



MAYOR & COUNCIL MEMORANDUM

April 21, 2026

Subject: Continued Discussion and Direction Relating to Funding for Mass Transit (City Wide)

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Issue – Time has been set aside for Mayor and Council to continue discussion related to funding for Mass Transit, including a review of prior actions taken to increase revenue, a summary of transit funding sources, estimated costs and revenues for returning to fare collection, and research into the impacts of the fare free policy.

City Manager's Office Recommendation – It is the managers recommendation that the City work with the RTA to develop a transit planning and funding strategy for RTA Next funding to align with current transit priorities and explore opportunities to improve service efficiency.

Background –

Progress in Identifying New Funding for Transit

At the Study Session on August 6, 2025, Mayor and Council directed staff to implement a variety of cost saving measures and new revenue-generating tax rate changes in support of funding the transit system. These prior actions by Mayor and Council are estimated to generate approximately \$1.4M in annual cost savings and \$8.75M in new revenue. Together these changes are expected to increase the revenue available for transit service by approximately \$10.1M annually. Changes include:

Cost Saving Measures

\$(462,000)	Elimination of Sun Tran Route 22
\$(942,000)	Implementation of minor service changes across the Sun Tran system
\$(1,404,000)	Cost Savings Subtotal

New Revenue

\$2,000,000	Visit Tucson contribution to Sun Link \$2M annually
\$5,250,000	Increase the Public Utility Tax rate to 5%
\$1,500,000	Increase the Transient Occupancy Tax to 9% (10% short-term), eliminate Surtax
\$8,750,000	New Revenue Subtotal
\$10,154,000	Total Cost Savings and New Funding for Transit

RTA Next

On March 10, 2026, Pima County voters approved Propositions 418 and 419, which will extend financial support of transit for 20 years through the RTA Next ½-cent sales tax collections beginning April 1, 2026. In addition to continuing existing RTA funding for transit service, the RTA Next Plan includes new transit funding categories of Streetcar operations, Stone Ave BRT, transit safety and security, and South Tucson transit.

Figure 1. RTA Next Transit Element Ballot Funding Summary

V.	Transit Element	RTA Project Budgets (000s)	Committed Non-RTA Dollars (000s) [◇]	Construction Start Period [▲]
46.	High-Capacity Transit Improvements (Tucson) *Non-RTA funding is contingent upon federal grant award	\$70,000	\$70,000	1st and 2nd Periods
47.	Streetcar Operations	\$40,000	–	1st through 4th Periods
48.	Expanded Weekday/Evening/Weekend Bus Service Hours and Expanded Paratransit Service	\$227,000	\$92,000	1st through 4th Periods
49.	Bus Frequency/Route and Service Area Expansion	\$121,000	–	1st through 4th Periods
50.	Express and Shuttle Fixed/Dial-a-Ride/Paratransit Services	\$192,000	\$66,000	1st through 4th Periods
51.	Safety and Security of Regional Transit System	\$51,000	–	1st through 4th Periods
52.	General Expansion of Transit Services Regionwide (Special South Tucson Allocation)	\$25,000	–	1st through 4th Periods
Transit Element Subtotal		\$726,000	\$228,000	

The current IGAs for RTA-funded transit service are in effect until June 30, 2026, and will cover all existing services currently in operation. New IGAs will be needed starting July 1, 2026, and should include any service and or policy changes the City may propose. Developing a transit service plan for new expanded service and completing new IGAs will likely extend beyond June 30, 2026, in which case we anticipate proceeding with current service IGA extensions until such time that a new service plan and funding strategy can be developed in coordination with community and agency stakeholders, and in compliance with all FTA requirements.

Park Tucson Rates and the Heart of Tucson Tourism District

On November 5, 2025, Mayor and Council adopted a Notice of Intent to increase Park Tucson rates and parking meter enforcement hours in support of the Heart of Tucson Tourism District, an area surrounding the Sun Link Streetcar that both attracts and supports tourism. Park Tucson supports Sun Link and the Heart of Tucson by providing strategically located, well-managed parking options that enhance access to the streetcar route. This promotes multi-modal travel, supports local businesses, and contributes to a safer, more walkable, and vibrant downtown Tucson.

A public hearing was held on January 21, 2026 related to the proposed Park Tucson rate adjustments. At that time, Mayor and Council voted to delay implementation of the proposed rate increases and extended enforcement hours for ninety (90) days. Staff will be returning to Mayor and Council on May 5, 2026 with an amended Park Tucson rate proposal responding to feedback received during the public hearing and through subsequent public engagement.

Transit Safety and Security

At the Study Session meeting on October 10, 2025, Mayor and Council directed staff to develop a Transit Safety and Security Action Plan (TSSAP) that was presented to and adopted by Mayor and Council on December 16, 2025. The TSSAP proposed immediate, near-term, and long-term actions to increase safety and security on the transit system, including a one-time commitment of \$500,000 in funding to support near-term actions. The RTA Next Plan also includes new investment of \$51M for transit safety and security initiatives over the 20-year period, or approximately \$2.5M per year. Staff will be engaging with Mayor and Council, Tucson Transit Advisory Committee (TTAC), and

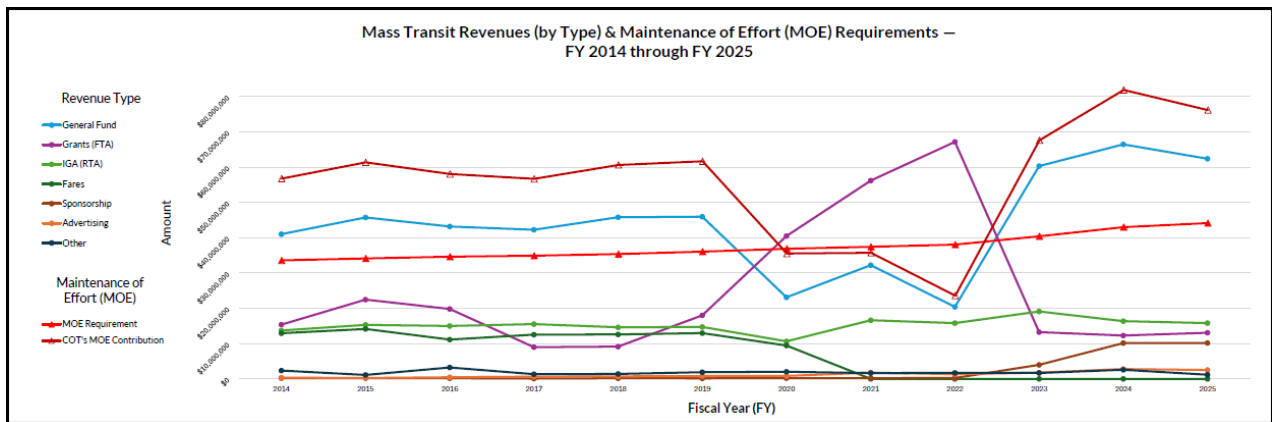
the RTA to develop a strategy for funding transit safety and security initiatives recommended in the TSSAP.

Funding Sources for Transit and Maintenance of Effort Requirements

Historical funding sources for public transit have included a variety of revenues such as Federal Transit Administration (FTA) Grants, City General Fund dollars, Regional Transportation Authority (RTA) funds, sponsorship agreements, advertising revenue, and fares. The scale of these revenues over time is reflected in Figure 2 below (also included as Attachment A). Additionally, to ensure that RTA funds are not supplanting, but rather enhancing local contributions to public transit, the RTA enabling legislation (A.R.S. 48-5308 F.2) requires that participating jurisdictions continue providing “maintenance of effort” (MOE) funding annually for transit services to be no less than the local amounts expended in FY04 adjusted annually based on the GDP price deflator as described in (A.R.S. 41-563).

Required GDP-adjusted MOE contributions are also reflected in Figure 2 and Attachment A. The combination of revenues expended by the City of Tucson to support public transit has exceeded MOE requirements for all 20 years of the 2006 RTA program, except for the years 2020-2022 when the federal government recognized the extreme financial impact of the COVID-19 pandemic and provided revenue replacement funding to support local governments maintaining essential services including public transit. Last fiscal year (FY25) the City exceeded the required MOE contribution by almost \$32M. Between FY14 and FY25, the aggregate City of Tucson local fund contribution to public transit has exceeded MOE requirements by \$226.8M.

Figure 2. Chart of Mass Transit Revenues (by Type) and Maintenance of Effort (MOE) Requirements from FY 2014 to FY 2025



Revenue Type	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General Fund	\$ 41,011,169	\$ 45,752,973	\$ 43,185,948	\$ 42,270,862	\$ 45,806,163	\$ 45,960,289	\$ 23,136,209	\$ 32,237,988	\$ 20,413,450	\$ 60,819,346	\$ 66,476,400	\$ 62,402,495
Grants (FTA)	\$ 15,385,877	\$ 22,475,519	\$ 19,838,647	\$ 8,985,471	\$ 9,140,194	\$ 18,030,612	\$ 40,494,167	\$ 56,210,847	\$ 67,187,255	\$ 13,271,142	\$ 12,304,100	\$ 13,062,609
IGA (RTA)	\$ 13,720,641	\$ 15,321,711	\$ 14,990,187	\$ 15,517,732	\$ 14,613,490	\$ 14,723,758	\$ 10,645,073	\$ 16,615,863	\$ 15,800,209	\$ 19,111,592	\$ 16,360,806	\$ 15,804,647
Fares	\$ 12,943,096	\$ 14,152,526	\$ 11,140,782	\$ 12,526,478	\$ 12,616,150	\$ 12,978,267	\$ 9,462,739	\$ -	\$ -	\$ -	\$ -	\$ -
Sponsorship	\$ 206,846	\$ 201,984	\$ 173,005	\$ 80,324	\$ 193,186	\$ 155,762	\$ 199,246	\$ 204,349	\$ 260,786	\$ 3,985,828	\$ 10,147,044	\$ 10,169,660
Advertising	\$ 353,521	\$ 249,055	\$ 452,733	\$ 627,601	\$ 720,713	\$ 795,936	\$ 829,501	\$ 1,766,327	\$ 1,346,092	\$ 1,757,956	\$ 2,784,753	\$ 2,506,612
Other	\$ 2,351,136	\$ 1,114,125	\$ 3,230,849	\$ 1,321,275	\$ 1,401,575	\$ 1,903,646	\$ 2,033,137	\$ 1,651,918	\$ 1,717,286	\$ 1,667,625	\$ 2,565,684	\$ 1,178,392
Grand Total	\$ 85,972,285	\$ 99,267,893	\$ 93,012,152	\$ 81,329,742	\$ 84,491,472	\$ 94,548,270	\$ 86,800,072	\$ 108,687,291	\$ 106,725,078	\$ 100,113,490	\$ 110,638,787	\$ 105,124,415

Maintenance of Effort (MOE)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
MOE Requirement	\$ 33,727,010	\$ 34,280,492	\$ 34,782,133	\$ 35,054,550	\$ 35,523,635	\$ 36,203,244	\$ 37,008,260	\$ 37,554,874	\$ 38,177,880	\$ 40,539,245	\$ 43,141,803	\$ 44,283,542
COT's MOE Contribution	\$ 56,865,768	\$ 61,470,663	\$ 58,183,317	\$ 56,826,539	\$ 60,737,788	\$ 61,793,901	\$ 35,660,833	\$ 35,860,582	\$ 23,737,614	\$ 67,730,755	\$ 81,973,881	\$ 76,257,159

Recent Discussions Regarding Fare Collection

On March 17, 2020, Mayor and Council directed the City Manager, in coordination with the Department of Transportation and Mobility (DTM), and Sun Tran, to suspend the collection of transit fares as part of the City's efforts to mitigate the spread of COVID-19 and lessen the negative financial impact of the pandemic on Tucson residents. Since the initial suspension of fare collection, the Mayor and Council have extended the moratorium on fare collection six additional times, most recently on August 6, 2025.

Present Consideration(s) –

Opportunities to Continue Generating Revenue and Reducing Costs for Transit

Fare Collection Scenarios

At the August 6, 2025 Study Session meeting, staff provided ridership and revenue estimates for a series of possible return to fare scenarios. Updated estimates for the costs of returning to fare collection and updated fare revenue scenarios have been developed here for further consideration.

Return to Fare Costs

There are several hardware, software, staffing, training, and marketing activities required to reintroduce fare collection. A detailed table of estimated costs is included as Attachment G. In short, the cost of returning to fares in the initial year is approximately \$1.1M with an annual estimated cost thereafter of \$818,495.

Additionally, the existing fareboxes in the fleet will no longer support required software updates after 2028 and will need to be replaced. The estimated one-time cost for fleetwide farebox replacement is approximately \$6M, which may be eligible to be funded at 80% federal share with FTA formula (5310) and/or Competitive (5339c) grant funds.

It will take approximately 4-6 months from Mayor & Council direction to implement the changes necessary to begin collecting fares.

Return To Fare Collection Cost Summary

Year 1 cost	\$1,100,000
Annual ongoing cost	\$818,495
2028 1-time fleetwide farebox replacement	\$6,000,000

If Mayor and Council desire to return to fare collection, it may be prudent to invest in the replacement of fareboxes in the first year to reduce the need to train staff and riders twice in short succession and to enable expanded fare collection technologies from the outset of returning to fares.

Fare Scenarios with Ridership and Revenue Estimates

The following six fare scenarios are estimated in the table below:

- A. Charge for Express service only (2018 fare structure)
- B. Charge boardings outside COT only (PC/Marana, not PY/S. Tucson)
- C. A + B: Charge for Express + Outside COT only
- D. Charge 2018 fare structure + free low income + free under 18/over 65
- E. Return to 2018 fare structure

Scenario	Estimated Annual System Ridership*	Estimated Annual Gross Revenue	Year 1 Net Revenue	Year 2 Net Revenue	Year 3 Net Revenue (replace fareboxes)	Year 4 Net Revenue	Total 4-year Net Revenue
A. Express Fares	18,776,000	\$240,000	(\$860,000)	(\$578,000)	(\$1,778,000)	(\$578,000)	(\$3,794,000)
B. Outside COT	18,600,000	\$ 563,000	(\$537,000)	(\$255,000)	(\$1,455,000)	(\$225,000)	(\$2,502,000)
C. Express + Outside COT	18,530,000	\$803,000	(\$297,000)	(\$255,000)	(\$1,995,000)	(\$255,000)	(\$2,802,000)
D. 2018 + free low income/youth/elders	16,830,000	\$6,583,000	\$5,483,000	\$5,765,000	(\$235,000)	\$5,765,000	\$16,778,000
E. 2018 fares	14,640,000	\$9,370,000	\$8,270,000	\$8,552,000	\$2,552,000	\$8,552,000	\$27,926,000

*Note: FY25 Total Annual System Ridership was 18,832,346.

Note that the net revenue projections for returning to fare collection have decreased since the projections shared at the August 6, 2025 Study Session. This is a result of incorporating new data in the revenue projection model including:

- New on-board survey rider demographic data (2025): A larger share of riders are now low-income and would qualify for the new proposed free low-income fare. In 2025, approximately 71% of riders earned salaries low enough to qualify for the proposed free low-income fare, based on the 100% Arizona Department of Economic Security Low Living Standard Income Level (LLSIL) for Pima County.
- Updated elasticity assumptions: Based on more recent research, a 25% reduction in ridership for new fare paying categories was assumed, along with a 10% reduction in ridership for free pass categories.
- New exemptions (under18/over 65): An additional 14% reduction in revenue was applied for these new categories of exemptions.
- Updated estimate for the annual costs of returning to fare collection, and the needed 1-time capital replacement of the fareboxes before 2028; depicted in the table above in Year 3.

Based on the estimated costs of collecting fares, the net revenue estimates associated with these scenarios, and the projected impact on transit ridership, it is not recommended to invest in returning to fare collection at this time.

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RTA Next

Fare Revenue Credit Policy

Regional transit service operated by the RTA as Sun Shuttle and Sun-Shuttle Dial-a-Ride has also been operating fare free since the COVID-19 pandemic, mirroring the City of Tucson’s fare policy for Sun Tran, Sun Van, Sun Link, and Sun On-Demand services operated by the City of Tucson. The RTA has been covering the increased costs of lost fare revenues for regional RTA-operated transit service but has not covered the costs of lost fare revenues on RTA-funded transit services operated by the City of Tucson.

Current RTA IGA's require that the City provide "fare revenue credits" to the RTA for the estimated amount of fare revenue lost on RTA funded service. This is an inequitable arrangement that the City of Tucson should renegotiate for RTA Next-funded transit services. The City of Tucson should no longer provide fare revenue credits to the RTA if the RTA is not collecting them from other PAG/RTA member jurisdictions. The total estimated amount of fare revenue credits the City is expected to cover in FY26 on RTA-funded service is \$2.7M.

Inflation

The cost of delivering the same level of transit service increases over time based on labor and material cost escalation. The RTA has also been covering the increased inflationary costs for RTA-operated service in the region. However, the required maintenance of effort (MOE) contributions from Pima County and Marana have not kept pace with cost escalation for providing service to those areas. In the case of South Tucson, no MOE contributions are made. The City of Tucson has covered the inflationary costs of providing transit service for Sun Tran, Sun Van, and Sun Link and contributed \$32M above MOE requirements in FY25.

Recommendations to Amend RTA Transit Funding Policy and Procedures

The RTA should apply policies and procedures equally across the region. The City of Tucson has been paying an outsized share of the costs of delivering transit services compared with other RTA member jurisdictions. For the RTA to cover all of the costs of RTA-funded transit service, there are several policy and procedure changes recommended including:

- No longer provide fare revenue credits for RTA-funded transit service operated by the City.
- RTA should contribute to FTA local match requirements for transit capital investments and bus purchases.
- Should the Regional Council or City of Tucson elect to return to collecting fares at some point in the future, the RTA should cover the costs necessary to enable fare collection.
- Service Efficiencies – RTA should conduct a service planning effort over the next year to identify opportunities to reinvest RTA Next funds in high-efficiency high-productivity transit services to maximize the RTA-funded transit benefit to the regional community. For example, relatively high cost-per-rider Express Routes and Sun Shuttle routes should be considered for elimination in favor of more efficient higher-productivity routes.

Staff will continue to work with Mayor and Council, the Tucson Transit Advisory Committee (TTAC), PAG/RTA Transit Working Group, and other relevant PAG/RTA committees to develop a transit service and funding plan for RTA Next funds in FY27 and beyond.

Fare Free Policy Impact Analysis

A request was made for a study about the economic impact of the fare free policy, similar to an earlier model previously used by Dr. Arthur C. Nelson to analyze the economic impacts of the Sun Link Streetcar. A request was also made to analyze data for public safety responses, retail theft trends, code enforcement responses, and other downstream social and fiscal impacts related to fare free transit. Sun Tran, Tucson Police Department and Code Enforcement provided preliminary findings.

It should be noted that there has not been much analysis of this kind completed for U.S. cities, and that the data and initial findings collected to date show only possible correlations. The changes in

the data included in the economic, code enforcement, and crime analysis here are not complete nor detailed enough to draw accurate conclusions about the relative impact of transit service or fare free policy on the examined metrics. This preliminary study does not control for the effects of other possible contributing factors. More study is needed to establish causal relationships in the data.

Economic Analysis

In February 2026, Drs. Arthur C. Nelson and Robert Hibberd were hired to assist with an economic analysis of the impacts of free fares in Tucson. An initial draft of the report is attached (Attachment D) and summary data tables included as Attachment E. The preliminary draft report is still under review and being refined before completion. The goal of the study was to develop answers to four questions within 30 days:

1. Adjusting for inflation and tax rates, have city tax and fee revenues changed significantly along transit corridors after free fares were implemented, controlling for inflation?
2. Have the number and demographics of transit riders changed since free fares?
3. Have the number of jobs along transit corridors changed since free fares?
4. Has the amount of real estate development changed since free fares?

The scope of this analysis was not intended to explain the impacts to the system budget as those are well documented. Rather, the analysis is a preliminary attempt to identify – using readily available datasets – changes in and to the community that *might* be attributable to not collecting fares.

Research presented in this report provides only descriptive before-and-after analysis and is limited to overall trends without focusing on individual routes, though overall bus and streetcar trends are included.

Data used for this analysis include:

- Ridership counts
- Rider onboard surveys
- Property tax data will be provided by the Pima County Assessor
- Geocoded residential permitting records during and since the pandemic
- State of Arizona and revenues: sales, excise, use, lodging, utility, and related tax revenue data
- U.S. Census blocks
- U.S. Longitudinal Employer-Household Dynamics (LEHD): Number of employees working at the site, Workers by NAICS 20-sector code and roll up into 8 land use categories for planning, Wages (if available and useful)
- U.S. American Community Survey citywide commuter demographics

A summary of initial key findings are as follows:

City Tax and Revenues (2019-2025, inflation-adjusted)

- The value of non-exempt properties along transit corridors rose by over \$16 billion, representing over 90% of the city's total increase in property value.
- In 2025, bus and streetcar corridors generated over \$16 million in property tax revenue, with nearly \$5 million coming from transit proximity premiums.

- Tax collections from specific business locations have declined, despite a \$33M citywide revenue increase (adjusted for inflation). This may be due to higher internet sales, which aren't tied to specific locations.
 - Transaction taxes from bus transit corridors dropped from 92% in 2019 to 67% in 2025 (-20% change).
 - "Hot spot" transit corridors saw their share of city taxes decrease from 45% in 2019 to 33% in 2025 (-21% change).

Ridership Trends (2019-2024):

- Tucson's bus ridership gained the most among western metropolitan areas with populations over 1 million.
- Only Tucson's bus system had more rides in 2024 than before the pandemic.
- Sun Link streetcar ridership increased significantly more than Portland and Seattle streetcars.
- Total system ridership increased 23% (from 14.7M to 18.1M).

Rider Demographics (2019-2025):

- Streetcar ridership increased substantially among younger age groups dominated by 18-24 years of age.
- Bus ridership rose substantially among riders between ages 25 and 54, accounting for 80% of the change.
- Non-white riders accounted for 39% of the growth in streetcar riders and 79% of the growth among bus riders.
- The share of disabled riders using the streetcar increased by 8% and 13% for buses.
- Bus trips by riders in households with no vehicle increased by 97%, streetcar trips by 54%.
- Bus trips by riders without a vehicle available for the trip increased 216%.
- Average household income of riders decreased 12% in inflation-adjusted dollars (from \$33,363 to \$29,489).

Transit Commuting Patterns (2019-2024 ACS data):

- Transit commuter average age decreased 14% (from 35.8 to 30.7 years).
- Non-white workers comprised 100% of increased auto commuters and 82% of increased transit commuters.

Jobs Along Transit Corridors:

- Nearly all (96%) new jobs created between 2019 and 2023 were located adjacent to bus/streetcar stops (56%) or on blocks fronting the routes/tracks (40%).

Real Estate Changes in Transit Corridors

- Tucson's downtown office vacancy rates increased modestly, from 8-9% in 2019 to 10.2% in 2025, equating to a 19% change. In comparison, Denver, Portland, and Seattle experienced severe changes: 181%, 215%, and 174%, respectively.
- Non-exempt property value along the quarter-mile transit corridors increased by nearly \$18B and accounted for 96 percent of the city's entire increase in value.
- Transit corridors (being only the city blocks fronting transit routes/tracks and the blocks adjacent to them) accounted for about 90% of all new homes and people.

- Over 7,000 people (87% of the city's new population) moved into transit corridors since 2019, contributing an estimated \$3M in additional revenue.

Important Caveats

These findings show correlations but do not establish causation. Multiple factors influenced these metrics during the study period which have not been controlled for in this analysis to isolate the effects of the fare free policy including but not limited to:

- COVID-19 pandemic recovery and economic reopening;
- Federal stimulus programs (CARES Act, ARPA);
- Remote work trends affecting commuter patterns;
- National inflation and housing market dynamics;
- Regional economic development initiatives.

The analysis provides valuable context for understanding transit's role in the urban economy but should not be viewed as conclusive evidence for or against fare collection. The property tax revenue analysis does not consider costs of serving new development, though costs may be low if existing facilities have excess capacity.

Public Safety Data

Tucson Police Department investigated public safety responses and retail theft trends associated with transit facilities. Unfortunately, incident and call for service data are captured at the address level, not at the bus stop level, which prevents accurately identifying incidents related to transit facilities or services. This deficiency in data collection prevents analysis to isolate the effects of fare free transit on crime trends. Overall, total reported crime has generally decreased since 2020.

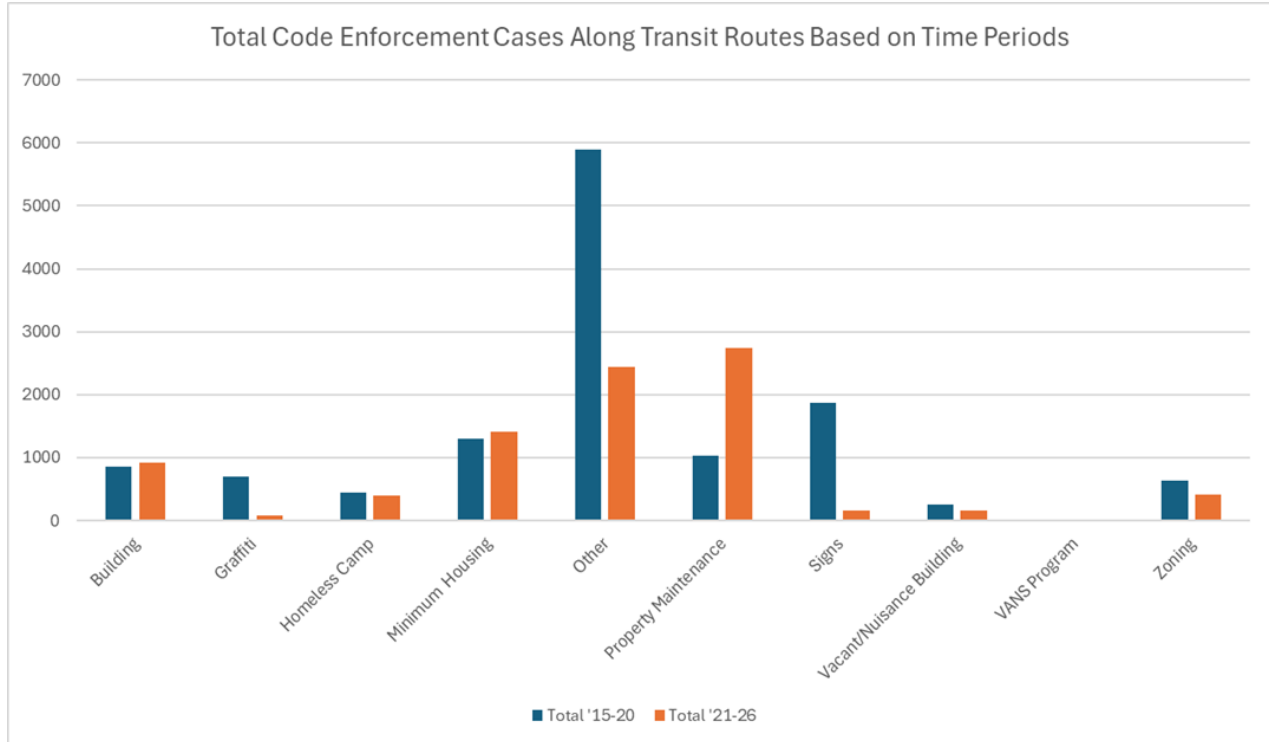
One of the recommendations in the Transit Safety & Security Action Plan (TSSAP) is to standardize transit incident data collection efforts by TPD, Sun Tran and contracted private security guards by location and incident type for improved data tracking and reporting. New transit incident data dashboards are in development that will help track the scale and scope of incidents on the transit system and support more targeted interventions to reduce them. Preliminary Sun Tran Incident dashboard report is included as Attachment H.

Code Enforcement

Planning & Development Services Department compiled code enforcement activity data. Code enforcement is complaint driven, so the data reflects only complaints submitted to the City of Tucson and is not a full picture of code violations along transit corridors. The data is grouped into two sets: 2015-2020 and 2021-2026. The City transitioned to a new case management system in late 2022 and also made significant changes in how code enforcement complaints/cases are categorized. The datasets used below are from both systems (pre- and post-2022) and are not an "apples to apples" comparison.

Overall, code enforcement cases along transit routes have gone down post 2020, except for property maintenance cases. Figure 3. shows the most common code enforcement categories along transit routes within the city: building, graffiti, homeless camp, minimum housing, property maintenance, signs, vacant/nuisance buildings, VANS Program, and zoning. The 'other' category represents a variety of other violation types that are not very relevant to the discussion. Attachment F provides this same chart and accompanying maps.

Figure 3. Total Code Enforcement Cases Along Transit Routes Comparison: 2015-2020 vs. 2021-2026



- Plan Tucson Consideration(s) – *Plan Tucson* goals and policies that support these efforts include:
- Goal 13: Expand and Improve Access to High-Quality Transportation Choices, Enhance Safety, and Improve the Condition of City Streets and Other Infrastructure
 - T4: Develop safe, convenient, accessible, and connected transportation networks for walking, biking, and rolling that are in alignment with the Complete Streets Policy.
 - T5: Support policies and initiatives to develop a coordinated, multi-modal transportation system that improves the efficiency, safety, and reliability of transporting people and goods in and outside of the region.
 - T6: Design future streets and rights-of-way, as well as retrofits, that are sized in a way and include amenities that will make multi-modal transportation choices convenient, attractive, safe, and heat resilient.

Financial Considerations – In FY26 the City of Tucson General Fund is projected to contribute \$64.8M towards operating the transit system. Prior actions by Mayor and Council and the approval of the RTA Next Plan are expected to increase revenue available for transit service by approximately \$12.65M in FY27.

Legal Considerations – Should Mayor and Council direct staff to move forward with any of the options outlined in this memorandum, the City Attorney’s Office will work with staff to ensure compliance with all applicable laws, codes, and regulations. Staff will also ensure compliance with Federal Transit Administration regulations.

Respectfully submitted,



Kristina Swallow
Assistant City Manager

KS/AB/jtm/hw

TRANSPORTATION AND MOBILITY

- Attachments: Attachment A – Mass Transit Revenues and Maintenance of Effort Requirements
Attachment B – 2018 Transit Fare Structure
Attachment C – Letter with RTA re: Pre Authorization for RTA projects/programs
Attachment D – Preliminary DRAFT Tucson Transit Pre- and Post-Pandemic
Ridership, Demographic, Economic, and Fiscal Outcomes Study
Report
Attachment E – Draft Tucson Transit Pre- and Post-Pandemic Data Compiled for
Ridership, Demographic, Economic, and Fiscal Outcomes Study
Data Slides
Attachment F – City Code Enforcement Cases Along Transit Routes: Comparison of
Cases Between 2015-2020 and 2021-2026
Attachment G – Estimated Timeline and Cost to Return to Fare Collection
Attachment H – Sun Tran Incident Dashboard Report