensive and more flexible than improving the current Camelback Road Bus Route 50.

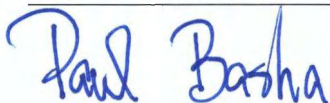
RESPONSIBLE DEPARTMENT(S)

Transportation Department

STAFF CONTACTS (S)

Paul Basha, Transportation Director, pbasha@scottsdaleaz.gov

APPROVED BY



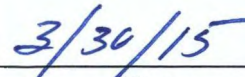
Paul Basha, Transportation Director
480-312-7651, pbasha@scottsdaleaz.gov



Date



Fritz Behring, City Manager
480-312-2850, fbehring@scottsdaleaz.gov



Date

Wyant, Erica

From: Basha, Paul
Sent: Tuesday, April 14, 2015 2:11 PM
To: City Council; Jagger, Carolyn; Smetana, Rachel
Cc: Behring, Fritz; Washburn, Bruce; Hylan, William; Nichols, Jeff; Guillory, Lee; Clemann, Madeline; Korepella, Ratna; Wyant, Erica; solmsted <solmsted@resilientinfra.com> (solmsted@resilientinfra.com); 'Scholefield, David (SCP)'; 'John@xclusiveenterprises.com'; Rachel Sacco (rsacco@scottsdalecvb.com); rpearson@scottsdalecvb.com; Caroline Stoeckel (cstoeckel@scottsdalecvb.com)
Subject: Revision to Item #23 This Evening

Mayor and City Council,

Late this morning, we discovered an error in our third recommendation for the Trolley Item for this evening's meeting. The third recommendation should be:

- 3. Funding the new Camelback Trolley with \$585,000 in Transportation Department operating funds (primarily transportation-dedicated city sales tax and Federal grant funds).**

(The Council Report incorrectly indicated a dollar amount of \$385,000.)

Please contact me if you have any questions.

Thank you,
 Paul

**Paul E. Basha PE, PTOE,
 Transportation Director
 City of Scottsdale**

**Suite 205
 7447 East Indian School Road
 Scottsdale, Arizona 85251**

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CITY COUNCIL APRIL 14, 2015 ITEM #32

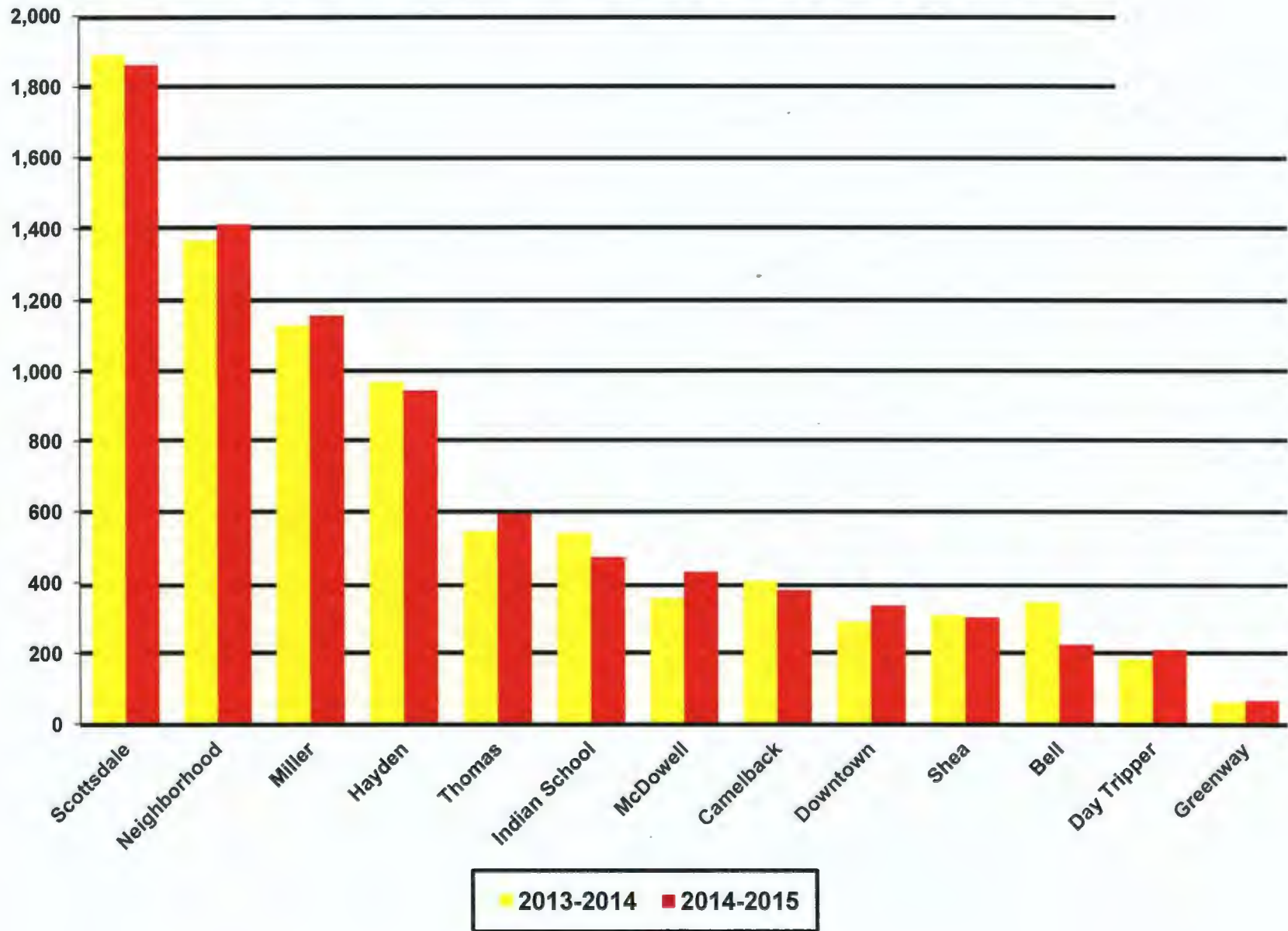
TROLLEY RECOMMENDATIONS

Day Tripper

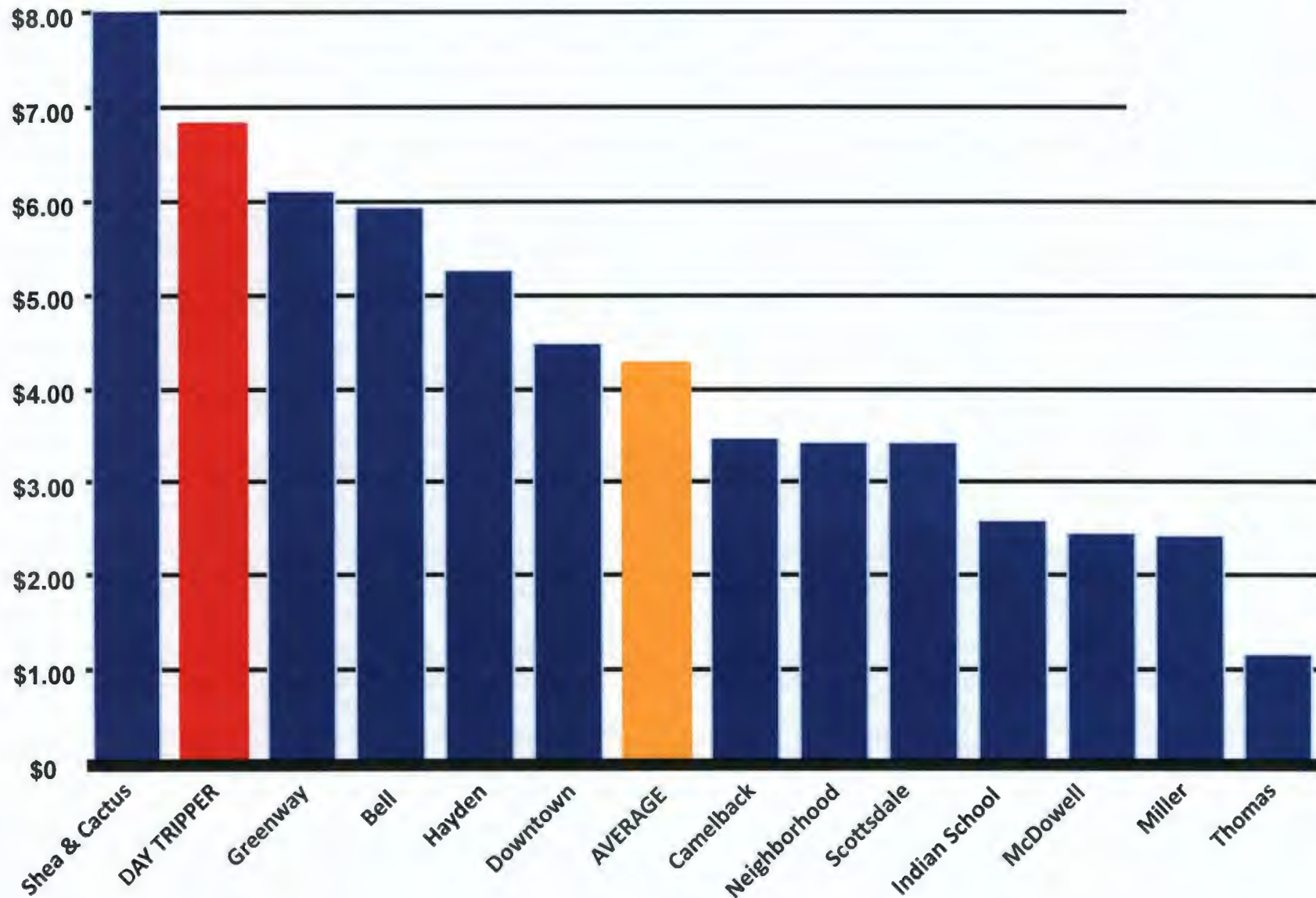
Downtown Trolley

Camelback Road Trolley

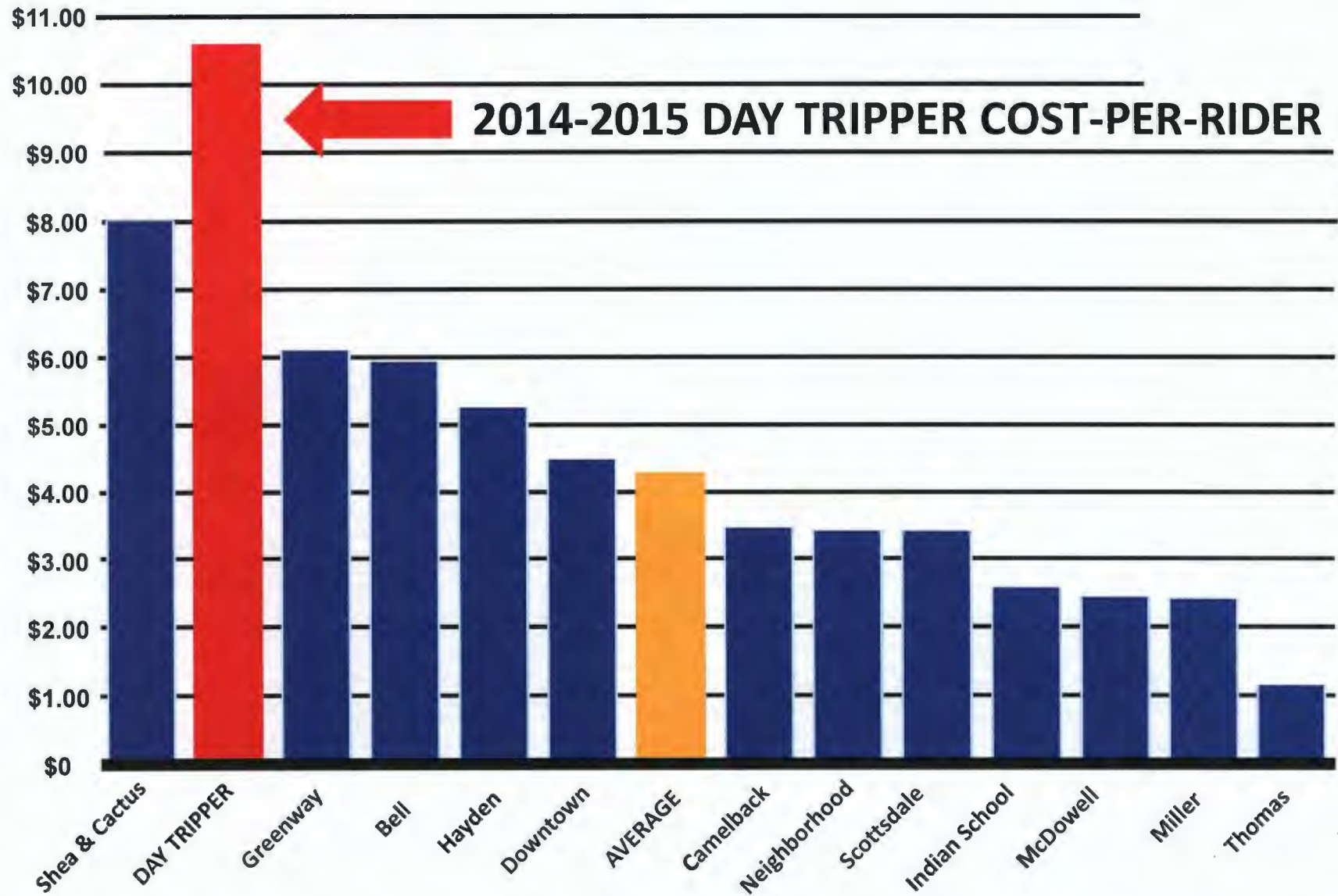
AVERAGE DAILY RIDERSHIP: OCTOBER THROUGH FEBRUARY



2013-2014 BUS AND TROLLEY COST-PER-RIDER



BUS AND TROLLEY COST-PER-RIDER



2014-2015 TO 2013-2014 DAY TRIPPER COMPARISON

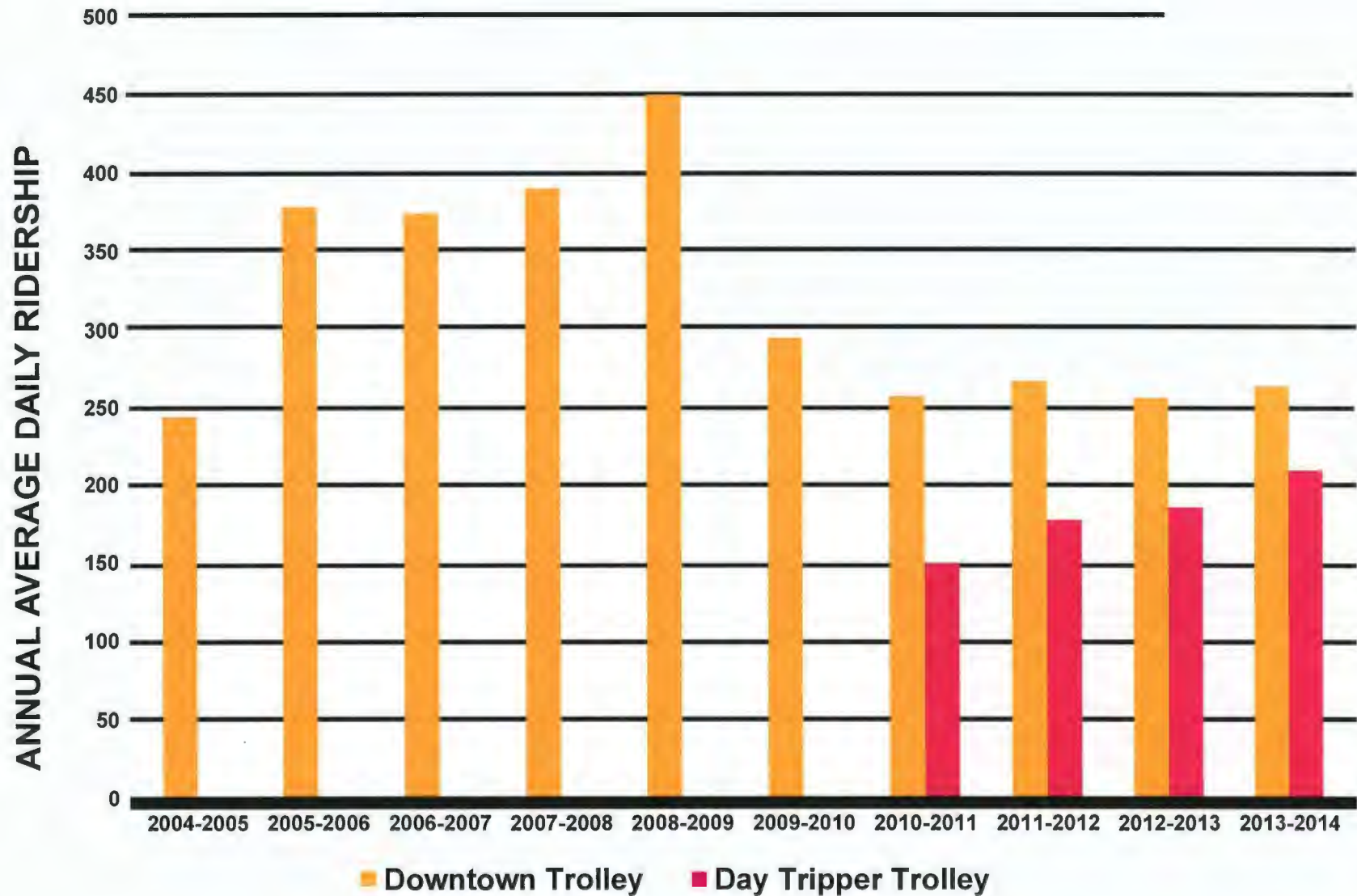
100% Frequency Increase

50% Budget Increase

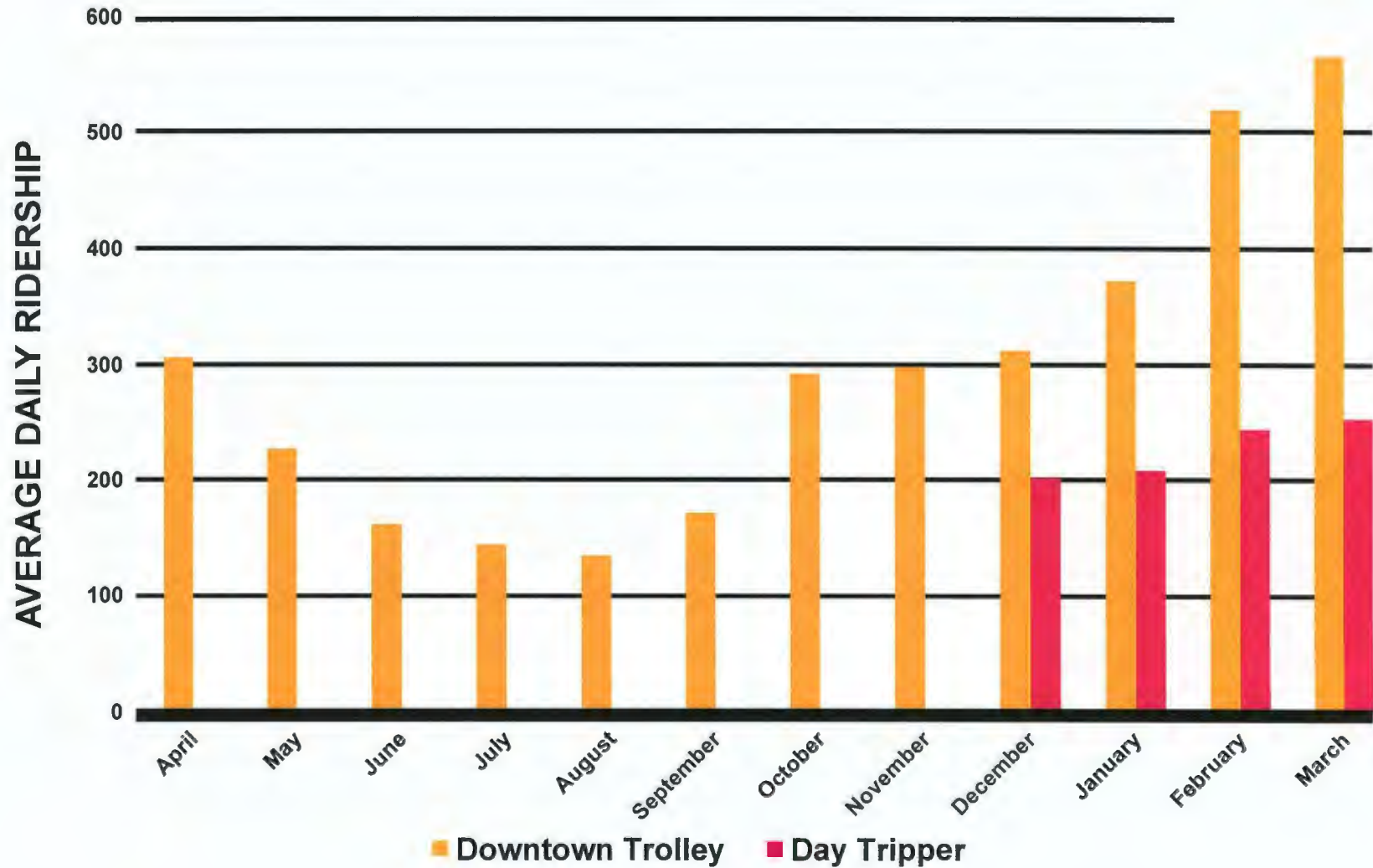
13% Ridership Increase

52% Cost-per-rider Increase

HISTORIC TROLLEY RIDERSHIP



RECENT 12 MONTHS TROLLEY RIDERSHIP



DAY TRIPPER

Survey – January, February, and March

148 Passengers

54% Outside Scottsdale

46% Metropolitan Phoenix

25% Local Work Trips

DOWNTOWN TROLLEY

Informal Survey – March **583 Passengers**

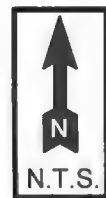
85% Outside Arizona

8% In Arizona, outside Scottsdale

4% In Scottsdale

3% Part-time Resident

PAST DOWNTOWN TROLLEY ROUTE



EXISTING DOWNTOWN TROLLEY ROUTE



CURRENT PROPOSED DOWNTOWN TROLLEY ROUTE



EXISTING CAMELBACK ROAD ROUTE 50

Frequency (minutes) West of 44th Street (Phoenix)

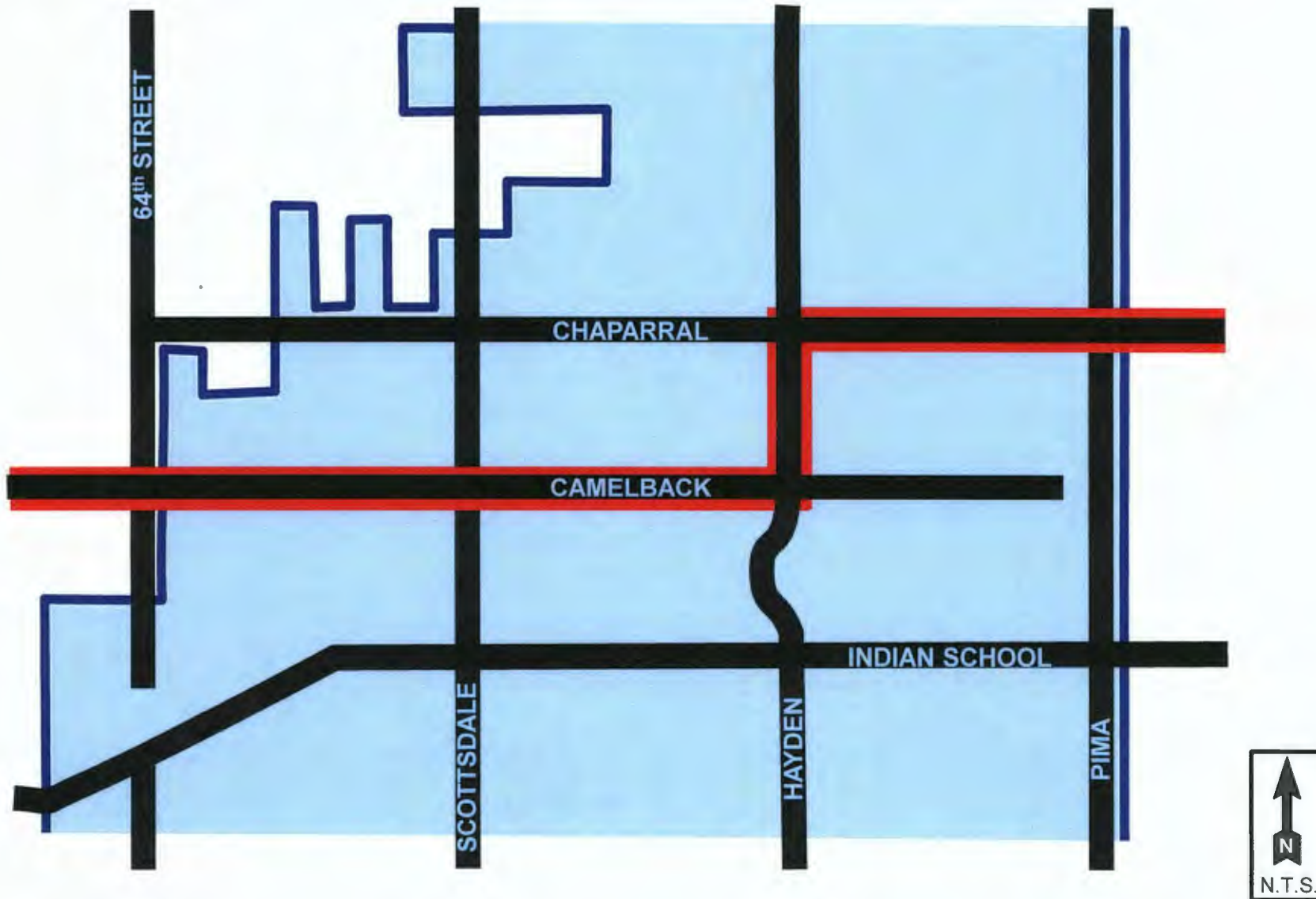
<u>BEFORE 6 AM</u>	<u>6 to 9 AM</u>	<u>9 AM to 3 PM</u>	<u>3 to 6:30 PM</u>	<u>6:30 to 10:00 PM</u>
15	10	30	10	30

Frequency (minutes) East of 64th Street (Scottsdale)

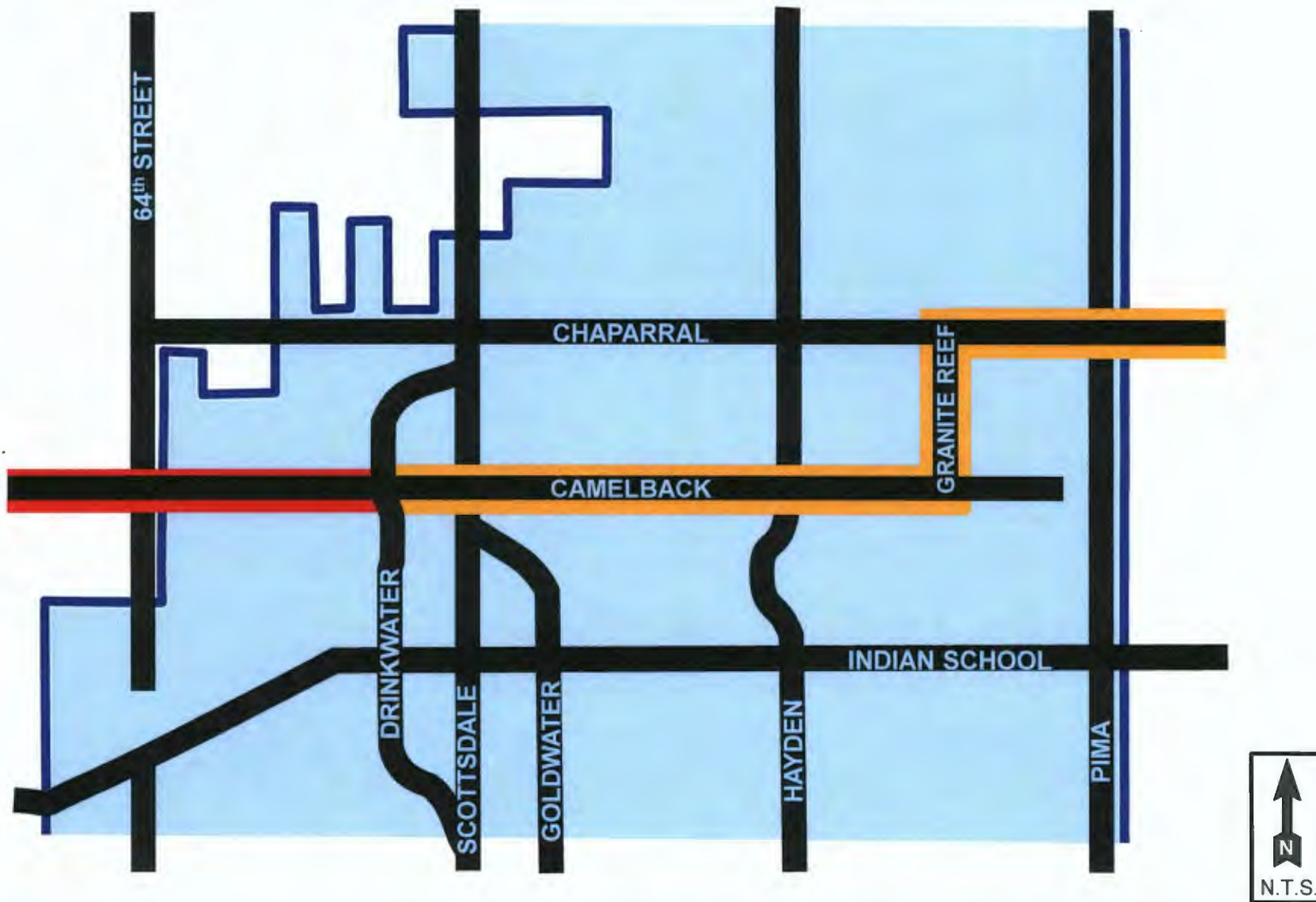
<u>BEFORE 6 AM</u>	<u>6 to 9 AM</u>	<u>9 AM to 3 PM</u>	<u>3 to 6:30 PM</u>	<u>6:30 to 8:00 PM</u>
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VARIES 20 to 60

EXISTING CAMELBACK ROAD BUS ROUTE 50



PROPOSED CAMELBACK TROLLEY: 15-MINUTES



RECOMMENDATION

- 1. Discontinue Day Tripper**
- 2. \$300,000 hotel tax to Downtown Trolley
(\$150,000 sales tax to Downtown Trolley)**
- 3. \$300,000 sales tax to Camelback Trolley
(\$85,000 sales tax to Camelback Trolley)**



Proposed FY 2015/16 Operating & Capital Budget

April 14, 2015 City Council Meeting

City Council Budget Review Schedule

Tue., April 28	Council Discussion and Proposed Budget Overview
Tue., May 12	Public Hearing and Tentative Budget Adoption; Final Adoption of Rates & Fees
Tue., June 2	Public Hearing and Final Budget Adoption
Tue., June 16	Public Hearing and Final Adoption of Tax Levies



FY 2015/16 Proposed Budget

- Operating Budget Overview
- Capital Improvement Plan Overview
- Property Tax 2% Allowance
- Cultural Council Requests
- Other



FY 2015/16 Proposed Budget

- Balanced budget
- Incorporates Council priorities and policy direction



General Fund Sources Overview

- Revenues up \$8.1 million (3.2 percent) from 14/15 adopted
 - Sales tax receipts - \$2.6 million
 - State Shared revenues - \$1.3 million
 - Building permits and fees - \$1.9 million
 - WestWorld - \$1.6 million
- Revenues include \$3.0 million (one-time) from sale of excess city building
- Property tax up \$0.8 million
 - New construction - \$0.2 million
 - 2 percent allowance - \$0.6 million



Significant General Fund Uses Increases	G.F. Impact (\$ in m)
Merit pay increase – 3% to max for employees who perform well	\$3.1
Public Safety Personnel Retirement System	\$2.4
Police Officer compensation – 3% “fix” (yr. 1) <i>5% step (beg. yr. 2)</i>	\$1.6
Employer contribution of increased healthcare costs	\$1.1



General Fund Package Requests	G.F. Impact (\$ in m)
Police overtime	\$1.0
Fire personnel (8 firefighters, 3 captains, 1 engineer)	\$0.7
Police photo radar contract (revenue offset)	\$0.6
Parks & Rec -- deferred maintenance (one-time)	\$0.3
Police Maricopa County Jail contract	\$0.2



General Fund Package Requests	G.F. Impact (\$ in m)
Transfer 2 FTE from Court Enhancement Fund	\$0.2
Cultural Council contract increase - 3%	\$0.1
Tuition reimbursement ongoing program	\$0.1
Total	\$3.2



Position Changes	FTEs
Fire Department	12.00
Community Services	4.77
Water Resources	2.90
C&ED – WestWorld	2.23
Public Works	2.09
Administrative Services	0.69
City Manager	0.15
City Treasurer	-0.25
City Clerk	-1.00
C&ED – Economic Development	-1.00
Total	22.58



'Slot' Conversions	FTEs
Community Services rec specialists	16.74
WestWorld maint., custodial, etc.	8.77
Water Resources pipeline	3.38
Police pipeline	2.63
Pro-tem judges	0.64
'Slot' Conversions Total	32.16
Position Changes Total	22.58
Total FTE Change	54.74



CIP Contribution

25% of construction sales tax:	\$2.0 million
Sale of excess city buildings:	\$3.0 million
Unreserved Fund Balance	<u>\$0.0 million</u>
Total	\$5.0 million



Proposed CIP General Fund Budget

FY 2015/16 – 2019/20 (in millions)

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	5-Year Total
Anticipated GF Beginning Cash Balance	17.0	-	-	-	-	17.0
GF Transfer	3.0	-	-	-	-	3.0
25% Construction Sales Tax	2.0	2.0	2.0	2.0	2.1	10.1
Net Interest in excess of \$1M	-	0.5	1.3	1.5	1.7	5.1
Total Revenue	22.0	2.5	3.4	3.6	3.7	35.1
Relocate and Build Fire Station 613	-	5.0	-	-	-	5.0
Granite Reef Watershed	5.0	-	-	-	-	5.0
Pima Road Drainage	0.8	-	-	-	-	0.8
* Regional Stmwtr Imp – W. of Pima Rd- Phase I	2.3	2.3	3.2	3.2	-	11.1
Scottsdale Stadium Infrastructure	0.1	0.1	0.1	0.1	0.1	0.3
Facilities Repair & Maintenance	2.0	1.5	1.9	1.8	1.8	9.0
* Upgrade Energy Mgmt Control Syst in 5 Bldgs	0.6	0.8	-	-	-	1.5
* Aquatics Chemical Replacement	0.3	1.3	1.3	-	-	2.9
* Civic Center Mall Renovations	0.2	-	-	-	-	0.2
* Payroll System Replacement	0.4	0.1	-	-	-	0.5
Crime Lab Equipment Replacement	0.1	0.2	0.2	0.3	0.2	1.1
Citycable Audio/Video Equipment Rpl	0.2	-	0.2	0.1	-	0.4
Public Safety Radio System Phase I	1.6	-	-	-	-	1.6
Police Portable & Vehicle Radio Replacement	0.5	0.1	1.1	1.1	1.0	3.8
Fire Public Safety Radio Lifecycle	-	1.3	0.2	0.2	-	1.6
IT-Network Infrastructure	0.4	0.3	0.3	0.4	0.4	1.8
IT-Server Infrastructure	1.2	0.6	0.3	1.7	0.9	4.7
Data Center Resiliency	0.2	0.5	-	-	-	0.7
Various IT Projects	1.0	0.0	-	-	-	1.0
Total Expenditure Budget	16.7	14.3	8.8	8.8	4.3	52.9
CASH BALANCE AT END OF EACH YEAR	11.7	(3.7)	(10.9)	(16.0)	(17.3)	

*New projects or significant changes

Proposed CIP Transportation Fund Budget

FY 2015/16 – 2019/20 (in millions)

	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20	5-Year Total
Anticipated GF Beginning Cash Balance	24.5	-	-	-	-	24.5
Transportation Fund Transfer	4.0	-	-	-	-	4.0
50% Transportation Sales Tax	9.4	9.8	10.1	10.4	10.3	50.0
Total Revenue	37.9	9.8	10.1	10.4	10.3	78.5
* Alma School and Jomax Rd Imp	-	-	-	-	1.1	1.1
* Happy Villy Rd Pima Rd to Alma Scl Rd	0.3	3.4	-	-	-	3.7
* McDowell Rd Bicycle Lanes	0.1	0.8	-	-	-	0.9
* Miller Rd Underpass at the 101 Frwy	0.3	-	-	-	-	0.3
* 98th St W Half Imp-N of McDwl Mtn Rch	-	0.2	0.9	-	-	1.0
* Pinnacle Vista-56th St Int Imp	-	0.4	-	-	-	0.4
* Highland Ave Sc ttsdl Rd to Gldwtr Blvd	-	0.8	-	-	-	0.8
Airpark Area (Raintree, Rd fld Northsight)	4.7	5.4	2.1	0.9	-	13.1
Pima Rd S. of Via Linda	1.8	-	0.4	1.5	-	3.7
Pima Rd, Pinnacle Peak to Happy Valley	-	0.6	0.5	1.4	-	2.5
Scottsdale Rd, Thmpsn Pk to Pinnacle Pk	1.5	-	-	-	-	1.5
SB Loop 101 Frontage Connections	1.2	-	-	-	-	1.2
Trails (Shea Und, WW Conn, AZ, CC Cnls)	2.2	0.3	-	-	-	2.5
Annual Funding (Grates, Sdw lks, Intersections, Trails, Traffic Mgmt, Bikes, Transit Stops)	3.0	1.7	1.7	1.7	1.7	9.6
Pavement Replacement	6.7	6.6	6.6	6.6	6.6	32.9
Signal Upgrades	2.4	-	-	-	-	2.4
Transit Facilities (Mustang, Skysong)	0.8	-	-	-	-	0.8
Miscellaneous Other	1.6	-	-	-	-	1.6
Total Expenditure Budget	26.4	20.0	12.0	12.0	9.3	79.7
CASH BALANCE AT END OF EACH YEAR	22.4	18.1	7.5	5.8	3.6	

*New projects or significant changes

Property Taxes (\$ in millions, except rate)

Primary		GF Primary Levy	Growth	2% Allowance	Total GF Primary Levy	Tort Recovery	Total Primary Levy		Primary Assessed Valuation		Primary Rate	
Prior (FY14/15)		\$ 25.5	\$ 0.2	\$ -	\$ 25.7	\$ 2.1	\$ 27.8		\$ 4,986.0		\$ 0.5580	
Proposed (FY15/16)		25.7	0.3	0.5	26.5	1.3	\$ 27.8 0.0%		\$ 5,161.7 3.5%		\$ 0.5394 -3.3%	
Secondary		Debt Service	Debt Service Reserve		Total Secondary Levy		Secondary Assessed Valuation		Secondary Rate			
Prior (FY14/15)		\$ 35.6	-		\$ 35.6		\$ 5,176.8		\$ 0.6869			
Proposed (FY15/16)		33.5	(0.5)		\$ 33.0 -7.3%		\$ 5,161.7 -0.3%		\$ 0.6389 -7.0%			
Total							Total Levy		Total Rate			
Prior (FY14/15)							\$ 63.4		\$ 1.2449			
Proposed (FY15/16)							\$ 60.8 -4.1%		\$ 1.1783 -5.3%			



Scottsdale Cultural Council

Annual city appropriation includes:

- Management and administration of facilities
- Maintenance and repair of specialty equipment / fixtures
- Conservation and restoration of city artwork
- Arts Grant Program management, administration and award
- Art in Public Places program management and administration
- Art in Private Development management and administration

Provides for:

- Supplemental funding requests for unanticipated, extraordinary expenses, or for new initiatives
- Recommendations for capital improvements to facilities



Funding History

	08/09	09/10	10/11	11/12	12/13	13/14	14/15	15/16
Base	\$3.28	\$3.35	\$3.44	\$3.27	\$3.27	\$3.43	\$3.39	\$3.51
Public Art Administration	0.82	0.66	0.70	0.66	0.66	0.62	0.56	0.66
Conservation / Restoration	0.14	0.13	0.13	0.13	0.13	0.13	0.13	0.13
Specialty equipment	-	0.02	0.02	0.02	0.02	0.02	0.02	0.02
Arts Grant Program	-	0.06	0.06	0.06	0.06	0.06	0.16	0.06
Total	\$4.24	\$4.21	\$4.34	\$4.13	\$4.13	\$4.25	\$4.25	\$4.38
Supplemental funding, operating or capital projects	\$1.25	-	-	-	\$0.04	-	\$0.05	-

Does not include trust funds or acquisition of public art

CITY COUNCIL APRIL 14, 2015 ITEM #32

TROLLEY RECOMMENDATIONS

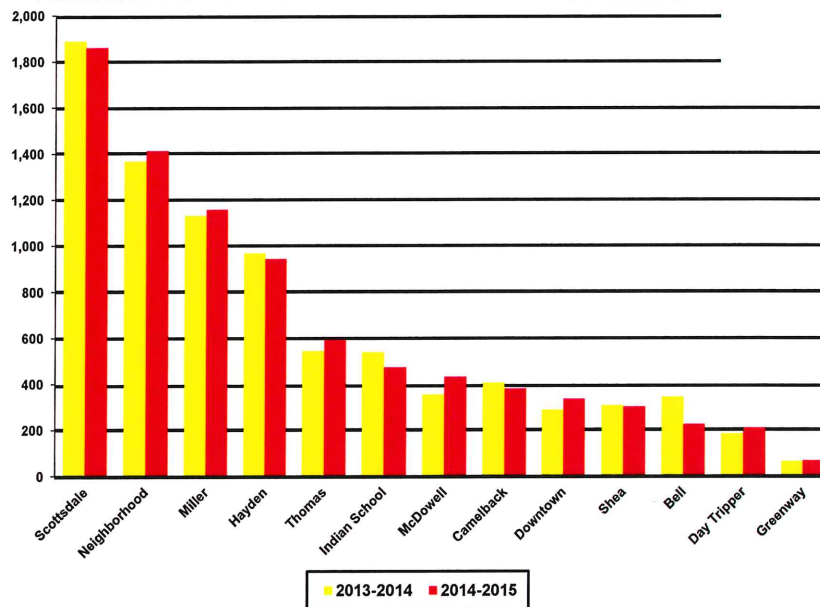
Day Tripper

Downtown Trolley

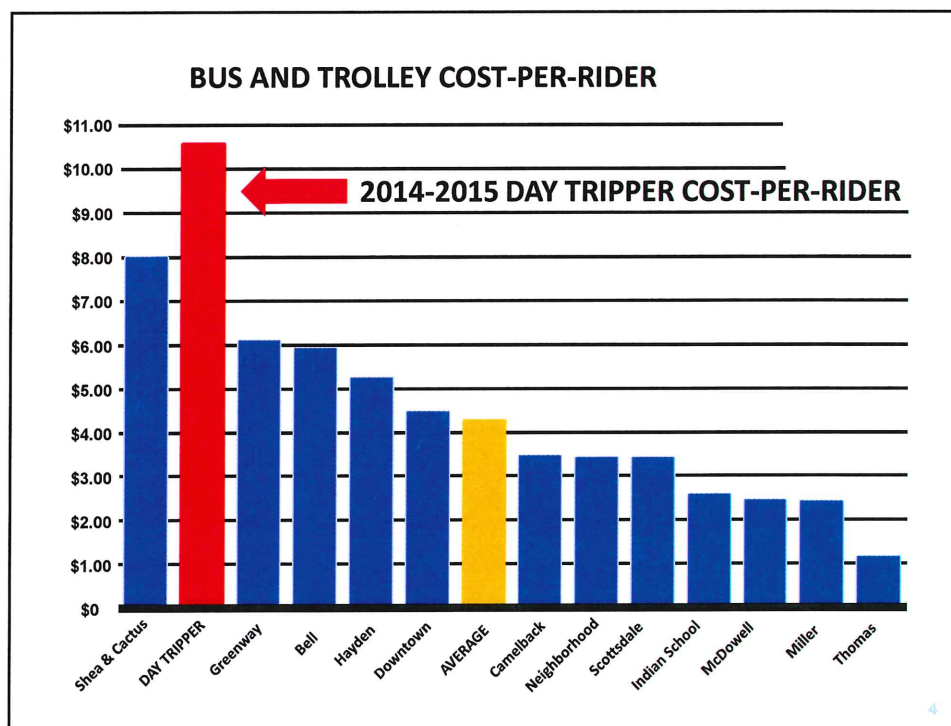
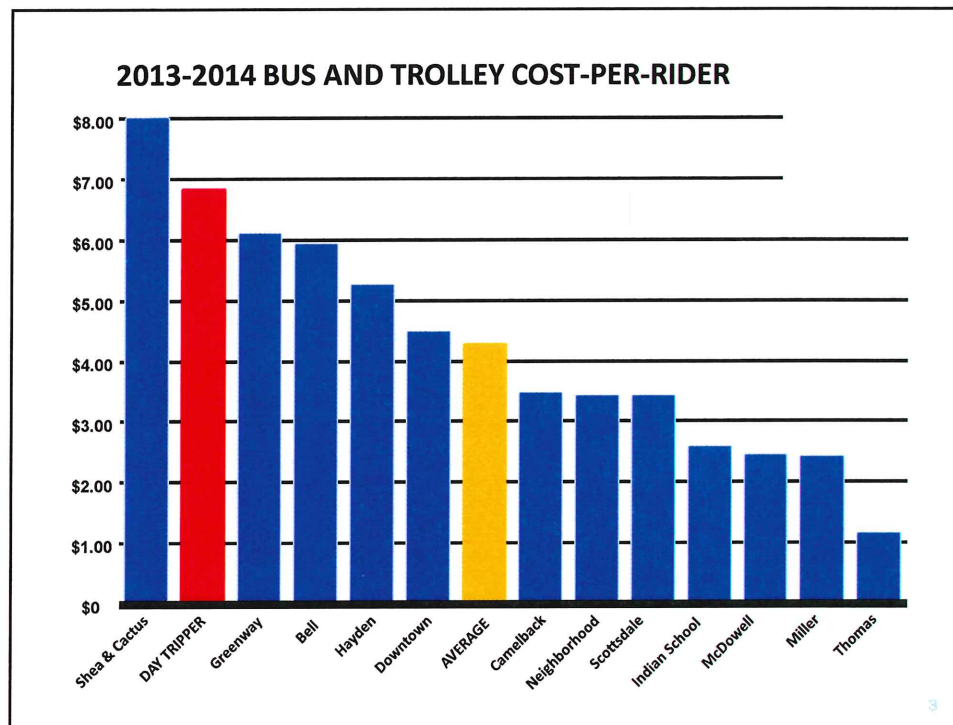
Camelback Road Trolley

1

AVERAGE DAILY RIDERSHIP: OCTOBER THROUGH FEBRUARY



2



2014-2015 TO 2013-2014 DAY TRIPPER COMPARISON

100% Frequency Increase

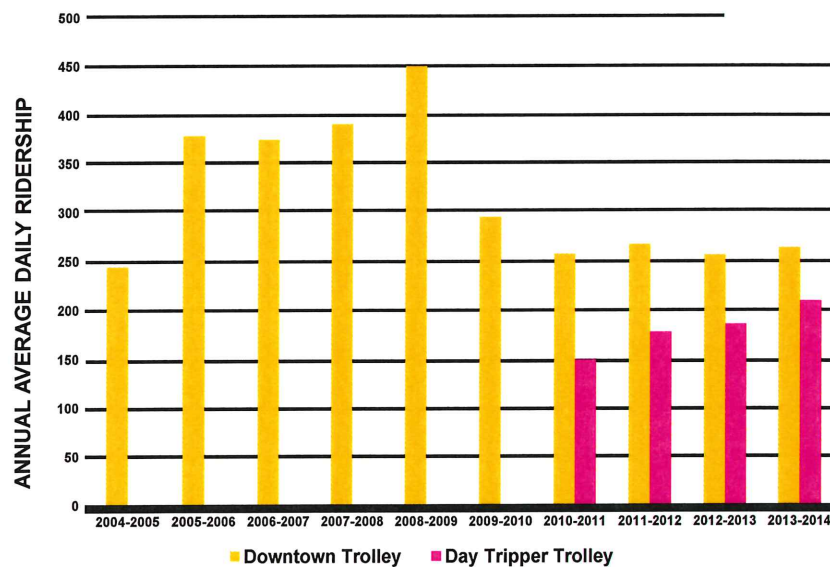
50% Budget Increase

13% Ridership Increase

52% Cost-per-rider Increase

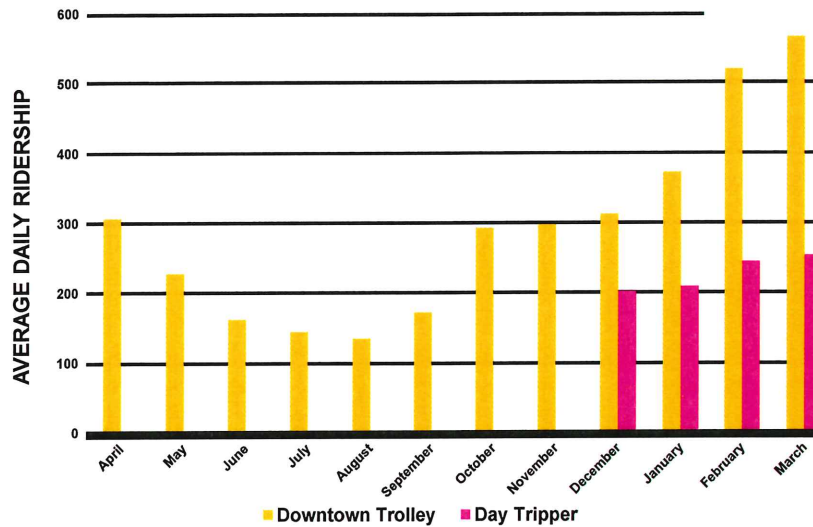
5

HISTORIC TROLLEY RIDERSHIP



6

RECENT 12 MONTHS TROLLEY RIDERSHIP



DAY TRIPPER

Survey – January, February, and March

148 Passengers

54% Outside Scottsdale

46% Metropolitan Phoenix

25% Local Work Trips

DOWNTOWN TROLLEY

Informal Survey – March 583 Passengers

85% Outside Arizona

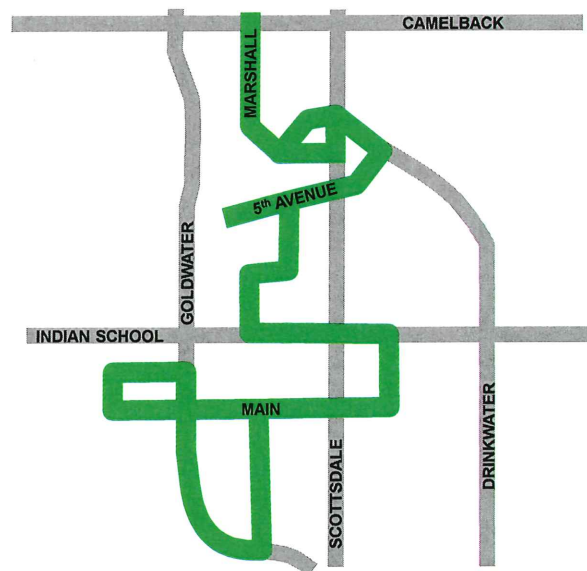
8% In Arizona, outside Scottsdale

4% In Scottsdale

3% Part-time Resident

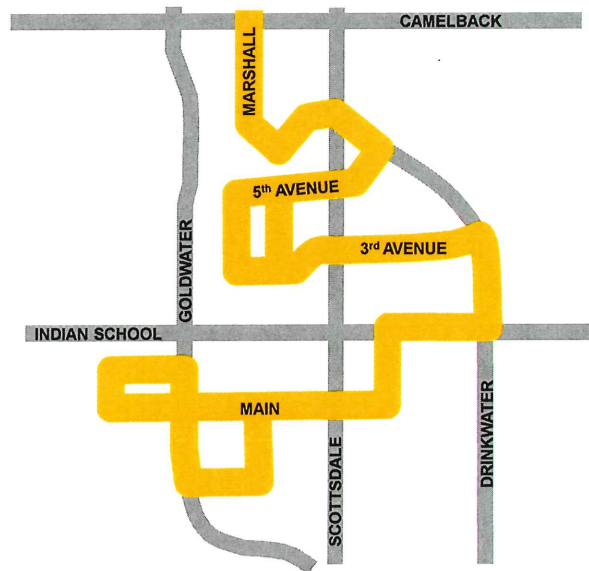
9

PAST DOWNTOWN TROLLEY ROUTE



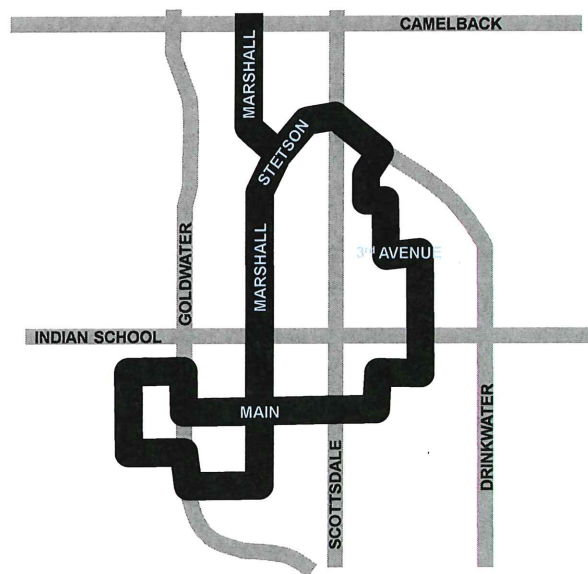
10

EXISTING DOWNTOWN TROLLEY ROUTE



11

CURRENT PROPOSED DOWNTOWN TROLLEY ROUTE



12

EXISTING CAMELBACK ROAD ROUTE 50

Frequency (minutes) West of 44th Street (Phoenix)

<u>BEFORE 6 AM</u>	<u>6 to 9 AM</u>	<u>9 AM to 3 PM</u>	<u>3 to 6:30 PM</u>	<u>6:30 to 10:00 PM</u>
15	10	30	10	30

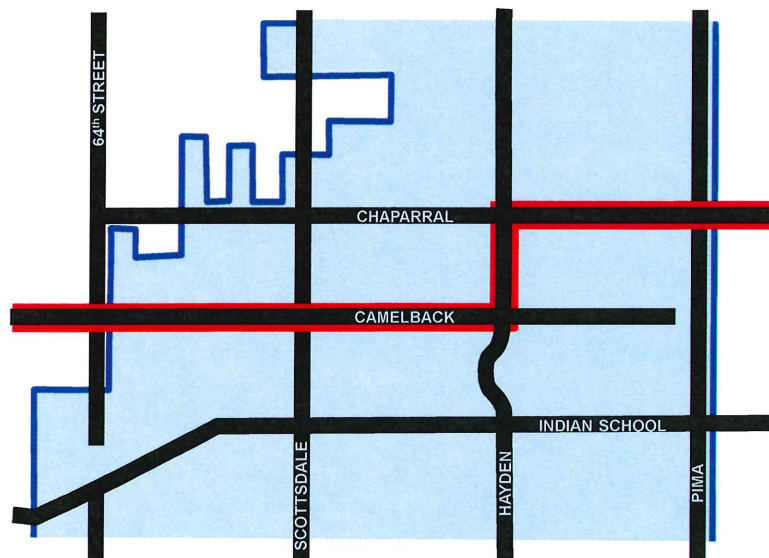
Frequency (minutes) East of 64th Street (Scottsdale)

<u>BEFORE 6 AM</u>	<u>6 to 9 AM</u>	<u>9 AM to 3 PM</u>	<u>3 to 6:30 PM</u>	<u>6:30 to 8:00 PM</u>
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VARIES 20 to 60

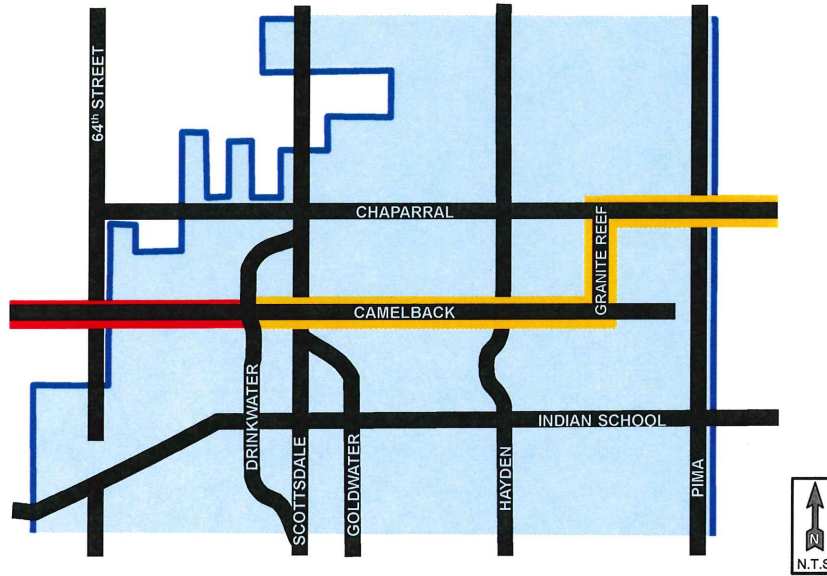
13

EXISTING CAMELBACK ROAD BUS ROUTE 50



14

PROPOSED CAMELBACK TROLLEY: 15-MINUTES



15

RECOMMENDATION

1. Discontinue Day Tripper
2. \$300,000 hotel tax to Downtown Trolley
(\$150,000 sales tax to Downtown Trolley)
3. \$300,000 sales tax to Camelback Trolley
(\$285,000 sales tax to Camelback Trolley)

16

Wyant, Erica

From: Jagger, Carolyn
Sent: Tuesday, April 14, 2015 11:14 AM
To: Klapp, Suzanne; Korte, Virginia; Lane, Jim; Littlefield, Kathy; Milhaven, Linda; Phillips, Guy; Smith, David N
Cc: Behring, Fritz; Washburn, Bruce; Walker, Sharron; Nichols, Jeff; Basha, Paul; Clemann, Madeline; 'John@xclusiveenterprises.com'
Subject: FW: trolley transportation

Your Honor and Members of the City Council,

Below is a comment from Mr. John Holdsworth regarding Item No. 32, Camelback Road, Downtown, and Day Tripper Trolleys, on tonight's agenda.

Best regards,

Carolyn Jagger, City Clerk

From: John Holdsworth [mailto:John@xclusiveenterprises.com]
Sent: Monday, April 13, 2015 5:17 PM
To: Lane, Jim
Cc: Jagger, Carolyn
Subject: trolley transportation

Mayor and Members of Council.....this Tuesday you will be asked to consider making changes to and fund various items pertaining to the Trolleys.....I would ask you to consider several factors as you make your decisions moving forward.....

First, I think many of you, if not all, agree that transportation is not just a Tourism issue, but a Community one that needs broader research and collaboration with the City's tourism department, transportation commission, tourism development commission and tourism advisory task force toward reaching mutually-beneficial solutions.

However, it appears that the Transportation Department is attempting, yet again, to avoid addressing our overall issues by focusing in on individual items and using "bait and switch" methodology to satisfy its current "flavor of the month" funding project.

Two things in particular have raised my concerns and the probable lack of available transportation funding has potentially led to this attempt to highjack Tourism funds.

It is my understanding that by ordinance, the City appointed the Tourism Development Commission to advise it on the expenditures of Bed Tax, yet we now find that despite a 6-0 vote at its March 17th meeting NOT to use bed tax funds to fund the Downtown Trolley, the Transportation Commission has decided that they now are the body appointed by Council to administer the use of Bed Tax and on March 25th voted 6-0 in favor of using \$300,000 of bed tax funds towards the downtown trolley to enable the partial funding of the new route which has nothing to do with Tourism.

This is something I hope you will reject as an inappropriate direction, not least as it was justified , at least in part, by a "survey" projecting the downtown trolley as being almost exclusively used by visitors, as the

reason to utilize Bed Tax. This may or may not be true but I would be extremely concerned that decisions be made on the current justification.

The Transportation Department has for years used external professional research in repeated attempts to kill the Day Tripper, which I myself am not sure meets the needs of the visitor in the way that Tourism interests had hoped and believed it might. However, in order to justify the bed tax funding for the downtown trolley, the "survey" was conducted by the City's own transportation staff and not a reputable research company, and only represented a five-day period during the month with the year's highest visitation. As you all know well, visitation varies greatly by season and the survey results are not in any way representative of an entire year. It is also interesting that the research window, happened to conveniently coincide with the following baseball games and with all trolley connections being available at Fashion Square this would appear to offer at best a skewed result to the "research":

Staff surveyed riders on the following 5 days from 11 a.m. to 1 p.m. and again from 2 p.m. to 6 p.m.:

- Saturday, March 21 – no game at Scottsdale Stadium; 1:05 p.m. game at Salt River Fields
- Monday, March 23 – 1:05 p.m. game at Scottsdale Stadium; 1:05 p.m. game at Salt River Fields
- Tuesday, March 24 – no game at Scottsdale Stadium; 7:05 p.m. game at Salt River Fields
- Wednesday, March 25 – no game at Scottsdale Stadium; 1:05 p.m. game at Salt River Fields
- Thursday, March 26 – 7:05 p.m. game at Scottsdale Stadium; 1:05 p.m. game at Salt River Fields

As always, thank you for your past consideration and support, please continue to help ensure that the City's bed-tax funds are used for new projects that will help the tourism industry evolve and flourish and ultimately provide a greater return on investment for the City.

Respectfully

John

John H Holdsworth
Chairman Tourism Advisory Task Force
and

Chairman
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John@XclusiveEnterprises.com



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