



RESOLUTION NO. R2010-11

Fare Simplification/Coordination and Rate Change

MEETING:	DATE:	TYPE OF ACTION:	STAFF CONTACT:	PHONE:
Executive Committee	4/1/10	Recommendation to Board	Ric Ilgenfritz, Executive Director	206-398-5239
Operations & Administration Committee	4/15/10	Recommendation to Board	Brian Brooke, Program Manager	206-398-5229
Board	4/22/10	Final Action		

PROPOSED ACTION

Adopts new fare rates and fare structures for ST Express bus and Link light rail and supersedes Resolution No. R2009-01 and Resolution No. R2005-05.

KEY FEATURES

Through two rate changes in June 2010 and June 2011, this proposal:

- Eliminates the current ST Express one-zone fare and two-zone fare within any one county, and replaces them with one rate for any in-county ST Express trip.
- Eliminates the current ST Express three-zone fare and inter-county two-zone fare, and replaces them with one consistent rate for any ST Express trip spanning two counties.
- Coordinates ST Express fares with those of partner transit agencies to establish a target level for similar transit services in the shared regional transit market.
- Increases the base adult fare for Link by \$0.25 in 2011.
- Simplifies Link fares for youth, seniors and persons with disabilities by reducing the distance surcharge to zero and aligning the resulting flat fare with that of in-county bus services.

PROJECT DESCRIPTION

Aligns ST Express bus fares and discounted Link light rail fares with those of similar transit services in the region, resulting in net annual fare revenue increases of \$1.18m in 2010 and \$3.90m in 2011, while simplifying fare payment for customers using multiple transit systems and modes.

FISCAL INFORMATION

The Adopted 2010 Budget for ST Express farebox revenue is \$19.1 million and \$10.5 million for Central Link. If the proposed fare structure and pricing level are adopted, the farebox revenue for ST Express would increase by about \$1.18 million in 2010. There would be no change for Central Link since the proposed change would not take effect until 2011.

There is no action outside of the Board-adopted budget; there are no contingency funds required, no subarea impacts or funding required from other parties other than what is already assumed in the financial plan.

SMALL BUSINESS PARTICIPATION

Not applicable for this action.

EQUAL EMPLOYMENT WORKFORCE PROFILE

Not applicable for this action.

BACKGROUND for PROPOSED ACTION

Since establishing ST Express fares in 1999, Sound Transit has increased bus fares only once, compared to four times for each partner transit agency:

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Community Transit	•						•			•		•
King County Metro			•							•	•	•
Pierce Transit	•			•				•			•	
Sound Transit							•					?

As a result Sound Transit’s bus fares, which had originally been established as higher premium service fares compared to those of partner transit agencies, are now relatively low. Further, as operating costs have risen, the projected farebox recovery ratio (fare revenue as a percent of operating costs) for ST Express will fall below 20% (the minimum level noted in Sound Move) in 2010 without an increase in fare revenue.

The need to change fares creates an opportunity to simplify and better coordinate fare levels with those of partner transit agencies. Currently a rider paying a basic adult bus fare in Sound Transit’s service area is faced with as many as ten different prices, depending on the agency, route, zones traveled, or time of day for the bus trip.

Even within Sound Transit’s ST Express network, the current zone system, originally established to coincide with financial subareas, creates pricing differences that can be confusing and difficult to justify to customers. Examples, comparing trips of similar length:

- A trip from Renton to Kent costs \$1.50, while a trip from Renton to Bellevue costs \$2.50
- A trip from Seattle to Everett costs \$2.50, while a trip from Seattle to Tacoma costs \$3.00

This action proposes to improve consistency with partner transit agencies and among Sound Transit’s ST Express routes by consolidating to two ST Express base adult fare levels by June 2011:

- \$2.50 for all in-county service, equal to the rate for Pierce Transit service and most or all 2011 King County Metro peak service
- \$3.50 for all inter-county service, equal to the rate for Community Transit Snohomish/King inter-county fares

For youth, the resulting 2011 fares are:

- \$1.25 for in-county service, equal to the rate for Community Transit and a proposed target rate for King County Metro youth fares
- \$2.50 for inter-county service, equal to the rate for Pierce Transit express service and a proposed target rate for Community Transit Snohomish/King inter-county youth fares

For seniors and persons with disabilities, the 2011 fares are:

- \$0.75 for in-county service, equal to the rate for Community Transit and Pierce Transit and King County Metro service
- \$1.50 for inter-county service, equal to the rate for Community Transit Snohomish/King inter-county fares

The fare changes for June 2010 and June 2011 are proposed to be staged as follows:

Current Fares	One-zone	Two-zone	Three-zone
Adult	\$1.50	\$2.50	\$3.00
Youth	\$1.00	\$1.75	\$2.50
Senior/Disabled	\$0.50	\$1.25	\$1.50

June, 2010	One-zone	Two-zone	Inter-county
Adult	\$2.00	\$2.50	\$3.00
Youth	\$1.00	\$1.75	\$2.50
Senior/Disabled	\$0.75	\$1.25	\$1.50

June, 2011	In-county	Inter-county
Adult	\$2.50	\$3.50
Youth	\$1.25 (bus & Link)	\$2.50
Senior/Disabled	\$0.75 (bus & Link)	\$1.50

In total, the ST Express fare changes result in an estimated annual net fare revenue increase of \$1.18m in 2010 and \$3.65m in 2011, while 2011 ST Express farebox recovery rises to 22.6%. With all fare changes implemented, ST Express revenues would be 22.5% higher than at current fare levels – a roughly \$400,000 per month revenue increase on an ongoing basis.

This analysis does take into account a projected decrease in ridership due to higher fare levels. The proposed 2010 fare increase is projected to result in a .9% decrease in ST Express ridership, or roughly 19,000 riders per month. The proposed 2011 fare change would result in a further 1.7% ridership decrease (2.6% total), or an additional loss of 23,000 riders per month (for a total loss of roughly 42,000 per month vs. leaving fares at current levels).

Fares for Link are proposed to increase \$0.25 in the adult fare categories in June 2011, and to simplify youth and senior/disabled fare categories to equal rates for bus services in King County:

	Current	June 2011
Adult	\$1.75 to \$2.50	\$2.00 to \$2.75
Youth	\$1.25 to \$2.00	\$1.25
Senior/Disabled	\$0.75 to \$1.25	\$0.75

In total, the Link fare changes result in an estimated 2.5% increase to fare revenue in 2011, or roughly \$50,000 per month on an ongoing basis. The projected 1.2% net loss of Link ridership from these fare changes in 2011 translates to roughly 17,000 riders per month.

ENVIRONMENTAL COMPLIANCE

JI 3/23/10

PRIOR BOARD/COMMITTEE ACTIONS

Resolution No. R2009-01 - Established a distance-based fare structure for use on Link light rail and adopted the corresponding fare level to be charged for riding Link light rail

Resolution No. R2005-05 – Increased fares for ST Express Bus service effective June 2005

Resolution No. R99-2-2 – Superseded Resolution No. R99-2-1, Sound Transit’s Fare Policy

TIME CONSTRAINTS

A delay of Board action beyond April 22, 2010 would delay any possible fare changes until a later service change date.

PUBLIC INVOLVEMENT

- A Title VI analysis of environmental equity for this proposal will be issued in April 2010.
- A public hearing for this proposed action will be held in April 2010.

LEGAL REVIEW

RM 3/30/10